



Zavarovalnica Triglav, d.d.
Miklošičeva cesta 19, 1000 Ljubljana

triglav

www.triglav.eu
www.triglav.si

Unaudited Interim Report of the Triglav Group and Zavarovalnica Triglav d.d. for the period from 1 January 2021 to 31 March 2021



MANAGEMENT BOARD:

President: Andrej Slapar

Members: Uroš Ivanc

Tadej Čoroli

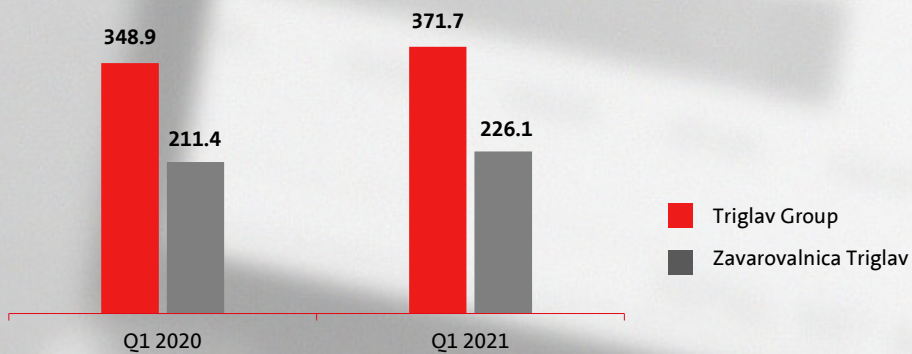
Barbara Smolnikar

David Benedek

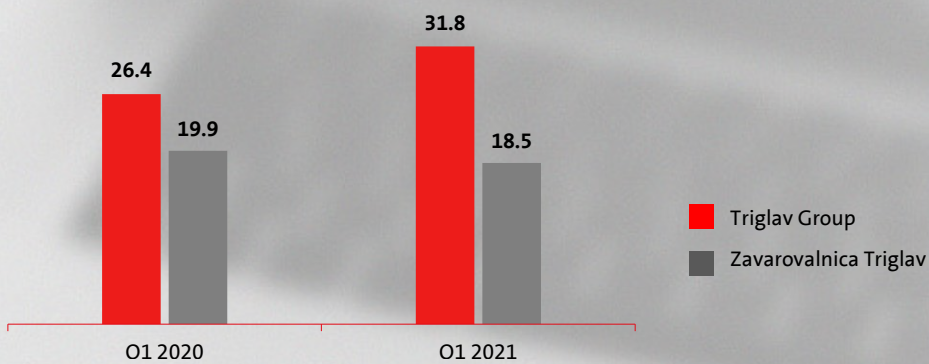
Marica Makoter

Ljubljana, May 2021

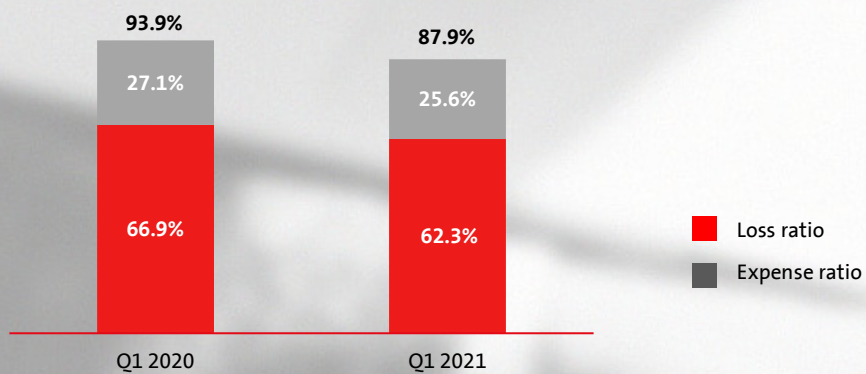
Gross written premium for insurance, coinsurance and reinsurance contracts in EUR million



Net profit before tax in EUR million



Combined ratio of the Triglav Group



Credit rating

"A"

of the Triglav Group
with a stable medium-term
outlook

Dear shareholders, business partner and colleagues,



Despite the challenging business conditions that are persisting, we started 2021 well and generated EUR 31.8 million in consolidated profit before tax in the first three months (index 121). Taking into account the business conditions anticipated until the end of the year, we have estimated that the Group's annual profit before tax will be within the planned range.

Backed by our underwriting discipline, we achieved a 7% increase in consolidated gross written premium compared to the same period last year, or a total of EUR 372 million. Premium growth was recorded in almost all of our markets. The average premium growth in the Slovenian market was 5%, which is above the market growth, and 11% in the markets outside of Slovenia. Premium growth was also recorded in all three insurance segments; the non-life insurance segment grew by 9%, while the health, life and pension insurance segments grew by 1% each. The claims segment was relatively favourable in the reporting period. Gross claims paid were lower by 4% (EUR 171 million), which is also due to the fact that, unlike last year, there were no major CAT events in this year's first quarter. The combined ratio of the Group was favourable, standing at 87.9%.

We are satisfied with the first quarter results. However, we continue to be aware of the high degree of uncertainty in the business environment, the unclear consequences of the COVID-19 pandemic on the economy, and the situation in the capital markets, which continues to reduce net interest income from our investments. Since the beginning of the pandemic, we have observed a lower frequency of claims in some insurance classes, which is a result of lower economic activity due to business restrictions and restrictions on the policyholders' movement. Similar trends continued in the first quarter of 2021. In connection to this, we expect that by the end of this year we will pay out higher benefits to policyholders resulting from systemic healthcare solutions, and, in some other insurance segments, we will increase the value of our services even further. For this purpose, additional insurance technical provisions were formed.

The regular General Meeting of Shareholders is coming up. The Management Board and the Supervisory Board propose a dividend of EUR 1.70 gross per share, while the distribution of the remaining part of accumulated profit would be decided on by the shareholders at the next General Meeting of Shareholders. Their proposal complies with the Company's dividend policy, the position of the Insurance Supervision Agency and the restrictions related to the precautionary principle. The total amount of dividend payments will represent 53% of consolidated net profit for 2020 and a 5% dividend yield.

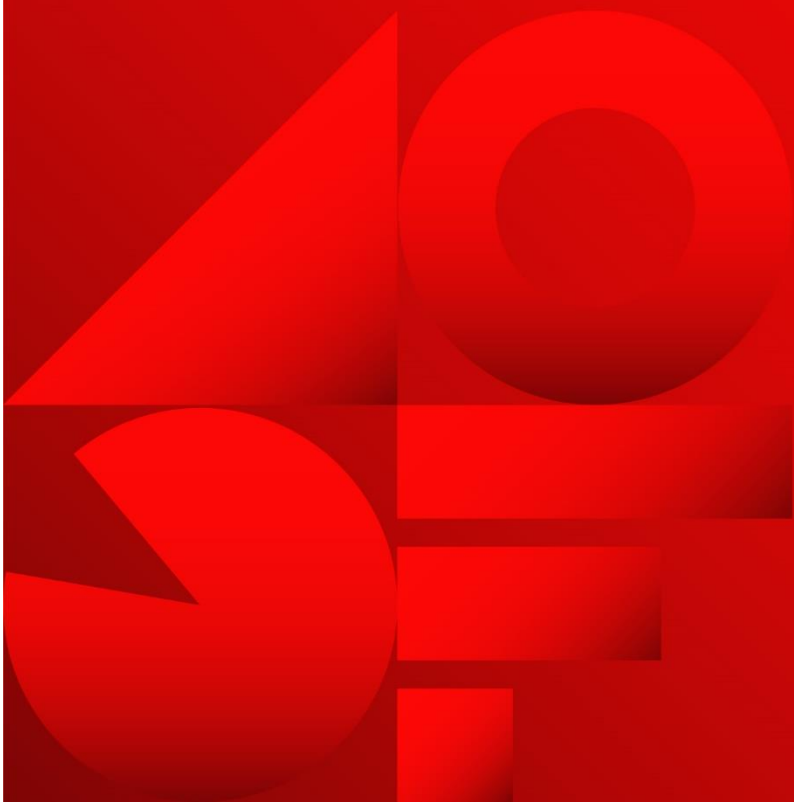
I would like to thank our team of over 5,000 Triglav employees for their dedicated work under these difficult conditions. I believe that we will continue to effectively pave the way to Triglav's success in the future for the benefit of our clients, shareholders and other stakeholders.

Andrej Slapar

President of the Management Board of Zavarovalnica Triglav

A handwritten signature in blue ink, consisting of a stylized 'A' followed by a series of loops and a long horizontal stroke.

Business Report





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Business Report

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1. Financial highlights in the first quarter of 2021

1.1 Financial highlights of the Triglav Group

	in EUR million		
	Q1 2021	Q1 2020	Index 2021/2020
Gross written premium from insurance, coinsurance and reinsurance contracts	371.7	348.9	107
Net premium income	264.7	261.1	101
Gross claims paid*	171.3	177.8	96
Net claims incurred	171.2	185.7	92
Insurance business gross operating expenses	68.4	64.3	106
Profit before tax	31.8	26.4	121
Net profit	26.5	22.4	118
Net profit attributable to the controlling company	26.6	22.4	119
	31 March 2021	31 December 2020	Index 2021/2020
Insurance technical provisions	3,142.0	3,033.2	104
Equity	886.4	870.2	102
Equity attributable to the controlling company	883.9	867.6	102
Number of employees	5,316	5,316	100

*Gross claims paid include gross claims paid from inward reinsurance

Key performance indicators of the Triglav Group

	Q1 2021	Q1 2020
ROE annualised	12.8%	11.9%
Loss ratio	62.3%	66.9%
Expense ratio	25.6%	27.1%
Combined ratio	87.9%	93.9%
Ratio of gross operating expenses to gross written premium	18.4%	18.4%

1.2 Financial highlights of Zavarovalnica Triglav

	in EUR million		
	Q1 2021	Q1 2020	Index 2021/2020
Gross written premium from insurance, coinsurance and reinsurance contracts	226.1	211.4	107
Net premium income	141.3	142.4	99
Gross claims paid*	93.3	104.4	89
Net claims incurred	90.0	104.3	86
Gross operating expenses	44.7	41.6	107
Profit before tax	18.5	19.9	93
Net profit	15.1	16.6	91
	31 March 2021	31 December 2020	Index 2021/2020
Insurance technical provisions	2,269.7	2,199.0	103
Equity	648.6	644.0	101
Number of employees	2,239	2,244	100

*Gross claims paid include gross claims paid from inward reinsurance

Key performance indicators of Zavarovalnica Triglav

	Q1 2021	Q1 2020
ROE annualised	9.8%	12.0%
Loss ratio	53.0%	61.8%
Expense ratio	29.6%	30.5%
Combined ratio	82.6%	92.3%
Ratio of gross operating expenses to gross written premium	19.7%	19.7%

1.3 Activities, markets and position of the Triglav Group

The Triglav Group is the leading insurance/financial group in Slovenia and the Adria region as well as one of the leading groups in South-East Europe. The Group operates in seven markets in six countries. Furthermore, it operates in the wider international environment through partnerships with foreign insurance brokerage and agency companies as well as reinsurers.

Strategic activities

Insurance	Asset management
Non-life	Own insurance portfolio (asset backing liabilities and backing funds)
Life	
Pension	Mutual funds and individual asset management
Health	
Reinsurance	Pension funds

Insurance is the most extensive strategic activity of the Triglav Group, which includes non-life, life, health and pension insurance as well as reinsurance.

The insurance business of the Group comprises:

- **in Slovenia:** Zavarovalnica Triglav d.d., Triglav, Zdravstvena zavarovalnica d.d., Pozavarovalnica Triglav Re d.d. and Triglav, pokojninska družba d.d.;
- **abroad:** eight insurance undertakings in Croatia, Serbia, Montenegro, Bosnia and Herzegovina and North Macedonia.

The **asset management** activity at the Triglav Group, which is performed by Zavarovalnica Triglav, the Group's life insurance and pension insurance companies, Triglav Skladi d.o.o., Triglav, Upravljanje nepremičnin d.o.o. and Triglav d.o.o., includes saving via the Group's insurance services and investing in the Group's mutual funds, pension funds and private equity funds.

The Triglav Group members directly involved in or supporting the Group's strategic business lines

	Insurance	Asset management	Other
Slovenia	<ul style="list-style-type: none"> ▪ Zavarovalnica Triglav d.d. ▪ Pozavarovalnica Triglav Re d.d. ▪ Triglav, Zdravstvena zavarovalnica d.d. ▪ Triglav, pokojninska družba d.d. 	<ul style="list-style-type: none"> ▪ Triglav Skladi d.o.o. ▪ Triglav, Upravljanje nepremičnin d.o.o. ▪ Triglav d.o.o. 	<ul style="list-style-type: none"> ▪ Triglav INT d.d. ▪ Triglav Svetovanje d.o.o. ▪ Triglav Avtoservis d.o.o. ▪ Triglavko d.o.o. ▪ ZTSR d.o.o. ▪ Alifenet d.o.o.
Croatia	<ul style="list-style-type: none"> ▪ Triglav Osiguranje d.d., Zagreb 		<ul style="list-style-type: none"> ▪ Triglav Savjetovanje d.o.o.
Serbia	<ul style="list-style-type: none"> ▪ Triglav Osiguranje a.d.o., Belgrade 		<ul style="list-style-type: none"> ▪ Triglav Savetovanje d.o.o.
Montenegro	<ul style="list-style-type: none"> ▪ Lovćen Osiguranje a.d., Podgorica ▪ Lovćen životna osiguranja a.d., Podgorica 		<ul style="list-style-type: none"> ▪ Lovćen auto d.o.o.
Bosnia and Herzegovina	<ul style="list-style-type: none"> ▪ Triglav Osiguranje d.d., Sarajevo ▪ Triglav Osiguranje a.d., Banja Luka 	<ul style="list-style-type: none"> ▪ PROF-IN d.o.o. ▪ Društvo za upravljanje Evropskim dobrovoljnim penzijskim fondom a.d, Banja Luka 	<ul style="list-style-type: none"> ▪ Triglav Savjetovanje d.o.o. ▪ Autocentar BH d.o.o.
North Macedonia	<ul style="list-style-type: none"> ▪ Triglav Osiguruvanje a.d., Skopje ▪ Triglav Osiguruvanje Život a.d., Skopje 	<ul style="list-style-type: none"> ▪ Triglav penzijsko društvo a.d., Skopje 	

1.4 Composition of the Triglav Group

As at the reporting date, the Triglav Group comprises 44 companies; in addition to the parent company, 28 subsidiaries and 15 associates.

The Triglav Group as at 31 March 2021

Parent company: ▪ Zavarovalnica Triglav d.d.

Subsidiaries:

- Pozavarovalnica Triglav Re d.d., Ljubljana

- Triglav, Zdravstvena zavarovalnica d.d., Koper

- Triglav, pokojninska družba d.d., Ljubljana

- Triglav INT, holdinška družba d.d., Ljubljana
 - Triglav Osiguranje d.d., Zagreb
 - Triglav Osiguranje a.d.o., Belgrade
 - Lovćen Osiguranje a.d., Podgorica
 - Lovćen životna osiguranja a.d., Podgorica
 - Lovćen auto d.o.o., Podgorica
 - Triglav Osiguranje d.d., Sarajevo
 - Autocentar BH d.o.o., Sarajevo
 - Sarajevostan d.o.o., Sarajevo
 - Triglav Osiguranje a.d., Banja Luka
 - Triglav Osiguruvanje a.d., Skopje
 - Triglav Osiguruvanje Život a.d., Skopje

- Triglav Skladi, družba za upravljanje d.o.o., Ljubljana
 - PROF-IN d.o.o., Sarajevo

- Triglav Svetovanje, zavarovalno zastopanje d.o.o., Domžale
 - Triglav Savjetovanje d.o.o., Zagreb
 - Triglav Savetovanje d.o.o., Belgrade
 - Triglav Savjetovanje d.o.o., Sarajevo

-
- Triglav Avtoservis, družba za storitve in trgovino d.o.o., Ljubljana
-
- Triglav, Upravljanje nepremičnin d.o.o., Ljubljana
 - Triglav, upravljanje nekretninama d.o.o., Zagreb
 - Triglav, upravljanje nekretninama d.o.o., Podgorica
 - HGP Rest, investicije d.o.o., Ljubljana
-
- Triglav penzisko društvo a.d., Skopje
-
- Vse bo v redu, Zavod Zavarovalnice Triglav za družbeno odgovorne aktivnosti
-

Associates:

-
- Triglavko, zavarovalno zastopniška družba d.o.o., Ljubljana
-
- TRIGAL, upravljanje naložb in svetovalne storitve d.o.o., Ljubljana
 - Salinera, upravljanje naložb d.o.o., Ljubljana
-
- Nama, trgovsko podjetje d.d., Ljubljana
-
- Društvo za upravljanje Evropskim dobrovoljnim penzijskim fondom a.d., Banja Luka
-
- ZTSR, dejavnost holdingov d.o.o., Ljubljana
 - Diagnostični center Bled d.o.o., Bled
 - MTC Fontana d.o.o., Maribor
 - Medi Cons kardiologija d.o.o., Novo Mesto
 - Gastromedica d.o.o., Murska Sobota
 - Internistična GE ambulanta d.o.o., Nova Gorica
 - Cardial d.o.o., Ljubljana
 - DC Naložbe d.o.o., Ljubljana
 - Kirurški sanatorij Rožna dolina d.o.o., Ljubljana
-
- Alifenet d.o.o., Ljubljana
-

Changes in the Triglav Group in the first quarter of 2021:

- Through in cash contribution of EUR 3.3 million, Zavarovalnica Triglav increased the capital of jointly controlled ZTSR d.o.o., thereby maintaining its 50% participating interest in said company.
- The ZTSR Group increased its strategic investment portfolio by acquiring a 100% participating interest in Kirurški sanatorij Rožna dolina d.o.o.
- Zavarovalnica Triglav increased the capital of its subsidiary Triglav Avtoservis d.o.o through in cash contribution of EUR 63 thousand, in which it holds a 100% participating interest.
- Triglav Svetovanje d.o.o. and Triglav Osiguranje a.d.o, Belgrade increased the capital of their subsidiary Triglav Savetovanje d.o.o., Belgrade proportional to their participating interests. The capital increase was raised by in cash contributions of RSD 7.9 million or EUR 67 thousand. As a result, the two companies retained their participating interests in said company of 51% and 49% respectively.
- Triglav Svetovanje d.o.o. and Triglav Osiguranje d.d., Zagreb increased the capital of their subsidiary Triglav Savjetovanje d.o.o., Zagreb proportional to their participating interests. The capital increase was raised by in cash contributions of HRK 1.1 million or EUR 145 thousand. As a result, the two companies retained their participating interests in said company of 51% and 49% respectively.
- Triglav's subsidiary Ljubljana d.o.o. was renamed Salinera, upravljanje naložb d.o.o.

Changes in the Triglav Group are discussed in greater detail in *Section 2.7 of the Accounting Report*.

1.5 Strategy of the Triglav Group

The strategy of the Triglav Group for the period from 2019 to 2022 follows a path to become a modern, digital and dynamic insurance/financial group, which remains the leader both in Slovenia and the wider region.

MISSION

Building a safer future.

VALUES

- **RESPONSIVENESS:** We respond immediately and effectively.
- **SIMPLICITY:** We are simple and transparent.
- **RELIABILITY:** We deliver as promised.

VISION OF THE TRIGLAV GROUP

Based on its client-centric approach, the Group dynamically develops new ways of doing business as the foundation of its responsible long-term development, while at the same time earns profit and operates safely.

- In South-East Europe, the Triglav Group is recognised as the leading provider of innovative and comprehensive insurance-service products and asset management services.
- The Group is the largest in terms of income and the best in terms of client satisfaction.
- Clients perceive the Group's omni-channel products and services as simple and desirable.
- Client experience is the Group's main competitive advantage.
- The Group dynamically develops new ways of doing business, setting top trends in digitalisation.
- The Group is well-positioned in dynamic networks of business ecosystems.
- The Group effectively manages the risks and ensures its financial stability.
- Return on equity (ROE) exceeds 10% throughout the whole strategy period.
- The standalone »A« credit rating assigned by a renowned rating agency is being maintained.
- The Group's governance and management systems are structured and effective.
- The Group's processes are lean, simple, technologically advanced and cost-effective.
- Engaged and highly skilled employees are the cornerstone of the Group's culture of openness and cooperation, as well as its sustainable development and a responsible attitude towards all stakeholders.

KEY STRATEGIC GUIDELINES

Key strategic guidelines

Long-term stable operations and increased value of the Triglav Group

Client focus and development of related services

Developing cooperative and agile organisation and culture

1.6 Significant events in the reporting period

Significant events in the first quarter of 2021 included:

- On 2 March 2021, the Supervisory Board reappointed Marica Makoter as the Management Board member – Worker Director at the proposal of the Works Council. Her new five-year term will begin on 23 December 2021.
- On 5 March 2021 and amended on 1 April 2021, the Insurance Supervision Agency (ISA) sent a letter to insurance, reinsurance and pension companies with the expectation that, due to the uncertain situation regarding the spread of the COVID-19 pandemic and the consequent uncertain consequences for the economy and the insurance sector, they suspend dividend payments and undertake no irrevocable commitments to pay out dividends by 30 September 2021 unless they demonstrate guaranteed solvency, sufficient liquidity and profitability in compliance with the precautionary principle. Both recommendations are published at www.triglav.eu/sl/vlagatelj/aktualno/obvestila.
- On 30 March 2021, the Company published the Management Board and Supervisory Board's proposal to this year's General Meeting of Shareholders to distribute part of accumulated profit as at 31 December 2020 for the payment of dividends, unless the ISA objects to this proposal by the time the General Meeting of Shareholders takes place. Both the Management Board and the Supervisory Board assess that the bases for the dividend payment are appropriate and thus, in accordance with the Company's dividend policy, propose a dividend of EUR 1.70 gross per share. See Section 5.3 Dividend policy for further information.

2. Governance of the Triglav Group

The Company uses a two-tier governance system. The management and supervisory bodies are as follows: **General Meeting of Shareholders**, **Management Board** and **Supervisory Board**. They operate in compliance with the primary and secondary legislation, the Articles of Association and their own rules of procedure. The Articles of Association are available at www.triglav.eu.

Two-tier governance of
Zavarovalnica Triglav



General
Meeting of
Shareholders

12,622

Shareholders
(31 March 2021)



Supervisory
Board

9 members
4-year term of office



Management
Board

6 members
5-year term of office

The operation of the General Meeting of Shareholders, the Management Board and the Supervisory Board is described in greater detail in *Section 5. Corporate Governance Statement* of the Annual Report of the Triglav Group and Zavarovalnica Triglav d.d. for 2020.

2.1 Composition of the Management Board

As at 31 March 2021 the Management Board of Zavarovalnica Triglav was comprised of:

- Andrej Slapar, President,
- Uroš Ivanc, Member,
- Tadej Čoroli, Member,
- Barbara Smolnikar, Member,
- David Benedek, Member, and
- Marica Makoter, Member.

2.2 Composition of the Supervisory Board

As at 31 March 2021, the Supervisory Board of Zavarovalnica Triglav was comprised of:

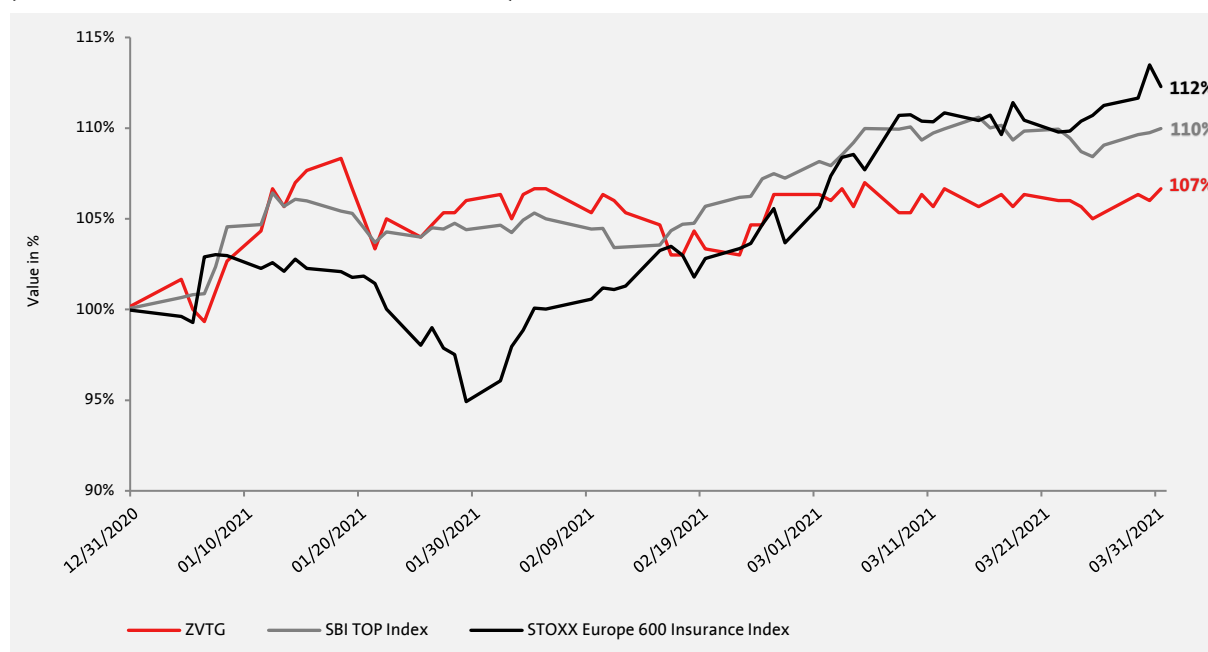
- shareholder representatives:
 - Andrej Andoljšek, Chairman,
 - Milan Tomaževič, Vice Chairman,
 - Igor Stebernak, Member,
 - Žiga Škerjanec, Member, and
 - Mario Gobbo, Member,
- employee representatives:
 - Peter Celar, Member,
 - Branko Gorjan, Member,
 - Igor Zupan, Member.

3. The share and the shareholders of Zavarovalnica Triglav

3.1 The share of Zavarovalnica Triglav

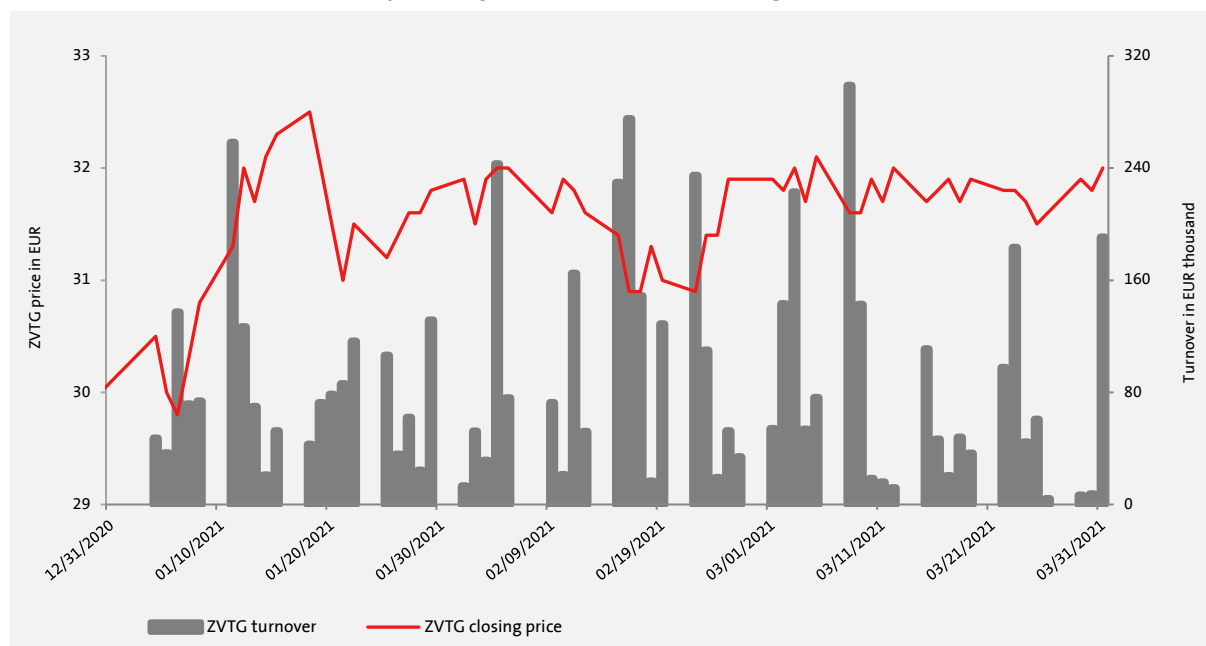
The value of Zavarovalnica Triglav's ZVTG share increased by 7% in the first quarter and amounted to EUR 32.00 as at 31 March 2021. In the same period, the Ljubljana Stock Exchange SBITOP index, in which the ZVTG share holds a 12.4% share, grew by 10% and the sectoral index of 35 shares of European insurance companies STOXX Europe 600 Insurance by 12%. The trading volume and the price of the ZVTG share were to some extent influenced by uncertainty due to the positions of the insurance sector regulator regarding the dividend payment by insurance companies in 2020 (see *Section 3.5 Dividend policy* for more information).

