

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

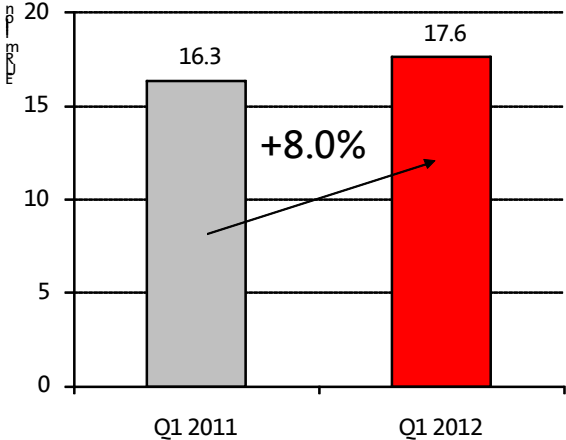


**UNAUDITED INTERIM REPORT OF
ZAVAROVALNICA TRIGLAV AND THE TRIGLAV GROUP
FOR THE PERIOD FROM 1 JANUARY 2012 TO 31 MARCH
2012**

Ljubljana, 29 May 2012

PERFORMANCE OF THE TRIGLAV GROUP IN THE FIRST QUARTER OF 2012

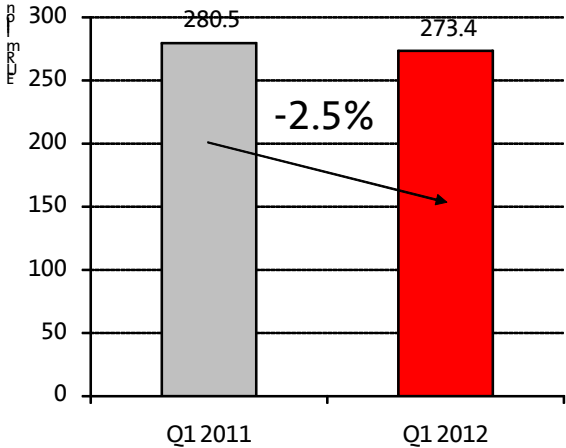
Net profit



The new business policy in non-life insurance resulted in higher profit.

For additional information see page 32.

Gross written premium for insurance and co-insurance contracts



The decrease in gross written premium is a consequence of the Company's strategic direction to focus on profitability as well as unfavourable economic conditions.

For additional information see page 15.

TABLE OF CONTENTS:

1. FINANCIAL HIGHLIGHTS OF ZAVAROVALNICA TRIGLAV AND THE TRIGLAV GROUP IN THE FIRST QUARTER OF 2012	4
2. GOVERNANCE OF THE TRIGLAV GROUP	8
3. SHARE CAPITAL AND SHAREHOLDERS OF ZAVAROVALNICA TRIGLAV.....	10
4. PERFORMANCE IN THE PERIOD FROM 1 JANUARY 2012 TO 31 MARCH 2012	13
5. FINANCIAL RESULT AND FINANCIAL STANDING.....	32
6. RISK MANAGEMENT	38
7. HUMAN RESOURCE MANAGEMENT IN THE TRIGLAV GROUP	40
STATEMENT OF MANAGEMENT'S RESPONSIBILITY.....	42
UNAUDITED FINANCIAL STATEMENTS OF THE TRIGLAV GROUP AND ZAVAROVALNICA TRIGLAV D.D., FOR THE PERIOD FROM 1 JANUARY 2012 TO 31 MARCH 2012.....	43

1. FINANCIAL HIGHLIGHTS OF ZAVAROVALNICA TRIGLAV AND THE TRIGLAV GROUP IN THE FIRST QUARTER OF 2012

1.1 Financial highlights of the Triglav Group

	in million EUR		
	Q1 2012	Q1 2011	INDEX
Gross written premium for insurance and co-insurance contracts	273.4	280,5	97
Net premium income	221.6	228,8	97
Gross claims settled	151.3	147,8	102
Net claims incurred	139.8	147,5	95
Gross operating costs*	53.4	55,6	96
Profit/loss before tax	21.4	22,4	96
Net profit/loss	17.6	16,3	108
Net profit/loss attributable to the controlling company	17.0	15,5	110
	31 March 2012	31 December 2011	INDEX
Insurance technical provisions as at	2,305.2	2,234.1	103
Equity as at	545.0	489.5	111
Equity attributable to the controlling company as at	518.9	465.3	112
Number of employees	5,363	5,064	106

* Insurance business gross operating costs

Key performance indicators of Triglav Group

	Q1 2012	Q1 2011
Claims ratio	57.5%	65.4%
Expense ratio	27.4%	27.3%
Combined ratio	84.9%	92.7%
Ratio between gross operating costs and gross premium written	19.5%	19.8%

1.2 Performance of Zavarovalnica Triglav d.d.

	in million EUR		
	Q1 2012	Q1 2011	INDEX
Gross written premium for insurance and co-insurance contracts	197.9	205.1	97
Net premium income	150.8	159.5	95
Gross claims settled	105.4	104.0	101
Net claims incurred	90.3	99.7	91
Gross operating costs	36.8	39.7	93
Profit/loss before tax	17.0	18.6	92
Net profit/loss	13.7	12.8	107
	31 March 2012	31 December 2011	INDEX
Insurance technical provisions as at.	2,003.7	1,940.8	103
Equity as at	481.3	437.7	110
Number of employees	2,405	2,400	100

Key performance indicators of Zavarovalnica Triglav d.d.

	Q1 2012	Q1 2011
Claims ratio	48.9%	63.6%
Expense ratio	25.6%	25.9%
Combined ratio	74.5%	89.4%
Ratio between gross operating costs and gross premium written	18.6%	19.4%

1.3 Activities and position of the Triglav Group

The Triglav Group is the leading insurance/financial group in Slovenia and one of the leading groups in South-East Europe, where it is gaining ground and expanding its operations. It is present in eight markets and seven countries. The Group's key business pillars are:

- insurance;
- asset management;
- banking; and
- support activities for the three key financial pillars.

The Triglav Group's core business, accounting for the bulk of its operations, is **insurance**, including non-life, life, supplementary voluntary pension and health insurance.

The insurance oriented part of the Triglav Group encompasses:

- in Slovenia: Zavarovalnica Triglav d.d., Triglav Zdravstvena zavarovalnica d.d. and Pozavarovalnica Triglav Re d.d.;
- abroad: insurance undertakings in the Czech Republic, Croatia, Bosnia and Herzegovina, Montenegro, Serbia and the Former Yugoslav Republic of Macedonia.

Asset management is the activity of Triglav Skladi d.o.o., Triglav Naložbe d.d. and Triglav nepremičnine d.d. Their business involves investments in securities, real property, etc.

Banking represents a strategic businesses line of the Triglav Group, which brings together an integrated range of products and services, and enables the development of bancassurance. Zavarovalnica Triglav is a shareholder in Abanka Vipava, one of the largest Slovene banks.

Table: Subsidiaries of the Triglav Group whose business is one of the core business lines of the Group or supports such core business

	INSURANCE	ASSET MANAGEMENT	BANKING	OTHER
Slovenia	- Zavarovalnica Triglav d.d. - Pozavarovalnica Triglav Re d.d. - Triglav, Zdravstvena zavarovalnica d.d.	- Triglav Skladi d.o.o. - Triglav Naložbe d.d. - Triglav nepremičnine d.d.	- Abanka Vipava d.d.	- Triglav INT d.d. - TRI-PRO d.o.o. - AS Triglav d.o.o. - Triglavko d.o.o. - Skupna pokojninska družba d.d.
Croatia	- Triglav Osiguranje d.d., Zagreb			
Bosnia and Herzegovina	- Triglav Osiguranje d.d., Sarajevo - Triglav Osiguranje a.d.o., Banja Luka	- Polara Invest d.d. - PROF-IN d.o.o.		- TRI-PRO BH d.o.o. - Triglav Auto d.o.o. - Autocentar BH d.o.o. - Unis automobili i dijelovi d.o.o.
Serbia	- Triglav Osiguranje a.d.o., Belgrade	- Triglav Penzijski fondovi a.d.		- Pista d.o.o.
Montenegro	- Lovćen Osiguranje a.d., Podgorica - Lovćen životna osiguranja a.d., Podgorica			- Lovćen Avto a.d.
Former Yugoslav Republic of Macedonia	- Triglav Osiguruvanje a.d., Skopje			
Czech Republic	- Triglav Pojišť'ovna a.s., Brno			

1.4 Composition and markets of the Triglav Group



As at 31 March 2012 the Triglav Group consisted of the following companies:

Controlling company:

- Zavarovalnica Triglav d.d.

Subsidiaries of the Triglav Group:

- Pozavarovalnica Triglav Re d.d.
- Triglav, Zdravstvena zavarovalnica d.d.
 - Zdravstveni center morje d.o.o.
- Triglav INT d.d.
 - Triglav Osiguranje d.d., Zagreb
 - Triglav Osiguranje d.d., Sarajevo
 - Autocentar BH d.o.o.
 - Unis automobili i dijelovi d.o.o.
 - Sarajevostan d.d.
 - Triglav Pojišt'ovna a.s., Brno
 - Lovćen Osiguranje a.d., Podgorica
 - Lovćen životna osiguranja a.d.
 - Lovćen avto d.o.o.
 - Triglav Osiguranje a.d.o., Beograd
 - Triglav Osiguranje a.d., Banja Luka
 - Triglav avto d.o.o.
 - Triglav Osiguruvanje a.d., Skopje
- Triglav Skladi, družba za upravljanje d.o.o.
 - PROF-IN d.o.o.
 - Polara Invest d.d.
- Triglav Naložbe, finančna družba d.d.
 - Golf Arboretum d.o.o.
 - SALNAL d.d.
 - SIANAL d.o.o.
 - AVRIGO, družba za avtobusni promet in turizem d.d.

- Integral Notranjska d.o.o.
- Alptours Turizem d.o.o.
- Integral Zagorje d.o.o.
- Integral Stojna Kočevje d.o.o.
- Triglav penzijski fondovi a.d.
- TRI-PRO d.o.o.
 - TRI-PRO BH d.o.o.
- AS Triglav - servis in trgovina d.o.o.
- Triglav nepremičnine, upravljanje in svetovanje d.d.
 - Pista d.o.o.
- Slovenijales d.d.
 - Slovenijales trgovina d.o.o.
- Gradis IPGI d.d.
- Hotel Grad Podvin d.d.

Associated companies of the Triglav Group:

- Skupna pokojninska družba d.d.
- TriglavKo, zavarovalno zastopniška družba d.o.o.
- Tehnološki center varne vožnje Vransko d.o.o.
- Nama trgovsko podjetje d.d.
- Goriške opekarne d.d.
- Elan Skupina (Skimar) d.o.o.
- Info TV d.d.
- IF Prof Plus
- ZIP Polara Invest Fond a.d., Banja Luka

Changes to the Triglav Group composition in the first quarter of 2012:

- By purchasing the shares of Avrigo d.d., Nova Gorica, from Vipa Holding, Triglav Naložbe d.d. acquired 26,351 shares, i.e. 77.96% of total equity. Avrigo d.d., Nova Gorica is the 100% owner of Integral Notranjska d.o.o. and has a 97.66% stake in Alptours Turizem d.o.o., a 78.57% stake in Integral Zagorje d.o.o. and a 79.88% stake in Integral Stojna Kočevje d.o.o.
- Zavarovalnica Triglav d.d. transferred its shareholdings in Triglav Osiguranje d.d., Zagreb to Triglav INT d.d.
- Zavarovalnica Triglav d.d. acquired 600 shares of Pozavarovalnica Triglav Re d.d., Ljubljana, and thus increased its stake in the latter from 87.0% to 91.0%.
- By acquiring 3,029 shares of Triglav Zdravstvena zavarovalnica d.d. and by squeezing out small shareholders, Zavarovalnica Triglav became the sole shareholder of Triglav Zdravstvena zavarovalnica.

1.5 Significant events in the reporting period

Significant events in the first quarter of 2012 included:

- In the lawsuit Zavarovalnica Triglav d.d. vs. Nadežda Klemenčič and Milan Marolt, Zavarovalnica Triglav received the decision of the Ljubljana District Court, in which the Court rejected the claim of the plaintiff, Zavarovalnica Triglav, which will appeal against the judgement;
- In a scrutiny by the Insurance Supervision Agency - Risk management review with focus on unit-linked life insurance - on 6 March 2012, the Insurance Supervision Agency sent the request to Zavarovalnica Triglav to review its operations, in which the Agency wants to re-

examine the facts and evidence of the case, as well as review the operations related to the daughter company, Vardar osiguruvanje a.d. (Triglav Osiguruvanje a.d.).

- On 16 March 2012 Zavarovalnica Triglav d.d. published the Management Policy of Zavarovalnica Triglav d.d., including the amendments thereto, which were approved by the Management Board and Supervisory Board on 15 March 2012.
- On 15 March 2012 the Supervisory Board of Zavarovalnica Triglav appointed Stanislav Vrtunski, the current executive director of the Non-Life Insurance Claims Department, as a new member of the Management Board with a five-year term of office. As a Member of the Management Board, Stanislav Vrtunski will be in charge of the sales and marketing of property, life, health and accident insurance, excluding key accounts. The resolution on the appointment of the new member of the Management Board will be effective as of the date the authorisation to serve on the Management Board is issued by the Insurance Supervision Agency.
- On 26 March 2012, the Supervisory Board of Zavarovalnica Triglav agreed to continue with the procedures related to the entry of a new strategic partner (International Finance Corporation - IFC) and became a shareholder of the holding company Triglav INT d.d.
- On 26 March 2012 the Supervisory Board took note of the resignation of Igor Stebernak and approved the termination of his term of office and employment contract. Mr Stebernak's term of office shall be terminated no later than 30 June 2012.
- On 30 March 2012 Zavarovalnica Triglav d.d. and Triglav INT d.d. signed a Subscription Agreement and a Shareholders Agreement with IFC, a member of the World Bank Group, in the amount of EUR 25 million. This share capital increase is the beginning of a strategic partnership between IFC and the Triglav Group, aimed at expansion and strengthening of the Triglav Group's operations in existing and potential new markets.

2. GOVERNANCE OF THE TRIGLAV GROUP

2.1 Governance of Zavarovalnica Triglav d.d.

Zavarovalnica Triglav is managed and governed according to a two-tier system. The management bodies - the General Meeting of Shareholders, the Management Board and the Supervisory Board - operate in compliance with primary and secondary legislation, the Articles and Memorandum of Association of the Company and their own rules of procedure. The Articles and Memorandum of Association are published on www.triglav.eu.

2.2 General Meetings of Shareholders

Shareholders of Zavarovalnica Triglav exercise their rights in respect of matters concerning the Company through the General Meeting of Shareholders, which is convened at least once a year, by the end of August at the latest. The General Meeting of Shareholders may also be convened in other circumstances set out by law and by the Articles and Memorandum of Association, and when it is in the interest of the Company.

The competences and operation of the General Meeting of Shareholders are set out in the Companies Act and the Articles and Memorandum of Association. The Articles and Memorandum of Association do not set out any specific provisions regarding their amendments and supplements.

The General Meeting of Shareholders was not convened in the period from January to the end of March 2012.

2.3 The Management Board

Any person fulfilling the requirements stipulated by the Insurance Act and the Companies Act can be appointed to the Management Board as its President or member. The Management Board of Zavarovalnica Triglav manages the company independently and at its own responsibility, and presents and represents the Company without limitations. In legal transactions, the insurance company is always jointly presented and represented by two members of the Management Board, one of whom must be its President.

According to the Articles and Memorandum of Association, the Management Board has no less than three and no more than six members, of whom one is the President. The Management Board is appointed by the Supervisory Board. The number of Management Board members, their competences, the manner of representation and presentation and the transfer of the Management Board's authorities are determined by the Supervisory Board in the Management Board Rules. The term of office of an individual Management Board is up to five years, with the possibility of the reappointment of its members. In Zavarovalnica Triglav, the employee representative is a member of the Management Board.

The appointment or recall of all members or an individual member of the Management Board is proposed to the Supervisory Board by the President of the Management Board. The Supervisory Board may recall a member of the Management Board or its President if it establishes that they have been in serious breach of obligations set out by primary and secondary legislation and in other circumstances set out by law.

2.3.1 Management Board as at 31 March 2012

As at 31 March 2012 the Management Board of Zavarovalnica Triglav included:

- Matjaž Rakovec - President,
- Andrej Slapar - member
- Igor Stebernak - member,
- Marica Makoter - member, employee representative.

2.4 Supervisory Board

The nine members of the Supervisory Board, of whom six are representatives of the shareholders and three of employees, supervise the conducting of the Company's business with full responsibility.

Shareholder representatives are elected by the General Meeting of Shareholders and employee representatives by the Works Council of Zavarovalnica Triglav. Their appointment or recall is subject to the law and the Articles and Memorandum of Association. The Chairman and Vice Chairman of the Supervisory Board are elected from among its members representing shareholders. Members of the Supervisory Board are given a four-year mandate and can be re-elected without limitation.

The General Meeting of Shareholders may recall a Supervisory Board member before the end of their term of office. To substitute for members deprived of their office, the General Meeting of

Shareholders elects a new member with a term of office lasting until the end of the term of office of the Supervisory Board.

2.4.1 Supervisory Board as at 31 March 2012

As at 31 March 2012, the Supervisory Board of Zavarovalnica Triglav had the following members:

- Anton Ribnikar, Chairman, shareholder representative,
- Uroš Slavinec, Deputy Chairman, shareholder representative,
- Igor Mihajlovič, member, shareholder representative,
- Aljoša Valentinčič, member, shareholder representative,
- Vladimir Uršič, member, shareholder representative,
- Branko Gorjan, member, employee representative,
- Peter Celar, member, employee representative,
- Miran Krštinc, member, employee representative.

3. SHARE CAPITAL AND SHAREHOLDERS OF ZAVAROVALNICA TRIGLAV

3.1 Equity

As at 31 March 2012, the share capital of Zavarovalnica Triglav amounted to EUR 73,701,391.79. It is divided into 22,735,148 ordinary registered par value shares bearing the ticker ZVTG and the ISIN code SI0021111651, which are freely transferable and issued in a dematerialised form. Each represents the same stake and corresponding amount in the share capital. All have been paid up in full.

3.2 The share of Zavarovalnica Triglav

Table: Key figures for the share of Zavarovalnica Triglav d.d.

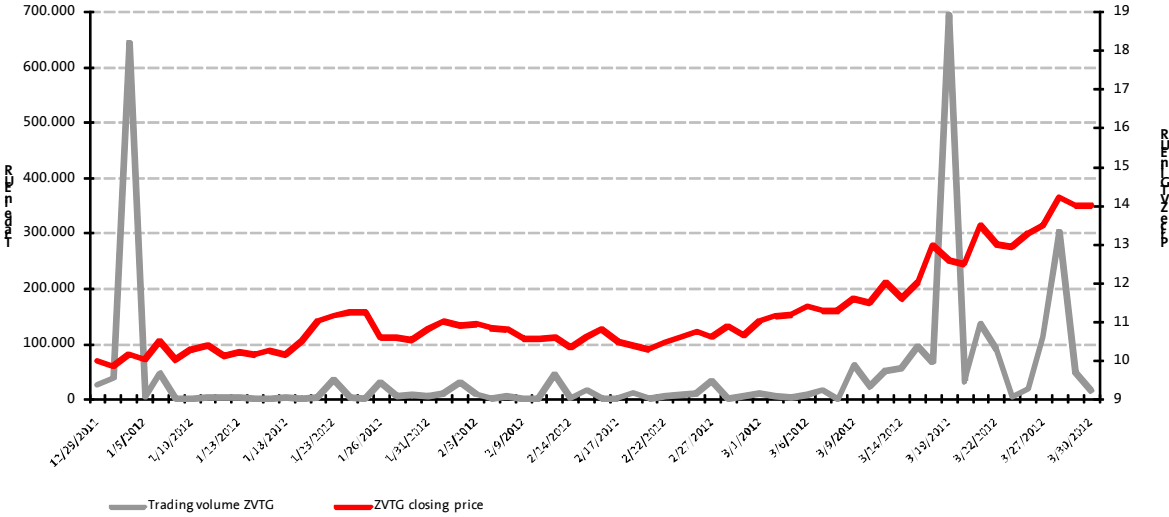
ITEMS	31 March 2012	31 December 2011
Number of shares	22,735,148	22,735,148
Book value of a share (in EUR)	21.17	19.25
Share market value - closing price (in EUR)	14.00	10.00
Market capitalisation - closing price (in EUR)	318,292,072	227,351,480
Net earnings/loss per share (in EUR)	0.60	1.93
Ticker symbol	ZVTG	
ISIN	SI0021111651	
Traded on	Ljubljana Stock Exchange - LJSE	
Credit rating	Standard & Poor's; »A«, negative medium-term outlook	
Bloomberg	ZVTG SV	
Reuters	ZVTG.LJ	

Trading on the Ljubljana Stock Exchange - LJSE

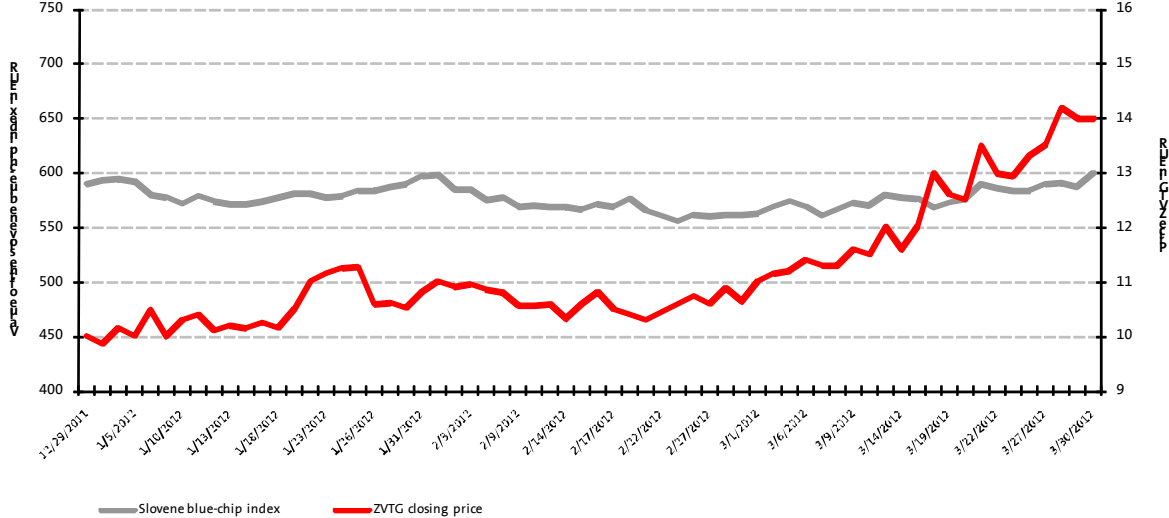
Price fluctuations of the ZVTG share were characterised by an upward trend. From 31 December 2011 to 31 March 2012, the closing price of the Zavarovalnica Triglav's share increased by 40% and reached EUR 14.00 as at 31 March 2012.

The average turnover per trading day in the first quarter of 2012 totalled EUR 46,113.90, which was above the 2011 average of EUR 53,930.40. The Slovene blue-chip index remained approximately at the same value and was 2% higher at the end of the first quarter of 2012.

Graph: Movements in the closing price (right axis) and turnover in EUR (left axis) of the ZVTG share of Zavarovalnica Triglav



Graph: Movements in the closing price of the ZVTG share of Zavarovalnica Triglav (right axis) and movements in the value of the Slovene blue-chip index in EUR (left axis)



Graph: Movements in the average daily price of the ZVTG share of Zavarovalnica Triglav and movements in the value of the Slovene blue-chip index in EUR in Q1 2012 as compared to 31 December 2011

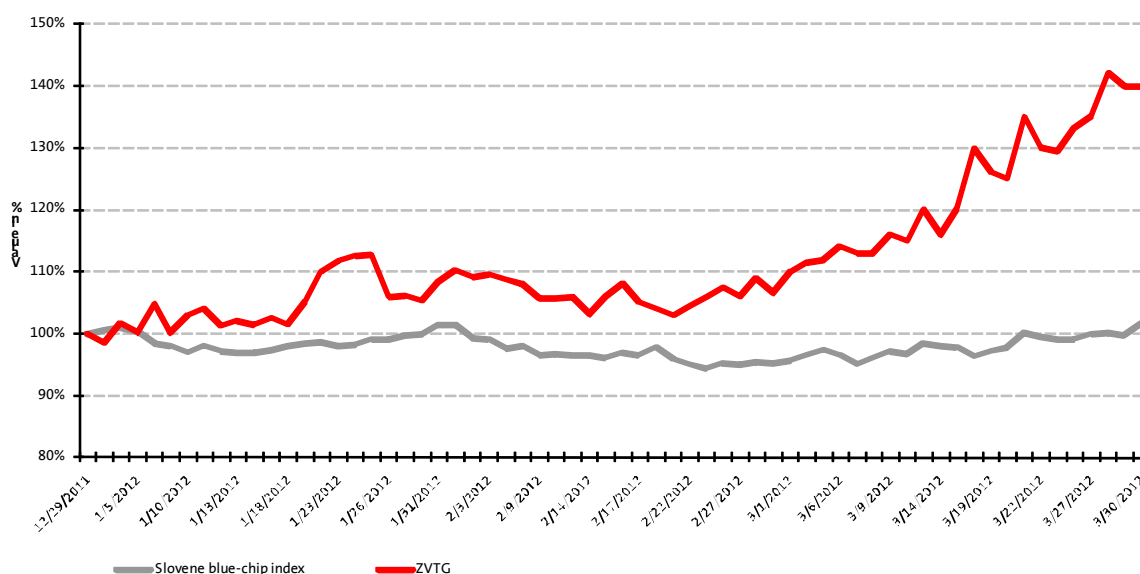
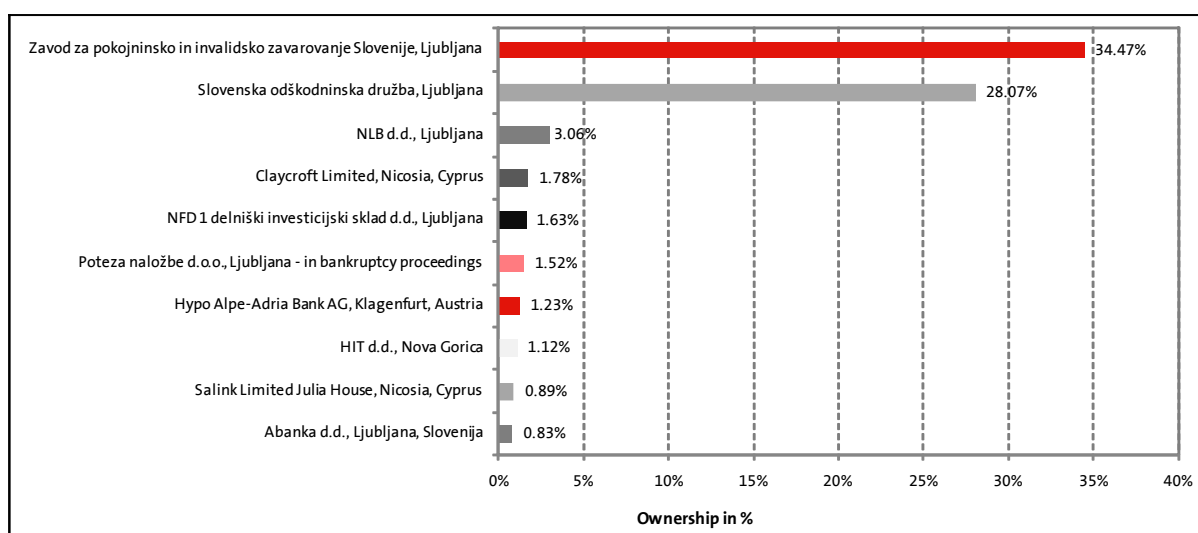


Table: Shareholder structure of Zavarovalnica Triglav as at 31 March 2012

	TOTAL	DOMESTIC	FOREIGN	LEGAL ENTITIES	NATURAL PERSONS
Number of shares	22,735,148	20,978,075	1,757,073	20,910,454	1,824,694
Number of shareholders	28,798	28,326	472	677	28,121
Number of shares - percentage	100.00 %	92.27 %	7.73 %	91.97 %	8.03 %
Number of shareholders - percentage	100.00 %	98.36 %	1.64 %	2.35 %	97.65 %

Graph: Top ten shareholders of Zavarovalnica Triglav as at 31 March 2012



3.3 Credit rating of Zavarovalnica Triglav

The rating agency Standard & Poor's Ratings Services (hereinafter S&P) reconfirmed the »A« long-term credit rating and financial strength credit rating of the Triglav Group and Zavarovalnica Triglav on 21 November 2011. At the same time, an »A« credit rating and a stable medium-term outlook were confirmed for one of the daughter companies of Triglav Group, Pozavarovalnica Triglav Re. A few days later, on 5 December 2011, S&P published a warning of potential downgrading of 15 out of 17 member states of the European Economic and Monetary Union, including Slovenia. As an immediate consequence of this warning, on 9 December 2011 S&P assigned a negative credit watch to certain European insurance companies and insurance groups, including the Triglav Group. In the S&P rating published on 18 January 2012, the Triglav Group (along with Zavarovalnica Triglav and Pozavarovalnica Triglav Re) maintained its »A« credit rating, even though the credit rating of the Republic of Slovenia was cut. S&P then removed the warning of a possible short-term downgrade of the credit rating of the Triglav Group. Nevertheless, the previously issued rating was assigned a negative outlook in the medium-term.

