

ZAVAROVALNICA TRIGLAV D.D.
HEADQUARTERS
MIKLOŠIČEVA CESTA 19, 1000 LJUBLJANA



UNAUDITED ANNUAL REPORT FOR 2011

OF THE TRIGLAV GROUP

AND

ZAVAROVALNICA TRIGLAV d.d.

(unaudited financial statements according to IFRS)

Ljubljana, 16 March 2012

Translation disclaimer:

The English language version of the Unaudited annual report for 2011 of the Triglav Group and Zavarovalnica Triglav d.d. (unaudited financial statements according to IFRS) is the translation of the Slovene version of the Unaudited annual report for 2011 of the Triglav Group and Zavarovalnica Triglav d.d. (unaudited financial statements according to IFRS). The Slovene language version of the interim report is the official version. Translation accuracy is not guaranteed nor implied. If any questions arise related to the accuracy of the information contained in the translation, please refer to the Slovene version of the document. Any discrepancies or differences created in the translation are not binding and have no legal effect for compliance or enforcement purposes. To the maximum extent permissible by law, Zavarovalnica Triglav d.d., its directors, officers, employees do not accept any liability whatsoever for any loss arising from this translation or its contents or otherwise arising in connection with this English translation.

We naturally welcome any suggestions for corrections to the published translated document.

1. SUMMARY OF THE PERFORMANCE OF THE TRIGLAV GROUP AND ZAVAROVALNICA TRIGLAV IN 2011

1.1. Financial result in 2011

In spite of the financial crisis and developments in the banking sector, the Triglav Group and Zavarovalnica Triglav in 2011 posted higher profits than in 2010. The profit before tax of the Triglav Group generated in 2011 amounted to EUR 58.0 million and its net profit equalled EUR 47.5 million, whilst profit before tax of Zavarovalnica Triglav d.d. totalled EUR 54.4 million and its net profit EUR 43.8 million.

By pursuing the primary strategic guideline of the Triglav Group, i.e. maximisation of profitability of operations and risk management, the existing portfolio was selected in strict compliance with the professional rules and actuarial calculations. This mostly helped reduce the amounts of claims paid as well as slow down premium growth. The letter was also the result of a lower demand for certain insurance products, due to decreased economic activity, lower exports and imports, bankruptcy of numerous companies, reduced purchasing power, higher unemployment rate, a downward trend in the volume of bank lending, etc. The combined ratio — a measure of profitability in core insurance operations — was favourable: 83.0% in Zavarovalnica Triglav and 90.1% in the Triglav Group.

Consolidated net premium income of the Triglav Group amounted to EUR 916.3 million and was 3% below the figure reported at the end of 2010. Compared to 2010, net premium income from health insurance rose by 11%, but net premium income from property insurance and life insurance decreased by 5% and 4% respectively. The Triglav Group posted EUR 576.1 million of consolidated net claims incurred, which was 3% more than in 2010: net claims incurred were higher in life and health insurance by 31% and 9% respectively, but lower in property insurance by 5%.

Consolidated gross operating expenses totalled EUR 286.2 million (index 98): gross operating expenses of insurance business amounted to EUR 234.6 million and expenses of non-insurance business to EUR 51.6 million. Operating expenses of insurance business accounted for 23.7% of consolidated gross written premiums.

The business results of the Triglav Group are heavily influenced by the situation on the capital markets, as diverse financial investments represent the majority of Zavarovalnica Triglav's total assets. Despite a relatively conservative investment policy of Zavarovalnica Triglav, the global financial crisis and the current situation on capital markets negatively affected the value of some of these investments. Returns on financial assets recorded by the Triglav Group, i.e. the difference between income (EUR 149.0 million) and expenses (EUR 202.0 million) from financial assets, in 2011 were EUR 53.0 million negative. Negative returns were primarily caused by permanent impairments which totalled EUR 63.2 million.

Consolidated change in other insurance technical provisions amounted to EUR -2.9 million, change in insurance technical provisions for unit-linked insurance contracts equalled EUR -11.4 million and expenses for bonuses and rebates totalled EUR 6.5 million (index 113).

In 2011 other income from insurance operations of the Triglav Group rose by 18% compared to 2010 to EUR 26.4 million and other income amounted to EUR 57.2 million (index 93). Other expenses from insurance operations totalled EUR 56.0 million (index 91) and other expenses equalled EUR 61.3 million (index 72).

1.2. Financial position in 2011

Total balance sheet assets of the Triglav Group as at 31 December 2011 stood at EUR 2,962,0 million (index 98) and those of Zavarovalnica Triglav at EUR 2,516.6 million, which was 3% less than as at the 2010 year end.

The total value of equity of the Triglav Group as at 31 December 2011 stood at EUR 489.5 million and was 2% lower than one year earlier. The portion of equity in balance sheet total was 16.5%. As at the reporting date controlling interests amounted to EUR 465.3 million and non-controlling interests holders had EUR 24.2 million. Share capital totalled EUR 73.7 million and was divided into 22,735,148 ordinary shares. At the 35th Annual General Meeting of Shareholders of Zavarovalnica Triglav a resolution was passed to increase the share capital by capitalisation of reserves without issuing new shares. Consequently share capital was raised by EUR 50.0 million from net profit brought forward. The fair value reserve, which shows changes in the fair value of available-for-sale financial assets, was EUR 2,8 million. This decrease was owed to developments in capital markets caused by the financial crisis and consequent impairment of investments due to their falling values. Share premium amounted to EUR 53.2 million and reserves from profit to EUR 230.8 million, after a strong increase resulting from EUR 160.0 million transferred from profit for the year. As at 31 December 2011, accumulated profit for the year was EUR 107.3 million, including a net profit for the year of EUR 46.2 million and a net profit brought forward of EUR 61.1 million.