Movement in the ZVTG share price in Q1 2021 compared to the Ljubljana Stock Exchange SBITOP index and the sectoral index of European insurance companies STOXX Europe 600 Insurance (baseline date: 31 December 2020 = 100)



With an average daily turnover of EUR 130 thousand (excluding block trades: EUR 89 thousand), the ZVTG share was among five most liquid shares on the Ljubljana Stock Exchange. A total of 24% of its stock exchange turnover (excluding block trades) was performed by the liquidity provider. In terms of market capitalisation, Zavarovalnica Triglav remains the fourth largest Slovenian listed company (EUR 728 million).

Movements in the ZVTG share price (left axis) and turnover (right axis) in EUR



Key figures for Zavarovalnica Triglav's share in Q1 2021 (in EUR)

Items	31 March 2021
Maximum closing price	32.50
Minimum closing price	29.80
Closing price	32.00
Book value per share (parent company)*	28.53
Book value per share (consolidated data)*	38.88
Net earnings per share (consolidated data)**	1.17
Market capitalisation	727,524,736
Average daily trading volume (excluding block trades)	88,925
Number of shares	22,735,148
The percentage of floating stock***	30.7%
Traded on	Ljubljana Stock Exchange - LJSE
ISIN code	SI0021111651
Ticker symbol	ZVTG
Bloomberg	ZVTG SV
Reuters	ZVTG.LJ
Credit rating (S&P Global Ratings, AM Best)	»A«, stable medium term outlook

*In calculating the book value per share (parent company), the equity of Zavarovalnica Triglav and the number of shares as at the reporting date were taken into account, whilst in calculating the book value per share (consolidated data), the equity attributable to the controlling company and the number of shares as at the reporting date were taken into account.

**In calculating net earnings/loss per share (consolidated data), net profit or loss of the Triglav Group and the weighted average number of shares were taken into account.

***The shares held by shareholders with a 5% or higher stake are deducted from the total number of shares.

The Company is committed to transparently operating and informing its shareholders, investors and analysts, while pursuing an active investor relations management policy. All key information is regularly published in Slovenian and English on its website www.triglav.eu. In 2021, contact with institutional investors continues to be adjusted to the restrictions due to the COVID-19 pandemic and carried out as videoconferencing meetings, conference calls and by email.

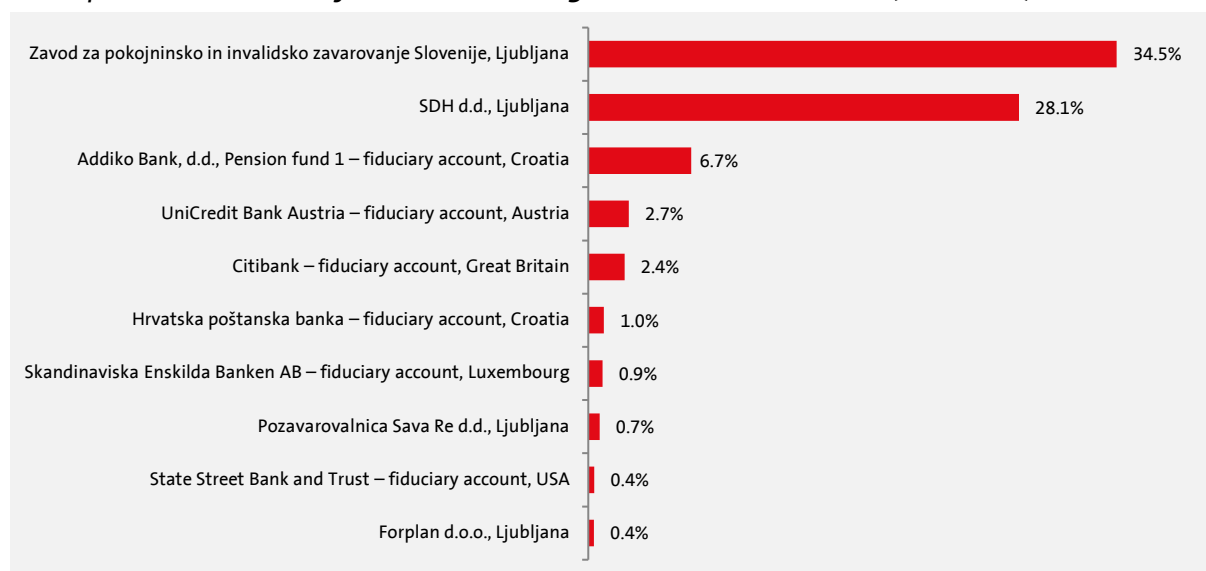
3.2 Equity

Zavarovalnica Triglav's share capital remained unchanged and amounted to EUR 73,701,391.79 as at 31 March 2021. It was divided into 22,735,148 ordinary registered no-par value shares of the same class. All shares are issued in a dematerialised form and are freely transferable. Each share represents the same stake and corresponding amount in share capital, and all have been fully paid up. Each share gives its holder the right to one vote at the General Meeting of Shareholders, a proportionate share of profit allocated for dividend payment and a proportionate share of residual bankruptcy or liquidation estate after the payoff of preference shareholders.

3.3 Shareholder structure

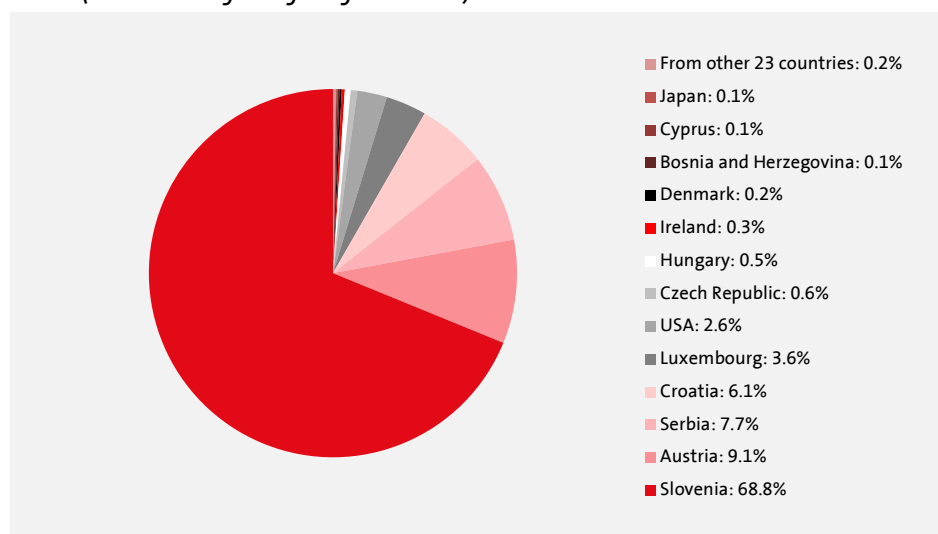
There were no significant changes in the shareholder structure of Zavarovalnica Triglav in the reporting period. Total ownership stake of the Company's top ten largest shareholders stood at 77.7%, and the stakes of the two largest shareholders remained unchanged.

The top ten shareholders of Zavarovalnica Triglav as at 31 March 2021 (share in %)



The Company's share of the free float, i.e. the shares held by the shareholders with less than a 5% ownership stake, stood at 30.7%. The share is stable and the ownership of these shares is globally dispersed among shareholders from 36 countries.

The minority shareholder structure of Zavarovalnica Triglav by the country of origin as at 31 March 2021 (the share of the free float in %)



According to the share register, Zavarovalnica Triglav had 12,622 shareholders as at 31 March 2021, down by 3% relative to the 2020 year-end. The bulk of the shareholders are natural persons, who have been gradually increasing their stake in recent years. As at the reporting date, their stake stood at 12.2%, up by 0.3 percentage point compared to the 2020 year-end. International shareholders held 16% of the shares as at the reporting date, 28 of which held fiduciary accounts with client shares.

Shareholder structure of Zavarovalnica Triglav as at 31 March 2021

	Total	Domestic	International	Legal entities	Individuals
Number of shares	22,735,148	19,030,776	3,704,372	19,950,922	2,784,226
Number of shareholders	12,622	12,288	334	484	12,138
Number of shares - percentage	100.0%	83.7%	16.3%	87.8%	12.2%
Number of shareholders - percentage	100.0%	97.4%	2.6%	3.8%	96.2%

The members of Zavarovalnica Triglav’s Management Board and Supervisory Board held a total of 5,688 ZVTG shares as at 31 March 2021.

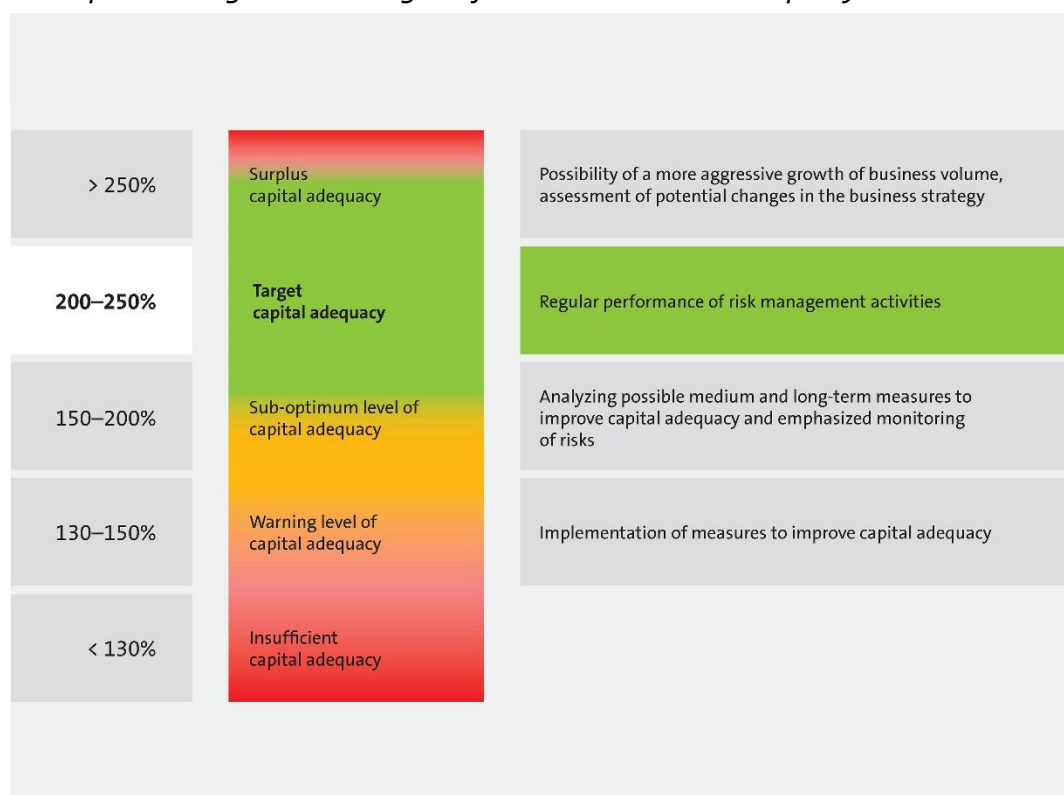
3.4 Credit rating

The credit ratings of the Triglav Group – and thus its parent company Zavarovalnica Triglav and its subsidiary Pozavarovalnica Triglav Re – are assigned by two renowned credit rating agencies: S&P Global Ratings (hereinafter: S&P) and AM Best. The Triglav Group was assigned an **“A” stand-alone credit rating with a stable medium-term outlook** by both. The latest credit rating report, i.e. the announcement of the credit rating agency from 2020, is available on the website www.triglav.eu under the Investor Relations tab.

3.5 Dividend policy

The implementation of Zavarovalnica Triglav’s dividend policy is subordinated to achieving the medium-term sustainable target capital adequacy of the Triglav Group, as shown in the figure below.

The capital management strategic objectives and the dividend policy criteria



The dividend policy of Zavarovalnica Triglav provides as follows: “The Company pursues an attractive and sustainable dividend policy. A part of consolidated net profit of the preceding year, which is to be allocated to dividend payment, accounts for at least 50%. The Company will strive to pay out a dividend not lower than the dividend paid out in the preceding year. As thus far, the future implementation of the dividend policy will be subordinated to achieving the medium-term sustainable target capital adequacy of the Triglav Group. The proposal of the Management Board and the Supervisory Board as regards the annual distribution of accumulated profit of the Company will therefore take into account the following three objectives in a balanced manner: to ensure prudent capital management of the Triglav Group and its financial stability, to reinvest net profit in the implementation of the strategy of growth and development of the Triglav Group and to pay out attractive dividends to the shareholders.”

The gross dividend per ZVTG share amounted to EUR 2.50 in 2015–2019. Zavarovalnica Triglav did not pay out dividends in 2020 because, in accordance with the position of the regulator of the Slovenian insurance sector, at the General Meeting of Shareholders the shareholders passed the resolution proposed by Zavarovalnica Triglav’s Management Board and Supervisory Board that accumulated profit for 2019 remain undistributed.

The Management Board and the Supervisory Board of Zavarovalnica Triglav propose to this year's General Meeting of Shareholders that part of accumulated profit be distributed for dividend payment. The Insurance Supervision Agency did not oppose this proposal until the announcement of the convening of the General Meeting of Shareholders. Due to the uncertain consequences of the pandemic for the economy, the Insurance Supervision Agency expects insurance companies to suspend dividend payments until the end of September this year, unless they demonstrate guaranteed solvency, sufficient liquidity and profitability in compliance with the precautionary principle. Both the Management Board and the Supervisory Board assess that the bases for the dividend payment are appropriate and thus, in accordance with the Company’s dividend policy, propose a dividend of EUR 1.70 gross per share. The total amount of dividends

of EUR 38,649,751.60 will represent 53% of the Company's consolidated net profit for 2020 and a 5% dividend yield.

The convening of the regular General Meeting of Shareholders was announced on 22 April 2021 in accordance with the financial calendar, and is scheduled for 25 May 2021. Further information is available on the triglav.eu website.

3.6 Bonds

Zavarovalnica Triglav has one issued subordinate bond, which is included in its capital adequacy. The bond was issued in 2019 as part of the Group's regular capital management to ensure its optimal composition and cost efficiency and to replace the bond that matured on 21 March 2020. See the table below for more information.

Bond of Zavarovalnica Triglav

ISIN	XS1980276858
Type	Subordinated bond (Tier 2 pursuant to the Solvency II regulations)
Issue size in EUR	50,000,000
Currency	EUR
Coupon rate and payment	Fixed at 4.375% annually until first call date, payable annually Thereafter variable at 3-month Euribor + 4.845% (equal to the original initial credit spread + 1 percentage point), payable quarterly
First call date	22 October 2029
Maturity date	22 October 2049
Maturity in years	30.5
Regulated market	Luxembourg Stock Exchange
Issue Rating	BBB+ (S&P)

4. Operations in the period from 1 January to 31 March 2021

4.1 The macroeconomic environment and environmental impact on the Triglav Group's operations

After the historic shock of the COVID-19 pandemic, the world economy entered 2021 weakened. With the re-opening of economies, countries and regions have been gradually but unevenly recovering. Among developed countries, the US recovered rapidly, whereas the less flexible euro area more slowly. An additional obstacle to the normalisation of the situation of the 19 EMU member states was caused by a renewed increase in COVID-19 infection rates and stricter measures to curb the spread of infection and the slower vaccination rate than originally planned. The situation mainly hampered the service activities, while manufacturing has, on average, already reached pre-epidemic levels. The sentiment among consumers stagnated, whereas the situation in the labour market no longer deteriorated significantly thanks to extensive government aid. The general inflation rate in the euro area soared due to some temporary factors and, according to the first year-on-year estimate, reached 1.3% in March.

Economic forecasts for this year have deteriorated slightly. In its winter publication for the euro area and Slovenia, the European Commission forecast 3.8% and 4.7% real GDP growth, respectively. The inflation rate will be slightly higher at 1.4% in the euro area, while in Slovenia it will remain virtually unchanged at 0.8% compared to the previous forecast. The European Commission has slightly improved its growth forecasts for 2022 as a result of the faster normalisation of the health and economic situation. A more noticeable recovery is expected to begin in the second half of 2021. Nevertheless, the inflation rate will remain at a fairly low level in both the euro area and Slovenia next year.

The positive sentiment among investors continued, predominantly due to the expected faster recovery in the US. Practically all major stock indices rose, while the required bond yields also increased considerably. The required yield on the US ten-year government bond rose to 1.74%, which is 0.83 percentage point above the baseline value at the beginning of the year. It was followed by the required yields on euro area government bonds, which grew at a slower pace. Towards the end of March, the required yields in the euro area were also affected by renewed restrictions on public life and Germany's suspended ratification process of the New Generation EU development programme. The required yield on the German ten-year bond rose by 0.28 percentage point in the first quarter, reaching -0.29% at the end of the reporting period, while the required yield on the Slovenian bond increased by 0.20 percentage point to 0.03%. The smallest increase in required yields was recorded by Italian bonds; they rose by 0.13 percentage point to 0.67% as a result of higher investor confidence after former ECB President Mario Draghi took over the Italian government.

The corporate sector maintained a high level of optimism in the first quarter of 2021, as credit spreads on corporate bonds remained virtually unchanged and many stock indices again hit a record high. This is the case with both the American S&P and the German DAX; the former grew by 5.8% in the first quarter and the latter by 9.4%. A slightly higher growth of 10% was recorded by the Slovenian SBI TOP index, which exceeded the pre-crisis level. Its value, however, is still far from the historic 2007 peak.

There were no major CAT events in the first quarter of 2021 compared to the same period last year when they amounted to EUR 13.6 million. Low interest rates continue to affect the persisting decline in interest income.

4.2 The insurance market and the position of the Group members in the first quarter of 2021

A total of 13 insurance companies, four foreign branches and two reinsurance companies are active in the Slovenian insurance market, all members of the Slovenian Insurance Association (hereinafter: the SZZ). As of 1 January 2021, SOP insurer is no longer a member of the SZZ, while AVRIO zavarovalnica obrtnikov in podjetje d.d. has become a new member.

In the first quarter of 2021, insurance companies collected **1.9 more** gross written insurance, co-insurance and reinsurance premiums (the calculation does not take into account internal transfers of assets for the payment of pension annuities), or EUR 732.2 million. **Non-life insurance premium** recorded a 2.1% growth and reached a 75.3% share. Motor vehicle insurance (comprehensive car insurance in particular) contributed the most to the increase in non-life insurance premium. **Life insurance premium** rose by 1.4% due to higher unit-linked life insurance premium. **Health insurance premium** is slightly lower than in the preceding year (index 99.9).

The Slovenian insurance market continues to be highly concentrated, with the four largest insurers holding a 76.5% market share. With a 30.9% market share (compared to 29.4% in the corresponding period last year), **Zavarovalnica Triglav** remained the market leader, followed by Zavarovalnica Sava (a 17.8% market share). **The Triglav Group** (the parent company, Triglav, Zdravstvena zavarovalnica and Triglav, pokojninska družba) increased its market share by 1.3 percentage point to 38.8%.

The Triglav Group's insurance subsidiaries held a 38.8% market share in the Slovenian insurance market at the end of the first quarter of 2021.

The market shares of **the Triglav Group** by segment:

- non-life insurance (excluding health insurance): 46.4% (an increase of 2.1 percentage points);
- life insurance: 31.0% (an increase of 0.4 percentage point);
- health insurance: 29.9% (an increase of 0.2 percentage point).

The market shares of **Zavarovalnica Triglav** by segment:

- non-life insurance: 32.3% (an increase of 1.8 percentage points);
- life insurance: 26.5% (an increase of 0.5 percentage point).

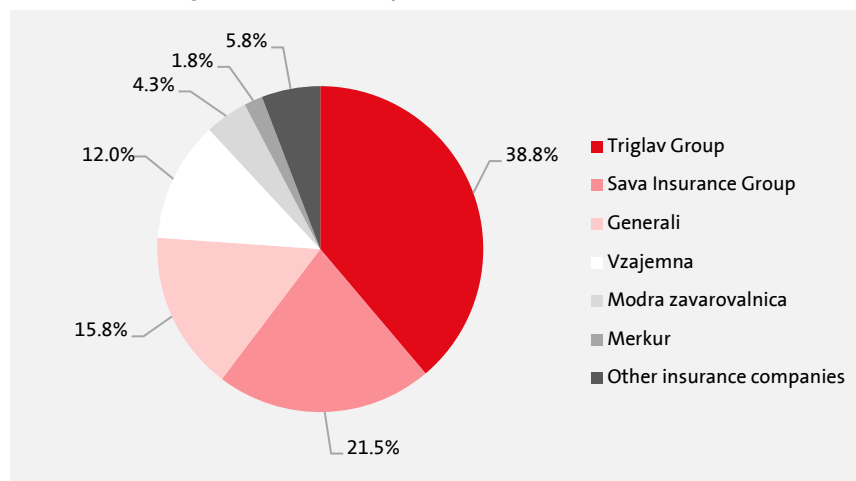
The market share of **Triglav, Zdravstvena zavarovalnica**:

- health insurance: 29.8% (an increase of 0.3 percentage point).

The market share of **Triglav, pokojninska družba**:

- supplemental voluntary pension insurance (SVPI): 19.9% (market leader, calculation based on the assessment of the company's data).

Market share of insurance companies in Slovenia in Q1 2021



Source: Slovenian Insurance Association

Market share and market position of the Triglav Group insurance companies in Q1 2021

Market	Market share	Market share trend	Ranked in 2021	Ranked in 2020
Slovenia	38.8%	↑ + 1,3-percentage point	1	1
Croatia	6.6%	↑ + 1,1-percentage point	7	8
Serbia*	6.5%	↑ + 0,1 percentage point	5	5
Montenegro	42.7%	↑ + 0,4-percentage point	1	1
Bosnia and Herzegovina*	8.6%	↑ + 0,8-percentage point	4	6
- Federation of BiH	10.4%	↓ - 0,6-percentage point	3	2
- Republic of Srpska*/**	6.1%	↑ + 0,6-percentage point	7	8
North Macedonia*	12.9%	↓ - 1,0-percentage point	1	1

* Data for January–December 2020

*** The market shares of Triglav Osiguranje, Banja Luka and the branch of Triglav Osiguranje, Sarajevo in Banja Luka are included.

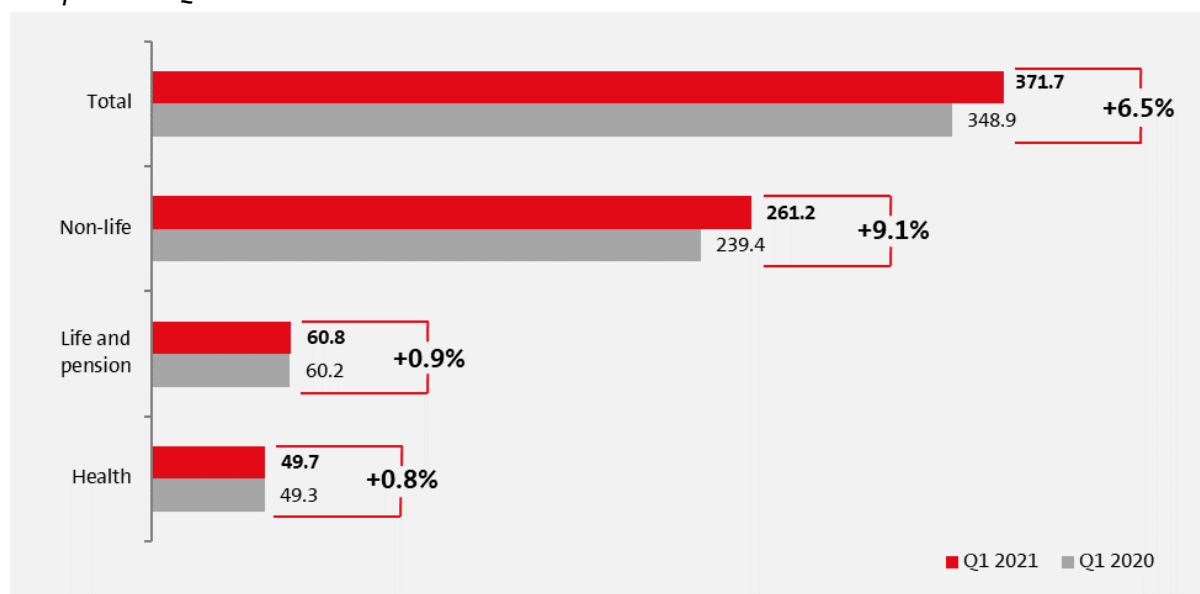
4.3 Gross written insurance, coinsurance and reinsurance premiums

The Triglav Group collected a total of EUR 371.7 million in consolidated gross written insurance, coinsurance and reinsurance premiums, an increase of 7% relative to the corresponding period last year. Total written premium increased in all insurance segments:

- **non-life insurance:** EUR 261.2 million (index 109);
- **life and pension insurance:** EUR 60.8 million (index 101);
- **health insurance:** EUR 49.7 million (index 101).

The Triglav Group recorded a 7% growth in gross written insurance, coinsurance and reinsurance premiums.