4. PERFORMANCE IN THE PERIOD FROM 1 JANUARY 2012 TO 31 MARCH 2012

4.1 Impact of the environment on performance

In the first quarter of 2012, the operations of Triglav Group were marked by the global economic and financial crisis. As a financial organisation, Zavarovalnica Triglav is closely intertwined with financial markets and cannot avoid their influence entirely. In spite of a relatively conservative investment policy, the value of some investments decreased, which was reflected in a lower net profit of Zavarovalnica Triglav. Owing to significant or long-term decreases in the value of investments, permanent impairment of investments was carried out in the amount of EUR 15.2 million. The year-end profit was also adversely affected by loss arising from Greek securities holdings, owing to the effect of unilateral write-off of the Greek government debt.

The crisis also affected the insurance business of Triglav Group. Its consequences can be seen in lower demand for some insurance products due to lower economic activity, decline in exports and imports, new bankruptcies, reduced purchasing power of households, higher unemployment, reduction of bank lending, etc. Increased competitiveness in the motor vehicle insurance market and the consequent adjustments to the actuarial basis reduced the volume of written premiums for car insurance. An additional loss of planned premium income resulted from the insurance portfolio selection and the intense measures taken to mitigate poorer insurance technical results in non-life insurance, manifested in a significantly higher claims ratio for both the parent company and the Group.

Profit generated in the first quarter was affected by individual mass loss events (the largest were the bora wind storms around Nova Gorica and Ajdovščina in February), which caused approximately EUR 6.0 million of damage.

With consistent implementation of its business policy measures, designed to neutralise the adverse effects of the financial crisis, and an adequate portfolio management investment policy, Zavarovalnica Triglav ended the first quarter of 2012 with a profit, i.e. profit after tax

was EUR 13.7 million (index 107), while profit after tax for the Triglav Group amounted to 17.6 million EUR (index 108).

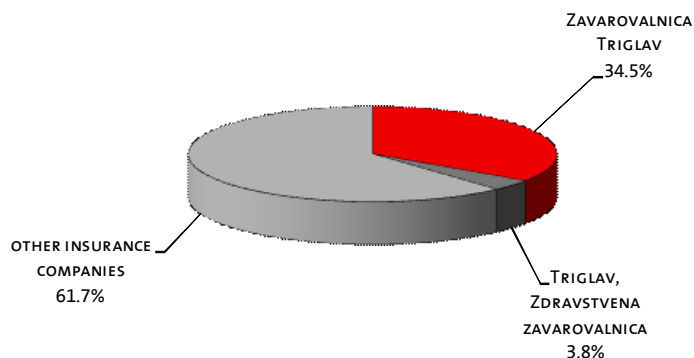
4.2 The insurance market and market position of Group members in the first quarter of 2012

There were 16 insurance companies and 3 foreign branch offices active in the Slovene insurance market in the first quarter of 2012. Together they recorded a gross written premium amounting to EUR 574.0 million, which was 1.5% less than in the first quarter of 2011. Traditional insurance companies (18) booked a total of EUR 573.3 million in premium, of which 74% stemmed from non-life insurance and the remainder from life insurance. In October of 2011 Modra zavarovalnica was included among the traditional insurance companies. It was founded in the process of division by exclusion from Kapitalska družba (upon incorporation it took over the management of Closed Mutual Pension Fund for Civil Servants, Capital Mutual Pension Fund, First Pension Fund of the Republic of Slovenia and Guarantee Fund of the First Pension Fund). Non-life insurance premium increased by 2.0%, while life insurance premium decreased by 10.0%. The data do not include insurance business in Slovenia written directly by insurance companies from other EU member states (FOS). This share is growing, but the Triglav Group still considers it to be negligible.

The market is characterised by a high degree of concentration. The four largest insurers controlled over 72.8% of the traditional insurance market (vs. 71.6% in 2011). By holding 34.5% of the market, Zavarovalnica Triglav remained the market leader (excluding Modra zavarovalnica the market share of Zavarovalnica Triglav was 36.0%). The second largest market share was held by Zavarovalnica Maribor, a company 2.4 times smaller. At the end of the first quarter, Zavarovalnica Triglav and Triglav Zdravstvena zavarovalnica had a combined market share of 38.3%, which was 0.3 percentage points less than in 2011 (excluding Modra zavarovalnica their combined market share was 40.0%). Predominantly foreign-owned insurance companies (Generali, Merkur, Grawe, Arag, Ergo, Victoria Volksbanken, Wiener Stadtische, Allianz) continued to increase their market shares. In the first quarter of 2012, they recorded a total of EUR 53.9 million in premium and had a combined market share of 9.4% (vs. 8.8% in the respective period of 2011).

The Company held 33.7% of the life insurance market and 34.8% of the non-life insurance market. After excluding Modra zdravstvena zavarovalnica, the market share of Zavarovalnica Triglav in life insurance was 40.2%. Since the Slovene insurance market is one of the more developed markets with a relatively high market concentration, the competition is directed at the existing clients. Maintaining the leading position and increasing comparative advantages are therefore both demanding and stimulating for development.

Graph: The market share of Zavarovalnica Triglav and other traditional insurance companies domiciled in Slovenia in Q1 2012



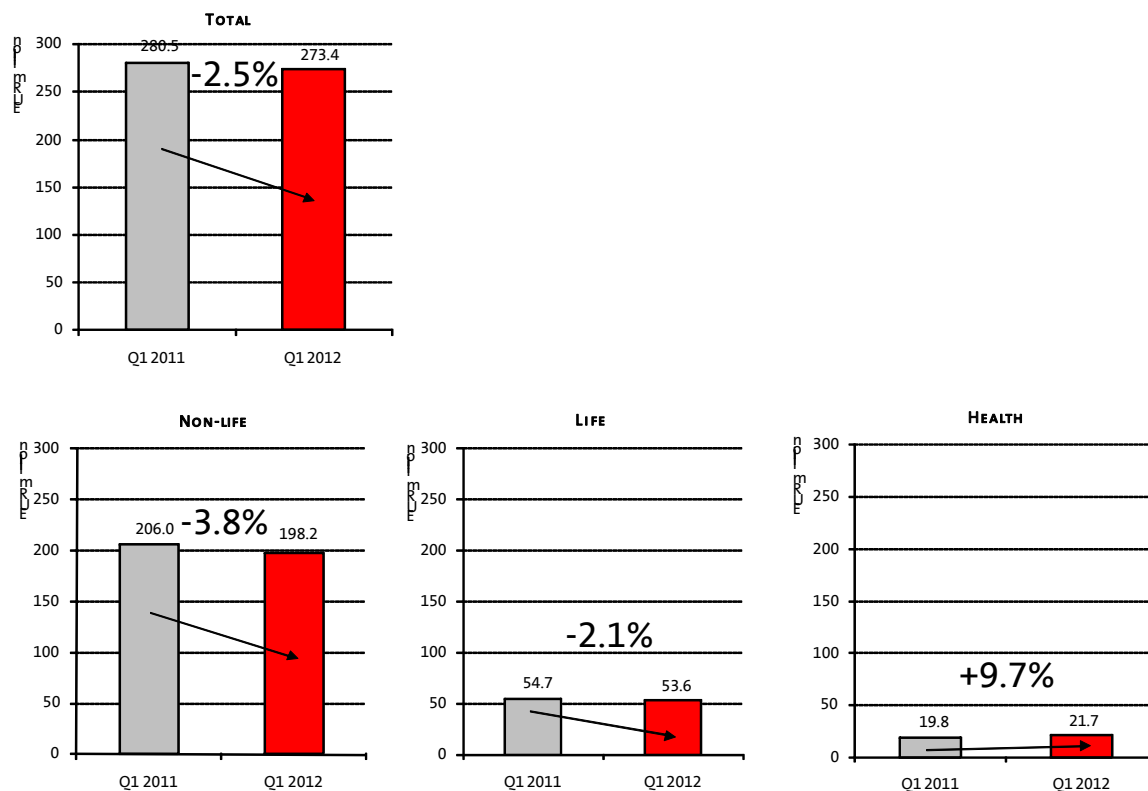
Source: Slovenian Insurance Association

4.3 Operations of the Triglav Group

4.3.1 Gross written premium on insurance and co-insurance contracts

In the first quarter of 2012, the Triglav Group posted a total of EUR 273.4 million in consolidated gross insurance and co-insurance premium or 3% less than in the respective period of 2011. Gross **non-life insurance** premium was EUR 198.2 million (index 96), **life insurance** premium totalled EUR 53.6 million (index 98) and **health insurance** premium reached EUR 21.7 million (index 110).

Graph: Gross written premium on insurance and co-insurance contracts in Q1 2012 compared to Q1 2011



The structure of consolidated written premium was the following:

- non-life insurance accounted for 72.5%,
- life insurance for 19.6% and
- health insurance for 7.9%.

In the first quarter of 2012, 83.4% of the consolidated gross written premium was charged in the Slovene insurance market. The share of gross written premium charged in Slovenia increased by 0.5 percentage point compared to the respective period in the previous year.

The Triglav Group members (excluding Pozavarovalnica Triglav Re) booked EUR 263.1 million in non-consolidated gross insurance and co-insurance premium, which was 3% less than in the respective period last year. The trends varied depending on company and market. The written premium of Zavarovalnica Triglav was lower by 4% in comparison with the respective period of 2011, whilst that of Triglav Zdravstvena zavarovalnica was higher by 10%. Gross written premium grew in Triglav Osiguranje, Sarajevo (by 6%), Triglav Pojišt'ovna (by 5%) and in Lovćen životna osiguranja (by 38%). Gross written premium was lower in Triglav Osiguranje, Zagreb, by 15%, Lovćen Osiguranje by 6%, Triglav Osiguranje, Belgrade, by 1% and Triglav Osiguranje, Banja Luka, by 35%. In Triglav Osiguruvanje, Skopje, premium remained at the same level as the year before (index 100).

Pozavarovalnica Triglav Re booked a total of EUR 40.6 million in gross reinsurance premium or 3% more than in the first quarter of 2011. The increase in gross reinsurance premium was generated mainly by a 78% increase in marine insurance premium, a 36% rise in general liability insurance, a 34% increase in aircraft insurance and a 13% stronger fire and natural forces insurance, which is in the largest class. The increase in the gross reinsurance premium is predominantly the result of operations outside the Triglav Group, where the generated premium was 10% higher than in the respective period of 2011.

Table: Gross written premium on insurance and co-insurance contracts in Q1 2012 by insurance company of the Triglav Group

	GROSS WRITTEN PREMIUM Q1 2012			INDEKS			STRUCTURE
	NON-LIFE	LIFE	TOTAL	NON-LIFE	LIFE	TOTAL	Q1 2012
1 Zavarovalnica Triglav	147,684,731	50,113,010	197,797,741	96	98	96	75.2%
2 Triglav, Zdravstvena zavarovalnica	21,678,466	0	21,678,466	110		110	8.2%
3 Triglav Osiguranje, Zagreb	11,392,826	2,376,871	13,769,697	83	98	85	5.2%
4 Triglav Osiguranje, Sarajevo	4,195,383	573,937	4,769,320	105	117	106	1.8%
5 Triglav Pojišt'ovna, Brno	7,816,855	0	7,816,855	105		105	3.0%
6 Lovćen Osiguranje, Podgorica	6,109,525	0	6,109,525	94		94	2.3%
7 Triglav Osiguranje, Beograd	4,013,799	148,583	4,162,382	99	99	99	1.6%
8 Triglav Osiguranje, Banja Luka	964,729	0	964,729	65		65	0.4%
9 Triglav Osiguruvanje, Skopje	5,597,928	0	5,597,928	100		100	2.1%
10 Lovćen životna osiguranja, Podgorica	0	433,890	433,890		138	138	0.2%
SKUPAJ	209,454,242	53,646,291	263,100,533	97	98	97	100.0%
11 Pozavarovalnica Triglav Re	40,598,194	0	40,598,194	103		103	
Consolidation eliminations	-30,164,196	-87,114	-30,251,310	100		101	
TOTAL - CONSOLIDATED	219,888,240	53,559,177	273,447,417	97	98	97	

4.3.1.1 Non-life insurance

In total, Triglav Group insurance companies charged EUR 209.5 million of unconsolidated insurance and co-insurance premium on non-life insurance contracts in 2012, which represent a 3% nominal decrease compared to the respective period of 2011.

The best performing class by size of gross written premium was **motor vehicle insurance**, a segment to which the Triglav Group pays greatest attention. Its share in total premium charged was 34.0%. In **motor hull insurance**, the members of the Triglav Group recorded an 8% decrease in premium compared to the respective period of 2011. Triglav Pojišt'ovna posted a 15% growth in premium, whereas in all the other insurance companies of the Triglav Group written premium decreased, with the highest decrease recorded in Triglav Osiguranje, Zagreb, and Triglav Osiguruvanje, Skopje. In **motor liability insurance**, the members of the Triglav Group in the first quarter of 2012 booked EUR 50.0 million of written premium, which represents an 11% decline compared to the first quarter one year earlier. Among the Group members, written premium grew in Triglav Pojišt'ovna, whilst in all the other insurance companies of the Triglav Group written premium decreased. This decrease in written premium results from continuing price competition among insurers in the motor vehicle insurance market, greater prudence of policy holders, lower prices of insurance products and premium discounts for large policy holders through public tenders (stricter tender requirements, competition, participation of insurance brokers and agencies in drafting tender requirements and their commissions), as well as being a consequence of the economic crisis (reduced purchasing power, lower economic growth, unemployment, stricter borrowing terms and conditions, lower sales volumes of motor vehicle in certain countries covered by the Group's subsidiaries). The insurance markets in Serbia, Bosnia and Herzegovina, Montenegro and the Former Yugoslav Republic of Macedonia are characterised by the insufficient role of the supervisory bodies and lack of respect for established rules of conduct (premium system, bonus-malus system, insurance codes), which is the result of underdeveloped insurance markets. Characteristically in these markets competitive insurers pay high commissions to agents, brokers, agencies and provider of roadworthiness tests. In addition to the above mentioned causes the following should be noted: Triglav Osiguranje, Zagreb, stopped servicing defaulting clients, motor liability insurance terms and conditions were consistently complied with and the number of sales staff was reduced.

A high 9% growth was recorded in written premium on **health insurance**, mostly on account of the results of Triglav Zdravstvena zavarovalnica. The growth of written premium stems from successful marketing of supplementary health insurance products and a consequent increase in the portfolio of the insurance company, as well as from the increased price of the supplementary health insurance premium valid as of 1 March 2011. Triglav, Zdravstvena zavarovalnica earned a total of EUR 21.7 million in gross written premium or 10% more than in the first quarter of 2011.

In the **property insurance** class (fire and natural disaster insurance and other damage to property insurance) a premium of EUR 55.0 million was booked, representing a 1% decrease. In fire and natural disaster insurance a nominal growth of 4% was achieved, whilst other damage to property insurance recorded a 6% premium decrease. More premium was booked by Triglav Osiguranje, Belgrade, Triglav Pojišt'ovna, Triglav Osiguruvanje, Skopje, Triglav Osiguranje, Banja Luka and Triglav Osiguranje, Sarajevo. Zavarovalnica Triglav's accounted for 81% of total premium on property insurance. Its premium decreased by 2% as a result of lower premium in combined property insurance and machinery breakdown insurance, as a consequence of stricter terms of insurance, stemming from the restructuring of insurance technical provisions. The less premium booked by Lovćen Osiguranje is the result of the loss of premium from a major client, several large public tenders still pending or being of lower value compared to the respective period of 2011. The decrease in premium in Triglav Osiguranje, Zagreb, is due to the fact that a business with a major client was discontinued and the occurrence of numerous bankruptcies due to the economic crisis.

Accident insurance represented 5.5% of total written premium or nominally EUR 14.5 million. The premium increased by 1%. Apart from Zavarovalnica Triglav d.d. premium increases were

recorded in Triglav Pojišt'ovna, Lovćen Osiguranje, Triglav Zdravstvena zavarovalnica and Triglav Osiguruvanje, Skopje.

In **general liability insurance** the Triglav Group recorded EUR 14.4 million, representing 5.5% of total premium. The premium was 3% lower than in the respective period of 2011. Premium growth was reported by Triglav Osiguranje, Banja Luka, Triglav Osiguruvanje, Skopje and Triglav Osiguranje, Sarajevo, whilst the premium in Triglav Osiguranje, Belgrade, remained at approximately the same level as in 2011. Zavarovalnica Triglav (accounting for almost 88% of total premium) collected 1% less premium, and significant declines in premium were recorded in Lovćen Osiguranje, Podgorica, Triglav Osiguranje, Zagreb, and Triglav Pojišt'ovna.

Credit insurance with 7% nominal growth accounted for 1.8% of total written premium. Apart from Triglav Osiguranje, Zagreb, all Triglav Group members offering credit insurance earned a higher premium, the highest in Triglav Osiguranje, Sarajevo. The latter was achieved as a result of a business agreement with one of the banks. Due to newly concluded insurance contracts, Zavarovalnica Triglav (accounting for 94% of total premium) recorded a 2% growth, mostly owing to of the domestic trade credit insurance.

Other classes of non-life insurance (which accounted for 3.6% of total premium) grew by 16%. This premium increase was primarily generated by aircraft insurance, railway insurance and suretyship insurance.

4.3.1.2 Life insurance

In total, Triglav Group insurance companies charged EUR 53.6 million in unconsolidated gross written premium from **life insurance** contracts or 1% less than in the first quarter of 2011. Life insurance represented 20.4% of total combined gross written premium of the Triglav Group, which was 0.3 percentage point higher than in the respective period of 2011.

The premium generated by **unit-linked life insurance** totalled EUR 23.4 million or 43.6% of gross written premium in the life insurance class. It is estimated that a 7% premium decrease was caused by the continuing uncertainty in the financial markets and the economic crisis, as clients were more prudent when purchasing long-term life insurance policies. In addition to Zavarovalnica Triglav, unit-linked products are also available from Triglav Osiguranje, Zagreb, which booked a total of EUR 1.0 million in written premium, or 8% less than in the first quarter of 2011.

Premium from **life insurance** amounted to EUR 24.4 million or 45.4% of the total. Premium from life insurance remained at the same level as in 2011 (index 100). The remaining EUR 5.9 million (or 11.0% of total premium) was accounted for by **supplementary voluntary pension insurance** (capital redemption insurance), which experienced an 18% growth.

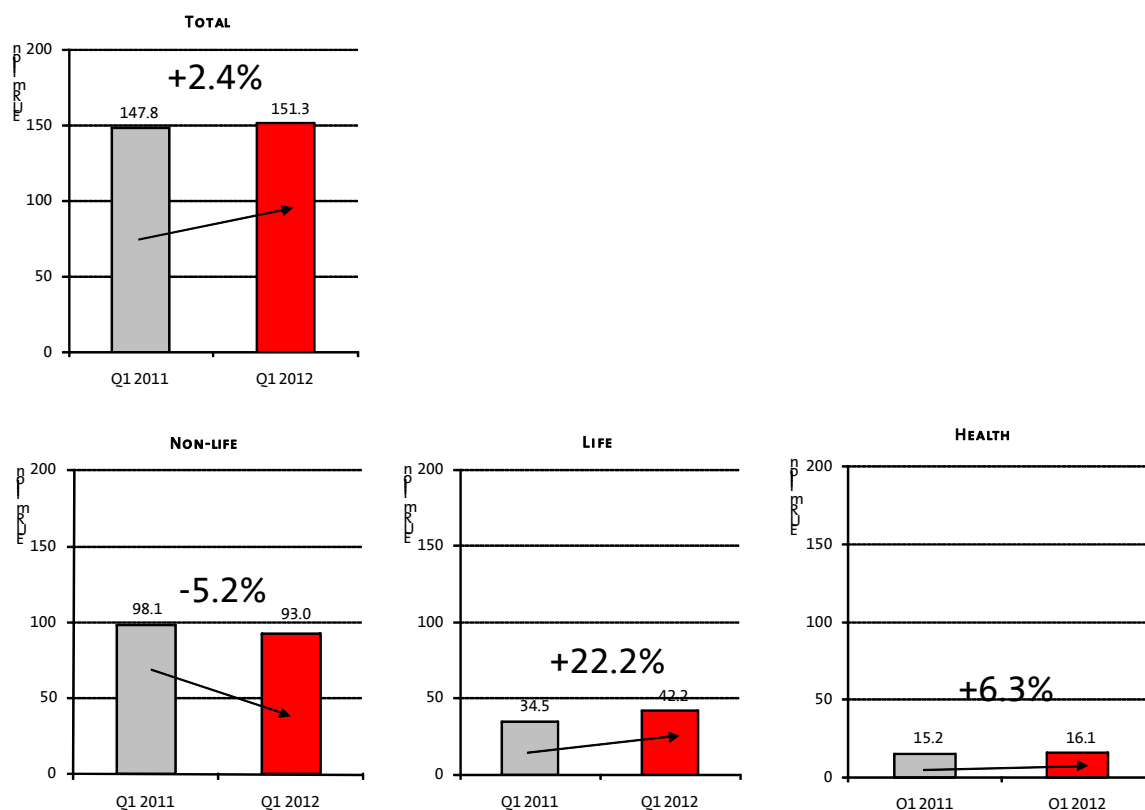
Table: Gross written premium on insurance and co-insurance contracts of the Triglav Group (excluding Pozavarovalnica Triglav Re) and growth indexes per insurance class

No.	INSURANCE CLASS	GROSS WRITTEN PREMIUM		INDEX	STRUCTURE
		Q1 2012	Q1 2011	2012/2011	Q1 2012
1	Accident insurance	14,522,250	14,357,415	101	5.5%
2	Health insurance	21,870,076	20,037,544	109	8.3%
3	Comprehensive car insurance	39,446,029	42,822,757	92	15.0%
4	Property insurance	54,977,224	55,795,649	99	20.9%
5	Motor liability insurance	49,991,723	56,025,405	89	19.0%
6	General liability insurance	14,354,182	14,727,301	97	5.5%
7	Credit insurance	4,696,639	4,400,827	107	1.8%
8	Other non-life insurance	9,596,119	8,243,625	116	3.6%
	NON-LIFE INSURANCE	209,454,242	216,410,523	97	79.6%
9	Life insurance	24,358,343	24,375,480	100	9.3%
10	Unit-linked life insurance	23,404,990	25,057,781	93	8.9%
11	Capital redemption insurance	5,882,958	4,977,264	118	2.2%
	LIFE INSURANCE	53,646,291	54,410,525	99	20.4%
	TOTAL	263,100,533	270,821,048	97	100.0%

4.3.2 Gross claims paid

In the first quarter of 2012, the Triglav Group posted a total of EUR 151.3 million in consolidated gross claims (including claim handling costs and subrogation receivables) or 2% more than in the first quarter of 2011. In **non-life insurance**, the Triglav Group recorded EUR 93.0 million (index 95), in **life insurance** EUR 42.2 million (index 122) and in **health insurance** EUR 16.1 million (index 106) in gross claims.

Graph: Gross claims paid in Q1 2012 compared to Q1 2011



Excluding Pozavarovalnica Triglav Re, the insurance companies of the Triglav Group posted EUR 144.3 million of non-consolidated gross claims, representing an increase of 1% over the preceding year. The highest growth rates in gross claims paid were recorded by Lovćen životna osiguranja (index 135) and Triglav Osiguranje, Sarajevo (index 116). Triglav Osigurivanje, Skopje recorded an 11%, Triglav Osiguranje, Banja Luka an 8%, Triglav Osiguranje, Belgrade, a 7%, Triglav Zdravstvena zavarovalnica a 6%, Triglav Pojišt'ovna a 3% and Zavarovalnica Triglav a 1% increase in gross claims paid. Triglav Osiguranje, Zagreb, and Lovćen Osiguranje, Podgorica, recorded less gross claims paid than in the first quarter of 2011.

Gross claims paid from reinsurance contracts by Pozavarovalnica Triglav Re totalled EUR 14.2 million, or 5% less than the preceding year. This decrease was caused by lower gross claims settled in the Triglav Group in the insurance classes other damage to property insurance, land motor vehicle insurance and motor vehicle liability insurance. Gross claims paid in business outside the Triglav Group increased by 42%, mostly due to claims arising from the devastating weather events in 2011.

Table: Gross claims paid in Q1 2012 by insurance company of the Triglav Group

INSURANCE COMPANIES	GROSS CLAIMS PAID IN Q1 2012			INDEX			STRUCTURE
	NON-LIFE	LIFE	TOTAL	NON-LIFE	LIFE	TOTAL	Q1 2012
1 Zavarovalnica Triglav	64,473,712	40,942,192	105,415,904	91	122	101	73.1%
2 Triglav, Zdravstvena zavarovalnica	16,101,945	0	16,101,945	106		106	11.2%
3 Triglav Osiguranje, Zagreb	5,540,974	887,815	6,428,789	91	102	92	4.5%
4 Triglav Osiguranje, Sarajevo	1,574,998	194,429	1,769,427	107	308	116	1.2%
5 Triglav Pojišt'ovna, Brno	4,922,820	0	4,922,820	103		103	3.4%
6 Lovćen Osiguranje, Podgorica	3,606,827	0	3,606,827	77		77	2.5%
7 Triglav Osiguranje, Beograd	2,259,978	31,823	2,291,801	107	78	107	1.6%
8 Triglav Osiguranje, Banja Luka	445,703	0	445,703	108		108	0.3%
9 Triglav Osigurivanje, Skopje	3,109,677	0	3,109,677	111		111	2.2%
10 Lovćen životna osiguranja, Podgorica	0	160,538	160,538		135	135	0.1%
TOTAL	102,036,634	42,216,797	144,253,431	94	122	101	100.0%
11 Pozavarovalnica Triglav Re	14,223,029	0	14,223,029	95		95	
Consolidation eliminations	-7,140,078	0	-7,140,078	73		73	
TOTAL - CONSOLIDATED	109,119,585	42,216,797	151,336,382	96	122	102	

4.3.2.1 Non-life insurance

The increase in claims for **non-life insurance** contracts was 1 index point lower than the growth of premium written. Non-consolidated gross claims for non-life insurance amounted to EUR 102.0 million or 6% less than in the respective period of 2011.

