



Ready. 365.

The Triglav Group and
Zavarovalnica Triglav d.d.
Annual Report 2023

The unofficial version
of the integrated
annual report.

triglav

Triglav Group
triglav.eu

Marija Kuplen, Tadej Strnad, Amir Duratović, Jan Jelenc, Manja Pražnikar

Ready. 365.

Resilience is much more than the sum of its factors. It is the steadfast ability and constant readiness to respond to the evolving expectations and needs of our clients. We have consistently supported and stood by our clients for more than 120 years.

In 2023, we continued our transformation into a fully client-centric insurance and financial group. We have effectively streamlined our complex processes and carefully managed our growth resources. The Triglav Group's adaptability has been demonstrated by its adept navigation of the unique challenges it has faced.

In all situations

There are many hard-working volunteer firefighters among our employees, such as Žiga Berlec and Aleksander Petrič (above left), both of whom participated in the recovery efforts following extreme weather events in Slovenia in 2023.

First, Žiga, as a full-time insurance agent in our network, assisted in documenting the damage suffered by our clients; afterwards, in his capacity as a member of the Motnik Volunteer Fire Brigade, he continued to provide assistance by distributing supplies to those affected and supporting recovery efforts. As part of the national rescue plan, Alexander, as a member of the Šmarje - Sap Volunteer Fire Brigade, helped in reestablishing infrastructure and delivering supplies in the Koroška region during the first critical days.

“The readiness to offer immediate assistance begins long before any such event occurs”, said both, emphasising the significant value they place on volunteering.

Read more about their experiences at <https://annualreport.triglav.eu/2023>



Resilience and financial strength.



A robust business model.



Engaged and skilled employees.

An efficient risk management system.



Business digitalisation.

A client-centric and user experience-oriented development of products, services and ecosystems.



Integrated sustainability aspects.

A trusted brand.



An extensive sales network, a multi-channel approach and a single entry point.

See [sections 2.6.1](#) and [4](#), for more information about value creation model, strategy and plans of the Triglav Group.

Exemplary trust from clients

Digitalisation has transformed the client experience, making digital processes indispensable for the efficient and streamlined operation of the Triglav Group. Our employees play a key role in maintaining high levels of client trust and driving the expansion of the Group's business.

Tadej Strnad and Amir Duratović (standing in the back), Mitja Valek, Marija Kuplen and Jan Jelenc are our non-life claims settlement officers, and Manja Pražnikar (sitting to the right) is our communications officer. In the reporting year, they were involved in improving internal procedures and, in the aftermath of extreme weather events of 2023, they advised clients on how to ensure their safety and file a claim.

In a rapidly changing environment, we are increasing our responsiveness and flexibility of our range of products and services, helping clients in understanding and managing the risks they face.

Learn more about our employees' experiences in emergency situations and the pivotal role of technology by visiting <https://annualreport.triglav.eu/2023>



About the Triglav Group →

Triglav Group
 The leading insurance and financial group in the Adria region with more than 120 years of operation

EUR 4,099.0 million
+8%
 Balance sheet total

An attractive and sustainable dividend policy

5,318 employees

Insurance

- Non-life
- Life
- Pension
- Health
- Reinsurance

Markets in the Adria region and international presence through partnerships

EUR 1,653.7 million
+12%
 Gross written premium

EUR 238.4 million
+28%
 Contractual service margin (CSM)

Asset management

- Own insurance portfolio
- Mutual funds and individual asset management
- Pension funds

EUR 3,398.5 million
+4%
 Investment portfolio

Conservative and high-quality structure of the investment portfolio

EUR 4,851.4 million
+11%
 Assets under management (AUM)

In this report

Business Report		
1.	Address by the President of the Management Board	7
2.	Triglav Group and Zavarovalnica Triglav in 2023	8
3.	Report of the Supervisory Board	17
4.	Triglav Group strategy and plans	24
5.	Corporate Governance Statement	33
6.	The share and shareholders of Zavarovalnica Triglav	47
7.	Macroeconomic environment and insurance markets	53
8.	Financial result of the Triglav Group and Zavarovalnica Triglav	63
9.	Risk Management	78
10.	Development activities	88
	Non-financial statement	93
11.	Sustainable development at the Triglav Group	95
12.	Triglav Group as at 31 December 2023	129
13.	Business network of the Triglav Group	134

Accounting Report		
	Statement of management's responsibilities	137
1.	Financial statements	143
2.	Notes to the financial statements	149
3.	Notes to specific significant items in the financial statements	221
4.	Other information	328

Appendix		
1.	Glossary of terms	336
2.	Disclosures under the EU Taxonomy Regulation	340
3.	GRI, SASB and SDG Content Index	343

The Triglav Group and Zavarovalnica Triglav d.d.

Audited Annual Report for the Year Ended 31 December 2023

About the report

The annual report in PDF format is its unofficial version. The annual report in ESEF format complies with the Commission Delegated Regulation (EU) 2019/815 and paragraph one of Article 134 of the Market in Financial Instruments Act (ZTFI-1) and is its official version published on SEOnet. The Annual Report of the Triglav Group and Zavarovalnica Triglav d.d. for 2023 is integrated and describes the balance and plans as at 31 December 2023. The information is presented based on the financial statements prepared in accordance with the new IFRS 9 and IFRS 17 standards effective from 1 January 2023. You can read more about the report in [Section 11.1 About the report](#).



Keep updated about our activities

Detailed information for investors and existing shareholders is available at:

Information for shareholders:

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

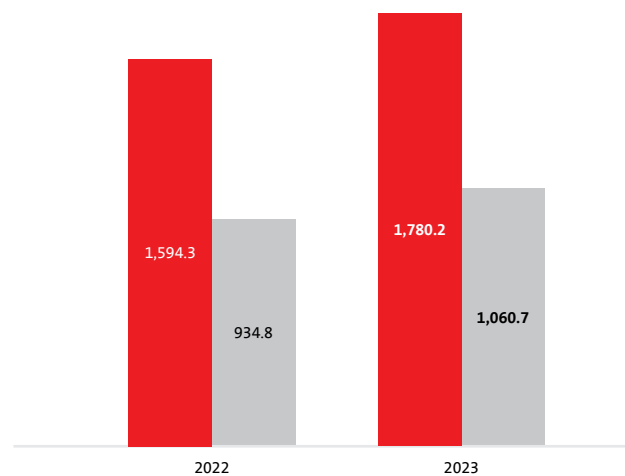
Helena Ulaga Kitek, Director of Investor Relations Department

T: ++386 (1) 47 47 331

Email: investor.relations@triglav.si

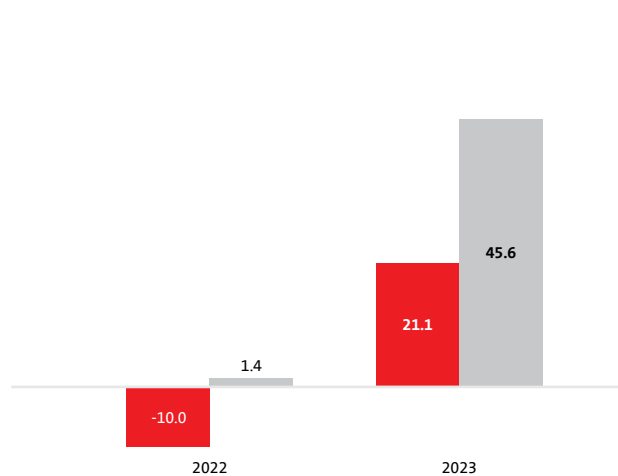
2023 Key Highlights

Total business volume in EUR million



■ Triglav Group
■ Zavarovalnica Triglav

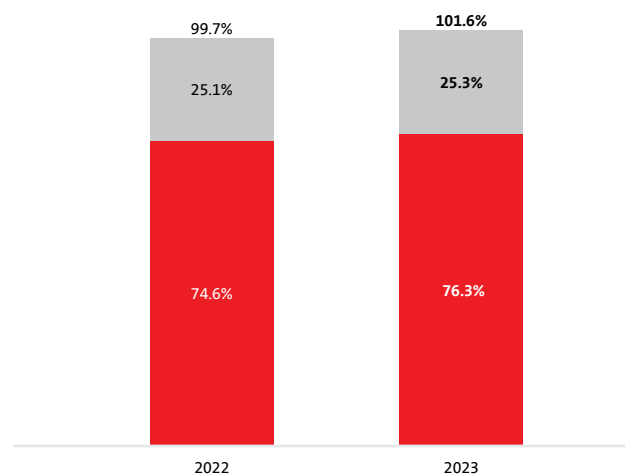
Earnings before tax in EUR million



■ Triglav Group
■ Zavarovalnica Triglav

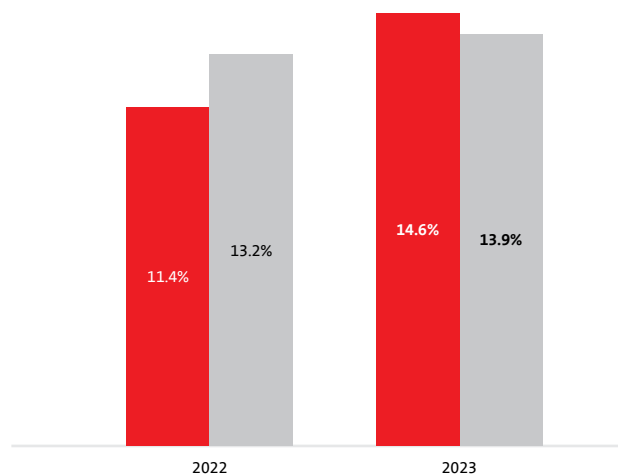


Combined ratio Non-Life and Health of the Triglav Group



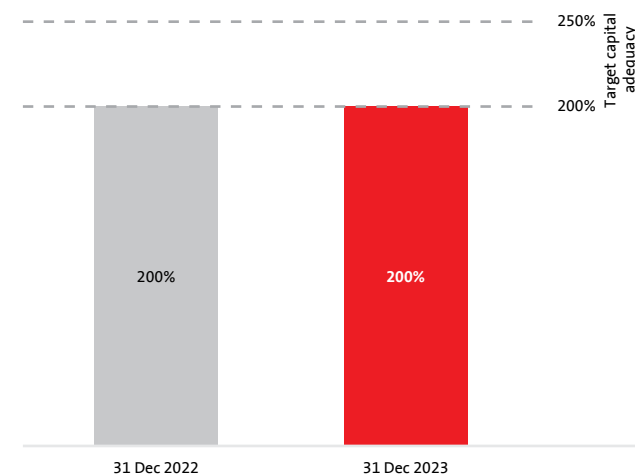
■ Claims ratio
■ Expense ratio

New business margin Life and Pension

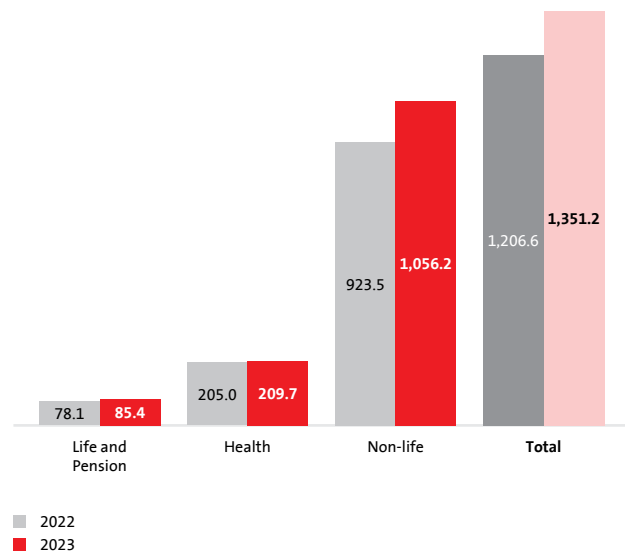


■ Triglav Group
■ Zavarovalnica Triglav

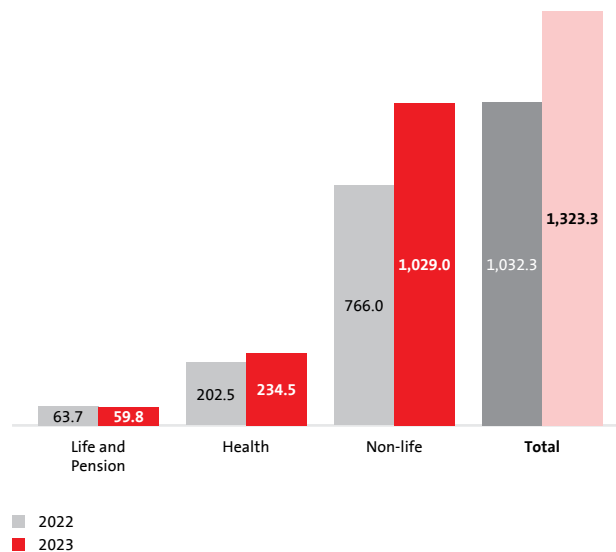
Capital adequacy of the Triglav Group



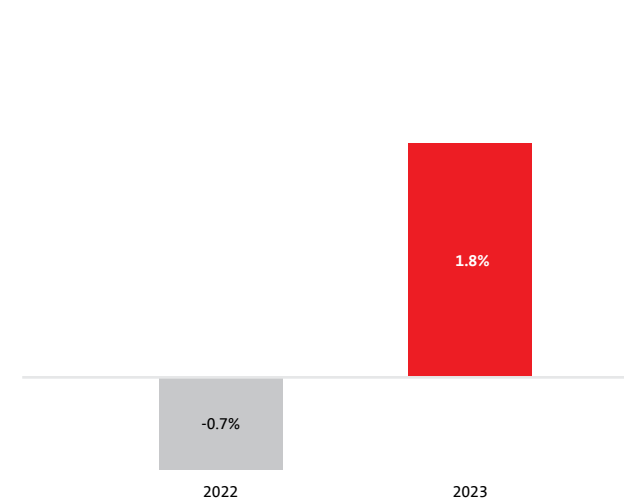
Insurance revenue of the Triglav Group by segment in EUR million



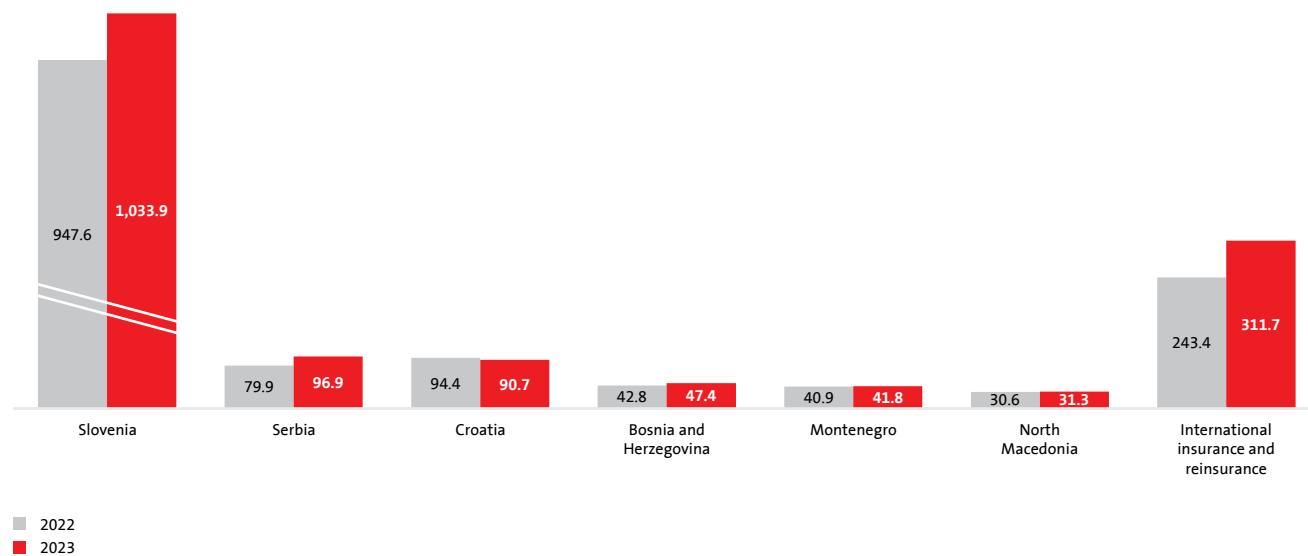
Insurance service expenses of the Triglav Group by segment in EUR million



Return on equity of the Triglav Group



Gross written premium of the Triglav Group by market in EUR million



Share of social impact, green and sustainable bonds in debt securities of the Triglav Group's investment portfolio



1. Address by the President of the Management Board¹



Dear Shareholders and Readers,

The ramifications of this year's natural disasters, notably the severe hail and wind storms and the August floods, have led to an increased need to support our policyholders and historically high claims. Their impact was mitigated thanks to our adequate reinsurance protection. Our operations were significantly affected by the government regulation of the price of supplemental health insurance in Slovenia, resulting in losses in this business segment and reducing the Group's total earnings. We will no longer offer supplemental health insurance in 2024. However, we will continue to develop and sell commercial health insurance products in the markets of the Adria region, as we believe they have significant long-term potential. Lastly, inflationary pressures on claims and expenses continued to impact our operations for the second year running.

In this challenging environment, we demonstrated our flexibility and resilience, which is bolstered by our robust business model and effective risk management system. We maintained our leading market position in the region and continued to ensure profitable and safe operations. This report provides detailed insights into our operations, including year-on-year comparisons in accordance with the new IFRS. Net earnings of EUR 21 million before tax were generated, falling short of the planned figure due to the impact of one-off events. However, we are pleased with the performance of the income side of our business, as double-digit growth contributed to an increase in both business volume and contractual service margin. Nevertheless, challenges persisted, with losses in the Health segment, mass CAT claims and claims inflation resulting in an increase in the claims ratio and subsequently the combined ratio, which reached 101.6%. Fortunately, the financial markets' favourable conditions allowed us to achieve a strong investment result, positive other comprehensive income and a strong performance in asset management.

We successfully ensured the financial stability and adequate capitalisation of the Group, as confirmed by the high »A« credit ratings we received again, with a stable medium-term outlook. These ratings, assigned by S&P Global Ratings and AM Best, have been consistently maintained for the past eight years.

Insurance and asset management

Our total business volume increased by 12% to EUR 1,780 million, with the same growth rate recorded in gross written premium, amounting to EUR 1,654 million. In Slovenia, where 63% of the Group's premium

is collected, growth stood at 9%, aligning with market trends. In the other markets of the Adria region, the increase stood at 7%, while in the international market, where we primarily operate under the principle of free movement of services and conduct active reinsurance business, growth reached 28%.

The expansion of our business volume was driven by a strategic and comprehensive focus on our clients, accompanied by appropriate adjustments to pricing policies to account for inflation. The effects of these adjustments partly resulted in an increase in insurance revenue, with the full impact expecting to manifest in future financial periods. We also responded to inflationary pressures by implementing various measures related to claims settlement and the management of operating expenses.

Benefitting from a favourable financial market environment, we delivered strong performance in the investment segment and managed clients' assets in mutual funds and via discretionary mandate services, where the volume of assets under management soared by 29%, driven by net inflows and favourable market conditions. With a 31% market share, the Group stands as one of the leading managers of mutual fund assets in Slovenia. In the insurance segment of our business, we achieved a strong result in the Life and Pension segment. While a positive result was recorded in the Non-Life segment, the Health segment experienced a loss. The results of both of these segments were significantly influenced by the aforementioned one-off events. Moreover, the conservative structure and quality of our investment portfolio, which grew by 4% to EUR 3,399 million, remained largely unchanged, in line with our investment policies.

Implementation of the dividend policy

Our aim is to ensure that the ZVTG share remains an attractive, secure and stable investment option for investors. As planned, we implemented our attractive and sustainable dividend policy, distributing dividends equivalent to 51% of consolidated net earnings for 2022, amounting to EUR 2.50 gross per share, to our shareholders in 2023. This resulted in a total share return of 8%, with a dividend yield of 7%.

Strategic focus on development and sustainability

We remain committed to our mission of creating a safer future for our clients, employees and shareholders. This commitment drives our strategic activities, turning words into action.

Our range of products and services continues to be expanded and upgraded to better serve our clients and adapt to the unique characteristics of each of the Group's market. We are also enhancing processes and communication channels with our clients. In 2023, our sales network was reorganised, accompanied by various activities in support of our digitalisation efforts across the Group so as to achieve a leaner organisational structure. Clients recognise our efforts and, as indicated by the NPS, their satisfaction with us is at a high level. We are particularly proud of this in what was a challenging year due to a considerable increase in the volume of claims as a result of extreme weather events and adjustments of premium to claims inflation. We recognise that our success hinges on the dedication of our employees. Therefore, we are pleased to see that their satisfaction scores affirm their commitment, unity and loyalty. On behalf of the Management Board, I would like to extend our gratitude to them for their unwavering dedication.

In both of our strategic activities, we continue to deliver on our strategic sustainability ambitions and support the transition to a climate-neutral and climate-resilient economy. The Group's Scope 1 and 2 carbon footprint and electricity consumption was reduced by 6%. By upholding high standards of corporate governance, we strive to foster a culture of diversity, equality and inclusion. Women make up 55% of our workforce and 47% of our senior managers. Working together with the community and various partners, we continue to contribute to a number of socially and environmentally responsible projects.

Throughout the Group's more than 120-year history, we have stood by our clients through many difficult times, successfully overcoming a variety of challenges, including those encountered in 2023. Looking to the future, I am confident that we are well prepared for whatever lies ahead. On behalf of the Management Board and all of the Triglav Group employees, I sincerely thank you for your trust in us.

Andrej Slapar
President of the Management Board of Zavarovalnica Triglav

2. Triglav Group and Zavarovalnica Triglav in 2023

- The Group's operations were negatively impacted by one-off events, in particular regulated prices of supplemental health insurance and extreme CAT events.
- The Group consistently carried out its strategic activities for further growth and development and achieved its sustainability-related ambitions.
- The Group not only increased its business volume but also maintained its financial strength and high "A" credit ratings with a stable medium-term outlook.
- Its leading position in the insurance sector was strengthened both in Slovenia and the Adria region.

The calculation of indicators and the chosen terms are explained in the glossary enclosed to the Annual Report. See page 336.

2.1 Financial highlights of the Triglav Group*²

	in EUR million		
	2023	2022	Index
Total business volume	1,780.2	1,594.3	112
Gross written premium	1,653.7	1,479.6	112
Other income	126.5	114.8	110
Total revenue	1,425.2	1,279.3	111
Insurance operating result	-9.4	-12.6	
Insurance revenue	1,351.2	1,206.6	112
Claims incurred	1,021.2	767.7	133
Acquisition and administrative costs including non att. costs	363.0	325.1	112
Net reinsurance service result	31.6	-104.5	
Net other insurance revenue and expenses	-7.9	-21.9	
Net investment result	22.0	-14.3	
Investment result	83.6	-88.6	
Financial result from insurance contracts	-69.7	82.2	
Change in provisions for not achieving the guaranteed yield	8.1	-9.8	
Gains/losses and impairments of investments in associates	0.0	1.8	
Result from non-insurance operations	8.4	16.9	50
Earnings before tax	21.1	-10.0	
Net earnings	16.3	-7.0	
Other comprehensive income	34.7	-50.9	
Combined ratio Non-Life and Health	101.6%	99.7%	1.9 p.p.
Claims ratio Non-Life and Health	76.3%	74.6%	1.7 p.p.
Expense ratio Non-Life and Health	25.3%	25.1%	0.2 p.p.
New business margin Life and Pension	14.6%	11.4%	3.2 p.p.
Return on equity	1.8%	-0.7%	2.5 p.p.
Return on financial investments	1.8%	-0.4%	2.2 p.p.
	31 Dec 2023	31 Dec 2022	Index
Balance sheet total	4,099.0	3,802.3	108
Equity	891.1	897.0	99
Contractual service margin (CSM)	238.4	186.4	128
Assets under management (AUM)	4,851.4	4,379.8	111
Number of employees	5,318	5,306	100
Number of employees (full-time equivalent)	5,190	5,177	100

2.2 Financial highlights of Zavarovalnica Triglav*³

	in EUR million		
	2023	2022	Index
Total business volume	1,060.7	934.8	113
Gross written premium	982.8	868.9	113
Other income	78.0	66.0	118
Total revenue	794.7	708.0	112
Insurance operating result	17.6	-20.0	
Insurance revenue	775.6	690.2	112
Claims incurred	554.2	406.0	136
Acquisition and administrative costs incl. non att. costs	239.1	212.4	113
Net reinsurance service result	39.4	-75.4	
Net other insurance revenue and expenses	-4.3	-16.4	
Net investment result	28.0	21.4	131
Investment result	70.1	-81.6	
Financial result from insurance contracts	-62.8	77.0	
Change in provisions for not achieving the guaranteed yield	4.3	-4.6	
Gains/losses and impairments of investments in associates	16.3	30.6	53
Earnings before tax	45.6	1.4	3,271
Net earnings	38.7	8.9	433
Other comprehensive income	28.4	-36.5	
Combine ratio Non-Life	99.2%	101.8%	-2.6 p.p.
Claims ratio Non-Life	70.2%	73.3%	-3.0 p.p.
Expense ratio Non-Life	29.0%	28.5%	0.5 p.p.
New business margin Life and Pension	13.9%	13.2%	0.7 p.p.
Return on equity	5.8%	1.2%	4.6 p.p.
Return on financial investments	2.4%	1.4%	1.0 p.p.
	31 Dec 2023	31 Dec 2022	Index
Balance sheet total	2,945.4	2,730.8	108
Equity	669.2	658.9	102
Contractual service margin (CSM)	225.4	175.6	128
Number of employees	2,243	2,243	100
Number of employees (full-time equivalent)	2,215	2,213	100



“The Triglav Group maintains its financial strength and effectively adapts to

environmental challenges through a robust business model and efficient risk management.”

Uroš Ivanc, Management Board member, Zavarovalnica Triglav

*Notes on the effects of the transition to IFRS 17 and IFRS 9 are provided in Section 2.6 of the Accounting Report. The breakdown of profit or loss in the Business Report (comprising insurance operating result, net investment result, result from non-insurance operations) differs from that of the statement of profit and loss in the Accounting Report (comprising insurance service result, investment result, financial result from insurance contracts and other profit or loss categories). This is primarily because the Business Report also takes into account non-attributable costs, insurance revenue, insurance service expenses and net other insurance revenue and insurance service expenses in the presentation of the insurance operating result. Meanwhile, the net investment result includes the financial result from insurance contracts, change in provisions for not achieving the guaranteed yield and gains/losses on and impairments of investments in associates, in addition to the investment result. Other categories are included in the result from non-insurance operations. For a more detailed description of the categories shown, see Appendix 1. Glossary of terms.

2.3 Environmental, social and governance (ESG) aspects of the Triglav Group's operations⁴

	2023	2022	Index
1. Environmental aspects			
Carbon footprint (tonnes of CO ₂ equivalent)*	8,131	8,649	94
Scope 1 and 2 carbon footprint per employee (tonnes of CO ₂ equivalent)*	1.54	1.63	94
Electricity consumption (MWh)	10,342	11,015	94
Share of electricity consumption from renewable sources (%)	61.6	59.0	104
Total quantity of waste at the Triglav Group per employee (kg)	118	125	94
Average daily consumption of office paper per employee**	13	19	68
Written premium from products promoting social and environmental benefits (EUR million)	24.8	20.8	119
Assets under management in funds that incorporate sustainability aspects (EUR million)	1,139.0	49.2	2,313
Investments in social impact, green and sustainable bonds (EUR million)	262.5	222.9	118
2. Social aspects			
Employee satisfaction (ORVI)	3.94	4.00	99
Average employee age	45.1	44.8	101
Women employees to total employees ratio (%)	55.0	54.7	101
Proportion of women at first and second management levels under the management board (%)	42.6	41.2	103
Employee turnover (number of leavers/average number of employees; %)	12.0	11.6	103
Average number of training hours per employee	32	33	96
Lost time incident rate – LTIR (number of work-related incidents/total number of hours of all employees x 200,000)	0.38	0.37	101
Client satisfaction of Triglav Group (NPS)***	73	77	95
Number of insurance products and services sold online	23	22	105
Number of insurance products promoting prevention	62	62	100
Proportion of employees allowed to work from home (%)	36	33	110
Number of suppliers checked against ESG criteria	865	419	206
Investments into the community (prevention, donations, sponsorships) (EUR million)	8.9	10.2	87
3. Governance aspects			
Proportion of women in the management board/supervisory board in parent company (%)	20.0/25.0	25.0/0	
Proportion of women at the first management level under the management board (%)	46.5	45.1	103
Proportion of women in management and supervisory bodies (%)	25.5	23.6	108
Average age of Zavarovalnica Triglav Management Board members	47.8	48.5	99
Independence of Zavarovalnica Triglav Supervisory Board members, shareholder representatives (% of members)	100	78	129
President of the Management Board salary to the average employee salary ratio (factor x)****	5	5	100
Term of office of the current President of the Management Board (years)	10	9	111
Policies adopted: equal opportunities policy, anti-corruption policy, employee protection/whistleblower protection policy	YES	YES	
Fair business practices (number of fraud cases investigated)	1,771	1,651	107
Internationally renowned audit firm (Big 4)	YES	YES	
Period of cooperation with the existing auditor (years)	5	4	125
Investor relations when publishing results	YES	YES	
Economic value generated (EUR million)	1,642.4	1,318.9	125
Economic value distributed (EUR million)	1,682.9	1,409.9	119
Economic value retained (EUR million)	-40.5	-91.0	

* Includes Scope 1 and 2 emissions under the location-based method. A more detailed calculation of Scope 1, 2 and 3 GHG emissions is shown in [Section 11.2.2](#).

** Includes A4 and A3 paper consumption for internal purposes.

*** NPS shows the share of promoters who would recommend the Company to their acquaintances and friends based on experience.

**** Pursuant to the ZPPOGD, the base salary of the President of the Management Board is determined in relation to the average gross salary in the Group members which are headquartered in Slovenia and whose data are included in the consolidated annual report in the previous financial year.

For additional information about this report please contact⁵

Zavarovalnica Triglav d.d., Ljubljana
Miklošičeva cesta 19, 1000 Ljubljana
Blaž Kmetec, Executive Director of Finance and Controlling
Email: blaz.kmetec@triglav.si

2.4 Significant events in 2023

Operating results:

The Group's operations were significantly impacted by negative one-off events, in particular by changes to supplemental health insurance and extreme CAT events. In April 2023, the legislative framework for the existing supplemental health insurance system was changed in Slovenia, which, due to price regulation and other restrictions, resulted in a negative result of the Health segment (see [Section 8.3 Health segment](#) for more information). CAT events in Slovenia and the region, particularly storms, hailstorms and floods in July and August, resulted in historically high claims for the Group and had a significant negative impact on the Group's performance (see [Section 7.2 Environmental impact on the Triglav Group's operations](#) for more information). Due to inflationary pressures, the Group companies not only adjusted premiums and premium rates but also implemented measures related to claims settlement and cost management. As a result of these effects, the Group achieved earnings before tax of EUR 21.1 million, lower than originally planned. See [Section 8. Operations of the Triglav Group and Zavarovalnica Triglav](#) for more information.

Dividend payment:

At the May General Meeting of Shareholders, the shareholders adopted the resolution proposed by the Management Board and the Supervisory Board to pay a dividend of EUR 2.50 gross per share or EUR 56.8 million in total, which accounts for 51% of the Group's consolidated net earnings for 2022 and a 7% dividend yield. See [Section 6.4 Dividends and dividend policy](#) for more information.

The high »A« credit rating affirmed:

The credit rating agencies S&P Global Ratings and AM Best re-affirmed the Group's »A« credit rating with a stable medium-term outlook. All individual elements of the rating are at the same level as last year. See [Section 6.6 Credit rating of the Triglav Group and Zavarovalnica Triglav](#) for more information.

Changes in the Management Board and the Supervisory Board of Zavarovalnica Triglav:

Blaž Jakič began his five-year term of office as a Management Board member of Zavarovalnica Triglav on 2 March 2023. President of the Management Board Andrej Slapar and Management Board members Uroš Ivanc and Tadej Čoroli were reappointed for a five-year term. Their current term of office expires in 2024. Monica Cramer Manhem and Tim Umberger were appointed as new Supervisory Board members, shareholder representatives, while Aleš Košiček and Janja Strmljan Čevnja were appointed as new Supervisory Board members, employee representatives. See [Section 5.3 Management bodies of Zavarovalnica Triglav](#) for more information.

Sustainable development at the Triglav Group:

As part of its efforts to build on its sustainable development activities, the Group adopted the overarching Sustainable Development Policy, Sustainable Investment Policy and Statement on principal adverse impacts of investment decisions on sustainability factors of Zavarovalnica Triglav d.d. in accordance with the SFDR. See [Section 11.1 Our approach to sustainability](#) for further information.



2.5 Financial calendar 2024

Calendar of financial announcements for 2024

Date and time of announcement*	Type of announcement	Quiet period**
Wednesday, 6 March 2024, 8:30	Preliminary key figures for 2023	From Wednesday, 14 February 2024
Friday, 29 March 2024, 8:30	Audited annual report for 2023	From Friday, 15 March 2024
Friday, 26 April 2024	Call notice of the General Meeting of Shareholders to decide on the distribution of accumulated profit	
Wednesday, 22 May 2024, 8:30	January–March 2024 interim financial report	From Wednesday, 8 May 2024
Tuesday, 4 June 2024	General Meeting of Shareholders and announcement of its resolutions	
Thursday, 22 August 2024, 8:30	January–June 2024 interim financial report	From Thursday, 8 August 2024
Wednesday, 20 November 2024, 8:30	January–September 2024 interim financial report	From Wednesday, 6 November 2024

* The planned date and time of announcement may differ from the actual date and time.

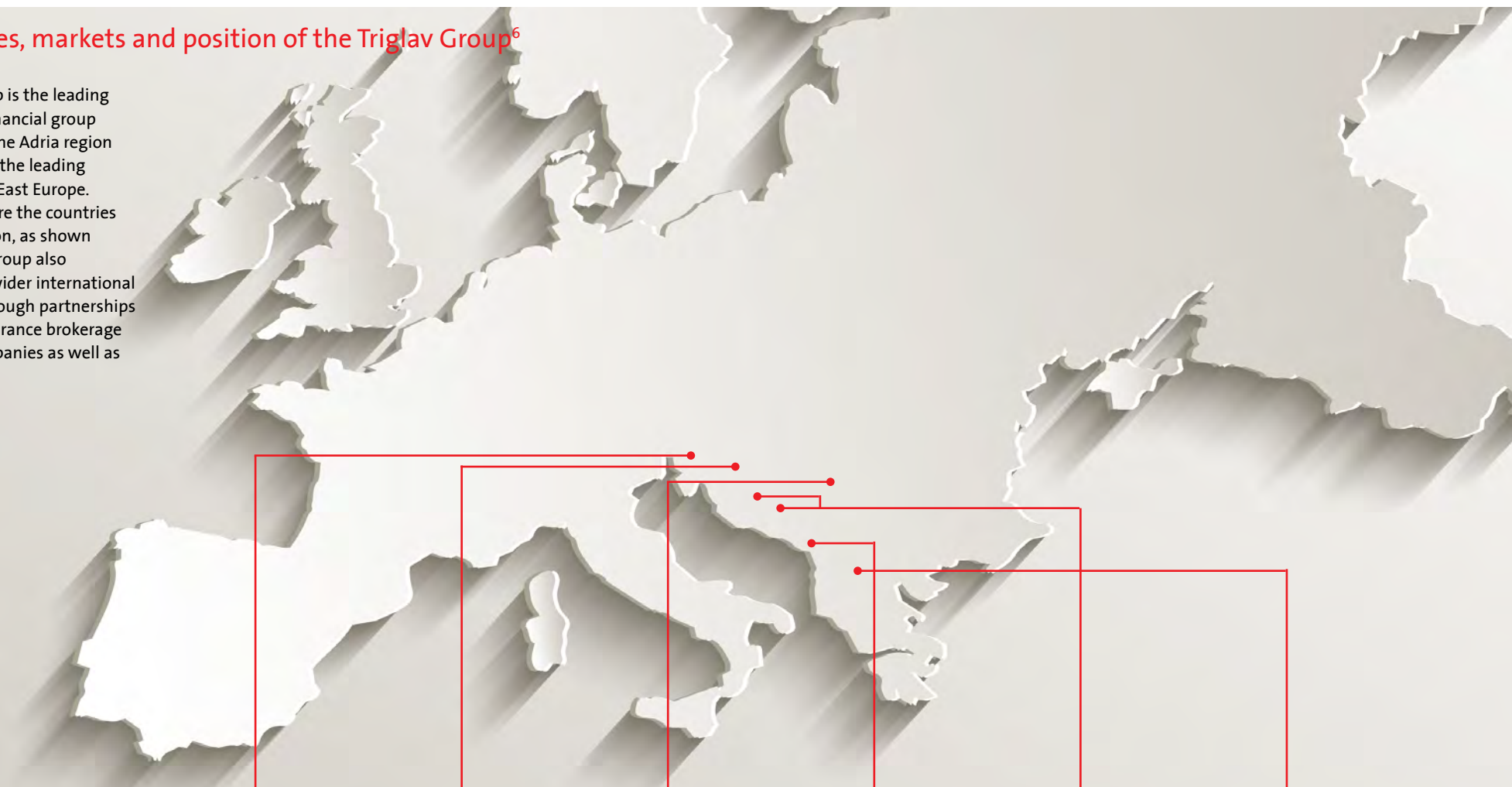
** The quiet period denotes a period preceding the announcement of a financial report, during which Zavarovalnica Triglav does not disclose any information on current operations to the public.

The general public is informed about the dates of key announcements (including the time of announcements when publishing financial results) and about any amendments to the planned time of announcement:

- in the Ljubljana Stock Exchange SEONet information system (seonet.ljse.si) and
- on Zavarovalnica Triglav's corporate website (www.triglav.eu).

2.6 Activities, markets and position of the Triglav Group⁶

The Triglav Group is the leading insurance and financial group in Slovenia and the Adria region as well as one of the leading groups in South-East Europe. Its key markets are the countries in the Adria region, as shown below, but the Group also operates in the wider international environment through partnerships with foreign insurance brokerage and agency companies as well as with reinsurers.



Slovenia

1st place
39.5%
 market share*
 (+0,6 p.p.)

Croatia

8th place
5.2%
 market share*
 (-0,3 p.p.)

Serbia

5th place
7.5%
 market share*
 (+0,2 p.p.)

Montenegro

1st place
35.0%
 market share*
 (-2,8 p.p.)

Bosnia and Herzegovina

4th place
9.3%
 market share*
 (-0,1 p.p.)

North Macedonia

3rd place
13.4%
 market share*
 (-1,3 p.p.)

* The data show the market share of the Triglav Group by an individual insurance market. Data shown for Serbia is for January–September 2023.

2.6.1 Triglav Group's value creation model

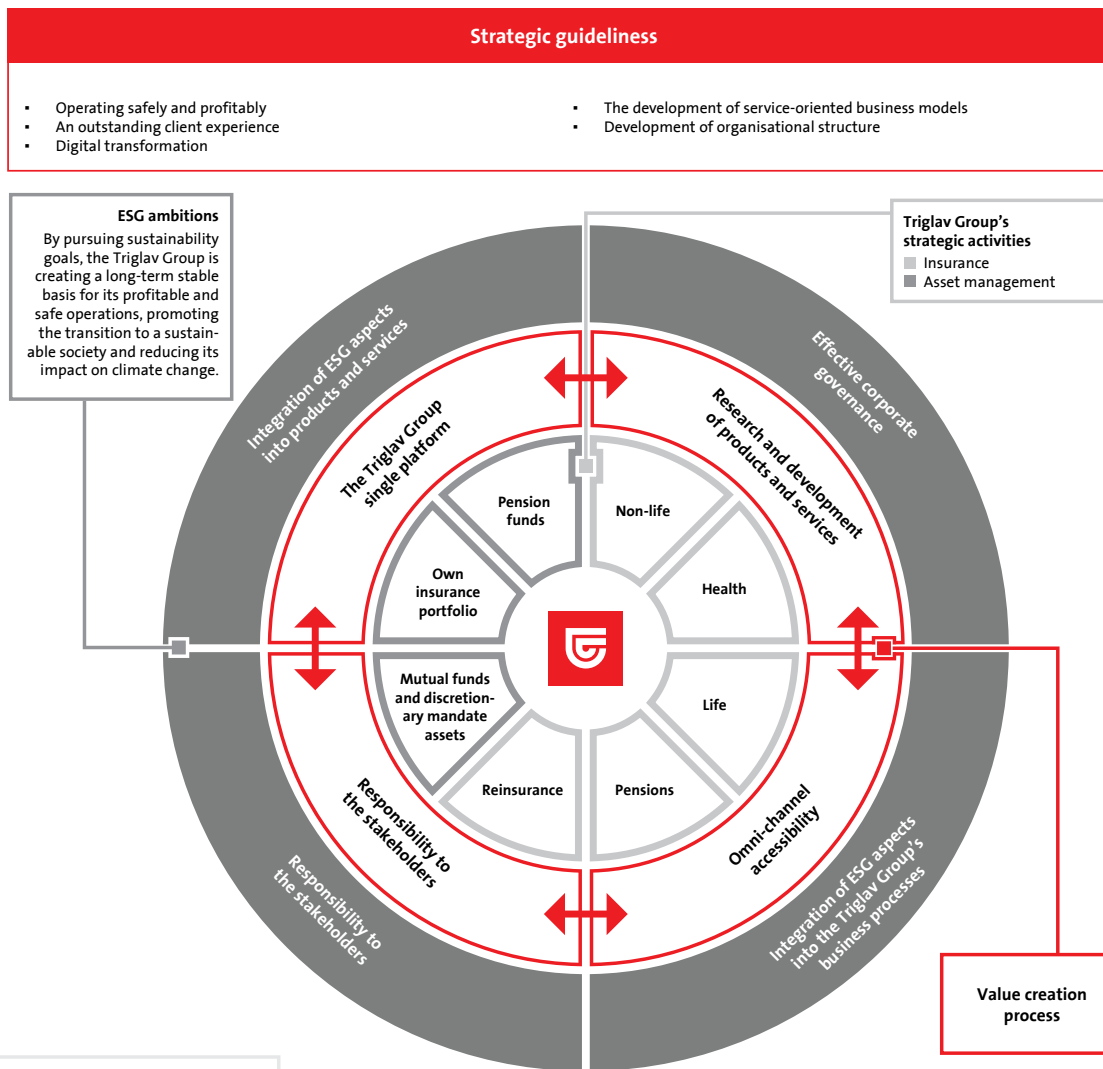
Resources used to create value

Economic and governance
 Funds for the Group's business operations come from a solid capital base, written premiums and funds from the Group's shareholders and investors. The Group comprehensively identifies and manages risks and opportunities. It adheres to high standards of corporate governance.
 4. Triglav Group strategy and plans →
 5. Corporate governance statement →
 8. The Triglav Group's business operations →
 9. Risk management →

Human resources
 The Group's employees bring together a wide range of expertise and talents, which serve as the basis for effective business operations and the implementation of the Group's development strategy.
 11.3.2 Responsibility to employees →

Social
 In order to achieve its development objectives, the Group improves its knowledge of key stakeholders' needs, strengthening their trust and satisfaction. The value created by the Group stems from good mutual relationships.
 11.3 Social aspects →

Environmental
 The natural resources required for the Group's operations are used efficiently. In accordance with the adopted strategic ambitions and Sustainable Development Policy the Group incorporates ESG principles into its internal processes. It develops financial products and services that contribute to the resilience of the economy and society to climate change.
 11.2 Environmental aspect →



Impacts of the Group's operations

Shareholders/investors
 With stable and development-oriented operations, the Group increases the value of its assets. By pursuing a sustainable and attractive dividend policy, the Group strives to make the ZVTG share a profitable, safe and stable investment.
 6. The share and shareholders of Zavarovalnica Triglav →

Employees
 The Group develops the skills and talents of its employees, provides them with a stimulating and safe working environment and rewards them fairly.
 11.3.2 Responsibility to employees →

Clients/policyholders
 By offering quality insurance and financial products and related services, the Group responds to new and existing client needs and ensures their financial security.
 11.3.1 Responsibility to clients →
 8. The Triglav Group's business operations →

The local and wider community
 With investments, tax payments, accessible services and locally oriented and responsible procurement, the Group supports economic development and the social environment, as well as efforts for a green transition. It strengthens prevention through training, sponsorships and donations, thereby reducing security risks.
 11.3.3 Responsibility to the community →
 11.3.4 Responsibility to suppliers →
 11.2 Environmental aspect →

Partners
 The Group develops new business models and innovative practices. As a reliable, responsible and trustworthy partner, it operates ethically and in compliance with the law, cooperating with state bodies and regulators. The Group contributes to the growth of the companies and organisations it collaborates with.
 10. Development activities →
 11.3. Social aspects →

Contribution to key SDGs

Dynamic challenges in the environment:

- Competition
- New client needs
- Technological development
- Financial and macroeconomic factors
- Development of regulatory frameworks
- Environmental change
- Demographic and social change
- Economic and political factors

2.6.2 Insurance

The Group's largest strategic activity is **insurance**, which includes non-life, health, life and pension insurance as well as reinsurance.

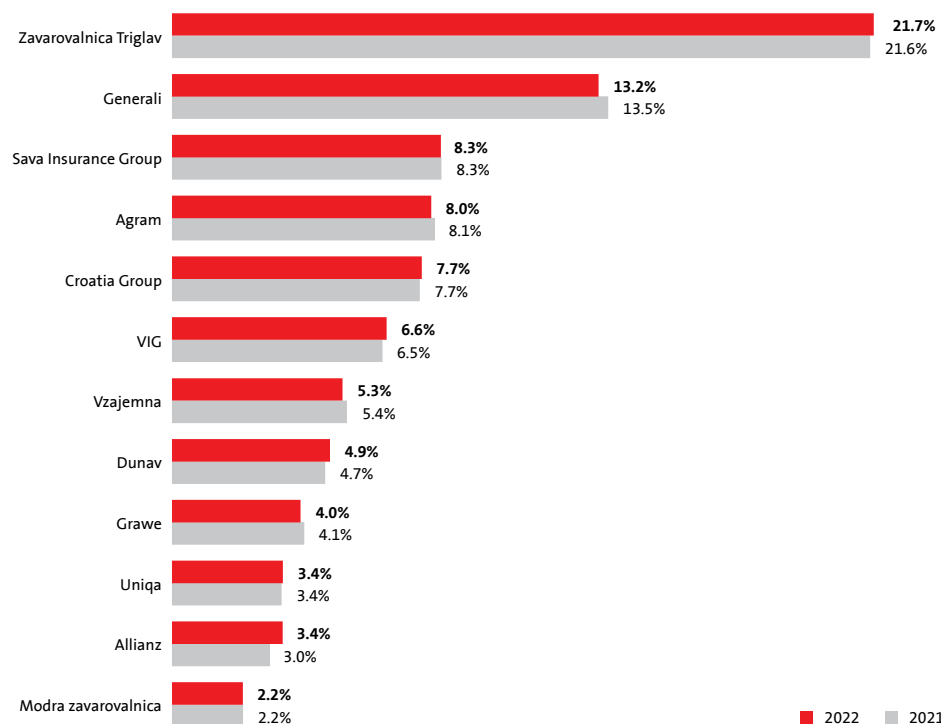
The Group's insurance business comprises:

- **in Slovenia:** Zavarovalnica Triglav d.d., Triglav, Zdravstvena zavarovalnica d.d., Pozavarovalnica Triglav Re d.d. and Triglav, pokojninska družba d.d.;
- **outside Slovenia:** seven insurance companies in the Adria region (Croatia, Serbia, Montenegro, Bosnia and Herzegovina, and North Macedonia), Zavarovalnica Triglav's branch in Greece (under the FOE principle) and business partnerships under the principle of free movement of services (FOS).

Position in the regional insurance market

The Triglav Group consolidated its dominant market position in **the Adria region** (Slovenia, Croatia, Serbia, Montenegro, Bosnia and Herzegovina, and North Macedonia). In 2022, it increased its market share by 0.1 percentage point to 21.7%.

The market share of insurance groups and insurers in the Adria region in 2022 and 2021 (%)*



* Data for 2023 not yet available

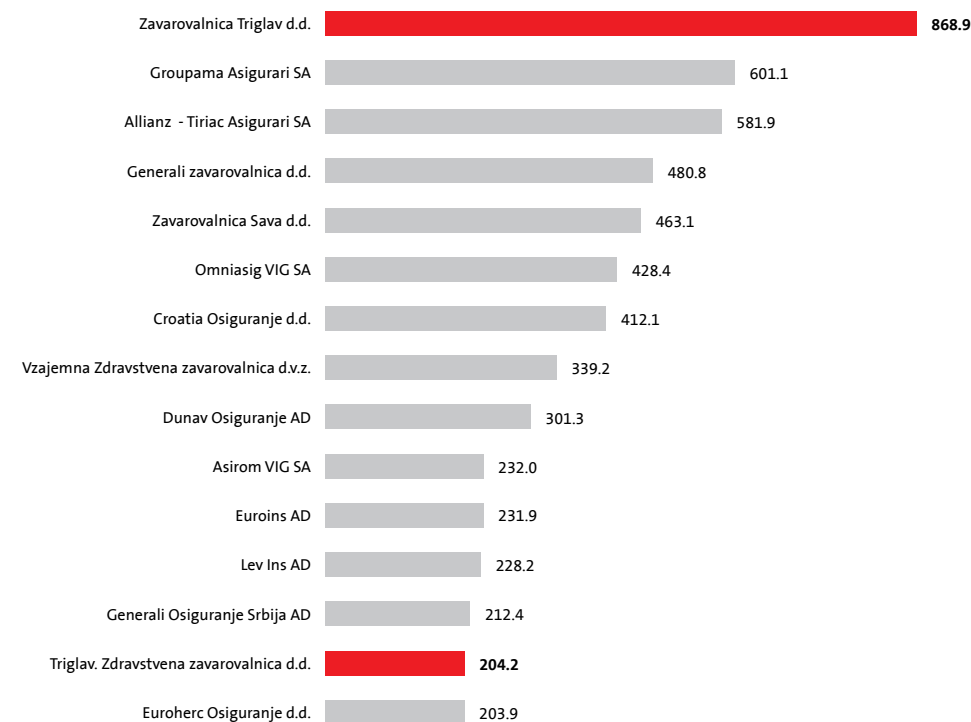
Source: Zavarovalnica Triglav's calculation based on the data of national insurance supervision agencies and insurance associations

The parent company is the leader among the insurers in **South-East Europe** (Albania, Bulgaria, Bosnia and Herzegovina, Montenegro, Croatia, Moldova, Romania, North Macedonia, Slovenia and Serbia). Eight insurance companies of the Triglav Group and 12 Slovenian insurers (three Slovenian insurers are among the top five) rank among the top 100 insurers in South-East Europe in terms of gross written premium. The Romanian insurers Groupama Asigurari (ranked seventh in the previous year) and Allianz – Tiriac Asigurari (ranked fifth in the previous year) ranked second and third thanks to the high premium growth. All 100 insurers collected a total of EUR 10.6 billion in written premium (9% more than the previous year).

2.6.3 Asset management

Asset management in the Group is carried out by insurance and pension companies, as well as investment fund and investor asset management companies. It comprises the management of own insurance portfolios (assets backing liabilities and guarantee funds), saving of clients through the Group's life and pension insurance companies, the management of alternative investments by Triglav and the management of clients' assets in mutual funds and discretionary mandates via asset management companies.

The largest insurers in South-East Europe by written premium in 2022 (in EUR million)

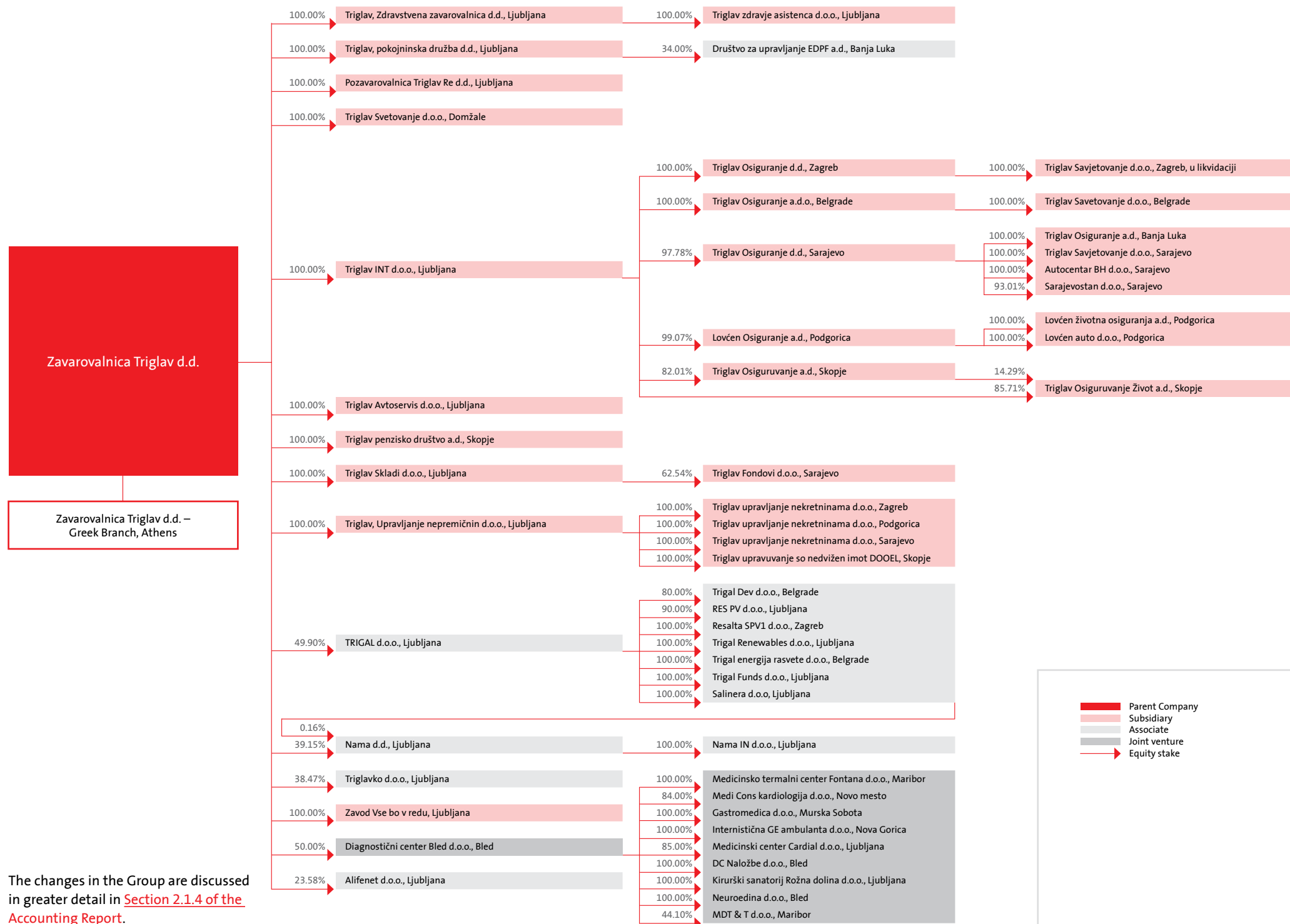


Source: SeeNews 2023.

2.6.4 Composition of the Triglav Group

As at 31 December 2023, the Triglav Group comprised 54 companies: the parent company, 30 subsidiaries, 13 associates and 10 joint ventures.

The Triglav Group members and their participating interests as at 31 December 2023



The changes in the Group are discussed in greater detail in [Section 2.1.4 of the Accounting Report](#).

- Parent Company
- Subsidiary
- Associate
- Joint venture
- Equity stake

2.7 Management of Zavarovalnica Triglav

The Management Board of Zavarovalnica Triglav comprises:

Andrej Slapar

President

The period from the first appointment to the end of the current term of office: 2013–2029
Employed at the Triglav Group: from 1997



Uroš Ivanc

Member

The period from the first appointment to the end of the current term of office: 2014–2029
Employed at the Triglav Group: from 2001



Tadej Čoroli

Member

The period from the first appointment to the end of the current term of office: 2014–2029
Employed at the Triglav Group: from 2001



Marica Makoter

Member

The period from the first appointment to the end of the current term of office: 2011–2026
Employed at the Triglav Group: from 2001



Blaž Jakič

Member

The period from the first appointment to the end of the current term of office: 2023–2028
Employed at the Triglav Group: from 2010.

3. Report of the Supervisory Board

Report of the Supervisory Board of Zavarovalnica Triglav d.d. on the verification of the Annual Report of the Triglav Group and Zavarovalnica Triglav d.d. for 2023 and Opinion of the Supervisory Board of Zavarovalnica Triglav d.d. on the Annual Internal Audit Report of the Internal Audit Department of Zavarovalnica Triglav d.d. for 2023

In 2023, the Supervisory Board of Zavarovalnica Triglav carried out the responsible and proper supervision of the operations of Zavarovalnica Triglav d.d. and the Triglav Group. It oversaw different aspects of their operations and development, and on that basis took appropriate decisions and followed up on their implementation. Individual areas were first discussed within the framework of the Supervisory Board's committees. Based on their findings, proposals and careful assessment, the Supervisory Board passed appropriate resolutions. The Supervisory Board also monitored the implementation and effectiveness of the Triglav Group's strategy.

The Supervisory Board performed its work within the scope of its powers and competencies set out by law, the Company's Articles of Association and its own Rules of Procedure.

Andrej Andoljšek
Chairman



Igor Stebernak
Vice Chairman



Tomaž Benčina
Member



Jure Valjavec
Member



Monica Cramer Manhem
Member



Tim Umberger
Member



Aleš Košiček
Member, Employee Representative



Janja Strmljan Čevnja
Member, Employee Representative

3.1 Introduction

Pursuant to Article 282 of the Companies Act and Article 69 of the Insurance Act, the Supervisory Board hereby presents its Report on the verification of the Annual Report of the Triglav Group and Zavarovalnica Triglav d.d. for 2023 (hereinafter: the report) and its Opinion on the Annual Internal Audit Report of the Internal Audit Department of Zavarovalnica Triglav d.d. for 2023.

The findings are based on the results of the supervision of operations of Zavarovalnica Triglav d.d. (hereinafter: the Company, the controlling company or the parent company) in 2023 and on the verification of the Audited Annual Report of the Triglav Group and Zavarovalnica Triglav d.d. for 2023, including the report of the non-life insurance actuarial function holder and the life insurance actuarial function holder for 2023.

An integral part of the report is also the opinion of the Supervisory Board on the work of the Internal Audit Department in 2023 and the Annual Internal Audit Report of the Internal Audit Department of Zavarovalnica Triglav d.d. for 2023.

3.2 General information

The Supervisory Board and its committees in 2023

The composition of the Supervisory Board in 2023 is described in [Section 5. Corporate Governance Statement](#) (Supervisory Board) of the Business Report. In 2023, the Supervisory Board held ten sessions and had four committees: the Audit Committee, the Appointment and Remuneration Committee, the Strategy Committee and the Nomination Committee. The composition of the Supervisory Board committees in 2023 as well as the more important duties and powers of individual committees are described in [Section 5. Corporate Governance Statement](#) (Composition of Supervisory Board committees and their activities in 2023) of the Business Report.

Audit Committee

In 2023, the Audit Committee held seven meetings, at which it, among other things:

- monitored and discussed financial reporting procedures and the external audit of the annual financial statements of the Triglav Group and Zavarovalnica Triglav d.d.;
- assessed the content of the Annual Report of the Triglav Group and Zavarovalnica Triglav d.d. for 2022 and the 2023 interim reports;
- took note of the management representation letter for Zavarovalnica Triglav d.d. and the Triglav Group;

- discussed the Solvency and Financial Condition Report of Zavarovalnica Triglav d.d. as at 31 December 2022 and the Solvency and Financial Condition Report of the Triglav Group as at 31 December 2022, including the independent auditor's assurance reports;
- monitored and discussed the risk management systems, the functioning of internal controls, the Internal Audit Department's interim reports, recommendations, annual work plan for 2024 and guidelines for the 2025–2027 period;
- discussed the findings of the Slovenian Insurance Supervision Agency and other supervisory bodies in supervision procedures under the Audit Committee's responsibility and was briefed on procedures related to these findings or requirements;
- supervised and discussed the conclusion of agreements with audit firms, the independence of the certified auditor, the quality of auditing, the audit plan for 2023 and the auditor's report following the pre-audit of Zavarovalnica Triglav d.d. for 2023;
- discussed the report on the external quality assessment of the work of the Internal Audit Department of Zavarovalnica Triglav d.d. and the implementation plan of the recommendations for improving the quality of the Internal Audit Department's work;
- took note of remuneration of the Director of Internal Audit Department for 2022;
- discussed risk reports of Zavarovalnica Triglav d.d. and the Triglav Group;
- took note of the comparative analysis of capital adequacy of (re)insurance groups in the European Union and (re)insurers in Slovenia;
- took note of the proposal for stress and scenario tests, which show the potential risks of the Group to be addressed within the own risk and solvency assessment (ORSA) process;
- discussed the Compliance Office Annual Report for 2022;
- discussed the Statement of Compliance with the Slovenian Corporate Governance Code;
- monitored the operation of the information technology and cyber security area;
- took note and approved the proposed Guidelines for monitoring the quality of external auditing in the Triglav Group;
- took note of the extraordinary termination procedures of employment agreements for employees at the Internal Audit Department of Zavarovalnica Triglav d.d.

The external expert Jernej Pirc provided his expertise and support to the work of the Audit Committee in relation to information technology issues. The Audit Committee carried out a performance self-assessment with the aim of ensuring the continued improvement and quality of its work and adopted an action plan for the improvement of its performance.

Appointment and Remuneration Committee

The Appointment and Remuneration Committee held ten meetings in 2023. Its most important activities included:

- drawing up draft periodic fit and proper assessments of the members of the Management Board and the Supervisory Board and of the two bodies as a whole;
- drawing up draft fit and proper assessments of the candidates for the members of the Supervisory Board, including the Audit Committee external member Luka Kumer, and of the body collectively;
- reviewing the calculation and amount of the average gross salary for 2023 in the Group members which are headquartered in the Republic of Slovenia and were fully consolidated by the Group pursuant to the Act Governing the Remuneration of Managers of Companies with Majority Ownership Held by the Republic of Slovenia or Self-Governing Local Communities (ZPPOGD);
- discussing the adjustment of the base salary of Management Board members and the calculation of the Group's performance factor on which the variable part of remuneration of Management Board members depends;
- approving the proposed amendments to the Methodology for determining the variable remuneration and decreasing base salary of Management Board members in 2024 and setting the targets for the part of the salary for the overall performance of the Management Board for the year;
- discussing the report on the development of key promising staff at Zavarovalnica Triglav d.d.;
- reviewing amendments to the Fit and Proper Policy for the Management Board and Supervisory Board Members of Zavarovalnica Triglav d.d. and the Remuneration Policy of Zavarovalnica Triglav d.d.;
- reviewing the additional training programme for the Supervisory Board members in 2023, the proposal for the re-election of the President of the Management Board and considering the President of the Management Board's proposal for the re-election of Management Board members Uroš Ivanc and Tadej Čoroli.

Strategy Committee

The Strategy Committee, which held two meetings in 2023, devoted special attention to the realisation of Triglav Group's strategy and starting points for the development of the Triglav Group's business plan for 2024.

Nomination Committee

The Nomination Committee was established on 21 December 2022 with the aim of carrying out the nomination procedure to appoint candidates for Supervisory Board members – shareholder representatives to replace Peter Kavčič and Branko Bračko, who on 9 December 2023 notified the

Company of their irrevocable resignation as Supervisory Board members. The Nomination Committee then held five meetings in 2023 and proposed to the Supervisory Board to appoint two candidates for Supervisory Board members – shareholder representatives: Tim Umberger and Monica Cramer Manhem.

The Nomination Committee was again established on 29 November 2023 with the aim of carrying out the nomination procedure to appoint a candidate for Supervisory Board member – shareholder representative to replace Igor Stebernak, whose term of office will expire on 3 June 2024.

3.3 Work of the supervisory board and scope of supervision of the company's operations in 2023

The description of the Supervisory Board's operations and the scope of monitoring and supervision of the governance of the Company and the Group in 2023 are based on the supervision of the Company's and the Group's operations performed by the Supervisory Board in 2023, acting within its powers. The Supervisory Board held eight sessions in 2023.

The Supervisory Board's duty is to supervise how the Company conducts its business and to perform other tasks in accordance with the Companies Act, the Insurance Act, the Company's Articles of Association, the Rules of Procedure of the Supervisory Board and the Slovenian Corporate Governance Code. The methods and organisation of its work are set out in the Rules of Procedure of the Supervisory Board, which are published on the Company's website.

a) With regard to its core competences, in 2023 the Supervisory Board:

- approved the Solvency and Financial Condition Report (SFCR) of Zavarovalnica Triglav d.d. and the Triglav Group for 2022 and the annual capital adequacy as at 31 December 2022 and took note of the independent auditor's assurance report;
- adopted the Audited Annual Report of the Triglav Group and Zavarovalnica Triglav d.d. for 2022, the Report by the Supervisory Board of Zavarovalnica Triglav d.d. on the verification of the Annual Report of the Triglav Group and Zavarovalnica Triglav d.d. for 2022 and the Opinion of the Supervisory Board of Zavarovalnica Triglav d.d. on the Annual Internal Audit Report for 2022 of the Internal Audit Department of Zavarovalnica Triglav d.d.;
- discussed unaudited interim financial reports of the Triglav Group and Zavarovalnica Triglav d.d. for the periods from 1 January to 31 March 2023, from 1 January to 30 June 2023 and from 1 January to 30 September 2023;
- discussed the Annual Internal Audit Report of the Internal Audit Department for 2022;
- approved the Triglav Group's business policy and business plan for 2024 and took note of the key findings of ORSA;

- approved the Internal Audit Department's work plan for 2024 and its guidelines for 2025–2027;
- proposed to the 48th General Meeting of Shareholders of Zavarovalnica Triglav d.d. to grant a discharge to the Management Board for 2022, submitted a proposal regarding the payment of accumulated profit, presented the remuneration policy and the remuneration report for 2022, and confirmed taking note of the letters of resignation and the appointment of Zavarovalnica Triglav d.d.'s Supervisory Board members;
- discussed the findings of the Insurance Supervision Agency and other supervisory bodies in supervision procedures and was briefed on procedures related to these findings or requirements;
- approved the amendments to the Governance System and Policy of Zavarovalnica Triglav d.d., the Policy of Management and Control of Insurance Services and Products, the Succession Policy and the Fit and Proper Policy for the Management and Supervisory Board Members of Zavarovalnica Triglav d.d.;
- approved individual transactions in accordance with the law and the Rules of Procedure of the Supervisory Board.

b) With regard to the supervision of the management of the Company's operations, in 2023 the Supervisory Board:

- discussed the reports of the Audit Committee, the Appointment and Remuneration Committee and the Strategy Committee, and was briefed on the financial reports of Zavarovalnica Triglav d.d., the Triglav Group and Zavarovalnica Triglav's subsidiaries;
- took note of the implementation of the Triglav Group strategy;
- monitored the assessed performance indicators of the Company in each period, capital adequacy, the implementation of the business plan and potential measures;
- took note of risk reports, the Risk Underwriting and Management Strategy, the Risk Appetite Statement, the Capital Management Policy and the Policy of the Risk Management and Capital Adequacy Function of Zavarovalnica Triglav d.d. and the Triglav Group;
- oversaw the work of the Internal Audit Department and was briefed on its internal audit reports as well as on the Compliance Office Annual Report for 2022 and its work plan for 2023;
- took note of the Report of the Life Insurance Actuarial Function Holder in Zavarovalnica Triglav d.d. and the Report of the Non-Life Insurance Actuarial Function Holder in Zavarovalnica Triglav d.d.;
- was briefed on insurance products;
- took note of the report on the development of key promising staff at Zavarovalnica Triglav d.d. in 2022;

- discussed the Statement of Compliance with the Slovenian Corporate Governance Code and took note of the positions on the Corporate Governance Code for Companies with Capital Assets of the State and the Recommendations and Expectations of the Slovenian Sovereign Holding and
- was briefed on other information regarding Zavarovalnica Triglav d.d., the Triglav Group and its subsidiaries.

c) Other major actions taken by the Supervisory Board in 2023:

- discussing periodic fit and proper assessments of the members of the Management Board and the Management Board as a collective body, the members of the Supervisory Board and the Supervisory Board as a collective body, as well as of the Audit Committee external member Luka Kumer;
- carrying out a subsequent fit and proper assessment of the appointed Supervisory Board members – employee representatives and taking measures to manage conflicts of interest;
- approving the Group's performance factor, determining the annual performance bonus for the Management Board of Zavarovalnica Triglav d.d. for 2022 and approving the amendments to the Methodology for the calculation of the performance factor to set the annual bonus and reduce the base salary of a Management Board member for 2023;
- giving consent to the capital increase of Triglav, Zdravstvena zavarovalnica d.d.;
- discussing the report of the Works Council of Zavarovalnica Triglav d.d.;
- reviewing the proposal for the re-election of the President of the Management Board and the President of the Management Board's proposal for the re-election of Management Board members Uroš Ivanc and Tadej Čoroli; establishing the Nomination Committee to carry out the nomination procedure in 2024 due to the expiry of the term of office of Supervisory Board member Igor Stebernak;
- adopting the labour costs plan of the Supervisory Board for 2024, the financial calendar and the timetable for the meetings of the Supervisory Board and its committees in 2024;
- performing other activities related to the supervision and work of the Supervisory Board or its committees.

The costs in connection with the Supervisory Board's work other than the remuneration paid to its members and committees (disclosed in [Section 4.4 Related party transactions of the Accounting Report](#)) mostly included the rental costs of interpretation equipment for smooth execution of its sessions, training costs of the members of the Supervisory Board and its committees, and the outsourced IT services for the Audit Committee. These costs amounted to EUR 379,050 in 2023.

3.4 Self-assessment

Specific topics were discussed in advance by the Supervisory Board's committees, which drafted resolutions to be adopted by the Supervisory Board and meticulously carried out other tasks within the scope of their powers. The committee chairs regularly reported on their work at the sessions of the Supervisory Board, which discussed the adopted decisions, submitted recommendations and opinions and passed appropriate resolutions after due consideration.

All members were involved in the work of the Supervisory Board and its committees. With their attendance at its sessions and active participation in discussions and decision-making, they contributed to the effective discharge of duties within the powers of the Supervisory Board and its committees. The work of the Supervisory Board is well managed and supported, whilst the planning and frequency of its sessions is adequate. Both the Rules of Procedure of the Supervisory Board and the Rules of Procedure of the Audit Committee include clear rules of conduct in the event of a conflict of interest. The Supervisory Board members and the Audit Committee's external member signed and submitted statements of independence in accordance with the Slovenian Corporate Governance Code, which are published on the Company's website. All Supervisory Board members declared themselves independent in accordance with the Slovenian Corporate Governance Code criteria (all statements of independence are published on the Company's website). In 2023, to the knowledge of the Supervisory Board, there was no case of conflict of interest with an individual Supervisory Board member in the discussions and decisions of the Supervisory Board and its committees, or appropriate action was taken to manage it. The Supervisory Board and its committees follow the highest standards of conflict of interest management.

The Supervisory Board is of the opinion that its cooperation with the Management Board was adequate, in accordance with the applicable legislation and good practices. To the best of its knowledge, the Supervisory Board was informed of all events of material significance to the assessment of the situation and its consequences, and to the effective supervision of the Company's operations. The documents provided as materials for the Supervisory Board's sessions were of good quality and information was accurate, relevant, reliable, comparable and exhaustive. The Supervisory Board regularly followed the implementation of its resolutions. The Governance System and Policy of Zavarovalnica Triglav d.d. sets out main corporate governance guidelines, taking into account the set long-term objectives and the defined role and work of the Supervisory Board and its committees.

The fit and proper criteria as set out in the Fit and Proper Policy for the Management Board and Supervisory Board Members of Zavarovalnica Triglav d.d. apply to both the Supervisory Board as a collective body and to Supervisory Board members as individuals. A fit and proper assessment was carried out before new Supervisory Board members – shareholder representatives took office and subsequently after the Works Council appointed new Supervisory Board members – employee representatives; Vinko Letnar was found not to meet the fit and proper requirements for a Supervisory Board member. In addition, the Appointment and Remuneration Commission's periodic assessment was performed. The Supervisory Board as a collective body was assessed as fit and proper, taking into account the adequate range of qualifications, knowledge and experience in view of the circumstances and

requirements under which the Company operates. A fit and proper assessment is also performed for the Audit Committee's external member.

The Supervisory Board regularly carries out the self-assessment procedure. Based on its findings, it adopts an action plan containing a series of proposals and measures aimed at improving its future performance. The implementation of the action plan is monitored on an ongoing basis. By implementing the self-assessment procedures, the quality of the Supervisory Board's work is improved, which is reflected in a higher quality of supervision of the operations and the areas material for the Company and the Group.

The Supervisory Board believes that its composition in 2023 corresponded to the size, activities and set objectives of both the Company and the Group, which enabled it to make quality decisions.

The Supervisory Board carried out its duties and powers smoothly. The sessions of the Supervisory Board and its committees were held in person and, in exceptional cases, also virtually with the help of technical means.

In view of the above, the Supervisory Board is of the opinion that its work and the work of its committees in 2023 were successful.

3.5 Opinion on the annual internal audit report for 2022

In accordance with paragraph three of Article 165 of the Insurance Act (ZZavar-1), the Annual Internal Audit Report of the Internal Audit Department of Zavarovalnica Triglav d.d. for 2023 was submitted to the Supervisory Board, which took note of it at its session on 28 March 2024. The report contains an overview of the implementation of the Internal Audit Department's (hereinafter: IAD) planned activities in 2023 and a summary of material audit findings, including an assessment of the adequacy and effectiveness of risk management and the internal control system of the audited areas, the assessment of the adequacy of the IAD's funds for its work, the IAD's quality assurance and improvement programme and its results, and the statement of independence and impartiality of the IAD and its employees.

The Internal Audit Department conducted the planned internal audits in the Company and other companies of the Group and presented its internal audit findings to the relevant persons in charge and made recommendations for improving risk management and the internal control system of audited areas. Based on the performed internal audits and the follow-up of implementation of recommendations, the IAD assessed that risk management and the internal control system of the audited areas within the Company and the Group were overall appropriate and were constantly improving. The IAD also carried out advisory activities, followed up on the implementation of recommendations made by external auditors, and carried out tasks related to quality assurance and improvement of the IAD and the internal audit departments of other Group members. The IAD reported on the implementation of its work plan, material audit findings and the implementation of recommendations on a quarterly basis to the Audit Committee and on a semi-annual basis to the Supervisory Board.

Based on the monitoring of the IAD's work and the submitted Annual Internal Audit Report of the Internal Audit Department of Zavarovalnica Triglav d.d. for 2023, the Supervisory Board is of the opinion that the IAD operated in line with its work plan for 2023, which was adopted by the Management Board with the approval of the Supervisory Board, and the expectations of the Supervisory Board and that its work contributed to the better functioning of the internal control system and improved risk management both in the Company and the Group. The Supervisory Board has no objection to the Annual Internal Audit Report of the Internal Audit Department of Zavarovalnica Triglav d.d. for 2023.

3.6 Findings of the supervisory board regarding the operations of Zavarovalnica Triglav in 2023

Based on its monitoring and supervision of the Company's operations in 2023 and the examination and verification of the Annual Report of the Triglav Group and Zavarovalnica Triglav d.d., the Supervisory Board hereby establishes that the Company demonstrated its business resilience to regulatory changes and major CAT events, and responded swiftly and efficiently to changing circumstances.

The Group generated EUR 21.1 million in consolidated earnings before tax and EUR 16.3 million in consolidated net earnings. The parent company's net earnings amounted to EUR 38.7 million. The Group's total revenue increased by 11% and amounted to EUR 1,425.2 million.

The Group's total business volume increased by 12% to EUR 1,780.2 million. The Group's insurance companies generated insurance, coinsurance and reinsurance premiums of EUR 1,653.7 million in 2023 (index 112), of which EUR 982.8 million (index 113) was earned by the parent company. Premium growth was achieved in all insurance segments and in most markets where the Group operates, except for Croatia's market.

The Group's consolidated operating expenses, including other attributable insurance service expenses, increased by 12% year-on-year to EUR 429.0 million.

The Group's total equity amounted to EUR 891.1 million as at 31 December 2023 and was 1% lower year-on-year. Return on equity stood at 1.8%.

The Group's financial stability, high capital adequacy and high profitability in 2023 were again confirmed by the two renowned rating agencies S&P Global Ratings and AM Best by assigning an »A« rating to the Group. Both credit ratings have a stable medium-term outlook.

The findings of the Supervisory Board are also based on the following:

- Report of the non-life insurance actuarial function holder for 2023,
- Report of the life insurance actuarial function holder for 2023,
- Annual Internal Audit Report of the Internal Audit Department of Zavarovalnica Triglav d.d. for 2023.

The Supervisory Board has no objection to the aforementioned reports.

3.7 Annual report

The Management Board submitted the Audited Annual Report of the Triglav Group and Zavarovalnica Triglav d.d. for 2023 to the Supervisory Board.

The Supervisory Board hereby ascertains that the Annual Report was compiled within the statutory deadline and submitted to the appointed auditor. The Annual Report of the Triglav Group and Zavarovalnica Triglav d.d. for 2023 was audited by the audit firm Deloitte revizija d.o.o., Ljubljana, which on 12 March 2024 expressed an unmodified opinion on the separate and consolidated financial statements in the Annual Report of the Triglav Group and Zavarovalnica Triglav d.d. for 2023. In their report as an independent auditor, they took a stance on key audit issues regarding insurance technical provisions and equity investments in subsidiaries. They also provided their opinion on other information contained in the Annual Report as to their consistency with the separate and consolidated financial statements and their compliance with the applicable legislation and other regulations.

The certified auditor, a key audit partner, was present at the session of the Supervisory Board and the Audit Committee regarding those items where the Annual Report was discussed and provided the requested additional explanations to the Audit Committee and the Supervisory Board. The Audit Committee discussed the annual report after the pre-audit and the final audit and the letter to the Management, which was also discussed by the Supervisory Board, after the audit.

Based on a detailed verification, the Supervisory Board established that the Annual Report of the Triglav Group and Zavarovalnica Triglav d.d. for 2023, which was prepared by the Management Board and verified by a certified auditor, was compiled in a clear and transparent manner and that it was a true and fair presentation of the assets, liabilities, financial position, and profit or loss of the Triglav Group and Zavarovalnica Triglav d.d. The Supervisory Board is of the opinion that the Corporate Governance Statement, which is included in the Annual Report, is appropriate and has no objections to it.

In accordance with the aforementioned findings, the Supervisory Board expresses no objection to the unmodified opinion of the certified audit firm Deloitte revizija d.o.o., Ljubljana, which found that in all material respects the consolidated and separate financial statements presented a true and fair presentation of the financial position of the Triglav Group and Zavarovalnica Triglav d.d. as at 31 December 2023, their profit or loss, comprehensive income and cash flows for the year then ended, in accordance with the International Financial Reporting Standards as approved by the EU.

In view of the above, the Supervisory Board approves the Audited Annual Report of the Triglav Group and Zavarovalnica Triglav d.d. for the Year Ended 31 December 2023.

At its session, the Supervisory Board also discussed the Remuneration Report for 2023, which was verified by the authorised audit firm Deloitte revizija d.o.o., Ljubljana, and in accordance with paragraph six of Article 294b of the Companies Act (ZGD-1) issued the auditor's report confirming that the Remuneration Report contains all the information required by paragraphs two and three of Article 294b of the ZGD-1. The review of the company's report was performed by a certified auditor in accordance with the International Standard on Assurance Engagements 3000 – Assurance Engagements, except for audits or investigations of past accounting information.

3.8 Proposal for the distribution of accumulated profit

At its 2nd/2024 session, the Supervisory Board examined the Management Board's proposal for the distribution of accumulated profit as at 31 December 2023, which will be subject to a final decision by the General Meeting of Shareholders of Zavarovalnica Triglav d.d., and approved the following draft resolution on the distribution of accumulated profit to be proposed by the Management Board to the General Meeting of Shareholders:

“The accumulated profit totalling EUR 87,854,038.93 as at 31 December 2023 shall be distributed as follows:

- A part of the accumulated profit amounting to EUR 39,786,509.00 shall be distributed for dividend payments. A dividend in the amount of EUR 1.75 gross per share shall be paid to the shareholders appearing in the Share Register as at 18 June 2024. By 19 June 2024, the Company shall ensure funds for the payment of all dividends on the account of KDD – Centralno klirinška depotna družba d.d., intended to execute the corporate action of paying out dividends to the shareholders in accordance with the common European standards for corporate actions.
- The distribution of the remaining accumulated profit of EUR 48,067,529.93 shall be decided on in the coming years and shall remain undistributed.”

Ljubljana, 28 March 2024

Andrej Andoljšek
Chairman of the Supervisory Board

4. Triglav Group strategy and plans

- Strategic risks and business opportunities are regularly assessed based on the challenges and opportunities identified in the rapidly changing business and social environments.
- The Triglav Group's vision, aimed at creating an outstanding user experience, is implemented through development activities. The transition from an insurance-oriented to a service-oriented business model with multiple ecosystems and continued digital transformation are at the fore.
- The challenges of the transition to a low-carbon society are being addressed by adapting business and investment strategies, along with launching new products.
- The Group's performance in 2023 was significantly impacted by one-off events.
- The Group's operations will continue to be profitable in 2024, with further expansion of the business planned.

4.1 Today's challenges and opportunities

The resilience of the Group's business is closely linked to its understanding of risks and risk mitigation strategies. In an ever-changing environment, the Group has maintained a forward-looking perspective, closely monitoring change while identifying new challenges and opportunities, in addition to effectively tackling new risks that are increasingly interlinked. Strategic risks and opportunities are regularly assessed, as well as the relevance of the bases on which the Group's strategy is founded. By constantly upgrading the risk management system, the Group attains profitable, stable and future-oriented business operations. Preparedness is seen as the core of the resilience of the Group's operations, closely linked to effective risk identification and management. This approach enables the Group to maintain its preparedness at a high level, suitable for optimal response even to unexpected events such as those faced in 2023.

The macroeconomic situation and the regulatory framework for the provision of health insurance, the growing importance of sustainability aspects in business, increased business digitalisation and related changes in consumer habits, and the changes resulting from demographic trends were identified as the main trends that are believed to have a significant impact on the Group's business operations today and in the coming years.

4.1.1 Risk related to the macroeconomic and regulatory environment

The year was most marked by persistent high inflation, the Russian-Ukrainian war, disruptions in some supply chains and energy price increases. Higher borrowing costs contributed to a significant decline in economic growth. Geopolitical risks stemming from the Russian-Ukrainian war were compounded in October by new risks from the Gaza war. The rise in interest rates affected the required yields on debt financial instruments and movements in their value. Equity markets, on the other hand, recorded growth for most of the year. For more information on macroeconomic trends and geopolitical risks, see [Section 7. Macroeconomic environment and insurance markets](#). The market risks affected are presented in [Section 2.8 Risk management of the Accounting Report](#). The Group's operations were also significantly affected by the change in the regulatory framework for the provision of supplemental health insurance in Slovenia, which, in addition to challenges, also brings opportunities for the future development of the complementary health insurance market.

The Group's acceptance of challenges and risk management

To manage market risks, the Group companies have established **investment policies** which mainly refer to assets intended to cover future liabilities under non-life and life insurance policies. The investments set out in these policies are made in the best interests of all beneficiaries, taking into account all objectives disclosed in the insurance contracts, and are consistent with the nature and duration of the insurance and reinsurance obligations. This ensures the security of investments while maximising the return on the risks assumed. In managing the remaining assets, the Group pursues the objective of achieving an adequate return, taking into account all the risks assumed and maintaining a high overall credit rating of the investment portfolio.

As part of the investment process, an effective **monitoring system** was developed **for the entire counterparty portfolio** to manage, in a timely manner, the risks of any deterioration in the counterparties' credit quality.

The Group pays particular attention to the timely fulfilment of all obligations, which is realised through adequate liquidity and its management. To achieve profitability, the Group's investments in alternative investments are being increased. The increase in their volume in 2023 was monitored through an upgraded management system and the characteristics of these investments were further captured.

Risks associated with persistent high inflation had a particular impact on fixed-income debt investments. Interest rate risk is managed through a limit system, within which cash flows of assets and liabilities are matched. Other segments of the Group's business were also affected by high inflation. Such increases in claim payments under insurance contracts are managed by adjusting the pricing policy and by regularly monitoring and managing operating expenses. In identifying potential risks, the possibility is perceived that the persistence of high inflation, together with a further rise in interest rates and a consequent contraction in economic activity, could result in a significant reduction in real disposable income, which could lead to a decline in demand for insurance contracts and an increase in liquidity risk. The occurrence of a more significant recession could also lead to higher credit risks.

Geopolitical risks are expected to remain significant in the future, and therefore, the utmost care is exercised in underwriting insurance and reinsurance business in the international market and in the geographic diversification of investments and reinsurers, as shown in [Section 2.8 Risk management of the Accounting Report](#).

4.1.2 Climate change and sustainable development

The year 2023 was characterised by natural disasters of a significantly higher magnitude and severity than the long-term average. The physical risks of climate change, which are associated with an increase in the severity and frequency of extreme weather events, especially impact the insurance business. In the region where the Group operates, more frequent and severe floods, drought periods and hailstorms due to climate change are of particular concern in the long run. Demand for insurance cover is expected to increase, bringing new opportunities to expand the volume of business and challenges to increase the required reinsurance covers.

Climate risks also include the risk of transition to a low-carbon economy. The transition is associated with policy changes, changes in consumer habits, reputational risk, market sentiment, legal and technological risks, and also includes adapting business operations to reduce greenhouse gas emissions. Given the nature of the business, the indirect impact through the investment and insurance portfolios (GHG Scope 3) is more important for the insurance sector than the direct carbon footprint (GHG Scope 1 and 2) in the transition to a low-carbon economy. Transition risk could manifest through a significant impact on the value of investments in more exposed issuers, while shifts in environmental policies and consumer habits might substantially affect policyholders and insurance products. In addition, there is an opportunity to proactively influence issuers and policyholders through investment and insurance activities to promote a faster transition to sustainable business practices.

Global population growth and economic development have resulted in overconsumption of natural resources. The need for balanced social development that reduces inequality and improves the situation of the most vulnerable social groups is becoming increasingly important. Rising average atmospheric temperatures may increase mortality, the spread of infectious diseases and the likelihood of new epidemics/pandemics, which may increase the demand for, and the supply of, life and health insurance products. More widespread and prolonged disease outbreaks may have a negative impact on social and economic stability.

Climate change is therefore a key long-term challenge for the insurance sector, but it is only a part of the sustainability aspects of its business. The insurance sector may contribute to a higher level of financial security in terms of physical risks and other sustainability risks and thus to a better economic situation, notably by offering insurance products and other services to mitigate climate change effects, in addition to an investment policy that promotes sustainable development in both the economy and society.

The Group's acceptance of challenges and risk management

The Triglav Group's mission, summarised in the message "*creating a safer future*", is put into practice through its sustainability focus. The opportunities and risks of sustainable development are identified, and global sustainability best practices are integrated into the Group's business. The goal is to carry out the Group's core activities, i.e. insurance and asset management, in a way that will provide long-term economic, social and environmental value to all stakeholders.

As part of the own risk and solvency assessment process, particular attention was again paid to the identification and assessment of the Group's climate risks. A qualitative assessment of climate risks was conducted for both assets and liabilities. Climate risks are anticipated to be material for the investment segment of the Group's business in the medium and long term. The Group has assessed that transition risk has no material impact on its business in the short term in the insurance portfolio, but if legal and technical risks materialise, transition risk may increase in the medium to long term and become a material risk.

A stress scenario, covering risks that could already be deemed material in the short term, was performed based on a qualitative assessment of climate risks. These are mainly physical risks within the insurance portfolio. Continued focus will be on ensuring adequate protection for clients, taking into account the modification and limitation of reinsurance terms and conditions.

Sustainability risks are also related to the Group's reputational risk, especially with the growing awareness of society and the importance of sustainability for our stakeholders. Such potential risks can be realised over a long period of time and affect all key business processes, acquisition and retention of business and personnel.

The increased role of sustainability also brings many new business opportunities due to both the need for additional insurance coverage and rapid technological progress and innovations in sustainable technologies.

See [Section 11. Sustainable development at the Triglav Group](#) for more information about sustainability aspects.

4.1.3 Digital transformation and cyber security

The digital transformation of insurers has accelerated since the COVID-19 pandemic. Insurers are following the trend of business digitalisation, implementing new technological solutions and innovative business models, while ensuring safe products and an outstanding user experience. Advanced analytics, the use of cloud services, the Internet of Things, cognitive computing, mobile network development, process automation and robotisation, and machine learning are all on the rise. More recently, the use of artificial intelligence (AI) in business processes has been accelerating.

It is becoming increasingly challenging for insurers to adapt rapidly to new market opportunities while maintaining cost-effective, cyber-resilient and compliant operations. Ensuring that employees have appropriate competences, skills and knowledge for such digitalised processes, and even more so for the development and maintenance of advanced digital technologies, is particularly challenging, therefore cooperation and integration with external providers is being strengthened.

Digitalisation creates great opportunities for business optimisation, while bringing a number of new threats and risks. These stem mainly from a lack of understanding and consideration of new technologies and their impact on business, and from the increasing connectivity of businesses and their dependence on information and communication technology (ICT) service providers. They increase the vulnerability of insurers to business disruptions and interruptions, as well as the need to ensure compliance and information security, especially against cyber-attacks. Effective risk management and continuous improvement of digital resilience through regular testing are among the critical factors for successful business performance and maintaining clients' confidence in secure data processing. This is also underlined by the new Regulation of the European Parliament and of the Council on digital operational resilience for the financial sector (DORA), which is expected to become effective in January 2025.

While the AI Regulation will define minimum requirements in the European Union to tackle the risks and challenges associated with AI. As announced, the financial sector will be required to comply with the revised Regulation on electronic identification and trust services for electronic transactions in the internal market (eIDAS 2.0), which refers to the use of the EU Digital Identity Wallet by citizens to access online services and carry out electronic transactions.

The Group's acceptance of challenges and risk management

The Triglav Group is continuously adapting to environmental changes, accelerating business digitalisation and implementing innovations to support the achievement of its strategic development goals. An omni-channel sales approach, paperless operations and remote business are being effectively implemented. The Group is well prepared for the digital transformation thanks to the rapid deployment of solutions such as remote signing, video identification, the use of electronic identities and remote inspection of the object insured. The digitalisation process is continuously being expanded, enhanced and upgraded. See [Section 10.2 Transformation and digitalisation](#) for more information on development activities.

New solutions are evaluated before being implemented and regularly tested in terms of security and business continuity. Client satisfaction with new solutions is also checked, and the services offered are further improved based on their feedback. Productivity tools, including the use of AI, are introduced to drive innovation and increase the efficiency of business processes. The Group's risk management processes were upgraded with additional rules and controls to comprehensively and systematically identify, assess and manage the risks posed by new technological solutions.

The Group cooperates with ICT service providers who are committed to high security standards and whose solutions comply with information security and data protection legislation. Tailored cyber protection insurance products and assistance services are offered to clients to better deal with the challenges of remote business and cyber threats.

The information security and security controls management system is continuously upgraded, and **information security**, business continuity plans and recovery procedures are **regularly reviewed at various levels**. Tools and processes to manage all types of operational risks, including information (cyber) risks, are also regularly upgraded. These are consistently incorporated into stress scenario tests, whereby information security is analysed and measures are taken to make further improvements.

Employees are regularly made aware of information security risks and trained on the safe use of IT. Their level of awareness is also regularly assessed, and additional measures and new approaches are implemented.

Information security is an essential aspect in the design of the Group's processes, information systems and controls. In 2023, Zavarovalnica Triglav underscored its importance by obtaining ISO/IEC 27001:2013 certification for its information security management system.

4.1.4 Demographic and human resource risks

Population ageing, as a consequence of increasing life expectancy and declining fertility rates, is one of the key challenges of the more mature European economies. It is also reflected in labour shortages, which will have a significant impact on future economic development and growth. International migration is mitigating these trends to some extent. In most European countries, young age groups typically have a lower average income, which means that public social welfare systems are funded less and the need for social security and its funding is greater. The awareness that health, lifestyle and environmental aspects are interconnected is growing noticeably.

Employment in the EU is at an all-time high, with demand for workers surpassing supply in many sectors and industries. The shortage of skilled workers is particularly acute for profiles which are in high demand due to the rapidly advancing business digitalisation and the need to combine IT skills and good knowledge of specific topics. For these profiles, it is all the more important that employers succeed in attracting and retaining them. The COVID-19 pandemic has markedly reshaped the labour market and encouraged several forms of hybrid work. Employers who are better able to adapt to new demands and expectations have a better chance of attracting and retaining suitable staff, which also raises salary costs.

Furthermore, the impact of the external environment on economies worldwide is increasingly evident with regard to the Fourth Industrial Revolution, particularly in the field of AI.

The Group's acceptance of challenges and risk management

Demographic trends are monitored on an on-going basis in all Group markets. The need to adjust insurance terms and conditions and calculation factors is checked, in addition to identifying opportunities for new insurance covers and products. The coverage of risks that the compulsory social security scheme covers inadequately or does not cover at all is ensured by a range of complementary insurance products. The Company is expanding its life, pension and health insurance product range, thereby increasing the security of clients at all stages of life. It is exposed to longevity risk in products with lifetime annuity or pension payouts. Especially long-term risk, which requires special attention, is managed by developing dynamic models of the policyholders' life expectancy and setting appropriate premium rates and provisions.

The changing insurance preferences and needs of younger generations offer opportunities for innovation and product adaptation. Awareness among young people is being raised to ensure their financial security through new insurance products, and they are being engaged through omni-channel offers and innovative approaches in advertising and information.

The Group is aware that healthcare will continue to grow in social significance. It is increasing its range of healthcare services in order to provide its policyholders – at health centres – with timely and, at the same level of quality, more affordable healthcare services than its competitors on the market. The Group is transforming from a traditional health insurance provider into a health partner and provides clients with comprehensive lifelong services. By offering additional health insurance products and services, it reduces the risks of a healthcare reform and the consequences of the termination of supplemental health insurance in Slovenia.

The Group recognises the key role of employees in achieving its ambitious business objectives. The current shortage on Slovenia's labour market affects new employees with specialist skills and competences, especially in IT, digitalisation, business intelligence, risk management, actuarial science, etc. The risk of key staff leaving is also a current concern.

Efforts are being made to reduce the risk of unwanted turnover through good working conditions. The Group is strengthening its brand of a development-oriented and responsible employer and building up its recognisability as a desirable employer, being able to attract and motivate new highly qualified and highly skilled workers and young people. Young people are actively involved in various initiatives before they are hired through company scholarships, work placements, and company and business presentations. Substantial investments are made in the professional and general training of employees.

Where the nature of the work allowed, hybrid work was enabled to employees of Group companies during the pandemic. The hybrid model was not only preserved but made available on an even larger scale in some companies in 2023, which could be the Group's competitive advantage. See [Section 8.5 Investment in own-use real property and equipment](#) for more information on the hybrid workplace as a strategic pilot project.

A centre of excellence for business developers has been set up to provide ongoing training for employees in the use of new technologies. This is discussed in more detail in [Section 10.2 Digital transformation](#).

Employee satisfaction within the Group is regularly monitored by measuring the organisational climate. According to the results, the Group is effectively adapting to changes, communication is open and effective, and the Group remains an attractive working environment. See [Section 11.3.2 Responsibility to employees](#) for more information about care for employees.

4.2 Triglav Group Strategy for 2022–2025⁷

At the Triglav Group, stakeholder value creation relies on aligning its mission, business strategy and sustainable development policy. Integrating relevant sustainability aspects into all levels of business planning and execution is a key building block for the Group's long-term sound performance and for upgrading its risk management, as well as for the development of its internal culture and relationships with its clients and other stakeholders.

Triglav Group's mission, vision and values



Mission

We build safer future.

- We are client-centred.
- We support development of our partners.
- We provide development- oriented environment for our employees.
- We are stable, safe and profitable investment for our investors.



Vision

We set standards of outstanding client experience – anytime, anyplace.

Triglav is leading Insurance and financial group in Adria region, synonymous with the best user experience.

Through our operations we are creating above-average value for our key stakeholders and promote transition to sustainable company.



Values

Responsiveness, simplicity and reliability are reflected in our day-to-day operations



Strategic activities

Insurance

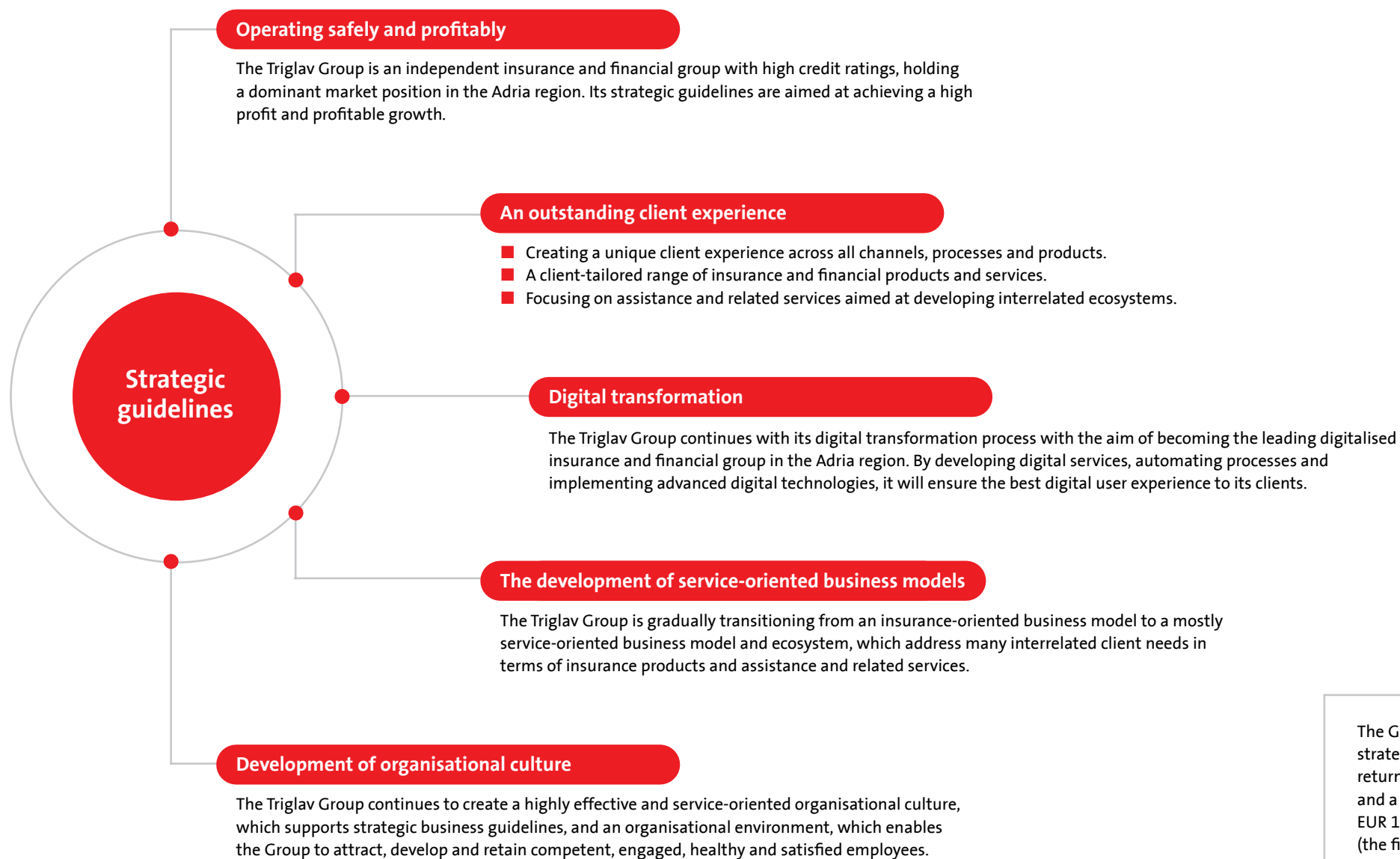
- Non-life
- Health
- Life
- Pension
- Reinsurance

Asset management

- Own insurance portfolio (asset backing liabilities and backing funds)
- Mutual funds and individual asset management
- Pension funds

Triglav Group will remain leader in all its core businesses in Adria region.

⁷ GRI 3-3



The Group's 2022–2025 strategy aims to achieve a net return on equity (ROE) of 10% and a total revenue exceeding EUR 1.6 billion annually (the figures are set in accordance with the previous IFRS 4 reporting framework).

4.3 Implementation of the Triglav Group strategy in 2023⁸

The Group is focused on safe, profitable, and client-centric operations. In 2023, the Group's strategic guidelines to 2025 were consistently implemented and built upon for further growth and development.

The Group continued both strategic activities, business digitalisation and transformation, with the aim of establishing leadership in the sector and the region. Advanced tools were implemented in business processes, and innovations such as artificial intelligence were used to create system solutions. Business partnerships and ecosystem services were expanded.

The implementation of strategic guidelines that deepen client focus enables the Group to achieve business resilience and provides it with the ability to operate responsively and reliably even in challenging circumstances, while streamlining solutions for greater simplicity. All of this is reflected in a high level of employee engagement, a multi-channel approach to clients and an increasingly flexible organisation.

Through its sustainable operations, the Group has affirmed itself as a development-oriented environment for its employees and a stable investment for investors. Below is the summary of the key results in the implementation of the strategic guidelines. Under *Delivering on ESG strategic ambitions*, key steps towards achieving a climate-neutral and climate-resilient circular economy are outlined. See [Section 11. Sustainable development](#) for further information.

Operating safely and profitably

■ Profitable operations and credit rating

- Earnings before tax: EUR 21.1 million
- Return on equity (ROE): 1.8%
- Dividend: paid out in line with the dividend policy in the total amount of EUR 56.8 million or EUR 2.50 gross per share
- Credit rating: re-affirmed »A« credit rating with a stable medium-term outlook
- The impact of CAT claims that deviated significantly from the long-term average on the achievement of the Group's planned annual result: limited by adequate reinsurance protection

■ Growth in business volume

- Gross written premium: +12%
- The Group's market share in the Slovenian insurance market: +0.6 percentage point
- Total revenue: +11%
- Seized opportunities for expanding the business within the region based on new business models and partnerships
- The position in South-East Europe: the largest insurance group in terms of written premium

■ Capital adequacy and capital allocation

- Prudent implementation of the capital management policy
- Consistent monitoring of market capital and assessment of risks by individual activity (insurance business, investment management, capital management): financial strength and maintained capital adequacy, which remains within the target range

■ Safe operations and compliance

- Implementation of the new accounting standards IFRS 9 and IFRS 17
- Internationally renowned audit firm (Big 4)
- Upgraded network and server infrastructure
- Centralising the Group's IT infrastructure and setting up a hybrid cloud

■ Internal synergies and productivity growth

- Business productivity: increased by 11%
- Gross written premium per employee: EUR 353 thousand
- Transferring good practices and leveraging the Group's internal potential

An outstanding client experience

■ Client satisfaction and loyalty

- Significantly more users of the i-triglav digital office and clients who gave their consent to do business electronically
- High client satisfaction score with Group services (Net Promoter Score): 73
- Improved understanding of our products and services
- Implemented a new comprehensive bonus system

■ Comprehensive and client-tailored services and an omni-channel approach

- Implementation of advanced underwriting tools, personalisation of products and services
- Simplification and digitalisation of remote underwriting and sales processes
- Client-tailored innovations in sales promotion through the banks' call centre with insurance distribution
- Enhanced automation of marketing campaigns in direct marketing
- Expansion of international reinsurance and partner network in markets outside the Adria region

■ Increased number of active clients and higher insurance coverage of each client

- The total number of clients up by 10%
- Implementation of artificial intelligence and cognitive services into process automation
- Development of a new universal AI assistant
- Core solutions for the complete digitalisation of the sales process

■ Actions following CAT events caused by natural disasters

- Intensive client information and support on how to report claims
- Promoting the remote reporting of claims

Development of service-oriented business models and digital transformation

- **Advanced service-oriented business models**
 - A central entry communication point for clients
 - Business ecosystems: new services and partnerships (mobility, home, pets and health)
- **Digitalisation, optimisation and automation of business processes**
 - Sales: completed project to optimise online insurance sales
 - Claims: simplified claim reporting procedure by implementing an omni-channel step-by-step reporting approach
 - Marketing: machine learning models implemented to predict new products
 - Client communication: increased transparency using Dynamics 365

Development of an organisational culture

- **Realisation of the Group's key values**
 - Organisational culture: acting in line with our values of responsiveness, simplicity and reliability
 - The promotion of teamwork, intergenerational cooperation and a healthy lifestyle
 - Raising awareness of responsible, client-centred behaviour
- **Digitisation of HR services and automation of Group processes**
 - Processes: upgrading and streamlining HR processes
 - HR information system: system unification
 - Development modules: implemented in Gecko HRM
- **Employee acquisition, development and retention**
 - Employer brand: redesign at Group level
 - Satisfaction and engagement: a high value of the strategic indicator
 - General competences: training sessions on taking initiative
 - Digital competences: training of sales staff
- **Development of key, promising staff and young people**
 - Succession: setting up succession systems for the management of Group companies
 - Leadership: training for leaders (B-1) to promote the competences of promising employees
- **Organisation**
 - Organisational structure: adapting to modern processes and optimising staffing
 - Hybrid forms of work: introducing hybrid workplaces in several locations

Delivering on ESG strategic ambitions

- **Insurance and asset management**
 - The share of green, sustainable and social impact bonds in the investment portfolio: an increase from 9.9% to 11.1%
 - Triglav Skladi's mutual funds: sustainability aspects of investments incorporated into the management of 12 funds
 - Income from insurance products that promote general social and environmental benefits: an expanded product range and an increase in written premium in the insurance business
- **Business processes**
 - Reduction of the Group's carbon footprint for Scope 1 and 2: a decrease of 6%
 - Energy saving and sustainability: raising awareness among employees
 - Sustainable mobility: a higher share of electric and hybrid vehicles in the fleet from 8% to 12%
- **Responsible stakeholder engagement**
 - Active relations with shareholders and investors and compliance with Ljubljana Stock Exchange Prime Market terms and conditions
 - Delivering on the SDGs: continuing the Insure Our Future project with partners
- **Effective corporate governance**
 - Standards: high standards of corporate governance
 - Policies: implementation of the Group's Sustainable Development Policy, Sustainable Investment Policy and Statement on principal adverse impacts of investment decisions on sustainability factors
 - Global alliances: joining the United Nations Principles for Responsible Investment (UN PRI) and the Partnership for Sustainable Economy (CER)
 - Compliance: monitoring and implementing ESG regulatory changes through committees in the risk management system

4.4 Implementation of the Triglav Group's business plans in 2023

In a challenging year marked by extreme CAT events, changes in the healthcare system and inflation, the Triglav Group achieved **earnings before tax of EUR 21.1 million**, or 80% less than planned (see [Section 8. Operations of the Triglav Group and Zavarovalnica Triglav](#) for further information).

Total written premium rose by 12% to EUR 1,653.7 million, exceeding the planned figures, which is slightly above the target of EUR 1.5–1.6 billion. Despite fierce competition, an increase was seen in all insurance markets, with the exception of Croatia, and in all insurance segments. Premium growth was 9% in the Slovenian market, 7% in the other markets of the Adria region and 28% in the international market.

The Group's **combined ratio in non-life and health insurance** stood at **101.6%**. It increased by 1.9 percentage points compared to the previous year, due to the negative effects of changes in supplemental health insurance and a deterioration in the claims ratio. See [Section 8. Operations of the Triglav Group and Zavarovalnica Triglav](#) for more information.

The credit rating agencies S&P Global Ratings and AM Best re-affirmed the Group's **»A« credit rating with a stable medium-term outlook**, thereby confirming the Group's **strong financial stability, capital adequacy and profitability**. Achieving an »A« credit rating ensures an appropriate competitive position of the Group in insurance, reinsurance and financial markets as it confirms its financial strength and sound performance. See [Section 6.6 Credit rating of the Triglav Group and Zavarovalnica Triglav](#) for more information.

4.5 Plans of the Triglav Group for 2024

In 2024, the Triglav Group anticipates a moderately favourable macroeconomic situation. Business operations will be influenced by financial market developments, the termination of supplemental health insurance in Slovenia, reinsurance coverage and the development of potential in the markets where the Group operates.

Earnings before tax of EUR 100–120 million are planned, as a result of expected normalisation of business conditions compared to 2023. In the insurance business, the Group plans to operate profitably and record a **total business volume** of around EUR 1.6 billion, as well as achieve **the combined ratio** of non-life and health insurance at around 95%. In the health segment, the termination of supplemental health insurance is anticipated, while the development and provision of complementary health insurance products will continue.

Strategic guidelines will be consistently implemented. By continuing its digital transformation and developing service-oriented business ecosystems, the Group will further pursue its main strategic objective – an outstanding and uniform client experience. As the leading insurance and financial group in Slovenia and the Adria region, the Group will further strengthen its market position, while seeking opportunities according to the principle of free movement of services and through partnerships.

It will strive for cost optimisation and effectiveness (productivity gains, automation, digitalisation and centralisation). Priority objectives include effective risk management, maintaining financial stability and preserving high credit ratings from renowned rating agencies. The Company's dividend policy remains unchanged, and every effort will be made for the ZVTG share to remain a profitable, safe and stable investment for investors. The pursuit of the sustainable development strategy, as outlined in the Group's policies and ambitions, will remain a key focus.

5. Corporate Governance Statement

- The corporate governance system was further integrated into the operations and business practices of Group companies by building on common standards and rules. The internal control system was upgraded, in addition to revising the delegation of responsibilities, the remuneration policy, and the fit and proper requirements.
- President of the Management Board Andrej Slapar and Management Board members Uroš Ivanc and Tadej Čoroli were reappointed for a five-year term. Their current term of office expires in 2024.
- Monica Cramer Manhem and Tim Umberger were appointed as new Supervisory Board members, shareholder representatives, while Aleš Košiček and Janja Strmljan Čevnja were appointed as new Supervisory Board members, employee representatives.

5.1 Governance policy

Zavarovalnica Triglav's governance system plays the main role in the implementation of the business strategy and effective risk management on which it is based. The main governance guidelines take into account the set long-term objectives. They are defined in the Governance System and Policy of Zavarovalnica Triglav d.d., which is adopted by the Management Board and the Supervisory Board. It is published on SEOnet, the Ljubljana Stock Exchange information system, and on the Company's website (www.triglav.eu).

5.2 Statement of Compliance with the Slovene Corporate Governance Code

In its operations, Zavarovalnica Triglav abided by the Corporate Governance Code (hereinafter: the Code), which was adopted on 9 December 2021. The Code is available on the Ljubljana Stock Exchange's website in Slovenian and English. Zavarovalnica Triglav's statement of compliance with the Corporate Governance Code for the period from 1 January 2023 to the day of its publication in 2024 is available on SEOnet and Zavarovalnica Triglav's official website.

Zavarovalnica Triglav adheres to the provisions of the Code. For well-grounded reasons, the Company deviated from or did not comply with the following provisions of the Code:

- Points 4.1 to 4.3, which refer to the Diversity Policy:

The Company and its management and supervisory bodies are subject to the Insurance Act and the Companies Act, which require that the members of the management and supervisory bodies and the bodies as a whole meet the fit and proper criteria for insurance companies. When Management Board and Supervisory Board members are appointed, efforts are made to achieve as much diversity as possible. The Company's Diversity Policy sets out that if several candidates meet the fit and proper criterion, the candidate who will contribute more to greater diversity of the Management Board will have priority. The diversity of expertise and experiences is set out in greater detail in the Fit and Proper Policy for the Management and Supervisory Board Members of Zavarovalnica Triglav d.d. (hereinafter: the Fit and Proper Policy). The Diversity Policy requires that both genders are represented on the management and

supervisory bodies. In this respect, the ratio between the two genders, appropriate to the size of the company and its goals and procedures, is not predetermined, as it is first necessary to ensure the fitness and propriety of the bodies as a whole, in accordance with the strict regulations of the law. These require that both individual members and bodies as a whole meet special fit and proper criteria for insurance undertakings. The Diversity Policy does not set goals for each aspect of diversity and for each body separately, but it does determine the method to ensure diversity as mentioned above and, as a result, has a direct impact on personnel procedures and other processes in the Company.

- Point 5.6, which refers to an external assessment of the appropriateness of the Corporate Governance Code by an independent institution:

The Corporate Governance Statement, as part of the annual report, is reviewed annually by an independent external auditor. Zavarovalnica Triglav is a regulated company, whose operations are supervised by the Slovenian Insurance Supervision Agency. One of the key functions at the Company is internal audit, which not only performs continuous and comprehensive supervision of the Company's operations but also verifies and assesses whether the processes of risk management, control procedures and management of the Company are appropriate.

- Point 16.4, which stipulates that at least once in every three years the supervisory board should ensure an external assessment in which it cooperates with an independent institution or external experts:

Each year, the Supervisory Board, with the assistance of competent departments, carries out self-assessment of its work and the work of its committees and draws up a report, which it considers carefully and adopts an action plan of measures to improve its performance. At its discretion, the Supervisory Board also performs external assessment by cooperating with relevant external experts. The last such assessment was performed in February 2023.

- Point 21.6, which refers to the prior approval of the Supervisory Board before the appointment of the members of the Management Board to the management or supervisory bodies in other companies:

Pursuant to the resolution of the Supervisory Board, Management Board members do not require the prior approval of the Supervisory Board for their appointment to the management or supervisory bodies of Zavarovalnica Triglav's direct and indirect subsidiaries and associates.

However, the Management Board members promptly inform the Supervisory Board in writing about their appointment in accordance with point 1 of paragraph two of Article 62 of the Insurance Act (ZZavar-1).

■ Point 25, *which stipulates that all supervisory board and committee members are independent:*

Two members of the Supervisory Board, both employee representatives, whose term of office ended on 1 June 2023, are not considered independent in accordance with point g) of Appendix B of the Code, as they have served on the Supervisory Board for more than three terms. After 1 June 2023, all members of the Supervisory Board were independent.

In its operations, the Company abides by the principles of the Insurance Code, available on the website of the Slovenian Insurance Association (www.zav-zdruzenje.si).

The Company also has its own code, which defines its fundamental values and business principles in order to achieve its business objectives, strategic guidelines and competitive advantages in a fair and transparent manner and in compliance with the law and ethics. It is published on the Company's official website.

The Statement of compliance with the Slovenian Corporate Governance Code is available both on SEOnet and the Company's official website.