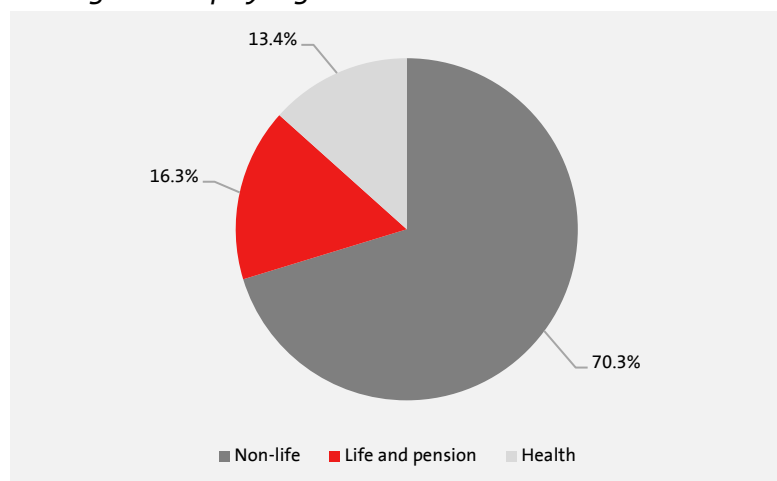
Consolidated gross written insurance, coinsurance and reinsurance premiums in Q1 2021 compared to Q1 2020



The proportion of non-life insurance premium in total consolidated gross written premium increased, whereas the proportion of life insurance premium and pension and health insurance premium decreased:

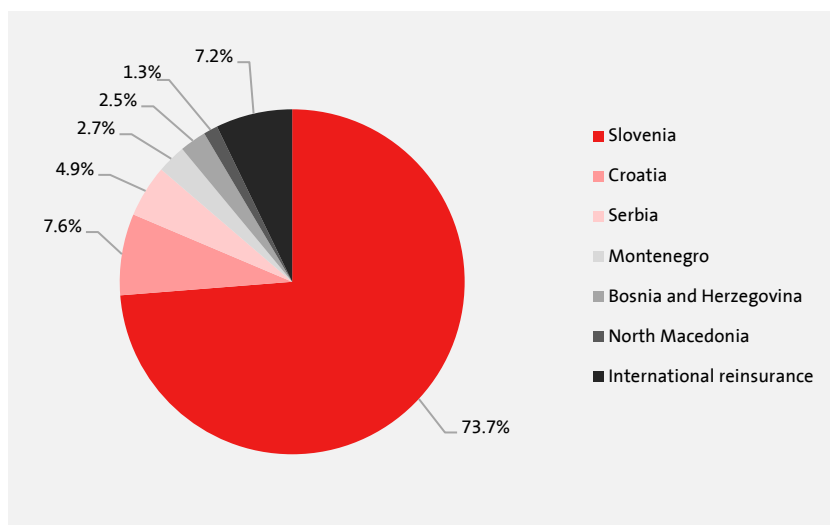
- non-life insurance: 70.3% (Q1 2020: 68.6%);
- life and pension insurance: 16.3% (Q1 2020: 17.3%); and
- health insurance: 13.4% (Q1 2020: 14.1%).

The structure of consolidated gross written insurance, coinsurance and reinsurance premiums of the Triglav Group by segment



The Group continues to gradually increase **the share of insurance premium written in markets outside Slovenia**, which grew by 0.7 percentage point compared to the same period last year. A total of 73.7% of consolidated gross written premium was generated in the Slovenian insurance market, 19.1% of the premium was charged in markets outside Slovenia, while international reinsurance premium represented 7.2%.

The structure of consolidated gross written insurance, coinsurance and reinsurance premiums of the Triglav Group by market



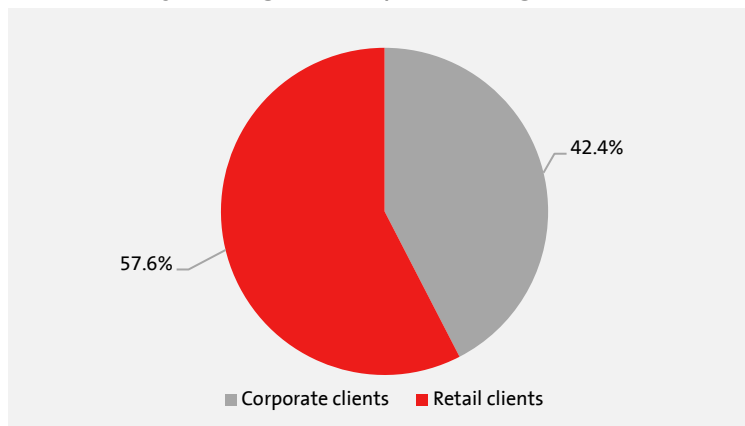
Consolidated gross written insurance, coinsurance and reinsurance premiums of the Triglav Group by market

Country	Gross written premium		Index	Share	
	Q1 2021	Q1 2020	Q1 2021/ Q1 2020	Q1 2021	Q1 2020
Slovenia	274,107,853	260,447,532	105	73.7%	74.6%
Croatia	28,375,235	22,360,197	127	7.6%	6.4%
Serbia	18,227,362	16,602,442	110	4.9%	4.8%
Montenegro	10,057,344	10,491,469	96	2.7%	3.0%
Bosnia and Herzegovina	9,262,346	9,305,458	100	2.5%	2.7%
North Macedonia	4,978,012	5,326,190	93	1.3%	1.5%
International reinsurance	26,683,756	24,376,935	109	7.2%	7.0%
Total	371,691,908	348,910,223	107	100.0%	100.0%

Premium growth was achieved in most insurance markets with the exception of the Montenegrin and Macedonian insurance markets. Premium growth in the Slovenian market stood at 5%, while on markets outside of Slovenia it reached 11%.

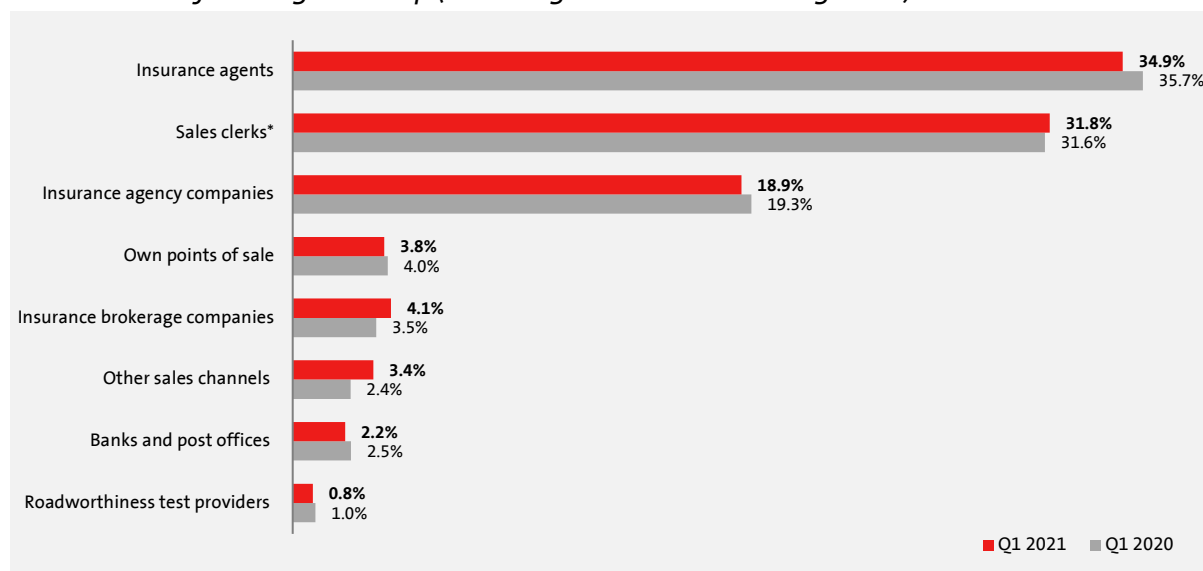
The share of non-consolidated gross insurance premium of **retail clients**, amounting to EUR 204.5 million, accounted for 57.6% of total written premium and decreased by 1.1 percentage points. The remaining EUR 150.7 million was accounted for by the premium of **corporate clients**.

The structure of non-consolidated gross written insurance, coinsurance and reinsurance premiums in Q1 2021 of the Triglav Group (excluding Pozavarovalnica Triglav Re) by policyholder type



In terms of **sales channels**, the share of non-consolidated gross written premium of the Group, which was collected via own sales channels (agents, sales clerks, own points of sale, online and other own sales channels), reached 74.0% of total written premium, up by 0.2 percentage point to EUR 262.7 million. The remaining gross written premium of EUR 92.5 million was collected via the external sales channels (insurance agency and brokerage companies, banks, post offices and roadworthiness test providers).

Non-consolidated gross written insurance, coinsurance and reinsurance premiums in Q1 2021 by sales channel of the Triglav Group (excluding Pozavarovalnica Triglav Re)



* Includes premium written by insurance intermediaries

The Triglav Group insurance subsidiaries (excluding Pozavarovalnica Triglav Re) booked EUR 355.2 million in non-consolidated gross written premium, up by 6% relative to the same period last year.

Gross written insurance, coinsurance and reinsurance premiums in Q1 2021 by Triglav Group insurance company

Insurance company	Gross written premium			Index			Share
	Non-life	Life and pension	Total	Non-life	Life and pension	Total	Q1 2021
Zavarovalnica Triglav*	178,331,282	47,803,507	226,134,789	108	104	107	63.7%
Triglav, Zdravstvena zavarovalnica	49,981,611		49,981,611	101	0	101	14.1%
Triglav, pokojninska družba		8,144,349	8,144,349	0	97	97	2.3%
Triglav Osiguranje, Zagreb	26,301,613	2,073,791	28,375,404	129	106	127	8.0%
Triglav Osiguranje, Belgrade	16,485,224	1,742,227	18,227,451	109	116	110	5.1%
Lovćen Osiguranje, Podgorica	8,918,674		8,918,674	94	0	94	2.5%
Triglav Osiguranje, Sarajevo	4,766,010	3,049,646	7,815,656	100	99	99	2.2%
Triglav Osiguranje, Banja Luka	1,454,523		1,454,523	100	0	100	0.4%
Triglav Osiguruvanje, Skopje	4,426,307		4,426,307	88	0	88	1.2%
Lovćen životna osiguranja, Podgorica		1,138,670	1,138,670	0	110	110	0.3%
Triglav Osiguruvanje Život, Skopje		553,840	553,840	0	180	180	0.2%
Total	290,665,244	64,506,030	355,171,274	107	103	106	100.0%
Pozavarovalnica Triglav Re	72,233,519		72,233,519	106	0	106	
Consolidation eliminations	-51,974,020	-3,738,865	-55,712,885	103	167	106	
Total consolidated	310,924,743	60,767,165	371,691,908	108	101	107	

*The insurance company data already include the pre-consolidation adjustments

In the **non-life insurance** segment, the Triglav Group insurance subsidiaries charged EUR 290.7 million in non-consolidated written premium, an increase of 7% relative to the corresponding period in 2020. Premium growth was recorded in most non-life insurance classes, with the exception of credit insurance (index 86) and accident insurance, where written premium remained at the same level as last year (index 100). Other non-life insurance and real property insurance achieved the highest growth. The high growth of other non-life insurance (index 118) was mostly influenced by the growth of marine insurance at the parent company. With regard to real property insurance (index 116), most insurance subsidiaries recorded high premium growth. The decline in credit insurance premium primarily resulted from lower bank lending due to the COVID-19 pandemic.

The Triglav Group insurance subsidiaries collected a total of EUR 64.5 million in non-consolidated gross written premium from **life and pension insurance**, an increase of 3% relative to the corresponding period in 2020. Life and pension insurance represented 18.2% of total non-consolidated gross written premium, down by 0.6 percentage point compared to the preceding year. High, 11% growth was seen in capital redemption insurance (supplemental voluntary pension insurance) due to transfers of assets from other insurance companies and higher regular premium payments at the parent company. Premium growth was achieved by most insurance subsidiaries selling life insurance products (traditional life, annuity, pension annuity and voluntary pension insurance products).

Non-consolidated gross written insurance, coinsurance and reinsurance premiums of the Triglav Group insurance companies (excluding Pozavarovalnica Triglav Re) by insurance class

Insurance class	Gross written premium		Index	Share
	Q1 2021	Q1 2020	Q1 2021/ Q1 2020	Q1 2021
Accident insurance	10,645,810	10,635,395	100	3.0%
Health insurance	53,289,899	52,567,833	101	15.0%
Comprehensive car insurance	48,189,606	45,035,522	107	13.6%
Real property insurance	83,023,440	71,864,272	116	23.4%
Motor liability insurance	50,849,923	49,096,237	104	14.3%
General liability insurance	21,077,920	20,089,070	105	5.9%
Credit insurance	5,862,960	6,824,381	86	1.7%
Other non-life insurance	17,725,686	15,068,974	118	5.0%
Non-life insurance	290,665,244	271,181,684	107	81.8%
Life insurance	29,739,661	27,620,528	108	8.4%
Unit-linked life insurance*	30,189,274	30,707,968	98	8.5%
Capital redemption insurance	4,577,095	4,131,289	111	1.3%
Life and pension insurance	64,506,030	62,459,785	103	18.2%
Total	355,171,274	333,641,469	106	100.0%

*According to the definition of the Insurance Supervision Agency, premiums of Triglav, pokojninska družba are included in unit-linked life insurance.

Gross written insurance, coinsurance and reinsurance premiums of Zavarovalnica Triglav by insurance class

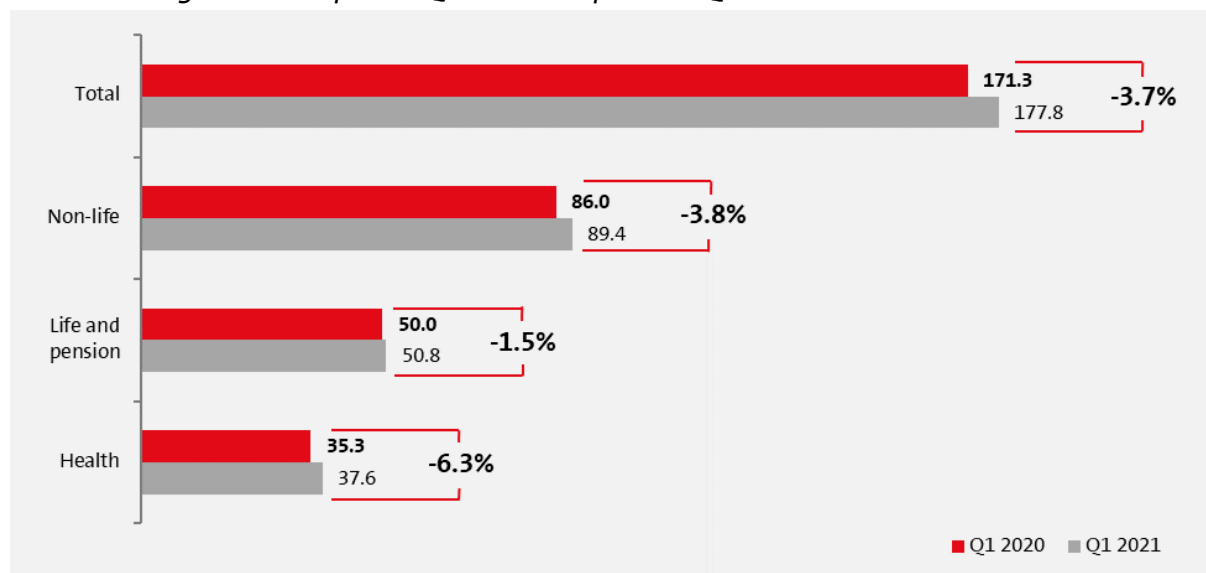
Insurance class	Gross written premium		Index	Share
	Q1 2021	Q1 2020	Q1 2021/ Q1 2020	Q1 2021
Accident insurance	6,999,104	6,996,558	100	3.1%
Health insurance	324,207	449,873	72	0.1%
Comprehensive car insurance	41,255,087	38,431,229	107	18.2%
Real property insurance	60,178,410	55,160,130	109	26.6%
Motor liability insurance	36,056,863	33,731,081	107	15.9%
General liability insurance	16,346,530	15,536,556	105	7.2%
Credit insurance	4,212,016	5,060,445	83	1.9%
Other non-life insurance	12,957,668	9,838,541	132	5.7%
Non-life insurance	178,329,885	165,204,413	108	78.9%
Life insurance	22,114,835	20,489,461	108	9.8%
Unit-linked life insurance	21,111,576	21,557,592	98	9.3%
Capital redemption insurance	4,577,095	4,131,289	111	2.0%
Life and pension insurance	47,803,506	46,178,342	104	21.1%
Total	226,133,391	211,382,755	107	100.0%

4.4 Gross claims paid

Consolidated gross claims paid of the Triglav Group (including claim handling expenses, income from collected subrogation receivables and gross claims paid from inward reinsurance) totalled EUR 171.3 million, a decrease of 4% relative to the corresponding period last year. They decreased in all insurance segments: in the **non-life insurance** segment by 4% (EUR 86.0 million), in the **life and pension insurance** segment by 2% (EUR 50.0 million) and in the **health insurance** segment by 6% (EUR 35.3 million).

Gross claims paid were 4% lower than in the same period last year.

Consolidated gross claims paid in Q1 2021 compared to Q1 2020



A 5% decrease was seen in some non-consolidated gross claims paid of the Group insurance subsidiaries (excluding Pozavarovalnica Triglav Re), which totalled EUR 162.7 million. A large decline in gross claims paid was seen at the parent company (index 89), Lovćen Osiguranje (index 90) and Triglav, Zdravstvena zavarovalnica (index 94). The movement of gross claims paid in the remaining insurance subsidiaries is shown in the table below.

Gross claims paid in Q1 2021 by insurance company of the Triglav Group

Insurance company	Gross claims paid			Index			Share
	Non-life	Life and pension	Total	Non-life	Life and pension	Total	Q1 2021
Zavarovalnica Triglav*	52,375,753	40,926,735	93,302,488	88	91	89	57.4%
Triglav, Zdravstvena zavarovalnica	35,269,254		35,269,254	94	0	94	21.7%
Triglav, pokojninska družba		7,079,792	7,079,792	0	150	150	4.4%
Triglav Osiguranje, Zagreb	9,149,671	2,014,902	11,164,573	130	174	136	6.9%
Triglav Osiguranje, Belgrade	4,812,738	1,623,976	6,436,714	85	191	99	4.0%
Lovćen Osiguranje, Podgorica	3,557,900		3,557,900	90	0	90	2.2%
Triglav Osiguranje, Sarajevo	1,386,521	885,496	2,272,017	86	141	101	1.4%
Triglav Osiguranje, Banja Luka	404,367		404,367	133	0	133	0.2%
Triglav Osiguruvanje, Skopje	2,168,231		2,168,231	104	0	104	1.3%
Lovćen životna osiguranja, Podgorica		802,535	802,535	0	160	160	0.5%
Triglav Osiguruvanje Život, Skopje		221,783	221,783	0	128	128	0.1%
Total	109,124,435	53,555,219	162,679,654	93	101	95	100.0%
Pozavarovalnica Triglav Re	13,878,764		13,878,764	154	0	154	
Consolidation eliminations	-1,739,839	-3,519,435	-5,259,274	-4,196	171	261	
Total - consolidated	121,263,360	50,035,784	171,299,144	95	98	96	

* The insurance company data already include the pre-consolidation adjustments.

Non-consolidated gross claims paid in the **non-life insurance** segment amounted to EUR 109.2 million, down by 7% relative to the preceding year. Last year, the business result was affected by some major loss events, while in the first quarter of 2021 there were no major CAT events. Gross claims paid were lower in most non-life insurance classes, with the exception of accident and real property insurance. The largest decrease was recorded in credit insurance (lower claims paid in consumer credit insurance due to deferral of loan repayment and due to large claims paid in export credits in the preceding year at the parent company and in credit insurance at Triglav Osiguranje, Belgrade), other non-life insurance (a large drop in gross claims paid in most insurance subsidiaries predominantly due to last year's payments of some major claims) and comprehensive car insurance (a smaller number of reported claims in most insurance subsidiaries).

Non-consolidated gross claims paid in the **life and pension insurance** segment grew by 1% to EUR 53.6 million. Their share in total non-consolidated claims paid increased by 2.0 percentage points to 32.9%. High growth of 11% was achieved in unit-linked life insurance due to higher payouts at Triglav, pokojninska družba (an increase in the number of retirements and thus transfers to annuity funds and an increase in transfers of assets to other pension insurance providers). In contrast, gross claims paid in capital redemption insurance (supplemental voluntary pension insurance) decreased by 19% due to lower payments resulting from withdrawals from insurance contracts and surrenders pursuant to the Pension and Disability Insurance Act at the parent company.

Non-consolidated gross claims paid by insurance companies of the Triglav Group (excluding Pozavarovalnica Triglav Re) by insurance class

Insurance class	Gross claims paid		Index	Share
	Q1 2021	Q1 2020	Q1 2021/ Q1 2020	Q1 2021
Accident insurance	5,540,678	4,797,777	115	3.4%
Health insurance	36,467,845	38,670,829	94	22.4%
Comprehensive car insurance	20,710,420	24,058,726	86	12.7%
Real property insurance	16,191,022	15,976,971	101	10.0%
Motor liability insurance	21,737,754	22,716,153	96	13.4%
General liability insurance	3,133,095	3,268,660	96	1.9%
Credit insurance	1,178,311	2,408,063	49	0.7%
Other non-life insurance	4,165,309	6,068,344	69	2.6%
Non-life insurance	109,124,434	117,965,523	706	67.1%
Life insurance	32,157,089	32,954,034	98	19.8%
Unit-linked life insurance*	19,743,163	17,845,657	111	12.1%
Capital redemption insurance	1,654,967	2,055,821	81	1.0%
Life and pension insurance	53,555,219	52,855,512	289	32.9%
Total	162,679,653	170,821,035	995	100.0%

* According to the definition of the Insurance Supervision Agency, gross claims paid by Triglav, pokojninska družba are included in unit-linked life insurance

Gross claims paid of Zavarovalnica Triglav by insurance class

Insurance class	Gross claims paid		Index	Share
	Q1 2021	Q1 2020	Q1 2021/ Q1 2020	Q1 2021
Accident insurance	2,976,811	2,590,050	115	3.2%
Health insurance	-54,335	53,182	-102	-0.1%
Comprehensive car insurance	17,028,907	20,018,593	85	18.3%
Real property insurance	12,012,540	13,151,809	91	12.9%
Motor liability insurance	13,512,628	14,748,559	92	14.5%
General liability insurance	2,559,749	2,781,232	92	2.7%
Credit insurance	928,246	1,694,931	55	1.0%
Other non-life insurance	3,411,208	4,556,016	75	3.7%
Non-life insurance	52,375,754	59,594,372	88	56.1%
Life insurance	27,007,347	29,883,921	90	28.9%
Unit-linked life insurance	12,264,420	12,894,377	95	13.1%
Capital redemption insurance	1,654,967	2,055,821	81	1.8%
Life and pension insurance	40,926,734	44,834,119	91	43.9%
Total	93,302,488	104,428,491	89	100.0%

4.5 Gross operating expenses

Total consolidated gross operating expenses of the Triglav Group amounted to EUR 75.8 million, an increase of 5% relative to the same period last year. **Insurance business expenses** grew by 6% to EUR 68.4 million, primarily due to higher labour costs, costs of representation, advertising and trade shows, and rent and lease costs. The proportion of operating expenses of the insurance business in gross written premium was 18.4%, which is the same as in 2020. Operating expenses by insurance segment increased by 12% in the **health and pension insurance** segment (EUR 10.7 million) and by 7% in the **non-life insurance segment** (EUR 54.3 million), whereas in the **health insurance segment** they declined by 12% (EUR 3.4 million).

The share of insurance business operating expenses in written premium was 18.4%.

Non-insurance business expenses decreased by 4% to EUR 7.4 million, mainly due to lower labour costs at Triglav, Upravljanje nepremičnin and lower others costs of services at Sarajevostan.

Acquisition costs (fees and commissions) rose by 4% to EUR 14.6 million, predominantly as a result of higher acquisition costs at Zavarovalnica Triglav and Triglav Osiguranje, Belgrade. At the parent company, their growth was influenced by an increase in provisions for fees and commissions made for not yet settled invoices for the services rendered as well as an increase in underwriting commissions. At Triglav Osiguranje, Belgrade, higher acquisition costs primarily resulted from premium increase. In contrast, a large decline was recorded at Triglav, Zdravstvena zavarovalnica, mainly due to a change in the rewarding of new clients and agents.

The 3% increase in depreciation costs in the amount of EUR 5.3 million was predominantly the consequence of higher depreciation costs of intangible fixed assets at the parent company and investments in hardware and software at Triglav, Zdravstvena zavarovalnica.

At 48.1%, labour costs accounted for the largest portion of total expenses, and amounted to EUR 38.5 million, up by 5% compared to the year before. This increase is mainly a result of the higher number of employees at Triglav, Zdravstvena zavarovalnica, Triglav Osiguranje, Belgrade and Triglav Osiguranje, Zagreb as well as higher labour costs at Zavarovalnica Triglav. The latter were mainly influenced by an increase in basic salaries and higher payments to insurance agents due to increased sale of insurance products. Costs of services provided by natural persons other than sole proprietors rose by 25%. With a 0.4% share in total expenses, they amounted to EUR 361 thousand. Other operating expenses increased by 5% to EUR 21.2 million. Among them, the highest growth was achieved by the costs of representation, advertising and trade shows (higher costs of advertising and sponsorships at the parent company and Triglav Osiguranje, Belgrade) and rent and lease costs (especially higher costs of leasing computer equipment at the parent company).

Acquisition costs represented 61.0% (the largest share) of total gross operating expenses of the insurance business broken down by functional group. Other operating expenses represented 27.9%, claim handling expenses 9.6% and asset management costs 1.5% of total gross operating expenses of the insurance business.

Gross operating expenses of the Triglav Group in Q1 2021 by nature

Operating expenses by nature	Gross operating expenses		Index	Share
	Q1 2021	Q1 2020	Q1 2021/ Q1 2020	Q1 2021
Acquisition costs (fees and commissions)	14,639,659	14,117,795	104	18.3%
Costs of goods sold	88,898	2,518	3.531	0.1%
Depreciation of operating assets	5,279,745	5,105,319	103	6.6%
Labour costs	38,493,431	36,591,397	105	48.1%
- wages and salaries	28,203,155	26,466,929	107	35.2%
- social securities and pension insurance costs	6,206,705	5,949,697	104	7.8%
- other labour costs	4,083,571	4,174,771	98	5.1%
Costs of services provided by natural persons other than SPs together with pertaining taxes	361,096	288,038	125	0.5%
Other operating expenses	21,192,283	20,090,251	105	26.5%
- costs of entertainment, advertising, trade shows	4,161,335	3,276,831	127	5.2%
- costs of material and energy	1,867,986	2,166,305	86	2.3%
- maintenance costs	3,572,256	3,715,089	96	4.5%
- travel expenses	789,419	984,815	80	1.0%
- costs of intellectual and personal services	1,372,345	1,221,234	112	1.7%
- non-income-related costs, excluding insurance	650,063	696,184	93	0.8%
- costs of transport and communication services	1,242,712	1,240,792	100	1.6%
- costs of insurance premiums	310,519	312,666	99	0.4%
- payment transaction costs and banking services	2,336,079	2,484,379	94	2.9%
- rents	1,567,559	886,536	177	2.0%
- costs of services of professional training	292,570	237,190	123	0.4%
- other costs of services	3,029,434	2,868,230	106	3.8%
- long-term employee benefits	6	0	0	0.0%
Total	80,055,112	76,195,318	105	100.0%
Consolidation eliminations	-4,279,217	-4,246,503	101	
Total consolidated	75,775,895	71,948,815	105	

Gross operating expenses of Zavarovalnica Triglav in Q1 2021 by nature

Operating expenses by nature	Gross operating expenses		Index	Share
	Q1 2021	Q1 2020	Q1 2021/ Q1 2020	Q1 2021
Acquisition cost (fees and commissions)	7,640,963	7,057,971	108	17.1%
Depreciation of operating assets	3,096,722	2,895,531	107	6.9%
Labour costs	24,456,108	23,331,000	105	54.8%
- wages and salaries	18,532,006	17,402,856	106	41.5%
- social securities and pension insurance costs	3,070,242	2,890,594	106	6.9%
- other labour costs	2,853,860	3,037,550	94	6.4%
Costs of services provided by natural persons other than SPs, including related taxes	60,410	60,435	100	0.1%
Other operating costs	9,400,775	8,217,306	114	21.1%
- costs of entertainment, advertising, trade shows	1,753,668	1,137,768	154	3.9%
- costs of material and energy	805,895	931,317	87	1.8%
- maintenance costs	2,045,179	2,230,269	92	4.6%
- reimbursement of labour-related costs	603,816	650,920	93	1.4%
- costs of intellectual and personal services	499,893	424,009	118	1.1%
- non-income related costs, excluding insurance	150,899	224,903	67	0.3%
- costs of transport and communication services	661,680	695,068	95	1.5%
- costs for insurance premiums	101,731	80,524	126	0.2%
- payment transaction costs and banking services	252,112	328,661	77	0.6%
- rents	1,142,117	520,422	219	2.6%
- costs of professional training services	217,451	126,351	172	0.5%
- other costs of services	1,166,334	867,094	135	2.6%
Total	44,654,978	41,562,243	107	100.0%

4.6 Reinsurance

In the first three months of 2021, the **Triglav Group** allocated EUR 61.2 million of reinsurance and coinsurance premiums to external equalisation, an increase of 28% relative to the corresponding period last year. Reinsurance premium growth was mainly the result of the increased volume of non-life insurance premium, primarily through effective sales based on the principle of freedom of movement of services, and inward reinsurance. Reinsurance premium accounted for 16.5% of total gross written insurance and coinsurance premiums. The reinsurers' share in gross claims settled of EUR 8.5 million (index 143) was received from reinsurance.