Claims related to **motor liability insurance** represented 19.0% of total gross claims settled by the Triglav Group. Total claims met amounted to EUR 27.4 million, which was 13% less than in the first quarter of 2011. Most Group members recorded slower growth of gross claim settlements in this insurance class, primarily Lovćen Osiguranje, Podgorica, Triglav Osiguranje, Zagreb, and Zavarovalnica Triglav, which account for over 65% of the total. An increase in claims was recorded solely in Triglav Osiguranje, Banja Luka, while Triglav Osigurivanje, Skopje, remained at the same level as in the first quarter of 2011.

An 11% decrease in gross claims paid was recorded in the **comprehensive car insurance** class. Gross claims paid amounted to EUR 24.3 million, which was 16.9% of all claims settled. A decrease in gross claims paid in this insurance class was recorded by the majority of the Triglav Group insurance companies and is mainly the consequence of the lower number of mass

claims arising from devastating weather events. A significant growth in claims in this insurance class was only recorded in Triglav Osiguranje, Skopje.

In **property insurance**, total claims paid amounted to EUR 19.8 million or 9% more than the year before. The highest growth in claims was recorded by Triglav Pojišt'ovna, Triglav Osiguranje, Belgrade and Triglav Osiguranje, Sarajevo. Zavarovalnica Triglav holding 78% of this insurance class, recorded a 3% growth in claims.

In **health insurance** gross claims increased by 6%. Their growth was lower than in the preceding years, due to measures adopted by the Health Insurance Institute of Slovenia. The causes for the increases in health insurance claims are higher share and costs transferred from compulsory to supplementary health insurance, more frequent use of medical services, larger policyholders' portfolio and a growing proportion of elderly insured persons. Equalization scheme expenses reached EUR 1.8 million or EUR 100,000 more than last year (an increase of 6%).

Gross claims paid in **accident insurance** increased by 2%. The increase in claims in this insurance class was mostly due to the growth in claims paid in group accident insurance in Triglav Osiguranje, Sarajevo, and the rise in claims paid in the AO-plus insurance in Zavarovalnica Triglav. An increase in claims was also recorded in Triglav Osiguranje, Skopje, and Triglav Osiguranje, Zagreb.

Gross claims paid in **general liability insurance** were lower by 25%. The majority of gross claims paid represent claims paid by Zavarovalnica Triglav and Triglav Osiguranje, Zagreb, where they were significantly lower. Other Group members recorded an increase in gross claims paid in this insurance class.

In **credit insurance**, a 23% decrease in gross claims paid was recorded. The result was affected by less gross claims paid in credit insurance by Zavarovalnica Triglav, which accounts for 98% of the total. A slower growth rate of claims paid in Triglav Osiguranje, Zagreb, also contributed to this good business result.

In **other non-life insurance**, a 1% increase in gross claims paid was recorded, mostly due to higher claims paid in railway insurance, marine insurance and assistance insurance, the major subclass of this insurance class. A decrease in claims paid was registered in miscellaneous financial loss insurance, goods in transit insurance, aircraft liability insurance and aircraft insurance.

4.3.2.2 Life insurance

Non-consolidated gross claims paid in **life insurance** totalled EUR 42.2 million and were 23% higher than in the respective period of 2011. Claims in the life insurance class accounted for 29.3% of total claims paid, or 5.1 percentage points more than the year before.

The bulk of all claims settled is accounted for by the **life insurance** class (life assurance, annuity insurance, voluntary pension insurance), which totalled EUR 23.9 million, i.e., 2% more than one year earlier. A high increase in gross claims was recorded in **supplementary pension insurance**, where the growth index rose as high as 279 and claims paid amounted to EUR 9.0 million. In **unit-linked life insurance**, an increase in gross claims paid of 19% was recorded. The increase in claims paid from life insurance was caused by maturities, due to the aging of the portfolio, and surrenders.

Table: Gross claims paid by Triglav Group member (excluding Pozavarovalnica Triglav Re) and growth indices by insurance class

No.	INSURANCE CLASS	GROSS CLAIMS PAID		STRUCTURE	
		Q1 2012	Q1 2011	INDEX	Q1 2012
1	Accident insurance	6,441,964	6,318,032	102	4.5%
2	Health insurance	16,261,378	15,281,313	106	11.3%
3	Comprehensive car insurance	24,313,330	27,412,421	89	16.9%
4	Property insurance	19,774,402	18,085,060	109	13.7%
5	Motor liability insurance	27,364,629	31,548,788	87	19.0%
6	General liability insurance	3,935,939	5,250,116	75	2.7%
7	Credit insurance	751,202	974,780	77	0.5%
8	Other non-life insurance	3,193,788	3,154,543	101	2.2%
	NON-LIFE INSURANCE	102,036,634	108,025,053	94	70.7%
9	Life insurance	23,914,695	23,349,133	102	16.6%
10	Unit-linked life insurance	9,326,124	7,856,958	119	6.5%
11	Capital redemption insurance	8,975,979	3,221,845	279	6.2%
	LIFE INSURANCE	42,216,797	34,427,936	123	29.3%
	TOTAL	144,253,431	142,452,989	101	100.0%

4.3.3. Gross operating costs

In the first quarter of 2012, total insurance business gross operating costs of the Triglav Group reached EUR 53.4 million or 4% less than one year earlier. Operating costs accounted for 19.5% of total gross written premium, which was 0.3 percentage point less than in the first quarter of 2011.

Gross operating costs for non-life insurance came to EUR 43.2 million (index 97), in the life-insurance segment they amounted to EUR 8.4 million (index 92) and in health insurance they totalled EUR 1.7 million (index 95).

Acquisition costs (fees and charges) increased 49% and totalled EUR 7.8 million. Depreciation expenses of EUR 3.2 million were 25% higher than in the first quarter of 2011. Labour costs, accounting for the majority of gross operating costs (52%), totalled EUR 27.7 million, or 16% less than the year before. Costs of services provided by outsourced persons decreased by 7% compared to the respective period of 2011 and amounted to EUR 0.7 million, while other operating costs increased by 2% totalling EUR 15.4 million.

Table: Insurance business gross operating costs in Q1 2012 by nature

OPERATING COSTS BY NATURE	GROSS OPERATING COSTS		INDEX	STRUCTURE
	Q1 2012	Q1 2011	2012/2011	Q1 2012
1. Acquisition costs	7,826,778	5,235,529	149	14.3%
2. Depreciation	3,160,834	2,528,501	125	5.8%
3. Labour costs	27,703,105	32,934,594	84	50.6%
- wages and salaries	20,472,673	20,407,891	100	37.4%
- social security and pension insurance costs	4,260,742	4,972,066	86	7.8%
- other labour costs	2,969,690	6,832,713	43	5.4%
4. Costs of services provided by outsourced persons other than sole traders including duties	674,834	721,925	93	1.2%
5. Other operating costs	15,369,658	15,129,137	102	28.1%
- costs of entertainment, advertising, trade shows	2,730,520	3,189,973	86	5.0%
- costs of material and energy	2,048,241	1,677,368	122	3.7%
- maintenance costs	2,191,975	2,190,684	100	4.0%
- reimbursement of labour-related costs	1,254,769	1,228,307	102	2.3%
- costs of intellectual and personal services	1,004,547	890,268	113	1.8%
- non-income related costs, excluding insurance	548,471	440,857	124	1.0%
- costs of services - transport and communications	1,010,905	1,003,161	101	1.8%
- costs for insurance premiums	308,889	266,485	116	0.6%
- payment transaction costs and banking services	968,651	896,690	108	1.8%
- rents	1,635,260	1,813,893	90	3.0%
- costs of services of professional training	244,359	280,474	87	0.4%
- other costs of services	1,280,508	1,250,976	102	2.3%
- long-term employee benefits	142,563	0	0	0.3%
TOTAL OPERATING COSTS	54,735,209	56,549,686	97	100.0%
Consolidation eliminations	-1,363,386	-983,413	139	
TOTAL - CONSOLIDATED	53,371,823	55,566,273	96	

Gross operating expenses of non-insurance operations totalled EUR 16.0 million (index 130). The rise of expenses of non-insurance operations results from the inclusion of the Avrijo Group among the Triglav Group subsidiaries.

4.3.4 Reinsurance

In the first quarter of 2012, the Triglav Group allocated EUR 29.9 million of reinsurance and coinsurance premium to external equalisation, which was 3% more than in the first quarter of 2011. Reinsurance premium accounted for 10.9% of total gross written insurance and coinsurance premium. An amount of EUR 4.5 million was received from reinsurance (index 64).

4.3.5 Insurance technical provisions

On 31 March 2012, the Triglav Group allocated EUR 2,305.2 million to gross insurance technical provisions. The total amount of gross insurance technical provisions increased by 3% compared to 31 December 2011.

Growth by provision type:

- compared to the end of 2011, gross unearned premiums increased by 14% and as at 31 March 2012 reached EUR 332.1 million;
- gross claims provisions decreased by 1% and as at 31 March 2012 amounted to EUR 697.7 million;
- As at 31 March 2012, mathematical provisions stood at EUR 1,248.6 million, which was 3% more than at the end of 2011. Of the total amount of mathematical provisions, EUR 860.4

million were in long-term business fund backing life insurance and long-term business fund backing SVPI plus EUR 388.2 million in long-term business fund backing unit-linked life insurance;

- compared to the end of 2011, provisions for bonuses and rebates increased by 11% and as at 31 March 2012 equalled EUR 18.5 million;
- as at 31 March 2012, other insurance technical provisions amounted to EUR 8.4 million. In comparison with the 2011 year end they decreased by 19%

Table: Gross insurance technical provisions as at 31 March 2012

	GROSS INSURANCE TECHNICAL PROVISIONS		
	31 March 2012	31 December 2011	INDEX
Unearned premium	332,063,264	291,740,398	114
Mathematical provisions	1,248,601,847	1,209,960,825	103
Claims provisions	697,658,402	705,464,250	99
Provisions for bonuses and rebates	18,471,254	16,599,643	111
Other insurance technical provisions	8,390,921	10,377,656	81
INSURANCE TECHNICAL PROVISIONS	2,305,185,688	2,234,142,772	103

4.3.5. Structure of financial investments as at 31 March 2011

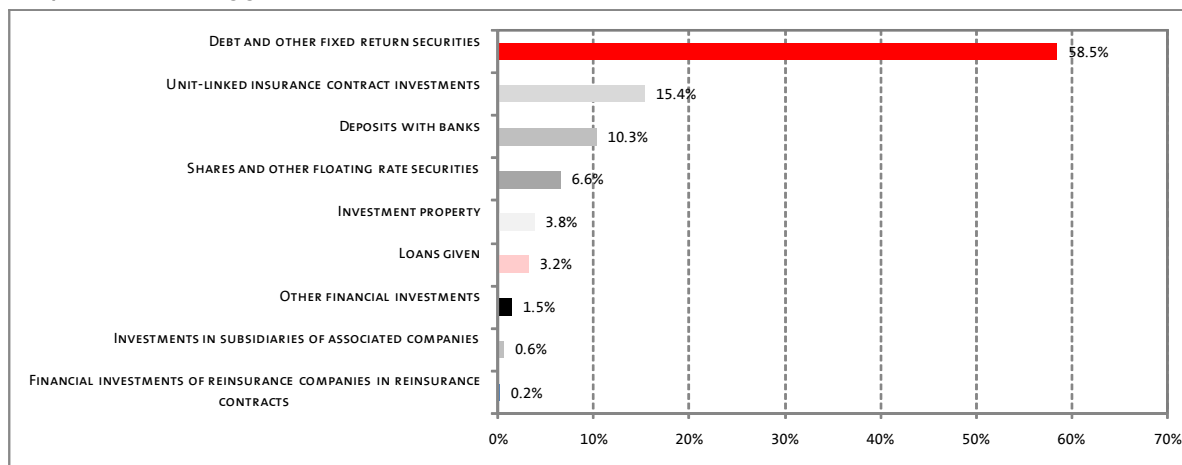
Financial investments and investment property as at 31 March 2012 stood at EUR 2,526.0 million, which was 3% more compared to 31 December 2011. Their share in total assets was 80.7%.

With 58.5%, debt and other fixed-return securities account for the bulk of total financial investments. Compared to 31 December 2011, they increased by 8% and as at 31 March 2012 reached EUR 1,476.7 million. In terms of volume, debt and other fixed-return securities are followed by unit-linked insurance contract investments, which recorded a 7% increase over the end of 2011 and as at 31 March 2012 totalled EUR 389.0 million. As at the reporting date, shares and other floating rate securities totalled EUR 166.9 million, which was 7% less. They accounted for 6.6% of total investments. Deposits with banks decreased by 14% and as at 31 March 2012 totalled EUR 260.4 million, whereas investment property totalled EUR 95.2 million, representing a decrease of 2% over the end of 2011. Investment property accounted for 3.8% and deposits for 10.3% of total investments. As at 31 March 2012 loans stood at EUR 80.6 million, accounting for 3.2% of total investments, whereas other financial investments reached EUR 37.7 million, representing 1.5% of the total. Loans increased by 16% and other financial investments decreased by 12% over the end of 2011. The smallest share in total investments (0.6%) was represented by investments in associated companies, which decreased by 23% down to EUR 15.8 million as at 31 March 2012.

Table: Financial investments as at 31 March 2012

	FINANCIAL INVESTMENTS		
	31 March 2012	31 December 2011	INDEX
Investment property	95,153,923	96,784,890	98
Investments in subsidiaries of associated companies	15,753,756	20,504,563	77
Shares and other floating rate securities	166,874,022	179,694,545	93
Debt and other fixed return securities	1,476,654,705	1,363,563,309	108
Loans given	80,616,862	69,277,003	116
Deposits with banks	260,384,504	302,344,124	86
Other financial investments	37,727,621	42,745,847	88
Financial investments of reinsurance companies in reinsurance contracts	3,793,950	3,714,618	102
Unit-linked insurance contract investments	389,020,348	364,684,374	107
TOTAL	2,525,979,691	2,443,313,273	103

Graph: Structure of financial investments as at 31 March 2012

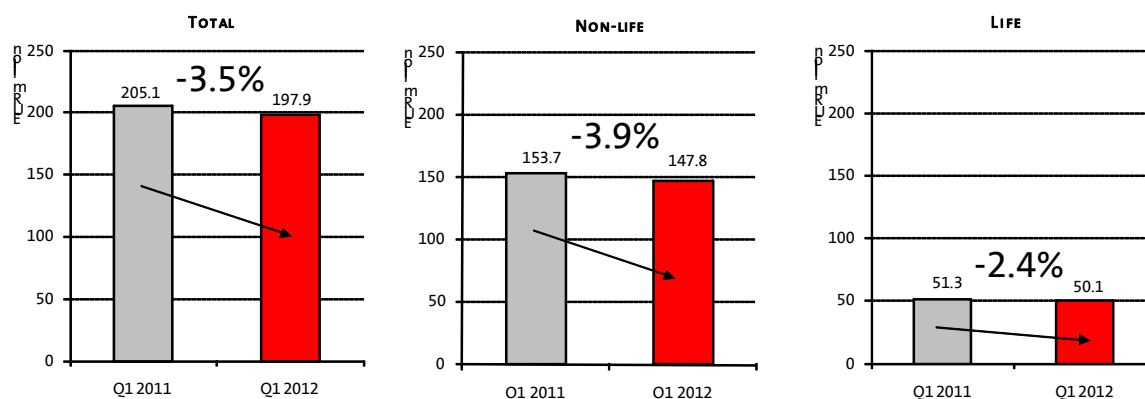


4.4 Operating performance of Zavarovalnica Triglav d.d.

4.4.1 Gross written premium on insurance and co-insurance contracts

In the first quarter of 2012, Zavarovalnica Triglav posted a total of EUR 197.9 million in gross insurance and co-insurance premium or 3% less than in the respective period of 2011.

Graph: Gross written premium for insurance and co-insurance contracts in Q1 2012 compared to Q1 2011



Non-life insurance premium totalled EUR 147.8 million (index 96), while life insurance premium amounted to EUR 50.1 million (index 98).

Of total gross written premium, non-life insurance accounted for 74.7% and life insurance for 25.3%. The share of life insurance premium in total gross written premium increased by 0.3 percentage point compared to the respective period of 2011.

Table: Gross written premium on insurance and co-insurance contracts of Zavarovalnica Triglav in Q1 2012 by insurance class

No.	INSURANCE CLASS	GROSS WRITTEN PREMIUM		GROWTH	STRUCTURE
		Q1 2012	Q1 2011	INDEX	Q1 2012
1	Accident insurance	11,044,236	10,920,205	101	5.6%
2	Health insurance	0	0	0	0.0%
3	Comprehensive car insurance	34,557,283	37,495,655	92	17.5%
4	Property insurance	44,715,837	45,776,409	98	22.6%
5	Motor liability insurance	33,541,406	36,788,864	91	16.9%
6	General liability insurance	12,620,123	12,714,933	99	6.4%
7	Credit insurance	4,415,065	4,319,424	102	2.2%
8	Other non-life insurance	6,888,567	5,709,236	121	3.5%
	NON-LIFE INSURANCE	147,782,518	153,724,725	96	74.7%
9	Life insurance	21,839,882	22,410,719	97	11.0%
10	Unit-linked life insurance	22,387,765	23,952,235	93	11.3%
11	Capital redemption insurance	5,882,958	4,977,264	118	3.0%
	LIFE INSURANCE	50,110,604	51,340,218	98	25.3%
	TOTAL	197,893,123	205,064,944	97	100.0%

In **non-life insurance**, the highest increase in gross written premium was seen in other non-life insurance, where Zavarovalnica Triglav recorded EUR 6.9 million, that is a nominal increase of 21% compared to the first quarter of 2011. This high increase was primarily generated by railway insurance, goods in transit insurance, suretyship insurance and aircraft insurance. Credit insurance premium reached a 2% nominal growth rate. This increase was generated by domestic credit trade insurance due to newly concluded insurance contracts. During the economic crisis, many companies have become aware of the default and insolvency risks covered by these insurance contracts, which caused a stronger demand for contracts in this class. A 1% increase in accident insurance premium as a whole resulted from premium growth in special accident insurance, individual accident insurance, accident insurance of subscribers and consumers, mandatory personal accident insurance and insurance of public transport passengers.

Car insurance premium, representing 34% of the total, experienced a decrease; premiums on motor liability insurance and motor hull insurance were 9% and 8% lower, respectively. The decrease in written premium results mostly from sustained price competition among insurers in the motor vehicle insurance market, dwindling of insurance products, premium discounts for large policy holders through public tenders and the economic crisis in general.

Property insurance class premium decreased by 2%, predominantly as a result of lower premium in combined property insurance and machinery breakdown insurance, which is the consequence of stricter terms of insurance, imposed due the restructuring of insurance technical provisions. Solid sales results were achieved in fire and natural forces insurance, crop and fruit insurance, erection and burglary insurance and food freezer insurance. Growing unemployment and the poor state of the economy are the main reasons for lower general liability insurance premium (index 99).

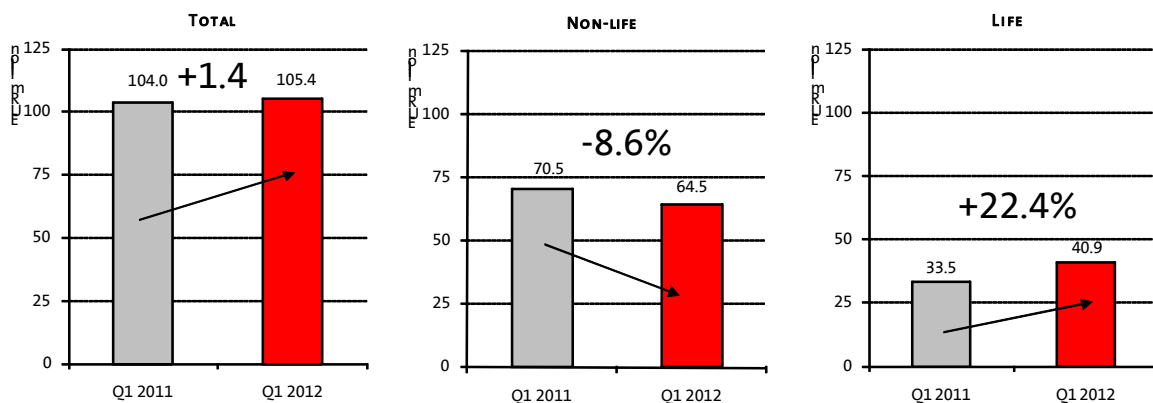
The decrease in premium from **life insurance** was affected mostly by the aging of the life insurance portfolio (maturities and surrenders) and continuation of uncertain conditions in the financial markets and the economic crisis which caused a greater prudence of clients. Premium generated from life assurance (unit-linked life insurance) was 7% lower than in the respective period last year. Life insurance generated 3% less premium than in the first quarter of 2011.

Supplementary voluntary pension insurance (capital redemption insurance) generated 18% more premium than a year before.

4.4.2 Gross claims paid

In the first quarter of 2012, Zavarovalnica Triglav posted a total of EUR 105.4 million in gross claims paid (including claim handling costs and reduced by subrogation receivables) or 1% more than in the respective period of 2011. Gross claims grew by 4.9 percentage points more than written premium. In February bora wind storms in the Nova Gorica and Ajdovščina areas caused approximately EUR 6.0 million of damage. Approximately 6,500 loss events were reported, 80% of which are already settled, and EUR 4.5 million in claims were paid.

Graph: Gross claims paid in Q1 2012 compared to Q1 2011



In non-life insurance, Zavarovalnica Triglav recorded EUR 64.5 million (index 91) in gross claims paid. Gross claims increased in accident insurance and property insurance classes. Gross claims paid in accident insurance increased by 2%, which is primarily a result of significant increase in claims from AO-plus insurance. The 3% rise in gross claims paid in property insurance is the consequence of a large increase of claims in fire and natural forces insurance due to a greater number of loss events from bora wind storms.

Gross claims paid in life insurance totalled EUR 40.9 million and were 22% higher than in the first quarter of 2011. Claims in the life insurance class accounted for 38.8% of all claims paid, or 6.7 percentage points more than the year before. The bulk of all claims settled is accounted for by the life insurance class (life assurance, annuity insurance, voluntary pension insurance), which totalled EUR 22.8 million, or 1% more than one year earlier. The amount of settled claims experienced a high growth in unit-linked life insurance (index 119) and in voluntary pension insurance (index 279). The main reason for the high growth of claims is the increase in number of surrendered supplementary voluntary pension insurance due to the completion of a 10-year saving period.

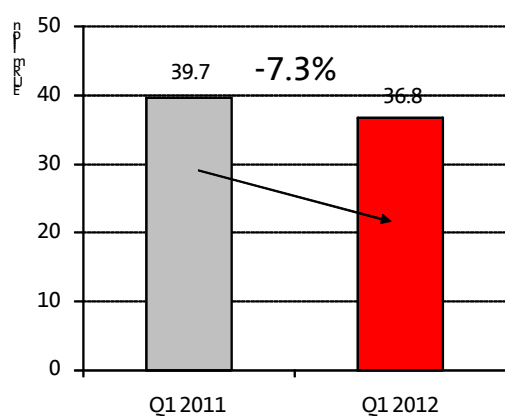
Table: Gross claims paid of Zavarovalnica Triglav in Q1 2012 by insurance class

No.	INSURANCE CLASS	GROSS CLAIMS PAID		GROWTH	STRUCTURE
		Q1 2012	Q1 2011	INDEX	Q1 2012
1	Accident insurance	4,369,112	4,263,352	102	4.1%
2	Health insurance	0	0	0	0.0%
3	Comprehensive car insurance	19,918,881	22,568,738	88	18.9%
4	Property insurance	15,400,448	14,980,749	103	14.6%
5	Motor liability insurance	17,716,041	20,069,829	88	16.8%
6	General liability insurance	3,627,443	4,919,730	74	3.4%
7	Credit insurance	734,696	854,422	86	0.7%
8	Other non-life insurance	2,709,817	2,853,493	95	2.6%
	NON-LIFE INSURANCE	64,476,440	70,510,314	91	61.2%
9	Life insurance	22,821,513	22,544,452	101	21.6%
10	Unit-linked life insurance	9,144,701	7,686,593	119	8.7%
11	Capital redemption insurance	8,975,979	3,221,845	279	8.5%
	LIFE INSURANCE	40,942,192	33,452,890	122	38.8%
	TOTAL	105,418,632	103,963,204	101	100.0%

4.4.3 Gross operating costs

In the first quarter of 2012, gross operating costs totalled EUR 36.8 million and were 7% lower than in the respective period of 2011. The main reason for lower operating costs this year was the failure to pay annual leave pay, which last year was paid out in March.

Graph: Gross operating costs in Q1 2012 compared to Q1 2011



Operating costs accounted for 18.6% of gross written premium and were 0.8 percentage point lower than in the first quarter of 2011.

Acquisition costs (fees and charges) totalled EUR 4.2 million and increased by 7% on the respective period of the preceding year. Depreciation charges of EUR 2.3 million were higher by 37%. Labour costs amounted to EUR 20.8 million (accounting for 56.6% of all operating costs) and experienced a 16% decrease compared to the respective period last year. Costs of services provided by outsourced natural persons totalled EUR 0.5 million, representing an increase of 31% on the year before. In the reporting period, other operating costs reached EUR 9.0 million and were 1% higher compared to the first quarter of 2011.

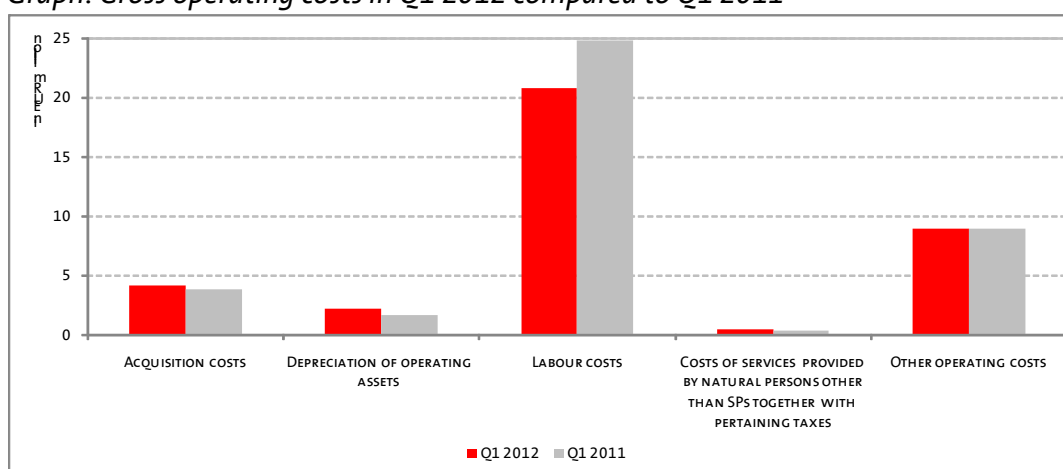
Operating costs for life insurance came to EUR 8.0 million and accounted for 15.9% of gross written premium while gross operating costs in non-life insurance totalled EUR 28.8 million, their share in gross written premium being 19.5%.