On the liabilities side, gross insurance technical provisions of the Triglav Group decreased by 2% to EUR 2,234.1 million by the end of 2011. In balance sheet total their share increased by 0.3 percentage points, from 75.1 to 75.4%. Among insurance technical provisions, both mathematical provisions and claims provisions decreased by 1%, provisions for gross unearned premiums dropped by 2% and other insurance technical provisions by 27%.

Operating liabilities as at the 2011 year end amounted to EUR 57.9 million, which was 15% less than one year earlier, and accounted for 2.0% of balance sheet total. Liabilities from direct insurance operations dropped by 10% to EUR 20.9 million, whilst liabilities from co-insurance and reinsurance operations rose by 29% to EUR 36.1 million.

Compared to 31 December 2010, financial liabilities of the Triglav Group increased to EUR 39.5 million as at the end of the reporting year (index 113). In balance sheet total they accounted for 1.3%, compared to 2010 when they represented 1.2% of the total.

As at the 2011 year end, financial assets of the Triglav Group stood at EUR 2,326.0 million, which represents a 2% rise compared to the previous year. In total assets, financial assets increased by 3.1 percentage points to 78.5% as at the reporting date. In total financial assets, unit-linked insurance assets amounted to EUR 364.7 million and financial investments to EUR 1,961.3 million. In total financial investments, EUR 439.7 million is accounted for by deposits and loans, EUR 245.2 million by investments held to maturity, EUR 1,192.9 million by investments available for sale and EUR 83.5 million by investments recognised at fair value through profit or loss.

After a strong decrease, financial investments of the Triglav Group in associates as at 31 December 2011 went down to EUR 20.5 million and represented 0.7% of total assets. The main reason for decreased financial investments is the elimination of Abanka Vipava d.d. from the group of associated companies and its inclusion in investments available for sale. Zavarovalnica Triglav holds a 25.61% equity holding in Abanka, which in 2010 was disclosed as an associate, since the voting rights of Zavarovalnica Triglav provided it significant influence in Abanka. As at 31 December 2011 the equity holding in Abanka was the same as at 31 December 2010. However, on 20 January 2011 Zavarovalnica Triglav received a decision of the Securities Market Agency on the cancellation of its voting rights in Abanka, whereby the significant influence was annulled. As a result, in 2011 the equity holding was excluded from

financial investments in associates and recognised as a financial investment available for sale. The same applies to all other items referring to the said associate in the income statement and the statement of financial position.

The Triglav Group disclosed EUR 96.8 million in investment property. Compared to the 2010 year end, investment property grew by 15% and accounted for 3.3% of total assets.

The Triglav Group's receivables as at 31 December 2011 totalled EUR 205.0 million, which represents a 5% decrease since the 2010 year end. Receivables accounted for 6.9% of total assets. Receivables from direct insurance operations amounted to EUR 118.6 million (index 93), receivables from co-insurance and reinsurance operations totalled EUR 40.7 million (index 90) and other receivables stood at EUR 45.3 million (index 105).

The insurance technical provisions transferred to reinsurance contracts of the Triglav Group as at 31 December 2011 stood at EUR 44.0 million, which was 1% less than one year earlier.

As at the 2011 year end, property, plant and equipment of the Group stood at EUR 128.8 million and represented 4.3% of total assets. Intangible assets amounted to EUR 63.3 million and accounted for 2.1% of total assets.

1.3. Financial highlights of the Triglav Group

In EUR thousand

	2011	2010	2009	INDEX 2011/2010	INDEX 2010/2009
Gross written premium	989,399	1,013,560	1,022,260	98	99
Net premium income	916,279	946,170	946,344	97	100
Gross claims settled	593,872	588,325	597,203	101	99
Net claims incurred	576,117	557,705	610,885	103	91
Gross operating costs	286,158	293,138	288,502	98	102
Gross insurance technical provisions as at 31 December	2,234,143	2,270,916	2,161,764	98	105
Equity as at 31 December	489,470	498,978	477,788	98	104
Controlling interests as at 31 December	465,265	470,765	449,910	99	105
Profit/loss before tax	58,000	43,250	2,081	134	2,078
Net profit/loss	47,497	26,650	-6,292	178	
Net profit/loss attributable to the controlling company	47,061	27,847	-4,811	169	
Return on equity	9.6%	5.5%	-1.3%	175	
Return on equity attributable to the controlling company	10.1%	6.0%	-1.0%	166	
Number of employees as at 31 December	4,966	5,247	5,237	95	100

1.4. Financial highlights of the Zavarovalnica Triglav, d.d.

In EUR thousand

	2011	2010	2009	INDEX 2011/2010	INDEX 2010/2009
Gross written premium	696,696	721,347	744,456	97	97
Net premium income	628,109	657,417	669,074	96	98
Gross claims settled	415,204	418,700	435,881	99	96
Net claims incurred	382,951	364,220	414,235	105	88
Gross operating costs	163,841	170,409	166,211	96	103
Gross insurance technical provisions as at 31 December	1,940,825	1,985,056	1,897,137	98	105
Equity as at 31 December	437,692	481,852	477,389	91	101
Profit/loss before tax	54,396	46,714	3,235	116	1,444
Net profit/loss	43,783	32,104	-1,811	136	
Return on equity	9.5%	6.7%	-0.4%	142	
Number of employees as at 31 December	2,400	2,441	2,514	98	97
Share book value (in EUR)	19.25	21.19	21.00	91	101
Net profit/loss per share (in EUR)	1.93	1.41	-0.08	136	