In the reporting period, **Zavarovalnica Triglav** allocated EUR 50.1 million of reinsurance and coinsurance premiums to external equalisation, an increase of 24% compared to the same period in 2020. Reinsurance premium accounted for 22.1% of total gross written premium. The reinsurers' and coinsurers' share in gross claims settled of EUR 8.5 million (index 139) was received from reinsurance and coinsurance.

4.7 Insurance technical provisions

Gross insurance technical provisions are the basis for balanced operations and ensure the long-term safety of insured persons. As at 31 March 2021, the **Triglav Group** had gross insurance technical provisions of EUR 3,142.0 million, an increase of 4% relative to. The amount of gross insurance technical provisions increased in **non-life insurance** (index 109), **health insurance** (index 116), and in **life and pension insurance** (index 101). As at the reporting date, **Zavarovalnica Triglav** allocated EUR 2,269.7 million to gross insurance technical provisions, up by 3% compared to the 31 December 2020.

Total gross insurance technical provisions of the Triglav Group amounted to EUR 3,142.0 million, an increase of 4%.

Provisions of the **Triglav Group** by type as at 31 March 2021 relative to 31 December 2020:

- **Gross unearned premium** was 22% higher and amounted to EUR 422.3 million. Unearned premium from non-life insurance increased by 23% to EUR 417.8 million, unearned premium from health insurance rose by 19% to EUR 4.0 million and unearned premium from life and pension insurance grew by 10% to EUR 504 thousand. The movement of gross unearned premium corresponds to the movement and duration of gross written premium and the nature of underwritten risks.
- **Gross claims provisions** rose by 2% to EUR 655.6 million. They are formed for covering claims incurred but not settled by the end of the accounting period. Claims provisions from non-life insurance totalled EUR 618.8 million (index 102), those from life and pension insurance equalled EUR 21.1 million (index 99), and those from health insurance amounted to EUR 15.7 million (index 107).
- **Mathematical provisions** were 1% higher and amounted to EUR 1,986.4 million. Mathematical provisions for the guarantee fund backing life insurance totalled EUR 1,437.8 million (index 99), while insurance technical provisions for unit-linked life insurance contracts amounted to EUR 548.6 million (index 108). They increased due to the growth in the price of fund units. Zavarovalnica Triglav's mathematical provisions of EUR 1,502.9 million accounted for the bulk (index 101), of which mathematical provisions for the guarantee fund backing life insurance amounted to EUR 1,033.7 million (index 98) and insurance technical provisions for unit-linked life insurance contracts equalled EUR 480.3 million (index 107).
- **Provisions for bonuses and discounts** declined by 1% to EUR 27.8 million.

- **Other insurance technical provisions** increased by 4% to EUR 50.0 million. The growth primarily resulted from additional provisions for unexpired risks of health insurance contracts in the amount of EUR 5.2 million, as the implementation of regular healthcare programmes was limited due to the second and third waves of the epidemic.

Gross insurance technical provisions of the Triglav Group as at 31 March 2021

	Gross insurance technical provisions		Index
	31 March 2021	31 December 2020	2021/2020
Unearned premium	422,265,608	344,760,927	122
Mathematical provisions	1,986,411,556	1,967,008,673	101
Claims provisions	655,597,978	645,331,168	102
Provisions for bonuses and discounts	27,775,140	28,195,354	99
Other insurance technical provisions	49,955,648	47,917,732	104
Total	3,142,005,930	3,033,213,854	104

Gross insurance technical provisions of Zavarovalnica Triglav as at 31 March 2021

	Gross insurance technical provisions		Index
	31 March 2021	31 December 2020	2021/2020
Unearned premium	291,031,634	235,190,816	124
Mathematical provisions	1,502,931,229	1,490,283,181	101
Claims provisions	435,856,068	430,259,621	101
Provisions for bonuses and discounts	23,837,107	23,837,107	100
Other insurance technical provisions	16,085,877	19,470,754	83
Total	2,269,741,915	2,199,041,479	103

4.8 Structure of financial investments

The Triglav Group pursues a somewhat conservative investment policy, focusing on investment security and liquidity governed by adequate profitability. In the reporting period, the structure of investment portfolio did not significantly change, but the Group actively adapted some shares of individual asset classes. Financial investments of the **Triglav Group** including investment property and investments in associates totalled EUR 3,527.9 million as at 31 March 2021, up by 1% relative to 31 December 2020. Their share in the Group's total assets declined by 2.7 percentage points to 81.8%.

Financial investments (including investment properties and investments in associates) of the Triglav Group as at 31 March 2021 and 31 December 2020

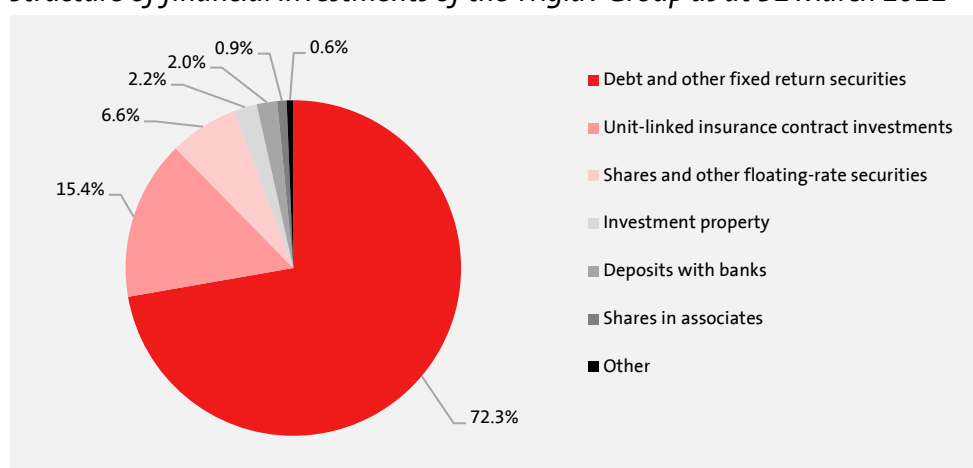
	Financial investments		Index	Share	
	31 March 2021	31 December 2020	2021/2020	31 Mar. 2021	31 Dec. 2020
Investment property	78,979,526	78,977,800	100	2.2%	2.3%
Shares in associates	31,966,092	28,237,714	113	0.9%	0.8%
Shares and other floating-rate securities	233,400,446	220,367,991	106	6.6%	6.3%
Debt and other fixed return securities	2,549,060,743	2,572,533,950	99	72.3%	73.6%
Loans given	4,229,425	4,218,279	100	0.1%	0.1%
Deposits with banks	69,499,110	72,474,217	96	2.0%	2.1%
Other financial investments	6,497,825	6,462,139	101	0.2%	0.2%
Financial investments of reinsurance companies in reinsurance contracts with cedents	11,411,240	11,210,682	102	0.3%	0.3%
Derivatives	115,933	113,301	102	0.0%	0.0%
Unit-linked insurance contract investments	542,762,105	501,808,980	108	15.4%	14.4%
Total	3,527,922,445	3,496,405,053	101	100.0%	100.0%

The largest share of the investment portfolio, 72.3%, is represented by bonds invested in developed markets, most of which have a high credit rating. Compared to 2020 year-end, the value of the bond portfolio decreased by 1% to EUR 2,549.1 million, while its share in the total portfolio dropped by 1.3 percentage points.

The growth of share prices in the first quarter affected both the value of the Group's equity investments and the value of unit-linked life insurance contract investments. The volume of equity investments grew by 6% to EUR 233.4 million, and their share in the total portfolio increased by 0.3 percentage point to 6.6% (more details below). The value of unit-linked life insurance contract investments increased by 8% to EUR 542.8 million, and their share in the total portfolio rose by 1.0 percentage point to 15.4%. The majority of these assets is invested in mutual funds of the policyholders' choice and mostly in funds managed by Triglav Skladi.

In other asset classes, the volume of deposits with banks decreased slightly, whereas the volume of investments in associates increased; there were no other significant changes in the reporting period.

Structure of financial investments of the Triglav Group as at 31 March 2021



The structure of debt and equity portfolios is presented in detail below.

The structure of the bond portfolio in terms of **issuer sector** did not change significantly in the first quarter. Government bonds represent the bulk (65.6%) and are followed by financial bonds accounting for 17.9% and corporate bonds accounting for 16.5%.

Debt securities of the Triglav Group by issuer sector

Issuer sector	Debt securities		Index 2021/2020	Share	
	31 March 2021	31 December 2020		31 Mar. 2021	31 Dec. 2020
Government	1,672,416,890	1,682,830,112	99	65.6%	65.4%
Financial	455,654,413	461,605,954	99	17.9%	17.9%
Corporate	419,953,997	427,038,594	98	16.5%	16.6%
Shared	1,035,444	1,059,291	98	0.0%	0.0%
Total	2,549,060,743	2,572,533,951	99	100.0%	100.0%

Note: Unit-linked insurance contract investments data excluded.

In its investment, the Triglav Group pursues the goal of achieving a high credit rating of the entire portfolio. The bond portfolio's investments are globally diversified and of high quality. A total of 89.8% of its investments have an investment grade credit rating of at least "BBB" (compared to 89.6% as at 31 December 2020) and 64.0% have the "A" credit rating (compared to 61.3% as at 31 December 2020).

Debt securities of the Triglav Group by credit rating

Credit rating	Debt securities		Index	Share	
	31 March 2021	31 December 2020	2021/2020	31 Mar. 2021	31 Dec. 2020
AAA	452,026,368	463,012,284	98	17.7%	18.0%
AA	364,460,966	383,681,511	95	14.3%	14.9%
A	813,756,058	729,748,691	112	31.9%	28.4%
BBB	658,511,501	728,788,550	90	25.8%	28.3%
Below BBB	196,351,967	200,940,476	98	7.7%	7.8%
Not rated	63,953,883	66,362,438	96	2.5%	2.6%
Total	2,549,060,743	2,572,533,951	99	100.0%	100.0%

Note: Unit-linked insurance contract investments data excluded.

In terms of **issuer country**, the majority of the portfolio is accounted for by debt securities of issuers from the countries with a high credit rating, which ensures the Group appropriate security and liquidity. Certain changes in exposure to individual countries are a result of price fluctuations and tactical adjustments of some positions.

Debt securities of the Triglav Group by issuer country

Country of issuer	Debt securities		Index	Share	
	31 March 2021	31 December 2020	2021/2020	31 Mar. 2021	31 Dec. 2020
Slovenia	414,493,561	394,525,822	105	16.3%	15.3%
Germany	364,158,824	399,195,893	91	14.3%	15.5%
France	187,300,607	191,067,434	98	7.3%	7.4%
International financial institutions	157,465,342	106,856,495	147	6.2%	4.2%
Spain	150,594,392	139,353,731	108	5.9%	5.4%
Italy	132,721,101	123,487,125	107	5.2%	4.8%
USA	120,615,214	123,650,851	98	4.7%	4.8%
Croatia	105,322,300	106,124,399	99	4.1%	4.1%
Netherlands	89,989,800	117,712,265	76	3.5%	4.6%
Austria	75,119,427	85,172,491	88	2.9%	3.3%
Other	751,280,175	785,387,446	96	29.5%	30.5%
Total	2,549,060,743	2,572,533,951	99	100.0%	100.0%

Note: Unit-linked insurance contract investments data excluded.

Equity investments include shares and other variable-return securities that were affected by share price growth in the first quarter and investments in associates (shown in the table below). They represent 7.5% of the Group's total portfolio or EUR 265.4 million, up by 0.4 percentage point relative to 31 December 2020 (i.e. 7% more than as at 31 December 2020). Equity investments also include the category *other funds*, which comprises mostly alternative funds, among which alternative funds managed by the associate Triglav hold a significant share. The share of *other funds* represents 25.5% of equity investments.

Equity investments of the Triglav Group by investment type

Equity investment type	Equity investments		Index	Share	
	31 March 2021	31 December 2020	2021/2020	31 Mar. 2021	31 Dec. 2020
Shares	102,833,121	91,531,483	112	38.8%	36.8%
Equity funds	60,145,436	58,121,022	103	22.7%	23.4%
Bond funds	31,203,844	30,288,801	103	11.8%	12.2%
Money market funds	3,432,815	3,436,410	100	1.3%	1.4%
Other funds	67,751,322	65,227,991	104	25.5%	26.2%
Total	265,366,537	248,605,707	107	100.0%	100.0%

Equity investments of the Triglav Group by geographic area

Geographic area	Equity investments		Index	Share	
	31 March 2021	31 December 2020	2021/2020	31 Mar. 2021	31 Dec. 2020
Slovenia	88,461,973	80,365,862	110	33.3%	32.3%
Developed markets	159,564,197	150,493,047	106	60.1%	60.5%
Developing markets	12,880,641	13,244,477	97	4.9%	5.3%
Balkans	4,459,727	4,502,320	99	1.7%	1.8%
Total	265,366,537	248,605,707	107	100.0%	100.0%

In **Zavarovalnica Triglav**, financial investments, including investment property, remained at approximately the same level as at 2020 year-end and amounted to EUR 2,643.5 million.

Financial investments (including investment properties and investments in subsidiaries and associates) of Zavarovalnica Triglav as at 31 March 2021 and 31 December 2020

	Financial investments		Index	Share	
	31 March 2021	31 December 2020	2021/2020	31 March 2021	31 December 2020
Investment property	44,271,275	44,451,276	100	1.7%	1.7%
Investments in subsidiaries and associates	166,803,758	163,675,415	102	6.3%	6.2%
Shares and other floating rate securities	119,776,589	113,586,570	105	4.5%	4.3%
Debt and other fixed return securities	1,804,808,839	1,837,372,253	98	68.3%	69.8%
Loans given	8,545,258	9,294,087	92	0.3%	0.4%
Deposits with banks	19,240,227	19,567,302	98	0.7%	0.7%
Other financial investments	3,652,067	3,654,860	100	0.1%	0.1%
Derivatives	115,933	113,301	102	0.0%	0.0%
Unit-linked insurance contract investments	476,314,583	442,292,488	108	18.0%	16.8%
Total	2,643,528,529	2,634,007,552	100	100.0%	100.0%

4.9 Asset management

Asset management is one of the two strategic activities of the Triglav Group. It comprises the management of the parent company's own insurance portfolios (assets backing liabilities and guarantee funds), saving of clients through the Group's life and pension insurance companies, investment management by Triglav, and the management of clients' assets in mutual funds and discretionary mandates by Triglav Skladi. The value of assets under management of the Triglav Group as at 31 March 2021 compared to 31 December 2020:

- own insurance portfolio: EUR 2,985 million (index 100),
- mutual funds and discretionary mandate assets at Triglav Skladi: EUR 1,308 million (index 113),
- management of investments at Triglav: EUR 54.4 million (index 103).

Asset and investment fund management market

As at 31 March 2021, five management companies operated in **Slovenia**, which managed the net asset value of EUR 3.6 billion in **mutual funds**, which is 11% more than at the 2020 year-end. Asset growth was driven by net inflows into funds and growth in capital markets.

Triglav Skladi managed EUR 1.2 billion in **mutual funds** as at 31 March 2021, up by 12% relative to 31 December 2020. The value of net assets under management increased by EUR 56.4 million due to net inflows and by EUR 65.7 million due to the situation in capital markets. Triglav Skladi held a 32.9% market share as at the reporting date and is thus one of the leading managers of assets in investment funds in Slovenia.

A total of six companies provided **discretionary mandate services**, of which three were asset management companies. The value of discretionary mandate assets managed by said companies amounted to EUR 1.3 billion as at 31 March 2021, an increase of 1% relative to 2020 year-end. Triglav Skladi increased the value of assets in this segment by 31%; net inflows amounted to EUR 22.3 million, while the effect of capital markets increased the value of net assets under management by EUR 7.0 million. The company's market share increased by 2.2 percentage points to 9.6%.

5. Financial result and financial position

5.1 Financial result

In the first three months of 2021, the Triglav Group performed well, recording a **profit before tax of EUR 31.8 million**, an increase of 21% relative to the same period last year. Higher profit is primarily a result of higher growth of net premium income than the growth of net claims incurred. **Net profit** amounted to **EUR 26.5 million**, up by 18% compared to the preceding year. **Annualised net return on equity** increased by 0.9 percentage point to 12.8%.

In the first quarter of 2021, the Triglav Group posted profit before tax of EUR 31.8 million.

Zavarovalnica Triglav posted a **profit before tax** of EUR 18.5 million, a decrease 7% of relative to the corresponding period of 2020. **Net profit** declined by 9% to EUR 15.1 million.

The combined ratio of the Triglav Group was 87.9, down by 6.0 percentage points compared to the preceding year. The combined ratio shows the profitability of operations in the non-life and health insurance segments. Any value of this ratio below 100 means that the non-life and health insurance portfolios as the core business (excluding return on investments) are earning a profit. The favourable trend is a result of both the improved claims ratio (the growth of net premium income was higher than the growth of net claims incurred) and expense ratio (primarily due to higher fee and commission income and lower other insurance expenses and net expenses for bonuses and discounts).

Combined ratio in non-life insurance of the Triglav Group by insurance company

Insurance Group	Q1 2021	Q1 2020	Change
Zavarovalnica Triglav	82.6%	92.3%	-9.7 p.p.
Triglav, Zdravstvena zavarovalnica	94.9%	94.3%	0.6 p.p.
Pozavarovalnica Triglav Re	88.9%	104.1%	-15.2 p.p.
Triglav Osiguranje, Zagreb	91.4%	102.0%	-10.6 p.p.
Triglav Osiguranje, Belgrade	88.0%	78.6%	9.4 p.p.
Lovćen Osiguranje, Podgorica	94.6%	90.5%	4.1 p.p.
Triglav Osiguranje, Sarajevo	93.2%	92.9%	0.3 p.p.
Triglav Osiguranje, Banja Luka	96.1%	96.6%	-0.5 p.p.
Triglav Osiguruvanje, Skopje	122.5%	103.3%	19.2 p.p.
The Triglav Group	87.9%	93.9%	-6.0 p.p.

Net premium income rose by 1% to EUR 264.7 million. Net premium income from non-life insurance grew by 2% and that from life and pension insurance and health insurance by 1%. Net premium income comprises gross written premium in the amount of EUR 371.7 million (index 107), less written premium ceded to reinsurance and coinsurance in the amount of EUR 61.2 million (index 128) and adjusted by the change in net unearned premium of EUR -45.7 million (index 115).

Net claims incurred dropped by 8% to EUR 171.2 million. Net claims incurred in non-life insurance fell by 10%, in health insurance by 9% and in life and pension insurance by 4%. Net claims incurred are comprised of gross claims paid in the amount of EUR 171.3 million (index 96), less reinsurers' and coinsurers' shares in gross claims paid in the amount of EUR 8.5 million (index 143), adjusted by the change in claims provisions of EUR 6.9 million (vs. EUR 12.0 million in 2020) and increased by equalisation scheme expenses for supplemental health insurance in the amount of EUR 1.5 million (index 78).

Income from investments, including income from investments in associates, increased by 123% and reached EUR 51.9 million. Income from investments in associates amounted to EUR 580 thousand, up by 48%, and income from investments totalled EUR 51.3 million, up by 125%. Interest income was down by 23% and reached EUR 8.8 million, while gains on disposal of investments dropped by 45% to EUR 3.7 million as a result of lower activity in trading in financial instruments. Other income from investments increased to EUR 38.8 million (vs. EUR 4.6 million in the same period in 2020). Other income from investments comprises changes in the fair value of EUR 5.4 million (vs. EUR 610 thousand in 2020), dividends of EUR 294 thousand (index 116), other financial income of EUR 4.2 million (index 115) and net unrealised gains on unit-linked life insurance assets, which totalled EUR 28.9 million (vs. EUR 59 thousand in 2020). The latter rose primarily due to the growth of share prices, to which the majority of policyholders' investments under these insurance contracts are tied.

Expenses from investments, including expenses from investments in associates, declined to EUR 10.4 million (vs. EUR 104.9 million in the corresponding period last year). Expenses from investments in associates amounted to EUR 58 thousand (index 31), while expenses from investments totalled EUR 10.3 million (vs. EUR 104.8 million in 2020). Losses on disposals amounted to EUR 1.3 million (index 172) and other expenses from investments totalled EUR 9.0 million (vs. EUR 103.8 million in 2020). Other expenses from investments comprise net unrealised losses on unit-linked life insurance assets totalling EUR 621 thousand (vs. EUR 72.7 million in 2020), changes in the fair value of EUR 6.1 million (vs. EUR 27.7 million in 2020) and other financial expenses in the amount of EUR 2.3 million (index 67).

The Group's rates of **return on investment** (excluding unit-linked insurance contract investments) totalled EUR 9.0 million, whereas in the same period last year they were negative and amounted to EUR –5.9 million. The reasons for the higher rates of return on investment are mainly higher net income from changes in the fair value of investments. Low interest rates continue to affect the continued decline in interest income.

Return on investment increased primarily due to higher net income from changes in the fair value of investments.

The rates of return on investment also impact the amount of insurance technical provisions and net profit of the Group. **Profit before tax from investments** is presented in the table *Structure of profit before tax*.

Change in other insurance technical provisions amounted to EUR –246 thousand compared to EUR –26.8 million in the preceding year, predominantly due to the decline in mathematical provisions. As part of other insurance technical provisions, provisions for unexpired risks of health insurance contracts increased due to the limited provision of healthcare services. **Change in insurance technical provisions for unit-linked insurance contracts** equalled EUR 39.4 million (vs. EUR –70.4 million in the same period last year) due to the increase in the value of fund units. **Expenses for bonuses and discounts** fell by 44% to EUR 2.3 million mainly as a result of lower bonuses paid out at the parent company

Operating expenses (acquisition costs and other operating expenses) totalled EUR 60.8 million, up by 7%. Acquisition costs rose by 8% and other operating expenses by 4%. The proportion of operating expenses of the insurance business (all functional cost groups) in gross written premium was 18.4%, which is the same as in 2020.

Other insurance income, excluding fees and commissions, totalled EUR 2.4 million, down by 24% mainly due to lower interest income from subrogation receivables at the parent company. **Other insurance expenses**, excluding fees and commissions, amounted to EUR 5.1 million. Compared to the preceding year, they were lower by 31% predominantly due to the lower assets for prevention at the parent company (the purchase of protective equipment in 2020), provisions

made by Triglav, pokojninska družba in 2020 and lower other insurance expenses at Pozavarovalnica Triglav Re (exchange rate gains and losses are netted off in expenses as of this year). **Net fee and commission income** amounted to EUR 3.4 million (vs. EUR 847 thousand in the same period last year) and increased mainly due to the high growth of written premium ceded to reinsurance.

Other income increased by 9%, totalling EUR 10.7 million, primarily due to the growth in management fee income at Triglav Skladi. The 25% increase in **other expenses** (EUR 12.4 million) was mainly a result of higher other expenses at the parent company.

Individual items in the consolidated income statement of the Triglav Group for Q1 2021

	Q1 2021	Q1 2020	Index
Net premium income	264,714,265	261,112,568	101
Income from investments including income in subsidiaries and associates	51,898,977	23,242,072	223
Other income from insurance operations	13,550,808	11,590,526	117
Other income	10,728,240	9,840,823	109
Net claims incurred	171,196,826	185,726,897	92
Change in other insurance technical provisions (excluding ULI)	-246,133	-26,795,998	1
Change in insurance technical provisions for unit-linked insurance contracts	39,408,607	-70,397,809	
Expenses for bonuses and discounts	2,344,941	4,216,911	56
Operating expenses	60,752,599	56,888,117	107
Expenses from investments including expenses in subsidiaries and associates	10,403,242	104,948,749	10
Other insurance expenses	12,864,879	14,979,962	86
Other expenses	12,368,874	9,864,733	125
Profit before tax	31,798,456	26,354,427	121
Income tax expense	5,262,531	3,954,626	133
Net profit for the accounting period	26,535,925	22,399,801	118

*Structure of profit before tax of the Triglav Group**

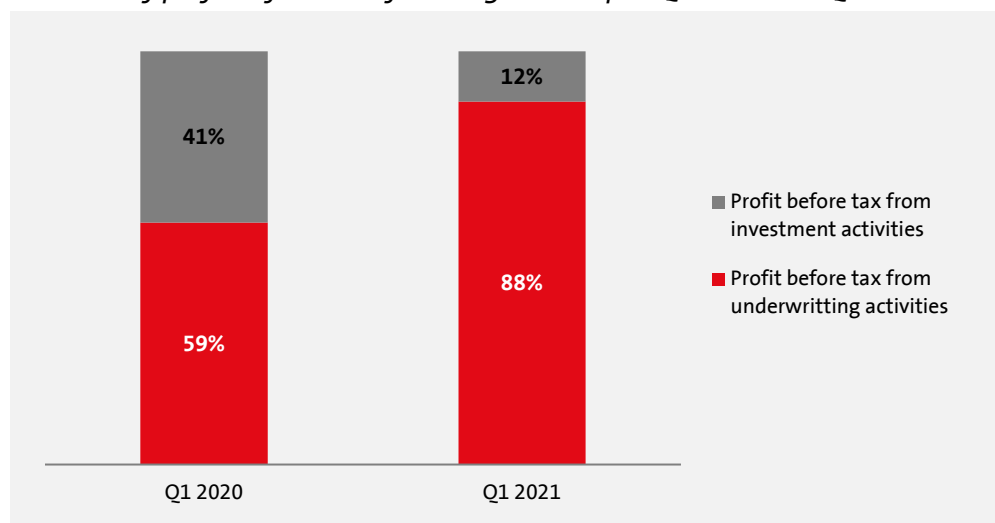
	Q1 2021				Q1 2020			
	Non-life	Life and pension	Health	Total	Non-life	Life and pension	Health	Total
Profit before tax from underwriting activities	19,460,477	4,389,966	2,665,134	26,515,577	8,882,148	3,275,789	3,175,502	15,333,439
Profit before tax from investment activities	3,879,562	-331,874	121,032	3,668,720	4,493,049	6,195,085	160,118	10,848,252
Profit before tax from insurance operations	23,340,039	4,058,092	2,786,166	30,184,297	13,375,197	9,470,874	3,335,620	26,181,691
Profit before tax from non-insurance operations				1,614,159				172,736
Total profit before tax				31,798,456				26,354,427

*Profit from return on investment is reduced by the return guaranteed by the Group's insurance subsidiaries to life insurance policyholders in the form of a guaranteed return determined in insurance contracts. In addition, return on investment is reduced by the increase in mathematical provisions due to the lower internally set maximum interest rate used for the valuation of life insurance liabilities.

Profit before tax of the Group's **non-life and health insurance** segments amounted to EUR 26.2 million in the first quarter of 2021, up by EUR 9.4 million compared to the same period in the preceding year. The improved result resulted from higher profit before tax from underwriting activities, mainly due to more favourable net claims experience and higher net premium income. Profit from financial investments was lower than in the same period last year due to lower interest income and lower realised capital gains.

Profit before tax of the Group's **life and pension insurance** segments amounted to EUR 4.1 million, down by EUR 5.4 million compared to the corresponding period last year. The main reason for lower profit are lower rates of return on financial investments and additional provisions of EUR 4.4 million due to the lower internally set maximum interest rate used for the valuation of life insurance liabilities at the parent company. Compared to the same period last year, profit before tax from underwriting activities of the life and pension insurance segments improved.