Two-tier governance of Zavarovalnica Triglav

General Meeting of Shareholders	Supervisory Board	Management Board
77% of all voting rights at the 48 th General Meeting of Shareholders	8 members (as at 31 December 2023) 4 -year term of office	5 members 5 -year term of office

5.3 Management bodies of Zavarovalnica Triglav⁹

The Company has a two-tier governance system in place. Its governance bodies are as follows: **General Meeting of Shareholders, Management Board and Supervisory Board**. They operate in compliance with the primary and secondary legislation, the Articles of Association of Zavarovalnica Triglav d.d. (hereinafter: the Articles of Association) and adopted rules of procedure. Zavarovalnica Triglav's Articles of Association are published on its official website.

5.3.1 General Meeting of Shareholders

The shareholders of Zavarovalnica Triglav exercise their rights at the General Meeting of Shareholders, which is convened at least once a year, by the end of August at the latest. It may also be convened in other circumstances provided by law and the Articles of Association, and when it is in the interest of the Company.

The powers and operation of the General Meeting of Shareholders are set out in the Companies Act and the Articles of Association.

The holder of a Zavarovalnica Triglav share has the right to:

- one vote at the General Meeting of Shareholders,
- proportional dividends from the profit intended for the dividend payment and
- a proportional share from the remaining bankruptcy or liquidation estate in the event of bankruptcy or liquidation.

All shareholders who are entered in the share register managed by KDD – Centralno klirinška depotna družba d.d. not later than by the end of the seventh day before the date of the General Meeting of Shareholders have the right to attend the General Meeting. They may exercise their voting right provided that they register their attendance not later than by the end of the fourth day before the date of the General Meeting of Shareholders.

The rights and obligations attached to the shares as well as the notes on the restriction of transfer of shares and on reaching a qualifying holding are described in [Section 6.2 Equity](#). See the Insurance Act for further details.

In accordance with the Financial Instruments Market Act, the following three shareholders of Zavarovalnica Triglav held a qualifying holding as at 31 December 2023:

- Zavod za pokojninsko in invalidsko zavarovanje Slovenije (Institute of Pension and Invalidity Insurance of Slovenia; hereinafter: ZPIZ) is the direct holder of 7,836,628 shares or 34.47% of the Company's share capital. Its stake in 2023 remained unchanged. On behalf and for the account of ZPIZ, the shareholder's rights are exercised by Slovenski državni holding d.d. (hereinafter: SDH).

- SDH is the direct holder of 6,386,644 shares or 28.09% of the Company's share capital. Its stake remained unchanged in 2023.
- Erste Group Bank – PBZ Croatia Osiguranje OMF account – a fiduciary account, Vienna, holds 1,526,190 shares or 6.71% of the Company's share capital.

According to the data available, as at the reporting date Zavarovalnica Triglav had no other shareholders whose interests exceeded 5.00% of the share capital, nor any issued securities that would grant their holders special control rights.

General Meeting of Shareholders in 2023

Zavarovalnica Triglav held one General Meeting of Shareholders in 2023. The total number of shares and voting rights represented at the 48th General Meeting of Shareholders, held on 6 June 2023, was 17,418,012 or 76.87% of all shares. The shareholders took note of the following documents:

- Annual Report of the Triglav Group and Zavarovalnica Triglav d.d. for 2022, including the independent auditor's report;
- annual Internal Audit Report for 2022;
- Report of the Supervisory Board of Zavarovalnica Triglav d.d. on the Verification of the Annual Report of the Triglav Group and Zavarovalnica Triglav d.d. for 2022;
- opinion given by the Supervisory Board on the Annual Internal Audit Report for 2022.

The shareholders approved Zavarovalnica Triglav's remuneration report for 2022, whereas the consultative resolution on its remuneration policy was not adopted. The Company's remuneration policy complies with the law but it is not fully in line with SDH's recommendations of 4 May 2023, which were published after convening the General Meeting of Shareholders. These recommendations will be examined by the time the next regular General Meeting of Shareholders of Zavarovalnica Triglav takes place.

The shareholders adopted a resolution on the following distribution of the accumulated profit of EUR 63,769,278.25 as at 31 December 2022:

- A part of accumulated profit in the amount of EUR 56,837,870.00 shall be allocated for dividend payments. The dividend of EUR 2.50 gross per share shall be paid to the shareholders appearing in the share register as at 20 June 2023. As at 21 June 2023, the Company provided funds for the payment of all dividends to the account of KDD – Centralno klirinška depotna družba d.d.
- The distribution of the remaining accumulated profit of EUR 6,931,408.25 shall be decided in the next few years.

The shareholders granted a discharge for the 2022 financial year to both the Management Board and the Supervisory Board of Zavarovalnica Triglav.

Monica Cramer Manhem and Tim Umberger were appointed new Supervisory Board members, shareholder representatives.

5.3.2 Management Board

The Management Board manages and governs the Company independently and at its own responsibility, and presents and represents the Company without limitations. In legal transactions, the Company is always jointly presented and represented by two members of the Management Board, one of whom is its President.

In line with the Solvency II Directive, all persons who manage an insurance undertaking must have adequate professional qualifications (fit) and be appropriate to perform this function, i.e. be of good reputation and integrity (proper). The fit and proper assessment of the Management Board members is carried out based on national legislation and internal regulations.

Any person fulfilling the requirements stipulated by the Insurance Act, the Companies Act and the applicable documents of the Company may be appointed to the Management Board as its President or member. The fit and proper criteria applying to individual Management Board members and the Management Board as a collective body are clearly defined in the Fit and Proper Policy for the Management and Supervisory Board Members of Zavarovalnica Triglav d.d., which sets out the fit and proper assessment procedure for Management Board members to be performed before the appointment, periodically, extraordinarily or after the appointment of an individual Management Board member. With respect to the latter, the Supervisory Board takes into account the diversity of knowledge and competences, which not only allow comprehensive functioning of the Management Board, but also contribute to an appropriate variety of skills, knowledge and experience for professional management of the Company. All members are required to collectively possess the relevant knowledge and experience relating to insurance and financial markets, the business strategy and business models, governance systems, financial and actuarial analyses, risk management, and the regulatory and legal environment in which the Company operates.

In November 2023, Andrej Slapar, Tadej Čoroli and Uroš Ivanc were assessed before their appointment as Management Board members; all three were assessed to be fit and proper. In the same month, a periodic assessment was performed for the existing Management Board members Marica Makoter and Blaž Jakič and the Management Board as a collective body. It was found that the Management Board as a collective body is fit and proper to manage the Company with prudence and due diligence.

The Diversity Policy is also taken into account when appointing an individual member of the Management Board. Its goal is not only to achieve representation of both genders and various age groups but also to ensure the complementarity and diversity of the Management Board. In doing so, qualifications, experience and knowledge are taken into account, as outlined in the Fit and Proper Policy. The gender balance in the Management Board, which is appropriate to the Company's size, the objectives it pursues and the procedures for selecting management body members and other procedures in the Company, is not predetermined. If several candidates meet the fit and proper criterion, the candidate who will contribute more to greater diversity of the Management Board will have priority. One of the important goals is that both genders are represented in the management body. A comprehensive approach enables prudent and careful management of the Company, thus achieving strategic objectives and ensuring long-term values for all key stakeholders. The gender representation ratio in the Management Board was last 4:1, with the underrepresented gender accounting for 20%.

Blaž Jakič began his five-year term of office as a Management Board member on 2 March 2023. On 29 November 2023, the Supervisory Board reappointed Andrej Slapar as the President of the Management Board for a new five-year term of office. He has held this position since May 2013; his new five-year term of office will begin on 13 November 2024. The Supervisory Board agreed with the President of the Management Board's proposal and reappointed Uroš Ivanc and Tadej Čoroli as Management Board members. They served as Management Board members since July 2014. The new five-year term of office of Uroš Ivanc will commence on 16 July 2024 and that of Tadej Čoroli on 31 July 2024.

Composition and appointment of the Management Board

In accordance with the Company's Articles of Association, the Management Board may have no less than three and no more than six members, one of whom one is the president. The number of the Management Board members, their powers, the manner of representation and presentation and the transfer of the Management Board's authorisations are determined by the Supervisory Board in the Management Board Rules.

The Management Board is appointed by the Supervisory Board. The term of office of individual Management Board members is up to five years, with the possibility of reappointment without limitation. Zavarovalnica Triglav has one Worker Director, who is a member of the Management Board.

The appointment or recall of an individual member or all members of the Management Board is proposed to the Supervisory Board by the President of the Management Board. Any individual member or President of the Management Board may be dismissed also by the Supervisory Board if legal grounds for their dismissal have been established.

5.3.2.1 Management Board's powers to increase the share capital

In accordance with the Company's Articles of Association, the Management Board is authorised to increase the share capital of Zavarovalnica Triglav by up to EUR 14,740,278.36 through new shares issued for cash contributions within five years of 28 May 2021. The issue of new shares, the amount of capital increase, the rights attached to the new shares and the conditions for issuing new shares are decided upon by the Company's Management Board with the consent of the Supervisory Board. Following a share capital increase, the Supervisory Board is authorised to amend the Company's Articles of Association.

5.3.2.2 Presentation of the Management Board, its functioning and powers

Composition of the Management Board in 2023¹⁰

First and last name	Function	Area of work in the Management Board (as at 31 December 2023)	Start of term of office (the first)	End of term of office	Gender	Nationality	Year of birth	Education	Professional profile	Membership in the supervisory and/or management bodies of other companies
Andrej Slapar	President	Manages and directs the work of the Management Board and head office support departments (Internal Audit Department, Corporate Communication Department and Compliance Office). In charge of Corporate Accounts Division, Non-Life Insurance Division, Triglav Group Subsidiary Management Division (excluding the subsidiaries outside Slovenia), and Corporate and Legal Affairs Division. Also responsible for HR matters related to the employees with special powers, arbitration and Nuclear Pool, as well as for the drawing up and implementation of the strategy of Zavarovalnica Triglav and the Triglav Group.	22 May 2013	13 November 2029	Male	Slovenian	1972	LL.B.	Management, strategic management, commercial law, insurance and reinsurance, actuarial science	
Uroš Ivanc	Member	In charge of Non-Life Insurance Actuarial Department, Life Insurance Actuarial Department, Accounting Division, Finance and Controlling Division, excluding Investment Department, Triglav Group Subsidiary Management Division – the subsidiaries outside Slovenia and two head office support departments – Investment Department and Outward Reinsurance Department. Also responsible for mergers and acquisitions (M&A), investor relations (IR) and relations with credit rating agencies, as well as for environmental, social and corporate sustainable development (ESG) activities.	14 July 2014	16 July 2029	Male	Slovenian	1975	MSc in Business and Organisation	Management and organisation, strategic management, insurance, financial management, financial markets and analyses, asset management, actuarial analyses, risk management	<ul style="list-style-type: none"> ■ Triglav, upravljanje naložb in svetovalne storitve d.o.o ■ Triglav, Zdravstvena zavarovalnica d.d. ■ Triglav INT d.o.o. ■ Triglav Osiguranje, Zagreb d.d.
Tadej Čoroli	Member	In charge of Marketing Department (a head office support department), Non-Life Insurance Claims Division, Insurance Sales Division and Digital Operations and Client Experience Division.	29 July 2014	31 July 2029	Male	Slovenian	1975	LL.M.	Management, strategic management, commercial law, insurance, marketing	<ul style="list-style-type: none"> ■ Pozavarovalnica Triglav Re d.d.
Marica Makoter	Member and Worker Director	Represents the workers' interests as set out in the Worker Participation in Management Act. In charge of Fraud Prevention, Detection and Investigation Department and Change and Project Portfolio Management Department. Responsible for human resource management (excluding HR matters related to the employees with special powers). Also responsible for the Strategic Sourcing Department (a head office support department).	21 December 2011	23 December 2026	Female	Slovenian	1972	LL.B.	Management, strategic management, commercial law, insurance, human resources and organisation, worker representation	<ul style="list-style-type: none"> ■ Triglav Skladi d.o.o. ■ Triglav, Upravljanje nepremičnin d.o.o., (from 8 March 2023)
Blaž Jakič	Member	In charge of Life Insurance Division, IT Division, Back Office Division, Digital Platform and Business Intelligence Division and two head office support departments – Risk Management Department and Bancassurance Section. He is responsible for money laundering prevention.	2 March 2023	2 March 2028	Male	Slovenian	1982	BSc in Economics	Insurance, finance, accounting, business strategy and business models, governance systems, actuarial analyses, risk management	<ul style="list-style-type: none"> ■ Triglav, pokojninska družba d.d., (from 18 February 2023) ■ Triglav Skladi d.o.o., (from 21 March 2023) ■ Diagnostični center Vila Bogatin d.o.o., Bled ■ Triglav osiguranje a.d., Banja Luka, (until 1 October 2023)

Andrej Slapar took over the position of the President of the Management Board ten years ago; in 2023 all members of the Management Board together performed their function for an average of 7.75 years.

Remuneration of Management Board members ¹¹

Data on the remuneration of the Management Board members are disclosed in [Section 4.4 of the Accounting Report](#). The basis for the remuneration of the Management Board is the Remuneration Policy of Zavarovalnica Triglav d.d. (hereinafter: the Remuneration Policy), which is based on Directive 2009/138/EC – Solvency II, as amended by Directive 2012/23/EU, and Commission Delegated Regulation (EU) 2015/35 supplementing Directive 2009/138/EC.

The basis for the remuneration of the Management Board is the Remuneration Policy of Zavarovalnica Triglav d.d. (hereinafter: the Remuneration Policy), which is based on Directive 2009/138/EC – Solvency II, as amended by Directive 2012/23/EU, and Commission Delegated Regulation (EU) 2015/35 supplementing Directive 2009/138/EC. The Remuneration Policy is one of the policies with which the Company implements a robust and reliable management system, ensures business integrity and transparency, and maintains the appropriate capital strength of the Company. Furthermore, it encourages reliable and effective risk management, and provides for the acquisition and retention of appropriately professionally qualified, competent, responsible and engaged employees. In 2023, the Remuneration Policy was amended in accordance with SDH's recommendations and current legislation.

The remuneration of the Management Board members consists of the basic salary (fixed part) and a variable part of the salary. The basic salary is based on the Remuneration Policy, the employment and performance contract and the Act Governing the Remuneration of Managers of Companies with Majority Ownership Held by the Republic of Slovenia or Self-Governing Local Communities (ZPPOGD). The basic salary of the President of the Management Board is set at five times the average gross salary in the previous financial year, paid in the Triglav Group companies headquartered in the Republic of Slovenia and consolidated in the annual report in accordance with the Companies Act, while the basic salary of the Management Board members is set at 95% of the basic salary of the President of the Management Board. The variable remuneration for performance (in accordance with the ZPPOGD) can amount to a maximum of 30% of the basic salaries paid in the financial year and includes: part of the salary for performance, part of the salary for the overall performance based on the overall annual targets of the Management Board and part of the salary for individual performance based on personal annual targets.

The Management Board's performance is determined by taking into account the Company's performance in the short and long term, including the current and future risks to which the Company is exposed. The performance assessment takes into account:

- **Financial criteria** (70% of all criteria) that can measure the business volume, profitability of the insurance activity, profitability of the investment activity, cost efficiency, return on equity and growth in the Company's value or other financial performance criteria.
- **Non-financial criteria** (30% of all criteria) that can measure the achievement of the business strategy's non-financial objectives, compliance with the relevant regulations, internal acts and limitations from the risk appetite statement, acting in accordance with ethical and professional standards and the achievement of sustainable development goals (environmental, social, governance) or other non-financial performance criteria.

The variable remuneration is set in more detail using a methodology approved by the Supervisory Board upon approval of the plan for the next calendar year and a one-on-one annual interview with each Management Board member, where the personal annual targets of the Management Board member are identified.

The amount of remuneration and the Remuneration Policy are approved by the General Meeting of Shareholders. Data on the remuneration of the Management Board members are disclosed in [Section 4.4 of the Accounting Report](#).

5.3.3 Supervisory Board

The Company's conduct of business is supervised by the Supervisory Board. In line with the Articles of Association, the Supervisory Board is composed of nine members: six shareholder representatives and three employee representatives. Their term of office is four years, and they can be re-elected without a term limit.

Shareholder representatives are elected by the General Meeting of Shareholders and employee representatives by the Company's Works Council. The Chairman and Vice Chairman of the Supervisory Board are elected from among its members representing shareholders. The appointment and dismissal of the Supervisory Board members is made in accordance with the applicable legislation and Company regulations. The General Meeting of Shareholders may dismiss any elected Supervisory Board member before the expiry of their term of office, while each Supervisory Board member may resign from their position under the conditions and in the manner laid down by the Articles of Association.

On 9 December 2022, the Supervisory Board members Branko Bračko and Peter Kavčič resigned as Supervisory Board members. In order to ensure the proper implementation of the nomination procedures, their resignation and the termination of their term of office took effect on 6 June 2023. Monica Cramer Manhem and Tim Umberger were appointed new Supervisory Board members, shareholder representatives, for the four-year term of office, starting on 7 June 2023.

The term of office of Igor Zupan, Supervisory Board member and employee representative, ended on 31 May 2023, and that of Branko Gorjan and Peter Celar on 1 June 2023. At its meeting on 10 July 2023, the Works Council appointed Aleš Košiček, Vinko Letnar and Janja Strmljan Čevnja to the Company's Supervisory Board as employee representatives for a four-year term of office, which started on 11 July 2023.

According to the Solvency II Directive requirements, the Supervisory Board members must have adequate professional qualifications (fit) and be appropriate to perform this function, i.e. be of good reputation and integrity (proper). Their fit and proper assessment is carried out based on national legislation and internal regulations, especially the Fit and Proper Policy.

Fit and proper assessment is made before the appointment, periodically, extraordinarily or after the appointment of an individual Supervisory Board member. In accordance with the aforementioned policy, in March 2023, prior to the appointment of new Supervisory Board members, a fit and proper assessment of the candidates for Supervisory Board members – shareholder representatives, Monica Cramer Manhem and Tim Umberger, was conducted, who were assessed as fit and proper to perform their duties as Supervisory Board members. In August 2023, the subsequent fit and proper assessment of the Supervisory Board members – employee representatives, Aleš Košiček, Janja Strmljan Čevnja and Vinko Letnar, who were appointed by the Works Council, was conducted. Aleš Košiček and Janja Strmljan Čevnja were assessed as fit and proper to perform their duties as Supervisory Board members. Vinko Letnar, however, was found not to meet the fit and proper requirements stipulated by law and internal regulations (see [Section 4.7 Events after the reporting period](#) in the Accounting Report).

In November 2023, a periodic fit and proper assessment was carried out for all Supervisory Board members and the Supervisory Board as a collective body, comprising Andrej Andoljšek, Igor Stebernak, Tomaž Benčina, Jure Valjavec, Monica Cramer Manhem, Tim Umberger, Aleš Košiček and Janja Strmljan Čevnja. All individual members and the Supervisory Board as a collective body were assessed as fit and proper on a periodic basis. Vinko Letnar, who was appointed by the Works Council as a Supervisory Board member, employee representative, was not taken into account in the preparation of the periodic assessment, as it was previously established that he did not meet the fit and proper requirements for a Supervisory Board member.

The periodic fit and proper assessment of the Audit Committee's external member Luka Kumer was carried out, who is an independent expert qualified in accounting/auditing. It was established that he continues to be fit and proper to perform the duties of the Audit Committee's external member.

In assessing its composition and performance in accordance with the Insurance Act and the Companies Act, the Supervisory Board takes into account that all members possess the relevant knowledge, skills and experience relating to insurance and financial markets, the business strategy and business models, governance systems, financial and actuarial analyses, risk management, and the regulatory and legal environment in which the Company operates. In addition to the above, if several candidates meet the fit and proper criterion, the Diversity Policy is taken into account in the appointment of new members. Its goal is to ensure complementarity and diversity in the Supervisory Board by taking into account qualifications, experience and knowledge defined in the Fit and Proper Policy for the Management and Supervisory Board Members of Zavarovalnica Triglav d.d. This enables prudent and careful supervision of the Company, thereby achieving strategic objectives and ensuring long-term values for all key stakeholders, representation of both genders and representation of different age groups. The gender ratio in the Supervisory Board is not predetermined. When appointing Supervisory Board members, the fit and proper requirements stipulated by law and the regulator are primarily taken into account with respect to both an individual Supervisory Board member and the Supervisory Board as a whole. If the fit and proper criteria are met by several candidates, priority is given to the candidate who contributes to the greater diversity of the Supervisory Board (diversity in terms of gender, age, nationality, etc.).

These principles were also considered when appointing new Supervisory Board members in 2023, so that the gender representation ratio was 6:2, with the underrepresented gender accounting for 25%.

5.3.3.1 Powers of the supervisory Board

The powers and operation of the Supervisory board are set out by the applicable legislation, the Company's Articles of Association and the Rules of Procedure of the Supervisory Board (available on the Company's website). In addition, the Supervisory Board gives consent to the decisions of the Management Board where the value or an investment exceeds the amount set out in the Rules of Procedure of the Supervisory Board, i.e. in the event of:

- the founding of limited companies in Slovenia and abroad;
- the acquisition or sale of Zavarovalnica Triglav's participating interests in domestic or foreign companies, except in the case of participating interests for which the conventional portfolio management approach is used;
- the issue of debt securities and long-term borrowing from domestic or foreign banks;
- the acquisition and sale of real property and investment in real property of Zavarovalnica Triglav.

In accordance with the law and the Rules of Procedure, the Supervisory Board holds at least one session per quarter, or more if necessary.

5.3.3.2 Supervisory Board in 2023

Composition of the Supervisory Board in 2023¹²

First and last name	Function	Start of term of office (the first)	End of term of office	Attendance of sessions of the Supervisory Board / total number of Supervisory Board sessions	Gender	Nationality	Year of birth	Education	Professional profile	Independence pursuant to Slovenian Corporate Governance Code	Existence of conflict of interest in 2023	Membership in the supervisory and/or management bodies of other companies while serving on the Supervisory Board in 2023	Membership in Supervisory Board committees	Function in Supervisory Board committees	Attendance of meetings of Supervisory Board committees / total number of meetings of Supervisory Board committees
Andrej Andoljšek	Member	13 June 2017	13 June 2021	10 of 10	Male	Slovenian	1970	BSc in Economics	Financial and general management, financial markets and analyses, banking, corporate governance, business and financial restructuring of companies	YES	NO	Sava d.d.	Strategy Committee	Member	2 of 2
	Vice Chairman	21 June 2017	17 August 2020										Nomination Committee	Chairman until 6 June 2023	5 of 5
	Chairman	18 August 2020	13 June 2021											Chairman from 29 November 2023	
	Member	14 June 2021	14 June 2025												
	Chairman	18 June 2021	14 June 2025										Appointment and Remuneration Committee	Member from 29 May 2023	
Branko Bračko	Member	14 June 2021	6 June 2023	5 of 10	Male	Slovenian	1967	BSc in Mechanical Engineering	Business strategy and business models, governance system	YES	NO	Stanovanjsko podjetje Konjice d.o.o.	Strategy Committee	Chairman until 28 May 2023	1 of 2
	Vice Chairman	18 June 2021	6 June 2023												
Tomaž Benčina	Member	14 June 2021	14 June 2025	10 of 10	Male	Slovenian	1965	BSc in Economics and BSc in Metallurgy	Financial markets, business strategy and business models, governance system, financial analyses	YES	NO	Luka Koper d.d.	Appointment and Remuneration Committee	Chairman	10 of 10
													Strategy Committee	Member from 1 September 2023	1 of 2
													Audit Committee	Member from 29 May to 31 August 2023	1 of 7
Peter Kavčič	Member	14 June 2021	6 June 2023	5 of 10	Male	Slovenian	1969	MSc in International Business	Financial markets, business strategy and business models, governance system, financial analyses	YES	NO	Mladinska knjiga založba d.d.	Audit Committee	Chairman until 28 May 2023	4 of 7
													Strategy Committee	Member until 28 May 2023	1 of 2
Igor Stebernak	Chairman	18 August 2016	2 June 2020	8 of 8	Male	Slovenian	1968	BSc in Electrical Engineering, MBA	Banking, insurance, strategic management, financial markets and analyses, controlling, accounting and business process reengineering	YES	NO	/	Audit Committee	Member	6 of 7
	Member	3 June 2020	3 June 2024	10 of 10									Chairman from 29 May 2023		
	Vice Chairman	30 August 2023	3 June 2024										Strategy Committee	Member from 25 May 2023	1 of 2
Jure Valjavec	Member	14 June 2021	14 June 2025	10 of 10	Male	Slovenian	1975	Master of Science	Business strategy and business models, governance system	YES	NO	/	Appointment and Remuneration Committee	Member	10 of 10
													Nominacijski odbor	Member until 6 June 2023	5 of 5
														Member from 29 November 2023	/
													Strategy Committee	Chairman from 29 May 2023	1 of 2
Peter Celar	Member	29 May 2007	31 May 2019	5 of 10	Male	Slovenian	1958	BSc in Economics	Insurance, governance systems, regulatory and other legal requirements that apply to Zavarovalnica Triglav	NO	NO	/	Appointment and Remuneration Committee	Member until 28 May 2023	6 of 10
		1 June 2019	1 June 2023												
Branko Gorjan	Member	14 March 1995	30 May 2015	5 of 10	Male	Slovenian	1960	Economic technician	Insurance, governance systems, regulatory and other legal requirements that apply to Zavarovalnica Triglav	NO	NO	/	Strategy Committee	Member until 28 May 2023	1 of 2
		1 June 2019	1 June 2023												
Igor Zupan	Member	27 September 2019	31 May 2023	5 of 10	Male	Slovenian	1972	BSc in Organisation	Insurance, governance systems, regulatory and other legal requirements that apply to Zavarovalnica Triglav	YES	NO	/	Audit Committee	Member until 28 May 2023	4 of 7
													Nominacijski odbor	Member	5 of 5
Tim Umberger	Member	7 June 2023	7 June 2027	5 of 10	Male	Slovenian	1980	MSc in Economics	Financial markets and analyses	YES	NO	Gorenjska banka	Audit Committee	Member from 1 September 2023	2 of 7
													Strategy Committee	Member from 1 September 2023	1 of 6
Monica Cramer Manhem	Member	7 June 2023	7 June 2027	5 of 10	Female	Swedish	1959	International School of Brussels and BSc in Economics	International regulatory and other legal requirements, financial and actuarial analyses	YES	NO	CCR Re, France Sompot Int'l Lux	Strategy Committee	Member from 1 September 2023	1 of 2
Aleš Košiček	Member	11 July 2023	10 July 2027	4 of 10	Male	Slovenian	1966	MSc in Business and Organisation	Insurance, governance systems, business strategy and business models, financial analyses in the context of Zavarovalnica Triglav's operations	YES	NO	/	Audit Committee	Member from 1 September 2023	2 of 7
													Appointment and Remuneration Committee	Member from 29 November 2023	/
Janja Strmljan Čevnja	Member	11 July 2023	10 July 2027	4 of 10	Female	Slovenian	1969	LL.B.	Regulatory and other legal requirements that apply to Zavarovalnica Triglav	YES	NO	/	Strategy Committee	Member from 1 September 2023	1 of 2

External members of Supervisory Board committees in 2023

First and last name	Supervisory Board committee	Attendance of meetings of Supervisory Board committees and total number of committee meetings	Gender	Nationality	Education	Year of birth	Professional profile	Membership in the supervisory bodies of other companies while serving on a Supervisory Board committee in 2023
Luka Kumer	Audit Committee	7 of 7	Male	Slovenian	BSc in Economics	1981	Financial markets, business strategy and business models, governance system, financial analyses	/
Mitja Svoltjšak	Nomination Committee (until 6 June 2023)	5 of 5	Male	Slovenian	BSc in Economics	1974	Corporate finance, asset management	Cinkarna Celje d.d.
Mateja Lovšin Herič	Nomination Committee	/	Female	Slovenian	BSc in Economics	1969	Corporate governance and finance	Istrabenz turizem d.d., Koto d.o.o.

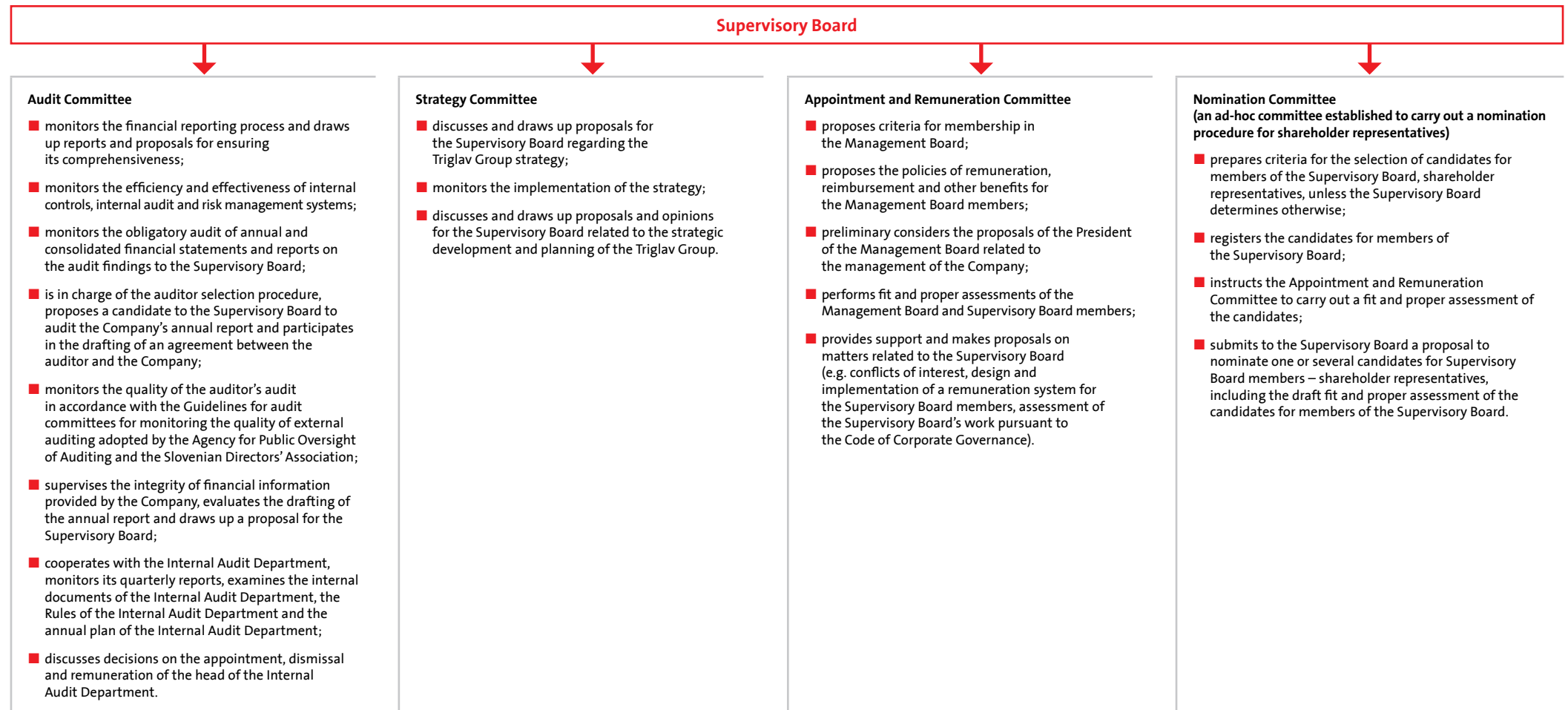
By signing the Statement of Independence and Loyalty, which is available on the Company's website, the members of the Supervisory Board undertook to adhere to the principles of independence laid down in item B of the Annex to the Corporate Governance Code. Data on the remuneration of the Supervisory Board members are disclosed in [Section 4.4 of the Accounting Report](#). Their remuneration was in line with the resolution passed by the 41st General Meeting of Shareholders of Zavarovalnica Triglav.

5.3.3.3 Composition of Supervisory Board committees and their activities in 2023

In 2023, the Company had the following committees: the Audit Committee, the Appointment and Remuneration Committee and the Strategy Committee, as well as the Nomination Committee as an ad-hoc committee. Supervisory Board committees prepare draft resolutions for the Supervisory Board, assure their implementation and carry out other tasks.

The duties and powers of the committees are set out in the Companies Act, the Rules of Procedure of the Supervisory Board, Supervisory Board resolutions and the rules of procedure of individual committees. Their main tasks are presented in the figure below.

The Supervisory Board committees and their main tasks



In 2023, the **Audit Committee** was composed of Peter Kavčič (until 28 May) and Igor Stebernak (from 29 May) as chair, and Igor Zupan (until 28 May), Tim Umberger (from 1 September), Aleš Košiček (from 1 September) and Luka Kumer, an independent external expert, as members. Tomaž Benčina was its member between 29 May and 31 August 2023.

The **Appointment and Remuneration Committee** had the following composition: Tomaž Benčina as its chair and Jure Valjavec, Peter Celar (until 28 May) and Andrej Andoljšek (from 29 May) as its members.

The **Strategy Committee** was composed of Branko Bračko (until 28 May) and Jure Valjavec (from 29 May) as its chair, and Andrej Andoljšek, Peter Kavčič (until 28 May), Branko Gorjan (until 28 May), Igor Stebernak (from 29 May), Tomaž Benčina (from 1 September), Monica Cramer Manhem (from 1 September), Tim Umberger (from 1 September) and Janja Strmljan Čevnja (from 1 September) as its members.

The **Nomination Committee** as an ad-hoc committee was established on 29 November 2023 due to the expiry of the term of office of Supervisory Board member Igor Stebernak in 2024. The Committee will operate until the election of a new Supervisory Board member, shareholder representative, at the General Meeting of Shareholders, but not later than 4 June 2024. It is composed of Andrej Andoljšek as chair, Jure Valjavec and Aleš Košiček as members, and Mateja Lovšin Herič as the external member.

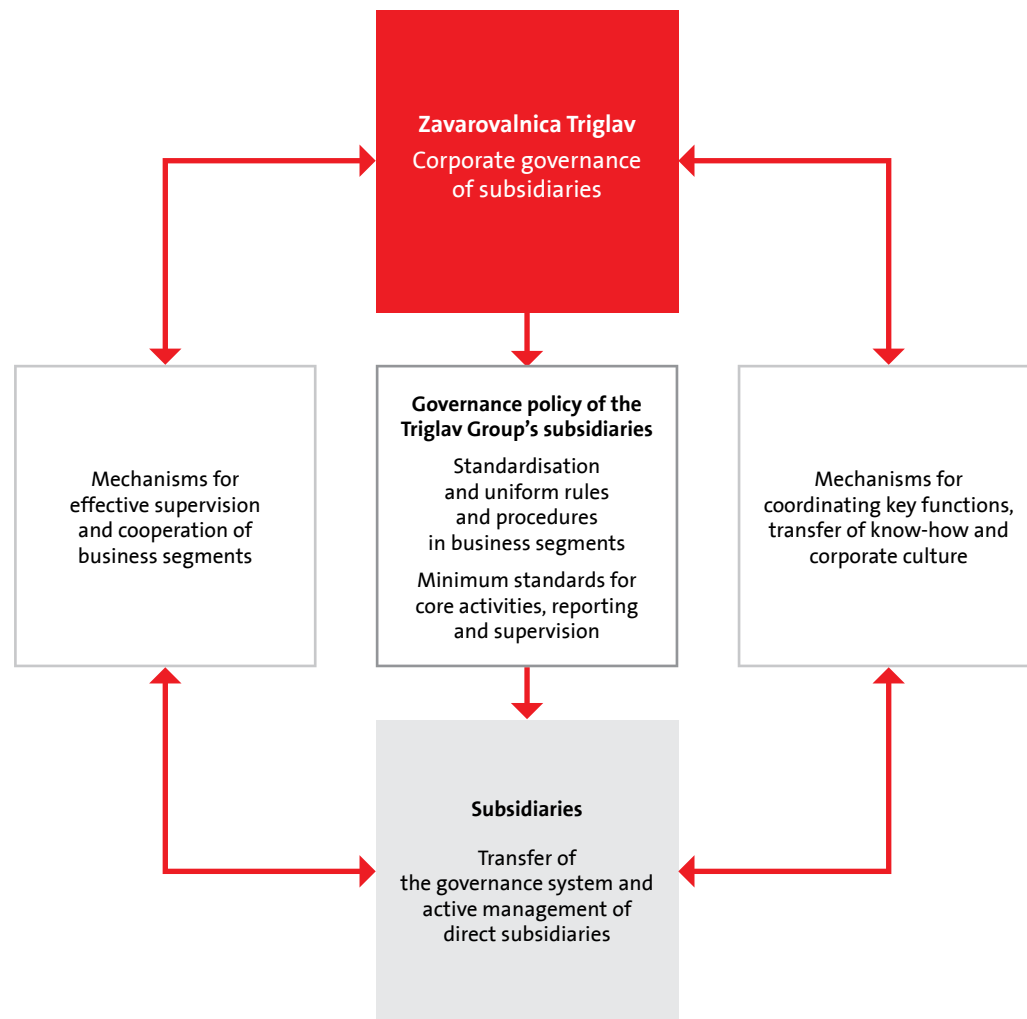
5.4 Governance and management of subsidiaries¹³

The Triglav Group is comprised of Zavarovalnica Triglav as the controlling company, its subsidiaries and associates, and joint ventures. The subsidiaries operate as independent legal entities in accordance with the applicable local legislation, resolutions passed by their general meetings and their management and supervisory bodies, business cooperation agreements (if any) and other internal documents implemented by individual subsidiaries.

The Group's governance system is proportionate to the nature, scope and complexity of the Group's and individual company's business operations.

The **Governance Policy of the Triglav Group's Subsidiaries**, which is the basis for the establishment and implementation of the governance system, was not updated in 2023; its revision is planned in early 2024. The governance system of subsidiaries is implemented through the standardisation and unification of key rules and procedures in individual business segments in the Group's subsidiaries, with the aim of applying unified minimum standards to the core business, reporting and supervision at Group level. In its definitions, the policy, in addition to the Group's internal environment and its strategic guidelines, also takes into account the factors of the external environment, which includes the local legislative environment and regulators' requirements, the business environment of individual subsidiaries and good business practices of other institutions.

Corporate governance of the Triglav Group's subsidiaries



The governance system at Group level is implemented as corporate governance by actively exercising the management rights held by the parent company and its subsidiaries in relation to their subsidiaries in accordance with applicable legislation and internal regulations. Effective monitoring and supervision of the operations of subsidiaries is ensured within the framework of corporate governance at Group level. Such governance enables efficient and coordinated operations and the achievement of synergies, especially through activities that promote cooperation in various fields, as well as facilitating the exchange of information and knowledge within the Group.

The corporate governance system is structured so as to enable the parent company, acting as the controlling entity at Group level, to conduct management activities within its direct subsidiaries. In turn, these subsidiaries are responsible for implementing the governance system and carrying out governance activities within their own subsidiaries.

At the parent company, the Group's governance system is implemented through the general meetings of shareholders, the supervisory and management bodies of individual subsidiaries, as well as the standardisation and unification of key rules and procedures in the areas of expertise in subsidiaries by establishing uniform minimum standards in effective governance, reporting and control at Group level. The Triglav Group Subsidiary Management Division, key functions, relevant departments and business segments of the parent company are responsible and competent for ensuring the effective implementation of the Group's governance system. Through mutual cooperation, they establish and maintain an efficient and transparent Group governance system.

In addition to the management bodies, the governance system of the parent company and individual subsidiaries includes key functions. Depending on the specifics of the activity, each subsidiary may have one or several key functions: the risk management function, the non-life and life insurance actuarial functions, the compliance function and the internal audit function. In the parent company and in each of its subsidiaries, the key functions carry out their tasks and responsibilities independently of one another other.

Part of corporate governance also includes the coordination and preparation of strategy and the design of the risk management system at Group level. In the context of the strategic guidelines, each subsidiary implementing the Group's strategic activities has a defined strategy, usually for a five-year period, based on which long-term and strategic activities are carried out. The principle of monitoring the implementation of the strategy using balanced performance indicators, which is adopted within the framework of the strategy, enables the supervisory authorities to monitor the performance of the business on an ongoing basis and to take appropriate action in the event of deviations from the plan.

Zavarovalnica Triglav as the controlling company actively manages its direct subsidiaries, while subsidiaries assume responsibility for the transfer of the governance system and active management of their subsidiaries. The methods of transferring the system and carrying out the activities are defined in the minimum standards for individual business segments, which were thoroughly revised in 2022. Their implementation in the Group companies' operations and business practices was continued and monitored throughout 2023. In the subsidiaries, this was performed by the competent business segments of the parent company, connecting the subsidiaries' business functions with Zavarovalnica Triglav's business segments and providing a comprehensive overview at Group level.

In 2023, activities at the parent company focused on reviewing and upgrading the governance and internal control systems within the Group. The systems of delegation of responsibilities, the reporting lines, the allocation of functions within the Group, the remuneration policy, and the fit and proper requirements were revised. The review of the governance and internal control systems focused in particular on the risk management and internal control systems and, in this context, on the roles and responsibilities of key functions. A set of measures and possible upgrades to the governance system were identified, which are currently being translated into implementation and will be reasonably summarised in the revised Governance Policy of the Triglav Group's Subsidiaries.

The Company has in place and is implementing a robust and reliable governance system for the Triglav Group, which is both appropriate and compliant with statutory requirements and comparable to other insurance groups.

The composition of management and supervisory bodies as at 31 December 2023

Subsidiary	Management	Supervisory function
Slovenia		
Pozavarovalnica Triglav Re d.d., Ljubljana	Gregor Stražar – President Tomaž Rotar – Member Stanislav Vrtunski – Member	Supervisory Board: Tadej Čoroli – Chairman Nataša Veselinovič, Katja Modec, Janko Šemrov
Triglav, Zdravstvena zavarovalnica d.d., Ljubljana	Meta Berk Skok – President Tomaž Žust – Member	Supervisory Board: Uroš Ivanc – Chairman Nataša Veselinovič, Tomaž Krevatin
Triglav, pokojninska družba d.d., Ljubljana	Aljoša Uršič – President Peter Krassnig – Member Vida Šeme Hočevar – Member	Supervisory Board: Blaž Jakič – Chairman Blaž Kmetec, Nataša Veselinovič, Miha Grilec, Miran Kalčič, Vesna Vodopivec, Borut Simonič, Tomaž Jontes
Triglav Skladi, družba za upravljanje d.o.o., Ljubljana	Benjamin Jošar – President Andrej Petek – Member Miha Grilec – Member	Supervisory Board: Blaž Jakič – Chairman Jaka Kirn, Nataša Veselinovič, Marica Makoter, Barbara Gorjup, Miran Kraševc
Triglav Svetovanje, zavarovalno zastopanje d.o.o., Domžale	Tomaž Dvořak – Director	Supervisory Board: Maja Benko – Chairwoman Jana Polda, Matjaž Novak, Lidija Breznik
Triglav INT, holdinška družba d.o.o., Ljubljana	Tedo Djekanovič – Director	Supervisory Board: Uroš Ivanc – Chairman Nataša Veselinovič, Saša Kovačič
Triglav Avtoservis d.o.o., Ljubljana	Janez Obaha – Director Boris Kuhelj – Director	Supervisory Board: Matej Ferlan – Chairman Nataša Novak Priveršek, Jaka Klement
Triglav, Upravljanje nepremičnin d.o.o., Ljubljana	Rok Pivk – Director	Supervisory Board: Marica Makoter – Chairwoman Ksenija Zajc, Nataša Novak Priveršek
Croatia		
Triglav Osiguranje d.d., Zagreb	Vilma Učeta Duzlevska – President Darko Popovski – Member Lidija Pecigoš Višnjic – Member	Supervisory Board: Uroš Ivanc – Chairman Tedo Djekanovič, Gorazd Jenko, Alenka Vrhovnik Težak, Pave Srezović-Pušić
Serbia		
Triglav Osiguranje a.d.o., Belgrade	Dragan Marković – President of the Executive Committee Ivan Grujić – Member of the Executive Committee	Supervisory Board: Tedo Djekanovič – Chairman Fejsal Hrustanović, Vuk Šušić, Gorazd Jenko, Milan Tomažević
Montenegro		
Lovćen Osiguranje a.d., Podgorica	Matjaž Božič – Chief Executive Officer Stanko Mugoša – Executive Director	Board of Directors: Tedo Djekanovič – Chairman Tomaž Žust, Alenka Vrhovnik Težak, Marjeta Koščak, Mateja Geržina
Lovćen životna osiguranja a.d., Podgorica	Zorka Milić – Executive Director	Board of Directors: Ljubica Kovačević – Chairwoman Slobodanka Vukadinović, Danilo Pavličić
Bosnia and Herzegovina		
Triglav Osiguranje d.d., Sarajevo	Edib Galijatović – President Emir Krivošija – Member	Supervisory Board: Tedo Djekanovič – Chairman Janko Šemrov, Ivica Vulić, Aleš Levstek, Gorazd Jamnik
Triglav Osiguranje a.d., Banja Luka	Janez Rožmarin – Director Dejan Vujić – Member of the Executive Committee Dragan Berić – Member of the Executive Committee	Management Board: Mithad Salčin – Chairman Emir Čaušević, Gregor Railić
North Macedonia		
Triglav Osiguruvanje a.d., Skopje	Gjorgje Vojnović – Chief Executive Officer Vojdan Jordanov – Executive Director	Board of Directors: Tedo Djekanovič – Chairman Darko Popovski, Matej Ferlan, Blaž Kmetec, Gjorgje Vojnović, Vojdan Jordanov, Gjorgji Jančevski
Triglav Osiguruvanje Život a.d., Skopje	Hristina Đambazovska Anastasov – Chief Executive Officer	Board of Directors: Tedo Djekanovič – predsednik, Ivan Sotošek, Vilma Učeta Duzlevska, Gjorgji Jančevski, Vladimir Mišo Čeplak, Hristina Đambazovska Anastasov
Triglav penzisko društvo a.d., Skopje	Tihomir Petreski – President Marijan Nikolovski – Member	Supervisory Board: Aljoša Uršič – Chairman Rok Pivk, Blaž Kmetec, Miroslav Vujič

5.5 External and internal audit

The financial statements of the Triglav Group and Zavarovalnica Triglav are audited by Deloitte revizija d.o.o., which was appointed in 2022 for the second time in a row for a three-year period. The auditor reports its findings to the Management Board, the Supervisory Board and the Audit Committee.

The report on the work of the Internal Audit Department is presented in [Section 9.1 Risk management system](#).

5.6 Internal controls and risk management in relation to financial reporting

The Group's integrated internal control and risk management system is continuously adapted to the development, organisational changes and good practices, thereby maintaining its effectiveness. The system exceeds the basic statutory requirements for insurance undertakings set out in the Companies Act and the Insurance Act, as well as special implementing regulations of the Insurance Supervision Agency on the establishment and maintenance of a suitable internal control and risk management system.

The characteristics and operation of the risk management system is discussed in detail in [Section 9. of Risk management](#). The system was set up in all organisational levels and processes and includes:

- a clear organisational structure with a precisely defined and transparent system of duties, responsibilities and powers;
- efficient procedures for an ongoing control, error prevention, and identification, assessment, management and monitoring of risks to which the insurance undertakings are or may be exposed in the course of their operations;
- an adequate internal control system that includes appropriate administrative and accounting procedures (reporting, working procedures, risk exposure limits and physical controls);
- ensuring compliance with the applicable regulatory requirements.

The Internal Audit Department is an independent organisational unit, established in compliance with the law. It regularly reviews the effectiveness of the internal control and risk management system and offers upgrade proposals as well as reports to the Management Board, the Audit Committee and the Supervisory Board.

The accuracy, completeness and timeliness of financial reporting as well as compliance with applicable regulations are ensured by the internal control system established by the parent company and implemented at all Group levels. Accounting controls are based on the principles of truthfulness and appropriate sharing of responsibilities. They include checking the performance of transactions, keeping up-to-date records, ensuring the matching of balance of books of account with the actual balance, separation of the records from the execution of transactions, professionalism of accountants and their independence. Accounting controls are closely linked to IT controls, which, inter alia, restrict and control access to the data and applications and ensure completeness and accuracy of data capturing and processing.

The processes for identifying, assessing, monitoring and managing tax risks are described in more detail in [Section 2.11 Tax policy of the Accounting Report](#).

5.7 Notes on the takeover legislation

Zavarovalnica Triglav is subject to the Takeover Act (hereinafter: ZPre-1).

The share capital structure of Zavarovalnica Triglav, the rights and obligations attached to the shares, the restriction on transfer of shares and the absence of shares that would grant their holders special control rights are described in detail in [Section 6. The share and shareholders of Zavarovalnica Triglav](#).

5.8 Disclosure of existence of any agreements or authorisations regarding shares or voting rights

Zavarovalnica Triglav is not aware of any shareholder agreements that could cause a restriction on the transfer of shares or voting rights.

The Company's Management Board is not authorised by the General Meeting of Shareholders to buy its own shares. The Management Board's authorisation to increase the share capital is described in [Section 5.3.2.1](#). The issue of new shares, the amount of capital increase, the rights attached to new shares and the conditions for issuing new shares are decided on by the Company's Management Board with the consent of the Supervisory Board.

Zavarovalnica Triglav has no employee share scheme.

The Company is not aware of any agreements that would become effective, change or expire on the basis of a changed control of the Company or as a consequence of a takeover bid as defined by the ZPre-1.

Zavarovalnica Triglav did not enter into any agreements with the members of its management or supervisory bodies or employees which would provide for remuneration if a takeover bid in line with the ZPre-1 caused them to resign, be dismissed without justified grounds, or caused their employment to be terminated in some other manner.

Andrej Slapar
President of the Management Board



Uroš Ivanc
Management Board Member



Tadej Čoroli
Management Board Member

Marica Makoter
Management Board Member



Blaž Jakič
Management Board Member



6. The share and shareholders of Zavarovalnica Triglav

- Zavarovalnica Triglav's share recorded a total return of 7.8%.
- For the eighth time in a row, the Triglav Group has been assigned an "A" credit rating with a stable medium-term outlook.
- There were no significant changes in Zavarovalnica Triglav's shareholder structure.
- In challenging business conditions, extra emphasis was placed on delivering pertinent information and keeping lines of communication open with investors, shareholders and analysts.

Key figures relating to the ZVTG share (EUR)

Items	2023	2022
Maximum closing price	40.30	41.40
Minimum closing price	29.20	31.40
Closing price as at 31 December	34.70	34.50
Book value per share (parent company)*	29.44	28.98
Book value per share (consolidated data)*	39.19	39.45
Net earnings per share (consolidated data)*	0.71	-0.30
Market capitalisation as at 31 December	788,909,636	784,362,606
Average daily turnover (excluding block trades)	102,764	113,291
Dividend per share	2.50	3.70
Number of shares	22,735,148	22,735,148
Percentage of free float	30.73%	30.73%
Traded on	Ljubljana Stock Exchange – LJSE	
ISIN	SI0021111651	
Ticker symbol	ZVTG	
Bloomberg	ZVTG SV	
Reuters	ZVTG.LJ	
Credit rating (S&P Global Ratings, AM Best)	"A", stable medium-term outlook	"A", stable medium-term outlook

* Notes on the effects of the transition to IFRS 17 and IFRS 9 are provided in [Section 2.6 of the Accounting report](#).



“We believe in our narrative. We are dedicated to enhancing the attractiveness of our share through a number of

activities, while ensuring the market remains well-informed and keeping lines of communication open with investors, shareholders and analysts.”

Helena Ulaga Kitek, Director of Investor Relations Department, Zavarovalnica Triglav

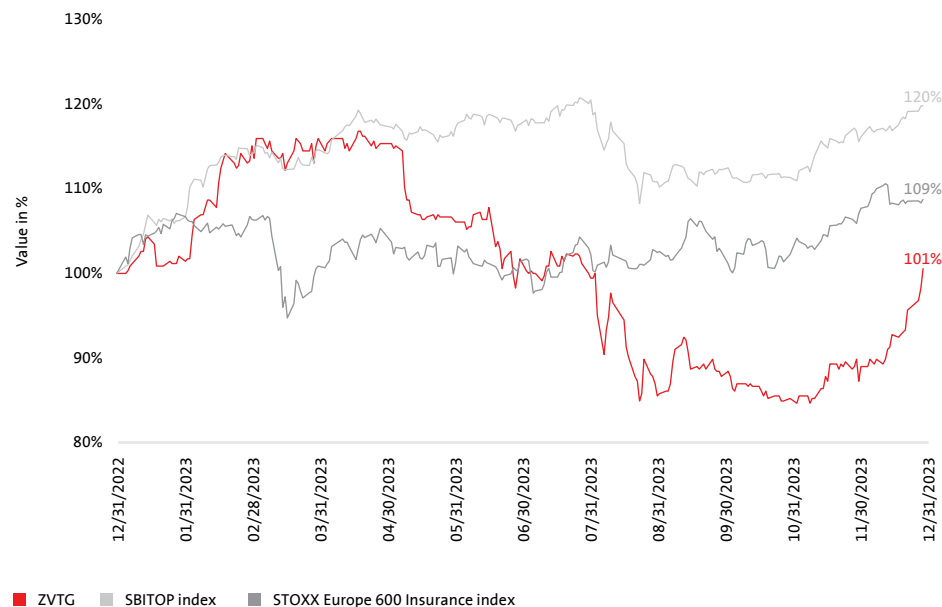
6.1 Share of Zavarovalnica Triglav

Zavarovalnica Triglav's share (ZVTG), which is listed on the Ljubljana Stock Exchange Prime Market, has been traded since the end of 2008. In terms of market capitalisation, the Company was **the fourth largest Slovenian listed company** in 2023. Its market capitalisation of EUR 788.9 million (index 101) accounted for 17% of the stock market of the Ljubljana Stock Exchange.

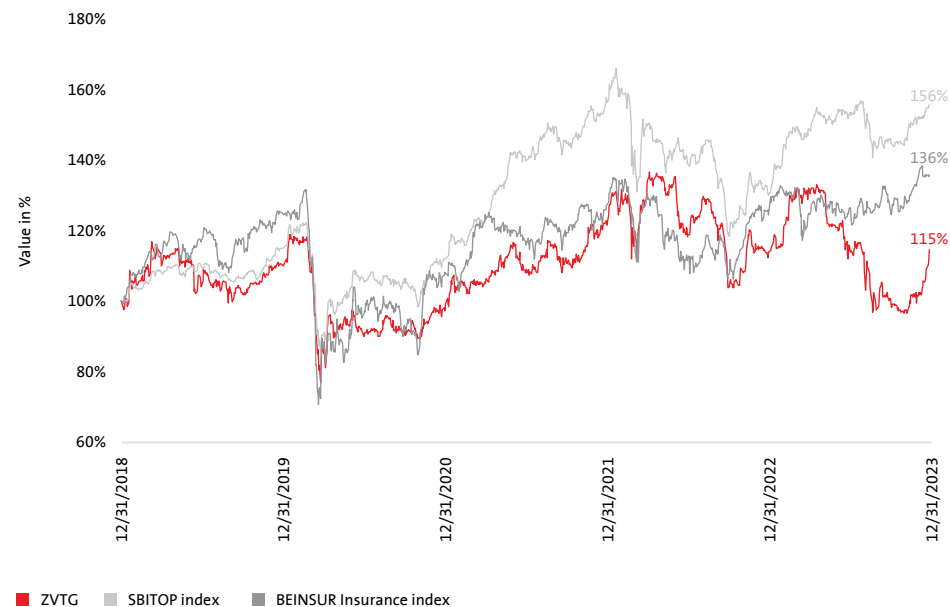
In challenging business conditions that impacted the ZVTG share price, its **total annual return was 7.8%** and the dividend yield was 7.2%. The price-to-book ratio was 0.9.

The trading volume on the Ljubljana Stock Exchange in 2023 fell by 26% compared to the previous year. The ZVTG share trading volume excluding block trades amounted to EUR 25.4 million, down by 9%, making ZVTG the **third most liquid share on the Ljubljana Stock Exchange**. Over a quarter of ZVTG share turnover was carried out by **the liquidity provider**, which has rendered its services for the Company since 2019.

Movement in the ZVTG share price in 2023 compared to the Ljubljana Stock Exchange SBITOP index and the sectoral index of European insurance companies STOXX Europe 600 Insurance (the baseline date: 31 December 2022 = 100)



Movement in the ZVTG share price in the last five years compared to the Ljubljana Stock Exchange SBITOP index and the BEINSUR sectoral index (31 December 2018 = 100)



The published annual results of the previous year positively influenced the ZVTG share price at the beginning of the year. However, two one-off events had a negative effect later on in the year. The Triglav Group's operations and, consequently, the share price were affected by changes to Slovenia's supplemental health insurance system implemented at the end of April and extreme natural disasters at the beginning of the third quarter. The Company paid dividends to the eligible shareholders on the cut-off date of 20 June 2023 (see sections [5.3.1 General Meeting of Shareholders](#) and [6.4 Dividends and the dividend policy](#) for more information). As shown in the figure above, the ZVTG price share in 2023 remained at the same level as at the end of the preceding year. The Ljubljana Stock Exchange SBITOP index, in which the ZVTG share holds a 10.2% share, rose by 20% and the STOXX Europe 600 Insurance sectoral index of 35 shares of European insurance companies grew by 9%.

6.2 Equity

As at 31 December 2023, Zavarovalnica Triglav's **share capital** remained unchanged and amounted to EUR 73,701,391.79. It is divided into 22,735,148 ordinary registered no-par value shares constituting one class. The shares are issued in dematerialised form and are freely transferable. Each share represents the same stake and corresponding amount in share capital, and all have been fully paid up. Each share gives its holder the right to one vote at the general meeting of shareholders and a proportionate share of profit allocated for dividend payment. In the event of bankruptcy or liquidation, the shareholders are entitled to a proportionate share of residual bankruptcy or liquidation estate after the payoff of preference shareholders.

In acquiring shares, Zavarovalnica Triglav's existing and potential shareholders are required to comply with the Insurance Act (ZZavar-1). An authorisation of the Slovenian Insurance Supervision Agency is a prerequisite for:

- the acquisition of shares of an insurance undertaking by which a person acquires or exceeds a qualifying holding (i.e. a direct or indirect holding of shares or other rights that gives the holder a minimum 10% share of voting rights or capital, or that gives the holder a share of voting rights or capital lower than 10%, but nevertheless allows the holder to significantly influence the management of the company). In its decision on issuing an authorisation to acquire a qualifying holding, the Insurance Supervision Agency determines the level of the share in the voting rights or capital of the insurance undertaking for which the authorisation is issued as one of the following ranges:
 - the share of the voting rights or capital of the insurance undertaking that is equal to or greater than a qualifying holding and less than 20%;
 - the share of the voting rights or capital of the insurance undertaking that is equal to or greater than 20% and less than one third;
 - the share of the voting rights or capital of the insurance undertaking that is equal to or greater than one third and less than 50%;
 - the share of the voting rights or capital of the insurance undertaking that is equal to or greater than 50%;
 - the share on the basis of which the future qualifying holder becomes the parent company of the insurance undertaking;
- before any subsequent acquisition of shares by the qualifying holder that would result in the qualifying holding exceeding the range subject to the already issued authorisation for acquisition of a qualifying holding;
- for the entities that agree to a concerted acquisition of the shares of the insurance undertaking or a concerted exercising of management rights arising from the shares (joint qualifying holders) and intend to acquire a holding by which they would jointly reach or exceed a qualifying holding of the undertaking;
- before any subsequent acquisition of shares by the joint qualifying holders that would result in their joint qualifying holding exceeding the range subject to the already issued authorisation for acquisition of a qualifying holding.

The holder of shares of an insurance undertaking that were acquired or are being held in contravention of the ZZavar-1 has no voting rights with respect to those shares. See the ZZavar-1 for further information.

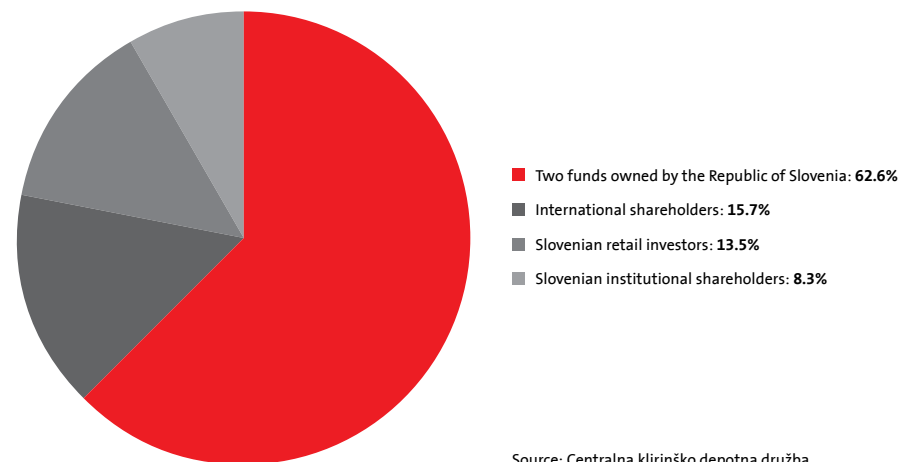
6.3 Shareholder structure¹⁴

There were no significant changes to Zavarovalnica Triglav's shareholder structure in 2023. The stakes of the top three shareholders remained unchanged. The two funds owned by the Republic of Slovenia (ZPIZ Slovenije and SDH d.d.) together held together a 62.6% stake and the Croatian pension fund, which appears in the Company's share register on the fiduciary account of its custodian bank, held a 6.7% stake.

The Company's **free float**, representing shares held by shareholders with less than a 5% participating interest, stood at 30.7%, remaining stable. As at 31 December 2023 it was dispersed among 8,453 shareholders from 30 countries, among them **around 40 international banks with fiduciary accounts held by their clients and international institutional investors**, mostly from Europe and the USA. They held a 15.7% stake (0.5 percentage point less than a year earlier), while the share of **Slovenian institutional shareholders** stood at 8.3% (0.2 percentage point less).

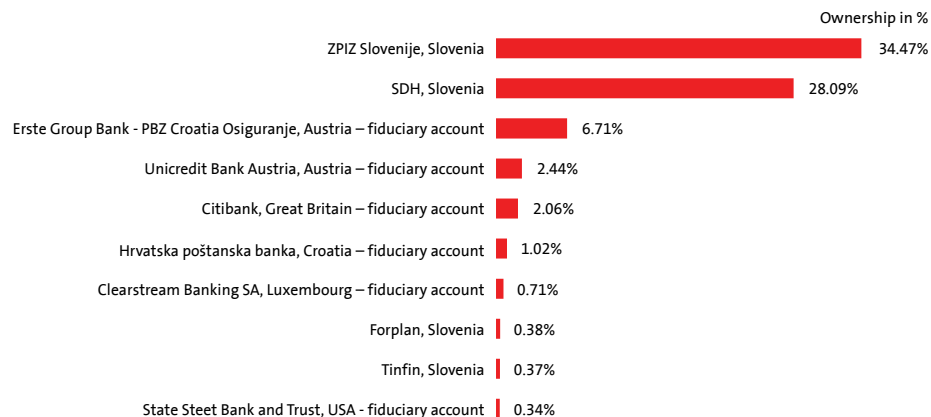
The gradual increase in the ownership by **natural persons** continued in 2023, with their share increasing by 0.7 percentage point to 13.5%. Along with the increased ownership stake, natural persons have been more actively trading in ZVTG shares, which the Company encourages with a targeted programme of activities as part of its investor relations.

Zavarovalnica Triglav's shareholder structure as at 31 December 2023



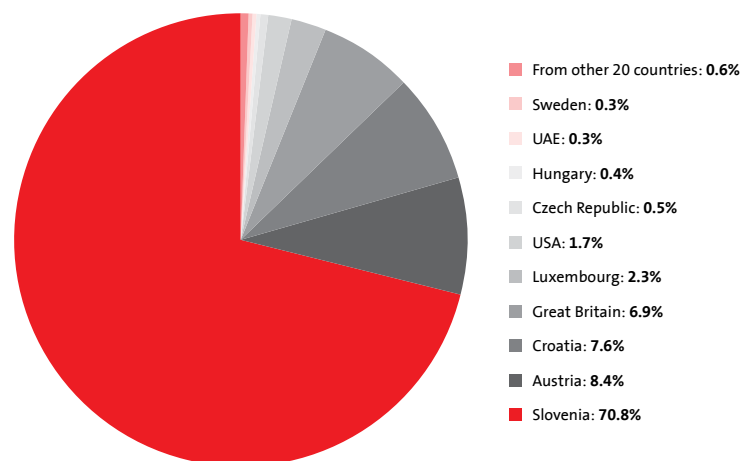
Source: Centralna klirinško depotna družba

Zavarovalnica Triglav's top ten shareholders as at 31 December 2023



Source: Centralna klirinško depotna družba

The minority shareholder structure of Zavarovalnica Triglav by the country of origin as at 31 December 2023 (the share of the free float in %)



Source: Centralna klirinško depotna družba

In 2023, ZVTG shares were bought by President of the Management Board Andrej Slapar and Management Board members Uroš Ivanc and Tadej Čoroli.

The number of shares held by the members of the Management and Supervisory Boards as at 31 December 2023

First and last name	Function	Number of shares	Participating interest
Management Board		5,589	0.02%
Andrej Slapar	President	1,350	0.01%
Uroš Ivanc	Member	775	0.00%
Tadej Čoroli	Member	450	0.00%
Marica Makoter	Member	150	0.00%
Blaž Jakič	Member	2,864	0.01%
Supervisory Board		280	0.00%
Andrej Andoljšek	Chairman	0	0.00%
Igor Stebernak	Vice Chairman	0	0.00%
Tomaž Benčina	Member	0	0.00%
Jure Valjavec	Member	280	0.00%
Monica Cramer Manhem	Member	0	0.00%
Tim Umberger	Member	0	0.00%
Aleš Košiček	Member	0	0.00%
Janja Strmljan Čevnja	Member	0	0.00%
Total Management Board and Supervisory Board		5,869	0.03%

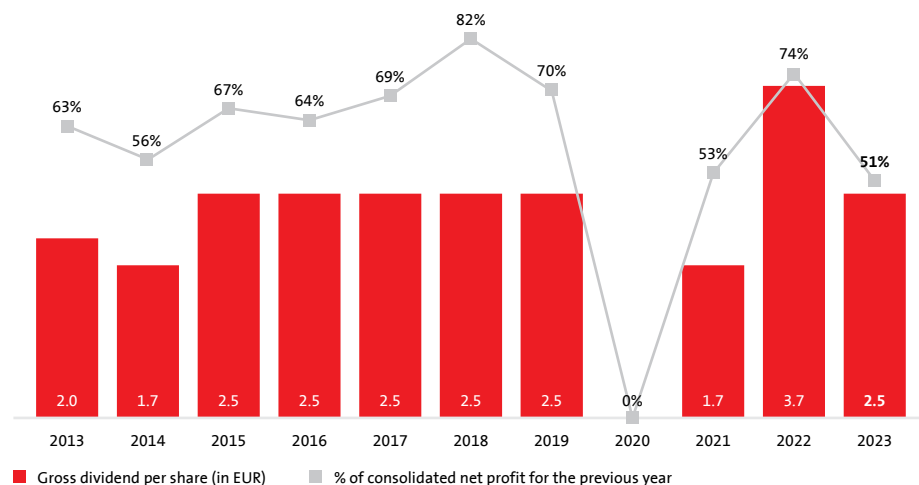
6.4 Dividends and dividend policy

The **dividend policy** is the Company's steadfast commitment to its shareholders. In recent years, the implementation of the dividend policy has been affected by the COVID-19 pandemic, which the Management Board and the Supervisory Board had to take into account in their proposal for the distribution of the Company's accumulated profit. The General Meeting of Shareholders supported their proposals every year. On 6 June 2023, the General Meeting of Shareholders adopted the proposal to distribute 51% of the consolidated net profit for 2022 for dividends or EUR 2.50 gross per share, i.e. EUR 56.8 million in total. As at the dividend payout date, the dividend yield was 7% (see [Section 5.3.1 General Meeting of Shareholders](#) for more information).

Zavarovalnica Triglav's dividend policy provides as follows: *"The Company pursues an attractive and sustainable dividend policy. The part of consolidated net profit of the preceding year which is to be allocated to dividend payment accounts for at least 50%. The Company will strive to pay out a dividend no lower than the dividend paid out in the preceding year. As thus far, the future implementation of the dividend policy will be subordinated to achieving the medium-term sustainable target capital adequacy of the Triglav Group. The proposal of the Management Board and the Supervisory Board as regards the annual distribution of accumulated profit of the Company will therefore take into account the following three objectives in a balanced manner: to ensure prudent capital management of the Triglav Group and its financial stability, to reinvest net profit in the implementation of the strategy of growth and development of the Triglav Group and to pay out attractive dividends to its shareholders."*

The strategic objectives of capital management in conjunction with the dividend policy are described in [Section 9.2 Capital position](#).

Gross dividend per share by year (EUR) and its share of consolidated net profit for the preceding year for the dividend payment in 2013–2023



6.5 Investor relations management¹⁵

Through the **active management of relations with investors**, shareholders and analysts, the Company promotes the attractiveness of its financial instruments. In doing so, it follows best international practices and, as a company listed on the Ljubljana Stock Exchange Prime Market, helps to shape the standards of this market.

The Company aims to provide **clear and consistent information to the market**. All key information about the Company's operations, position and outlook is regularly published both in Slovenian and English on the SEOnet information system of the Ljubljana Stock Exchange and on the Company's website (www.triglav.eu).

The Company also actively fosters open and constructive relationships with its shareholders, investors and analysts. Furthermore, it aims to achieve the highest possible **participation in the general meetings of shareholders**. In 2023, 77% of all shares with voting rights were represented at the General Meeting of Shareholders (see [Section 5.3.1 General Meeting of Shareholders](#) for more information).

In the reporting period, the Company mainly communicated with **institutional investors and shareholders**, predominantly via videoconferencing meetings, conference calls and email. **The calendar of all 11 investor events attended by the Company**, along with related presentations, is available on the Company's website. Among them are also four presentations of business results for international and Slovenian institutional investors, which were held by the Company every quarter following the announcement of business results.

The attention dedicated to **retail investors** led to a subsequent growth in their stake in the Company. Last year, the Company presented the ZVTG share at two events held by the Ljubljana Stock Exchange aimed at raising financial literacy of retail investors and jointly promoting Ljubljana Stock Exchange Prime Market shares.

For inquiries from shareholders, investors and analysts, please use the contact information provided below.

Information for shareholders:

Zavarovalnica Triglav d.d., Ljubljana
Miklošičeva cesta 19, 1000 Ljubljana
Helena Ulaga Kitek, Director of Investor Relations Department
Telephone: ++386 (1) 47 47 331
Email: investor.relations@triglav.si

6.6 Credit rating of the Triglav Group and Zavarovalnica Triglav

The credit ratings of the Triglav Group – and thus its parent company Zavarovalnica Triglav and its subsidiary Pozavarovalnica Triglav Re – are assigned by two renowned credit rating agencies: S&P Global Ratings (hereinafter: S&P) and AM Best. In 2023, the Group was again assigned an **“A” stand-alone credit rating with a stable medium-term outlook** by both agencies. All individual elements of the overall credit rating were rated **as high as the year before** and substantiated in a similar way.

Credit ratings of Zavarovalnica Triglav since 2008

Year	Credit rating	Medium-term outlook	Rating agency
2023	A	Stable	AM Best
			S&P Global Ratings
2022	A	Stable	AM Best
			S&P Global Ratings
2021	A	Stable	AM Best
			S&P Global Ratings
2020	A	Stable	AM Best
			S&P Global Ratings
2019	A	Stable	AM Best
			S&P Global Ratings
2018	A	Stable	AM Best
			S&P Global Ratings
2017	A	Stable	AM Best
			S&P Global Ratings
2016	A	Stable	AM Best
			S&P Global Ratings
2015	A-	Positive	AM Best
			S&P Global Ratings
2014	A-	Positive	AM Best
		Stable	S&P Global Ratings
		Stable	S&P Global Ratings
2013	A-	Stable	AM Best
		Positive	S&P Global Ratings
2012	A-	Negative	S&P Global Ratings
2011	A	Negative	S&P Global Ratings
2010	A	Stable	S&P Global Ratings
2009	A	Stable	S&P Global Ratings
2008	A	Stable	S&P Global Ratings

The **“A” credit rating assigned by S&P** exclusively reflects the Triglav Group’s standalone credit profile. Its business risk profile was assessed again as strong and its financial risk profile as very strong. The medium-term outlook reflects S&P’s expectations that at least over the next two years the Group will continue to effectively implement its business strategy of profitable growth by further diversifying premiums and realised income streams. Despite increased natural catastrophe claims, the discontinuation of supplemental health insurance in Slovenia and macroeconomic conditions, the Group is expected to maintain capitalisation at least at the “AA” range (of S&P’s capital model), while effectively improving its performance results.

The latest credit rating reports, i.e. the announcements of both credit rating agencies from 2023, are available on the website www.triglav.eu under the Investor Relations tab.

6.7 Bonds of Zavarovalnica Triglav

As part of the Group’s regular capital management to ensure its optimal composition and cost efficiency, the Company issued a subordinated bond in 2019, which is taken into account in its capital adequacy. It replaced the bond that matured on 21 March 2020. See the table below for more information.

Bond of Zavarovalnica Triglav

ISIN	XS1980276858
Bond type	Subordinated bond (Tier 2) issued in line with the Solvency II regulation
Issue size in EUR	50,000,000
Currency	EUR
Coupon rate and payment	Fixed at 4.375% p.a. until first call date, payable annually Thereafter variable at 3-month Euribor + 4.845% (equal to the original credit spread + 1 percentage point), payable quarterly
First call date	22 October 2029
Maturity date	22 October 2049
Maturity in years	30,5
Regulated market	Luxembourg Stock Exchange
Rating	BBB+ (S&P)

7. Macroeconomic environment and insurance markets

- The Regulatory changes to Slovenia's healthcare system had a negative impact on the Triglav Group's business result.
- Gross claims were higher, mainly due to major CAT events and claims inflation.
- The investment result was positive due to the more favourable situation in the financial markets. Both assets under asset management and financial instruments increased.
- The Triglav Group maintained its leading market position among insurance groups in Slovenia and Montenegro. Its market shares grew in the insurance markets of Slovenia, Serbia and Republika Srpska.
- Total written premium increased in most insurance markets.

7.1 The general economic environment worldwide and in Slovenia

The global economy was characterised by a slowdown in activity and a marked decline in headline inflation over the year. The ongoing war in Ukraine, now surpassing a year, coupled with the recent escalation of conflict between Israel and Hamas in the Middle East in October, has significantly heightened global uncertainty. While real GDP grew moderately in the US, it stagnated in the euro area. According to the latest estimates, the euro area even slipped into a mild technical recession in the second half of the year. The manufacturing sector experienced a slowdown throughout the year, while the service sector declined sharply after a strong expansion in the first half of the year. Loans to the corporate sector and households also declined significantly. Despite tightening financing conditions and weakening demand, the labour market situation remained very favourable. At 6.4%, unemployment reached a record low several times throughout the year. Considerably lower energy prices gradually lowered headline inflation, while core inflation remained high.

According to the latest estimates by international institutions in December, headline inflation in the euro area is expected to stand at 5.5% in 2023, with a real GDP growth of 0.5%. In 2024, inflation is forecast to fall slightly further to just 2.5%, while real GDP growth is expected to be similarly modest as in 2023. Analysts point in particular to the uncertainty caused by geopolitical events and their impact on energy prices and the global economy in general. They also link the uncertainty to the cooling of China's economy, the impact of tighter financial conditions and the increasing number of natural disasters resulting from global warming.

In Slovenia, economic activity was subdued. International trade fell markedly due to lower demand abroad and higher cost pressures. The decline in the purchasing power of households and their greater caution also contributed to low growth in private consumption. The recovery from the August floods stimulated construction activity, whereas higher interest rates and the international economic slowdown held back investment in equipment and machinery. Government consumption remained relatively restrained despite an increase in flood mitigation expenditure. The labour market situation, as elsewhere in Europe, was extremely favourable, with unemployment below 4%, the lowest on record. According to the Bank of Slovenia's latest estimates, as a result of funding post-flood recovery, the general government deficit (at 3.7% of GDP) increased slightly compared to the initial estimates, while

the gross government debt (at 69.5% of GDP) remained almost unchanged compared to the previous year.

According to the Bank of Slovenia's December forecast, real GDP growth in Slovenia was 1.3% in 2023 and is expected to be slightly stronger next year at 2.2%. Headline inflation will be significantly lower, at 3%, reaching 7.4% in 2023, according to the Slovenian Statistical Office. The forecasts are accompanied by uncertainties stemming from the economic recovery in the international environment, and in the domestic environment primarily due to salary and inflation growth, as well as the erosion of Slovenia's export competitiveness.

In 2023, financial markets were characterised by rising central bank interest rates and, towards the end of the year, by a larger fall in the required yield on government bonds. Major real estate markets also recorded a decline, whereas equity markets mostly reported strong growth. Financial markets were shaken in March by the collapse of the US banks SVB and Signature Bank, followed shortly afterwards by the sale of Credit Suisse. The general uncertainty was also heightened in May by the negotiations on the US debt ceiling and in August by Fitch's downgrade of the US sovereign credit rating to AA+.

The US Federal Reserve (Fed) and the European Central Bank (ECB) raised interest rates throughout the year, but slowed down and ultimately ended the hikes in the second half of the year. The Fed raised the target rate by 0.25 percentage point four times and has not changed it since July, keeping it within the range of 5.25–5.50%. The ECB raised its interest rates twice by 0.50 percentage point and four times by 0.25 percentage point and has not changed its deposit rate of 4.00% since September. At a press conference in December, the chair of the Federal Reserve indicated, for the first time, the possibility of a reduction in the target interest rate, while his European counterparts have not expressed a willingness to discuss a rate cut yet.

Bond markets were quite highly volatile. The required yield on the 10-year German government bond peaked at close to 3% in early October. Later, it fell sharply to end at 2.02%, a good half a percentage point below the level at the beginning of the year. The Slovenian bond experienced an even slightly higher drop in the required yield, ending the year at 2.95%. The negative difference between the required yield on the 10-year and the 2-year German Bund increased to –0.37 percentage point. The negative slope of the interest rate curve reached a record high of –0.87 percentage point in June. Credit spreads on corporate bonds jumped sharply in March amid the turmoil in the banking sector, but subsequently fell back to levels below the year's baseline value.

The sentiment on stock markets was largely positive. More notable declines were recorded in the summer, but the indices of developed countries successfully recovered these losses by the end of the year. The Japanese NIKKEI index took the lead with a 28.2% growth, followed by S&P 500 and Euro Stoxx 50 with 24.2% and 19.2% respectively. The Slovenian SBITOP index achieved a similar 19.8% growth. Emerging market indices underperformed, with China's Hang Seng index dropping by 13.8%.

7.2 Environmental impact on the Triglav Group's operations¹⁶

For a second consecutive year, high inflation had an impact on the increase in prices of materials and services and therefore on higher gross claims paid and operating expenses. Due to inflationary pressures, sums insured and premium rates were adjusted in most non-life insurance classes. See [Section 4.1 Today's challenges and opportunities](#) and [Section 9. Risk management](#) for more information about the impact of inflation.

The high growth in claims incurred was driven by both significantly higher claims frequency and claims inflation. The higher number of settled claims in the reporting period also resulted from supply chains becoming re-established.

The Group's business result was impacted by major CAT events in a total estimated value of EUR 212.0 million (compared to EUR 32.1 million in 2022). According to estimates, hailstorms in Slovenia resulted in EUR 85.6 million in claims, while the August storms with floods caused EUR 77.0 million in claims. Most of the other countries in which the Group operates were also affected by hailstorms, strong wind and floods, with the largest claims recorded in Croatia (EUR 14.1 million) and Serbia (EUR 7.9 million). The Group also had EUR 27.3 million of estimated reinsurance claims resulting from the February earthquake in Turkey, floods and hailstorms in Italy, Doksuri and Saola typhoons in China, storm Hans in Scandinavia, the September floods in Greece, the earthquake in Morocco and hurricane Otis in Mexico.

The more favourable financial market situation had a positive impact on the investment result, with an increase in assets under asset management and financial instruments. See [Section 8.4 Asset Management and Other non-insurance operations](#) for more details.

In 2023, the Group's operations in the health insurance segment were most affected by the termination of supplemental health insurance as part of the reform of Slovenia's healthcare system and by setting the maximum price of supplemental health insurance premium by a decree of the Slovenian Government from May to the end of 2023. The negative effects of the price cap on supplemental health insurance were reflected in the negative operating result. See [Section 8.3 Health segment](#) for details.

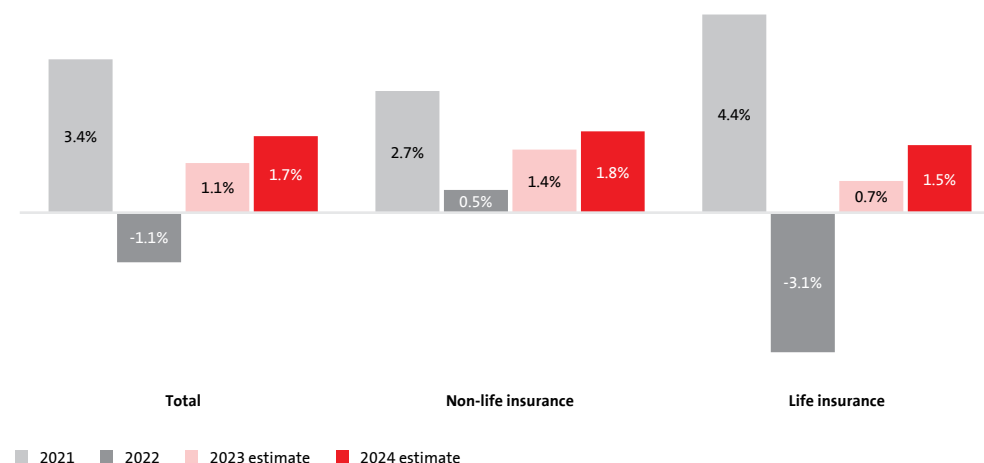
7.3 Global insurance market

According to latest official data from Swiss Re reinsurance company, total premium volume on **the global insurance market** in 2022 reached USD 6.8 trillion, recording a **1.1% decline in real terms** (with nominal growth at 0.3%). Non-life insurance premium increased by 0.5%, whereas life insurance premium decreased by 3.1%. Advanced markets, which account for 81% of the global insurance premium, recorded a 1.8% decline in premium, whereas emerging markets achieved a 2.1% premium growth. The written premium in the euro area was 7.4% lower in real terms compared to the previous year.

At 43.7%, the US holds the largest global market share, which further increased in 2022 (2021: 40.3%), followed by China (10.3%), with the UK moving up to third place (5.4%) and Japan ranking lower than the previous year (5.0%). The global market shares of France and Germany stood at 3.9% and 3.6% respectively.

Cyclical slowdown, high inflation and geopolitical uncertainties cloud the outlook for the insurance industry. Inflation remains the top risk for insurers, as it increases claim payments and thus premium increases, reducing household disposable income and demand. Nevertheless, Swiss Re estimates that the insurance industry is resilient and that global premium volume will grow by 1.1% in real terms in 2023, reaching an all-time high (USD 7.1 trillion). In 2024, premium growth is expected to be even slightly higher, at 1.7% (both figures are lower than the 10-year average growth of 2.6%). Non-life insurance will record higher growth.

Real global insurance premium growth in 2021–2024



Source: Swiss RE, SIGMA 3/2023

¹⁶ GRI 201-2, SASB: FN-IN-450a.2

7.4 Triglav Group key markets¹⁷

The Triglav Group sells insurance in seven insurance markets in six countries: in the Adria region in Slovenia, Croatia, Serbia, Montenegro, Bosnia and Herzegovina, and North Macedonia. The Group also operates in the wider international environment via its branch in Greece and partnerships with foreign insurance brokerage and agency companies as well as with reinsurers.

The most developed market in the Adria region is Slovenia's insurance market, where Zavarovalnica Triglav and the specialised insurers Triglav, Zdravstvena zavarovalnica and Triglav, pokojninska družba are active. Other insurance markets remain relatively underdeveloped, maintaining great potential for growth. They continue to be dominated by motor vehicle insurance, but recently solid growth has been observed in other insurance classes, especially health and real property insurance. Pozavarovalnica Triglav Re operates throughout the region and in the wider international environment.

Gross written premium growth was recorded in all insurance markets in the region, except in Croatia's market (see [Section 8. Operations of the Triglav Group and Zavarovalnica Triglav](#) for more information). The markets in Serbia, Bosnia and Herzegovina, and Slovenia achieved the highest relative growth.

Main macroeconomic data for 2023 by Triglav Group insurance market and in the EU

Macroeconomic indicators	Slovenia	Croatia	Serbia	Montenegro	Bosnia and Herzegovina	North Macedonia	European Union
Population (in million)	2.1	3.8	6.6	0.6	3.5	2.1	444.2
GDP growth (estimate in %)	2.0	2.7	2.0	4.5	2.0	2.5	0.7
2023 GDP (estimate in USD billion)	68.4	80.2	75.0	7.1	26.9	15.8	18,351.1
2023 GDP per capita (estimate in USD)	32,350	20,876	11,301	11,339	7,778	7,672	56,974.8
2023 inflation rate (estimate in %)	7.4	8.6	12.4	8.3	5.5	10.0	6.5
2023 unemployment rate (estimate in %)	3.6	6.3	9.1	11.8*	15.3	14.3	n.a.

Source: International Monetary Fund (IMF), World Economic Outlook, October 2023

* Agency for Statistics of Montenegro (Q3 2023)

The Triglav Group continues to be the leader among insurance groups in Slovenia and Montenegro, and ranks third in North Macedonia and the Federation of BiH. Its market share grew in the insurance markets of Slovenia, Serbia and Republika Srpska.

Market shares and market position of the Triglav Group in the Adria region in 2023

Market	Market share	Market share trend	Ranked in 2023	Ranked in 2022
Slovenia	39.5%	↑ + 0.6 percentage point	1	1
Croatia**	5.2%	↓ - 0.3 percentage point	8	7
Serbia*	7.5%	↑ + 0.2 percentage point	5	5
Montenegro	35.0%	↓ - 2.8 percentage point	1	1
Bosnia and Herzegovina	9.3%	↓ - 0.1 percentage point	4	4
- Federation of BiH	10.6%	↓ - 0.2 percentage point	3	3
- Republic of Srpska***	6.6%	↑ + 0.3 percentage point	5	7
North Macedonia	13.4%	↓ - 1.3 percentage point	3	3

* Data for January-September 2023

** Market share calculations for the Croatian insurance market are based on premium paid.

*** Including the market shares of Triglav Osiguranje, Banja Luka and the branch of Triglav Osiguranje, Sarajevo in Banja Luka.

Presented below are the characteristics of individual markets and the market position of Group members.

7.4.1 Slovenia's insurance market

Although relatively small, Slovenia's insurance market is well developed. On a global scale, in 2022 Slovenia ranked 30th by premium per capita (32nd in the preceding year) and 29th by insurance penetration (premium as percentage in GDP), which is two ranks higher than the year before. Slovenia's insurance market ranked 56th by written premium (59th in the preceding year), accounting for 0.04% of the global insurance market and 0.3% of the EU insurance market (Swiss Re data for 2022).

Premium per capita and market penetration for Slovenia and some other European countries in 2022

	Premium per capita		Insurance penetration	
	(in EUR)	World rank	(% of GDP)	World rank
Slovenia*	1,329	30	4.8%	29
Croatia	433	43	2.6%	48
Serbia	168	63	1.9%	65
Switzerland	6,041	7	6.9%	20
United Kingdom	4,538	11	10.5%	9
Austria	2,147	26	4.3%	31
Czech Republic	751	35	2.9%	44
Poland	388	45	2.2%	53
Turkey	146	65	1.5%	70
European Union	2,256	-	6.4%	-
Euro area	2,575	-	6.6%	-

Source: Swiss RE, SIGMA 3/2023

* Data for Slovenia: Slovenian Insurance Association (SZZ)

In 2022, the average premium per capita (insurance density) in Slovenia increased to EUR 1,329, reaching its peak value to date. Premium as percentage of GDP fell to 4.8% in 2022 (2021: 5.0%), reaching its bottom since 2000 as a result of Slovenia's high GDP growth. Nevertheless, the insurance industry remains one of the most important economic sectors.

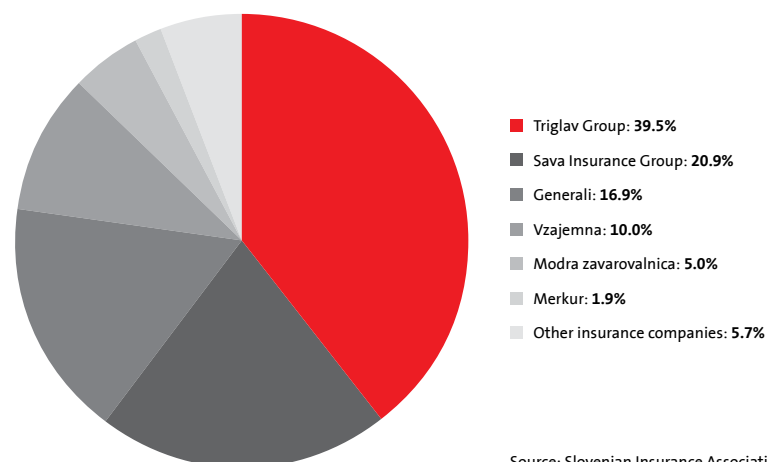
Development of Slovenia's insurance market	
Premium per capita (data for 2022)	EUR 1,329
Premium as percentage in GDP (data for 2022)	4.8%
Insurance market growth index in 2023	109.1

Source: Slovenian Insurance Association (SZZ)

In 2023, a total of **13 insurance companies, five foreign branches and two reinsurance companies** operated in Slovenia's insurance market, all members of the Slovenian Insurance Association (SZZ). A new insurance company, Groupama Biztosító Zrt. branch, has been operating in Slovenia's insurance market since July 2022. There were nine composite and nine specialised insurers (life, health and non-life insurance) operating in Slovenia. These data exclude direct insurance transactions of insurers from other EU Member States (FOS).

In 2023, insurance companies collected **EUR 3.1 billion** in gross written insurance, coinsurance and reinsurance premiums, **up by 9.1%** relative to the previous year (this calculation does not take into account internal transfers of assets for the payment of pension annuities). **Non-life insurance premium** rose by 10.0% and represents a 75.1% share. Motor vehicle insurance contributed the most to the increase with 21% growth, which was also influenced by the premium increase and the larger volume of premium written through FOS transactions and branches. **Life insurance premium** grew by 6.6%, with all insurance classes recording growth. **Health insurance premium**, which is taken into account in non-life insurance premium, dropped by 3.3%.

The market shares of insurers and insurance groups in Slovenia in 2023



Source: Slovenian Insurance Association (SZZ).

Slovenia's insurance market continues to be highly concentrated, with the four largest insurers holding a 76% market share. **Zavarovalnica Triglav** remains the market leader with a 31.6% market share (compared to 30.5% in the previous year), followed by Zavarovalnica Sava with a 17.5% market share. Among insurance groups, **the Triglav Group** (the parent company, Triglav, Zdravstvena zavarovalnica and Triglav, pokojninska družba) holds the dominant position, having increased its market share to 39.5%, followed by the Sava Insurance Group (Zavarovalnica Sava and Vita) with a 20.9% market share. **Triglav, Zdravstvena zavarovalnica increased its market share in the health insurance segment to 31.5%** (compared to 30.1% as at 31 December 2022).

The market share of the Triglav Group and Zavarovalnica Triglav in Slovenia in 2023 and premium growth of Slovenia's market and the Triglav Group

	Triglav Group		Zavarovalnica Triglav		Growth index 2023/2022	
	Market share	Change	Market share	Change	Slovenian market	Triglav Group
Non-life insurance	42.1%	+0,8 p.p.	33.2%	+1,6 p.p.	110.0	112.2
Non-life insurance - excluding health insurance	46.1%	-0,3 p.p.	46.1%	-0,3 p.p.	116.3	115.6
Health insurance	31.7%	+1,4 p.p.	0.2%	0,0 p.p.	96.7	101.1
Life insurance	31.8%	-0,4 p.p.	26.9%	-0,5 p.p.	106.6	105.1
Total	39.5%	+0,6 p.p.	31.6%	+1,1 p.p.	109.1	110.7



39.5%
market share of
the Triglav Group

Slovenia
1st place

7.4.2 Croatia

After joining the Schengen area and the euro area, Croatia achieved economic growth of 2.7% in 2023. Inflation, despite a slight decline, stagnated at a high 8.6%, while the unemployment rate has fallen slightly to 6.3%.

Economic growth benefited from strong growth in tourism, boosted by enhanced European integration, a recovery in household consumption and investment activity supported by EU funding programmes. Contrary to expectations, real export activity declined slightly due to the cooling of the economies of key trading partners.

Moderate economic growth (2.6%) is expected for the year ahead, which will be tested mainly by inflation (IMF forecast: 4.2%) and its pressures on real income, as well as external demand and investment activity. The labour market will continue to encounter challenges, particularly regarding the ongoing shortage of skilled workers, which has persisted since EU accession. The year 2024 is an election year in Croatia, with presidential, parliamentary and EU elections.

Insurance market

As at 31 December 2023, a total of 14 insurance companies were active in Croatia's market (nine composite insurers, four non-life insurers and one life insurer), one less than in the previous year, as Wüstenrot životno osiguranje merged with Merkur osiguranje. Their total written premium was 7.1% higher than the year before (as of this year, market share calculations for Croatia's insurance market are based on premium paid). Non-life insurance premium

increased by 13.8%, whereas life insurance premium fell by 15%. In total written premium, non-life insurance premium rose to 81.6% (compared to 76.8% in the preceding year), while life insurance accounted for the rest.

Market concentration continued to be high, with top three insurers controlling more than 50% of the market. With a 25.1% market share, Croatia osiguranje maintained its dominant position (1.6 percentage points more than in the preceding year). With a 5.2% market share, down by 0.3 percentage point relative to the year before, Triglav Osiguranje, Zagreb ranked eighth (seventh in the previous year).

Development of Croatia's insurance market

Premium per capita (data for 2022)	EUR 433
Premium as percentage in GDP (data for 2022)	2.6%
Insurance market growth index in 2023	107.1

Source: Swiss RE, SIGMA 3/2023, Croatian Insurance Bureau

5.2%
market share of
the Triglav Group

Croatia
8th place



7.4.3 Serbia

Recessionary pressures in the euro area and uncertain global economic growth outlook led to a slight downward revision of Serbia’s initial GDP growth estimate for 2023 to 2.0%. The annual inflation rate reached 12.4% (IMF estimate), driven by high cost pressures, primarily stemming from the international environment, and the unemployment rate declined to 9.1%.

The lower-than-targeted economic growth was mainly driven by a slowdown in the construction sector, due to rising prices of materials, and lower growth in the agricultural sector, due to drought. However, foreign direct investment in high-value-added sectors shows great potential in the period ahead.

Looking forward, Serbia will need to maintain a stable economy while promoting sustainable growth and managing inflation effectively. Continued investment in infrastructure and digitalisation is expected to bolster economic growth, with the global economic situation and international events playing an important role.

Insurance market

Serbia’s insurance market was characterised by high concentration, where 16 insurance companies were active (six composite insurers, six non-life insurers and four life insurers). The top four insurers (Dunav, Generali Osiguranje, DDOR and Wiener) control almost two thirds of the market. Total written premium increased by 16.3% in the first nine months of 2023. Non-life insurance premium recorded 19% growth, while life insurance premium

growth stood at 5.9%. In total written premium, non-life insurance premium climbed to 81.5% (compared to 79.7% in the preceding year).

Our insurer in Serbia, **Triglav Osiguranje, Belgrade**, increased its market share to 7.5% (compared to 7.3% in the previous year), maintaining its fifth place. Its written premium growth was higher than the Serbian insurance market growth (index 119.1).

Development of Serbia's insurance market	
Premium per capita (data for 2022)	EUR 168
Premium as percentage in GDP (data for 2022)	1.9%
Insurance market growth index in Q1-Q3 2023	116.3

Source: Swiss RE, SIGMA 3/2023, National Bank of Serbia



7.5%

market share of the Triglav Group

(Data for Q1-Q3 2023)

Serbia

5th place

7.4.4 Montenegro

According to the IMF, Montenegro's economy grew by 4.5% in real terms in 2023, whereas the annual inflation rate declined slightly, but remained high at 8.3%. The unemployment rate was 11.8%.

Economic growth was mainly driven by social reforms and their impact on stimulating household consumption. In addition, the positive impacts of a successful tourist season and investment in tourism and energy infrastructure are clearly visible.

In the future, Montenegro will need to focus on a sustainable economic model by removing obstacles to businesses entering its market and their growth, promoting trade and supporting the workforce, with an emphasis on ensuring equal opportunities. In this context, enhancing the effectiveness of public institutions and upholding the rule of law are also key for attaining a higher standard of living and maintaining macroeconomic stability.

Insurance market

As at 31 December 2023, a total of nine insurance companies were active in Montenegro's insurance market (five non-life insurers and four life insurers). Total written premium was 10.3% higher than the year before, with both non-life insurance and life insurance experiencing similar growth rates. In total written premium, non-life insurance continued to account for the bulk (80.2%).

35.0%
market share of
the Triglav Group

Montenegro
1st place

The Triglav Group, represented by Lovćen Osiguranje and Lovćen životna osiguranja, maintained its leading position in the market, securing a 35.0% market share (compared to 37.8% in the previous year). The Group is followed by Sava Osiguranje and Uniqa Group (non-life and life insurance together) with a 17.3% and 15.7% market share respectively. The Group recorded 2.2% premium growth.

Development of Montenegro's insurance market

Premium per capita (data for 2022)	EUR 176
Premium as percentage in GDP (data for 2022)	1.9%
Insurance market growth index in 2023	110.3

Source: Insurance Supervision Agency of Montenegro



7.4.5 Bosnia and Herzegovina

Bosnia and Herzegovina recorded a 2.0% GDP growth rate in 2023. The inflation rate fell from 14.0% in 2022 to 5.5%, while the unemployment rate remained very high at 15.3%.

Lower economic growth stemmed from decreased net exports and a decline in household consumption attributed to lower purchasing power due to inflationary pressures. Going forward, the country's priorities will include implementing structural reforms aimed at enhancing the economy's competitiveness, particularly by alleviating fiscal burdens, simplifying administrative procedures and curbing the emigration of skilled workers.

The geopolitical crisis caused by the Russian invasion of Ukraine was also reflected in the political developments in Bosnia and Herzegovina, where internal political tensions temporarily prevented the work of all institutions at federal level. In contrast, the government made some progress in meeting the requirements for EU accession and the country's credit rating was upgraded by one notch in August 2023.

Insurance market

As at 31 December 2023, a total of 25 insurance companies were active on the very small but highly competitive insurance market of Bosnia and Herzegovina, of which 11 were domiciled in the Federation of BiH and 14 in Republika Srpska, including branches. Total written premium in the BiH market rose by 11.7%. Premium written in the Federation of BiH grew by 9.8% and in Republika Srpska by 15.8%.

In total written premium, non-life insurance premium continued to account for 79.8%.

In the Federation of BiH, the Agram corporate group (Adriatic osiguranje and Euroherc) remained the market leader with a 23% market share. **Triglav Osiguranje, Sarajevo** held a 10.6% market share (compared to 10.8% in the preceding year), ranking third (second the year before).

Holding a 12.2% market share, Grawe osiguranje was the market leader in Republika Srpska. **Triglav Osiguranje, Banja Luka** and **Triglav Osiguranje, Sarajevo branch** together increased their market share to 6.6% (up by 0.3 percentage point year-on-year) and ranked fifth (seventh the year before).

In Bosnia and Herzegovina, **the Triglav Group** reached a 9.3% market share (down by 0.1 percentage point year-on-year) and maintained its fourth place among the insurance groups. It recorded 10.8% premium growth, which was slightly less than the insurance market growth.

Development of Bosnia and Herzegovina's insurance market

Premium per capita (data for 2022)	EUR 128
Premium as percentage in GDP (data for 2022)	1.9%
Insurance market growth index in 2023	111.7

Source: FBiH Insurance Supervision Agency, RS Insurance Agency

9.3%
market share of
the Triglav Group

**Bosnia and
Herzegovina**

4th place



7.4.6 North Macedonia

The IMF estimates that North Macedonia's economy grew by 2.5% in 2023. The annual inflation rate persisted at a high 10.0%, driven by global economic developments and local corporate profits, while the unemployment rate fell to 14.3%.

The lower-than-forecast economic growth is primarily due to the impact of high inflation on domestic consumption, restrictive monetary policy and lower foreign direct investment. Inflation is expected to moderate in 2024 (IMF forecast: 4.3%), boosting consumption and increasing public spending on EU-supported infrastructure projects. This, together with the gradual recovery of the euro area, could have a positive impact on economic growth.

Going forward, North Macedonia will face especially the challenges of implementing structural reforms to raise productivity and competitiveness. Its economic growth potential stems from the anticipated enhanced regional integration, support for the transition to a green economy and education of the labour force.

Insurance market

A total of 16 insurance companies were active in North Macedonia's insurance market (11 non-life insurers and five life insurers), of which Osiguruvanje Makedonija also holds a licence to conduct reinsurance business. Total written premium in North Macedonia's insurance market rose by 12.2% in 2023.

Non-life insurance premium, representing 82.7% of total written premium, grew by 12.8% and life insurance premium by 9.3%.

With its two companies, the **Triglav Group** achieved a 13.4% market share in North Macedonia's market (compared to 14.7% in the previous year), retaining its third place among insurance groups. Holding a 10.3% market share (down 1.6 percentage points year-on-year), **Triglav Osiguruvanje, Skopje** continues to remain the leader in North Macedonia's insurance market. The insurer specialises in non-life insurance, holding a 12.4% market share (compared to 14.4% in the previous year). **Triglav Osiguruvanje Život, Skopje** significantly increased its share in the life insurance market to 18.1% (compared to 16.1% in the previous year).

Development of North Macedonia's insurance market

Premium per capita (data for 2022)	EUR 113
Premium as percentage in GDP (data for 2022)	1.6%
Insurance market growth index in 2023	112.2

Source: Insurance Supervision Agency of North Macedonia

13.4%
market share of
the Triglav Group

**North
Macedonia**
3rd place



8. Financial result of the Triglav Group and Zavarovalnica Triglav

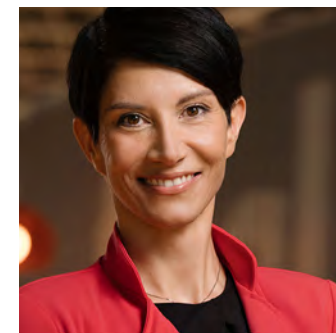
- The Triglav Group's total business volume grew by 12%, while the contractual service margin increased by 28%.
- In a challenging environment, the Group generated earnings before profit of EUR 21.1 million.
- The deteriorated combined ratio in Non-Life and Health segments resulted from the price cap on supplemental health insurance, CAT events and the effects of inflation.
- Life and Asset Management segments performed well.
- The favourable situation in the financial markets had a positive impact on the return on the Group's investments.

The Triglav Group operated in a challenging environment marked by CAT events, changes in Slovenia's healthcare system and the ongoing effects of inflation. Taking into account the negative impact of these one-off events, the Group achieved **earnings before tax** of EUR 21.1 million in 2023 (2022: EUR –10.0 million taking into account new accounting standards) and **net earnings** of EUR 16.3 million.

By actively implementing its strategic guidelines, the Group increased its **total business volume** by 12% and the **contractual service margin** by 28%. **Other comprehensive income** was positive and amounted to EUR 34.7 million, whereas in the previous year it was negative (EUR –50.9 million). This was mainly due to the favourable situation in the financial markets and, during the year, to the tactical shorter average maturity of debt investments than liabilities, which resulted in the positive change in the value of the Group's debt portfolio exceeding the change in the value of the Group's liabilities. **Net return on equity** was 1.8%, reflecting lower net earnings.

The Group's business performance was significantly impacted by CAT events, particularly hailstorms and strong wind as well as August floods (see [Section 7.2 Environmental impact on the Triglav Group's operations](#) for more information), which led to a high growth in claims. The gross impact of CAT events on the result that includes gross crop insurance claims and inward reinsurance amounted to EUR 212.2 million, while the net impact, taking into account reinsurance, is estimated at EUR 85.9 million. The effects of the claims inflation, which in accordance with the new accounting standard already had a significant effect on the claims ratio last year, also affected the growth of claims in 2023. In this regard, part of the increase in insurance revenue stemmed from premium adjustments to inflation, while the full impact of the premium increase will manifest in the following year. The Group also responded to high inflation and higher inflationary expectations by implementing a number of measures related to claims settlement and management of expenses.

The Group's operations were adversely affected by legislative changes to Slovenia's healthcare system (see [sections 7.2 Environmental impact on the Triglav Group's operations](#) and [8.3 Health segment](#) for more information), as a result of which earnings before tax of the health insurance segment were negative in the amount of EUR –29.8 million.

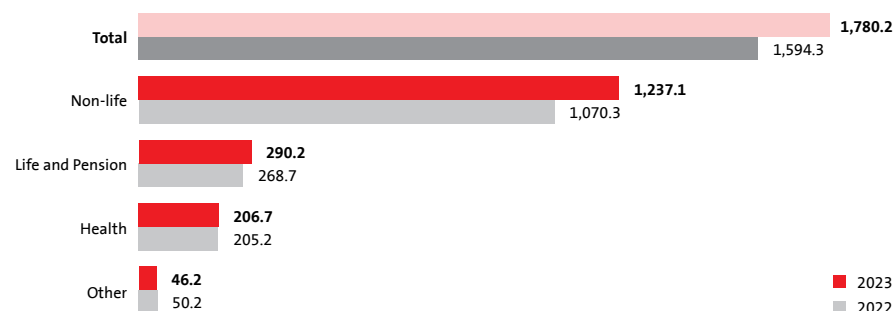


“We have concluded the challenging project of implementing IFRS 17, confident

that it will enhance transparency in our financial reporting and foster comparability with insurance companies worldwide.”

Tina Cvar, Executive Director of Accounting, Zavarovalnica Triglav

Total business volume of the Triglav Group by segment (EUR million)



Zavarovalnica Triglav achieved earnings before tax of EUR 45.6 million (2022: EUR 1.4 million taking into account new accounting standards) and net earnings of EUR 38.7 million. The insurance operating result was positive and amounted to EUR 17.6 million despite major CAT events. Premium rates were adjusted in line with the claims inflation. Inflation also had an impact on the increase in operating expenses. Net investment result amounted to EUR 28.0 million, up by 31% year-on-year, as a result of the favourable situation in the financial markets and the payment of dividends from subsidiaries (EUR 16.4 million, 2022: EUR 32.7 million). The Company's other comprehensive income amounted to EUR 28.4 million (2022: EUR –36.5 million).

Certain categories of the Group's operations and the structure of earnings generated in 2023 are explained in more detail below.

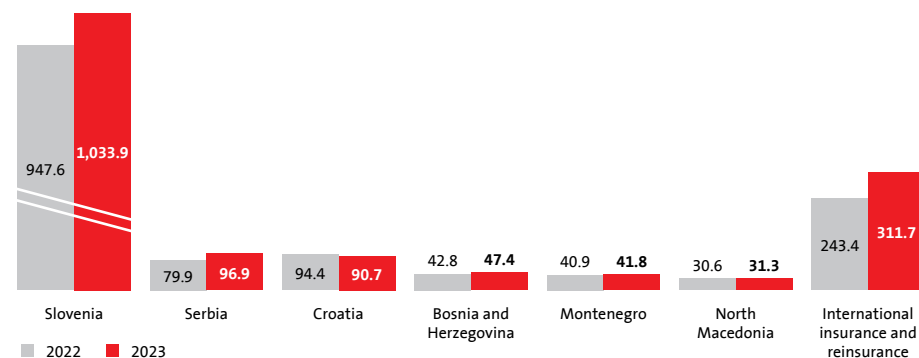
The Group's **total revenue** in the amount of EUR 1,425.2 million rose by 11% as a result of its high growth in both the Life and Pension segment (index 115) and the Non-Life segment (index 114). **Insurance revenue** grew by 12% to EUR 1,351.2 million and asset management income increased by 6% to EUR 39.7 million, whereas other income fell by 2% to EUR 34.3 million.

Insurance revenue of the Triglav Group by segment (EUR million)



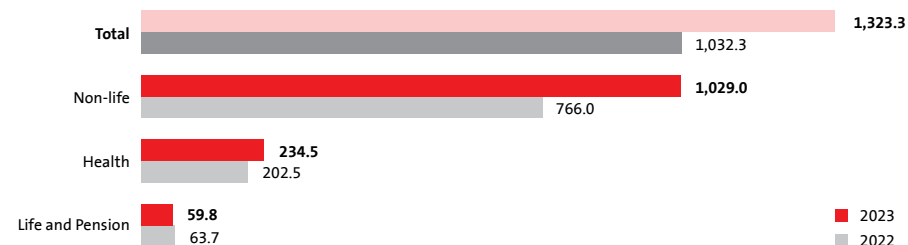
The Group's insurance companies charged **EUR 1,653.7 million in consolidated gross written premium**, up by 12% year-on-year. In the Slovenian market, premium grew by 9%, in the international market by 28% and in other markets of the Adria region by 7%. A total of 62.5% of premium was earned in the Slovenian insurance market (2022: 64.0%) and 18.6% in the remaining markets of the Adria region (2022: 19.5%), while the share of international insurance and reinsurance increased by 2.4 percentage points to 18.8%.

Gross written premium of the Triglav Group by market (EUR million)



Insurance service expenses increased significantly, i.e. by 28%, to EUR 1,323.3 million. Their high growth was predominantly influenced by a 34% increase in expenses in the Non-Life segment, while expenses in the Health segment grew by 16%. The Life and Pension segment expenses declined by 6%.

Insurance service expenses of the Triglav Group by segment (EUR million)



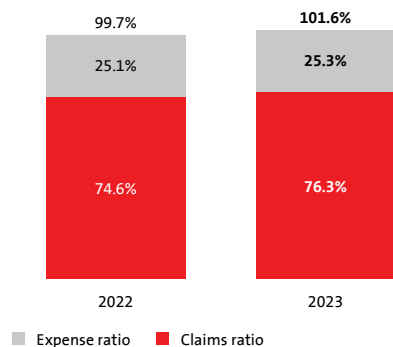
The Group's combined ratio in Non-Life and Health stood at 101.6%, up by 1.9 percentage points year-on-year. The combined ratio in Non-Life reached 99.4%, down by 0.3 percentage point year-on-year. The decrease was driven by higher insurance revenue and the reinsurance result, despite strong claims growth. Due to the negative effects resulting from supplemental health insurance, the combined ratio in Health increased by 12.8 percentage points to 112.9%.

The Group's CSM of new contracts amounted to EUR 42.3 million in 2023, the bulk of which (85%) was generated in the Life segment and the remaining 15% in the Non-Life segment. The share of the CSM of new contracts in total contractual service margin was 17.8%, down by 2.5 percentage points year-on-year. The release of the contractual

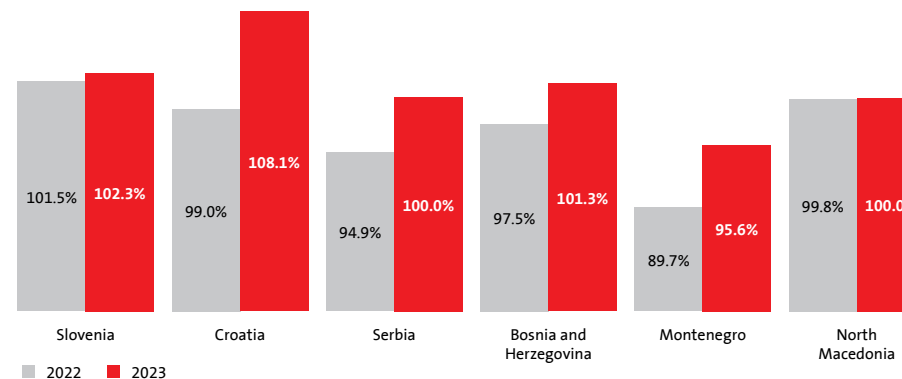
service margin to profit or loss amounted to EUR 39.8 million in the reporting period, up by 22% year-on-year.

The Group's contractual service margin was higher by EUR 52.0 million. This was primarily due to the change in expected cash flows driven by the revaluation of life insurance sums insured and premiums, and to a lesser extent by the change in some of the assumptions used to calculate the present value of the expected cash flows of life insurance policies, as well as by higher expected future recovered management fees from higher unit-linked life insurance assets.