2. CONSOLIDATED FINANCIAL STATEMENT OF THE TRIGLAV GROUP

A. CONSOLIDATED BALANCE SHEET

In EUR

	31.12.2011	31.12.2010
ASSETS		
Intangible assets	63,333,465	61,218,108
Property, plant and equipment	128,808,682	142,550,661
Deferred tax receivables	40,661,243	27,545,028
Investment property	96,784,890	84,256,259
Investments in associates	20,504,563	117,067,739
Financial assets	2,326,023,820	2,282,449,510
<i>Financial investments:</i>	1,961,339,446	1,904,557,249
- <i>loans and deposits</i>	439,712,247	364,944,602
- <i>held to maturity</i>	245,218,281	253,578,582
- <i>available for sale</i>	1,192,865,725	1,195,021,035
- <i>recognised at fair value through profit and loss</i>	83,543,191	91,013,031
<i>Unit-linked insurance assets</i>	364,684,374	377,892,261
Reinsurers' share of technical provisions	43,983,083	44,221,316
Receivables	205,049,270	216,643,960
- receivables from direct insurance operations	118,559,323	127,992,948
- receivables from reinsurance and co-insurance operations	40,739,474	45,432,007
- current tax receivables	459,509	2,427
- other receivables	45,290,964	43,216,578
Other assets	12,597,206	12,949,696
Cash and cash equivalents	22,771,667	34,108,090
Non-current assets held for sale	1,482,215	1,385,441
TOTAL ASSETS	2,962,000,104	3,024,395,808
EQUITY AND LIABILITIES		
Equity	489,469,838	498,977,808
<i>Controlling interests</i>	465,264,933	470,765,036
- share capital	73,701,402	23,701,391
- share premium	53,204,076	53,655,516
- reserves from profit	230,826,820	69,417,981
- fair value reserve	2,786,975	45,520,845
- net profit brought forward	61,135,220	269,153,671
- net profit/loss for the year	46,175,732	11,313,293
- currency translation differences	-2,565,292	-1,997,661
<i>Non-controlling interests</i>	24,204,905	28,212,772
Subordinated liabilities	40,932,090	40,932,090
Insurance technical provisions	1,869,646,881	1,894,832,826
- unearned premiums	291,740,398	296,367,451
- mathematical provisions	845,464,934	849,847,775
- claims provisions	705,464,250	711,728,317
- other insurance technical provisions	26,977,299	36,889,283
Insurance technical provisions for unit-linked insurance contracts	364,495,891	376,083,063
Employee benefits	10,392,165	10,278,077
Other provisions	19,140,222	17,797,395
Deferred tax liabilities	9,613,587	14,110,839
Other financial liabilities	39,491,120	34,870,425
Operating liabilities	57,860,742	68,049,411
- liabilities from direct insurance operations	20,928,061	23,243,104
- liabilities from reinsurance and co-insurance operations	36,106,029	27,928,812
- current tax liabilities	826,652	16,877,495
Other liabilities	60,957,569	68,463,874
TOTAL CAPITAL AND LIABILITIES	2,962,000,105	3,024,395,808

B. CONSOLIDATED INCOME STATEMENT

	In EUR	
	2011	2010
NET PREMIUM INCOME	916,278,896	946,170,224
- gross written premium	989,398,804	1,013,560,225
- ceded written premium	-80,087,864	-74,371,737
- change in unearned premium reserve	6,967,956	6,981,736
INCOME FROM FINANCIAL ASSETS	148,981,933	181,533,361
<i>INCOME FROM FINANCIAL ASSETS IN ASSOCIATES</i>	4,269,157	6,332,162
- profit on equity investments accounted for using the equity method	4,265,615	3,525,434
- interest income	3,060	1,353,194
- dividends	0	0
- fair value gains	0	187,561
- realised gains on disposals	0	1,261,807
- other financial income	482	4,166
<i>INCOME FROM OTHER FINANCIAL ASSETS</i>	118,961,870	132,682,856
- interest income	85,744,485	83,863,954
- dividends	4,366,741	3,110,228
- fair value gains	6,575,898	12,834,622
- realised gains on disposals	16,145,886	26,366,161
- other financial income	6,128,860	6,507,892
<i>NET UNREALISED GAINS ON UNIT-LINKED LIFE INSURANCE ASSETS</i>	25,750,906	42,518,343
OTHER INCOME FROM INSURANCE OPERATIONS	26,441,506	22,433,024
- fees and commission income	17,402,868	14,633,234
- other income from insurance operations	9,038,638	7,799,790
OTHER INCOME	57,156,897	61,561,494
NET CLAIMS INCURRED	576,117,033	557,704,906
- gross claims settled	593,872,215	588,325,459
- reinsurers' share	-22,450,576	-30,148,316
- changes in claims provisions	-1,961,843	-6,334,129
- equalisation scheme expenses for supplementary health insurance	6,657,237	5,861,892
CHANGE IN OTHER INSURANCE TECHNICAL PROVISIONS	-2,909,572	62,450,614
CHANGE IN INSURANCE TECHNICAL PROVISIONS FOR UNIT-LINKED INSURANCE CONTRACTS	-11,402,162	66,351,880
EXPENSES FOR BONUSES AND DISCOUNTS	6,458,995	5,735,228
CHANGE IN LIABILITIES FROM FINANCIAL CONTRATS	0	0
OPERATING EXPENSES	203,308,320	208,135,976
- acquisition costs	130,633,390	132,463,862
- other operating costs	72,674,930	75,672,114
EXPENSES FROM FINANCIAL ASSETS AND LIABILITIES	202,010,429	121,554,254
<i>EXPENSES FROM FINANCIAL ASSETS AND LIABILITIES IN ASSOCIATES</i>	19,175,570	4,683,649
- loss on investments accounted for using the equity method	16,977,661	1,504,027
- interest expense	0	589,645
- fair value losses	1,775,494	174,093
- realised loss on disposals	94,434	0
- loss on impairment of financial assets	327,453	2,387,884
- other expenses from financial assets and liabilities	528	28,000
<i>EXPENSES FROM OTHER FINANCIAL ASSETS AND LIABILITIES</i>	107,035,830	88,273,022
- interest expense	5,849,807	6,531,136
- fair value losses	10,847,926	12,215,391
- realised loss on disposals	17,273,701	9,414,307
- loss on impairment of financial assets	62,861,127	48,664,399
- other expenses from financial assets and liabilities	10,203,269	11,447,789
<i>NET UNREALISED LOSSES ON UNIT-LINKED LIFE INSURANCE ASSETS</i>	75,799,029	28,597,583
OTHER INSURANCE EXPENSES	55,953,030	61,439,998
OTHER EXPENSES	61,323,544	85,074,981
PROFIT BEFORE TAX	57,999,615	43,250,266