Structure of profit before tax of the Triglav Group in Q1 2021 and Q1 2020



Individual items in the income statement of Zavarovalnica Triglav for Q1 2021

	Q1 2021	Q1 2020	Index
Net premium income	141,325,759	142,431,132	99
Income from investments including income in subsidiaries and associates	38,136,014	15,134,178	252
Other income from insurance operations	11,198,868	9,340,696	120
Other income	2,107,245	1,814,668	116
Net claims incurred	90,033,412	104,340,181	86
Change in other insurance technical provisions	-5,125,433	-15,115,147	34
Change in insurance technical provisions for unit-linked insurance contracts	32,247,485	-67,737,386	
Expenses for bonuses and discounts	2,199,937	3,595,096	61
Operating expenses	38,957,009	36,021,930	108
Expenses from investments including expenses in subsidiaries and associates	5,897,263	79,414,009	7
Other insurance expenses	5,726,985	6,466,138	89
Other expense	4,380,300	1,880,015	233
Profit/loss before tax	18,450,928	19,855,838	93
Income tax expense	3,393,124	3,284,726	103
Net profit/loss for the accounting period	15,057,804	16,571,112	91

5.2 Financial position

Balance sheet total of the Triglav Group as at 31 March 2021 stood at EUR 4,3 billion, an increase of 4% relative to.

Total equity as at 31 March 2021 amounted to EUR 886.4 million, up by 2% relative to the 2020 year-end. Total equity in total balance sheet liabilities fell by 0.5 percentage point to 20.5%. Equity attributable to the controlling company rose by 2% to EUR 883.9 million, while non-controlling interests decreased to EUR 2.5 million (index 99). The share capital of EUR 73.7 million remained unchanged and was divided into 22,735,148 ordinary shares. As a result of a decrease in the value of available-for-sale financial assets, **fair value reserve** declined by 11% to EUR 79.1 million. **Share premium** amounted to EUR 50.3 million and remained unchanged compared to the 2020 year-end (index 100).

Total equity grew by 2% to EUR 886.4 million as at 31 March 2021.

Reserves from profit in the amount of EUR 384.1 million (index 100) remained unchanged compared to 31 December 2020. They comprise other reserves from profit of EUR 363.2 million, legal and statutory reserves in the amount of EUR 20.3 million, and contingency reserves of EUR

640 thousand. **Accumulated profit** reached EUR 300.0 million, up by 10%. In addition to EUR 26.6 million (index 60) in net profit for the year, it includes EUR 273.4 million of net profit brought forward (index 119). Net profit brought forward increased by EUR 44.1 million due to the transfer of net profit for the previous year.

Subordinated liabilities amounted to EUR 49.4 million and were at a level approximately equal to the 2020 year-end (index 100).

Gross insurance technical provisions were 4% higher and amounted to EUR 3,142.0 million. Their share in balance sheet total dropped by 0.4 percentage point to 72.8%. Mathematical provisions rose by 1% to EUR 1,986.4 million. An increase was also seen in gross claims provisions (index 102), provisions for gross unearned premium (index 122), and other insurance technical provisions (index 102). Insurance technical provisions are discussed in greater detail in *Section 4.7*.

Other financial liabilities rose to EUR 23.7 million due to higher short-term liabilities from financing at Zavarovalnica Triglav, which refer to liabilities for securities purchases. Their share accounted for only 0.5% of total liabilities.

Operating liabilities grew by 38% over the 2020 year-end and amounted to EUR 97.3 million, thus representing 2.3% of balance sheet total. They increased mostly on the account of liabilities from coinsurance and reinsurance operations, which rose to EUR 66.2 million (index 135), and liabilities from direct insurance operations, which increased to EUR 26.2 million (index 156).

Lease liabilities amounted to EUR 9.7 million, a decrease of 3% relative to 31 December 2020. Lease liabilities comprise long-term lease liabilities of EUR 9.5 million (index 99) and short-term lease liabilities of EUR 231 thousand (index 59).

Other provisions grew by 5% to EUR 21.7 million mainly due to provisions for additional tax liabilities at Sarajevostan. Compared to 31 December 2020, **deferred tax liabilities** fell by 42% to EUR 8.4 million, primarily due to the lower fair value reserve for which deferred tax is calculated. **Other liabilities** rose by 11% to EUR 75.6 million, predominantly due to higher trade payables and accrued costs of insurance acquisition fees and commissions at the parent company.

Financial investments, which accounted for 66.6% of total assets, amounted to EUR 2,874.2 million and remained at a level approximately equal to the 2020 year-end (index 100). Available-for-sale financial assets, which totalled EUR 2,094.7 million, accounted for the bulk. Furthermore, EUR 527.5 million was accounted for by financial assets measured at fair value through profit or loss, EUR 156.7 million by held-to-maturity financial assets and EUR 95.3 million by deposits and loans. **Unit-linked insurance assets** amounted to EUR 542.8 million, up by 8%. The structure of financial assets is discussed in greater detail in *Section 4.8*.

The Triglav Group's financial investments in associates rose by 13% to EUR 32.0 million due to the capital increase of ZTSR in the amount of EUR 3.3 million. **Investment property** amounted to EUR 79.0 million and were at a level approximately equal to the 2020 year-end (index 100).

Receivables and deferred tax assets increased by 39% to EUR 283.2 million over the 2020 year-end and accounted for 6.6% of total assets, of which receivables from direct insurance operations accounted for the bulk at EUR 156.8 million (index 149), an increase of 5% relative to 31 March 2020. Receivables from coinsurance and reinsurance operations reached EUR 91.4 million (index 126), other receivables stood at EUR 32.2 million (index 138) and current tax receivables at EUR 1.8 million (index 92). Deferred tax assets amounted to EUR 1.0 million (index 125).

Insurance technical provisions transferred to reinsurance contracts totalled EUR 153.9 million, having increased by 22%. Assets from reinsurance contracts from claims provisions were 6% higher and totalled EUR 88.3 million, while assets from unearned premium rose by 55% to EUR 63.0 million.

Property, plant and equipment totalled EUR 111.5 million, a decrease of 2% relative to 31 December 2020. **Intangible assets** amounted to EUR 107.3 million, up by 6%, primarily due to the growth of long-term deferred acquisition costs.

Non-current assets held for sale of EUR 0.8 million declined by 9%.

Right-of-use assets amounted to EUR 9.8 million and remained at a level approximately equal to the 2020 year-end (index 100). They comprise the right to use land and buildings of EUR 7.8 million (index 97), the right to use vehicles of EUR 1.8 million (index 113) and the right to use other assets of EUR 100 thousand (index 109).

Cash and cash equivalents amounted to EUR 111.1 million (index 136), whilst **other assets** totalled EUR 8.6 million (index 137).

Individual items in the consolidated balance sheet of the Triglav Group as at 31 March 2021

	31 March 2021	31 December 2020	Index	Share 2021	Share 2020
ASSETS	4,314,204,412	4,139,441,072	104	100.0%	100.0%
Intangible assets	107,330,867	100,975,475	106	2.5%	2.4%
Property, plant and equipment	111,515,076	113,291,036	98	2.6%	2.7%
Non-current assets held for sale	831,646	915,851	91	0.0%	0.0%
Investment property	78,979,526	78,977,800	100	1.8%	1.9%
Right-of-use assets	9,776,877	9,821,211	100	0.2%	0.2%
Investments in associates	31,966,092	28,237,714	113	0.7%	0.7%
Financial investments	2,874,214,721	2,887,380,559	100	66.6%	69.8%
Unit-linked insurance assets	542,762,105	501,808,980	108	12.6%	12.1%
Reinsurers' share of insurance technical provisions	153,859,513	125,873,637	122	3.6%	3.0%
Receivables and deferred tax assets	283,236,360	203,962,440	139	6.6%	4.9%
Other assets	8,620,844	6,296,705	137	0.2%	0.2%
Cash and cash equivalents	111,110,785	81,899,664	136	2.6%	2.0%
EQUITY AND LIABILITIES	4,314,204,412	4,139,441,072	104	100.0%	100.0%
Equity	886,380,345	870,151,947	102	20.5%	21.0%
Subordinated liabilities	49,430,918	49,423,693	100	1.1%	1.2%
Insurance technical provisions	2,593,375,936	2,523,229,144	103	60.1%	61.0%
Insurance technical provisions for unit-linked insurance contracts	548,629,994	509,984,710	108	12.7%	12.3%
Other provisions	21,659,856	20,590,254	105	0.5%	0.5%
Deferred tax liabilities	8,411,871	14,539,515	58	0.2%	0.4%
Other financial liabilities	23,677,513	2,895,834	818	0.5%	0.1%
Operating liabilities	97,301,618	70,313,038	138	2.3%	1.7%
Lease liabilities	9,723,835	10,025,532	97	0.2%	0.2%
Other liabilities	75,612,521	68,287,405	111	1.8%	1.6%

Individual items in the balance sheet of Zavarovalnica Triglav as at 31 March 2021

	31 March 2021	31 December 2020	Index	Share 2021	Share 2020
ASSETS	3,103,929,430	2,995,518,165	104	100.0%	100.0%
Intangible assets	66,137,938	62,397,579	106	2.1%	2.1%
Property, plant and equipment	66,900,586	67,775,451	99	2.2%	2.3%
Investment property	44,271,275	44,451,276	100	1.4%	1.5%
Right-of-use assets	3,846,757	3,587,916	107	0.1%	0.1%
Investments in subsidiaries and associates	166,803,758	163,675,415	102	5.4%	5.5%
Financial investments	1,956,138,912	1,983,588,372	99	63.0%	66.2%
Unit-linked insurance assets	476,314,583	442,292,488	108	15.3%	14.8%
Reinsurers' share of insurance technical provisions	122,870,717	105,903,438	116	4.0%	3.5%
Receivables and deferred tax assets	149,158,173	95,800,206	156	4.8%	3.2%
Other assets	4,795,555	3,741,799	128	0.2%	0.1%
Cash and cash equivalents	46,691,174	22,304,222	209	1.5%	0.7%
EQUITY AND LIABILITIES	3,103,929,430	2,995,518,165	104	100.0%	100.0%
Equity	648,621,888	644,003,173	101	20.9%	21.5%
Subordinated liabilities	49,430,918	49,423,693	100	1.6%	1.6%
Insurance technical provisions	1,789,469,306	1,750,315,382	102	57.7%	58.4%
Insurance technical provisions for unit-linked insurance contracts	480,272,609	448,726,097	107	15.5%	15.0%
Other provisions	14,003,357	13,843,321	101	0.5%	0.5%
Deferred tax liabilities	3,163,539	9,531,162	33	0.1%	0.3%
Other financial liabilities	21,261,204	1,633,896	1.306	0.7%	0.1%
Operating liabilities	47,509,186	33,977,772	140	1.5%	1.1%
Lease liabilities	3,900,969	3,675,805	106	0.1%	0.1%
Other liabilities	46,296,454	40,387,864	115	1.5%	1.3%

6. Risk management

6.1 Risk Management

The Triglav Group maintains a good capital position within the target levels of 200–250%. The Group's overall risk assessment increased slightly in the first quarter, partly due to year-on-year dynamics of operations and growth in the volume of operations and partly due to developments in the debt and stock markets.

The risks were affected by the increase in market and credit risks and additionally by the increase in underwriting risks in line with the growth in the volume of non-life and health insurance business. On the other hand, life insurance underwriting risks decreased in the first quarter, primarily due to a rise in the risk-free interest rate term structure. With regard to insurance portfolios, Zavarovalnica Triglav continued to pursue the investment policy adjusted to the obligations, thereby adequately neutralising the effects of rising medium- and long-term interest rates on capital. Significant growth of stock markets was also observed in the reporting period, which on the one hand increased the exposure to equity investments and, on the other, increased the risk of losses from these investments. Overall, rising interest rates and growth in the stock markets had a favourable impact on life insurance profitability.

As part of regular year-on-year dynamics of operations, the volume of cash at bank increased in the reporting period, thus slightly increasing credit risks.

The final risk assessment was also influenced by the higher value of the associate ZTSR (a capital increase) and the higher risk assessment of Triglav Skladi.

6.2 Internal audit

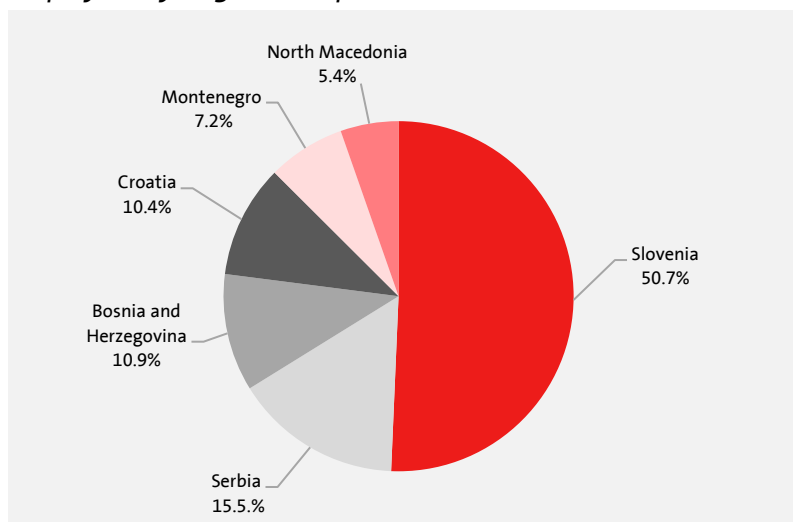
In the first quarter of 2021, the Internal Audit Department complied with its annual work plan. It conducted internal audits of various areas in Zavarovalnica Triglav and audits in some subsidiaries. The findings were reported to both the management of the audited areas and the Management Board.

In addition, the Internal Audit Department monitored the implementation of recommendations made by internal and external auditors, provided advisory services and performed other internal audit tasks. The Internal Audit Department reported on its work to the Management Board, the Audit Committee and the Supervisory Board.

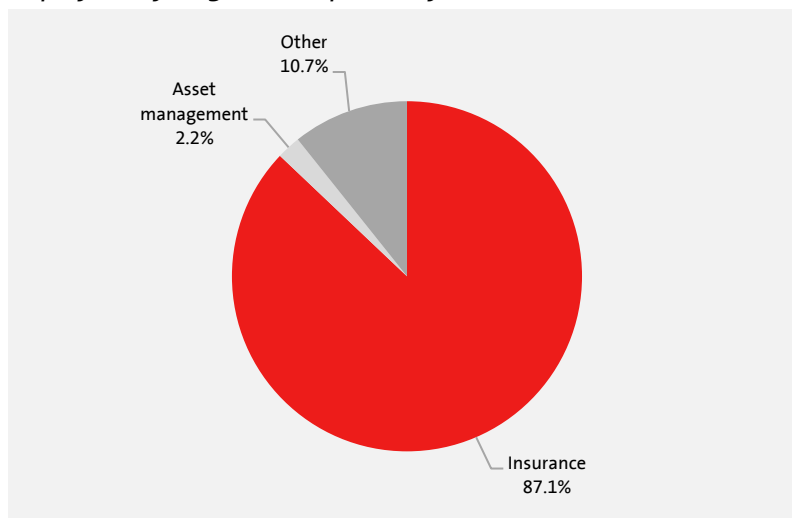
7. Employees of the Triglav Group

The Triglav Group had 5,316 employees as at 31 March 2021, the same as at 31 December 2020. The number of employees by Group member did not change significantly compared to the 2020 year-end.

Employees by Triglav Group market as at 31 March 2021



Employees by Triglav Group activity as at 31 March 2021



Accounting Report



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Accounting Report

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Statement of management's responsibility

The Management Board herewith confirms the financial statements for the period from 1 January 2021 to 31 March 2021 as well as the applied accounting policies and notes to the financial statements.

The Management Board is responsible for preparing the Interim Report so as to give a true and fair view of the assets and liabilities, the financial position and the profit or loss of the Triglav Group and Zavarovalnica Triglav, d.d. for the period from 1 January 2021 to 31 March 2021 in accordance with IAS 34 – Interim reporting.

The Management Board confirms that the appropriate accounting policies were consistently used and that the accounting estimates were prepared according to the principles of prudence and sound management. The Management Board further confirms that the financial statements and the notes thereto were prepared on a going concern basis for the Triglav Group and Zavarovalnica Triglav, d.d. and in line with the applicable legislation and International Financial Reporting Standards, as adopted by the EU.

The Management Board confirms that the Interim Management Report of the Triglav Group and Zavarovalnica Triglav, d.d. for the period from 1 January 2021 to 31 March 2021 includes a fair review of their business developments, results and financial positions, including a description of the major risks to which Zavarovalnica Triglav, d.d. as the parent company and its consolidated subsidiaries are exposed to as the Group.

The Management Board is also responsible for appropriate accounting practices, the adoption of appropriate measures for the safeguarding of assets, and for the prevention and detection of fraud and other irregularities or illegal acts.

Andrej Slapar
President of the Management
Board

Barbara Smolnikar
Member of the Management
Board

Uroš Ivanc
Member of the Management
Board

David Benedek
Member of the Management
Board

Tadej Čoroli
Member of the Management
Board

Marica Makoter
Member of the Management
Board

Ljubljana, 11 May 2021

1. Financial statements

STATEMENT OF FINANCIAL POSITION	in EUR			
	Triglav Group		Zavarovalnica Triglav	
	31 March 2021	31 December 2020	31 March 2021	31 December 2020
ASSETS	4,314,204,412	4,139,441,072	3,103,929,430	2,995,518,165
Intangible assets	107,330,867	100,975,475	66,137,938	62,397,579
Property, plant and equipment	111,515,076	113,291,036	66,900,586	67,775,451
Non-current assets held for sale	831,646	915,851	0	0
Deferred tax assets	973,531	778,589	0	0
Investment property	78,979,526	78,977,800	44,271,275	44,451,276
Right of use assets	9,776,877	9,821,211	3,846,757	3,587,916
Investments in subsidiaries	0	0	132,400,966	132,337,466
Investments in associates	31,966,092	28,237,714	34,402,793	31,337,951
- accounted for using the equity method	31,966,092	28,237,714	0	0
- measured at fair value	0	0	34,402,793	31,337,951
Financial investments	2,874,214,721	2,887,380,559	1,956,138,912	1,983,588,373
- loans and deposits	95,263,987	97,971,079	35,892,995	36,951,085
- held to maturity	156,672,290	162,824,686	137,808,243	143,908,512
- available for sale	2,094,748,878	2,101,914,068	1,577,914,930	1,595,002,429
- recognised at fair value through profit and loss	527,529,566	524,670,726	204,522,744	207,726,347
Unit-linked insurance assets	542,762,105	501,808,980	476,314,583	442,292,488
Reinsurers' share of technical provisions	153,859,513	125,873,637	122,870,718	105,903,438
Receivables	282,262,829	203,183,851	149,158,173	95,800,206
- receivables from direct insurance operations	156,840,697	105,484,939	104,105,053	67,632,214
- receivables from reinsurance and co-insurance operations	91,406,384	72,355,133	29,680,621	19,797,094
- current tax receivables	1,789,347	1,950,631	0	0
- other receivables	32,226,401	23,393,148	15,372,499	8,370,898
Other assets	8,620,844	6,296,705	4,795,555	3,741,799
Cash and cash equivalents	111,110,785	81,899,664	46,691,174	22,304,222
EQUITY AND LIABILITIES	4,314,204,412	4,139,441,072	3,103,929,430	2,995,518,165
Equity	886,380,345	870,151,947	648,621,888	644,003,173
Controlling interests	883,907,305	867,648,574	648,621,888	644,003,173
- share capital	73,701,392	73,701,392	73,701,392	73,701,392
- share premium	50,271,107	50,271,107	53,412,884	53,412,884
- reserves from profit	384,106,692	384,106,692	367,862,643	367,862,643
- treasury share reserves	364,680	364,680	0	0
- treasury shares	-364,680	-364,680	0	0
- fair value reserve	79,075,935	89,293,484	48,962,991	59,402,079
- net profit brought forward	273,416,005	229,284,048	89,624,174	60,526,536
- net profit for the year	26,616,590	44,131,955	15,057,804	29,097,639
- currency translation differences	-3,280,416	-3,140,104	0	0
Non-controlling interests	2,473,040	2,503,373	0	0
Subordinated liabilities	49,430,918	49,423,693	49,430,918	49,423,693
Insurance technical provisions	2,593,375,936	2,523,229,144	1,789,469,306	1,750,315,382
- unearned premiums	422,265,608	344,760,927	291,031,634	235,190,816
- mathematical provisions	1,437,781,562	1,457,023,963	1,022,658,620	1,041,557,084
- claims provisions	655,597,978	645,331,168	435,856,068	430,259,621
- other insurance technical provisions	77,730,788	76,113,086	39,922,984	43,307,861
Insurance technical provisions for unit-linked insurance contracts	548,629,994	509,984,710	480,272,609	448,726,097
Employee benefits	17,843,649	17,781,153	13,159,638	13,073,364
Other provisions	3,816,207	2,809,101	843,718	769,957
Deferred tax liabilities	8,411,871	14,539,515	3,163,539	9,531,162
Other financial liabilities	23,677,513	2,895,834	21,261,204	1,633,896
Operating liabilities	97,301,618	70,313,038	47,509,187	33,977,772
- liabilities from direct insurance operations	26,186,457	16,801,856	17,211,919	10,636,904
- liabilities from reinsurance and co-insurance operations	66,231,599	48,940,738	26,613,630	19,824,185
- current tax liabilities	4,883,562	4,570,444	3,683,638	3,516,683
Lease liabilities	9,723,835	10,025,532	3,900,969	3,675,805
Other liabilities	75,612,526	68,287,405	46,296,454	40,387,864

INCOME STATEMENT	Triglav Group		Zavarovalnica Triglav	
	Q1 2021	Q1 2020	Q1 2021	Q1 2020
NET PREMIUM INCOME	264,714,265	261,112,568	141,325,759	142,431,132
- gross written premium	371,691,908	348,910,223	226,133,390	211,382,755
- ceded written premium	-61,229,679	-47,844,210	-50,077,254	-40,470,707
- change in unearned premium reserve	-45,747,964	-39,953,445	-34,730,377	-28,480,916
INCOME FROM INVESTMENTS IN SUBSIDIARIES AND ASSOCIATES	579,910	392,155	63,190	77,442
- profit on equity investments accounted for using the equity method	579,910	392,155	0	0
- other income from investments in subsidiaries and associates	0	0	63,190	77,442
INCOME FROM INVESTMENTS	51,319,067	22,849,917	38,072,823	15,056,735
- interest income calculated using the effective interest method	8,834,280	11,496,667	5,040,353	7,290,480
- gains on disposals	3,715,125	6,775,913	3,320,440	6,435,985
- other income from investments	38,769,662	4,577,337	29,712,030	1,330,270
OTHER INCOME FROM INSURANCE OPERATIONS	13,550,808	11,590,526	11,198,868	9,340,696
- fees and commission income	11,131,944	8,409,065	9,619,746	7,294,175
- other income from insurance operations	2,418,864	3,181,461	1,579,122	2,046,521
OTHER INCOME	10,728,240	9,840,823	2,107,245	1,814,668
NET CLAIMS INCURRED	171,196,826	185,726,897	90,033,412	104,340,181
- gross claims settled	171,299,144	177,806,139	93,302,488	104,428,491
- reinsurers' share	-8,488,760	-5,939,578	-8,488,461	-6,116,082
- changes in claims provisions	6,915,283	11,970,294	5,219,385	6,027,772
- equalisation scheme expenses for supplementary health insurance	1,471,159	1,890,042	0	0
CHANGE IN OTHER INSURANCE TECHNICAL PROVISIONS (excluding ULI)	-246,133	-26,795,998	-5,125,433	-15,115,147
CHANGE IN INSURANCE TECHNICAL PROVISIONS FOR UNIT-LINKED INSURANCE CONTRACTS	39,408,607	-70,397,809	32,247,485	-67,737,386
EXPENSES FOR BONUSES AND DISCOUNTS	2,344,941	4,216,911	2,199,937	3,595,096
OPERATING EXPENSES	60,752,599	56,888,117	38,957,009	36,021,930
- acquisition costs	41,690,817	38,567,260	28,007,668	26,187,653
- other operating costs	19,061,782	18,320,857	10,949,341	9,834,277
EXPENSES FROM INVESTMENTS IN SUBSIDIARIES AND ASSOCIATES	58,467	187,331	1,441	6,345
- loss on investments accounted for using the equity method	58,467	187,331	0	0
- other expenses from financial assets and liabilities	0	0	1,441	6,345
EXPENSES FROM INVESTMENTS	10,344,774	104,761,418	5,895,821	79,407,663
- loss on impairment of investments	0	167,716	0	167,716
- loss on disposal of investments	1,344,531	781,687	1,267,444	355,052
- other expenses from investments	9,000,243	103,812,015	4,628,377	78,884,895
OTHER INSURANCE EXPENSES	12,864,879	14,979,962	5,726,985	6,466,138
OTHER EXPENSES	12,368,874	9,864,733	4,380,300	1,880,015
- expenses from financing	636,273	890,858	563,441	844,464
- other expenses	11,732,601	8,973,875	3,816,859	1,035,551
PROFIT BEFORE TAX	31,798,456	26,354,427	18,450,928	19,855,838
Income tax expense	5,262,531	3,954,626	3,393,126	3,284,726
NET PROFIT FOR THE PERIOD	26,535,925	22,399,801	15,057,802	16,571,112
Earning per share	1.17	0.99	-	-
Net profit/loss attributable to the controlling company	26,616,590	22,361,201	-	-
Net profit/loss attributable to the non-controlling interest holders	-80,665	38,600	-	-