Combined ratio in Non-Life and Health segments of the Triglav Group



Combined ratio in Non-Life and Health segments of the Triglav Group by market

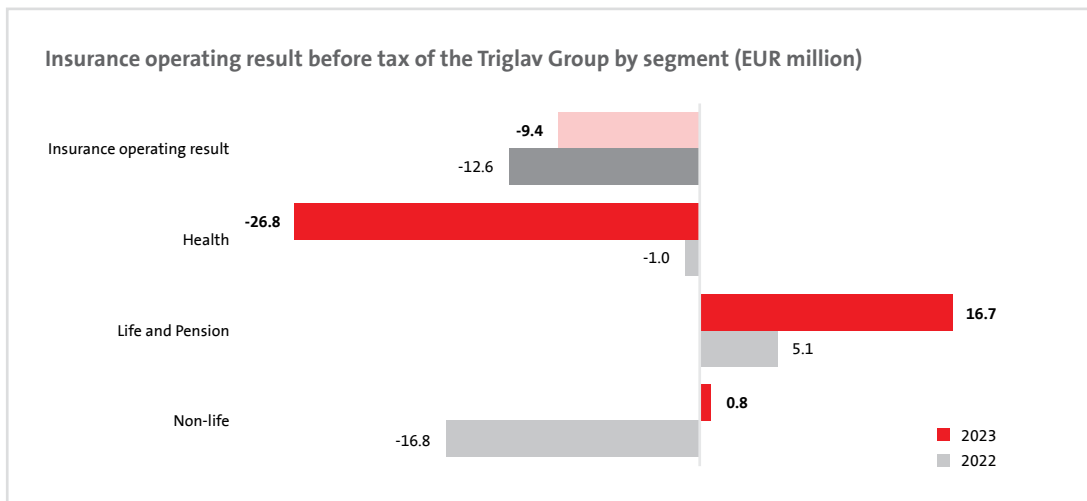


Structure of earnings before tax of the Triglav Group

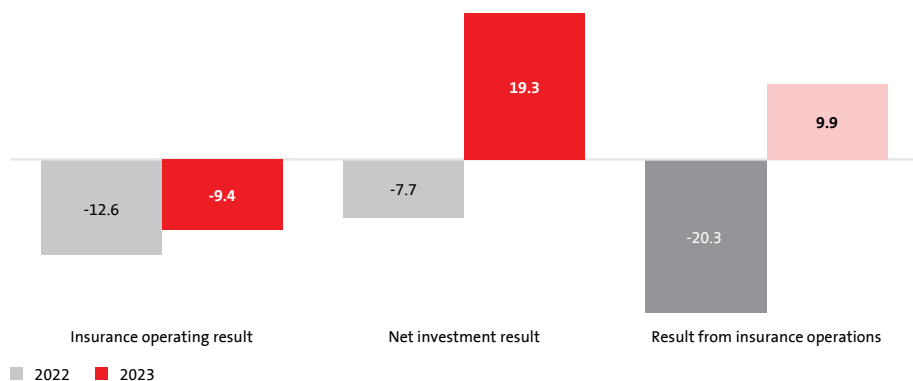
	2023					2022				
	Non-Life	Life and Pension	Health	Asset Management and Other	Total	Non-Life	Life and Pension	Health	Asset Management and Other	Total
Insurance operating result	760,064	16,735,367	-26,845,573		-9,350,142	-16,792,723	5,136,528	-971,931		-12,628,126
Insurance revenue	1,056,160,921	85,367,869	209,657,875		1,351,186,665	923,531,228	78,086,766	204,984,870		1,206,602,864
Claims incurred	779,748,801	25,603,176	215,894,996		1,021,246,973	552,348,057	31,037,168	184,355,918		767,741,143
Acquisition and administrative costs including non-attributable items	293,627,582	48,478,623	20,858,443		362,964,648	256,653,742	47,572,454	20,920,438		325,146,634
Net reinsurance service result	30,019,238	1,619,193	-31,861		31,606,570	-105,183,452	729,544	0		-104,453,908
Net other insurance revenue and expenses	-12,043,712	3,830,104	281,852		-7,931,756	-26,138,700	4,929,840	-680,445		-21,889,305
Net investment result	10,866,957	11,404,011	-2,984,851	2,740,539	22,026,656	2,489,796	-9,254,154	-914,599	-6,649,239	-14,328,196
Result from non-insurance operations				8,383,922	8,383,922				16,929,781	16,929,781
Total earnings before tax	11,627,021	28,139,378	-29,830,424	11,124,461	21,060,436	-14,302,927	-4,117,626	-1,886,530	10,280,542	-10,026,541

The Group's **insurance operating result** reached EUR –9.4 million (2022: EUR –12.6 million taking into account new accounting standards). Despite a 14% growth in insurance revenue, the insurance operating result of the Non-Life segment (EUR 0.8 million) was negatively impacted by a high 41% growth in claims incurred (see [Section 8.1 Non-life segment](#) for more information). The negative result in the Health segment is mainly due to the high growth in claims incurred following the price cap on supplemental health insurance premium (see [Section 8.3 Health segment](#) for more information). Insurance operating result before tax of the Life and Pension segment increased to EUR 16.7 million (index 326). Net reinsurance service result reached EUR 31.6 million (2022: –104.5 million), driven by an increase in reinsurance revenue of the Non-Life segment to be reimbursed by reinsurers for claims incurred as a result of CAT events. Acquisition and administrative costs including non-attributable items totalled EUR 362.9 million, up by 12%.

Net investment result amounted to EUR 22.0 million, whereas in the preceding year it was negative at EUR –14.3 million. Investment result amounted to EUR 83.6 million (2022: EUR –88.6 million), whereas financial result from insurance contracts was negative at EUR –69.7 million (2022: EUR 82.2 million). The result was positively affected by the change in provisions for not achieving the guaranteed yield in the amount of EUR 8.1 million (2022: EUR –9.8 million).

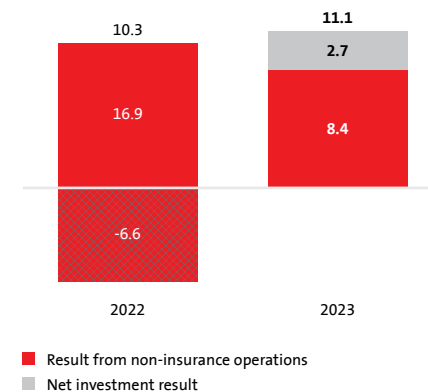


Earnings before tax of the Triglav Group's insurance operations (EUR million)



Earnings before tax of Asset Management and Other non-insurance operations grew by 8% to EUR 11.1 million. The operating result amounted to EUR 8.4 million (a 50% decrease compared to 2022, as the previous year's result was significantly affected by the gains on disposal of real property), while the investment result amounted to EUR 2.7 million.

Earnings before tax of the Triglav Group's Asset Management and Other non-insurance operations (EUR million)



Operating expenses

The Group's consolidated operating expenses, including other attributable insurance service expenses, increased by 12% to EUR 429.0 million. Operating expenses increased by 11% to EUR 434.1 million, other attributable insurance service expenses were up by 24% (EUR 23.8 million) and the change in deferred acquisition costs reduced the expenses by EUR 13.6 million (index 114).

Acquisition costs grew by 15% and totalled EUR 92.8 million. The significant increase in acquisition costs mainly resulted from the higher number of underwritten insurance policies and the increased volume of written premium from insurance policies taken out via external sales channels (contracted points of sale, brokers, agencies and banks). Their increase was also influenced by the higher volume of transactions concluded under the principle of free movement of services (FOS) in the EU.

At 45.6%, *labour costs* accounted for the largest portion of total expenses. They amounted to EUR 197.9 million, up by 13% relative to the preceding year. The increase in labour costs resulted from the higher number of employees in some companies, adjustments to basic salaries due to inflationary pressures, growth of agent costs due to premium growth and higher other labour costs.

Costs of services increased by 9% year-on-year, reaching EUR 117.1 million. Among them, the bulk was accounted for by costs of other services (EUR 28.7 million), costs of representation, advertising and sponsorships (EUR 23.6 million), followed by maintenance costs (EUR 16.7 million). The main cost drivers in this group were:

- *costs of short-term leases* (index 139), mainly the costs of IT equipment rentals and leases;
- *costs of maintenance services* (index 114), particularly the costs of maintenance services for software, hardware and communication equipment;
- *other costs of services* (index 108), with the highest growth in the costs of computer services.

Operating expenses of the Triglav Group by nature

	2023	2022	Index	Share
Acquisition costs	92,806,454	81,026,082	115	21.4%
Cost of goods sold	-65,286	-6,723	971	0.0%
Depreciation/amortisation costs	26,291,666	26,166,679	100	6.1%
Depreciation/amortisation costs of leased assets	6,699,012	6,560,347	102	1.5%
Depreciation/amortisation costs of other operating assets	19,592,654	19,606,332	100	4.5%
Labour costs	197,947,600	175,509,591	113	45.6%
Wages and salaries	136,779,849	121,997,574	112	31.5%
Social and pension insurance costs	29,779,769	26,478,600	112	6.9%
Other labour costs	31,387,982	27,033,417	116	7.2%
Costs of services	117,124,839	107,743,592	109	27.0%
Costs of entertainment, advertising and trade shows	23,610,478	22,915,094	103	5.4%
Maintenance costs	16,722,517	14,651,726	114	3.9%
Costs of materials and energy	10,047,185	10,763,961	93	2.3%
Costs of payment transactions and banking services	2,550,277	2,480,274	103	0.6%
Insurance premium costs	2,113,737	1,367,534	155	0.5%
Costs of intellectual services	9,403,594	8,582,630	110	2.2%
Training costs	1,559,320	1,509,889	103	0.4%
Expenses for short-term leases, low-value leases and other leases	8,276,771	5,975,231	139	1.9%
Costs of transport and communications services	6,459,294	5,972,112	108	1.5%
Reimbursement of labour-related costs	5,596,541	5,248,474	107	1.3%
Costs of services provided by natural persons other than sole proprietors	2,070,808	1,809,240	114	0.5%
Other costs of services	28,714,317	26,467,427	108	6.6%
Total operating expenses (1)	434,105,273	390,439,221	111	100.0%
Other attributable insurance service expenses (2)	23,795,694	19,126,540	124	
Change in deferred acquisition costs (3)	-13,616,542	-11,985,247	114	
Total (1+2+3)	444,284,425	397,580,514	112	
Elimination of intercompany transactions	-15,269,700	-13,600,659	112	
Total consolidated (1+2+3+4)	429,014,725	383,979,855	112	

Non-consolidated operating expenses from insurance operations rose by 11% to EUR 387.5 million, primarily as a result of higher acquisition costs due to increased business volume and higher labour costs. Attributable costs of EUR 328.5 million accounted for 84.8% of expenses from insurance operations, while non-attributable costs accounted for the remaining 15.2%. **Non-consolidated expenses from non-insurance operations** increased by 12% and totalled EUR 46.6 million, mainly as a result of higher labour costs and higher costs of services. The increase in other attributable insurance expenses (index 124) was predominantly due to higher expenses for fire fee.

Operating expenses of the Triglav Group

	2023					2022				
	Operating expenses	Other attributable insurance service expenses	Changes in deferred acquisition costs	Elimination of intercompany transactions	Total	Operating expenses	Other attributable insurance service expenses	Changes in deferred acquisition costs	Elimination of intercompany transactions	Total
Attributable costs	328,462,819	23,592,298	-13,616,542	-2,592,319	335,846,256	291,460,732	17,426,563	-11,985,247	-2,557,606	294,344,442
Attributable acquisition costs	214,668,318	213,309	-13,616,542	-1,080,487	200,184,598	191,558,019	0	-11,985,247	-1,120,998	178,451,774
Attributable claim handling expenses	29,992,668	3,844,303			33,836,971	27,599,961	2,193,833			29,793,794
Attributable administrative costs	83,801,833	19,534,686		-1,511,832	101,824,687	72,302,752	15,232,730		-1,436,608	86,098,874
Non-attributable costs	58,998,876	203,396		-11,137,602	48,064,670	57,323,799	1,699,977		-9,873,812	49,149,964
Insurance operations	387,461,695	23,795,694	-13,616,542	-13,729,921	383,910,926	348,784,531	19,126,540	-11,985,247	-12,431,418	343,494,406
Non-insurance operations	46,643,578			-1,539,779	45,103,799	41,654,690			-1,169,241	40,485,449
Total	434,105,273	23,795,694	-13,616,542	-15,269,700	429,014,725	390,439,221	19,126,540	-11,985,247	-13,600,659	383,979,855
	Index									
Attributable costs	113	135	114	101	114					
Attributable acquisition costs	112	0	114	96	112					
Attributable claim handling expenses	109	175	0	0	114					
Attributable administrative costs	116	128	0	105	118					
Non-attributable costs	103	12	0	113	98					
Insurance operations	111	124	114	110	112					
Non-insurance operations	112	0	0	132	111					
Total	111	124	114	112	112					

Investments

The Triglav Group manages its investment portfolio conservatively to ensure adequate investment yield, safety and liquidity, aiming to achieve a high credit rating for the total portfolio. In accordance with its sustainable development policy, the share of environmental, social and governance (ESG) aspects is being increased.

In 2023, through active investing, the Group **maintained the structure of its investment portfolio comparable to the balance as at 31 December 2022**; it was worth EUR 3,398.5 million, up by 4% year-on-year. The bulk (54.7%) of the investment portfolio was accounted for by bonds invested in developed markets, most of which have a high credit rating. Their value, as well as the value of the equity portfolio, was also affected by the situation on the financial markets and the diversification of investments, in addition to the partial optimisation of the Group's capital adequacy. The structure of financial investments is discussed in greater detail in [Section 3.4 of the Accounting Report](#).

Investments of the Triglav Group as at 31 December 2023 and 31 December 2022

	Investments		Index	Share	
	31 Dec 2023	31 Dec 2022	2023/2022	31 Dec 2023	31 Dec 2022
Investment property	67,953,773	68,325,487	99	2.0%	2.1%
Investments in associates and joint ventures	37,708,062	37,810,184	100	1.1%	1.2%
Shares and other variable-income securities	168,680,198	199,820,678	84	5.0%	6.1%
Debt and other fixed-income securities	1,860,044,900	1,801,656,173	103	54.7%	55.4%
Loans given	6,557,904	5,784,491	113	0.2%	0.2%
Bank deposits	65,794,876	79,458,018	83	1.9%	2.4%
Other financial instruments	872,414	934,751	93	0.0%	0.0%
Total (1)	2,207,612,127	2,193,789,782	101	65.0%	67.5%
Unit-linked life insurance assets (2)	540,890,478	469,528,905	115	15.9%	14.4%
Financial investments from financial contracts (3)	650,042,171	589,033,089	110	19.1%	18.1%
Total (1 + 2 + 3)	3,398,544,776	3,252,351,776	104	100.0%	100.0%

The majority of **unit-linked insurance assets** is accounted for by assets invested in mutual funds of the policyholders' choice, mainly in funds managed by Triglav Skladi. As at 31 December 2023, these assets amounted to EUR 540.9 million (index 115).

The Group's financial investments from financial contracts include individual and group supplemental voluntary pension insurance contracts of the parent company and Triglav, pokojninska družba, and totalled EUR 650.0 million as at 31 December 2023. Compared to the 2022 year-end, they increased by 10%. Financial contract assets and the types of financial investments from financial contracts are discussed in greater detail in [Section 3.5 of the Accounting Report](#).

As at the reporting date, the Group's **sustainable fixed-income investments** reached EUR 262.5 million, up by 18% year-on-year. Their share in the total bond portfolio increased to 11.1%, exceeding the Group's strategic targets.

Sustainable (ESG) fixed-income investments of the Triglav Group

	Debt securities		Indeks	Share in debt securities	
	31 Dec 2023	31 Dec 2022	2023/2022	31 Dec 2023	31 Dec 2022
Social impact bonds*	92,894,804	98,060,591	95	3.9%	4.3%
Green bonds**	157,009,420	110,964,143	141	6.7%	4.9%
Sustainable bonds***	12,595,979	13,839,732	91	0.5%	0.6%
Total ESG bonds	262,500,203	222,864,466	118	11.1%	9.9%

* Bonds with a social impact are an instrument for funding social services.

** Green bonds are an instrument for funding environmental projects, the funds of which are intended for ecologically efficient products, technologies and processes, pollution prevention and control, sustainable management of natural resources, sustainable management of water resources, renewable energy use, energy efficiency and clean transport.

*** Sustainable bonds are an instrument for funding sustainability projects and a combination of green and social impact bonds. Funding is often conditional on achieving sustainability goals.

Zavarovalnica Triglav's investments as at 31 December 2023 totalled EUR 2,444.3 million, up by 3% relative to 31 December 2022.

Investments of Zavarovalnica Triglav as at 31 December 2023 and 31 December 2022

	Investments		Index	Share	
	31 Dec 2023	31 Dec 2022	2023/2022	31 Dec 2023	31 Dec 2022
Investment property	43,427,181	43,377,173	100	1.8%	1.8%
Investments in subsidiaries	219,360,367	185,360,343	118	9.0%	7.8%
Investments in associates and joint ventures	37,218,841	37,369,536	100	1.5%	1.6%
Shares and other variable-income securities	118,763,970	134,252,558	88	4.9%	5.6%
Debt and other fixed-income securities	1,245,096,517	1,278,306,348	97	50.9%	53.7%
Loans given	4,547,639	4,409,207	103	0.2%	0.2%
Bank deposits	7,212,364	19,489,668	37	0.3%	0.8%
Total (1)	1,675,626,878	1,702,564,832	98	68.6%	71.6%
Unit-linked life insurance contract investments (2)	512,824,007	446,142,033	115	21.0%	18.7%
Financial investments from financial contracts (3)	255,841,272	230,801,334	111	10.5%	9.7%
Total (1 + 2 + 3)	2,444,292,157	2,379,508,199	103	100.0%	100.0%

Backed by a favourable trend in the financial markets, the Group's **investment result** amounted to EUR 83.8 million in 2023 (in 2022 it was negative in the amount of EUR –88.6 million). The result excluding unit-linked life insurance assets amounted to EUR 37.5 million (2022: EUR –11.6 million). Taking into account the financial result from insurance contracts of EUR –69.7 million and the change in provisions for not achieving the guaranteed yield in the amount of EUR 8.1 million (2022: EUR –9.8 million) and gains and impairments of investments in associates, the impact of the investment result on earnings was positive in the amount of **EUR 22.2 million** (2022: EUR –14.4 million).

The return on unit-linked life insurance assets is part of the total investment result, but at the same time affects the financial result from insurance contracts in the opposite amount. It amounted to EUR 46.3 million (2022: EUR –77.0 million), and the return on other investments was EUR 37.5 million (2022: EUR –11.6 million).

Return on financial investments of the Triglav Group

	Return on financial investments			Return excluding unit-linked life insurance assets		
	2023	2022	Index	2023	2022	Index
Interest income calculated using the effective interest method	35,098,297	26,675,896	132	35,098,297	26,675,896	132
Dividend income	2,705,064	4,686,546	58	2,705,064	4,686,546	58
Net gains/losses on financial assets at FVTPL	55,709,619	-88,965,394		9,377,481	-11,924,945	
Net gains/losses on financial assets at AC	464	1,689		464	1,689	
Net gains/losses on financial assets at FVOCI	-9,304,016	-23,907,162	39	-9,304,016	-23,907,162	39
Net impairment/reversal of impairment of financial assets	2,291,758	-7,545,764		2,291,758	-7,545,764	
Other investment income/expenses	-2,669,999	430,688		-2,681,221	431,179	
Total return on financial investments (1)	83,831,187	-88,623,501		37,487,827	-11,582,561	
Gains/losses and impairments of investments in associates (2)	-38,776	1,842,183		-38,776	1,842,183	
Total (1 + 2)	83,792,411	-86,781,318		37,449,051	-9,740,378	
Rate of return on investment	3.2%	-3.1%	+6.3 p.p.	1.8%	-0.4%	+2.2 p.p.

FVTPL – financial assets measured at fair value through profit or loss

AC – financial assets measured at amortised cost

FVOCI – financial assets measured at fair value through other comprehensive income

Net gains on financial assets at FVTPL recorded high profits in 2023, mainly due to unit-linked life insurance assets. Interest income rose by 32%, predominantly as a result of higher interest rates, which had been on the rise since the second half of 2022. Other investment expenses amounted to EUR 2.7 million and mostly represent negative exchange rate differences. The net reversal of impairment of financial investments recorded a positive result of EUR 2.3 million, mainly as a result of lower probabilities of default, which are measured using a mark-to-market approach according to the rules of the new IFRS 9. Dividend income reached EUR 2.7 million and was 42% lower than last year, which is also a result of the sale of certain equity investments last year.

The rate of return on investments of the Group (excluding unit-linked insurance assets) was 1.8% in 2023, whereas in 2022 it was –0.4%. Excluding exchange rate differences, the rate of return at Group level was 1.9% (2022: –0.4%).

Return on financial investments of Zavarovalnica Triglav

	Return on financial investments			Return excluding unit-linked life insurance assets		
	2023	2022	Index	2023	2022	Index
Interest income calculated using the effective interest method	21,611,210	17,120,985	126	21,611,210	17,120,985	126
Dividend income	2,441,534	4,410,224	55	2,441,534	4,410,224	55
Net gains/losses on financial assets at FVTPL	49,860,374	-76,608,014		3,635,228	432,435	
Net gains/losses on financial assets at FVOCI	-5,145,594	-21,945,662	23	-5,145,594	-21,945,662	23
Net impairment/reversal of impairment of financial assets	1,295,449	-5,131,543		1,295,449	-5,131,544	
Other investment income/expenses	71,752	543,832	13	71,932	544,323	13
Total return on financial investments (1)	70,134,725	-81,610,178		23,909,759	-4,569,239	
Gains/losses and impairments of investments in associates (2)	16,304,050	30,623,485	53	16,304,050	30,623,485	53
Total (1 + 2)	86,438,775	-50,986,693		40,213,809	26,054,246	154
Rate of return on investment	4.1%	-2.2%	+6.3 p.p.	2.4%	1.4%	+1.0 p.p.

Equity

The Triglav Group's total equity as at 31 December 2023 amounted to EUR 891.1 million, down by 1% year-on-year, whereas Zavarovalnica Triglav's total equity grew by 2% to EUR 669.2 million. Total equity in the Group's total balance sheet liabilities decreased by 1.9 percentage points to 21.7%. The decrease is due to the dividend payment of EUR 56.8 million against a total comprehensive income of EUR 50.9 million. Controlling interests declined by 1% to EUR 887.4 million. Non-controlling interests increased by 2% to EUR 3.7 million as a result of the positive net income attributable to non-controlling interests. The share capital of EUR 73.7 million remained unchanged and was divided into 22,735,148 ordinary shares.

Net earnings for the year disclosed in the balance sheet amounted to EUR -7.2 million and, due to the allocation of part of net earnings to other reserves from profit, were EUR 23.3 million lower than net earnings disclosed in the statement of profit or loss.

The Group's comprehensive income after tax in 2023 amounted to EUR 50.9 million (2022: EUR -57.9 million) and the parent company's to EUR 67.1 million (2022: EUR -27.6 million).

8.1 Non-Life segment

Performance results of the Non-Life segment

	Triglav Group			Zavarovalnica Triglav		
	2023	2022	Index	2023	2022	Index
Total business volume	1,237,115,325	1,070,288,314	116	841,675,614	729,588,903	115
Gross written premium	1,168,330,259	1,009,172,823	116	774,866,391	670,083,437	116
Other income	68,785,066	61,115,491	113	66,809,223	59,505,466	112
Total revenue	1,070,456,973	939,262,457	114	720,307,430	640,713,363	112
Insurance operating result	760,064	-16,792,723		2,083,878	-25,629,296	
Insurance revenue	1,056,160,921	923,531,228	114	709,194,358	628,205,421	113
Claims incurred	779,748,801	552,348,057	141	537,393,087	384,804,530	140
Acquisition and administrative costs including non-attributable items	293,627,582	256,653,742	114	203,541,839	176,121,165	116
Net reinsurance service result	30,019,238	-105,183,452		39,447,646	-75,371,258	
Net other insurance revenue and expenses	-12,043,712	-26,138,700		-5,623,200	-17,537,764	
Net investment result	10,866,957	2,489,796	436	19,420,462	25,335,221	77
Earnings before tax	11,627,021	-14,302,927		21,504,340	-294,075	
Combined ratio	99.4%	99.6%	-0.3 p.p.	99.2%	101.8%	-2.6 p.p.
CSM of new contracts/Total CSM	38.0%	47.9%	-9.9 p.p.	39.4%	48.4%	-9.0 p.p.
Operating expenses*	305,912,154	269,835,952	113	207,342,790	178,109,085	116
Expenses to written premium*	22.5%	23.1%	-0.6 p.p.	26.8%	26.6%	0.2 p.p.
Expenses to insurance revenue*	25.5%	25.9%	-0.4 p.p.	29.2%	28.4%	0.9 p.p.
	31 Dec 2023	31 Dec 2022	Index	31 Dec 2023	31 Dec 2022	Index
Contractual service margin (CSM)	16,697,354	16,204,600	103	15,732,207	15,360,300	102
Risk adjustment (RA)	30,188,968	42,533,657	71	11,724,267	23,229,779	50
Net insurance contract liabilities	978,725,901	794,357,407	123	687,817,382	550,286,739	125
Net reinsurance contract assets	320,919,906	171,978,486	187	305,976,870	163,835,775	187

* Non-consolidated data.

The total business volume of the non-life insurance segment amounted to EUR 1,237.1 million, recording a high 16% growth. Gross written premium in the non-life insurance segment grew at the same rate. In the Slovenian market, premium grew by 14%, in the international market by 28% and in other markets of the Adria region by 7%. A lower year-on-year premium was written in Croatia (a lower exposure to animal insurance, crop insurance, credit insurance and marine insurance) and North Macedonia (a lower volume of motor vehicle liability insurance due to the termination of cooperation with certain brokerage companies). High growth in none-life insurance premium due to attracting new policyholders

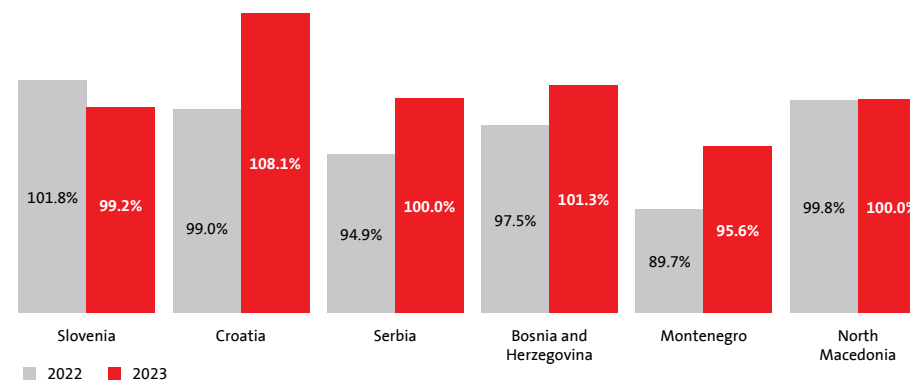
was recorded in Serbia and Bosnia and Herzegovina. Premium growth was recorded in most non-life insurance groups, with the exception of credit insurance. Other non-life insurance (marine insurance and assistance insurance) and motor vehicle insurance achieved the highest growth. The total revenue of the non-life insurance segment amounted to EUR 1,070.5 million, up by 14%, which was mostly influenced by the growth in insurance revenue due to higher insurance coverage, the increase in premium rates due to inflation and the growth of insurance sales under the principle of free movement of services (FOS).

Non-consolidated gross claims paid grew by 49%. Their high growth resulted from this year's larger volume of CAT events (see [Section 7.2 Environmental impact on the Triglav Group's operations](#) for more information) and the rise in the prices of materials and services due to inflation, which was most pronounced in Slovenia and Serbia. Gross claims paid increased the most in real property and motor vehicle insurance. Pozavarovalnica Triglav Re also recorded a high 92% increase in gross claims paid due to the hailstorms and floods. Non-life insurance **claims incurred**, which also comprise the change in cash flows, the change in experience correction and the effects of allocation to onerous contracts, grew by 41% to EUR 779.7 million at Group level and by 40% to EUR 537.4 million at the parent company.

The insurance operating result of the non-life insurance segment was EUR 0.8 million. The result was driven by high growth in claims paid (index 141) and a 14% increase in acquisition, administrative and non-attributable costs. Net reinsurance service result reached EUR 30.0 million (2022: EUR –105.2 million), driven by an increase in reinsurance income to be reimbursed by reinsurers for CAT claims stemming from storms and floods. The increase in **the investment result** (EUR 10.9 million) was affected by the favourable situation in the financial markets, resulting in higher returns on investment. **Earnings before tax of the non-life insurance segment** amounted to EUR 11.6 million (2022: EUR –14.3 million).

The combined ratio in non-life insurance stood at 99.4%, down by 0.3 percentage point year-on-year. The decrease was driven by higher insurance revenue and the reinsurance result, despite strong claims growth. The claims ratio and the expense ratio improved by 0.2 percentage point and 0.1 percentage point respectively.

Combined ratios of Non-Life segment by the Triglav Group insurance market



8.2 Life and Pension segment

Performance results of the Life and Pension segment

	Triglav Group			Zavarovalnica Triglav		
	2023	2022	Index	2023	2022	Index
Total business volume	290,163,026	268,666,303	108	219,062,078	205,231,724	107
Gross written premium	278,836,834	266,160,975	105	207,895,186	198,780,186	105
Other income	11,326,191	2,505,328	452	11,166,892	6,451,538	173
Total revenue	101,989,927	88,468,816	115	74,409,024	67,278,320	111
Insurance operating result	16,735,367	5,136,528	326	15,488,917	5,587,148	277
Insurance revenue	85,367,869	78,086,766	109	66,443,012	61,998,800	107
Claims incurred	25,603,176	31,037,168	82	16,759,427	21,229,338	79
Acquisition and administrative costs including non-attributable items	48,478,623	47,572,454	102	35,545,384	36,284,102	98
Net reinsurance service result	1,619,193	729,544	222	0	0	0
Net other insurance revenue and expenses	3,830,104	4,929,840	78	1,350,716	1,101,788	123
Net investment result	11,404,011	-9,254,154		8,568,256	-3,900,080	
Earnings before tax	28,139,378	-4,117,626		24,057,172	1,687,068	1,426
CSM of new contracts/Total CSM	16.2%	17.6%	-1.3 p.p.	12.6%	16.2%	-3.5 p.p.
New business margin	14.6%	11.4%	3.2 p.p.	13.9%	13.2%	0.7 p.p.
Contractual service margin sustainability	1.2	1.2	102	1.0	1.2	87
Operating expenses*	60,694,540	58,486,617	104	44,604,365	43,265,894	103
Expenses to written premium*	21.1%	21.3%	-0.2 p.p.	21.5%	21.8%	-4.4 p.p.
Expenses to insurance revenue*	71.1%	74.9%	-3.8 p.p.	67.1%	69.8%	-2.7 p.p.
	31 Dec 2023	31 Dec 2022	Index	31 Dec 2023	31 Dec 2022	Index
Contractual service margin (CSM)	221,656,867	170,133,370	130	209,642,300	160,284,153	131
Risk adjustment (RA)	33,264,554	26,080,994	128	31,137,721	24,160,477	129
Net insurance contract liabilities	1,305,706,187	1,233,378,861	106	1,186,897,584	1,130,729,047	105
Net reinsurance contract assets	384,510	7,890,550	5	0	0	0

* Non-consolidated data.

The total business volume of the life and pension insurance segment amounted to EUR 290.2 million, up by 8% year-on-year. Gross written premium grew by 5% and premium growth was achieved in all insurance markets, with the exception of Bosnia and Herzegovina's market. A 10% growth was seen in unit-linked life insurance, primarily as a result

of premium growth at the parent company (due to higher premium payments and asset transfers) and higher premium payments into the pension insurer's lifecycle guarantee funds. The significant growth in other income mainly resulted from the reimbursement of the Sarajevo-based reinsurer's premium, which in turn was reflected in higher mathematical

provisions; therefore, the income had no impact on earnings.

Non-consolidated gross claims paid in the life and pension insurance segment rose by 11%. Among them, traditional life insurance claims grew by 13%, mainly as a result of higher payouts at the parent company (due to policy maturity) and

at the Croatian insurer and the Sarajevo-based insurer (higher payouts due to policy maturity and surrender). The 7% growth in unit-linked life insurance claims primarily stemmed from increased payouts resulting from policy surrenders and advances at the parent company. Life and pension insurance claims incurred, which also comprise the change in cash flows, the change in experience correction and the effects of allocation to onerous contracts, declined by 18% to EUR 25.6 million at Group level and by 21% to EUR 16.8 million at the parent company. The decrease was mainly due to the adjustment of the expected longevity assumptions and the appropriate consideration of the indexation of unit-linked insurance contracts at the parent company.

The total revenue of the life and pension insurance segment rose by 15%, with insurance revenue recording a 9% growth, income from asset management fees recording a 5% growth and other income recording a 172% growth.

Earnings before tax of the Group's life and pension insurance segment amounted to EUR 28.1 million (2022: EUR -4.1 million). Insurance operating result before tax increased to EUR 16.7 million (index 326), driven by higher insurance revenue due to a higher release of the contractual service margin, lower claims paid due to a decline in loss of onerous contracts and, to a lesser extent, net reinsurance result. Investment result before tax of the Group's life and pension insurance segment amounted to EUR 11.4 million, whereas last year it was negative (EUR -9.3 million). The good investment result stemmed from favourable circumstances and higher returns on financial markets, which led to the release of provisions for not achieving the guaranteed yield on supplemental voluntary pension insurance (a positive impact of EUR 8.1 million euro compared to the negative impact of EUR -9.8 million in 2022).

Earnings before tax of the Company's life and pension insurance segment increased to EUR 24.1 million (2022: EUR 1.7 million). **Insurance operating result** rose to EUR 15.5 million (index 277), mainly due to the release of the contractual service margin. **Net investment result** of the life and pension insurance segment amounted to EUR 8.6 million (2022: EUR -3.9 million), predominantly due to the change in the provisions for not achieving the guaranteed yield on supplemental voluntary pension insurance and higher returns on investment.

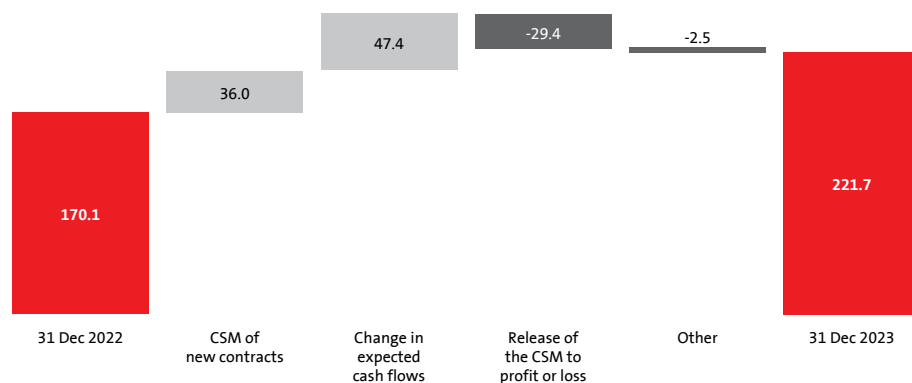
The Group's CSM of new life and pension insurance contracts amounted to EUR 36.0 million, nearly the half of which was accounted for by unit-linked life insurance contracts and the rest by other life insurance contracts. The CSM of new contracts in total contractual service margin was 16.2%, down by 1.3 percentage points year-on-year. The release of the contractual service margin to profit or loss amounted to EUR 29.4 million compared to EUR 24.9 million in 2022.

The new business margin of the Group's life and pension insurance segment stood at 14.6% in 2023, up by 3.2 percentage points year-on-year.

The Group's contractual service margin sustainability shows the ratio between the CSM of new contracts and the release of the contractual service margin to profit or loss as a result of cash flow maturity. It reached 1.2.

The contractual service margin of the Group's life and pension insurance contracts rose by 30% to EUR 221.7 million as at 31 December 2023. Its increase resulted from the positive difference between the CSM of new contracts and the release of the contractual service margin to profit or loss in the amount of EUR 6.5 million and the positive change in the expected cash flows of existing contracts in the amount of EUR 47.4 million, while other changes increased the contractual service margin by EUR 2.5 million.

Movement in the Triglav Group's CSM in Life and Pension segment in 2023

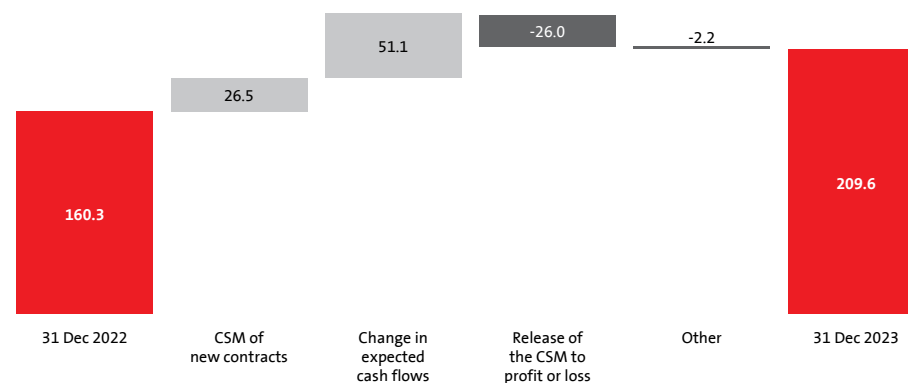


The increase in the change in expected cash flows was driven by the revaluation of life insurance sums insured and premiums, and to a lesser extent by the change in some of the assumptions used to calculate the present value of the expected cash flows of life insurance policies, as well as by higher expected future recovered management fees from higher unit-linked life insurance assets.

The Company's CSM of new contracts amounted to EUR 26.5 million in 2023 compared to EUR 25.9 million in the previous year. The CSM of new contracts in total contractual service margin was 12.6%, down by 3.5 percentage points year-on-year. The release of the contractual service margin to profit or loss amounted to EUR 26.0 million in 2023. **The Company's contractual service margin** increased by 31% to EUR 209.6 million as at 31 December 2023. Its increase primarily resulted from the positive change in the expected cash flows of existing contracts in the amount of EUR 51.1 million (the reasons are given in the explanation for the Group), while other changes decreased it by EUR 2.2 million. The difference between the CSM of new contracts and the release of the CSM to profit or loss decreased the balance by EUR 0.4 million.

The Company's new business margin stood at 13.9% compared to 13.2% in 2022. **The Company's contractual service margin sustainability** reached 1.0.

Movement in Zavarovalnica Triglav's CSM in Life and Pension segment in 2023



8.3 Health segment

Performance results of the Health segment

	Triglav Group		
	2023	2022	Index
Total business volume	206,747,460	205,205,819	101
Gross written premium	206,513,284	204,223,289	101
Other income	234,176	982,530	24
Total revenue	210,832,299	205,069,134	103
Insurance operating result	-26,845,573	-971,931	2,762
Insurance contract revenue	209,657,875	204,984,870	102
Claims incurred	215,894,996	184,355,918	117
Acquisition and administrative costs including non-attributable items	20,858,443	20,920,438	100
Net reinsurance service result	-31,861	0	0
Net other insurance revenue and expenses	281,852	-680,445	
Net investment result	-2,984,851	-914,599	326
Earnings before tax	-29,830,424	-1,886,530	1,581
Combined ratio	112.9%	100.1%	12.8 p.p.
CSM of new contracts/CSM	31.3%	71.6%	-40.3 p.p.
Operating expenses*	20,855,001	20,461,962	102
Expenses to gross written premium ratio*	10.1%	10.0%	0.1 p.p.
Expenses to insurance revenue ratio*	9.9%	10.0%	0.0 p.p.
	31 Dec 2023	31 Dec 2022	Index
Contractual service margin (CSM)	92,661	93,318	99
Risk adjustment (RA)	5,555,693	3,838,588	145
Net insurance contract liabilities	34,121,639	43,454,493	79
Net reinsurance contract assets	-31,861	0	

* Non-consolidated data.

In 2023, the performance of the Group's health insurance segment was significantly affected by the announced termination of supplemental health insurance as part of the planned reform of Slovenia's healthcare system. The performance results were mainly influenced by the Decree of the Government of the Republic of Slovenia on setting the maximum price of supplemental health insurance premium (hereinafter: the Decree), which was adopted in April 2023. The provisions of the Decree mean that Triglav, Zdravstvena zavarovalnica, which offers supplemental health insurance products within the Group, could neither charge policyholders a premium in an amount that would correspond to the high increase in claims and expenses nor was it allowed to discontinue offering these products.

As a result, **earnings before tax** of the health insurance segment were negative in the amount of EUR -29.8 million. **Insurance operating result** of EUR -26.8 million was predominantly influenced by the high growth in claims paid (index 117). The latter was also reflected in **the combined ratio**, which rose by 12.8 percentage points to 112.9% year-on-year.

The total business volume of the health insurance segment amounted to EUR 206.7 million, up by 1% year-on-year. **Gross written premium** grew by 1%, with a high 38% growth recorded by complementary insurance. The supplemental health insurance premium was 1% lower year-on-year as a result of price regulation and a lower sale of new insurance contracts due to the announced changes in the law.

Non-consolidated gross claims paid in the health insurance segment grew by 18% and **claims incurred** by 17%, mainly due to higher expenses for copayments for medicines and healthcare services, which are used by insured persons to co-finance the difference to the full value of healthcare services provided by the public healthcare system through supplemental voluntary health insurance.

With respect to the effects of said Decree on its operations, the Group is taking all the necessary steps to protect the interests of its policyholders, Company shareholders and other stakeholders, in addition to staying in contact with the Slovenian Government and the Insurance Supervision Agency. In accordance with its strategy, the Group will continue to develop and strengthen complementary health insurance in the Adria region markets. These products are sold and developed as commercial insurance products and are one of the pillars of the Group's insurance business.

8.4 Asset Management and Other non-insurance operations

Non-insurance operations are carried out by 18 Group companies, and include asset management, real property management and other activities (insurance agency activities, repair of motor vehicles and motorcycles, holding activities, etc.).

The Group's **total business volume** of asset management and other non-insurance operations amounted to EUR 46.2 million, down by 8% year-on-year. The decrease in the total business volume is a result of last year's high volume due to realised one-off gains on the disposal of real property.

Income from asset management rose by 6% to EUR 32.7 million; it includes income from management fees from Triglav Skladi, which grew by 5%, and the Macedonian company Triglav, Penzisko društvo, which increased by 65%.

Operating expenses of non-insurance companies were 12% higher, mainly due to higher labour costs, costs of services, and costs of materials and energy.

Earnings before tax of asset management and other non-insurance operations amounted to EUR 11.1 million, up by 8% year-on-year. Triglav Skladi, as the holder of asset management business, was the main contributor to earnings before tax, increasing its sales income by 5% and generating earnings before tax of EUR 10.3 million. **Net investment result** amounted to EUR 2.7 million (in 2022 it was negative at EUR –6.6 million), while the **result from non-insurance operations** of EUR 8.4 million was 50% lower than in 2022, when gains on disposal of real property were realised.

The sale of the Group's non-strategic investment property is ongoing, leading to improved occupancy rates and profitability of strategic property.

Performance results of the Triglav Group's Asset Management and other non-insurance operations

	Triglav Group		
	2023	2022	Index
Total business volume	46,193,505	50,179,011	92
Net other operating income	21,247,803	26,331,436	81
Income from asset management	32,703,777	30,823,282	106
Net other income	1,174,683	1,130,189	104
Result of non-insurance operations	8,383,922	16,929,781	50
Net investment result	2,740,539	-6,649,239	
Earnings before tax	11,124,461	10,280,542	108
Operating expenses*	46,643,578	41,654,690	112
Expenses to income from non-insurance operations ratio*	80.8%	69.0%	11.7 p.p.

* Non-consolidated data.

Asset management

Asset management at the Triglav Group comprises the management of the parent company's own insurance portfolios (assets backing liabilities and guarantee funds), clients' saving through the Group's life and pension insurance companies, asset management by Triglav and the management of clients' assets in mutual funds and discretionary mandate assets by Triglav Skladi.

The Group manages own funds and unit-linked insurance assets in the amount of EUR 3.4 billion in its companies. In addition, the Group manages assets in mutual funds and discretionary mandate assets of EUR 1.3 billion (index 129). **The Group's total assets under management** as at 31 December 2023 amounted to EUR 4.9 billion, up by 11% year-on-year.

Asset management of the Triglav Group as at 31 December 2023 and 31 December 2022¹⁸

	Triglav Group		
	2023	2022	Index
Own insurance portfolio (1)	2,207,612,127	2,193,789,782	101
Unit-linked life insurance assets (2)	540,890,478	469,528,905	115
Financial instruments from financial contracts (3)	650,042,171	589,033,089	110
Total (1+2+3)	3,398,544,776	3,252,351,776	104
Assets under management – Triglav Skladi (4)*	1,194,176,397	950,017,394	126
Assets under management – Triglav penzisko društvo, Skopje (5)	143,067,579	88,070,081	162
Assets under management – Triglav Fondovi, Sarajevo (6)	6,073,641	4,274,157	142
Total (4+5+6)	1,343,317,617	1,042,361,633	129
Assets under management – Triglav (7)**	91,237,169	71,394,000	128
Assets under management – Evropski dobrovoljni penzijski fond, Banja Luka (8)	18,297,531	13,733,360	133
Total (7+8)	109,534,700	85,127,360	129
Total	4,851,397,093	4,379,840,769	111

* Zavarovalnica Triglav's unit-linked life insurance contract assets managed by Triglav Skladi are excluded from Triglav Skladi's assets under management.

** Own funds are eliminated from Triglav's assets under management.

Asset and investment fund management market in Slovenia

Triglav Skladi is the Group's core asset management company, with assets under management of EUR 1.7 billion as at the 2023 year-end.

A total of five asset management companies operated in **Slovenia**, which managed the net asset value of EUR 4.8 billion in **mutual funds**, up by 21% year-on-year. The significant increase is due to both capital market growth and net inflows, which amounted to EUR 339 million. **Triglav Skladi** held a **31.2% market share** (compared to 31.3% in 2022), remaining one of the leading managers of assets in investment funds in Slovenia's market. With respect to mutual funds, the company offers 18 different investment policies: conservative investments (two bond funds and a money market fund), moderately risky investments (flexible, mixed and defensive funds) and dynamic equity investments (equity funds). As at 31 December 2023, the company managed the portfolio of 110,000 investors worth **EUR 1.5 billion in mutual funds**. The value of net assets under management rose by 21% due to net inflows of EUR 110.4 million and favourable trends in the capital markets (by EUR 145.6 million).

Discretionary mandate services, provided by four companies, accounted for EUR 2.7 billion of discretionary mandate assets as at the 2023 year-end, an increase of 10% relative to the previous year. **Triglav Skladi increased its market share** in the discretionary mandate segment to **7.6%** (compared to 6.2% in 2022), and their assets under management rose by 35% to **EUR 208.3 million**. Net inflows amounted to EUR 23.2 million, while the favourable effects of capital markets increased net asset value by EUR 30.6 million.

Triglav Skladi also manages the unit-linked life insurance assets of the Triglav Group. Among them are the Financial Objectives investment strategy, which enables clients to actively adjust their portfolios according to the lifecycle principle, and Active Investment packages, tailored to different client segments adjusted to their risk profile. In addition, Triglav Skladi manages five portfolios of guarantee funds backing supplemental voluntary pension insurance: Triglav Drzni, Triglav Zmerni, Delniški Skupni pokojninski sklad, Mešani Skupni pokojninski sklad and Obvezniški Skupni pokojninski sklad.

In addition to mutual funds, the company also offers six investment combinations as predefined structured mutual fund baskets, which correspond to the risk profiles of six different client segments.

Integration of environmental, social and governance (ESG) aspects into asset management¹⁹

By considering key risks and ESG aspects in its asset management activity, the Group is delivering on its strategic sustainability ambitions and supporting the transition to a climate-neutral and climate-resilient economy. Triglav Skladi has taken an important development step in this area by transforming 12 mutual funds to manage their investments with a focus on sustainability aspects. As a result, as at 31 December 2023, the assets of mutual funds and discretionary mandate assets that take into account the sustainability aspect amounted to EUR 1.1 billion.²⁰ This makes the company **the leading sustainable asset manager in Slovenia**.

Active ownership²¹

An active ownership role in the investment process could be key to the adoption of better business policies and practices by companies (or issuers of financial instruments), improving their performance. The Group implements active ownership in accordance with the adopted Sustainable Investment Policy by communicating with the issuer or by exercising the rights deriving from financial instruments, including participation, voting and proposing agenda items at issuers' general meetings. In the context of the investment process, the possibility to influence the corporate governance of companies in the portfolio is assessed, when ownership rights and the size of the participating interest allow it.

See [Section 10.3 Development of asset management activities](#) for more information on strengthening the asset management activity.

8.5 Investment in own-use real property and equipment

The Group invested EUR 7.5 million in property, plant and equipment and EUR 14.0 million in intangible assets (software and property rights). The Company invested EUR 5.0 million in property, plant and equipment and EUR 10.2 million in intangible fixed assets.

The value of property for own use is increased through active management and prudent investing in it. In addition, its utilisation is being improved and its functionality increased. The project aimed at rationalising and optimising the premises for own activities is currently underway, following the agreed-upon plan for 2021–2025. It encompasses two main objectives:

- To provide employees with a modern business environment and the right conditions for new ways of working, including working from home or from different locations (hybrid workplaces), and to provide clients with a comfortable user experience (e.g. remote transacting); and
- To realise lasting effects in terms of rationalising operating expenses through the better utilisation of premises for own use, without compromising on quality.

In the last two years, 15 sites were abandoned, 10 were sold and 2 were relocated. Space optimisation was carried out in 24 locations. These actions resulted in a total saving of 840m² of space and a reduction in operating and maintenance costs. This project will continue in the coming years.

At Group level, minimum standards for flexible arrangement of workplace and points of sale are adopted, which comply with the international examples of good practice to modernise operations and make them more effective. If necessary, these standards will be updated according to new findings and guidelines in the business environment.

The **hybrid workplace** pilot project continued its implementation, aiming to modernise the work environment to accommodate various work styles, such as quiet working, collaboration, learning and social interaction. Alongside the option to work from home, the hybrid workplace incorporates a system of non-dedicated workplaces (desk sharing), reducing the necessity for fixed workstations. By 2024, 300 employees from the parent company will be included in the hybrid workplace project.

IT support for real property management enables secure and complete record keeping, fast and accurate reporting and the implementation of various administration processes. Real property management software was upgraded with investment management and cost management functionalities, and the programme to upgrade its energy accounting software is underway.

Through acquisitions of computer hardware, network and communication equipment, and uninterruptible power supply units, an adequate infrastructure is ensured for efficient and secure operations, further supporting the expansion of the Group's business. Investment in computer and server software facilitates the incorporation of new functionalities, compliance with regulatory requirements, as well as enhanced process automation and advanced analytics.

9. Risk Management

- The Triglav Group maintained strong capital strength and liquidity, which was confirmed by the re-affirmed “A” credit ratings with a stable medium-term outlook.
- Increased risks due to extreme weather events, macroeconomic conditions with inflationary trends and the situation on the financial markets were actively managed. Special attention was focused on supplemental health insurance and its regulation by the government.
- Prudent underwriting of underwriting risks continued. Market risks were kept within target levels. The planned asset-liability matching and adequate diversification of investments were pursued.
- Development activities focused on upgrading sustainability risk and information security risk management systems.

In 2023, the Group faced extreme weather events, the impact of which was limited by effective reinsurance protection as part of its regular risk management. In addition, the reporting year was marked by the setting of a cap on supplemental health insurance premium in Slovenia and other restrictions, which increased regulatory risk. The Group’s operations was also affected by changes in the macroeconomic environment and financial markets. In addition to inflationary pressures, the actions of the central banks, which are pursuing a restrictive monetary policy and raising interest rates, thereby impacting the financial markets and the cooling of economic growth, are also important for the Group (see [Section 7.1 The general economic environment worldwide and in Slovenia](#) for more information).

Increased inflation and the situation on the financial markets are mainly reflected in market and underwriting risks. Within the latter, they primarily affect non-life insurance contracts, life insurance contracts with a guarantee and supplemental voluntary pension insurance (SVPI) contracts with a guaranteed return. The Group’s risk management was therefore again aimed at adapting to changes on the financial markets.

Despite the difficult business environment and the implementation of the dividend policy, the Group maintained its financial strength with capital adequacy of 200%. The Group is committed to effective risk management and quality capital structure (own funds), which to a lesser extent includes subordinated liabilities. The Group’s adequate capital and financial strength was additionally confirmed by the long-term credit rating of “A” and the financial strength rating of “A” assigned by the credit rating agencies S&P Global Ratings and AM Best. Both ratings have a stable medium-term outlook (see [Section 6.6 Credit rating](#) for more information). Adequate liquidity at Group level is achieved through regular liquidity risk management (see [Section 2.8 Risk management](#) of the Accounting Report for more information).



“With an efficient and comprehensive risk management system, we promptly and effectively

addressed several material risks as they emerged. Maintaining and enhancing this system will remain a priority going forward.”

Mateja Slapar, Director of Risk Management Department, Zavarovalnica Triglav

Main risk management development activities at Group level were carried out in the business lines that were identified as key due to improvements needed or in order to respond to external circumstances:

- The Company adapted its capital adequacy calculations, reporting and planning to **the new international accounting standards**, as well as individual risk monitoring parameters based on financial reporting.
- Additional indicators were included in the monitoring of **market risks** to control the volatility of their drivers. As a result of additional alternative investments, the monitoring of risks associated with such investments was upgraded.
- New solutions to monitor climate change risks for **non-life underwriting risks** were implemented.
- **Credit risk** management was upgraded, especially with respect to inward and outward reinsurance contracts.
- In addition to regularly upgrading the **liquidity risk** management system, its automated monitoring and the transfer of best practices to subsidiaries continued.
- **Operational risks**, particularly with regard to cyber risks and outsourcing risks, were upgraded.
- **Non-financial risk** management was upgraded especially in relation to **sustainability risks**.
 - The Sustainable Development Policy of Zavarovalnica Triglav d.d. and the Triglav Group was adopted.
 - The Sustainable Investment Policy of the Company and the Group was developed and published.
 - The monitoring of the values of principle adverse impacts (PAIs) was established at the level of investment portfolios.
 - As part of its sustainability risk management system, the Company focused on climate change risk. The respective guidelines were included in the Risk Appetite Statement. In addition, the regular monitoring of transition risk (transition to a carbon-neutral economy) was launched.

For the remaining types of risk, the focus was on process automation and maintaining the existing system. **The Group's risk management** system was systematically upgraded by consistently monitoring material risks. In 2023, the two subsidiaries subject to other sector legislation established a risk assessment and measurement system comparable to that already in place at Group level.

9.1 Risk management system

The Group's risk management system is defined by internal rules and a clear separation of the powers and responsibilities of the business functions, the Management Board, the Supervisory Board, and the key functions and other related areas that exercise supervision. The system is shaped by effective processes for the continuous identification, assessment and control of assumed, potential or emerging risks. A clear, transparent and well-documented system enables the Company to take appropriate and timely action and to maintain the risk profile at the level defined in the Risk Appetite Statement. The system is continuously updated, maintaining its integrity and relevance. In the subsidiaries, it is developed according to the parent company's rules and by adhering to the principle of proportionality.

The existing risk management system proved to be adequate in 2023.

9.1.1 Powers and responsibilities

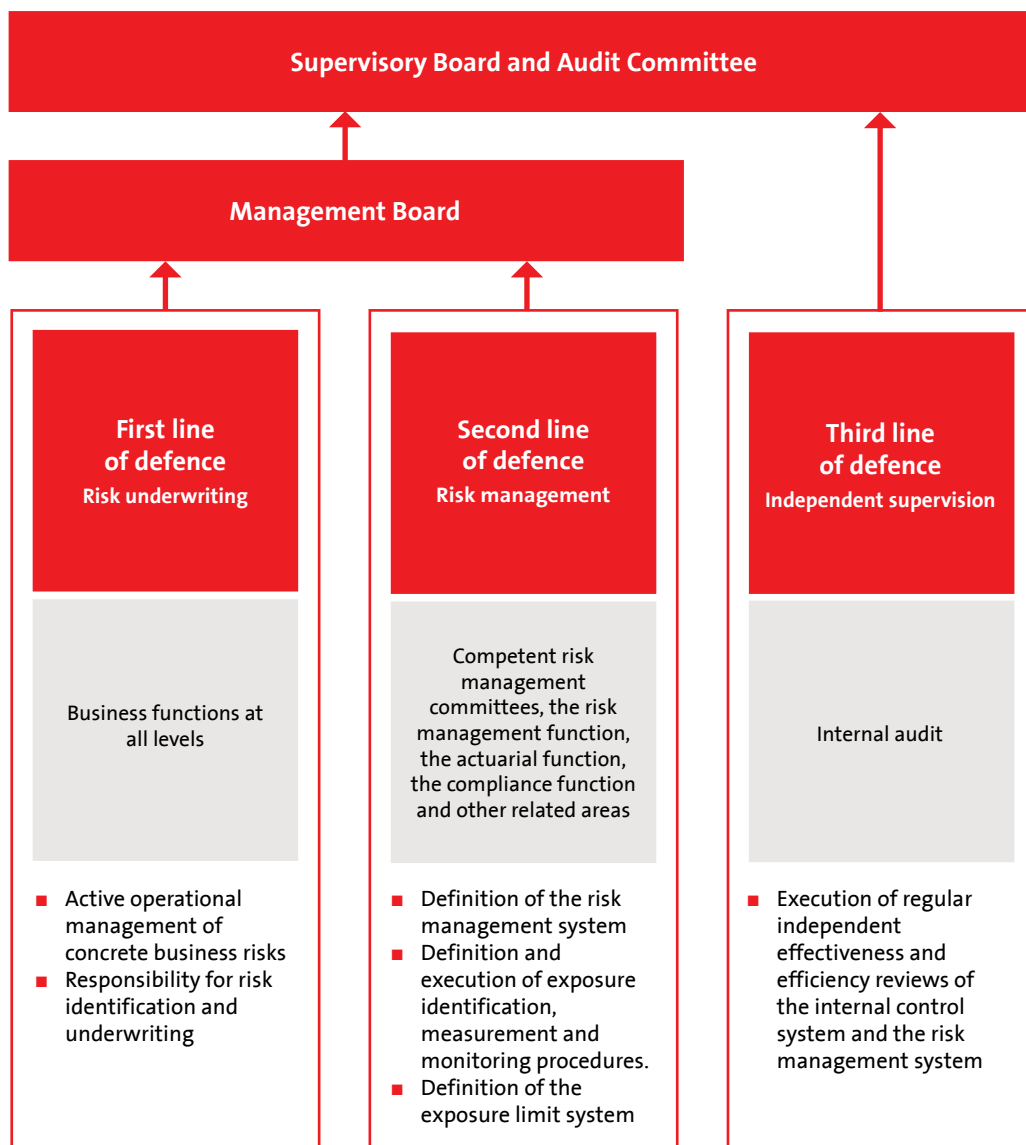
The system of powers and responsibilities in risk management is based on the **“three lines of defence” model**.

Even though **the Management Board and the Supervisory Board** are not directly part of the lines of defence, they play a key role in the risk management system. They are responsible for its operation and defining organisational goals and strategies for achieving them. Furthermore, they establish the management structure and processes for appropriate management of assumed risks. The Management Board and the Supervisory Board are key stakeholders in all lines of defence that support their functioning.

The first line of defence comprises the **business functions**, which identify and underwrite risks in their respective work area in accordance with the Management Board's guidelines. They also manage the actual risks within the allowed exposure limits.

The second and third lines of defence comprise **the key functions of the governance system that are organised as independent organisational units**. The second line of defence includes the risk management function, the non-life and life insurance actuarial functions, and the compliance function. The third line of defence comprises the internal audit function. All key functions cooperate with one another, with other areas within the Company and with Group companies. They are independent in their work.

The decision-making bodies participating in the integrated corporate risk management process and the three lines of defence



The risk management function is responsible for the coordinated and continuous operation of the integrated risk management system. Furthermore, it monitors the general risk profile, the harmonisation of main risk assessment models and methodologically consistent system development, performs the underlying risk analyses, reports on risk exposures and assesses capital adequacy using the regulatory method and other capital models. It carries out own risk and solvency assessment, based on guidance from the Management Board. It reviews the risk profile quarterly, reporting to the Management Board and the Supervisory Board. In addition, it drafts other regulatory reports, such as the Solvency and Financial Condition Report and the Regular Supervisory Report, as well as reports to regulatory bodies as required.

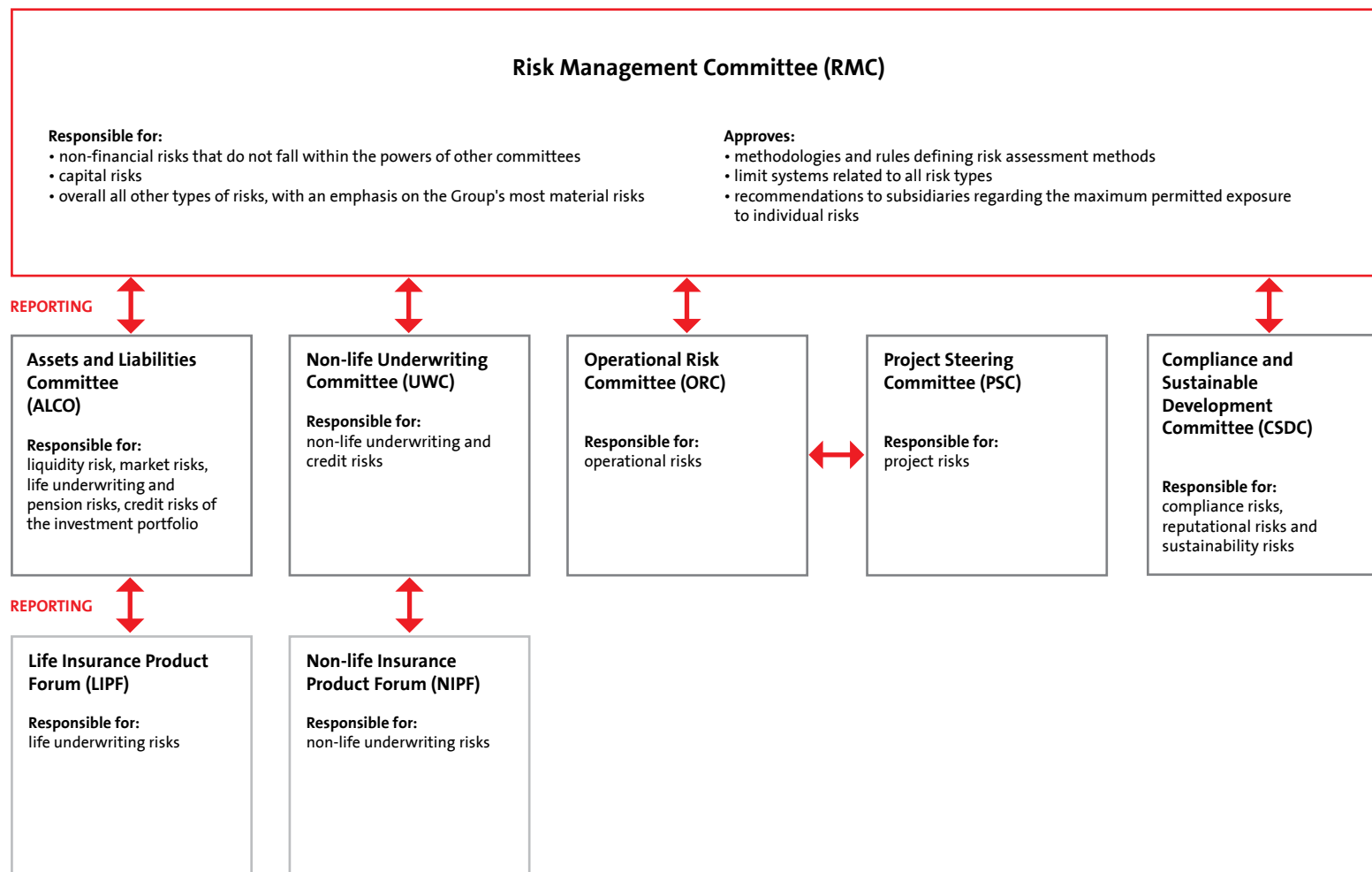
The compliance function operates within the internal control system and monitors the compliance of the Company's operations with the applicable regulations and commitments, on which it regularly reports to the Management Board and the Supervisory Board. It monitors and assesses the impacts of the changed legal environment and compliance risks, assesses the adequacy and effectiveness of procedures, advises on measures to adapt operations to any identified changes, and co-creates the internal controls for ensuring compliance of a particular process, business line, or the Company as a whole by providing guidelines and making recommendations and proposals. In addition, the compliance function plays a major role in ensuring fair and transparent operations by monitoring adherence to the ethical commitments and overseeing their implementation in practice.

The actuarial function calculates and coordinates insurance technical provisions using appropriate methods, models and assumptions, as well as comprehensive, high-quality data, and harmonises the capital requirements for underwriting risks. It also verifies the appropriateness of the overall underwriting policy and reinsurance, and delivers an opinion whether the amount of the premium of individual products is sufficient to cover all the liabilities arising from insurance contracts. Furthermore, it participates in own risk and solvency assessment, and reports on important findings to the Management Board and the Supervisory Board. The actuarial function operates separately for non-life and life insurance.

The internal audit function performs regular and comprehensive control of company operations. This is achieved by reviewing and assessing the adequacy and effectiveness of the Company's governance, risk management and control procedures in a planned and systematic manner and by making recommendations for their improvement. Moreover, the internal audit function is responsible for the quality and continuous development of internal auditing. It cooperates with external auditors and other supervisory bodies, as well as monitors the implementation of internal and external auditors' recommendations. Apart from participating in internal audits in other Group companies, the internal audit function also provides advisory services in agreement with the Management Board and the management of business lines.

All key functions are in charge of not only transferring know-how and best practices to other Group members but also of ensuring their harmonised operation.

The risk management system's committees and their responsibilities



The second line of defence of the risk management system includes **committees**. Their purpose is to provide support to the Management Board in regular risk monitoring, coordination of actions and information about risk management.

Risk management first takes place at the level of individual companies and then at Group level. At the level of subsidiaries, the management and the persons in charge of risk management are responsible for the operation of the risk management system.

The Subsidiary Management Division at the parent company coordinates the drawing up of minimum standards for Group companies and their transfer to the Group companies, in cooperation with the parent company's Risk Management Department, which is responsible for risk management minimum standards. Through the common standards, the Group ensures an effective and transparent risk management system at Group level, which is based on effective communication, quality exchange of data and information, time availability, methodological consistency, accounting verifiability and integrity.

9.1.2 Risk management process

The comprehensive risk management process is based on the Group's strategy and business plan, which define its **risk appetite**. The latter sets out material risks the Group is willing to assume to achieve its objectives and the key indicators by which these risks are measured and monitored based on target values and limits.

The Company has zero tolerance for all risks that it is not willing to assume in the course of its operations.

One of the key indicators to measure business performance and pursue strategic objectives, i.e. *the capital adequacy ratio*, is specified in greater detail in the Risk Appetite Statement. The capital adequacy ratio is the ratio between available own funds and the amount of the solvency capital requirement in relation to the amount and structure of the risks assumed. As part of **the own risk and solvency assessment process**, when planning solvency needs, it is ensured that the ratio is kept within the target range of 200–250% at Group level. In the context of the capital management process, it is ensured that its value is within the target range. Its set value is monitored through a set of more detailed risk indicators and exposure limits in all segments of the Group's operations.

The dividend policy is defined in the Capital Management Policy of the Company and the Group and is subject to capital adequacy targets. Maintaining capital adequacy within the target range is an ongoing process, which requires regular review of business decisions in terms of profitability and the risks assumed.

The own risk and solvency assessment process is closely connected to the quality of the whole risk management system. By assessing solvency requirements, the appropriateness of both the regulatory method and the strategic guidelines is verified in terms of ensuring capital adequacy. In order to improve the use of capital, solvency requirements are assessed in relation to the requirements of implementing the strategic plan. The sustainability of capital adequacy is evaluated using stress scenarios that account for existing, potential or emerging risks, with each type of risk being assessed individually. This allows the Company to take appropriate action, also by adjusting the guidelines for accepting transactions, premium rates, the limit system,

risk transfer, etc. This approach not only enhances the Group's resilience of Group members against identified risks but also strengthens the internal control system, while further upgrading the efficacy of the system for strategic decision-making.

The risk management process consists of risk identification, assessment or measurement, management, monitoring and reporting.

The **risk identification** process, which involves all business lines, is an ongoing process. It is carried out at least once a year, usually as part of drawing up the business and financial plan, and more frequently if necessary.

The standard Solvency II formula (the regulatory method) is primarily used for **risk assessment**. The formula is based on standard volatility and own risk exposure. It determines the level or a change in parameters in the calculation under the stress scenario, and its result indicates for each

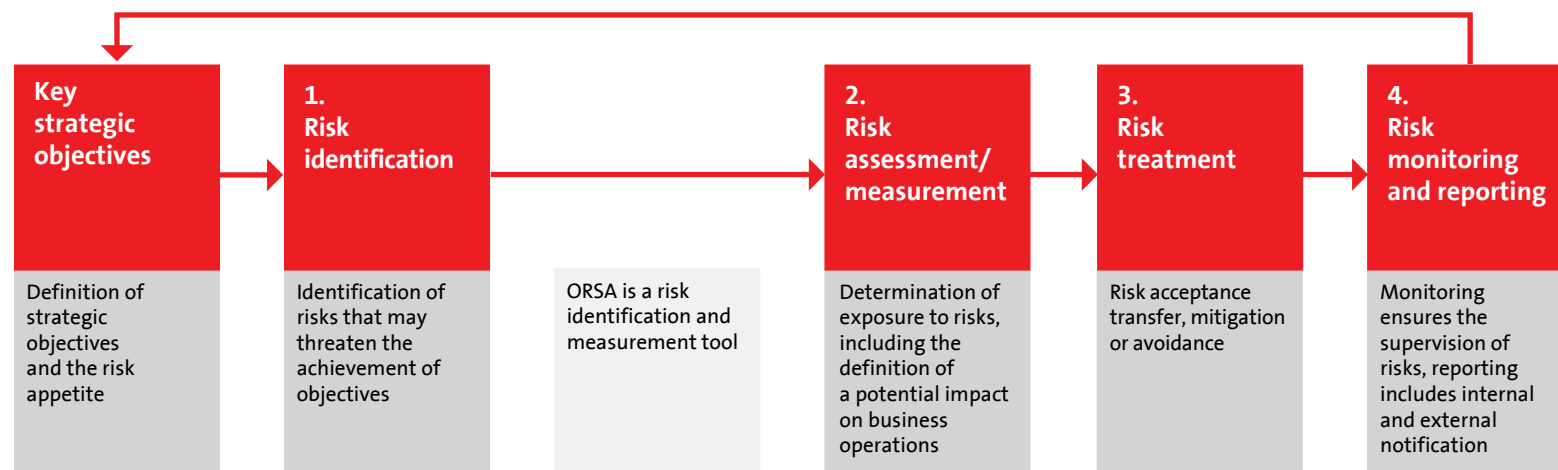
risk how much the available own funds would therefore decrease in the stress scenario. The greater the impact of the risk of own funds, the more material the risk. The overall risk assessment (the solvency capital requirement) takes into account the diversification specified in the standard formula as prescribed by law. The risk assessment is complemented with the Company's own assessment of the volatility of risk factors, generally taking into account the Value at Risk method, with the same confidence level of 99.5% over a one-year horizon. Risks are additionally assessed according to the methodology of S&P credit rating agency.

At least once a year, in the context of the aforementioned **own risk and solvency assessment process**, a comprehensive analysis is performed to assess the appropriateness of the regulatory method. The results of the internal method of risk measurement and/or assessment are also taken into account in the final assessment of the method's appropriateness.

For assumed and potential risks, the target values or limits are set that must be complied with. Appropriate **risk management** is made possible by systems that monitor risks at multiple levels and identify potential negative trends. At the level of business lines, the latter are identified through processes that inform key functions about transactions with increased risks. At aggregate level, the Company regularly monitors exposure concentration and increased volatility, where the Group's vulnerability is higher. Material detected or identified risks are treated also in the own risk and solvency assessment process.

The Risk Management Department regularly **monitors** the matching of the actual risk profile and the defined risk appetite. The findings are discussed by the Risk Management Committee, which approves any measures to be taken in the event of a violation. Its findings and actions are regularly **reported** to the Management Board, the Supervisory Board and the Audit Committee.

Risk Management Process



9.1.3 Risk classification

The Group uses risk classification in accordance with the Solvency II standard formula set out in the Insurance Act (ZZavar-1) for internal risk monitoring. Exposure and assessment to individual types of risk and risk management methods are presented in greater detail in [Section 2.8 of the Accounting Report](#).

The most important types of risks assumed in the course of operations are as follows:

- **Underwriting risks** are the risks of loss or of adverse change in the value of insurance liabilities due to inadequate pricing and provisioning assumptions taken into account in the calculation of insurance technical provisions. **Non-life underwriting risks** (including health insurance) and **life underwriting risks** (including pension insurance) are treated separately. In direct insurance business, the Company is predominantly faced with traditional underwriting risks.
 - *Non-life underwriting risks* comprise premium risk, provision risk, lapse risk and catastrophe risk.
 - *Life underwriting risks* comprise mortality risk, longevity risk, morbidity risk, lapse risk, expense risk, catastrophe risk and revision risk.
- **Market risks** are the risks of loss or of adverse changes in the financial situation, resulting from fluctuations in the level and the volatility of market prices of assets, liabilities and financial instruments. Market risks comprise interest rate risk, equity risk, property risk, spread risk, currency risk and market concentration risk.
- **Credit risks** are the risks of loss or adverse change in the financial position of the company due to fluctuations in the credit position of counterparties and are a result of the debtor's inability to fulfil contractual obligations.
- **Liquidity risk** is the risk of loss if the company is unable to settle all due obligations or is forced to provide the necessary funds at significantly higher costs than usual. The risk of settling matured and contingent liabilities and market liquidity risk are monitored in the context of the liquidity risk.
- **Capital risk** is the risk of loss due to inadequate capital amount and/or structure with regard to the business volume and method or problems encountered when the company acquires additional capital, especially in the case of need for a rapid capital increase and/or unfavourable conditions for acquiring additional capital. The category of capital risks also includes legislative changes and changes in accounting standards having an impact on the Group's capital adequacy and, consequently, on the dividend payment.
- **Operational risks** are the risks of loss arising from inadequate or failed internal processes, personnel or systems, or from external events and their impact. Among others, they include information security risks with a special emphasis on cyber risks and major business interruption events.
- **Non-financial risks** to the Triglav Group's operations include material strategic risks, reputational risk, Group risk and sustainability risks. Non-financial risks predominantly originate from the external environment and are closely linked to other risks, especially operational risks. Generally, they arise from several realised factors both inside and outside of the Group.

The Group is also exposed to *potential or emerging risks*. These are risks that may develop in the future or that already exist but are not yet considered material. They are difficult to assess but may have a significant impact on the business. They cannot be predicted based on past experience as there is often no data from which to predict either the frequency or the severity of the damage caused.

Potential or emerging risks are therefore monitored closely and, in view of the findings, the risk management system is upgraded accordingly.

Classification of the Group's risks according to IFRS

Risks as defined by IFRS are **underwriting, market, credit, liquidity and other risks**. The Group's risk classification can be translated into the IFRS risk classification as follows:

- In accordance with said standards, the most common market risks are currency, interest rate and other price risks, including equity and property risks.
- Under IFRS, credit risks include counterparty default risk, a significant part of which comprises exposures from reinsurance, cash, cash equivalents and receivables, as well as spread risk and market concentration risk. The classification used by the Group considers the latter two as part of market risks.
- There are no differences between the classifications of underwriting risks and liquidity risk.
- Other risks as defined by the IFRS include operational, capital and non-financial risks.

The situation is regularly and systematically monitored. Risk exposure and risk assessment based on regulatory requirements and internal risk classification are reported to the management. Due to the differences in the IFRS and Solvency II valuation, the values of individual balance sheet items may differ noticeably, which is also reflected in differences in the identified exposure to individual risks. In addition, different valuation methods affect the sensitivity of the items and therefore the risk assessment. A more detailed presentation of the differences between the two valuations is included in the Solvency and Financial Condition Report, which is published on the Company's website (www.triglav.eu).

Risk exposures according to the classification used in the risk management system are presented further on in the text.

9.2 Capital position

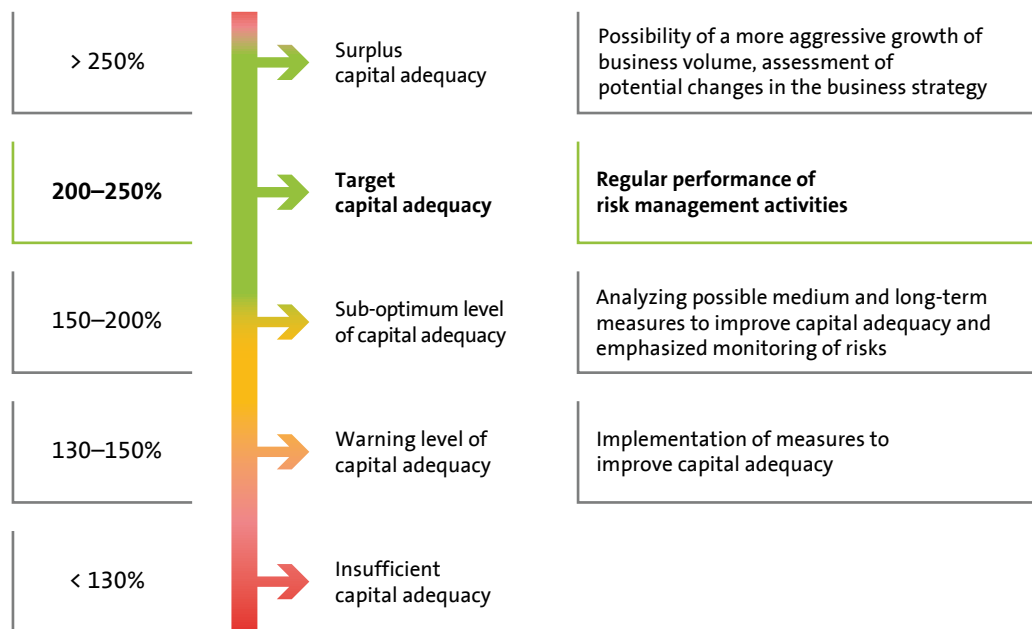
The management of the Group's capital is an ongoing process, by which its adequate volume and quality are determined and maintained and, as a rule, capital risk managed.

9.2.1 Capital management²²

A well-integrated risk management system is essential to effective management of capital and capital risk. **Strong capitalisation** allows the Group at any given moment to have a sufficient amount of capital that corresponds to the measurable risks assumed. As part of the Group's regular capital management to ensure optimal capital composition and cost efficiency, the Company issued a subordinated bond, which is taken into account in the calculation of capital adequacy. See [Section 6.7 Bonds of Zavarovalnica Triglav for more information](#).

When deciding on entering into a transaction, the Company consistently assesses its profitability in relation to the assumed risks, while pursuing the target capital adequacy, and takes into account the criterion of earning appropriate profit for the shareholders. The purpose of capital management is to guarantee the safety and profitability of operations as well as a long-term and stable return on investment by paying out dividends based on the predefined criteria in the dividend policy.

The capital management strategic objectives and the dividend policy criteria



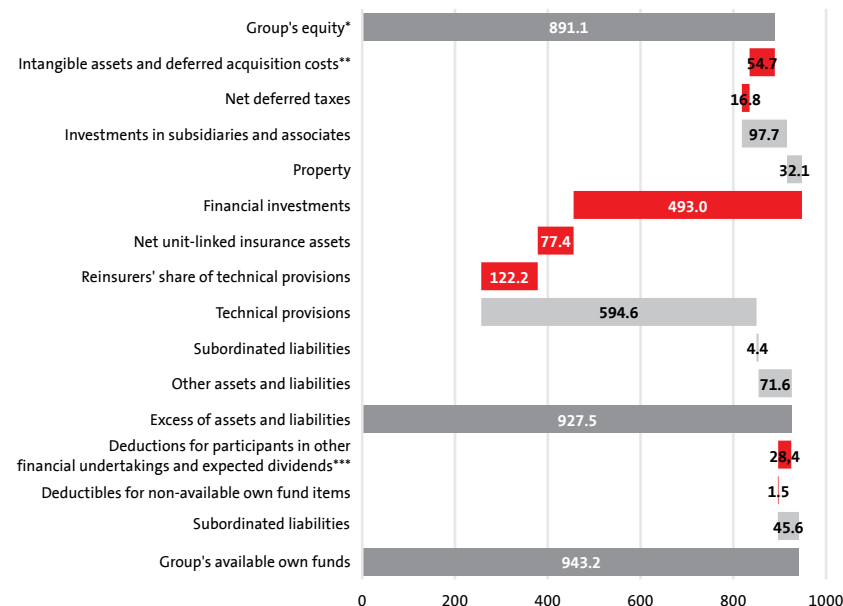
The Group's target capital adequacy is set within the range of 200–250%. This means that the Group has an adequate amount of capital to carry out its core business and cover potential losses. Capital surplus provides protection against losses due to unforeseen adverse events and volatile capital requirements.

Capital adequacy also has a significant impact on the Group's credit rating. Therefore, when making business decisions, the impact on the results of the models of major credit rating agencies is taken into account. The Group's capital model is assessed by the credit rating agencies S&P Global Ratings and AM Best. See [Section 6.6 Credit rating](#) for more information on the credit rating.

9.2.2 Capital adequacy and the risk profile in 2023

Effective capital management enables the Group to improve its operations, adopt appropriate business decisions and maintain its competitive advantages.

Explanation of differences in capital valuation in the balance sheet for solvency and financial reporting purposes for the Triglav Group as at 31 December 2023 (EUR million)



* Consolidation method for solvency purposes differs for Triglav Skladi, Triglav, pokojninska družba, Sarajevostan, Triglav penzisko društvo, Skopje and Triglav Fondovi.

** The fair value of intangible assets is valued at 0.

*** In this item interests in companies with sectoral rules and foreseeable dividends are included.

The definition of equity in the balance sheet for the preparation of financial statements differs from its definition for solvency purposes. Differences and important reasons for changes in items of both types of capital in 2023 are described in **the Group's Solvency and Financial Condition Report for 2023**, D and E sections. The report is published on the website www.triglav.eu.

The Group calculates capital adequacy according to the standard formula as the ratio between total eligible own funds and the solvency capital requirement. In doing so, no adjustments and simplifications are taken into account.

The Triglav Group was well capitalised as at 31 December 2023. Its capital adequacy was 200%. This is within the target range of 200–250% set in line with the capital management strategic objectives and the dividend policy criteria presented in [Section 9.2.1 Capital management](#).

Capital adequacy of the Triglav Group and Zavarovalnica Triglav

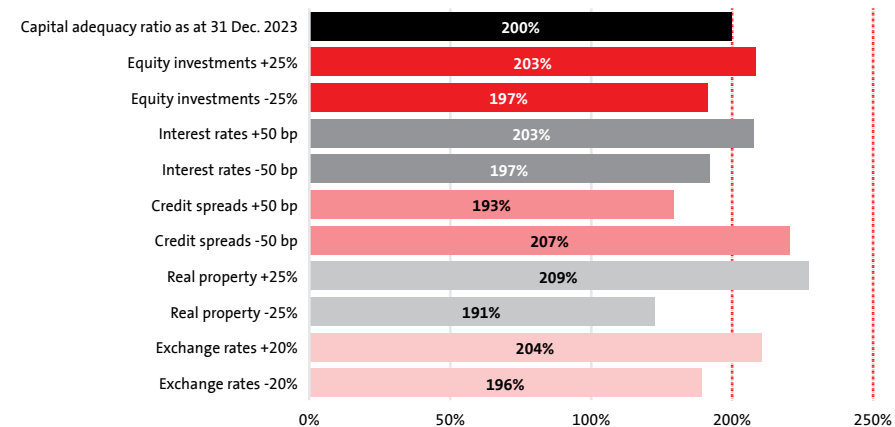
	Triglav Group		Zavarovalnica Triglav	
	31 Dec 2023	31 Dec 2022	31 Dec 2023	31 Dec 2022
Available own funds (EUR million)	943.2	932.9	964.0	930.1
SCR (EUR million)	471.5	466.5	396.7	374.5
Capital adequacy (%)	200	200	243	248

The Group's capital adequacy was affected by the increase in available own funds by EUR 10.3 million compared to 2022. This increase resulted from an increase of EUR 8.3 million in the reconciliation reserve. The Group's solvency capital requirement rose by EUR 5 million, mainly due to higher capital requirements for underwriting risks (excluding health underwriting risks), credit risks and operational risks.

In addition to calculating the Group's capital adequacy, at least once a year a **sensitivity analysis of the Group's capital adequacy ratio** to major changes in selected financial market parameters is performed. With it, the stability of the Group's capital position and its resilience to major risk factors is assessed.

The analysis as at 31 December 2023 shows sensitivity to individual shocks on financial markets.

The sensitivity analysis of the Group's capital adequacy ratio



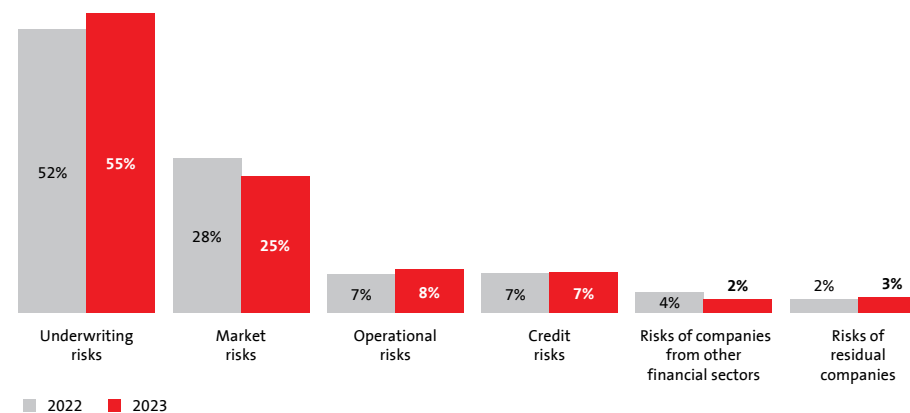
Of the risks covered by the standard formula, the Group is most exposed to underwriting and market risks, followed by credit and operational risks. Within the Group, the Company assumes the bulk of the risks. See [Section 2.8 of the Accounting Report](#) for more information about the types of risks assumed by the Company. In 2023, the risks described in greater detail in [Section 4.1 Today's challenges and opportunities](#) were also relevant.

The risk profile of the Company and the Group shows their exposure to most material risk categories and is presented in the table below.

The presentation of the Triglav Group's risk profile and assessments by individual risk category are based on market values for solvency purposes. The Company uses a regulatory method, which is assessed as appropriate for risk measurement in the context of the own risk and solvency assessment process.

In terms of risks and capital adequacy, the Triglav Group ended 2023 financially stable, adequately liquid and well capitalised.

Risk profile assessment* of the Triglav Group as at 31 December 2023



* The risk profile is determined based on risk assessment using the standard formula, without taking into account the effects of diversification across individual risk categories.

Risk dashboard of Zavarovalnica Triglav and the Triglav Group* as at 31 December 2023

Risk	Risk assessment (current)	Risk trend (future)	Note
Capital adequacy and capital risk	Low	→	In the difficult business environment, the Triglav Group maintained strong capitalisation. The latter is based on effective risk management and quality capital structure, which to a lesser extent includes subordinated liabilities. The Group's adequate capital and financial strength was additionally confirmed by the long-term credit rating of "A" and the financial strength rating of "A" assigned to the Group by the credit rating agencies S&P Global Ratings and AM Best.
Underwriting risks	Medium	→	The Group's underwriting risks were mainly affected by extreme weather events in Slovenia and the surrounding region, together with claims inflation, which still persists, particularly in Slovenia. The impact of inflation on non-life underwriting risks is adequately managed by adjusting covers provided by products and their pricing backed by consistent cost management. The Group maintains premium growth and achieves the target values of indicators in strategic markets.
Market risks	Medium	→	Persistently high inflation resulted in further interest rate rises by central banks, which had a significant impact on financial markets. Nevertheless, the Group continues to maintain risks at defined levels, paying special attention to the matching of assets and liabilities, based on which it defines optimal investment policies.
Credit risks	Low	→	Despite the increased exposure, credit risks remain low. This is ensured through the regular and systematic management of individual exposures across all segments, a review of the adequacy and quality of reinsurance partners and a well-diversified portfolio of partners. The credit risk assessment in 2023 was mainly affected by extreme weather events in Slovenia, which had an impact on the reinsurance part of credit risks.
Liquidity risk	Low	→	The Company's strong liquidity position is maintained by regularly monitoring its liquidity; the Group subsidiaries also have adequate operational liquidity. In the context of the ORSA process, liquidity was checked with stress tests, which confirmed that the Group companies are well prepared for extraordinary events.
Operational risks	Medium	→	The Group proactively manages operational risks. Most attention is paid to regular maintenance and upgrades of outsourcing management and the information security management system, as cyber risks remain among the most relevant. In addition, operational risks are primarily increased by large-scale regulatory changes and the general human resource risk when recruiting workers in shortage occupations. Internal interprocess risks are also managed.

* An overall assessment of the main risk categories was made on the basis of quarterly risk reports. The risk trend shows a potential assessment of future risks relative to the latest projections.

i) The colour scale of assessed risks: High (Red), Medium (Yellow), Low (Green)

ii) Risk trend: ↓ downward → stable ↑ upward

9.2.3 Identified future risks

Inflation has persisted for a relatively long time. Given the actions taken by central banks, i.e. the implementation of a restrictive monetary policy aimed at raising interest rates, inflation is projected to return to the target range in the medium term. This may also depend on the duration of the economic cooling and the depth of a possible recession. A substantial recession typically also affects financial markets, which would be detrimental to the Group's operations, potentially leading to increased market risks. With regard to **market risks**, particularly an increase in spread risk could arise due to the aggravated economic situation or deteriorating credit ratings of issuers of securities. Negative developments in stock markets and a possible decline in the value of real property may also be expected. This could then manifest in a decrease in the value of investments. The potential impact on interest rate risk from potential changes in risk-free interest rates is limited due to the active management of interest rate risk through asset-liability matching.

A more severe recession could negatively affect the demand for insurance and reduce the volume of premium written, which would have a detrimental effect on the business. This would also affect **liquidity risk**, which could increase due to the potential reduction of inflows from the insurance business and a lower market liquidity of the investment portfolio.

In the coming year, underwriting and credit risks could materialise with a significant potential impact on the Group's operations. In the context of **underwriting risks**, the Company will continue to consistently monitor premium risks, i.e. the adequacy of the pricing policy, and manage provision risks. For **credit risks**, the Company will continue to manage the payment discipline of receivables and the creditworthiness of major partners, while adapting reinsurance protection at Group level through a coordinated approach in the reinsurance market.

As part of testing the sensitivity of the Group's credit portfolio, the factors that could have a material impact on the Company's and the Group's operations in the coming years were examined. According to the analysis, the credit ratings of partners (banks and reinsurance companies) and the share of payments of insurance and subrogation receivables can have a significant impact on operations. In the event of a deterioration in the credit rating of our largest bank partner by one notch (at the same exposure), the average credit rating of all bank partners would not change. The same applies in the event of a deterioration in the credit rating of our largest reinsurance partner.

The Company's sensitivity analysis to the payment discipline of receivables was tested under the assumption of a lower expected share of payments for 2023. This share was defined according to its lowest level in the last fifteen years (during the 2012 debt crisis). This reduction would not have a significant impact on the Group's operations, as expected payments would be EUR 1.1 million lower.

Sensitivity analysis as at 31 December 2023* (EUR)

	Total impact on equity	
	Triglav Group	Zavarovalnica Triglav
Spread risk (+50 bp)	-32,621,504	-27,108,919
Interest rate risk (+100 bp)	-5,455,390	-5,167,115
Equity risk (-10%)	-8,626,899	-5,728,713
Property risk (-5%)	-24,636,359	-21,972,284
Total	-71,340,152	-59,977,031

* The effects shown include the tax aspect and the indirect impact of the change in these assets on liabilities (for life insurance).

A sensitivity analysis shows potential impacts on the Group's capital in the case of a loss event, which would translate into a sudden rise in interest rates by 100 basis points and the increase in credit spreads by 50 basis points, as well as a drop in equity exposure by 10 percentage points and in real property exposure by 5 percentage points. Should this event be realised, the Group's capital would decrease by EUR 71.3 million.

10. Development activities

- High-quality assistance services are complemented by hybrid service systems and integrated ecosystem solutions based on collaborative platforms.
- The user experience of Triglav's TRIA virtual assistant was improved by using artificial intelligence. This innovation has positioned the Company as a leader in the use of artificial intelligence in the insurance industry.
- The twelve mutual funds were redesigned so as to take into account the sustainable aspects of investments.
- New software solutions were implemented to optimise the inspection and assessment processes of non-life insurance claims, facilitating the calculation and payment of compensation following an inspection.
- The own sales network was reorganised and the decision-making process was streamlined through a leaner organisational structure.



365

The strategic guidelines define the Group's development activities in both activities: insurance and asset management. Their common denominator is a client-centric approach that guides the development of the Group's processes, products and services across all markets. Data management is being strengthened through advanced analytics, and the digital transformation is being continued, with the automation of processes and the use of artificial intelligence as essential components, along with the planned migration of key systems to the hybrid cloud. All these elements converge in our flexible client approach, which is becoming progressively personalised. Client services are being streamlined, with added value provided through the development of service ecosystems where the Company assumes a leading role, as well as by integrating its services into the offerings of partners in other industries, such as banking and retail.

Through process automation, diversified channels and a flexible internal organisation, the Company effectively supports its clients even in extreme circumstances.

In the insurance activity, significant emphasis is placed on preventing loss events through preventive action, which is described in [Section 11. Sustainable development at the Triglav Group](#).

As part of the asset management activity, alongside business digitalisation, particularly with respect to sales processes, sustainable aspects of management and investment policies are being implemented in line with the Group's Sustainable Development Policy, as described below.

10.1 Enhancing the client-centric approach

Modern digital solutions are used to make it easier for clients to report and track a claim as well as to receive comprehensive information. Cooperation with contractors, including both service providers and suppliers of goods, is being expanded. The Company is recognised as the provider of high-quality assistance services, which are complemented by hybrid service systems and integrated ecosystem solutions based on collaborative platforms.

Service-oriented business models and integrated ecosystems

Excellent client experience is prioritised when utilising the strengths of the **Triglav Dom** (Triglav Home) platform. The platform provides assistance with comprehensive repair services by organising and supervising their execution and reimbursing contractors. These contractors are selected based on the qualifications, responsiveness and quality of services.

The network of veterinary clinics in the **Triglav Male živali** (Triglav Pets) ecosystem was further expanded.

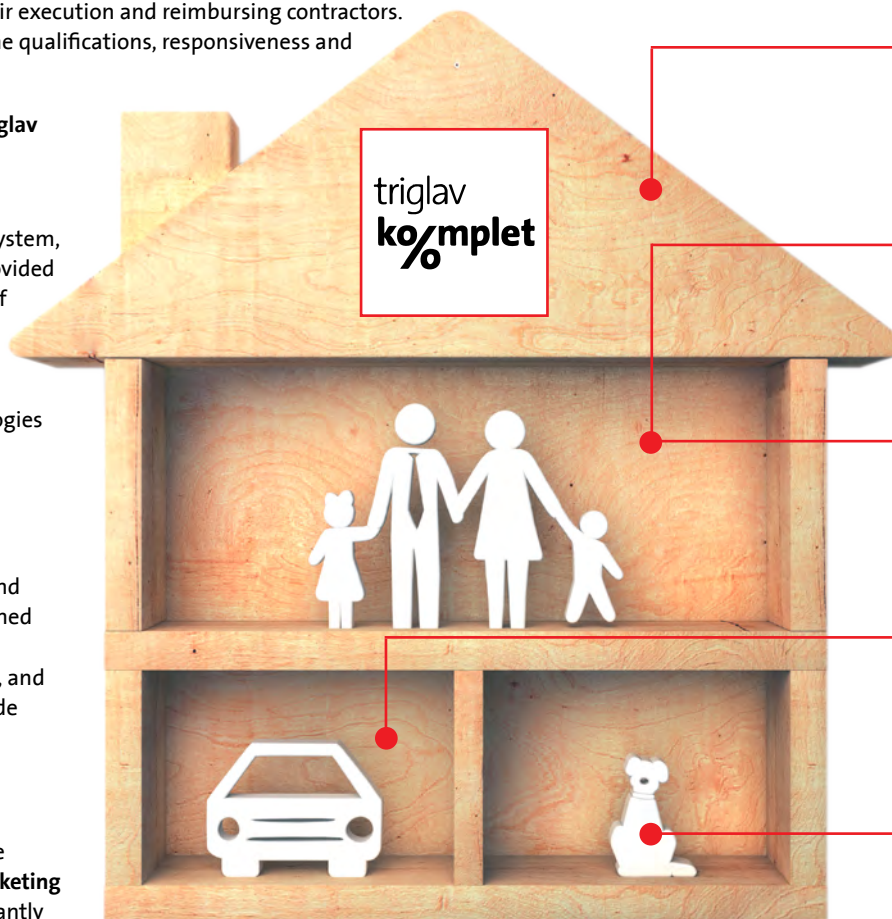
In the **Triglav Zdravje** (Triglav Health) ecosystem, comprehensive healthcare services are provided to meet the needs of clients at all stages of life. New partners – healthcare providers were added. Existing partnerships, the range of assistance and healthcare services, and the use of advanced technologies were upgraded.

Diverse and streaming sales and communication channels

The own sales network was reorganised and the decision-making process was streamlined through a leaner organisational structure. Parts of the sales process were centralised, and a support department was set up to provide quick and efficient support to sales staff.

Sales campaigns were conducted through a multi-channel and coordinated approach, utilising both the agent network and online channels. **The automated execution of marketing campaigns** in direct marketing was significantly enhanced. Over 15,000 new verified users were recorded using the *i.triglav* digital office.

In **digital sales**, the foundations for operational sales processes were established, encompassing the entire sales funnel from lead generation to after-sales activities.



Triglav Group's business ecosystems

Triglav Home

An ecosystem of assistance services in the elimination of damage, access to the services of verified contractors and solutions and systems for remote assistance, control and home security.

Triglav Financial Security

A central point for planning and creating an individual's financial security in all periods of life – from savings to pension, access to advisors (financial, tax) or the use of various financial instruments.

Triglav Health

Assistance to clients with acute and chronic illnesses, health prevention and provision of care.

Triglav Mobility

Ensuring various forms of safe and sustainable mobility.

Triglav Pets

For the well-being of pets, help with their acute illnesses and traumas, and insuring the owners' personal liability when caused by their pet.

The Triglav Group single platform

Customer data management, ensuring security, personalization of the offer, loyalty program, evaluation of providers, gamification, shared digital technologies (e.g. image and speech recognition, AI/ML, bots, geolocation services, AR).

A digital marketing and sales automation module, along with machine learning models, were introduced to predict the most suitable products and the risk of abandonment.

New, upgraded and integrated insurance products and application interfaces

Geographic information system (GIS) functionalities were enhanced to allow agents to view flood, hail and earthquake risk classes. This allows them to provide clients with a broader understanding of their exposure to these risks, which can help them make the right insurance decision.

As part of a successfully completed project to optimise **online insurance sales**, six insurance products were redesigned, leading to an improved user experience.

A variety of development activities were also carried out **in the Group's insurance companies outside Slovenia** to enhance the client experience.

- **Croatia:** A life insurance sales portal was launched, online sales of health insurance that includes assistance were revamped, and a new underwriting tool was introduced.
- **Serbia:** To enhance the efficiency of selling health insurance with assistance, a paperless sales portal was developed, the e-invoicing process for clients was customised, and the call centre's health insurance support processes were upgraded.
- **North Macedonia:** A mobile app was launched for reporting claims for comprehensive insurance, along with the option to inspect a vehicle before insuring it and to carry out remote inspection for motor vehicle claims settlement.
- **Federation of BiH:** Online underwriting of health insurance was launched, communication options with clients via digital channels were expanded, and automated notifying for life insurance was enabled.
- **Montenegro:** Additional entries in the transaction system for the own sales network were enabled, facilitating underwriting.

The focus is on **integrating insurance products into the product range of our partners**. Products and services that complement theirs were offered in joint sales and promotional campaigns.

Across the Adria region, cooperation with existing partners in mass schemes was increased, and partnerships with car dealerships, financial institutions and insurance intermediaries were strengthened.

In markets where the Group is not directly present, existing partnerships with insurance agency companies are being deepened, and new partnerships are being established to expand the Group's product range. Even greater emphasis was placed on expanding the Group's international reinsurance business, achieved through collaboration with international brokerage companies and contractual agency cooperation. In this segment, the Group's high-quality, safe and flexible services are gaining increasing international recognition.

Products and services were developed with a focus on responsiveness, simplicity and reliability. The transfer of good practices within the Group continued, achieving synergistic effects between Group companies backed by a unified market presence.

- **Property and interest in property insurance:** A new solar power plant insurance product was launched. The geographic information system was upgraded to underwrite risks for flood and landslide hazards. Our products were continually adapted to address new risks (such as cyber risks and mandatory statutory insurance) and meet evolving client needs.
- **Motor vehicle insurance:** The approach to commercial discounts for retail clients was streamlined, and the treatment of the highest-risk policyholders was revised. New solutions were developed for leasing and roadworthiness test providers, as well as vehicle importers.
- **Agricultural insurance:** A personalised approach to fruit and hops insurance was introduced. Additionally, new coverage for the transport of small animals was offered, and a product to cover their medical costs is currently under development.
- **Credit insurance:** The focus in selling insurance through banks was on implementing a new underwriting programme. In addition, the general terms and conditions of suretyship insurance were revised.
- **Life and accident insurance:** Work incapacity life insurance was transformed into complementary insurance, allowing to better tailor the coverage to the client. Accident insurance for children and young people was redesigned. The insurance product range and underwriting of life insurance for young people are being adapted. The choice of funds included in unit-linked life insurance strategies, as well as the funds themselves, is regularly updated to achieve set financial objectives.
- **Health insurance:** The content and covers of *Specialisti* (Specialists), *Specialisti+* (Specialists+), *Zobje* (Dental) and *Zobje+* (Dental+) health insurance products were upgraded. Additional providers were included in the system for direct ordering of healthcare services, and the range of services that can be ordered electronically at any time was expanded. The sales process for group health insurance products was overhauled. Triglav zdravje asistenca, the Group's specialist provider of healthcare and assistance services, launched a self-pay family medicine clinic, which also provides home care services.
- **Pension insurance:** The age brackets of the pension funds managed by Triglav, pokojninska družba and Zavarovalnica Triglav were harmonised.

Enhanced business analytics is used to monitor and analyse the sales results of all savings products of the supplemental voluntary pension insurance of the Group in Slovenia.

CRM B2B was revamped to plan and analytically monitor sales and after-sales activities with employers funding the Group's pension schemes in Slovenia.

10.2 Digital transformation

The deepening of the Group's client focus is facilitated by the acceleration of its business digitalisation in 2023, which streamlined the Group's processes through innovative solutions.

A significant milestone was reached in the **use of artificial intelligence (AI)** in the Company and the Slovenian insurance industry with the innovative upgrade of the TRIA virtual assistant. Mechanisms based on OpenAI technology were implemented, playing a key role in enhancing the user experience. This upgrade improved service quality by providing clients with a more natural, flexible and interactive communication experience. This innovation has positioned the Company as a leader in the use of AI in the insurance industry.

The Group's development activity in the field of AI is diversified. Automated solutions were implemented for replying to emails using OpenAI ChatGPT, which are updated alongside the knowledge base and administrative procedures, and automatically generate a summary of the recorded conversation between the client and the agent. Additionally, the distribution of emails from the incoming email address to the relevant back-offices was automated. A new universal AI assistant is being developed, which will possess multi-disciplinary skills and will be accessible through various channels and formats. Furthermore, a coherent AI strategy is being developed to enable the use of

Multi-channel communication and distribution of services are growing

2021–2023

75% ↘ 57%

of conventionally reported claims



2023/2021

+ 124%

i.triglav
fully registered
users

Automated marketing activities attracted a large number of new users to the i.triglav digital office. The benefits of digitalised procedures and internal processes were also evident in the mass CAT claims settlement. A total of 14% of claim reports were already processed digitally, resulting in shorter turnaround times for both billing and claim payouts.

the same building blocks and solutions across multiple departments.

Robot programming techniques are being introduced to back-office staff, in addition to automating work processes. Several bots are already handling queries for internal and external data. The status of recovery procedures is monitored using an upgraded Power BI reporting system.

The Group is **systematically expanding the capabilities** of fully supported multi-channel operations **for receiving claims**. By standardising data recording when reporting a claim in the CRM system, clients are able to switch between reporting channels during the claims reporting process. Electronic signing of claims documentation was introduced. Assistance cases can now be reported without the need for a telephone call. Additionally, clients can report motor vehicle insurance liability claims to individual contractors, and email and text message notifications were upgraded to include functionality for providing additional documents.

New software solutions (GSM-GIS modules) were implemented to optimise the inspection and assessment processes of non-life insurance claims, facilitating calculation and payment of compensation following the inspection. By implementing digitalised solutions to mitigate risks during periods of CAT claims, clients were able to receive information via the web portal and upon receipt of a claim report. These notifications provided guidance on appropriate actions to take and outlined follow-up steps to be taken after a claim was reported.

A new platform for promoting insurance sales through digital channels enabled segmented client treatment as well as automated sales and after-sales campaigns.

Online underwriting of comprehensive car insurance was launched, with the possibility to inspect vehicles remotely, and support for online underwriting of motorcycle insurance. The Company was the first insurer in Slovenia to enable remote inspection for online home insurance.



“We have adapted our claims reporting processes to prioritise client needs and enhance their experience,

ensuring consistency across all contact points. Streamlining the entire claims settlement process serves as the foundation for further enhancing client satisfaction.”

Gregor Kovačič, Executive Director of Digital Operations and Client Experience, Zavarovalnica Triglav

By establishing the new IT – User Empowerment Department, an IT-related **organisational unit**, comprehensive implementation of modern technologies such as robotic process automation, low-code development of software solutions and the integration of artificial intelligence into internal business processes was ensured. Moreover, the activities of the Council of Architects and the Council of Security Experts were combined to more effectively implement the target IT system architecture and manage cyber risks.

As part of the digital transformation, a new data warehouse solution was implemented, and activities commenced to transfer parts of the data platform to subsidiaries. The network and server infrastructure was upgraded to ensure the stable, efficient and secure operation of information systems and services. Projects to centralise the IT infrastructure continued, aiming to increase equipment utilisation across the Group, reduce maintenance costs and implement additional security mechanisms. As part of this process, 11 companies will be included in the Group's hybrid cloud by 2025.

Core and support IT systems were upgraded for reporting under the new IFRS 17 accounting standard and for the digitalisation of non-insurance documents.

10.3 Asset management development

An important development step was taken by renewing Triglav Skladi's product range. The twelve mutual funds managed by Triglav Skladi were redesigned so as to take into account the sustainable aspects of investments. This change means a significant upgrade of the Company's and the Group's investment solutions focused on sustainable development. The company's mutual funds are also effectively sold in the context of the Group's unit-linked life insurance products. Triglav Skladi's competitive position was strengthened by providing a more advanced and user-friendly experience to internal and external users of the company's services. In early 2023, Triglav Skladi launched a comprehensive digital marketing and sales development project, encompassing more effective digital marketing initiatives, a sales performance monitoring tool and sales support tools. Also, sales through its own channels will be accelerated with the development of a new mobile app for digitally-enabled sales. The complex implementation of the new IT solution for fund management and discretionary mandate services was continued to ensure the effective digital implementation of business processes.

Triglav, pokojninska družba, updated its management rules and investment policy statements. The most significant changes involve an increase in investment limits for transferable equity securities and equity investment funds in the following pension funds: *Delniški Skupni pokojninski sklad* and *Mešani Skupni pokojninski sklad*. This adjustment in the strategic allocation of these funds, which do not guarantee returns, aims to enable the two guarantee funds to achieve higher risk-adjusted long-term returns and align more closely with the Group's investment policies. In line with the Group's strategic guidelines, Triglav, pokojninska družba adopted the Sustainable Development Policy, Sustainable Investment Policy and Statement on principal adverse impacts of investment decisions on sustainability factors. In the context of the latter, a list of sensitive economic activities was defined that reflect the Group's views on the protection of the environment, society and respect for human rights, as it pays particular attention to these aspects.

With respect to the **platform for investing in alternative investments**, which is developed by Triglav, the activities planned to increase the assets under management continued. In 2023, a new alternative real estate fund (Triglav RE Fund) with no maturity was launched in Slovenia and offered to Slovenian investors.

Non-financial statement

Sustainability (ESG) aspects of business are integrated in the Triglav Group's very mission and strategic guidelines. They are incorporated in business processes, thereby promoting the transition to a sustainable society. In 2023, the Group upgraded its social and environmental commitments by adopting the Sustainable Development Policy and the Sustainable Investment Policy.

For non-financial reporting, the Group uses Global Reporting Initiative (GRI) standards and their specific guidelines for the financial sector, Sustainability Accounting Standards Board (SASB) standards and an overview of the Group's progress in contributing to the achievement of the United Nations Sustainable Development Goals (SDGs). The integrated Annual Report of the Triglav Group and Zavarovalnica Triglav d.d. for 2023 is thus in line with the requirements of the Companies Act (ZGD-1), which requires public interest entities with an average number of employees greater than 500 on the balance sheet cut-off date to include a non-financial statement in their business report. This content is presented in an integrated way throughout the whole annual report.

- The information on environmental, social and employee matters, respect for human rights, and anti-corruption and bribery matters, as well as the description of the policies and results of the policies in these areas are presented in [Section 11. Sustainable development at the Triglav Group](#).
- The main risks related to the abovementioned areas are presented in sections [9. Risk Management](#), [10. Development activities](#) and [11. Sustainable development at the Triglav Group](#).
- A description of the Group's business model or value creation model is presented in [Section 2. Triglav Group and Zavarovalnica Triglav in 2023](#).
- A description of the diversity policies implemented in relation to administrative, management and supervisory bodies is presented in [Section 5. Corporate Governance Statement](#).
- The disclosures required by Commission Delegated Regulation (EU) 2021/2178 of 6 July 2021 supplementing Regulation (EU) 2020/852 can be found in [the Appendix: Disclosures under the EU Taxonomy Regulation](#).

Andrej Slapar
President of the Management Board



Tadej Čoroli
Management Board Member

Blaž Jakič
Management Board Member



Uroš Ivanc
Management Board Member



Marica Makoter
Management Board Member



A refresher ride

To make older drivers and society more resilient to road accidents.

The proportion of older drivers in Slovenia is high and on the rise. Regrettably, with advancing age, individuals often face an increased likelihood of being involved in road accidents, as well as experiencing greater severity in the accidents they may cause.

An analysis of trends in accident factors and the attitudes of older drivers, combined with insights gained from our previous safety improvement programmes, has led us to develop the Refresher Ride project. It was designed for drivers aged 65 and over and is led by professional safe-driving instructors as a standalone and free programme, in collaboration with our longstanding partner, AMZS, the largest organisation in Slovenia dedicated to driver education and training. Launched in 2022, it has been a great success.

Information and application forms were disseminated to older drivers through various media channels and contact points, resulting in an overwhelmingly positive response. On average, participants rated their satisfaction with the refresher ride experience very high, with an average score of 4.94 (on a scale of 1 to 5), and almost a fifth of them became active ambassadors of the project.

The Refresher Ride project received several awards, with the highest recognition being the extremely high satisfaction of the participants and improved road safety for all.



[See page 122 for more information about our road safety activities.](#)



The share of older drivers in Slovenia (61 and older):

↑ 29%



Ida Klančar, a Refresher Ride participant: “I teach English at the Third Age University. Maintaining independence is also crucial when it comes to mobility, despite significant changes in traffic conditions and regulations. The refresher ride organised by Zavarovalnica Triglav’s Nova Gorica unit was a great experience. The practical explanations and guidance from the instructor made me feel and drive safer.”

Manuel Pungertnik, project manager at AMZS and safe driving instructor: “Our team of instructors undergoes specialised training to effectively work with older drivers. Initially serving as consultants for Zavarovalnica Triglav, we now work with participants as their driving instructors. It’s rewarding to note that nearly half of the drivers have shown improvement in key areas such as maintaining appropriate speed, navigating roundabouts and keeping a safe distance.”

Ana Cergolj Kebler, project manager at Zavarovalnica Triglav: “To ensure the success of the project, we engaged in numerous partnerships and carried out an effective awareness-raising programme that fostered dialogue. We are especially grateful to the older drivers who allowed us to observe their driving, the learning process and shared their experience. We have learned a lot from this experience.”

11. Sustainable development at the Triglav Group

- The integration of the business and ESG strategies was further enhanced by the Sustainable Development Policy of Zavarovalnica Triglav and the Triglav Group, and the Sustainable Investment Policy of Zavarovalnica Triglav and the Triglav Group.
- In pursuit of its ESG strategic ambitions, the Company entered into a partnership with the Chapter Zero Slovenia platform, became a signatory to the United Nations Principles for Responsible Investing (UN PRI) and a member of CER, the Slovenian Partnership for Sustainable Economy.
- By redesigning its twelve mutual funds and pursuing a sustainability strategy in the discretionary mandate services segment, the value of assets under management that incorporate sustainability aspects increased significantly; at the 2023 year-end, the value of these assets reached EUR 1.1 billion.
- Education and training were systematically provided, and a number of activities were implemented to ensure a healthy and safe environment for our employees.
- Scope 1 and Scope 2 carbon footprint and electricity consumption decreased by 6%.

11.1 Our approach to sustainability

In the Triglav Group's strategic ambitions for sustainable development (ESG) covering the period of 2021–2025, it is set out that by pursuing sustainability goals the Group is creating a long-term stable basis for its profitable and safe operations, promoting the transition to a sustainable society and reducing its impact on climate change. This approach is pursued across all four key areas: insurance and asset management, own business processes, responsible stakeholder engagement and effective corporate governance.

In 2023, the Group's strategic ambitions were further developed with the adoption

of its **Sustainable Development Policy**. Serving as the overarching document for the Group's sustainability-related activities, it outlines the method of implementing the strategic ambitions, establishes the system for managing ESG aspects and risks, defines key corporate governance policies and provides guidelines for sensitive economic activities.

At Group level, sustainability-related activities, which are carried out by all Group companies, are coordinated by the

Sustainable Development Department and monitored by the Compliance and Sustainable Development Committee. Decisions are made by the parent company's Management Board, as described in more detail in the [Sustainable Development Policy](#).

Key stakeholders are involved in identifying the material impacts of the Group's operations and related non-financial disclosures. The main sustainability impacts are presented in the materiality matrix for ESG topics, which is revised based on regular surveys on the impacts on stakeholders, their interests and satisfaction factors. It includes quantitative and qualitative surveys of employees, individual clients, NGOs, local communities and corporate clients as key stakeholders of the Group, as well as an internal evaluation of the importance of various topics.

In 2023, the materiality assessment of topics was reviewed and updated based on a quantitative survey conducted among more than 600 clients and other respondents from Slovenia, in addition to a study of regulatory trends in the EU and information obtained from domestic and foreign investors. See [Section 11.1.1 Key stakeholders](#) for more information about stakeholders and their engagement.

Take a look at some of the key documents on sustainability management.