	In EUR	
	2011	2010
Income tax expense	-10,502,374	-16,600,458
NET PROFIT / LOSS FOR THE ACCOUNTING PERIOD	47,497,241	26,649,808
Net profit/loss attributable to the controlling company	47,060,748	27,846,858
Net loss attributable to non-controlling interest holders	436,490	-1,197,048

C. CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	In EUR	
	2011	2010
I. NET PROFIT/LOSS FOR THE YEAR AFTER TAX	47,497,241	26,649,810
II. OTHER COMPREHENSIVE INCOME AFTER TAX	-43,870,371	-9,683,289
1. Net gains/losses from the remeasurement of available-for-sale financial assets	-69,942,764	-20,471,532
-Gains/losses recognised in fair value reserve	130,511,883	-39,298,578
-Transfer from fair value reserve to profit/loss	-60,569,123	18,827,046
2. Net gains/losses from the remeasurement of non-current assets held for sale	-198,746	0
-Gains/losses recognised in fair value reserve	0	0
-Transfer from fair value reserve to profit/loss	-198,746	0
3. Gains/losses recognised in fair value reserve and net profit/loss brought forward arising from equity in associates and jointly controlled entities recognised using the equity method	-2,164,189	-483,129
4. Liabilities from insurance contracts with a discretionary participating feature (shadow accounting)	9,274,697	9,349,361
5. Currency translation adjustment	-566,861	-538,760
6. Tax on other comprehensive income	19,727,492	2,460,771
III. COMPREHENSIVE INCOME OR LOSS FOR THE YEAR AFTER TAX	3,626,870	16,966,521
Controlling interests	3,718,858	18,458,702
Non-controlling interests	-91,988	-1,492,181

D. CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

2011	Reserves from profit								Fair value reserve	Net profit brought forward	Net profit for the year	Treasury shares	Currency translation differences	Total equity attributable to the controlling company	Non-controlling interests	TOTAL
	Share capital	Share premium	Contingency reserves	Treasury share reserves	Legal and statutory reserves	Credit risk reserves	Catastrophe reserves	Other reserves from profit								
OPENING BALANCE FOR THE PERIOD	23.701.392	53.655.514	529.798	364.680	19.451.956	33.436.225	0	16.000.000	45.520.845	269.153.671	11.313.295	-364.680	-1.997.661	470.765.035	28.212.772	498.977.808
Comprehensive income for the year after tax									-42.774.286		47.060.748		-567.604	3.718.858	-91.988	3.626.870
Dividend payment										-9.088.053				-9.088.053	-22.019	-9.110.072
Increase of share capital	50.000.000									-50.000.000				0		0
Allocation to other reserves from profit								160.000.000		-160.000.000				0		0
Allocation to other equity items					-20.971				40.416	-19.445				0		0
Allocation and use of reserves for credit risk and catastrophe claims						1.429.813					-885.016			544.797	-51.128	493.669
Allocation to net profit brought forward										11.313.295	-11.313.295			0		0
Other		-451.438								-224.248				-675.686	-3.842.732	-4.518.418
CLOSING BALANCE FOR THE PERIOD	73.701.392	53.204.076	529.798	364.680	19.430.985	34.866.038	0	176.000.000	2.786.975	61.135.220	46.175.732	-364.680	-2.565.265	465.264.951	24.204.905	489.469.857