In total gross operating costs, broken down by functional groups, costs of insurance contract acquisition accounted for 57.8%, followed by 13.1% in claim handling costs and 2.3% in expenses arising from asset management, while other operating expenses represented 26.7%.

Table: Gross operating costs in Q1 2012 by nature

COSTS BY NATURE	OPERATING COSTS		INDEX	STRUCTURE
	Q1 2012	Q1 2011	2012/2011	Q1 2012
1. Acquisition costs (fees and charges)	4,195,388	3,912,771	107	11.4%
2. Other operating costs	32,610,531	35,778,054	91	88.6%
2.1. Depreciation of operating assets	2,255,105	1,648,589	137	6.1%
2.2. Labour costs	20,848,664	24,825,082	84	56.6%
- wages and salaries	15,886,895	15,581,956	102	43.2%
- social security and pension insurance costs	2,614,212	2,832,455	92	7.1%
- other labour costs	2,347,557	6,410,671	37	6.4%
2.3. Costs of services provided by natural persons other than SPs together with pertaining taxes	483,768	370,595	131	1.3%
- costs of work contracts and work-made-for-hire agreements	148,672	151,098	98	0.4%
- costs of student employment agency services	335,096	219,497	153	0.9%
2.4. Other operating costs	9,022,994	8,933,789	101	24.5%
- costs of entertainment, advertising, trade shows	1,706,583	1,959,607	87	4.6%
- costs of material and energy	1,326,244	1,039,766	128	3.6%
- maintenance costs	1,461,815	1,717,720	85	4.0%
- reimbursement of labour-related costs	1,014,381	1,020,637	99	2.8%
- costs of intellectual and personal services	425,865	534,806	80	1.2%
- non income related costs, excluding insurance	300,940	215,058	140	0.8%
- costs of services - transport and communications	578,025	532,970	108	1.6%
- costs for insurance premiums	156,395	139,039	112	0.4%
- payment transaction costs and banking services	753,407	690,424	109	2.0%
- rents	647,956	615,397	105	1.8%
- costs of services of professional training	183,568	194,533	94	0.5%
- other costs of services	325,251	273,831	119	0.9%
- long-term employee benefits	142,563			0.4%
TOTAL	36,805,919	39,690,825	93	100.0%

Graph: Gross operating costs in Q1 2012 compared to Q1 2011



4.3.4 Reinsurance

In the period from 1 January to 31 March 2012, Zavarovalnica Triglav allocated EUR 26.8 million to external equalisation, which was as much as 2% more than in the respective period of 2011. Reinsurance premium accounts for 13.6% of total gross written premium. The change in gross premium reserves related to the reinsurance portion amounted to EUR 11.7 million, which was 5% more than in the first quarter of 2011. The reinsurers' share of gross claims settled totalled EUR 5.2 million (index 62). The change in gross claims provisions for the reinsurance portion equalled EUR 1.1 million (index 79). The Company also received EUR 3.9 million in ceding commissions (index 108).

4.3.5 Insurance technical provisions

Gross insurance technical provisions are the basis for balanced operations and ensure the long-term safety of insured parties. As at 31 March 2012, Zavarovalnica Triglav allocated EUR 2,003.7 million to gross insurance technical provisions, which are the basis for balanced operations and ensure the long-term safety of our insured parties. The total amount of gross insurance technical provisions increased by 3% compared to 31 December 2011. In non-life and life insurance, gross insurance technical provisions increased by 3%.

Growth by provision type:

- compared to the end of 2011, **gross unearned premiums** increased by 17% and as at 31 March 2012 stood at EUR 256.5 million. Unearned premium from non-life insurance totalled EUR 256.0 million (index 117) and from life insurance EUR 0.5 million (index 120);
- **gross claims provisions** decreased by 2% over the end of 2011 and as at 31 March 2012 amounted to EUR 527.0 million. Claims provisions from non-life insurance totalled EUR 506.9 million (index 98) and those from life insurance EUR 20.1 million (index 103);
- As at 31 March 2012, **mathematical provisions** stood at EUR 1,197.4 million, which was 3% more than at the end of 2011. Of the total amount of mathematical provisions, EUR 654.3 million came from the long-term business fund backing life insurance, EUR 161.0 million from the long-term business fund backing SVPI, EUR 4.6 million from the long-term business fund backing SVPI - annuities and EUR 377.5 million from the long-term business fund backing unit-linked life insurance.
- Compared to the end of 2011, **provisions for bonuses and rebates** remained at the same level and as at 31 March 2012 equalled EUR 16.4 million.
- As at the reporting date, **other insurance technical provisions** totalled EUR 6.5 million or 10% more than as at the last day of 2011. This item includes provisions for unexpired risk, which as at 31 March 2012 amounted to EUR 5.2 million, and provisions for cancellations, which totalled EUR 1.2 million.

Table: Gross insurance technical provisions as at 31 March 2012

	GROSS INSURANCE TECHNICAL PROVISIONS		
	31 March 2012	31 December 2011	Index
Unearned premium	256,463,651	219,683,849	117
Mathematical provisions	1,197,409,622	1,160,953,401	103
Claims provisions	526,953,642	537,912,790	98
Provisions for bonuses and rebates	16,397,603	16,397,603	100
Other insurance technical provisions	6,468,132	5,877,503	110
INSURANCE TECHNICAL PROVISIONS	2,003,692,651	1,940,825,147	103

4.3.5. Structure of financial assets as at 31 March 2012

Financial assets, investments in subsidiaries and associated companies and investment property as at 31 March 2012 stood at EUR 2,250.2 million, or 2% more than at the 2011 year end and represented 85.6% of total assets.

With 58.5%, debt and other fixed-return securities account for the bulk of total financial assets. Compared to one year earlier, they were 8% higher and as at 31 March 2012 reached EUR 1,317.2 million. In terms of volume they are followed by shares and other floating rate securities, totalling EUR 443.8 million as at the reporting date, which was 1% more than at the 2011 year end. They accounted for 17.7% of total investments. Deposits with banks decreased by 13% to EUR 197.9 million as at 31 March 2012. Loans given declined by 2% over the end of 2011 (EUR 86.3 million), accounting for 3.8% of total investments.

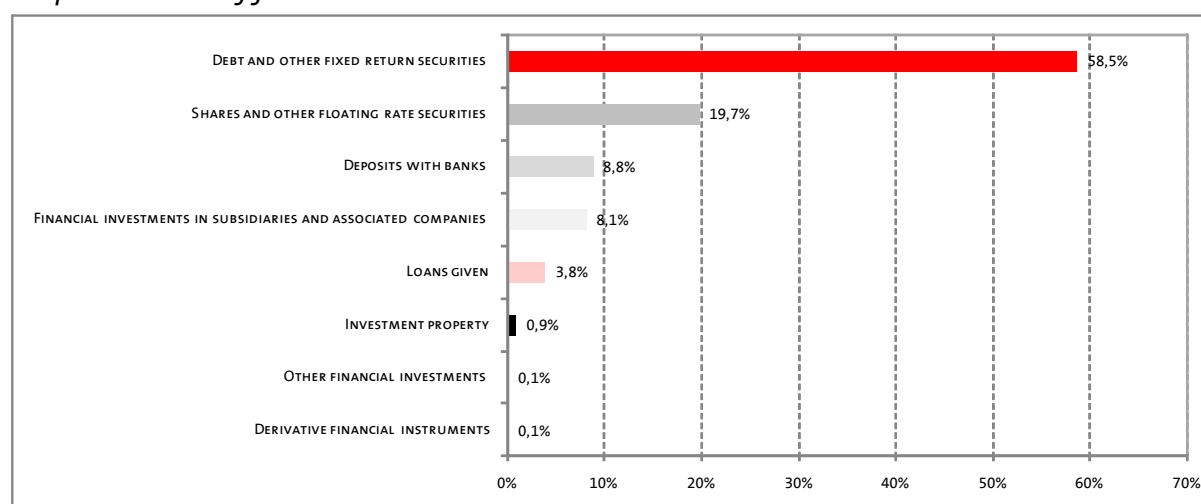
As at 31 March 2012 investments in subsidiaries and associated companies dropped down to EUR 181.9 million, which was 11% less than as at the end of 2011.

As at the reporting date the smallest share (0.9%) in total investments was represented by investment property and equalled EUR 19,9 million, followed by derivative financial instruments of EUR 1.5 million (0.1%) and other financial investments amounting to EUR 1.6 million (0.1%). Investment property decreased by 1% over the 2011 year end, derivative financial instruments increased by 9% and other financial investments remained at the same level as at 31 December 2011 (index 100).

Table: Financial assets as at 31 March 2012

	FINANCIAL INVESTMENTS		
	31 March 2012	31 December 2011	INDEX
Investment property	19,877,760	19,984,888	99
Financial investments in subsidiaries and associated companies	181,884,577	203,986,798	89
Shares and other floating rate securities	443,847,749	437,899,997	101
Debt and other fixed return securities	1,317,186,532	1,215,859,601	108
Derivative financial instruments	1,534,547	1,413,999	109
Loans given	86,310,790	87,739,036	98
Deposits with banks	197,943,487	228,130,763	87
Other financial investments	1,591,572	1,591,572	100
TOTAL	2,250,177,014	2,196,606,654	102

Graph: Structure of financial assets as at 31 March 2012



5. FINANCIAL RESULT AND FINANCIAL STANDING

5.1 Triglav Group

5.1.1 Financial result

Despite the financial crisis, the Triglav Group ended the first quarter of 2012 with a profit. Net profit reached EUR 17.6 million, or 8% more than in the first quarter of 2011, whilst profit before tax totalled EUR 21.4 million, or 4% less than in 2011. Net profit attributable to the controlling company amounted to EUR 17.0 million (index 110), whereas net profit attributable to non-controlling interests totalled EUR 0.7 million (index 76). The Group achieved such interim results by consistently realising its strategic goals and values, focused on its core business, by implementing adequate risk management, underwriting and reinsurance policies as well as by implementing business policy measures geared towards mitigating negative impacts of the financial crisis. The combined ratio, which shows the profitability of core insurance operations, improved by 7.8 percentage points and reached 84.9%.

The financial results of the Triglav Group in the reporting period were still adversely affected by the financial crisis, influencing the demand for insurance products and the developments on the financial markets. Owing to significant or long-term decreases in the value of investments, a permanent impairment of investments was carried out in the amount of EUR 15.2 million.

Net premium earned amounted to EUR 221.6 million or 3% less in nominal terms. Net non-life insurance premium dropped by 5%, net life insurance premium fell by 2%, whereas net health insurance premium increased by 11%. Written premium from reinsurance and coinsurance operations totalled EUR 29.9 million, representing a 3% increase on the first quarter of 2011. Gross unearned premium increased by EUR 22.0 million and was 3% lower compared the respective period of 2011.

As at the reporting date, net claims incurred stood at EUR 139.8 million, which represents a 5% decrease compared to one year earlier. In comparison with the last year's first quarter, net claims incurred from non-life insurance decreased by 17%, whereas net claims incurred from life insurance rose by 21% and from health insurance by 6%. The reinsurers' and co-insurers' share of gross claims decreased compared to the same period of 2011 by 36% down to EUR 4.5 million. In the first quarter of 2012 net claims provisions decreased by EUR 8.9 million, whereas in the same period of 2011 they increased by EUR 5.1 million. Equalisation scheme expenses for supplementary health insurance totalled EUR 1.8 million, or 6% more than in the first quarter of 2011.

Investment income reached EUR 68.1 million, whilst investment expenses amounted to EUR 57.3 million. In the reporting period, investment return, i.e., the difference between investment income and expenses, totalled EUR 10.7 million (index 139). Lower investment returns were mainly caused by a permanent impairment of financial assets, amounting to EUR 15.2 million, and loss arising from Greek securities holdings owing to the effect of unilateral write-off of the Greek government debt.

Gross operating costs (excluding claim handling costs and asset management costs) decreased by 3% down to EUR 45.9 million. Acquisition costs and other operating costs totalled EUR 29.0 million and EUR 16.9 million respectively.

Other income from insurance operations of EUR 6.7 million, in which fees and commission income amounted to EUR 5.0 million, was 15% lower. Other insurance expenses totalled EUR 12.4 million (index 88).

Table: Individual items in the consolidated income statement of the Triglav Group for Q1 2012
in EUR

	Q1 2012	Q1 2011	INDEX
NET PREMIUM INCOME	221,572,759	228,797,033	97
TOTAL INCOME FROM FINANCIAL ASSETS	68,076,776	29,847,827	228
OTHER INCOME FROM INSURANCE OPERATIONS	6,700,937	7,863,930	85
OTHER INCOME	20,158,178	14,107,587	143
NET CLAIMS INCURRED	139,759,091	147,485,881	95
CHANGE IN OTHER INSURANCE TECHNICAL PROVISIONS	19,351,784	11,007,014	176
CHANGE IN INSURANCE TECHNICAL PROVISIONS FOR UNIT-LINKED INSURANCE CONTRACTS	1,046,410	621,360	168
EXPENSES FOR BONUSES AND DISCOUNTS	2,308,168	2,252,971	102
CHANGE IN LIABILITIES FROM INVESTMENT CONTRACTS	0	0	
OPERATING EXPENSES	45,919,618	47,465,535	97
EXPENSES FROM FINANCIAL ASSETS AND LIABILITIES	57,334,066	22,109,051	259
OTHER INSURANCE EXPENSES	12,420,393	14,098,261	88
OTHER EXPENSES	16,973,556	13,218,062	128
PROFIT/ LOSS BEFORE TAX	21,395,564	22,358,242	96
INCOME TAX EXPENSE	-3,769,118	-6,037,852	62
NET PROFIT / LOSS FOR THE ACCOUNTING PERIOD	17,626,446	16,320,390	108
Net profit/loss attributable to the controlling company	16,970,752	15,454,515	110
Net profit/loss attributable to non-controlling interest holders	655,694	865,875	76

5.1.2 Financial standing

Total balance sheet assets of the Triglav Group as at 31 March 2012 stood at EUR 3,128.4 million and were 6% higher than one year earlier.

Total equity as at 31 March 2012 equalled EUR 545.0 million, which was 11% more compared to the 2011 year end. The portion of equity in the balance sheet total increased by 0.9 percentage point compared to 31 December 2011 and reached 17.4%. Controlling interests amounted to EUR 518.9 million (index 112) and non-controlling interests holders had EUR 26.1 million (index 108). Share capital amounted to EUR 73.7 million and was divided into 22,735,148 ordinary shares. Fair value reserve totalled EUR 39.2 million, share premium amounted to EUR 53.7 million and reserves from profits stood at EUR 230.9 million. As at 31 March 2012, net profit brought forward amounted to EUR 107.3 million (index 175), while net profit for the year stood at EUR 16.9 million.

In comparison with 31 December 2011 subordinated liabilities decreased by 1% down to EUR 40.6 million as at 31 March 2012.

On the liabilities side, gross insurance technical provisions rose by 3% to EUR 2,305.2 million by the end of the first quarter of 2012. In total liabilities their share decreased by 1.7 percentage points, from 75.4 to 73.7%.

As at 31 March 2012 operating liabilities stood at EUR 72.4 million, or 25% more in comparison with the 2011 year end. Liabilities from direct insurance operations amounted to EUR 21.8 million (index 104), liabilities from co-insurance and reinsurance operations reached EUR 43.4 million (index 120) and current tax liabilities totalled EUR 7.2 million.

Compared to 31 December 2011, financial liabilities increased by 61% to EUR 63.7 million as at 31 March 2012 (2.0% of total liabilities).

Deferred tax liabilities amounted to EUR 15.8 million (index 164) and accounted for 0.5% of total liabilities. Other liabilities decreased by 10% and as at 31 March 2012 were EUR 55.1 million, or 1.8% of total liabilities.

Financial assets, financial investments in associated companies and investment property as at 31 March 2012 stood at EUR 2,526.0 million, which was 3% more than at 31 December 2011. They accounted for 80.7% of total assets.

As at the reporting date financial assets amounted to EUR 2,415.1 million and were 4% higher. The bulk (53.8%) of financial assets was available-for-sale financial assets, which totalled EUR 1,300.0 million as at 31 March 2011. As at the reporting date unit-linked insurance assets amounted EUR 389.0 million or 16.1% of total financial assets. Compared to 31 December 2011 these assets increased by 7%. By the end of the reporting period deposits and loans fell by 9% to EUR 400.5 million and held-to-maturity investments decreased by 5% to EUR 232.5 million, compared to the 2011 year end. As at 31 March 2012, financial investments measured at fair value through profit or loss reached EUR 93.5 million, representing an increase of 12% over the end of 2011.

As at the end of the reporting period, investment property stood at EUR 95.2 million (index 98) and financial investments in associated companies amounted to EUR 15.8 million (index 77).

As at 31 March 2012, assets and deferred tax assets totalled EUR 297.4 million, or 21% more than at the end of 2011, with the largest portion of these assets represented by receivables from direct insurance operations, which amounted to EUR 147.7 million (index 125).

The insurance technical provisions transferred to reinsurance contracts as at 31 March 2012 amounted to EUR 58.4 million, which was 33% more than at the end of 2011.

Property, plant and equipment totalled EUR 139.8 million (index 109), or 4.5% of total assets as at the end of the first quarter of 2012. Intangible assets equalled EUR 72.7 million (index 115) and accounted for 2.3% of total assets.

Table: Individual items in the consolidated balance sheet of the Triglav Group as at 31 March 2012

in EUR					
ASSETS	31 March 2012	31 December 2011	INDEX	2012 STRUKTURE	2011 STRUCTURE
Intangible assets	72,694,273	63,333,465	115	2.3%	2.1%
Property, plant and equipment	139,781,955	128,808,682	109	4.5%	4.3%
Deferred tax receivables	43,152,389	40,661,243	106	1.4%	1.4%
Investment property	95,153,923	96,784,890	98	3.0%	3.3%
Investments in associates	15,753,757	20,504,563	77	0.5%	0.7%
Financial assets	2,415,072,011	2,326,023,820	104	77.2%	78.5%
Receivables	254,279,549	205,049,270	124	8.1%	6.9%
Other assets	14,363,822	12,597,206	114	0.5%	0.4%
Cash and cash equivalents	18,272,037	22,771,667	80	0.6%	0.8%
Non-current assets held for sale	1,482,215	1,482,215	100	0.0%	0.1%
TOTAL ASSETS	3,128,418,416	2,962,000,104	106	100.0%	100.0%
EQUITY AND LIABILITIES					
Equity	545,007,531	489,469,838	111	17.4%	16.5%
Subordinated liabilities	40,602,035	40,932,090	99	1.3%	1.4%
Insurance technical provisions	1,916,975,752	1,869,646,881	103	61.3%	63.1%
Insurance technical provisions for unit-linked insurance contracts	388,209,936	364,495,891	107	12.4%	12.3%
Employee benefits	10,803,093	10,392,165	104	0.3%	0.4%
Other provisions	19,927,983	19,140,222	104	0.6%	0.6%
Deferred tax liabilities	15,771,513	9,613,587	164	0.5%	0.3%
Other financial liabilities	63,656,101	39,491,120	161	2.0%	1.3%
Operating liabilities	72,402,354	57,860,742	125	2.3%	2.0%
Other liabilities	55,062,118	60,957,569	90	1.8%	2.1%
TOTAL CAPITAL AND LIABILITIES	3,128,418,416	2,962,000,104	106	100.0%	100.0%

5.2 Zavarovalnica Triglav d.d.

5.2.1 Financial result

The disclosed net profit of Zavarovalnica Triglav in the first quarter of 2012 was EUR 13.7 million or 7% more than in the respective period of 2011. Profit before tax decreased by 8% in comparison with the first quarter of 2011 and totalled EUR 17.0 million. Zavarovalnica Triglav achieved these quarterly results by consistently realising its strategic goals and values, focused on its core business, and by implementing business policy measures geared towards mitigating negative impacts of the financial crisis.

In the first quarter of 2012, net premium earned amounted to EUR 150.8 million or 5% less in nominal terms than in the first quarter of 2011. Net non-life and net life premium earned decreased by 7% and 2% respectively. Gross written premium from reinsurance and co-insurance operations decreased by EUR 26.8 million, representing a 2% bigger decrease than in the same period last year. Gross unearned premium grew by EUR 20.3 million and was 6% higher compared to the respective period of 2011.

In the reporting period, net claims incurred are disclosed at EUR 90.3 million, which represents a 9% decrease compared to the first quarter of 2011. Compared to the same period of 2011, net claims incurred from non-life insurance decreased by 26%, but increased by 22% from life insurance. The reinsurers' and co-insurers' shares of gross claims decreased by 38% over the first quarter of 2011 and totalled EUR 5.2 million. In the first quarter of 2012 net claims provisions decreased by EUR 9.9 million, whereas in the respective period of 2011 gross they increased by EUR 4.2 million.

The ratio between net claims incurred and net premiums earned improved compared to the same period of 2011 by 2.6 percentage points, moving from 62.5% to 59.9%.

Operating costs (costs of insurance contract acquisition and other operating costs) amounted to EUR 31.1 million and were 7% lower than in the first quarter of 2011. Acquisition costs totalled EUR 21.3 million and other operating costs came to EUR 9.8 million.

In the first quarter of 2012, income from financial assets totalled EUR 60.7 million (index 246), of which EUR 17.3 million (index 167) came from non-life insurance and EUR 43.5 million (index 304) from life insurance. In the same period investment expenses reached EUR 52.9 million (index 277). In the reporting period, investment return, i.e., the difference between investment income and expenses, totalled EUR 7.8 million (compared to 5.5 million EUR in the first quarter of 2011). Lower investment returns were mainly caused by a permanent impairment of financial assets, amounting to EUR 15.1 million, due to significant or long-term decreases in the value of investments, as well as loss of Greek securities holdings owing to the effect of unilateral write-off of the Greek government debt.

Other income from insurance operations of EUR 8.3 million, in which fees and commission income amounted to EUR 7.3 million (index 99), was 6% lower. Other insurance expenses totalled EUR 8.3 million (index 89).

Table: Individual items in the non-consolidated income statement of Zavarovalnica Triglav d.d., for the period from 1 January to 31 March 2012

	in EUR		
	Q1 2012	Q1 2011	INDEX
NET PREMIUM INCOME	150,780,293	159,464,290	95
INCOME FROM FINANCIAL ASSETS	60,747,063	24,652,208	246
OTHER INCOME FROM INSURANCE OPERATIONS	8,252,327	8,749,655	94
OTHER INCOME	1,386,127	1,127,738	123
NET CLAIMS INCURRED	90,285,661	99,687,740	91
CHANGE IN OTHER INSURANCE TECHNICAL PROVISIONS	-3,469,834	6,492,640	
CHANGE IN INSURANCE TECHNICAL PROVISIONS FOR UNIT-LINKED INSURANCE CONTRACTS	22,630,171	4,958,411	456
EXPENSES FOR BONUSES AND DISCOUNTS	2,025,390	1,988,494	102
OPERATING EXPENSES	31,109,674	33,385,687	93
EXPENSES FROM FINANCIAL ASSETS AND LIABILITIES	52,911,677	19,104,481	277
OTHER INSURANCE EXPENSES	8,280,864	9,350,413	89
OTHER EXPENSES	383,424	441,275	87
PROFIT/ LOSS BEFORE TAX	17,008,781	18,584,750	92
Income tax expense	3,317,941	5,811,451	57
NET PROFIT / LOSS FOR THE ACCOUNTING PERIOD	13,690,840	12,773,299	107

5.2.2 Financial standing

Total assets of Zavarovalnica Triglav as at 31 March 2012 stood at EUR 2,629.0 million and were 4% higher than as at 31 December 2011.

Total equity as at 31 March 2012 stood at EUR 481.3 million. In the balance sheet total its share increased from 17.4% to 18.3%. Share capital amounted to EUR 73.7 million and was divided into 22,735,148 ordinary registered par value shares. Share premium totalled EUR 53.4 million (index 100) and reserve from profit EUR 211.3 million (index 100). Fair value reserve stood at EUR 35.9 million and was EUR 29.9 million higher in comparison with the end of 2011. Net

profit brought forward amounted to EUR 93.3 million (index 188), while net profit for the accounting period stood at EUR 13.7 million.

On the liabilities side, gross insurance technical provisions rose by 3% to EUR 2,003.7 million by the end of Q1 2012. In their share in total liabilities decreased by 0.9 percentage point down to 76.2% compared to the end of 2011.

As at 31 March 2012 operating liabilities stood at EUR 40.8 million, or 42% more in comparison with the end of 2011. Liabilities from direct insurance operations amounted to EUR 14.6 million (index 108), liabilities from co-insurance and reinsurance operations reached EUR 19.2 million (index 130) and current tax liabilities totalled EUR 7.0 million.

As at 31 March 2012, financial liabilities totalled EUR 25.8 million or 12% less than as at the last day of 2011. They accounted for 1.0% of the balance sheet total.

Other liabilities decreased by 10% and as at 31 March 2012 stood at EUR 27.1 million, or 1.0% of total liabilities.

Financial assets, financial investments in subsidiaries and associated companies as well as investment property as at 31 March 2012 stood at EUR 2,250.2 million, which was 2% more than at 31 December 2011. Their share in total assets was 85.6%.

In total financial assets, equalling EUR 2,048.4 million as at the last day of the reporting period (index 104), the largest share (51.8%) is available-for-sale financial assets, which amounted to EUR 1,060.4 million (index 109). As at 31 March 2012 unit-linked insurance assets totalled EUR 378.2 million or 18.5% of total financial assets. Compared to 31 December 2011 those assets increased by 7%. At the end of the reporting period held-to-maturity investments reached EUR 199.0 million, or 6% less, whilst deposits and loans amounted to EUR 333.3 million, or 8% less than at the end of 2011. As at 31 March 2012, financial investments measured at fair value through profit or loss reached EUR 77.5 million, representing an increase of 17% over the end of 2011.

At the end of the reporting period investment property stood at EUR 19.9 million (index 99) and financial investments in subsidiaries and associated companies amounted to EUR 181.9 million (index 89).

As at 31 March 2012, assets totalled EUR 149.9 million, or 42% more than at the end of 2011, with the largest portion of the assets represented by receivables from direct insurance operations, which amounted to EUR 109.2 million (index 135).

The insurance technical provisions transferred to reinsurance contracts as at 31 March 2012 amounted to EUR 65.2 million, which was 20% more than at the end of 2011. Assets from reinsurance contracts from claim provisions totalled EUR 36.7 million, while unearned premiums equalled EUR 28.5 million.

Property, plant and equipment totalled EUR 71.2 million or 2.7% of total assets. Intangible assets equalled EUR 58.5 million, accounting for 2.2% of total assets.