Sustainable Development Policy of the Triglav Group



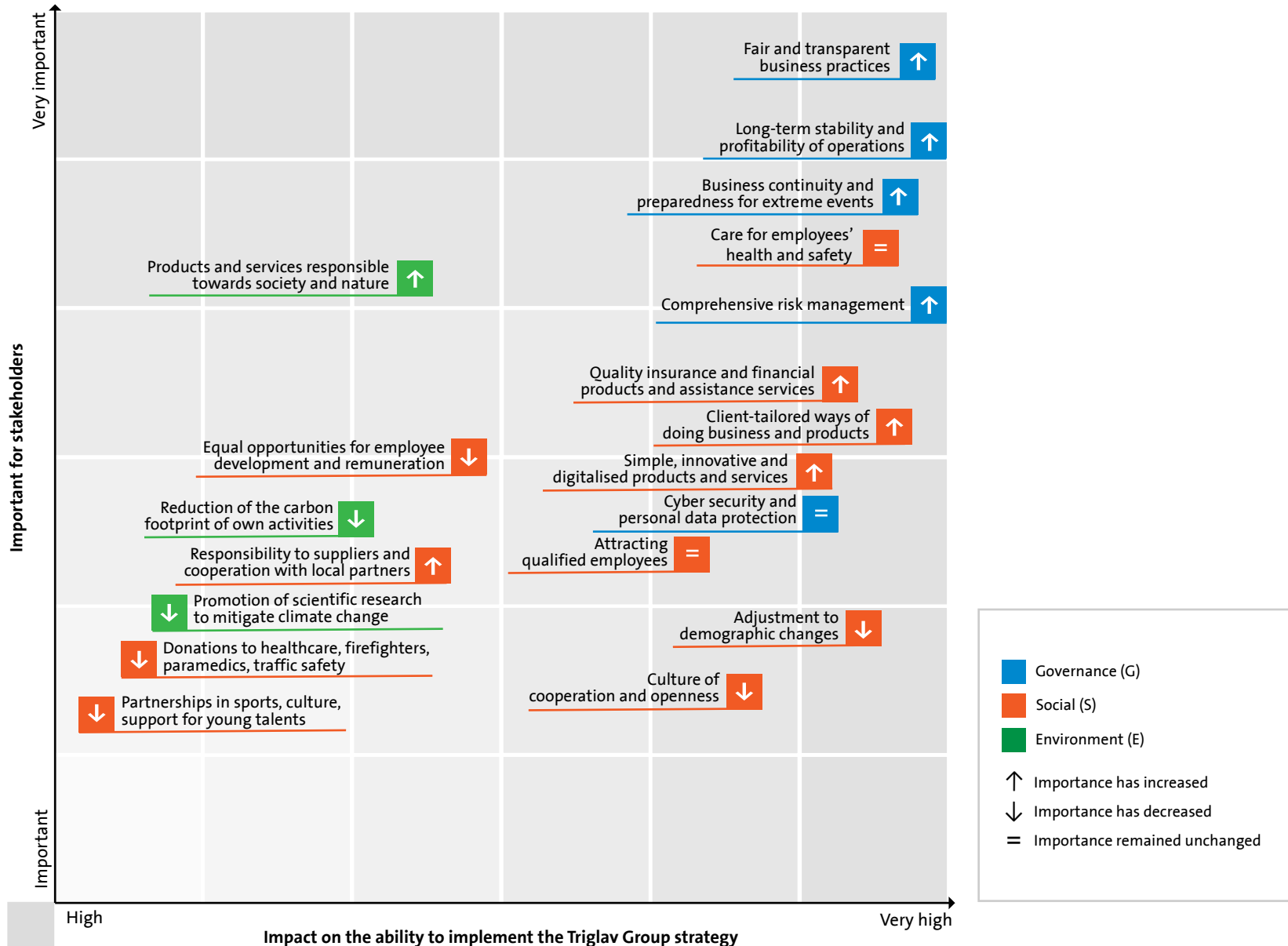
Sustainable Investment Policy of the Triglav Group

About the report²³

This report was compiled in accordance with International Financial Reporting Standards (IFRS), the Companies Act (ZGD-1J) and the Insurance Act (ZZavar-1). Its content and data are collected by the competent departments of the Company's, which is responsible for reporting in cooperation with the respective departments at subsidiaries. Reporting refers to a particular financial and calendar year.

The report is integrated and includes sustainability disclosures, i.e. environmental, social and governance (ESG) disclosures. It was compiled by using GRI standards (Global Reporting Initiative) and their guidelines for the financial sector as well as SASB standards (Sustainability Accounting Standards Board). The range of topics and disclosures is presented in the GRI and SASB indices and the materiality matrix. Progress in ESG areas is presented mainly in Section *Sustainable development at the Triglav Group*, but it is also described in other sections, as evident from the GRI and SASB references. In doing so, the information required by the EU Taxonomy Regulation (Commission Delegated Regulation (EU) 2021/2178 of 6 July 2021 supplementing Regulation (EU) 2020/852) is disclosed. The financial reporting for the Group comprises all companies included in the consolidated financial statements (See [Section 2.3 of the Accounting Report](#) for more information). Reporting of environmental and human resource data refers to all Group companies that are fully consolidated and have office space and/or employees. For the remaining ESG disclosures, notes to individual disclosures indicate which companies are included. The calculation methodology for individual indicators is described in the text and notes.

Importance of ESG topics for stakeholders and the Triglav Group²⁴



²³ GRI 2-2, 2-3, 2-4, 2-14, 3-1, 3-2 | ²⁴ GRI 3-2, 2-12, 2-13, 2-16

11.1.1 Implementation of strategic guidelines and sustainable development goals of the Triglav Group

In achieving the ambitions regarding the ESG goals for 2025, progress was made in all four key areas.

■ Insurance and asset management

The share of green, sustainable and social impact bonds in the Group's investment portfolio grew. Guidelines for sustainable investments and investments in sensitive economic activities in terms of sustainability risks were outlined in the Sustainable Development Policy and the Sustainable Investment Policy of Zavarovalnica Triglav d.d. and the Triglav Group. The Group does not have any investments from issuers at which at least 20% of electricity generation or income stems from coal (Coal Exit List).

With respect to clients' assets under management, 12 mutual funds were redesigned to incorporate newly defined sustainability aspects of investments, ensuring compliance with the criteria specified in Article 8 of the SFDR. The value of these assets rose from EUR 49.2 million in 2022 to EUR 1.1 billion by the end of 2023. Plans are underway to extend this approach to the entire range of funds in 2024. Additionally, efforts are being made to implement sustainability in the investment processes within the discretionary mandate services segment.²⁵

Social and environmental benefits are further promoted through product development within the insurance business. Utilising the internal sustainability assessment methodology, clear, comprehensive and up-to-date information on the sustainability of products throughout their entire lifecycle is provided, i.e. spanning from the development phase to the promotion and distribution of the insurance product.

■ Own business processes

The Group's Scope 1 and Scope 2 carbon footprint decreased by 6% in 2023. Awareness about energy conservation and the importance of sustainable practices is raised among employees, while promoting sustainable mobility. Solar power plants began to operate on the roofs of five of the Company's office buildings in 2023 and will cover around 10% of its annual electricity consumption. The share of electric and hybrid vehicles in the fleet grew from 8% to 12%. The Group companies took many additional measures related to digitalisation and paperless operations. The total quantity of waste generated at Group level declined by 6%. The Group effectively reduced office paper consumption per employee by 32%.

■ Responsible stakeholder engagement

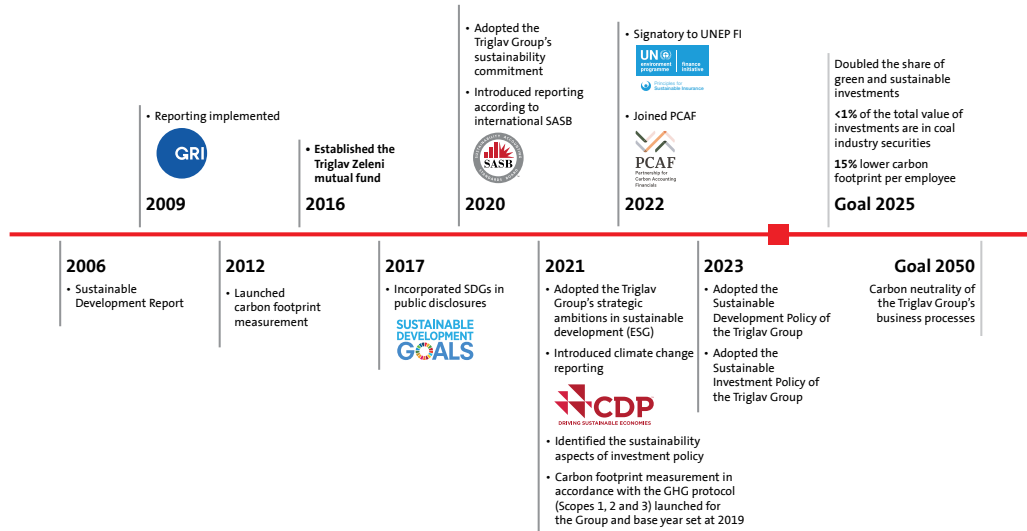
Measures were taken to support both the professional and personal development of employees, promote active leisure time and foster a healthy work-life balance. Training on ESG topics is provided through the e-learning portal. Both employee and client satisfaction scores experienced a slight decline compared to previous years, attributed to the impact of major CAT events and inflationary pressures. Efforts were made to ensure that shareholders and investors had sufficient information on which to base their investment decisions, to encourage them to attend the general meeting of shareholders and to actively engage with them. Corporate social responsibility partnerships and projects, such as the Let's Clean the Mountains drive and the volunteering activities within the Insure Our Future project, were continued. Safe mobility activities are described in [Section 11.3.3.1 Investment in prevention](#). Sustainability criteria were integrated into all of our events, including the Triglav Run and Our Day.

■ Effective corporate governance

The Group aims to achieve high corporate governance standards, while improving the public disclosures of its sustainable business and operations. In 2023, several important steps were taken for the long term. Preparations for the requirements of the Corporate Sustainability Reporting Directive (CSRD) were initiated, while the international GRI and SASB standards have been applied for several years. The Group disclosed through CDP's climate change questionnaire for the third year in a row. The Company joined the **Partnership for a Sustainable Economy (CER)** and received the Green Star 2022 certificate for effectively incorporating sustainability principles in its business. The adoption of the Group's **Sustainable Development Policy** and the **Sustainable Investment Policy** outlined its approach to considering ESG factors in the investment process. Following the Group's guidelines, all companies prepared and approved their own sustainable development policy. Furthermore, the Company entered into a partnership with the **Chapter Zero Slovenia platform** for responsible corporate governance and became a signatory to the **United Nations Principles for Responsible Investing (UN PRI)**, which encourage asset managers to invest responsibly for a fairer and greener future.

See [Section 4. Triglav Group strategy and plans](#) for more details about the achievement of strategic ambitions in sustainable development (ESG).

Sustainable development milestones of Zavarovalnica Triglav and the Triglav Group



²⁵ SASB: FN-IN-410a.2, FN-AC-410a.2

Delivering on sustainable development goals

Transition to a climate-neutral and resilient circular economy

↓ 1.54

tCO₂e (the carbon footprint) per employee in the Group and 1.46 tCO₂e at Zavarovalnica Triglav (Scopes 1 and 2)

99%

of electricity consumed at Zavarovalnica Triglav comes from renewable sources (62% at Group level)

↑ 19%

rise in premium written by the Group from products with environmental and social impacts

Integrating ESG aspects into product development and the execution of own business processes. By 2025, to reduce the carbon footprint (Scopes 1 and 2) of own activities using the location-based method by 15% per employee. Implementing the European Green Deal on carbon neutrality by 2050.

Responsible stakeholder and community engagement

↓ 73

for the Group, ↓ 69 NPS for Zavarovalnica Triglav – high client satisfaction

↓ 3.94

the ORVI index, high satisfaction of the Group's employees

1.4 bil.

km driven with the DRAJV safe driving apps

Maintaining high employee and client satisfaction. Developing an open culture of diversity and cooperation. Promoting projects that contribute to the achievement of the United Nations Sustainable Development Goals (SDGs).

Comprehensive corporate governance

↑ 43%

of women at 1st and 2nd management levels under the Management Board, 25% in management and supervisory bodies



Adopted the Sustainable Development Policy and the Sustainable Investment Policy.

A signatory

to the UN PRI and UN PSI Principles, partnership in the PCAF initiative.

Upgrading high corporate governance standards by integrating ESG aspects and effectively managing sustainability risks. Increasing the scope of public disclosures related to main aspects of sustainable business (according to GRI, SASB, CDP/TCFD methodologies).

Sustainable aspects of asset management

↑ 11.1%

share of social impact, green and sustainable bonds in debt securities of the Group's investment portfolio

12

mutual funds redesigned to incorporate sustainability aspects of investments. The value of these assets under management increased to EUR 1.1 billion.

To double the share of social impact, green and sustainable bonds in debt securities by 2025. The Group does not have any investments from issuers at which at least 20% of electricity generation or income stems from coal (Coal Exit List).

11.1.2 Key stakeholders²⁶

The following were identified as the Group's key stakeholders: **clients, employees, suppliers and partners, shareholders and investors, state and supervisory bodies, local communities and the media.** They are proactively included in the Group's operations, thereby strengthening mutual trust and understanding.

Their needs and interests, as well as the impacts of the Group's operations on them, are identified through mutual relationships at strategic and operational levels. In doing so, the Company measures reputation, satisfaction and Net Promoter Score (NPS), monitors regulatory changes and implements their requirements and recommendations, analyses complaints and compliments, maintains daily contact with investors and clients, regularly communicates with the media and so on.

Interests, opinions, and suggestions are regularly monitored by **analysing the needs and interests of stakeholders.** Based on this analysis, the scope of disclosures is outlined. See [Section 11.1 Our approach to sustainability](#) for further information.

Gained knowledge and guidelines are taken into account as much as possible in the Group's business and operations. The table below shows the key stakeholder interests identified, the forms of engagement with them and the key results of the engagement.

Stakeholders	Key interests	Engagement method	Engagement results
Clients	<ul style="list-style-type: none"> ■ Understanding the needs of clients ■ Rapid claim settlement ■ Innovative financial and insurance products and services ■ Clear terms and conditions ■ Quality insurance and financial products and services ■ A broad range of quality assistance services ■ Financial literacy ■ Digital ways of doing business and an easy-to-use online presentation of products/services ■ Raising awareness of users about risky behaviour and promoting prevention 	<ul style="list-style-type: none"> ■ Personal contact with insurance experts, asset managers ■ Recording complaints and compliments and responding thereto ■ Email ■ Telephone conversations ■ Opinion polls and surveys ■ Websites, blogs and e-newsletters ■ Social networks ■ Mobile apps ■ Marketing communication 	<ul style="list-style-type: none"> ■ 773,699 telephone conversations in Zavarovalnica Triglav's call centres. ■ 86,209 replied electronic messages in Zavarovalnica Triglav. ■ More than 31,000 subscribers to the newsletters <i>Vozim se</i> (I'm driving) and <i>Vse bo v redu</i> (Everything Will Be Alright). ■ 228,174 users of the i.triglav digital office. ■ More than 50,000 regular users of the <i>Vse bo v redu</i> and the <i>Vozim se</i> portals. ■ NPS of the Group is 73 and 69 of Zavarovalnica Triglav. ■ 327,200 processed claim files at Zavarovalnica Triglav. ■ 3,897 complaints and 46 compliments in Zavarovalnica Triglav: the rate of complaints was 1.16% compared to 1.22% in the previous year.²⁷
Employees	<ul style="list-style-type: none"> ■ Internal culture of cooperation ■ Rewarding of performance ■ Personal and professional development ■ Career advancement system ■ Information about important milestones and changes in the Company ■ Business strategy ■ Work-life balance ■ Education and additional training ■ Care for safety and health ■ Employee loyalty 	<ul style="list-style-type: none"> ■ Participation in management ■ Career development and training system ■ Measurement of organisational vitality ■ Opinion polls and surveys ■ <i>Triglav.smo</i> programme ■ In-house print and online media ■ In-house events, professional training, sports and recreational events ■ Personal contact ■ Email 	<ul style="list-style-type: none"> ■ 3.94 – the ORVI index at a high level ■ 25% of employees are members of the Triglav Group mountaineering and sports clubs. ■ Supplemental pension insurance for 59% employees of the Group and 95% of the Company. ■ The group insurance package Comprehensive Medical Care (<i>Celostna zdravstvena oskrba</i> – CZO), in which 50% of all employees of the Group and 82% of the parent company are included. ■ 32 training hours per employee at Group level. ■ A family-friendly enterprise
Shareholders/ investors	<ul style="list-style-type: none"> ■ Business strategy and its implementation ■ The Group's operations, financial position and plans ■ The implementation of the dividend policy and ZVTG share profitability ■ Capital adequacy and risk management ■ Implementation of growth and development activities ■ Performance by particular market, situation in the markets and outlook ■ Corporate governance and sustainable operations ■ Cost-effectiveness ■ Achievement of the target credit rating ■ Effective organisation and governance of the Group 	<ul style="list-style-type: none"> ■ General Meetings of Shareholders ■ Sessions of the Supervisory Board and its committees ■ Quality and up-to-date information on the SEOnet ■ Presentation for Investors ■ Active contact and relations with institutional investors (investor conferences, individual meetings, conference calls) ■ Organised presentations for retail shareholders (individual investors) and provision of information ■ Corporate website, LinkedIn and Twitter ■ Minority shareholders' associations 	<ul style="list-style-type: none"> ■ 77% of all voting rights at the annual General Meeting of Shareholders. ■ The Company provides organised collection of proxies to vote at the General Meeting of Shareholders. ■ 29 publications of controlled information (all in Slovenian and English). ■ 9 events held for institutional investors. ■ 2 organised presentations for retail investors. ■ Cooperation with minority shareholders' associations. ■ An available financial calendar of all key announcements. ■ An available calendar of events for investors.
State and supervisory bodies	<ul style="list-style-type: none"> ■ Ensuring capital adequacy ■ Safety of policyholders and/or users of insurance services ■ Efficient risk management system ■ Compliance of operations and insurance and financial services and products ■ Complying with all obligations of a public company ■ Responsible and sustainable operations 	<ul style="list-style-type: none"> ■ Regulatory reporting (to the Insurance Supervision Agency, the Securities Market Agency) ■ Regular reviews by inspection and supervisory bodies ■ Audits by certified auditors 	<ul style="list-style-type: none"> ■ 11 complaints with respect to personal data protection at the Triglav Group, 5 of which were partially grounded. ■ 1,119 fraud cases confirmed out of 1,771 reported cases of suspected insurance fraud insurance.
Suppliers	<ul style="list-style-type: none"> ■ Long-term cooperation ■ Reliable and timely payments ■ Upgrading the existing cooperation ■ Delivery times, prices of services and goods ■ Delivery of environmentally friendly material ■ Paperless operations 	<ul style="list-style-type: none"> ■ Public tenders and competitions ■ Working meetings ■ Email and electronic operations ■ Telephone conversations ■ Assessment of suppliers according to ESG criteria 	<ul style="list-style-type: none"> ■ 865 assessments of suppliers according to regulatory and expanded sustainability criteria to check suppliers' compliance with employee rights, human rights and environmental legislation.
The local and wider community	<ul style="list-style-type: none"> ■ Traffic safety ■ Fire safety ■ Health protection and care ■ Co-development of projects in the areas of culture, sport, prevention, health, art, charity ■ Infrastructure investments ■ Access to services for people with various disabilities ■ Insurance and financial literacy ■ Fair business practices ■ Disaster relief 	<ul style="list-style-type: none"> ■ Partnerships with non-profit organisations and educational institutions and execution of joint projects ■ Joint projects with local communities, particularly in traffic safety ■ Funds allocation system for sponsorships and donations ■ Cooperation with local decision-makers ■ Email ■ Telephone conversations 	<ul style="list-style-type: none"> ■ The Insure Our Future communication platform brings together more than 200 partners to implement sustainability-related activities to achieve UN goals. ■ Support for 141 young talents in eleven years of the Young Hopes project. ■ 2,200 motorcyclists attended safe driving workshops over ten years. ■ A total of 113 events to promote insurance literacy, risk awareness, presentation of products and services were held. ■ 24 sponsored top athletes in Slovenia. ■ EUR 3.3 million for prevention activities, EUR 4.7 million for sponsorships and EUR 0.9 million for donations.
Media	<ul style="list-style-type: none"> ■ Transparent information about the operations, events and changes in the Triglav Group ■ Information about insurance and financial products and services ■ Cooperation with local and broader communities ■ Professional insurance and financial topics 	<ul style="list-style-type: none"> ■ Press releases and statements ■ Meetings with media representatives ■ Answers and explanations ■ Email ■ Telephone conversations ■ Websites 	<ul style="list-style-type: none"> ■ 55 press releases by Zavarovalnica Triglav. ■ 388 answers to the questions of the press by Zavarovalnica Triglav. ■ 9,217 publications related to key topics about the Triglav Group in the media.



Solar power plants were installed on the roofs of five of the Company's buildings.

11.2 Environmental aspects

11.2.1 Protection of the environment in business processes²⁸

In realising its responsibility to the natural environment, the Group focuses on areas on which it, as an insurance and financial institution, has the most significant influence. This objective is achieved by adhering to its Sustainable Development Policy and strategic ambitions. In its business processes, the Group reduces its environmental impact primarily through the efficient use of energy and by limiting greenhouse gas emissions. It strives for careful waste management, lower consumption of water and other resources.

The share of electric and hybrid company cars at Group level stood at 12% in 2023 (8% in 2022) and 30% at the parent company (18% in 2022). At Group level, 52 electric vehicles, 23 hybrid vehicles and 25 company bicycles are available to employees, in addition to 32 electric scooters for short trips. In Ljubljana, the less-used company cars are being gradually replaced with electric cars as part of the car sharing service. To encourage eco-friendly mobility, 22 own electric car charging stations were set up at all key locations. Two locations in Ljubljana have space for electric bicycles from the public bike rental system, and a secure bicycle storage facility was set up at Dunajska cesta 22.

Employees are encouraged to drive safely and reduce fuel consumption by using the DRAJV app and taking part in safe driving courses. Paper consumption is reduced by developing software, through electronic archiving and digitalisation of business processes. The quantity of plastic waste is reduced by using company mugs and water bottles.

11.2.2 Carbon footprint²⁹

In 2023, the Group's carbon footprint (Scopes 1 and 2) **decreased by 6%** year-on-year, and by 25% compared to the 2019 base year.

The Group's **Scope 1 carbon footprint** was at the same level as the previous year, but at the Company it increased by 5% due to the higher consumption of energy from own capacities. Compared to the 2019 base year, Scope 1 carbon footprint at Group level declined by 4%.

Scope 2 carbon footprint fell by 8% at Group level according to the location-based method and by 9% at the Company. The Group's Scope 2 carbon footprint decreased by 11% according to the market-based method, which takes into account emission factors obtained from the energy supplier, and that of the Company by 13%. The decrease is due to lower overall electricity consumption and, at Group level, an increase in the share of green electricity purchased. The Company purchased almost all of the electricity used for its own premises from renewable energy providers.

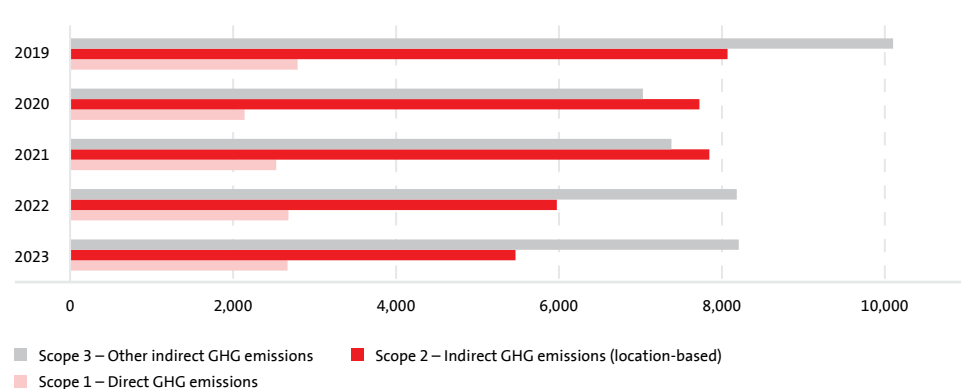
Scope 3 carbon footprint at Group level remained at the same level year-on-year and 19% lower compared to 2019. The largest share of Scope 3 carbon footprint was accounted for by employees commuting to work, business trips and purchases of computer equipment. Both the Group and the parent company increased their business trip emissions by 7%. Emissions from employees commuting to work decreased by 1% both at Group level and at the parent company.

The Triglav Group's carbon footprint by scope

	GHG emissions in tCO ₂ e			Index	
	2023	2022	2019 base year	2023/2022	2023/2019
Scope 1 – Direct GHG emissions	2,667	2,678	2,790	100	96
- Scope 1.1 – Consumption of energy products from own capacities	688	580	810	119	85
- Scope 1.2 – Fuel consumption of company cars	1,978	2,098	1,981	94	100
Scope 2 – Indirect GHG emissions (location-based)	5,464	5,971	8,068	92	68
Scope 2 – Indirect GHG emissions (market-based)	4,011	4,485	7,345	89	55
Scope 3 – Other indirect GHG emissions	8,206	8,180	10,098	100	81
- Business travel (plane, train, bus, car)	1,451	1,360	1,963	107	74
- Purchase of computer equipment	545	388	705	140	77
- Waste management	204	200	47	102	435
- Employee commuting to work	5,849	5,928	6,565	99	89
- Paper consumption – internal	86	130	431	66	20
- Paper consumption – external	58	165	364	35	16
- Water consumption	13	11	24	126	56
Total Scope 1–2 GHG emissions	8,131	8,649	10,859	94	75
Total Scope 1–3 GHG emissions	16,336	16,829	20,957	97	78
Carbon footprint (Scope 1–2) per employee	1.54	1.63	2.00	94	77

Following the change in data capture, the data for 2019 and 2022 were adjusted.

The Triglav Group's carbon footprint by scope in 2019–2023 in tCO₂e



Carbon footprint per Triglav Group employee (Scopes 1 and 2) 2023/2019



In the 2019 base year, the Group's carbon footprint was 2.0 tCO₂e per employee. With the implementation of commitments and comprehensive actions, it decreased to 1.63 in 2022. The main contributors to the further decrease to 1.54 tCO₂e per employee in 2023 were the reduction in electricity consumption and the increase in the share of green energy.

Zavarovalnica Triglav's carbon footprint by scope

	GHG emissions in tCO ₂ e			Index	
	2023	2022	2019 base year	2023/2022	2023/2019
Scope 1 – Direct GHG emissions	724	693	938	105	77
- Scope 1.1 – Consumption of energy products from own capacities	286	180	393	159	73
- Scope 1.2 – Fuel consumption of company cars	438	513	546	85	80
Scope 2 – Indirect GHG emissions (location-based)	2,555	2,806	3,719	91	69
Scope 2 – Indirect GHG emissions (market-based)	1,269	1,452	3,676	87	35
Scope 3 – Other indirect GHG emissions	5,263	5,310	5,565	99	95
- Business travel (plane, train, bus, car)	1,047	983	1,369	107	77
- Purchase of computer equipment	283	210	315	135	90
- Waste management	82	83	20	99	418
- Employee commuting to work	3,792	3,837	3,463	99	109
- Paper consumption – internal	13	48	69	27	19
- Paper consumption – external	41	146	322	28	13
- Water consumption	3	3	8	102	38
Total Scope 1–2 GHG emissions	3,280	3,499	4,657	94	70
Total Scope 1–3 GHG emissions	8,543	8,809	10,223	97	84
Carbon footprint (Scope 1–2) per employee	1.46	1.57	1.95	93	75

Following the change in data capture, the data for 2019 and 2022 were adjusted.

Based on an independent verification carried out in accordance with the ISO 14064-3 standard, the verifier, SIQ Ljubljana, gave a **positive opinion** on the carbon footprint report of Zavarovalnica Triglav d.d. and the Triglav Group and confirmed that the report:

- was prepared in accordance with the GHG protocol for GHG emission reporting (Scopes 1 and 2 emission reporting guidelines),
- was correct in terms of content and fairly presents GHG data (Scopes 1 and 2) from 1 January 2023 to 31 December 2023 for Zavarovalnica Triglav d.d. and the Triglav Group.

The Triglav Group's carbon footprint calculation was prepared in accordance with the methodology for calculating Zavarovalnica Triglav's and the Triglav Group's carbon footprint, defining in greater detail the scope and limits, the method of data collection and analysis, and emission factors. For year-on-year comparisons and setting targets to reduce the carbon footprint, 2019 was set as the base year, when the epidemic situation had not yet affected the total volume of greenhouse gas emissions (GHG). The carbon footprint calculation according to the location-based method includes all Group companies that are fully consolidated and have office space or employees and therefore meet the materiality criterion.

The methodology follows the guidelines of the internationally recognised Greenhouse Gas Protocol and takes into account the release factors of the international database, which classifies emissions into three scopes (Scopes 1, 2, 3). The calculation of the Group's carbon footprint included the following scopes and categories of emissions.

- **Scope 1:** direct emissions from sources owned or controlled by the company (e.g. boilers, stoves, painting chambers, company vehicles) and fugitive emissions associated with air-conditioning units.
- **Scope 2:** indirect emissions resulting from purchased district heating and electricity.
- **Scope 3:** indirect emissions resulting from business trips by air, train, bus and car not owned or leased by the company, from purchases of IT equipment, generated waste, employee commuting, consumption of paper and water.

In accordance with the carbon footprint calculation methodology, certain data of the parent company and its subsidiaries were adjusted up to the 2019 base year. The adjustments mainly relate to taking into account data relating to the consumption of tenants of office premises.

Use of energy products

The Group consumed 1,552 tonnes of oil equivalent (TOE) of energy on heating, cooling, lighting and electrical and electronic equipment, down by 4% relative to 2022, while the Company reduced its energy consumption by 2%. Both the Group and the parent company saw the largest increases in gas consumption, while consumption of fuel oil, electricity and water for heating decreased.

Solar power plants were installed on the roofs of five of the Company's office buildings at the end of the year, which will cover around one tenth of its annual electricity consumption. Employees were educated on the more rational use of energy (proper ventilation, consistent switching off of appliances after use), in addition to limiting the temperature in offices and sales areas and domestic hot water temperature.

When renovating premises, priority is given to highly energy-efficient equipment. Additionally, for new forced-air ventilation installations, integrated heat recovery systems are used. All new premises and advertising signs are fitted with LED lighting. When replacing lighting in basements and garages, lighting sensors are installed in addition to LED lights (see [Section 8.5 Investment in own-use real property and equipment](#) for further information).

Use of energy products at the Triglav Group and Zavarovalnica Triglav in energy product unit

Quantities		Index				
		2023	2022	2019 base year	2023/2022	2023/2019
Triglav Group						
Heating water	kWh	4,347,328	4,943,441	4,713,720	88	92
Fuel oil	L	13,115	29,410	89,790	45	15
Gas	kWh	2,970,584	2,221,206	2,581,140	134	115
Wood pellets	kg	38,750	49,030	26,000	79	149
Electricity	kWh	10,341,736	11,015,428	11,269,874	94	92
Green electricity	kWh	6,374,018	6,500,791	117,659	98	5,417
Green electricity (%)	%	61.6	59.0	1.0	104	5,904
Zavarovalnica Triglav						
Heating water	kWh	3,634,507	4,167,600	4,043,670	87	90
Fuel oil	L	7,959	15,520	23,414	51	34
Gas	kWh	1,330,257	723,129	1,732,335	184	77
Wood pellets	kg	0	0	0	0	0
Electricity	kWh	5,701,785	5,991,621	6,291,109	95	91
Green electricity	kWh	5,667,141	5,965,093	117,659	95	4,817
Green electricity (%)	%	99.4	99.6	1.9	100	5,314

Following the change in data capture, the data for 2019 and 2022 were adjusted.

Use of energy products at the Triglav Group and Zavarovalnica Triglav in tonne of oil equivalent (TOE)³⁰

	TOE (ton equivalent)			Index	
	2023	2022	2019 base year	2023/2022	2023/2019
Triglav Group					
Heating water	374	425	405	88	92
Fuel oil	11	25	77	45	15
Gas	262	196	228	134	115
Wood pellets	16	20	11	79	149
Electricity	889	947	847	94	105
Green electricity	548	559	8	98	6,772
Total	1,552	1,614	1,568	96	99
Zavarovalnica Triglav					
Heating water	313	358	348	87	90
Fuel oil	7	13	20	51	34
Gas	117	64	153	184	77
Electricity	490	515	433	95	113
Green electricity	487	513	8	95	6,021
Total	927	951	954	98	97

Following the change in data capture, the data for 2019 and 2022 were adjusted.

³⁰ The calculation for a tonne of oil equivalent (TOE) is based on the assumption that 10 kWh of electricity are generated from one litre of fuel oil and 9.5 kWh from a m³ of natural gas. GRI 302-1.

Waste management³¹

The waste separation and disposal system depends on the waste management system at the local level or at the level of the country in which a particular Group company operates. Full waste separation is carried out in Slovenia, whereas in some other countries waste separation and disposal is not yet fully regulated, therefore the quantity and type of waste are often not available. Employees in all companies are encouraged to reduce their consumption of water, paper, and packaging, and to consistently separate waste.

Compared to the year before, the total quantity of waste generated in 2023 decreased by 6% at Group level and by 8% at the Company. The higher quantity of paper waste resulted from an increase in the volume of archival material. The share of recycled waste increased to 34.3% at Group level and 44.5% at the Company.

Waste management at the Triglav Group and Zavarovalnica Triglav

Triglav Group	Unit	Index				
		2023	2022	2019 base year	2023/2022	2023/2019
Paper	kg	117,353	113,796	85,443	103	137
Biological waste	kg	31,906	41,232	12,567	77	254
Packaging	kg	57,411	65,957	53,328	87	108
Glass	kg	6,535	3,960	5,396	165	121
Mixed waste	kg	399,723	436,509	415,353	92	96
Electrical equipment and other	kg	8,251	2,327	5,861	355	141
Total recycled waste	kg	213,205	224,945	156,734	95	136
Total waste intended for removal	kg	407,974	438,836	421,214	93	97
Total waste generated	kg	621,179	663,781	577,948	94	107
Water consumption	m ³	75,142	70,873	68,847	106	109
Waste per employee	kg	118	125	110	94	107

Zavarovalnica Triglav	Unit	Index				
		2023	2022	2019 base year	2023/2022	2023/2019
Paper	kg	80,968	72,670	38,818	111	209
Biological waste	kg	26,569	36,247	9,849	73	270
Packaging	kg	23,215	36,448	29,929	64	78
Glass	kg	2,951	724	971	408	304
Mixed waste	kg	159,584	179,400	180,327	89	88
Electrical equipment and other	kg	7,258	1,777	5,852	408	124
Total recycled waste	kg	133,703	146,090	79,567	92	168
Total waste intended for removal	kg	166,842	181,177	186,179	92	90
Total waste generated	kg	300,544	327,267	265,746	92	113
Water consumption	m ³	18,088	21,134	23,071	86	78
Waste per employee	kg	134	146	120	92	112

In 2023, too, the consumption of paper for internal purposes was reduced. The average daily consumption of office paper (A4 and A3 formats) in sheets per employee fell to 13 at Group level (compared to 19 in 2022) and to 5 at the Company (compared to 18 in 2022).

Paper consumption at the Triglav Group and Zavarovalnica Triglav

Triglav Group	Paper consumption in kg			Index	
	2023	2022	2019 base year	2023/2022	2023/2019
Total paper consumption*	158,728	321,002	817,114	49	19
Paper consumption by employees (A4 and A3)	88,920	131,356	369,200	68	24
Average daily office paper consumption per employee (sheets)	13	19	53	68	24

Zavarovalnica Triglav	Paper consumption in kg			Index	
	2023	2022	2019 base year	2023/2022	2023/2019
Total paper consumption*	59,640	211,006	409,710	28	15
Paper consumption by employees (A4 and A3)	14,266	52,460	72,090	27	20
Average daily office paper consumption per employee (sheets)	5	18	25	27	20

* Includes paper consumption for internal and external purposes, including envelopes, promotional material, printed material, insurance documentation, etc.



Triglav Group employees participated in tree planting and reforestation activities in several countries.

Care for the wider natural environment

Under the expert guidance of the Slovenia Forest Service, Group employees once again participated in the **reforestation of the Karst region after the devastation** caused by the catastrophic fires in 2022. Approximately 8,000 seedlings of diverse tree species were planted in the area affected by the fire. In North Macedonia, the **Green League** app (Zelena liga) was launched to promote a healthy lifestyle for employees and clients, while also raising awareness about the importance of reducing CO₂ emissions into the environment.

11.2.3 Services and products promoting social and environmental impacts³²

Sustainability criteria are taken into account when designing insurance products, and each product is properly assessed already in the development and approval phase in accordance with the internal methodology of sustainability impact assessment. Presented below are the most important services and activities that promote social and environmental benefits.

- **Solar power plant insurance:** This insurance provides adequate insurance cover to all owners and users of energy from renewable sources.
- **Micromobility insurance:** Insurance for small electric means of transport, which is designed to promote the use of zero-emission means of transport.
- **Comprehensive car insurance and roadside assistance insurance:** These insurance products include all the necessary covers for electric and hybrid vehicles (insurance of the entire charging infrastructure).
- **The DRAJV app:** Promotes safe, economical and responsible driving, allowing clients who use it to qualify for a reduced car insurance premium.
- **The range of agricultural insurance products:** Greater emphasis is being placed on plant production insurance and insurance of small and medium-sized livestock farms, which are a significantly smaller burden on the environment than intensive animal farming.
- **The range of co-financed agricultural insurance products:** Promotes the supply of locally produced food. This helps to shorten supply chains and contributes to preserving agricultural production and rural settlements, especially in more remote areas with more difficult farming conditions (less favoured areas for agriculture). In order to preserve Slovenian fruit production and business sustainability, the Company presented to the government a proposal to upgrade the agricultural insurance co-financing system, where the government would also be involved through co-financing in the event of damage.
- **The premium policy** for agricultural insurance products promotes the importance of establishing preventive protection against increasing production risks as a result of climate change. The Company participates in **prevention programmes** for sustainable food production (irrigation systems to protect against summer drought, sprinkler systems to protect against spring frost, anti-hail nets, greenhouses, tunnels). **Gradually launching index insurance products**, such as crop insurance against drought with remote sensing technology to detect a lack of moisture in the soil, helps to reduce the burden on the environment in the claim settlement process. Modern damage assessment procedures in the field using tablets and drones are also more environmentally friendly.
- **Special benefits for young farmers:** Young farmers receive special benefits when concluding insurance upon taking over a farm. In cooperation with the Slovenian Rural Youth Association, the Company supports young farmers in innovative and preventive projects such as Innovative Young Farmer,

(Un)safe Driving with Tractors and participation in the publication of the Entrepreneurial Farmer (Podjetni kmet) manual.

- **Activities in insurance companies outside Slovenia:** In Serbia, an agreement was signed with a solar panel provider, with the Triglav Group engaged as the insurance provider. In North Macedonia, the Kasko Green promotion was launched, running until the end of September. Owners of electric and hybrid vehicles received up to a 50% discount on their comprehensive car insurance. Furthermore, the My Home (Moj dom) product was launched, offering a 10% discount to policyholders using cost-effective devices, and a 50% discount to policyholders with installed power generation devices such as solar panels (30% for legal entities).

The volume of premium written from insurance products promoting general social and environmental benefits increased to EUR 24.8 million (index 119) in 2023.

The value of assets under management that comply with sustainability criteria increased to EUR 1.1 billion, as a result of the aforementioned redesign of twelve mutual funds and the incorporation of a sustainability strategy in the discretionary mandate services segment. Sustainable bonds represent 11.1% of the Group's debt investments.

Written premium from the Triglav Group insurance products that promote social and environmental benefits, along with assets under management in funds and discretionary mandate assets that incorporate sustainability aspects

	Written premium and assets under management			Index	
	2023	2022	2021	2023/2022	2022/2021
Crop insurance	17,738,167	17,056,736	13,392,760	104	127
Electric vehicle insurance	4,699,300	2,427,251	1,920,092	194	126
Micromobility insurance	527,467	550,591	484,875	96	114
Solar power plant insurance	1,816,700	773,394	537,912	235	144
Total written premium	24,781,634	20,807,972	16,335,639	119	127
Assets under management in funds that incorporate sustainability aspects*	1,139,026,941	49,246,838	41,833,991	2.303	118

* Comprise assets from mutual funds (Triglav Aktivni, Triglav Evropa, Triglav Obvezniški, Triglav Okoljska perspektiva, Triglav Renta, Triglav Severna Amerika, Triglav Sklad denarnega trga EUR, Triglav Svetovni razviti trgi, Triglav Tehnologije prihodnosti, Triglav Top Brands, Triglav Trgi v razvoju, Triglav Zdravje in dobro počutje) and discretionary mandate assets that incorporate sustainability aspects.

The disclosures required by Commission Delegated Regulation (EU) 2021/2178 of 6 July 2021 supplementing Regulation (EU) 2020/852 are presented in [the appendix Disclosures under the EU Taxonomy Regulation](#).

11.3 Social aspects

11.3.1 Responsibility to clients³³

The Company aims to cultivate long-term relationships with its clients, built on principles of fairness, trust and ongoing follow-up. Client needs are promptly addressed with an emphasis on quality, convenience and transparency. Suggestions and comments from clients are professionally and fairly addressed not only to enhance business models and processes but also to develop new products, services and ecosystems.

The client experience is improved through the development of digital solutions and modern communication channels. Client relationships are reinforced through direct contact with insurance agents, ensuring clients are informed about insurance products and their personal data and rights are protected.

Insurance products are developed in line with the procedures for their approval and testing before they are sold or distributed. Each product must meet clients' needs and goals in its lifetime and correspond to their characteristics. The adequacy of distribution strategies is checked and tested on a regular basis, thereby maintaining client focus and product satisfaction. When any deviations are identified, the respective product or its distribution is appropriately adjusted.

The sale of insurance is centrally managed through various sales channels and appropriate communication platforms, aiming to cover all target groups – from young people to pensioners – by using a multi-channel approach.

Informing clients³⁴

Clients are provided with easy access to all the necessary information about the Company's products and services. Its insurance and general terms and conditions are fair and transparent, with special attention given to informing clients when underwriting financial and insurance contracts remotely.

Any complaint, which may be filed in various ways, is resolved quickly according to the prescribed procedures. The Company complies with the guidelines of supervisory bodies and carefully implements its policy of management and control of insurance services and products and their distribution.

Marketing approaches and campaigns are consistently implemented in compliance with statutory and other consumer protection regulations. No proceedings for violations related to marketing communication were initiated against Zavarovalnica Triglav and its subsidiaries in 2023.

Availability of services

A wide array of digital solutions and multiple sales channels is utilised to offer clients easily accessible services and streamline business transactions. See [Section 13. Business network of the Triglav Group](#) for more information on the expansive business network.

- **Communication channels:** Toll-free telephone numbers are available for the Company's services (general information and technical assistance: 080 555 555, info@triglav.si; and assistance services: 080 2864 in Slovenia, 080 2222 2864 abroad). The toll-free telephone number 080 2664 and info@triglavzdravje.si are available for information on health insurance; the toll-free telephone number 080 1019 and info@triglavskladi.si of Triglav Skladi are available for information on investment solutions. Call centres also operate in Croatia, Serbia and North Macedonia. The **TRIA virtual assistant** was upgraded with artificial intelligence (AI) to offer clients a more natural, flexible and interactive communication experience.
- **The DRAJV mobile app:** The app is used by approximately 66,000 drivers every month, who have driven a total of over 1.4 billion kilometres since its launch. By driving safely, users are rewarded with a discount when taking out motor vehicle insurance or insurance for young drivers and receive a discount on motorcycle insurance. In 2023, a single Triglav login for the i.triglav digital office and the DRAJV app was implemented. See [Section 10. Development activities](#) for more information.
- **The i.triglav mobile app:** Using the app, clients can sort out most things related to insurance contracts and access the Company's other services (taking out or renewing insurance policies, reporting a claim and monitoring the status of their claim, ordering assistance, reviewing details of insurance and benefits, etc.). The mobile app, which is used by more than 228,000 users, allows clients to check the balance of their savings at Triglav Skladi and the balance of their life and pension insurance assets.
- **The Triglav Vreme mobile app:** Provides access to reliable weather information and forecasts provided by the Slovenian Environment Agency.
- **Online insurance underwriting:** Motorcycle insurance was added to the digital insurance portfolio, and most of the existing online products were redesigned for an improved digital experience.
- **Mobile appraisal units at CAT events:** In the affected areas, mobile appraisal units are set up for a quick and prompt damage assessment. In 2023, ten mobile appraisal units were set up after seven major and several small hailstorms in Slovenia, which carried out a total of over 12,000 appraisals of damaged vehicles (compared to 4,000 in 2022).
- **Claims settlement:** Users can submit a claim through a number of digital reporting channels (online reporting, mobile reporting, B2B, i.triglav, chatbot, etc.) with electronic signing of claims documents and reporting of assistance cases without a phone call. See [Section 10.2 Digital transformation](#) for more information on the new innovative solutions.



Triglav Lab has set up the first e-scooter driving simulator in Slovenia.

- **An app for inspection of the object insured:** Remote inspection is possible using a client's smartphone, a drone and 360° cameras, as well as by capturing data using OCR technology. Damage reporting and inspection procedures are therefore simpler and faster.
- **The Triglav Skladi mobile app and Moj račun (My Account) online app** for easy and transparent management of investors' investments and access to up-to-date information on financial markets and asset management.
- **Remote consultation with a specialist physician under the Zdravstveni nasvet (Medical Advice) insurance product:** Clients can consult with a specialist physician by telephone or video call.
- **A safe driving simulator at Triglav Lab:** A practical driving test on the simulator provides a discount on the young driver's insurance policy, and participating in a safe driving workshop also provides a reduced price.

Access to Zavarovalnica Triglav's insurance services for people with various disabilities³⁵

Improving the services provided to persons with disabilities and ensuring their social integration

- A total of 75% of our points of sale provide independent access to people with different types of disabilities. In 2023, during the renovation of the premises to accommodate the medical centre's requirements, tactile floor signs were installed in the lobby of the building at Dunajska cesta 22 in Ljubljana to assist the visually impaired. In addition, an inductive hearing loop was installed at the reception desk there.
- 100% of the points of sale are equipped with aids for partially sighted persons.
- 100% of the regional units' head offices are fitted with FM devices for hard-of-hearing persons.
- Partnership with the Sports Federation for the Disabled of Slovenia and the Vozim Institute.

11.3.1.1 Client satisfaction³⁶

Client satisfaction is measured using the Net Promoter Score (NPS) methodology in all markets where the Group operates, with the range of participating companies being expanded. In the reporting year, the underwriting process was included in addition to assistance services and claim payments.

In 2023, despite a decline, the NPS score for both the Group and the Company remained at high levels. **The NPS for the Group** decreased by 4 points year-on-year to 73, while **the NPS for the Company** fell by 7 points year-on-year to 69. The decline was observed across all points of contact, particularly in the area of information and underwriting. Despite the general decrease, however, we still achieved the highest level of satisfaction in assistance services. The decline in NPS is attributed to the rise in premiums resulting from inflation and catastrophic weather events, leading to a significant increase in the number of claims and their settlement time. The results of the measurements and negative client experiences are communicated to the relevant departments on a daily basis.

Client satisfaction with **healthcare service providers** is measured at the Zdravstvena točka health information office. Scores always exceed target values. All clients who left negative feedback are contacted, which is also communicated to partner healthcare service providers. The best rated partner healthcare service providers are awarded awards of excellence, and the Ambassador of Excellence award is given to the providers who were awarded five years in a row.

Client feedback is also obtained through an anonymous survey when reporting a claim, mail and electronic complaints, responses on various social networks and own websites, as well as directly from agents in the field. A book of complaints and compliments is available at points of sale.

Individual **complaints and compliments** are monitored and managed with effective software. The complaint handling rules define the individual stages of the complaints procedure and the duties of the responsible persons. Once a year, a report on the handling of complaints and compliments is drawn up and presented to the Company's management. It also specifies measures to improve the complaints procedure and processes. The Company ensures that clients are transparently informed about the complaints procedure, both with appropriate explanations in the insurance documentation and on the Company's website, where they can find all information related to the handling of complaints.

In 2023, the Company received 3,897 complaints, a 14% increase compared to the previous year. Most complaints related to non-life insurance claims (91%). The most common (91%) were substantive complains in which clients expressed their dissatisfaction with the handling of their claims. Of all complaints received, two-thirds were unfounded, 10% were founded and 15% were partly founded. Apart from that, 46 compliments were received, with particular praise for the attitude of staff in handling claims and service delivery. In the Group members outside Slovenia, complaints are handled in accordance with complaint committee's rules; records are kept in the prescribed form, mostly digital.

The client retention rate in Zavarovalnica Triglav was 88.2% in 2023. Together with new clients acquired this year, their total number increased by 10.3%.³⁷ **The rate of complaints** in relation to the number of claims at Zavarovalnica Triglav and Triglav, pokojninska družba was 1.16% compared to 1.22% in the previous year.³⁸

11.3.1.2 Assessment of effectiveness and market research

Various market analyses are performed to monitor our visibility among the general and business public, assess client satisfaction, evaluate user experience, and understand the purchasing habits and intentions of both existing and potential clients.

In 2023, 45 in-house surveys were conducted, covering a wide range of business areas. These surveys are aimed at enhancing the quality of our products, services and applications, tailor them to clients' needs and expectations, strengthen our competitive advantage and deepen our understanding of the market. Topics included analysing target audience and products, designing and testing the bases for application development, exploring the potential of new product concepts, evaluating existing products and understanding clients' buying patterns.

Regular surveys on the **Triglav brand's reputation** are also conducted among the general public. In all countries where the Group operates, except Serbia, the brand ranks among the top five brands in terms of reputation. With a brand excellence index of 81, Triglav scored one percentage point lower than in 2022.

Brand management and marketing communication

Rebranding took place both at the Triglav brand level and the employer brand level. At the brand level, a graphic guidelines and rules manual was developed, outlining the rules and principles of the new brand archetype, a sovereign guardian. Additionally, an employer brand strategy was formulated, defining the guidelines for cultivating a blue culture at Group level, establishing the employer brand identity and defining the employer brand promise. To this end, a content and graphic manual for unified HR advertising across the entire Group was adopted, with its implementation scheduled to begin in early 2024.



“Triglav is a strong, time-honoured brand, yet flexible in adapting to changes in the environment.

In line with our business strategy, it is now assuming the role of custodian for our clients while bolstering its reputation as an employer brand.”

Tjaša Kolenc Filipčič, Director of Marketing Department, Zavarovalnica Triglav



The DRAJV app received an Effie Award for marketing excellence.

Through the **Insure Our Future** sustainability project, all sponsors and partnerships from various fields, including sport, culture, healthcare, prevention and business, were brought together on a single communication platform. Our joint efforts were focused throughout the year on achieving the 17 UN Sustainable Development Goals (SDGs). By disseminating the content of each SDG, awareness of their significance was raised among online users, primarily through the Company's channels (Facebook, Instagram, zavarujmoprihodnost.si website, etc.) and the digital channels of selected ambassadors. An e-newsletter was sent to all partners twice a month to provide the latest news about the Company and encourage their involvement. Furthermore, information about the Company's activities was shared with employees via the intranet to underscore the importance of sustainability.

As part of its long-standing partnership with the Ski Association of Slovenia, the Company held the **Create a Cup for Planica** competition for children, for the first time actively engaging teenagers and young people in a nationwide event at the FIS Ski Jumping World Cup Finals. In the competition, young creators designed a real trophy for the Planica 7 winner – the best ski jumper, with the trophy subsequently produced using a 3D printer.

11.3.1.3 Awards and acknowledgements received

Awards and acknowledgments of the Triglav Group in 2023

- **WEBSI 2023:** 2nd place for Triglav Skladi in the "Product and landing pages and a website intended for individuals" category and 3rd place in the "Financial sector" category.

- **TOP investor in education:** Zavarovalnica Triglav was awarded a certificate for its systematic investment in employee education and training.
- **European Commission Award** (under the European Road Safety Charter): Top prize in the “Fitness to drive” category for the *Refresher ride with a driving instructor for the elderly* project.
- **HRM project 2023:** The winner of the HRM project in the “Large Companies” category, recognised at the HR&M conference for the exemplary practice showcasing how volunteering at Triglav fosters connection, unity and resilience within the organisation.
- **Marketing Excellence:** The winner in the “Sustainability excellence” category for the *Refresher ride with a driving instructor for the elderly* project.
- **Effie:** Gold Award in the “Long-term effectiveness and efficiency” category for the DRAJV mobile app.
- **Diggit:** Grand Prize in the “Effective marketing, design and user experience” category for the i.triglav mobile app.
- **IADA:** Gold Award for the 2022 annual report of the Triglav Group and the parent company for the integrated communications solution on the annual report’s cover photo.
- **Arc Awards:** Gold Award for the 2022 annual report of the Triglav Group and the parent company for the integrated communications solution in the “PDF Version of Annual Reports” and “Photography/Video” categories.

- **Gold Quill:** The International Association of Business Communicators (IABC) awards for excellence in strategic communication for the *Refresher ride with a driving instructor for the elderly* project in two categories (“Safety communication” and “Corporate social responsibility”).
- **Excellence Award:** Triglav, Zdravstvena zavarovalnica received a special award for excellence, having been chosen by clients as one of the best healthcare service providers.
- **Reputable Employer 2022:** For the fifth year in a row, Zavarovalnica Triglav was awarded the title of *Reputable Employer* in the insurance industry for its dedication to caring for its employees and the flexibility it demonstrates as an employer in a challenging labour market.
- **NETKO Award** (by the Chamber of Commerce and Industry of Slovenia): 1st place for Triglav Skladi for the best presentation of a company or start-up, for the best presentation of a product or service and a “Top Project!” special award.

11.3.2 Responsibility to employees³⁹

Strategic employee management guidelines and the recruitment policy

- The Group attracts, retains and develops top talent on an ongoing basis, continually improving the selection procedures. Standardised employee management processes are introduced within the Group by implementing minimum standards and transferring good practices.

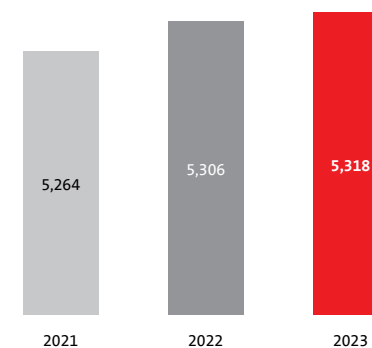
- A uniform organisational culture is being created at Group level based on constructive behaviour, teamwork, initiative, responsibility and cooperation. The employer brand is systematically redesigned. Mobility within areas of work and among Group companies is promoted. Onboarding mentoring for new hires and development mentoring for promising employees are carried out, thereby strengthening intergenerational cooperation.
- Employees’ know-how is being upgraded in all areas of work and the competencies necessary for the effective achievement of individuals’ goals are developed on an ongoing basis. In 2023, the main competency – initiative was strengthened at Group level.
- The development of key and promising employees and leaders is an ongoing process.
- Employee satisfaction and commitment are a priority, which is monitored using an annual ORVI survey.
- Modern, hybrid forms of work are being implemented that enable employees to work more flexibly and efficiently, facilitate networking and cooperation, and improve their work-life balance.
- In 2023, the Group completed a project to implement development modules in the Gecko HRM human resource information system.

11.3.2.1 Recruitment and employee structure⁴⁰

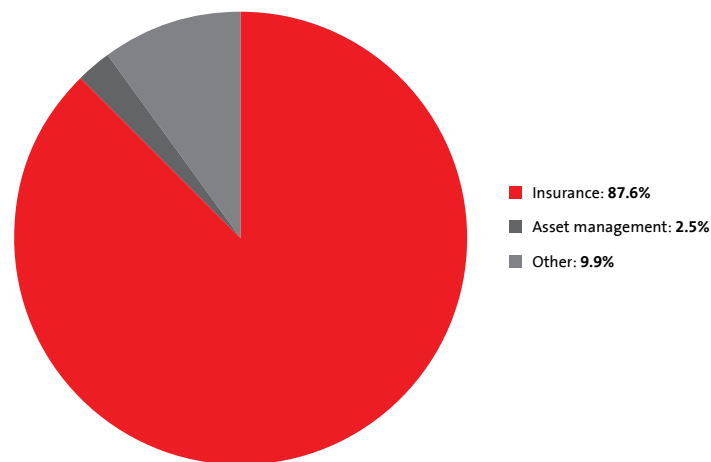
The Triglav Group had **5,318 employees** as at 31 December 2023, up by 12 over the preceding year. The number of employees increased due to new hires in the Serbian and Croatian insurers.

The majority, i.e. 87.6%, of all employees worked in the insurance activity, down by 0.7 percentage point compared to the year before, due to a decrease in the number of employees at the health insurer. The share of employees in asset management activity increased by 0.1 percentage point, while in other activities it rose by 0.6 percentage point.

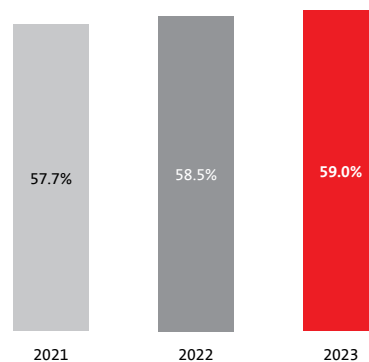
The number of Triglav Group employees as at 31 December



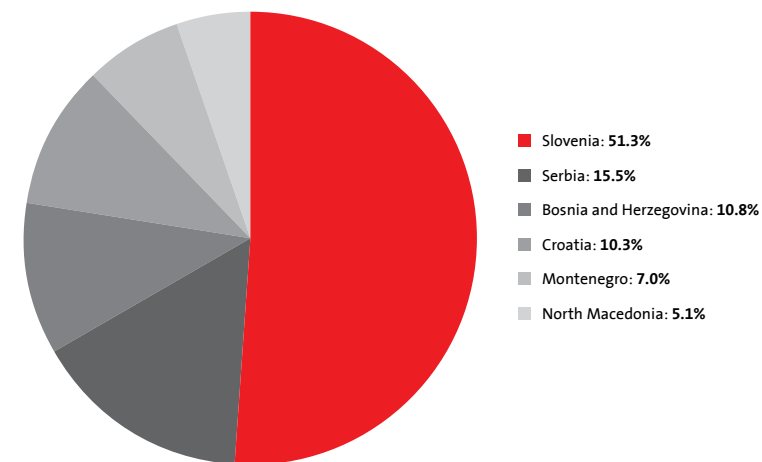
Employees by Triglav Group activity as at 31 December 2023



Proportion of employees at the Triglav Group with at least level VI education according to the Bologna Process study programmes as at 31 December



Employees by Triglav Group market as at 31 December 2023



A total of 51.3% of all Group employees are employed in Slovenia, up by 0.1 percentage point relative to the preceding year. The share of employees in Serbia increased the most (by 0.4 percentage point), whereas in North Macedonia it decreased the most (by 0.3 percentage point).

The proportion of employees with at least level VI education according to the Bologna Process study programmes has been steadily increasing.

Employees at the Triglav Group and Zavarovalnica Triglav by type of employment (full-time, part-time) as at 31 December 2023⁴¹

Type of employment	Triglav Group						Zavarovalnica Triglav					
	2023		2022		2021		2023		2022		2021	
	Number	Percentage	Number	Percentage	Number	Percentage	Number	Percentage	Number	Percentage	Number	Percentage
Part-time	258	4.5	241	4.5	221	4.2	73	3.3	74	3.3	74	3.3
Full-time	5,060	95.1	5,065	95.5	5,043	95.8	2,170	96.7	2,169	96.7	2,172	96.7
Total	5,318	100.0	5,306	100.0	5,264	100.0	2,243	100.0	2,243	100.0	2,246	100.0
Type of employment agreement												
Fixed-term	593	11.2	607	11.4	624	11.9	17	0.8	33	1.5	41	1.8
Permanent	4,725	88.8	4,699	88.6	4,640	88.1	2,226	99.2	2,210	98.5	2,205	98.2
Total	5,318	100.0	5,306	100.0	5,264	100.0	2,243	100.0	2,243	100.0	2,246	100.0

The turnover rate⁴² at Group level rose to 12.0% (compared to 11.6% in 2022) and to 5.5% at Zavarovalnica Triglav (compared to 5.3% in 2022). A total of 649 new employees were hired in 2023; most new hires were aged between 26 and 35 years. A total of 637 employees left; most leavers were aged over 56 years (due to retirement) and 41–45 years.

The average age of employees in the Group rose to 45.1 years (compared to 44.8 years in 2022); at the parent company it was 46.9 years (compared to 46.7 years in 2022). The average age of Zavarovalnica Triglav's Management Board members was 47.8 years.⁴³ In Slovenia, senior management is hired from the local community, as is the majority of senior management in markets outside Slovenia.⁴⁴

The proportion of women among all employees increased both at the Company and in the Group, where it reached 55.0%. The proportion of women among the Management Board members of Zavarovalnica Triglav was 20.0%, and in the management and supervisory bodies of all Group companies it stood at 25.5%.⁴⁵ In all employee categories, activities and countries where the Group operates, the basic salary of men and women is equal.⁴⁶

The share of employees employed under the collective agreement was slightly higher in both the Group and the parent company. It was 88.6% in the Group (compared to 88.5% in 2022) and 89.7% at the parent company (compared to 89.6% in 2022). The remaining 11.4% were employees with individual agreements.⁴⁹ Benefits are the same for all employees, be it permanent full-time employees, fixed-term employees or part-time employees.⁵⁰

The Company does not employ any employees without a guaranteed minimum or fixed number of working hours.⁵¹ In 2023, in accordance with the law, the Company had 26 employees under a work contract and 11 temporary or non-guaranteed hours employees.⁵²

Gender representation by various categories at the Triglav Group and Zavarovalnica Triglav as at 31 December 2023 (%)⁴⁷

	Share in %			Index	
	2023	2022	2021	2023/2022	2022/2021
Triglav Group					
Women employees to total employees ratio	55.0	54.7	53.5	101	102
Proportion of women at the first management level under the Management Board	46.5	45.1	45.8	103	98
Proportion of women at first and second management levels under the Management Board	42.6	41.2	42.1	103	98
Proportion of women in management and supervisory bodies	25.5	23.6	20.9	108	113
Proportion of the underrepresented gender in management and supervisory bodies	18.7	17.1	17.2	109	100
Women in management to women employees ratio	5.0	4.9	5.3	103	92
Zavarovalnica Triglav					
Women employees to total employees ratio	51.4	51.1	50.4	100	102
Proportion of women on the Management Board of Zavarovalnica Triglav	20.0	25.0	33.3	80	75
Proportion of women on the Supervisory Board of Zavarovalnica Triglav	25.0	0.0	0.0	0	0
Proportion of women at the first management level under the Management Board	32.0	25.9	25.9	123	100
Proportion of women at first and second management levels under the Management Board	39.1	40.2	37.9	97	106
Women in management to women employees ratio	3.2	3.5	3.4	92	104

Employees at the Triglav Group and Zavarovalnica Triglav by age and gender as at 31 December 2023⁴⁸

	Triglav Group						Zavarovalnica Triglav					
	2023		2022		2021		2023		2022		2021	
	Number	Percentage	Number	Percentage	Number	Percentage	Number	Percentage	Number	Percentage	Number	Percentage
Age group												
From 18 to 19	5	0.1	3	0.1	6	0.1	0	0.0	0	0.0	1	0.0
From 20 to 25	131	2.5	127	2.4	125	2.4	30	1.3	24	1.1	21	0.9
From 26 to 30	360	6.8	361	6.8	371	7.0	96	4.3	88	3.9	94	4.2
From 31 to 35	515	9.7	555	10.5	569	10.8	179	8.0	191	8.5	194	8.6
From 36 to 40	719	13.5	741	14.0	771	14.6	268	11.9	268	11.9	264	11.8
From 41 to 45	876	16.5	904	17.0	885	16.8	333	14.8	367	16.4	393	17.5
From 46 to 50	964	18.1	940	17.7	882	16.8	443	19.8	438	19.5	422	18.8
From 51 to 55	844	15.9	828	15.6	821	15.6	441	19.7	446	19.9	455	20.3
56 and over	904	17.0	847	16.0	834	15.8	453	20.2	421	18.8	402	17.9
Total	5,318	100.0	5,306	100.0	5,264	100.0	2,243	100.0	2,243	100.0	2,246	100.0
Gender												
Men	2,391	45.0	2,401	45.3	2,426	46.1	1,091	48.6	1,096	48.9	1,104	49.2
Women	2,927	55.0	2,905	54.7	2,838	53.9	1,152	51.4	1,147	51.1	1,142	50.8
Total	5,318	100.0	5,306	100.0	5,264	100.0	2,243	100.0	2,243	100.0	2,246	100.0

11.3.2.2 Employee training and development⁵³

The Group's strategic guidelines are implemented also by pursuing a training policy, thereby ensuring the employees' expertise, sustainable business, digitalisation and an outstanding user experience.

In-house training is available to all generations and target groups of employees, with special attention paid to leaders, sales staff, promising employees, in-house coaches and mentors. Employees from all Group companies and employees at external points of sale are included in in-house training. Training in insurance, sales, business communication, digitalisation and other relevant business topics was provided to employees. Workshops on leading a healthy lifestyle were organised as part of the Triglav.smo in-house programme in cooperation with various experts.

The majority, i.e. 52%, of the Group's training sessions were delivered online (compared to 62% the previous year). Some more extensive training programmes:

- **Specialised in-house training.**
- **Summer School.**
- **New training topics in the context of the leadership license.** New leaders were included in the **Leadership School** programme. **The Effective Leadership and Communication** training programme was organised for the leaders of the companies in the Adria region.
- **An emotional intelligence development training programme.**
- **The Triglav Guide**, a programme for new hires.
- **The Triglav Ambassadors** programme to exchange knowledge, skills and experience of the best insurance agents.
- **Sales Academy.**



This year's summer school was attended by 28 employees from all Group companies.

- Compulsory training to maintain a licence to conduct insurance agency business.
- A new group of in-house coaches.
- A total of 21 expert meetings were held either at the parent company or within the Group.

The **total number of functional training hours** at Group level was down by 4%, while in the parent company it remained at the same level as last year (index 100). Employees at Group level participated in 32 training hours on average (index 96). Company employees participated in 51 training hours (the same as last year), most in the in the age group of 26–30 years. In terms of gender, both men and women received the same amount of training.⁵⁴

The Group' training costs amounted to EUR 2.5 million, up by 4%, due to the higher number of training hours in traditional form and related costs.

Employees are also encouraged to continue their formal education; **work study** was funded for 148 Group employees and **scholarships** were provided to 48 pupils and students. **Obligatory work placement was provided** to 61 pupils and students. A total of 14 young employees completed **traineeship** under the guidance of mentors. During the three-day **Great Challenge (Hud izziv)**, held in cooperation with the Career Centre of the Faculty of Economics, students proposed solutions on how to use new technologies to design innovative insurance products. Partnering with various societies under the motto **Together for a Safer Future**, the Company held volunteering campaigns in early 2023. Teambuilding activities were enhanced by integrating volunteering themes. As a result of these efforts, the Company was honoured with the HR&M Project 2023 award for good practice and received the "TOP Investor in Education" certificate for systematic investment in employee education and training.

Management by objectives and development of competences⁵⁵

The management-by-objectives system is implemented by all Group insurance companies and some non-insurance companies. The share of employees included in this system increased to 55% in 2023 (compared to 49% the year before), while the share of employees in the parent company rose by 3 percentage points to 75%. Employees set their objectives at an annual development interview with their superior, and their achievement is monitored and rewarded quarterly. Due to the nature of their work, agents and heads of sales teams who are rewarded on the basis of sales targets are excluded from the management-by-objectives system.

The competency model is integrated into annual development interviews in order to define individual competency profiles and an individual's development activities. **The DNLA tool** is used in some Group companies for the selection and development of new employees.

11.3.2.3 Occupational health and safety⁵⁶

At the Company, a comprehensive and strategic approach to occupational health and safety is prioritised, with numerous activities aimed at managing and preventing risks. Great emphasis is placed on workplace health promotion, as well as providing employee training in occupational health and safety as well as fire safety. Various activities that further contribute to greater satisfaction and better health of employees take place in the context of the Family-Friendly Enterprise Certificate.

Occupational health and safety system⁵⁷

The well-functioning and comprehensive system in the parent company is gradually being transferred to other Group companies, particularly by establishing common minimum occupational health and safety standards and by strictly complying with local legislation. In addition, the goal is to identify, mitigate and manage risks arising from duties and the work environment.

Occupational safety and health ensures the smooth provision of a healthy work environment for the employees.

The aspects of hazards and negative effects that could impact the health of employees are identified in **the Safety Statement and Risk Assessment** for all job categories, which includes measures to prevent and reduce negative impacts. As part of a continuous process, in which employees actively participate, assessments are revised and measures upgraded on an ongoing basis. Health risk assessments are revised in cooperation with occupational health specialists. Based on the assessment, employees are referred to periodic medical examinations and every new hire is required to undergo a statutory medical examination before taking up employment.

Participation in training and passing a test on **fire safety and occupational health and safety** are mandatory for employees. At **Zavarovalnica Triglav**, employees are made aware of these topics via various communication channels, **the Protecting Health (Zavarujmo zdravje)** health promotion programme, the measures related to the full Family-Friendly Enterprise Certificate and the **Triglav.smo** programme. Best practices are implemented at Group level.

Health promotion⁵⁸

The Group's health promotion programme is developed in collaboration with authorised occupational medicine specialists, based on the most common health problems detected among employees through a sick leave analysis. Activities are therefore designed to contribute to the mental and physical health of employees of all ages, including active breaks, **Healthy Mind, Healthy Body** training workshops, **the Days of Health (Dnevi zdravja)** four-day preventive health programme for the fifth year running, and a wide range of activities in **sports and mountaineering clubs**.

Fire safety

With regard to fire safety, a **plan on emergency response and actions in the case of an emergency and other security events** is in place at Group level. The Company regularly improves fire safety, monitors its compliance with legislative requirements and provides for training and education of employees; security patrols, inspections of buildings and premises and evacuation drills are carried out according to the annual plan. Due to a change in legislation, new fire risk assessments were performed in 2023 for all Company facilities. Fire inspectors carried out inspections at two locations in Slovenia and found no major irregularities.

Occupational health and safety topics covered in formal agreements with trade unions and in the collective agreement⁵⁹

Safe working conditions at the parent company are defined in Zavarovalnica Triglav's collective agreement and the applicable legislation, while the subsidiaries adhere to the applicable local legislation. Before starting their work, employees are familiarised with the dangers at work and work safety measures that they are obligated to follow. Employees are provided with the prescribed work equipment and personal protective equipment, and periodic medical examinations are carried out in line with the planned timeline and the scope defined for individual job categories.

Injuries at work⁶⁰

The number of accidents in the Group remains low – 20 in 2023, and 6 at the parent company. The number of lost work days in the Group was at the same level as last year, while at the Company it was much lower due to fewer cases of prolonged absenteeism.

Injuries at work at the Triglav Group and Zavarovalnica Triglav

Triglav Group	2023		2022		2021		Index	
	Number	Percentage	Number	Percentage	Number	Percentage	2023/2022	2022/2021
At work	15	75.0	14	70.0	10	76.9	107	140
On business trips	5	25.0	6	30.0	3	23.1	83	200
Total	20	100.0	20	100.0	13	100.0	100	154

Zavarovalnica Triglav	2023		2022		2021		Index	
	Number	Percentage	Number	Percentage	Number	Percentage	2023/2022	2022/2021
At work	2	33.3	1	25.0	4	57.1	200	25
On business trips	4	66.7	3	75.0	3	42.9	133	100
Total	6	100.0	4	100.0	7	100.0	150	57

Lost work days and lost time incident rate due to injuries at work at the Triglav Group and Zavarovalnica Triglav

	2023	2022	2021	Index	
				2023/2022	2022/2021
Triglav Group					
Lost work days due to work-related injuries	1,281	1,279	543	100	236
Lost time incident rate – LTIR*	0.38	0.37	0.24	101	155
Zavarovalnica Triglav					
Lost work days due to work-related injuries	238	578	321	41	180
Lost time incident rate – LTIR*	0.26	0.18	0.31	149	58

* The number of work-related incidents/total number of hours of all employees x 200,000

Each injury which would render an employee unfit for work for more than three working days, each dangerous occurrence and each established occupational disease must be reported to the Labour Inspectorate of the Republic of Slovenia. The Company recorded one dangerous occurrence (compared to 2 in 2022) and no occupational diseases in 2023.⁶¹

Absenteeism⁶²

The Group's absenteeism rate decreased by 0.65 percentage point to 4.39%. The share of absenteeism for which sickness benefits are borne by the employer decreased by 0.11 percentage point (medical leave up to 30 days), while the share of lost work days for which benefits are borne by other organisations increased by 0.55 percentage point (medical leave longer than 30 days, sick nursing, accompanying a sick person). The absenteeism rate at the Company was also lower and stood at 5.02% (compared to 5.86% in 2022). As a result, the share of work days lost borne by the employer rose by 0.19 percentage point, whereas the share of work days lost borne by the Health Insurance Institute of Slovenia decreased by 1.03 percentage points.

11.3.2.4 Care for employee satisfaction

Organisational vitality (climate) and organisational culture⁶³

The 2023 results of the **organisational vitality survey (ORVI)**, which measures employee satisfaction, were slightly lower than last year. The ORVI index was 3.94 **at Group level** and 3.95 **at the parent company**. A total of 89% of employees from 17 Group companies participated in the survey (compared to 86% of employees in 2022). The aggregate ORVI index is composed of four indicators (indices), which are further broken down into ten categories.

The indicators for **operational leadership** and **engagement** once again recorded the highest values. Employees trust their supervisors and perform their work with a high degree of personal commitment.



Our work was presented through a game to our employees' children in all six countries. Pictured here are children and employees from our Montenegrin company Lovćen osiguranje.

Their satisfaction with regular employment, direct supervisors, working time and co-workers were also rated high. Employees stated that they feel **safe and accepted** among their colleagues and they feel comfortable seeking help and cooperation from their team members. They are satisfied with the benefits of working for the Group, especially the activities that support both professional and personal development, as well as promote active leisure and a healthy work-life balance.

The challenge in 2023 was the fall in specific satisfaction scores and the higher proportion of non-engagement, which was not unexpected and is assumed to be due to general inflationary pressures and the increased volume of work resulting from CAT claims and the consequent increased workload. In response to the changes, the Company will intensify its efforts to bolster and maintain satisfaction levels, thus cultivating the desired organisational culture.

Benefits and opportunities for employees

The **Triglav.smo** overarching programme is designed to improve the satisfaction of the Company's employees, bringing together various workshops and events to strengthen the awareness and knowledge of all important aspects of our lives, with a focus on health. Some of these activities also take place in other Group companies. The programme involves taking care of employees' children by organising holiday camps and traditionally giving gifts to children at the end of the year. All Triglav Group employees are included in the Greeting the Seasons events.

Employees at Zavarovalnica Triglav have access to individual psychological counselling provided by two in-house experts as part of the **Psychological Pulse** (*Psihološki utrip*) group. They conducted 104 interviews in 2023.

The Family-Friendly Enterprise Certificate facilitates a better work-life balance of the parent company's employees. The constructive organisational culture is strengthened through providing numerous benefits (21 are currently being offered) and implementing best practices. In addition, best practices from the certificate are progressively implemented in other Group subsidiaries.

Employee volunteering is consistently promoted as it fosters stronger ties between employees and society. Throughout 2023, several volunteering campaigns were conducted, assistance was provided during the catastrophic summer floods in Slovenia, basic CPR training was held, and participation in blood donation drives was facilitated. Furthermore, through the Triglav.smo programme, the Company is gradually taking part in the **Insure Our Future** project.

Additional benefits for employees:⁶⁴

- supplemental pension insurance for 59% of employees of the Triglav Group and for 95% of employees of the parent company;
- payment of group accident insurance premium;
- favourable conditions for taking out complementary accident insurance for employees and their family members;
- complementary accident insurance for all business trips;
- after one year of employment in the parent company, employees may opt for supplemental voluntary pension insurance and voluntary pension insurance;
- the group insurance package Comprehensive Medical Care (*Celostna zdravstvena oskrba – CZO*), in which 50% of all employees of the Group and 82% of the parent company are included.

The Group companies operating outside Slovenia provide benefits to their employees such as supplemental voluntary pension insurance premium, discounts on medical examinations, the payment of accident insurance premium and discounts on other types of insurance.

Work from home, parental leave and part-time work

At Zavarovalnica Triglav and some Group companies, employees whose nature of work allows it may work from home, and their proportion is on the rise. At the 2023 year-end, 36% of Group employees and 65% of Company employees had this option available to them.

Circumstance and work requirements permitting, working hours can be adapted to the needs and wishes of employees. Employees who are parents of first graders can take advantage of a day's paid leave on the first school day. Employees can take unpaid leave in certain cases and in agreement with their supervisors.

Proportion of employees who worked from home and proportion of hours of working from home in the Triglav Group and Zavarovalnica Triglav in 2023 and in 2022

	Triglav Group			Zavarovalnica Triglav		
	2023	2022	2023/2022	2023	2022	2023/2022
Number of employees allowed to work from home	1,930	1,757	110	1,447	1,412	102
Proportion of employees allowed to work from home	36.3	33.1	110	64.5	63.0	102
Number of hours of working from home	651,768	634,846	103	444,861	437,583	102
Proportion of hours of working from home	6.1	5.9	103	9.8	9.7	101

Parental leave or part-time work at the Triglav Group and Zavarovalnica Triglav in 2023⁶⁵

Triglav Group	Women	Men	Total
Maternity leave, child care leave	171	8	179
Paternity leave of 20 days		47	47
Paternity leave of 75 days (up to the child's age of three years)		4	4
Option of part-time working	40	3	43
Number of employees who returned to work after maternity leave in the reporting year	83	3	86
Return rate after parental leave	51%	150%	57%

Zavarovalnica Triglav	Women	Men	Total
Maternity leave, child care leave	41	4	45
Paternity leave of 20 days		41	41
Paternity leave of 75 days (up to the child's age of three years)			0
Option of part-time working	25	0	25
Number of employees who returned to work after maternity leave in the reporting year	46	0	46
Return rate after parental leave	90%		96%

* The calculation includes employees who took parental leave in the previous year and returned to work in 2023, as well as employees who took parental leave in 2023.



As part of the “Let’s Clean Up Our Mountains” campaign we co-financed playground at the hut on Naravske ledine.

Relationships among employees and management, trade union activities⁶⁶

The employees exercise their management rights in line with the Worker Participation in Management Act and based on the agreement on worker participation in the management of Zavarovalnica Triglav. The Act sets out in greater detail the manner of exercising the rights referred to in said Act and lays down other rights and the manner of workers’ participation in management, which is both individual and collective. Two representative trade unions and the Works Council are active in the Company. The Company concluded a special agreement and cooperates well with both. Before adoption, any document relating to the organisation of work or laying down the obligations that workers must be aware of to fulfil their contractual and other obligations is submitted to both trade unions to give their opinion.

Respecting the workers’ rights and human rights⁶⁷

The Triglav Group Code defines the ethical principles of its operations, including respect for human rights, which is based on respect for and protection of internationally recognised human rights and fundamental freedoms. The Group creates a stimulating work environment that respects and protects the dignity and integrity of employees at the workplace, regardless of any personal circumstances or affiliation. Any reported or detected suspected violation is dealt with according to a predetermined procedure, in which professionalism, confidentiality and protection of the reporting person are guaranteed. The reporting person is protected from any retaliatory action and is given an opportunity to informally resolve the issue.

In addition to the Code, insurance companies outside Slovenia take into account local

legislation. These companies have internal resolution mechanisms in place, and reporting of Code violations takes place in the context of compliance.

Discrimination and unwanted conduct at Zavarovalnica Triglav are additionally governed by the Rules on the protection of workers' dignity at work, under which a confidant is appointed with the approval of the Works Council. The rules regulate the manner of recognising, preventing and eliminating the consequences of discrimination, sexual and other harassment and workplace mobbing.

In 2023, three employee reports of inadmissible conduct were received at Group level, one of which in the Company. In addition to these, the confidant dealt with two other reports received at the end of 2022; No violations were identified after investigating them.

The Company also incorporated its **commitment to respect human rights in business operations** into its business processes by pledging to avoid and prevent any potential negative impacts on ensuring human rights throughout the entire business process. Due diligence of respect for human rights is carried out on a regular basis as part of risk assessment in compliance, human resources and procurement.

11.3.3 Responsibility to the community⁶⁹

The aim is to play an active role in economic development through our business activities and in efforts to improve the quality of life of employees and their families, as well as the local community and society in general. In partnership with its stakeholders, the Group provides support to sports, cultural, educational, environmental and health activities.

The volume of generated assets distributed among various stakeholders of the Group is shown by economic value distributed, which amounted to EUR 1,682.9 million in 2023.

Economic value distributed of the Triglav Group⁷⁰

	in EUR million		
	2023	2022	2023/2022
Economic value generated	1,642.4	1,318.9	125
Economic value distributed	1,682.9	1,409.9	119
Gross written premium and reinsurance result	1,151.9	1,013.9	114
Finance expenses from financial and insurance contracts	207.0	46.2	448
Other expenses	65.2	77.0	85
Dividend payments	56.8	84.0	68
Tax expense	-4.8	3.1	
Investments into the community (prevention, donations, sponsorships)	8.9	10.2	87
Employee payments, allowances and benefits	197.9	175.5	113
Economic value retained	-40.5	-91.0	

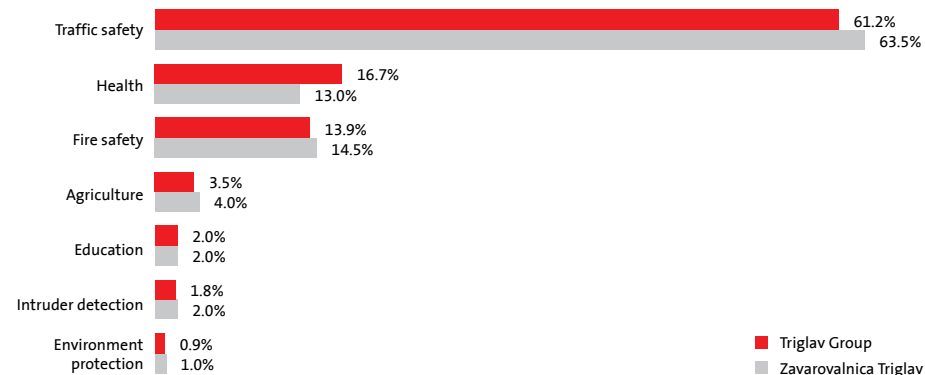
The Group's **responsibility to the community** is fulfilled primarily through investments in prevention, sponsorships and donations, as well as investments in infrastructure at national and local levels, which are presented below. Their content is defined based on:

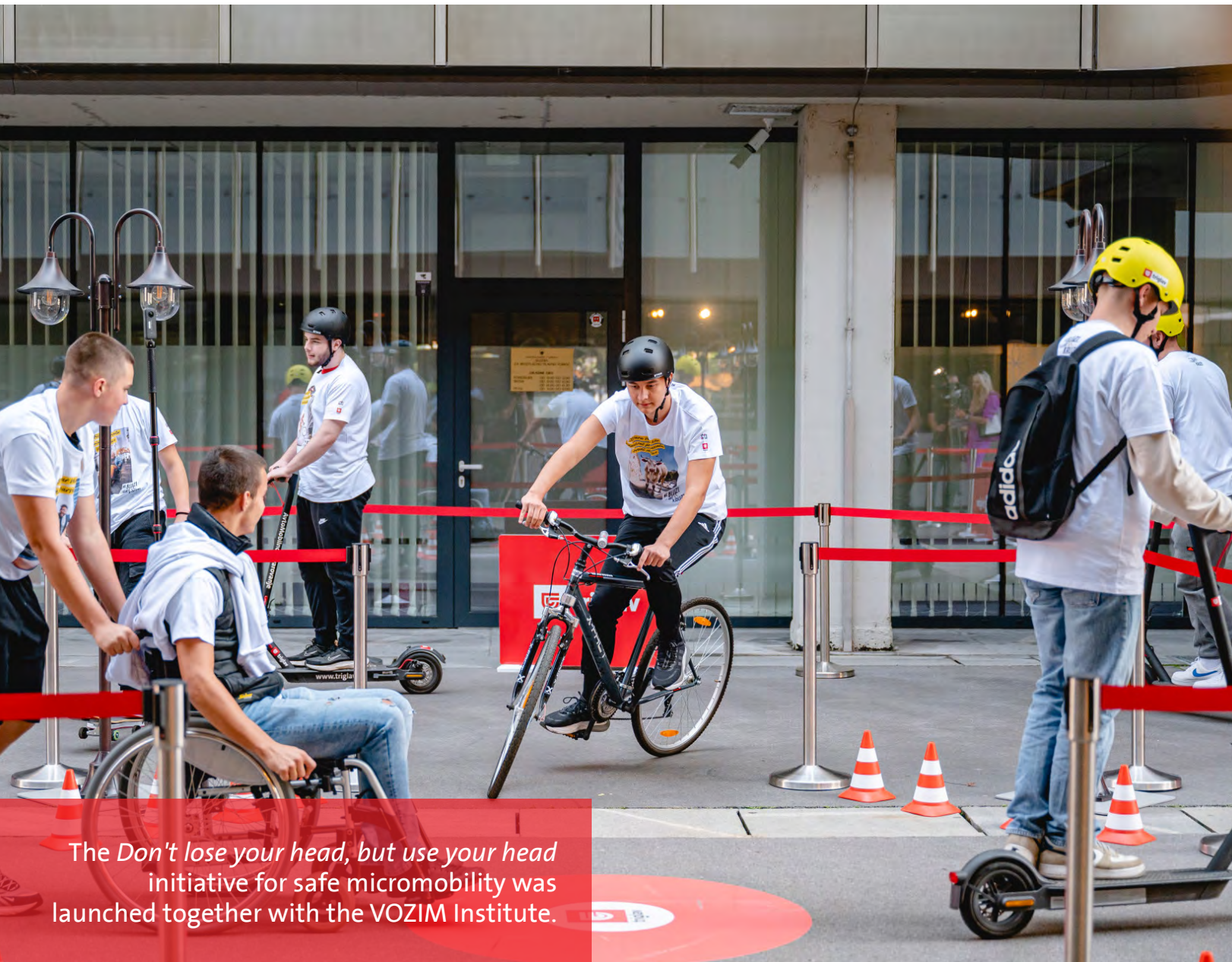
- sponsorships and donor partnerships and participation in investments in prevention;
- the needs identified in local environments by the Group's companies and business units;
- direct contact with local communities;
- performance analyses, especially risks and claims experience, published data of specialised organisations and institutions;
- market research and public opinion polls.

11.3.3.1 Investment in prevention

Prevention programmes are an important social aspect of sustainable impacts of the insurance industry, as they reduce risks and are also prescribed by law. The bulk of funds is allocated to **improving traffic, health and fire safety**.

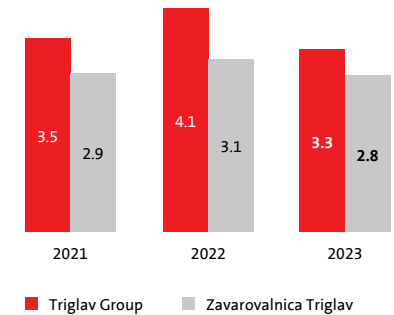
The share of the Triglav Group's and Zavarovalnica Triglav's funds for preventive activities by purpose in 2023





The *Don't lose your head, but use your head* initiative for safe micromobility was launched together with the VOZIM Institute.

Funds allocated to preventive activities of the Triglav Group and Zavarovalnica Triglav in EUR million



Prevention projects⁷¹

Prevention projects and activities aimed at preventing accidents and mitigating the effects of damage were focused on the areas that experienced the greatest impact during the year.

In the context of the traditional New Year's prevention campaign **For a Better Tomorrow** (Za boljši jutri), 25 prevention projects were carried out in local communities across Slovenia. Funds were allocated to firefighters, healthcare institutions, a care home, an education, rehabilitation and training centre and municipalities. Over 250 prevention projects were supported in ten years.

High profile and comprehensive prevention projects of the Triglav Group in Slovenia in 2023 by area⁷²

Health prevention	Impact
Assistance in the event of a sudden cardiac arrest	<ul style="list-style-type: none"> Co-financing or purchase of 26 defibrillators in local communities – 210 since 2014. Co-financing of training in first aid.
Training in healthcare and rapid response	<ul style="list-style-type: none"> Co-financing of the 26th national competition of secondary schools in nursing. Organising the <i>Safe winter walking in the mountains for families</i> course in cooperation with the Avalanche Warning Institute.
Purchase of medical and therapeutic equipment	<ul style="list-style-type: none"> Purchase and co-financing of a device for non-invasive respiratory support of newborns with respiratory distress for the Hospital for Gynaecology and Obstetrics in Kranj. Purchase and co-financing of devices to help treat jaundice in newborns in Postojna and Ptuj maternity hospitals. Purchase of a swing for wheelchair users.
Prevention and early detection of disease and mental health	<ul style="list-style-type: none"> Holding 11 events in the field of physical and mental health protection. Continued implementation of the <i>Najdi.si</i> project, which normalises mental health topics among young people. Co-financing of the <i>Roza</i> (Pink) programme for psychosocial support for patients with breast or reproductive cancer and their relatives. Support for the <i>Sranje</i> (Shit) campaign on gastrointestinal cancer awareness of the Slovenian Oncology Society for Men – OnkoMan.
Prevention of accidents at work, partner: Radovljica Fire Fighting Association	<ul style="list-style-type: none"> Financing a chainsaw safety course for firefighters.
Traffic safety	Impact
Refresher ride with a driving instructor for the elderly, partners: AMZS, <i>Avtomobilnost</i> TV show	<ul style="list-style-type: none"> A refresher ride with a driving instructor for the elderly was taken by 287 drivers over 60 years of age. In the five years of implementing this campaign, more than 1,000 experienced drivers have taken a refresher course with a driving instructor. At the <i>Anatomy of Elderly Driving</i> event, the topic was explored with experts. Journalists were given an opportunity to take a special ride using an aging simulator, fostering empathy when reporting on elderly driving.
Vozimse.si – a road traffic prevention portal, partners: AMZS, Atmosferci	<ul style="list-style-type: none"> In total, 97,241 drivers passed the road rules renewal test and thus improved their knowledge of road traffic rules and etiquette. In cooperation with the Atmosferci group, video content was used to raise awareness about safe driving practices and handling a tractor.
Safe micromobility, partners: Zavod Vozim, Institute of Civilisation and Culture, Radio Center	<ul style="list-style-type: none"> Launch of the <i>Don't lose your head, but use your head</i> (Ne bluzi, z glavo kruzaj) initiative for safer micromobility of young people, with an emphasis on the use of e-scooters. A total of 15 workshops at schools and 15 workshops at open events for the safe use of an e-scooter using a simulator. Two major events <i>Crossroads of micromobility</i> (Kranj, Celje) were held to examine the behaviour in micromobility among all generations.
Together for Road Safety project, partner: COPS system	<ul style="list-style-type: none"> At blackspots throughout Slovenia, 16 COPS@zebra and COPS@road systems were installed (over 80 systems in Slovenia).
Together for Road Safety project, partners Sipronika and Zavod Vozim (I'm Driving Institute)	<ul style="list-style-type: none"> A total of 106 speed display signs in local communities, at high-risk road sections and in the vicinity of schools and kindergartens were set up (within eight years), 12 of which in 2023. Students from 12 schools with displays were researching speeding and submitted proposals to the mayors of their municipalities to reduce speed. The implementation of proposals will be monitored on an annual basis.
Interactive workshops for secondary school students "I still drive but I no longer walk", partners: Zavod Vozim (I'm Driving Institute) and Sipronika	<ul style="list-style-type: none"> At 180 workshops in person or online, 8,541 young people listened to personal stories of traffic accident victims and became acquainted with the DRAJV safe driving app. 211 young people researched the influence of speed on impact load and braking distance at 12 specialised workshops and technical days. 283 young people attended the Alcohol=Change of Life workshop.
The safety of preschool children and first graders in road traffic and other dangerous situations, partner: the Slovenian Traffic Safety Agency	<ul style="list-style-type: none"> 22,000 first graders were equipped with yellow neckerchiefs. The road safety mascot Kuža Pazi (Watch Out Doggy) visited 48 elementary schools.
Training events and topics for motorcyclists, partners: AMZS and Q VEJTR WAJDUŠNA Motorcycle Club	<ul style="list-style-type: none"> 2,200 motorcyclists attended accident prevention workshops over the period of ten years. In 2023, two days of free workshops for motorcyclists were held to refresh knowledge of first aid in the event of an accident. Implementation of the first <i>Refresher ride for motorcyclists</i> workshop. 1,800 motorcyclist regularly use the DRAJV safe driving app. They drove more than 3.5 million safer kilometres.
Ongoing development of the DRAJV safe driving app	<ul style="list-style-type: none"> 1.4 billion kilometres travelled with the DRAJV app since its launch. The app was upgraded to include traffic information. Overview of the monthly statistics with the most common errors and a link to the content of the Vozim.se portal, which helps to eliminate errors by giving advice.
Promotion of forming an emergency lane on motorways, partner: Zavod Reševalni pas (Emergency Lane Institute)	<ul style="list-style-type: none"> Raising awareness of drivers using footage of ambulances on emergency calls and their problems on common communication channels.
Emergency response driving workshops for emergency response drivers, partner: AMZS.	<ul style="list-style-type: none"> Safe driving training for emergency response drivers was attended by more than 30 drivers.
Traffic regulation of hunting areas, partners: Markovci Hunting Club, Križevci Hunting Club	<ul style="list-style-type: none"> Funding of traffic signs. Funding of wildlife-friendly roadside bollards to prevent accidents.
Young drivers	<ul style="list-style-type: none"> A subpage for young drivers »Mission: pass your driver's test and be a safe driver« was developed on the Vozim.se portal. The DRAJV safe driving simulator offers young drivers the opportunity to assess for free their safe driving skills.
Being Safe on a Bike, partners: Butan plin, Slovenian Traffic Safety Agency, National Education Institute of Slovenia	<ul style="list-style-type: none"> 250 schools participated in cycling literacy over 10 years.
Fire prevention	Impact
Purchase of fire protection equipment, partners fire services, associations and brigades	<ul style="list-style-type: none"> Co-financing of the purchase of protective equipment, fire-fighting equipment and fire engines as well as investments in fire stations for 103 volunteer fire brigades and associations.
Financing of training and competitive activities of firefighters, partners: Fire Fighting Association of Slovenia and Ljubljana Fire Brigade	<ul style="list-style-type: none"> Co-financing of national firefighting competitions and several other competitions. The video entitled <i>A child dialling 112</i> was recorded with Saša Kapitanovič and the Ljubljana Fire Brigade.
Fire safety awareness	<ul style="list-style-type: none"> The event entitled <i>Prepared for the (un)predictable: If your home catches fire</i> held at Triglav Lab.
Protection of the natural environment	Impact
Sustainable visiting of Triglav National Park, partner: the Triglav National Park Public Institute	<ul style="list-style-type: none"> Promoting sustainable practices in the area of the Triglav National Park using the DRAJV app.
Study and conservation of dolphins, partner: Morigenos – Slovenian Marine Mammal Society	<ul style="list-style-type: none"> The development of a research and education centre about dolphins for the public, alongside activities aimed at raising awareness about dolphin life.
Keeping mountain trails well-maintained and safe, partner: the Alpine Association of Slovenia	<ul style="list-style-type: none"> Support for the arrangement of the Hansa route, the winner of the Best Mountain Trail competition. Support for the restoration of the challenging mountain trail from Kamniška koča mountain hut on Kamniško sedlo mountain saddle to the Brana and Planjava mountains.
Reforestation, partner: the Slovenian Forest Service	<ul style="list-style-type: none"> Participation of employees in the Karst reforestation campaign after the fire and co-financing of the reforestation campaign.
Sustainable visit to the mountains, partners: the Alpine Association of Slovenia and AMZS	<ul style="list-style-type: none"> Co-financing of mountain playgrounds at Gospodična na Gorjancih and at the hut on Naravske ledine.
Raising ecological awareness, partner: Ecologists Without Borders	<ul style="list-style-type: none"> Support for projects aimed at raising environmental awareness.
Awareness raising in safety during extreme weather events	<ul style="list-style-type: none"> The event entitled <i>Prepared for the (un)predictable: Extreme weather events</i> held at Triglav Lab.

High profile and comprehensive prevention projects of the Triglav Group in the markets outside Slovenia in 2023 by area

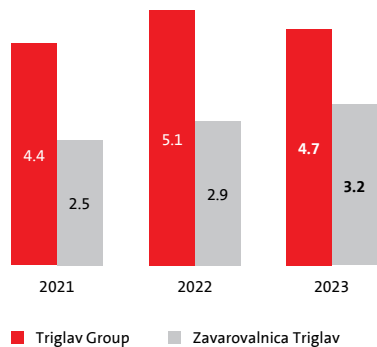
Health prevention	Impact
Health of urological patients, partner: Adriatic Urological Forum, North Macedonia	■ Support for the 7th Adriatic Urology Forum.
Strengthening the health of paralympic athletes, partner: Paralympic Committee of Macedonia, North Macedonia	■ Support and strengthening of the health of para-athletes, purchase of sports equipment.
Protection of the natural environment	Impact
Energy efficiency and sustainability, partner: National Biomass Association SERBIO, Serbia	■ Co-financing of the 6th SEE Energy regional energy conference.
Ecological and energy conference, partner: Elixir Group, Serbia	■ Co-financing of the 2nd Look Up 2 regional ecological and energy conference.
Fire safety	Impact
Protective and firefighting equipment, partners: various firefighting organisations and companies, Bosnia and Herzegovina	■ Co-financing of fire protection and firefighting equipment.
Fire protection in tunnels, partner: Lipa drvo, Bosnia and Herzegovina	■ Co-financing of fire protection measures in road tunnels.

11.3.3.2 Sponsorships and donations⁷³

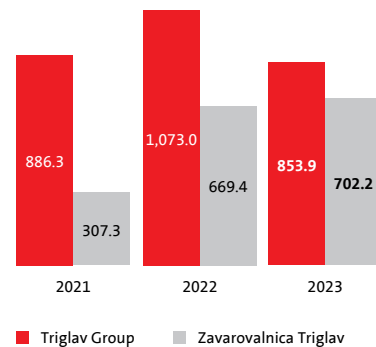
The Triglav Group engages in sponsorships and donations in accordance with standardised guidelines, ensuring alignment with the Group's values, guidelines and brand. In 2023, the volume of sponsorships and donations slightly decreased compared to the previous year. The focus was on expanding sponsorship partnerships, particularly in sports, supporting the development of young athletes and promoting the benefits of a healthy lifestyle. The Triglav Group is a renowned partner of national sports associations, international sports events and numerous sports clubs in its markets.

In 2023, the bulk of donations went to humanitarian projects, with a significant portion allocated to flood relief efforts, and healthcare.

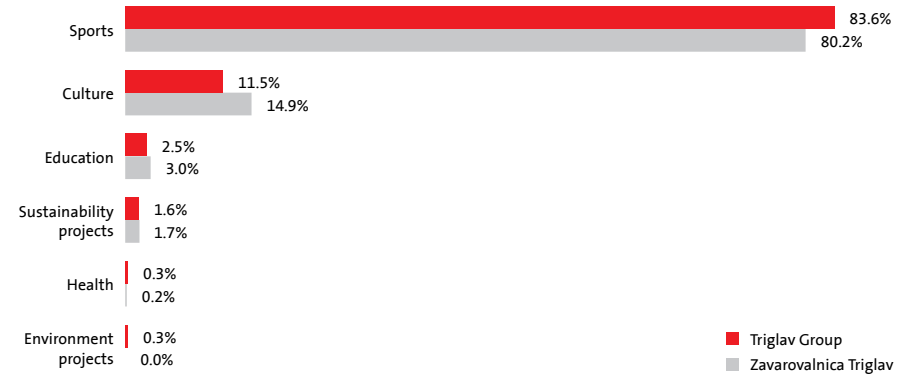
Funds for sponsorships of the Triglav Group and Zavarovalnica Triglav in EUR million



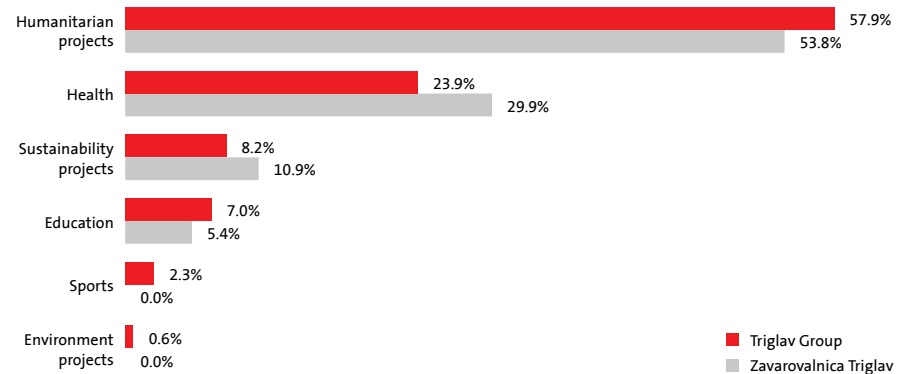
Funds for donations of the Triglav Group and Zavarovalnica Triglav in EUR thousand



Sponsorships of the Triglav Group and Zavarovalnica Triglav in 2023 by content



Donations of the Triglav Group and Zavarovalnica Triglav in 2023 by content





Triglav Lab held a number of prevention and awareness-raising events for young people.

Triglav Lab's activities

The Triglav Lab's technology development and demonstration centre serves as a venue for a diverse array of events and workshops for education, prevention, business and awareness-raising purposes. In 2023, a total of 113 events were held on-site, some of which were streamed online. These events included in-house workshops, workshops for sharing best practices, training sessions, meetings and recordings. In addition, there were 13 press conferences covering various Zavarovalnica Triglav projects, sports and tourism events, and health-related topics, with an emphasis on promoting good psycho-physical fitness.

A total of 600 young people attended 13 events aimed at enhancing financial and insurance literacy and raising awareness about preventive actions. These events included the traditional Finance School for Young People in collaboration with *Moje Finance* magazine, LIT Hackathon and others. Furthermore, our efforts to promote psycho-physical fitness among young people were expanded to include the increasingly popular gaming community.

Everything Will Be Alright Institute

The main projects of the Company's Everything Will Be Alright Institute (Zavod Vse bo v redu), which is active in the field of preventive actions and corporate social responsibility activities aimed at providing support and help to socially disadvantaged, included:

■ Helping those affected by floods

Fundraising initiatives were launched to aid those impacted by floods and storms, with the fundraising efforts remaining open until their conclusion in January 2024. In addition, in-house pre-New Year's Eve gatherings were cancelled, and a dedicated charity fundraiser was held during the Managers' Concert for the same cause.

■ The Young Hopes project – support to young talents

The 11th Young Hopes open call was launched in 2023, receiving 69 applications, up by 25% compared to the previous year. A panel of judges selected 14 young and promising talents in sports, para-sports, arts and sciences, with one individual chosen by the public through online voting. An alumni gathering was held on the topic of physical activity as a form of meditation.

Information on corporate social responsibility partnerships:

Zavarovalnica Triglav d.d., Ljubljana
Miklošičeva cesta 19, 1000 Ljubljana
Email: sponzorstva@triglav.si

11.3.4 Responsibility to suppliers

Procurement practices⁷⁴

The Company's procurement procedures follow a well-defined selection process with built-in internal controls. Procurement procedure management is supported by a **standardised software solution**, which increases the transparency and reduces the operational risks of non-compliance with good business practices. The procurement procedures above a certain amount are performed by the Strategic Sourcing Department, which is responsible for coordination and communication between the relevant departments in need of procurement and suppliers.

Only verified suppliers who meet the **legal compliance** criteria can participate in procurement procedures. The *supplier compliance assessment* assesses the risks of corrupt practices, conflicts of interest and political exposure, while the business *sustainability assessment* is used to assess respect for human rights, provision of a safe and healthy work environment for employees and other workers, compliance with Slovenian legislation and international human rights documents and environmental legislation requirements. In 2023, the procurement criteria were revised to incorporate a quantitative assessment of suppliers' ESG maturity through scoring. New suppliers undergo assessment in the selection process, while existing suppliers are reviewed annually. The updated criteria were applied to evaluate 865 suppliers and potential suppliers participating in the selection process.

Furthermore, Zavarovalnica Triglav's general terms and conditions for suppliers were revised and upgraded. These terms and conditions are now integrated into new procurement agreements, thereby further binding our business partners to a high level of compliance with ESG standards. The revised general terms and conditions, along with the upgraded assessment method for partners based on ESG criteria, will be extended to other Group companies.

Locally-oriented procurement⁷⁵

The majority of the Company's suppliers are from the local, Slovenian market, with the share of suppliers based outside Slovenia being less than 10%. Market trends in key procurement groups, such as IT, property management, general procurement, intellectual services, marketing, labour and general affairs, are regularly monitored. The Company seeks offers outside the local market only when it is economically feasible or there is no appropriate supplier in the market for the goods or services in demand.

The Group companies also carry out most of their procurement in local markets by complying with the common minimum procurement standards. Where possible and reasonable, some of the same types of materials, raw materials and services are procured centrally at Group level at more favourable purchasing terms and conditions. The parent company's Strategic Sourcing Department centrally manages procurement procedures with a value of more than EUR 25,000 for all Slovenian companies in the Group.

Remuneration of insurance agency companies and sales staff

Our sales network is extensive and continually expanding. In 2023, it included **over 1,860 outsourcers**.⁷⁶ See [Section 13. Business network of the Triglav Group](#) for further information. Before signing an agreement with a new contractor, the standardised selection procedure is carried out, while the business results of existing contractors are regularly monitored and measures are taken for enhancing cooperation and improving sales.

Non-life insurance agency companies are rewarded based on the following criteria: exclusivity, written premium, size of the area of operation, volume of sales of insurance products and fulfilment of planned obligations. A bonus is awarded for the fulfilment of monthly targets and the renewability and growth of the insurance portfolio. The commission rate of contractors selling **life insurance** products depends on exclusivity, portfolio balance, client loyalty indicator and the effectiveness of maintaining the portfolio. Contractors are also rewarded for exceeding the annual non-life and life insurance sales targets (volume bonus); furthermore, special additional rewards are made available during the year. The first agreement with a new partner is concluded for a fixed term. Priority is given to exclusive sales, as insurance distributors can offer policyholders a comprehensive range of products of the Group members.

The productivity of our own sales network in companies outside Slovenia is also monitored. In awarding a bonus, linear bonus schemes are used, which are upgraded with bonus commissions depending on the value of insurance policies, financial discipline and the claims ratio. Premium rates are universal (regardless of whether an insurance policy is new or renewed), whereas exclusive partnerships are additionally rewarded with benefits. In some countries where the Group operates, additional incentives were used to promote sale to retail clients.

In order to maintain and promote loyalty, contractors may attend training sessions, workshops, and sales and motivational events, Thus gaining new insurance and sales knowledge and skills, which improves not only relations between contractors and the Company but also increases client satisfaction.

11.4 Governance aspects⁷⁷

Fair business practices⁷⁸

Through the **Triglav Group Code**, which was amended in 2023 to include a commitment to sustainable development, thirteen main ethical principles guiding the Group's operations are implemented (more information available at <https://www.triglav.eu/en/about-us/compliance/documents-and-commitments>). Employees in all Group companies are made aware of and educated about the Code to ensure compliance with the adopted principles at all levels.

In 2023, the Group dealt with 11 reports of alleged Code violations and 6 cases of suspected internal fraud. In all cases examined, no violations or internal fraud were found. No monetary losses directly related to the marketing and provision of information on insurance products were identified.⁷⁹ Two of the covered employees from the Group were involved in investment-related investigations, consumer complaints, private civil disputes or other regulatory proceedings.⁸⁰ A final court decision on the legality of the entry of the Company's Supervisory Board member – employee representative in the register of companies is still pending. A total of EUR 33,022 in monetary losses directly related to legal proceedings involving fraud, insider trading, antitrust, anticompetitive behaviour, market manipulation, abuse or violations of other laws or regulations related to the financial industry were recorded. As a result, business processes were already updated and modified accordingly.⁸¹

Insurance fraud management⁸²

An effective insurance fraud management system is in place, based on ethical conduct, rapid risk identification and fraud prevention. Advanced technological systems are used to detect suspected fraud, which are regularly updated to stay ahead of new forms of fraud. The effectiveness of internal control systems is also monitored and improved.

Employees are the first line of defence against fraud, which is why they undergo regular training to educate about identifying suspected insurance fraud. Cooperation with relevant government bodies and other insurance companies in the fight against fraud is ensured as necessary.

Reporting and dealing with suspected fraud is regulated by the Group's Code, while the Rules on dealing with internal fraud and violations provide a framework for handling anonymous reports as well as for ensuring the protection of the reporting person's identity and protection against retaliatory actions.

Bona fide reporting persons or **whistleblowers** are also protected under the Rules.

At least one communication channel for reporting violations (an online form, a hotline for reporting fraud or the email address prevare@triglav.si) is established in all insurance and financial companies of the Group. In companies with at least 50 employees, the reporting person can also use an application to report violations, which is available and accessible on the <https://prevare.triglav.eu/whistleblower/#/zt> website.

Insurance fraud was confirmed in 1,119 cases out of 1,771 reported cases of suspected fraud in 2023. Of these, 28 reports of suspected fraud were received from external and internal reporting persons

(whistleblowers), which were confirmed in 13 cases. The number of confirmed cases of suspected fraud was 7% higher relative to the previous year.

Anti-corruption behaviour⁸³

The anti-corruption policy sets a minimum standard of conduct in proceedings with an identified corruption risk for the Group companies. When entering into an agreement or contract, mandatory contractual clauses are included, such as an anti-corruption, a conflict of interest, restrictive covenants, fraud prevention, reputation, the protection of human rights, personal data, inside information and business secrets.

In 2023, the Company's employees attended training sessions on corruption prevention, respect for human rights, consumer protection and preventing money laundering and terrorist financing for an average of 1.5 teaching hours. No cases of corrupt practices were confirmed in the Group in 2023.

In line with the Political Parties Act, Zavarovalnica Triglav may not and does not finance political parties. Such financing and other political activities are also banned by the corruption risk management policy of the Triglav Group; therefore, neither are carried out by any of its members.⁸⁴

Personal data protection⁸⁵

The Company adopted a personal data protection policy and more detailed rules for the lawful processing of data in specific business segments. These rules are also transferred to other Group companies through minimum standards for personal data protection. All Group companies have designated personal data protection officers or coordinators.

At Group level, 11 cases of potential violations of privacy or personal data protection were dealt with, with five being identified as substantiated. The internal control system was subsequently upgraded to prevent similar violations in the future. No material sanctions due to non-compliance were imposed on the Group.⁸⁶

On average, the Company's employees received half a teaching hour of training on personal data protection.

Protection of competition⁸⁷

The Group is committed to respecting consumer rights and good business practices in its operations, product development and marketing. When choosing suppliers, it aims for transparency and respects the protected interests of its competitors, while avoiding the risk of violating regulations and the principles of fair competition. In the markets where the Group holds a dominant position, consumers are advised to be cautious when taking out insurance and business partners when entering into business relationships. One proceeding for alleged non-compliance with competition protection rules has been initiated against a Group subsidiary company, and it is still pending.



Insurance fraud was confirmed in 1,119 cases out of 1,771 reported cases of suspected fraud in 2023.

Commitments to external initiatives and membership in associations⁸⁸

Zavarovalnica Triglav is a member of the United Nations Environment Programme Finance Initiative (UNEP FI), as well as a signatory to the United Nations Principles for Sustainable Insurance (UN PSI) and a signatory to the Partnership for Carbon Accounting Financials (PCAF) initiative.

The main standard of professional business practices is implemented by complying with the Insurance Code of the Slovenian Insurance Association and other industry codes. The Company is also active in the American Chamber of Commerce, especially in the Corporate Ethics and Transparency Committee and the Sustainable Growth Committee. As one of the first Slovenian companies, it committed itself to respecting the Declaration on Fair Business Practices, joined Transparency International Slovenia and became a signatory to the Commitment to Respect Human Rights in Business.

The Company is an active member of the Slovenian Insurance Association and its committees, the Chamber of Commerce and Industry of Slovenia and other local and interest chambers. It has representatives in several professional associations, such as the Slovenian Directors' Association, the Managers' Association of Slovenia, the Association of Employers of Slovenia, the European Institute of Compliance and Ethics, the Slovenian Association of Actuaries and the Institute of Internal Auditors – IIA Slovenia. Furthermore, representatives of the Company are members of many international industry and professional associations, particularly in the fields of finance, actuaries and compliance. Subsidiaries are members of industry and professional associations in the countries where they operate and participate in various committees.



Adjustment to regulatory changes

In 2023, processes were aligned with the new Personal Data Protection Act, and efforts continued to harmonise these practices within the Group. Amendments to the Insurance Act, the Labour and Social Security Registers Act and other labour law regulations were adhered to. Compliance with restrictive measures or sanctions resulting from the aggression against Ukraine and the situation in Gaza (e.g. in-depth client screening) was consistently upheld. All Group subsidiaries were double-checked in this regard.

Additional guidance from the European Insurance and Occupational Pensions Authority (EIOPA) on outsourcing to cloud service providers was implemented, and additional frameworks were established to enhance the management of risks related to cloud services.

Preparations for the EU Digital Operational Resilience Act (DORA), effective from 2023 and applicable from January 2025, are underway. Some DORA requirements were already partially implemented in the revised outsourcing policy, which the Group subsidiaries are required to incorporate into their operations. In accordance with EIOPA guidelines and to ensure uniform treatment of the Company's partners, general terms and conditions for Zavarovalnica Triglav's suppliers were drafted to comply with the specified outsourcing requirements.

Legislative developments in sustainability, including the process of adopting the proposed corporate sustainability due diligence directive (CSDDD), are closely monitored. Emphasis is placed on fulfilling the requirements of the Sustainable Finance Disclosure Regulation (SFDR), the EU Taxonomy and the Corporate Sustainability Reporting Directive (CSRD). The majority of Group companies adopted a sustainable development policy and a methodology for calculating their carbon footprints.

In addition, the IFRS 17 and IFRS 9 accounting standards continued to be implemented.

The definitions of the target market and the distribution strategy for more complex products were reviewed and updated in line with the respective EIOPA's guidelines. Amendments to the Commission Delegated Regulation on PRIIPs and the Slovenian Insurance Supervision Agency's notices were taken into account in drafting key information documents for products.

Group subsidiaries not only adapt to changes but are also actively involved in regulatory procedures and amendments to local legislation. In the countries where EU legislation does not apply, the minimum standards of the parent company are followed.

Government grants and other forms of government assistance⁸⁹

The Triglav Group received EUR 3.5 million (index 102) in grants and other forms of government assistance in 2023, of which Zavarovalnica Triglav received EUR 2.8 million (index 96). The largest share of government grants in the Group, 83.8%, was accounted for by reimbursements of labour costs by the state. Government incentives for the employment of specific categories of workers accounted for 6.6%, other forms of government assistance and grants for 5.5% and funds obtained in public tenders for the acquisition of assets for 4.1%. See [Section 4.3 of the Accounting Report](#) for more information on government grants.