STATEMENT OF OTHER COMPREHENSIVE INCOME	Triglav Group		Zavarovalnica Triglav	
	Q1 2021	Q1 2020	Q1 2021	Q1 2020
Net profit for the period after tax	26,535,925	22,399,801	15,057,802	16,571,112
Other comprehensive income after tax	-10,307,527	-35,768,277	-10,439,088	-22,871,263
Items which will not be transferred in P&L in future periods	-33,204	0	-28,045	0
Actuarial gains/losses for pension plans	-33,204	0	-28,045	0
Items which could be transferred into P&L in future periods	-10,274,323	-35,768,277	-10,411,043	-22,871,263
Fair value gains/losses on available-for-sale financial assets	-34,040,488	-58,510,785	-34,391,908	-44,407,536
- net gains/losses recognized directly in fair value reserve	-27,371,568	-55,225,156	-28,080,961	-41,134,876
- transfers from fair value reserve to income statement	-6,668,920	-3,285,629	-6,310,946	-3,272,660
Liabilities from insurance contracts with DPF	17,757,356	13,528,043	17,757,356	13,528,043
Currency translation differences	-141,874	-1,032,618	0	0
Tax on other comprehensive income	6,150,683	10,247,083	6,223,509	8,008,230
COMPREHENSIVE INCOME FOR THE PERIOD AFTER TAX	16,228,398	-13,368,476	4,618,714	-6,300,151
Controlling interest	16,258,731	-13,428,117	-	-
Non-controlling interest	-30,333	59,641	-	-

in EUR

Triglav Group	Share capital	Share premium	Reserves from profit					Fair value reserve	Net profit/loss brought forward	Net profit/loss	Translation differences	Total equity attributable to the controlling company	Equity attributable to non-controlling interest holders	TOTAL
			Contingency reserves	Legal and statutory reserves	Treasury share reserves	Treasury shares (deductible item)	Other reserves form profit							
As at 1 January 2021	73,701,392	50,271,107	640,340	20,266,352	364,680	-364,680	363,200,000	89,293,484	229,284,048	44,131,955	-3,140,104	867,648,574	2,503,373	870,151,947
Comprehensive income for the period from 1 January 2021 to 31 March 2021	0	0	0	0	0	0	0	-10,217,549	0	26,616,590	-140,312	16,258,731	-30,333	16,228,398
a) Net profit	0	0	0	0	0	0	0	0	0	26,616,590	0	26,616,590	-80,665	26,535,925
b) Other comprehensive income	0	0	0	0	0	0	0	-10,217,549	0	0	-140,312	-10,357,859	50,332	-10,307,527
Transfer to retained earnings	0	0	0	0	0	0	0	0	44,131,957	-44,131,957	0	0	0	0
As at 31 March 2021	73,701,392	50,271,107	640,340	20,266,352	364,680	-364,680	363,200,000	79,075,935	273,416,005	26,616,590	-3,280,416	883,907,305	2,473,040	886,380,345
As at 1 January 2020	73,701,392	50,276,637	640,339	19,793,935	364,680	-364,680	334,300,000	84,099,924	165,896,170	63,404,824	-2,587,098	789,526,123	2,425,665	791,951,788
Comprehensive income for the period from 1 January 2020 to 31 March 2020	0	0	0	0	0	0	0	-34,764,988	0	22,361,201	-1,024,330	-13,428,117	59,641	-13,368,476
a) Net profit	0	0	0	0	0	0	0	0	0	22,361,201	0	22,361,201	38,600	22,399,801
b) Other comprehensive income	0	0	0	0	0	0	0	-34,764,988	0	0	-1,024,330	-35,789,318	21,041	-35,768,277
Transfer to retained earnings	0	0	0	0	0	0	0	0	63,404,824	-63,404,824	0	0	0	0
Changes in consolidation area	0	204	0	0	0	0	0	0	0	0	0	204	-32,934	-32,730
As at 31 March 2020	73,701,392	50,276,841	640,339	19,793,935	364,680	-364,680	334,300,000	49,334,936	229,300,994	22,361,201	-3,611,428	776,098,210	2,452,372	778,550,582

in EUR

Zavarovalnica Triglav	Share capital	Share premium	Reserves form profit		Fair value reserve	Net profit/loss brought forward	Net profit/loss	TOTAL EQUITY
			Legal and statutory reserves	Other reserves from profit				
As at 1 January 2021	73,701,392	53,412,884	4,662,643	363,200,000	59,402,079	60,526,536	29,097,639	644,003,173
Comprehensive income for the period from 1 January 2021 to 31 March 2021	0	0	0	0	-10,439,088	0	15,057,802	4,618,714
a) Net profit	0	0	0	0	0	0	15,057,802	15,057,802
b) Other comprehensive income	0	0	0	0	-10,439,088	0	0	-10,439,088
Transfer to retained earnings	0	0	0	0	0	29,097,637	-29,097,637	0
As at 31 March 2021	73,701,392	53,412,884	4,662,643	363,200,000	48,962,991	89,624,174	15,057,804	648,621,888
As at 1 January 2020	73,701,392	53,412,884	4,662,643	334,300,000	53,859,881	9,929,059	50,614,416	580,480,275
Comprehensive income for the period from 1 January 2020 to 31 March 2020	0	0	0	0	-22,871,263	0	16,571,112	-6,300,151
a) Net profit	0	0	0	0	0	0	16,571,112	16,571,112
b) Other comprehensive income	0	0	0	0	-22,871,263	0	0	-22,871,263
Transfer to retained earnings	0	0	0	0	0	50,614,416	-50,614,416	0
As at 31 March 2020	73,701,392	53,412,884	4,662,643	334,300,000	30,988,618	60,543,475	16,571,112	574,180,124

CASH FLOW STATEMENT		Triglav Group		Zavarovalnica Triglav	
		Q1 2021	Q1 2020	Q1 2021	Q1 2020
A.	OPERATING CASH FLOW				
	Income statement items	98,500,209	68,530,595	54,584,703	37,032,277
	Net written premium for the period	332,642,800	319,424,592	176,056,136	170,912,047
	Investment income (excluding financial income)	5,999,725	7,959,586	2,086,488	3,107,237
	Other operating income (excluding revaluation and provisions reductions) operating revenues and financial income from operating receivables	10,203,112	8,934,798	2,774,475	2,484,285
	Net claims paid	-162,556,449	-174,860,070	-84,814,028	-98,312,407
	Bonuses and rebates paid	-2,663,279	-4,198,513	-2,199,937	-3,595,096
	Net operating expenses excluding depreciation charge and changes in the accrued acquisition expenses	-62,914,035	-65,390,480	-29,846,343	-29,477,187
	Investment expenses (excluding depreciation charge and financial expenses)	-3,352,499	-6,910,722	-1,530,793	-2,261,831
	Other operating expenses excluding depreciation charge (except for revaluations and without increasing provisions)	-13,785,748	-12,512,724	-4,571,010	-2,792,870
	Corporate income tax and other taxes excluded from operating expenses	-5,073,418	-3,915,872	-3,370,285	-3,031,901
	Changes in net current assets-operating balance sheet items	-73,759,444	-53,586,162	-42,057,848	-40,911,426
	Movements in receivables from direct insurance operations	-51,387,564	-41,760,298	-36,873,650	-34,609,744
	Movements in receivables from reinsurance operations	-25,135,474	-39,248,792	-9,883,527	-5,264,450
	Movements in other receivables from (re)insurance operations	-12,675,763	-15,847,444	-1,363,293	-675,840
	Movements in other receivables and assets	-10,536,218	-4,774,910	-7,649,984	476,423
	Movements in deferred tax assets	-807,324	-760,597	0	0
	Movements in inventories	11,965	820,412	-8,518	-42,860
	Movements in debts from direct insurance operations	7,336,964	-2,967,908	6,575,015	-1,422,414
	Movements in debts from reinsurance operations	17,887,003	38,085,472	6,789,445	6,594,867
	Movements in operating debts	-2,969,226	1,674,285	-143,840	-302,657
	Movements in other liabilities (excluding unearned premiums)	4,394,586	13,461,143	500,504	-5,664,751
	Movements in deferred tax liabilities	121,607	-2,267,525	0	0
	Net cash from/ (used in) operating activities	24,740,765	14,944,433	12,526,855	-3,879,149
B.	CASH FLOWS FROM INVESTING ACTIVITIES				
	Cash inflows from investing activities	355,979,002	528,787,340	304,218,701	437,254,756
	Cash inflows from interest from investing activities	13,118,880	15,599,560	9,069,130	11,199,405
	Cash inflows from dividends received and profit sharing	252,597	373,252	134,611	65,487
	Cash inflows from the disposal of property, plant and equipment	580,197	257,694	77,608	167,989
	Cash inflows from the disposal of financial investments	342,027,328	512,556,834	294,937,352	425,821,875
	- Cash inflows from the disposal of investments in subsidiaries and associates	0	0	0	0
	- Other cash inflows from disposal of financial investments	342,027,328	512,556,834	294,937,352	425,821,875
	Cash outflows from investing activities	-350,427,039	-472,459,312	-292,070,430	-382,544,389
	Cash outflows for the purchase of intangible assets	-1,815,181	-1,693,612	-1,289,016	-1,347,536
	Cash outflows for the purchase of property, plant and equipment	-2,157,538	-2,332,449	-971,641	-848,604
	Cash outflows for the purchase of financial investments	-346,454,320	-468,433,251	-289,809,773	-380,348,249
	- Cash outflows for the purchase of investments in subsidiaries and associates	-3,300,000	-13,532,729	-3,363,500	-13,500,000
	- Other cash outflows to acquire financial investments	-343,154,320	-454,900,522	-286,446,273	-366,848,249
	Net cash from/ (used in) investing activities	5,551,963	56,328,028	12,148,271	54,710,367
C.	CASH FLOWS FROM FINANCING ACTIVITIES				
	Cash inflows from financing activities	0	0	0	0
	Cash outflows from financing activities	-1,070,102	-22,835,885	-288,175	-22,103,030
	Cash outflows for paid interest	-126,012	-1,375,350	-15,368	-1,243,048
	Cash outflows for payments of long-term financial liabilities	-78,255	-20,628,000	0	-20,628,000
	Cash outflows for payments of short-term financial liabilities	-865,835	-832,535	-272,807	-231,982
	Net cash from/ (used in) financing activities	-1,070,102	-22,835,885	-288,175	-22,103,030
D.	Closing balance of cash and cash equivalents	111,110,785	124,219,174	46,691,174	54,840,300
E1.	Net cash flow for the period	29,222,626	48,436,576	24,386,952	28,728,188
E2.	Foreign exchange differences	-11,505	-87,177	0	0
F.	Opening balance of cash and cash equivalents	81,899,664	75,869,775	22,304,222	26,112,112

2. Selected notes to the financial statements

2.1 Statement of compliance

The Company's separate and consolidated financial statements have been prepared based on the requirements of domestic legislation in accordance with International Financial Reporting Standards as adopted by the European Union (hereinafter: IFRS). Subsidiaries in which the Company holds, directly or indirectly, more than one half of the voting rights are fully consolidated. The financial report for the period from 1 January to 31 March 2021 has been prepared in accordance with IAS 34 – Interim Financial Reporting.

In order to obtain correct information on the financial position and results of the entire Triglav Group, it is necessary to consider the separate financial statements of Zavarovalnica Triglav together with the consolidated financial statements.

The financial statements for the period from 1 January to 31 March 2021 have not been audited.

2.2 Significant accounting policies and going concern assumptions

The same accounting policies and calculation methods as for the preparation of the annual financial statements for 2020 were used for the preparation of the financial statements for the period from 1 January to 31 March 2021. With respect to the calculation of tax expenses, the adequacy of the effective tax rate of the preceding year was verified. As there were no significant deviations, the same rate was used in the reporting period.

Due to the changes in the economic and financial markets caused by the COVID-19 pandemic, the Group regularly monitors current and potential risks and reliably manages them. The risk profile at the Group level does not deviate significantly compared to the year-end. Adequate liquidity of the parent company is ensured, and the capital adequacy of the Group is assessed as solid. Based on regular monitoring of operations, the going concern assumption can be confirmed.

2.3 Seasonal operations

Operations of Zavarovalnica Triglav are not of a seasonal character. In the first months of the year, gross written premium in non-life insurance was somewhat higher than in the remaining part of the year, as insurance to corporate clients is sold at the beginning of the year (as policies expire at the beginning of the financial year).

2.4 Segmental analysis of the Triglav Group operations

The management monitors the operations of Triglav Group based on the business segments (non-life insurance, life insurance, health insurance, non-insurance operations) and on the geographical segments (separately for Slovenia and other countries). The management uses various indicators to monitor the operations of individual segments, while the common measure of business performance for an individual operating segment is profit before taxes. The consolidated statement of financial position and the consolidated income statement by business segment and geographical area are given below.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION BY SEGMENT

31 March 2021

	Non-life	Life	Health	Other	TOTAL NON-CONSOLIDATED	Eliminations	TOTAL CONSOLIDATED
ASSETS	2,206,424,023	2,228,351,036	104,767,868	207,580,202	4,747,123,129	-432,918,717	4,314,204,412
Intangible assets	82,470,001	5,161,913	960,324	18,738,629	107,330,867	0	107,330,867
Property, plant and equipment	93,434,107	10,268,146	2,025,572	5,787,251	111,515,076	0	111,515,076
Non-current assets held for sale	0	0	0	831,646	831,646	0	831,646
Deferred tax assets	12,393,535	325,939	177,909	437,013	13,334,396	-12,360,865	973,531
Investment property	46,765,036	1,803,805	0	26,387,670	74,956,511	4,023,015	78,979,526
Right of use assets	9,352,010	701,932	675,204	2,631,467	13,360,613	-3,583,736	9,776,877
Investments in subsidiaries	126,465,658	13,438,187	0	72,195,368	212,099,213	-212,099,213	0
Investments in associates	31,521,791	444,301	0	0	31,966,092	0	31,966,092
Financial investments	1,148,915,275	1,598,411,744	90,618,189	42,550,667	2,880,495,875	-6,281,154	2,874,214,721
- loans and deposits	68,574,256	28,439,881	0	4,531,004	101,545,141	-6,281,154	95,263,987
- held to maturity	0	156,672,290	0	0	156,672,290	0	156,672,290
- available for sale	1,072,130,531	893,980,495	90,618,189	38,019,663	2,094,748,878	0	2,094,748,878
- recognised at fair value through profit and loss	8,210,488	519,319,078	0	0	527,529,566	0	527,529,566
Unit-linked insurance assets	0	542,762,105	0	0	542,762,105	0	542,762,105
Reinsurers' share of technical provisions	263,654,798	2,665,633	2,006,362	0	268,326,793	-114,467,280	153,859,513
Receivables	349,004,500	3,473,807	6,041,685	11,824,450	370,344,442	-88,081,613	282,262,829
- receivables from direct insurance operations	150,107,774	1,468,667	5,367,979	56,251	157,000,671	-159,974	156,840,697
- receivables from reinsurance and co-insurance operations	171,110,750	208,294	309,588	0	171,628,632	-80,222,248	91,406,384
- current tax receivables	71,445	1,387	0	1,716,515	1,789,347	0	1,789,347
- other receivables	27,714,531	1,795,459	364,118	10,051,684	39,925,792	-7,699,391	32,226,401
Other assets	7,026,096	514,670	379,528	768,421	8,688,715	-67,871	8,620,844
Cash and cash equivalents	35,421,216	48,378,854	1,883,095	25,427,620	111,110,785	0	111,110,785
EQUITY AND LIABILITIES	2,206,424,023	2,228,351,036	104,767,868	207,580,202	4,747,123,129	-432,918,717	4,314,204,412
Equity	704,609,033	169,518,467	42,261,222	185,653,296	1,102,042,018	-215,661,673	886,380,345
Controlling interests	704,609,033	169,518,467	42,261,222	185,653,296	1,102,042,018	-218,134,713	883,907,305
- share capital	115,741,097	48,491,866	25,822,144	102,964,272	293,019,379	-219,317,987	73,701,392
- share premium	43,511,478	13,658,827	0	20,659,989	77,830,294	-27,559,187	50,271,107
- reserves from profit	333,236,478	47,223,257	1,231,991	1,692,535	383,384,261	722,431	384,106,692
- treasury share reserves	0	0	0	364,680	364,680	0	364,680
- treasury shares	0	0	0	0	0	-364,680	-364,680
- fair value reserve	52,290,040	9,815,561	1,703,524	16,470,870	80,279,995	-1,204,060	79,075,935
- net profit brought forward	142,346,302	48,407,502	11,403,820	41,769,394	243,927,018	29,488,987	273,416,005
- net profit for the year	19,551,707	3,001,776	2,099,743	1,799,936	26,453,162	163,428	26,616,590
- currency translation differences	-2,068,069	-1,080,322	0	-68,380	-3,216,771	-63,645	-3,280,416
Non-controlling interests	0	0	0	0	0	2,473,040	2,473,040
Subordinated liabilities	49,430,918	0	1,500,000	0	50,930,918	-1,500,000	49,430,918
Insurance technical provisions	1,182,824,652	1,467,198,374	50,585,209	0	2,700,608,235	-107,232,299	2,593,375,936
- unearned premiums	455,894,159	504,215	4,176,456	0	460,574,830	-38,309,222	422,265,608
- mathematical provisions	0	1,429,074,026	0	0	1,429,074,026	8,707,536	1,437,781,562
- claims provisions	694,846,423	21,128,737	15,701,994	0	731,677,154	-76,079,176	655,597,978
- other insurance technical provisions	32,084,070	16,491,396	30,706,759	0	79,282,225	-1,551,437	77,730,788
Insurance technical provisions for unit-linked insurance contracts	0	548,629,994	0	0	548,629,994	0	548,629,994
Employee benefits	13,787,287	2,531,496	744,369	780,497	17,843,649	0	17,843,649
Other provisions	1,323,737	134,378	104,027	2,254,065	3,816,207	0	3,816,207
Deferred tax liabilities	12,199,050	3,800,453	0	4,784,883	20,784,386	-12,372,515	8,411,871
Other financial liabilities	10,158,543	13,256,592	0	1,456,125	24,871,260	-1,193,747	23,677,513
Operating liabilities	160,008,671	11,745,217	4,622,562	173,553	176,550,003	-79,248,385	97,301,618
- liabilities from direct insurance operations	11,275,009	11,429,136	3,873,147	0	26,577,292	-390,835	26,186,457
- liabilities from reinsurance and co-insurance operations	144,522,543	309,792	256,814	0	145,089,149	-78,857,550	66,231,599
- current tax liabilities	4,211,119	6,289	492,601	173,553	4,883,562	0	4,883,562
Lease liabilities	9,346,793	645,015	684,861	2,773,793	13,450,462	-3,726,627	9,723,835
Other liabilities	62,735,339	10,891,050	4,265,618	9,703,990	87,595,997	-11,983,471	75,612,526

CONSOLIDATED STATEMENT OF FINANCIAL POSITION BY SEGMENT

31 December 2020

	Non-life	Life	Health	Other	TOTAL NON-CONSOLIDATED	Eliminations	TOTAL CONSOLIDATED
ASSETS	2,012,472,564	2,201,999,970	96,772,481	203,230,241	4,514,475,256	-375,034,184	4,139,441,072
Intangible assets	75,493,099	5,310,002	1,104,346	19,068,028	100,975,475	0	100,975,475
Property, plant and equipment	94,967,543	10,338,223	2,070,491	5,914,779	113,291,036	0	113,291,036
Non-current assets held for sale	0	0	0	915,851	915,851	0	915,851
Deferred tax assets	12,225,408	315,728	100,492	353,711	12,995,339	-12,216,750	778,589
Investment property	46,479,633	1,815,663	0	26,659,489	74,954,785	4,023,015	78,977,800
Right of use assets	9,196,761	742,514	736,587	2,868,556	13,544,418	-3,723,207	9,821,211
Investments in subsidiaries	126,370,012	13,438,187	0	73,079,881	212,888,080	-212,888,080	0
Investments in associates	27,787,564	450,150	0	0	28,237,714	0	28,237,714
Financial investments	1,139,058,291	1,630,345,795	84,738,085	40,370,531	2,894,512,702	-7,132,143	2,887,380,559
- loans and deposits	71,528,702	28,880,122	0	4,694,398	105,103,222	-7,132,143	97,971,079
- held to maturity	0	162,824,686	0	0	162,824,686	0	162,824,686
- available for sale	1,061,065,742	920,434,108	84,738,085	35,676,133	2,101,914,068	0	2,101,914,068
- recognised at fair value through profit and loss	6,463,847	518,206,879	0	0	524,670,726	0	524,670,726
Unit-linked insurance assets	0	501,808,980	0	0	501,808,980	0	501,808,980
Reinsurers' share of technical provisions	205,023,278	2,120,725	1,930,507	0	209,074,510	-83,200,873	125,873,637
Receivables	244,061,313	2,853,381	5,773,521	10,329,503	263,017,718	-59,833,867	203,183,851
- receivables from direct insurance operations	99,328,743	857,266	5,415,317	46,036	105,647,362	-162,423	105,484,939
- receivables from reinsurance and co-insurance operations	124,912,987	125,891	288,594	0	125,327,472	-52,972,339	72,355,133
- current tax receivables	260,744	16,522	0	1,673,365	1,950,631	0	1,950,631
- other receivables	19,558,839	1,853,702	69,610	8,610,102	30,092,253	-6,699,105	23,393,148
Other assets	5,163,290	427,439	110,588	657,667	6,358,984	-62,279	6,296,705
Cash and cash equivalents	26,646,372	32,033,183	207,864	23,012,245	81,899,664	0	81,899,664
EQUITY AND LIABILITIES	2,012,472,564	2,201,999,970	96,772,481	203,230,241	4,514,475,256	-375,034,184	4,139,441,072
Equity	692,506,717	170,820,488	40,491,519	182,757,721	1,086,576,445	-216,424,498	870,151,947
Controlling interests	692,506,717	170,820,488	40,491,519	182,757,721	1,086,576,445	-218,927,871	867,648,574
- share capital	115,741,097	48,491,866	25,822,144	103,744,632	293,799,739	-220,098,347	73,701,392
- share premium	43,511,478	13,658,827	0	20,596,489	77,766,794	-27,495,687	50,271,107
- reserves from profit	333,236,478	47,223,257	1,231,991	1,692,535	383,384,261	722,431	384,106,692
- treasury share reserves	0	0	0	364,680	364,680	0	364,680
- treasury shares	0	0	0	0	0	-364,680	-364,680
- fair value reserve	58,511,213	15,245,473	2,033,564	14,655,399	90,445,649	-1,152,165	89,293,484
- net profit brought forward	107,987,054	40,763,981	7,030,922	39,589,850	195,371,807	33,912,241	229,284,048
- net profit for the year	35,549,723	6,453,044	4,372,898	2,179,544	48,555,209	-4,423,254	44,131,955
- currency translation differences	-2,030,326	-1,015,960	0	-65,408	-3,111,694	-28,410	-3,140,104
Non-controlling interests	0	0	0	0	0	2,503,373	2,503,373
Subordinated liabilities	49,423,693	0	1,500,000	0	50,923,693	-1,500,000	49,423,693
Insurance technical provisions	1,063,657,574	1,490,492,569	43,649,539	0	2,597,799,682	-74,570,538	2,523,229,144
- unearned premiums	357,552,557	457,883	3,515,846	0	361,526,286	-16,765,359	344,760,927
- mathematical provisions	0	1,448,316,427	0	0	1,448,316,427	8,707,536	1,457,023,963
- claims provisions	674,353,544	21,380,025	14,654,188	0	710,387,757	-65,056,589	645,331,168
- other insurance technical provisions	31,751,473	20,338,234	25,479,505	0	77,569,212	-1,456,126	76,113,086
Insurance technical provisions for unit-linked insurance contracts	0	509,984,710	0	0	509,984,710	0	509,984,710
Employee benefits	13,719,361	2,523,496	748,274	790,022	17,781,153	0	17,781,153
Other provisions	1,337,516	128,168	170,071	1,173,346	2,809,101	0	2,809,101
Deferred tax liabilities	13,716,085	8,795,206	0	4,256,653	26,767,944	-12,228,429	14,539,515
Other financial liabilities	2,646,272	62,652	99,125	1,612,573	4,420,622	-1,524,788	2,895,834
Operating liabilities	110,512,564	8,970,466	4,240,077	148,714	123,871,821	-53,558,783	70,313,038
- liabilities from direct insurance operations	5,370,819	8,352,551	3,602,278	0	17,325,648	-523,792	16,801,856
- liabilities from reinsurance and co-insurance operations	101,187,933	547,228	240,568	0	101,975,729	-53,034,991	48,940,738
- current tax liabilities	3,953,812	70,687	397,231	148,714	4,570,444	0	4,570,444
Lease liabilities	9,425,284	684,384	745,771	3,024,607	13,880,046	-3,854,514	10,025,532
Other liabilities	55,527,498	9,537,831	5,128,105	9,466,605	79,660,039	-11,372,634	68,287,405

STATEMENT OF FINANCIAL POSITION BY GEOGRAPHICAL AREA

			31 March 2021		
	Slovenia	Other	TOTAL NON- CONSOLIDATED	Eliminations	TOTAL CONSOLIDATED
ASSETS	4,220,741,481	526,381,648	4,747,123,129	-432,918,717	4,314,204,412
Intangible assets	87,247,619	20,083,248	107,330,867	0	107,330,867
Property, plant and equipment	72,220,378	39,294,698	111,515,076	0	111,515,076
Non-current assets held for sale	768,967	62,679	831,646	0	831,646
Deferred tax assets	12,961,884	372,512	13,334,396	-12,360,865	973,531
Investment property	69,206,286	5,750,225	74,956,511	4,023,015	78,979,526
Right of use assets	6,053,231	7,307,382	13,360,613	-3,583,736	9,776,877
Investments in subsidiaries	206,368,425	5,730,788	212,099,213	-212,099,213	0
Investments in associates	31,966,092	0	31,966,092	0	31,966,092
Financial investments	2,627,052,993	253,442,882	2,880,495,875	-6,281,154	2,874,214,721
- loans and deposits	53,811,298	47,733,843	101,545,141	-6,281,154	95,263,987
- held to maturity	148,327,080	8,345,210	156,672,290	0	156,672,290
- available for sale	1,906,707,005	188,041,873	2,094,748,878	0	2,094,748,878
- recognised at fair value through profit and loss	518,207,610	9,321,956	527,529,566	0	527,529,566
Unit-linked insurance assets	519,219,020	23,543,085	542,762,105	0	542,762,105
Reinsurers' share of technical provisions	202,371,686	65,955,107	268,326,793	-114,467,280	153,859,513
Receivables	294,425,504	75,918,938	370,344,442	-88,081,613	282,262,829
- receivables from direct insurance operations	109,473,277	47,527,394	157,000,671	-159,974	156,840,697
- receivables from reinsurance and co-insurance operations	154,005,498	17,623,134	171,628,632	-80,222,248	91,406,384
- current tax receivables	1,674,851	114,496	1,789,347	0	1,789,347
- other receivables	29,271,878	10,653,914	39,925,792	-7,699,391	32,226,401
Other assets	5,945,332	2,743,383	8,688,715	-67,871	8,620,844
Cash and cash equivalents	84,934,064	26,176,721	111,110,785	0	111,110,785
EQUITY AND LIABILITIES	4,220,741,481	526,381,648	4,747,123,129	-432,918,717	4,314,204,412
Equity	975,473,600	126,568,418	1,102,042,018	-215,661,673	886,380,345
Controlling interests	975,473,600	126,568,418	1,102,042,018	-218,134,713	883,907,305
- share capital	192,452,158	100,567,221	293,019,379	-219,317,987	73,701,392
- share premium	75,810,498	2,019,796	77,830,294	-27,559,187	50,271,107
- reserves from profit	372,764,877	10,619,384	383,384,261	722,431	384,106,692
- treasury share reserves	364,680	0	364,680	0	364,680
- treasury shares	0	0	0	-364,680	-364,680
- fair value reserve	71,139,315	9,140,680	80,279,995	-1,204,060	79,075,935
- net profit brought forward	239,244,692	4,682,326	243,927,018	29,488,987	273,416,005
- net profit for the year	23,697,380	2,755,782	26,453,162	163,428	26,616,590
- currency translation differences	0	-3,216,771	-3,216,771	-63,645	-3,280,416
Non-controlling interests	0	0	0	2,473,040	2,473,040
Subordinated liabilities	50,930,918	0	50,930,918	-1,500,000	49,430,918
Insurance technical provisions	2,403,955,911	296,652,324	2,700,608,235	-107,232,299	2,593,375,936
- unearned premiums	358,799,170	101,775,660	460,574,830	-38,309,222	422,265,608
- mathematical provisions	1,350,022,315	79,051,711	1,429,074,026	8,707,536	1,437,781,562
- claims provisions	619,594,345	112,082,809	731,677,154	-76,079,176	655,597,978
- other insurance technical provisions	75,540,081	3,742,144	79,282,225	-1,551,437	77,730,788
Insurance technical provisions for unit-linked insurance contracts	525,317,160	23,312,834	548,629,994	0	548,629,994
Employee benefits	14,835,248	3,008,401	17,843,649	0	17,843,649
Other provisions	1,770,375	2,045,832	3,816,207	0	3,816,207
Deferred tax liabilities	19,106,081	1,678,305	20,784,386	-12,372,515	8,411,871
Other financial liabilities	23,466,019	1,405,241	24,871,260	-1,193,747	23,677,513
Operating liabilities	133,965,073	42,584,930	176,550,003	-79,248,385	97,301,618
- liabilities from direct insurance operations	23,194,737	3,382,555	26,577,292	-390,835	26,186,457
- liabilities from reinsurance and co-insurance operations	106,075,913	39,013,236	145,089,149	-78,857,550	66,231,599
- current tax liabilities	4,694,423	189,139	4,883,562	0	4,883,562
Lease liabilities	6,165,478	7,284,984	13,450,462	-3,726,627	9,723,835
Other liabilities	65,755,618	21,840,379	87,595,997	-11,983,471	75,612,526