Table: Individual items in the non-consolidated balance sheet of Zavarovalnica Triglav as at 31 March 2012

in EUR					
ASSETS	31 MARCH 2012	31 DECEMBER 2011	INDEX	% as at 31 MARCH 2012	% as at 31 DECEMBER 2011
Intangible assets	58,473,366	49,863,069	117	2%	2%
Property, plant and equipment	71,181,665	71,932,485	99	3%	3%
Deferred tax receivables	27,678,975	30,423,884	91	1%	1%
Investment property	19,877,760	19,984,888	99	1%	1%
Investments in subsidiaries	171,029,074	193,131,295	89	7%	8%
Investments in associates	10,855,503	10,855,503	100	0%	0%
Financial assets	2,048,414,678	1,972,634,968	104	78%	78%
Receivables	149,856,276	105,902,050	142	6%	4%
Other assets	3,274,174	3,060,960	107	0%	0%
Cash and cash equivalents	3,142,111	4,216,855	75	0%	0%
TOTAL ASSETS	2,628,972,323	2,516,553,868	104	100%	100%

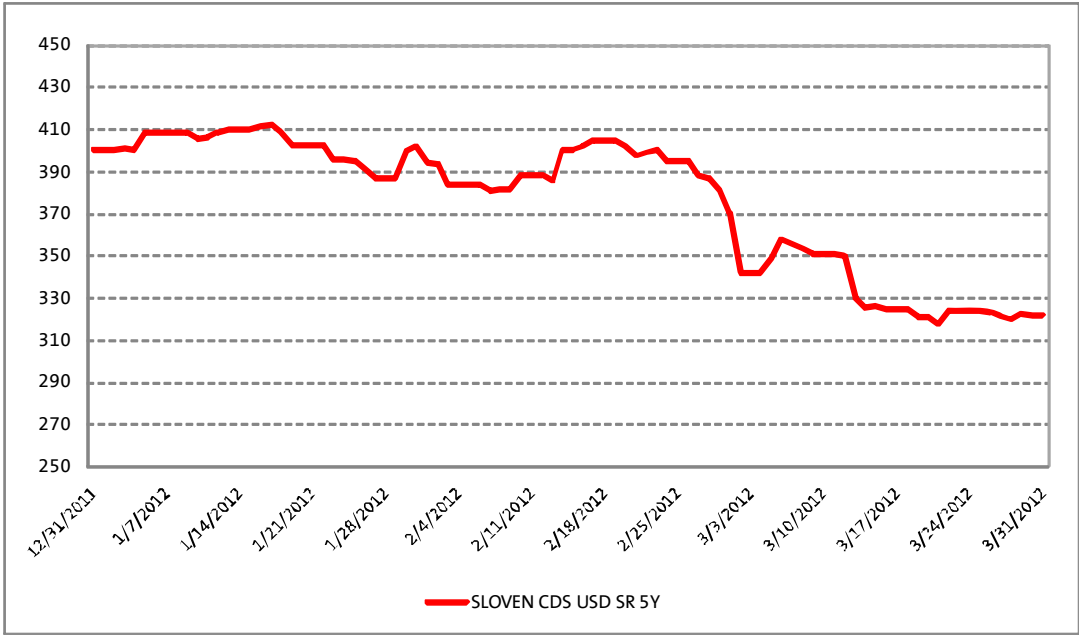
EQUITY AND LIABILITIES	31 MARCH 2012	31 DECEMBER 2011	INDEX	% as at 31 MARCH 2012	% as at 31 DECEMBER 2011
Equity	481,290,701	437,692,451	110	18%	17%
Subordinated liabilities	40,954,609	40,932,091	100	2%	2%
Insurance technical provisions	1,626,162,352	1,585,925,020	103	62%	63%
Insurance technical provisions for unit-linked insurance contracts	377,530,298	354,900,127	106	14%	14%
Employee benefits	8,442,573	8,300,010	102	0%	0%
Other provisions	849,974	835,806	102	0%	0%
Deferred tax liabilities	0	0		0%	0%
Other financial liabilities	25,835,476	29,231,960	88	1%	1%
Operating liabilities	40,787,500	28,761,344	142	2%	1%
Other liabilities	27,118,838	29,975,059	90	1%	1%
TOTAL CAPITAL AND LIABILITIES	2,628,972,323	2,516,553,868	104	100%	100%

6. RISK MANAGEMENT

6.1 Risk management in the first quarter of 2012

The debt crisis in the EU member states remains the main source of investment risk, to which the Triglav Group is exposed. In January 2012 the rating agency Standard & Poor's lowered the sovereign rating on 9 European countries, including Slovenia, which had a significant impact on government debt prices. In the first quarter of 2012, the Greek government debt was restructured, which temporarily halted the further exacerbation of the Greek debt crisis. In the first quarter of 2012 the credit spread of Slovene government bonds increased, as shown in the chart below. Since Zavarovalnica Triglav is a major investor in the Slovene government debt market, it is particularly exposed to such risk, therefore the financial risk management activities were focused on credit risk exposure and on maintaining an adequate assets and liability structure.

Graph: Movements of the credit spread of Slovene bonds in Q1 2012



Since the beginning of 2010, Triglav has been carefully monitoring the exposure to debt securities of the euro area peripheral states. As conditions in the capital markets remain volatile, the Company pay particular attention to monitoring their effects on the assets and liabilities structure, adapting investment policies of individual long-term business funds and assets backing liabilities when needed. In doing so, the Company employed results of different capital adequacy models as well as the stress testing results.

Other information detailed in the section on risk management of the 2011 Annual Report still apply.

6.2 Significant types of risks in the second quarter of 2012

Following Greek government debt restructuring, the debt crisis in the European Union member states shifted to other EU peripheral states, Spain in particular. It is therefore estimated that uncertain outcome of the debt crisis and its effect on the Company’s exposure to financial risks will continue to present the greatest risks. The credit risk (counterparty’s default risk) of government securities remains high, while the credit spread risk has been high as well. Zavarovalnica Triglav’s assets and liabilities will also be significantly affected by the development of the economic environment in Slovenia, which remains weak, exposing the Company foremost to risks of policyholders defaulting on the payment of premiums and risks related to the selection of underwritten risks. Furthermore, in 2011 ten years since the introduction of the second pillar of the pension system, the insurers which joined that pillar are faced with possible early withdrawals. Since mid 2011 an increased number of retirement from membership in pension funds has been registered. Due to generally harsh economic conditions as well as the situation in capital markets this trend is expected to continue in 2012.

Disasters (natural or man-made) remain a significant risk for the Triglav Group, as they can have negative effects especially on the non-life insurance portfolio.

The Company thus plans to pay particular attention to risk management of the long-term business funds and assets backing liabilities, capital management and capital adequacy management, including the adequacy of the reinsurance scheme.

6.3 Internal audit

In the first quarter of 2012, the Internal Audit Department complied with its annual and operational work programme. It carried out 9 planned internal audits of various divisions of Zavarovalnica Triglav and started an internal audit of one subsidiary, planned to be concluded in the second quarter of 2012. The findings are reported to the Management Board and to the management of the audited divisions.

The Internal Audit Department also carried out informal advisory activities, Internal Auditing Quality Improvement activities (mainly regarding planning, execution and reporting on individual internal audits), monitored the implementation of recommendations made by internal and external auditors and reported to the Management and Supervisory Boards.

7. HUMAN RESOURCE MANAGEMENT IN THE TRIGLAV GROUP

7.1 Number of employees

As at 31 March 2012, there were 5,363 employees in the Triglav Group, which is 299 more than at the end of 2011. The number of employees increased due to inclusion of the Avrigo Group among the Triglav Group subsidiaries.

Table: Number of employees in the Triglav Group as at 31 March 2012

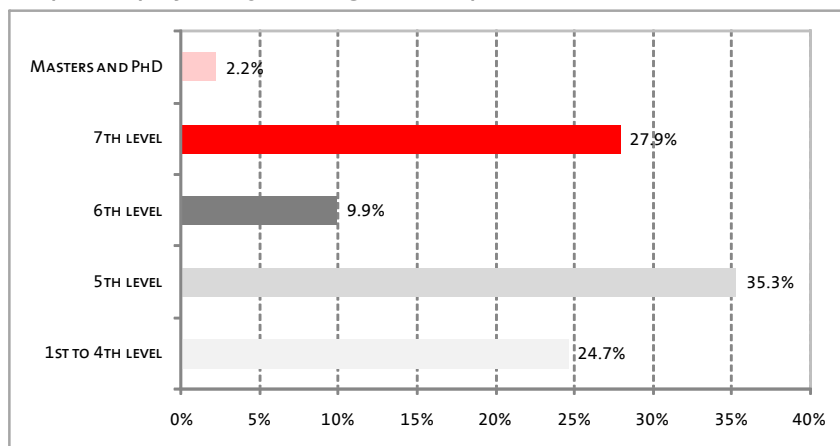
MEMBER OF THE TRIGLAV GROUP	NUMBER OF EMPLOYEES		DIFFERENCE
	31 March 2012	31 December 2011	
Zavarovalnica Triglav, d.d.	2,405	2,400	5
Pozavarovalnica Triglav RE d.d., Ljubljana	37	37	0
Triglav, Zdravstvena zavarovalnica d.d., Koper	78	78	0
Triglav Osiguranje, d.d., Zagreb	522	518	4
Triglav Osiguranje, d.d., Sarajevo	237	234	3
Triglav Pojišt'ovna a.s., Brno	119	116	3
Lovćen Osiguranje, a.d., Podgorica	273	264	9
Triglav Osiguranje a.d.o, Beograd	468	488	-20
Triglav penzijski fondovi a.d., Beograd	5	5	0
Triglav Osiguranje a.d., Banja Luka	83	84	-1
Triglav Osiguruvanje a.d., Skopje	154	150	4
Triglav Skladi d.o.o., Ljubljana	36	36	0
AS Triglav - servis in trgovina d.o.o., Ljubljana	30	31	-1
TRI-PRO d.o.o., Domžale	76	75	1
Triglav nepremičnine d.d., Ljubljana	40	5	35
Triglav Naložbe finančna družba d.d., Ljubljana	5	5	0
Slovenijales d.d., Ljubljana	152	196	-44
Golf Arboretum d.o.o., Volčji potok	11	11	0
Gradis IPGI d.d., Ljubljana	1	1	0
TRI-PRO BH d.o.o., Sarajevo	13	16	-3
Unis automobili i dijelovi d.o.o., Sarajevo	34	33	1
Autocentar BH d.o.o., Sarajevo	46	47	-1
Triglav INT d.d., Ljubljana	4	4	0
Lovćen životna osiguranja, Podgorica	8	6	2

MEMBER OF THE TRIGLAV GROUP	NUMBER OF EMPLOYEES		DIFFERENCE
	31 March 2012	31 December 2011	
Sarajevostan d.d., Sarajevo	123	126	-3
Triglav Auto, d.o.o., Banja Luka	0	0	0
Lovćen Auto a.d.o., Nikšić	105	98	7
Avrigo d.d., Nova Gorica	208	0	208
Integral Notranjska d.o.o., Cerknica	16	0	16
Integral Zagorje d.o.o., Zagorje	47	0	47
Integral Stojna Kočevje d.o.o., Kočevje	27	0	27
Alptours turizem d.o.o., Bovec	0	0	0
SKUPAJ	5,363	5,064	299

7.2 Educational structure of employees

In comparison with the 2011 year end, the number of employees with elementary school education and higher education increased, while a decrease was registered in the number of employees with secondary school education, post-secondary education and master's and doctoral degrees.

Graph: Employees of the Triglav Group as at 31 March 2012 - structure by education level



STATEMENT OF MANAGEMENT'S RESPONSIBILITY

The Management Board herewith confirms the financial statements for the period from 1 January 2012 to 31 March 2012 and accompanying accounting policies and notes to the financial statements.

The Management Board is responsible for preparing the Interim report so that it is a true and fair presentation 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 2012 to 31 March 2012 in accordance with the International Financial Reporting Standards, as adopted by the EU.

The Management Board additionally confirms that appropriate accounting policies were consistently used and that the accounting estimates were prepared according to the principles of prudence and good management. The management board furthermore confirms, that the financial statements, together with the notes are prepared on a going to concern bases and that they comply with the applicable legislation and International Financial Reporting Standards, as adopted by the EU.

The Management Board confirms that the interim Business Report of the Triglav Group and Zavarovalnica Triglav d.d. for the period from 1 January 2012 to 31 March 2012 includes a fair presentation of business developments and results and their financial positions, including a description of the significant types of risks, which Zavarovalnica Triglav d.d. and other companies included in the consolidation taken as a whole are exposed to.

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



Matjaž Rakovec
President of the Management Board

Igor Stebarnak
Member of the Management Board



Andrej Slapar
Member of the Management Board



Stanislav Vrtunski
Member of the Management Board



Marica Makoter
Member of the Management Board, Employee Representative

**Unaudited Financial Statements of Zavarovalnica
Triglav d.d. and the Triglav Group**
and notes thereto for the period from 1 January
2012 to 31 March 2012

CONTENTS

1. FINANCIAL STATEMENTS OF ZAVAROVALNICA TRIGLAV D.D.	3
2. FINANCIAL STATEMENTS OF THE TRIGLAV GROUP.....	8
3. SELECTED NOTES TO FINANCIAL STATEMENTS	14
3.1. Statement of compliance	14
3.2. Main accounting policies and estimates	14
3.3. Seasonal operations	14
3.4. Segmental analysis of Zavarovalnica Triglav's operations.....	14
3.5. Segmental analysis of operations of the Triglav Group.....	17
3.6. Significant items of statement of financial position	26
3.7. Changes in equity stakes in subsidiaries and business combinations	27
3.8. Related party transactions	29
3.9. Other significant events in the reporting period	33
3.10. Significant subsequent events	33

1. FINANCIAL STATEMENTS OF ZAVAROVALNICA TRIGLAV D.D.

STATEMENT OF FINANCIAL POSITION OF ZAVAROVALNICA TRIGLAV D.D.

(in EUR)	31 March 2012	31 December 2011	Index
ASSETS	2,628,972,323	2,516,553,868	104
Intangible assets	58,473,366	49,863,069	117
Property, plant and equipment	71,181,665	71,932,485	99
Deferred tax receivables	27,678,975	30,423,884	91
Investment property	19,877,760	19,984,888	99
Investments in subsidiaries	171,029,074	193,131,295	89
Investments in associates	10,855,503	10,855,503	100
Financial assets	2,048,414,678	1,972,634,968	104
Financial investments	1,670,236,021	1,617,636,390	103
- loans and deposits	333,272,372	363,304,828	92
- held to maturity	198,982,408	211,599,458	94
- available for sale	1,060,443,359	976,228,336	109
- investments recognised at fair value	77,537,882	66,503,768	117
Unit-linked insurance assets	378,178,657	354,998,578	107
Reinsurers' share of technical provisions	65,188,742	54,547,910	120
Receivables	149,856,276	105,902,050	142
- receivables from direct insurance operations	109,211,636	80,970,481	135
- receivables from reinsurance and co-insurance operations	7,549,046	8,187,183	92
- current tax receivables	5,477,560	0	
- other receivables	27,618,034	16,744,387	165
Other assets	3,274,174	3,060,960	107
Cash and cash equivalents	3,142,111	4,216,855	75
EQUITY AND LIABILITIES	2,628,972,323	2,516,553,868	104
Equity	481,290,701	437,692,451	110
- share capital	73,701,392	73,701,392	100
- share premium	53,412,884	53,412,884	100
- reserves from profit	211,286,919	211,286,919	100
- fair value reserve	35,876,595	5,969,185	601
- net profit brought forward	93,322,071	49,539,512	188
- net profit/loss for the year	13,690,840	43,782,559	31
Subordinated liabilities	40,954,609	40,932,091	100
Insurance technical provisions	1,626,162,352	1,585,925,020	103
- unearned premiums	256,463,651	219,683,849	117
- mathematical provisions	819,879,323	806,053,274	102
- claims provisions	526,953,642	537,912,790	98
- other insurance technical provisions	22,865,736	22,275,106	103
Insurance technical provisions for unit-linked insurance contracts	377,530,298	354,900,127	106
Employee benefits	8,442,573	8,300,010	102
Other provisions	849,974	835,806	102
Other financial liabilities	25,835,476	29,231,960	88
Operating liabilities	40,787,500	28,761,344	142
- liabilities from direct insurance operations	14,598,195	13,489,315	108
- liabilities from reinsurance and co-insurance operations	19,230,916	14,753,844	130
- current tax liabilities	6,958,389	518,186	
Other liabilities	27,118,838	29,975,059	90

INCOME STATEMENT OF ZAVAROVALNICA TRIGLAV D.D.

(in EUR)

	Q1 2012	Q1 2011	Index
NET PREMIUM INCOME	150,780,293	159,464,290	95
- gross written premium	197,893,123	205,064,944	97
- ceded written premium	-26,829,854	-26,406,317	102
- change in unearned premiums	-20,282,976	-19,194,337	106
TOTAL INCOME FROM FINANCIAL ASSETS	60,747,063	24,652,208	246
<i>INCOME FROM FINANCIAL ASSETS IN ASSOCIATES</i>	<i>405,529</i>	<i>734,309</i>	<i>55</i>
- interest income	399,437	734,309	54
- dividends	0	0	
- fair value gains	0	0	
- realised gains on disposals	0	0	
- other financial income	6,092	0	
<i>INCOME FROM OTHER FINANCIAL ASSETS</i>	<i>44,056,082</i>	<i>20,714,255</i>	<i>213</i>
- interest income	17,941,975	16,999,577	106
- dividends	82,246	446,098	18
- fair value gains	4,305,737	1,250,101	344
- realised gains on disposals	2,135,096	1,985,187	108
- other financial income	19,591,028	33,291	
<i>NET UNREALISED GAINS ON UNIT-LINKED LIFE INSURANCE ASSETS</i>	<i>16,285,452</i>	<i>3,203,644</i>	<i>508</i>
OTHER INCOME FROM INSURANCE OPERATIONS	8,252,327	8,749,655	94
- fees and commission income	7,297,326	7,338,319	99
- other income from insurance operations	955,000	1,411,336	68
OTHER INCOME	1,386,127	1,127,738	123
NET CLAIMS INCURRED	90,285,661	99,687,740	91
- gross claims settled	105,418,632	103,963,204	101
- reinsurers' and co-insurers' share	-5,235,167	-8,481,152	62
- changes in claims provisions	-9,897,804	4,205,688	
CHANGE IN OTHER INSURANCE TECHNICAL PROVISIONS (excluding unit-linked insurance contracts)	-3,469,834	6,492,640	
CHANGE IN INSURANCE TECHNICAL PROVISIONS FOR UNIT-LINKED INSURANCE CONTRACTS	22,630,171	4,958,411	456
Expenses for bonuses and discounts	2,025,390	1,988,494	102
OPERATING EXPENSES	31,109,674	33,385,687	93
- acquisition costs	21,277,952	22,771,048	93
- other operating costs	9,831,721	10,614,638	93
TOTAL EXPENSES FROM FINANCIAL ASSETS AND LIABILITIES	52,911,677	19,104,481	277
<i>EXPENSES FROM FINANCIAL ASSETS AND LIABILITIES IN ASSOCIATES</i>	<i>32,407</i>	<i>1,944,015</i>	<i>2</i>
- interest expense	0	60,445	
- fair value losses	0	1,877,539	
- realised loss on disposals	0	31	
- impairment of financial assets	29,411	0	
- other expenses from financial assets and liabilities	2,996	6,000	50
<i>EXPENSES FROM OTHER FINANCIAL ASSETS AND LIABILITIES</i>	<i>52,279,922</i>	<i>9,484,313</i>	<i>551</i>
- interest expense	690,673	837,750	82
- fair value losses	9,931,981	1,932,241	514
- realised loss on disposals	25,439,040	3,570,379	713
- impairment of financial assets	15,096,699	1,359,987	
- other expenses from financial assets and liabilities	1,121,530	1,783,955	63
<i>NET UNREALISED LOSSES ON UNIT-LINKED LIFE INSURANCE ASSETS</i>	<i>599,347</i>	<i>7,676,154</i>	<i>8</i>
OTHER INSURANCE EXPENSES	8,280,864	9,350,413	89
OTHER EXPENSES	383,424	441,275	87
PROFIT/ LOSS BEFORE TAX	17,008,781	18,584,750	92
Income tax expense	3,317,941	5,811,451	57
NET PROFIT / LOSS FOR THE ACCOUNTING PERIOD	13,690,840	12,773,299	107
Earnings per share (basic and diluted)	0.60	0.56	107

STATEMENT OF COMPREHENSIVE INCOME OF ZAVAROVALNICA TRIGLAV D.D.

		(in EUR)	
		Q1 2012	Q1 2011
I.	NET PROFIT/LOSS FOR THE YEAR AFTER TAX	13,690,840	12,773,299
II.	OTHER COMPREHENSIVE INCOME AFTER TAX	29,907,411	-14,548,724
1.	Net gains/losses from the remeasurement of available-for-sale financial assets	35,774,582	-18.155.952
1.1	Gains/losses recognised in fair value reserve	21,263,333	-19.768.350
1.2	Transfer from fair value reserve to profit/loss	14,511,249	1.612.398
2.	Tax on other comprehensive income	-5,867,171	3.607.228
III.	COMPREHENSIVE INCOME / LOSS FOR THE YEAR AFTER TAX	43,598,251	-1,775,425

STATEMENT OF CHANGES IN EQUITY OF TRIGLAV D.D.

FOR THE PERIOD FROM 1 JANUARY 2012 TO 31 MARCH 2012

(in EUR)

	Share capital	Share premium	Reserves from profit			Fair value reserve	Net profit brought forward	Net profit/loss	TOTAL EQUITY
			Legal and statutory reserves	Credit risk reserves	Other reserves from profit				
1. OPENING BALANCE FOR THE PERIOD	73,701,392	53,412,884	4,662,643	30,624,276	176,000,000	5,969,185	49,539,512	43,782,559	437,692,451
Comprehensive income for the period from 1 January 2012 to 31 March 2012									
2.	0	0	0	0	0	29,907,410	0	13,690,840	43,598,250
3. Allocation to net profit/loss brought forward	0	0	0	0	0	0	43,782,559	-43,782,559	0
7. CLOSING BALANCE FOR THE PERIOD	73,701,392	53,412,884	4,662,643	30,624,276	176,000,000	35,876,595	93,322,071	13,690,840	481,290,701

FOR THE PERIOD FROM 1 JANUARY 2011 TO 31 MARCH 2011

(in EUR)

	Share capital	Share premium	Reserves from profit			Fair value reserve	Net profit brought forward	Net profit/loss	TOTAL EQUITY
			Legal and statutory reserves	Credit risk reserves	Other reserves from profit				
1. OPENING BALANCE FOR THE PERIOD	23,701,392	53,412,884	4,662,643	30,624,276	16,000,000	84,817,134	252,529,148	16,104,423	481,851,900
Comprehensive income for the period from 1 January 2011 to 31 March 2011									
2.	0	0	0	0	0	-14,548,724	0	12,773,299	-1,775,425
3. Allocation to net profit/loss brought forward	0	0	0	0	0	0	16,104,423	-16,104,423	0
4. CLOSING BALANCE FOR THE PERIOD	23,701,392	53,412,884	4,662,643	30,624,276	16,000,000	70,268,410	268,633,571	12,773,299	480,076,475

CASH FLOW STATEMENT OF ZAVAROVALNICA TRIGLAV D.D.

(in EUR)	Q1 2012	Q1 2011
A OPERATING CASH FLOW		
Income statement items	12,332,700	26,212,557
Operating income (except for revaluations) and financial income from operating receivables	219,164,489	191,436,587
Operating expenses excluding depreciation (except for revaluations) and financial expenses for operating liabilities	-203,513,848	-159,412,579
Corporate income tax and other taxes excluded from operating expenses	-3,317,941	-5,811,451
Changes in net current assets (and in deferred items, provisions and deferred tax assets and liabilities) and in operating balance-sheet items	28,956,365	-34,854,734
Movements in receivables and prepayments and accrued income	-36,324,062	-42,600,844
Movements in deferred tax assets	5,831,187	-6,207,338
Movements in inventories	3,681	-143,169
Movements in operating debts	68,708,212	-4,705,948
Movements in accruals and deferred income and provisions	-9,262,654	18,802,565
TOTAL OPERATING CASH FLOW	41,289,064	-8,642,177
B CASH FLOWS FROM INVESTING ACTIVITIES		
Cash inflows from investing activities	445,466,649	876,876,248
Cash inflows from interest received and profit sharing arising from investing activities	18,341,412	17,733,885
Cash inflows from dividends and profit sharing	82,246	449,556
Cash inflows from the disposal of property, plant and equipment	81,177	191,883
Cash inflows from the disposal of financial investments	403,974,561	852,971,400
Cash inflows from disposal of financial investments in associates	22,984,995	5,529,524
Cash outflows from investing activities	-486,042,680	-872,061,498
Cash outflows for the purchase of intangible assets	-4,677,150	-238,661
Cash outflows for the purchase of property, plant and equipment	-728,486	-196,551
Cash outflows for the acquisition of financial investments	-479,724,859	-864,938,286
Cash outflows for the acquisition of financial investments in associates	-912,185	-6,688,000
TOTAL CASH FLOWS FROM INVESTING ACTIVITIES	-40,576,030	4,814,750
c. CASH FLOWS FROM FINANCING ACTIVITIES		
Cash outflows from financing activities	-1,787,778	-2,226,595
Cash outflows for interest paid on financing activities	-1,786,141	-2,226,566
Cash outflows for payments of financial liabilities	0	0
Cash outflows from dividends paid and profit sharing	-1,637	-29
TOTAL CASH FLOWS FROM FINANCING ACTIVITIES	-1,787,778	-2,226,595
D. Opening balance of cash and cash equivalents	4,216,855	9,241,996
E. Net cash flow for the period	-1,074,744	-6,054,022
F. Closing balance of cash and cash equivalents	3,142,111	3,187,973

2. FINANCIAL STATEMENTS OF THE TRIGLAV GROUP

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

(in EUR)	31 March 2012	31 December 2011	Index
ASSETS	3.128.418.416	2.962.000.104	106
Intangible assets	72,694,273	63,333,465	115
Property, plant and equipment	139,781,955	128,808,682	109
Deferred tax receivables	43,152,389	40,661,243	106
Investment property	95,153,923	96,784,890	98
Investments in associates	15,753,757	20,504,563	77
Financial assets	2,415,072,011	2,326,023,820	104
<i>Financial investments:</i>	2,026,051,663	1,961,339,446	103
- <i>loans and deposits</i>	400,482,598	439,712,247	91
- <i>held to maturity</i>	232,453,990	245,218,281	95
- <i>available for sale</i>	1,299,592,407	1,192,865,725	109
- <i>investments recognised at fair value</i>	93,522,665	83,543,191	112
<i>Unit-linked insurance assets</i>	389,020,348	364,684,374	107
Reinsurers' share of insurance technical provisions	58,412,485	43,983,083	133
Receivables	254,279,549	205,049,270	124
- receivables from direct insurance operations	147,693,177	118,559,323	125
- receivables from reinsurance and co-insurance operations	43,124,169	40,739,474	106
- current tax receivables	4,398,104	459,509	957
- other receivables	59,064,099	45,290,964	130
Other assets	14,363,822	12,597,206	114
Cash and cash equivalents	18,272,037	22,771,667	80
Non-current assets for sale	1,482,215	1,482,215	100
EQUITY AND LIABILITIES	3,128,418,416	2,962,000,104	106
Equity	545,007,531	489,469,838	111
<i>Controlling interests</i>	518,861,054	465,264,933	112
- share capital	73,701,388	73,701,402	100
- share premium	53,741,918	53,204,076	101
- reserves from profit	230,872,711	230,826,820	100
- fair value reserve	39,182,265	2,786,975	
- net profit/loss brought forward	107,263,946	61,135,220	175
- net profit/loss for the year	16,928,994	46,175,732	37
- currency translation differences	-2,830,168	-2,565,292	110
<i>Non-controlling interests</i>	26,146,477	24,204,905	108
Subordinated liabilities	40,602,035	40,932,090	99
Insurance technical provisions	1,916,975,752	1,869,646,881	103
- unearned premiums	332,063,264	291,740,398	114
- mathematical provisions	860,391,911	845,464,934	102
- claims provisions	697,658,402	705,464,250	99
- other insurance technical provisions	26,862,175	26,977,299	100
Insurance technical provisions for unit-linked insurance contracts	388,209,936	364,495,891	107
Employee benefits	10,803,093	10,392,165	104
Other provisions	19,927,983	19,140,222	104
Deferred tax liabilities	15,771,513	9,613,587	164
Other financial liabilities	63,656,101	39,491,120	161
Operating liabilities	72,402,354	57,860,742	125
- liabilities from direct insurance operations	21,835,355	20,928,061	104
- liabilities from reinsurance and co-insurance operations	43,387,616	36,106,029	120
- current tax liabilities	7,179,383	826,652	868
Other liabilities	55,062,118	60,957,569	90