In EUR

2010	Reserves from profit								Fair value reserve	Net profit brought forward	Net profit for the year	Treasury shares	Currency translation differences	Total equity attributable to the controlling company	Non-controlling interests	TOTAL
	Share capital	Share premium	Contingency reserves	Treasury share reserves	Legal and statutory reserves	Credit risk reserves	Catastrophe reserves	Other reserves from profit								
OPENING BALANCE FOR THE PERIOD	23.701.392	53.892.536	1.211.903	364.680	20.019.013	32.861.909	87.361	0	54.370.241	271.086.496	-5.861.927	-364.680	-1.458.901	449.910.023	27.877.664	477.787.687
Comprehensive income for the year after tax									-8.849.396		27.846.858		-538.760	18.458.702	-1.492.180	16.966.522
Allocation of net profit to other reserves from profit						574.316		16.000.000			-16.533.563			40.753	-40.753	0
Offset of loss from previous years					-595.396					595.396				0		0
Allocation and use of reserves for credit risk and catastrophe claims			-682.105				-87.361			769.466				0		0
Allocation to net profit brought forward										-5.861.927	5.861.927			0		0
Recognition of reserves arising from group transactions		-237.022								3.100.787				2.863.765		2.863.765
Other					28.339					-536.547				-508.208	1.868.042	1.359.834
CLOSING BALANCE FOR THE PERIOD	23.701.392	53.655.514	529.798	364.680	19.451.956	33.436.225	0	16.000.000	45.520.845	269.153.671	11.313.295	-364.680	-1.997.661	470.765.035	28.212.772	498.977.808

E. CONSOLIDATED CASH FLOW STATEMENT

in EUR

		2011	2010
A. OPERATING CASH FLOW			
a,	Income statement items	15,483,061	83.347.693
1,	Net written premium for the period	921,231,920	943.572.313
2,	Investment income (excluding financial income), arising from:	52,023,035	97.321.632
	- Insurance technical provisions	48,394,304	85.873.869
	- other sources	3,628,731	11.447.763
3,	Other operating income (excluding revaluation and provisions) and financial income	92,424,896	94.388.281
4,	Net claims paid	-575,979,434	-565.839.477
5,	Expenses for bonuses and discounts	-10,789,820	-7.023.719
6,	Net operating expenses less depreciation and changes in deferred acquisition costs	-180,378,877	-223.122.725
7,	Investments expenses (excluding depreciation and financial expenses), arising from:	-128,112,894	-80.215.840
	- Insurance technical provisions	-113,123,136	-65.974.172
	- other sources	-14,989,758	-14.241.668
8,	Other operating expenses excluding depreciation (except for revaluation and without changes in provisions)	-130,489,363	-165.401.229
9,	Corporate income tax and other taxes excluded from operating expenses	-24,446,402	-10.331.543
b,	Changes in net current assets	-108,901,945	-13.961.043
1,	Changes in receivables from insurance operations	-8,701,560	-45.957.161
2,	Changes in receivables from reinsurance operations	13,231,300	-13.254.063
3,	Changes in other receivables from (re)insurance operations	11,946,762	-911.942
4,	Changes in other receivables and assets	-5,150,334	-10.282.220
5,	Changes in deferred tax assets	-8,192,753	-4.525.176
6,	Changes in inventories	543,313	376.634
7,	Changes in liabilities from direct insurance operations	-763,375	12.553.097
8,	Changes in liabilities from reinsurance	1,501,610	4.861.141
9,	Changes in other liabilities from operations	-93,986,597	27.622.054
10,	Changes in other liabilities (less unearned premiums)	2,732,819	23.166.123
11,	Changes in deferred tax liabilities	-22,063,130	-7.609.531
c,	Operating cash flow	-93,418,884	69.386.650
B. CASH FLOW FROM INVESTING ACTIVITIES			
a,	Cash inflows from investing activities	3,154,641,695	3.830.451.648
1,	Cash inflows from interest from investments	81,672,158	82.919.195
	- investments financed from insurance technical provisions	77,990,411	77.320.216
	- other investments	3,681,747	5.598.979
2,	Cash inflows from dividends from investments	4,820,953	4.742.245
	- investments financed from insurance technical provisions	1,563,343	2.155.552
	- other investments	3,257,610	2.586.693
3,	Cash inflows from disposal of intangible assets	776,499	255.070
	- Insurance technical provisions	155,769	223.281
	- other sources	620,730	31.789
4,	Cash inflows from disposal of tangible fixed assets	2,239,195	2.295.708
	- Insurance technical provisions	294,039	1.377.554
	- other sources	1,945,156	918.154
5,	Cash inflows from disposal of long-term financial investments, financed from	854,302,483	944.433.982
	- Insurance technical provisions	741,489,085	781.575.078
	- other sources	112,813,398	162.858.904
6,	Cash inflows from the disposal of short-term of financial investments, financed from	2,210,830,407	2.795.805.448
	- Insurance technical provisions	2,055,075,841	2.618.867.548
	- other sources	155,754,566	176.937.900

		in EUR	
		2011	2010
b,	Cash outflows for investing activities	-3,060,222,681	-3.886.606.162
1,	1. Cash outflows for the purchase of intangible assets	-5,123,713	-4.656.655
2,	2. Cash outflows for the purchase of tangible fixed assets	-9,586,447	-17.108.853
	- Insurance technical provisions	-4,532,464	-3.260.195
	- other sources	-5,053,983	-13.848.658
3,	3. Cash outflows for the purchase of long-term financial investments, financed from	-926,368,493	-1.226.313.687
	- Insurance technical provisions	-788,020,378	-1.078.995.831
	- other sources	-138,348,115	-147.317.856
4,	4. Cash outflows for the purchase of short-term of financial investments, financed from	-2,119,144,028	-2.638.526.967
	- Insurance technical provisions	-1,968,482,135	-2.520.295.968
	- other sources	-150,661,893	-118.230.999
c,	Total cash flow from investing activities	94,419,014	-56.154.514
C. CASH FLOWS FROM FINANCING ACTIVITIES			
a,	Cash flows from financing activities	21,248,068	26.245.413
1,	1. Cash flows from issuance of capital	0	0
2,	2. Cash flows from long term loans	4,857,115	11.330.000
3,	3. Cash flows from short term loans	16,390,953	14.915.413
b,	Cash flows from financing activities	-33,673,683	-34.977.421
1,	1. Cash flows for interest that relate to financing	-3,829,877	-2.686.525
2,	2. Cash flows for return of capital	0	0
3,	3. Cash flows of financial liabilities	-13,933,500	-12.936.550
4,	4. Cash flows of financial liabilities	-7,030,545	-19.346.321
5,	5. Cash flows of dividends	-8,879,761	-8.024
c,	Total cash flow from financing activities	-12,425,615	-8.732.007
D. Opening balance of cash and cash equivalents		34,108,090	30,443,966
E1.Net cash flow for the period		-11,425,485	4,500,129
E2.Foreign exchange differences		89,061	-836,005
F. Closing balance of cash and cash equivalents		22,771,666	34,108,090