STATEMENT OF FINANCIAL POSITION BY GEOGRAPHICAL AREA

31 December 2020

	Slovenia	Other	TOTAL NON- CONSOLIDATED	Eliminations	TOTAL CONSOLIDATED
ASSETS	4,032,148,922	482,326,334	4,514,475,256	-375,034,184	4,139,441,072
Intangible assets	84,017,812	16,957,663	100,975,475	0	100,975,475
Property, plant and equipment	73,182,453	40,108,583	113,291,036	0	113,291,036
Non-current assets held for sale	768,967	146,884	915,851	0	915,851
Deferred tax assets	12,656,083	339,256	12,995,339	-12,216,750	778,589
Investment property	69,240,958	5,713,827	74,954,785	4,023,015	78,977,800
Right of use assets	6,034,215	7,510,203	13,544,418	-3,723,207	9,821,211
Investments in subsidiaries	207,189,438	5,698,642	212,888,080	-212,888,080	0
Investments in associates	28,237,714	0	28,237,714	0	28,237,714
Financial investments	2,643,372,240	251,140,462	2,894,512,702	-7,132,143	2,887,380,559
- loans and deposits	57,670,422	47,432,800	105,103,222	-7,132,143	97,971,079
- held to maturity	154,495,490	8,329,196	162,824,686	0	162,824,686
- available for sale	1,914,114,795	187,799,273	2,101,914,068	0	2,101,914,068
- recognised at fair value through profit and loss	517,091,533	7,579,193	524,670,726	0	524,670,726
Unit-linked insurance assets	479,168,738	22,640,242	501,808,980	0	501,808,980
Reinsurers' share of technical provisions	165,288,509	43,786,001	209,074,510	-83,200,873	125,873,637
Receivables	203,568,387	59,449,331	263,017,718	-59,833,867	203,183,851
- receivables from direct insurance operations	73,047,776	32,599,586	105,647,362	-162,423	105,484,939
- receivables from reinsurance and co-insurance operations	109,694,158	15,633,314	125,327,472	-52,972,339	72,355,133
- current tax receivables	1,824,200	126,431	1,950,631	0	1,950,631
- other receivables	19,002,253	11,090,000	30,092,253	-6,699,105	23,393,148
Other assets	4,263,758	2,095,226	6,358,984	-62,279	6,296,705
Cash and cash equivalents	55,159,650	26,740,014	81,899,664	0	81,899,664
EQUITY AND LIABILITIES	4,032,148,922	482,326,334	4,514,475,256	-375,034,184	4,139,441,072
Equity	961,766,208	124,810,237	1,086,576,445	-216,424,498	870,151,947
Controlling interests	961,766,208	124,810,237	1,086,576,445	-218,927,871	867,648,574
- share capital	192,452,158	101,347,581	293,799,739	-220,098,347	73,701,392
- share premium	75,746,998	2,019,796	77,766,794	-27,495,687	50,271,107
- reserves from profit	372,764,877	10,619,384	383,384,261	722,431	384,106,692
- treasury share reserves	364,680	0	364,680	0	364,680
- treasury shares	0	0	0	-364,680	-364,680
- fair value reserve	81,192,803	9,252,846	90,445,649	-1,152,165	89,293,484
- net profit brought forward	196,182,765	-810,958	195,371,807	33,912,241	229,284,048
- net profit for the year	43,061,927	5,493,282	48,555,209	-4,423,254	44,131,955
- currency translation differences	0	-3,111,694	-3,111,694	-28,410	-3,140,104
Non-controlling interests	0	0	0	2,503,373	2,503,373
Subordinated liabilities	50,923,693	0	50,923,693	-1,500,000	49,423,693
Insurance technical provisions	2,321,584,385	276,215,297	2,597,799,682	-74,570,538	2,523,229,144
- unearned premiums	274,057,915	87,468,371	361,526,286	-16,765,359	344,760,927
- mathematical provisions	1,370,622,906	77,693,521	1,448,316,427	8,707,536	1,457,023,963
- claims provisions	603,087,599	107,300,158	710,387,757	-65,056,589	645,331,168
- other insurance technical provisions	73,815,965	3,753,247	77,569,212	-1,456,126	76,113,086
Insurance technical provisions for unit-linked insurance contracts	487,386,393	22,598,317	509,984,710	0	509,984,710
Employee benefits	14,754,947	3,026,206	17,781,153	0	17,781,153
Other provisions	1,823,032	986,069	2,809,101	0	2,809,101
Deferred tax liabilities	25,077,905	1,690,039	26,767,944	-12,228,429	14,539,515
Other financial liabilities	2,467,346	1,953,276	4,420,622	-1,524,788	2,895,834
Operating liabilities	100,356,539	23,515,282	123,871,821	-53,558,783	70,313,038
- liabilities from direct insurance operations	14,510,500	2,815,148	17,325,648	-523,792	16,801,856
- liabilities from reinsurance and co-insurance operations	81,808,051	20,167,678	101,975,729	-53,034,991	48,940,738
- current tax liabilities	4,037,988	532,456	4,570,444	0	4,570,444
Lease liabilities	6,177,790	7,702,256	13,880,046	-3,854,514	10,025,532
Other liabilities	59,830,684	19,829,355	79,660,039	-11,372,634	68,287,405

CONSOLIDATED INCOME STATEMENT BY SEGMENT

	Q1 2021				
	Non-life	Life	Health	Other	TOTAL
NET PREMIUM INCOME	155,997,333	59,676,053	49,040,879	0	264,714,265
- gross written premium	261,217,511	60,767,165	49,707,232	0	371,691,908
- ceded written premium	-60,184,960	-1,044,719	0	0	-61,229,679
- change in unearned premium reserve	-45,035,218	-46,393	-666,353	0	-45,747,964
INCOME FROM INVESTMENTS IN SUBSIDIARIES AND ASSOCIATES	486,845	0	0	93,065	579,910
- profit on equity investments accounted for using the equity method	486,845	0	0	93,065	579,910
- other income from investments in subsidiaries and associates	0	0	0	0	0
INCOME FROM INVESTMENTS	5,175,281	45,984,609	141,131	18,046	51,319,067
- interest income calculated using the effective interest method	2,714,656	5,968,300	141,131	10,193	8,834,280
- gains on disposals	1,027,381	2,687,652	0	92	3,715,125
- other income from investments	1,433,244	37,328,657	0	7,761	38,769,662
OTHER INCOME FROM INSURANCE OPERATIONS	13,205,991	329,025	15,792	0	13,550,808
- fees and commission income	10,812,941	319,003	0	0	11,131,944
- other income from insurance operations	2,393,050	10,022	15,792	0	2,418,864
OTHER INCOME	1,638,614	28,316	19,374	9,041,936	10,728,240
NET CLAIMS INCURRED	84,116,184	49,285,830	37,794,812	0	171,196,826
- gross claims settled	85,986,014	50,035,784	35,277,346	0	171,299,144
- reinsurers' share	-8,033,416	-454,685	-659	0	-8,488,760
- changes in claims provisions	6,163,586	-295,269	1,046,966	0	6,915,283
- equalisation scheme expenses for supplementary health insurance	0	0	1,471,159	0	1,471,159
CHANGE IN OTHER INSURANCE TECHNICAL PROVISIONS (excluding ULI)	651,697	-6,125,084	5,227,254	0	-246,133
CHANGE IN INSURANCE TECHNICAL PROVISIONS FOR UNIT-LINKED INSURANCE CONTRACTS	0	39,408,607	0	0	39,408,607
EXPENSES FOR BONUSES AND DISCOUNTS	2,341,995	2,946	0	0	2,344,941
OPERATING EXPENSES	47,598,319	9,871,727	3,282,553	0	60,752,599
- acquisition costs	34,834,048	6,190,388	666,381	0	41,690,817
- other operating costs	12,764,271	3,681,339	2,616,172	0	19,061,782
EXPENSES FROM INVESTMENTS IN SUBSIDIARIES AND ASSOCIATES	52,618	5,849	0	0	58,467
- loss on investments accounted for using the equity method	52,618	5,849	0	0	58,467
- other expenses from financial assets and liabilities	0	0	0	0	0
EXPENSES FROM INVESTMENTS	1,729,946	8,585,116	20,099	9,613	10,344,774
- loss on impairment of investments	0	0	0	0	0
- loss on disposal of investments	503,760	840,771	0	0	1,344,531
- other expenses from investments	1,226,186	7,744,345	20,099	9,613	9,000,243
OTHER INSURANCE EXPENSES	12,349,598	408,976	106,305	0	12,864,879
OTHER EXPENSES	4,323,668	515,944	-13	7,529,275	12,368,874
- expenses from financing	578,551	8,676	0	49,046	636,273
- other expenses	3,745,117	507,268	-13	7,480,229	11,732,601
PROFIT BEFORE TAX	23,340,039	4,058,092	2,786,166	1,614,159	31,798,456
Income tax expense	3,666,569	635,187	492,601	468,174	5,262,531
NET PROFIT FOR THE PERIOD	19,673,470	3,422,905	2,293,565	1,145,985	26,535,925
Net profit/loss attributable to the controlling company	19,754,389	3,423,375	2,293,565	1,145,261	26,616,590
Net profit/loss attributable to the non-controlling interest holders	-80,919	-470	0	724	-80,665

CONSOLIDATED INCOME STATEMENT BY SEGMENT

	Q1 2020				
	Non-life	Life	Health	Other	TOTAL
NET PREMIUM INCOME	153,299,729	59,141,549	48,671,290	0	261,112,568
- gross written premium	239,375,926	60,219,539	49,314,758	0	348,910,223
- ceded written premium	-46,848,986	-995,224	0	0	-47,844,210
- change in unearned premium reserve	-39,227,211	-82,766	-643,468	0	-39,953,445
INCOME FROM INVESTMENTS IN SUBSIDIARIES AND ASSOCIATES	392,155	0	0	0	392,155
- profit on equity investments accounted for using the equity method	392,155	0	0	0	392,155
- other income from investments in subsidiaries and associates	0	0	0	0	0
INCOME FROM INVESTMENTS	6,878,127	15,777,386	174,206	20,198	22,849,917
- interest income calculated using the effective interest method	3,698,891	7,634,249	152,824	10,703	11,496,667
- gains on disposals	2,120,224	4,634,307	21,382	0	6,775,913
- other income from investments	1,059,012	3,508,830	0	9,495	4,577,337
OTHER INCOME FROM INSURANCE OPERATIONS	11,223,839	354,148	12,539	0	11,590,526
- fees and commission income	8,076,581	332,484	0	0	8,409,065
- other income from insurance operations	3,147,258	21,664	12,539	0	3,181,461
OTHER INCOME	1,579,191	28,729	28,087	8,204,816	9,840,823
NET CLAIMS INCURRED	93,091,600	51,095,924	41,539,373	0	185,726,897
- gross claims settled	89,365,906	50,798,330	37,641,903	0	177,806,139
- reinsurers' share	-5,793,221	-147,740	1,383	0	-5,939,578
- changes in claims provisions	9,518,915	445,334	2,006,045	0	11,970,294
- equalisation scheme expenses for supplementary health insurance	0	0	1,890,042	0	1,890,042
CHANGE IN OTHER INSURANCE TECHNICAL PROVISIONS (excluding ULI)	436,429	-27,199,499	-32,928	0	-26,795,998
CHANGE IN INSURANCE TECHNICAL PROVISIONS FOR UNIT-LINKED INSURANCE CONTRACTS	0	-70,397,809	0	0	-70,397,809
EXPENSES FOR BONUSES AND DISCOUNTS	4,214,920	1,991	0	0	4,216,911
OPERATING EXPENSES	44,424,787	8,707,107	3,756,223	0	56,888,117
- acquisition costs	32,006,518	5,328,150	1,232,592	0	38,567,260
- other operating costs	12,418,269	3,378,957	2,523,631	0	18,320,857
EXPENSES FROM INVESTMENTS IN SUBSIDIARIES AND ASSOCIATES	18,350	38,117	0	130,864	187,331
- loss on investments accounted for using the equity method	18,350	38,117	0	130,864	187,331
- other expenses from financial assets and liabilities	0	0	0	0	0
EXPENSES FROM INVESTMENTS	2,758,883	101,984,999	14,088	3,448	104,761,418
- loss on impairment of investments	97,492	70,224	0	0	167,716
- loss on disposal of investments	57,763	723,924	0	0	781,687
- other expenses from investments	2,603,628	101,190,851	14,088	3,448	103,812,015
OTHER INSURANCE EXPENSES	13,268,441	1,439,744	271,777	0	14,979,962
OTHER EXPENSES	1,784,434	160,364	1,969	7,917,966	9,864,733
- expenses from financing	716,403	130,185	0	44,270	890,858
- other expenses	1,068,031	30,179	1,969	7,873,696	8,973,875
PROFIT BEFORE TAX	13,375,197	9,470,874	3,335,620	172,736	26,354,427
Income tax expense	1,905,528	1,489,941	539,686	19,471	3,954,626
NET PROFIT FOR THE PERIOD	11,469,669	7,980,933	2,795,934	153,265	22,399,801
Net profit/loss attributable to the controlling company	11,420,509	7,976,271	2,795,934	168,487	22,361,201
Net profit/loss attributable to the non-controlling interest holders	49,160	4,662	0	-15,222	38,600

CONSOLIDATED INCOME STATEMENT BY GEOGRAPHICAL AREA

	Q1 2021		TOTAL
	Slovenia	Other	
NET PREMIUM INCOME	211,574,844	53,139,421	264,714,265
- gross written premium	300,791,609	70,900,299	371,691,908
- ceded written premium	-48,740,022	-12,489,657	-61,229,679
- change in unearned premium reserve	-40,476,743	-5,271,221	-45,747,964
INCOME FROM INVESTMENTS IN SUBSIDIARIES AND ASSOCIATES	579,910	0	579,910
- profit on equity investments accounted for using the equity method	579,910	0	579,910
- other income from investments in subsidiaries and associates	0	0	0
INCOME FROM INVESTMENTS	48,802,559	2,516,508	51,319,067
- interest income calculated using the effective interest method	7,259,082	1,575,198	8,834,280
- gains on disposals	3,651,339	63,786	3,715,125
- other income from investments	37,892,138	877,524	38,769,662
OTHER INCOME FROM INSURANCE OPERATIONS	11,433,916	2,116,892	13,550,808
- fees and commission income	9,668,003	1,463,941	11,131,944
- other income from insurance operations	1,765,913	652,951	2,418,864
OTHER INCOME	9,097,246	1,630,994	10,728,240
NET CLAIMS INCURRED	142,483,876	28,712,950	171,196,826
- gross claims settled	144,293,538	27,005,606	171,299,144
- reinsurers' share	-7,288,972	-1,199,788	-8,488,760
- changes in claims provisions	4,008,151	2,907,132	6,915,283
- equalisation scheme expenses for supplementary health insurance	1,471,159	0	1,471,159
CHANGE IN OTHER INSURANCE TECHNICAL PROVISIONS (excluding ULI)	-1,600,306	1,354,173	-246,133
CHANGE IN INSURANCE TECHNICAL PROVISIONS FOR UNIT-LINKED INSURANCE CONTRACTS	38,631,740	776,867	39,408,607
EXPENSES FOR BONUSES AND DISCOUNTS	2,200,216	144,725	2,344,941
OPERATING EXPENSES	42,352,635	18,399,964	60,752,599
- acquisition costs	27,977,732	13,713,085	41,690,817
- other operating costs	14,374,903	4,686,879	19,061,782
EXPENSES FROM INVESTMENTS IN SUBSIDIARIES AND ASSOCIATES	58,467	0	58,467
- loss on investments accounted for using the equity method	58,467	0	58,467
- other expenses from financial assets and liabilities	0	0	0
EXPENSES FROM INVESTMENTS	10,144,102	200,672	10,344,774
- loss on impairment of investments	0	0	0
- loss on disposal of investments	1,344,531	0	1,344,531
- other expenses from investments	8,799,571	200,672	9,000,243
OTHER INSURANCE EXPENSES	10,815,008	2,049,871	12,864,879
OTHER EXPENSES	9,540,477	2,828,397	12,368,874
- expenses from financing	563,487	72,786	636,273
- other expenses	8,976,990	2,755,611	11,732,601
PROFIT BEFORE TAX	26,862,260	4,936,196	31,798,456
Income tax expense	5,169,150	93,381	5,262,531
NET PROFIT FOR THE PERIOD	21,693,110	4,842,815	26,535,925
Net profit/loss attributable to the controlling company	21,693,110	4,923,480	26,616,590
Net profit/loss attributable to the non-controlling interest holders	0	-80,665	-80,665

	in EUR		
CONSOLIDATED INCOME STATEMENT BY GEOGRAPHICAL AREA	Q1 2020		
	Slovenia	Other	TOTAL
NET PREMIUM INCOME	210,169,217	50,943,351	261,112,568
- gross written premium	284,824,467	64,085,756	348,910,223
- ceded written premium	-37,687,005	-10,157,205	-47,844,210
- change in unearned premium reserve	-36,968,245	-2,985,200	-39,953,445
INCOME FROM INVESTMENTS IN SUBSIDIARIES AND ASSOCIATES	392,155	0	392,155
- profit on equity investments accounted for using the equity method	392,155	0	392,155
- other income from investments in subsidiaries and associates	0	0	0
INCOME FROM INVESTMENTS	19,281,439	3,568,478	22,849,917
- interest income calculated using the effective interest method	9,809,071	1,687,596	11,496,667
- gains on disposals	6,647,224	128,689	6,775,913
- other income from investments	2,825,144	1,752,193	4,577,337
OTHER INCOME FROM INSURANCE OPERATIONS	9,109,487	2,481,039	11,590,526
- fees and commission income	6,829,170	1,579,895	8,409,065
- other income from insurance operations	2,280,317	901,144	3,181,461
OTHER INCOME	8,254,022	1,586,801	9,840,823
NET CLAIMS INCURRED	161,718,898	24,007,999	185,726,897
- gross claims settled	153,861,295	23,944,844	177,806,139
- reinsurers' share	-3,954,439	-1,985,139	-5,939,578
- changes in claims provisions	9,922,000	2,048,294	11,970,294
- equalisation scheme expenses for supplementary health insurance	1,890,042	0	1,890,042
CHANGE IN OTHER INSURANCE TECHNICAL PROVISIONS (excluding ULI)	-29,768,221	2,972,223	-26,795,998
CHANGE IN INSURANCE TECHNICAL PROVISIONS FOR UNIT-LINKED INSURANCE CONTRACTS	-68,113,110	-2,284,699	-70,397,809
EXPENSES FOR BONUSES AND DISCOUNTS	3,596,084	620,827	4,216,911
OPERATING EXPENSES	39,598,612	17,289,505	56,888,117
- acquisition costs	26,628,410	11,938,850	38,567,260
- other operating costs	12,970,202	5,350,655	18,320,857
EXPENSES FROM INVESTMENTS IN SUBSIDIARIES AND ASSOCIATES	187,331	0	187,331
- loss on investments accounted for using the equity method	187,331	0	187,331
- other expenses from financial assets and liabilities	0	0	0
EXPENSES FROM INVESTMENTS	101,409,559	3,351,859	104,761,418
- loss on impairment of investments	167,716	0	167,716
- loss on disposal of investments	781,687	0	781,687
- other expenses from investments	100,460,156	3,351,859	103,812,015
OTHER INSURANCE EXPENSES	13,162,524	1,817,438	14,979,962
OTHER EXPENSES	7,481,080	2,383,653	9,864,733
- expenses from financing	798,967	91,891	890,858
- other expenses	6,682,113	2,291,762	8,973,875
PROFIT BEFORE TAX	17,933,563	8,420,864	26,354,427
Income tax expense	3,824,412	130,214	3,954,626
NET PROFIT FOR THE PERIOD	14,109,151	8,290,650	22,399,801
Net profit/loss attributable to the controlling company	14,109,151	8,252,050	22,361,201
Net profit/loss attributable to the non-controlling interest holders	0	38,600	38,600

2.5 Segmental analysis of Zavarovalnica Triglav's operations

As Zavarovalnica Triglav operates mainly in the territory of the Republic of Slovenia, the management does not review a geographical analysis of operations. The management monitors the operations of Zavarovalnica Triglav according to its business segments, i. e. life and non-life insurance. The management uses various indicators to monitor the operations of individual segments, while the common measure of business performance for an individual operating segment is profit before taxes. The statement of financial position and the income statement by business segment are given below.

STATEMENT OF FINANCIAL POSITION	31 March 2021			31 December 2020		
	Non-life	Life	TOTAL	Non-life	Life	TOTAL
ASSETS	1,442,343,235	1,679,478,237	3,121,821,472	1,349,958,827	1,663,255,332	3,013,214,159
Intangible assets	61,123,832	5,014,106	66,137,938	57,234,354	5,163,225	62,397,579
Property, plant and equipment	58,777,070	8,123,516	66,900,586	59,618,441	8,157,010	67,775,451
Deferred tax assets	12,114,342	246,523	12,360,865	11,970,197	246,554	12,216,751
Investment property	43,439,712	831,563	44,271,275	43,614,546	836,730	44,451,276
Right of use assets	3,846,757	0	3,846,757	3,587,916	0	3,587,916
Investments in subsidiaries	120,920,955	11,480,011	132,400,966	120,857,455	11,480,011	132,337,466
Investments in associates	34,402,793	0	34,402,793	31,337,951	0	31,337,951
Financial investments	809,046,925	1,623,406,571	2,432,453,495	800,423,050	1,183,165,323	1,983,588,373
- loans and deposits	29,090,986	6,802,009	35,892,995	30,245,946	6,705,139	36,951,085
- held to maturity	0	137,808,243	137,808,243	0	143,908,512	143,908,512
- available for sale	779,840,006	798,074,924	1,577,914,930	770,063,803	824,938,626	1,595,002,429
- recognised at fair value through profit and loss	115,933	204,406,811	204,522,744	113,301	207,613,046	207,726,347
Unit-linked insurance assets	0	476,314,583	476,314,583	0	442,292,488	442,292,488
Reinsurers' share of technical provisions	122,809,951	60,767	122,870,717	105,862,172	41,266	105,903,438
Receivables	152,607,475	2,081,875	154,689,350	99,841,079	1,438,370	101,279,449
- receivables from direct insurance operations	103,374,074	730,979	104,105,053	67,453,193	179,021	67,632,214
- receivables from reinsurance and co-insurance operations	29,680,621	0	29,680,621	19,797,094	0	19,797,094
- current tax receivables	0	0	0	0	0	0
- other receivables	19,552,781	1,350,895	20,903,676	12,590,792	1,259,349	13,850,141
Other assets	4,785,270	10,285	4,795,555	3,695,106	46,693	3,741,799
Cash and cash equivalents	18,468,152	28,223,022	46,691,174	11,916,560	10,387,662	22,304,222
EQUITY AND LIABILITIES	1,442,343,235	1,679,478,237	3,121,821,472	1,349,958,827	1,663,255,332	3,013,214,159
Equity	540,780,563	107,841,325	648,621,888	533,692,011	110,311,163	644,003,173
- share capital	51,340,540	22,360,852	73,701,392	51,340,540	22,360,852	73,701,392
- share premium	40,344,978	13,067,907	53,412,884	40,344,978	13,067,907	53,412,884
- reserves from profit	322,348,752	45,513,891	367,862,643	322,348,752	45,513,891	367,862,643
- fair value reserve	44,031,622	4,931,369	48,962,991	49,399,362	10,002,717	59,402,079
- net profit brought forward	70,258,379	19,365,796	89,624,175	46,207,250	14,319,286	60,526,536
- net profit for the year	12,456,292	2,601,510	15,057,802	24,051,129	5,046,510	29,097,639
Subordinated liabilities	49,430,918	0	49,430,918	49,423,693	0	49,423,693
Insurance technical provisions	733,151,124	1,056,318,182	1,789,469,306	671,257,573	1,079,057,809	1,750,315,382
- unearned premiums	290,580,476	451,158	291,031,634	234,785,484	405,332	235,190,816
- mathematical provisions	0	1,022,658,620	1,022,658,620	0	1,041,557,084	1,041,557,084
- claims provisions	416,416,330	19,439,738	435,856,067	410,567,439	19,692,182	430,259,621
- other insurance technical provisions	26,154,318	13,768,666	39,922,984	25,904,650	17,403,211	43,307,861
Insurance technical provisions for unit-linked insurance contracts	0	480,272,609	480,272,609	0	448,726,097	448,726,097
Employee benefits	10,892,669	2,266,969	13,159,638	10,820,648	2,252,716	13,073,364
Other provisions	732,019	111,700	843,719	658,257	111,700	769,957
Deferred tax liabilities	10,580,012	4,944,392	15,524,404	11,833,573	9,914,340	21,747,913
Other financial liabilities	8,204,864	13,056,340	21,261,204	1,633,896	0	1,633,896
Operating liabilities	39,289,737	8,219,450	47,509,187	26,962,627	7,015,144	33,977,772
- liabilities from direct insurance operations	8,858,067	8,353,852	17,211,919	3,633,281	7,003,623	10,636,904
- liabilities from reinsurance and co-insurance operations	26,748,032	-134,402	26,613,630	19,812,663	11,521	19,824,185
- current tax liabilities	3,683,638	0	3,683,638	3,516,683	0	3,516,683
Lease liabilities	3,900,969	0	3,900,969	3,675,805	0	3,675,805
Other liabilities	45,380,362	6,447,270	51,827,632	40,000,744	5,866,363	45,867,107

INCOME STATEMENT	Q1 2021			Q1 2020		
	Non-life	Life	TOTAL	Non-life	Life	TOTAL
NET PREMIUM INCOME	93,797,093	47,528,666	141,325,759	96,592,442	45,838,690	142,431,132
- gross written premium	178,329,884	47,803,506	226,133,390	165,204,413	46,178,342	211,382,755
- ceded written premium	-49,848,205	-229,049	-50,077,254	-40,220,481	-250,226	-40,470,707
- change in unearned premium reserve	-34,684,586	-45,791	-34,730,377	-28,391,490	-89,426	-28,480,916
INCOME FROM INVESTMENTS IN SUBSIDIARIES AND ASSOCIATES	63,190	0	63,190	77,442	0	77,442
- profit on equity investments accounted for using the equity method	0	0	0	0	0	0
- other income from investments in subsidiaries and associates	63,190	0	63,190	77,442	0	77,442
INCOME FROM INVESTMENTS	2,348,064	35,724,759	38,072,823	4,729,119	10,327,616	15,056,735
- interest income calculated using the effective interest method	1,197,933	3,842,420	5,040,353	2,081,922	5,208,558	7,290,480
- gains on disposals	785,642	2,534,798	3,320,440	1,930,390	4,505,595	6,435,985
- other income from investments	364,489	29,347,541	29,712,030	716,807	613,463	1,330,270
OTHER INCOME FROM INSURANCE OPERATIONS	10,051,647	1,147,221	11,198,868	8,425,591	915,105	9,340,696
- fees and commission income	8,472,526	1,147,220	9,619,746	6,379,470	914,705	7,294,175
- other income from insurance operations	1,579,121	1	1,579,122	2,046,121	400	2,046,521
OTHER INCOME	1,898,639	208,606	2,107,245	1,725,286	89,382	1,814,668
NET CLAIMS INCURRED	49,448,937	40,584,475	90,033,412	59,254,405	45,085,776	104,340,181
- gross claims settled	52,375,753	40,926,735	93,302,488	59,594,371	44,834,120	104,428,491
- reinsurers' share	-8,418,111	-70,350	-8,488,461	-6,038,568	-77,514	-6,116,082
- changes in claims provisions	5,491,295	-271,910	5,219,385	5,698,602	329,170	6,027,772
CHANGE IN OTHER INSURANCE TECHNICAL PROVISIONS (excluding ULI)	249,668	-5,375,101	-5,125,433	441,407	-15,556,554	-15,115,147
CHANGE IN INSURANCE TECHNICAL PROVISIONS FOR UNIT-LINKED INSURANCE CONTRACTS	0	32,247,485	32,247,485	0	-67,737,386	-67,737,386
EXPENSES FOR BONUSES AND DISCOUNTS	2,199,937	0	2,199,937	3,595,096	0	3,595,096
OPERATING EXPENSES	30,367,103	8,589,906	38,957,009	28,430,469	7,591,461	36,021,930
- acquisition costs	21,961,678	6,045,990	28,007,668	20,880,559	5,307,094	26,187,653
- other operating costs	8,405,425	2,543,916	10,949,341	7,549,910	2,284,367	9,834,277
EXPENSES FROM INVESTMENTS IN SUBSIDIARIES AND ASSOCIATES	1,441	0	1,441	6,345	0	6,345
- loss on investments accounted for using the equity method	0	0	0	0	0	0
- other expenses from financial assets and liabilities	1,441	0	1,441	6,345	0	6,345
EXPENSES FROM INVESTMENTS	1,508,502	4,387,319	5,895,821	1,544,502	77,863,161	79,407,663
- loss on impairment of investments	0	0	0	97,492	70,224	167,716
- loss on disposal of investments	499,665	767,779	1,267,444	52,977	302,075	355,052
- other expenses from investments	1,008,837	3,619,540	4,628,377	1,394,033	77,490,862	78,884,895
OTHER INSURANCE EXPENSES	5,259,536	467,448	5,726,984	5,896,312	569,826	6,466,138
OTHER EXPENSES	3,891,157	489,143	4,380,300	1,736,977	143,038	1,880,015
- expenses from financing	563,441	0	563,441	714,667	129,797	844,464
- other expenses	3,327,716	489,143	3,816,859	1,022,310	13,241	1,035,551
PROFIT BEFORE TAX	15,232,351	3,218,577	18,450,928	10,644,367	9,211,471	19,855,838
Income tax expense	2,776,059	617,067	3,393,126	1,823,093	1,461,633	3,284,726
NET PROFIT FOR THE PERIOD	12,456,292	2,601,510	15,057,802	8,821,274	7,749,838	16,571,112

2.6 Significant items of the statement of financial position

Intangible assets

In the reporting period, the book value of intangible assets of the Triglav Group increased by EUR 6.4 million. Long-term deferred acquisition costs have increased by EUR 7.7 million, while new purchases of licences and software equalled EUR 1 million. In the first quarter of 2021 amortisation reached EUR 2.3 million.