12. Triglav Group as at 31 December 2023

Insurance

Zavarovalnica Triglav d.d.	
Address:	Miklošičeva cesta 19, 1000 Ljubljana, Slovenia
Phone:	++ 386 (1) 474 72 00 , 080 555 555, 080 28 64
Fax:	++ 386 (1) 432 63 02
Email:	info@triglav.si
Website:	www.triglav.si, www.triglav.eu

Pozavarovalnica Triglav Re d.d.	
Address:	Miklošičeva cesta 19, 1000 Ljubljana, Slovenia
Phone:	++ 386 (1) 474 79 00
Fax:	++ 386 (1) 433 14 19
Email:	info@triglavre.si
Website:	www.triglavre.si
Activity:	Reinsurance
Equity stake of Zavarovalnica Triglav/the Triglav Group:	100.00%/100.00%
Share of voting rights of Zavarovalnica Triglav/the Triglav Group:	100.00%/100.00%
Nominal value of equity stake held by Zavarovalnica Triglav/the Triglav Group:	EUR 4,950,000/EUR 4,950,000

Triglav, Zdravstvena zavarovalnica d.d.	
Address:	Dunajska cesta 22, 1000 Ljubljana, Slovenia
Phone:	++ 386 (5) 662 20 00, 080 26 64
Email:	info@triglavzdravje.si
Website:	www.triglavzdravje.si
Activity:	Insurance
Equity stake of Zavarovalnica Triglav/the Triglav Group:	100.00%/100.00%
Share of voting rights of Zavarovalnica Triglav/the Triglav Group:	100.00%/100.00%
Nominal value of equity stake held by Zavarovalnica Triglav/the Triglav Group:	EUR 48,322,167/EUR 48,322,167

Triglav, pokojninska družba d.d.	
Address:	Dunajska cesta 22, 1000 Ljubljana, Slovenia
Phone:	++ 386 (1) 47 00 840, 080 555 555
Email:	info@triglavpokojnine.si
Website:	www.triglavpokojnine.si
Activity:	Pension funds
Equity stake of Zavarovalnica Triglav/the Triglav Group:	100.00%/100.00%
Share of voting rights of Zavarovalnica Triglav/the Triglav Group:	100.00%/100.00%
Nominal value of equity stake held by Zavarovalnica Triglav/the Triglav Group:	EUR 25,756,808/EUR 25,756,808

Triglav Osiguranje d.d., Zagreb	
Address:	Antuna Heinza 4, 10000 Zagreb, Croatia
Phone:	0800 20 20 80
Fax:	++ 385 (1) 563 27 99
Email:	info@triglav.hr
Website:	www.triglav.hr
Activity:	Insurance
Equity stake of Zavarovalnica Triglav/the Triglav Group:	- /100.00%
Share of voting rights of Zavarovalnica Triglav/the Triglav Group:	- /100.00%
Nominal value of equity stake held by Zavarovalnica Triglav/the Triglav Group:	- /EUR 48,228,552

Triglav Osiguranje a.d.o., Belgrade	
Address:	Milutina Milankovića 7a, 11070 Novi Beograd, Serbia
Phone:	++ 381 (11) 330 51 00
Fax:	++ 381 (11) 312 24 20
Email:	office@triglav.rs
Website:	www.triglav.rs
Activity:	Insurance
Equity stake of Zavarovalnica Triglav/the Triglav Group:	- /100.00%
Share of voting rights of Zavarovalnica Triglav/the Triglav Group:	- /100.00%
Nominal value of equity stake held by Zavarovalnica Triglav/the Triglav Group:	- /EUR 19,661,348

Triglav Osiguranje d.d., Sarajevo	
Address:	Dolina 8, 71000 Sarajevo, Bosnia and Herzegovina
Phone:	++ 387 (33) 252 110
Fax:	++ 387 (33) 252 179
Email:	info@triglav.ba
Website:	www.triglav.ba
Activity:	Insurance
Equity stake of Zavarovalnica Triglav/the Triglav Group:	- /97.78%
Share of voting rights of Zavarovalnica Triglav/the Triglav Group:	- /98.87%
Nominal value of equity stake held by Zavarovalnica Triglav/the Triglav Group:	- /EUR 10,620,215

Lovćen Osiguranje a.d., Podgorica	
Address:	Ulica slobode 13a, 81000 Podgorica, Montenegro
Phone:	++ 382 (20) 404 404
Fax:	++ 382 (20) 665 281
Email:	info@lo.co.me
Website:	www.lo.co.me
Activity:	Insurance
Equity stake of Zavarovalnica Triglav/the Triglav Group:	- /99.07%
Share of voting rights of Zavarovalnica Triglav/the Triglav Group:	- /99.07%
Nominal value of equity stake held by Zavarovalnica Triglav/the Triglav Group:	- /EUR 10,362,648

Lovćen životna osiguranja a.d., Podgorica	
Address:	Ulica Marka Miljanova 29/III, 81000 Podgorica, Montenegro
Phone:	++ 382 (20) 231 882
Fax:	++ 382 (20) 231 881
Email:	info@lovcenzivot.me
Website:	www.lo.co.me
Activity:	Insurance
Equity stake of Zavarovalnica Triglav/the Triglav Group:	- /99.07%
Share of voting rights of Zavarovalnica Triglav/the Triglav Group:	- /99.07%
Nominal value of equity stake held by Zavarovalnica Triglav/the Triglav Group:	- /EUR 3,665,590

Triglav Osiguranje a.d., Banja Luka	
Address:	Ulica Prvog krajiškog korpusa broj 29, 78000 Banja Luka, Bosnia and Herzegovina
Phone:	++ 387 (51) 215 262
Fax:	++ 387 (51) 215 262
Email:	info@triglavrs.ba
Website:	www.triglavrs.ba
Activity:	Insurance
Equity stake of Zavarovalnica Triglav/the Triglav Group:	- /97.78%
Share of voting rights of Zavarovalnica Triglav/the Triglav Group:	- /100.00%
Nominal value of equity stake held by Zavarovalnica Triglav/the Triglav Group:	- /EUR 4,671,173

Triglav Osiguruvanje a.d., Skopje	
Address:	Bulevar 8-mi Septemvri br. 16, 1000 Skopje, North Macedonia
Phone:	++ 389 (2) 510 22 22
Fax:	++ 389 (2) 510 22 97
Email:	info@triglav.mk
Website:	www.triglav.mk
Activity:	Insurance
Equity stake of Zavarovalnica Triglav/the Triglav Group:	- /82.01%
Share of voting rights of Zavarovalnica Triglav/the Triglav Group:	- /82.01%
Nominal value of equity stake held by Zavarovalnica Triglav/the Triglav Group:	- /EUR 2,467,209

Triglav Osiguruvanje Život a.d., Skopje	
Address:	Bulevar 8-mi Septemvri br. 18, 1000 Skopje, North Macedonia
Phone:	++ 389 (2) 510 22 01
Fax:	++ 389 (2) 510 22 97
Email:	info@triglavzivot.mk
Website:	www.triglavzivot.mk
Activity:	Insurance
Equity stake of Zavarovalnica Triglav/the Triglav Group:	- /97.43%
Share of voting rights of Zavarovalnica Triglav/the Triglav Group:	- /97.43%
Nominal value of equity stake held by Zavarovalnica Triglav/the Triglav Group:	- /EUR 6,822,617

Asset management

Triglav Skladi d.o.o.	
Address:	Dunajska cesta 20, 1000 Ljubljana, Slovenia
Phone:	++ 386 (1) 300 73 00, 080 10 19
Fax:	++ 386 (1) 300 73 50
Email:	info@triglavskladi.si
Website:	www.triglavskladi.si
Activity:	Mutual fund management
Equity stake of Zavarovalnica Triglav/the Triglav Group:	100.00%/100.00%
Share of voting rights of Zavarovalnica Triglav/the Triglav Group:	100.00%/100.00%
Nominal value of equity stake held by Zavarovalnica Triglav/the Triglav Group:	EUR 563,345/EUR 563,345

Triglav, Upravljanje nepremičnin d.o.o.	
Address:	Dunajska cesta 22, 1000 Ljubljana, Slovenia
Phone:	++ 386 (1) 47 44 440
Fax:	++ 386 (1) 23 17 785
Email:	info@triglav-upravljanje.si, info-nep@triglav.si
Website:	www.triglav-upravljanje.si
Activity:	Asset management
Equity stake of Zavarovalnica Triglav/the Triglav Group:	100.00%/100.00%
Share of voting rights of Zavarovalnica Triglav/the Triglav Group:	100.00%/100.00%
Nominal value of equity stake held by Zavarovalnica Triglav/the Triglav Group:	EUR 3,160,113/EUR 3,160,113

Triglav, upravljanje naložb in svetovalne storitve d.o.o.	
Address:	Tomšičeva ulica 1, 1000 Ljubljana, Slovenia
Phone:	++ 386 51 671 816
Email:	info@triglav.com
Website:	www.triglav.com
Activity:	Management of financial funds
Equity stake of Zavarovalnica Triglav/the Triglav Group:	49.90%/49.90%
Share of voting rights of Zavarovalnica Triglav/the Triglav Group:	49.90%/49.90%
Nominal value of equity stake held by Zavarovalnica Triglav/the Triglav Group:	EUR 7,331,308/EUR 7,331,308

Triglav penzisko društvo a.d., Skopje	
Address:	Bulevar 8-mi Septemvri br. 18, 1000 Skopje, North Macedonia
Phone:	++ 389 (2) 510 21 90
Fax:	++ 389 (2) 510 28 81
Email:	info@triglavpenzisko.mk
Website:	www.triglavpenzisko.mk
Activity:	Pension funds
Equity stake of Zavarovalnica Triglav/the Triglav Group:	100.00%/100.00%
Share of voting rights of Zavarovalnica Triglav/the Triglav Group:	100.00%/100.00%
Nominal value of equity stake held by Zavarovalnica Triglav/the Triglav Group:	EUR 6,356,000/EUR 6,356,000

Triglav Fondovi d.o.o., Sarajevo	
Address:	Ulica Mehmed paše Sokolovića br. 15, 71000 Sarajevo, Bosnia and Herzegovina
Phone:	++387 33 277 270
Fax:	++387 33 277 271
Email:	info@triglavfondovi.ba
Website:	www.triglavfondovi.ba
Activity:	Management of financial funds
Equity stake of Zavarovalnica Triglav/the Triglav Group:	- /62.54%
Share of voting rights of Zavarovalnica Triglav/the Triglav Group:	- /62.54%
Nominal value of equity stake held by Zavarovalnica Triglav/the Triglav Group:	-/EUR 399,704

Other

Triglav INT, holdinška družba d.o.o.

Address:	Dunajska cesta 22, 1000 Ljubljana, Slovenia
Phone:	++ 386 (1) 430 95 34
Email:	triglavint@triglav-int.si
Website:	www.triglav-int.si
Activity:	Holding company
Equity stake of Zavarovalnica Triglav/the Triglav Group:	100.00%/100.00%
Share of voting rights of Zavarovalnica Triglav/the Triglav Group:	100.00%/100.00%
Nominal value of equity stake held by Zavarovalnica Triglav/the Triglav Group:	EUR 77,180,734/EUR 77,180,734

Triglav Svetovanje, zavarovalno zastopanje d.o.o.

Address:	Ljubljanska cesta 86, 1230 Domžale, Slovenia
Phone:	++ 386 (1) 724 66 50, 080 15 10
Email:	info@triglav-svetovanje.si
Website:	www.triglav-svetovanje.si
Activity:	Insurance agency activities
Equity stake of Zavarovalnica Triglav/the Triglav Group:	100.00%/100.00%
Share of voting rights of Zavarovalnica Triglav/the Triglav Group:	100.00%/100.00%
Nominal value of equity stake held by Zavarovalnica Triglav/the Triglav Group:	EUR 8,763/EUR 8,763

Triglav Savetovanje, društvo za zastupanje u osiguranju d.o.o., Belgrade

Address:	Zelengorska 1g, 11070, Belgrade, Serbia
Phone:	++ 381 (1) 165 58 497, 011 655 84 97
Email:	office@triglav-savetovanje.rs
Website:	www.triglav-savetovanje.rs
Activity:	Insurance agency activities
Equity stake of Zavarovalnica Triglav/the Triglav Group:	-/100.00%
Share of voting rights of Zavarovalnica Triglav/the Triglav Group:	-/100.00%
Nominal value of equity stake held by Zavarovalnica Triglav/the Triglav Group:	-/EUR 30,119

Triglav Savjetovanje, društvo za zastupanje u osiguranju d.o.o., Sarajevo

Address:	Dolina br. 8, 71000 Sarajevo, Bosnia and Herzegovina
Phone:	++ 387 (3) 361 81 06
Fax:	++ 387 (3) 361 82 95
Email:	info@triglav-savjetovanje.ba
Website:	www.triglav-savjetovanje.ba
Activity:	Insurance agency activities
Equity stake of Zavarovalnica Triglav/the Triglav Group:	-/97.78%
Share of voting rights of Zavarovalnica Triglav/the Triglav Group:	-/97.87%
Nominal value of equity stake held by Zavarovalnica Triglav/the Triglav Group:	-/EUR 149,983

Triglav Savjetovanje, društvo za zastupanje u osiguranju d.o.o., Zagreb in liquidation

Address:	Sarajevska cesta 60, 10000 Zagreb, Croatia
Phone:	++ 385 (1) 344 41 22
Email:	info@triglav-savjetovanje.hr
Website:	www.triglav-savjetovanje.hr
Activity:	Insurance agency activities
Equity stake of Zavarovalnica Triglav/the Triglav Group:	-/100.00%
Share of voting rights of Zavarovalnica Triglav/the Triglav Group:	-/100.00%
Nominal value of equity stake held by Zavarovalnica Triglav/the Triglav Group:	-/EUR 973,572

Triglav Avtoservis d.o.o.

Address:	Verovškova 60b, 1000 Ljubljana, Slovenia
Phone:	++ 386 (1) 580 68 72
Email:	info@triglav-avtoservis.si
Website:	www.triglav-avtoservis.si
Activity:	Maintenance and repair of motor vehicle
Equity stake of Zavarovalnica Triglav/the Triglav Group:	100.00%/100.00%
Share of voting rights of Zavarovalnica Triglav/the Triglav Group:	100.00%/100.00%
Nominal value of equity stake held by Zavarovalnica Triglav/the Triglav Group:	EUR 43,663/EUR 43,663

Triglav zdravje asistenca, družba za zdravstveno dejavnost d.o.o., Ljubljana

Address:	Dunajska cesta 22, 1000 Ljubljana, Slovenia
Phone:	++ 386 (1) 893 84 40
Email:	info@tza.si
Website:	www.tza.si
Activity:	Other human health activities
Equity stake of Zavarovalnica Triglav/the Triglav Group:	-/100.00%
Share of voting rights of Zavarovalnica Triglav/the Triglav Group:	-/100.00%
Nominal value of equity stake held by Zavarovalnica Triglav/the Triglav Group:	-/EUR 7,500

Diagnostični center Bled d.o.o.

Address:	Pod skalo 4, 4260 Bled, Slovenia
Phone:	++386 (4) 579 80 00
Email:	info@dc-bled.si
Website:	www.dc-bled.si
Activity:	Hospital activities
Equity stake of Zavarovalnica Triglav/the Triglav Group:	50.00%/50.00%
Share of voting rights of Zavarovalnica Triglav/the Triglav Group:	50.00%/50.00%
Nominal value of equity stake held by Zavarovalnica Triglav/the Triglav Group:	EUR 189,562/EUR 189,562

Vse bo v redu, zavod Zavarovalnice Triglav za družbeno odgovorne aktivnosti

Address:	Miklošičeva cesta 19, 1000, Ljubljana, Slovenia
Phone:	++386 (1) 47 47 518
Fax:	++386 (1) 47 47 159
Email:	vsebovred@triglav.si
Website:	www.vsebovred.triglav.si
Activity:	Humanitarian and charity activities
Equity stake of Zavarovalnica Triglav/the Triglav Group:	100.00%/100.00%
Share of voting rights of Zavarovalnica Triglav/the Triglav Group:	100.00%/100.00%
Initial contribution of Zavarovalnica Triglav/the Triglav Group:	EUR 100,000/EUR 100,000

13. Business network of the Triglav Group

■ The Triglav Group's business network includes over 1,860 insurance agencies, brokers and banks in the Adria region. Almost 80% of its contractors operate in markets outside Slovenia.

■ Modern technologies and software solutions are implemented in sales, after-sales and assistance services, while automating processes.

The Triglav Group's business network is well developed and accessible to clients. With business operations being increasingly digitalised, the traditional method of selling insurance and financial services is now complemented with a multi-channel approach and hybrid forms of business. In 2023, the Group entered into more strategic partnerships, while increasing the number of contract sales partners and the scope of online and assistance services. Greater emphasis is being placed on underwriting through digital sales channels by establishing new communication channels.

The Group's insurance sales network is composed of insurance agents, sales clerks and own points of sale (see [Section 13.1](#) for more details). In 2023, the external sales network in Slovenia comprised 380 outsourcers. In the non-life insurance segment, the Group cooperates with roadworthiness test providers, leasing companies, car dealers, insurance agencies, travel agencies and hardware shops with great success. In the life insurance segment, the Group collaborates with insurance agency companies, insurance brokerage companies and banks providing insurance agency services. Before entering into an agreement with a partner, a due diligence and risk assessment with respect to personal data processing is carried out. In October 2023, a branch was established in Greece.

The Group has an extensive own and external sales network in its subsidiaries in the Adria region. In 2023, focus was placed on optimising our own sales network as well as strengthening cooperation with agencies and intermediaries; however, there was a slight decline in activity via the bank sales channel. In these markets, the Group cooperates with more than 1,480 insurance agencies, with most partnerships being entered into in Serbia. See [Section 11.3.4 Responsibility to suppliers, Remuneration of insurance agency companies and sales staff](#) for more information.

In the claims segment, the number of contractors increased, and the forms of cooperation with them were enhanced in 2023. Our business partners were further empowered to report claims, simplifying their operations by utilising modern software solutions. Clients have access to insurance services also via call centres, where they can receive the necessary information; furthermore, clients may take out insurance, report a claim and request assistance services via the telephone or online.

13.1 Insurance

■ **Zavarovalnica Triglav d.d., Ljubljana, Headquarters – registered office**

Regional units:

- | | | |
|---------|-----------------|------------------|
| ■ Celje | ■ Ljubljana | ■ Novo mesto |
| ■ Koper | ■ Maribor | ■ Postojna |
| ■ Kranj | ■ Murska Sobota | ■ Slovenj Gradec |
| ■ Krško | ■ Nova Gorica | ■ Trbovlje |

■ **Zavarovalnica Triglav d.d., Greek Branch, Athens**

■ **Pozavarovalnica Triglav Re d.d., Ljubljana – registered office**

■ **Triglav Zdravstvena zavarovalnica d.d., Ljubljana – registered office**

■ **Triglav, pokojninska družba d.d., Ljubljana – registered office**

■ **Triglav Osiguranje d.d., Zagreb – registered office**

Branch offices:

- | | | |
|------------|--------------|---------|
| ■ Zagreb | ■ Koprivnica | ■ Pula |
| ■ Čakovec | ■ Osijek | ■ Split |
| ■ Varaždin | ■ Rijeka | |

■ **Triglav Osiguranje a.d.o., Belgrade – registered office**

Branch offices and representative offices:

- | | | |
|---------------------|--------------|--------------|
| ■ Belgrade | ■ Šabac | ■ Kruševac |
| ■ Subotica | ■ Valjevo | ■ Niš |
| ■ Zrenjanin | ■ Kragujevac | ■ Leskovac |
| ■ Kikinda | ■ Jagodina | ■ Vranje |
| ■ Vršac | ■ Bor | ■ Sombor |
| ■ Pančevo | ■ Užice | ■ Prijepolje |
| ■ Bečej | ■ Negotin | |
| ■ Novi Sad | ■ Čačak | |
| ■ Sremska Mitrovica | ■ Kraljevo | |
| ■ Bogatić | ■ Novi Pazar | |

■ Lovćen Osiguranje a.d., Podgorica – registered office

Branch offices:

- | | | |
|----------------|---------------|---------------|
| ■ Podgorica | ■ Bar | ■ Ulcinj |
| ■ Nikšić | ■ Budva | ■ Tivat |
| ■ Berane | ■ Plužine | ■ Rožaje |
| ■ Pljevlja | ■ Šavnik | ■ Herceg Novi |
| ■ Bijelo Polje | ■ Danilovgrad | ■ Kolašin |
| ■ Kotor | ■ Cetinje | ■ Mojkovac |

■ Triglav Osiguranje d.d., Sarajevo – registered office

Branch offices:

- | | | |
|--------------------------|------------------|---------------------|
| ■ Sarajevo | ■ Grude | ■ Konjic |
| ■ Novi Grad – Autocentar | ■ Banja Luka | ■ Posušje |
| ■ Goražde | ■ Ljubuški | ■ Livno |
| ■ Kiseljak | ■ Jelah – Tešanj | ■ Čapljina |
| ■ Bihać | ■ Čitluk | ■ Tomislavgrad |
| ■ Ključ | ■ Široki Brijeg | ■ Sanski Most |
| ■ Tuzla | ■ Novi Travnik | ■ Velika Kladuša |
| ■ Mostar | ■ Teočak | ■ Lukavac |
| ■ Zenica | ■ Breza | ■ Prozor |
| ■ Travnik | ■ Gračanica | ■ Busovača |
| ■ Vitez | ■ Kakanj | ■ Bosanski Petrovac |

■ Triglav Osiguranje a.d.o., Banja Luka – registered office

Branch offices:

- | | | |
|--------------|------------|-------------|
| ■ Banja Luka | ■ Prijedor | ■ Pale |
| ■ Doboj | ■ Gradiška | ■ Bijeljina |

■ Triglav Osiguruvanje a.d., Skopje – registered office

Branch offices:

- | | | |
|------------|-------------|-------------|
| ■ Skopje | ■ Veles | ■ Štip |
| ■ Bitola | ■ Gevgelija | ■ Kavadarci |
| ■ Ohrid | ■ Prilep | ■ Strumica |
| ■ Gostivar | ■ Kičevo | ■ Struga |
| ■ Tetovo | ■ Radoviš | |
| ■ Kumanovo | ■ Kočani | |

■ Triglav Osiguruvanje Život a.d., Skopje – registered office

13.2 Asset management

■ Triglav Skladi d.o.o., Ljubljana – registered office

■ Triglav, Upravljanje nepremičnin d.o.o., Ljubljana – registered office

■ Triglav, upravljanje naložb in svetovalne storitve d.o.o., Ljubljana – registered office

■ Triglav Fondovi d.o.o., Sarajevo – registered office

■ Triglav penzisko društvo a.d., Skopje – registered office

13.3 Other

■ Triglav INT, holdinška družba d.o.o., Ljubljana – registered office

■ Triglav Svetovanje, zavarovalno zastopanje d.o.o., Domžale – registered office

■ Triglav zdravje asistenca, družba za zdravstveno dejavnost d.o.o., Ljubljana – registered office

■ Diagnostični center Bled d.o.o., Bled – registered office

■ Triglav Savjetovanje d.o.o., Zagreb in liquidation – registered office

■ Triglav Savjetovanje d.o.o., Belgrade – registered office

■ Triglav Savjetovanje d.o.o., Sarajevo – registered office

■ Triglav Avtoservis d.o.o., Ljubljana – registered office

■ Triglavko d.o.o., Ljubljana – registered office

Accounting Report

Content

Statement of management's responsibilities	137	3. Notes to specific significant items in the financial statements	221
Independent auditor's report	138	3.1 Insurance business	221
1. Financial statements	143	3.2 Reinsurance business	279
1.1 Statement of financial position	143	3.3 Investments in subsidiaries, associates and joint ventures	288
1.2 Statement of profit or loss	144	3.4 Financial investments and their return	290
1.3 Statement of other comprehensive income	145	3.5 Financial contract assets and liabilities	297
1.4 Statement of changes in equity	146	3.6 Operating expenses	303
1.5 Cash flow statement	148	3.7 Notes to other significant items in the financial statements	307
2. Notes to the financial statements	149	4. Other information	328
2.1 Profile of Zavarovalnica Triglav and Triglav Group	149	4.1 Fair value measurement of assets and liabilities	328
2.2 Bases for the preparation of financial statements	157	4.2 Amounts spent on auditors	332
2.3 Bases for consolidation	157	4.3 Government grants	332
2.4 Foreign currency translation	158	4.4 Related party transactions	333
2.5 Significant accounting policies	158	4.5 Contingent assets and liabilities	335
2.6 Impacts of the transition to new accounting standards and impacts of changes in accounting policies	181	4.6 Major legal and arbitration disputes	335
2.7 Significant accounting judgments, estimates and assumptions	186	4.7 Events after the reporting period	335
2.8 Risk management	189		
2.9 Segment reporting	211		
2.10 The impact of geopolitical risks, the changed economic situation and climate change on the Group's and the Company's financial statements	218		
2.11 Tax policy	218		
2.12 The impact of new or amended standards on the preparation of financial statements	219		

Statement of management's responsibilities

The Management Board herewith confirms the financial statements Zavarovalnica Triglav, d.d. and Triglav Group for the year ended 31 December 2023, and the accompanying accounting policies and notes to the accounting policies.

The Management Board is responsible for preparing the Annual Report so that it is true and fair presentation of the Company's and Group's assets and liabilities, financial position and profit for the year ended 31 December 2023 in accordance with International Financial Reporting Standards as adopted by the EU.

The Management Board additionally confirms that the 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 concern basis and that they comply with the applicable legislation and International Financial Reporting Standards as adopted by the EU.

The Management Board confirms that the Business Report includes a fair presentation of the development and financial position of the Company and the Group, including a description of the significant risks to which the Company and the Group are exposed to.

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

The tax authorities may, at any time within the period of five years since the day the tax become chargeable, review the operations of the Company, which may result in additional tax liabilities, default interest and penalties related to corporate income tax and/or other taxes or levies. The Management Board of the Company is unaware of any circumstances that could potentially result in any such significant liability.

Andrej Slapar

President of the Management Board



Uroš Ivanc

Management Board Member



Tadej Čoroli

Management Board Member



Marica Makoter

Management Board Member



Blaž Jakič

Management Board Member



Ljubljana, 12 March 2024

Independent auditor's report



Deloitte revizija d.o.o.
 Dunajska cesta 165
 1000 Ljubljana
 Slovenia
 VAT ID: S162560085
 Tel: +386 (0) 1 3072 800
 Fax: +386 (0) 1 3072 900
 www.deloitte.si

The report below represents the auditor's report that relates solely and exclusively to the official annual report prepared in accordance with ESEF, in the X+T/M/L format.

INDEPENDENT AUDITOR'S REPORT to the shareholders of ZAVAROVALNICA TRIGLAV, d.d.

Report on the Audit of Financial Statements

Opinion

We have audited the separate financial statements of the company ZAVAROVALNICA TRIGLAV, d.d. (hereinafter 'the Company') and consolidated financial statements of the company ZAVAROVALNICA TRIGLAV, d.d. and its subsidiaries (hereinafter 'the Group'), which comprise the separate and the consolidated statement of financial position as at 31 December 2023, and the separate and consolidated income statement, separate and consolidated statement of other comprehensive income, separate and consolidated statement of changes in equity, separate and consolidated cash flow statement for the year then ended, and notes to the separate and consolidated financial statements, including material accounting policy information.

In our opinion, the accompanying separate and consolidated financial statements present fairly, in all material respects, the financial position of the Company and the Group as at 31 December 2023, and their financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the EU (hereinafter 'IFRS').



Deloitte refers to one or more of Deloitte Touche Tohmatsu Limited ("DTTL"), its global network of member firms, and their related entities (collectively, the "Deloitte organization"), DTTL (also referred to as "Deloitte Global") and each of its member firms and related entities are legally separate and independent entities, which cannot obligate or bind each other in respect of third parties, DTTL and each DTTL member firm and related entity is liable only for its own acts and omissions, and not those of each other. DTTL does not provide services to clients. Please see www.deloitte.com/global to learn more.

Deloitte is a leading global provider of audit and assurance, consulting, financial advisory, risk advisory, tax and related services. Our global network of member firms and related entities in more than 150 countries and territories (collectively, the "Deloitte organization") serves four out of five Fortune Global 500 companies. Learn how Deloitte's approximately 3.2 million people make an impact that matters at www.deloitte.com.

In Slovenia the services are provided by Deloitte revizija d.o.o. and Deloitte svetovanje d.o.o. (jointly referred to as "Deloitte Slovenia") which are affiliates of Deloitte Central Europe Holdings Limited. Deloitte Slovenia is one of the leading professional services organizations in the country providing services in audit and assurance, consulting, financial advisory, risk advisory, tax and related services, through over 360 national and foreign professionals.

Deloitte revizija d.o.o. - The company is registered with the Ljubljana District Court, registration no. 3847105 - VAT ID S162560085 - Nominal capital EUR 78.234,30.

© 2024. For information, contact Deloitte Slovenia.



Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and Regulation (EU) 537/2014 of the European Parliament and of the Council, dated 16 April 2014, on specific requirements regarding statutory audit of public-interest entities (EU Regulation). Our responsibilities under those rules are further described in the *Auditor's Responsibilities for the Audit of the Separate and Consolidated Financial Statements* section of our report. We are independent of the Company and the Group in accordance with the International Code of Ethics for Professional Accountants (including International Independence Standards) of the International Ethics Standards Board for Accountants (IESBA Code) and other ethical requirements that are relevant to our audit of the separate and consolidated financial statements in Slovenia, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Emphasis of Matter

We draw attention to Note 2.6 "Effect of adoption of new IFRSs and effect of change in accounting policies of the separate and consolidated financial statements", which describes the effects of the retrospective change in the Company's accounting policy for measurement of investments in associates and joint ventures in the Company's separate financial statements and reclassification of works of art in the Company's and Group's separate and consolidated financial statements. Our opinion is not modified in respect of this matter.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the separate and consolidated financial statements of the year ended 31 December 2023. These matters were addressed in the context of our audit of the separate and consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.



Valuation of liabilities from insurance and reinsurance contracts in Separate and Consolidate Financial Statements

Key Audit Matter	How our audit addressed the key audit matter
Accounting policies for description of key assumptions, methodologies and models used in the calculation of liabilities from insurance and reinsurance contracts are presented in Note 2.5.2 <i>Insurance and reinsurance contract assets and liabilities</i> . For other related disclosures please see Notes 3.1 <i>Insurance business</i> and 3.2 <i>Reinsurance business</i> . The transition effects to the new standard are presented in the note 2.6 <i>Impacts of the transition to new accounting standards and impacts of changes in accounting policies</i> .	
<p>The implementation of the new International Financial Reporting Standard 17 – Insurance Contracts ('IFRS 17'), effective from 1 January 2023, has introduced significant changes to the measurement and presentation of liabilities from insurance and reinsurance contracts and related account balances and classes of transactions. This standard replaces the previous IFRS 4 Insurance Contracts and requires insurance and reinsurance contracts, that meet the scoping criteria of the standard, to be valued using the General Measurement Model ('GMM'), the Variable Fee Approach ('VFA'), or the Premium Allocation Approach ('PAA') all of which are used by the Company and the Group. The measurement of liabilities from insurance and reinsurance contracts comprises the present value of expected future cash flows, including financial and non-financial risks, with particular focus on the expected margin (so-called contractual service margin 'CSM'), which will be recognized during the period of contractual coverage.</p> <p>The application of IFRS 17 brought various operational complexities, particularly in the valuation of insurance and reinsurance liabilities with a focus on the contractual service margin. The transition process involved the estimation of the impact on shareholders' equity, as disclosed in the Note 2.6 <i>Impacts of the transition to new accounting standards and impacts of changes in accounting policies</i>. The company's and the group's estimated impact includes a positive effect on shareholders' equity in the amount of EUR 100.494.926 (the company) and EUR 104.818.141 (the group) respectively as at transition date 1 January 2022. The company's and the group's insurance liabilities as at 31 December 2023, amount to EUR 1.885.673.792 (31 December 2022: EUR 1.688.411.267) and EUR 2.330.647.605 (31 December 2022):</p>	<p>To address the risks associated with the valuation of liabilities from insurance and reinsurance contracts identified as a key audit matter, we designed audit procedures that enabled us to obtain sufficient appropriate audit evidence for our conclusion on that matter.</p> <p>To address the valuation of the liabilities from insurance and reinsurance contracts, identified as a key audit matter, we performed the following audit procedures with the use of our own actuarial experts:</p> <p><u>Review of IFRS 17 Adoption Process</u></p> <ul style="list-style-type: none"> • Gaining a detailed understanding of the processes to estimate the transition adjustment and obtaining an understanding of relevant controls; • Assessment of the process of the first-time adoption of IFRS 17, including the identification of group of contracts, determination of the appropriate measurement models and establishment of specific levels of aggregation; • Analysis of the documentation supporting the application choices made by the Company and the Group for the identification of the group of contracts and consequent valuation models adopted at the transition date and for the valuation of the contractual service margin at that date. <p><u>Evaluation of internal controls</u></p> <ul style="list-style-type: none"> • Gaining an understanding of the control environment and internal controls designed by the Management in the process of



<p>EUR 2.084.328.485) respectively. The Company's and the Group's reinsurance liabilities as at 31 December 2023, amount to EUR 0 (31 December 2022: EUR 4.052.384) and EUR 6.460.600 (31 December 2022: EUR 9.465.062) respectively.</p> <p>In order to meet the requirements of the new standard, significant changes have also been made to the company's and group's internal systems, processes and controls, introducing a level of discretionary judgment inherent in estimating liabilities from insurance and reinsurance contracts and the contractual service margin with effect from 1 January 2023.</p> <p>Valuation of liabilities from insurance and reinsurance contracts involves significant management judgment when developing and using input data and assumptions in the actuarial calculation models, dependent on the management's assumptions about past, future, internal and external variables, the change of which can result in a significant impact on the value of these liabilities. There is also a high degree of complexity due to the numerous assumptions and actuarial valuation models applied. Some of the key assumptions include risk adjustment, discount curves, inflation forecasts, cost projection, mortality, longevity, lapse assumptions, claims/cost ratios, coverage units and CSM recognition pattern.</p> <p>Given the pervasive complexities introduced by IFRS 17 and the specific challenges associated with the transition, we consider the valuation of liabilities from insurance and reinsurance contracts related to the transition to IFRS 17 and year ended 31 December 2023 as a key audit matter for our audit of the separate and consolidated financial statements.</p>	<p>calculating liabilities from insurance and reinsurance contracts, including the applications and information technology tool used;</p> <ul style="list-style-type: none"> • Assessing the adequacy of the design and verifying the implementation of the identified internal controls relevant to the process of valuation of liabilities from insurance and reinsurance contracts; • Testing the operating effectiveness of identified relevant internal controls on valuation of liabilities from insurance and reinsurance contracts. <p><u>Testing of actuarial models</u></p> <ul style="list-style-type: none"> • Testing the reliability and accuracy of actuarial models used for the valuation of liabilities from insurance and reinsurance contracts; • Verification of the mathematical calculations, logic, and appropriateness of model inputs within the information technology tool used; • Review and evaluating reasonableness of projected cash flows and the reasonableness of accepted assumptions and set scenarios in the context of the experience of the Company, the Group and the industry and specific features of insurance and reinsurance products; • Verification of consistency in the actuarial models applied across various groups of insurance and reinsurance contracts within the portfolios. <p><u>Assessment of management assumptions</u></p> <ul style="list-style-type: none"> • Challenging the appropriateness of key technical accounting decisions, judgments, assumptions and elections made in determining the estimate against the requirements of the standard; • Reviewing sensitivity analyses to assess the impact of changes in key assumptions on the valuation of liabilities from insurance and reinsurance contracts, emphasizing the contractual service margin. <p><u>Testing of disclosures in the separate and consolidated financial statements</u></p>
--	---

Deloitte.

	<ul style="list-style-type: none"> Evaluating the completeness and accuracy of the disclosures in the notes to the separate and consolidated financial statements with respect to the requirements of IFRS 17, IAS 8 and IFRS 1.
--	---

Valuation of investments in subsidiaries in separate financial statements

Key Audit Matter	How our audit addressed the key audit matter
Disclosures related to investments in equity of subsidiaries are included in Note 2.5.5.1 <i>Investments in subsidiaries</i> (accounting policies) and Note 3.3 <i>Investments in subsidiaries, associates and joint ventures</i> (value and assumptions).	
<p>Investments in the equity of subsidiaries equal EUR 219.360.367 (2022: EUR 185.360.343) in the separate financial statements and are measured at cost less any impairments. The management assesses indications of impairment of such investments at least on an annual basis and performs impairment testing as necessary.</p> <p>Professional judgement and application of subjective assumptions made by the management are necessary in order to assess indications of impairment.</p> <p>Investments in equity of subsidiaries are subject to significant judgements and estimates and due to that and because of the significance of the account balances in the separate statement of financial position, we have considered investments in the equity of subsidiaries as a key audit matter.</p>	<p>We have assessed the management's treatment of indications of impairment of investments in the equity of subsidiaries in the separate financial statements. The emphasis of our audit procedures was on assessing and testing the key assumptions that the management applied to define indications of impairment and to assess impairments.</p> <p>Our procedures included the following:</p> <ul style="list-style-type: none"> checking and comparing the net assets of an individual subsidiary with the value of the investment in the separate financial statements as at 31 December 2023, assessing the assumptions applied to calculate discount rates and their recalculation, reviewing the projected future cash flows used by the Company to carry out impairment tests, comparing the projected cash flows, including the assumptions related to revenue growth rates and operating margins, against historical performance to test the accuracy of previous management estimates, and checking other assumptions and estimates included in the judgements, verifying the adequacy of disclosures in the separate financial statements. <p>An auditor's expert took part in our procedures.</p>

Deloitte.

Other information

Management is responsible for the other information. The other information comprises the information, included in Annual report, other than the separate and consolidated financial statements and our auditor's report thereon. We obtained other information before the date of the auditor's report, except for the report of the supervisory board, which will be available later.

Our opinion on the separate and consolidated financial statements does not cover the other information and we express no assurance thereon.

In connection with our audit of the separate and consolidated financial statements, our responsibility is to read the other information and, in doing so, assess whether the other information is materially inconsistent with the separate and consolidated financial statements, legal requirements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If based on our work performed we conclude that other information include material misstatement we need to report such circumstances. In relation to this and based on our procedures performed, we report that:

- other information is, in all material respects, consistent with the audited separate and consolidated financial statements;
- other information is prepared in compliance with applicable law or regulation; and
- based on our knowledge and understanding of the Company and the Group and their environment obtained in the audit, we did not identify any material misstatement of fact related to the other information.

Responsibilities of Management and Those Charged with Governance for the Separate and Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the separate and consolidated financial statements in accordance with IFRS, and for such internal control as management determines is necessary to enable the preparation of separate and consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the separate and consolidated financial statements of the Company and the Group, management is responsible for assessing their ability to continue as a going concern, disclosing matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company and the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's and the Group's financial reporting process.

Deloitte.

Auditor's Responsibilities for the Audit of the Separate and Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the separate and consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with International Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these separate and consolidated financial statements.

As part of an audit in accordance with International Standards on Auditing and EU Regulation, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the separate and consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's and the Group's internal controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's and the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the separate and consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company or the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the separate and consolidated financial statements, including the disclosures, and whether the separate and consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, action taken to eliminate threats or safeguards applied.

Deloitte.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the separate and consolidated financial statements of the current period, and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

Report on the requirements of the Regulation (EU) No 537/2014 of the European Parliament and of the Council (Regulation EU 537/2014)

Confirmation to the Audit Committee

We confirm that our audit opinion on the separate and consolidated financial statements expressed herein is consistent with the additional report to the Audit Committee in accordance with Article 11 of Regulation (EU) No. 537/2014 of the European Parliament and the Council.

Prohibited Services

We confirm that no services referred to in the Article 5(1) of Regulation (EU) No. 537/2014 of the European Parliament and the Council were provided and that the audit company fulfilled independence requirements.

Other services performed by the audit company

There are no services, in addition to the statutory audit, which the audit company provided to the Company and its controlled undertakings, and which have not been disclosed in the Annual Report.

Appointment of the Auditor and responsible certified auditor

Deloitte revizija d.o.o. was appointed as the statutory auditor of the Company and the Group on General Shareholders' Meeting held on 24 May 2022, while the president of the Supervisory Board signed the audit contract on 26 May 2022. The audit contract was signed for 3 years. Our total uninterrupted engagement as statutory auditors has lasted since 21 June 2019.

Engagement partner responsible for the audit on behalf of Deloitte revizija d.o.o. is Barbara Žibret Kralj.

Auditor's Report on Compliance of Financial Statements in Electronic Form with the Commission Delegated Regulation (EU) No. 2019/815 on European Single Electronic Format (ESEF)

We undertook a reasonable assurance engagement on whether the separate and consolidated financial statements of the Company and the Group for the year ended 31 December, 2023 (hereinafter 'audited separate and consolidated financial statements') are prepared taking into consideration the Commission Delegated Regulation (EU) 2019/815 of 17 December 2018 supplementing Directive 2004/109/EC of the European Parliament and of the Council with regard to regulatory technical standards on the specification of a single electronic reporting format, valid for the year 2023 (hereinafter 'Delegated Regulation').

Responsibilities of Management and Those Charged with Governance

Management is responsible for the preparation and correct presentation of audited separate and consolidated financial statements in electronic form in accordance with the requirements of the Delegated Regulation and for such internal control as determined necessary by the management, to

Deloitte.

enable the preparation of separate and consolidated financial statements in electronic form that are free from material misstatement, whether due to fraud or error.

Those charged with governance are responsible for overseeing the preparation of audited separate and consolidated financial statements in electronic form in accordance with the requirements of the Delegated Regulation.

Auditor's Responsibility

Our responsibility is to carry out a reasonable assurance engagement and to express the conclusion on whether the audited separate and consolidated financial statements in electronic form are prepared in accordance with the requirements of the Delegated Regulation. We conducted our reasonable assurance engagement in accordance with the International Standard on Assurance Engagements 3000 (Revised) – *Assurance Engagements Other than Audits or Reviews of Historical Financial Information (ISAE 3000)* published by the International Auditing and Assurance Standards Board. This standard requires that we plan and perform the engagement to obtain reasonable assurance for providing a conclusion.

We have conducted the engagement in compliance with independence and ethical requirements as provided by the Regulation EU No. 537/2014 and IESBA Code. The code is based on the principles of integrity, objectivity, professional competence and due diligence, confidentiality and professional conduct. We are in compliance with the International Standard on Quality Management (ISQM 1) and accordingly maintain an overall quality management system, including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and statutory requirements.

Summary of Work Performed

Within the scope of the work performed, we have carried out the following audit procedures:

- we have identified and assessed the risk of material non-compliance of audited separate and consolidated financial statements misstatement with the requirements of the Delegated Regulation;
- we have obtained understanding of the internal control processes considered important for our reasonable assurance engagement in order to design appropriate procedures in given circumstances, however, not with the purpose of expressing an opinion on the effectiveness of internal control;
- we have assessed whether the audited separate and consolidated financial statements satisfy the conditions of Delegated Regulations, valid on the reporting date;
 - we have obtained reasonable assurance that the audited separate and consolidated financial statements of the issuer are presented in the electronic XHTML format;
 - we have obtained reasonable assurance that the values and disclosures in the audited consolidated financial statements in the electronic XHTML format are tagged correctly and in the Inline XBRL technology (iXBRL), so that their machine reading can ensure complete and correct information that is included in the audited consolidated financial statements.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion.

Deloitte.

Conclusion

In our opinion, based on the procedures performed and the evidence obtained we believe that the audited separate and consolidated financial statements of the Company and the Group for the year ended 31 December 2023, are in all material respect prepared in accordance with the requirements of the Delegated Regulation.

DELOITTE REVIZIJA d.o.o.
Dunajska cesta 16S
1000 Ljubljana

Barbara Žibret Kralj
Certified auditor

For signature please refer to the original Slovenian version.

Ljubljana, 12 March 2024

TRANSLATION ONLY, SLOVENE ORIGINAL PREVAILS

Deloitte.
DELOITTE REVIZIJA D.O.O.
Ljubljana, Slovenija 3

1. Financial statements⁹⁰

1.1 Statement of financial position

in EUR

	Notes	Triglav Group			Zavarovalnica Triglav		
		31 December 2023	31 December 2022 adjusted*	1 January 2022 adjusted*	31 December 2023	31 December 2022 adjusted*	1 January 2022 adjusted*
ASSETS		4,099,028,699	3,802,347,752	4,125,426,785	2,945,426,056	2,730,774,810	3,000,522,158
Property, plant and equipment	3.7.1, 2.6	106,828,809	109,865,836	110,131,044	68,609,478	69,115,897	66,759,300
Investment property	3.7.2, 2.6	67,953,773	68,325,487	75,059,591	43,427,181	43,377,173	43,840,055
Right-of-use assets	3.7.3, 2.6	11,113,449	10,192,925	10,781,585	4,356,487	3,940,725	4,548,298
Intangible assets and goodwill	3.7.4, 2.6	54,656,306	53,720,259	54,248,284	30,879,149	30,917,910	31,976,178
Deferred tax assets	3.7.5, 2.6	21,967,548	14,786,228	226,447	12,798,238	10,921,528	0
Investments in subsidiaries	3.3	0	0	0	219,360,367	185,360,343	131,924,683
Investments in associates and jointly controlled companies accounted for using the equity method	3.3, 2.6	37,708,062	37,810,184	36,031,347	37,218,841	37,369,536	35,591,377
Financial investments	3.4, 2.6	2,642,840,770	2,557,183,016	2,917,157,534	1,888,444,496	1,882,599,813	2,260,834,241
– at fair value through other comprehensive income		1,672,966,932	1,634,153,515	1,959,630,084	1,094,172,694	1,143,332,953	1,458,144,468
– at amortised cost		229,559,727	241,005,029	222,389,210	142,843,306	151,767,345	165,556,736
– at fair value through profit or loss		740,314,111	682,024,472	735,138,240	651,428,496	587,499,515	637,133,037
Financial contract assets	3.5, 2.6	674,115,145	613,818,646	643,548,868	259,624,041	234,968,514	249,789,207
– investments at amortised cost		283,215,425	321,859,990	11,225,305	86,215,285	99,398,022	0
– investments at fair value through profit or loss		366,826,746	267,173,099	612,415,548	169,625,986	131,403,313	245,306,210
– receivables from financial contracts		123,066	1,147,412	94,824	83,130	398,787	28,662
– cash from financial contracts		23,949,908	23,638,145	19,813,191	3,699,640	3,768,392	4,454,335
Insurance contract assets	3.1, 2.6	12,093,878	13,137,724	16,975,511	10,958,826	7,395,480	15,186,349
Reinsurance contract assets	3.2, 2.6	327,733,155	189,334,098	162,582,828	305,976,870	167,888,159	136,550,939
Non-current assets held for sale	3.7.6, 2.6	3,129,709	2,184,821	3,814,449	0	0	0
Current corporate income tax assets	3.7.16, 2.6	8,491,524	482,983	350,229	9,302,529	0	564,166
Other receivables	3.7.7, 2.6	37,644,003	50,478,337	28,118,577	20,047,025	35,155,610	11,888,779
Cash and cash equivalents	3.7.8, 2.6	84,420,667	76,066,279	63,028,569	31,679,444	19,296,850	9,458,656
Other assets	3.7.9, 2.6	8,331,901	4,960,929	3,371,922	2,743,084	2,467,272	1,609,930
EQUITY AND LIABILITIES		4,099,028,699	3,802,347,752	4,125,426,785	2,945,426,056	2,730,774,810	3,000,522,158
Equity	3.7.10, 2.6	891,099,983	896,965,702	1,037,163,574	669,221,118	658,949,145	770,656,161
Controlling interests		887,415,730	893,351,576	1,034,827,038	669,221,118	658,949,145	770,656,161
– share capital		73,701,392	73,701,392	73,701,392	73,701,392	73,701,392	73,701,392
– share premium		50,322,579	50,304,673	50,283,747	53,412,884	53,412,884	53,412,884
– reserves from profit		505,102,982	481,833,960	421,633,958	483,762,643	464,762,643	404,562,643
– treasury share reserves		364,680	364,680	364,680	0	0	0
– treasury shares		-364,680	-364,680	-364,680	0	0	0
– accumulated other comprehensive income		-37,415,983	-60,591,408	12,397,963	-29,509,839	-46,309,356	11,657,953
– retained earnings from previous years		306,091,948	418,315,033	404,479,317	68,191,612	164,656,172	190,605,740
– net profit or loss for the year		-7,192,538	-67,037,486	75,439,847	19,662,426	-51,274,590	36,715,549
– translation differences		-3,194,650	-3,174,588	-3,109,186	0	0	0
Non-controlling interests		3,684,253	3,614,126	2,336,536	0	0	0
Subordinated liabilities	3.7.11, 2.6	49,994,402	49,941,796	49,891,466	49,994,402	49,941,795	49,891,466
Deferred tax liabilities	3.7.5, 2.6	1,865,810	2,051,026	26,507,870	0	0	23,796,735
Financial contract liabilities	3.5, 2.6	674,115,145	613,818,646	643,548,868	259,624,041	234,968,514	249,789,207
Insurance contract liabilities	3.1, 2.6	2,330,647,605	2,084,328,485	2,244,772,217	1,885,673,792	1,688,411,267	1,830,687,907
Reinsurance contract liabilities	3.2, 2.6	6,460,600	9,465,062	2,150,020	0	4,052,384	1,830
Provisions	3.7.12, 2.6	30,347,485	33,284,702	26,362,804	14,323,506	17,035,092	14,820,276
Lease liabilities	3.7.3, 2.6	11,665,333	10,593,326	11,148,494	4,573,011	4,054,668	4,643,844
Other financial liabilities		663,442	1,478,259	2,255,152	22,769	22,640	1,690,586
Current corporate income tax liabilities	3.7.16, 2.6	571,555	7,232,517	3,167,125	0	9,697,471	0
Other liabilities	3.7.13, 2.6	101,597,339	93,188,231	78,459,195	61,993,417	63,641,834	54,544,146

* The data for the comparative period are adjusted in accordance with the two new accounting standards, as described in [Section 2.6](#).

⁹⁰ The notes in Section 2, 3 and 4 are an integral part of the financial statements.

1.2 Statement of profit or loss

in EUR

	Notes	Triglav Group		Zavarovalnica Triglav	
		2023	2022 adjusted*	2023	2022 adjusted*
Insurance service result		59,536,977	69,857,166	61,094,042	36,298,582
– insurance income	3.1, 2.6	1,351,186,665	1,206,602,864	775,637,370	690,204,223
– insurance service expenses	3.1, 2.6	-1,323,256,258	-1,032,291,790	-753,990,974	-578,534,383
– net reinsurance service result	3.2, 2.6	31,606,570	-104,453,908	39,447,646	-75,371,258
Investment result	3.4, 2.6	83,831,187	-88,623,501	70,134,725	-81,610,180
– interest income calculated using the effective interest method		35,098,297	26,675,896	21,611,210	17,120,984
– dividend income		2,705,064	4,686,546	2,441,534	4,410,224
– net gains and losses on financial investments		46,406,067	-112,870,867	44,714,780	-98,553,677
– net impairment and reversal of impairment of financial investments		2,291,758	-7,545,764	1,295,450	-5,131,544
– other effects of investing activities		-2,669,999	430,688	71,751	543,833
Financial result from insurance contracts		-69,677,936	82,222,007	-62,784,098	77,009,295
– financial result from insurance contracts	3.1, 2.6	-69,743,454	83,236,356	-62,893,952	77,839,717
– financial result from reinsurance contracts	3.2, 2.6	65,518	-1,014,349	109,854	-830,422
Income from asset management	3.7.14, 2.6	39,685,487	37,468,494	2,854,726	2,735,182
Non-attributable operating expenses	3.6, 2.6	-93,168,469	-89,635,413	-39,248,760	-39,904,751
Net other operating income and expenses	3.7.14, 2.6	1,500,547	-14,555,569	-495,030	-24,758,574
Net other financial income and expenses		-3,691,510	-2,046,113	-2,818,078	-2,536,945
Net impairment and reversal of impairment of non-financial assets	3.3, 2.6	-2,515,516	-818	-2,502,745	-3,920,199
Gains and losses on investments in associates	3.7.15, 2.6	2,242,935	1,842,183	18,585,761	34,543,272
Net other income and expenses		3,316,735	-6,554,977	740,962	3,537,310
Profit or loss before tax		21,060,437	-10,026,541	45,561,505	1,392,992
Tax expense	3.7.16, 2.6	-4,795,242	3,054,107	-6,899,079	7,532,418
NET PROFIT OR LOSS FOR THE PERIOD		16,265,195	-6,972,434	38,662,426	8,925,410
Net earnings per share (basic and diluted)		0.708	-0.301		
Controlling interests		16,076,485	-6,837,486		
Non-controlling interests		188,710	-134,948		

* The data for the comparative period are adjusted in accordance with the two new accounting standards, as described in [Section 2.6](#).

⁹¹ Basic earnings per share are calculated by dividing the shareholders' net profit by the weighted average number of ordinary shares, excluding ordinary shares held by the Company or the Group. The Group and the Company do not have dilutive potential ordinary shares, thus the basic and diluted earnings per share are the same.

1.3 Statement of other comprehensive income

in EUR

	Triglav Group		Zavarovalnica Triglav	
	2023	2022 adjusted*	2023	2022 adjusted*
Net profit for the period after tax	16,265,195	-6,972,434	38,662,426	8,925,410
Other comprehensive income after tax	34,671,532	-50,932,492	28,447,417	-36,512,374
<i>Items that will not be reclassified to profit or loss in future periods</i>	<u>2,819,594</u>	<u>-9,367,539</u>	<u>2,562,939</u>	<u>-8,977,350</u>
Effects of equity instruments measured through other comprehensive income	4,411,447	-13,109,170	4,332,776	-12,621,095
Actuarial gains and losses	-1,522,053	1,450,594	-1,594,009	1,419,041
Other net gains and losses that will not be reclassified to profit or loss in future periods	127,558	0	0	0
Tax on items that will not be reclassified to profit or loss	-197,358	2,291,037	-175,828	2,224,704
<i>Items that may be reclassified to profit or loss in future periods</i>	<u>31,897,933</u>	<u>-41,504,716</u>	<u>25,884,478</u>	<u>-27,535,024</u>
Accumulated insurance finance income and expenses	-49,148,615	178,835,577	-37,049,204	151,102,512
Accumulated reinsurance finance income and expenses	3,647,396	-6,792,479	4,090,372	-10,002,491
Effects of debt instruments measured through other comprehensive income	81,764,009	-221,629,722	62,191,263	-172,788,948
Other items	0	-67,105	0	0
Tax on items that may be reclassified to profit or loss in future periods	-4,364,857	8,149,013	-3,347,953	4,153,903
<i>Translation differences</i>	<u>-45,995</u>	<u>-60,237</u>	<u>0</u>	<u>0</u>
COMPREHENSIVE INCOME FOR THE PERIOD AFTER TAX	50,936,727	-57,904,926	67,109,843	-27,586,964
Controlling interests	50,822,202	-57,416,893		
Non-controlling interests	114,525	-488,033		

* The data for the comparative period are adjusted in accordance with the two new accounting standards, as described in [Section 2.6](#).

1.4 Statement of changes in equity

in EUR

Triglav Group	Share capital	Share premium	Reserves from profit					Accumulated other comprehensive income	Retained earnings	Net profit or loss	Translation differences	Total equity attributable to controlling interests	Equity attributable to non-controlling interests	Total
			Contingency reserves	Legal and statutory reserves	Treasury share reserves	Treasury shares	Other reserves from profit							
As at 1 January 2023	73,701,392	50,304,673	640,340	20,306,674	364,680	-364,680	460,886,946	-60,591,408	418,315,033	-67,037,486	-3,174,588	893,351,576	3,614,126	896,965,702
Comprehensive income for the period after tax	0	0	0	0	0	0	0	23,175,425	11,590,354	16,076,485	-20,062	50,822,202	114,525	50,936,727
– net profit	0	0	0	0	0	0	0	0	0	16,076,485	0	16,076,485	188,710	16,265,195
– other comprehensive income	0	0	0	0	0	0	0	23,175,425	11,590,354	0	-20,062	34,745,717	-74,185	34,671,532
Dividend payment	0	0	0	0	0	0	0	0	-56,775,954	0	0	-56,775,954	-1,135	-56,777,089
Allocation of last year's net profit to retained earnings	0	0	0	0	0	0	0	0	-67,037,485	67,037,485	0	0	0	0
Allocation of net profit to reserves from profit	0	0	0	0	0	0	23,269,022	0	0	-23,269,022	0	0	0	0
Change in Group	0	17,906	0	0	0	0	0	0	0	0	0	17,906	-43,263	-25,357
As at 31 December 2023	73,701,392	50,322,579	640,340	20,306,674	364,680	-364,680	484,155,968	-37,415,983	306,091,948	-7,192,538	-3,194,650	887,415,730	3,684,253	891,099,983

in EUR

Triglav Group	Share capital	Share premium	Reserves from profit					Accumulated other comprehensive income	Retained earnings	Net profit or loss	Translation differences	Total equity attributable to controlling interests	Equity attributable to non-controlling interests	Total
			Contingency reserves	Legal and statutory reserves	Treasury share reserves	Treasury shares	Other reserves from profit							
As at 31 December 2021	73,701,392	50,283,747	640,340	20,306,672	364,680	-364,680	400,686,946	77,834,278	234,588,994	75,439,847	-2,970,993	930,511,223	2,475,645	932,986,868
Impacts of the transition to new accounting standards	0	0	0	-0	0	0	0	-65,436,315	169,890,323	0	-138,193	104,315,815	-139,109	104,176,706
As at 1 January 2022	73,701,392	50,283,747	640,340	20,306,672	364,680	-364,680	400,686,946	12,397,963	404,479,317	75,439,847	-3,109,186	1,034,827,038	2,336,536	1,037,163,574
Comprehensive income for the period after tax	0	0	0	0	0	0	0	-72,989,371	22,471,236	-6,837,486	-61,272	-57,416,893	-488,033	-57,904,926
– net profit	0	0	0	0	0	0	0	0	0	-6,837,486	0	-6,837,486	-134,948	-6,972,434
– other comprehensive income	0	0	0	0	0	0	0	-72,989,371	22,471,236	0	-61,272	-50,579,407	-353,085	-50,932,492
Dividend payment	0	0	0	0	0	0	0	0	-84,030,141	0	0	-84,030,141	-22,199	-84,052,340
Allocation of last year's net profit to retained earnings	0	0	0	0	0	0	0	0	75,439,847	-75,439,847	0	0	0	0
Allocation of net profit to reserves from profit	0	0	0	0	0	0	60,200,000	0	0	-60,200,000	0	0	0	1
Change in Group	0	20,926	0	2	0	0	0	0	-45,226	0	-4,130	-28,428	1,787,822	1,759,394
As at 31 December 2022	73,701,392	50,304,673	640,340	20,306,674	364,680	-364,680	460,886,946	-60,591,408	418,315,033	-67,037,486	-3,174,588	893,351,576	3,614,126	896,965,702

Notes to the changes in Group's equity are included in [Section 3.7.10](#).

in EUR

Zavarovalnica Triglav	Share capital	Share premium	Reserves from profit		Accumulated other comprehensive income	Retained earnings	Net profit or loss	Total
			Legal and statutory reserves	Other reserves from profit				
As at 1 January 2023	73,701,392	53,412,884	4,662,643	460,100,000	-46,309,356	164,656,172	-51,274,590	658,949,145
Comprehensive income for the period after tax	0	0	0	0	16,799,517	11,647,900	38,662,426	67,109,843
– net profit	0	0	0	0	0	0	38,662,426	38,662,426
– other comprehensive income	0	0	0	0	16,799,517	11,647,900	0	28,447,417
Dividend payment	0	0	0	0	0	-56,837,870	0	-56,837,870
Allocation of last year's net profit to retained earnings	0	0	0	0	0	-51,274,590	51,274,590	0
Allocation of net profit to reserves from profit	0	0	0	19,000,000	0	0	-19,000,000	0
As at 31 December 2023	73,701,392	53,412,884	4,662,643	479,100,000	-29,509,839	68,191,612	19,662,426	669,221,118

in EUR

Zavarovalnica Triglav	Share capital	Share premium	Reserves from profit		Accumulated other comprehensive income	Retained earnings	Net profit or loss	Total
			Legal and statutory reserves	Other reserves from profit				
As at 31 December 2021	73,701,392	53,412,884	4,662,643	399,900,000	55,884,634	50,944,831	36,715,549	675,221,933
Impact of the transition to new accounting standards	0	0	0	0	-44,226,681	139,660,909	0	95,434,228
As at 1 January 2022	73,701,392	53,412,884	4,662,643	399,900,000	11,657,953	190,605,740	36,715,549	770,656,161
Comprehensive income for the period after tax	0	0	0	0	-57,967,309	21,454,935	8,925,410	-27,586,964
– net profit	0	0	0	0	0	0	8,925,410	8,925,410
– other comprehensive income	0	0	0	0	-57,967,309	21,454,935	0	-36,512,374
Dividend payment	0	0	0	0	0	-84,120,052	0	-84,120,052
Allocation of last year's net profit to retained earnings	0	0	0	0	0	36,715,549	-36,715,549	0
Allocation of net profit to reserves from profit	0	0	0	60,200,000	0	0	-60,200,000	0
As at 31 December 2022	73,701,392	53,412,884	4,662,643	460,100,000	-46,309,356	164,656,172	-51,274,590	658,949,145

Notes to the changes in Company's equity are included in [Section 3.7.10](#).

1.5 Cash flow statement

in EUR

	Triglav Group		Zavarovalnica Triglav	
	2023	2022 adjusted*	2023	2022 adjusted*
A. CASH FLOWS FROM OPERATING ACTIVITIES				
a. Net profit	16,265,195	-6,972,434	38,662,426	8,925,410
b. Adjustments:				
– depreciation and amortisation	25,346,177	26,537,016	17,308,515	17,097,319
– financial income/expenses from financial investments	-86,501,186	89,054,189	-86,454,374	49,452,245
– income from investment property	-7,441,237	-9,106,100	-6,195,418	-6,116,290
– gains/losses on the sale of property, plant and equipment, intangible assets and investment property	-889,656	-9,045,260	-602,110	-364,792
– revaluation operating income/expenses	589,248	440,237	2,506,191	3,922,362
– other financial expenses	3,230,618	3,007,931	2,601,749	2,623,857
– change in other provisions	-8,117,440	9,841,675	-4,334,041	4,587,460
– corporate income tax excluding the change in deferred taxes	14,792,092	25,148,410	10,092,384	20,633,936
c. Net income before changes in net operating assets (a+b)	-42,726,189	128,905,664	-26,414,678	100,761,507
Net change in insurance and reinsurance contracts	66,797,983	-34,994,768	22,766,477	-47,481,421
Change in other receivables and assets	-6,163,625	-25,549,950	-1,366,462	-21,913,864
Change in other liabilities	-19,561,028	23,928,117	32,070,326	8,802,803
Paid corporate income tax	-29,461,595	-19,743,890	-29,086,200	-10,934,058
d. Changes in net operating assets – operating items of the statement of financial position	11,611,735	-56,360,491	24,384,141	-71,526,540
e. Net cash flow from operating activities (c+d)	-31,114,454	72,545,173	-2,030,537	29,234,967
B. CASH FLOWS FROM INVESTING ACTIVITIES				
a. Cash inflows from investing activities	770,193,056	882,082,442	474,458,520	700,930,807
Cash inflows from interest from investing activities	35,330,665	26,677,171	16,422,489	21,105,908
Cash inflows from dividends and profit sharing	2,767,739	4,698,399	18,895,609	37,123,845
Cash inflows from investment property	7,862,736	24,592,229	6,384,208	6,269,595
Cash inflows from the disposal of property, plant and equipment	2,610,538	552,243	977,869	486,980
Cash inflows from the disposal of financial investments	721,621,378	825,562,400	431,778,345	635,944,479
b. Cash outflows from investing activities	-667,224,400	-852,255,389	-399,702,306	-632,774,776
Cash outflows for the acquisition of intangible assets	-13,920,475	-12,386,110	-10,247,679	-9,111,857
Cash outflows for the acquisition of property, plant and equipment	-7,475,198	-10,121,169	-5,025,021	-6,856,365
Cash outflows for the purchase of investment property	-1,915,560	-2,586,628	-1,622,882	-1,152,492
Cash outflows for the acquisition of financial investments	-643,913,167	-827,161,482	-382,806,724	-615,654,062
– cash outflows for investments in subsidiaries and other companies	-25,352	-35,987	-34,000,023	-57,355,448
– other cash outflows for the acquisition of financial investments	-643,887,815	-827,125,495	-348,806,701	-558,298,614
c. Net cash flow from investing activities (a+b)	102,968,656	29,827,053	74,756,214	68,156,031
C. CASH FLOWS FROM FINANCING ACTIVITIES				
a. Cash inflows from financing activities	0	0	0	0
b. Cash outflows for financing activities	-63,499,814	-89,334,516	-60,343,083	-87,552,804
Cash outflows for interest paid	-2,973,984	-2,625,553	-2,195,486	-2,266,934
Cash outflows for payments of financial liabilities	-3,748,740	-2,656,625	-1,309,727	-1,165,822
Cash outflows for dividend payments and other participation in profits	-56,777,090	-84,052,338	-56,837,870	-84,120,048
c. Total cash flows from financing activities (a+b)	-63,499,814	-89,334,516	-60,343,083	-87,552,804
D. Opening balance of cash and cash equivalents	76,066,279	63,028,569	19,296,850	9,458,656
E. Net cash flow for the period	8,354,388	13,037,710	12,382,594	9,838,194
F. Closing balance of cash and cash equivalents	84,420,667	76,066,279	31,679,444	19,296,850

* The data for the comparative period are adjusted in accordance with the two new accounting standards, as described in [Section 2.6](#).

** Exchange rate differences are already included in specific items.

2. Notes to the financial statements

2.1 Profile of Zavarovalnica Triglav and Triglav Group

2.1.1 About Zavarovalnica Triglav

Zavarovalnica Triglav, d.d. (hereinafter: Zavarovalnica Triglav or the Company or the controlling company) is a public limited company, with its head office at Miklošičeva 19 in Ljubljana, Slovenia. The Company is entered in the Companies Register at the Ljubljana District Court. The Triglav Group is the leading insurance and financial group in Slovenia and the Adria region as well as one of the leading groups in South-East Europe.

Its shares are listed on the Ljubljana Stock Exchange, under the ticker symbol ZVTG. The Company's largest shareholders are Zavod za pokojninsko in invalidsko zavarovanje Slovenije (Pension and Disability Insurance Institute of Slovenia) and Slovenski državni holding, d.d. (Slovenian Sovereign Holding), which on 31. December 2023 hold 34.47% and 28.09% of the share capital respectively.

Zavarovalnica Triglav is a composite insurance company that conducts life and non-life insurance business. In accordance with the Pension and Disability Insurance Act (ZPIZ-2), the Company also provides pension insurance and other ancillary services with regard to insurance products and pension funds in the framework of life insurance.

In the life insurance segment, the following funds, which are kept separately, operated in 2023:

- Skupina kritnih skladov PDPZ (registered number 5063345032), which includes three guarantee funds, within which the lifecycle investment policy is implemented. The pension schemes for group supplemental voluntary pension insurance with the designations PN-ZT-01/15-9, PN-ZT-03/15-9 and PN-ZT-05/15-9 and for individual supplemental voluntary pension insurance with the designations PN-ZT-02/15-9, PN-ZT-02/15-9, PN-ZT-04/15-9 and PN-ZT-06/15-9 are implemented in all three guarantee funds. The following guarantee funds operate in Skupina kritnih skladov PDPZ:
 - Triglav PDPZ – zajamčeni guarantee fund (registered number 5063345029);
 - Triglav PDPZ – zmerni guarantee fund (registered number 5063345030);
 - Triglav PDPZ – drzni guarantee fund (registered number 5063345031);
- PDPZ guarantee fund in the period of pension annuity payout – renta 1 (registered number 5063345028);
- PDPZ guarantee fund in the period of pension annuity payout – renta 2 (registered number 5063345033);
- Unit linked fund where policyholders bear investment risk (registered number 5063345023).

The manager of the Triglav PDPZ – zmerni and Triglav PDPZ – drzni guarantee funds is Triglav Skladi d.o.o. Zavarovalnica Triglav manages the rest of the abovementioned guarantee funds. Custodial services are provided by the custodial bank.

The Company established a branch in Greece in 2023 under the name Zavarovalnica Triglav, d.d. – Greek Branch.

2.1.2 Management and supervisory bodies

The Company has a two-tier governance system, according to which it is managed by the Management Board whose work is monitored and supervised by the Supervisory Board. The Company's management and supervisory bodies are the General Meeting of Shareholders, the Supervisory Board and the Management Board, and the following Supervisory Board committees: the Audit Committee, the Appointment and Remuneration Committee, the Strategy Committee and the Nomination Committee.

In accordance with the Articles of Association, Zavarovalnica Triglav has a nine-member Supervisory Board, whose members in 2023 were:

- Andrej Andoljšek, Chairman,
- Igor Stebernak, Vice Chairman,
- Tomaž Benčina, Member,
- Jure Valjavec, Member,
- Monica Cramer Manhem, Member,
- Tim Umberger, Member,
- Aleš Košiček, Member – Employee Representative and
- Janja Strmljan Čevnja, Member – Employee Representative.

The Management Board directs, represents and acts on behalf of Zavarovalnica Triglav, independently and on its own responsibility. In compliance with the Articles of Association, the Supervisory Board appoints three to six Management Board members.

In 2023, the Management Board was composed of:

- Andrej Slapar, President,
- Uroš Ivanc, Member,
- Tadej Čoroli, Member,
- Marica Makoter, Member and
- Blaž Jakič, Member.

The powers of individual bodies are set out in the Companies Act (ZGD-1), and they are defined in greater detail in the Company's Articles of Association and the rules of procedure of individual bodies.

It is the responsibility of the Management Board to compile and approve the annual report. The audited annual report is approved by the Supervisory Board. In the event that the Supervisory Board fails to approve the annual report, the General Meeting of Shareholders decides on the adoption of the annual report.

The Management Board approved the audited annual report for the financial year ended 31 December 2023 on 12 March 2024. The annual report is published on the Company's website (www.triglav.eu).

2.1.3 Data on employees

In 2023, the Group employed an average of 5,190 employees (2022: 5,286), of which 2,239 were employees of Zavarovalnica Triglav (2022: 2,231).

As at 31 December 2023, the Group employed 5,318 employees (31 December 2022: 5,306), of which 2,243 were employees of Zavarovalnica Triglav (31 December 2022: 2,243).

The number of employees within the Group and at Zavarovalnica Triglav based on their level of education is shown in the table below.

Education level	Triglav Group		Zavarovalnica Triglav	
	31 Dec 2023	31 Dec 2022	31 Dec 2023	31 Dec 2022
2–5 Upper secondary or general education or below	2,181	2,204	746	772
6/1 First-cycle education/professional higher education	521	527	353	363
6/2 First-cycle education	824	809	479	458
7 Second-cycle education	1,552	1,530	565	551
8/1 Third-cycle education/master's degree in science	218	214	92	90
8/2 Third-cycle education/doctoral degree in science	22	22	8	9
TOTAL	5,318	5,306	2,243	2,243
Number of employees (full time equivalent)	5,190	5,177	2,215	2,213

2.1.4 About the Triglav Group

Zavarovalnica Triglav is the controlling company of the Triglav Group (hereinafter: the Group), therefore, in addition to the separate financial statements of the Company, it also compiles the consolidated financial statements of the Group.

The Group's two key strategic business segments are insurance and asset management. The Triglav Group is the leading insurance and financial group in Slovenia and the Adria region as well as one of the leading groups in South-East Europe.

Triglav Group subsidiaries⁹²

Company	Address	Tax rate (in %)	Activity	Equity stake (in %)		Share of voting rights (in %)	
				2023	2022	2023	2022
Pozavarovalnica Triglav RE, d.d.	Miklošičeva cesta 19, Ljubljana, Slovenija	19	Reinsurance	100.00	100.00	100.00	100.00
Triglav, Zdravstvena zavarovalnica, d.d.	Dunajska cesta 22, Ljubljana, Slovenija	19	Insurance	100.00	100.00	100.00	100.00
Triglav Osiguranje, d.d., Zagreb	Antuna Heinza 4, Zagreb, Hrvatska	18	Insurance	100.00	100.00	100.00	100.00
Triglav Osiguranje, d.d., Sarajevo	Dolina 8, Sarajevo, Bosna in Hercegovina	10	Insurance	97.78	97.78	98.87	98.87
Lovčen Osiguranje, a.d., Podgorica	Ulica slobode 13a, Podgorica, Crna gora	9-15	Insurance	99.07	99.07	99.07	99.07
Lovčen životna osiguranja, a.d., Podgorica	Ulica Marka Miljanova 29/III, Podgorica, Crna gora	9-15	Insurance	99.07	99.07	99.07	99.07
Triglav Osiguranje, a.d.o., Beograd	Milutina Milankovića 7a, Beograd, Srbija	15	Insurance	100.00	100.00	100.00	100.00
Triglav Osiguranje, a.d., Banja Luka	Ulica Prvog krajiškog korpusa 29, Banja Luka, Bosna in Hercegovina	10	Insurance	97.78	100.00	100.00	100.00
Triglav Osiguruvanje, a.d., Skopje	Bulevar 8-mi Septemvri 16, Skopje, Severna Makedonija	10	Insurance	82.01	81.69	82.01	81.69
Triglav Osiguruvanje Život, a.d., Skopje	Bulevar 8-mi Septemvri 18, Skopje, Severna Makedonija	10	Insurance	97.43	97.38	97.43	97.38
Triglav penzisko društvo, a.d., Skopje	Bulevar 8-mi septemvri 18, Skopje, Severna Makedonija	10	Fund management	100.00	100.00	100.00	100.00
Triglav, pokojninska družba, d.d.	Dunajska cesta 22, Ljubljana, Slovenija	0	Fund management	100.00	100.00	100.00	100.00
Triglav INT, d.o.o.	Dunajska cesta 22, Ljubljana, Slovenija	19	Holding company	100.00	100.00	100.00	100.00
Triglav Skladi, d.o.o.	Dunajska cesta 20, Ljubljana, Slovenija	19	Fund management	100.00	100.00	100.00	100.00
Triglav Avtoservis, d.o.o.	Verovškova 60b, Ljubljana, Slovenija	19	Maintenance and repair of motor vehicles	100.00	100.00	100.00	100.00
Triglav Svetovanje, d.o.o.	Ljubljanska cesta 86, Domžale, Slovenija	19	Insurance agency	100.00	100.00	100.00	100.00
Triglav, Upravljanje nepremičnin, d.o.o.	Dunajska cesta 22, Ljubljana, Slovenija	19	Real estate management	100.00	100.00	100.00	100.00
Triglav Savjetovanje, d.o.o., Sarajevo	Dolina 8, Sarajevo, Bosna in Hercegovina	10	Insurance agency	97.78	97.78	98.87	98.87
Triglav Savjetovanje, d.o.o., Zagreb	Sarajevska cesta 60, Zagreb, Hrvatska	18	Insurance	100.00	100.00	100.00	100.00
Triglav Savetovanje, d.o.o., Beograd	Zelengorska 1g, Beograd, Srbija	15	Insurance agency	100.00	100.00	100.00	100.00
Autocentar BH, d.o.o.	Džemala Bijedića 165b, Sarajevo, Bosna in Hercegovina	10	Maintenance and repair of motor vehicles	97.78	97.78	98.87	98.87
Sarajevostan, d.o.o.	Džemala Bijedića 147, Sarajevo, Bosna in Hercegovina	10	Real estate management	90.95	90.95	91.97	91.97
Lovčen auto, d.o.o., Podgorica	Novaka Miloševa 6/2, Podgorica, Crna gora	9-15	Maintenance and repair of motor vehicle	99.07	99.07	99.07	99.07
Triglav upravljanje nekretninama, d.o.o., Zagreb	Ulica Josipa Marohnića 1/1, Zagreb, Hrvatska	18	Real estate management	100.00	100.00	100.00	100.00
Triglav upravljanje nekretninama, d.o.o., Podgorica	Džordža Vašingtona 44, Podgorica, Crna gora	9-15	Real estate management	100.00	100.00	100.00	100.00
Triglav upravljanje nekretninama, d.o.o., Sarajevo	Dolina 8, Sarajevo, Bosna in Hercegovina	10	Real estate management	100.00	100.00	100.00	100.00
TRIGLAV upravuvanje so nedvižen imot DOOEL, Skopje	Dame Gruev št. 8, Skopje, Severna Makedonija	10	Real estate management	100.00	-	100.00	-
Triglav Fondovi, d.o.o., Sarajevo	Ulica Mehmed-paše Sokolovića 15, Sarajevo, Bosna in Hercegovina	10	Fund management	62.54	62.54	62.54	62.54
Triglav zdravje asistenca, d.o.o., Ljubljana	Dunajska cesta 22, Ljubljana, Slovenija	19	Other human health activities	100.00	100.00	100.00	100.00
Zavod Vse bo v redu	Miklošičeva cesta 19, Ljubljana, Slovenija	19	Corporate Social Responsibility Institute	100.00	100.00	100.00	100.00

⁹² All subsidiaries except Zavod Vse bo v redu, which is not material for the Group, are included in the consolidated financial statements according to the full consolidation method. GRI 207-4.

Condensed financial statements of the Triglav Group companies

in EUR

Company	Assets		Liabilities		Equity		Income		Net profit/loss	
	2023	2022 adjusted*	2023	2022 adjusted*	2023	2022 adjusted*	2023	2022 adjusted*	2023	2022 adjusted*
Pozavarovalnica Triglav Re, d.d., Ljubljana	410,277,992	282,130,250	311,869,723	189,080,421	98,408,269	93,049,829	439,210,534	249,980,810	5,063,016	6,943,222
Triglav, Zdravstvena zavarovalnica, d.d., Ljubljana	79,728,538	86,327,285	40,187,489	49,682,106	39,541,049	36,645,178	213,523,824	206,099,017	-24,444,673	-2,585,365
Triglav Osiguranje, d.d., Zagreb	190,787,223	172,100,828	148,449,013	134,993,977	42,338,210	37,106,851	106,955,946	103,781,919	-3,858,646	-1,288,501
Triglav Osiguranje, d.d., Sarajevo	83,912,383	74,739,851	57,836,201	48,161,294	26,076,182	26,578,557	33,085,377	26,118,319	1,118,581	912,122
Lovćen Osiguranje, a.d., Podgorica	52,294,433	48,021,698	31,236,313	30,744,165	21,058,120	17,277,533	38,602,238	40,108,683	2,347,486	3,646,277
Lovćen životna osiguranja, a.d., Podgorica	9,446,837	7,825,978	5,258,146	3,506,413	4,188,691	4,319,565	4,039,491	4,454,307	-513,512	318,002
Triglav Osiguranje, a.d.o., Beograd	88,533,209	73,084,005	58,802,788	45,467,739	29,730,421	27,616,266	107,330,259	84,300,667	1,799,380	4,267,246
Triglav Osiguranje, a.d., Banja Luka	14,680,050	12,992,268	9,757,036	7,839,361	4,923,014	5,152,907	8,772,472	7,226,135	174,676	63,918
Triglav Osiguruvanje, a.d., Skopje	42,735,186	33,906,018	28,093,194	20,012,037	14,641,992	13,893,981	34,797,946	17,650,515	884,217	581,293
Triglav Osiguruvanje Život, a.d., Skopje	14,700,851	10,682,151	8,131,485	4,276,898	6,569,366	6,405,253	3,513,193	1,782,931	88,221	433,795
Triglav penzisko društvo, a.d., Skopje	3,938,167	3,337,877	192,283	158,530	3,745,884	3,179,347	914,821	519,140	-426,828	-658,779
Triglav, pokojninska družba, d.d., Ljubljana	482,831,854	444,936,402	419,510,811	387,175,730	63,321,043	57,760,672	9,586,894	5,259,683	4,599,439	-4,665,374
Triglav INT, d.o.o., Ljubljana	78,123,520	67,880,648	41,280	23,949	78,082,240	67,856,699	118	977,783	-274,458	-13,237,778
Triglav Skladi, d.o.o., Ljubljana	61,691,354	66,882,379	8,213,384	6,968,200	53,477,970	59,914,179	34,354,497	30,861,198	8,538,042	2,469,356
Triglav Avtoservis, d.o.o., Ljubljana	1,752,461	1,280,682	1,570,356	1,129,953	182,105	150,729	4,352,568	3,145,332	35,097	9,836
Triglav Svetovanje, d.o.o., Domžale	2,303,025	1,899,366	1,743,216	1,467,292	559,809	432,074	6,609,337	5,704,023	133,639	105,395
Triglav, Upravljanje nepremičnin, d.o.o., Ljubljana	29,406,171	29,055,430	2,585,145	3,442,253	26,821,026	25,613,177	4,815,090	15,994,113	1,214,903	10,527,056
Triglav Savjetovanje, d.o.o., Sarajevo	259,436	268,101	239,082	258,193	20,354	9,908	659,640	695,683	10,445	7,213
Triglav Savjetovanje, d.o.o., Zagreb	99,470	54,413	15,130	91,441	84,340	-37,028	373,596	370,325	-67,811	-126,524
Triglav Savetovanje, d.o.o., Beograd	85,345	91,746	56,631	95,375	28,714	-3,629	656,700	688,402	-4,296	-37,822
Autocentar BH, d.o.o., Sarajevo	2,833,784	2,574,025	769,430	530,336	2,064,354	2,043,689	1,760,693	1,764,978	71,795	82,924
Sarajevostan, d.o.o., Sarajevo	1,891,436	1,890,500	634,805	709,063	1,256,631	1,181,437	2,012,082	1,913,453	75,198	223,607
Lovćen auto, d.o.o., Podgorica	5,009,689	4,824,902	1,585,356	1,439,562	3,424,333	3,385,340	2,433,506	2,325,018	38,993	94,833
Triglav upravljanje nekretninama, d.o.o., Zagreb	523,837	456,763	731	728	523,106	456,035	123,473	1,048	67,074	-834
Triglav upravljanje nekretninama, d.o.o., Podgorica	619,201	790,983	80,022	194,397	539,179	596,586	26,866	12,248	-57,408	-116,225
Triglav upravljanje nekretninama, d.o.o., Sarajevo	1,255,589	990,356	300,675	5,169	954,914	985,187	77,346	8,397	-30,270	-13,521
TRIGLAV upravljanje so nedvižen imot DOOEL, Skopje	3,194	-	0	-	3,194	-	0	-	-1,800	-
Triglav Fondovi, d.o.o., Sarajevo	4,156,529	4,181,525	72,903	20,242	4,083,626	4,161,283	520,201	144,563	-77,658	-786,808
Triglav zdravje asistencija, d.o.o., Ljubljana	3,714,997	6,100	1,169,220	599	2,545,777	5,501	1,069,490	2,455	47,777	-1,998
Zavod Vse bo v redu	240,727	98,730	10,593	0	230,135	98,730	182,256	364,907	131,405	-44,898

* The data for the comparative period are adjusted in accordance with the two new accounting standards, as described in [Section 2.6](#). The table shows the data before the elimination of intercompany transactions and other consolidation adjustments.

Non-controlling interests in the Triglav Group companies

Company	Non-controlling interest in capital (in %)		Voting rights of non-controlling interests (in %)		Net profit or loss attributable to non-controlling interest holders (in EUR)		Retained earnings attributable to non-controlling interest holders (in EUR)	
	2023	2022	2023	2022	2023	2022 adjusted*	2023	2022 adjusted*
Triglav Osiguranje, d.d., Sarajevo	2.22	2.22	1.13	1.13	26,536	19,309	414,294	447,531
Triglav Osiguruvanje, a.d., Skopje	17.99	18.31	17.99	18.31	159,072	106,457	1,407,360	1,325,064
Lovćen Osiguranje, a.d., Podgorica	0.93	0.93	0.93	0.93	21,832	33,910	572,076	536,916
Lovćen životna osiguranja, a.d., Podgorica	0.93	0.93	0.93	0.93	-4,776	2,957	85,452	86,668
Triglav Osiguranje, a.d., Banja Luka	2.22	-	-	-	3,878	-	3,836	-
Triglav Savjetovanje, d.o.o., Sarajevo	2.22	2.22	1.13	1.13	232	160	-19,230	-19,462
Autocentar BH, d.o.o., Sarajevo	2.22	2.22	1.13	1.13	1,594	816	-142,651	-143,109
Lovćen auto, d.o.o., Podgorica	0.93	0.93	0.93	0.93	363	882	-398,132	-398,495
Triglav Osiguruvanje Život, a.d., Skopje	2.57	2.62	2.57	2.62	2,268	11,353	-5,769	-10,296
Sarajevostan, d.o.o., Sarajevo	9.05	9.05	8.03	8.03	6,801	-16,063	237,293	230,492
Triglav Fondovi, d.o.o., Sarajevo	37.46	37.46	37.46	37.46	-29,090	-294,728	1,529,724	1,558,817
TOTAL					188,710	-134,947	3,684,253	3,614,126

* Opening balances are recalculated in accordance with the two new accounting standards, as described in [Section 2.6](#).

The two Group companies holding a significant non-controlling interest are Triglav Osiguruvanje, a.d., Skopje and Triglav Fondovi, d.o.o., Sarajevo. Their key financial information is presented below.

	in EUR					in EUR			
	Triglav Osiguruvanje a.d., Skopje		Triglav Fondovi d.o.o., Sarajevo			Triglav Osiguruvanje a.d., Skopje		Triglav Fondovi d.o.o., Sarajevo	
	31 Dec 2023	31 Dec 2022 adjusted*	31 Dec 2023	31 Dec 2022 adjusted*		2023	2022 adjusted*	2023	2022 adjusted*
CONDENSED BALANCE SHEET					CONDENSED COMPREHENSIVE INCOME				
Current assets	2,549,100	2,304,680	245,596	218,933	Net profit or loss for the year	884,217	581,293	-77,658	-786,808
Current liabilities	2,018,497	2,102,737	72,823	19,044	Other comprehensive income	-136,212	-2,308,472	0	0
Net current assets/liabilities	530,603	201,943	172,773	199,889	Total comprehensive income	748,005	-1,727,181	-77,658	-786,808
Non-current assets	40,186,086	31,601,338	3,910,933	3,962,592					
Non-current liabilities	26,074,697	17,909,300	80	1,198					
Net non-current assets/liabilities	14,111,389	13,692,038	3,910,853	3,961,394					
Net assets	14,641,992	13,893,981	4,083,626	4,161,283					

Associates and joint ventures of the Group and the Company

Company	Address	Tax rate (in%)	Activity
Nama, d.d.	Tomšičeva 1, Ljubljana, Slovenija	19	Retail trade
Triglavko, d.o.o.	Ulica XXX. divizije 23, Nova Gorica, Slovenija	19	Insurance agency
TRIGAL, upravljanje naložb in svetovanje, d.o.o.	Dunajska cesta 22, Ljubljana, Slovenija	19	Management of financial funds
Društvo za upravljanje EDPF, a.d., Banja Luka	Kralja Petra I Karađorđevića 109/III Banja Luka, Bosna in Hercegovina	10	Fund management
Diagnostični center Bled, d.o.o.	Pod skalo 4, Bled, Slovenija	19	Health
Alifenet d.o.o.	Dunajska cesta 22, Ljubljana, Slovenija	19	Fund management

Company	Triglav Group						Zavarovalnica Triglav					
	Share in capital (in %)		Voting rights (in %)		Investment value (in EUR)		Voting rights (in %)		Share in capital (in %)		Investment value (in EUR)	
	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022
Nama, d.d.	39.15	39.15	39.15	39.15	4,648,981	4,496,424	39.07	39.07	39.07	39.07	4,648,981	4,496,424
Triglavko, d.o.o.	38.47	38.47	38.47	38.47	18,509	18,560	38.47	38.47	38.47	38.47	18,509	18,560
TRIGAL, upravljanje naložb in svetovanje, d.o.o.	49.90	49.90	49.90	49.90	10,925,240	10,925,240	49.90	49.90	49.90	49.90	10,925,240	10,925,240
Društvo za upravljanje EDPF, a.d.	34.00	34.00	34.00	34.00	489,221	440,648	0.00	0.00	0.00	0.00	0	0
Diagnostični center Bled, d.o.o.	50.00	50.00	50.00	50.00	21,560,000	21,856,110	50.00	50.00	50.00	50.00	21,560,000	21,856,110
Alifenet, d.o.o.	23.58	23.58	23.58	23.58	66,111	73,202	23.58	23.58	23.58	23.58	66,111	73,202
TOTAL					37,708,062	37,810,184					37,218,841	37,369,536

Company	in EUR									
	Assets		Liabilities		Equity		Revenues		Profit/loss	
	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022
Nama, d.d. *	13,526,992	13,319,084	1,904,376	2,083,400	11,622,617	11,235,685	11,850,849	11,326,818	475,421	459,994
TRIGAL, upravljanje naložb in svetovanje, d.o.o.	23,869,050	23,607,734	1,080,653	1,274,288	22,788,397	22,333,446	1,611,679	1,385,607	-197,760	442,652
Društvo za upravljanje EDPF, a.d.	1,473,860	1,308,881	52,182	30,118	1,421,679	1,278,763	472,669	337,902	142,863	-59,835
Diagnostični center Bled, d.o.o.*	53,009,611	46,359,219	20,190,187	17,491,895	32,819,424	28,867,324	36,110,809	30,401,886	3,957,023	2,737,150

Presented below are the condensed balance sheet and comprehensive income for material investments in associates.

in EUR

	Diagnostični center Bled d.o.o.		NAMA d.d.		TRIGAL d.o.o.	
	31 Dec 2023	31 Dec 2022	31 Dec 2023	31 Dec 2022	31 Dec 2023	31 Dec 2022
CONDENSED BALANCE SHEET						
Current assets	7,379,416	9,055,669	7,263,214	6,557,127	2,945,650	4,608,767
Current liabilities	7,414,397	6,757,176	1,467,430	1,384,924	344,565	283,850
Net current assets/liabilities	-34,981	2,298,493	5,795,784	5,172,203	2,601,085	4,324,917
Non-current assets	45,630,195	37,303,550	6,263,778	6,761,957	20,923,400	18,998,967
Non-current liabilities	12,775,790	10,734,719	436,946	698,476	736,088	990,438
Net non-current assets/liabilities	32,854,405	26,568,831	5,826,832	6,063,482	20,187,312	18,008,529
Net assets	32,819,424	28,867,324	11,622,616	11,235,685	22,788,397	22,333,446
CONDENSED COMPREHENSIVE INCOME	2023	2022	2023	2022	2023	2022
Net profit or loss for the year	3,957,023	2,737,150	475,421	459,994	-197,760	442,652
Other comprehensive income	0	0	73,644	-74,031	0	0
Total comprehensive income	3,957,023	2,737,150	549,065	385,963	-197,760	442,652
Dividends from associates for the year	0	0	63,345	63,345	0	0

Changes in the structure of the Triglav Group in 2023

Changes in the operations of Triglav Zdravstvena zavarovalnica d.d., Ljubljana and related capital increase

In April 2023, the legislative framework for the existing supplemental health insurance system was changed in Slovenia, which significantly affected Triglav Zdravstvena zavarovalnica's operations and its capital adequacy. As a result, Zavarovalnica Triglav d.d., as the sole shareholder, increased the capital of said insurer in the amount of EUR 22,500,000 and thus retained its 100% participating interest. Changes in the operations of Triglav, Zdravstvena zavarovalnica d.d. are described in detail in [Section 8.3 of the Business Report](#), which is part of the Group's and the Company's Annual Report.

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

Triglav Osiguranje d.d., Zagreb increased the capital of Triglav Savjetovanje d.o.o., Zagreb through the in-cash contribution of EUR 189,180. With the capital increase, Triglav Osiguranje d.d., Zagreb remained a 100% owner of said company. The capital increase had no impact on the Group's consolidated financial statements.

Purchase of shares of Triglav Osigurivanje a.d., Skopje from non-controlling interest holders

Triglav INT d.o.o., Ljubljana acquired a 0.32% participating interest from the non-controlling interest holders of Triglav Osigurivanje a.d., Skopje, thereby becoming its 82.01% owner. The consideration totalled MAK 1,605,441 or EUR 25,350. The effect of the acquisition of the non-controlling interest was recognised in the consolidated financial statements as an increase in share premium of EUR 17,906.

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

Triglav Osiguranje d.d., Belgrade increased the capital of Triglav Savetovanje d.o.o., Belgrade through the in-cash contribution of RSD 4,300,000 or EUR 36,705. With the capital increase, Triglav Osiguranje d.d., Belgrade remained a 100% owner of said company. The capital increase had no impact on the Group's consolidated financial statements.

Capital increase of Triglav zdravje asistenca, družba za zdravstveno dejavnost d.o.o.

Triglav Zdravstvena zavarovalnica, d.d. increased the capital of Triglav zdravje asistenca d.o.o. in the amount of EUR 2,492,500, thereby remaining a 100% owner of said company. The capital increase had no impact on the Group's consolidated financial statements.

Capital increase of Triglav penzisko društvo a.d., Skopje

Zavarovalnica Triglav d.d. increased the capital of Triglav penzisko društvo a.d., Skopje with an in-cash contribution of EUR 1,000,000, thus remaining a 100% owner of said company. The capital increase had no impact on the Group's consolidated financial statements.

Capital increase of Triglav INT, holdinška družba d.o.o., Ljubljana

Zavarovalnica Triglav d.d. increased the capital of Triglav INT, holdinška družba d.o.o., Ljubljana with an in-cash contribution of EUR 10,500,000, thus remaining a 100% owner of said company. The capital increase had no impact on the Group's consolidated financial statements.

Capital increase of Triglav Osiguranje d.d., Zagreb

Triglav INT, holdinška družba d.o.o., Ljubljana increased the capital of Triglav Osiguranje d.d., Zagreb in the amount of EUR 10,500,000. The capital increase was raised through an in-cash contribution. Triglav INT, holdinška družba d.o.o., Ljubljana remained a 100% owner of said company. The capital increase had no impact on the Group's consolidated financial statements.

Transfer of the participating interest in Triglav Osiguranje a.d., Banja Luka

Triglav INT, holdinška družba d.o.o., Ljubljana, sold its 100% participating interest in Triglav Osiguranje d.d., Banja Luka. As a result, Triglav Osiguranje d.d., Sarajevo became a 100% owner of Triglav Osiguranje a.d., Banja Luka. This transaction had no significant impact on the Triglav Group's consolidated financial statements.

Establishment of Triglav, upravuvanje so nedvižen imot DOOEL Skopje

Triglav, Upravljanje nepremičnin d.o.o., Ljubljana established the Triglav, upravuvanje so nedvižen imot DOOEL Skopje, in which it holds a 100% participating interest. The new company is included in the Triglav Group's consolidated financial statements under the full consolidation method.

2.2 Bases for the preparation of financial statements

2.2.1 Statement of compliance

The Group's consolidated financial statements and the Company's separate financial statements for the financial year ended 31 December 2023 were prepared in accordance with International Financial Reporting Standards (hereinafter: IFRS) as adopted by the EU.

The Group's and the Company's financial statements were also prepared in accordance with the requirements of the Companies Act (ZGD-1), the Insurance Act (ZZavar-1) and its implementing regulations.

2.2.2 Bases for measurement and classification

The financial statements were prepared under the going concern assumption and taking into account the requirements of adequacy, reliability, comprehensibility and comparability of financial information. Furthermore, they were compiled on the historical cost or amortised cost basis, except in the case of financial instruments recognised at fair value through profit or loss and financial instruments recognised at fair value through other comprehensive income, which are measured at fair value.

The financial year is the same as the calendar year.

For the preparation of the statement of financial position, individual items are classified into groups of assets and liabilities depending on their nature, listed in the order of their liquidity and/or maturity. In additional disclosures current and non-current assets as well as current and non-current liabilities are disclosed as separate items, depending on whether they are expected to be paid or settled within 12 months of the balance sheet date (current) or after more than 12 months from the balance sheet date (non-current).

Financial assets and liabilities on the statement of financial position are offset only when there is a legal right and intent for net settlement, or when the assets are realised and the liabilities are settled simultaneously. Income and expenses on the income statement are not offset, except if so required by standards and notes or if this is specified in the Company's accounting policies.

The financial statements are presented in euros, which is the Group's presentation currency. The amounts in the financial statements are rounded to one euro.

2.2.3 Verifying the going concern assumption

When preparing the financial statements, an assessment was made of the ability of both the Group and the Company to continue as a going concern due to the persisting deteriorated general economic and geopolitical situation.

Based on the assessments it can be confirmed that, in the given situation, the Triglav Group remains financially stable and adequately liquid, and that the going concern assumption is appropriate.

2.3 Bases for consolidation

In addition to the separate financial statements, the Company compiles the consolidated financial statements of the Group. The Group's consolidated financial statements include all companies directly or indirectly controlled by the Company, with the exception of those that are not material for the Group's consolidated financial statements.

Zavarovalnica Triglav controls a company if all the following three elements of control are met:

- it has influence over the company (directs important activities that significantly affect the company's returns) by virtue of voting rights based on equity instruments or by virtue of other rights arising from contractual agreements,
- it is exposed to variable returns or has the right to variable returns from its participation in the company and
- it is able, through its influence over the company, to influence the amount of its return.

An assessment of the existence of control of an individual company is performed once a year or if the facts and circumstances show that one or more of the three elements of control have changed.

Subsidiaries are included in the consolidated financial statements under the full consolidation method from the acquisition date.

The assets and liabilities of a subsidiary are measured at fair value on initial consolidation. Any difference between the market value of the business combination and the acquirer's share of the net fair value of the assets, liabilities and contingent liabilities acquired is accounted for as goodwill. The effects of any subsequent changes in the acquirer's interest in the subsidiary are recognised in share premium.

If the Company disposes of a subsidiary or loses control over it, such a subsidiary is deconsolidated from the date on which control ceases. Related assets (including goodwill), liabilities, non-controlling interests and other components of equity are derecognised, with any effect of loss of control in the consolidated statement of profit or loss being recognised as gain or loss. Any remaining interests in this company that no longer represent a significant or dominant interest after the disposal are recognised at fair value.

All the Group subsidiaries that are significant to the Group's financial statements are fully consolidated. Exceptionally, companies that are insignificant from consolidated financial statements point of view, i.e. the size of an individual such company does not exceed 0.5% of the Group's total assets, may be excluded from full consolidation. A company conducting insurance business or an activity directly related thereto (e.g. insurance brokerage) cannot be excluded from consolidation. In the full consolidation process,

the carrying amount of the financial investment by the controlling company in each subsidiary and the controlling company's share in equity of each subsidiary are offset (eliminated). Intragroup assets and liabilities, income and expenses and the effects of other transactions within the Group are also fully eliminated.

In the consolidated financial statements, profit/loss and other comprehensive income are proportionately attributed to non-controlling interests. If the equity stake of non-controlling interests changes, the carrying amounts of the controlling and non-controlling interests are adjusted to reflect the changes in their relative interests in a subsidiary. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received are recognised directly in equity and attributed to the controlling company's owners.

The reporting date of the financial statements of Zavarovalnica Triglav and its subsidiaries does not differ from the reporting date of the consolidated financial statements.

All Group companies participating in the consolidation process use uniform accounting policies. If the accounting policies of a particular subsidiary differ from the accounting policies applied by the Group, appropriate adjustments are made to the financial statements of such subsidiary prior to the compilation of the consolidated financial statements to ensure compliance with the Group's accounting policies.

2.4 Foreign currency translation

Items included in the separate financial statements of each Group company are measured using the currency of the primary economic environment in which the respective company operates (functional currency). The financial statements are presented in euros, which is the Group's presentation currency.

2.4.1 Translation of business events and items

Transactions in foreign currency are translated into the functional currency as at the date of the transaction at the exchange rate quoted in the European Central Bank's reference rate list published by the Bank of Slovenia. If the exchange rate for a certain currency is not published by the Bank of Slovenia, the exchange rate published by Bloomberg is used. Exchange rate differences arising from the settlement of these transactions or from the translation of monetary items are recognised in profit or loss.

Exchange rate differences arising from changes in the amortised cost of monetary items denominated in foreign currency measured at fair value through other comprehensive income are recognised in profit or loss. Foreign rate differences from non-monetary items, such as equity instruments classified as financial assets measured at fair value through profit or loss, are recognised in profit or loss. Exchange rate differences from non-monetary items, such as equity instruments measured at fair value through other comprehensive income are recognised together with the effects of measurement at fair value in other comprehensive income and accumulated in equity.

2.4.2 Translation from the functional into the presentation currency

The financial statements of Group companies that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- assets and liabilities are translated at the final exchange rate as at the reporting date;
- income, expenses and costs are translated at the average exchange rate for the reporting period;
- equity components are translated at a historical exchange rate;
- all the resulting exchange rate differences are recognised in other comprehensive income.

Goodwill and adjustment of acquired assets of a foreign subsidiary to fair value are treated in the same way as assets of a foreign subsidiary and are translated into the presentation currency at the closing exchange rate.

In the consolidated financial statements, exchange rate differences resulting from the translation of a net investment in a foreign subsidiary are recognised in the statement of comprehensive income. When the Group loses control over a foreign subsidiary, previously recognised exchange rate differences arising from the translation into the presentation currency are reclassified from other comprehensive income into the profit or loss statement as part of gains or losses on sale.

2.5 Significant accounting policies

2.5.1 Significant changes in accounting policies

Significant changes in accounting policies relate to the application of two new accounting standards – IFRS 17 and IFRS 9, which are effective as of 1 January 2023, and to the change in the valuation method of associates and joint ventures in Zavarovalnica Triglav's financial statements. The data for the comparative period were adjusted to reflect the implementation of the specified standards and amended accounting policies as of 1 January 2022.

IFRS 17 replaces IFRS 4 for annual periods beginning after 1 January 2023. For the Company and the Group, this means significant changes in the classification, measurement and disclosure of items in the financial statements that relate to insurance operations.

The transition to IFRS 17 led to a reassessment of underwriting and financial risks of pension products in the savings phase (supplemental voluntary pension insurance). As a result of the reassessment, these products no longer bear material underwriting risk and were therefore reclassified from insurance to financial contracts upon the transition. The reclassification has a material impact on the presentation in the financial statements:

- The value of financial investments is reduced and the value of financial contract assets is increased.
- Insurance contract liabilities are reduced and financial contract liabilities are increased.
- Only income from entry fees, exit fees, management fees and any deficits will be recognised in the statement of profit or loss. Pay-ins and pay-outs will no longer be treated as income or expenses.

The amount of financial contract assets and liabilities is disclosed in [Section 3.5](#).

IFRS 9 replaces IAS 39 and is effective for annual periods beginning after 1 January 2018, except that Triglav Group, as an insurance group, has opted for the temporary exemption from the application of IFRS 9 for annual periods before 1 January 2023. The implementation of the new IFRS 9 as of 1 January 2023 has an impact on the classification, measurement and disclosure of items in the financial statements relating to financial instruments.

The valuation method of investments in associates and joint ventures changed concurrently with the transition to the two new accounting standards. These are now measured under the equity method for the purposes of preparing both the separate and the consolidated financial statements, whereas before the change of investments in associates and joint ventures were disclosed at fair value in the separate financial statements.

See [Section 2.6](#) for the effects of the transition.

The new accounting policies relating to insurance operations and financial instruments are set out below.

2.5.2 Insurance and reinsurance contract assets and liabilities

2.5.2.1 Classification of contracts with policyholders and valuation approaches used

The Group's and the Company's contracts with policyholders are classified into two groups: insurance contracts and financial contracts.

A contract is defined as an insurance contract when, at the time of conclusion, the Group and the Company accept significant insurance risk from the policyholder by agreeing to compensate the policyholder if they are adversely affected by a specified uncertain future insured event.

The Group and the Company assess whether the contract contains a significant insurance risk by assessing whether the insured event could result in additional significant payouts to the policyholder, even if the insured event is highly unlikely.

This assessment is carried out for each contract separately on the contract issue date. In this assessment, the Group and the Company take into account all their material rights and obligations, regardless of whether they arise from a contract, law or regulation.

Whether or not a contract contains insurance risk, and whether that risk is significant, is a matter of subjective judgement. Life insurance contracts whose primary purpose is to cover the risk of death or to provide a lifetime annuity contain significant insurance risk and are classified as insurance contracts. Contracts with additional insurance are also classified as insurance contracts. Unit-linked life insurance contracts are classified as insurance contracts if the sum insured in the event of death exceeds a certain percentage of the total of the initial payment and the first instalment of the premium for the basic insurance, or if the premium for additional insurance exceeds a certain proportion of the total premium. If the insurance contract does not contain significant insurance risk and is insignificant in terms of the whole group of insurance contracts, it is treated as an insurance contract.

Insurance contracts are valued in the financial statements in accordance with the general model as prescribed by IFRS 17 (the general model, hereinafter: BBA) or in accordance with the simplified premium allocation approach (hereinafter: PAA) when the required conditions are met.

The Group and the Company also enter into insurance contracts with their policyholders that are substantially investment-related under which the policyholders participate in the return on underlying items. In these cases, all contracts are treated as insurance contracts with direct participation features for which:

- the contractual terms specify that the policyholder participates in a share of a clearly identified pool of underlying items;
- the entity expects to pay to the policyholder an amount equal to a substantial share of the fair value returns on the underlying items;
- the entity expects a substantial proportion of any change in the amounts to be paid to the policyholder to vary with the change in fair value of the underlying items.

Insurance contracts with direct participation features are accounted for using the variable fee approach (hereinafter: VFA). The latter adapts the general model to reflect that the consideration received by the entity in respect of the contracts is a variable fee only.

All contracts that take the form of an insurance contract but do not meet the definition of an insurance contract under IFRS 17 are treated as financial contracts. Distinct investment components of pension insurance contracts that are separated from host contracts in accordance with IFRS 17.11 are also treated as financial contracts because these contracts do not bear insurance risk at the time of accumulation (saving).

Inward reinsurance contracts are treated in the same way as insurance contracts.

Approaches to the valuation of contracts with policyholders

The approaches used to value contracts with policyholders are set out in the table below.

Method	Insurance class	Insurance group
general model	life insurance	long-term traditional life insurance (in the event of death, term insurance, credit insurance, etc.)
general model	life insurance	traditional insurance with profit participation (in the event of death, endowment, annuity, old pension products)
general model	life insurance	unit-linked insurance with a high share of the premium invested in a guarantee fund
general model	life insurance	pension products in the annuity payout phase
general model	non-life insurance	non-life insurance with an uneven distribution of coverage units and long-term insurance (credit insurance, construction and erection insurance, etc.)
premium allocation approach	non-life insurance	other non-life insurance
variable fee approach	life insurance	unit-linked insurance with a low share of the premium invested in a guarantee fund
valuation under IFRS 9	life insurance	pension products in the accumulation phase

The Group and the Company may enter into two or more contracts simultaneously with the same or related parties in order to achieve a general commercial effect. The Group and the Company account for such a set of contracts as a single contract when this reflects the content of the contract. In doing so, the Group and the Company assess:

- whether the rights and obligations are different if they are treated separately or together;
- whether the value of one contract can be measured without considering the other.

In addition to the provision of insurance coverage, a contract may contain one or more components that would fall within the scope of another standard if treated as separate contracts. These components are:

- investment components,
- derivatives,
- service components.

The investment component refers to the Group's and the Company's contractual obligation to pay a certain amount to the policyholder regardless of whether an insured event occurs. The Group and the Company separate the investment component from the host insurance contract, provided that this investment component is distinct from the insurance contract. The valuation of the separate investment component is carried out in accordance with IFRS 9, unless it is an investment contract with discretionary participation features, which falls within the scope of IFRS 17. The investment component is distinct if both the following conditions are met:

- the investment component and the insurance component are not highly interrelated;
- a contract with equivalent terms is sold, or could be sold, separately in the same market or the same jurisdiction, either by the Group or the Company or by other companies that issue insurance contracts or by other parties. The Group and the Company take into account all information reasonably available in making this determination.

The investment component and the insurance component are highly interrelated if:

- the policyholder is unable to benefit from one component unless the other is also present. Thus, if the lapse or maturity of one component in a contract causes the lapse or maturity of the other, IFRS 17 will be applied to account for the combined investment component and insurance component; or
- the inability to measure one component without considering the other. Thus, if the value of one component varies according to the value of the other, IFRS 17 will be applied to account for the combined investment and insurance component.

The service component refers to the transfer of non-insurance goods or services. If the policyholder has the right to the service component regardless of whether an insured event occurs, the component is separated from the insurance component and accounted for in accordance with IFRS 15. When the transfer of goods or services is linked to the occurrence of a claim, it is accounted for together with insurance components using IFRS 17.

2.5.2.2 Level of aggregation and initial recognition of insurance contracts

Insurance contracts subject to similar risks and managed together are aggregated into portfolios. Each portfolio is further divided into groups of contracts issued in the same calendar year (annual cohorts) and by profitability, as follows:

- a group of insurance contracts that are onerous at initial recognition;
- a group of insurance contracts that have no significant possibility of becoming loss-making (onerous) at any time;
- a group of any remaining insurance contracts.

Insurance contracts are allocated to portfolios and groups at initial recognition and the allocation is not changed in subsequent periods.

A group of insurance contracts is recognised from the earliest of the following:

- the beginning of the coverage period of the group of contracts;
- the date when the first payment from a policyholder in the group becomes due or when this payment is received; and
- when a group of insurance contracts becomes onerous.

The Group and the Company recognise only insurance contracts issued within a period of one year that meet recognition criteria by the reporting date. Subject to this limitation, a group of insurance contracts may remain open even after the end of the current reporting period. New insurance contracts are included in the group when they meet recognition criteria in subsequent reporting periods, until all insurance contracts expected to be included in the group are recognised.

2.5.2.3 Recognition and allocation of cash flows

Cash flows comprise estimates of future cash flows, an adjustment to reflect the time value of money and the financial risks related to the future cash flows, and a risk adjustment for non-financial risk.

Cash flows that relate directly to the fulfilment of the contract, including cash flows for which the Group and the Company have discretion over the amount or timing, are treated as cash flows within the boundary of the insurance contract. The assessment of the contract boundary that determines which future cash flows are included in the measurement of an insurance contract is made by considering the substantial rights and obligations of the insurance contract.

Cash flows related to a group of insurance contracts include premium payments, claims and benefit paid, insurance acquisition cash flows and other costs incurred in the fulfilment of insurance contracts. These include both direct costs and the allocation of fixed and variable overheads.

Premium payments are considered to be premium payments and any cash flows arising from those premiums.

Claims and benefit payments are payments made to the policyholder, including claims that have already been incurred but not yet paid, as well as payments arising from future claims for which the Group and the Company have obligations. With respect to claims, the Group and the Company also consider cash flows for potential subrogation cash flows and other recoveries arising from both incurred and future claims.

Insurance acquisition cash flows are the allocated insurance acquisition cash flows attributable to the portfolio to which the insurance contract belongs.

Cash flows arising from costs incurred in the fulfilment of insurance contracts include claims handling and settlement costs, costs that incur in providing contractual benefits paid in kind rather than in cash, policy administration costs, such as costs of premium billing and handling policy changes, and general overheads, both fixed and variable, that are directly attributable to insurance contracts through allocation. Also included are investment costs in cases where the investment return is allocated to the policyholder and any other costs specifically chargeable to the policyholder under the terms of the contract.

Cash flows of the Group and the Company also include transaction-based taxes and payments by the Group and the Company in a fiduciary capacity to meet tax obligations incurred by the policyholder, and levies that arise directly from insurance contracts.

For non-life insurance, actual cash flows are estimated at the level of groups of contracts, with the exception of costs that are allocated based on keys (allocation keys). Future cash flows are estimated at the lowest level sufficient to permit the use of actuarial methods.

For life insurance, actual and future cash flows are estimated at the level of individual insurance contracts, with the exception of actual expenses that are allocated to groups of contracts based on keys.

Additional benefits to the basic insurance policy are considered as part of a single insurance contract, and the expected cash flows arising from them are added to the expected cash flows of the basic insurance contract.

All insurance acquisition cash flows incurred in the period are allocated to functional groups (acquisition costs, claim handling expenses, management costs and other administrative costs) and then, based on the keys, to groups of contracts.

Advance payments to agencies for underwriting commission are identified as an insurance acquisition cash flow before the recognition of the related group of insurance contracts (i.e. advance payments of acquisition costs). Such payments are treated as other receivables.

2.5.2.4 General measurement model for the valuation of insurance contracts

Measurement on initial recognition

A group of insurance contracts is measured on initial recognition as the total of the fulfilment cash flows and the contractual service margin. The fulfilment cash flows are estimates of future cash flows, appropriately discounted and adjusted for non-financial risk.

Determination of contract boundaries

The measurement of a group of insurance contracts includes all future cash flows within the boundary of each insurance contract in the group. This ensures that estimates of future cash flows are complete, unbiased, current and explicit.

A cash flow is within the boundary of an insurance contract if it arises from substantive rights and obligations that exist during the reporting period in which the Group and the Company can compel the policyholder to pay the premiums or in which the Group and the Company have a substantive obligation to provide the policyholder with insurance contract services.

A substantive obligation to provide insurance contract services ends when the Group and the Company have the opportunity to reassess the policyholder's (or the portfolio's) risks and, as a result, to set a new price or level of benefits that reflects those risks. The reassessment of risks does not take into account lapse and expense risks.

Some insurance contracts provide policyholders with an option to buy an annuity upon the initially issued policies maturity. In such cases, the Group and the Company assess its practical ability to reprice such insurance contracts in their entirety to determine if annuity-related cash flows are within or outside of the insurance contract boundary. The Group and the Company do not include expected cash flows of non-guaranteed annuity options in the value of an insurance policy.

In the case of group term insurance contracts, the premium may change annually. Such insurance contracts are treated as annual, which means that they are derecognised and then re-recognised each year in accordance with the new terms.

Insurance contracts with direct participation features are within contract boundaries when there is a substantive obligation to pay at a present or future date.

Use of discount rates

By using a discount rate, the estimates of future cash flows are adjusted to reflect the time value of money and the financial risks to the extent that the financial risks are not included in the estimates of future cash flows.

The choice of the discount rate is a matter of subjective judgement and is geared towards the objective that the discount rate used reflects the characteristics of the cash flows arising from the insurance contracts and liquidity risk.

The discount rate is determined as the risk-free interest rate plus the illiquidity premium applied to the risk-free interest rate as a parallel shift to the last liquidity point. Base risk-free interest rates for the euro are obtained from the EIOPA database according to the recognition date. These are based on data from interest rate swaps. In addition to these, the volatility adjustment curve, also published by EIOPA, is used. For non-EU countries, the volatility adjustment curve is based on the spread between local government bonds and euro interest rate swaps.

For the life insurance class, an illiquidity test based on the calculation of illiquidity indicators is carried out at least once a year at portfolio level. Based on this test, each insurance contract is allocated on initial recognition to an appropriate illiquidity class (50%, 75% or 100% illiquidity) in which it remains until derecognition.

For the non-life insurance portfolio, all liabilities are discounted using risk-free interest rates. The exception is Zavarovalnica Triglav, where the risk-free interest rate curve with a volatility adjustment published by EIOPA is applied to liabilities for claims payable as annuities.