3. UNCONSOLIDATED FINANCIAL STATEMENT OF THE ZAVAROVALNICA TRIGLAV D.D.

A. UNCOSOLIDATED BALANCED SHEET

In EUR

	31.12.2011	31.12.2010
ASSETS		
Intangible assets	49,863,069	47,350,468
Property, plant and equipment	71,932,485	74,513,859
Deferred tax receivables	30,423,884	2,318,451
Investment property	19,984,888	18,991,368
Investments in subsidiaries	193,131,295	146,331,525
Investments in associates	10,855,503	124,056,048
Financial assets	1,972,634,968	1,982,993,308
<i>Financial investments:</i>	1,617,636,390	1,612,683,312
- <i>loans and deposits</i>	363,304,828	292,964,828
- <i>held to maturity</i>	211,599,458	234,345,596
- <i>available for sale</i>	976,228,336	1,011,195,334
- <i>recognised at fair value through profit and loss</i>	66,503,768	74,177,553
<i>Unit-linked insurance assets</i>	354,998,578	370,309,996
Reinsurers' share of technical provisions	54,547,910	54,773,513
Receivables	105,902,050	128,932,254
- receivables from direct insurance operations	80,970,481	81,995,067
- receivables from reinsurance and co-insurance operations	8,187,183	20,842,209
- other receivables	16,744,387	26,094,979
Other assets	3,060,960	3,558,407
Cash and cash equivalents	4,216,855	9,241,996
TOTAL ASSETS	2,516,553,868	2,593,061,197
EQUITY AND LIABILITIES		
Equity	437,692,451	481,851,900
- share capital	73,701,392	23,701,392
- share premium	53,412,884	53,412,884
- reserves from profit	211,286,919	51,286,920
- fair value reserve	5,969,185	84,817,134
- net profit brought forward	49,539,512	252,529,149
- net profit/loss for the year	43,782,559	16,104,423
Subordinated liabilities	40,932,091	40,932,091
Insurance technical provisions	1,585,925,020	1,616,757,365
- unearned premiums	219,683,849	222,359,771
- mathematical provisions	806,053,274	814,805,488
- claims provisions	537,912,790	547,035,843
- other insurance technical provisions	22,275,106	32,556,263
Insurance technical provisions for unit-linked insurance contracts	354,900,127	368,298,956
Employee benefits	8,300,010	7,825,952
Other provisions	835,806	1,030,672
Other financial liabilities	29,231,960	1,061,842
Operating liabilities	28,761,344	42,905,733
- liabilities from direct insurance operations	13,489,315	15,556,492
- liabilities from reinsurance and co-insurance operations	14,753,844	11,736,645
- current tax liabilities	518,186	15,612,596
Other liabilities	29,975,059	32,396,686
TOTAL CAPITAL AND LIABILITIES	2,516,553,868	2,593,061,197