In the reporting period, the book value of intangible assets of Zavarovalnica Triglav increased by EUR 3.7 million. In the separate financial statements, the change mainly refers to the increase in long-term deferred acquisition costs. These have increased by EUR 4.5 million. New purchases of other intangible assets in the amount of EUR 810 thousand primarily relate to the purchase of licences and software. In the first quarter of 2021 amortisation of intangible assets of Zavarovalnica Triglav amounted to EUR 1.6 million.

Property, plant and equipment

In the first quarter of 2021 the book value of property, plant and equipment of the Triglav Group decreased by EUR 1.8 million. In the first quarter of 2021 Triglav Group acquired new property, plant and equipment worth EUR 910 thousand and sold it in the carrying amount of EUR 110 thousand. In the reporting period, depreciation of property, plant and equipment amounted to EUR 2.1 million.

In the reporting period, the book value of property, plant and equipment of Zavarovalnica Triglav decreased by EUR 870 thousand. In the first quarter of 2021 Zavarovalnica Triglav acquired new property, plant and equipment worth EUR 390 thousand. In the reporting period, depreciation of property, plant and equipment amounted to EUR 1.3 million.

Investment property

The book value of investment property of the Group increased by EUR 2 thousand. In the reporting period, the Group purchased investment property in the amount of EUR 355 thousand and sold it in the carrying amount of EUR 505 thousand. In the first quarter of 2021, depreciation of investment property of the Group amounted to EUR 350 thousand.

In the first quarter of 2021 the book value of investment property of Zavarovalnica Triglav decreased by EUR 180 thousand. Zavarovalnica Triglav purchased new investment property worth EUR 135 thousand and sold it in the carrying amount of EUR 75 thousand. In the reporting period, depreciation of investment property amounted to EUR 240 thousand.

Real property recognised as non-current assets held for sale decreased by EUR 85 thousand as a result of the sale.

Financial investments

The tables below show the carrying and fair values of financial assets, excluding unit-linked insurance assets.

Triglav Group	in EUR			
	Carrying amount		Fair value	
	31 March 2021	31 December 2020	31 March 2021	31 December 2020
Loans and deposits	95,263,987	97,971,079	99,808,528	104,492,900
Held to maturity	156,672,290	162,824,686	197,425,984	206,893,874
Available for sale	2,094,748,878	2,101,914,068	2,094,748,878	2,101,914,068
Investments recognised at fair value	527,529,566	524,670,726	527,529,566	524,670,726
TOTAL	2,874,214,721	2,887,380,559	2,919,512,956	2,937,971,568

Zavarovalnica Triglav	in EUR			
	Carrying amount		Fair value	
	31 March 2021	31 December 2020	31 March 2021	31 December 2020
Loans and deposits	35,892,995	36,951,085	34,696,341	36,322,025
Held to maturity	137,808,243	143,908,512	176,798,155	186,083,461
Available for sale	1,577,914,930	1,595,002,429	1,577,914,930	1,595,002,429
Investments recognised at fair value	204,522,744	207,726,347	204,522,744	207,726,347
TOTAL	1,956,138,912	1,983,588,373	1,993,932,170	2,025,134,262

Tables below show financial investments of Zavarovalnica Triglav and Triglav Group by different groups of financial assets.

Triglav Group

Values as at 31 March 2021	in EUR				
	L&R	HTM	AFS	FVTPL	Total
Equity instruments	0	0	159,827,247	74,402,253	234,229,500
Debt instruments	6,418,987	156,672,290	1,932,958,087	453,011,380	2,549,060,744
Derivative financial instruments	0	0	0	115,933	115,933
Loans	88,845,000	0	1,963,544	0	90,808,544
Total	95,263,987	156,672,290	2,094,748,878	527,529,566	2,874,214,721

Values as at 31 December 2020	in EUR				
	L&R	HTM	AFS	FVTPL	Total
Equity instruments	0	0	150,713,700	69,654,294	220,367,994
Debt instruments	6,401,170	162,824,686	1,948,404,958	454,903,131	2,572,533,945
Derivative financial instruments	0	0	0	113,301	113,301
Loans	91,569,909	0	2,795,410	0	94,365,319
Total	97,971,079	162,824,686	2,101,914,068	524,670,726	2,887,380,559

Zavarovalnica Triglav

Values as at 31 March 2021						in EUR
	L&R	HTM	AFS	FVTPL	Total	
Equity instruments	0	0	117,671,058	2,105,531	119,776,589	
Debt instruments	6,418,987	137,808,243	1,458,280,328	202,301,280	1,804,808,838	
Derivative financial instruments	0	0	0	115,933	115,933	
Loans	29,474,008	0	1,963,544	0	31,437,552	
Total	35,892,995	137,808,243	1,577,914,930	204,522,744	1,956,138,912	

Values as at 31 December 2020						in EUR
	L&R	HTM	AFS	FVTPL	Total	
Equity instruments	0	0	111,723,131	1,863,439	113,586,570	
Debt instruments	6,401,173	143,908,512	1,481,312,962	205,749,607	1,837,372,254	
Derivative financial instruments	0	0	0	113,301	113,301	
Loans	30,549,912	0	1,966,336	0	32,516,248	
Total	36,951,085	143,908,512	1,595,002,429	207,726,347	1,983,588,373	

Legend:

- L&R: Loans and receivables
- HTM: Held to maturity
- AFS: Available for sale
- FVTPL: Fair value through profit or loss

Unit – linked financial assets

Unit-linked insurance assets are presented below according to their distribution into individual groups.

	Triglav Group		Zavarovalnica Triglav		in EUR
	31 March 2021	31 December 2020	31 March 2021	31 December 2020	
	Equity instruments	524,873,318	443,699,150	472,432,208	396,272,477
Debt instruments	17,888,787	58,109,830	3,882,375	46,020,011	
TOTAL	542,762,105	501,808,980	476,314,583	442,292,488	

All unit-linked insurance assets are classified in the group of financial assets measured at fair value through profit or loss. Their carrying amounts are equal to their fair values.

Fair value measurement and presentation by valuation level

Financial assets measured at fair value are classified by valuation level in the tables below:

- Level 1: value measurement based on quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date (stock exchange quotations and listings provided by third parties), which are entirely based on observable market data (the share of binding listings has to be minimum 90% and there have to be at least three binding listings not older than one day);
- Level 2: value measurement less than entirely based on quoted prices for the asset or liability. Fair value measurements may be based on indirectly observable inputs, i.e. data derived from prices of comparable financial instruments, but only up to a strictly limited percentage;
- Level 3: value measurement based on prices that do not meet the standards for Level 1 or Level 2. The percentage of unobservable inputs used in value measurement models is considerable.

The following is shown separately for the Triglav Group:

- financial assets (i.e. available-for-sale financial assets and financial assets at fair value through profit and loss) and
- unit-linked insurance assets.

Capital investments in associates are additionally shown for Zavarovalnica Triglav because they are measured at fair value in individual financial statements.

Triglav Group

As at 31 March 2021	in EUR			
	Level 1	Level 2	Level 3	Total
Equity securities	160,147,089	0	76,045,955	236,193,044
Debt securities	1,917,215,555	468,753,912	0	2,385,969,467
Derivative financial instruments	0	115,933	0	115,933
Unit-linked financial assets	539,905,413	2,837,959	18,733	542,762,105
Total	2,617,268,057	471,707,804	76,064,688	3,165,040,549

As at 31 December 2020	in EUR			
	Level 1	Level 2	Level 3	Total
Equity securities	151,243,025	0	71,920,377	223,163,402
Debt securities	1,506,407,355	896,900,735	0	2,403,308,090
Derivative financial instruments	0	113,301	0	113,301
Unit-linked financial assets	449,327,642	52,461,780	19,558	501,808,980
Total	2,106,978,022	949,475,816	71,939,935	3,128,393,773

Investments in associates are accounted for using the equity method in the consolidated financial statements and are therefore not included in the presentation of valuation of financial assets at fair value.

Zavarovalnica Triglav

As at 31 March 2021	in EUR			
	Level 1	Level 2	Level 3	Total
Equity securities	51,736,438	0	70,003,695	121,740,133
Debt securities	1,456,690,632	203,890,976	0	1,660,581,608
Derivative financial instruments	0	115,933	0	115,933
Unit-linked financial assets	475,132,019	1,182,564	0	476,314,583
Investments in associates	0	0	34,402,793	34,402,793
Total	1,983,559,089	205,189,473	104,406,488	2,293,155,050

As at 31 December 2020	in EUR			
	Level 1	Level 2	Level 3	Total
Equity securities	49,571,408	0	65,981,498	115,552,906
Debt securities	1,226,158,197	460,904,372	0	1,687,062,569
Derivative financial instruments	0	113,301	0	113,301
Unit-linked financial assets	397,371,769	44,920,719	0	442,292,488
Investments in associates	0	0	31,337,951	31,337,951
Total	1,673,101,374	505,938,392	97,319,449	2,276,359,215

Value assessment techniques and inputs used for measurement purposes

Financial investment type	Value assessment method	Material parameters	Parameter weight applied	Fair value
EXTERNAL APPRAISERS (market operator)				
Debt securities - composite	Stochastic model, HW1f and HW2f network models	EUR SWAP interest rate curve, issuer credit spreads, comparable issuer credit spreads, interest rate volatility, correlation matrix, volatility indices		Level 2
Debt securities – compound with exposure to stock markets	Stochastic model	EUR SWAP interest rate curve, issuer credit spreads, comparable issuer credit spreads, interest rate volatility, volatility indices		Level 2
Derivatives	Black-Scholes model	Index volatility		Level 2
BLOOMBERG BVAL				
Debt securities – companies, financial institutions and government	Cash flow discounting according to amortisation schedule	EUR SWAP interest rate curve, issuer credit spreads, comparable issuer credit spreads, indicative listings		Level 2
INTERNAL APPRAISERS				
Debt securities - government	Cash flow discounting according to amortisation schedule	Republic of Slovenia interest rate yield curve	yield curve issued by Republic of Slovenia (Bloomberg ID: I259 Currency); credit spread between 0% and 0.69%	Level 2
Debt securities - companies and financial institutions	Cash flow discounting according to amortisation schedule	Republic of Slovenia interest rate yield curve, issuer credit spreads	yield curve issued by Republic of Slovenia (Bloomberg ID: I259 Currency); credit spread between 0.91% and 4.49%	Level 2
Equity securities	Cash flow discounting	g (growth rate during constant growth period)	2.0%	Level 3
		EBIT margin (constant growth period)	1% - 35.9%	
		Discount rate	10.98% - 12.77% for start ups	
		Lack of marketability discount	6.5% - 23%	
	NAV method	Real property price changes		
Market approach	MVIC/EBITDA			
Equity investment in associates	Equity method	Accumulated gains and losses		Level 3
Real property for own use	Income approach, market approach, analysis of the most economical use of development land	Capitalisation rate, market prices of comparable real property	7.5% - 15% depending on risk/location	Level 3
Investment property			Market values based on information available	

Changes of Level 3 financial assets

	Triglav Group		Zavarovalnica Triglav		in EUR
	2021	2020	2021	2020	
Opening balance as at 1 January	71,939,935	61,061,888	97,319,449	73,739,171	
Purchases	4,150,829	2,760,918	7,090,671	15,786,780	
Disposals	-1,210,841	-574,239	-1,198,204	-574,239	
Revaluations through income statement	7,026	129,440	14,569	0	
Revaluations through Equity	1,178,702	378,782	1,180,003	378,734	
Exchange rate difference	-963	-10,041	0	0	
Closing balance as at 31 March	76,064,688	63,746,748	104,406,487	89,330,446	

The value of the Triglav Group's financial assets classified into Level 3 increased in the first three months of 2021 as a result of the payments into venture capital funds. Disposals relate entirely to payouts from these funds. Even revaluation is the result of changes in the value of venture capital funds.

In addition to payments into venture capital funds, the capital increase of ZTSR d.o.o. was recognised under Zavarovalnica Triglav's acquisitions, which is described in more detail below.

Subordinated debt instruments

Zavarovalnica Triglav has one issued subordinate bond, which is included in its capital adequacy. The bond was issued in 2019 as part of the Group's regular capital management to ensure its optimal composition and cost efficiency and to replace the bond that matured on 21 March 2020. The Company did not issue any new debt securities in the period from 1 January to 31 March 2021. The same applies to other Group members.

Contingent liabilities

No contingent liabilities in the form of a guarantee given were recognised in the first three months of 2021 by the Company. In the reporting period, no contingent liabilities for the guarantees given were created by any Group member.

Distribution of accumulated profits

Accumulated profit as at 31 December 2020 amounted to EUR 89,624,175. The Management Board and the Supervisory Board of Zavarovalnica Triglav propose to the General Meeting of Shareholders that part of accumulated profit of EUR 38,649,751 be distributed for dividend payment, unless the Insurance Supervision Agency opposes this proposal by the time the General Meeting of Shareholders is convened. Due to the uncertain consequences of the pandemic for the economy, the Insurance Supervision Agency called upon insurance companies to suspend dividend payments until the end of September 2021, unless they demonstrate guaranteed solvency, sufficient liquidity and profitability in compliance with the precautionary principle. Both the Management Board and the Supervisory Board assess that the bases for the dividend payment are appropriate and thus, in accordance with the Company's dividend policy, propose a dividend of EUR 1.70 gross per share. The remaining accumulated profit in the amount of 50,974,424 will remain undistributed and will be decided on in the coming years. The final decision on the proposed distribution of accumulated profit as at 31 December 2020 will be made by the General Meeting of Shareholders of Zavarovalnica Triglav on 25 May 2021.

2.7 Changes in equity stakes in subsidiaries and business combinations

Capital increase of ZTSR d.o.o.

Through in cash contribution of EUR 3.3 million, Zavarovalnica Triglav increased the capital of jointly controlled ZTSR d.o.o. in the first quarter of 2021, thereby maintaining its 50% participating interest in said company. The capital increase had no effect on the consolidated financial statements of the Triglav Group.

Acquisition of Kirurški sanatorij d.o.o.

The ZTSR Group increased its strategic investment portfolio in the first quarter of 2021 by acquiring a 100% participating interest in Kirurški sanatorij Rožna dolina d.o.o. From the point of view of the Triglav Group, this investment is part of regular activities of managing its extensive investment portfolio and has no significant impact on its composition. Kirurški sanatorij d.o.o. will be treated within the Triglav Group as a jointly controlled company and valued using the equity method.

Capital increase of Triglav Avtoservis d.o.o., Ljubljana

In the first quarter of 2021, Zavarovalnica Triglav made a subsequent capital increase of its subsidiary Triglav Avtoservis d.o.o. in the amount of EUR 63 thousand, thus maintaining its 100% participating interest in said company. The capital increase had no effect on the consolidated financial statements of the Triglav Group.

Capital increase of Triglav Savetovanje d.o.o., Belgrade

In the first quarter of 2021, Triglav Svetovanje d.o.o. and Triglav Osiguranje a.d.o, Belgrade increased the capital of their subsidiary Triglav Savetovanje d.o.o., Belgrade proportional to their participating interests. The capital increase was raised by in cash contributions of RSD 7.9 million or EUR 67 thousand. As a result, both companies maintained their stakes in said company, 49% and 51% respectively.

Capital increase of Triglav Savjetovanje d.o.o., Zagreb

In the first quarter of 2021, Triglav Svetovanje d.o.o. and Triglav Osiguranje d.d., Zagreb increased the capital of their subsidiary Triglav Savjetovanje d.o.o., Zagreb proportional to their participating interests. The capital increase was raised by in cash contributions of HRK 1.1 million or EUR 145 thousand. As a result, both companies maintained their stakes in said company, 49% and 51% respectively.

2.8 Related party transactions

Revenues of the Management and Supervisory Board

In the first quarter of 2021 the Management Board members were paid the following amounts as compensation for their work:

								in EUR
Name and surname	Fixed salaries (gross)	Other additional payments*	Bonuses	Net pay received	Insurance premiums**	Other benefits***	Reimbursements	
Andrej Slapar	48,263	0	0	15,006	15,144	2,867	427	
Uroš Ivanc	45,850	689	0	16,102	10,682	281	418	
Tadej Čoroli	45,850	0	0	15,111	10,666	1,289	337	
Barbara Smolnikar	45,816	0	0	15,185	10,525	1,289	330	
David Benedek	45,850	0	0	15,336	10,344	1,789	361	
Marica Makoter	45,850	0	0	14,632	10,667	1,574	337	
Benjamin Jošar****	0	0	0	0	0	0	0	
TOTAL	277,479	689	0	91,372	68,028	9,089	2,210	

* Other additional payments include holiday pay and other cost reimbursements.

** Insurance premiums include premiums for supplementary pension insurance, accident insurance, liability insurance and other types of insurance.

*** Other benefits include company cars.

**** Benjamin Jošar was Management Board member until 2 November 2017.

In the reporting period members of the Management Board did not receive any payments for their work in subsidiaries.

As at 31 March 2021 Zavarovalnica Triglav, d.d. had the following receivables from and liabilities to the Management Board members:

			in EUR
Name and surname	Receivables as at 31 March 2021	Liabilities as at 31 March 2021	
Andrej Slapar	0	130,350	
Uroš Ivanc	6	123,844	
Tadej Čoroli	30	123,820	
Barbara Smolnikar	14	119,981	
David Benedek	0	77,501	
Marica Makoter	16	123,814	
Benjamin Jošar****	0	3,857	
TOTAL	66	703,167	

**** Benjamin Jošar was Management Board member until 2 November 2017.

In the first quarter of 2021 the Supervisory Board members and members of Committees were paid the following amounts as compensation for their work:

Name and surname	Compensation	Attendance fee	Reimbursements	Total gross pay	in EUR
					Total net pay
Andrej Andoljšek	4,375	275	0	4,650	3,382
Milan Tomažević	3,688	275	0	3,963	2,882
Igor Stebernak	3,750	2,475	0	6,225	4,527
Žiga Škerjanec	3,750	2,255	0	6,005	4,367
Mario Gobbo	3,438	495	0	3,933	2,591
Peter Celar	3,750	2,255	111	6,116	4,448
Branko Gorjan	3,125	275	0	3,400	2,473
Igor Zupan	3,125	495	0	3,620	2,633
Simon Kolenc*	1,250	275	0	1,525	1,109
Boštjan Koler*	626	1,320	0	1,946	1,415
Total	30,877	10,395	111	41,383	29,827

* External members sitting on committees and the Supervisory Board.

As at 31 March 2021 Zavarovalnica Triglav, d.d. had the following receivables from and liabilities to the Supervisory Board members and members of Committees:

Name and surname	in EUR	
	Receivables as at 31 March 2021	Liabilities as at 31 March 2021
Andrej Andoljšek	0	2,188
Milan Tomažević	0	1,844
Igor Stebernak	0	1,875
Žiga Škerjanec	0	1,875
Mario Gobbo	0	1,719
Peter Celar	0	1,875
Branko Gorjan	0	1,563
Igor Zupan	0	1,563
Simon Kolenc*	0	625
Boštjan Koler*	0	313
TOTAL	0	15,440

* External members sitting on committees and the Supervisory Board.

Transactions with subsidiaries

In daily business operations, many insurance transactions are carried out with subsidiaries of Zavarovalnica Triglav. These transactions are performed at arm's length and at market prices. Their volume is shown below.

	in EUR	
	31 March 2021	31 December 2020
ASSETS		
Right of use Asset	796,425	827,255
Shares	132,400,966	132,337,466
Debt securities and loans	5,783,878	6,610,381
Receivables from insurers	10,968	15,620
Premium receivable from re-insurance	13,219,631	6,778,184
Receivables from co-insurers' share in claim	0	197
Receivables from re-insurers' share in claim	7,408,681	5,221,704
Other short-term receivables from insurance operation	88,363	82,267
Short term receivables from financing	33,599	46,152
Other short-term receivables	833,234	730,317
Deffered short-term expenses of insurance contract acquisition	30,659	61,969
LIABILITIES		
Liabilities to policy holders	631	0
Liabilities to agents and brokers	346,018	368,827
Liabilities for co-insurance premiums	40,319	22,377
Liabilities for re-insurance premiums	15,690,797	9,594,905
Liabilities for re-insurers' share in claims	2,061,956	4,510,857
Other short-term liabilities	87,435	153,503
Lease liabilities	818,853	851,981

	in EUR	
	Q1 2021	Q1 2020
INCOME AND EXPENSES		
Gross written premium and active reinsurance premium	13,469,362	12,867,196
Outward re-/co-insurance premium (-)	-28,319,817	-28,426,166
Net premium income	-14,850,455	-15,558,970
Reinsurance commission income	5,616,942	4,689,016
Other income from insurance operations	364,199	242,640
Interest income	62,565	77,242
Other insurance income	1,228,015	1,243,072
Income from land and buildings	182,296	173,809
Other income	143,614	100,055
Other income from financial assets	625	200
TOTAL INCOME	-7,252,199	-9,032,936
Gross claims settled	-2,138,646	-2,118,093
Re-/co-insurers' share in gross claim	-6,874,771	-4,933,801
Net claims	-9,013,417	-7,051,894
Expenses for reinsurance premiums	1,323,985	1,581,080
Other financial expenses	1,441	6,346
Interest expenses	5,283	5,936
Depreciation of right of use assets	30,828	36,942
TOTAL EXPENSES	-7,651,880	-5,421,590

Transactions with associates

In daily business operations, many insurance transactions are carried out with associated companies of Zavarovalnica Triglav. These transactions are performed at arm's length and at market prices. Their volume is shown below, separately for Zavarovalnica Triglav and for the Triglav Group.

	Triglav Group		Zavarovalnica Triglav		in EUR
	31 March 2021	31 December 2020	31 March 2021	31 December 2020	
ASSETS					
Shares	31,966,092	28,237,714	34,402,793	31,337,951	
Receivables from insurers	39,831	5,096	39,667	4,932	
Other short-term receivables	20,000	0	20,000	0	
LIABILITIES					
Liabilities to policy holders	0	27	0	0	
Liabilities to agents and brokers	143	7,319	0	7,176	
Short - term liabilities from financing	8,847	0	0	0	
Other short - term liabilities	-1,986	312	0	0	
Accrued expenses	622	450	0	0	

	Triglav Group		Zavarovalnica Triglav		in EUR
	Q1 2021	Q1 2020	Q1 2021	Q1 2020	
Gross written premium	62,836	49,987	62,345	49,333	
TOTAL INCOME	62,836	49,987	62,345	49,333	
Gross claims settled	5,029	0	5,029	0	
Acquisition costs	418	1,076	0	0	
TOTAL EXPENSES	5,447	1,076	5,029	0	

Transactions with shareholders and shareholder-related companies

The largest shareholders of Zavarovalnica Triglav are the Institute of Pension and Disability Insurance of Slovenia (Zavod za pokojninsko in invalidsko zavarovanje Slovenije – ZPIZ) and Slovenian Sovereign Holding (Slovenski državni holding – SDH), which hold a 34.47% and a 28.09% stake, respectively.

The shareholder-related companies are those in which SDH and the Republic of Slovenia together directly hold at least a 20% stake. As at 31 March 2021 there were 41 of such companies; the list is published on the SDH website (<http://sdh.si/sl-si/upravljanje-nalozb/seznam-nalozb>).

Business with the two largest shareholders and the state-related parties is limited to regular business cooperation. There were no material individual transactions with the abovementioned companies in the reporting period. The total value of transactions is shown in the table below.

	in EUR			
	Triglav Group		Zavarovalnica Triglav	
	31 March 2021	31 December 2020	31 March 2021	31 December 2020
ASSETS				
Stakes and shares	17,302,639	15,885,929	17,149,557	15,750,155
Debt securities	109,672,177	106,249,828	76,639,070	76,143,968
Operating receivables	5,601	691	5,601	671
Re-insurance receivables	9,813	14,622	2,929	14,622
Other assets	8,574,450	7,407,070	0	0
LIABILITIES				
Operating liabilities	716,480	770,856	566,225	580,942
Re-insurance liabilities	0	7,887	0	7,887
	Q1 2021	Q1 2020	Q1 2021	Q1 2020
INCOME				
Gross written premium	4,854,705	4,302,361	4,887,374	4,346,285
Financial income	457,494	611,728	206,817	352,330
Other income	15,749	15,184	8,724	14,137
EXPENSES				
Gross claims settled	1,076,659	981,186	1,069,531	999,745
Financial expenses	69,993	241,661	45,596	185,827
Other expenses	1,894,504	2,781,671	1,383,164	1,635,542

2.9 Significant events after the reporting date

During the period between the end of the reporting period and the date of approval of the financial statements, there were no other adjusting or non-adjusting events that would affect the compiled financial statements for the period from 1 January to 31 March 2021.

Zavarovalnica Triglav announced the General Meeting of Shareholders on 22 April 2021. The agenda also includes the distribution of accumulated profit, which amounted to EUR 89,624,175.26 as at 31 December 2020. According to the proposal of the Management Board and the Supervisory Board, a part of accumulated profit will be distributed for the payment of a dividend of EUR 1.70 gross per share. On 30 April 2021, Zavarovalnica Triglav received a counterproposal from the shareholder VZMD, in which said shareholder proposes the dividend payment of EUR 3.50 gross per share. VZMD justifies its proposal with good business results achieved last year and the year before, because it believes that the Company is capable of paying out such a dividend without adversely affecting its operations. The Management Board does not agree with the counterproposal. This proposal is inconsistent with the restriction set by the Insurance Supervision Agency for applying the exemption from its position of not paying dividends before September this year, while it also insufficiently takes into account the precautionary aspect regarding maintaining the financial stability of the Triglav Group in the persisting situation of high uncertainty. The General Meeting of Shareholders of Zavarovalnica Triglav will be held on 25 May 2021.