Cash flows that vary based on the returns on underlying items are adjusted for the effect of this variability using risk-insensitive measurement techniques and discounted using risk-free interest rates adjusted for illiquidity.

The Group and the Company estimate the discount rate applicable to each group of insurance contracts at initial recognition based on the recognised insurance contracts. In the subsequent reporting period, when new insurance contracts are added to the group, the discount rate applicable to the group at initial recognition is adjusted from the beginning of the reporting period in which the new insurance contracts are added to the group.

Risk adjustment for non-financial risk

Risk adjustment for non-financial risk refers to the compensation set by the Group and the Company because it bears uncertainty about the amount and timing of the cash flows that arises from non-financial risk. It is calculated using separate methods for non-life and life insurance contracts, taking into account the Group's and the Company's risk appetite.

Non-financial risks of life insurance are related to mortality, longevity, morbidity, lapse, expense, mortality catastrophe and other risks arising from health insurance. The metric used to calculate the risk adjustment for non-financial risk is the cost of capital to maturity of the existing portfolio method, which is partly based on the Solvency II methodology.

For the non-life insurance portfolios, the risk adjustment for non-financial risk for liabilities for incurred claims is calculated as the excess of the value at risk over the best estimate of future cash flows at a confidence level to be determined by the Group and the Company. The calculation is performed at the level of homogeneous groups, taking into account their diversification.

The risk adjustment for the liability for remaining coverage of non-life insurance is derived from the basic capital requirement for the relevant risks under the Solvency II standard formula, reduced from 99.5% to a pre-specified confidence level which is the same as that used in the calculation of the risk adjustment for the liability for incurred claims. The calculation also takes into account portfolio diversification.

Contractual service margin

The contractual service margin is an integral part of the total carrying amount of liabilities for the group of insurance contracts and represents the unearned profit that the Group and the Company will recognise when they provide insurance contract services during the coverage period.

The Group and the Company measure the contractual service margin on initial recognition at an amount that, unless the group of insurance contracts is onerous, results in no income in profit or loss arising from:

- the expected fulfilment cash flows for the group of insurance contracts;
- the amount of the derecognition of any asset for insurance acquisition cash flows, allocated to the group of insurance contracts;
- any other asset or liability previously recognised for cash flows related to the group of contracts;
- any cash flows arising from the contracts in the group at that date.

If the group of insurance contracts is onerous, the Group and the Company recognise the entire loss on initial recognition. As a result, the carrying amount of the liability for a group of such insurance contracts is equal to the fulfilment cash flows and the contractual service margin is zero.

On initial recognition, the Group and the Company determine the coverage units for the group of insurance contracts. The contractual service margin is then attributed to the group of insurance contracts based on the coverage units provided in the period.

The Group and the Company allocate the acquired insurance contracts with claims in the settlement phase to annual groups based on the expected return on insurance contracts at the acquisition date. The Group and the Company use the consideration paid as a proxy for premiums to calculate the contractual service margin at initial recognition. If, at initial recognition, the insurance contracts acquired in a portfolio transfer are onerous, the excess of the fulfilment cash flows over the consideration received is recognised in profit or loss. For insurance contracts acquired in a business combination, the excess, representing the extent of the onerous insurance contract, is recognised as part of goodwill.

Treatment of onerous contracts on initial recognition

An insurance contract is classified as onerous at the date of initial recognition if all cash flows arising from the insurance contract in total are a net outflow. Such an insurance contract is classified in a group of (onerous) insurance contracts separately from those groups of contracts that are not onerous. The net outflow expected to arise from the group of onerous insurance contracts is recognised as a loss in profit or loss on initial recognition. After the loss is recognised, the carrying amount of the liability for the group of onerous insurance contracts is equal to the expected fulfilment cash flows and the contractual service margin is zero.

Subsequent measurement

The carrying amount of a group of insurance contracts at the end of the reporting period is the sum of the liability for remaining coverage (LRC) and the liability for incurred claims (LIC), where the LRC is equal to the sum of the expected future fulfilment cash flows (that relate to the future service) and the contractual service margin for that group of insurance contracts, and the liability for incurred claims represents the cash flows that relate to the past service.

In the current period, the following is recognised in the statement of profit or loss or in the statement of other comprehensive income:

- Income and expenses for the changes in the carrying amount of the liability for remaining coverage:
 - Insurance revenue for the reduction in the liability for remaining coverage because of services provided in the period;
 - Insurance service expenses for losses on groups of onerous contracts and reversals of such losses;
 - Insurance finance income or expenses from discounting (for the effect of the time value of money and the effect of financial risk).
- Income and expenses for the changes in the carrying amount of the liability for incurred claims:
 - Insurance service expenses for the increase in the liability because of claims and expenses incurred in the period;
 - Insurance service expenses for any subsequent changes in fulfilment cash flows relating to incurred claims and incurred expenses;
 - Insurance finance income or expenses from discounting (for the effect of the time value of money and the effect of financial risk).

Treatment of changes in expected cash flows

Changes in expected cash flows that relate to current or past service are recognised in profit or loss. Those changes are:

- the effect of the time value of money and the effect of financial risk (including the effect of a change in the discount rate),
- changes in estimates of expected fulfilment cash flows relating to liabilities for incurred claims;
- experience adjustments for insurance service expenses.

Changes in expected cash flows that relate to future service are reflected in the change in the contractual service margin or in the loss component within the liability for remaining coverage. Those changes are:

- experience adjustments arising from premiums received in the period that relate to future service;
- changes in the estimate of the present value of future cash flows for the liability for remaining coverage;
- differences between any investment component expected to become payable in the period and the actual investment component that becomes payable in the period;
- differences between any loan to a policyholder expected to become repayable in the period and the actual loan to a policyholder that becomes repayable in the period;
- changes in the risk adjustment for non-financial risk that relates to future service.

Changes affecting the contractual service margin

The contractual service margin at the end of the reporting period represents the profit in the group of insurance contracts that has not yet been recognised in profit or loss because it relates to the future service.

The change in the contractual service margin in the period is due to:

- the effect of the change in estimates of future fulfilment cash flows (as described above);
- the elimination of the contractual service margin into income;
- the effect of interest accreted on the contractual service margin;
- the effect of any new insurance contracts;
- the effect of any currency exchange differences on the carrying amount of the contractual service margin.

The elimination of the contractual service margin into income depends on how the Group and the Company define the number of coverage units. This is the quantity of coverage provided by the contracts in the group of insurance contracts, which is determined by considering for each insurance contract the quantity of the benefits provided under an insurance contract and its expected coverage period.

The bases for determining the quantity of benefits provided is shown in the table below.

Insurance class	Insurance group	Basis
life insurance	whole life insurance	sum insured
life insurance	endowment life insurance	sum insured
life insurance	term life insurance	sum insured
life insurance	life insurance with a disability rider	sum insured
life insurance	additional riders to life insurance	sum insured
life insurance	annuity insurance	annual annuity
life insurance	unit-linked life insurance	an amount higher than the sum insured of the value of the fund
non-life insurance	insurance for construction and installation projects, project liability, construction guarantees, financial guarantees and credit insurance	sum insured and the passage of time

Interest on the contractual service margin is accounted for using (locked-in) discount rates determined on initial recognition of insurance contracts.

For life insurance contracts, if contracts are subsequently added to the group, the discount rates used are updated by calculating a weighted average of the discount rates over the entire recognition period of the contracts. This is not the case for non-life insurance contracts.

For insurance contracts with direct participation features, the change in the contractual service margin in the period is also affected by the change in the share of the fair value of the underlying items.

Treatment of onerous insurance contracts on subsequent measurement

The Group and the Company determine the appropriate level at which reasonable and supportable information is available to assess if insurance contracts are onerous at initial recognition and if the contracts that are not onerous at initial recognition have no significant possibility of becoming onerous subsequently. The Group and the Company use significant judgements in determining at what level of granularity they have sufficient information to conclude that all insurance contracts within a set will be in the same group. In the absence of such information, the Group and the Company assess each insurance contract separately.

In the event that a group of insurance contracts becomes onerous on subsequent measurement, the excess of expected cash outflows over the carrying amount of the contractual service margin is recognised as a loss in the statement of profit or loss and, on the other hand, a loss component of the liability for remaining coverage is established.

The subsequent changes in fulfilment cash flows of the liability for remaining coverage may:

- be systematically allocated between the loss component of the liability for remaining coverage and the liability for remaining coverage, excluding the loss component;
- be allocated solely to the loss component of the liability for remaining coverage until that component is reduced to zero.

2.5.2.5 Premium allocation approach in the valuation of insurance contracts

For a group of insurance contracts for which the coverage period of each contract in the group does not exceed one year, the premium allocation approach, which is a simplified general model, may be used to measure the group of insurance contracts.

The simplified approach is also be applied where the measurement of the liability for remaining coverage using the simplified approach is reasonably expected not to differ materially from the measurement under the general model.

If the premium allocation approach is used, the carrying amount of the liability for remaining coverage on initial recognition is the amount of premiums received on initial recognition minus any insurance acquisition cash flows and adjusted for any amount arising from the derecognition of assets for acquisition costs in advance.

The carrying amount of a group of insurance contracts at the end of each reporting period is the sum of:

- the liability for remaining coverage (LRC);
- the liability for incurred claims (LIC) that includes future cash flows that relate to past service.

The liability for remaining coverage in the current period:

- is increased by the premiums received in the period;
- is decreased by paid insurance acquisition cash flows;
- is increased by the amortisation of insurance acquisition cash flows recognised as an expense in profit or loss;
- is decreased by expected premiums paid recognised as insurance revenue in profit or loss because insurance services were provided;
- is decreased by any investment component paid or transferred to the liability for incurred claims. Insurance acquisition cash flows are accrued in proportion to premium.

Liabilities for incurred claims are discounted.

The Group and the Company apply the premium allocation approach to most non-life insurance products, with the exception of those with coverage of more than one year and those whose risks are spread over time in a non-linear fashion.

Insurance contracts in the non-life insurance contract groups do not have significant financing components, therefore the carrying amount of the liability for remaining coverage is not adjusted for the time value of money and the effect of financial risk.

If, in subsequent measurement of a group of insurance contracts, it is determined that the expected fulfilment cash flows related to the liability for remaining coverage exceed the carrying amount of the liability for remaining coverage, a loss component is created among insurance service expenses as part of the liability for remaining coverage. The loss component is amortised (transferred to income) on a straight-line basis over the period of the insurance coverage or reversed if it is determined that the group of insurance contracts is no longer onerous.

2.5.2.6 Derecognition of insurance contracts

An insurance contract is derecognised when it is extinguished (i.e. when the obligation specified in the insurance contract expires) or is discharged or cancelled, if it is transferred to a third party or if the terms of the insurance contract are substantially modified.

A substantial modification of insurance contract terms is a modification based on which:

- an insurance contract is no longer treated as an insurance contract under IFRS 17;
- an insurance contract without direct participation features is changed to a contract with direct participation features, or vice versa;
- individual components of an insurance contract are no longer treated in the same way as before the modification;
- contract boundaries change;
- an insurance contract would have to be allocated to a different group of contracts;
- the current approach to insurance contract measurement (BBA, PAA, VFA) is no longer appropriate.

The derecognition of an insurance contract that is measured using the general model (BBA) results in:

- the adjustment (derecognition) of fulfilment cash flows relating to the rights and obligations that have been derecognised;
- the adjustment of the contractual service margin by the same amount, unless these changes are attributable to a loss component;
- the adjustment of the number of coverage units for expected remaining services.

If an insurance contract is derecognised because it was transferred to a third party, the contractual service margin is adjusted for the amount of the premium charged by the third party (unless the insurance contract is onerous).

If an insurance contract is derecognised due to a significant modification of its terms, the contractual service margin is adjusted for the amount of the premium that would have been charged had the Group and the Company into a contract with equivalent terms as the new contract at the date of the contract modification, less any insurance contract modification cost.

The derecognition of an insurance contract that is measured using the premium allocation approach (PAA) is reflected in profit or loss as the difference between the derecognised portion of the liability for remaining coverage and any other cash flows at the time of derecognition. If an insurance contract is derecognised due to a significant modification of its terms, the difference between the derecognised portion of the liability for remaining coverage and the notional amount of the premium that would have been charged had the Group and the Company into a contract with equivalent terms as the new contract at the date of the insurance contract modification, less any contract modification cost, is disclosed in profit or loss.

2.5.2.7 Received reinsurance contracts

The measurement of groups of received reinsurance contracts follows the same guidelines as the measurement of groups of underlying insurance contracts, taking into account the specificities of the reinsurance business, as set out below.

The same segmentation rules apply to reinsurance contracts as to insurance contracts, except that a reinsurance contract cannot be loss-making (there is either a net gain or a net loss on initial recognition).

Reinsurance contracts may contain components that fall within the scope of another standard. The separation of components is assessed using the criteria applicable to insurance contracts.

A group of received reinsurance contracts is recognised:

- at the beginning of the coverage period of the group of received reinsurance contracts;
- on initial recognition of the first insurance contract that is the subject of that reinsurance;
- when the Group and the Company recognise an onerous group of insurance contracts that are the subject of reinsurance if the Group and the Company have previously entered into a reinsurance contract from the group of reinsurance contracts.

In the case of a group of reinsurance contracts, cash flows are within the contract boundary of the reinsurance contract if they arise from substantive rights and obligations that exist during the reporting period in which the Group and the Company are required to pay amounts to, or have the substantive right to receive services from the reinsurer.

The substantive right to receive services from the reinsurer ceases when the reinsurer is able to reassess the risks transferred to it and to set a price or level of benefit that fully reflects those reassessed risks, or when it has the right to cancel the reinsurance coverage.

The contract boundary of a reinsurance contract is determined by the date of the option to terminate or renew the reinsurance contract, which is usually one year, or the date of the agreed extinguishment of the reinsurance contract, and the coverage period of the underlying insurance contracts is taken into account in determining the coverage period of each reinsurance contract.

For a group of reinsurance contracts, the risk adjustment for non-financial risk represents the amount of risk being transferred by the Group and the Company as the holders of the group of reinsurance contracts to the issuer of those reinsurance contracts.

The measurement of reinsurance contracts must also take into account the effect of the risk of non-performance by the reinsurer.

In addition to cash flows from premiums, claims, subrogations and commissions, the measurement of a group of reinsurance contracts should include the cash flow representing the effect of the risk of non-performance by the reinsurer.

When measuring reinsurance contracts, the contractual service margin is replaced by the net gain or loss on the purchase of reinsurance. On initial recognition, the Group and the Company measure the net gain/loss of reinsurance contracts at an amount equal to:

- the fulfilment cash flows;
- the amount derecognised at that date of any asset or liability previously recognised for cash flows related to the group of reinsurance contracts held;
- any cash flows arising at that date;
- any income recognised in profit or loss as a result of the recognition of the reinsurance loss-recovery component of the asset for remaining coverage.

If the net cost of purchasing reinsurance coverage relates to events that occurred before the purchase of the group of reinsurance contracts, the Group and the Company recognise this cost immediately as an expense in profit or loss.

The contractual service margin at the end of each reporting period for a group of reinsurance contracts is determined as the contractual service margin at the beginning of the reporting period, adjusted for:

- the effect of any new reinsurance contracts added to the group of reinsurance contracts;
- accrued interest on the carrying amount of the contractual service margin;
- income recognised in profit or loss as a result of the recognition of the reinsurance loss-recovery component of the asset for remaining coverage;
- any reversals of the loss-recovery component to the extent that those reversals are not part of the change in fulfilment cash flows of a group of reinsurance contracts;
- changes in fulfilment cash flows to the extent that the change relates to future service, unless the change relates to a change in cash flows that does not adjust the contractual service margin for the group of underlying insurance contracts, or the change results from the application of a premium allocation approach to the group of underlying insurance contracts;
- the effect of exchange rate differences on the contractual service margin;
- the amount recognised in profit or loss because of services received in the period, determined by the allocation of the contractual service margin remaining at the end of the reporting period (before any allocation) over the current and remaining coverage period of the group of reinsurance contracts held.

Changes in fulfilment cash flows resulting from changes in the risk of non-performance by the issuer of reinsurance contracts are not related to future service and do not adjust the contractual service margin.

The Group and the Company adjust the contractual service margin of a group of reinsurance contracts, and as a result recognise income when they recognise a loss on initial recognition of an onerous group of insurance contracts underlying the reinsurance contracts or on addition of onerous insurance contracts underlying the reinsurance contracts to the group (i.e. a loss-recovery component of the asset for remaining coverage for a group of reinsurance contracts). This adjustment is made only if the reinsurance contract has already been written at the time the loss component of the liability for remaining coverage on the onerous insurance contracts is recognised.

The amount of this adjustment is equal to the product of the recognised loss on the underlying insurance contracts and the percentage of claims on the underlying insurance contracts expected to be recovered from the group of reinsurance contracts held.

The Group and the Company establish or adjust a loss-recovery component of the asset for remaining coverage for a group of reinsurance contracts depicting the recovery of losses recognised in accordance with the above paragraphs. The loss-recovery component determines the amounts that are recognised in profit or loss as reversals of recoveries of losses from reinsurance contracts and are consequently excluded from the premiums paid to the reinsurer. The loss-recovery component is adjusted to reflect changes in the loss component of an onerous group of underlying insurance contracts. The carrying amount of the loss-recovery component may not exceed the portion of the carrying amount of the loss component of the onerous group of underlying insurance contracts that the Group and the Company expect to recover from the group of reinsurance contracts.

Reinsurance contracts for which the net present value of future cash flows is positive is recognised as an asset, and if that value is negative, the carrying amount of the reinsurance contracts is recognised as a liability.

The Group and the Company may use the PAA to measure reinsurance contracts if:

- they reasonably expect that such simplification would result in a measurement of the liability for remaining coverage for the group of reinsurance contracts that is not materially different from the measurement under the BBA; or
- the coverage period of each reinsurance contract in the group of reinsurance contracts is one year or less.

The criterion in the first indent above is not met if, at the inception of a group of reinsurance contracts, the Group and the Company expect significant variability in the fulfilment cash flows that would affect the measurement of the liability for remaining coverage during the period before a claim is incurred.

If the PPA is used, the Group and the Company adjust the carrying amount of the asset for remaining coverage for the amount of the established loss-recovery component rather than adjusting the contractual service margin.

On initial recognition, the assets for remaining coverage of a group of reinsurance contracts are equal to the amount of reinsurance premiums paid including fees and commissions. The assets for remaining coverage are increased in the current reporting period by the reinsurance premiums paid in the period and reduced by the transfer of reinsurance premiums to expenses for the services provided in the current period. At the end of the reporting period, the carrying amount of reinsurance contract assets is equal to:

- the assets for remaining coverage (LRC);
- incurred claims including fees and commissions and subrogations, which consist of expected future cash flows arising from past service (LIC).

2.5.2.8 Insurance revenue

In the period in which insurance services are provided, the liability for remaining coverage for the groups of insurance contracts is transferred to profit or loss.

For the insurance contracts measured under the general model, insurance revenue is represented by:

- changes in the liability for remaining coverage arising from:
 - claims and other insurance service expenses incurred in the current period at the amounts expected at the beginning of the reporting period. These do not include amounts related to loss components, acquisition costs, etc;
 - the change to the risk adjustment for non-financial risk that excludes changes affecting future service and amounts included in the loss component;
 - the amounts of contractual service margin transferred to income as a result of services provided in the period;
 - the experience adjustment arising from premiums received in the period that relate to past and current service.
- insurance revenue related to insurance acquisition cash flows by allocating the portion of the premiums that relate to recovering those cash flows to each reporting period in a systematic way on the basis of the passage of time. The same amount is recognised as insurance service expenses.

For the insurance contracts measured using the premium allocation approach, income is recognised proportionately to the elapsed period of insurance coverage.

2.5.2.9 Insurance service expenses

Insurance service expenses include:

- expenses for incurred claims and benefits, excluding investment components;
- other directly attributable insurance service expenses;
- amortisation of acquisition costs;
- changes that relate to past service (such as changes in expected cash flows relating to the liability for incurred claims);
- changes that relate to future service (such as losses on onerous groups of insurance contracts and reversals of such losses arising from the change in the loss component).

2.5.2.10 Reinsurance income and reinsurance service expenses

The Group and the Company report reinsurance income and reinsurance service expenses on a net basis, as net income or net expenses, comprising:

- reinsurance service expenses (reinsurance commissions);
- recoveries of incurred claims;
- the effects of changes in credit risk related to reinsurers.

When using the premium allocation approach, part of reinsurance commissions are recognised in accordance with the passage of time within the period of insurance coverage, and part are allocated to other cash flows, such as bonuses and other forms of commissions.

Reinsurance commissions reduce reinsurance premiums and are recognised as reinsurance service expenses.

2.5.2.11 Financial effects of insurance operations

Changes in the carrying amount of groups of insurance contracts arising from the effects of the time value of money and financial risk (discounting effects) are recognised as insurance finance income and expenses.

For insurance contracts measured under the general model, the largest share of insurance finance income and expenses is composed of:

- interest on expected future cash flows and the contractual service margin;
- the effects of changes in interest rates and other financial assumptions;
- currency exchange differences.

For insurance contracts measured under the variable fee approach (VFA), the largest share of insurance finance income and expenses is composed of:

- the change in the fair value of the underlying assets;
- the effects of interest, changes in interest rates and changes in other financial assumptions on expected future cash flows that do not depend on returns on the underlying assets.

For insurance contracts measured under the premium allocation approach (PAA), the largest share of insurance finance income and expenses is composed of:

- interest on the liability for incurred claims;
- the effects of changes in interest rates and other financial assumptions.

The effect of changes in the risk adjustment for non-financial risk, which is recognised in profit or loss, is recognised in full in insurance revenue or insurance service expenses.

For most Group's and Company's portfolios, in order to reduce accounting mismatches, the financial effects of insurance operations are disclosed in other comprehensive income, as are the effects of most Group's and Company's investment portfolios. Only the effects of insurance contracts with direct participation features, most of whose underlying assets are also measured at fair value through profit or loss, are recognised in profit or loss.

2.5.3 Financial assets

Financial assets comprise financial investments, operating and other receivables, and cash and cash equivalents. The accounting policies for each of these assets are presented below.

2.5.3.1 Financial instruments

At initial recognition, financial instruments are measured at fair value. The initially recognised value is increased by transaction costs (fees and severance payments to agents, advisers, stock brokers, stock exchange fees and other transfer-related taxes) that are directly attributable to the acquisition or issue of a financial instrument. This does not apply to financial instruments classified as instruments measured at fair value through profit or loss, because these costs are recognised in profit or loss directly at acquisition.

The trade date is used at the purchase or sale of a financial instrument, except for loans and deposits where the settlement date is used.

On initial recognition, a financial instrument is classified into one of the following measurement categories:

- Financial instruments measured at amortised cost (AC);
- Financial instruments measured at fair value through other comprehensive income (FVOCI);
- Financial instruments measured at fair value through profit or loss (FVTPL).

The classification of a financial investment into a particular category takes into account the Group's and the Company's business model for managing assets and the contractual cash flow characteristics of each financial investment.

Financial instruments measured at amortised cost

A financial instrument may be measured at amortised cost if both of the following conditions are met:

- the financial instrument is held within a business model whose objective is to hold financial instruments in order to collect contractual cash flows;
- the contractual cash flows are solely payments of principal and interest on the principal amount outstanding.

After initial recognition, the instrument is measured at amortised cost using the effective interest method and is subject to impairment. Interest income, foreign exchange gains or losses and impairments are recognised in profit or loss. Gains and losses determined on derecognition are also recognised in profit or loss.

Financial instruments measured at fair value through other comprehensive income

The category of financial instruments measured at fair value through other comprehensive income includes debt securities that meet the following conditions and are not classified in one of the other categories:

- the debt security is held within a business model whose objective is achieved by both collecting contractual cash flows and selling;
- the contractual cash flows are solely payments of principal and interest on the principal amount outstanding.

Equity securities not held for trading and, on initial recognition, designated irrevocably as measured at fair value through other comprehensive income are also measured at fair value through other comprehensive income. These are primarily investments that are closely linked with the Group's and the Company's business activity in the long term or are participating interests in companies with a solid dividend yield and an expected long-term positive growth impact. The purpose of holding such financial instruments is to collect dividend cash flows.

After initial recognition, a financial instrument is measured at fair value, without deducting transaction costs that may arise on sale or other disposal of the instrument. If a financial instrument is not listed on a stock exchange, the fair value is measured based on recent transaction prices if the market situation has not changed significantly since the last transaction, or using the discounted cash flow valuation model. Equity instruments not quoted in an active market and for which the fair value cannot be reliably measured are measured according to the valuation model.

Interest income calculated using the effective interest rate, dividend income, foreign exchange gains and losses and expected credit losses are recognised in profit or loss. Other gains and losses are recognised in other comprehensive income until the financial instrument is derecognised.

When these financial instruments are derecognised, the accumulated losses or gains previously recognised in other comprehensive income are transferred to profit or loss or, in the case of equity securities, to retained earnings.

Financial instruments measured at fair value through profit or loss

If the financial instrument is not measured at amortised cost or at fair value through other comprehensive income, it is measured at fair value through profit or loss. This includes instruments that do not pass the cash flow adequacy test, equity securities that do not qualify for measurement at fair value through other comprehensive income and all financial instruments in other business models that are managed on a fair value basis or are held for trading.

Interest, dividend income, valuation effects and effects on derecognition of a financial instrument are recognised in profit or loss in the current period.

Reclassification of financial instruments between levels

Financial investments are not reclassified after initial recognition. An exception to this rule is permitted or required only when the Group and the Company change their business model according to which financial investments are managed. In rare cases, reclassification is applied prospectively from the reclassification date, with the reclassification date defined as the first day of the reporting period following the change in the business model.

Business model

The Group and the Company manage groups of financial investments to achieve their business objectives, which are defined by their business model. It does therefore not depend on the management's intention for an individual financial instrument, but on a higher level of aggregation. The Group and the Company defined the purpose of the business model on the basis of:

- the policies and objectives for the portfolio of financial instruments and the implementation of these policies in practice;
- how the performance of the business model and the financial instruments held within that business model are evaluated and reported;
- the risks that affect the performance of the business model and the way in which these risks are managed;
- past data on the frequency, volume and timing of sales in prior periods in comparable business models or the expected frequency, value and timing of sales.

The assessment of the business model is based on reasonably expected scenarios, excluding worst case and stress case scenarios.

The Group and the Company manage their financial investments within the following business models:

- holding the financial instruments to collect contractual cash flows;
- holding the financial instruments both to collect contractual cash flows and to sell financial assets;
- holding the financial instruments to sell them.

Financial instruments that are held within a business model whose objective is to hold instruments in order to collect contractual cash flows are managed to realise cash flows by collecting contractual payments over the life of the instrument. As a rule, financial instruments are held to maturity, but sales related to an increase in the issuer's credit risk or the concentration of this risk are also permitted in this business model. Sales close to the final maturity of a security or sales to meet liquidity needs in a stress case scenario are also permitted. Other sales are also consistent with this business model if they are insignificant in value (both individually and in aggregate) or if they are infrequent (even if significant in value). According to this business model, the Group and the Company manage:

- loans and deposits to manage known short-term liquidity needs;
- sets of debt securities whose stable yield, recognised in profit or loss, reduces the financial market-related opposite impact of insurance liabilities.

The purpose of financial instruments managed in accordance with a business model whose objective is achieved both through the collection of contractual cash flows and the sale of financial instruments, is primarily to match the duration of assets with the duration of liabilities that those assets are funding, to manage long-term liquidity needs and to achieve a target interest yield or trading yield.

Under other business models, financial instruments are managed with the objective of generating cash flows and yield solely through the sale of instruments. Buying and selling decisions are made based on fair values. Under this business model, portfolios of financial instruments are also managed to cover those insurance liabilities for which valuation effects are recognised in profit or loss.

The solely payments of principal and interest test (the SPPI test)

Only instruments whose contractual cash flows meet the SPPI test, i.e. they are solely payments of principal and interest on the principal amount outstanding (SPPI), may be classified as financial instruments measured at amortised cost (AC) or fair value through other comprehensive income (FVOCI).

Principal is the fair value of the financial instrument at initial recognition less subsequent changes, e.g. due to repayment. Interest is defined as consideration for the time value of money, for the credit risk associated with the principal amount outstanding and for other basic lending risks and costs (liquidity risk, administrative costs) as well as a profit margin.

In assessing whether the contractual cash flows meet the SPPI criterion, the Group and the Company assess the contractual characteristics of a financial investment. This includes the assessment whether a financial instrument contains the contractual terms that may change the timing and amount of contractual cash flows in a way that this criterion would no longer be fulfilled. The following is taken into account:

- contingent events that could change the timing and amount of contractual cash flows;
- the option of prepayment or extending the term;
- the facts that limit the payment of cash flows of particular assets (e.g. subordination of payments); and
- the features that modify the concept of the time value of money (e.g. periodic interest rate adjustments).

The Group and the Company carry out the SPPI test as part of their regular investment procedure.

2.5.3.2 Receivables

Receivables from insurance and reinsurance operations are taken into account in the calculation of insurance and reinsurance contract assets and liabilities in the form of cash flows and, as such, are not recognised directly in the statement of financial position of the Group and the Company.

Other receivables relate to non-attributable receivables from insurance operations, overpayments and prepayments, other operating receivables and receivables from financing.

2.5.3.3 Cash and cash equivalents

Cash includes balances with banks, cash in transit, cash on hand and cash equivalents such as call deposits.

2.5.3.4 Impairment of financial assets

In accordance with IFRS 9, the Group and the Company recognise credit losses that are expected to be incurred in the future.

Expected credit losses are a probability-weighted estimate of credit losses (i.e. the present value of all cash shortfalls) over the 12-month period after the reporting date (Stage 1) or over the expected life of a financial instrument. A credit loss is the difference between discounted contractual cash flows and discounted expected cash flows using the effective interest rate as the discount factor.

A loss allowance for expected credit losses is recognised for all debt financial assets not measured at fair value through profit or loss.

Expected credit losses on the financial assets are assessed at least once a year, as at the last day of the reporting period.

The expected credit loss model is based on the moving of financial assets between three groups or stages. Typically, financial assets move from Stage 1 to Stage 3, but it is also possible to move back to the previous stage.

At initial recognition, all financial assets, other than those that are already credit-impaired at initial recognition, are classified in Stage 1, for which 12-month expected credit losses are established. 12-month expected credit losses are the portion of lifetime expected credit losses that refer to possible default events in the next 12 months after the reporting date or in a shorter period if the remaining maturity of the financial asset is less than one year. In Stage 1, interest income is recognised using the effective interest rate applied to the total gross value of the financial asset (without reduction for any loss allowance).

On subsequent measurement, financial assets are included in Stage 2 if, after initial recognition, there has been a significant increase in credit risk but the assets do not yet show objective evidence of impairment. Lifetime expected credit losses are established for Stage 2 financial assets. Lifetime expected credit losses are expected credit losses that result from all possible default events during the lifetime of the financial asset. Based on a qualitative analysis, i.e. a comparison of the credit rating as at the reporting date and the credit rating at initial recognition, the Group and the Company determine whether the risk of default has increased significantly since initial recognition and requests a move from initial Stage 1 to the lower Stage 2. A downgrade to Stage 2 is required when the credit rating deteriorates by three notches with a simultaneous downgrade to sub-investment grade. For initial ratings (rating at the date of recognition) of Baa3 and below, a two-notch deterioration is sufficient to move to Stage 2, and for initial ratings of B2 and below, a one-notch downgrade is required to move to Stage 2. In Stage 2, interest income is recognised using the effective interest rate applied to the total gross value of the financial asset (without reduction for any loss allowance).

Financial assets that are not purchased or originated credit-impaired financial assets and that show objective evidence of impairment at the reporting date are classified in Stage 3. Lifetime expected credit losses are established for these financial assets. Interest income of Stage 3 financial assets is recognised using the effective interest rate applied to the net value of the financial asset (taking into account any loss allowance).

The general three-step impairment model does not apply to financial assets that are already credit-impaired at initial recognition (purchased or originated credit-impaired (POCI) financial assets). For these assets, lifetime credit losses are already established at initial recognition, which are included in the estimate of future cash flows when calculating the effective interest rate and therefore do not have an immediate impact on profit or loss. Interest income of these instruments is accrued on the net value of the instrument. Any subsequent changes in expected credit losses are recognised in profit or loss as impairment or reversal of impairment, respectively.

The Group and the Company apply a single definition of a default. A financial asset is considered credit-impaired upon:

- default in the payment of coupon interest or principal due to inability to pay;
- the commencement of insolvency proceedings.

Measurement of expected credit losses

Expected credit losses are equal to the product of the expected probability of default (PD), the expected loss given default (LGD) and the expected exposure at default (EAD). The risk parameters (PD and LGD) from external sources are used to calculate expected credit losses.

Probability of default (PD) is determined based on statistical methods or a combination of statistical methods and a structural model. As such, it is calibrated in time; it represents the current situation (point-in-time) and contains the most likely future economic circumstances, according to financial market participants. In the event that information on probability of default is not available from external sources, this parameter is derived from internal models; the parameters of a comparable business entity are used or, on the basis of the consolidated financial statements, the Altman Z-Score is converted into a credit rating.

To determine the expected loss given default (LGD), the guidelines of the CRR (Regulation (EU) No 575/2013 of the European Parliament and of the Council of 26 June 2013, Article 161) are followed for the categories of exposures to central government units, central banks, regional and/or local government institutions and public sector entities for which information is not available from external sources. For the categories of exposures to companies, an own estimate of loss is used, ranging between 63% and 65%.

2.5.4 Income and expenses from financial investments

Income from financial investments comprises interest income, dividends, changes in fair value, gains on disposal and other financial income. Expenses from financial investments comprise expenses from impairment of investments, losses on disposal and other expenses from financial investments.

Interest income is recognised in profit or loss using the effective interest method, except for financial assets classified at fair value through profit or loss.

Income from dividends is recognised in profit or loss when it is authorised for payment.

Income and expenses due to changes in fair value of financial assets relate to the results of subsequent measurement of the fair value of financial assets measured at fair value through profit or loss.

Gains and losses on disposal of financial assets relate to the derecognition of financial assets other than financial assets measured at fair value through profit or loss. Gain is the difference between the carrying amount of a financial asset and its sales price.

Income and expenses from financial investments include net unrealised gains and losses on unit-linked life insurance assets. These income and expenses represent changes in the fair value of unit-linked life insurance assets.

2.5.5 Non-financial assets

Non-financial assets include investments in subsidiaries, associates and joint ventures, intangible assets, property, plant and equipment, investment property, right-of-use assets, non-current assets held for sale and other assets. The accounting policies for each of these assets are presented below.

2.5.5.1 Investments in subsidiaries

An investment in a subsidiary is considered to be an investment in a company that is directly or indirectly controlled by Zavarovalnica Triglav.

Investments in subsidiaries are measured in the separate financial statements at cost less accumulated impairment losses.

The initial recognition of the investment is made on the date on which the acquirer obtains the right to control the acquiree. Increases in the share capital of subsidiaries with in-kind contributions are measured at estimated fair value or carrying amount, where justified.

Subsidiaries are included in the consolidated financial statements under the full consolidation method.

2.5.5.2 Investments in associates and joint ventures

An investment in an associate is an investment in a company in which Zavarovalnica Triglav has a direct or indirect significant influence (directly or indirectly between 20% and 50% of voting rights), provided by the possibility of participating in the company's financial and business policy decisions, but not by controlling these policies.

Joint ventures are companies that are jointly controlled by the Group and the Company together with a contract partner based on a contractual agreement.

Investments in equity instruments of associates and joint ventures are accounted for in the separate and consolidated financial statements under the equity method. An investment in an associate or joint venture is initially recognised at cost. The carrying amount of the investment is subsequently adjusted to change the Group's and the Company's share in the associate's or joint venture's net assets as of the acquisition date. Goodwill relating to an associate or joint venture is included in the carrying amount of the investment. Signs of impairment are tested at each reporting date. If the recoverable amount is lower than the carrying amount, impairment up to the level of the recoverable amount is carried out.

The corresponding share of an associate's and joint venture's profit or loss is recognised in profit or loss.

The corresponding effects included in other comprehensive income of an associate or joint venture are recognised in other comprehensive income.

Upon loss of significant influence over an associate or loss of joint control of a joint venture, each retained investment is measured at its fair value. The difference between the carrying amount of the associate or joint venture and the fair value of the retained investment is recognised in profit or loss.

2.5.5.3 Business combinations and goodwill

The acquisition method is used for business combinations. The acquisition date is the date on which the acquirer obtains the right to control the acquiree. The identifiable assets acquired and liabilities assumed are determined and measured at their acquisition-date fair values. In each business combination, the non-controlling interest is also measured at the current proportionate share of the equity interests in the acquiree's recognised net assets.

Goodwill arises on the acquisition of a subsidiary if the excess of the sum of the consideration given measured at fair value is greater than the net amount of the acquiree's assets acquired and liabilities assumed. If the difference is negative, the gain is recognised in full in profit or loss. Contingent consideration at fair value is also included in the consideration. After initial recognition, goodwill is measured at cost less accumulated impairment losses.

2.5.5.4 Intangible assets

Intangible assets include goodwill and other intangible assets.

At initial recognition, other intangible assets are recognised at cost. At subsequent measurement, intangible assets are disclosed at cost less accumulated amortisation and accumulated impairment loss.

The useful life of all other intangible assets of the Group and the Company is assessed as finite.

Intangible assets with a finite useful life are amortised over their useful life. Amortisation is calculated individually using the straight-line amortisation method for each item, with the exception of goodwill, which is not amortised. Intangible assets are amortised when they are available for use. Amortisation costs of intangible assets with a finite useful life are recognised in profit or loss.

The appropriateness of the amortisation period and the amortisation method of intangible assets with a finite useful life is assessed at least at the end of each reporting period. Changes in the expected useful life or expected pattern of consumption of future economic benefits embodied in the asset are treated as changes in the amortisation period or method, as appropriate, and are treated as changes in accounting estimates.

At least once a year, at the end of the reporting period, it is assessed whether there are any signs of impairment of intangible assets with a finite useful life. In the case of any signs of impairment, assets are impaired and losses recognised in profit or loss.

An intangible asset is derecognised upon disposal (i.e. the date on which the recipient acquires control of the asset) or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of an asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss.

2.5.5.5 Property, plant and equipment

Property, plant and equipment are accounted for using the cost model. At initial recognition, the cost includes the purchase price and all costs necessary to bring the asset to working condition for its intended use.

After initial recognition, property, plant and equipment are measured at cost less accumulated depreciation and accumulated impairment losses.

Property, plant and equipment are depreciated when they are available for use. Depreciation is calculated using the straight-line depreciation method. Residual value, useful life and depreciation methods of property, plant and equipment are checked at the end of each financial year and adjusted if necessary. Changes are treated as changes in estimates.

Assets under construction or in production are not depreciated until they are available for use. Depreciation of a property, plant and equipment asset ceases when it is derecognised.

A property, plant and equipment asset or any significant part that was initially recognised is derecognised upon disposal (i.e. the date on which the recipient acquires control of the asset) or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of an asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss upon derecognition.

Maintenance and repair costs are recognised in profit or loss in the period in which they are incurred. Further investments that increase future economic benefits increase the value of property, plant and equipment.

Both the Group and the Company disclose the fair value of property, plant and equipment in the notes to the financial statements. The method of determining the fair value is described in more detail in [Section 2.5.10](#).

2.5.5.6 Investment property

Investment property comprises land and buildings intended for lease. Real property is defined as investment property if it is not used for own activity or if only an insignificant part of the building is used for own activity.

The guidelines on the recognition, valuation and derecognition method of investment property are the same as those for property, plant and equipment and are described in [Section 2.5.5.5](#).

All income from investment property relates exclusively to leases and is disclosed in profit or loss under other operating income. Expenses from investment property relate to depreciation and maintenance costs of investment property and are disclosed under other operating expenses in profit or loss.

Both the Group and the Company disclose the fair value of investment property in the notes to the financial statements. The method of determining the fair value is described in more detail in [Section 2.5.10](#).

2.5.5.7 Right of use assets

Whether a contract contains a lease is assessed at the inception of the contract. A contract contains a lease if it conveys the right to control the use of the identified asset for a period of time in exchange for consideration.

The Group and the Company use a uniform approach to recognition and measurement for all leases, except for short-term leases (up to 12 months) and leases of low-value assets (up to EUR 4,300).

An asset acquired under a lease is recognised as right-of-use assets and lease liabilities. Assets and liabilities are recognised in the amount of the present value of lease payments to be made in accordance with the concluded lease contract. Future lease payments are discounted at the interest rate implicit in the lease or at incremental borrowing rate if the interest rate implicit in the lease cannot be determined.

The calculation of right-of-use assets also takes into account any initial direct costs and an estimate of any removal and restoration costs.

The incremental interest rate is determined based on the interest rate for risk-free government bonds at the level of the individual country where the Group operates and the credit spread.

Right-of-use assets are measured using the cost model. The initial value of right-of-use assets is reduced over the life of the asset by depreciation and impairment losses and adjusted for remeasurement of the lease liability. After initial recognition, lease liabilities are increased by interest and decreased by lease payments.

The right-of-use assets and lease liabilities are disclosed in the statement of financial position as separate items.

Modifications related to leases may be a result of:

- modifications of agreed lease terms and conditions and
- modifications of accounting estimates related to leases.

Modifications of agreed lease terms and conditions relate to changes in the scope of lease, modifications of lease consideration or modifications of the lease term. In these cases, lease modification is calculated in two ways:

- the modification is treated as a separate lease.
- to modify the terms and conditions, the existing lease contract is amended.

Lease modification is treated as a separate lease only when it involves adding one or more underlying assets at a price applicable in the event of an independent lease of that added asset. In this case, lease is accounted for as a separate lease, independently of the original lease, and the accounting for the original lease continues unchanged.

In contrast, if a modification is not a separate lease, the accounting reflects that there is a linkage between the original lease and the modified lease. The existing lease liability is remeasured as follows:

- The new amount of lease consideration is taken into account.
- In the case of adding a new asset, the total consideration is evenly distributed among all underlying leased assets.
- The new term of the lease is taken into account.
- When remeasuring lease liabilities, the new discount rate effective at the time of modification is taken into account.

On the other hand, based on the difference between the newly measured liability and the balance of liabilities before the modification, an appropriate adjustment is made to right-of-use assets, resulting in a change in the amount of depreciation.

In the event of a change in the accounting estimate in respect of leases, the lease liability is remeasured to take into account the new discount rate effective at the time of the modification. The amount from the remeasurement of the lease liability is recognised as an adjustment to the value of the right-of-use asset. If the carrying amount of a right-of-use asset is zero and the lease liability is further reduced, the remaining amount of remeasurement is recognised in profit or loss.

In the case of leases with an indefinite term, the term of the lease is assumed in accordance with the strategy period. The assessment of the contract term is reviewed every three years.

2.5.5.8 Non-current assets held for sale

Non-current assets held for sale are those non-financial assets whose value will be recovered through sale instead of through continuing use. The condition for the classification into the category of non-current assets held for sale is met when sale is highly probable and the asset is available for immediate sale in its present condition. The management is committed to a plan to sell the asset, which must be carried out within one year of the asset being classified into this category.

At recognition, non-current assets held for sale are measured at the lower of carrying amount before classification and fair value less costs to sell. Costs to sell are expenses that are directly attributable to the disposal of an asset (disposal group), excluding financial expenses and tax expenses.

The same applies to the subsequent measurement of these assets. An impairment loss from the initial or subsequent write-off of an asset to fair value less costs to sell or gains on subsequent increases in fair value less costs to sell which may not exceed any accumulated impairment loss.

When property, plant and equipment or intangible assets are classified as held for sale, they are no longer amortised. They are presented separately in the statement of financial position as non-current items.

2.5.5.9 Other assets

Other assets include materials inventories, short-term deferred expenses and accrued income. At initial recognition, inventories are measured at cost increased by direct costs of procurement. For subsequent measurement, inventories are disclosed at the lower of cost less direct costs of procurement or net realisable value.

Short-term deferred costs or expenses are amounts that will impact profit or loss in the following accounting periods. They are accrued in order to ensure an even impact on profit or loss, or are deferred because they have already been paid but have not yet been incurred.

Other assets also include accrued income for goods and services supplied to clients whose performance obligations have already been met.

2.5.5.10 Impairment of non-financial assets

For all non-financial assets, except goodwill, the Group and the Company assess at each reporting date whether there are any signs of impairment. If there are signs of impairment, an impairment test is performed. An impairment test for goodwill is performed at the reporting date.

Assessment of impairment signs of non-financial assets

Signs of impairment of investments in subsidiaries are assessed on a yearly basis. The assessment takes into account signs from external sources of information (significant changes in the environment with a negative impact on the company, changes in market interest rates and returns on assets that affect the recoverable amount of assets, unexpected falls in market values of assets, etc.) and from internal sources of information (statutory changes, changes in management, change in the volume of business, the company's deteriorated economic performance).

Signs of impairment of land and buildings (classified as property, plant and equipment, investment property or right-of-use assets) are assessed on a yearly basis. The assessment takes into account signs from external sources (changes in the real property market) and internal sources (depletion, obsolescence, inability to lease or generate positive cash flows from operations).

If there are signs of impairment, an impairment test is performed, and the Group and the Company estimate the asset's recoverable amount. If the asset's carrying amount exceeds its recoverable amount, the asset is impaired.

Impairment test of investments in subsidiaries

The basis for performing an impairment test is IAS 36, which defines the recoverable amount of an asset or cash-generating unit as the higher of two items:

- fair value less costs of disposal or
- value in use.

Impairment tests of investments in subsidiaries are performed by external chartered and internal business valuator using valuation models, taking into account International Valuation Standards.

The valuation procedure includes at least:

- an analysis of the wider environment of society (macroeconomic and institutional);
- an analysis of the immediate environment (insurance market and markets of other relevant activities);
- an analysis of the company's business model and operations;
- an analysis of the company's competitive position in the market;

- an analysis of the achievement of the plan in terms of the adequacy of planning or the ability to implement a new plan;
- the selection of appropriate methodology and valuation methods according to the standards, purpose (for accounting purposes) and subject of valuation (business activity);
- making and estimating assumptions consistent with the analysis;
- estimating the cost of capital based on market parameters;
- valuation;
- a sensitivity analysis of assumptions to valuation and estimated range.

The key bases and sources for valuation are:

- environmental data obtained from local regulatory institutions and statistical offices, the European Central Bank and the International Monetary Fund;
- an assessment of profit or loss and the statement of financial position for the year in question, the business plan of each company approved by the supervisory body of each company for the year in question and the strategic plan of each company for the coming strategic period;
- documentation and information obtained from the management and other key persons of the company being valued;
- expert assessments of the relevant internal departments of Zavarovalnica Triglav and its subsidiaries or Group companies.

An impairment loss is measured as the difference between the asset's carrying amount and its recoverable amount and is recognised in profit or loss.

Impairment of non-financial assets is recognised in profit or loss.

Impairment test of land and buildings

In the case of individually material assets, an impairment test is performed individually. The impairment test of the remaining assets is carried out at the level of cash-generating units.

In determining fair value less costs to sell, International Valuation Standards (IAS), Slovenian Accounting Standard 2 – Valuation of Real Property Rights and Slovenian Accounting Standard 8 – Valuation for Financial Reporting are taken into account. Market valuation methods are used in the valuation, such as the market approach, the income approach and the subdivision development method. The valuation is performed by an independent certified real estate valuer.

The market approach is used as the primary method of valuation, as the valuation by this method is also the best indicator of the value of real property rights, but only in cases where there are sufficient transactions with comparable real property available. In the cases where the market analysis is not a sufficiently credible indicator to prepare a valuation, the valuation is made based on other valuation methods.

Where an income approach is used, potential market rent and stabilised income are assessed. These data are obtained by analysing current rents and actual collected rent for similar real property in the vicinity and based on the comparable real property available in the vicinity of the real property under valuation. The capitalisation rate is determined by the market analysis method based on the calculated ratio of stable profit and the sales price of real property. Transaction data are obtained through market analysis and monitoring and the real estate valuer's own database.

In the case of large undeveloped building land, where a detailed design is defined and where there is no similar land on the market, the assessment is also made using the subdivision development approach. The basis for using this method is the assumption that a rational investor will not sell the land at a lower price than the potential return generated through land development.

For non-financial assets, an assessment is made at each reporting date to determine whether there is any indication that impairment losses previously recognised no longer exist or have decreased. If any such indication exists, the recoverable amount of the asset is estimated. A previously recognised impairment loss is reversed only if the assumptions used to determine the asset's recoverable amount have changed since the last impairment loss was recognised. A reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor does it exceed the carrying amount that would have been determined without depreciation, if no impairment loss had been recognised for the asset in previous years. Such reversal is recognised in profit or loss.

Goodwill impairment test

Due to the need for impairment, goodwill is tested for impairment annually at the reporting date. In accordance with IAS 36, it is assessed whether there are any signs of impairment of the cash-generating unit to which goodwill was allocated. The impairment testing and the assessment of required impairment is performed by assessing the recoverable amount of this cash-generating unit using the discounted cash flow method. If the recoverable amount exceeds the carrying value, goodwill is not impaired.

The key assumptions included in the calculation of the recoverable amount are the cash flows realised and comparison with planned, expected cash flows based on available management plans and the discount rate calculated as the required rate of return using the CAPM model.

Goodwill impairment is recognised in profit or loss.

2.5.6 Equity and liabilities

2.5.6.1 Equity

Share capital equals the nominal value of paid-up ordinary shares denominated in euros. If the Company or a subsidiary acquires treasury shares, i.e. Zavarovalnica Triglav's shares, their value is disclosed as a deductible item of the Group's equity. In accordance with the requirements of the Companies Act (ZGD-1), treasury share reserves are created in the same amount.

Share premium are payments above the nominal amounts of shares or other capital payments in line with the Articles of Association. The effects of acquisition of non-controlling interests are also recognised in the consolidated financial statements under share premium.

The Company's reserves from profit are statutory, legal and other reserves from profit and treasury share reserves. The Company's legal reserves are created and used in accordance with the ZGD-1. Together with share premium, they must equal at least 10% of the share capital. This is the Company's tied-up capital set aside to protect the creditor's interests. The Company's statutory reserves are created in the amount that equals up to 20% of the share capital. The Company creates statutory reserved based on a decision by the Management Board to allocate up to 5% of net profit in a financial year to statutory reserves, decreased by any amounts used to cover retained loss, legal reserves and reserves from profit. Statutory reserves may be used to cover net loss for the year and loss brought forward, for treasury share reserves, increase share capital from the Company's assets and regulate the dividend policy.

In accordance with the ZGD-1, the Company's Management Board may allocate up to one half of the amount of the net profit remaining after the appropriation of the profit for the purposes required by law to create other reserves.

Reserves of subsidiaries are formed and used in accordance with the legislation of the countries in which these companies operate.

Basic earnings per share are calculated by dividing the shareholders' net profit by the weighted average number of ordinary shares, excluding ordinary shares held by the Group or the Company.

The Group and the Company do not have dilutive potential ordinary shares, thus the basic and diluted earnings per share are the same.

2.5.6.2 Subordinated liabilities

Subordinated liabilities include subordinated debt instruments for which it was agreed in the underlying agreements to be paid last in the event of the bankruptcy or liquidation of the company that issued these securities. Subordinated liabilities are measured at amortised cost in the financial statements.

2.5.6.3 Employee benefits

Employee benefits comprise provisions for jubilee and retirement benefits and unused leave. Provisions for jubilee and retirement benefits are calculated using the actuarial valuation method, i.e. the projected unit credit method or the accrued benefits based on service method. In line with IAS 19, the calculation is based on the following actuarial assumptions:

- demographic assumptions (mortality and early termination of employment);
- financial assumptions:
 - the discount rate taking into account the yield on government securities at the balance sheet date and
 - wage growth taking into account inflation, age, promotion and other factors such as supply and demand in the employment market.

Provisions for unused leave are calculated as the value of gross wage plus taxes for the period of unused leave. Provisions are undiscounted.

Changes in provisions for employee benefits due to payments and new provisions made are recognised in profit or loss under operating expenses (labour costs). Revaluation of provisions from an increase or decrease in the present value of liabilities due to changes in actuarial items and experience adjustments is recognised as actuarial gains or losses as follows: for provisions for retirement benefits in other comprehensive income and for provisions for jubilee benefits in profit or loss.

2.5.6.4 Operating and financial liabilities

Operating liabilities are recognised in the statement of financial position when the payment of a liability results from a contractual obligation. Operating liabilities are disclosed at amortised cost.

At initial recognition, financial liabilities are measured at cost based on the relevant documents on their origin. They are decreased by paid amounts and increased by accrued interest. Financial liabilities are disclosed at amortised cost in the financial statements. Interest paid on loans taken is recognised as expense and accordingly accrued over the term of the underlying loan.

2.5.7 Government grants and government assistance

Funds received directly or indirectly by the Group and the Company from the state, government agency or similar bodies at local, national or international levels are considered government grants or assistance. The received government grants are not the result of the performance of ordinary commercial transactions which a company receives in exchange for the provided service or supply of goods. A government grant means the transfer of funds to the Group and the Company in exchange for taking into account specific circumstances in the past or future.

The calculation of a government grant is made using the income approach, which provides for the recognition of a government grant in profit or loss. A government grant is recognised in profit or loss as income over the period necessary to match them with the related costs, for which they are intended to compensate. The grants received for costs already incurred are recognised immediately.

Government grants related to assets which are conditional on the purchase, construction or otherwise acquired asset are recognised as deferred income, which the Group and the Company recognise in profit or loss on a straight-line basis over the useful life of the asset.

Grants related to income, i.e. grants not related to assets, are recognised as a deduction of related expenses.

2.5.8 Operating expenses

Gross operating expenses are recognised on an accrual basis as historical costs by nature. They are subsequently segregated during the accounting process into costs attributable to insurance contracts and costs not attributable to insurance contracts. Under the IFRS 17 functional groups, attributable costs are divided into acquisition costs, claim handling costs, management costs and other administrative costs and, as such, are attributed to the individual groups of insurance contracts.

2.5.9 Taxes and deferred taxes

Tax expense comprises current tax expense and deferred tax income or expense.

Short-term income tax assets and liabilities are measured at the amount expected to be paid to the tax authorities. The tax rates and tax laws used to calculate the amount are those effective as at the reporting date in the countries where the Group and the Company operate and earn taxable profit.

Deferred tax assets and liabilities are calculated for temporary differences between the value of assets and liabilities for tax purposes and their carrying amount.

Deferred tax assets are recognised for all deductible temporary differences, transfer of unused tax credits and any unused tax losses. Deferred tax assets are recognised if it is probable that taxable profit against

which deductible temporary differences can be utilised and the transfer of unused tax credits and losses will be available, except:

- if the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction other than a business combination and which, at the time of the transaction, does not affect either the accounting or the taxable profit;
- with respect to deductible temporary differences associated with investments in subsidiaries, associates and interests in joint arrangements, deferred tax assets are only recognised to the extent that it is probable that the reversal will not occur in the foreseeable future and that taxable profit will be available against which the temporary difference will be utilised.

The carrying amounts of deferred tax assets are reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available against which deferred tax assets will be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it becomes probable that future taxable profits will be available against which the deferred tax assets can be utilised.

In assessing the collectability of deferred tax assets, the Group and the Company rely on the same assumptions that they use in other parts of the financial statements.

Deferred tax liabilities are recognised for all taxable temporary differences, except:

- if the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction other than a business combination and which, at the time of the transaction, does not affect either the accounting or the taxable profit;
- with respect to taxable temporary differences associated with investments in subsidiaries, associates and interests in joint arrangements, when it is possible to control the timing of the reversal of temporary differences and that it is probable that the reversal will not occur in the foreseeable future.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled, based on tax rates/laws that have been enacted or substantively enacted as at the reporting date.

The effects of the recognition of deferred tax assets and liabilities are recognised as income or expense in profit or loss, except when the tax arises from an event recognised in other comprehensive income. Deferred tax assets and liabilities relating to the same tax jurisdiction, period and taxable unit are offset at the level of an individual company.

In the case of consolidation, temporary differences arising from differences between the official financial statements of a subsidiary and the adjusted financial statements for consolidation purposes and those differences arising from consolidation procedures may be recognised.

2.5.10 Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The measurement of the fair value of assets or liabilities takes into account their characteristics and assumes that the asset or liability is exchanged in an orderly transaction under current market conditions in the principal market or in the most advantageous market for those assets or liabilities.

Financial assets classified as financial assets at fair value through profit or loss and those at fair value through other comprehensive income are measured at fair value. However, for financial assets measured at amortised cost, their fair value is disclosed.

The fair value of financial instruments traded on regulated financial markets is determined based on quoted prices at the reporting date.

If there is no active market for a financial instrument, its fair value is measured by various valuation techniques. An active market is a market in which transactions between market participants take place frequently enough and to a sufficient extent to provide price information on a regular basis. Market activity, i.e. whether the market is active or not, is determined for each financial instrument according to the available information and circumstances. Factors that are important in assessing market activity include: the low number of transactions in a given time period, high volatility of quoted prices in a given time period or between different market makers, high price difference between supply and demand, the low number of market participants (fewer than 4). An important criterion, which includes all the above factors, for the activity of securities is the Bloomberg Valuation Service (BVAL) Score. Low scores of the indicator (below 3) indicate that the market is not active.

In determining the fair value of financial instruments, valuation methods are used at the comparable fair value of another instrument that has similar significant characteristics, as well as discounted cash flow analysis and option pricing models. If there is a valuation technique commonly used by market participants to determine the price of the instrument and if its reliability in estimating the prices obtained from actual market transactions has been demonstrated, such a technique will be used. The assumptions and estimates used contain certain risks regarding their actual fulfilment in the future. In order to reduce these risks, the assumptions and estimates used are tested in various ways (e.g. comparison of assumptions or estimates with the sector/industry, individual market companies and similar). In addition, when calculating the range of estimated value of an individual investment, a sensitivity analysis is performed for key value drivers such as: net sales income, the EBITDA margin, the financial intermediation margin, the rate of return on financial investment portfolio, operating expenses to total assets, cash flow growth and the discount rate. The discounted cash flow method uses estimated future cash flows and discount rates that reflect interest rates for comparable instruments.

For the purpose of disclosing fair value, the fair value of non-financial assets is also assessed, taking into account the market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

In assessing the fair value of own-use land and buildings and investment property, the income capitalisation approach, the market approach and the analysis of the most economical use for development land are used. The most important parameters included in the calculation are market prices of comparable real property and the capitalisation rate. Fair value is estimated by internal and external chartered business valuers, taking into account International Valuation Standards.

When estimating the fair value of a subordinated bond issued, the price according to the model (the discounted cash flow method) is taken into account, as the management assessed that the market was not active.

The fair value hierarchy is used to disclose the method of determining the fair value of assets and liabilities. This is determined by the inputs to the valuation technique used to measure fair value.

- Level 1 inputs: unadjusted quoted prices in active markets under IFRS 13 for identical assets or liabilities that the entity can access at the measurement date. The quoted prices may be adjusted only exceptionally.
- Level 2 inputs: are quoted prices for similar assets or liabilities in active markets, quoted prices in markets that are not active and quoted prices that are observable.
- Level 3 inputs: are prices that do not meet the standards for Level 1 or Level 2. The share of unobservable inputs used in value measurement models is considerable. Unobservable inputs have to use the assumptions that market participants would use when pricing the asset or liability, including risk assumptions.

The valuation techniques and market inputs used to develop these techniques are presented below.

Financial investment type	Value assessment method	Material parameters	Parameter weight applied	Fair value
EXTERNAL APPRAISERS (market operator)				
Debt securities - composite	Stochastic model, HW1f and HW2f network models	EUR SWAP interest rate curve, issuer credit spreads, comparable issuer credit spreads, interest rate volatility, correlation matrix, volatility indices		Level 2
Debt securities – compound with exposure to stock markets	Stochastic model	EUR SWAP interest rate curve, issuer credit spreads, comparable issuer credit spreads, interest rate volatility, volatility indices		Level 2
Derivatives	Black-Scholes model	Index volatility		Level 2
BLOOMBERG BVAL				
Debt securities – companies, financial institutions and government	Cash flow discounting according to amortisation schedule	EUR SWAP interest rate curve, issuer credit spreads, comparable issuer credit spreads, indicative listings		Level 2
INTERNAL APPRAISERS				
Debt securities - government	Cash flow discounting according to amortisation schedule	Republic of Slovenia interest rate yield curve	yield curve issued by Republic of Slovenia (Bloomberg ID: I259 Currency); credit spread between 0 and 0.92%	Level 2
Debt securities - companies and financial institutions	Cash flow discounting according to amortisation schedule	Republic of Slovenia interest rate yield curve, issuer credit spreads	yield curve issued by Republic of Slovenia (Bloomberg ID: I259 Currency); credit spread between 1.87 and 6%	Level 2
Equity securities	Income approach	g (growth rate during the constant growth period)	2–3.1%	Level 3
		Discount rate	5.8–15.4%	
		Lack of marketability and control discount	0–50.3%	
	Cost approach	Value of real property and participating interests		
	Market approach	MVIC/EBITDA, P/B		
Equity investments in associates	Equity method	Accumulated gains and losses		Level 3
Real property for own use	Income approach, market approach, land residual method (analysis of the most economical use of development land)	Capitalisation rate	7.5–15%	Level 3
Investment property		Market prices of comparable real property		

The fair value of assets and liabilities is shown in [section 2.5.10](#).

2.6 Impacts of the transition to new accounting standards and impacts of changes in accounting policies

2.6.1 Impacts of the transition as at 1 January 2022

The impacts of the transition to new accounting standards and the impacts of changes in accounting policies on the Group's and the Company's equity as at 1 January 2022 are presented below. The audited items of the statement of financial position as at 31 December 2021 were appropriately reclassified to reflect the new structure of the statement of financial position.

Effects of changes on equity

The effects of changes in the valuation of insurance contracts and financial assets and the effects of a change in accounting policy were recognised in equity as at 1 January 2022 as follows:

- Triglav Group: an increase in retained earnings of EUR 169,890,316 and a decrease in accumulated other comprehensive income of EUR 65,436,314, resulting in a net increase in equity of EUR 104,454,002;
- Zavarovalnica Triglav: an increase in retained earnings of EUR 139,660,910 and a decrease in accumulated other comprehensive income of EUR 44,226,681, resulting in a net increase in equity of EUR 95,434,229.

The increase in retained earnings was predominantly due to a decrease in insurance contract liabilities. IFRS 17 requires that the best estimate be used in their measurement, whereas in the application of IFRS 4 the safety principle was taken into account when creating insurance technical provisions.

Triglav Group	31 December 2021 (audited)	Impacts of the transition to IFRS 17	Impacts of the transition to IFRS 9	Reclassification to financial contracts	Other reclassifications	1 January 2022
ASSETS	4,374,353,624	-243,766,638	-5,357,418	348,746	-151,523	4,125,426,791
Property, plant and equipment	108,655,212	0	0	0	1,475,834	110,131,046
Investment property	75,110,973	0	0	0	-51,383	75,059,590
Right of use assets	10,933,109	0	0	0	-151,523	10,781,586
Intangible assets and goodwill	107,184,415	-52,930,208	0	0	-5,921	54,248,286
Deferred tax assets	927,425	-283,392	-417,585	0	0	226,448
Investments in subsidiaries	0	0	0	0	0	0
Investments in associates and joint ventures	36,031,346	0	0	0	0	36,031,346
Financial investments	3,543,977,278	15,915	-1,622,348	-623,694,401	-1,518,910	2,917,157,534
Financial contract assets	0	0	0	643,548,868	0	643,548,868
Insurance contract assets	159,365,204	-142,389,447	0	-246	0	16,975,511
Reinsurance contract assets	201,451,755	-38,868,927	0	0	0	162,582,828
Non-current assets held for sale	3,812,044	0	0	0	2,405	3,814,449
Current corporate income tax assets	4,127,384	120,358	-3,897,489	0	0	350,253
Other receivables	35,612,821	-7,878,483	0	306,342	77,871	28,118,551
Cash and cash equivalents	82,321,630	0	520,131	-19,813,191	0	63,028,570
Other assets	4,843,028	-1,552,454	59,873	1,374	20,104	3,371,925
EQUITY AND LIABILITIES	4,374,353,621	-243,766,638	-5,357,421	348,746	-151,523	4,125,426,785
Controlling interests	930,511,225	106,133,242	-502,333	-1,315,101	0	1,034,827,033
Share capital	73,701,392	0	0	0	0	73,701,392
Share premium	50,283,747	0	0	0	0	50,283,747
Reserves from profit	421,633,959	-90	90	0	0	421,633,959
Accumulated other comprehensive income	77,834,278	-24,832,230	-40,589,970	-14,114	0	12,397,964
Other reserves	0	0	0	0	0	0
Retained profit/loss from previous years	310,028,842	130,984,319	40,206,984	-1,300,987	0	479,919,158
Currency translation differences	-2,970,993	-18,756	-119,437	0	0	-3,109,186
Non-controlling interests	2,475,645	-139,107	0	0	0	2,336,538
Subordinated liabilities	49,471,831	0	419,635	0	0	49,891,466
Deferred tax liabilities	9,377,034	22,783,082	-5,348,364	-303,890	0	26,507,862
Financial contract liabilities	0	0	0	643,548,868	0	643,548,868
Insurance contract liabilities	3,224,854,813	-334,594,935	0	-645,487,660	0	2,244,772,218
Reinsurance contract liabilities	34,061,539	-31,911,519	0	0	0	2,150,020
Provisions	20,184,669	1,986,047	0	4,192,088	0	26,362,804
Lease liabilities	11,274,806	0	0	0	-126,303	11,148,503
Other financial liabilities	2,237,060	-21,545	39,616	0	0	2,255,131
Non-current liabilities held for sale	0	0	0	0	0	0
Current corporate income tax liabilities	2,649,636	-35,279	552,768	0	0	3,167,125
Other liabilities	87,255,363	-7,966,624	-518,743	-285,559	-25,220	78,459,217

in EUR

in EUR

Zavarovalnica Triglav	31 December 2021 (audited)	Impacts of the transition to IFRS 17	Impacts of the transition to IFRS 9	Impacts of the change in accounting policy – equity method	Reclassification to financial contracts	Other reclassifications	1 January 2022
ASSETS	3,118,944,086	-112,006,466	-312,844	-6,102,619	0	0	3,000,522,157
Property, plant and equipment	65,143,307	0	0	0	0	1,615,993	66,759,300
Investment property	43,840,055	0	0	0	0	0	43,840,055
Right of use assets	4,548,297	0	0	0	0	0	4,548,297
Intangible assets and goodwill	67,022,026	-35,045,848	0	0	0	0	31,976,178
Investments in subsidiaries	131,924,683	0	0	0	0	0	131,924,683
Investments in associates and joint ventures	41,693,996	0	0	-6,102,619	0	0	35,591,377
Financial investments	2,508,082,035	15,915	-184,184	0	-245,334,872	-1,744,653	2,260,834,241
Financial contract assets	0	0	0	0	249,789,207	0	249,789,207
Insurance contract assets	79,278,048	-64,091,699	0	0	0	0	15,186,349
Reinsurance contract assets	143,682,627	-7,131,688	0	0	0	0	136,550,939
Current corporate income tax assets	564,166	0	0	0	0	0	564,166
Other receivables	17,738,595	-5,849,816	-128,660	0	0	128,660	11,888,779
Cash and cash equivalents	13,912,991	0	0	0	-4,454,335	0	9,458,656
Other assets	1,513,260	96,670	0	0	0	0	1,609,930
EQUITY AND LIABILITIES	3,118,944,094	-112,006,466	-312,844	-6,102,619	0	0	3,000,522,165
Controlling interests	675,221,932	101,810,028	-117,576	-4,943,121	-1,315,102	0	770,656,161
Share capital	73,701,392	0	0	0	0	0	73,701,392
Share premium	53,412,885	0	0	0	0	0	53,412,885
Reserves from profit	404,562,643	0	0	0	0	0	404,562,643
Accumulated other comprehensive income	55,884,633	-19,488,817	-16,569,100	-8,168,764	0	0	11,657,952
Retained profit/loss from previous years	87,660,379	121,298,845	16,451,524	3,225,643	-1,315,102	0	227,321,289
Subordinated liabilities	49,471,831	0	419,635	0	0	0	49,891,466
Deferred tax liabilities	4,212,733	21,684,389	-637,001	-1,159,498	-303,890	0	23,796,733
Financial contract liabilities	0	0	0	0	249,789,207	0	249,789,207
Insurance contract liabilities	2,295,292,509	-214,815,395	0	0	-249,789,207	0	1,830,687,907
Reinsurance contract liabilities	18,526,653	-18,524,823	0	0	0	0	1,830
Provisions	13,201,285	0	0	0	1,618,991	0	14,820,276
Lease liabilities	4,643,844	0	0	0	0	0	4,643,844
Other financial liabilities	1,668,488	0	22,098	0	0	0	1,690,586
Other liabilities	56,704,811	-2,160,665	0	0	0	0	54,544,146

The decrease in accumulated other comprehensive income was due to the recognition of the effects of discounting insurance contracts. In accordance with IFRS 17, the effects of a change in the interest rate on the discounting of cash flows from insurance contracts are recognised in other comprehensive income in order to reduce the accounting mismatch with the measurement effects of financial assets recognised in other comprehensive income.

The methods used in the transition to IFRS 17

On transition to IFRS 17, valuations were performed for all insurance contracts issued before the date of initial application of this standard and still in force at that date, i.e. 1 January 2022. The standard requires a full retrospective approach to be used for valuation. This approach was applied to the valuation of all short-term insurance contracts and those long-term insurance contracts issued from 2016.

Where an insurer does not have complete data, the standard allows the use of a modified approach with some simplifications, without the need to reconstruct data that are not available. Using this approach, long-term insurance contract liabilities under contracts entered into between 2007 and 2015 were restated as at 1 January 2022.

For long-term insurance contracts entered into before 2007, the fair value approach was applied. The standard allows this approach if both the full approach and the modified retrospective approach are not economically justifiable due to obtaining data.

in EUR

Triglav Group Contractual service margin	Contracts under the modified retrospective approach	Contracts under the fair value approach	Contracts under the full retrospective approach	TOTAL
As at 1 January 2022	51,364,841	0	106,640,920	158,005,761
Changes that relate to current service				
CSM recognised in profit or loss to reflect the transfer of services	-9,542,168	-902,931	-22,194,251	-32,639,350
Changes that relate to future service				
Changes in estimates that adjust the CSM	-48,965	-1,096,080	-3,054,665	-4,199,710
Effects of contracts for which initial recognition was carried out in the period	0	0	37,705,684	37,705,684
Insurance service result	-9,591,133	-1,999,011	12,456,768	866,624
Net insurance finance income/expenses	3,146,609	11,104,873	13,307,419	27,558,901
Total changes in other comprehensive income	-6,444,524	9,105,862	25,764,187	28,436,287
As at 31 December 2022	44,920,317	9,105,862	132,405,107	186,431,286
Changes that relate to current service				
CSM recognised in profit or loss to reflect the transfer of services	-8,885,889	-1,977,797	-28,930,671	-39,794,357
Changes that relate to future service				
Changes in estimates that adjust the CSM	9,472,679	2,986,319	39,236,069	51,695,067
Effects of contracts for which initial recognition was carried out in the period	0	0	42,344,259	42,344,259
Insurance service result	586,790	1,008,522	52,649,657	54,244,969
Net insurance finance income/expenses	244,817	870,190	-3,344,377	-2,229,370
Total changes in other comprehensive income	831,607	1,878,712	49,305,280	52,015,599
As at 31 December 2023	45,751,924	10,984,574	181,710,387	238,446,885

in EUR

Zavarovalnica Triglav Contractual service margin	Contracts under the modified retrospective approach	Contracts under the fair value approach	Contracts under the full retrospective approach	TOTAL
As at 1 January 2022	51,364,841	0	98,379,697	149,744,537
Changes that relate to current service				
CSM recognised in profit or loss to reflect the transfer of services	-9,542,168	-760,598	-19,260,114	-29,562,880
Changes that relate to future service				
Changes in estimates that adjust the CSM	-48,965	-843,395	-2,614,196	-3,506,555
Effects of contracts for which initial recognition was carried out in the period	0	0	33,340,793	33,340,793
Insurance service result	-9,591,132	-1,603,993	11,466,483	271,357
Net insurance finance income/expenses	3,146,610	10,350,728	12,131,221	25,628,559
Total changes in other comprehensive income	-6,444,523	8,746,735	23,597,704	25,899,916
As at 31 December 2022	44,920,318	8,746,735	121,977,401	175,644,454
Changes that relate to current service				
CSM recognised in profit or loss to reflect the transfer of services	-8,885,888	-1,650,550	-25,470,342	-36,006,780
Changes that relate to future service				
Changes in estimates that adjust the CSM	9,472,680	1,950,510	43,644,722	55,067,911
Effects of contracts for which initial recognition was carried out in the period	0	0	32,658,078	32,658,078
Insurance service result	586,792	299,960	50,832,457	51,719,208
Net insurance finance income/expenses	244,818	694,315	-2,928,288	-1,989,155
Total changes in other comprehensive income	831,609	994,275	47,904,169	49,730,053
As at 31 December 2023	45,751,927	9,741,010	169,881,570	225,374,507

Impacts of the transition to IFRS 9

The transition to IFRS 9 on 1 January 2022 did not significantly affect the value of financial assets; however, it did affect the reclassification of the Group's and the Company's financial instruments, as shown in the tables below.

Triglav Group

in EUR

Classification of financial investments under IAS 39	Value under IAS 39 as at 31 Dec 2021	Reclassification	Reclassification under IFRS 9 as at 1 Jan 2022			Remeasurement as at 1 Jan 2022		Value under IFRS 9 as at 1 Jan 2022		
			to FVTPL	to FVOCI	to AC	Revaluation	ECL	FVTPL	FVOCI	AC
HTM and L&R	231,033,030	-2,359,312	5,503,964	0	223,169,754	802,165	-1,622,348	5,952,000	0	222,389,210
FVTPL and FVTPL for trading	1,175,293,820	-623,666,083	551,627,738	0	0	0	0	551,627,650	1,959,630,084	0
AFS	2,137,650,428	0	178,014,857	1,959,635,571	0	0	0	177,558,590	0	0
Total	3,543,977,278	-626,025,394	735,146,559	1,959,635,571	223,169,754	802,165	-1,622,348	735,138,240	1,959,630,084	222,389,210

Zavarovalnica Triglav

in EUR

Classification of financial investments under IAS 39	Value under IAS 39 as at 31 Dec 2021	Reclassification	Reclassification under IFRS 9 as at 1 Jan 2022			Remeasurement as at 1 Jan 2022		Value under IFRS 9 as at 1 Jan 2022		
			to FVTPL	to FVOCI	to AC	Revaluation	ECL	FVTPL	FVOCI	AC
HTM and L&R	173,451,841	-1,697,486	5,991,639	0	165,762,716	-60,950	-184,184	5,952,000	0	165,556,736
FVTPL and FVTPL for trading	746,239,932	-245,306,210	500,933,722	0	0	0	0	500,933,722	0	0
AFS	1,588,390,263	0	130,247,315	1,458,142,948	0	0	0	130,247,315	1,458,144,468	0
Total	2,508,082,036	-247,003,696	637,172,676	1,458,142,948	165,762,716	-60,950	-184,184	637,133,037	1,458,144,468	165,556,736

Effects of the transition on the valuation of associates and joint ventures in the separate financial statements of Zavarovalnica Triglav

Investments in associates and joint ventures in past periods were accounted for at fair value in the Company's separate financial statements and under the equity method in the Group's consolidated financial statements.

In order to make the disclosure of these investments in the financial statements of the Group and the Company more comparable and therefore more relevant, the Company changed the valuation method in the separate financial statements so that, also for the purpose of preparing the separate financial statements, investments in associates and joint ventures are accounted for using the equity method. The change in the accounting policy resulted in a decrease in the value of these investments by EUR 6,102,619.

Reclassification to financial contracts

The transition to IFRS 17 led to a reassessment of underwriting and financial risks of pension products in the accumulation (savings) phase (supplemental voluntary pension insurance). As a result of the reassessment, these products no longer bear material underwriting risk and were therefore reclassified from insurance to financial contracts upon the transition. They are disclosed as financial contract assets and liabilities in the statement of financial position. Financial contract assets also comprise cash, receivables and other assets directly related to these contracts.

Other reclassifications

Other reclassifications mainly relate to the reclassification of works of art from financial investments to property, plant and equipment. The change was made in order to more accurately present the assets in the Group's and the Company's statement of financial position.

2.6.2 Effects of the transition in the 2022 statement of profit or loss

By transitioning to the new standards, differences in the net profit for 2022 of both the Group and the Company were recognised compared to the 2022 financial statements that were published in accordance with the previous accounting standards, IFRS 4 and IAS 39.

The Company generated a lower net profit compared to the published financial statements as a result of the transition to the new accounting standards. The Company's net profit for 2022 under the previous standards amounted to EUR 120,472,078, while the net profit restated under the new accounting policies was EUR 8,925,410. In total, the transition to the new accounting policies resulted in a net profit lower by EUR 111,546,668 than that published for 2022 in accordance with the previously valid standards.

The Group's net profit for 2022 under the previous standards amounted to EUR 110,216,676, while the application of the new accounting policies resulted in a loss of EUR 6,972,434. In total, the transition to the new accounting policies resulted in a net profit lower by EUR 117,189,110.

With regard to non-life insurance contracts, this effect arises from differences in the valuation of claims provisions. In 2022, a transition was made towards the methods prescribed by IFRS 17 in the valuation of claims provisions, specifically adopting best estimates instead of conservative estimates. As a result, there was a significant reduction in the amount of insurance technical provisions.

With regard to life insurance contracts, a direct comparison of the net profit for a given year is more difficult as the calculation methods under the two standards for long-term insurance contracts are significantly different. Although the operating result over the lifetime of each insurance contract would be the same under both standards, it may differ significantly from period to period. This is the case in 2022, partly due to the effects of the transition and partly due to the significant increase in interest rates, which had a different impact under the two standards.

The difference in net profit or loss was also significantly affected by the classification of equity securities into the group of financial assets measured through other comprehensive income and other changes in the measurement of financial assets with the transition to IFRS 9.

Another significant difference in net profit or loss is the recognition of deferred taxes on the difference in income tax expense resulting from lower profit before tax.

2.7 Significant accounting judgments, estimates and assumptions

The preparation of the financial statements in line with IFRS requires the use of judgments, estimates and assumptions that affect the value of reported assets and liabilities at the reporting date and the amount of income and expenses in the reporting period. Although the estimates used are based on the best knowledge of current events and activities, the actual results may differ from the estimates. Estimates and assumptions are reviewed regularly and their adjustments are recognised in the period of the change.

The following is a summary of the accounting judgments, estimates and assumptions used in the preparation of the financial statements of the Group and the Company. Accounting policies for items subject to judgments and estimates are described in [Section 2.5](#). The estimates used in the preparation of the financial statements for the financial year ended 31 December 2023 are presented in the disclosures of the items to which they relate.

Item in the financial statements / content	Accounting judgement / estimate	Assumptions and sources of uncertainty
Going concern	The judgement of the Group and the Company as a going concern is prepared based on an assessment of the risks and uncertainties to which the Group and the Company are exposed.	Assumptions about future risk exposure and uncertainty in the business environment. A sensitivity analysis of the Group's and the Company's profitability, financial position and liquidity to risks and uncertainties.
Classification of insurance contracts	Contracts concluded by the Group and Company are classified as insurance or financial contracts according to their characteristics. The estimate of whether a contract issued is an insurance or financial contract and the estimate of whether or not the contracts issued meet the criteria for contracts with direct participation features have a significant effect on the further measurement and disclosure of related items in the financial statements.	The assumption of material underwriting risk in relation to additional payouts in the event of a loss event.
Valuation of insurance contracts	For the subsequent valuation of insurance contracts, judgements on whether or not a simplified premium allocation approach can be applied to the valuation of the contracts issued are relevant. Also important are judgements on whether the individual components of contracts should be separated (and valued separately), and judgements about the appropriate level of aggregation of contracts into portfolios. The judgements needed to identify onerous contracts are also important.	Assumptions about the term of the contract, the appropriate level of aggregation of contracts and assumptions relating to the onerousness of contracts.
The calculation of insurance/reinsurance contract assets and liabilities	Estimates of expected future cash flows and the discount rates and illiquidity premiums used significantly impact the calculation of assets and liabilities.	Assumptions about the expected claims development and claims ratios of non-life insurance contracts. Assumptions about the expected mortality, policyholders' future behaviour and claims ratios of additional life insurance riders. Assumptions about expected movements in interest rates and costs and about expected inflation and economic growth.
The calculation of risk adjustment	The judgement or selection of the most appropriate techniques for estimating the risk adjustment for non-financial risk and the estimation of the adjustment are important.	Assumptions about the required risk adjustment for non-financial risk in non-life insurance contracts.
Financial assets	The assessment of the appropriateness of the business model has a significant impact on the subsequent valuation of financial assets.	Assumptions about the policy and objectives related to financial assets portfolios. Assumptions on how the performance of each business model will be monitored. Assumptions about the risks affecting the performance of each business model. Assumptions about the expected frequency, volume and timing of sales of financial assets of each business model.
Financial assets	The valuation of financial assets is also significantly affected by the assessment whether the contractual cash flows of a financial instrument are solely repayments of principal and interest on the outstanding principal amount (the SPPI test).	Assumptions about expected cash flows related to an instrument.
Financial assets	An important judgement is the assessment of impairment of financial assets, which involves the selection of criteria for assessing whether credit risk of an investment has changed significantly between the time of its recognition and the time of valuation, and the choice of the expected credit losses (ECL) measurement model. The significant accounting estimate relates to the calculation of the required impairment at the balance sheet date.	Assumptions regarding expected cash flows. The assumptions regarding the expected probability of default (PD) and the expected loss given default (LGD).
Financial assets	Financial assets are measured at fair value in the financial statements or their fair value is disclosed. The fair value of financial assets is a significant accounting estimate when the fair values of assets are not quoted on the active market (stock market).	The estimate of comparable stock market transactions, interest rate curves, credit spreads, interest rate volatility, stock index volatility, the estimate of expected cash flows, discount rates and growth rates.
Investments in subsidiaries	Investments in subsidiaries are investments in companies that are directly or indirectly controlled by Zavarovalnica Triglav. A significant judgement is the judgement of whether the conditions of control in an individual company are met.	The existence of influence on the company based on voting rights or contractual agreements. Exposure to variable return. Impact on return via impact on the company.
Investments in subsidiaries	Investments in subsidiaries are measured at cost in the Company's separate financial statements. A significant judgement is the judgement of whether there are any signs of impairment of these investments. If any sign of impairment exists, the significant accounting estimate relates to the calculation of the required impairment at the balance sheet date.	Assumptions about the wider and immediate environment of the company and the company's position in the market, assumptions about the adequacy of the business model, predictions about the company's future operations and its ability to implement plans, assumptions about the cost of capital and the long-term growth rate.



Item in the financial statements / content	Accounting judgement / estimate	Assumptions and sources of uncertainty
Goodwill	At initial recognition, goodwill is measured at cost and subsequently assessed for impairment annually. The amount of the required impairment is a significant estimate in the Group's financial statements.	Assumptions about the company's future operations and its ability to achieve the set goals, the estimate of the convergence of markets towards more developed ones, expected economic trends, discount rate, the estimate of the necessary premium for specific risks.
Intangible assets, property, plant and equipment, investment property	Intangible assets, property, plant and equipment and investment property are disclosed in the financial statements using the cost model. A significant estimate that affects the amount of amortisation expense is the estimated useful life of assets.	Expected physical wear and tear, technical and economic ageing of the asset. Expected legal or other restrictions of use.
Property, plant and equipment, investment property	Property, plant and equipment and investment property are disclosed in the financial statements using the cost model. The fair value of these assets, which is determined for disclosure purposes, is a significant estimate.	Market prices of comparable real property, the expected rates of return on real property (potential market rent and stabilised income), the capitalisation rate.
Property, plant and equipment, investment property	Property, plant and equipment and investment property are disclosed in the financial statements using the cost model. When compiling the financial statements, it is assessed whether there are any signs of impairment of these assets. In any sign of impairment exist, an estimate of the necessary impairment is a significant accounting estimate.	Market prices of comparable real property, the expected rates of return on real property (potential market rent and stabilised income), the capitalisation rate.
Assets and liabilities from received leases	The amount of leased assets and related financial liabilities is measured upon recognition at the present value of future lease payments. A significant estimate in determining the amount of assets and liabilities is the assumed discount rate, and in the case of assets leased for an indefinite term also the estimate of lease term.	Assumption of interest rate and the necessary mark-ups. The expected lease term.
Deferred tax assets	Deferred tax assets are recognised in the financial statements if it is probable that taxable profit against which deductible temporary differences can be utilised and the transfer of unused tax credits and losses will be available. The judgement of the justification of created deferred tax assets is a significant accounting judgement.	Assumptions about the future profitability of the Group's companies and Zavarovalnica Triglav.
Employee benefits	The calculation of provisions for termination and jubilee benefits is based on an actuarial valuation method and therefore is a significant estimate in the financial statements.	Demographic assumptions (mortality, early termination of employment) and financial assumptions (discount rate, wage growth, inflation).

2.8 Risk Management

The Group's risk management system is defined by internal rules and a clear separation of the powers and responsibilities of the business functions, the Management Board, the Supervisory Board, and the key functions and other related areas that exercise supervision. It consists of effective processes used to constantly identify, assess and control assumed and potential or emerging risks. This allows the Group to take appropriate and timely action and keep their risk profile at the level defined in the risk appetite. The system is clear, transparent and well-documented.

More information on the Group's risk management process is presented in the Business Report, which is part of the Group's and the Company's Annual Report.

Risk exposure of the Group and the Company

Risk assessments by individual risk segment are based on market values for Solvency II purposes. The Group uses a regulatory method, which is assessed as appropriate for risk measurement in the context of the own risk and solvency assessment process.

In the case of unit-linked insurance, the risk is not borne by the Group and the Company. Certain tables below therefore show the value of these insurance contracts separately or are excluded from the presentation of exposure and risk assessment of the Group and the Company. The same applies to financial contract assets and liabilities.

Risk exposures are monitored in the same way at Group and Company levels. The risk exposures for both the Group and the Company are presented below, while the notes on risk management are described at Group level.

2.8.1 Underwriting risks

The Group assumes underwriting risks by underwriting various types of insurance policies. Its insurance portfolios are diverse in terms of products and so are their underwriting risks. Insurance is divided into non-life insurance, which includes health insurance and reinsurance, and life insurance, which includes pension annuity insurance. Insurance claims or insurance liabilities stemming from insurance policies are classified as life insurance liabilities that depend on biometric factors such as age, gender and health status of the person insured and non-life insurance liabilities that do not depend on biometric factors.

Non-life insurance liabilities include all non-life insurance claims, including health insurance and reinsurance claims, with the exception of non-life insurance claims paid out as an annuity. The latter are non-life insurance claims that depend on biometric factors of the injured party and are therefore classified as life insurance liabilities. Non-life insurance liabilities also include accident insurance claims stemming from life insurance policies, but which do not depend on the biometric factors of the injured parties.

Life insurance liabilities arise from insurance policies for traditional, unit-linked and pension annuity insurance. Life insurance liabilities include non-life insurance claims, which are paid out as annuities and which to the greatest extent stem from motor vehicle liability insurance.

The basic principle of the insurance business is adequate risk equalisation. The Group and the Company achieve this through sufficiently large homogeneous risk groups, which constitute the entire portfolio of the presented underwriting risks. The key prerequisite for adequate risk equalisation is efficient and correct classification of risks. A specific risk is assessed and classified into an appropriate group at the time of underwriting. Also considered are new findings, know-how and procedures of reinsurers who assume a portion of the Group's underwriting risks.

The Group manages all identified risks in the context of the actuarial control cycle by regularly checking the deviations of the actual effects of risks from those anticipated. In the event of identified deviations, appropriate action is taken – each time by adjusting the design or criteria of an insurance product or the criteria for calculating insurance contract liabilities.

Underwriting risks are directly related to underwriting insurance policies, the amount of premiums and insurance contract liabilities. They are negatively affected by losses or adverse changes in the value of insurance liabilities due to inadequate pricing and assumptions taken into account in the calculation of insurance contract liabilities.

Underwriting risks are presented separately for non-life and life insurance.

2.8.1.1 Non-life underwriting risks

The standard Solvency II formula is used for non-life underwriting risk assessment. The treatment under this formula differs from the IFRS treatment in terms of defining attributable and non-attributable costs and of calculating the premium provision.

Non-life insurance underwriting at Group level creates risks for an undercharged premium in relation to assumed risks, higher claims than liabilities for underwritten policies, higher deviations in the profitability of underwritten policies than expected and numerous or major catastrophic events. The described risks depend on their volatility and respective exposure.

- **Premium risk** is the risk that written premium is insufficient to meet all obligations arising from the conclusion of an insurance contract. The risk depends on net premium income and the annual volatility of claims ratios, which are determined for each insurance segment using the standard formula. The test of their adequacy for the insurance portfolio is performed annually in the context of own risk and solvency assessment; on average, it shows lower risks than predicted by the standard formula. Premium risk also depends on the diversification of their exposure by various insurance segment in the portfolio. Thus, the Group aims to ensure that the portfolio is appropriately diversified. Premium risk is managed through efficient monitoring of claims experience and a timely adjustment of pricing policy.

- Risk of liabilities for incurred claims** arises when the actual realised claims deviate from the expected claims. Liabilities for incurred claims are formed based on the estimate of expected claims paid from valid non-life insurance contracts. This risk is therefore measured by estimating potential loss for claims already incurred in an exceptional event. With respect to the latter, a scenario is taken into consideration which, in an annual period, (statistically) occurs once in 200 years and which, in accordance with the standard formula used to measure the amount of the Company's required capital for each insurance segment, depends on the best estimate of net claims provision and its annual volatility. The risk of liabilities for incurred claims is also influenced by the maturity of liabilities – the average duration of claim settlements – for which liabilities were made. This risk is higher in liabilities with long maturities than in liabilities with short maturities. With respect to liability insurance, more than half of foreseen claims are settled after one year, while in other insurance segments they are paid within one year. Liabilities with long maturities also include claims paid as annuities and therefore include the payment revision risk and other biometric risks, which are otherwise characteristic of life insurance products. The risk of liabilities for incurred claims is monitored by regularly checking the past amount of formed liabilities in relation to realised claims and, based on the findings, by adapting the processes of creating liabilities.
- Lapse risk** is realised when the lapse rates of underwritten non-life insurance contracts are higher than the expected lapse rates. At Group level, this risk is managed by regularly analysing lapse and adjusting products if necessary.
- Non-life insurance catastrophe risk** means the risk of an unexpected one-off event with a loss potential that is considerably higher than the estimated average loss of Group insurance companies. Catastrophe risk at Group level is the highest where the insurance business is concentrated in a particular geographical area or sector/industry by individual insurance peril.

For non-life insurance, concentration risk is monitored. Concentration risk occurs upon the concentration of insurance business for individual insured perils in some geographical areas or sectors/industries. Concentration also arises as a result of correlation between individual insurance classes. In such case, even a single loss event may have a significant impact on the Company's ability to settle its obligations in a particular insurance segment. Concentration risk is managed through prudent assumption of underwriting risks, regular monitoring of portfolio exposures and appropriate reinsurance contracts.

Special attention is paid to all claims incurred at natural events. The results of various models are taken into consideration when assessing the loss potential of catastrophe events and then used to determine the reinsurance coverage. The reinsurance programme includes various types of reinsurance protection, which is used to manage underwriting risks.

Exposure of non-life insurance contracts to premium risk

Net premium earned by non-life insurance segment

	Triglav Group		Zavarovalnica Triglav	
	2023	2022	2023	2022
Health insurance	221,773,969	213,451,784	187,168	628,294
Income protection insurance	77,737,291	73,102,572	58,142,101	55,006,963
Motor vehicle liability insurance	181,146,680	163,096,807	100,595,568	91,514,325
Other motor vehicle insurance	171,824,106	151,000,086	137,279,638	120,593,818
Marine, aircraft and transport insurance	36,478,796	30,012,198	17,318,228	14,561,493
Fire and other damage to property insurance	233,539,195	212,611,602	109,099,495	102,949,142
General liability insurance	36,714,756	34,999,982	31,015,799	28,713,042
Credit and suretyship insurance	28,323,615	23,108,329	21,434,610	17,574,051
Legal expenses insurance	503,488	530,256	449,208	483,008
Assistance insurance	29,692,788	23,089,588	23,516,521	18,134,527
Financial loss insurance	3,812,697	2,569,488	2,391,247	1,383,030
Non-proportional health reinsurance	160,112	180,778	0	0
Non-proportional liability reinsurance	3,496,061	1,834,594	-43,392	-12,110
Non-proportional marine, aircraft and transport reinsurance	1,953,430	3,325,984	240,704	205,446
Non-proportional non-life reinsurance	22,605,748	25,228,880	2,182,752	5,551,584
TOTAL	1,049,762,730	958,142,926	503,809,648	457,286,611

in EUR

The adequacy of written premium in relation to actual claims and costs arising from underwritten insurance contracts is also measured with claims and combined ratios, the movement and sensitivity of which are shown in the tables below.

	Triglav Group		Zavarovalnica Triglav	
	2023	2022	2023	2022
Claims ratio	76.3%	74.6%	70.2%	73.3%
Expense ratio	25.3%	25.1%	29.0%	28.5%
Impact of 5% higher expense ratio on profit or loss	-4,401,017	-8,868,944	-2,804,668	-7,702,673
Impact of 5% lower expense ratio on profit or loss	1,410,584	4,220,987	792,841	3,667,383

in EUR

Exposure of non-life insurance contracts to the risk of liabilities for incurred claims

Liabilities for incurred claims by non-life insurance segment*

in EUR

	Triglav Group		Zavarovalnica Triglav	
	31 Dec 2023	31 Dec 2022	31 Dec 2023	31 Dec 2022
Health insurance	19,944,079	16,698,280	1,945	6,637
Income protection insurance	33,558,484	33,615,001	27,945,722	28,413,226
Motor vehicle liability insurance	135,709,857	125,624,717	83,587,087	79,299,163
Other motor vehicle insurance	35,045,795	22,362,383	27,410,442	15,715,895
Marine, aircraft and transport insurance	35,846,486	26,713,088	19,635,840	16,792,738
Fire and other damage to property insurance	119,065,370	80,882,782	54,901,325	36,524,981
General liability insurance	54,290,226	42,394,370	47,717,372	36,025,823
Credit and suretyship insurance	2,683,595	4,022,500	1,188,365	115,113
Legal expenses insurance	106,747	105,746	105,476	79,321
Assistance insurance	4,555,262	3,002,118	3,242,310	2,159,662
Financial loss insurance	4,016,021	9,298,020	1,183,498	804,317
Non-proportional health reinsurance	134,892	71,052	0	0
Non-proportional liability reinsurance	1,472,733	1,071,985	25,051	38,406
Non-proportional marine, aircraft and transport reinsurance	1,983,027	2,194,674	0	0
Non-proportional non-life reinsurance	30,162,288	9,142,769	6,040,207	284,975
TOTAL	478,574,863	377,199,487	272,984,640	216,260,259

* The table shows the net claims provisions under Solvency II valuation and also include liabilities payable as annuities. These provisions are part of liabilities for incurred claims in accordance with IFRS 17.

In addition to exposures, the assessment of the risk of liabilities for incurred claims is affected by volatility, which varies by insurance group. In 2023, an increase in the ratio of the exposure of insurance segments with high volatility compared to the exposure of insurance segments with low volatility, mainly as a result of extreme weather events in the reporting year. Insurance segments with low volatility include motor vehicle liability insurance, other motor vehicle insurance and legal expenses insurance. The remaining insurance segments are characterised by higher volatility, with the highest volatility in the credit and suretyship insurance segment.

Exposure of non-life insurance contracts to catastrophe risk

Catastrophe risk at Group level is the highest where the insurance business is concentrated in a particular geographical area or sector/industry by individual insurance peril.

Geographical diversification of non-life insurance exposure of the Group and the Company by written premium

in EUR

	Triglav Group		Zavarovalnica Triglav	
	2023	2022	2023	2022
Slovenia	989,115,289	940,289,206	642,741,545	630,924,681
Serbia	115,929,526	82,763,928	14,252,139	0
Croatia	106,062,592	105,156,975	7,288,979	1,490,593
Montenegro	45,285,103	40,263,778	3,961,948	0
Bosnia and Herzegovina	43,689,980	32,976,062	5,107,547	0
Germany	31,372,947	17,792,110	21,834,448	9,407,127
Poland	30,795,406	14,334,156	29,608,634	13,504,826
North Macedonia	30,146,357	28,061,259	2,877,798	0
Greece	29,925,349	17,666,412	28,256,416	16,210,392
Other	183,480,949	126,640,408	54,529,728	30,675,736
TOTAL	1,605,803,498	1,405,944,294	810,459,182	702,213,355

Segment diversification of non-life insurance exposure of the Group and the Company by written premium

	in EUR			
	Triglav Group		Zavarovalnica Triglav	
	2023	2022	2023	2022
Health insurance	225,426,715	218,514,811	1,172,737	1,024,280
Income protection insurance	86,734,853	80,147,182	62,719,995	57,472,357
Motor vehicle liability insurance	275,324,337	220,735,227	149,688,381	118,439,403
Other motor vehicle insurance	222,616,881	186,403,637	168,312,309	141,285,272
Marine, aircraft and transport insurance	88,244,978	67,981,280	61,787,322	40,617,419
Fire and other damage to property insurance	454,265,931	406,357,760	226,434,466	213,975,034
General liability insurance	70,403,385	67,927,270	50,508,080	48,609,941
Credit and suretyship insurance	47,931,095	51,998,957	28,484,795	31,473,917
Legal expenses insurance	758,810	703,587	654,715	610,916
Assistance insurance	38,618,946	28,940,181	30,364,587	22,415,889
Financial loss insurance	11,035,960	10,150,387	4,356,555	3,664,110
Non-proportional health reinsurance	263,190	250,495	0	0
Non-proportional liability reinsurance	7,084,828	5,742,693	35,255	58,996
Non-proportional marine, aircraft and transport reinsurance	3,301,497	4,281,597	140,908	299,072
Non-proportional non-life reinsurance	73,792,094	55,809,229	25,799,077	22,266,748
TOTAL	1,605,803,498	1,405,944,294	810,459,182	702,213,355

In 2023, seven events were recorded that were defined as catastrophe events; six were hailstorms and one was a flood storm. The table presents the gross and net financial effects of these events for the Company. They are shown separately according to modelled and non-modelled perils, as the Company regularly models the perils that pose the greatest exposure or high risk. These perils are flood, hail, storm and earthquake. In both 2022 and 2023, the Company did not record any events from non-modelled perils.

Realised financial effect of catastrophe events at Zavarovalnica Triglav*

	Modelled perils		Non-modelled perils	
	31 Dec 2023	31 Dec 2022	31 Dec 2023	31 Dec 2022
Gross financial impact (EUR million)	162.6	21.3	0.0	0.0
Net financial impact (EUR million)	56.4	16.6	0.0	0.0

* Also includes claims development and an estimate by the end of the year.

For Slovenia, the Company has several models at its disposal, on the basis of which the distribution of claims according to return periods for hail, storm and flood is determined. The table below shows probable maximum loss (PML) for a 200-year⁹³ return period over a one-year period by peril. The table below presents data as at 31 December 2023, as this are the most recent modelled data.

Probable maximum loss (PML) for a 200-year return period by peril* at Zavarovalnica Triglav

Modelled peril (EUR million)	31 December 2022
Hail	102.8
Storm	40.3
Flood	55.2

* In the case of availability of several models, the average of modelled results was taken into account.

Non-life insurance risk concentration

The fire and natural disaster insurance portfolio includes the largest number of individual large perils, which is also exposed to catastrophe perils; therefore, the greatest need for reinsurance coverage is related thereto. Compared to the preceding year, the Group's reinsurance coverage did not change significantly.

With regard to regulating the reinsurance coverage in the Triglav Group, Pozavarovalnica Triglav Re plays an important role as it assumes underwriting risks based on reinsurance agreements with individual Group companies. Triglav Re concludes outward reinsurance agreements (retrocession agreements) for a portion of the risks it reinsures in order to better control its exposure and to protect its own assets, while indirectly protecting the assets of the Group.

The Group's largest retention amounts to EUR 12.1 million per peril, except for the nuclear peril. For the latter, the Group's largest exposure amounts to EUR 15.5 million, which the Group assumes from the Slovenian and the Croatian nuclear pool. Nuclear perils are characterised by an extremely low frequency, as no such claim has been reported in 29 years, and by a low or null correlation with other contingent liabilities.

Assumed capacity of nuclear perils for 2022 and 2023 at the Triglav Group

	Assumed capacity in EUR	
	2023	2022
Zavarovalnica Triglav, d.d.	10,000,000	10,000,000
Pozavarovalnica Triglav Re, d.d.	4,500,000	3,000,000
Triglav Osiguranje, d.d., Zagreb	1,000,000	1,000,000
Total after the event	15,500,000	14,000,000

As part of the own risk and solvency assessment process, the impact of a 200-year flood in Slovenia was reassessed in 2023, where according to stress scenario calculations the estimated financial impact would amount to EUR 20 million (the stress scenario as at 30 September 2023).

Management of non-life underwriting risks in 2023

The non-life underwriting risk profile changed the most in 2023 due to extreme weather events in Slovenia and the termination of supplemental health insurance. As a result of unfavourable claims development, provision risks increased in 2023 and, although they decreased by the end of the year, they remained high. Reinsurance protection is the most important element of the Group's underwriting risk management and proved to be effective in 2023. The same prudence was applied to the design of reinsurance protection for 2024.

At Group level, Zavarovalnica Triglav underwrites the bulk of non-life underwriting risks, while Pozavarovalnica Triglav Re underwrites the majority of inward reinsurance underwriting risks. Compared to 2022, the share of health insurance risks decreased significantly due to the termination of supplemental health insurance contracts underwritten by Triglav, zdravstvena zavarovalnica. Thus, as at 31 December 2023, the parent company held the highest proportion of health insurance risks within the Group.

2.8.1.2 Life underwriting risks

The standard Solvency II formula is used for life underwriting risk assessment. The significant differences between the valuation of life insurance liabilities for financial and solvency reporting purposes are:

- supplemental voluntary pension insurance products in the accumulation phase are classified as financial contracts for financial reporting purposes and are not subject to IFRS 17, whereas for solvency reporting purposes they are valued as part of life insurance;
- only attributable costs are taken into account in calculating the present value of future cash flows for financial reporting purposes, whereas for solvency reporting purposes the total cost of life insurance is taken into account;
- the solvency calculation of future cash flows takes into account contract boundaries for complementary insurance in line with Solvency II.

Life underwriting risks also include pension annuity insurance. The bulk originates from direct insurance business.

Life insurance liabilities largely arise from the life insurance portfolio. It comprises traditional insurance, mainly insurance with profit participation, and unit-linked insurance. Traditional insurance covers, which also include a savings component, are to the greatest extent linked to the life and health of the persons insured; they also include pure term insurance with mortality risk and several types of annuity insurance with longevity risk. Furthermore, longevity risk occurs in pension annuity insurance, particularly in supplemental voluntary insurance. The vast majority of insurance covers include statutory or contractual rights of policyholders to modify the insurance or reinsurance cover, i.e. to either early terminate or increase it in whole or in part, making them subject to lapse risk.

Life underwriting risks, which also stem from pension annuity insurance, include biometric and business risks. Biometric risks arise from the uncertainty of biometric assumptions in the calculation of the insurance liabilities, namely from mortality, longevity, health, morbidity and disability. Business risks stem from the uncertainty of assumptions regarding the amount of costs and the unfavourable realisation of policyholders' contractual options, the most important of which is early termination. If the assumptions in the insurance liabilities calculation change unfavourably, the premium and/or insurance contract liabilities may become too low and the insurance policy less profitable than expected at the time of its conclusion. Life insurance riders (additional coverage) are less dependent on biometric factors, as a result their risks are similar to the risks of non-life insurance. For example, accident insurance is less dependent on biometric data, therefore their risks are similar to the risks of non-life insurance.

Life underwriting risks include:

- **Mortality risk** is associated with insurance that covers the risk of death if at the time of the person insured's death the coverage is greater than the provisions created. Whole life insurance products, credit life insurance products and life insurance products with a savings component pose the highest exposure for the Group and the Company. The sums insured in the event of death in these cases are high, while insurance contract liabilities are relatively low.
- **Longevity risk** at Group level stems mainly from pension annuity insurance products. With these policies, the amount of the basic annuity is determined in advance and is fixed. It is calculated based on paid-in assets and assumptions, in particular the life expectancy of the beneficiaries. If the overall life expectancy of the population insured increases significantly, the probability of death decreases, thereby increasing the liabilities of exposed policies. Due to the guaranteed amount of annuity, the Group and the Company face the risk of uncertainty due to longevity (guaranteed annuity rate risk) in some older pension insurance policies already during the accumulation period. The policyholder will be entitled to guaranteed payouts at the end of the accumulation period and the transition to the annuity period (payout period), i.e. when they will begin to receive life annuity, which will then be calculated based on the saved assets and by applying the aforementioned fixed factors. Longevity risk is not transferred to reinsurers, instead additional dedicated provisions are formed if necessary.
- **Disability and morbidity risk** is associated with the products, which are underwritten by the Group's insurance companies and cover critical and serious illnesses and disability.
- **Lapse risk** refers to products where the contractual provisions allow the policyholder to modify the policy, which includes the option of partial or full surrender, changing the amount of coverage or premium, capitalisation, etc. Whether this risk materialised depends on the policyholders' actions, and therefore it is more difficult to manage. This risk is reduced by designing the products that meet the clients' needs and by carefully managing the existing portfolio.
- **Expense risk** is assumed by the Group and the Company in all life insurance products and non-life annuities. The expenses included in the policy are determined at the time of conclusion, either as a fixed amount or share. However, as insurance or annuity payments lasts many years, the increase in actual expenses may exceed the expenses attributed to the policy and thus have a negative impact on the profitability of the Group's insurance portfolio. This risk may be a consequence of miscalculations, the inadequacy of the cost model or incorrectly estimated future volume, trend or volatility of expenses.
- **Revision risk** may affect non-life insurance claims paid out as annuity. Periodic annuity payments may be increased mainly due to the deterioration of the beneficiary's health or a change in legal practice, consequently increasing the nominal value of the Group's liabilities.
- **Life insurance catastrophe risk** primarily includes cases of concentration and extreme events that may affect a large number of persons insured.

Contractual financial options and guarantees are embedded in a number of policies, So the risks related thereto are assessed in the context of regular portfolio valuation. Among them is guaranteed interest rate risk, which occurs in the products with a savings component (traditional life insurance and annuity insurance). The guaranteed interest rate is set at the time of concluding an insurance policy and remains valid for the entire policy term. The risk arises when the actual rates of return on investment, which cover the benefits under the policies, are lower than the guaranteed interest rate. This risk is reduced by maximising the matching of assets and liabilities from these policies and by creating additional provisions, especially in the part of the portfolio of liabilities with higher guarantees. Similar risks due to a special guarantee for the return arise from the supplemental voluntary pension insurance policies during the saving period.

Regulatory assessment of life underwriting risks

	31 Dec 2023		31 Dec 2022	
	Amount	% of economic capital	Amount	% of economic capital
Triglav Group				
Mortality risk	12,058,728	1.3%	9,503,224	1.0%
Longevity risk	10,399,792	1.1%	9,401,208	1.0%
Disability and morbidity risk	351,233	0.0%	227,188	0.0%
Lapse risk	35,825,410	3.8%	32,033,952	3.4%
Expense risk	18,422,470	2.0%	18,687,866	2.0%
Audit risk	1,193,587	0.1%	1,151,479	0.1%
Life insurance catastrophe risk	7,143,657	0.8%	6,763,167	0.7%
Diversification	-12,520,918	-1.3%	-7,184,145	-0.8%
Regulatory assessment of life underwriting risks	72,873,959	7.7%	70,583,939	7.6%

in EUR

	31 Dec 2023		31 Dec 2022	
	Amount	% of economic capital	Amount	% of economic capital
Zavarovalnica Triglav				
Mortality risk	8,744,157	0.9%	6,117,596	0.7%
Longevity risk	10,316,914	1.1%	9,339,742	1.0%
Disability and morbidity risk	187,489	0.0%	138,073	0.0%
Lapse risk	29,470,421	3.1%	26,520,821	2.8%
Expense risk	16,352,885	1.7%	16,710,571	1.8%
Audit risk	1,148,870	0.1%	1,093,130	0.1%
Life insurance catastrophe risk	5,163,581	0.5%	4,610,073	0.5%
Diversification	-7,473,438	-0.8%	-2,074,014	-0.2%
Regulatory assessment of life underwriting risks	63,910,878	6.6%	62,455,992	6.7%

in EUR

Sensitivity of net insurance contract liabilities of the Triglav Group to parameter changes

in EUR

31 December 2023	Exposure		Sensitivity					
	Present value of future cash flows	Contractual service margin	Impact on the present value of future cash flows	Impact on the contractual service margin	Impact on insurance contract assets and liabilities	Remainder of the contractual service margin	Impact on earnings before tax	Impact on other comprehensive income
Traditional life insurance	583,217,877	119,014,267						
Lapse rate +50%			15,902,643	-13,002,380	2,900,263	106,011,887	983,548	-3,883,810
Costs +10%			9,506,879	-7,145,218	2,361,661	111,869,048	-3,303,443	941,782
Unit-linked insurance	-66,957,688	102,584,175						
Lapse rate +50%			23,781,715	-22,391,143	1,390,572	80,193,032	-1,390,572	0
Costs +10%			8,596,779	-7,076,350	1,520,429	95,507,825	-1,520,429	0

in EUR

31 December 2022	Exposure		Sensitivity					
	Present value of future cash flows	Contractual service margin	Impact on the present value of future cash flows	Impact on the contractual service margin	Impact on insurance contract assets and liabilities	Remainder of the contractual service margin	Impact on earnings before tax	Impact on other comprehensive income
Traditional life insurance	607,820,796	97,954,578						
Lapse rate +50%			10,713,179	-9,207,940	1,505,239	88,746,638	1,468,788	-2,974,026
Costs +10%			8,295,136	-6,025,006	2,270,130	91,929,572	-3,867,133	1,597,004
Unit-linked insurance	-41,763,845	72,183,684						
Lapse rate +50%			16,426,849	-15,123,948	1,302,901	57,059,736	-1,302,901	0
Costs +10%			7,709,245	-5,802,451	1,906,794	66,381,233	-1,906,794	0

Sensitivity of net insurance contract liabilities of the Company to parameter changes

in EUR

31 December 2022	Exposure		Sensitivity					
	Present value of future cash flows	Contractual service margin	Impact on the present value of future cash flows	Impact on the contractual service margin	Impact on insurance contract assets and liabilities	Remainder of the contractual service margin	Impact on earnings before tax	Impact on other comprehensive income
Traditional life insurance	500,638,518	108,226,635						
Lapse rate +50%			13,265,851	-12,017,879	1,247,973	96,208,757	1,352,770	-2,600,743
Costs +10%			8,014,595	-6,696,861	1,317,734	101,529,774	-2,309,570	991,835
Unit-linked insurance	-88,441,456	101,415,664						
Lapse rate +50%			23,100,184	-21,887,660	1,212,524	79,528,004	-1,212,524	0
Costs +10%			8,017,179	-6,703,865	1,313,314	94,711,799	-1,313,314	0

in EUR

31 December 2022	Exposure		Sensitivity					
	Present value of future cash flows	Contractual service margin	Impact on the present value of future cash flows	Impact on the contractual service margin	Impact on insurance contract assets and liabilities	Remainder of the contractual service margin	Impact on earnings before tax	Impact on other comprehensive income
Traditional life insurance	535,643,431	89,680,078						
Lapse rate +50%			8,843,944	-7,686,988	1,156,956	81,993,090	1,199,628	-2,356,583
Costs +10%			6,883,426	-4,771,141	2,112,285	84,908,937	-3,599,053	1,486,768
Unit-linked insurance	-59,402,924	70,604,075						
Lapse rate +50%			15,765,920	-14,674,036	1,091,885	55,930,040	-1,091,885	0
Costs +10%			7,170,849	-5,506,414	1,664,435	65,097,662	-1,664,435	0

Traditional life and pension insurance policies which include saving at a guaranteed interest rate cause potential asset-liability mismatch risk. The guarantee fund backing life insurance includes the majority of the Company's liabilities with a guaranteed fixed interest rate. Liabilities under these policies are calculated using a risk-free interest rate curve, taking into account illiquidity premium.

Similar risks due to a special guarantee for the return arise from the supplemental voluntary pension insurance policies during the accumulation phase. In 2022, due to the rapid rise in interest rates and the resulting required returns on debt investments, the risk of failing to achieve the guaranteed return materialised in supplemental voluntary pension insurance. As a result, additional provisions were made for not achieving the guaranteed return at the end of 2022. During 2023, these provisions were almost fully released due to favourable returns.

Life insurance concentration risk

The concentration of life underwriting risks is assessed as low. The life insurance portfolio is well dispersed by all criteria, including geographically, due to dispersed retail sale of policies. Any minor concentration risk in the portfolio is reduced by transferring a portion of the risks to reinsurers based on the reinsurance programme. The sum insured in the event of death is less than EUR 60,000 for 82.4% of the whole life insurance portfolio. The sum insured of 98.7% of complementary accidental death insurance is lower than EUR 50,000, while the sum insured of 99.1% of complementary accidental disability insurance is lower than EUR 100,000. The abovementioned sums insured represent retention stipulated by a contract in line with the reinsurance contract for most insurance policies.

Management of life underwriting risks in 2023

The life underwriting risk profile did not change significantly in the reporting year. The biggest risk continues to be lapse risk, which increased minimally in 2023. This is followed by expense risk, which did not change significantly in the reporting year.

2.8.1.3 Market risks

The Group invests written premium (in the framework of the insurance business) and own assets. The value of investment portfolios depends on the situation and trends in financial markets. Financial investments are the largest financial asset group and therefore an important part of the Group's operations. In this way, insurance and other obligations and capital requirements are covered while ensuring an appropriate return. The investment process is carried out in compliance with the principles of asset-liability management (ALM), taking into account both financial market returns and investment risk.

In investing, the Company is exposed to market risks due to changes in the prices of equity securities and real property, changes in interest rates (risk-free interest rates and credit spreads) and changes in exchange rates. An important part of these risks are also risks arising from the excessive concentration of assets from direct investment in financial instruments or indirect through investments in collective investment undertakings. The primary method of measuring and monitoring these risks at Group level is based on the Solvency II standard formula, which is complemented by internal measures based on the value-at-risk (VaR) method.

Market risks are managed according to the established methods and processes with clearly defined powers and responsibilities. The market risk management system enables quality analyses and reporting on market risks, as well as developing and implementing measures aimed at preventing the reduction of available own assets due to changes in financial markets.