B. UNCONSOLIDATED INCOME STATEMENT

	In EUR	
	2011	2010
NET PREMIUM INCOME	628,109,132	657,416,732
- gross written premium	696,696,368	721,347,366
- ceded written premium	-74,151,361	-70,495,291
- change in unearned premium reserve	5,564,125	6,564,658
INCOME FROM FINANCIAL ASSETS	116,412,108	164,414,264
<i>INCOME FROM FINANCIAL ASSETS IN ASSOCIATES</i>	<i>1,868,713</i>	<i>8,065,396</i>
- interest income	1,503,605	3,122,430
- dividends	364,626	1,640,319
- fair value gains	0	2,017,310
- realised gains on disposals	0	1,281,163
- other financial income	482	4,174
<i>INCOME FROM OTHER FINANCIAL ASSETS</i>	<i>89,694,474</i>	<i>114,360,049</i>
- interest income	70,521,806	69,662,294
- dividends	2,884,919	2,667,192
- fair value gains	5,879,135	11,775,105
- realised gains on disposals	9,676,006	27,192,748
- other financial income	732,607	3,062,710
<i>NET UNREALISED GAINS ON UNIT-LINKED LIFE INSURANCE ASSETS</i>	<i>24,848,921</i>	<i>41,988,820</i>
OTHER INCOME FROM INSURANCE OPERATIONS	31,182,642	31,980,944
- fees and commission income	27,202,415	26,995,690
- other income from insurance operations	3,980,228	4,985,254
OTHER INCOME	5,996,603	7,421,845
NET CLAIMS INCURRED	382,950,931	364,219,812
- gross claims settled	415,203,813	418,700,008
- reinsurers' share	-26,874,461	-37,391,311
- changes in claims provisions	-5,378,421	-17,088,886
CHANGE IN OTHER INSURANCE TECHNICAL PROVISIONS	-8,460,835	57,650,462
CHANGE IN INSURANCE TECHNICAL PROVISIONS FOR UNIT-LINKED INSURANCE CONTRACTS	-13,398,829	63,677,795
EXPENSES FOR BONUSES AND DISCOUNTS	5,315,757	5,302,525
OPERATING EXPENSES	139,957,133	145,599,496
- acquisition costs	97,581,422	100,046,923
- other operating costs	42,375,711	45,552,572
EXPENSES FROM FINANCIAL ASSETS AND LIABILITIES	180,227,976	129,518,291
<i>EXPENSES FROM FINANCIAL ASSETS AND LIABILITIES IN ASSOCIATES</i>	<i>10,008,405</i>	<i>27,478,561</i>
- interest expense	178,870	153,638
- fair value losses	1,775,494	93,215
- realised loss on disposals	0	89
- loss on impairment of financial assets	8,053,513	27,185,151
- other expenses from financial assets and liabilities	528	46,467
<i>EXPENSES FROM OTHER FINANCIAL ASSETS AND LIABILITIES</i>	<i>95,629,839</i>	<i>73,795,140</i>
- interest expense	4,280,005	4,959,946
- fair value losses	9,569,908	11,290,714
- realised loss on disposals	16,719,731	11,472,333
- loss on impairment of financial assets	59,005,759	38,831,333
- other expenses from financial assets and liabilities	6,054,436	7,240,814
<i>NET UNREALISED LOSSES ON UNIT-LINKED LIFE INSURANCE ASSETS</i>	<i>74,589,732</i>	<i>28,244,590</i>
OTHER INSURANCE EXPENSES	35,470,665	41,366,408
OTHER EXPENSES	5,241,762	7,185,337
PROFIT BEFORE TAX	54,395,925	46,713,659

	In EUR	
	2011	2010
Income tax expense	-10,613,366	-14,609,236
NET PROFIT / LOSS FOR THE ACCOUNTING PERIOD	43,782,559	32,104,423
Profit per share	1.93	1.41

C. UNCONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	In EUR	
	2011	2010
I. NET PROFIT/LOSS FOR THE YEAR AFTER TAX	43,782,559	32,104,423
II. OTHER COMPREHENSIVE INCOME AFTER TAX	-78,847,949	-27,641,705
1. Net gains/losses from the remeasurement of available-for-sale financial assets	-106,240,651	-43,901,493
-Gains/losses recognised in fair value reserve	-166,521,056	-63,641,206
-Transfer from fair value reserve to profit/loss	60,280,405	19,739,713
2. Liabilities from insurance contracts with a discretionary participating feature (shadow accounting)	9,274,697	9,349,361
3. Tax on other comprehensive income	18,118,005	6,910,426
III. COMPREHENSIVE INCOME OR LOSS FOR THE YEAR AFTER TAX	-35,065,390	4,462,717

D. UNCONSOLIDATED STATEMENT OF CHANGES IN EQUITY

In EUR

2011	Reserves from profit								TOTAL
	Share capital	Share premium	Legal and statutory reserves	Credit risk reserves	Other reserves from profit	Fair value reserve	Net profit brought forward	Net profit for the year	
1. OPENING BALANCE FOR THE PERIOD	23.701.392	53.412.884	4.662.644	30.624.276	16.000.000	84.817.134	252.529.148	16.104.423	481.851.900
2. Comprehensive income for the year after tax	0	0	0	0	0	-78.847.949	0	43.782.559	-35.065.390
3. Dividend payment	0	0	0	0	0	0	-9.094.059	0	-9.094.059
4. Increase of share capital	50.000.000	0	0	0	0	0	-50.000.000	0	0
5. Allocation from net profit brought forward to other reserves from profit	0	0	0	0	160.000.000	0	-160.000.000	0	0
6. Allocation of net profit from previous year	0	0	0	0	0	0	16.104.423	-16.104.423	0
7. CLOSING BALANCE FOR THE PERIOD	73.701.392	53.412.884	4.662.644	30.624.276	176.000.000	5.969.185	49.539.512	43.782.559	437.692.452
Distributable profit							49.539.512	43.782.559	93.322.071

In EUR

2010	Reserves from profit								TOTAL
	Share capital	Share premium	Legal and statutory reserves	Credit risk reserves	Other reserves from profit	Fair value reserve	Net profit brought forward	Net profit for the year	
1. OPENING BALANCE FOR THE PERIOD	23.701.392	53.412.884	4.662.644	30.624.276	0	112.458.840	254.906.431	-2.377.283	477.389.184
2. Comprehensive income for the year after tax	0	0	0	0	0	-27.641.706	0	32.104.423	4.462.717
3. Allocation from net profit for the year to credit risk reserves	0	0	0	0	16.000.000	0	0	-16.000.000	0
4. Allocation of net profit from previous year	0	0	0	0	0	0	-2.377.283	2.377.283	0
6. CLOSING BALANCE FOR THE PERIOD	23.701.392	53.412.884	4.662.644	30.624.276	16.000.000	84.817.134	252.529.148	16.104.423	481.851.900
Distributable profit							252.529.148	16.104.423	268.633.570