CONSOLIDATED INCOME STATEMENT

(in EUR)

	Q1 2012	Q1 2011	Index
NET PREMIUM INCOME	221,572,759	228,797,033	97
- gross written premium	273,447,417	280,484,073	97
- ceded written premium	-29,917,813	-28,967,021	103
- change in unearned premiums	-21,956,845	-22,720,019	97
INCOME FROM FINANCIAL ASSETS	68,076,776	29,847,827	228
<i>INCOME FROM FINANCIAL ASSETS IN ASSOCIATES</i>	572,376	1,494,160	38
- profit on equity investments accounted for using the equity method	425,816	1,057,654	40
- interest income	0	436,506	
- dividends	0	0	
- fair value gains	0	0	
- realised gains on disposals	0	0	
- other financial income	146,560	0	
<i>INCOME FROM OTHER FINANCIAL ASSETS</i>	50,606,783	25,085,119	202
- interest income	21,923,010	20,605,629	106
- dividends	82,492	447,279	18
- fair value gains	4,508,116	1,423,056	317
- realised gains on disposals	2,521,827	2,241,105	113
- other financial income	21,571,338	368,050	
<i>NET UNREALISED GAINS ON UNIT-LINKED LIFE INSURANCE ASSETS</i>	16,897,617	3,268,548	517
OTHER INCOME FROM INSURANCE OPERATIONS	6,700,937	7,863,930	85
- fees and commission income	4,992,365	5,431,625	92
- other income from insurance operations	1,708,572	2,432,305	70
OTHER INCOME	20,158,178	14,107,587	143
NET CLAIMS INCURRED	139,759,091	147,485,881	95
- gross claims settled	151,336,382	147,774,604	102
- reinsurers' and co-insurers' share	-4,483,356	-7,022,012	64
- changes in claims provisions	-8,858,496	5,067,734	
- equalisation scheme expenses for supplementary health insurance	1,764,561	1,665,555	106
CHANGE IN OTHER INSURANCE TECHNICAL PROVISIONS	19,351,784	11,007,014	176
CHANGE IN INSURANCE TECHNICAL PROVISIONS FOR UNITLINKED INSURANCE CONTRACTS	1,046,410	621,360	168
Expenses for bonuses and discounts	2,308,168	2,252,971	102
OPERATING EXPENSES	45,919,618	47,465,535	97
- acquisition costs	29,031,694	28,973,778	100
- other operating costs	16,887,924	18,491,757	91
EXPENSES FROM FINANCIAL ASSETS AND LIABILITIES	57,334,066	22,109,051	259
<i>EXPENSES FROM FINANCIAL ASSETS AND LIABILITIES IN ASSOCIATES</i>	1,236,174	2,974,060	42
- loss on investments accounted for using the equity method	1,236,174	1,015,024	122
- interest expense	0	75,078	
- fair value losses	0	1,877,540	
- realised loss on disposals	0	31	
- impairment of financial assets	0	0	
- other expenses from financial assets and liabilities	0	6,387	
<i>EXPENSES FROM OTHER FINANCIAL ASSETS AND LIABILITIES</i>	55,490,715	11,451,748	485
- interest expense	1,098,005	1,175,485	93
- fair value losses	10,269,989	2,443,673	420
- realised loss on disposals	26,384,375	3,632,289	726
- impairment of financial assets	15,153,928	1,500,706	
- other expenses from financial assets and liabilities	2,584,418	2,699,595	96
<i>NET UNREALISED LOSSES ON UNIT-LINKED LIFE INSURANCE ASSETS</i>	607,177	7,683,243	8
OTHER INSURANCE EXPENSES	12,420,393	14,098,261	88
OTHER EXPENSES	16,973,556	13,218,062	128
PROFIT/ LOSS BEFORE TAX	21,395,564	22,358,242	96
Income tax expense	3,769,118	6,037,852	62
NET PROFIT / LOSS FOR THE ACCOUNTING PERIOD	17,626,446	16,320,390	108
Net profit / loss attributable to the controlling company	16,970,752	15,454,515	110
Net profit / loss attributable to non-controlling interest holders	655,694	865,875	76

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

(in EUR)

	Q1 2012	Q1 2011
I. NET PROFIT/LOSS FOR THE YEAR AFTER TAX	17,626,446	16,320,390
II. OTHER COMPREHENSIVE INCOME AFTER TAX	36,827,389	-4,420,189
1. Net gains/losses from the remeasurement of available-for-sale financial assets	43,742,246	-8,008,674
1.1 Gains/losses recognised in fair value reserve	28,948,679	-9,621,072
1.2 Transfer from fair value reserve to profit/loss	14,793,567	1,612,398
2. Gains/losses recognised in fair value reserve and net profit/loss brought forward arising from equity in associates and jointly controlled entities recognised using the equity method	33,045	-290,457
3. Translation differences	-284,580	271,714
4. Tax on other comprehensive income	-6,663,322	3,607,228
III. COMPREHENSIVE INCOME / LOSS FOR THE YEAR AFTER TAX	54,453,835	11,900,201
Controlling interests	53,142,422	11,096,704
Non-controlling interests	1,311,413	803,497

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE PERIOD FROM 01 JANUARY 2012 TO 31 MARCH 2012

(in EUR)

PERIOD from 1 January 2012 to 31 March 2012	Share capital	Share premium	Reserves from profit					Fair value reserve	Net profit brought forward	Net profit/loss	Treasury shares (deductible item)	Translation differences	Total equity attributable to the controlling company	Non-controlling interests	TOTAL
			Contingency reserves	Treasury share reserves	Legal and statutory reserves	Credit risk reserves	Other reserves from profit								
1. OPENING BALANCE FOR THE PERIOD	73,701,387	53,204,076	529,798	364,680	19,430,985	34,866,038	176,000,000	2,786,975	61,135,233	46,175,732	-364,680	-2,565,292	465,264,931	24,204,905	489,469,836
2. Comprehensive income for the period from 1 January 2012 to 31 March 2012	0	0	0	0	0	0	0	36,436,546	0	16,970,752	0	-264,876	53,142,422	1,311,413	54,453,835
3. Net profit allocation to reserves from profit	0	0	0	0	0	0	0	0	46,175,732	-46,175,732	0	0	0	0	0
4. Acquisition of treasury shares	0	0	0	0	0	0	0	0	0	0	-88,200	0	-88,200	0	-88,200
5. Treasury share reserve formation from other equity items	0	0	0	88,200	0	0	0	0	-88,200	0	0	0	0	0	0
6. Allocation and use of reserves for credit risk	0	0	0	0	0	45,890	0	0	0	-41,760	0	0	4,130	-4,130	0
7. Allocation to net profit/loss brought forward	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
8. Recognition of reserves resulting from intragroup transactions	0	537,840	0	0	0	0	0	0	0	0	0	0	537,840	0	537,840
9. Other	0	0	0	0	0	0	0	-41,257	41,187	0	0	0	-70	634,289	634,219
10. CLOSING BALANCE for the period	73,701,387	53,741,916	529,798	452,880	19,430,985	34,911,928	176,000,000	39,182,264	107,263,952	16,928,992	-452,880	-2,830,168	518,861,054	26,146,477	545,007,530

FOR THE PERIOD FROM 01 JANUARY 2011 TO 31 MARCH 2011

(in EUR)

OBDOBJE od 1.1.2011 do 31.03.2011	Share capital	Share premium	Reserves from profit					Fair value reserve	Net profit brought forward	Net profit/loss	Treasury shares (deductible item)	Translation differences	Total equity attributable to the controlling company	Equity attributable to non-controlling interest holders	TOTAL
			Contingency reserves	Treasury share reserves	Legal and statutory reserves	Credit risk reserves	Catastrophe reserves								
1. PERIOD	23,701,392	53,655,514	529,798	364,680	19,451,956	33,436,225	16,000,000	45,520,845	269,153,671	11,313,295	-364,680	-1,997,661	470,765,035	28,212,772	498,977,807
2. Comprehensive income for the period from 1 January 2011 to 31 March 2011	0	0	0	0	0	0	0	-4,642,202		15,454,515	0	284,391	11,096,704	803,497	11,900,201
3. Allocation to net profit/loss brought forward	0	0	0	0	0	0	0	0	11,313,295	11,313,295	0	0	0	0	0
4. Allocation and use of reserves for credit risk and catastrophe claims	0	0	0	0	0	40,086	0	0	0	-34,875	0	0	5,211	-5,211	0
5. Net profit allocations to reserves from profit	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
6. Other changes in equity	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
7. CLOSING BALANCE for the period	23,701,392	53,655,514	529,798	364,680	19,451,956	33,476,311	16,000,000	40,878,643	280,466,966	15,419,640	-364,680	-1,713,270	481,866,950	29,011,058	510,878,008

CONSOLIDATED CASH FLOW STATEMENT

(in EUR)	Q1 2012	Q1 2011
A OPERATING CASH FLOW		
Income statement items	15,797,935	33,202,686
Operating income(excluding revaluation) and financial income from operating receivables	318,340,624	282,215,961
Operating expenses excluding depreciation (except for revaluations) and financial expenses for operating liabilities	-296,726,939	-242,952,580
Corporate income tax and other taxes excluded from operating expenses	-5,815,750	-6,060,695
Changes in net current assets (and deferred items, provisions and deferred tax assets and liabilities) and in operating balance-sheet items	52,489,965	-30,981,147
Movements in receivables and prepayments and accrued income	-31,046,055	-55,075,376
Movements in deferred tax assets	6,646,776	-6,427,934
Movements in assets held for sale (disposal group)	-25,518	-39,299
Movements in inventories	89,193,923	10,784,688
Movements in operating debts	-9,210,519	19,842,481
Movements in accruals and deferred income and provisions	-3,068,642	-65,707
Movements in deferred tax liabilities	68,287,900	2,221,539
TOTAL OPERATING CASH FLOW	15,797,935	33,202,686
B CASH FLOWS FROM INVESTING ACTIVITIES		
Cash inflows from investing activities	543,143,130	968,700,436
Cash inflows from interest received and profit sharing arising from investing activities	28,841,972	25,510,928
Income from dividends and profit sharing	1,503,805	449,556
Cash inflows from the disposal of intangible assets	33,893	0
Cash inflows from the disposal of property, plant and equipment	116,463	289,964
Cash inflows from the disposal of financial investments	489,607,920	923,009,896
Cash inflows from disposal of financial investments in associates	23,039,077	19,440,092
Cash outflows from investing activities	-628,427,125	-979,110,065
Cash outflows for the purchase of intangible assets	-4,687,246	-572,108
Cash outflows for the purchase of property, plant and equipment	-1,467,852	-345,243
Cash outflows for the purchase of financial investments	-617,706,231	-949,859,731
Cash outflows for the acquisition of financial investments in associates	-4,565,796	-28,332,983
TOTAL CASH FLOWS FROM INVESTING ACTIVITIES	-85,283,995	-10,409,629
c. CASH FLOWS FROM FINANCING ACTIVITIES		
Cash inflows from financing activities	19,510,780	8,841,728
Cash inflows from loans received and bonds issued	19,510,780	8,841,728
Cash outflows from financing activities	-6,674,490	-15,017,592
Interest paid from financing activities	-2,205,995	-2,417,542
Cash outflows for payments of financial liabilities	-4,466,858	-12,600,021
Cash outflows from dividends paid and profit sharing	-1,637	-29
TOTAL CASH FLOWS FROM FINANCING ACTIVITIES	12,836,290	-6,175,864
D. Opening balance of cash and cash equivalents	22,771,667	34,108,091
E. Net cash flow for the period	-4,159,805	-14,363,954
Foreign exchange differentials	-339,825	122,019
F. Closing balance of cash and cash equivalents	18,272,037	19,866,156

3. SELECTED NOTES TO FINANCIAL STATEMENTS

3.1. Statement of compliance

The financial statements for period from 1 January 2012 to 31 March 2012 have been prepared in accordance with IAS 34 - Interim Financial Reporting.

Pursuant to national legislation, separate financial statements of Zavarovalnica Triglav have been prepared in accordance with IFRS as adopted by the European Union (hereinafter: "IFRS").

In addition to separate financial statements, Zavarovalnica Triglav also prepares consolidated financial statements in line with the IFRS. The entities in which the Group directly or indirectly holds more than half of the voting rights have been fully consolidated.

To acquire accurate information on the financial position and business results of the entire Triglav Group, separate financial statements of Zavarovalnica Triglav should be considered jointly with consolidated financial statement.

The financial statements for the period from 1 January 2012 to 31 March 2012 have not been audited.

3.2. Main accounting policies and estimates

The same accounting policies as for the preparation of the financial statements for 2011 were used for the preparation of the financial statements for the first quarter of 2012. The tax expense calculation for the first quarter of 2012 was made by applying the average effective tax rate of 2011.

In the reporting period, there were no significant changes of accounting estimates for amounts which were reported in the preceding financial year.

3.3. Seasonal operations

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

3.4. 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 statement of financial position and income statement by business segment are given below.

STATEMENT OF FINANCIAL POSITION OF ZAVAROVALNICA TRIGLAV BY BUSINESS SEGMENT

(in EUR)	31 March 2012			31 December 2011		
	NON-LIFE	LIFE	TOTAL	NON-LIFE	LIFE	TOTAL
ASSETS	1,298,124,585	1,347,121,350	2,645,245,935	1,238,615,910	1,292,439,778	2,531,055,688
Intangible assets	55,375,219	3,098,146	58,473,366	47,787,036	2,076,033	49,863,069
Property, plant and equipment	60,257,551	10,924,113	71,181,665	60,826,425	11,106,060	71,932,485
Deferred tax receivables	31,871,536	4,760,888	36,632,424	28,749,274	4,760,888	33,510,162
Investment property	17,910,125	1,967,635	19,877,760	18,008,707	1,976,181	19,984,888
Investments in subsidiaries	169,514,402	1,514,671	171,029,074	191,616,624	1,514,671	193,131,295
Investments in associates	975	10,854,528	10,855,503	975	10,854,528	10,855,503
Financial assets	752,495,373	1,295,919,305	2,048,414,678	723,280,154	1,249,354,814	1,972,634,968
Financial assets	752,495,373	917,740,648	1,670,236,021	723,280,154	894,356,236	1,617,636,390
- loans and deposits	162,938,284	170,334,088	333,272,372	185,713,454	177,591,374	363,304,828
- held to maturity	0	198,982,408	198,982,408	0	211,599,458	211,599,458
- available for sale	567,430,347	493,013,012	1,060,443,359	518,144,697	458,083,638	976,228,336
- investments recognised at fair value	22,126,742	55,411,140	77,537,882	19,422,002	47,081,766	66,503,768
Unit-linked insurance assets	0	378,178,657	378,178,657	0	354,998,578	354,998,578
Reinsurers' share of technical provisions	65,180,970	7,772	65,188,742	54,544,229	3,681	54,547,910
Receivables	141,642,258	15,534,181	157,176,439	110,105,259	7,212,333	117,317,592
- receivables from direct insurance operations	108,696,827	514,810	109,211,636	80,444,885	525,595	80,970,481
- receivables from reinsurance and co-insurance operations	7,508,813	40,232	7,549,046	8,179,159	8,024	8,187,183
- current tax receivables	5,477,560	0	5,477,560	0	0	0
- other receivables	19,959,058	14,979,139	34,938,197	21,481,215	6,678,714	28,159,929
Other assets	3,199,777	74,397	3,274,174	2,974,226	86,734	3,060,960
Cash and cash equivalents	676,397	2,465,714	3,142,111	723,001	3,493,853	4,216,855
EQUITY AND LIABILITIES	1,298,124,585	1,347,121,350	2,645,245,935	1,238,615,910	1,292,439,778	2,531,055,688
Equity	404,816,534	76,474,168	481,290,701	367,580,534	70,111,917	437,692,451
- 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	179,723,028	31,563,891	211,286,919	179,723,028	31,563,891	211,286,919
- fair value reserve	24,580,986	11,295,609	35,876,595	6,958,384	-989,199	5,969,185
- net profit/loss brought forward	89,213,605	4,108,466	93,322,071	49,539,512	0	49,539,512
- net profit/loss for the year	19,613,398	-5,922,557	13,690,840	39,674,093	4,108,466	43,782,559
Subordinated liabilities	27,276,180	13,678,429	40,954,609	27,259,666	13,672,424	40,932,091
Insurance technical provisions	785,706,719	840,455,633	1,626,162,352	759,968,461	825,956,559	1,585,925,020
- unearned premiums	255,963,802	499,850	256,463,651	219,268,476	415,373	219,683,849
- mathematical provisions	0	819,879,323	819,879,323	0	806,053,274	806,053,274
- claims provisions	506,877,182	20,076,460	526,953,642	518,424,878	19,487,912	537,912,790
- other insurance technical provisions	22,865,736	0	22,865,736	22,275,106	0	22,275,106
Insurance technical provisions for unit-linked insurance contracts	0	377,530,298	377,530,298	0	354,900,127	354,900,127
Employee benefits	6,939,008	1,503,566	8,442,573	6,820,823	1,479,187	8,300,010
Other provisions	849,974	0	849,974	835,806	0	835,806
Deferred tax liabilities	6,145,246	2,808,203	8,953,449	1,739,596	1,346,682	3,086,278
Other financial liabilities	7,782,285	18,053,191	25,835,476	24,102,964	5,128,996	29,231,960
Operating liabilities	32,054,338	8,733,162	40,787,500	20,778,431	7,982,913	28,761,344
- liabilities from direct insurance operations	5,934,777	8,663,418	14,598,195	5,514,429	7,974,886	13,489,315
- liabilities from reinsurance and co-insurance operations	19,161,172	69,744	19,230,916	14,745,817	8,027	14,753,844
- current tax liabilities	6,958,389	0	6,958,389	518,186	0	518,186
Other liabilities	26,554,301	7,884,700	34,439,001	29,529,628	11,860,973	41,390,601

INCOME STATEMENT OF ZAVAROVALNICA TRIGLAV BY BUSINESS SEGMENT

(in EUR)

	Q1 2012			Q1 2011		
	NON-LIFE	LIFE	TOTAL	NON-LIFE	LIFE	TOTAL
NET PREMIUM INCOME	100,915,754	49,864,539	150,780,293	108,414,066	51,050,223	159,464,290
- gross written premium	147,782,518	50,110,604	197,893,123	153,724,725	51,340,218	205,064,944
- ceded written premium	-26,668,265	-161,589	-26,829,854	-26,337,636	-68,681	-26,406,317
- change in unearned premiums	-20,198,499	-84,477	-20,282,976	-18,973,023	-221,314	-19,194,337
TOTAL INCOME FROM FINANCIAL ASSETS	17,283,990	43,463,073	60,747,063	10,355,183	14,297,024	24,652,208
<i>INCOME FROM FINANCIAL ASSETS IN ASSOCIATES</i>	<i>405,508</i>	<i>22</i>	<i>405,529</i>	<i>563,774</i>	<i>170,535</i>	<i>734,309</i>
- interest income	399,415	22	399,437	563,774	170,535	734,309
- dividends	0	0	0	0	0	0
- fair value gains	0	0	0	0	0	0
- realised gains on disposals	0	0	0	0	0	0
- other financial income	6,092	0	6,092	0	0	0
<i>INCOME FROM OTHER FINANCIAL ASSETS</i>	<i>16,878,483</i>	<i>27,177,599</i>	<i>44,056,082</i>	<i>9,791,410</i>	<i>10,922,845</i>	<i>20,714,255</i>
- interest income	7,878,243	10,063,731	17,941,975	7,462,372	9,537,205	16,999,577
- dividends	4,684	77,562	82,246	210,842	235,256	446,098
- fair value gains	1,344,350	2,961,387	4,305,737	715,402	534,699	1,250,101
- realised gains on disposals	1,407,517	727,579	2,135,096	1,369,502	615,685	1,985,187
- other financial income	6,243,689	13,347,339	19,591,028	33,291	0	33,291
<i>NET UNREALISED GAINS ON UNIT-LINKED LIFE INSURANCE ASSETS</i>	<i>0</i>	<i>16,285,452</i>	<i>16,285,452</i>	<i>0</i>	<i>3,203,644</i>	<i>3,203,644</i>
OTHER INCOME FROM INSURANCE OPERATIONS	4,785,833	3,466,494	8,252,327	4,353,365	4,396,291	8,749,655
- fees and commission income	3,841,621	3,455,705	7,297,326	3,558,324	3,779,996	7,338,319
- other income from insurance operations	944,212	10,789	955,000	795,041	616,295	1,411,336
OTHER INCOME	678,225	707,902	1,386,127	658,539	469,199	1,127,738
NET CLAIMS INCURRED	48,799,869	41,485,792	90,285,661	65,769,879	33,917,861	99,687,740
- gross claims settled	64,476,440	40,942,192	105,418,632	70,510,314	33,452,890	103,963,204
- reinsurers' and co-insurers' share	-5,194,308	-40,859	-5,235,167	-8,383,229	-97,923	-8,481,152
- changes in claims provisions	-10,482,262	584,458	-9,897,804	3,642,795	562,894	4,205,688
CHANGE IN OTHER INSURANCE TECHNICAL PROVISIONS	590,629	-4,060,463	-3,469,834	3,144,165	3,348,474	6,492,640
CHANGE IN INSURANCE TECHNICAL PROVISIONS FOR UNLINKED INSURANCE CONTRACTS	0	22,630,171	22,630,171	0	4,958,411	4,958,411
Expenses for bonuses and discounts	2,025,390	0	2,025,390	1,988,494	0	1,988,494
OPERATING EXPENSES	23,897,137	7,212,537	31,109,674	25,517,855	7,867,832	33,385,687
- acquisition costs	17,082,071	4,195,882	21,277,952	18,004,309	4,766,740	22,771,048
- other operating costs	6,815,066	3,016,655	9,831,721	7,513,546	3,101,092	10,614,638
TOTAL EXPENSES FROM FINANCIAL ASSETS AND LIABILITIES	20,377,992	32,533,685	52,911,677	7,749,337	11,355,144	19,104,481
<i>EXPENSES FROM FINANCIAL ASSETS AND LIABILITIES IN ASSOCIATES</i>	<i>2,996</i>	<i>29,411</i>	<i>32,407</i>	<i>1,821,164</i>	<i>122,851</i>	<i>1,944,015</i>
- interest expense	0	0	0	23,326	37,119	60,445
- fair value losses	0	0	0	1,791,808	85,732	1,877,539
- realised loss on disposals	0	0	0	31	0	31
- permanent impairment of financial assets	0	29,411	29,411	0	0	0
- other expenses from financial assets and liabilities	2,996	0	2,996	6,000	0	6,000
<i>EXPENSES FROM OTHER FINANCIAL ASSETS AND LIABILITIES</i>	<i>20,374,996</i>	<i>31,904,927</i>	<i>52,279,922</i>	<i>5,928,173</i>	<i>3,556,139</i>	<i>9,484,313</i>
- interest expense	483,700	206,973	690,673	591,667	246,083	837,750
- fair value losses	2,591,202	7,340,778	9,931,981	988,594	943,647	1,932,241
- realised loss on disposals	5,939,882	19,499,157	25,439,040	1,855,645	1,714,734	3,570,379
- permanent impairment of financial assets	10,596,920	4,499,779	15,096,699	1,204,174	155,813	1,359,987
- other expenses from financial assets and liabilities	763,291	358,239	1,121,530	1,288,094	495,862	1,783,955
<i>NET UNREALISED LOSSES ON UNIT-LINKED LIFE INSURANCE ASSETS</i>	<i>0</i>	<i>599,347</i>	<i>599,347</i>	<i>0</i>	<i>7,676,154</i>	<i>7,676,154</i>
OTHER INSURANCE EXPENSES	4,687,796	3,593,068	8,280,864	4,887,241	4,463,171	9,350,413
OTHER EXPENSES	353,649	29,775	383,424	412,889	28,386	441,275
PROFIT/ LOSS BEFORE TAX	22,931,339	-5,922,557	17,008,781	14,311,292	4,273,457	18,584,750
Income tax expense	3,317,941	0	3,317,941	4,475,141	1,336,310	5,811,451
NET PROFIT / LOSS FOR THE ACCOUNTING PERIOD	19,613,398	-5,922,557	13,690,840	9,836,151	2,937,147	12,773,299

3.5. Segmental analysis of operations of the Triglav Group

The management monitors the operations of the Triglav Group based on the following segments:

- business segments (non-life insurance, life insurance, health insurance, non-insurance operations);
- geographical segments (separately for Slovenia and for other countries).