Market risks are reduced by appropriately diversifying the investment portfolio and matching assets and liabilities with respect to material characteristics. Derivatives are also used to balance the investment portfolio, but to a lesser extent.

The level of unexpected losses, which is still acceptable in relation to the Group's strategic objectives and capital strength, is defined in its market risk appetite. On this basis, the limit system was set up that also specifies maximum acceptable exposure to individual types of market risk and the target investment portfolio structure.

In addition to financial instruments, the Company includes real property for own use and investment property in its market risk monitoring.

The following risks are considered in the context of market risks:

- **Interest rate risk** is highly dependent on the time matching of cash flows of assets and liabilities. At the Group level, it is managed within the framework of the asset and liability management (ALM) process and is limited by the maximum permissible deviation in the gap of the duration of assets and liabilities. The Group is exposed to interest rate risk primarily in debt securities, including those that are part of the investment portfolios of collective investment undertakings. The Group is exposed to interest rate risk on the liabilities side, mostly through insurance contract liabilities for life insurance, and to a lesser extent, in insurance contract liabilities for non-life insurance, especially those created for the payment of annuity claims for motor vehicle and accident insurance.
- **Equity risk** is mainly related to changes in exposure and equity prices and volatile movements in share prices. Assets and liabilities sensitive to changes in the level or stock market volatility are exposed to this risk. Assets (investments) mainly include shares and equity-oriented collective investment undertakings. Liabilities sensitive to this risk arise primarily from unit-linked life insurance and supplemental voluntary pension insurance, where such risks are primarily assumed by the policyholders. In this segment, the focus is therefore on achieving the greatest possible matching of assets and liabilities. The purpose of equity investments is to achieve high long-term returns and ensure adequate diversification of the investment portfolio. The Group manages equity risk in its portfolio by setting exposure limits as well as through geographical and sectoral diversification of equity investments. In addition, due to different levels of development of capital markets and local statutory limitations, the investment policy is adapted to individual markets.
- **Property risk** arises primarily from changes in the value of investment property, own-use real property, other tangible fixed assets and right of use buildings. Collective investment undertakings focused on the real property market are also exposed to property risk.
- **Spread risk** arises from the sensitivity of the values of assets, liabilities and financial instruments to changes in the level or volatility of credit spreads over the risk-free interest rate term structure. The Group is exposed to spread risk primarily in debt securities, including those that are part of the investment portfolios of collective investment undertakings. The increase in credit spreads is associated with the fall in the price of debt securities and vice versa. Insurance liabilities are practically not sensitive to changes in the level or volatility of credit spreads, which means that this risk cannot be eliminated by asset-liability matching. Spread risk is actively managed through investment policies that aim to invest in high-quality securities and are subject to the limit as defined in the Risk Appetite Statement.

- **Currency risk** is the risk of a decrease in the value of assets denominated in foreign currencies or an increase in the value of liabilities denominated in foreign currencies due to changes in exchange rates. Therefore, currency risk results from the mismatched currency position of assets and liabilities. It is managed by matching assets and liabilities and, to a lesser extent, by using derivatives.
- **Market concentration risk** arises from a possible unfavourable change in the financial situation due to high dependence or unfavourable correlations between the movement of the values of individual exposures or their groups. Factors or types of concentration are different. They include, for example, the risk of asset concentration (in case of excessive exposure to one investment or one issuer) and the risk of sector or geographical concentration (with excessive exposure to one concentrated geographical area and/or sector/industry, where the risk arises from geopolitical, macroeconomic, social, weather or other disturbances).

The table below shows the level of market risks by market risk subtype.

	Triglav Group			Zavarovalnica Triglav		
	31 Dec 2023	31 Dec 2022	Index	31 Dec 2023	31 Dec 2022	Index
Interest rate risk	5,418,512	21,213,611	26	5,928,971	7,918,398	75
Equity risk	33,663,939	36,731,603	92	144,576,665	140,525,478	103
Property risk	52,535,620	52,145,127	101	35,579,269	34,979,977	102
Spread risk	59,393,574	70,453,620	84	36,332,136	45,775,498	79
Currency risk	33,437,667	50,175,402	67	10,318,760	15,512,370	67
Market concentration risk	37,153,148	46,065,254	81	55,988,732	56,334,672	99
Diversification	-56,260,907	-88,047,582	64	-54,471,070	-66,170,250	82
Total market risks	165,341,553	188,737,036	88	234,253,462	234,876,143	100

in EUR

The market risks in the table are measured based on the Solvency II standard formula methodology. The risk is measured as the decrease in the value of assets and liabilities sensitive to changes in the value of market factors (share prices, credit spreads, interest rates, etc.) in a regulatory stress scenario. The stress scenario is based on value-at-risk with a 99.5% confidence interval and a holding period of one year. The level of risk depends essentially on the amount of the exposure and a calibrated weight that illustrates the market sensitivity of the relevant asset or liability.

The Group's market risk as at 31 December 2023 decreased by 12% year-on-year, while that of the Company remained unchanged. The changes are explained in greater detail in the sections below.

Exposure to interest rate risk of the Group and the Company

The Group's interest rate sensitivity dropped by 74.5%. Interest rates, which had experienced a sharp increase in 2022, stabilised in 2023 and showed a lower degree of volatility. The euro risk-free interest rate curve took on a less characteristic inverted shape, with peak interest rate levels at the short end of the curve. The Company adapted the interest rate sensitivity of its investment portfolios to market conditions and the portfolio of insurance liabilities. The duration of the Group's interest rate-sensitive investment portfolio decreased by 0.1 year overall, while the duration of the investment portfolios backing long-term insurance liabilities increased (around 0.5 year), while the duration of the investment portfolios backing shorter maturities and excess, i.e. own funds, shortened. This allowed the Company to take advantage of the relatively higher interest rates at the short end of the curve and, by investing at the longer end of the curve, to further close the interest rate gap with liabilities that it had experienced in the previous year.

The sensitivity analysis of the Group's investment portfolio related to (unit-linked assets are excluded) change in interest rate and its impact on comprehensive income or profit or loss showed that a sudden parallel rise in interest rates of 100 basis points would have a negative impact in the amount of EUR 61.9 million, which would be reflected in other comprehensive income, and an additional EUR 1.0 million in profit or loss. A parallel fall in interest rates of 100 basis points would have a positive impact of EUR 70.2 million in comprehensive income and EUR 1.1 million in profit or loss. The impact of interest rate movements is adjusted for the specificities of the treatment of financial assets for financial reporting purposes. Interest rate movements also have an impact on the Group's and the Company's financial statements on the liability side, which significantly reduces the abovementioned potential impacts.

The Group manages interest rate risk based on market values. For this purpose, the duration gap of interest-sensitive items is monitored for the life, non-life and supplemental voluntary insurance segments, excluding the unit-linked life insurance segment.

The matching of the duration of assets and liabilities is measured through the duration gap of assets and liabilities, which measures the sensitivity of interest-bearing assets and liabilities to changes in interest rates. The gap shows the matching of cash inflows and outflows. The market mismatch assessment as at 31 December 2023 was slightly higher year-on-year. Interest rate risk is actively managed by adjusting the portfolio at all times.

The duration gap of assets and liabilities at Group level is negative and stands at –1.5 years (compared to –1.2 years as at 31 December 2022). The most important impact originates from the Company, where the duration gap of assets and liabilities is –2.2 years (compared to –1.9 years as at 31 December 2022). The duration gap of assets and liabilities in the Company's life insurance portfolio (excluding supplemental voluntary insurance and the unit-linked life insurance segment) is –2.2 years and in its non-life insurance portfolio –0.3 year.

Exposure to equity risk of the Group and the Company

Equity risk arises from exposure to equity investments and undertakings for collective investment in shares. Compared to the end of the previous year, this risk decreased by 8.4% at Group level. The Company divested a significant part of listed equity investments that were too geographically concentrated in the domestic market, while a decrease was also recorded in equity-linked collective investment undertakings.

Sectoral diversification of equity investments is shown in the table. For the purpose of transparency and consistency with the balance sheet figures, investments that are in principle not subject to equity risk (bond funds, money market funds) were also added to this category under collective investment undertakings.

Exposure and sectoral diversification of assets for which the Group and the Company assume equity risk

	Triglav Group		Zavarovalnica Triglav	
	31 Dec 2023	31 Dec 2022	31 Dec 2023	31 Dec 2022
Equity investments	9,854,613	23,289,583	7,436,024	20,553,995
Communications	33,366	438,154	0	415,313
Cyclical sectors	2,207,134	1,966,016	2,080,901	1,845,037
Non-cyclical sectors	961,770	12,644,238	610,305	11,953,119
Finance	2,839,773	4,049,358	1,041,532	2,228,148
Industry	1,016,750	1,017,537	1,010,000	1,010,000
Technology	93,250	62,615	0	0
Public goods	2,641,391	3,102,229	2,641,391	3,102,229
Other	61,181	9,436	51,895	149
Public collective investment undertakings	46,177,391	85,607,611	0	23,992,361
Equity funds	3,767,867	40,801,101	0	10,326,995
Bond funds	39,142,674	41,606,930	0	13,665,366
Money market funds	3,150,687	2,833,327	0	0
Asset allocation funds	116,162	366,253	0	0
Private collective investment undertakings	112,648,193	90,923,485	111,327,945	89,713,879
Equity funds	24,595,393	24,341,114	24,534,960	24,279,081
Bond funds	28,830,644	11,284,728	28,830,644	11,284,728
Infrastructure funds	34,878,186	31,939,682	34,878,186	31,939,682
Real estate funds	17,641,074	17,051,263	16,381,259	15,903,691
Other	6,702,896	6,306,697	6,702,896	6,306,697
Total assets exposed to equity risk	168,680,196	199,820,678	118,763,969	134,260,236

in EUR

The sensitivity analysis of the change in prices of equity investments, whose risks are borne by the Group, and an analysis of this impact on the Group's profit or loss showed that a 10% increase in market prices of equities in the portfolio would increase the portfolio's value by EUR 5.2 million. An equal fall in the market prices of shares would result in a decrease in profit or loss of the same amount.

Exposure to property risk of the Group and the Company

Exposure to investment property and real property for own use did not change significantly in the reporting period. Also, the exposure to collective investment undertakings focused on the real property market did not change significantly. The level of risk, therefore, remained almost unchanged.

The Group's and the Company's land, buildings and investment property are presented in the financial statements under the cost model, and therefore movements in real property prices do not directly affect the amount of profit or loss and other comprehensive income. In the event of significant declines in real property prices, the need to impair these assets is assessed.

Exposure to spread risk of the Group and the Company

The Group's exposure to spread risk is an important source of investment return generated by the Group's management of the debt portion of the investment portfolio.

Credit spreads in 2023 on average showed significantly lower volatility than in the previous year. On average, they closed slightly. The Group proactively manages spread risk in line with their investment policies.

Exposure to debt securities of non-sovereign issuers, which are the main contributors to spread risk, decreased at Group level in the reporting period primarily due to the decline in debt instruments of sovereign issuers. Together with the reduction in the duration of the credit-sensitive investment portfolio by 0.6 year and with the credit quality of this part of the portfolio remaining almost unchanged, this is a significant reason for the reduction in the Group's spread risk, which declined by 15.7% in the reporting period.

In its investment portfolio, the Group is exposed to investments with outstanding credit quality. A total of 65.2% (2022: 60.4%) of investments in debt securities have at least an "A" credit rating. In the corporate debt securities segment, financial institutions' securities represent 57.0% of investments (2022: 57.9%).

Exposure of assets to spread risk

	in EUR			
	Triglav Group		Zavarovalnica Triglav	
	31 Dec 2023	31 Dec 2022	31 Dec 2023	31 Dec 2022
Government debt securities	1,199,254,862	1,135,125,961	734,645,565	755,555,413
AAA	406,759,440	412,917,252	248,650,933	303,547,279
AA	237,082,341	191,704,530	183,588,815	164,224,477
A	216,807,741	139,143,616	183,822,567	110,359,754
BBB	201,076,501	261,977,218	109,179,368	158,470,806
Below BBB	133,216,091	126,462,964	7,136,483	17,471,185
Not rated	4,312,748	2,920,381	2,267,400	1,481,912
Corporate debt securities	660,790,040	666,530,213	510,450,952	522,750,934
AAA	11,430,045	12,608,849	10,327,440	10,145,518
AA	70,457,675	69,974,852	58,650,231	63,168,975
A	269,934,941	262,244,076	205,720,829	211,773,808
BBB	265,202,398	265,377,264	202,355,550	192,567,322
Below BBB	18,922,792	28,172,596	17,009,161	25,925,669
Not rated	24,842,189	28,152,576	16,387,742	19,169,641
Total debt securities and other fixed-income securities	1,860,044,901	1,801,656,173	1,245,096,517	1,278,306,347

* The table includes debt securities measured at fair value. Financial contract assets and unit-linked insurance assets are excluded.

Investments in debt securities measured at amortised cost reduce the impact of the change in credit spreads on profit or loss and other comprehensive income. Investments in debt securities measured at amortised cost represent 8.4% of total debt securities at 31 December 2023 (31 December 2022: 8.6%).

Exposure to currency rate risk of the Group and the Company

The Group's currency risk arises predominantly from subsidiaries not operating in the euro area. These companies conduct most of their transactions in the local currency, thus being exposed to currency risk relating to the euro and other currencies to a lesser extent.

In addition to the local currencies of the countries in which the Group operates, other currencies are also present, to a lesser extent, in the investment portfolio of the Group. These are mainly due to the currency matching of assets and liabilities, primarily in the part of the investment portfolio backing reinsurance liabilities.

The Group is also exposed to foreign currencies through its investments in collective investment undertakings. The Group does not currently use derivatives to manage currency risk.

The currency risk at Group level fell by 33.4%. The bulk of the change is due to the adoption of the euro in Croatia, with the reduction in exposure to collective investment undertakings contributing to a further decrease.

Changes in exchange rates are directly reflected in the Company's financial statements. Due to the low exposure to foreign currencies, the impact is low. The local currencies of the countries in which the Group operates, with the exception of the Serbian dinar and North Macedonian denar, are pegged to the euro and therefore their exchange rate volatility is very low.

Currency exposure of the Group's assets and liabilities

31 December 2023	EUR	USD	BAM	RSD	MKD	Other	Total	The elimination of intercompany transactions within the Group	Carrying amount
Financial investments	2,436,641,042	18,861,282	61,611,076	51,675,806	30,007,480	45,513,864	2,644,310,550	1,469,780	2,642,840,770
Insurance contract assets	12,736,081	0	9,559	0	78,709	0	12,824,349	730,471	12,093,878
Reinsurance contract assets	493,515,491	8,377,534	8,152,322	12,232,984	-14,461	2,078,713	524,342,583	196,609,428	327,733,155
Other receivables	33,982,583	1,539	595,378	2,045,181	1,640,089	63,632	38,328,402	684,399	37,644,003
Cash and cash equivalents	64,634,828	3,580,013	8,976,924	4,618,303	1,641,005	969,590	84,420,663	-4	84,420,667
Total assets	3,041,510,025	30,820,368	79,345,259	70,572,274	33,352,822	48,625,799	3,304,226,547	199,494,074	3,104,732,473
Subordinated liabilities	49,994,402	0	0	0	0	0	49,994,402	0	49,994,402
Insurance contract liabilities	2,372,321,566	8,453,492	15,500,405	49,143,146	21,190,148	59,881,610	2,526,490,367	195,842,762	2,330,647,605
Reinsurance contract liabilities	3,194,200	0	2,821,870	1,790,628	440,923	0	8,247,621	1,787,021	6,460,600
Lease liabilities	14,385,944	0	1,359,068	0	643,676	0	16,388,688	4,723,355	11,665,333
Other financial liabilities	1,401,466	0	269,318	553,670	8,742	0	2,233,196	1,569,754	663,442
Total liabilities	2,441,297,578	8,453,492	19,950,661	51,487,444	22,283,489	59,881,610	2,603,354,274	203,922,892	2,399,431,382
Net currency exposure	600,212,447	22,366,876	59,394,598	19,084,830	11,069,333	-11,255,811	700,872,273	-4,428,818	705,301,091

31 December 2022	EUR	USD	BAM	RSD	MKD	Other	Total	The elimination of intercompany transactions within the Group	Carrying amount
Financial investments	2,378,763,840	20,728,606	48,660,206	45,350,905	26,261,495	38,885,982	2,558,651,034	1,468,018	2,557,183,016
Insurance contract assets	12,442,652	2,757	1,737	116,755	133,336	8,482	12,705,719	-432,005	13,137,724
Reinsurance contract assets	243,889,015	6,386,626	13,197,352	6,259,793	0	9,717,594	279,450,380	90,116,282	189,334,098
Other receivables	47,309,042	224,231	673,954	1,469,143	1,298,884	97,777	51,073,031	594,694	50,478,337
Cash and cash equivalents	47,343,083	1,263,011	18,975,480	4,137,748	1,895,311	2,451,647	76,066,280	1	76,066,279
Total assets	2,729,747,632	28,605,231	81,508,729	57,334,344	29,589,026	51,161,482	2,977,946,444	91,746,990	2,886,199,454
Subordinated liabilities	49,941,796	0	0	0	0	0	49,941,796	0	49,941,796
Insurance contract liabilities	1,992,333,770	20,687,901	49,166,966	37,199,896	12,783,709	63,965,763	2,176,138,005	91,809,520	2,084,328,485
Reinsurance contract liabilities	6,675,245	0	233,140	2,436,003	469,072	0	9,813,460	348,398	9,465,062
Lease liabilities	12,399,991	0	1,290,940	0	1,491,615	0	15,182,546	4,589,220	10,593,326
Other financial liabilities	1,290,840	0	389,745	526,874	6,453	26,417	2,240,329	762,064	1,478,265
Total liabilities	2,062,641,642	20,687,901	51,080,791	40,162,773	14,750,849	63,992,180	2,253,316,136	97,509,202	2,155,806,934
Net currency exposure	667,105,990	7,917,330	30,427,938	17,171,571	14,838,177	-12,830,698	724,630,308	-5,762,212	730,392,520

* The table show's financial assets and liabilities and insurance and reinsurance contract assets and liabilities.

** Financial contract assets and liabilities are excluded.

*** Unit-linked insurance assets are also presented under financial investments.

**** Negative amounts of assets represent liabilities and negative amounts of liabilities represent receivables. They are presented in a way that provides a comparison with the financial statements.

Currency exposure of the Company's assets and liabilities

31 December 2023	EUR	USD	BAM	RSD	MKD	Other	Total
Financial investments	1,888,444,347	0	0	149	0	0	1,888,444,496
Insurance contract assets	10,958,826	0	0	0	0	0	10,958,826
Reinsurance contract assets	305,976,870	0	0	0	0	0	305,976,870
Other receivables	20,047,025	0	0	0	0	0	20,047,025
Cash and cash equivalents	30,622,259	1,022,842	0	23,799	2,961	7,583	31,679,444
Total assets	2,256,049,327	1,022,842	0	23,948	2,961	7,583	2,257,106,661
Subordinated liabilities	49,994,402	0	0	0	0	0	49,994,402
Insurance contract liabilities	1,885,673,792	0	0	0	0	0	1,885,673,792
Reinsurance contract liabilities	0	0	0	0	0	0	0
Lease liabilities	4,573,011	0	0	0	0	0	4,573,011
Other financial liabilities	22,769	0	0	0	0	0	22,769
Total liabilities	1,940,263,974	0	0	0	0	0	1,940,263,974
Net currency exposure	315,785,353	1,022,842	0	23,948	2,961	7,583	316,842,687
31 December 2022	EUR	USD	BAM	RSD	MKD	Other	Total
Financial investments	1,882,599,664	0	0	149	0	0	1,882,599,813
Insurance contract assets	7,395,480	0	0	0	0	0	7,395,480
Reinsurance contract assets	167,888,159	0	0	0	0	0	167,888,159
Other receivables	35,130,589	0	0	0	0	0	35,130,589
Cash and cash equivalents	18,243,168	177,733	0	68,227	2,961	804,760	19,296,850
Total assets	2,111,257,060	177,733	0	68,377	2,961	804,760	2,112,310,891
Subordinated liabilities	49,941,796	0	0	0	0	0	49,941,796
Insurance contract liabilities	1,688,411,267	0	0	0	0	0	1,688,411,267
Reinsurance contract liabilities	4,052,384	0	0	0	0	0	4,052,384
Lease liabilities	4,054,668	0	0	0	0	0	4,054,668
Other financial liabilities	22,640	0	0	0	0	0	22,640
Total liabilities	1,746,482,755	0	0	0	0	0	1,746,482,755
Net currency exposure	364,774,305	177,733	0	68,377	2,961	804,760	365,828,136

* The table shows financial assets and liabilities and insurance and reinsurance contract assets and liabilities.

** Financial contract assets and liabilities are excluded.

*** Unit-linked insurance assets are also presented under financial investments.

**** Negative amounts of assets represent liabilities and negative amounts of liabilities represent receivables. They are presented in a way that provides a comparison with the financial statements.

Market concentration risk

Market concentration risk arises from overexposure of financial investments to a single issuer, sector or country. The Group continuously monitors concentration of exposure to issuers and groups of related issuers as well as geographical and sector concentration. The sector structure of equity securities is presented in the section on equity risk and that of debt securities in the section on spread risk. Below, the geographical structure of sovereign debt securities is added.

The Group's largest aggregate exposure to a single issuer as at 31 December 2023 was to Germany amounting to EUR 134.4 million (31 December 2022: EUR 99.2 million in exposure to a European Community supranational issuer), while the Company's largest aggregate exposure to a single issuer as at 31 December 2023 was EUR 62 million to a European Community supranational issuer (31 December 2022: EUR 92 million in exposure to the same issuer).

Geographical concentration of investments in government debt securities

	Triglav Group	
	31 Dec 2023	31 Dec 2022
Germany	252,626,510	225,051,224
Transnational organisations	139,831,347	178,181,659
Slovenia	104,591,751	106,569,327
Croatia	88,586,259	98,003,629
Italy	62,834,327	60,146,452
Other countries	550,784,668	467,173,669
TOTAL GOVERNMENT DEBT SECURITIES	1,199,254,862	1,135,125,961

	Zavarovalnica Triglav	
	31 Dec 2023	31 Dec 2022
Germany	128,393,296	156,692,275
Transnational organisations	108,990,137	143,702,042
Slovenia	79,512,257	80,640,000
Spain	58,127,722	55,339,091
Italy	50,179,805	47,487,994
Other countries	309,442,349	271,694,011
TOTAL GOVERNMENT DEBT SECURITIES	734,645,565	755,555,413

Management of market risks in 2023

Despite major changes in the financial markets, the Group always kept market risks at predetermined levels, which required active management of these risks. The scope of market risks decreased overall and across all market risk subtypes as a result of active risk management and redirecting investments to safer asset classes. The structure of market risks did not change significantly compared to the previous year.

2.8.1.4 Credit risk

The Group is exposed to credit risks in their operations. These risks measure the potential loss of assets due to the inability of the counterparty to meet its contractual obligations. They arise from fluctuations in the credit position of individual counterparties and the concentration of risks of these parties.

Within credit risk, the Group monitors the following risks by type of business partner (counterparty):

- **Risks from expected payments under insurance contracts:** This exposure is managed by regularly monitoring the payment dynamics by various homogeneous groups and insurance segments.
- **Risks from expected payments under reinsurance contracts:** The Group is exposed to credit risk when underwriting risks are transferred to reinsurers. Their exposure to reinsurance is measured by reinsurance contract assets and liabilities and expected payments under reinsurance and coinsurance contracts. These risks are managed by carefully selecting reinsurance partners with an appropriate credit rating, ensuring that the transferred risks are adequately dispersed among the partners. The comprehensive system and well-defined rules for credit risk management include the process of assigning credit ratings to partners, which also takes into account own criteria in addition to public information or credit ratings. For monitoring and managing credit risks as well as calculating capital requirements using the regulatory method, the system of uniform naming and keeping of basic data on reinsurance partners is also important when determining credit ratings.
- **Risks from cooperation with banks:** Credit risks arising from investments in deposits, cash and cash equivalents are managed by performing an expert analysis of the bank's credit quality and through a sufficient degree of portfolio diversification. This is achieved through a resilient and comprehensive limit system, which limits the exposures of individual companies to banks and the Group to banking groups.
- **Spread risk of debt securities,** which is presented among market risks.

Exposure to credit risk by source of origin

	Triglav Group		Zavarovalnica Triglav	
	31 Dec 2023	31 Dec 2022	31 Dec 2023	31 Dec 2022
Assets exposed to risks from expected payments under insurance contracts	296,123,546	261,532,022	161,964,700	148,742,329
Assets exposed to risks from expected payments under reinsurance contracts	365,577,477	169,368,833	327,428,753	146,454,319
Assets exposed to risks from cooperation with banks	108,370,575	99,704,424	35,364,447	23,065,241
Total assets exposed to credit risk	770,071,598	530,605,279	524,757,900	318,261,889

in EUR

* Exposure from cooperation with banks does not include financial contract assets and unit-linked insurance assets.

Concentration risk in the context of credit risk occurs upon overexposure to an individual counterparty, group of related parties or parties connected by common risk factors such as credit ratings. The concentration risk of individual counterparties is managed with a single database of reinsurers, banks and bank groups.

Exposure of the Group and the Company to credit risk from expected payments under insurance contracts

The Group is exposed to credit risk through the expected payments of premium and subrogations, which affect the amount of the calculated insurance contract assets and liabilities. The policyholders' payment discipline is closely monitored through a number of indicators. The movements of written premium and payments are monitored by maturity, in different time periods and by insurance class. With regard to expected payments of subrogations, recovery performance and the proportion of subrogations paid in relation to claims settled are also monitored.

Exposures of the Group and the Company to credit risk from expected payments under insurance contracts

	Triglav Group		Zavarovalnica Triglav	
	31 Dec 2023	31 Dec 2022	31 Dec 2023	31 Dec 2022
Expected premium payments	241,074,293	201,117,331	107,381,641	90,974,819
Expected subrogation payments	55,049,253	60,414,691	54,583,059	57,767,510
TOTAL	296,123,546	261,532,022	161,964,700	148,742,329

in EUR

Age structure of expected premium payments

	Triglav Group		Zavarovalnica Triglav	
	31 Dec 2023	31 Dec 2022	31 Dec 2023	31 Dec 2022
Gross expected payments	31 Dec 2023	31 Dec 2022	31 Dec 2023	31 Dec 2022
Not due	190,188,030	146,818,952	82,628,472	65,991,779
Overdue up to 30 days	11,175,004	14,978,433	5,725,457	6,493,281
Overdue from 31 to 60 days	7,456,574	7,764,784	2,477,180	2,264,794
Overdue from 61 to 90 days	5,971,365	5,986,190	1,501,774	1,077,440
Overdue over 90 days	26,283,320	25,568,972	15,048,758	15,147,525
TOTAL EXPECTED PAYMENTS	241,074,293	201,117,331	107,381,641	90,974,819

in EUR

Age structure of expected subrogation payments

	Triglav Group		Zavarovalnica Triglav	
	31 Dec 2023	31 Dec 2022	31 Dec 2023	31 Dec 2022
Gross expected payments	31 Dec 2023	31 Dec 2022	31 Dec 2023	31 Dec 2022
Not due	199,246	679,516	193,883	231,574
Overdue up to 30 days	365,952	690,762	365,321	672,197
Overdue from 31 to 60 days	698,555	908,532	685,616	707,514
Overdue from 61 to 90 days	1,151,802	1,383,874	1,151,134	1,251,707
Overdue over 90 days	52,633,698	56,752,007	52,187,105	54,904,518
TOTAL EXPECTED PAYMENTS	55,049,253	60,414,691	54,583,059	57,767,510

in EUR

Exposure of the Group and the Company to credit risk from expected payments under reinsurance contracts

Exposure to reinsurance partners by credit rating

	Triglav Group		Zavarovalnica Triglav	
	31 Dec 2023	31 Dec 2022	31 Dec 2023	31 Dec 2022
AAA	0.0%	0.0%	0.0%	0.0%
AA to BBB	85.0%	73.5%	87.0%	77.6%
Below BBB	3.5%	7.8%	4.5%	6.9%
Not rated	11.6%	18.7%	8.5%	15.5%
Average credit rating	BBB	BBB	BBB	BBB

in EUR

The Group is most exposed to reinsurers with an “A” credit rating. The proportion of partners with an “AA” credit rating is also high. The proportion of non-rated reinsurance partners at Group level is 11.6%. The bulk stems from insurance claims of insurance companies in strategic markets, which are covered by local non-rated reinsurers. The proportion of non-rated reinsurers in the Company is slightly lower, i.e. 8.5%. The reason for the decrease compared to 2022 is mainly due to an increase in provisions and receivables to better-rated partners (counterparties) as a result of floods in Slovenia in the reporting year, which are reinsured with better-rated reinsurers. In nominal terms, the exposure of the Company to non-rated reinsurers did not change significantly in the reporting year.

The geographical concentration of reinsurers at Group level is the highest in Germany. Compared to 2022, it changed mainly due to the increase in the concentration of exposure to reinsurers in Luxembourg, United Kingdom and Switzerland. Due to its exposure to the subsidiary Pozavarovalnica Triglav Re, Zavarovalnica Triglav is geographically most exposed in Slovenia.

Concentration of five largest exposures to reinsurers by country

Triglav Group	31 Dec 2023		31 Dec 2022
Germany	14.4%	Germany	15.7%
Luxembourg	11.0%	Kazakhstan	10.5%
United Kingdom	9.5%	Serbia	8.8%
Switzerland	7.0%	Russia	8.2%
Kazakhstan	6.9%	United Kingdom	7.8%

Zavarovalnica Triglav	31 Dec 2023		31 Dec 2022
Slovenia	62.9%	Slovenia	50.0%
Kazakhstan	9.5%	Kazakhstan	12.0%
United Kingdom	6.8%	Russia	9.2%
Cyprus	3.8%	Cyprus	6.7%
Russia	3.6%	United Kingdom	6.1%

Exposure of the Group and the Company to credit risk from cooperation with banks

With regard to deposits, cash and cash equivalents, the Company is most exposed to Slovenian banks, which mainly have a “BBB” credit rating or are without a credit rating. In addition, the Group is exposed to banks in the countries where its subsidiaries operate, which are usually without a credit rating. In 2023, the credit ratings of banks to which the Group is exposed did not change significantly.

Management of credit risks in 2023

The Company actively managed these risks by regularly monitoring all credit risk exposures. The largest was the increase in exposures to reinsurers due to the activated reinsurance protection following loss events in 2023. The impact of this increase on credit risks was nevertheless limited, as the reinsurance protection was taken out with reinsurers with (high) credit ratings.

2.8.1.5 Liquidity risk

Liquidity risk is the risk of loss when the company is unable to meet its obligations arising from the timing mismatch of inflows and outflows, or when it is able to meet them only at higher costs. The risk of settling matured and contingent liabilities and market liquidity risk are monitored in the context of the liquidity risk.

- **Risk of settling matured and contingent liabilities** is the risk of being unable to dispose of a liquidity position that allows settling liabilities (including incurred unexpected liabilities) upon maturity.
- **Market liquidity risk** is the risk of loss due to the inability to sell an asset without major impact on the market price due to inadequate market depth or market disruptions.

Expected cash flows, i.e. inflows and outflows, are kept and managed proactively. Most cash flows of liabilities arise from insurance operations. The assets intended to cover these liabilities are adjusted by covering them in accordance with the investment policy in normal circumstances (the ALM process), while aiming to generate surplus assets to ensure the repayment of liabilities even when liquidity needs are higher. Thus, when necessary, the Group adjusts the liquidity of its portfolio in order to meet all expected and unexpected cash outflows and overdue liabilities at any given moment.

To manage liquidity risk, a process was set up based on the liquidity coverage ratio (LCR), which is used to provide for adequate liquidity reserves on an ongoing basis. The LCR is determined for both expected and predetermined liquidity stress scenarios. These are determined based on various stress scenarios adjusted to the Company's liquidity risk, which includes adverse insurance and financial events. Furthermore, the sources of liquidity are regularly adjusted, as the available funds must always exceed the needs.

When measuring liquidity, liquidity sources include primarily insurance premium and cash flows of investments intended to cover liabilities. The most important liquidity needs include the payment of claims, expenses and the payout of planned dividends. In the event of an emergency, an action plan is in place, including the sale of liquid excess assets over liabilities and additional security mechanisms such as credit and repo lines. Scenarios and measures are reviewed annually and adjusted to exposures and the market situation. With the described system, liquidity risk is effectively managed, while optimising excess liquidity by investing in alternative sources with higher returns on the market.

Liquidity at Group level is assessed based on the liquidity of the Company and the subsidiaries. The liquidity of the Group companies is planned on an annual basis by estimating the volume and scope of business in the coming year. In the framework of own risk and solvency assessment, it is planned for at least three years; the planning includes future potential liquidity needs and effectively provides for available liquidity sources.

Futures, options and other financial derivatives are used only if they help to mitigate market risks. As a possible measure to obtain additional liquidity, repo lines were established with commercial banks. The Group does not carry out securities lending techniques.

Exposure of the Group and the Company to liquidity risk

Assets and liabilities of the Triglav Group by contractual maturity*

in EUR

31 December 2023	Not defined	< 1 year	1 – 5 years	5 – 10 years	> 10 years	Total	The elimination of intercompany transactions within the Group	Carrying amount
Financial investments	707,646,416	474,666,207	979,921,868	221,907,815	260,168,243	2,644,310,549	1,469,779	2,642,840,770
Insurance contract assets	0	-366,183	8,673,874	3,718,761	797,897	12,824,349	730,471	12,093,878
Reinsurance contract assets	0	346,320,625	165,669,165	9,854,304	2,498,489	524,342,583	196,609,428	327,733,155
Other receivables	1,014,334	35,570,530	1,742,665	874	0	38,328,403	684,400	37,644,003
Cash and cash equivalents	45,354,022	39,066,642	0	0	0	84,420,664	-3	84,420,667
Total assets	754,014,772	895,257,821	1,156,007,572	235,481,754	263,464,629	3,304,226,548	199,494,075	3,104,732,473
Subordinated liabilities	0	0	0	0	49,994,402	49,994,402	0	49,994,402
Insurance contract liabilities	591,491,919	811,998,011	640,444,697	180,534,084	302,021,655	2,526,490,366	195,842,761	2,330,647,605
Reinsurance contract liabilities	0	8,287,425	-34,711	-4,319	-773	8,247,622	1,787,022	6,460,600
Lease liabilities	1,087,204	5,023,302	9,638,996	639,189	0	16,388,691	4,723,358	11,665,333
Other financial liabilities	469,459	821,902	941,835	0	0	2,233,196	1,569,754	663,442
Total liabilities	593,048,582	826,130,640	650,990,817	181,168,954	352,015,284	2,603,354,277	203,922,895	2,399,431,382

in EUR

31 December 2022	Not defined	< 1 year	1 – 5 years	5 – 10 years	> 10 years	Total	The elimination of intercompany transactions within the Group	Carrying amount
Financial investments	667,810,453	305,281,814	1,079,124,248	294,322,740	212,111,779	2,558,651,034	1,468,018	2,557,183,016
Insurance contract assets	0	4,125,313	5,538,538	2,662,289	379,580	12,705,720	-432,004	13,137,724
Reinsurance contract assets	0	154,395,890	97,287,584	18,107,561	9,659,345	279,450,380	90,116,282	189,334,098
Other receivables	103,442	49,384,367	1,517,181	27,839	40,200	51,073,029	594,692	50,478,337
Cash and cash equivalents	70,434,811	5,631,470	0	0	0	76,066,281	2	76,066,279
Total assets	738,348,706	518,818,854	1,183,467,551	315,120,429	222,190,904	2,977,946,444	91,746,990	2,886,199,454
Subordinated liabilities	0	0	0	0	49,941,796	49,941,796	0	49,941,796
Insurance contract liabilities	517,007,046	594,297,000	559,062,888	175,729,971	330,041,102	2,176,138,007	91,809,522	2,084,328,485
Reinsurance contract liabilities	0	13,298,694	-2,898,838	-230,193	-356,203	9,813,460	348,398	9,465,062
Lease liabilities	15,461	4,964,791	9,626,162	576,131	0	15,182,545	4,589,219	10,593,326
Other financial liabilities	272,416	1,120,697	640,000	207,213	0	2,240,326	762,061	1,478,265
Total liabilities	517,294,923	613,681,182	566,430,212	176,283,122	379,626,695	2,253,316,134	97,509,200	2,155,806,934

* The table shows financial assets and liabilities and insurance and reinsurance contract assets and liabilities.

** Financial contract assets and liabilities are excluded.

*** Unit-linked insurance assets are also presented under financial investments.

**** Negative amounts of assets represent liabilities and negative amounts of liabilities represent receivables. They are presented in a way that provides a comparison with the financial statements.

The total value of financial assets exceeds the total value of financial liabilities in 2023 as well. The surplus is presented in the maturity buckets of up to 10 years and with undefined maturity. In the buckets of over 10 years, the value of assets was below the value of liabilities. The vast majority of the Group's assets is invested in highly liquid investments, which also provides the coverage of liabilities in maturity buckets before the bucket into which they are classified in the table shown. Insurance contract liabilities take into account the maturity based on forecast cash flows. Therefore, neither deficit in individual maturity buckets nor payments of liabilities before the maturity date present a liquidity risk.

Assets and liabilities of Zavarovalnica Triglav by contractual maturity*

	in EUR					
31 December 2023	Not defined	< 1 year	1 – 5 years	5 – 10 years	> 10 years	Total
Financial investments	631,587,976	209,366,159	659,870,080	166,443,541	221,176,739	1,888,444,496
Insurance contract assets	0	-2,027,413	8,481,341	3,708,863	796,034	10,958,826
Reinsurance contract assets	0	179,602,104	118,503,433	5,621,324	2,250,009	305,976,870
Other receivables	0	19,723,657	323,368	0	0	20,047,025
Cash and cash equivalents	0	31,679,444	0	0	0	31,679,444
Total assets	631,587,976	438,343,951	787,178,223	175,773,729	224,222,782	2,257,106,661
Subordinated liabilities	0	0	0	0	49,994,402	49,994,402
Insurance contract liabilities	565,058,237	486,502,880	425,969,934	130,380,717	277,762,025	1,885,673,792
Reinsurance contract liabilities	0	0	0	0	0	0
Lease liabilities	0	1,282,270	2,801,656	489,085	0	4,573,011
Other financial liabilities	0	22,769	0	0	0	22,769
Total liabilities	565,058,237	487,807,919	428,771,590	130,869,802	327,756,427	1,940,263,974

	in EUR					
31 December 2022	Not defined	< 1 year	1 – 5 years	5 – 10 years	> 10 years	Total
Financial investments	580,394,591	165,454,868	746,978,826	213,206,271	176,565,257	1,882,599,813
Insurance contract assets	0	-742,102	5,138,798	2,610,398	388,387	7,395,480
Reinsurance contract assets	0	76,462,943	68,952,599	13,367,824	9,104,793	167,888,159
Other receivables	0	34,825,700	304,889	0	0	35,130,589
Cash and cash equivalents	19,296,850	0	0	0	0	19,296,850
Total assets	599,691,441	276,001,409	821,375,112	229,184,493	186,058,436	2,112,310,891
Subordinated liabilities	0	0	0	0	49,941,796	49,941,796
Insurance contract liabilities	494,204,398	373,397,434	384,359,534	128,890,721	307,559,180	1,688,411,267
Reinsurance contract liabilities	0	7,538,191	-2,894,275	-234,741	-356,791	4,052,384
Lease liabilities	0	1,052,085	2,526,177	476,406	0	4,054,668
Other financial liabilities	0	22,640	0	0	0	22,640
Total liabilities	494,204,398	382,010,350	383,991,436	129,132,386	357,144,184	1,746,482,755

* The table shows financial assets and liabilities and insurance and reinsurance contract assets and liabilities.

** Financial contract assets and liabilities are excluded.

*** Negative amounts of assets represent liabilities and negative amounts of liabilities represent receivables. They are presented in a way that provides a comparison with the financial statements

Management of liquidity risk in 2023

In the reporting year, the Company regularly monitored and, on this basis, managed liquidity risk in order to maintain an optimal liquidity level, also taking into account liquidity stress testing. Despite higher CAT claims, the Company ensured that liquidity risk was kept at a low level at all times. In fact, investment policies aim to ensure a high volume of liquid securities.

In 2023, liquidity risk was also carefully assessed when placing funds in alternative investments. The volume of such investments is subordinated to achieving adequate portfolio liquidity even in the event of a deteriorating situation in the financial markets.

2.8.1.6 Operational risks

Operational risks are the risks of loss arising from inadequate or failed internal processes, personnel or systems, or from external events and their impact.

As part of the risk appetite, which is the main guideline for operational risk management, high standards for ensuring compliance with the law and zero tolerance for internal criminal acts and fraud, including corruption, were set. The Group and the Company aim to ensure an appropriate level of information security (confidentiality, integrity and availability) for any information that is their business asset, and in doing so follow good practices in information security, taking into account the levels of information security risks defined as acceptable for each type of information.

The Group's operational risks are ever-present, therefore it is of key importance to identify and manage the most material in a timely manner, limiting them cost-effectively according to the defined tolerance. The aim of operational risk management is to prevent their occurrence, quickly and effectively remedy the consequences of realised operational loss events, as well as mitigate and prevent operating losses in a professional, diligent and ethical manner. Here, the greatest emphasis is placed on key business processes and the types of operational risks. Recently, cyber, regulatory and human resource risks have come to the fore. Operational risks are assessed based on all available information, such as estimates of potential risks by business process group, realised operational loss events, key indicators of these risks and other relevant information from employees and key functions. In 2021, the Company implemented GRC/IRM software (governance, risk, compliance/integrated risk management) to collect and manage data as well as report on operational risks more comprehensively. This tool also supports compliance and internal audit processes for an even more coordinated operation of key functions in risk management processes and a more responsive overview. The Operational Risk Committee plays an important role in monitoring operational risks; it deals with any identified (potential or realised) material risks and takes appropriate action. When assessing exposure and managing operational risks, internal controls for their management are inventoried by each business process. The priorities of the internal control system are as follows:

- efficiency, reliability and continuity of business processes;
- ensuring compliance of operations with the internal acts and legal regulations;
- accuracy and reliability of financial and accounting reporting and
- information and property protection.

In accordance with the principles of proportionality and materiality, the Company transfers the operational risk management system to subsidiaries, all of which regularly report on realised operational loss events and other material operational risks.

Ensuring business continuity and functioning of systems material for smooth business process implementation

As part of operational risk management, the business continuity management system was set up to ensure continuity of key business processes. It comprises all key components relevant to business continuity, particularly securing key staff, work locations and resources, which includes the operation of information and communication technology with key applications. Business continuity plans for critical business processes and IT disaster recovery plans are regularly revised, upgraded and checked. Among others, the business continuity management system also defines measures to be taken in the case of extraordinary events that cause or could cause interruptions or disruptions in business processes. The Company has set up:

- a crisis management team, which is activated in the case of extraordinary events that cause a major interruption or disruption in business processes;
- a disaster recovery team for extraordinary events that cause major disruption to ICT services;
- recovery teams for the Company's head office and regional units, which are activated in the event the accessibility or operation in an individual commercial building or regional unit is interrupted.

As part of operational risks, events related to business interruptions and disruptions are also monitored.

Management of operational risks in 2023

Through proactive management of operational risks, any shortcomings, changes and trends in the internal and external environments that may affect their increase are promptly identified. More attention was paid to the perceived growing risks and, when necessary, appropriate measures were taken to prevent them from materialising.

2.8.1.7 Non-financial risks

Non-financial risks to the Triglav Group's operations include material strategic risks, reputational risk, Group risk and sustainability risks. Non-financial risks usually originate from the external environment and are very closely linked to other risks, especially operational. Usually they occur due to several realised factors both inside and outside of the Group.

- *Strategic risks* are the risks of loss due to adverse business decisions, improper implementation of adopted strategic decisions and insufficient responsiveness to changes in the business environment. They also include part of legal and regulatory risks arising from key changes in the Group's business environment.
- *Reputational risk* is the risk of loss of existing or future business or goodwill due to a negative opinion of the Group held by its clients, business partners, employees, shareholders, investors, supervisory and other government bodies, and others concerned or the general public.

Effective reputational risk management allows the Company to retain the leading position in the market, maintain or increase market capitalisation, resolve potential crises with greater ease and remain resilient in an uncertain situation. It ensures the trust, loyalty and satisfaction of stakeholders.

- The Group risks arise from the business model of the Company, which is the parent company or a group of related parties. They include risks that might threaten the achievement of strategic objectives due to an inefficient governance system and insufficient understanding of the business environment of the Group members. The risk profile is also affected by the review and treatment of large transactions between related companies and the complexity of concentration risk management. All these risks can materialise in the form of major or minor deviations from the business and financial plans due to losses incurred or lost business opportunities.
- *Sustainability risks* (including ESG risks) are a set of risks of the Group arising from environmental, social and governance factors, and may have a negative impact on the financial position or solvency of the Group.

Environmental risks relate to the quality and functioning of the natural environment and originate primarily from climate change. We divide these risks into physical risks and transition risks. Physical risks are the risks of a financial loss due to extreme weather events or other environmental impacts related to climate change. Transition risk is associated with risks arising from changes in business or the environment, due to measures to promote the transition to a low-carbon economy in order to reduce the human impact on climate change.

Social risks mainly include risks arising from the way the Company and the Group companies operate in relation to the requirements of the wider social environment, in particular ensuring diversity and equal opportunities for various stakeholders, safety, health and satisfaction of employees, and good relations with clients, suppliers and outsourcers.

Governance risks are associated with an inappropriately or inadequately established governance system, especially in the field of environmental and social aspects. They include the legality of business operations, corporate governance standards, including the risk management system and internal control system, remuneration of the company's management, used business practices and the investor relations policy.

Non-financial risks are risks that, due to their nature, cannot be reduced, addressed or mitigated with dedicated capital. The standard formula does not cover them.

To manage reputational risk, an assessment method is used which takes into account additional aspects that may negatively affect the Group's reputation. They are divided into internal and external. With a functioning internal control system, it is ensured that the Group's operations are legal, professional and ethical. The Group ensures the appropriate quality of services and products, achieves financial goals, properly manages relationships with its key stakeholders and implements sustainability commitments or sustainable aspects of business. Furthermore, the Group respects the set environmental goals and aims to respect unrestricted, healthy competition in the market. Maintaining a low reputational risk assessment is key, as the Group set high goals in this area.

Management of non-financial risks in 2023

In the reporting year, the Group's sustainability risk management system continued to be upgraded, mainly by improving data quality and defining methodologies, indicators and reporting on environmental risks. It is assessed that environmental risks continue to be the most material among sustainability risks for the Group. They were particularly carefully examined in the framework of own risk and solvency assessment. In order to assess climate risks (covering both transition risks and physical risks), a qualitative and quantitative assessment of the effects of climate change on the business operations of the Company and the Group was performed.

2.8.1.8 Capital management

Capital management is the process by which the Group determines and maintains an adequate amount and quality of capital.

Central to effective capital management is a well-integrated risk management system that ensures, among other things, consistent assessment of the profitability of transactions relative to assumed risks, while striving to maintain target capital adequacy.

As part of the Group's regular capital management to ensure optimal capital composition and cost efficiency, the Company issued a subordinated bond, which is taken into account in the calculation of capital adequacy.

The Group's target capital adequacy is set within the range of 200–250%. This means that the Group has an adequate amount of capital to carry out its core business and cover potential losses. The Group uses capital surplus as protection against losses due to unforeseen adverse events and volatile capital requirements.

The management of capital and capital risk is presented in greater detail in [Section 9.2 of the Business Report](#), which is part of the Group's Annual Report.

2.9 Segment reporting

Zavarovalnica Triglav's management monitors the Group's and the Company's operations by business segment.

Business segments in the context of the Group's and the Company's operations differ from one another by nature of transaction, type of service and business risks. Business segments for which the Company's management separately monitors business results and makes decisions on the allocation of resources are non-life insurance, life insurance, health insurance and non-insurance operations.

All components of the Group's and the Company's operations are included in one of the business segments.

The results of a specific business segment are assessed based on the profit or loss achieved by that segment; in addition, the management monitors the amount of assets and liabilities of specific segments. All income and expenses items are included in the determination of profit or loss, and all assets and liabilities items of the Group and the Company are included in the monitoring of the amount of assets and liabilities of specific segments.

Income and expenses are allocated directly to each segment, but if this is not possible, allocation keys are adopted for this purpose. Income and expenses from insurance operations are recorded in the accounting records by specific insurance class, which are then aggregated into insurance groups. Other income and expenses and costs are recorded in the accounting records by specific insurance group. They are classified in specific insurance groups partly directly and partly through defined allocation keys.

Assets and liabilities are allocated directly to each segment and are already kept separately in the accounting records by insurance group.

The management monitors the operations of individual segments at the level of non-consolidated financial statements of individual companies, which are summed up for the purposes of analysing the entire financial statements of the Group, without taking into account eliminations from consolidation.

2.9.1 Triglav Group business segments

in EUR

Statement of financial position	31 December 2023						
	NON-LIFE	LIFE	HEALTH	OTHER	TOTAL (before eliminations)	ELIMINATIONS	TOTAL (after eliminations)
ASSETS	2,102,753,151	2,252,821,244	75,026,842	197,667,205	4,628,268,442	-530,623,871	4,097,644,571
Property, plant and equipment	92,100,097	9,677,819	243,629	4,807,264	106,828,809	0	106,828,809
Investment property	46,631,837	1,313,861	0	20,008,075	67,953,773	0	67,953,773
Right-of-use assets	10,553,722	649,911	456,897	4,010,629	15,671,159	-4,557,710	11,113,449
Intangible assets and goodwill	27,861,086	6,546,623	160,130	20,582,946	55,150,785	-494,479	54,656,306
Deferred tax assets	13,173,005	3,083,875	6,278,596	89,386	22,624,862	-657,314	21,967,548
Investments in subsidiaries	207,752,086	20,376,561	2,500,000	76,847,618	307,476,265	-307,476,265	0
Investments in associates and joint ventures	37,218,841	489,221	0	0	37,708,062	0	37,708,062
Financial investments	1,049,619,772	1,491,593,857	62,593,300	40,603,620	2,644,410,549	-1,569,779	2,642,840,770
– at fair value through other comprehensive income	923,192,895	684,743,887	62,593,300	2,436,850	1,672,966,932	0	1,672,966,932
– at amortised cost	34,231,570	194,125,613	0	2,772,323	231,129,506	-1,569,779	229,559,727
– at fair value through profit or loss	92,195,307	612,724,357	0	35,394,447	740,314,111	0	740,314,111
Financial contract assets	0	674,115,145	0	0	674,115,145	0	674,115,145
– investments at amortised cost	0	283,215,425	0	0	283,215,425	0	283,215,425
– investments at fair value through profit or loss	0	366,826,746	0	0	366,826,746	0	366,826,746
– receivables from financial contracts	0	123,066	0	0	123,066	0	123,066
– cash from financial contracts	0	23,949,908	0	0	23,949,908	0	23,949,908
Insurance contract assets	2,586,908	10,236,542	900	0	12,824,350	-730,472	12,093,878
Reinsurance contract assets	522,995,008	387,756	959,820	0	524,342,584	-196,609,429	327,733,155
Non-current assets held for sale	0	0	1,141,578	1,988,131	3,129,709	0	3,129,709
Current corporate income tax assets	9,935,445	215	0	78,705	10,014,365	-1,522,841	8,491,524
Other receivables	40,917,376	2,219,989	401,435	9,726,657	53,265,457	-17,005,582	36,259,875
Cash and cash equivalents	34,716,464	31,457,653	224,810	18,021,740	84,420,667	0	84,420,667
Other assets	6,691,504	672,216	65,747	902,434	8,331,901	0	8,331,901
EQUITY AND LIABILITIES	2,102,753,165	2,252,821,246	75,026,842	197,667,199	4,628,268,452	-530,623,881	4,097,644,571
Equity	752,719,489	232,341,849	34,956,137	178,397,556	1,198,415,031	-307,315,048	891,099,983
Controlling interests	752,719,489	232,341,849	34,956,137	178,397,556	1,198,415,031	-310,999,301	887,415,730
– share capital	139,925,767	77,182,266	43,322,167	107,457,354	367,887,554	-294,186,162	73,701,392
– share premium	43,441,236	39,662,781	0	44,333,234	127,437,251	-77,114,672	50,322,579
– reserves from profit	449,300,501	47,822,211	1,853,961	13,720,624	512,697,297	-7,594,315	505,102,982
– treasury share reserves	0	0	0	364,680	364,680	0	364,680
– treasury shares	0	0	0	-364,680	-364,680	0	-364,680
– accumulated other comprehensive income	-26,586,470	-8,724,369	-475,182	169,960	-35,616,061	-1,799,922	-37,415,983
– retained earnings from previous years	144,119,733	50,435,241	14,515,917	7,712,179	216,783,070	89,308,878	306,091,948
– net profit or loss for the year	4,451,867	26,729,485	-24,260,726	5,019,015	11,939,641	-19,132,179	-7,192,538
– translation differences	-1,933,145	-765,766	0	-14,810	-2,713,721	-480,929	-3,194,650
Non-controlling interests	0	0	0	0	0	3,684,253	3,684,253
Subordinated liabilities	49,994,402	0	0	0	49,994,402	0	49,994,402
Deferred tax liabilities	1,479,287	707,030	0	348,513	2,534,830	-669,020	1,865,810
Financial contract liabilities	0	674,115,144	0	0	674,115,144	1	674,115,145
Insurance contract liabilities	1,176,337,749	1,315,876,867	34,275,747	0	2,526,490,363	-195,842,758	2,330,647,605
Reinsurance contract liabilities	8,244,374	3,246	0	0	8,247,620	-1,787,020	6,460,600
Provisions	20,039,372	6,395,711	1,699,744	2,212,658	30,347,485	0	30,347,485
Lease liabilities	11,001,645	664,258	460,757	4,262,029	16,388,689	-4,723,356	11,665,333
Other financial liabilities	1,501,620	22,281	0	709,312	2,233,213	-1,569,771	663,442
Current corporate income tax liabilities	482,098	133,981	0	1,478,317	2,094,396	-1,522,841	571,555
Other liabilities	80,953,129	22,560,879	3,634,457	10,258,814	117,407,279	-17,194,068	100,213,211

in EUR

	31 December 2022 adjusted						
Statement of financial position	NON-LIFE	LIFE	HEALTH	OTHER	TOTAL (before eliminations)	ELIMINATIONS	TOTAL (after eliminations)
ASSETS	1,818,151,978	2,092,732,856	93,926,843	186,465,796	4,191,277,473	-388,929,721	3,802,347,752
Property, plant and equipment	93,605,505	10,052,974	1,804,464	4,402,893	109,865,836	0	109,865,836
Investment property	46,643,721	1,208,134	0	20,473,632	68,325,487	0	68,325,487
Right-of-use assets	10,579,313	777,319	428,285	2,860,095	14,645,012	-4,452,087	10,192,925
Intangible assets and goodwill	27,043,156	7,466,972	377,811	18,832,320	53,720,259	0	53,720,259
Deferred tax assets	12,237,709	1,081,762	1,990,729	88,559	15,398,759	-612,531	14,786,228
Investments in subsidiaries	171,768,414	19,377,792	7,500	69,381,544	260,535,250	-260,535,250	0
Investments in associates and joint ventures	37,369,536	440,648	0	0	37,810,184	0	37,810,184
Financial investments	1,063,666,852	1,381,531,311	72,877,987	40,674,884	2,558,751,034	-1,568,018	2,557,183,016
– at fair value through other comprehensive income	906,053,531	654,690,377	72,727,291	682,316	1,634,153,515	0	1,634,153,515
– at amortised cost	51,302,856	188,374,970	0	2,895,221	242,573,047	-1,568,018	241,005,029
– at fair value through profit or loss	106,310,465	538,465,964	150,696	37,097,347	682,024,472	0	682,024,472
Financial contract assets	0	613,818,646	0	0	613,818,646	0	613,818,646
– investments at amortised cost	0	321,859,990	0	0	321,859,990	0	321,859,990
– investments at fair value through profit or loss	0	267,173,099	0	0	267,173,099	0	267,173,099
– receivables from financial contracts	0	1,147,412	0	0	1,147,412	0	1,147,412
– cash from financial contracts	0	23,638,145	0	0	23,638,145	0	23,638,145
Insurance contract assets	6,543,871	6,161,845	0	0	12,705,716	432,008	13,137,724
Reinsurance contract assets	270,937,720	7,890,550	622,111	0	279,450,381	-90,116,283	189,334,098
Non-current assets held for sale	200,309	0	0	1,984,512	2,184,821	0	2,184,821
Current corporate income tax assets	921,368	215	1,503,957	2,240,643	4,666,183	-4,183,200	482,983
Other receivables	46,863,911	10,465,348	12,212,496	8,632,635	78,174,390	-27,696,053	50,478,337
Cash and cash equivalents	25,852,011	32,147,601	1,777,759	16,288,908	76,066,279	0	76,066,279
Other assets	3,918,582	311,739	323,744	605,171	5,159,236	-198,307	4,960,929
EQUITY AND LIABILITIES	1,818,151,997	2,092,732,852	93,926,843	186,465,783	4,191,277,475	-388,929,723	3,802,347,752
Equity	748,697,149	203,844,123	32,214,465	169,930,514	1,154,686,251	-257,720,549	896,965,702
Controlling interests	748,697,149	203,844,123	32,214,465	169,930,514	1,154,686,251	-261,334,675	893,351,576
– share capital	129,690,864	77,249,393	20,822,144	106,331,530	334,093,931	-260,392,540	73,701,391
– share premium	43,380,681	39,652,231	0	31,340,734	114,373,646	-64,068,973	50,304,673
– reserves from profit	430,039,408	47,825,525	1,853,961	8,214,536	487,933,430	-6,099,470	481,833,960
– treasury share reserves	0	0	0	364,680	364,680	0	364,680
– treasury shares	0	0	0	-364,680	-364,680	0	-364,680
– accumulated other comprehensive income	-33,726,924	-20,073,689	-4,977,557	161,339	-58,616,831	-1,974,576	-60,591,407
– retained earnings from previous years	221,239,154	60,315,983	17,040,511	35,411,636	334,007,284	84,307,749	418,315,033
– net profit or loss for the year	-39,958,943	-173,204	-2,524,594	-11,460,077	-54,116,818	-12,920,668	-67,037,486
– translation differences	-1,967,091	-952,116	0	-69,184	-2,988,391	-186,197	-3,174,588
Non-controlling interests	0	0	0	0	0	3,614,126	3,614,126
Subordinated liabilities	49,941,796	0	0	0	49,941,796	0	49,941,796
Deferred tax liabilities	1,475,065	759,556	0	440,642	2,675,263	-624,237	2,051,026
Financial contract liabilities	0	613,818,649	0	0	613,818,649	-3	613,818,646
Insurance contract liabilities	892,955,862	1,239,540,706	43,641,446	0	2,176,138,014	-91,809,529	2,084,328,485
Reinsurance contract liabilities	9,813,188	0	273	0	9,813,461	-348,399	9,465,062
Provisions	16,007,579	13,926,087	1,082,765	2,268,271	33,284,702	0	33,284,702
Lease liabilities	10,886,854	793,211	436,456	3,066,025	15,182,546	-4,589,220	10,593,326
Other financial liabilities	1,520,372	21,674	0	698,262	2,240,308	-762,049	1,478,259
Current corporate income tax liabilities	10,127,663	65,650	0	1,222,404	11,415,717	-4,183,200	7,232,517
Other liabilities	76,726,469	19,963,196	16,551,438	8,839,665	122,080,768	-28,892,537	93,188,231

in EUR

Statement of profit or loss	2023						
	NON-LIFE	LIFE	HEALTH	OTHER	TOTAL (before eliminations)	ELIMINATIONS	TOTAL (after eliminations)
Insurance service result	57,229,150	27,210,040	-24,902,213	0	59,536,977	0	59,536,977
– insurance income	1,056,160,921	85,367,869	209,657,875	0	1,351,186,665	0	1,351,186,665
– insurance service expenses	-1,028,951,009	-59,777,022	-234,528,227	0	-1,323,256,258	0	-1,323,256,258
– net reinsurance service result	30,019,238	1,619,193	-31,861	0	31,606,570	0	31,606,570
Investment result	15,805,429	67,940,585	-2,864,610	2,740,539	83,621,943	209,244	83,831,187
– interest income calculated using the effective interest method	16,495,253	17,813,075	684,528	118,738	35,111,594	-13,297	35,098,297
– dividend income	2,022,129	682,935	0	0	2,705,064	0	2,705,064
– net gains and losses on financial investments	-858,622	48,384,028	-3,744,177	2,624,838	46,406,067	0	46,406,067
– net impairment and reversal of impairment of financial investments	1,326,121	774,968	193,706	-3,037	2,291,758	0	2,291,758
– other effects of investing activities	-3,179,452	285,579	1,333	0	-2,892,540	222,541	-2,669,999
Financial result from insurance contracts	-4,851,122	-64,706,573	-120,241	0	-69,677,936	0	-69,677,936
– financial result from insurance contracts	-4,909,230	-64,713,983	-120,241	0	-69,743,454	0	-69,743,454
– financial result from reinsurance contracts	58,108	7,410	0	0	65,518	0	65,518
Change in financial contract liabilities	0	3,985	0	0	3,985	-3,985	0
Income from asset management	0	7,251,368	0	32,703,777	39,955,145	-269,658	39,685,487
Non-attributable operating expenses	-44,425,374	-14,304,777	-2,225,212	-46,566,669	-107,522,032	14,353,563	-93,168,469
Net other operating income and expenses	-9,185,864	1,716,902	940,977	21,247,803	14,719,818	-13,219,271	1,500,547
Net other financial income and expenses	-3,548,040	-54,491	14,796	-168,058	-3,755,793	64,283	-3,691,510
Net impairment and reversal of impairment of non-financial assets	-2,501,482	-6,420	0	-7,614	-2,515,516	0	-2,515,516
Gains and losses on investments in associates	2,194,361	48,574	0	0	2,242,935	0	2,242,935
Net other income and expenses	909,963	3,040,185	-673,921	1,174,683	4,450,910	-1,134,175	3,316,735
Profit or loss before tax	11,627,021	28,139,378	-29,830,424	11,124,461	21,060,436	1	21,060,437
Tax expense	-3,508,613	-4,537,546	5,317,578	-2,066,661	-4,795,242	0	-4,795,242
NET PROFIT OR LOSS FOR THE PERIOD	8,118,408	23,601,832	-24,512,846	9,057,800	16,265,194	1	16,265,195
Controlling interests	7,933,580	23,577,851	-24,512,846	9,077,900	16,076,485	0	16,076,485
Non-controlling interests	184,828	23,981	0	-20,100	188,709	0	188,709

in EUR

Statement of other comprehensive income	2023						
	NON-LIFE	LIFE	HEALTH	OTHER	TOTAL (before eliminations)	ELIMINATIONS	TOTAL (after eliminations)
Items that will not be reclassified to profit or loss in future periods	2,865,221	-73,268	18,566	9,075	2,819,594	0	2,819,594
– effects of equity instruments measured through other comprehensive income	4,332,776	78,671	0	0	4,411,447	0	4,411,447
– actuarial gains and losses	-1,347,124	-220,585	18,566	27,090	-1,522,053	0	-1,522,053
– other net gains and losses that will not be reclassified to profit or loss in future periods	127,558	0	0	0	127,558	0	127,558
Tax on items that will not be reclassified to profit or loss	-247,989	68,646	0	-18,015	-197,358	0	-197,358
Items that may be reclassified to profit or loss in future periods	16,049,128	11,365,585	4,482,999	6,155	31,903,867	0	31,903,867
– accumulated insurance finance income and expenses	-21,076,904	-27,789,296	-282,415	0	-49,148,615	0	-49,148,615
– accumulated reinsurance finance income and expenses	3,646,017	1,379	0	0	3,647,396	0	3,647,396
– effect of debt instruments measured through other comprehensive income	36,189,913	39,772,131	5,795,126	6,839	81,764,009	0	81,764,009
– other items	0	0	0	0	0	0	0
Tax on items that may be reclassified to profit or loss in future periods	-2,709,898	-618,629	-1,029,712	-684	-4,358,923	0	-4,358,923
Translation differences	-36,177	-406,238	0	396,421	-45,994	-1	-45,995
OTHER COMPREHENSIVE INCOME FOR THE PERIOD AFTER TAX	18,878,172	10,886,079	4,501,565	411,651	34,677,467	-1	34,677,466
Controlling interests	18,894,654	10,920,118	4,501,565	435,311	34,751,648	0	34,751,648
Non-controlling interests	-16,482	-34,039	0	-23,660	-74,181	0	-74,181

in EUR

Statement of profit or loss	2022 adjusted						
	NON-LIFE	LIFE	HEALTH	OTHER	TOTAL (before eliminations)	ELIMINATIONS	TOTAL (after eliminations)
Insurance service result	52,302,153	15,112,399	2,442,614	0	69,857,166	0	69,857,166
– insurance income	923,531,228	78,086,766	204,984,870	0	1,206,602,864	0	1,206,602,864
– insurance service expenses	-766,045,623	-63,703,911	-202,542,256	0	-1,032,291,790	0	-1,032,291,790
– net reinsurance service result	-105,183,452	729,544	0	0	-104,453,908	0	-104,453,908
Investment result	1,517,457	-82,464,791	-954,138	-6,649,239	-88,550,711	-72,790	-88,623,501
– interest income calculated using the effective interest method	10,539,268	15,673,918	485,563	39,147	26,737,896	-62,000	26,675,896
– dividend income	3,562,183	1,124,363	0	0	4,686,546	0	4,686,546
– net gains and losses on financial investments	-9,301,799	-96,123,407	-752,462	-6,693,199	-112,870,867	0	-112,870,867
– net impairment and reversal of impairment of financial investments	-3,774,936	-3,089,254	-681,574	0	-7,545,764	0	-7,545,764
– other effects of investing activities	492,741	-50,411	-5,665	4,813	441,478	-10,790	430,688
Financial result from insurance contracts	-869,166	83,051,634	39,539	0	82,222,007	0	82,222,007
– financial result from insurance contracts	140,279	83,056,538	39,539	0	83,236,356	0	83,236,356
– financial result from reinsurance contracts	-1,009,445	-4,904	0	0	-1,014,349	0	-1,014,349
Change in financial contract liabilities	0	1	0	0	1	0	1
Income from asset management	0	6,934,348	0	30,823,282	37,757,630	-289,136	37,468,494
Non-attributable operating expenses	-42,956,176	-14,905,711	-2,734,100	-41,146,177	-101,742,164	12,106,751	-89,635,413
Net other operating income and expenses	-21,544,923	-8,627,976	-840,016	26,331,436	-4,681,479	-9,874,090	-14,555,569
Net other financial income and expenses	-2,435,537	-16,122	160,651	-208,949	-2,499,957	453,844	-2,046,113
Net impairment and reversal of impairment of non-financial assets	-818	0	0	0	-818	0	-818
Gains and losses on investments in associates	1,841,505	678	0	0	1,842,183	0	1,842,183
Net other income and expenses	-2,157,422	-3,202,085	-1,080	1,130,189	-4,230,398	-2,324,580	-6,554,978
Profit or loss before tax	-14,302,927	-4,117,625	-1,886,530	10,280,542	-10,026,540	-1	-10,026,541
Tax expense	2,903,313	1,329,827	526,469	-1,705,502	3,054,107	0	3,054,107
NET PROFIT OR LOSS FOR THE PERIOD	-11,399,614	-2,787,798	-1,360,061	8,575,040	-6,972,433	-5	-6,972,438
Controlling interests	-11,560,040	-2,801,358	-1,360,061	8,883,984	-6,837,475	0	-6,837,475
Non-controlling interests	160,426	13,560	0	-308,944	-134,958	0	-134,958

in EUR

Statement of other comprehensive income	2022 adjusted						
	NON-LIFE	LIFE	HEALTH	OTHER	TOTAL (before eliminations)	ELIMINATIONS	TOTAL (after eliminations)
Items that will not be reclassified to profit or loss in future periods	-7,238,881	-2,213,203	427	84,118	-9,367,539	0	-9,367,539
– effects of equity instruments measured through other comprehensive income	-10,168,151	-2,941,019	0	0	-13,109,170	0	-13,109,170
– actuarial gains and losses	1,143,828	222,221	427	84,118	1,450,594	0	1,450,594
– other net gains and losses that will not be reclassified to profit or loss in future periods	0	0	0	0	0	0	0
Tax on items that will not be reclassified to profit or loss	1,785,442	505,595	0	0	2,291,037	0	2,291,037
Items that may be reclassified to profit or loss in future periods	-31,363,408	-4,343,998	-5,739,980	-66,395	-41,513,781	0	-41,513,781
– accumulated insurance finance income and expenses	51,674,063	126,728,235	433,279	0	178,835,577	0	178,835,577
– accumulated reinsurance finance income and expenses	-6,791,054	-1,425	0	0	-6,792,479	0	-6,792,479
– effect of debt instruments measured through other comprehensive income	-84,089,659	-129,947,204	-7,519,824	-73,035	-221,629,722	0	-221,629,722
– other items	-67,105	0	0	0	-67,105	0	-67,105
Tax on items that may be reclassified to profit or loss in future periods	7,910,347	-1,123,604	1,346,565	6,640	8,139,948	0	8,139,948
Translation differences	7,543	-61,741	-1	-6,039	-60,238	1	-60,237
OTHER COMPREHENSIVE INCOME FOR THE PERIOD AFTER TAX	-38,594,746	-6,618,942	-5,739,554	11,684	-50,941,558	1	-50,941,557
Controlling interests	-38,159,101	-6,701,501	-5,739,554	11,684	-50,588,472	0	-50,588,472
Non-controlling interests	-435,645	82,559	0	0	-353,086	0	-353,086

2.9.2 Zavarovalnica Triglav business segments

in EUR

Statement of financial position	31 December 2023			31 December 2022 adjusted		
	NON-LIFE	LIFE	TOTAL	NON-LIFE	LIFE	TOTAL
ASSETS	1,369,119,087	1,586,767,950	2,955,887,037	1,258,384,787	1,483,830,122	2,742,214,910
Property, plant and equipment	60,764,599	7,844,878	68,609,478	61,139,796	7,976,101	69,115,897
Investment property	43,152,887	274,294	43,427,181	43,095,689	281,484	43,377,173
Right-of-use assets	4,356,487	0	4,356,487	3,940,725	0	3,940,725
Intangible assets and goodwill	24,441,317	6,437,832	30,879,149	23,574,598	7,343,311	30,917,910
Deferred tax assets	10,071,867	2,726,371	12,798,238	10,118,611	802,917	10,921,528
Investments in subsidiaries	200,826,677	18,533,689	219,360,367	166,826,654	18,533,689	185,360,343
Investments in associates and joint ventures	37,218,841	0	37,218,841	37,369,536	0	37,369,536
Financial investments	628,013,043	1,260,431,453	1,888,444,496	696,957,343	1,185,642,470	1,882,599,813
– at fair value through other comprehensive income	541,324,405	552,848,289	1,094,172,694	592,272,836	551,060,117	1,143,332,952
– at amortised cost	4,673,513	138,169,793	142,843,306	18,148,872	133,618,473	151,767,345
– at fair value through profit or loss	82,015,125	569,413,371	651,428,496	86,535,635	500,963,880	587,499,515
Financial contract assets	0	259,624,041	259,624,041	0	234,968,514	234,968,514
– investments at amortised cost	0	86,215,285	86,215,285	0	99,398,021	99,398,021
– investments at fair value through profit or loss	0	169,625,986	169,625,986	0	131,403,313	131,403,313
– receivables from financial contracts	0	83,130	83,130	0	398,787	398,787
– cash from financial contracts	0	3,699,640	3,699,640	0	3,768,392	3,768,392
– other assets from financial contracts	0	0	0	0	0	0
Insurance contract assets	763,841	10,194,985	10,958,826	1,323,954	6,071,526	7,395,480
Reinsurance contract assets	305,976,870	0	305,976,870	167,888,159	0	167,888,159
Non-current assets held for sale	0	0	0	0	0	0
Current corporate income tax assets	9,302,529	0	9,302,529	0	0	0
Other receivables	29,019,266	1,488,741	30,508,007	37,351,308	9,244,402	46,595,710
Cash and cash equivalents	12,536,522	19,142,923	31,679,444	6,368,612	12,928,238	19,296,850
Other assets	2,674,341	68,743	2,743,084	2,429,800	37,471	2,467,271
EQUITY AND LIABILITIES	1,369,119,086	1,586,767,952	2,955,887,038	1,258,384,787	1,483,830,122	2,742,214,910
Equity	556,994,740	112,226,378	669,221,118	568,054,385	90,894,760	658,949,145
– 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	438,248,752	45,513,891	483,762,643	419,248,752	45,513,891	464,762,643
– accumulated other comprehensive income	-19,849,348	-9,660,492	-29,509,840	-25,237,531	-21,071,825	-46,309,356
– retained earnings from previous years	46,762,812	21,428,800	68,191,612	136,545,152	28,111,020	164,656,172
– net profit or loss for the year	147,006	19,515,420	19,662,426	-54,187,505	2,912,915	-51,274,590
Subordinated liabilities	49,994,402	0	49,994,402	49,941,796	0	49,941,796
Deferred tax liabilities	0	0	0	0	0	-1
Financial contract liabilities	0	259,624,041	259,624,041	0	234,968,514	234,968,514
Insurance contract liabilities	688,581,223	1,197,092,569	1,885,673,792	551,610,694	1,136,800,573	1,688,411,267
Reinsurance contract liabilities	0	0	0	4,052,384	0	4,052,384
Provisions	11,993,826	2,329,680	14,323,506	10,456,475	6,578,617	17,035,092
Lease liabilities	4,573,011	0	4,573,011	4,054,668	0	4,054,668
Other financial liabilities	22,767	2	22,769	22,640	0	22,640
Current corporate income tax liabilities	0	0	0	9,697,471	0	9,697,471
Other liabilities	56,959,118	15,495,282	72,454,400	60,494,274	14,587,659	75,081,933

No items disclosed in the statement of financial position by business segment are offset. The amount of the balance sheet total after offsetting is shown below.

in EUR

	31 December 2023	31 December 2022 adjusted
Balance sheet total (without offsetting)	2,955,887,037	2,742,214,910
Intersegment receivables and liabilities	-10,460,982	-11,440,100
Offset balance	2,945,426,055	2,730,774,810

in EUR

Statement of profit or loss	2023			2022 adjusted		
	NON-LIFE	LIFE	TOTAL	NON-LIFE	LIFE	TOTAL
Insurance service result	37,125,732	23,968,310	61,094,042	21,160,754	15,137,828	36,298,582
– insurance income	709,194,358	66,443,013	775,637,370	628,205,422	61,998,801	690,204,222
– insurance service expenses	-711,516,271	-42,474,703	-753,990,974	-531,673,410	-46,860,972	-578,534,383
– net reinsurance service result	39,447,646	0	39,447,646	-75,371,258	0	-75,371,258
Investment result	9,428,055	60,706,670	70,134,725	-3,591,864	-78,018,316	-81,610,180
– interest income calculated using the effective interest method	7,747,149	13,864,061	21,611,210	4,247,679	12,873,306	17,120,984
– dividend income	1,851,785	589,749	2,441,534	3,301,187	1,109,037	4,410,224
– net gains and losses on financial investments	-723,332	45,438,112	44,714,780	-7,816,304	-90,737,373	-98,553,677
– net impairment and reversal of impairment of financial investments	689,654	605,796	1,295,450	-4,118,800	-1,012,744	-5,131,544
– other effects of investing activities	-137,201	208,952	71,751	794,375	-250,543	543,833
Financial result from insurance contracts	-2,905,419	-59,878,679	-62,784,098	-878,996	77,888,291	77,009,295
– financial result from insurance contracts	-3,015,273	-59,878,679	-62,893,952	-48,574	77,888,291	77,839,717
– financial result from reinsurance contracts	109,854	0	109,854	-830,422	0	-830,422
Income from asset management	0	2,854,726	2,854,726	0	2,735,182	2,735,182
Non-attributable operating expenses	-29,418,654	-9,830,107	-39,248,760	-29,252,285	-10,652,466	-39,904,751
Net other operating income and expenses	-3,156,264	2,661,234	-495,030	-16,925,685	-7,832,889	-24,758,574
Net other financial income and expenses	-2,706,647	-111,431	-2,818,078	-2,355,961	-180,984	-2,536,945
Net impairment and reversal of impairment of non-financial assets	-2,496,338	-6,407	-2,502,745	-1,025,411	-2,894,788	-3,920,199
Gains and losses on investments in associates	15,179,539	3,406,222	18,585,761	30,831,080	3,712,193	34,543,272
Net other income and expenses	454,332	286,631	740,963	1,744,292	1,793,018	3,537,310
Profit or loss before tax	21,504,336	24,057,169	45,561,505	-294,076	1,687,069	1,392,992
Tax expense	-2,357,330	-4,541,749	-6,899,078	6,306,571	1,225,846	7,532,417
NET PROFIT OR LOSS FOR THE PERIOD	19,147,006	19,515,420	38,662,426	6,012,495	2,912,915	8,925,410

in EUR

Statement of other comprehensive income	2023			2022 adjusted		
	NON-LIFE	LIFE	TOTAL	NON-LIFE	LIFE	TOTAL
Net profit for the period after tax	19,147,006	19,515,420	38,662,426	6,012,495	2,912,915	8,925,410
Other comprehensive income after tax	17,040,524	11,406,893	28,447,417	-30,319,765	-6,192,610	-36,512,374
Items that will not be reclassified to profit or loss in future periods	2,714,878	-151,939	2,562,939	-6,920,976	-2,056,374	-8,977,350
Accumulated insurance finance income and expenses	-1,373,424	-220,586	-1,594,009	1,196,820	222,221	1,419,041
Accumulated reinsurance finance income and expenses	4,332,776	0	4,332,776	-9,836,905	-2,784,190	-12,621,095
Tax on items that will not be reclassified to profit or loss	-244,474	68,646	-175,828	1,719,109	505,594	2,224,703
Items that may be reclassified to profit or loss in future periods	14,325,646	11,558,832	25,884,478	-23,398,788	-4,136,235	-27,535,024
Accumulated insurance finance income and expenses	-13,877,650	-23,171,554	-37,049,204	40,127,356	110,975,156	151,102,512
Accumulated reinsurance finance income and expenses	4,090,372	0	4,090,372	-10,002,491	0	-10,002,491
Effects of debt instruments measured through other comprehensive income	26,722,093	35,469,170	62,191,263	-59,012,259	-113,776,689	-172,788,948
Tax on items that may be reclassified to profit or loss in future periods	-2,609,168	-738,785	-3,347,953	5,488,606	-1,334,702	4,153,904
COMPREHENSIVE INCOME FOR THE PERIOD AFTER TAX	36,187,530	30,922,313	67,109,843	-24,307,270	-3,279,695	-27,586,965

2.10 The impact of geopolitical risks, the changed economic situation and climate change on the Group's and the Company's financial statements

The changed macroeconomic situation, geopolitical risks and the effects of climate change were the main developments that had a significant impact on the Group's and the Company's operations in 2023.

The changed macroeconomic environment and geopolitical risks had a major impact on the Group's and the Company's operations in 2023, mainly through developments in global financial markets. The main features of the macroeconomic environment in 2023 were elevated inflation, rising interest rates and declining economic growth. Rising interest rates had an impact on the required yields on debt financial instruments and on the market values of these investments. The effects of these changes mostly affected the Group's and the Company's market risks.

Higher inflation had an impact on the growth of claims from insurance contracts and on the increase of operating expenses in 2023. The Group and the Company faced rising costs of reinsurance protection due to the uncertain macroeconomic environment.

The impacts of the changes described above on market, underwriting and credit risks are presented in more detail in [Section 2.8](#), and the management of these risks is discussed in greater detail in the Business Report.

The 2023 financial year was characterised by natural catastrophes, mainly floods, prolonged dry spells and frequent hailstorms, which significantly increased the volume of claims from insurance contracts. The frequency and severity of extreme weather events in 2023 were significantly higher than the long-term average, which is attributed to climate change. Should these trends continue, we expect the demand for insurance coverage to increase, and thus the need for a broader range of reinsurance covers required. In this case, the cost of reinsurance protection would increase and the non-life insurance portfolio would become riskier, increasing the need for additional capital.

In addition to physical risks, climate change also entails the risk of transition to a low-carbon economy. As the insurance sector is not one of the sectors identified as high carbon, the transition measures are not expected to have a direct impact on the Group's and the Company's business, but they are aware of their responsibility to promote the transition of society to a low-carbon business. The Group's and the Company's activities in this area are described in more detail in [sections 10](#) and [11 of the Business Report](#).

2.11 Tax policy

The Triglav Group regularly reviews and carefully implements processes for identifying, assessing, monitoring and managing tax risks, and if necessary, engages external tax consultants. In the process of tax liability management, the Group's strategy is pursued, with the main emphasis being on safety and reliability. In cooperating with tax authorities, the Group is committed to transparency and responsiveness and to an open and early dialogue. It responds to all inquiries, information or requests in a timely manner.

The Group's key tax policies are:

- compliance with tax laws and regulations governing taxation,
- adapting to new digital business guidelines and
- clarity and transparency in communicating about tax matters to various stakeholders.

At Zavarovalnica Triglav, its Accounting Division is responsible for taxation. Individual Group members are responsible for ensuring compliance with local tax laws, regularly reporting on all tax matters to Zavarovalnica Triglav's Accounting Division. Tax rates by different countries where the Group members operate are presented in [Section 2.1.4](#).

The amount of taxes and contributions calculated by individual type is shown below.

	Triglav Group		Zavarovalnica Triglav	
	2023	2022	2023	2022
Insurance premium tax	67,322,022	60,722,335	55,210,551	49,806,199
Fees from income of natural persons (employer's contributions and taxes)	26,816,689	26,151,952	17,041,234	16,004,255
Corporate income tax	23,713,935	25,465,708	19,388,729	20,633,936
Fire fee	8,430,325	5,619,234	7,867,386	5,043,587
Value added tax	5,195,391	5,966,859	2,046,545	1,269,293
Fee for the use of building land	972,013	1,036,726	794,126	742,547
Financial services tax	647,883	613,045	103,385	104,215
Other fees	704,090	1,055,105	0	0
Total fees charged in the year	133,802,348	126,630,964	102,451,956	93,604,032

in EUR

On 1 January 2024, the Minimum Tax Act (hereinafter: ZMD) entered into force in Slovenia, which was adopted based on the EU Directive on global minimum taxation, which is part of the global agreement under the auspices of the Organisation for Economic Co-operation and Development (OECD). The purpose of the minimum tax is to ensure a global minimum taxation of the profits of multinational enterprises (MNEs) and domestic groups with a 15% minimum tax rate.

The first top-up tax return and information return for 2024 will have to be submitted by the Company within 18 months after the end of the 2024 calendar year, i.e. by 30 June 2026. The impact of the ZMD on the tax policy and tax liabilities of the Group and the Company is still being assessed.

2.12 The impact of new or amended standards on the preparation of financial statements

The accounting policies used in the preparation of the consolidated and separate financial statements are consistent with those of the consolidated and separate financial statements of Zavarovalnica Triglav for the financial year ended 31 December 2022. Except for the new or amended standards and interpretations effective for annual periods beginning on or after 1 January 2023, which are presented below.

Amendments to existing standards effective for the current reporting period

The following amendments to existing standards issued by the International Accounting Standards Board (IASB) and adopted by the EU are effective for the current reporting period:

New IFRS 17 Insurance Contracts

The IASB published the new standard on 18 May 2017. Amendments to IFRS 17 Insurance Contracts issued by the IASB on 25 June 2020 defer the date of initial application of IFRS 17 by two years to annual periods beginning on or after 1 January 2023. Additionally, amendments issued on 25 June 2020 introduced simplifications and clarifications of some requirements in the standard and provided additional reliefs in the first-time application of IFRS 17.

The new IFRS 17 requires insurance liabilities to be measured at a current fulfilment value and provides a more uniform measurement and presentation approach for all insurance contracts. These requirements of the new standard are designed to achieve the goal of a consistent, principle-based accounting for insurance contracts.

IFRS 17 supersedes IFRS 4 Insurance Contracts and related interpretations while applied.

In parallel with the new IFRS 17, IFRS 9 will apply to insurance companies that have opted for the temporary exemption from the application of said standard.

Amendments to IAS 1 Presentation of Financial Statements

Amendments were issued by IASB on 12 February 2021. They refer to the disclosure of accounting policies and are effective for annual periods beginning on or after 1 January 2023.

Amendments to IAS 1 require entities to disclose their material accounting policies rather than their significant accounting policies and provide guidance and examples to help preparers in deciding which accounting policies to disclose in their financial statements.

Amendments to IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors

Amendments issued by the IASB on 12 February 2021 are effective for annual periods beginning on or after 1 January 2023 and relate to the definition of accounting estimates.

Amendments focus on accounting estimates and provide guidance on how to distinguish between accounting policies and accounting estimates.

Amendments to IAS 12 Income Taxes

Amendments issued by the IASB on 6 May 2021 are effective for annual periods beginning on or after 1 January 2023 and relate to deferred tax related to assets and liabilities arising from a single transaction.

According to amendments, the initial recognition exemption does not apply to transactions in which both deductible and taxable temporary differences arise on initial recognition that result in the recognition of equal deferred tax assets and liabilities.

Amendments to IAS 12 Income Taxes

Amendments were issued by IASB on 23 May 2023. They relate to international tax reform – pillar two model rules and are effective for annual periods beginning on or after 1 January 2023.

The amendments introduce a temporary exemption from accounting for deferred tax arising from jurisdictions implementing the global tax rules and disclosure requirements for a company's exposure to income tax arising from the reform, in particular before the enactment of the legislation giving effect to the rules.

The impact of amendments to existing standards on the Group's and the Company's financial statements

The adoption of IFRS 17 and IFRS 9 had a significant impact on the consolidated and separate financial statements of Zavarovalnica Triglav. Notes on the transition are included [2.6](#).

Adopted standards and amendments to existing standards which will become effective at a later date, not applied by the Group and the Company in their financial statements

At the date of authorisation of these financial statements, the following amendments to existing standards were issued by the IASB and adopted by the EU but which are not yet effective:

Amendments to IFRS 16 Leases

Amendments refer to the lease liability in a sale and leaseback transaction and are effective for annual periods beginning on or after 1 January 2024.

The amendments to IFRS 16 require a seller or lessee to subsequently measure lease liabilities arising from a leaseback in a way that the seller or lessee does not recognise any amount of the gain or loss that relates to the right of use it retains. The new requirements do not prevent a seller or lessee from recognising in profit or loss any gain or loss relating to the partial or full termination of a lease.

The impact of new standards and amendments to existing standards that will be effective at a later date on the Group's and the Company's financial statements

It is estimated that the adopted amendments to IFRS 16 will not significantly impact the consolidated and separate financial statements of Zavarovalnica Triglav.

New standards and amendments to existing standards issued by the IASB but not yet adopted by the EU

Presently, IFRSs as adopted by the EU do not significantly differ from regulations adopted by the International Accounting Standards Board (IASB) except for the following new standards and amendments to existing standards.

Amendments to IAS 1 Presentation of Financial Statements

Amendments are effective for annual periods beginning on or after 1 January 2024 and relate to the classification of liabilities as current and non-current and non-current liabilities with covenants.

Amendments issued in January 2020 provide a more general approach to the classification of liabilities under IAS 1 based on the contractual arrangements in place at the reporting date. The amendments issued in October 2022 clarify how the conditions that the entity must fulfil within twelve months after the reporting period affect the classification of liabilities and specify that both amendments are effective for annual periods beginning on or after 1 January 2024.

Amendments to IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments: Disclosures

Amendments are effective for annual periods beginning on or after 1 January 2024 and relate to supplier finance arrangements.

The amendments add disclosure requirements and "signposts" within existing disclosure requirements to provide qualitative and quantitative information about supplier finance arrangements.

Amendments to IAS 21 The Effects of Changes in Foreign Exchange Rates

Amendments are effective for annual periods beginning on or after 1 January 2025 and relate to the lack of exchangeability.

The amendments provide guidance to specify when a currency is exchangeable and how to determine the exchange rate when it is not.

Amendments to IFRS 14 Regulatory Deferral Accounts

Amendments are effective for annual periods beginning on or after 1 January 2016. However, the European Commission has decided not to begin the process of endorsing this interim standard until its final version has been issued.

The objective of the standard is to enable an entity that is a first-time adopter of IFRS to continue to account for regulatory deferral account balances in accordance with its previous GAAP when it adopts IFRS.

Amendments to IFRS 10 Consolidated Financial Statements and IAS 28 Investments in Associates and Joint Ventures

Amendments deal with the sale and contribution of assets between an investor and its associate or joint venture, and further amendments. The effective date is deferred indefinitely until the research project on the equity method has been concluded.

The amendments address a conflict between the requirements of IAS 28 and IFRS 10 and clarify that in a transaction involving an associate or joint venture the extent of gain or loss recognition depends on whether the assets sold or contributed constitute a business.

The impact of new standards and amendments to existing standards not yet adopted by the EU on the Group's and the Company's financial statements

The management anticipates that the adoption of these new standards and amendments to existing standards will have no material impact on the Group's and the Company's separate and consolidated financial statements in the period of initial application.

3. Notes to specific significant items in the financial statements

3.1 Insurance business

3.1.1 Assumptions and accounting estimates used in the valuation of insurance contracts

Discount rates

According to the IFRS 17, which defines the preparation of discount curves that reflect market conditions as much as possible and the use of market data, discount curves are prepared based on the conditions that also apply in regulation Solvency II. IFRS 17 mandates the creation of discount curves that closely mirror market conditions, utilizing market data. Similarly, regulation Solvency II adopts these criteria for curve preparation. EIOPA is responsible for ensuring the methodology for discount curve development of Solvency II regulation is transparent, adhering to IFRS 17's emphasis on market data alignment. Approach of using Solvency II as a basis for discount curve creation not only enhances transparency but also enables a direct comparison between the technical provisions of Solvency II and IFRS 17, including the reinsured portions. An additional advantage is that this ensures comparability between Solvency II and IFRS 17 technical provisions and their reinsured part.

The discount curve or the time structure of interest rates is prepared at the level of the Triglav Insurance Company and the Group level using the »bottom-up« approach, where a risk-free time structure of interest rates is first prepared, to which an illiquidity premium is later added.

The requirements of the IFRS 17 standard also determine the preparation of a risk-free time structure of interest rates, which is adjusted for the illiquidity premium. The illiquidity premium reflects the markup on the risk-free discount curve that bears the cost or premium of illiquid market conditions.

Risk free yield curves are used for all non-life assets and obligations across the Group except for Triglav Insurance Company's obligations which are paid out as annuities. They are significant enough in Triglav Insurance Company's non-life obligations to merit a separate consideration. Such obligations use 100% illiquidity premium which corresponds to EIOPA's published risk free rate curves with volatility adjustment.

		31 December 2022				
		1 year	5 years	10 years	20 years	30 years
Life	Risk free yield	3.18%	3.13%	3.09%	2.77%	2.73%
	Illiquidity Premium	0.06%–0.26%	0.06%–0.26%	0.07%–0.27%	0.06%–0.26%	0.05%–0.21%
Non-Life	Risk free yield	3.18%	3.13%	3.09%	2.77%	2.73%
	Illiquidity Premium	0.19%	0.19%	0.19%	0.19%	0.16%

		31 December 2023				
		1 year	5 years	10 years	20 years	30 years
Life	Risk free yield	3.36%	2.32%	2.39%	2.41%	2.53%
	Illiquidity Premium	0.08%–0.33%	0.08%–0.33%	0.08%–0.33%	0.09%–0.35%	0.08%–0.30%
Non-Life	Risk free yield	3.36%	2.32%	2.39%	2.41%	2.53%
	Illiquidity Premium	0.20%	0.20%	0.20%	0.20%	0.17%

Estimates of future cash flows to fulfil insurance contracts

All the future cash flows within the boundary of each group of contracts are included in the measurement model of each group of contracts in the scope of IFRS 17. The projection of cash flows, which is used to calculate the best estimate for life and non-life insurance assets and liabilities, contains all relevant cash flows that are required to settle liabilities to policyholders and other beneficiaries from insurance and reinsurance contracts. Cash flows are projected for each insurance contract separately in life business. Cash flows in non-life business are projected on portfolio and cohort level. Cash flows that make up life and non-life insurance assets and liabilities include cash inflows, which include future payments of insurance and reinsurance premiums, and other income excluding income from investments, and cash outflows, which include future pay-outs of benefits to policyholders and beneficiaries, payments of expenses and other payments related to insurance obligations.

For Life insurance contracts, uncertainty in the estimation of future claims and benefit payments and premium receipts arises primarily from the unpredictability of long-term changes in the mortality rates, the variability in the policyholder behaviour and uncertainties regarding future inflation rates and expenses growth.

For non-life insurance and reinsurance contracts, uncertainty in the estimation of future claims and benefit payments and premium receipts arises primarily from large and catastrophic claims,

inflation and changes in claim payment patterns. It is assumed the past observations and knowledge of future trends in portfolio composition are representative for projection of cash flows for majority of non-life portfolio. Actuarial judgement must be used though in cases when this assumption is not appropriate.

The assumptions used to prepare estimates of future cash flows are reassessed at least annually and adjusted as necessary.

Significant methods and assumptions used are discussed below.

Mortality

In case of unavailability of sufficient internal mortality data, best estimate mortality assumptions are based on the company's experience and the recent national mortality tables and are expressed as a percentage of national mortality tables.

For Company mortality rates are derived based on company's own experience over the recent five years, since the available amount of internal mortality data is sufficient. Forces of mortality for particular age bands were derived by combining two sources (portfolio data and population data) on number of deaths and number of central exposed to death risk. For ages where portfolio data are scarce, greater weight was put on population data. Where portfolio data are of sufficient size, only internal data was used. For upper boundary ages, where no internal or population data are available, extrapolation with a chosen formula was performed.

The two basic risk factors used for grouping are age and sex. Based on past analyses these two parameters have the biggest impact on observed mortality.

The mortality grouping of the life portfolio and the mortality assumptions used are presented in the following table.

Group	% of national mortality tables
Endowment, annuity (premium payment phase) and term insurances	50%–130%
Whole life insurances	60%–100%
Unit-linked insurances	45%–65%

Each of the three groups provide a sufficient amount of data. This could not be achieved with a more detailed grouping. Methods used to derive mortality assumptions have not changed in the last year.

Lapse

Estimation of lapse rates is based on the experience analysis of the company's lapses during the previous years.

Lapses in analysis are defined as termination of payment of premium, which includes the following cases:

- cancelation of policy,
- surrenders and
- policy becoming paid-up.

First two cases are considered jointly as surrenders and separate rates were derived for surrenders and paid-ups.

The basic risk factor used for grouping is policy year.

The lapse analysis was performed for different groups of insurance products. The actual lapse rates from previous years were compared for different groups of insurance products to determine which groups have experienced similar lapse rates in the past, so that similar lapse rates can be expected also in the future. Groups were chosen in such a way to provide enough data for each group and that all insurance products included in certain group have similar lapse rates experience. Methods used to derive surrender and paid-up assumptions have not changed in the last year.

Expenses

Estimates of future expenses relating to fulfilment of contracts in the scope of IFRS 17 in life and non-life business was projected using current expense assumptions adjusted for inflation. Expense assumptions were set based on the company's accounting expenses from the past years, estimated accounting expenses from current business plan and portfolio statistics.

Expenses comprise expenses directly attributable to the groups of contracts and were analysed and modelled separately for traditional and unit-linked business.

The expense inflation assumption was set based on published inflation forecast data from the International Monetary Fund and other publicly available data, adjusted to the entity's own experience.

The assumption for expense inflation was set as a vector (different expense growth rates over the years), while it was set as constant rate in previous years projections. Methods used to derive other expense assumptions have not changed in the last year.

Estimates of future expenses relating to fulfilment of contracts in scope of IFRS 17 in non-life business are projected on portfolio level using current expense assumptions and adjusted for inflation where appropriate. Future inflation is also derived from inflation forecast data from the International Monetary Fund but amended with projections of local statistical institutes and other reputable sources using actuarial judgement where relevant.

Expenses comprise company's accounting expenses from past years that are directly attributable to the groups of contracts.

Risk Adjustment

A risk adjustment for non-financial risks is the compensation that is required for bearing the uncertainty about the amount and timing of cash flows that arises from non-financial risks as the insurance contract is fulfilled.

The risk adjustment for life business is calculated on a policy level and then summed up to each unit of account (bottom-up approach) allowing for risk diversification benefit achieved on a portfolio level via simplified linearised approach. The cost of capital method was used to derive the policy-level risk adjustment for non-financial risks. In this setting, annual capital requirements (according to pre-set 95% confidence level) are projected for all future years until policy run-off. Thus, risk adjustment is expressed as an expected present value of the annual cost of capital, calculated by applying 6% cost-of-capital rate on projected annual capital requirements.

The resulting amount of the calculated risk adjustment corresponds to confidence level of 64.2% (2022: 65.2%) for the portfolio run-off horizon.

The method used to determine the risk adjustment for non-financial risk has not changed in the last year.

Risk adjustment for non-life business was calculated on S2 LOB level and then attributed to portfolios of insurance contracts. It is calculated separately for liability for incurred claims and liability for remaining coverage.

Calculation of risk adjustment for liability for incurred claims uses bootstrapping techniques on claim triangles of homogeneous groups that correspond to the calculation of provision of incurred but not reported claims. We assume that diversification from Solvency II directive is appropriate for non-life business and use it to allocate the risk adjustment to portfolios. Value at risk is taken as an appropriate risk measure.

Risk adjustment for liability for remaining coverage is based on Solvency II capital requirement of insurance sub-modules for non-life risks: premium, lapse and catastrophic risks. It is assumed that the standard formula adequately captures the risks and diversification between lines of business so its parameters, along with scaling to appropriate confidence interval, is used to allocate the risk adjustment to portfolios.

Provisions calculated as annuities of Triglav Insurance Company's non-life liabilities for incurred claims are considered significant enough to evaluate its risk adjustment separately from other types of cash flows. It is calculated for both liabilities: for reported and unreported but incurred annuities. The calculation of liability for reported annuities is also based on Solvency II's capital requirement and its parameters along with assumption that the risks considered in the calculation follow normal distribution. For the second type it is assumed the frequency severity method is appropriate for evaluation. Bootstrap techniques and value at risk measure are then used to derive the risk adjustment for the chosen confidence interval.

Risk adjustments of reinsurance held treaties are derived using their underlying direct business and active reinsurance contracts, considering the specifics of the risks ceded to reinsurers and the format of reinsurance held treaties.

Calculation approach stayed the same in 2023 for non-life business in Triglav Group, but the 85% interval chosen in 2022 was lowered to 75% with exception of TZZ where the chosen interval for 2023 is 80% or 90% for some products. Without this change, the result of Triglav Insurance Company would be lower for 8,55 million euros and 11,6 million euros lower on Group level.