E. UNCONSOLIDATED CASH FLOW STATEMENT

		In EUR	
		2011	2010
A. OPERATING CASH FLOW			
a,	Income statement items	10,252,113	77,359.458
1,	Net written premium for the period	622,545,007	650.852.075
2,	Investment income (excluding financial income), arising from:	43,196,582	89.482.363
	- Insurance technical provisions	40,339,150	78.917.250
	- other sources	2,857,433	10.565.113
3,	Other operating income (excluding revaluation and provisions) and financial income	22,776,145	26.425.204
4,	Net claims paid	-388,329,352	-381.308.697
5,	Expenses for bonuses and discounts	-6,613,596	-6.878.271
6,	Net operating expenses less depreciation and changes in deferred acquisition costs	-120,499,586	-128.525.114
7,	Investments expenses (excluding depreciation and financial expenses), arising from:	-112,832,081	-73.108.111
	- Insurance technical provisions	-104,690,810	-61.125.318
	- other sources	-8,141,271	-11.982.794
8,	Other operating expenses excluding depreciation (except for revaluation and without changes in provisions)	-28,080,766	-92.377.407
9,	Corporate income tax and other taxes excluded from operating expenses	-21,910,241	-7.202.583
b,	Changes in net current assets	-78,644,323	16.129.952
1,	Changes in receivables from insurance operations	-10,290,121	-16.937.112
2,	Changes in receivables from reinsurance operations	12,655,026	-1.944.726
3,	Changes in other receivables from (re)insurance operations	12,117,018	-873.092
4,	Changes in other receivables and assets	12,487,186	-5.730.701
5,	Changes in deferred tax assets	-6,901,150	-4.711.783
6,	Changes in inventories	88,435	-541.698
7,	Changes in liabilities from direct insurance operations	-2,067,177	7.243.269
8,	Changes in liabilities from reinsurance	3,017,198	-609.856
9,	Changes in other liabilities from operations	-77,428,726	22.750.338
10,	Changes in other liabilities (less unearned premiums)	-1,117,728	24.395.740
11,	Changes in deferred tax liabilities	-21,204,283	-6.910.426
c,	Operating cash flow	-68,392,209	93.489.410
B. CASH FLOW FROM INVESTING ACTIVITIES			
a,	Cash inflows from investing activities	2,775,893,368	3.439.285.866
1,	Cash inflows from interest from investments	72,025,412	72.784.723
	- investments financed from insurance technical provisions	69,479,437	69.429.506
	- other investments	2,545,975	3.355.218
2,	Cash inflows from dividends from investments	3,254,774	4.378.352
	- investments financed from insurance technical provisions	1,485,308	2.028.616
	- other investments	1,769,466	2.349.736
3,	Cash inflows from disposal of intangible assets	615,579	31.789
	- Insurance technical provisions	0	0
	- other sources	615,579	31.789
4,	Cash inflows from disposal of tangible fixed assets	980,130	1.183.486
	- Insurance technical provisions	294,039	355.046
	- other sources	686,091	828.440
5,	Cash inflows from disposal of long-term financial investments, financed from	711,317,220	760.040.186
	- Insurance technical provisions	692,344,248	686.039.708
	- other sources	18,972,972	74.000.479
6,	Cash inflows from the disposal of short-term of financial investments, financed from	1,896,763,781	2.576.669.660
	- Insurance technical provisions	1,838,832,885	2.450.746.349
	- other sources	57,930,896	125.923.311
7,	Cash inflows from disposal of investments in subsidiaries and associates, financed from	90,936,472	24.197.670

		In EUR	
		2011	2010
	- Insurance technical provisions	8,875,677	20.367.486
	- other sources	82,060,794	3.830.184
b,	Cash outflows for investing activities	-2,700,854,060	-3.523.663.592
1,	Cash outflows for the purchase of intangible assets	-4,755,743	-3.515.657
2,	Cash outflows for the purchase of tangible fixed assets	-4,883,820	-11.642.261
	- Insurance technical provisions	-2,208,770	-1.550.982
	- other sources	-2,675,050	-10.091.279
3,	Cash outflows for the purchase of long-term financial investments, financed from	-731,772,329	-1.028.198.809
	- Insurance technical provisions	-712,506,422	-960.135.540
	- other sources	-19,265,906	-68.063.269
4,	Cash outflows for the purchase of short-term of financial investments, financed from	-1,818,845,505	-2.445.739.218
	- Insurance technical provisions	-1,756,313,596	-2.341.917.075
	- other sources	-62,531,908	-103.822.143
5,	Cash outflows for the purchase of investments in subsidiaries and associates, financed from	-140,596,663	-34.567.648
	- Insurance technical provisions	-2,145,679	-20.435.683
	- other sources	-138,450,985	-14.131.965
c,	Total cash flow from investing activities	75,039,309	-84.377.726
C. CASH FLOWS FROM FINANCING ACTIVITIES			
a,	Cash flows from financing activities	0	0
1,	Cash flows from issuance of capital	0	0
2,	Cash flows from long term loans	0	0
3,	Cash flows from short term loans	0	0
b,	Cash flows from financing activities	-11,672,239	-2.883.780
1,	Cash flows for interest that relate to financing	-2,792,478	-565.756
2,	Cash flows for return of capital	0	0
3,	Cash flows of financial liabilities	0	-2.310.000
4,	Cash flows of financial liabilities	0	0
5,	Cash flows of dividends	-8,879,761	-8.024
c,	Total cash flow from financing activities	-11,672,239	-2.883.780
D. Opening balance of cash and cash equivalents		9,241,996	3,014,091
E. Net cash flow for the period		-5,025,140	6,227,904
F. Closing balance of cash and cash equivalents		4,216,855	9,241,996