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 BUSINESS SEGMENT

(in EUR)

AS AT 31 MARCH 2012	NON-LIFE	LIFE	HEALTH	OTHER	TOTAL - NON-CONSOLIDATED	Eliminations	TOTAL - CONSOLIDATED
ASSETS	1,822,659,094	1,410,450,820	25,493,699	307,103,652	3,565,707,265	-437,288,849	3,128,418,416
Intangible assets	66,124,181	3,112,059	439,809	1,200,362	70,876,411	1,817,862	72,694,273
Property, plant and equipment	94,098,441	10,983,661	2,803,456	31,896,397	139,781,955	0	139,781,955
Deferred tax receivables	33,735,875	5,148,808	454,458	3,813,248	43,152,389	0	43,152,389
Investment property	34,569,924	3,219,435	0	46,385,416	84,174,775	10,979,148	95,153,923
Investments in associates	203,328,417	9,550,365	0	135,624,048	348,502,830	-332,749,073	15,753,757
Financial assets	976,258,562	1,357,533,056	17,814,166	63,466,227	2,415,072,011	0	2,415,072,011
Financial investments:	976,258,562	968,512,708	17,814,166	63,466,227	2,026,051,663	0	2,026,051,663
- loans and deposits	204,481,776	179,959,479	8,518,227	7,523,116	400,482,598	0	400,482,598
- held to maturity	4,444,243	228,009,747	0	0	232,453,990	0	232,453,990
- available for sale	732,542,862	503,250,012	9,295,939	54,503,594	1,299,592,407	0	1,299,592,407
- investments recognised at fair value	34,789,680	57,293,468	0	1,439,517	93,522,665	0	93,522,665
Unit-linked insurance assets	0	389,020,348	0	0	389,020,348	0	389,020,348
Reinsurers' share of technical provisions	127,752,778	21,552	0	0	127,774,330	-69,361,845	58,412,485
Receivables	265,895,904	17,044,058	3,933,657	15,166,473	302,040,092	-47,760,543	254,279,549
- receivables from direct insurance operations	146,894,925	1,801,920	3,704,043	24,774	152,425,662	-4,732,485	147,693,177
- receivables from reinsurance and co-insurance operations	81,232,181	40,363	0	0	81,272,544	-38,148,375	43,124,169
- current tax receivables	5,989,636	154	0	187,916	6,177,706	-1,779,602	4,398,104
- other receivables	31,779,162	15,201,621	229,614	14,953,783	62,164,180	-3,100,081	59,064,099
Other assets	9,090,162	274,638	36,315	5,177,105	14,578,220	-214,398	14,363,822
Cash and cash equivalents	11,804,850	3,563,188	11,838	2,892,161	18,272,037	0	18,272,037
Noncurrent assets for sale	0	0	0	1,482,215	1,482,215	0	1,482,215
EQUITY AND LIABILITIES	1,822,659,094	1,410,450,820	25,493,699	307,103,652	3,565,707,265	-437,288,849	3,128,418,416
Equity	504,756,190	88,258,067	8,233,966	236,058,291	837,306,514	-292,298,983	545,007,531
Controlling interests	504,756,190	88,258,067	8,233,966	236,058,291	837,306,514	-318,445,460	518,861,054
- share capital	115,916,612	31,119,897	25,822,144	161,968,493	334,827,146	-261,125,758	73,701,388
- share premium	43,254,651	13,067,907	0	20,392,602	76,715,160	-22,973,242	53,741,918
- reserves from profit	199,956,364	32,091,323	0	6,347,961	238,395,648	-7,522,937	230,872,711
- fair value reserve	32,225,562	4,388,704	-215,122	19,978,341	56,377,485	-17,195,220	39,182,265
- net profit/loss brought forward	94,864,061	13,432,085	-18,268,658	27,046,242	117,073,730	-9,809,784	107,263,946
- net profit/loss for the year	20,025,809	-5,019,654	895,602	1,048,166	16,949,923	-20,929	16,928,994
- currency translation differences	-1,486,869	-822,195	0	-723,514	-3,032,578	202,410	-2,830,168
Non-controlling interests	0	0	0	0	0	26,146,477	26,146,477
Subordinated liabilities	28,644,566	13,678,429	1,500,000	0	43,822,995	-3,220,960	40,602,035
Insurance technical provisions	1,094,952,279	882,140,244	9,410,925	0	1,986,503,448	-69,527,696	1,916,975,752
- unearned premiums	359,646,964	511,043	2,782,168	0	362,940,175	-30,876,911	332,063,264
- mathematical provisions	0	860,391,911	0	0	860,391,911	0	860,391,911
- claims provisions	708,990,155	21,237,290	6,081,742	0	736,309,187	-38,650,785	697,658,402
- other insurance technical provisions	26,315,160	0	547,015	0	26,862,175	0	26,862,175
Insurance technical provisions for unit-linked insurance contracts	0	388,209,936	0	0	388,209,936	0	388,209,936
Employee benefits	8,086,974	1,512,566	158,082	1,045,471	10,803,093	0	10,803,093
Other provisions	8,467,617	335,264	399,522	10,725,580	19,927,983	0	19,927,983
Deferred tax liabilities	6,367,431	1,166,058	0	8,238,024	15,771,513	0	15,771,513
Other financial liabilities	34,795,569	18,053,195	0	27,717,596	80,566,360	-16,910,259	63,656,101
Operating liabilities	99,875,198	8,959,857	2,581,304	24,395	111,440,754	-39,038,400	72,402,362
- liabilities from direct insurance operations	10,874,339	8,889,642	2,581,304	0	22,345,285	-509,930	21,835,355
- liabilities from reinsurance and co-insurance operations	81,845,871	70,215	0	0	81,916,086	-38,528,470	43,387,624
- current tax liabilities	7,154,988	0	0	24,395	7,179,383	0	7,179,383
Other liabilities	36,713,270	8,137,204	3,209,900	23,294,295	71,354,669	-16,292,551	55,062,118

(in EUR)

AS AT 31 DECEMBER 2011					TOTAL - NON-CONSOLIDATE	Eliminations	TOTAL -
	NON-LIFE	LIFE	HEALTH	OTHER	D		CONSOLIDATED
ASSETS	1,727,489,315	1,352,282,081	22,952,603	288,845,146	3,391,569,145	-429,569,041	2,962,000,104
Intangible assets	58,347,323	2,091,664	503,270	1,242,965	62,185,222	1,148,243	63,333,465
Property, plant and equipment	95,093,620	11,165,759	2,638,647	19,910,656	128,808,682	0	128,808,682
Deferred tax receivables	31,530,559	5,156,245	586,802	3,387,637	40,661,243	0	40,661,243
Investment property	36,017,082	3,236,659	0	46,552,001	85,805,742	10,979,148	96,784,890
Investments in associates	227,046,559	9,188,006	0	107,678,422	343,912,987	-323,408,424	20,504,563
Financial assets	943,491,451	1,307,690,817	15,312,405	59,529,147	2,326,023,820	0	2,326,023,820
Financial assets	943,491,451	943,006,443	15,312,405	59,529,147	1,961,339,446	0	1,961,339,446
- loans and deposits	241,728,764	185,861,724	7,410,950	4,710,809	439,712,247	0	439,712,247
- held to maturity	4,420,046	240,798,235	0	0	245,218,281	0	245,218,281
- available for sale	664,130,314	467,455,530	7,901,455	53,378,426	1,192,865,725	0	1,192,865,725
- investments recognised at fair value	33,212,325	48,890,954	0	1,439,912	83,543,191	0	83,543,191
Unit-linked insurance assets	0	364,684,374	0	0	364,684,374	0	364,684,374
Reinsurers' share of technical provisions	100,568,860	17,461	0	0	100,586,321	-56,603,238	43,983,083
Receivables	215,274,084	8,797,084	3,862,792	38,651,204	266,585,164	-61,535,894	205,049,270
- receivables from direct insurance operations	115,165,850	1,969,843	3,641,378	0	120,777,071	-2,217,748	118,559,323
- receivables from reinsurance and co-insurance operations	69,524,867	8,192	0	0	69,533,059	-28,793,585	40,739,474
- current tax receivables	392,857	154	0	66,498	459,509	0	459,509
- other receivables	30,190,510	6,818,895	221,414	38,584,706	75,815,525	-30,524,561	45,290,964
Other assets	8,457,864	244,655	28,757	4,014,806	12,746,082	-148,876	12,597,206
Cash and cash equivalents	11,661,913	4,693,731	19,930	6,396,093	22,771,667	0	22,771,667
Non-current assets held for sale	0	0	0	1,482,215	1,482,215	0	1,482,215
EQUITY AND LIABILITIES	1,727,489,315	1,352,282,081	22,952,603	288,845,146	3,391,569,145	-429,569,041	2,962,000,104
Equity	460,317,468	80,010,670	6,808,987	223,023,290	770,160,415	-280,690,577	489,469,838
Controlling interests	460,317,468	80,010,670	6,808,987	223,023,290	770,160,415	-304,895,482	465,264,933
- share capital	115,916,612	31,119,897	25,822,144	159,361,215	332,219,868	-258,518,466	73,701,402
- share premium	43,254,651	13,067,907	0	17,558,739	73,881,297	-20,677,221	53,204,076
- reserves from profit	199,910,474	32,091,323	0	2,950,511	234,952,308	-4,125,488	230,826,820
- fair value reserve	9,768,055	-8,964,301	-744,499	19,297,694	19,356,949	-16,569,974	2,786,975
- net profit/loss brought forward	53,276,018	6,727,413	-20,368,943	21,058,080	60,692,568	442,652	61,135,220
- net profit/loss for the year	39,808,441	6,704,672	2,100,285	3,147,653	51,761,051	-5,585,319	46,175,732
- currency translation differences	-1,616,783	-736,241	0	-350,602	-2,703,626	138,334	-2,565,292
Non-controlling interests	0	0	0	0	0	24,204,905	24,204,905
Subordinated liabilities	28,623,604	13,672,424	1,500,000	0	43,796,028	-2,863,938	40,932,090
Insurance technical provisions	1,051,421,356	866,517,668	8,466,282	0	1,926,405,306	-56,758,425	1,869,646,881
- unearned premiums	307,369,081	427,347	2,025,805	0	309,822,233	-18,081,835	291,740,398
- mathematical provisions	0	845,464,934	0	0	845,464,934	0	845,464,934
- claims provisions	718,208,945	20,625,387	5,306,508	0	744,140,840	-38,676,590	705,464,250
- other insurance technical provisions	25,843,330	0	1,133,969	0	26,977,299	0	26,977,299
Insurance technical provisions for unit-linked insurance contracts	0	364,495,891	0	0	364,495,891	0	364,495,891
Employee benefits	8,194,705	1,488,470	159,001	549,989	10,392,165	0	10,392,165
Other provisions	8,136,557	333,893	399,522	10,270,250	19,140,222	0	19,140,222
Deferred tax liabilities	1,905,791	-307,328	0	8,015,124	9,613,587	0	9,613,587
Other financial liabilities	51,698,726	5,498,322	0	28,310,568	85,507,616	-46,016,496	39,491,120
Operating liabilities	77,207,270	8,211,610	2,405,045	26,693	87,850,618	-29,989,876	57,860,742
- liabilities from direct insurance operations	11,009,638	8,139,667	2,405,045	0	21,554,350	-626,289	20,928,061
- liabilities from reinsurance and co-insurance operations	65,421,610	48,006	0	0	65,469,616	-29,363,587	36,106,029
- current tax liabilities	776,022	23,937	0	26,693	826,652	0	826,652
Other liabilities	39,983,838	12,360,461	3,213,766	18,649,232	74,207,297	-13,249,728	60,957,569

CONSOLIDATED STATEMENT OF FINANCIAL POSITION BY GEOGRAPHICAL AREA

(in EUR)

AS AT 31 MARCH 2012	SLOVENIA	OTHER	NON-CONSOLIDATED	ELIMINATIONS	CONSOLIDATED
ASSETS	3,177,846,426	387,860,839	3,565,707,265	-437,288,849	3,128,418,416
Intangible assets	59,291,310	11,585,101	70,876,411	1,817,862	72,694,273
Property, plant and equipment	97,934,383	41,847,572	139,781,955	0	139,781,955
Deferred tax receivables	40,963,128	2,189,261	43,152,389	0	43,152,389
Investment property	63,908,989	20,265,786	84,174,775	10,979,148	95,153,923
Investments in associates	340,711,585	7,791,245	348,502,830	-332,749,073	15,753,757
Financial assets	2,215,174,891	199,897,120	2,415,072,011	0	2,415,072,011
Financial investments:	1,836,996,234	189,055,429	2,026,051,663	0	2,026,051,663
- loans and deposits	347,296,021	53,186,577	400,482,598	0	400,482,598
- held to maturity	198,982,408	33,471,582	232,453,990	0	232,453,990
- available for sale	1,209,449,469	90,142,938	1,299,592,407	0	1,299,592,407
- investments recognised at fair value	81,268,333	12,254,332	93,522,665	0	93,522,665
Unit-linked insurance assets	378,178,657	10,841,691	389,020,348	0	389,020,348
Reinsurers' share of technical provisions	103,295,560	24,478,770	127,774,330	-69,361,845	58,412,485
Receivables	241,047,418	60,992,674	302,040,092	-47,760,543	254,279,549
- receivables from direct insurance operations	112,949,405	39,476,257	152,425,662	-4,732,485	147,693,177
- receivables from reinsurance and co-insurance operations	74,912,861	6,359,683	81,272,544	-38,148,375	43,124,169
- current tax receivables	6,153,702	24,004	6,177,706	-1,779,602	4,398,104
- other receivables	47,031,450	15,132,730	62,164,180	-3,100,081	59,064,099
Other assets	8,102,928	6,475,292	14,578,220	-214,398	14,363,822
Cash and cash equivalents	5,934,019	12,338,018	18,272,037	0	18,272,037
Noncurrent assets for sale	1,482,215	0	1,482,215	0	1,482,215
EQUITY AND LIABILITIES	3,177,846,426	387,860,839	3,565,707,265	-437,288,849	3,128,418,416
Equity	753,899,378	83,407,136	837,306,514	-292,298,983	545,007,531
Controlling interests	753,899,378	83,407,136	837,306,514	-318,445,460	518,861,054
- share capital	252,823,141	82,004,005	334,827,146	-261,125,758	73,701,388
- share premium	74,952,191	1,762,969	76,715,160	-22,973,242	53,741,918
- reserves from profit	220,210,476	18,185,172	238,395,648	-7,522,937	230,872,711
- fair value reserve	55,558,147	819,338	56,377,485	-17,195,220	39,182,265
- net profit/loss brought forward	132,774,117	-15,700,387	117,073,730	-9,809,784	107,263,946
- net profit/loss for the year	17,581,306	-631,383	16,949,923	-20,929	16,928,994
- currency translation differences	0	-3,032,578	-3,032,578	202,410	-2,830,168
Non-controlling interests	0	0	0	26,146,477	26,146,477
Subordinated liabilities	42,454,609	1,368,386	43,822,995	-3,220,960	40,602,035
Insurance technical provisions	1,759,459,556	227,043,892	1,986,503,448	-69,527,696	1,916,975,752
- unearned premiums	297,084,378	65,855,797	362,940,175	-30,876,911	332,063,264
- mathematical provisions	819,879,323	40,512,588	860,391,911	0	860,391,911
- claims provisions	618,760,222	117,548,965	736,309,187	-38,650,785	697,658,402
- other insurance technical provisions	23,735,633	3,126,542	26,862,175	0	26,862,175
Insurance technical provisions for unit-linked insurance contracts	377,530,298	10,679,638	388,209,936	0	388,209,936
Employee benefits	9,693,466	1,109,627	10,803,093	0	10,803,093
Other provisions	11,823,684	8,104,299	19,927,983	0	19,927,983
Deferred tax liabilities	15,545,573	225,940	15,771,513	0	15,771,513
Other financial liabilities	52,465,371	28,100,989	80,566,360	-16,910,259	63,656,101
Operating liabilities	95,690,654	15,750,100	111,440,754	-39,038,400	72,402,354
- liabilities from direct insurance operations	17,179,500	5,165,785	22,345,285	-509,930	21,835,355
- liabilities from reinsurance and co-insurance operations	71,520,543	10,395,543	81,916,086	-38,528,462	43,387,616
- current tax liabilities	6,990,611	188,772	7,179,383	0	7,179,383
Other liabilities	59,283,837	12,070,832	71,354,669	-16,292,551	55,062,118

(in EUR)

AS AT 31 DECEMBER 2011	SLOVENIA	OTHER	NON-CONSOLIDATED	Eliminations	CONSOLIDATED
ASSETS	3,015,049,209	376,519,936	3,391,569,145	-429,569,041	2,962,000,104
Intangible assets	50,731,242	11,453,980	62,185,222	1,148,243	63,333,465
Property, plant and equipment	86,280,649	42,528,033	128,808,682	0	128,808,682
Deferred tax receivables	38,475,326	2,185,917	40,661,243	0	40,661,243
Investment property	64,166,737	21,639,005	85,805,742	10,979,148	96,784,890
Investments in associates	336,061,478	7,851,509	343,912,987	-323,408,424	20,504,563
Financial assets	2,125,551,370	200,472,450	2,326,023,820	0	2,326,023,820
Financial assets	1,770,552,792	190,786,654	1,961,339,446	0	1,961,339,446
- loans and deposits	370,997,749	68,714,498	439,712,247	0	439,712,247
- held to maturity	211,599,458	33,618,823	245,218,281	0	245,218,281
- available for sale	1,117,989,900	74,875,825	1,192,865,725	0	1,192,865,725
- investments recognised at fair value	69,965,684	13,577,507	83,543,191	0	83,543,191
Unit-linked insurance assets	354,998,578	9,685,796	364,684,374	0	364,684,374
Reinsurers' share of technical provisions	81,923,035	18,663,286	100,586,321	-56,603,238	43,983,083
Receivables	213,401,379	53,183,785	266,585,164	-61,535,894	205,049,270
- receivables from direct insurance operations	84,628,155	36,148,916	120,777,071	-2,217,748	118,559,323
- receivables from reinsurance and co-insurance operations	64,234,278	5,298,781	69,533,059	-28,793,585	40,739,474
- current tax receivables	435,240	24,269	459,509	0	459,509
- other receivables	64,103,706	11,711,819	75,815,525	-30,524,561	45,290,964
Other assets	6,665,824	6,080,258	12,746,082	-148,876	12,597,206
Cash and cash equivalents	10,309,954	12,461,713	22,771,667	0	22,771,667
Non-current assets held for sale	1,482,215	0	1,482,215	0	1,482,215
EQUITY AND LIABILITIES	3,015,049,209	376,519,936	3,391,569,145	-429,569,041	2,962,000,104
Share capital	690,276,727	79,883,688	770,160,415	-280,690,577	489,469,838
Controlling interests	690,276,727	79,883,688	770,160,415	-304,895,482	465,264,933
- share capital	250,215,863	82,004,005	332,219,868	-258,518,466	73,701,402
- share premium	72,118,328	1,762,969	73,881,297	-20,677,221	53,204,076
- reserves from profit	216,767,136	18,185,172	234,952,308	-4,125,488	230,826,820
- fair value reserve	21,168,811	-1,811,862	19,356,949	-16,569,974	2,786,975
- net profit/loss brought forward	76,434,327	-15,741,759	60,692,568	442,652	61,135,220
- net profit/loss for the year	53,572,262	-1,811,211	51,761,051	-5,585,319	46,175,732
- currency translation differences	0	-2,703,626	-2,703,626	138,334	-2,565,292
Non-controlling interests	0	0	0	24,204,905	24,204,905
Subordinated liabilities	42,432,090	1,363,938	43,796,028	-2,863,938	40,932,090
Insurance technical provisions	1,705,835,686	220,569,620	1,926,405,306	-56,758,425	1,869,646,881
- unearned premiums	246,082,775	63,739,458	309,822,233	-18,081,835	291,740,398
- mathematical provisions	806,053,274	39,411,660	845,464,934	0	845,464,934
- claims provisions	629,969,034	114,171,806	744,140,840	-38,676,590	705,464,250
- other insurance technical provisions	23,730,603	3,246,696	26,977,299	0	26,977,299
Insurance technical provisions for unit-linked insurance contracts	354,900,127	9,595,764	364,495,891	0	364,495,891
Employee benefits	9,037,774	1,354,391	10,392,165	0	10,392,165
Other provisions	11,314,516	7,825,706	19,140,222	0	19,140,222
Deferred tax liabilities	9,447,240	166,347	9,613,587	0	9,613,587
Other financial liabilities	54,801,866	30,705,750	85,507,616	-46,016,496	39,491,120
Operating liabilities	74,957,364	12,893,254	87,850,618	-29,989,876	57,860,742
- liabilities from direct insurance operations	15,803,708	5,750,642	21,554,350	-626,289	20,928,061
- liabilities from reinsurance and co-insurance operations	58,628,262	6,841,354	65,469,616	-29,363,587	36,106,029
- current tax liabilities	525,394	301,258	826,652	0	826,652
Other liabilities	62,045,819	12,161,478	74,207,297	-13,249,728	60,957,569

CONSOLIDATED INCOME STATEMENT BY BUSINESS SEGMENT

(in EUR)

FOR THE PERIOD FROM 01 JANUARY 2012 TO 31 MARCH 2012	NON-LIFE	LIFE	HEALTH	OTHER	TOTAL - CONSOLIDATED
NET PREMIUM INCOME	147,176,315	53,474,340	20,922,104	0	221,572,759
- gross written premium	198,209,774	53,559,177	21,678,466	0	273,447,417
- ceded written premium	-29,916,842	-971	0	0	-29,917,813
- change in unearned premiums	-21,116,617	-83,866	-756,362	0	-21,956,845
INCOME FROM FINANCIAL ASSETS	21,767,936	45,638,309	154,292	516,239	68,076,776
<i>INCOME FROM FINANCIAL ASSETS IN ASSOCIATES</i>	<i>6,092</i>	<i>425,816</i>	<i>0</i>	<i>140,468</i>	<i>572,376</i>
- profit on equity investments accounted for using the equity method	0	425,816	0	0	425,816
- interest income	0	0	0	0	0
- dividends	0	0	0	0	0
- fair value gains	0	0	0	0	0
- realised gains on disposals	0	0	0	0	0
- other financial income	6,092	0	0	140,468	146,560
<i>INCOME FROM OTHER FINANCIAL ASSETS</i>	<i>21,761,844</i>	<i>28,314,876</i>	<i>154,292</i>	<i>375,771</i>	<i>50,606,783</i>
- interest income	10,925,344	10,757,500	154,290	85,876	21,923,010
- dividends	4,930	77,562	0	0	82,492
- fair value gains	1,396,930	3,074,744	0	36,442	4,508,116
- realised gains on disposals	1,645,569	729,997	0	146,261	2,521,827
- other financial income	7,789,071	13,675,073	2	107,192	21,571,338
<i>NET UNREALISED GAINS ON UNIT-LINKED LIFE INSURANCE ASSETS</i>	<i>0</i>	<i>16,897,617</i>	<i>0</i>	<i>0</i>	<i>16,897,617</i>
OTHER INCOME FROM INSURANCE OPERATIONS	3,245,231	3,449,696	6,010	0	6,700,937
- fees and commission income	1,555,600	3,436,765	0	0	4,992,365
- other income from insurance operations	1,689,631	12,931	6,010	0	1,708,572
OTHER INCOME	1,210,185	53,488	9,958	18,884,547	20,158,178
NET CLAIMS INCURRED	78,279,731	42,828,365	18,650,995	0	139,759,091
- gross claims settled	93,008,385	42,216,797	16,111,200	0	151,336,382
- reinsurers' and co-insurers' share	-4,483,356	0	0	0	-4,483,356
- changes in claims provisions	-10,245,298	611,568	775,234	0	-8,858,496
- equalisation scheme expenses for supplementary health insurance	0	0	1,764,561	0	1,764,561
CHANGE IN OTHER INSURANCE TECHNICAL PROVISIONS	314,955	19,623,783	-586,954	0	19,351,784
CHANGE IN INSURANCE TECHNICAL PROVISIONS FOR UNITLINKED INSURANCE CONTRACTS	0	1,046,410	0	0	1,046,410
Expenses for bonuses and discounts	2,307,787	381	0	0	2,308,168
OPERATING EXPENSES	36,647,512	7,627,929	1,644,177	0	45,919,618
- acquisition costs	24,444,558	4,310,306	276,830	0	29,031,694
- other operating costs	12,202,954	3,317,623	1,367,347	0	16,887,924
EXPENSES FROM FINANCIAL ASSETS AND LIABILITIES	22,843,967	32,997,497	5,594	1,487,008	57,334,066
<i>EXPENSES FROM FINANCIAL ASSETS AND LIABILITIES IN ASSOCIATES</i>	<i>0</i>	<i>30,222</i>	<i>0</i>	<i>1,205,952</i>	<i>1,236,174</i>
- loss on investments accounted for using the equity method	0	30,222	0	1,205,952	1,236,174
- interest expense	0	0	0	0	0
- fair value losses	0	0	0	0	0
- realised loss on disposals	0	0	0	0	0
- other expenses from financial assets and liabilities	0	0	0	0	0
<i>EXPENSES FROM OTHER FINANCIAL ASSETS AND LIABILITIES</i>	<i>22,843,967</i>	<i>32,360,098</i>	<i>5,594</i>	<i>281,056</i>	<i>55,490,715</i>
- interest expense	700,408	206,976	788	189,833	1,098,005
- fair value losses	2,818,009	7,411,361	0	40,619	10,269,989
- realised loss on disposals	6,885,218	19,499,157	0	0	26,384,375
- permanent impairment of financial assets	10,650,456	4,499,779	0	3,693	15,153,928
- other expenses from financial assets and liabilities	1,789,876	742,825	4,806	46,911	2,584,418
<i>NET UNREALISED LOSSES ON UNIT-LINKED LIFE INSURANCE ASSETS</i>	<i>0</i>	<i>607,177</i>	<i>0</i>	<i>0</i>	<i>607,177</i>
OTHER INSURANCE EXPENSES	8,623,806	3,648,733	147,854	0	12,420,393
OTHER EXPENSES	729,929	37,515	311	16,205,801	16,973,556
PROFIT/ LOSS BEFORE TAX	23,651,980	-5,194,780	1,230,387	1,707,977	21,395,564
Income tax expense	3,712,135	0	0	56,983	3,769,118
NET PROFIT / LOSS FOR THE ACCOUNTING PERIOD	19,939,845	-5,194,780	1,230,387	1,650,994	17,626,446
Net profit / loss attributable to the controlling company	19,903,514	-5,214,813	1,230,387	1,051,660	16,970,752
Net profit / loss attributable to non-controlling interest holders	36,331	20,033	0	599,334	655,698

(in EUR)

FOR THE PERIOD FROM 1 JANUARY 2011 TO 31 MARCH 2011					
	NON-LIFE	LIFE	HEALTH	OTHER	TOTAL - CONSOLIDATED
NET PREMIUM INCOME	155,388,846	54,506,511	18,901,676	0	228,797,033
- gross written premium	205,991,199	54,725,421	19,767,453	0	280,484,073
- ceded written premium	-28,966,008	-1,013	0	0	-28,967,021
- change in unearned premiums	-21,636,345	-217,897	-865,777	0	-22,720,019
INCOME FROM FINANCIAL ASSETS	13,494,663	15,263,875	119,441	969,848	29,847,827
<i>INCOME FROM FINANCIAL ASSETS IN ASSOCIATES</i>	<i>341,665</i>	<i>440,272</i>	<i>4,116</i>	<i>708,107</i>	<i>1,494,160</i>
- profit on equity investments accounted for using the equity method	74,461	275,086	0	708,107	1,057,654
- interest income	267,204	165,186	4,116	0	436,506
- dividends	0	0	0	0	0
- fair value gains	0	0	0	0	0
- realised gains on disposals	0	0	0	0	0
- other financial income	0	0	0	0	0
<i>INCOME FROM OTHER FINANCIAL ASSETS</i>	<i>13,152,998</i>	<i>11,555,055</i>	<i>115,325</i>	<i>261,741</i>	<i>25,085,119</i>
- interest income	10,322,655	10,120,159	115,325	47,490	20,605,629
- dividends	212,023	235,256	0	0	447,279
- fair value gains	743,944	569,600	0	109,512	1,423,056
- realised gains on disposals	1,623,791	617,314	0	0	2,241,105
- other financial income	250,585	12,726	0	104,739	368,050
<i>NET UNREALISED GAINS ON UNIT-LINKED LIFE INSURANCE ASSETS</i>	<i>0</i>	<i>3,268,548</i>	<i>0</i>	<i>0</i>	<i>3,268,548</i>
OTHER INCOME FROM INSURANCE OPERATIONS	3,473,914	4,390,016	0	0	7,863,930
- fees and commission income	1,661,132	3,770,493	0	0	5,431,625
- other income from insurance operations	1,812,782	619,523	0	0	2,432,305
OTHER INCOME	1,274,564	45,311	3,065	12,784,647	14,107,587
NET CLAIMS INCURRED	94,594,174	35,257,554	17,634,153	0	147,485,881
- gross claims settled	98,075,348	34,547,053	15,152,203	0	147,774,604
- reinsurers' and co-insurers' share	-7,022,012	0	0	0	-7,022,012
- changes in claims provisions	3,540,838	710,501	816,395	0	5,067,734
- equalisation scheme expenses for supplementary health insurance	0	0	1,665,555	0	1,665,555
CHANGE IN OTHER INSURANCE TECHNICAL PROVISIONS	2,555,560	9,239,293	-787,839	0	11,007,014
CHANGE IN INSURANCE TECHNICAL PROVISIONS FOR UNITLINKED INSURANCE CONTRACTS	0	621,360	0	0	621,360
Expenses for bonuses and discounts	2,252,596	375	0	0	2,252,971
OPERATING EXPENSES	37,536,683	8,207,679	1,721,173	0	47,465,535
- acquisition costs	24,057,957	4,728,455	187,366	0	28,973,778
- other operating costs	13,478,726	3,479,224	1,533,807	0	18,491,757
EXPENSES FROM FINANCIAL ASSETS AND LIABILITIES	9,085,254	11,503,462	55,136	1,465,199	22,109,051
<i>EXPENSES FROM FINANCIAL ASSETS AND LIABILITIES IN ASSOCIATES</i>	<i>1,821,165</i>	<i>104,387</i>	<i>387</i>	<i>1,048,121</i>	<i>2,974,060</i>
- loss on investments accounted for using the equity method	0	18,655	0	996,369	1,015,024
- interest expense	23,326	0	0	51,752	75,078
- fair value losses	1,791,808	85,732	0	0	1,877,540
- realised loss on disposals	31	0	0	0	31
- other expenses from financial assets and liabilities	6,000	0	387	0	6,387
<i>EXPENSES FROM OTHER FINANCIAL ASSETS AND LIABILITIES</i>	<i>7,264,089</i>	<i>3,715,832</i>	<i>54,749</i>	<i>417,078</i>	<i>11,451,748</i>
- interest expense	723,332	283,284	712	168,157	1,175,485
- fair value losses	1,297,382	1,021,875	0	124,416	2,443,673
- realised loss on disposals	1,917,535	1,714,734	0	20	3,632,289
- permanent impairment of financial assets	1,450,945	0	49,632	129	1,500,706
- other expenses from financial assets and liabilities	1,874,895	695,939	4,405	124,356	2,699,595
<i>NET UNREALISED LOSSES ON UNIT-LINKED LIFE INSURANCE ASSETS</i>	<i>0</i>	<i>7,683,243</i>	<i>0</i>	<i>0</i>	<i>7,683,243</i>
OTHER INSURANCE EXPENSES	9,364,747	4,484,198	249,316	0	14,098,261
OTHER EXPENSES	662,238	36,497	7,294	12,512,033	13,218,062
PROFIT/ LOSS BEFORE TAX	17,580,735	4,855,295	144,949	-222,737	22,358,242
Income tax expense	4,567,513	1,336,310	0	-134,029	6,037,852
NET PROFIT / LOSS FOR THE ACCOUNTING PERIOD	13,013,222	3,518,985	144,949	-356,766	16,320,390
Net profit / loss attributable to the controlling company	12,086,690	3,508,334	145,665	-286,178	15,454,515
Net profit / loss attributable to non-controlling interest holders	926,532	10,651	-716	-70,588	865,879

CONSOLIDATED INCOME STATEMENT BY GEOGRAPHICAL AREA

(in EUR)

FOR THE PERIOD FROM 1 JANUARY 2012 TO 31 MARCH 2012	SLOVENIA	OTHER	TOTAL - CONSOLIDATED
NET PREMIUM INCOME	183,248,604	38,324,155	221,572,759
- gross written premium	229,832,735	43,614,682	273,447,417
- ceded written premium	-24,564,296	-5,353,517	-29,917,813
- change in unearned premiums	-22,019,835	62,990	-21,956,845
INCOME FROM FINANCIAL ASSETS	63,839,561	4,237,215	68,076,776
<i>INCOME FROM FINANCIAL ASSETS IN ASSOCIATES</i>	<i>572,376</i>	<i>0</i>	<i>572,376</i>
- profit on equity investments accounted for using the equity method	425,816	0	425,816
- interest income	0	0	0
- dividends	0	0	0
- fair value gains	0	0	0
- realised gains on disposals	0	0	0
- other financial income	146,560	0	146,560
<i>INCOME FROM OTHER FINANCIAL ASSETS</i>	<i>46,981,733</i>	<i>3,625,050</i>	<i>50,606,783</i>
- interest income	19,505,824	2,417,186	21,923,010
- dividends	82,246	246	82,492
- fair value gains	4,342,179	165,937	4,508,116
- realised gains on disposals	2,481,735	40,092	2,521,827
- other financial income	20,569,749	1,001,589	21,571,338
<i>NET UNREALISED GAINS ON UNIT-LINKED LIFE INSURANCE ASSETS</i>	<i>16,285,452</i>	<i>612,165</i>	<i>16,897,617</i>
OTHER INCOME FROM INSURANCE OPERATIONS	5,321,128	1,379,809	6,700,937
- fees and commission income	4,550,147	442,218	4,992,365
- other income from insurance operations	770,981	937,591	1,708,572
OTHER INCOME	18,360,931	1,797,247	20,158,178
NET CLAIMS INCURRED	115,546,955	24,212,136	139,759,091
- gross claims settled	128,631,467	22,704,915	151,336,382
- reinsurers' and co-insurers' share	-3,519,838	-963,518	-4,483,356
- changes in claims provisions	-11,329,235	2,470,739	-8,858,496
- equalisation scheme expenses for supplementary health insurance	1,764,561	0	1,764,561
CHANGE IN OTHER INSURANCE TECHNICAL PROVISIONS	18,573,383	778,401	19,351,784
CHANGE IN INSURANCE TECHNICAL PROVISIONS FOR UNITLINKED INSURANCE CONTRACTS	0	1,046,410	1,046,410
Expenses for bonuses and discounts	2,026,744	281,424	2,308,168
OPERATING EXPENSES	32,681,625	13,237,993	45,919,618
- acquisition costs	21,352,224	7,679,470	29,031,694
- other operating costs	11,329,401	5,558,523	16,887,924
EXPENSES FROM FINANCIAL ASSETS AND LIABILITIES	55,919,144	1,414,922	57,334,066
<i>EXPENSES FROM FINANCIAL ASSETS AND LIABILITIES IN ASSOCIATES</i>	<i>1,236,174</i>	<i>0</i>	<i>1,236,174</i>
- loss on investments accounted for using the equity method	1,236,174	0	1,236,174
- interest expense	0	0	0
- fair value losses	0	0	0
- realised loss on disposals	0	0	0
- other expenses from financial assets and liabilities	0	0	0
<i>EXPENSES FROM OTHER FINANCIAL ASSETS AND LIABILITIES</i>	<i>54,083,623</i>	<i>1,407,092</i>	<i>55,490,715</i>
- interest expense	1,059,839	38,166	1,098,005
- fair value losses	9,972,599	297,390	10,269,989
- realised loss on disposals	26,371,939	12,436	26,384,375
- permanent impairment of financial assets	15,106,718	47,210	15,153,928
- other expenses from financial assets and liabilities	1,572,528	1,011,890	2,584,418
<i>NET UNREALISED LOSSES ON UNIT-LINKED LIFE INSURANCE ASSETS</i>	<i>599,347</i>	<i>7,830</i>	<i>607,177</i>
OTHER INSURANCE EXPENSES	8,466,247	3,954,146	12,420,393
OTHER EXPENSES	15,038,278	1,935,278	16,973,556
PROFIT/ LOSS BEFORE TAX	22,517,848	-1,122,284	21,395,564
Income tax expense	3,769,118	0	3,769,118
NET PROFIT / LOSS FOR THE ACCOUNTING PERIOD	18,748,730	-1,122,284	17,626,446
Net profit / loss attributable to the controlling company	18,015,427	-1,044,679	16,970,752
Net profit / loss attributable to non-controlling interest holders	733,303	-77,605	655,698

(in EUR)

FOR THE PERIOD FROM 1 JANUARY 2011 TO 31 MARCH 2011	SLOVENIA	OTHER	TOTAL - CONSOLIDATED
NET PREMIUM INCOME	188,691,332	40,105,701	228,797,033
- gross written premium	234,180,526	46,303,547	280,484,073
- ceded written premium	-23,959,658	-5,007,363	-28,967,021
- change in unearned premiums	-21,529,536	-1,190,483	-22,720,019
INCOME FROM FINANCIAL ASSETS	26,924,943	2,922,884	29,847,827
<i>INCOME FROM FINANCIAL ASSETS IN ASSOCIATES</i>	1,494,160	0	1,494,160
- profit on equity investments accounted for using the equity method	1,057,654	0	1,057,654
- interest income	436,506	0	436,506
- dividends	0	0	0
- fair value gains	0	0	0
- realised gains on disposals	0	0	0
- other financial income	0	0	0
<i>INCOME FROM OTHER FINANCIAL ASSETS</i>	22,227,139	2,857,980	25,085,119
- interest income	18,128,983	2,476,646	20,605,629
- dividends	446,098	1,181	447,279
- fair value gains	1,359,613	63,443	1,423,056
- realised gains on disposals	2,057,858	183,247	2,241,105
- other financial income	234,587	133,463	368,050
<i>NET UNREALISED GAINS ON UNIT-LINKED LIFE INSURANCE ASSETS</i>	3,203,644	64,904	3,268,548
OTHER INCOME FROM INSURANCE OPERATIONS	5,982,144	1,881,786	7,863,930
- fees and commission income	4,672,921	758,704	5,431,625
- other income from insurance operations	1,309,223	1,123,082	2,432,305
OTHER INCOME	12,037,882	2,069,705	14,107,587
NET CLAIMS INCURRED	126,755,637	20,730,244	147,485,881
- gross claims settled	124,335,369	23,439,235	147,774,604
- reinsurers' and co-insurers' share	-6,487,773	-534,239	-7,022,012
- changes in claims provisions	7,242,486	-2,174,752	5,067,734
- equalisation scheme expenses for supplementary health insurance	1,665,555	0	1,665,555
CHANGE IN OTHER INSURANCE TECHNICAL PROVISIONS	10,663,212	343,802	11,007,014
CHANGE IN INSURANCE TECHNICAL PROVISIONS FOR UNITLINKED INSURANCE CONTRACTS	0	621,360	621,360
Expenses for bonuses and discounts	1,990,345	262,626	2,252,971
OPERATING EXPENSES	35,204,203	12,261,332	47,465,535
- acquisition costs	22,690,383	6,283,395	28,973,778
- other operating costs	12,513,820	5,977,937	18,491,757
EXPENSES FROM FINANCIAL ASSETS AND LIABILITIES	21,209,128	899,923	22,109,051
<i>EXPENSES FROM FINANCIAL ASSETS AND LIABILITIES IN ASSOCIATES</i>	2,974,060	0	2,974,060
- loss on investments accounted for using the equity method	1,015,024	0	1,015,024
- interest expense	75,078	0	75,078
- fair value losses	1,877,540	0	1,877,540
- realised loss on disposals	31	0	31
- other expenses from financial assets and liabilities	6,387	0	6,387
<i>EXPENSES FROM OTHER FINANCIAL ASSETS AND LIABILITIES</i>	10,558,914	892,834	11,451,748
- interest expense	1,152,663	22,822	1,175,485
- fair value losses	2,056,657	387,016	2,443,673
- realised loss on disposals	3,632,219	70	3,632,289
- permanent impairment of financial assets	1,272,229	228,477	1,500,706
- other expenses from financial assets and liabilities	2,445,146	254,449	2,699,595
<i>NET UNREALISED LOSSES ON UNIT-LINKED LIFE INSURANCE ASSETS</i>	7,676,154	7,089	7,683,243
OTHER INSURANCE EXPENSES	9,635,823	4,462,438	14,098,261
OTHER EXPENSES	11,531,518	1,686,544	13,218,062
PROFIT/ LOSS BEFORE TAX	16,646,435	5,711,807	22,358,242
Income tax expense	6,037,852	0	6,037,852
NET PROFIT / LOSS FOR THE ACCOUNTING PERIOD	10,608,583	5,711,807	16,320,390
Net profit / loss attributable to the controlling company	10,680,155	4,774,356	15,454,515
Net profit / loss attributable to non-controlling interest holders	-71,572	937,451	865,879

3.6. Significant items of statement of financial position

Intangible assets

In the first quarter of 2012, intangible assets of Zavarovalnica Triglav increased by EUR 14.2 million. The increase was mostly due to the acquisition of computer software and other licences (EUR 9.4 million) and higher deferred acquisition costs (EUR 4.8 million) as a consequence of a greater number of insurance contracts concluded in the first quarter of the year. Due to the higher number of concluded insurance contracts in the beginning of the financial year, there is an increase in unearned premium provisions and deferred acquisition costs, which tend to decrease again by the end of the financial year.

In the reporting period, intangible assets of the Triglav Group increased by EUR 15.5 million. The respective increase disclosed in the consolidated financial statements also arises from the acquisition of computer software and other licences (EUR 9.9 million), higher deferred acquisition costs (EUR 4.8 million) and goodwill (EUR 670,000) – for details see Section 3.7.

Property, plant and equipment

In the first quarter of 2012, Zavarovalnica Triglav acquired new property, plant and equipment in the amount of EUR 675,000. As at 31 March 2012, liabilities for the acquisition of land, buildings and equipment amounted to EUR 261,000.

At the Group level acquisition costs of property, plant and equipment totalled EUR 1.3 million in the first quarter of 2012.

Impairment

In the income statements of Zavarovalnica Triglav and the Triglav Group, an impairment loss on financial assets of EUR 15.1 million and EUR 15.2 million respectively was recognised in the first quarter of 2012. No impairment loss on other assets or reversal of such impairment loss was recognised in the reporting period.

Subordinated debt instruments

From 1 January 2011 to 31 March 2012, Zavarovalnica Triglav did not issue, buy back or redeem any debt securities.

Contingent liabilities

In the reporting period contingent liabilities rose by EUR 6.4 million over 31 December 2011 and equalled total receivables from option agreements.

Distribution of accumulated profits for 2011

On 12 June 2012 the General Meeting of Shareholders will decide on the distribution of accumulated profits.

3.7. Changes in equity stakes in subsidiaries and business combinations

Purchase of shares in Pozavarovalnica Triglav Re d.d. Ljubljana

Zavarovalnica Triglav purchased 600 shares of Pozavarovalnica Triglav Re from non-controlling interest holders and thus increased its equity stake in the latter from 87.0% to 91.0%. The purchase price for a 4% equity stake was EUR 864,600. The difference between the amount for which the non-controlling interest is adjusted and the compensation received, equalling EUR 522,650, was recognized directly in capital reserves.

Purchase of shares in Triglav Zdravstvena zavarovalnica d.d. Ljubljana

Zavarovalnica Triglav purchased 3,029 shares of Triglav Zdravstvena zavarovalnica from non-controlling interest holders and thus became the 100% owner of that subsidiary. The purchase price for a 0.49% equity stake was EUR 18,174. The difference between the amount for which the non-controlling interest is adjusted and the compensation received, equalling EUR 15,190, was recognized directly in capital reserves.

Other changes in the Triglav Group

Triglav Naložbe d.d. – acquisition of Avrigo d.d. and its subsidiaries

On 6 February 2012 Triglav Naložbe acquired Avrigo d.d., Nova Gorica, by increasing its equity stake from 46.51% to 77.96%. Before the acquisition, the holding in Avrigo d.d. was accounted for using the equity method in consolidated financial statements. Avrigo d.d., assessed as having the ability to generate high return on equity, was acquired in order for the Company to gain control over its operations.

The subsidiaries of Avrigo d.d. are the following:

- Integral Notranjska d.o.o., družba za prevoz in turizem, Cerknica – 100% owned;
- Integral avtobusni promet in turizem Zagorje d.o.o. – 78.57% owned;
- Integral Stojna Kočevje d.o.o. – 79.88% owned;
- Alptours Turizem, trgovina, storitve d.o.o., Bovec – 97.66% owned.

Capital ties of the above subsidiaries include:

- a 9.03% equity holding of Integral Strojna Kočevje d.o.o. in Integral avtobusni promet in turizem Zagorje d.o.o.;
- a 19.39% equity holding of Integral avtobusni promet in turizem Zagorje d.o.o. in Integral Strojna Kočevje d.o.o.

The acquisition of Avrigo d.d., with its four subsidiaries, was recognised in the consolidated financial statements for the 1st quarter of 2012 and as at 31 March 2012 (the reporting date), applying the acquisition method (previously “purchase method”) according to IFRS 3 – Business Combinations.

The acquired assets and liabilities and non-controlling interests in the acquired companies were recognised and measured as follows:

FAIR VALUE of assets and liabilities of Avrigo d.d. as at the acquisition date

		(in EUR)
1	ASSETS	14,011,573
	Intangible assets	25,952
	Property, plant and equipment	8,226,379
	Investment property	35,025
	Financial assets	2,436,695
	Deferred tax assets	69,409
	Other receivables	2,206,310
	Cash and cash equivalents	921,430
	Other assets	90,373
2	LIABILITIES	5,136,319
	Long-term provisions	372,356
	Liabilities to banks	1,464,647
	Other operating liabilities	3,299,316
3	NET value of assets acquired and liabilities assumed	8,875,254
	Value of identifiable assets and acquired liabilities using the equity method as at the acquisition date (46.51% stake)	3,981,756
4	Fair value calculation for 46.51% stake	4,127,881
5	Difference (5 - 4) recognised in financial income	146,124
6	Acquisition price of acquired stake (31.45%)	2,976,120
7	Fair value of acquired stake (31.45%)	2,791,267
9	Goodwill	184,853
	Value of non-controlling interest (calculated as proportionate share in equity instruments in recognised value of net identifiable assets (22.04%))	1,956,106

FAIR VALUE of assets and liabilities of subsidiaries of Avrigo d.d. as at the acquisition date

		(in EUR)			
No.	Items	Integral Notranjska d.o.o.	Integral – Zagorje d.o.o.	Integral Strojna Kočevje d.o.o.	Triglavko d.o.o.
1	ASSETS	2,863,709	2,509,642	1,784,116	31,088
	Intangible assets	0	2,381	2,838	0
	Property, plant and equipment	1,266,080	1,717,030	1,355,057	28,870
	Investment property	2,000	0	0	0
	Financial assets	431,497	208,269	100,126	0
	Deferred tax assets	3,291	244,933	99,000	0
	Other receivables	725,861	295,543	223,165	0
	Cash and cash equivalents	434,570	41,486	3,930	2,218
	Other assets	410	0	0	0
2	LIABILITIES	183,078	1,725,261	1,227,756	42,679
	Long-term provisions	32,906	114,302	495,000	0
	Liabilities to banks	15,910	0	0	0
	Other operating liabilities	134,262	1,610,959	732,756	42,679
3	NET value of assets acquired and liabilities assumed	2,680,631	784,381	556,360	-11,591
4	Acquisition price of Avrigo -subsidiary	842,050	1,000,000	495,000	9,804
5	Acquisition price of Integral Strojna Kočevje - subsidiary	0	100,126	0	0
6	Acquisition price of Integral Zagorje - subsidiary	0	0	98,269	0
6	Equity stake (%)	100.00	87.60	99.27	97.66
7	Fair value of acquired stake	2,680,631	687,079	552,299	-11,320
8	GOODWILL (recognised under intangible assets)	0	413,047	50,596	21,124
9	BADWILL (recognised under income)	1,838,581	0	9,626	0
	Value of non-controlling interest (calculated as proportionate share in equity instruments in recognised value of net identifiable assets)	0	97,302	4,061	-271

3.8. Related party transactions

Management Board of Zavarovalnica Triglav

In the first three months of 2012, members of the Management Board of Zavarovalnica Triglav were paid the following amounts as compensation for their work:

MANAGEMENT BOARD	Fixed salaries (gross)	Other additional payments*	Bonuses	BENEFITS		Reimbursements	Net pay received
				Insurance premiums**	Other benefits		
Matjaž Rakovec	37,896	0	0	11,586	3,249	1,927	11,376
Igor Stebernak	36,010	0	0	1,647	1,624	1,060	17,448
Andrej Slapar	36,010	0	0	9,036	2,388	963	12,355
Vladimir Mišo Čeplak	0	0	14,712	0	0	0	7,127
Marica Makoter	27,220	0	0	1,317	1,061	773	12,557
TOTAL	137,136	0	14,712	23,586	8,322	4,723	60,863

* Other additional payments include holiday allowance.

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

As at 31 March 2012, Zavarovalnica Triglav had the following receivables from and liabilities to the Management Board members:

MANAGEMENT BOARD	(in EUR)	
	Receivables as at 31 March 2012	Liabilities as at 31 March 2012
Matjaž Rakovec	88	10,865
Igor Stebernak	0	12,314
Andrej Slapar	16	11,755
Marica Makoter	16	4,665
TOTAL	120	39,599

Supervisory Board of Zavarovalnica Triglav

In the first quarter of 2012, the Supervisory Board members of Zavarovalnica Triglav were paid the following amounts as compensation for their work:

(in EUR)					
SUPERVISORY BOARD OF	Flat-rate remuneration	Attendance fee	Reimbursements	Total gross pay	Total net pay
Uroš Slavinec	5,200	275	0	5,475	4,243
Anton Ribnikar	6,500	495	0	6,995	5,421
Igor Mihajlovič	4,875	495	0	5,370	4,162
Aljoša Valentinčič	4,063	275	0	4,338	3,362
Vladimir Uršič	4,063	275	105	4,443	3,443
Branko Gorjan	4,063	275	105	4,443	3,443
Peter Celar	4,063	275	38	4,376	3,391
Miran Krštinc	4,875	495	0	5,370	4,162
Barbara Nose	1,213	0	0	1,213	940
Srečko Jadek	0	220	0	220	170
Vanessa Grmek	0	440	0	440	341
Total	38,915	3,520	248	42,683	33,078

As at 31 March 2012, Zavarovalnica Triglav had the following receivables from and liabilities to the Supervisory Board members:

(in EUR)		
SUPERVISORY BOARD OF	Receivables as at 31 March 2012	Liabilities as at 31 March 2012
Uroš Slavinec	0	2,076
Anton Ribnikar	0	2,276
Igor Mihajlovič	0	1,856
Aljoša Valentinčič	0	1,612
Vladimir Uršič	0	1,775
Branko Gorjan	0	1,951
Peter Celar	0	1,535
Miran Krštinc	0	2,027
Barbara Nose	0	450
Srečko Jadek	0	170
Eva Boštjančič	0	170
Tomaž Kuntarič	0	170
Vanessa Grmek	0	170
TOTAL	0	16,238

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)	
ASSETS	31 March 2012	31 December 2011
Loans given to members of the Group	29,495,948	31,380,320
Receivables from insurance premium	1,060,511	1,048,593
Premium receivable from co-insurance	0	445
Receivables from reinsurers' shares in claims	6,947,073	6,899,598
Other short-term receivables from insurance operations	4,291	7,398
Short-term receivables from financing	14,990	46,983
Other short-term receivables	673,210	571,119

	(in EUR)	
LIABILITIES	31 March 2012	31 December 2011
Liabilities towards policyholders	330,631	258,720
Liabilities to insurance brokers	144,115	197,373
Liabilities from reinsurance premiums	18,281,336	13,533,202
Liabilities from the share of claims from co-insurance	2,993	442
Short-term liabilities from financing	0	22,986,951
Other short-term liabilities	61,265	160,467

	(in EUR)	
INCOME/EXPENSES	Q1 2012	Q1 2011
Gross written premium	264,810	70,732
Assumed co-insurance written premium	0	12,432
Reinsurance written premium (-)	-25,094,959	-24,780,583
Reinsurance commission income	3,632,059	3,356,096
Other income from insurance	756,410	532,594
Interest income	399,437	303,627
Income from land and buildings	39,569	41,355
Other net income from insurance operations	190,461	102,113
Other income	46,295	27,005
TOTAL INCOME	-19,765,919	-20,334,629
Gross claims settled	413,287	3,546
Co-insurers' share of claims	2,550	0
Reinsurers' share of claims	-5,258,140	-8,494,497
Other costs and expenses	8,550	0
Other finance costs	2,996	31
TOTAL EXPENSES	-4,830,757	-8,490,921

Associated companies

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.

(in EUR)				
	Zavarovalnica Triglav		Triglav Group	
	31 March 2012	31 December 2011	31 March 2012	31 December 2011
ASSETS				
Receivables from insurance premium	395,381	1,435	395,381	1,435
Other short-term receivables	42,929	55,857	153,236	66,095

(in EUR)				
	Zavarovalnica Triglav		Triglav Group	
	31 March 2012	31 December 2011	31 March 2012	31 December 2011
LIABILITIES				
Liabilities towards policyholders	7.217	5.250	7.217	5.250
Liabilities to insurance brokers	14.866	17.802	14.866	17.801
Other short-term liabilities	0	0	4.833	4.536

(in EUR)				
	Zavarovalnica Triglav		Triglav Group	
	Q1 2012	Q1 2011	Q1 2012	Q1 2011
INCOME/EXPENSES				
Gross written premium	372,088	797,251	372,088	797,251
Interest income	0	430,682	0	
TOTAL INCOME	372,088	1,227,932	372,088	797,251
Gross claims settled	15,769	287,214	15,769	287,214
Interest expense	0	60,445	0	
Other finance costs	0	6,000	0	
TOTAL EXPENSES	15,769	353,659	15,769	287,214

3.9. Other significant events in the reporting period

For other significant events in the first quarter of 2012 see page 7 of this report.

3.10. Significant subsequent events

No events occurring after the reporting date were material to the consolidated financial statements for the year 2011.

Events after the reporting date having an impact on the operations in 2012 include:

- On 7 May 2012, the Supervisory Board adopted the audited Annual Report of Zavarovalnica Triglav for 2011 and the audited Annual Report of the Triglav Group for 2011 as prepared by the Management Board of Zavarovalnica Triglav. The Annual Reports were published on 11 April 2012.
- At the General Meeting of Shareholders, the Management Board and the Supervisory Board proposed that the accumulated profit of EUR 93,322,070.68 as at 31 December 2012 be distributed as follows:
 - part of accumulated profits in the amount of EUR 12,504,331.40 for dividend payments amounting to EUR 0.55 gross per share payable to the shareholders appearing on the Share Register two days following the date of the General Meeting of Shareholders within 30 days of the date this resolution is passed;
 - the distribution of the remaining accumulated profits of EUR 108,633,571.25 shall be decided in the following years.
- Zavarovalnica Triglav acquired a 9% equity stake in Pozavarovalnica Triglav Re held by non-controlling interest holders, thus becoming its 100% owner.
- Gregor Stražar was appointed as President of Management Board of Pozavarovalnica Triglav RE on 19 April 2012.
- Stanislav Vrtunski was on 23 May 2012 served a decision by the Insurance Supervision Agency, licensing him to serve as a Management Board member of Zavarovalnica Triglav. Upon this, the resolution of the Supervisory Board, dated 15 April 2012, on his appointment as Management Board member entered into force.
- On 29 May 2012 Zavarovalnica Triglav was served a decision of the Supreme Court of the Republic of Slovenia, whereby it rejected the appeal by Zavarovalnica Triglav against the Decision of the Securities Market Agency, prohibiting Zavarovalnica Triglav from exercising its voting rights in Abanka Vipava.