3.1.2 Insurance contract assets and liabilities

Insurance contract assets and liabilities of the Triglav Group

in EUR

INSURANCE CONTRACT ASSETS AND LIABILITIES AS AT 31 DECEMBER 2023	NON-LIFE			LIFE				HEALTH			TOTAL
	General model (BBA)	Premium allocation approach (PAA)	Total	General model (BBA)	Variable fee approach (VFA)	Premium allocation approach (PAA)	Total	General model (BBA)	Premium allocation approach (PAA)	Total	
Insurance contract assets	0	1,858,818	1,858,818	10,234,160	0	0	10,234,160	0	900	900	12,093,878
Assets for remaining coverage	0	3,635,220	3,635,220	17,456,327	0	0	17,456,327	0	1,894	1,894	21,093,441
Assets for incurred claims	0	-1,776,402	-1,776,402	-7,222,167	0	0	-7,222,167	0	-994	-994	-8,999,563
Insurance contract liabilities	49,731,393	930,853,323	980,584,716	759,807,417	556,131,832	1,098	1,315,940,347	3,431,906	30,690,635	34,122,541	2,330,647,604
Liabilities for remaining coverage	49,746,334	136,365,752	186,112,086	743,053,028	545,627,793	1,098	1,288,681,919	2,882,205	1,136,635	4,018,840	1,478,812,845
Liabilities for incurred claims	-14,941	794,487,571	794,472,630	16,754,389	10,504,039	0	27,258,428	549,701	29,554,000	30,103,701	851,834,759
Total net insurance contract liabilities	49,731,393	928,994,505	978,725,898	749,573,257	556,131,832	1,098	1,305,706,187	3,431,906	30,689,735	34,121,641	2,318,553,726
Net liabilities for remaining coverage	49,746,334	132,730,532	182,476,866	725,596,701	545,627,793	1,098	1,271,225,592	2,882,205	1,134,741	4,016,946	1,457,719,404
Net liabilities for incurred claims	-14,941	796,263,973	796,249,032	23,976,556	10,504,039	0	34,480,595	549,701	29,554,994	30,104,695	860,834,322

in EUR

INSURANCE CONTRACT ASSETS AND LIABILITIES AS AT 31 DECEMBER 2022	NON-LIFE			LIFE				HEALTH			TOTAL
	General model (BBA)	Premium allocation approach (PAA)	Total	General model (BBA)	Variable fee approach (VFA)	Premium allocation approach (PAA)	Total	General model (BBA)	Premium allocation approach (PAA)	Total	
Insurance contract assets	0	6,975,879	6,975,879	6,158,015	3,830	0	6,161,845	0	0	0	13,137,724
Assets for remaining coverage	0	9,053,491	9,053,491	11,771,432	3,830	0	11,775,262	0	0	0	20,828,753
Assets for incurred claims	0	-2,077,612	-2,077,612	-5,613,417	0	0	-5,613,417	0	0	0	-7,691,029
Insurance contract liabilities	49,817,786	751,515,500	801,333,286	759,358,382	480,181,126	1,198	1,239,540,706	17,709,186	25,745,307	43,454,493	2,084,328,485
Liabilities for remaining coverage	50,923,974	136,243,498	187,167,472	741,944,369	471,071,413	1,198	1,213,016,980	17,374,958	-876,886	16,498,072	1,416,682,524
Liabilities for incurred claims	-1,106,188	615,272,002	614,165,814	17,414,013	9,109,713	0	26,523,726	334,228	26,622,193	26,956,421	667,645,961
Total net insurance contract liabilities	49,817,786	744,539,621	794,357,407	753,200,367	480,177,296	1,198	1,233,378,861	17,709,186	25,745,307	43,454,493	2,071,190,761
Net liabilities for remaining coverage	50,923,974	127,190,007	178,113,981	730,172,937	471,067,583	1,198	1,201,241,718	17,374,958	-876,886	16,498,072	1,395,853,771
Net liabilities for incurred claims	-1,106,188	617,349,614	616,243,426	23,027,430	9,109,713	0	32,137,143	334,228	26,622,193	26,956,421	675,336,990

in EUR

INSURANCE CONTRACT ASSETS AND LIABILITIES AS AT 31 DECEMBER 2023	NON-LIFE			LIFE			HEALTH			TOTAL	
	General model (BBA)	Premium allocation approach (PAA)	Total	General model (BBA)	Variable fee approach (VFA)	Premium allocation approach (PAA)	Total	General model (BBA)	Premium allocation approach (PAA)		Total
Insurance contract assets	0	1,858,818	1,858,818	10,234,160	0	0	10,234,160	0	900	900	12,093,878
Estimates of the present value of the future cash flows	0	1,938,268	1,938,268	91,500,121	0	0	91,500,121	0	1,264	1,264	93,439,653
Risk adjustment for non-financial risk	0	-79,450	-79,450	-10,966,798	0	0	-10,966,798	0	-364	-364	-11,046,612
Contractual service margin	0	0	0	-70,299,163	0	0	-70,299,163	0	0	0	-70,299,163
Insurance contract liabilities	49,731,393	930,853,323	980,584,716	759,807,417	556,131,832	1,098	1,315,940,348	3,431,906	30,690,635	34,122,541	2,330,647,605
Estimates of the present value of the future cash flows	29,505,731	883,939,792	913,445,523	698,960,899	443,299,649	1,099	1,142,261,647	2,127,826	26,346,725	28,474,551	2,084,181,721
Risk adjustment for non-financial risk	3,528,310	46,913,531	50,441,841	9,405,727	12,915,268	0	22,320,995	1,211,419	4,343,910	5,555,329	78,318,165
Contractual service margin	16,697,355	0	16,697,355	51,440,791	99,916,915	0	151,357,706	92,661	0	92,661	168,147,722
Total net insurance contract liabilities	49,731,393	928,994,505	978,725,898	749,573,257	556,131,832	1,098	1,305,706,188	3,431,906	30,689,735	34,121,641	2,318,553,727
Net liabilities from expected future cash flows	29,505,731	882,001,524	911,507,255	607,460,778	443,299,649	1,099	1,050,761,526	2,127,826	26,345,461	28,473,287	1,990,742,068
Net liabilities from risk adjustment for non-financial risk	3,528,310	46,992,981	50,521,291	20,372,525	12,915,268	0	33,287,793	1,211,419	4,344,274	5,555,693	89,364,777
Net liabilities from contractual service margin	16,697,355	0	16,697,355	121,739,954	99,916,915	0	221,656,869	92,661	0	92,661	238,446,885

in EUR

INSURANCE CONTRACT ASSETS AND LIABILITIES AS AT 31 DECEMBER 2022	NON-LIFE			LIFE			HEALTH			TOTAL	
	General model (BBA)	Premium allocation approach (PAA)	Total	General model (BBA)	Variable fee approach (VFA)	Premium allocation approach (PAA)	Total	General model (BBA)	Premium allocation approach (PAA)		Total
Insurance contract assets	0	6,975,879	6,975,879	6,158,015	3,830	0	6,161,845	0	0	0	13,137,724
Estimates of the present value of the future cash flows	0	7,102,274	7,102,274	61,419,381	38,686	0	61,458,067	0	0	0	68,560,341
Risk adjustment for non-financial risk	0	-126,395	-126,395	-6,668,450	-15,617	0	-6,684,067	0	0	0	-6,810,462
Contractual service margin	0	0	0	-48,592,916	-19,239	0	-48,612,155	0	0	0	-48,612,155
Insurance contract liabilities	49,817,786	751,515,500	801,333,286	759,358,382	480,181,126	1,198	1,239,540,706	17,709,186	25,745,307	43,454,493	2,084,328,485
Estimates of the present value of the future cash flows	27,876,324	699,587,722	727,464,046	697,329,004	401,274,871	1,198	1,098,605,073	16,624,193	22,898,394	39,522,587	1,865,591,706
Risk adjustment for non-financial risk	5,736,862	51,927,778	57,664,640	10,393,700	9,020,721	0	19,414,421	991,675	2,846,913	3,838,588	80,917,649
Contractual service margin	16,204,601	0	16,204,601	51,635,678	69,885,534	0	121,521,212	93,318	0	93,318	137,819,131
Total net insurance contract liabilities	49,817,786	744,539,621	794,357,407	753,200,367	480,177,296	1,198	1,233,378,861	17,709,186	25,745,307	43,454,493	2,071,190,761
Net liabilities from expected future cash flows	27,876,324	692,485,448	720,361,772	635,909,623	401,236,185	1,198	1,037,147,006	16,624,193	22,898,394	39,522,587	1,797,031,365
Net liabilities from risk adjustment for non-financial risk	5,736,862	52,054,173	57,791,035	17,062,150	9,036,338	0	26,098,488	991,675	2,846,913	3,838,588	87,728,111
Net liabilities from contractual service margin	16,204,601	0	16,204,601	100,228,594	69,904,773	0	170,133,367	93,318	0	93,318	186,431,286

Insurance contract assets and liabilities of Zavarovalnica Triglav

in EUR

INSURANCE CONTRACT ASSETS AND LIABILITIES AS AT 31 DECEMBER 2023	NON-LIFE			LIFE			TOTAL
	General model (BBA)	Premium allocation approach (PAA)	Total	General model (BBA)	Variable fee approach (VFA)	Total	
Insurance contract assets	0	763,841	763,841	10,194,985	0	10,194,985	10,958,826
Assets for remaining coverage	0	1,646,202	1,646,202	17,409,858	0	17,409,858	19,056,059
Assets for incurred claims	0	-882,361	-882,361	-7,214,873	0	-7,214,873	-8,097,234
Insurance contract liabilities	46,899,751	641,681,473	688,581,223	665,247,135	531,845,434	1,197,092,569	1,885,673,792
Liabilities for remaining coverage	46,930,431	122,949,760	169,880,191	651,205,674	521,653,352	1,172,859,026	1,342,739,217
Liabilities for incurred claims	-30,680	518,731,713	518,701,033	14,041,461	10,192,082	24,233,543	542,934,576
Total net insurance contract liabilities	46,899,751	640,917,632	687,817,382	655,052,150	531,845,434	1,186,897,584	1,874,714,966
Net liabilities for remaining coverage	46,930,431	121,303,558	168,233,989	633,795,816	521,653,352	1,155,449,168	1,323,683,158
Net liabilities for incurred claims	-30,680	519,614,074	519,583,394	21,256,334	10,192,082	31,448,416	551,031,810

in EUR

INSURANCE CONTRACT ASSETS AND LIABILITIES AS AT 31 DECEMBER 2022	NON-LIFE			LIFE			TOTAL
	General model (BBA)	Premium allocation approach (PAA)	Total	General model (BBA)	Variable fee approach (VFA)	Total	
Insurance contract assets	0	1,323,954	1,323,954	6,071,526	0	6,071,526	7,395,480
Assets for remaining coverage	0	6,312,256	6,312,256	11,591,499	0	11,591,499	17,903,755
Assets for incurred claims	0	-4,988,302	-4,988,302	-5,519,973	0	-5,519,973	-10,508,274
Insurance contract liabilities	46,524,097	505,086,597	551,610,694	675,841,966	460,958,607	1,136,800,573	1,688,411,267
Liabilities for remaining coverage	47,674,099	108,370,360	156,044,459	660,752,136	452,122,656	1,112,874,793	1,268,919,252
Liabilities for incurred claims	-1,150,002	396,716,237	395,566,234	15,089,830	8,835,951	23,925,781	419,492,015
Total net insurance contract liabilities	46,524,097	503,762,643	550,286,740	669,770,440	460,958,607	1,130,729,047	1,681,015,787
Net liabilities for remaining coverage	47,674,099	102,058,104	149,732,203	649,160,637	452,122,656	1,101,283,294	1,251,015,497
Net liabilities for incurred claims	-1,150,002	401,704,539	400,554,536	20,609,803	8,835,951	29,445,754	430,000,289

in EUR

INSURANCE CONTRACT ASSETS AND LIABILITIES AS AT 31 DECEMBER 2023	NON-LIFE			LIFE			TOTAL
	General model (BBA)	Premium allocation approach (PAA)	Total	General model (BBA)	Variable fee approach (VFA)	Total	
Insurance contract assets	0	763,841	763,841	10,194,985	0	10,194,985	10,958,826
Estimates of the present value of the future cash flows	0	775,800	775,800	91,393,420	0	91,393,420	92,169,220
Risk adjustment for non-financial risk	0	-11,959	-11,959	-10,955,818	0	-10,955,818	-10,967,777
Contractual service margin	0	0	0	-70,242,617	0	-70,242,617	-70,242,617
Insurance contract liabilities	46,899,751	641,681,473	688,581,223	665,247,135	531,845,434	1,197,092,569	1,885,673,792
Estimates of the present value of the future cash flows	27,750,727	615,368,010	643,118,737	616,772,681	420,738,303	1,037,510,984	1,680,629,721
Risk adjustment for non-financial risk	3,416,816	26,313,463	29,730,279	7,823,404	12,358,498	20,181,902	49,912,181
Contractual service margin	15,732,207	0	15,732,207	40,651,050	98,748,633	139,399,683	155,131,890
Total net insurance contract liabilities	46,899,751	640,917,632	687,817,382	655,052,150	531,845,434	1,186,897,584	1,874,714,966
Net liabilities from expected future cash flows	27,750,727	614,592,210	642,342,937	525,379,261	420,738,303	946,117,564	1,588,460,501
Net liabilities from risk adjustment for non-financial risk	3,416,816	26,325,422	29,742,238	18,779,222	12,358,498	31,137,720	60,879,958
Net liabilities from contractual service margin	15,732,207	0	15,732,207	110,893,667	98,748,633	209,642,300	225,374,507

in EUR

INSURANCE CONTRACT ASSETS AND LIABILITIES AS AT 31 DECEMBER 2022	NON-LIFE			LIFE			TOTAL
	General model (BBA)	Premium allocation approach (PAA)	Total	General model (BBA)	Variable fee approach (VFA)	Total	
Insurance contract assets	0	1,323,954	1,323,954	6,071,526	0	6,071,526	7,395,480
Estimates of the present value of the future cash flows	0	1,998,015	1,998,015	60,989,285	0	60,989,285	62,987,300
Risk adjustment for non-financial risk	0	-674,061	-674,061	-6,625,874	0	-6,625,874	-7,299,935
Contractual service margin	0	0	0	-48,291,885	0	-48,291,885	-48,291,885
Insurance contract liabilities	46,524,097	505,086,597	551,610,694	675,841,966	460,958,607	1,136,800,573	1,688,411,267
Estimates of the present value of the future cash flows	25,573,799	472,864,224	498,438,023	623,125,921	384,147,781	1,007,273,702	1,505,711,725
Risk adjustment for non-financial risk	5,589,997	32,222,373	37,812,370	9,048,978	8,485,625	17,534,603	55,346,973
Contractual service margin	15,360,300	0	15,360,300	43,667,068	68,325,201	111,992,268	127,352,569
Total net insurance contract liabilities	46,524,097	503,762,643	550,286,740	669,770,440	460,958,607	1,130,729,047	1,681,015,787
Net liabilities from expected future cash flows	25,573,799	470,866,209	496,440,008	562,136,636	384,147,781	946,284,417	1,442,724,425
Net liabilities from risk adjustment for non-financial risk	5,589,997	32,896,434	38,486,431	15,674,852	8,485,625	24,160,477	62,646,908
Net liabilities from contractual service margin	15,360,300	0	15,360,300	91,958,953	68,325,201	160,284,153	175,644,454

3.1.3 Insurance revenue and insurance service expenses recognised in profit or loss and other comprehensive income

Insurance revenue and insurance service expenses of the Triglav Group

in EUR

BREAKDOWN OF INSURANCE REVENUE AND INSURANCE SERVICE EXPENSES FOR 2023	NON-LIFE			LIFE				HEALTH			TOTAL
	General model (BBA)	Premium allocation approach (PAA)	Total	General model (BBA)	Variable fee approach (VFA)	Premium allocation approach (PAA)	Total	General model (BBA)	Premium allocation approach (PAA)	Total	
Insurance revenue recognised in profit or loss											
Amounts relating to changes in liabilities for the remaining coverage	27,508,215	0	27,508,215	42,647,161	19,715,979	0	62,363,140	2,319,006	0	2,319,006	92,190,361
Expected cash flows from claims and other insurance services	14,390,842	0	14,390,842	21,837,544	7,076,811	0	28,914,355	1,859,896	0	1,859,896	45,165,093
Contractual service margin recognised in profit or loss to reflect the transfer of services	10,299,188	0	10,299,188	18,676,371	10,753,517	0	29,429,888	65,279	0	65,279	39,794,355
Release of the risk adjustment for non-financial risk for the risk expired	2,818,185	0	2,818,185	2,075,356	1,328,144	0	3,403,500	393,831	0	393,831	6,615,516
Other	0	0	0	57,890	557,507	0	615,397	0	0	0	615,397
Premium income relating to the recovery of insurance acquisition cash flows	6,634,435	0	6,634,435	13,555,252	9,448,127	0	23,003,379	296,626	0	296,626	29,934,440
Income recognised under the PAA approach	0	1,022,018,270	1,022,018,270	0	0	1,349	1,349	0	207,042,244	207,042,244	1,229,061,863
Total insurance revenue recognised in profit or loss	34,142,652	1,022,018,270	1,056,160,922	56,202,414	29,164,106	1,349	85,367,869	2,615,631	207,042,244	209,657,875	1,351,186,666
Insurance service expenses recognised in profit and loss											
Incurred claims and other insurance service expenses	-6,766,534	-778,783,519	-785,550,053	-22,472,543	-5,546,346	0	-28,018,889	-2,300,092	-226,228,354	-228,528,446	-1,042,097,388
Insurance service operating expenses	-9,458,717	-233,942,240	-243,400,957	-18,986,252	-12,771,349	-811	-31,758,412	14,500,751	-20,500,534	-5,999,783	-281,159,152
Acquisition costs	-6,634,435	-165,715,773	-172,350,208	-13,555,252	-9,448,127	-642	-23,004,021	-296,626	-4,533,743	-4,830,369	-200,184,598
Losses/reversal of losses on onerous contracts	-292,825	6,094,076	5,801,251	1,079,123	1,336,310	0	2,415,433	15,106,353	-2,472,905	12,633,448	20,850,132
Administration costs	-2,531,457	-74,320,543	-76,852,000	-6,510,123	-4,659,532	-169	-11,169,824	-308,976	-13,493,886	-13,802,862	-101,824,686
Other insurance service operating expenses	0	0	0	0	0	0	0	0	0	0	0
Total insurance service expenses recognised in profit or loss	-16,225,250	-1,012,725,760	-1,028,951,010	-41,458,794	-18,317,695	-811	-59,777,300	12,200,660	-246,728,888	-234,528,228	-1,323,256,538
Net insurance revenue/insurance service expenses recognised in profit or loss	17,917,402	9,292,510	27,209,912	14,743,620	10,846,411	538	25,590,569	14,816,291	-39,686,644	-24,870,353	27,930,128
Insurance finance income/expenses											
Effect of changes in interest rates and other financial assumptions	-1,500,669	-19,268,945	-20,769,614	-21,911,860	0	0	-21,911,860	-261,984	-20,434	-282,418	-42,963,892
Interest accreted using current financial assumptions	0	0	0	-3,638,454	0	0	-3,638,454	0	0	0	-3,638,454
Interest accreted at the locked-in interest rate	-98,685	-4,810,544	-4,909,229	-16,284,719	-137,177	0	-16,421,896	-25,744	-94,497	-120,241	-21,451,366
Changes in the fair value of the portfolio of insurance contracts with direct participation features	0	0	0	0	-50,356,979	0	-50,356,979	0	0	0	-50,356,979
Total net insurance finance income/expenses	-1,599,354	-24,079,489	-25,678,843	-41,835,033	-50,494,156	0	-92,329,189	-287,728	-114,931	-402,659	-118,410,691
Net insurance finance income/expenses											
Net insurance finance income/expenses recognised in profit or loss	-98,686	-4,810,544	-4,909,230	-14,219,827	-50,494,156	0	-64,713,983	-25,744	-94,497	-120,241	-69,743,454
Net insurance finance income/expenses recognised in other comprehensive income	-1,500,670	-19,268,943	-20,769,613	-27,615,206	0	0	-27,615,206	-261,983	-20,431	-282,414	-48,667,233
Total net insurance finance income/expenses	-1,599,354	-24,079,489	-25,678,843	-41,835,033	-50,494,156	0	-92,329,189	-287,728	-114,931	-402,659	-118,410,691

in EUR

BREAKDOWN OF INSURANCE REVENUE AND INSURANCE SERVICE EXPENSES FOR 2022	NON-LIFE			LIFE				HEALTH			TOTAL
	General model (BBA)	Premium allocation approach (PAA)	Total	General model (BBA)	Variable fee approach (VFA)	Premium allocation approach (PAA)	Total	General model (BBA)	Premium allocation approach (PAA)	Total	
Insurance revenue recognised in profit or loss											
Amounts relating to changes in liabilities for the remaining coverage	24,635,253	0	24,635,253	39,551,414	16,308,259	0	55,859,673	2,193,264	0	2,193,264	82,688,190
Expected cash flows from claims and other insurance services	14,229,385	0	14,229,385	221,522	638,274	0	28,497,946	1,764,227	0	1,764,227	44,491,558
Contractual service margin recognised in profit or loss to reflect the transfer of services	7,732,466	0	7,732,466	16,502,653	8,379,024	0	24,881,677	25,207	0	25,207	32,639,350
Release of the risk adjustment for non-financial risk for the risk expired	2,673,402	0	2,673,402	2,142,785	1,353,792	0	3,496,577	403,830	0	403,830	6,573,809
Other	0	0	0	-1,209,246	192,719	0	-1,016,527	0	0	0	-1,016,527
Premium income relating to the recovery of insurance acquisition cash flows	5,295,818	0	5,295,818	12,560,819	9,664,794	0	22,225,613	251,992	0	251,992	27,773,423
Income recognised under the PAA approach	0	893,600,158	893,600,158	0	0	1,479	1,479	0	202,539,614	202,539,614	1,096,141,251
Total insurance revenue recognised in profit or loss	29,931,070	893,600,158	923,531,228	52,112,234	25,973,053	1,479	78,086,766	2,445,256	202,539,614	204,984,870	1,206,602,864
Insurance service expenses recognised in profit and loss											
Incurred claims and other insurance service expenses	-2,137,964	-545,106,200	-547,244,164	-22,046,261	-4,309,951	-28,482	-26,384,694	-2,172,715	-192,347,283	-194,519,998	-768,148,856
Insurance service operating expenses	-8,353,107	-210,448,355	-218,801,462	-21,820,206	-15,495,737	-17,536	-37,333,479	8,358,454	-16,380,710	-8,022,256	-264,157,197
Acquisition costs	-5,295,818	-145,905,233	-151,201,051	-12,560,819	-9,664,794	-4,154	-22,229,767	-251,992	-4,768,963	-5,020,955	-178,451,773
Losses/reversal of losses on onerous contracts	-714,684	-4,389,211	-5,103,895	-2,667,007	-1,999,728	0	-4,666,735	8,887,274	1,276,807	10,164,081	393,451
Administration costs	-2,342,605	-60,153,911	-62,496,516	-6,592,380	-3,831,215	-13,382	-10,436,977	-276,828	-12,888,554	-13,165,382	-86,098,875
Other insurance service operating expenses	0	0	0	0	0	0	0	0	0	0	0
Total insurance service expenses recognised in profit or loss	-10,491,071	-755,554,558	-766,045,629	-43,866,465	-19,805,688	-46,018	-63,718,171	6,185,738	-208,727,994	-202,542,256	-1,032,306,056
Net insurance revenue/insurance service expenses recognised in profit or loss	19,439,999	138,045,600	157,485,599	8,245,769	6,167,365	-44,539	14,368,595	8,630,994	-6,188,380	2,442,614	174,296,808
Insurance finance income/expenses											
Effect of changes in interest rates and other financial assumptions	2,899,267	48,776,243	51,675,510	87,603,230	1	0	87,603,231	417,597	15,683	433,280	139,712,021
Interest accreted using current financial assumptions	0	0	0	12,065,846	0	0	12,065,846	0	0	0	12,065,846
Interest accreted at the locked-in interest rate	-55,573	195,852	140,279	31,366,819	122,808	0	31,489,627	23,654	15,885	39,539	31,669,445
Changes in the fair value of the portfolio of insurance contracts with direct participation features	0	0	0	0	78,627,342	0	78,627,342	0	0	0	78,627,342
Total net insurance finance income/expenses	2,843,694	48,972,095	51,815,789	131,035,895	78,750,151	0	209,786,046	441,251	31,568	472,819	262,074,654
Net insurance finance income/expenses											
Net insurance finance income/expenses recognised in profit or loss	-55,573	195,852	140,279	4,306,387	78,750,151	0	83,056,538	23,654	15,885	39,539	83,236,356
Net insurance finance income/expenses recognised in other comprehensive income	2,899,280	48,776,230	51,675,510	126,729,508	0	0	126,729,508	417,597	15,681	433,278	178,838,296
Total net insurance finance income/expenses	2,843,694	48,972,095	51,815,789	131,035,895	78,750,151	0	209,786,046	441,251	31,568	472,819	262,074,654

Insurance revenue and insurance service expenses of Zavarovalnica Triglav

in EUR

BREAKDOWN OF INSURANCE REVENUE AND INSURANCE SERVICE EXPENSES FOR 2023	NON-LIFE			LIFE			TOTAL
	General model (BBA)	Premium allocation approach (PAA)	Total	General model (BBA)	Variable fee approach (VFA)	Total	
Insurance revenue recognised in profit or loss							
Amounts relating to changes in liabilities for the remaining coverage	26,785,407	0	26,785,407	30,424,967	18,988,199	49,413,166	76,198,573
Expected cash flows from claims and other insurance services	14,000,618	0	14,000,618	12,761,768	6,667,170	19,428,938	33,429,557
Contractual service margin recognised in profit or loss to reflect the transfer of services	9,993,499	0	9,993,499	15,410,353	10,602,928	26,013,281	36,006,780
Release of the risk adjustment for non-financial risk for the risk expired	2,791,290	0	2,791,290	1,782,110	1,253,659	3,035,769	5,827,059
Other	0	0	0	470,735	464,442	935,177	935,177
Premium income relating to the recovery of insurance acquisition cash flows	5,544,132	0	5,544,132	7,967,872	9,061,975	17,029,847	22,573,979
Income recognised under the PAA approach	0	676,864,819	676,864,819	0	0	0	676,864,819
Total insurance revenue recognised in profit or loss	32,329,539	676,864,819	709,194,358	38,392,839	28,050,173	66,443,013	775,637,370
Insurance service expenses recognised in profit and loss							
Incurring claims and other insurance service expenses	-6,496,589	-539,291,899	-545,788,488	-13,754,753	-5,217,847	-18,972,600	-564,761,089
Insurance service operating expenses	-8,096,330	-157,631,453	-165,727,783	-10,835,244	-12,666,859	-23,502,103	-189,229,885
Acquisition costs	-5,544,132	-108,668,783	-114,212,914	-7,967,872	-9,061,975	-17,029,847	-131,242,761
Losses/reversal of losses on onerous contracts	-151,260	8,546,662	8,395,402	1,441,836	771,338	2,213,174	10,608,576
Administration costs	-2,400,938	-57,509,332	-59,910,271	-4,309,208	-4,376,222	-8,685,430	-68,595,700
Other insurance service operating expenses	0	0	0	0	0	0	0
Total insurance service expenses recognised in profit or loss	-14,592,919	-696,923,352	-711,516,271	-24,589,997	-17,884,706	-42,474,703	-753,990,974
Net insurance revenue/insurance service expenses recognised in profit or loss	17,736,620	-20,058,533	-2,321,913	13,802,842	10,165,467	23,968,310	21,646,396
Insurance finance income/expenses							
Effect of changes in interest rates and other financial assumptions	-1,370,610	-12,507,040	-13,877,650	-18,207,027	0	-18,207,027	-32,084,678
Interest accreted using current financial assumptions	0	0	0	-3,638,454	0	-3,638,454	-3,638,454
Interest accreted at the locked-in interest rate	-84,698	-2,930,574	-3,015,273	-14,652,674	-134,223	-14,786,897	-17,802,170
Changes in the fair value of the portfolio of insurance contracts with direct participation features	0	0	0	0	-46,417,854	-46,417,854	-46,417,854
Total net insurance finance income/expenses	-1,455,308	-15,437,615	-16,892,923	-36,498,155	-46,552,077	-83,050,233	-99,943,156
Net insurance finance income/expenses							
Net insurance finance income/expenses recognised in profit or loss	-84,698	-2,930,574	-3,015,273	-13,326,601	-46,552,077	-59,878,679	-62,893,952
Net insurance finance income/expenses recognised in other comprehensive income	-1,370,610	-12,507,040	-13,877,650	-23,171,554	0	-23,171,554	-37,049,204
Total net insurance finance income/expenses	-1,455,308	-15,437,615	-16,892,923	-36,498,155	-46,552,077	-83,050,233	-99,943,156

in EUR

BREAKDOWN OF INSURANCE REVENUE AND INSURANCE SERVICE EXPENSES FOR 2022	NON-LIFE			LIFE			TOTAL
	General model (BBA)	Premium allocation approach (PAA)	Total	General model (BBA)	Variable fee approach (VFA)	Total	
Insurance revenue recognised in profit or loss							
Amounts relating to changes in liabilities for the remaining coverage	23,536,971	0	23,536,971	28,841,325	15,641,636	44,482,961	68,019,932
Expected cash flows from claims and other insurance services	13,426,263	0	13,426,263	129,522,364	601,430,968	18,966,544	32,392,807
Contractual service margin recognised in profit or loss to reflect the transfer of services	7,480,577	0	7,480,577	13,903,253	8,179,049	22,082,302	29,562,880
Release of the risk adjustment for non-financial risk for the risk expired	2,630,131	0	2,630,131	1,823,682	1,256,012	3,079,694	5,709,825
Other	0	0	0	162,153	192,267	354,420	354,420
Premium income relating to the recovery of insurance acquisition cash flows	4,267,610	0	4,267,610	8,237,724	9,278,116	17,515,840	21,783,450
Income recognised under the PAA approach	0	600,400,841	600,400,841	0	0	0	600,400,841
Total insurance revenue recognised in profit or loss	27,804,581	600,400,841	628,205,422	37,079,049	24,919,752	61,998,801	690,204,222
Insurance service expenses recognised in profit and loss							
Incurred claims and other insurance service expenses	-1,678,365	-378,878,691	-380,557,056	-13,202,458	-4,319,271	-17,521,729	-398,078,786
Insurance service operating expenses	-7,074,942	-144,041,412	-151,116,354	-15,278,140	-14,061,103	-29,339,243	-180,455,597
Acquisition costs	-4,267,610	-96,468,571	-100,736,181	-8,237,724	-9,278,116	-17,515,840	-118,252,021
Losses/reversal of losses on onerous contracts	-714,693	-3,532,781	-4,247,474	-2,439,338	-1,268,270	-3,707,608	-7,955,082
Administration costs	-2,092,640	-44,040,059	-46,132,699	-4,601,079	-3,514,717	-8,115,795	-54,248,494
Other insurance service operating expenses	0	0	0	0	0	0	0
Total insurance service expenses recognised in profit or loss	-8,753,307	-522,920,103	-531,673,410	-28,480,598	-18,380,374	-46,860,972	-578,534,383
Net insurance revenue/insurance service expenses recognised in profit or loss	19,051,274	77,480,738	96,532,012	8,598,450	6,539,378	15,137,828	111,669,840
Insurance finance income/expenses							
Effect of changes in interest rates and other financial assumptions	2,663,138	37,464,219	40,127,356	74,877,516	0	74,877,516	115,004,872
Interest accreted using current financial assumptions	0	0	0	12,065,846	0	12,065,846	12,065,846
Interest accreted at the locked-in interest rate	-61,961	13,387	-48,574	27,982,371	116,843	28,099,214	28,050,640
Changes in the fair value of the portfolio of insurance contracts with direct participation features	0	0	0	0	73,820,870	73,820,870	73,820,870
Total net insurance finance income/expenses	2,601,177	37,477,605	40,078,782	114,925,733	73,937,714	188,863,446	228,942,229
Net insurance finance income/expenses							
Net insurance finance income/expenses recognised in profit or loss	-61,960	13,387	-48,574	3,950,577	73,937,714	77,888,291	77,839,717
Net insurance finance income/expenses recognised in other comprehensive income	2,663,138	37,464,219	40,127,356	110,975,156	0	110,975,156	151,102,512
Total net insurance finance income/expenses	2,601,177	37,477,605	40,078,782	114,925,733	73,937,714	188,863,446	228,942,229

3.1.4 Assets and liabilities for remaining coverage and assets and liabilities for incurred claims

Assets and liabilities for remaining coverage and assets and liabilities for incurred claims of the Triglav Group

in EUR

General model (BBA)	NON-LIFE			TOTAL
	Remaining coverage Excluding the loss component	Loss component	Incurred claims	
Opening balance of net insurance contract assets/liabilities as at 1 January 2023	-48,942,758	-1,981,216	1,106,188	-49,817,786
Insurance contract assets	0	0	0	0
Insurance contract liabilities	-48,942,758	-1,981,216	1,106,188	-49,817,786
Changes in profit or loss and/or other comprehensive income	25,765,927	-339,047	-9,108,835	16,318,045
Insurance revenue				
Contracts under the modified retrospective approach	949,044	0	0	949,044
Contracts under the fair value approach	0	0	0	0
Other contracts	33,193,608	0	0	33,193,608
Total insurance revenue	34,142,652	0	0	34,142,652
Insurance service expenses				
<i>Incurred claims</i>	<i>0</i>	<i>1,205,188</i>	<i>-9,297,990</i>	<i>-8,092,802</i>
Incurred claims (excluding investment components) and other incurred insurance service expenses	0	1,205,188	-15,576,559	-14,371,371
Changes that relate to past service (e.g. changes in fulfilment cash flows relating to the liability for incurred claims)	0	0	6,278,569	6,278,569
<i>Insurance service operating expenses</i>	<i>-6,634,435</i>	<i>-1,498,013</i>	<i>0</i>	<i>-8,132,448</i>
Amortisation of insurance acquisition cash flows	-6,634,435	0	0	-6,634,435
Changes that relate to future service (i.e. losses on onerous contracts)	0	-1,498,013	0	-1,498,013
Total insurance service expenses	-6,634,435	-292,825	-9,297,990	-16,225,250
Investment components excluded from insurance revenue and insurance service expenses	0	0	0	0
Insurance service result	27,508,217	-292,825	-9,297,990	17,917,402
Net insurance finance income/expenses	-1,742,290	-46,222	189,158	-1,599,354
Effect of exchange rate differences	0	0	-3	-3
Cash flows	-24,249,240	0	8,017,588	-16,231,652
Premiums received for insurance contracts issued	-30,795,207	0	0	-30,795,207
Claims and other insurance service expenses paid, including investment components	0	0	8,017,588	8,017,588
Insurance acquisition cash flows	6,545,967	0	0	6,545,967
Closing balance of net insurance contract assets/liabilities as at 31 December 2023	-47,426,071	-2,320,263	14,941	-49,731,393
Insurance contract assets	0	0	0	0
Insurance contract liabilities	-47,426,071	-2,320,263	14,941	-49,731,395

in EUR

General model (BBA)	NON-LIFE			
	Remaining coverage		Incurred claims	TOTAL
	Excluding the loss component	Loss component		
Opening balance of net insurance contract assets/liabilities as at 1 January 2022	-48,802,136	-1,254,416	-1,134,197	-51,190,749
Insurance contract assets	0	0	0	0
Insurance contract liabilities	-48,802,136	-1,254,416	-1,134,197	-51,190,749
Changes in profit or loss and/or other comprehensive income	27,851,834	-726,800	-4,832,875	22,292,159
Insurance revenue				
Contracts under the modified retrospective approach	1,348,112	0	0	1,348,112
Contracts under the fair value approach	0	0	0	0
Other contracts	28,582,958	0	0	28,582,958
Total insurance revenue	29,931,070	0	0	29,931,070
Insurance service expenses				
<u>Incurred claims</u>	<u>0</u>	<u>813,065</u>	<u>-4,480,569</u>	<u>-3,667,504</u>
Incurred claims (excluding investment components) and other incurred insurance service expenses	0	813,065	-12,862,511	-12,049,446
Changes that relate to past service (e.g. changes in fulfilment cash flows relating to the liability for incurred claims)	0	0	8,381,942	8,381,942
<u>Insurance service operating expenses</u>	<u>-5,295,818</u>	<u>-1,527,749</u>	<u>0</u>	<u>-6,823,567</u>
Amortisation of insurance acquisition cash flows	-5,295,818	0	0	-5,295,818
Changes that relate to future service (i.e. losses on onerous contracts)	0	-1,527,749	0	-1,527,749
Total insurance service expenses	-5,295,818	-714,684	-4,480,569	-10,491,071
Investment components excluded from insurance revenue and insurance service expenses	0	0	0	0
Insurance service result	24,635,252	-714,684	-4,480,569	19,439,999
Net insurance finance income/expenses	3,208,325	-12,116	-352,515	2,843,694
Effect of exchange rate differences	8,257	0	209	8,466
Cash flows	-27,992,456	0	7,073,260	-20,919,196
Premiums received for insurance contracts issued	-35,129,867	0	0	-35,129,867
Claims and other insurance service expenses paid, including investment components	0	0	7,073,260	7,073,260
Insurance acquisition cash flows	7,137,411	0	0	7,137,411
Closing balance of net insurance contract assets/liabilities as at 31 December 2022	-48,942,758	-1,981,216	1,106,188	-49,817,786
Insurance contract assets	0	0	0	0
Insurance contract liabilities	-48,942,758	-1,981,216	1,106,188	-49,817,786

in EUR

General model (BBA)	LIFE			TOTAL
	Remaining coverage Excluding the loss component	Loss component	Incurred claims	
Opening balance of net insurance contract assets/liabilities as at 1 January 2023	-701,327,835	-28,845,103	-23,027,430	-753,200,368
Insurance contract assets	11,814,766	-43,334	-5,613,417	6,158,015
Insurance contract liabilities	-713,142,601	-28,801,769	-17,414,013	-759,358,383
Changes in profit or loss and/or other comprehensive income	104,164,810	811,293	-132,084,166	-27,108,063
Insurance revenue				
Contracts under the modified retrospective approach	10,741,743	0	0	10,741,743
Contracts under the fair value approach	5,408,533	0	0	5,408,533
Other contracts	40,052,138	0	0	40,052,138
Total insurance revenue	56,202,414	0	0	56,202,414
Insurance service expenses				
<i>Incurred claims</i>	<i>0</i>	<i>2,782,389</i>	<i>-28,982,664</i>	<i>-26,200,275</i>
Incurred claims (excluding investment components) and other incurred insurance service expenses	0	2,782,389	-28,899,078	-26,116,689
Changes that relate to past service (e.g. changes in fulfilment cash flows relating to the liability for incurred claims)	0	0	-83,586	-83,586
<i>Insurance service operating expenses</i>	<i>-13,555,253</i>	<i>-1,703,266</i>	<i>0</i>	<i>-15,258,519</i>
Amortisation of insurance acquisition cash flows	-13,555,253	0	0	-13,555,253
Changes that relate to future service (i.e. losses on onerous contracts)	0	-1,703,266	0	-1,703,266
Total insurance service expenses	-13,555,253	1,079,123	-28,982,664	-41,458,794
Investment components excluded from insurance revenue and insurance service expenses	102,846,524	0	-102,846,526	-2
Insurance service result	145,493,685	1,079,123	-131,829,190	14,743,618
Net insurance finance income/expenses	-41,310,062	-269,807	-255,164	-41,835,033
Effect of exchange rate differences	10,090	1,977	188	12,255
Cash flows	-100,399,871	0	131,135,040	30,735,169
Premiums received for insurance contracts issued	-118,856,139	0	0	-118,856,139
Claims and other insurance service expenses paid, including investment components	0	0	131,135,040	131,135,040
Insurance acquisition cash flows	18,456,268	0	0	18,456,268
Closing balance of net insurance contract assets/liabilities as at 31 December 2023	-697,562,891	-28,033,810	-23,976,556	-749,573,257
Insurance contract assets	17,629,498	-173,171	-7,222,167	10,234,160
Insurance contract liabilities	-715,192,389	-27,860,639	-16,754,389	-759,807,417

in EUR

General model (BBA)	LIFE			TOTAL
	Remaining coverage		Incurred claims	
	Excluding the loss component	Loss component		
Opening balance of net insurance contract assets/liabilities as at 1 January 2022	-859,575,880	-26,047,523	-23,314,653	-908,938,056
Insurance contract assets	19,255,526	-23,041	-4,667,362	14,565,123
Insurance contract liabilities	-878,831,406	-26,024,482	-18,647,291	-923,503,179
Changes in profit or loss and/or other comprehensive income	260,300,173	-2,797,580	-118,089,148	139,413,445
Insurance revenue				
Contracts under the modified retrospective approach	12,641,785	0	0	12,641,785
Contracts under the fair value approach	5,014,135	0	0	5,014,135
Other contracts	34,456,314	0	0	34,456,314
Total insurance revenue	52,112,234	0	0	52,112,234
Insurance service expenses				
<i>Incurred claims</i>	<i>0</i>	<i>2,504,568</i>	<i>-28,638,640</i>	<i>-26,134,072</i>
Incurred claims (excluding investment components) and other incurred insurance service expenses	0	2,504,568	-29,130,689	-26,626,121
Changes that relate to past service (e.g. changes in fulfilment cash flows relating to the liability for incurred claims)	0	0	492,049	492,049
<i>Insurance service operating expenses</i>	<i>-12,560,819</i>	<i>-5,171,574</i>	<i>0</i>	<i>-17,732,393</i>
Amortisation of insurance acquisition cash flows	-12,560,819	0	0	-12,560,819
Changes that relate to future service (i.e. losses on onerous contracts)	0	-5,171,574	0	-5,171,574
Total insurance service expenses	-12,560,819	-2,667,006	-28,638,640	-43,866,465
Investment components excluded from insurance revenue and insurance service expenses	90,009,641	0	-90,009,642	-1
Insurance service result	129,561,056	-2,667,006	-118,648,282	8,245,768
Net insurance finance income/expenses	130,607,938	-129,019	556,976	131,035,895
Effect of exchange rate differences	133,818	-1,555	2,158	134,421
Cash flows	-102,052,130	0	118,376,371	16,324,241
Premiums received for insurance contracts issued	-119,344,294	0	0	-119,344,294
Claims and other insurance service expenses paid, including investment components	0	0	118,376,371	118,376,371
Insurance acquisition cash flows	17,292,164	0	0	17,292,164
Closing balance of net insurance contract assets/liabilities as at 31 December 2022	-701,327,834	-28,845,103	-23,027,430	-753,200,367
Insurance contract assets	11,814,766	-43,334	-5,613,417	6,158,015
Insurance contract liabilities	-713,142,600	-28,801,769	-17,414,013	-759,358,382

in EUR

General model (BBA) HEALTH	HEALTH			TOTAL
	Remaining coverage		Incurred claims	
	Excluding the loss component	Loss component		
Opening balance of net insurance contract assets/liabilities as at 1 January 2023	336,806	-17,711,764	-334,228	-17,709,186
Insurance contract assets	0	0	0	0
Insurance contract liabilities	336,806	-17,711,764	-334,228	-17,709,186
Changes in profit or loss and/or other comprehensive income	2,051,826	15,085,140	-2,608,403	14,528,563
Insurance revenue				
Contracts under the modified retrospective approach	0	0	0	0
Contracts under the fair value approach	0	0	0	0
Other contracts	2,615,631	0	0	2,615,631
Total insurance revenue	2,615,631	0	0	2,615,631
Insurance service expenses				
<u>Incurred claims</u>	<u>0</u>	<u>15,847,762</u>	<u>-2,609,067</u>	<u>13,238,695</u>
Incurred claims (excluding investment components) and other incurred insurance service expenses	0	15,847,762	-2,625,665	13,222,097
Changes that relate to past service (e.g. changes in fulfilment cash flows relating to the liability for incurred claims)	0	0	16,598	16,598
<u>Insurance service operating expenses</u>	<u>-296,626</u>	<u>-741,409</u>	<u>0</u>	<u>-1,038,035</u>
Amortisation of insurance acquisition cash flows	-296,626	0	0	-296,626
Changes that relate to future service (i.e. losses on onerous contracts)	0	-741,409	0	-741,409
Total insurance service expenses	-296,626	15,106,353	-2,609,067	12,200,660
Investment components excluded from insurance revenue and insurance service expenses	0	0	0	0
Insurance service result	2,319,005	15,106,353	-2,609,067	14,816,291
Net insurance finance income/expenses	-267,180	-21,212	664	-287,728
Effect of exchange rate differences	1	-1	0	0
Cash flows	-2,644,213	0	2,392,930	-251,283
Premiums received for insurance contracts issued	-2,846,690	0	0	-2,846,690
Claims and other insurance service expenses paid, including investment components	0	0	2,392,930	2,392,930
Insurance acquisition cash flows	202,477	0	0	202,477
Closing balance of net insurance contract assets/liabilities as at 31 December 2023	-255,581	-2,626,624	-549,701	-3,431,906
Insurance contract assets	0	0	0	0
Insurance contract liabilities	-255,581	-2,626,624	-549,701	-3,431,906

General model (BBA)	HEALTH			
	Remaining coverage		Incurred claims	TOTAL
	Excluding the loss component	Loss component		
Opening balance of net insurance contract assets/liabilities as at 1 January 2022	-192,222	-26,669,634	-3,671,872	-30,533,728
Insurance contract assets	99,798	-3	-14,956	84,839
Insurance contract liabilities	-292,020	-26,669,631	-3,656,916	-30,618,567
Changes in profit or loss and/or other comprehensive income	2,539,467	8,957,870	-2,425,093	9,072,244
Insurance revenue				
Contracts under the modified retrospective approach	0	0	0	0
Contracts under the fair value approach	0	0	0	0
Other contracts	2,445,256	0	0	2,445,256
Total insurance revenue	2,445,256	0	0	2,445,256
Insurance service expenses				
<u>Incurred claims</u>	<u>0</u>	<u>23,245,696</u>	<u>-2,449,544</u>	<u>20,796,152</u>
Incurred claims (excluding investment components) and other incurred insurance service expenses	0	23,245,696	-5,812,109	17,433,587
Changes that relate to past service (e.g. changes in fulfilment cash flows relating to the liability for incurred claims)	0	0	3,362,565	3,362,565
<u>Insurance service operating expenses</u>	<u>-251,992</u>	<u>-14,358,422</u>	<u>0</u>	<u>-14,610,414</u>
Amortisation of insurance acquisition cash flows	-251,992	0	0	-251,992
Changes that relate to future service (i.e. losses on onerous contracts)	0	-14,358,422	0	-14,358,422
Total insurance service expenses	-251,992	8,887,274	-2,449,544	6,185,738
Investment components excluded from insurance revenue and insurance service expenses	0	0	0	0
Insurance service result	2,193,264	8,887,274	-2,449,544	8,630,994
Net insurance finance income/expenses	346,205	70,595	24,451	441,251
Effect of exchange rate differences	-2	1	0	-1
Cash flows	-2,010,439	0	5,762,737	3,752,298
Premiums received for insurance contracts issued	-2,281,496	0	0	-2,281,496
Claims and other insurance service expenses paid, including investment components	0	0	5,762,737	5,762,737
Insurance acquisition cash flows	271,057	0	0	271,057
Closing balance of net insurance contract assets/liabilities as at 31 December 2022	336,806	-17,711,764	-334,228	-17,709,186
Insurance contract assets	0	0	0	0
Insurance contract liabilities	336,806	-17,711,764	-334,228	-17,709,186

in EUR

PREMIUM ALLOCATION APPROACH (PAA)	NON-LIFE				TOTAL
	Remaining coverage		Incurred claims		
	Excluding the loss component	Loss component	Estimates of the present value of the future cash flows	Risk adjustment for non-financial risk	
Opening balance of net insurance contract assets/liabilities as at 1 January 2023	-115,907,607	-11,282,398	-565,295,441	-52,054,173	-744,539,619
Insurance contract assets	9,069,865	-16,373	-1,951,167	-126,445	6,975,880
Insurance contract liabilities	-124,977,472	-11,266,025	-563,344,274	-51,927,728	-751,515,499
Changes in profit or loss and/or other comprehensive income	859,503,948	6,094,285	-885,385,920	5,061,191	-14,726,496
Insurance revenue	1,022,018,270	0	0	0	1,022,018,270
Insurance service expenses					
<i>Incurring claims</i>	<i>0</i>	<i>0</i>	<i>-860,276,387</i>	<i>7,172,324</i>	<i>-853,104,063</i>
Incurring claims (excluding investment components) and other incurred insurance service expenses	0	0	-849,240,206	-23,754,219	-872,994,425
Changes that relate to past service (e.g. changes in fulfilment cash flows relating to the liability for incurred claims)	0	0	-11,036,181	30,926,543	19,890,362
<i>Insurance service operating expenses</i>	<i>-165,715,772</i>	<i>6,094,075</i>	<i>0</i>	<i>0</i>	<i>-159,621,697</i>
Amortisation of insurance acquisition cash flows	-165,715,772	0	0	0	-165,715,772
Changes that relate to future service (i.e. losses on onerous contracts)	0	6,094,075	0	0	6,094,075
Total insurance service expenses	-165,715,772	6,094,075	-860,276,387	7,172,324	-1,012,725,760
Investment components excluded from insurance revenue and insurance service expenses	3,183,018	0	-3,183,018	0	0
Insurance service result	856,302,498	6,094,075	-860,276,387	7,172,324	9,292,510
Net insurance finance income/expenses	0	0	-21,966,527	-2,112,962	-24,079,489
Effect of exchange rate differences	3,201,450	210	-3,143,006	1,829	60,483
Cash flows	-871,138,760	0	701,410,372	0	-169,728,388
Premiums received for insurance contracts issued	-1,044,184,874	0	0	0	-1,044,184,874
Claims and other insurance service expenses paid, including investment components	0	0	701,410,372	0	701,410,372
Insurance acquisition cash flows	173,046,114	0	0	0	173,046,114
Closing balance of net insurance contract assets/liabilities as at 31 December 2023	-127,542,419	-5,188,113	-749,270,991	-46,992,982	-928,994,505
Insurance contract assets	3,628,359	6,861	-1,696,902	-79,500	1,858,818
Insurance contract liabilities	-131,170,778	-5,194,974	-747,574,089	-46,913,482	-930,853,323

in EUR

PREMIUM ALLOCATION APPROACH (PAA)	NON-LIFE				TOTAL
	Remaining coverage		Incurred claims		
	Excluding the loss component	Loss component	Estimates of the present value of the future cash flows	Risk adjustment for non-financial risk	
Opening balance of net insurance contract assets/liabilities as at 1 January 2022	-102,857,115	-6,894,658	-527,836,219	-46,826,925	-684,414,917
Insurance contract assets	2,663,887	-2,713	-334,569	-2,814	2,323,791
Insurance contract liabilities	-105,521,002	-6,891,945	-527,501,650	-46,824,111	-686,738,708
Changes in profit or loss and/or other comprehensive income	750,636,293	-4,387,740	-553,863,169	-5,227,248	187,158,136
Insurance revenue	893,600,158	0	0	0	893,600,158
Insurance service expenses					
<i>Inurred claims</i>	<u>0</u>	<u>0</u>	<u>-597,000,015</u>	<u>-8,260,099</u>	<u>-605,260,114</u>
Incurred claims (excluding investment components) and other incurred insurance service expenses	0	0	-569,776,068	-23,451,591	-593,227,659
Changes that relate to past service (e.g. changes in fulfilment cash flows relating to the liability for incurred claims)	0	0	-27,223,947	15,191,492	-12,032,455
<i>Insurance service operating expenses</i>	<u>-145,905,236</u>	<u>-4,389,208</u>	<u>0</u>	<u>0</u>	<u>-150,294,444</u>
Amortisation of insurance acquisition cash flows	-145,905,236	0	0	0	-145,905,236
Changes that relate to future service (i.e. losses on onerous contracts)	0	-4,389,208	0	0	-4,389,208
Total insurance service expenses	-145,905,236	-4,389,208	-597,000,015	-8,260,099	-755,554,558
Investment components excluded from insurance revenue and insurance service expenses	2,918,597	0	-2,918,597	0	0
Insurance service result	747,694,922	-4,389,208	-597,000,015	-8,260,099	138,045,600
Net insurance finance income/expenses	0	0	45,956,805	3,015,290	48,972,095
Effect of exchange rate differences	2,941,371	1,468	-2,819,959	17,561	140,441
Cash flows	-763,686,787	0	516,403,919	0	-247,282,868
Premiums received for insurance contracts issued	-915,119,086	0	0	0	-915,119,086
Claims and other insurance service expenses paid, including investment components	0	0	516,403,919	0	516,403,919
Insurance acquisition cash flows	151,432,299	0	0	0	151,432,299
Closing balance of net insurance contract assets/liabilities as at 31 December 2022	-115,907,609	-11,282,398	-565,295,441	-52,054,173	-744,539,621
Insurance contract assets	9,069,864	-16,373	-1,951,217	-126,395	6,975,879
Insurance contract liabilities	-124,977,473	-11,266,025	-563,344,224	-51,927,778	-751,515,500

in EUR

PREMIUM ALLOCATION APPROACH (PAA)	HEALTH				TOTAL
	Remaining coverage		Incurred claims		
	Excluding the loss component	Loss component	Estimates of the present value of the future cash flows	Risk adjustment for non-financial risk	
Opening balance of net insurance contract assets/liabilities as at 1 January 2023	1,062,050	-185,164	-23,775,280	-2,846,913	-25,745,307
Insurance contract assets	0	0	0	0	0
Insurance contract liabilities	1,062,050	-185,164	-23,775,280	-2,846,913	-25,745,307
Changes in profit or loss and/or other comprehensive income	202,508,503	-2,472,904	-238,339,811	-1,497,362	-39,801,574
Insurance revenue	207,042,244	0	0	0	207,042,244
Insurance service expenses					
<i>Inurred claims</i>	<i>0</i>	<i>0</i>	<i>-238,236,180</i>	<i>-1,486,060</i>	<i>-239,722,240</i>
Incurred claims (excluding investment components) and other incurred insurance service expenses	0	0	-238,593,199	-4,324,870	-242,918,069
Changes that relate to past service (e.g. changes in fulfilment cash flows relating to the liability for incurred claims)	0	0	357,019	2,838,810	3,195,829
<i>Insurance service operating expenses</i>	<i>-4,533,743</i>	<i>-2,472,905</i>	<i>0</i>	<i>0</i>	<i>-7,006,648</i>
Amortisation of insurance acquisition cash flows	-4,533,743	0	0	0	-4,533,743
Changes that relate to future service (i.e. losses on onerous contracts)	0	-2,472,905	0	0	-2,472,905
Total insurance service expenses	-4,533,743	-2,472,905	-238,236,180	-1,486,060	-246,728,888
Investment components excluded from insurance revenue and insurance service expenses	0	0	0	0	0
Insurance service result	202,508,501	-2,472,905	-238,236,180	-1,486,060	-39,686,644
Net insurance finance income/expenses	0	0	-103,630	-11,301	-114,931
Effect of exchange rate differences	2	1	-1	-1	1
Cash flows	-202,047,226	0	236,904,370	0	34,857,144
Premiums received for insurance contracts issued	-206,339,951	0	0	0	-206,339,951
Claims and other insurance service expenses paid, including investment components	0	0	236,904,370	0	236,904,370
Insurance acquisition cash flows	4,292,725	0	0	0	4,292,725
Closing balance of net insurance contract assets/liabilities as at 31 December 2023	1,523,327	-2,658,068	-25,210,719	-4,344,275	-30,689,735
Insurance contract assets	1,894	0	-630	-364	900
Insurance contract liabilities	1,521,433	-2,658,068	-25,210,089	-4,343,911	-30,690,635

in EUR

PREMIUM ALLOCATION APPROACH (PAA)	HEALTH				TOTAL
	Remaining coverage		Incurred claims		
	Excluding the loss component	Loss component	Estimates of the present value of the future cash flows	Risk adjustment for non-financial risk	
Opening balance of net insurance contract assets/liabilities as at 1 January 2022	1,898,193	-1,461,971	-18,453,543	-2,489,256	-20,506,577
Insurance contract assets	4,497	0	-2,631	-132	1,734
Insurance contract liabilities	1,893,696	-1,461,971	-18,450,912	-2,489,124	-20,508,311
Changes in profit or loss and/or other comprehensive income	197,770,650	1,276,807	-204,846,610	-357,657	-6,156,810
Insurance revenue	202,539,614	0	0	0	202,539,614
Insurance service expenses					
<i>Incurring claims</i>	<u>0</u>	<u>0</u>	<u>-204,874,462</u>	<u>-361,376</u>	<u>-205,235,838</u>
Incurring claims (excluding investment components) and other incurred insurance service expenses	0	0	-205,872,701	-2,647,695	-208,520,396
Changes that relate to past service (e.g. changes in fulfilment cash flows relating to the liability for incurred claims)	0	0	998,239	2,286,319	3,284,558
<i>Insurance service operating expenses</i>	<u>-4,768,963</u>	<u>1,276,807</u>	<u>0</u>	<u>0</u>	<u>-3,492,156</u>
Amortisation of insurance acquisition cash flows	-4,768,963	0	0	0	-4,768,963
Changes that relate to future service (i.e. losses on onerous contracts)	0	1,276,807	0	0	1,276,807
Total insurance service expenses	-4,768,963	1,276,807	-204,874,462	-361,376	-208,727,994
Investment components excluded from insurance revenue and insurance service expenses	0	0	0	0	0
Insurance service result	197,770,651	1,276,807	-204,874,462	-361,376	-6,188,380
Net insurance finance income/expenses	0	0	27,851	3,717	31,568
Effect of exchange rate differences	-1	0	1	2	2
Cash flows	-198,606,793	0	199,524,874	0	918,081
Premiums received for insurance contracts issued	-203,100,498	0	0	0	-203,100,498
Claims and other insurance service expenses paid, including investment components	0	0	199,524,874	0	199,524,874
Insurance acquisition cash flows	4,493,705	0	0	0	4,493,705
Closing balance of net insurance contract assets/liabilities as at 31 December 2022	1,062,050	-185,164	-23,775,280	-2,846,913	-25,745,307
Insurance contract assets	0	0	0	0	0
Insurance contract liabilities	1,062,050	-185,164	-23,775,280	-2,846,913	-25,745,307

in EUR

VARIABLE FEE APPROACH (VFA)	LIFE			TOTAL
	Remaining coverage Excluding the loss component	Loss component	Incurred claims	
Opening balance of net insurance contract assets/liabilities as at 1 January 2023	-468,769,964	-2,297,618	-9,109,713	-480,177,295
Insurance contract assets	17,472	-13,642	0	3,830
Insurance contract liabilities	-468,787,436	-2,283,976	-9,109,713	-480,181,125
Changes in profit or loss and/or other comprehensive income	28,772,418	1,336,321	-69,753,824	-39,645,085
Insurance revenue				
Contracts under the modified retrospective approach	8,395,738	0	0	8,395,738
Contracts under the fair value approach	1,196,176	0	0	1,196,176
Other contracts	19,572,192	0	0	19,572,192
Total insurance revenue	29,164,106	0	0	29,164,106
Insurance service expenses				
<i>Incurred claims</i>	<i>0</i>	<i>163,452</i>	<i>-10,205,879</i>	<i>-10,042,427</i>
Incurred claims (excluding investment components) and other incurred insurance service expenses	0	163,452	-10,873,854	-10,710,402
Changes that relate to past service (e.g. changes in fulfilment cash flows relating to the liability for incurred claims)	0	0	667,975	667,975
<i>Insurance service operating expenses</i>	<i>-9,448,127</i>	<i>1,172,859</i>	<i>0</i>	<i>-8,275,268</i>
Amortisation of insurance acquisition cash flows	-9,448,127	0	0	-9,448,127
Changes that relate to future service (i.e. losses on onerous contracts)	0	1,172,859	0	1,172,859
Total insurance service expenses	-9,448,127	1,336,311	-10,205,879	-18,317,695
Investment components excluded from insurance revenue and insurance service expenses	59,410,768	0	-59,410,768	0
Insurance service result	79,126,747	1,336,311	-69,616,647	10,846,411
Net insurance finance income/expenses	-50,356,979	0	-137,177	-50,494,156
Effect of exchange rate differences	2,650	10	2	2,662
Cash flows	-104,668,950	0	68,359,496	-36,309,454
Premiums received for insurance contracts issued	-119,628,972	0	0	-119,628,972
Claims and other insurance service expenses paid, including investment components	0	0	68,359,496	68,359,496
Insurance acquisition cash flows	14,960,022	0	0	14,960,022
Closing balance of net insurance contract assets/liabilities as at 31 December 2023	-544,666,496	-961,297	-10,504,041	-556,131,834
Insurance contract assets	0	0	0	0
Insurance contract liabilities	-544,666,496	-961,297	-10,504,041	-556,131,834

in EUR

VARIABLE FEE APPROACH (VFA)	Remaining coverage		Incurred claims	TOTAL
	Excluding the loss component	Loss component		
Opening balance of net insurance contract assets/liabilities as at 1 January 2022	-522,549,932	-297,865	-9,363,656	-532,211,453
Insurance contract assets	0	0	0	0
Insurance contract liabilities	-522,549,932	-297,865	-9,363,656	-532,211,453
Changes in profit or loss and/or other comprehensive income	146,623,580	-1,999,754	-59,649,137	84,974,689
Insurance revenue				
Contracts under the modified retrospective approach	9,049,671	0	0	9,049,671
Contracts under the fair value approach	786,497	0	0	786,497
Other contracts	16,136,885	0	0	16,136,885
Total insurance revenue	25,973,053	0	0	25,973,053
Insurance service expenses				
<i>Incurred claims</i>	<i>0</i>	<i>378,007</i>	<i>-8,141,166</i>	<i>-7,763,159</i>
Incurred claims (excluding investment components) and other incurred insurance service expenses	0	378,007	-9,208,120	-8,830,113
Changes that relate to past service (e.g. changes in fulfilment cash flows relating to the liability for incurred claims)	0	0	1,066,954	1,066,954
<i>Insurance service operating expenses</i>	<i>-9,664,794</i>	<i>-2,377,735</i>	<i>0</i>	<i>-12,042,529</i>
Amortisation of insurance acquisition cash flows	-9,664,794	0	0	-9,664,794
Changes that relate to future service (i.e. losses on onerous contracts)	0	-2,377,735	0	-2,377,735
Total insurance service expenses	-9,664,794	-1,999,728	-8,141,166	-19,805,688
Investment components excluded from insurance revenue and insurance service expenses	51,631,979	0	-51,631,979	0
Insurance service result	67,940,238	-1,999,728	-59,773,145	6,167,365
Net insurance finance income/expenses	78,627,342	0	122,809	78,750,151
Effect of exchange rate differences	56,000	-26	1,198	57,172
Cash flows	-92,843,613	0	59,903,081	-32,940,532
Premiums received for insurance contracts issued	-106,892,379	0	0	-106,892,379
Claims and other insurance service expenses paid, including investment components	0	0	59,903,081	59,903,081
Insurance acquisition cash flows	14,048,766	0	0	14,048,766
Closing balance of net insurance contract assets/liabilities as at 31 December 2022	-468,769,965	-2,297,619	-9,109,712	-480,177,296
Insurance contract assets	17,472	-13,642	0	3,830
Insurance contract liabilities	-468,787,437	-2,283,977	-9,109,712	-480,181,126

Assets and liabilities for remaining coverage and assets and liabilities for incurred claims of Zavarovalnica Triglav

in EUR

General model (BBA)	NON-LIFE			TOTAL
	Remaining coverage Excluding the loss component	Loss component	Incurred claims	
Opening balance of net insurance contract assets/liabilities as at 1 January 2023	-45,692,874	-1,981,225	1,150,002	-46,524,097
Insurance contract assets	0	0	0	0
Insurance contract liabilities	-45,692,874	-1,981,225	1,150,002	-46,524,097
Changes in profit or loss and/or other comprehensive income	25,186,880	-197,482	-8,708,087	16,281,311
Insurance revenue				
Contracts under the modified retrospective approach	949,050	0	0	949,050
Contracts under the fair value approach	0	0	0	0
Other contracts	31,380,488	0	0	31,380,488
Total insurance revenue	32,329,539	0	0	32,329,539
Insurance service expenses				
<i>Incurred claims</i>	<i>0</i>	<i>1,101,210</i>	<i>-8,897,528</i>	<i>-7,796,317</i>
Incurred claims (excluding investment components) and other incurred insurance service expenses	0	1,101,210	-15,208,167	-14,106,956
Changes that relate to past service (e.g. changes in fulfilment cash flows relating to the liability for incurred claims)	0	0	6,310,639	6,310,639
<i>Insurance service operating expenses</i>	<i>-5,544,132</i>	<i>-1,252,470</i>	<i>0</i>	<i>-6,796,602</i>
Amortisation of insurance acquisition cash flows	-5,544,132	0	0	-5,544,132
Changes that relate to future service (i.e. losses on onerous contracts)	0	-1,252,470	0	-1,252,470
Total insurance service expenses	-5,544,132	-151,260	-8,897,528	-14,592,919
Investment components excluded from insurance revenue and insurance service expenses	0	0	0	0
Insurance service result	26,785,407	-151,260	-8,897,528	17,736,620
Net insurance finance income/expenses	-1,598,527	-46,222	189,441	-1,455,308
Cash flows	-24,245,730	0	7,588,765	-16,656,965
Premiums received for insurance contracts issued	-30,104,974	0	0	-30,104,974
Claims and other insurance service expenses paid, including investment components	0	0	7,588,765	7,588,765
Insurance acquisition cash flows	5,859,244	0	0	5,859,244
Closing balance of net insurance contract assets/liabilities as at 31 December 2023	-44,751,725	-2,178,707	30,680	-46,899,751
Insurance contract assets	0	0	0	0
Insurance contract liabilities	-44,751,725	-2,178,707	30,680	-46,899,751

in EUR

General model (BBA)	NON-LIFE			
	Remaining coverage		Incurred claims	TOTAL
	Excluding the loss component	Loss component		
Opening balance of net insurance contract assets/liabilities as at 1 January 2022	-45,511,981	-1,254,416	-1,051,896	-47,818,293
Insurance contract assets	0	0	0	0
Insurance contract liabilities	-45,511,981	-1,254,416	-1,051,896	-47,818,293
Changes in profit or loss and/or other comprehensive income	26,503,318	-726,809	-4,124,059	21,652,451
Insurance revenue				
Contracts under the modified retrospective approach	1,348,121	0	0	1,348,121
Contracts under the fair value approach	0	0	0	0
Other contracts	26,456,460	0	0	26,456,460
Total insurance revenue	27,804,581	0	0	27,804,581
Insurance service expenses				
<u>Incurred claims</u>	<u>0</u>	<u>813,056</u>	<u>-3,771,005</u>	<u>-2,957,949</u>
Incurred claims (excluding investment components) and other incurred insurance service expenses	0	813,056	-12,161,268	-11,348,213
Changes that relate to past service (e.g. changes in fulfilment cash flows relating to the liability for incurred claims)	0	0	8,390,264	8,390,264
<u>Insurance service operating expenses</u>	<u>-4,267,610</u>	<u>-1,527,749</u>	<u>0</u>	<u>-5,795,358</u>
Amortisation of insurance acquisition cash flows	-4,267,610	0	0	-4,267,610
Changes that relate to future service (i.e. losses on onerous contracts)	0	-1,527,749	0	-1,527,749
Total insurance service expenses	-4,267,610	-714,693	-3,771,005	-8,753,307
Investment components excluded from insurance revenue and insurance service expenses	0	0	0	0
Insurance service result	23,536,971	-714,693	-3,771,005	19,051,274
Net insurance finance income/expenses	2,966,347	-12,116	-353,054	2,601,177
Cash flows	-26,684,212	0	6,325,957	-20,358,255
Premiums received for insurance contracts issued	-32,211,346	0	0	-32,211,346
Claims and other insurance service expenses paid, including investment components	0	0	6,325,957	6,325,957
Insurance acquisition cash flows	5,527,134	0	0	5,527,134
Closing balance of net insurance contract assets/liabilities as at 31 December 2022	-45,692,874	-1,981,225	1,150,002	-46,524,097
Insurance contract assets	0	0	0	0
Insurance contract liabilities	-45,692,874	-1,981,225	1,150,002	-46,524,097

in EUR

General model (BBA)	LIFE		Incurred claims	TOTAL
	Remaining coverage			
	Excluding the loss component	Loss component		
Opening balance of net insurance contract assets/liabilities as at 1 January 2023	-626,216,861	-22,943,777	-20,609,803	-669,770,440
Insurance contract assets	11,611,742	-20,243	-5,519,973	6,071,526
Insurance contract liabilities	-637,828,602	-22,923,534	-15,089,830	-675,841,966
Changes in profit or loss and/or other comprehensive income	86,702,093	1,246,356	-110,643,762	-22,695,313
Insurance revenue				
Contracts under the modified retrospective approach	10,741,743	0	0	10,741,743
Contracts under the fair value approach	4,352,602	0	0	4,352,602
Other contracts	23,298,495	0	0	23,298,495
Total insurance revenue	38,392,839	0	0	38,392,839
Insurance service expenses				
<i>Incurred claims</i>	<i>0</i>	<i>965,172</i>	<i>-18,063,961</i>	<i>-17,098,789</i>
Incurred claims (excluding investment components) and other incurred insurance service expenses	0	965,172	-19,431,700	-18,466,528
Changes that relate to past service (e.g. changes in fulfilment cash flows relating to the liability for incurred claims)	0	0	1,367,740	1,367,740
<i>Insurance service operating expenses</i>	<i>-7,967,872</i>	<i>476,664</i>	<i>0</i>	<i>-7,491,208</i>
Amortisation of insurance acquisition cash flows	-7,967,872	0	0	-7,967,872
Changes that relate to future service (i.e. losses on onerous contracts)	0	476,664	0	476,664
Total insurance service expenses	-7,967,872	1,441,836	-18,063,961	-24,589,997
Investment components excluded from insurance revenue and insurance service expenses	92,331,494	0	-92,331,494	0
Insurance service result	122,756,460	1,441,836	-110,395,454	13,802,842
Net insurance finance income/expenses	-36,054,367	-195,480	-248,308	-36,498,155
Cash flows	-72,583,628	0	109,997,231	37,413,603
Premiums received for insurance contracts issued	-83,173,821	0	0	-83,173,821
Claims and other insurance service expenses paid, including investment components	0	0	109,997,231	109,997,231
Insurance acquisition cash flows	10,590,192	0	0	10,590,192
Closing balance of net insurance contract assets/liabilities as at 31 December 2023	-612,098,395	-21,697,421	-21,256,334	-655,052,150
Insurance contract assets	17,580,116	-170,258	-7,214,873	10,194,985
Insurance contract liabilities	-629,678,511	-21,527,162	-14,041,461	-665,247,135

in EUR

General model (BBA)	LIFE		Incurred claims	TOTAL
	Remaining coverage			
	Excluding the loss component	Loss component		
Opening balance of net insurance contract assets/liabilities as at 1 January 2022	-776,898,225	-20,376,116	-21,020,082	-818,294,423
Insurance contract assets	18,938,073	-23,019	-4,639,654	14,275,401
Insurance contract liabilities	-795,836,298	-20,353,097	-16,380,429	-832,569,824
Changes in profit or loss and/or other comprehensive income	225,003,379	-2,567,661	-98,911,535	123,524,183
Insurance revenue				
Contracts under the modified retrospective approach	12,641,784	0	0	12,641,784
Contracts under the fair value approach	3,909,170	0	0	3,909,170
Other contracts	20,528,094	0	0	20,528,094
Total insurance revenue	37,079,049	0	0	37,079,049
Insurance service expenses				
<i>Incurred claims</i>	<i>0</i>	<i>932,710</i>	<i>-17,803,537</i>	<i>-16,870,827</i>
Incurred claims (excluding investment components) and other incurred insurance service expenses	0	932,710	-19,558,471	-18,625,761
Changes that relate to past service (e.g. changes in fulfilment cash flows relating to the liability for incurred claims)	0	0	1,754,934	1,754,934
<i>Insurance service operating expenses</i>	<i>-8,237,724</i>	<i>-3,372,048</i>	<i>0</i>	<i>-11,609,771</i>
Amortisation of insurance acquisition cash flows	-8,237,724	0	0	-8,237,724
Changes that relate to future service (i.e. losses on onerous contracts)	0	-3,372,048	0	-3,372,048
Total insurance service expenses	-8,237,724	-2,439,338	-17,803,537	-28,480,598
Investment components excluded from insurance revenue and insurance service expenses	81,628,347	0	-81,628,347	0
Insurance service result	110,469,671	-2,439,338	-99,431,883	8,598,450
Net insurance finance income/expenses	114,533,708	-128,323	520,348	114,925,733
Cash flows	-74,322,015	0	99,321,815	24,999,799
Premiums received for insurance contracts issued	-84,344,028	0	0	-84,344,028
Claims and other insurance service expenses paid, including investment components	0	0	99,321,815	99,321,815
Insurance acquisition cash flows	10,022,013	0	0	10,022,013
Closing balance of net insurance contract assets/liabilities as at 31 December 2022	-626,216,861	-22,943,777	-20,609,803	-669,770,440
Insurance contract assets	11,611,742	-20,243	-5,519,973	6,071,526
Insurance contract liabilities	-637,828,602	-22,923,534	-15,089,830	-675,841,966

in EUR

PREMIUM ALLOCATION APPROACH (PAA)	NON-LIFE				TOTAL
	Remaining coverage		Incurred claims		
	Excluding the loss component	Loss component	Estimates of the present value of the future cash flows	Risk adjustment for non-financial risk	
Opening balance of net insurance contract assets/liabilities as at 1 January 2023	-91,118,923	-10,939,181	-368,808,105	-32,896,433	-503,762,643
Insurance contract assets	6,323,803	-11,548	-4,314,241	-674,061	1,323,954
Insurance contract liabilities	-97,442,727	-10,927,634	-364,493,864	-32,222,373	-505,086,597
Changes in profit or loss and/or other comprehensive income	568,196,036	8,546,662	-618,809,858	6,571,011	-35,496,148
Insurance revenue	676,864,819	0	0	0	676,864,819
Insurance service expenses					
<i>Incurring claims</i>	<u>0</u>	<u>0</u>	<u>-604,707,530</u>	<u>7,906,299</u>	<u>-596,801,231</u>
Incurred claims (excluding investment components) and other incurred insurance service expenses	0	0	-612,219,939	-13,791,413	-626,011,352
Changes that relate to past service (e.g. changes in fulfilment cash flows relating to the liability for incurred claims)	0	0	7,512,408	21,697,712	29,210,120
<i>Insurance service operating expenses</i>	<u>-108,668,783</u>	<u>8,546,662</u>	<u>0</u>	<u>0</u>	<u>-100,122,121</u>
Amortisation of insurance acquisition cash flows	-108,668,783	0	0	0	-108,668,783
Changes that relate to future service (i.e. losses on onerous contracts)	0	8,546,662	0	0	8,546,662
Total insurance service expenses	-108,668,783	8,546,662	-604,707,530	7,906,299	-696,923,352
Investment components excluded from insurance revenue and insurance service expenses	0	0	0	0	0
Insurance service result	568,196,036	8,546,662	-604,707,530	7,906,299	-20,058,533
Net insurance finance income/expenses	0	0	-14,102,328	-1,335,287	-15,437,615
Cash flows	-595,988,152	0	494,329,311	0	-101,658,841
Premiums received for insurance contracts issued	-710,326,057	0	0	0	-710,326,057
Claims and other insurance service expenses paid, including investment components	0	0	494,329,311	0	494,329,311
Insurance acquisition cash flows	114,337,905	0	0	0	114,337,905
Closing balance of net insurance contract assets/liabilities as at 31 December 2023	-118,911,039	-2,392,519	-493,288,652	-26,325,422	-640,917,632
Insurance contract assets	1,648,566	-2,364	-870,401	-11,959	763,841
Insurance contract liabilities	-120,559,605	-2,390,155	-492,418,251	-26,313,463	-641,681,473

in EUR

	NON-LIFE				TOTAL
	Remaining coverage		Incurred claims		
	Excluding the loss component	Loss component	Estimates of the present value of the future cash flows	Risk adjustment for non-financial risk	
PREMIUM ALLOCATION APPROACH (PAA)					
Opening balance of net insurance contract assets/liabilities as at 1 January 2022	-83,543,232	-7,406,400	-322,224,333	-26,728,761	-439,902,725
Insurance contract assets	1,462,074	-12,767	-561,859	23,501	910,948
Insurance contract liabilities	-85,005,305	-7,393,632	-321,662,474	-26,752,262	-440,813,673
Changes in profit or loss and/or other comprehensive income	503,932,270	-3,532,781	-379,273,472	-6,167,673	114,958,343
Insurance revenue	600,400,841	0	0	0	600,400,841
Insurance service expenses					
<i>Incurring claims</i>	<u>0</u>	<u>0</u>	<u>-414,835,979</u>	<u>-8,082,772</u>	<u>-422,918,750</u>
Incurred claims (excluding investment components) and other incurred insurance service expenses	0	0	-394,061,465	-15,613,765	-409,675,230
Changes that relate to past service (e.g. changes in fulfilment cash flows relating to the liability for incurred claims)	0	0	-20,774,513	7,530,993	-13,243,521
<i>Insurance service operating expenses</i>	<u>-96,468,571</u>	<u>-3,532,781</u>	<u>0</u>	<u>0</u>	<u>-100,001,353</u>
Amortisation of insurance acquisition cash flows	-96,468,571	0	0	0	-96,468,571
Changes that relate to future service (i.e. losses on onerous contracts)	0	-3,532,781	0	0	-3,532,781
Total insurance service expenses	-96,468,571	-3,532,781	-414,835,979	-8,082,772	-522,920,103
Investment components excluded from insurance revenue and insurance service expenses	0	0	0	0	0
Insurance service result	503,932,270	-3,532,781	-414,835,979	-8,082,772	77,480,738
Net insurance finance income/expenses	0	0	35,562,506	1,915,099	37,477,605
Cash flows	-511,507,962	0	332,689,701	0	-178,818,261
Premiums received for insurance contracts issued	-609,741,350	0	0	0	-609,741,350
Claims and other insurance service expenses paid, including investment components	0	0	332,689,701	0	332,689,701
Insurance acquisition cash flows	98,233,389	0	0	0	98,233,389
Closing balance of net insurance contract assets/liabilities as at 31 December 2022	-91,118,923	-10,939,181	-368,808,105	-32,896,433	-503,762,643
Insurance contract assets	6,323,803	-11,548	-4,314,241	-674,061	1,323,954
Insurance contract liabilities	-97,442,727	-10,927,634	-364,493,864	-32,222,373	-505,086,597

in EUR

VARIABLE FEE APPROACH (VFA)	LIFE		Incurred claims	TOTAL
	Remaining coverage			
	Excluding the loss component	Loss component		
Opening balance of net insurance contract assets/liabilities as at 1 January 2023	-450,557,148	-1,565,508	-8,835,951	-460,958,607
Insurance contract assets	0	0	0	0
Insurance contract liabilities	-450,557,148	-1,565,508	-8,835,951	-460,958,607
Changes in profit or loss and/or other comprehensive income	30,189,615	771,338	-67,347,564	-36,386,610
Insurance revenue				
Contracts under the modified retrospective approach	8,395,737	0	0	8,395,737
Contracts under the fair value approach	976,232	0	0	976,232
Other contracts	18,678,204	0	0	18,678,204
Total insurance revenue	28,050,173	0	0	28,050,173
Insurance service expenses				
<i>Incurred claims</i>	<u>0</u>	<u>139,146</u>	<u>-9,594,070</u>	<u>-9,454,923</u>
Incurred claims (excluding investment components) and other incurred insurance service expenses	0	139,146	-10,197,588	-10,058,442
Changes that relate to past service (e.g. changes in fulfilment cash flows relating to the liability for incurred claims)	0	0	603,519	603,519
<i>Insurance service operating expenses</i>	<u>-9,061,975</u>	<u>632,192</u>	<u>0</u>	<u>-8,429,783</u>
Amortisation of insurance acquisition cash flows	-9,061,975	0	0	-9,061,975
Changes that relate to future service (i.e. losses on onerous contracts)	0	632,192	0	632,192
Total insurance service expenses	-9,061,975	771,338	-9,594,070	-17,884,706
Investment components excluded from insurance revenue and insurance service expenses	57,619,270	0	-57,619,270	0
Insurance service result	76,607,469	771,338	-67,213,340	10,165,467
Net insurance finance income/expenses	-46,417,854	0	-134,223	-46,552,077
Cash flows	-100,491,649	0	65,991,432	-34,500,217
Premiums received for insurance contracts issued	-114,614,716	0	0	-114,614,716
Claims and other insurance service expenses paid, including investment components	0	0	65,991,432	65,991,432
Insurance acquisition cash flows	14,123,067	0	0	14,123,067
Closing balance of net insurance contract assets/liabilities as at 31 December 2023	-520,859,182	-794,170	-10,192,082	-531,845,434
Insurance contract assets	0	0	0	0
Insurance contract liabilities	-520,859,182	-794,170	-10,192,082	-531,845,434

in EUR

VARIABLE FEE APPROACH (VFA)	LIFE		Incurred claims	TOTAL
	Remaining coverage			
	Excluding the loss component	Loss component		
Opening balance of net insurance contract assets/liabilities as at 1 January 2022	-500,299,268	-297,238	-8,889,611	-509,486,117
Insurance contract assets	0	0	0	0
Insurance contract liabilities	-500,299,268	-297,238	-8,889,611	-509,486,117
Changes in profit or loss and/or other comprehensive income	139,048,207	-1,268,270	-57,302,845	80,477,091
Insurance revenue				
Contracts under the modified retrospective approach	9,049,671	0	0	9,049,671
Contracts under the fair value approach	599,706	0	0	599,706
Other contracts	15,270,374	0	0	15,270,374
Total insurance revenue	24,919,752	0	0	24,919,752
Insurance service expenses				
<i>Incurred claims</i>	<i>0</i>	<i>252,607</i>	<i>-7,833,988</i>	<i>-7,581,381</i>
Incurred claims (excluding investment components) and other incurred insurance service expenses	0	252,607	-8,689,243	-8,436,636
Changes that relate to past service (e.g. changes in fulfilment cash flows relating to the liability for incurred claims)	0	0	855,255	855,255
<i>Insurance service operating expenses</i>	<i>-9,278,116</i>	<i>-1,520,877</i>	<i>0</i>	<i>-10,798,993</i>
Amortisation of insurance acquisition cash flows	-9,278,116	0	0	-9,278,116
Changes that relate to future service (i.e. losses on onerous contracts)	0	-1,520,877	0	-1,520,877
Total insurance service expenses	-9,278,116	-1,268,270	-7,833,988	-18,380,374
Investment components excluded from insurance revenue and insurance service expenses	49,585,701	0	-49,585,701	0
Insurance service result	65,227,337	-1,268,270	-57,419,689	6,539,378
Net insurance finance income/expenses	73,820,870	0	116,843	73,937,714
Cash flows	-89,306,087	0	57,356,506	-31,949,581
Premiums received for insurance contracts issued	-102,655,230	0	0	-102,655,230
Claims and other insurance service expenses paid, including investment components	0	0	57,356,506	57,356,506
Insurance acquisition cash flows	13,349,143	0	0	13,349,143
Closing balance of net insurance contract assets/liabilities as at 31 December 2022	-450,557,148	-1,565,508	-8,835,951	-460,958,607
Insurance contract assets	0	0	0	0
Insurance contract liabilities	-450,557,148	-1,565,508	-8,835,951	-460,958,607

3.1.5 The present value of expected cash flows, risk adjustment for non-financial risk and contractual service margin

The present value of expected cash flows, risk adjustment for non-financial risk and contractual service margin of the Triglav Group

in EUR

GENERAL MODEL (BBA)	Estimates of the present value of the future cash flows	Risk adjustment for non-financial risk	NON-LIFE				TOTAL
			Contractual service margin			Total Contractual service margin	
			Contracts under the modified retrospective approach	Contracts under the fair value approach	Other contracts		
Opening balance of net insurance contract assets/liabilities as at 1 January 2023	-27,876,324	-5,736,862	-617,898	0	-15,586,703	-16,204,601	-49,817,787
Insurance contract assets	0	0	0	0	0	0	0
Insurance contract liabilities	-27,876,324	-5,736,862	-617,898	0	-15,586,703	-16,204,601	-49,817,787
Changes in the statement of profit or loss and other comprehensive income	14,602,245	2,208,552	222,734	0	-715,488	-492,754	16,318,043
Changes that relate to future services							
Changes in estimates that adjust the contractual service margin	1,985,952	1,947,494	-86,341	0	-3,880,790	-3,967,131	-33,685
Changes in estimates that do not adjust the contractual service margin, i.e. losses on groups of onerous contracts and reversals of such losses	-771,225	543,231	0	0	-245,543	-245,543	-473,537
Effects of contracts initially recognised in the period	8,105,901	-2,788,449	0	0	-6,341,064	-6,341,064	-1,023,612
Total changes that relate to future services	9,320,628	-297,724	-86,341	0	-10,467,397	-10,553,738	-1,530,834
Changes that relate to current services							
Contractual service margin recognised in profit or loss for service provided	0	0	318,791	0	9,980,397	10,299,188	10,299,188
Release of the risk adjustment for non-financial risk	0	2,709,028	0	0	0	0	2,709,028
Experience adjustment	161,448	0	0	0	0	0	161,448
Revenue recognised for incurred policyholder tax expenses	0	0	0	0	0	0	0
Total changes that relate to current services	161,448	2,709,028	318,791	0	9,980,397	10,299,188	13,169,664
Changes that relate to past services							
Changes in fulfillment cash flows relating to incurred claims	6,088,639	189,930	0	0	0	0	6,278,569
Total changes that relate to past services	6,088,639	189,930	0	0	0	0	6,278,569
Insurance service result	15,570,715	2,601,234	232,450	0	-487,000	-254,550	17,917,399
Net finance income/expenses from insurance contracts	-968,471	-392,681	-9,715	0	-228,487	-238,202	-1,599,354
Effect of exchange rate differences	1	-1	-1	0	-1	-2	-4
Cash flows	-16,231,652	0	0	0	0	0	-16,231,652
Premiums received	-30,795,207	0	0	0	0	0	-30,795,207
Claims and other insurance service expenses paid, including investment component	8,017,588	0	0	0	0	0	8,017,588
Insurance acquisition cash flows	6,545,967	0	0	0	0	0	6,545,967
Final balance of net insurance contract assets/liabilities as at 31 December 2023	-29,505,731	-3,528,310	-395,164	0	-16,302,191	-16,697,355	-49,731,396
Insurance contract assets	0	0	0	0	0	0	0
Insurance contract liabilities	-29,505,731	-3,528,310	-395,164	0	-16,302,191	-16,697,355	-49,731,396

in EUR

GENERAL MODEL (BBA)	NON-LIFE							TOTAL
	Estimates of the present value of the future cash flows	Risk adjustment for non-financial risk	Contractual service margin				Total Contractual service margin	
Contracts under the modified retrospective approach			Contracts under the fair value approach	Other contracts				
Opening balance of net insurance contract assets/liabilities as at 1 January 2022	-32,270,670	-7,476,676	-786,599	0	-10,656,804	-11,443,403	-51,190,749	
Insurance contract assets	0	0	0	0	0	0	0	
Insurance contract liabilities	-32,270,670	-7,476,676	-786,599	0	-10,656,804	-11,443,403	-51,190,749	
Changes in the statement of profit or loss and other comprehensive income	25,313,542	1,739,814	168,701	0	-4,929,899	-4,761,198	22,292,158	
Changes that relate to future services								
Changes in estimates that adjust the contractual service margin	4,334,994	-1,040,971	-213,660	0	-3,357,139	-3,570,799	-276,776	
Changes in estimates that do not adjust the contractual service margin, i.e. losses on groups of onerous contracts and reversals of such losses	370,732	92,192	-4,231	0	-1,187,444	-1,191,675	-728,751	
Effects of contracts initially recognised in the period	8,152,636	-954,071	0	0	-7,754,677	-7,754,677	-556,112	
Total changes that relate to future services	12,858,362	-1,902,850	-217,891	0	-12,299,260	-12,517,151	-1,561,639	
Changes that relate to current services								
Contractual service margin recognised in profit or loss for service provided	0	0	397,209	0	7,335,257	7,732,466	7,732,466	
Release of the risk adjustment for non-financial risk	0	2,567,664	0	0	0	0	2,567,664	
Experience adjustment	2,319,566	0	0	0	0	0	2,319,566	
Revenue recognised for incurred policyholder tax expenses	0	0	0	0	0	0	0	
Total changes that relate to current services	2,319,566	2,567,664	397,209	0	7,335,257	7,732,466	12,619,696	
Changes that relate to past services								
Changes in fulfillment cash flows relating to incurred claims	7,813,634	568,308	0	0	0	0	8,381,942	
Total changes that relate to past services	7,813,634	568,308	0	0	0	0	8,381,942	
Insurance service result	22,991,562	1,233,122	179,318	0	-4,964,003	-4,784,685	19,439,999	
Net finance income/expenses from insurance contracts	2,315,708	506,238	-10,617	0	32,365	21,748	2,843,694	
Effect of exchange rate differences	6,272	454	0	0	1,739	1,739	10,204	
Cash flows	-20,919,196	0	0	0	0	0	-20,919,196	
Premiums received	-35,129,867	0	0	0	0	0	-35,129,867	
Claims and other insurance service expenses paid, including investment component	7,073,260	0	0	0	0	0	7,073,260	
Insurance acquisition cash flows	7,137,411	0	0	0	0	0	7,137,411	
Final balance of net insurance contract assets/liabilities as at 31 December 2022	-27,876,324	-5,736,862	-617,898	0	-15,586,703	-16,204,601	-49,817,787	
Insurance contract assets	0	0	0	0	0	0	0	
Insurance contract liabilities	-27,876,324	-5,736,862	-617,898	0	-15,586,703	-16,204,601	-49,817,787	

in EUR

GENERAL MODEL (BBA)	LIFE						TOTAL
	Estimates of the present value of the future cash flows	Risk adjustment for non-financial risk	Contractual service margin			Total Contractual service margin	
			Contracts under the modified retrospective approach	Contracts under the fair value approach	Other contracts		
Opening balance of net insurance contract assets/liabilities as at 1 January 2023	-635,909,625	-17,062,150	-25,301,114	-9,104,491	-65,822,988	-100,228,593	-753,200,368
Insurance contract assets	61,419,381	-6,668,450	-9,866,325	-9,167	-38,717,424	-48,592,916	6,158,015
Insurance contract liabilities	-697,329,006	-10,393,700	-15,434,789	-9,095,324	-27,105,564	-51,635,677	-759,358,383
Changes in the statement of profit or loss and other comprehensive income	-2,286,322	-3,310,375	2,471,751	-972,615	-23,010,497	-21,511,361	-27,108,058
Changes that relate to future services							
Changes in estimates that adjust the contractual service margin	22,025,206	-2,295,806	-2,334,936	-1,697,111	-20,023,893	-24,055,940	-4,326,540
Changes in estimates that do not adjust the contractual service margin, i.e. losses on groups of onerous contracts and reversals of such losses	6,309,605	958,980	0	-174,565	-257,357	-431,922	6,836,663
Effects of contracts initially recognised in the period	17,585,430	-2,712,814	0	0	-18,169,464	-18,169,464	-3,296,848
Total changes that relate to future services	45,920,241	-4,049,640	-2,334,936	-1,871,676	-38,450,714	-42,657,326	-786,725
Changes that relate to current services							
Contractual service margin recognised in profit or loss for service provided	0	0	5,041,790	1,769,097	11,865,485	18,676,372	18,676,372
Release of the risk adjustment for non-financial risk	0	329,328	0	0	0	0	329,328
Experience adjustment	-3,391,765	0	0	0	0	0	-3,391,765
Revenue recognised for incurred policyholder tax expenses	0	0	0	0	0	0	0
Total changes that relate to current services	-3,391,765	329,328	5,041,790	1,769,097	11,865,485	18,676,372	15,613,935
Changes that relate to past services							
Changes in fulfillment cash flows relating to incurred claims	-1,748,118	1,664,532	0	0	0	0	-83,586
Total changes that relate to past services	-1,748,118	1,664,532	0	0	0	0	-83,586
Insurance service result	40,780,358	-2,055,780	2,706,854	-102,579	-26,585,229	-23,980,954	14,743,624
Net finance income/expenses from insurance contracts	-43,076,771	-1,255,125	-235,103	-870,190	3,573,251	2,467,958	-41,863,938
Effect of exchange rate differences	10,091	530	0	154	1,481	1,635	13,891
Cash flows	30,735,169	0	0	0	0	0	30,735,169
Premiums received	-118,856,139	0	0	0	0	0	-118,856,139
Claims and other insurance service expenses paid, including investment component	131,135,040	0	0	0	0	0	131,135,040
Insurance acquisition cash flows	18,456,268	0	0	0	0	0	18,456,268
Final balance of net insurance contract assets/liabilities as at 31 December 2023	-607,460,778	-20,372,525	-22,829,363	-10,077,106	-88,833,485	-121,739,954	-749,573,257
Insurance contract assets	91,500,121	-10,966,798	-10,278,596	-394	-60,020,173	-70,299,163	10,234,160
Insurance contract liabilities	-698,960,899	-9,405,727	-12,550,767	-10,076,712	-28,813,312	-51,440,791	-759,807,417

in EUR

GENERAL MODEL (BBA)	LIFE							TOTAL
	Estimates of the present value of the future cash flows	Risk adjustment for non-financial risk	Contractual service margin				Total Contractual service margin	
			Contracts under the modified retrospective approach	Contracts under the fair value approach	Other contracts			
Opening balance of net insurance contract assets/liabilities as at 1 January 2022	-810,299,870	-20,397,408	-28,535,478	0	-49,705,300	-78,240,778	-908,938,056	
Insurance contract assets	56,823,682	-6,551,755	-9,657,790	0	-26,049,014	-35,706,804	14,565,123	
Insurance contract liabilities	-867,123,552	-13,845,653	-18,877,688	0	-23,656,286	-42,533,974	-923,503,179	
Changes in the statement of profit or loss and other comprehensive income	158,066,006	3,335,258	3,234,364	-9,104,492	-16,117,688	-21,987,816	139,413,448	
Changes that relate to future services								
Changes in estimates that adjust the contractual service margin	-795,068	112,265	548,033	3,448,360	651,110	4,647,503	3,964,700	
Changes in estimates that do not adjust the contractual service margin, i.e. losses on groups of onerous contracts and reversals of such losses	1,016,447	55,637	-15,220	-2,350,611	-75,582	-2,441,413	-1,369,329	
Effects of contracts initially recognised in the period	11,016,917	-2,286,656	0	0	-13,132,786	-13,132,786	-4,402,525	
Total changes that relate to future services	11,238,296	-2,118,754	532,813	1,097,749	-12,557,258	-10,926,696	-1,807,154	
Changes that relate to current services								
Contractual service margin recognised in profit or loss for service provided	0	0	5,837,544	902,679	9,762,430	16,502,653	16,502,653	
Release of the risk adjustment for non-financial risk	0	545,527	0	0	0	0	545,527	
Experience adjustment	-7,487,308	0	0	0	0	0	-7,487,308	
Revenue recognised for incurred policyholder tax expenses	0	0	0	0	0	0	0	
Total changes that relate to current services	-7,487,308	545,527	5,837,544	902,679	9,762,430	16,502,653	9,560,872	
Changes that relate to past services								
Changes in fulfillment cash flows relating to incurred claims	-1,198,404	1,690,453	0	0	0	0	492,049	
Total changes that relate to past services	-1,198,404	1,690,453	0	0	0	0	492,049	
Insurance service result	2,552,584	117,226	6,370,357	2,000,428	-2,794,828	5,575,957	8,245,767	
Net finance income/expenses from insurance contracts	155,399,666	3,216,450	-3,135,993	-11,104,873	-13,341,996	-27,582,862	131,033,254	
Effect of exchange rate differences	113,756	1,582	0	-47	19,136	19,089	153,516	
Cash flows	16,324,241	0	0	0	0	0	16,324,241	
Premiums received	-119,344,294	0	0	0	0	0	-119,344,294	
Claims and other insurance service expenses paid, including investment component	118,376,371	0	0	0	0	0	118,376,371	
Insurance acquisition cash flows	17,292,164	0	0	0	0	0	17,292,164	
Final balance of net insurance contract assets/liabilities as at 31 December 2022	-635,909,623	-17,062,150	-25,301,114	-9,104,492	-65,822,988	-100,228,594	-753,200,367	
Insurance contract assets	61,419,381	-6,668,450	-9,866,325	-9,167	-38,717,424	-48,592,916	6,158,015	
Insurance contract liabilities	-697,329,004	-10,393,700	-15,434,789	-9,095,325	-27,105,564	-51,635,678	-759,358,382	

in EUR

GENERAL MODEL (BBA)	HEALTH							TOTAL
	Estimates of the present value of the future cash flows	Risk adjustment for non-financial risk	Contractual service margin			Total Contractual service margin		
			Contracts under the modified retrospective approach	Contracts under the fair value approach	Other contracts			
Opening balance of net insurance contract assets/liabilities as at 1 January 2023	-16,624,193	-991,675	0	0	-93,318	-93,318	-17,709,186	
Insurance contract assets	0	0	0	0	0	0	0	
Insurance contract liabilities	-16,624,193	-991,675	0	0	-93,318	-93,318	-17,709,186	
Changes in the statement of profit or loss and other comprehensive income	14,747,650	-219,744	0	0	657	657	14,528,563	
Changes that relate to future services								
Changes in estimates that adjust the contractual service margin	14,326	-19,518	0	0	1,847	1,847	-3,345	
Changes in estimates that do not adjust the contractual service margin, i.e. losses on groups of onerous contracts and reversals of such losses	854,377	-25,620	0	0	-37,073	-37,073	791,684	
Effects of contracts initially recognised in the period	-1,008,039	-492,702	0	0	-29,007	-29,007	-1,529,748	
Total changes that relate to future services	-139,336	-537,840	0	0	-64,233	-64,233	-741,409	
Changes that relate to current services								
Contractual service margin recognised in profit or loss for service provided	0	0	0	0	65,279	65,279	65,279	
Release of the risk adjustment for non-financial risk	0	320,957	0	0	0	0	320,957	
Experience adjustment	15,154,867	0	0	0	0	0	15,154,867	
Revenue recognised for incurred policyholder tax expenses	0	0	0	0	0	0	0	
Total changes that relate to current services	15,154,867	320,957	0	0	65,279	65,279	15,541,103	
Changes that relate to past services								
Changes in fulfillment cash flows relating to incurred claims	-28,644	45,242	0	0	0	0	16,598	
Total changes that relate to past services	-28,644	45,242	0	0	0	0	16,598	
Insurance service result	14,986,887	-171,641	0	0	1,046	1,046	14,816,292	
Net finance income/expenses from insurance contracts	-239,236	-48,103	0	0	-389	-389	-287,728	
Effect of exchange rate differences	-1	0	0	0	0	0	-1	
Cash flows	-251,283	0	0	0	0	0	-251,283	
Premiums received	-2,846,690	0	0	0	0	0	-2,846,690	
Claims and other insurance service expenses paid, including investment component	2,392,930	0	0	0	0	0	2,392,930	
Insurance acquisition cash flows	202,477	0	0	0	0	0	202,477	
Final balance of net insurance contract assets/liabilities as at 31 December 2023	-2,127,826	-1,211,419	0	0	-92,661	-92,661	-3,431,906	
Insurance contract assets	0	0	0	0	0	0	0	
Insurance contract liabilities	-2,127,826	-1,211,419	0	0	-92,661	-92,661	-3,431,906	

in EUR

GENERAL MODEL (BBA)	HEALTH							TOTAL
	Estimates of the present value of the future cash flows	Risk adjustment for non-financial risk	Contractual service margin				Total Contractual service margin	
			Contracts under the modified retrospective approach	Contracts under the fair value approach	Other contracts			
Opening balance of net insurance contract assets/liabilities as at 1 January 2022	-29,069,542	-1,115,348	0	0	-348,838	-348,838	-30,533,728	
Insurance contract assets	439,690	-20,169	0	0	-334,682	-334,682	84,839	
Insurance contract liabilities	-29,509,232	-1,095,179	0	0	-14,156	-14,156	-30,618,567	
Changes in the statement of profit or loss and other comprehensive income	8,693,051	123,673	0	0	255,520	255,520	9,072,244	
Changes that relate to future services								
Changes in estimates that adjust the contractual service margin	-312,858	-26,327	0	0	337,028	337,028	-2,157	
Changes in estimates that do not adjust the contractual service margin, i.e. losses on groups of onerous contracts and reversals of such losses	-12,167,483	276,506	0	0	-42,121	-42,121	-11,933,098	
Effects of contracts initially recognised in the period	-1,786,001	-570,361	0	0	-66,805	-66,805	-2,423,167	
Total changes that relate to future services	-14,266,342	-320,182	0	0	228,102	228,102	-14,358,422	
Changes that relate to current services								
Contractual service margin recognised in profit or loss for service provided	0	0	0	0	25,207	25,207	25,207	
Release of the risk adjustment for non-financial risk	0	374,089	0	0	0	0	374,089	
Experience adjustment	19,227,555	0	0	0	0	0	19,227,555	
Revenue recognised for incurred policyholder tax expenses	0	0	0	0	0	0	0	
Total changes that relate to current services	19,227,555	374,089	0	0	25,207	25,207	19,626,851	
Changes that relate to past services								
Changes in fulfillment cash flows relating to incurred claims	3,334,630	27,935	0	0	0	0	3,362,565	
Total changes that relate to past services	3,334,630	27,935	0	0	0	0	3,362,565	
Insurance service result	8,295,843	81,842	0	0	253,309	253,309	8,630,994	
Net finance income/expenses from insurance contracts	397,208	41,831	0	0	2,212	2,212	441,251	
Effect of exchange rate differences	0	0	0	0	-1	-1	-2	
Cash flows	3,752,298	0	0	0	0	0	3,752,298	
Premiums received	-2,281,496	0	0	0	0	0	-2,281,496	
Claims and other insurance service expenses paid, including investment component	5,762,737	0	0	0	0	0	5,762,737	
Insurance acquisition cash flows	271,057	0	0	0	0	0	271,057	
Final balance of net insurance contract assets/liabilities as at 31 December 2022	-16,624,193	-991,675	0	0	-93,318	-93,318	-17,709,186	
Insurance contract assets	0	0	0	0	0	0	0	
Insurance contract liabilities	-16,624,193	-991,675	0	0	-93,318	-93,318	-17,709,186	

in EUR

VARIABLE FEE APPROACH (VFA)	LIFE						TOTAL
	Estimates of the present value of the future cash flows	Risk adjustment for non-financial risk	Contractual service margin			Total Contractual service margin	
Contracts under the modified retrospective approach			Contracts under the fair value approach	Other contracts			
Opening balance of net insurance contract assets/liabilities as at 1 January 2023	-401,236,184	-9,036,338	-19,001,306	-1,416	-50,902,051	-69,904,773	-480,177,295
Insurance contract assets	38,686	-15,617	0	0	-19,239	-19,239	3,830
Insurance contract liabilities	-401,274,870	-9,020,721	-19,001,306	-1,416	-50,882,812	-69,885,534	-480,181,125
Changes in profit or loss and/or other comprehensive income	-5,754,011	-3,878,930	-3,526,094	-905,944	-25,580,104	-30,012,142	-39,645,083
Changes that relate to future service							
Changes in estimates that adjust the contractual service margin	28,270,122	-3,192,115	-7,051,402	-1,112,844	-14,790,655	-22,954,901	2,123,106
Changes in estimates that do not adjust the contractual service margin, i.e. losses on groups of onerous contracts and reversals of such losses	2,604,505	-111,006	0	-1,798	-2,885	-4,683	2,488,816
Effects of contracts initially recognised in the period	19,517,184	-1,833,446	0	0	-17,806,253	-17,806,253	-122,515
Total changes that relate to future service	50,391,811	-5,136,567	-7,051,402	-1,114,642	-32,599,793	-40,765,837	4,489,407
Changes that relate to current service							
Contractual service margin recognised in profit or loss to reflect the transfer of services service provided	0	0	3,525,308	208,700	7,019,509	10,753,517	10,753,517
Release of the risk adjustment for non-financial risk	0	543,145	0	0	0	0	543,145
Experience adjustment	-5,607,635	0	0	0	0	0	-5,607,635
Income related to policyholder tax expense	0	0	0	0	0	0	0
Total changes that relate to current service	-5,607,635	543,145	3,525,308	208,700	7,019,509	10,753,517	5,689,027
Changes that relate to past service							
Changes in fulfillment cash flows that relate to incurred claims	-70,058	738,033	0	0	0	0	667,975
Total changes that relate to past service	-70,058	738,033	0	0	0	0	667,975
Insurance service result	44,714,118	-3,855,389	-3,526,094	-905,942	-25,580,284	-30,012,320	10,846,409
Net insurance finance income/expenses	-50,470,665	-23,491	0	0	0	0	-50,494,156
Effect of exchange rate differences	2,536	-50	0	-2	180	178	2,842
Cash flows	-36,309,454	0	0	0	0	0	-36,309,454
Premiums received for insurance contracts issued	-119,628,972	0	0	0	0	0	-119,628,972
Claims and other insurance service expenses paid, including investment components	68,359,496	0	0	0	0	0	68,359,496
Insurance acquisition cash flows	14,960,022	0	0	0	0	0	14,960,022
Closing balance of net insurance contract assets/liabilities as at 31 December 2023	-443,299,649	-12,915,268	-22,527,400	-907,360	-76,482,155	-99,916,915	-556,131,832
Insurance contract assets	0	0	0	0	0	0	0
Insurance contract liabilities	-443,299,649	-12,915,268	-22,527,400	-907,360	-76,482,155	-99,916,915	-556,131,832

in EUR

VARIABLE FEE APPROACH (VFA)	LIFE							TOTAL
	Estimates of the present value of the future cash flows	Risk adjustment for non-financial risk	Contractual service margin				Total Contractual service margin	
			Contracts under the modified retrospective approach	Contracts under the fair value approach	Other contracts			
Opening balance of net insurance contract assets/liabilities as at 1 January 2022	-454,336,754	-9,901,958	-22,042,764	0	-45,929,977	-67,972,741	-532,211,453	
Insurance contract assets	0	0	0	0	0	0	0	
Insurance contract liabilities	-454,336,754	-9,901,958	-22,042,764	0	-45,929,977	-67,972,741	-532,211,453	
Changes in profit or loss and/or other comprehensive income	86,041,101	865,620	3,041,458	-1,416	-4,972,074	-1,932,032	84,974,689	
Changes that relate to future service								
Changes in estimates that adjust the contractual service margin	-21,413,990	1,618,940	-265,957	2,486,337	6,770,679	8,991,059	-10,803,991	
Changes in estimates that do not adjust the contractual service margin, i.e. losses on groups of onerous contracts and reversals of such losses	1,154,086	2,610	0	-2,488,005	-56,128	-2,544,133	-1,387,437	
Effects of contracts initially recognised in the period	18,805,811	-2,070,555	0	0	-16,762,179	-16,762,179	-26,923	
Total changes that relate to future service	-1,454,093	-449,005	-265,957	-1,668	-10,047,628	-10,315,253	-12,218,351	
Changes that relate to current service								
Contractual service margin recognised in profit or loss to reflect the transfer of services service provided	0	0	3,307,415	252	5,071,358	8,379,025	8,379,025	
Release of the risk adjustment for non-financial risk	0	708,556	0	0	0	0	708,556	
Experience adjustment	8,231,183	0	0	0	0	0	8,231,183	
Income related to policyholder tax expense	0	0	0	0	0	0	0	
Total changes that relate to current service	8,231,183	708,556	3,307,415	252	5,071,358	8,379,025	17,318,764	
Changes that relate to past service								
Changes in fulfillment cash flows that relate to incurred claims	479,116	587,838	0	0	0	0	1,066,954	
Total changes that relate to past service	479,116	587,838	0	0	0	0	1,066,954	
Insurance service result	7,256,206	847,389	3,041,458	-1,416	-4,976,270	-1,936,228	6,167,367	
Net insurance finance income/expenses	78,734,221	15,930	0	0	0	0	78,750,151	
Effect of exchange rate differences	50,674	2,301	0	0	4,196	4,196	61,367	
Cash flows	-32,940,532	0	0	0	0	0	-32,940,532	
Premiums received for insurance contracts issued	-106,892,379	0	0	0	0	0	-106,892,379	
Claims and other insurance service expenses paid, including investment components	59,903,081	0	0	0	0	0	59,903,081	
Insurance acquisition cash flows	14,048,766	0	0	0	0	0	14,048,766	
Closing balance of net insurance contract assets/liabilities as at 31 December 2022	-401,236,185	-9,036,338	-19,001,306	-1,416	-50,902,051	-69,904,773	-480,177,296	
Insurance contract assets	38,686	-15,617	0	0	-19,239	-19,239	3,830	
Insurance contract liabilities	-401,274,871	-9,020,721	-19,001,306	-1,416	-50,882,812	-69,885,534	-480,181,126	

The present value of expected cash flows, risk adjustment for non-financial risk and contractual service margin of Zavarovalnica Triglav

in EUR

GENERAL MODEL (BBA)	NON-LIFE						TOTAL
	Estimates of the present value of the future cash flows	Risk adjustment for non-financial risk	Contractual service margin			Total Contractual service margin	
			Contracts under the modified retrospective approach	Contracts under the fair value approach	Other contracts		
Opening balance of net insurance contract assets/liabilities as at 1 January 2023	-25,573,799	-5,589,997	-617,898	0	-14,742,403	-15,360,300	-46,524,097
Insurance contract assets	0	0	0	0	0	0	0
Insurance contract liabilities	-25,573,799	-5,589,997	-617,898	0	-14,742,403	-15,360,300	-46,524,097
Changes in profit or loss and/or other comprehensive income	14,480,037	2,173,181	222,734	0	-594,641	-371,907	16,281,311
Changes that relate to future service							
Changes in estimates that adjust the contractual service margin	2,016,886	1,915,250	-86,341	0	-3,846,660	-3,933,002	-866
Changes in estimates that do not adjust the contractual service margin, i.e. losses on groups of onerous contracts and reversals of such losses	-771,225	543,231	0	0	0	0	-227,993
Effects of contracts initially recognised in the period	7,947,327	-2,772,427	0	0	-6,198,511	-6,198,511	-1,023,611
Total changes that relate to future service	9,192,988	-313,946	-86,341	0	-10,045,171	-10,131,512	-1,252,470
Changes that relate to current service							
Contractual service margin recognised in profit or loss to reflect the transfer of services	0	0	318,791	0	9,674,708	9,993,499	9,993,499
Release of the risk adjustment for non-financial risk	0	2,680,374	0	0	0	0	2,680,374
Experience adjustment	4,578	0	0	0	0	0	4,578
Income related to policyholder tax expense	0	0	0	0	0	0	0
Total changes that relate to current service	4,578	2,680,374	318,791	0	9,674,708	9,993,499	12,678,451
Changes that relate to past service							
Changes in fulfillment cash flows that relate to incurred claims	6,119,880	190,759	0	0	0	0	6,310,639
Total changes that relate to past service	6,119,880	190,759	0	0	0	0	6,310,639
Insurance service result	15,317,446	2,557,187	232,449	0	-370,463	-138,014	17,736,620
Net insurance finance income/expenses	-837,409	-384,006	-9,715	0	-224,178	-233,893	-1,455,308
Cash flows	-16,656,965	0	0	0	0	0	-16,656,965
Premiums received for insurance contracts issued	-30,104,974	0	0	0	0	0	-30,104,974
Claims and other insurance service expenses paid, including investment components	7,588,765	0	0	0	0	0	7,588,765
Insurance acquisition cash flows	5,859,244	0	0	0	0	0	5,859,244
Closing balance of net insurance contract assets/liabilities as at 31 December 2023	-27,750,727	-3,416,816	-395,164	0	-15,337,044	-15,732,207	-46,899,751
Insurance contract assets	0	0	0	0	0	0	0
Insurance contract liabilities	-27,750,727	-3,416,816	-395,164	0	-15,337,044	-15,732,207	-46,899,751

in EUR

GENERAL MODEL (BBA)	NON-LIFE							TOTAL
	Estimates of the present value of the future cash flows	Risk adjustment for non-financial risk	Contractual service margin				Total Contractual service margin	
			Contracts under the modified retrospective approach	Contracts under the fair value approach	Other contracts			
Opening balance of net insurance contract assets/liabilities as at 1 January 2022	-29,774,545	-7,297,079	-786,599	0	-9,960,070	-10,746,669	-47,818,293	
Insurance contract assets	0	0	0	0	0	0	0	
Insurance contract liabilities	-29,774,545	-7,297,079	-786,599	0	-9,960,070	-10,746,669	-47,818,293	
Changes in profit or loss and/or other comprehensive income	24,559,000	1,707,082	168,701	0	-4,782,332	-4,613,631	21,652,451	
Changes that relate to future service								
Changes in estimates that adjust the contractual service margin	4,330,873	-1,090,267	-213,660	0	-3,269,833	-3,483,493	-242,886	
Changes in estimates that do not adjust the contractual service margin, i.e. losses on groups of onerous contracts and reversals of such losses	370,733	92,192	-4,231	0	-1,187,444	-1,191,675	-728,751	
Effects of contracts initially recognised in the period	7,764,853	-880,737	0	0	-7,440,228	-7,440,228	-556,112	
Total changes that relate to future service	12,466,459	-1,878,811	-217,891	0	-11,897,505	-12,115,396	-1,527,749	
Changes that relate to current service								
Contractual service margin recognised in profit or loss to reflect the transfer of services	0	0	397,209	0	7,083,368	7,480,577	7,480,577	
Release of the risk adjustment for non-financial risk	0	2,526,702	0	0	0	0	2,526,702	
Experience adjustment	2,181,479	0	0	0	0	0	2,181,479	
Income related to policyholder tax expense	0	0	0	0	0	0	0	
Total changes that relate to current service	2,181,479	2,526,702	397,209	0	7,083,368	7,480,577	12,188,759	
Changes that relate to past service								
Changes in fulfillment cash flows that relate to incurred claims	7,823,049	567,214	0	0	0	0	8,390,264	
Total changes that relate to past service	7,823,049	567,214	0	0	0	0	8,390,264	
Insurance service result	22,470,987	1,215,105	179,318	0	-4,814,137	-4,634,819	19,051,274	
Net insurance finance income/expenses	2,088,013	491,977	-10,617	0	31,804	21,187	2,601,177	
Cash flows	-20,358,255	0	0	0	0	0	-20,358,255	
Premiums received for insurance contracts issued	-32,211,346	0	0	0	0	0	-32,211,346	
Claims and other insurance service expenses paid, including investment components	6,325,957	0	0	0	0	0	6,325,957	
Insurance acquisition cash flows	5,527,134	0	0	0	0	0	5,527,134	
Closing balance of net insurance contract assets/liabilities as at 31 December 2022	-25,573,799	-5,589,997	-617,898	0	-14,742,403	-15,360,300	-46,524,097	
Insurance contract assets	0	0	0	0	0	0	0	
Insurance contract liabilities	-25,573,799	-5,589,997	-617,898	0	-14,742,403	-15,360,300	-46,524,097	

in EUR

GENERAL MODEL (BBA)	LIFE						TOTAL
	Estimates of the present value of the future cash flows	Risk adjustment for non-financial risk	Contractual service margin			Total Contractual service margin	
			Contracts under the modified retrospective approach	Contracts under the fair value approach	Other contracts		
Opening balance of net insurance contract assets/liabilities as at 1 January 2023	-562,136,636	-15,674,852	-25,301,114	-8,746,590	-57,911,248	-91,958,952	-669,770,440
Insurance contract assets	60,989,285	-6,625,874	-9,866,325	-35	-38,425,524	-48,291,885	6,071,526
Insurance contract liabilities	-623,125,921	-9,048,978	-15,434,789	-8,746,555	-19,485,723	-43,667,068	-675,841,966
Changes in profit or loss and/or other comprehensive income	-656,228	-3,104,370	2,471,751	-162,967	-21,243,498	-18,934,714	-22,695,313
Changes that relate to future service							
Changes in estimates that adjust the contractual service margin	23,674,314	-2,325,600	-2,334,936	-795,779	-21,352,858	-24,483,574	-3,134,860
Changes in estimates that do not adjust the contractual service margin, i.e. losses on groups of onerous contracts and reversals of such losses	5,266,670	1,083,676	0	-126,913	-16,882	-143,795	6,206,551
Effects of contracts initially recognised in the period	13,314,290	-2,332,430	0	0	-11,940,747	-11,940,747	-958,888
Total changes that relate to future service	42,255,273	-3,574,354	-2,334,936	-922,692	-33,310,487	-36,568,116	2,112,803
Changes that relate to current service							
Contractual service margin recognised in profit or loss to reflect the transfer of services	0	0	5,041,790	1,454,041	8,914,523	15,410,353	15,410,353
Release of the risk adjustment for non-financial risk	0	72,889	0	0	0	0	72,889
Experience adjustment	-5,160,943	0	0	0	0	0	-5,160,943
Income related to policyholder tax expense	0	0	0	0	0	0	0
Total changes that relate to current service	-5,160,943	72,889	5,041,790	1,454,041	8,914,523	15,410,353	10,322,299
Changes that relate to past service							
Changes in fulfillment cash flows that relate to incurred claims	-209,559	1,577,299	0	0	0	0	1,367,740
Total changes that relate to past service	-209,559	1,577,299	0	0	0	0	1,367,740
Insurance service result	36,884,771	-1,924,166	2,706,854	531,348	-24,395,965	-21,157,763	13,802,842
Net insurance finance income/expenses	-37,540,999	-1,180,205	-235,102	-694,315	3,152,466	2,223,048	-36,498,155
Cash flows	37,413,603	0	0	0	0	0	37,413,603
Premiums received for insurance contracts issued	-83,173,821	0	0	0	0	0	-83,173,821
Claims and other insurance service expenses paid, including investment components	109,997,231	0	0	0	0	0	109,997,231
Insurance acquisition cash flows	10,590,192	0	0	0	0	0	10,590,192
Closing balance of net insurance contract assets/liabilities as at 31 December 2023	-525,379,261	-18,779,222	-22,829,363	-8,909,557	-79,154,746	-110,893,667	-655,052,150
Insurance contract assets	91,393,420	-10,955,818	-10,278,596	-22	-59,963,999	-70,242,617	10,194,985
Insurance contract liabilities	-616,772,681	-7,823,404	-12,550,767	-8,909,536	-19,190,747	-40,651,050	-665,247,135

in EUR

GENERAL MODEL (BBA)	LIFE							TOTAL
	Estimates of the present value of the future cash flows	Risk adjustment for non-financial risk	Contractual service margin				Total Contractual service margin	
			Contracts under the modified retrospective approach	Contracts under the fair value approach	Other contracts			
Opening balance of net insurance contract assets/liabilities as at 1 January 2022	-727,020,031	-18,577,725	-28,535,478	0	-44,161,189	-72,696,667	-818,294,423	
Insurance contract assets	56,133,081	-6,505,990	-9,657,790	0	-25,693,900	-35,351,690	14,275,401	
Insurance contract liabilities	-783,153,112	-12,071,735	-18,877,688	0	-18,467,289	-37,344,977	-832,569,824	
Changes in profit or loss and/or other comprehensive income	139,883,596	2,902,873	3,234,364	-8,746,590	-13,750,059	-19,262,285	123,524,183	
Changes that relate to future service								
Changes in estimates that adjust the contractual service margin	-348,722	124,195	548,033	3,000,861	718,436	4,267,330	4,042,803	
Changes in estimates that do not adjust the contractual service margin, i.e. losses on groups of onerous contracts and reversals of such losses	-664,453	-64,772	-15,220	-2,157,268	-34,892	-2,207,380	-2,936,605	
Effects of contracts initially recognised in the period	10,286,053	-1,982,457	0	0	-9,575,743	-9,575,743	-1,272,147	
Total changes that relate to future service	9,272,878	-1,923,034	532,813	843,593	-8,892,199	-7,515,793	-165,949	
Changes that relate to current service								
Contractual service margin recognised in profit or loss to reflect the transfer of services	0	0	5,837,544	760,544	7,305,165	13,903,253	13,903,253	
Release of the risk adjustment for non-financial risk	0	265,837	0	0	0	0	265,837	
Experience adjustment	-7,159,625	0	0	0	0	0	-7,159,625	
Income related to policyholder tax expense	0	0	0	0	0	0	0	
Total changes that relate to current service	-7,159,625	265,837	5,837,544	760,544	7,305,165	13,903,253	7,009,466	
Changes that relate to past service								
Changes in fulfillment cash flows that relate to incurred claims	239,815	1,515,118	0	0	0	0	1,754,934	
Total changes that relate to past service	239,815	1,515,118	0	0	0	0	1,754,934	
Insurance service result	2,353,068	-142,078	6,370,356	1,604,137	-1,587,033	6,387,461	8,598,451	
Net insurance finance income/expenses	137,530,528	3,044,951	-3,135,992	-10,350,728	-12,163,026	-25,649,746	114,925,733	
Cash flows	24,999,799	0	0	0	0	0	24,999,799	
Premiums received for insurance contracts issued	-84,344,028	0	0	0	0	0	-84,344,028	
Claims and other insurance service expenses paid, including investment components	99,321,815	0	0	0	0	0	99,321,815	
Insurance acquisition cash flows	10,022,013	0	0	0	0	0	10,022,013	
Closing balance of net insurance contract assets/liabilities as at 31 December 2022	-562,136,636	-15,674,852	-25,301,114	-8,746,590	-57,911,248	-91,958,952	-669,770,440	
Insurance contract assets	60,989,285	-6,625,874	-9,866,325	-35	-38,425,524	-48,291,885	6,071,526	
Insurance contract liabilities	-623,125,921	-9,048,978	-15,434,789	-8,746,555	-19,485,723	-43,667,068	-675,841,966	

in EUR

VARIABLE FEE APPROACH (VFA)	LIFE							TOTAL
	Estimates of the present value of the future cash flows	Risk adjustment for non-financial risk	Contractual service margin				Total Contractual service margin	
			Contracts under the modified retrospective approach	Contracts under the fair value approach	Other contracts			
Opening balance of net insurance contract assets/liabilities as at 1 January 2023	-384,147,781	-8,485,625	-19,001,306	-144	-49,323,751	-68,325,201	-460,958,607	
Insurance contract assets	0	0	0	0	0	0	0	
Insurance contract liabilities	-384,147,781	-8,485,625	-19,001,306	-144	-49,323,751	-68,325,201	-460,958,607	
Changes in profit or loss and/or other comprehensive income	-2,090,305	-3,872,873	-3,526,094	-831,308	-26,066,030	-30,423,432	-36,386,610	
Changes that relate to future service								
Changes in estimates that adjust the contractual service margin	31,820,827	-3,197,271	-7,051,402	-1,027,817	-18,428,240	-26,507,459	2,116,096	
Changes in estimates that do not adjust the contractual service margin, i.e. losses on groups of onerous contracts and reversals of such losses	2,210,337	-152,587	0	0	-82	-82	2,057,668	
Effects of contracts initially recognised in the period	16,052,480	-1,695,312	0	0	-14,518,820	-14,518,820	-161,652	
Total changes that relate to future service	50,083,643	-5,045,170	-7,051,402	-1,027,817	-32,947,141	-41,026,360	4,012,113	
Changes that relate to current service								
Contractual service margin recognised in profit or loss to reflect the transfer of services service provided	0	0	3,525,308	196,509	6,881,111	10,602,928	10,602,928	
Release of the risk adjustment for non-financial risk	0	475,820	0	0	0	0	475,820	
Experience adjustment	-5,528,913	0	0	0	0	0	-5,528,913	
Income related to policyholder tax expense	0	0	0	0	0	0	0	
Total changes that relate to current service	-5,528,913	475,820	3,525,308	196,509	6,881,111	10,602,928	5,549,835	
Changes that relate to past service								
Changes in fulfillment cash flows that relate to incurred claims	-115,939	719,457	0	0	0	0	603,519	
Total changes that relate to past service	-115,939	719,457	0	0	0	0	603,519	
Insurance service result	44,438,791	-3,849,892	-3,526,094	-831,308	-26,066,030	-30,423,432	10,165,467	
Net insurance finance income/expenses	-46,529,096	-22,981	0	0	0	0	-46,552,077	
Cash flows	-34,500,217	0	0	0	0	0	-34,500,217	
Premiums received for insurance contracts issued	-114,614,716	0	0	0	0	0	-114,614,716	
Claims and other insurance service expenses paid, including investment components	65,991,432	0	0	0	0	0	65,991,432	
Insurance acquisition cash flows	14,123,067	0	0	0	0	0	14,123,067	
Closing balance of net insurance contract assets/liabilities as at 31 December 2023	-420,738,303	-12,358,498	-22,527,400	-831,453	-75,389,780	-98,748,633	-531,845,434	
Insurance contract assets	0	0	0	0	0	0	0	
Insurance contract liabilities	-420,738,303	-12,358,498	-22,527,400	-831,453	-75,389,780	-98,748,633	-531,845,434	

in EUR

VARIABLE FEE APPROACH (VFA)	LIFE							TOTAL
	Estimates of the present value of the future cash flows	Risk adjustment for non-financial risk	Contractual service margin				Total Contractual service margin	
			Contracts under the modified retrospective approach	Contracts under the fair value approach	Other contracts			
Opening balance of net insurance contract assets/liabilities as at 1 January 2022	-434,183,072	-9,001,844	-22,042,764	0	-44,258,437	-66,301,201	-509,486,117	
Insurance contract assets	0	0	0	0	0	0	0	
Insurance contract liabilities	-434,183,072	-9,001,844	-22,042,764	0	-44,258,437	-66,301,201	-509,486,117	
Changes in profit or loss and/or other comprehensive income	81,984,872	516,218	3,041,458	-144	-5,065,313	-2,023,999	80,477,091	
Changes that relate to future service								
Changes in estimates that adjust the contractual service margin	-19,358,813	1,180,246	-265,957	1,644,769	6,430,395	7,809,206	-10,369,361	
Changes in estimates that do not adjust the contractual service margin, i.e. losses on groups of onerous contracts and reversals of such losses	1,155,950	-489	0	-1,644,967	-42,466	-1,687,433	-531,972	
Effects of contracts initially recognised in the period	18,108,418	-1,809,620	0	0	-16,324,822	-16,324,822	-26,024	
Total changes that relate to future service	-94,446	-629,863	-265,957	-198	-9,936,893	-10,203,049	-10,927,357	
Changes that relate to current service								
Contractual service margin recognised in profit or loss to reflect the transfer of services service provided	0	0	3,307,415	54	4,871,580	8,179,049	8,179,049	
Release of the risk adjustment for non-financial risk	0	603,644	0	0	0	0	603,644	
Experience adjustment	7,828,786	0	0	0	0	0	7,828,786	
Income related to policyholder tax expense	0	0	0	0	0	0	0	
Total changes that relate to current service	7,828,786	603,644	3,307,415	54	4,871,580	8,179,049	16,611,479	
Changes that relate to past service								
Changes in fulfillment cash flows that relate to incurred claims	327,077	528,178	0	0	0	0	855,255	
Total changes that relate to past service	327,077	528,178	0	0	0	0	855,255	
Insurance service result	8,061,417	501,960	3,041,458	-144	-5,065,313	-2,023,999	6,539,378	
Net insurance finance income/expenses	73,923,455	14,259	0	0	0	0	73,937,714	
Cash flows	-31,949,581	0	0	0	0	0	-31,949,581	
Premiums received for insurance contracts issued	-102,655,230	0	0	0	0	0	-102,655,230	
Claims and other insurance service expenses paid, including investment components	57,356,506	0	0	0	0	0	57,356,506	
Insurance acquisition cash flows	13,349,143	0	0	0	0	0	13,349,143	
Closing balance of net insurance contract assets/liabilities as at 31 December 2022	-384,147,781	-8,485,625	-19,001,306	-144	-49,323,751	-68,325,201	-460,958,607	
Insurance contract assets	0	0	0	0	0	0	0	
Insurance contract liabilities	-384,147,781	-8,485,625	-19,001,306	-144	-49,323,751	-68,325,201	-460,958,607	

3.1.6 The effects of insurance contracts for which initial recognition was carried out in the period and which are not measured according to the premium allocation approach (PAA)

The effects of the Triglav Group's insurance contracts for which initial recognition was carried out in 2023 and which are not measured according to the premium allocation approach

in EUR

GENERAL MODEL (BBA)	NON-LIFE			LIFE			HEALTH			TOTAL		
	Contracts issued			Contracts issued			Contracts issued			Contracts issued		
	Profitable	Onerous	Total	Profitable	Onerous	Total	Profitable	Onerous	Total	Profitable	Onerous	Total
Estimates of the present value of future cash outflows	12,415,023	6,092,958	18,507,981	58,741,939	17,438,460	76,180,399	218,904	3,845,819	4,064,723	71,375,866	27,377,237	98,753,103
Incurred claims and other incurred insurance service expenses	9,655,666	4,022,620	13,678,286	43,009,886	14,295,150	57,305,036	217,032	3,172,069	3,389,101	52,882,584	21,489,839	74,372,423
Insurance acquisition cash flows	2,759,357	2,070,338	4,829,695	15,732,053	3,143,310	18,875,363	1,872	673,750	675,622	18,493,282	5,887,398	24,380,680
Estimates of the present value of future cash inflows	-20,702,785	-5,911,099	-26,613,884	-79,352,392	-14,407,609	-93,760,001	-277,275	-2,779,408	-3,056,683	-100,332,452	-23,098,116	-123,430,568
Risk adjustment for non-financial risk	1,946,698	841,751	2,788,449	2,446,831	265,823	2,712,654	29,364	463,338	492,702	4,422,893	1,570,912	5,993,805
Contractual service margin	6,341,064	0	6,341,064	18,163,622	0	18,163,622	29,007	0	29,007	24,533,693	0	24,533,693
Total liability on initial recognition	0	1,023,610	1,023,610	0	3,296,674	3,296,674	0	1,529,749	1,529,749	0	5,850,033	5,850,033

in EUR

VARIABLE FEE APPROACH (VFA)	LIFE		
	Profitable	Onerous	Total
Estimates of the present value of future cash outflows	101,873,430	13,484,604	115,358,034
Incurred claims and other incurred insurance service expenses	89,260,554	11,536,083	100,796,637
Insurance acquisition cash flows	12,612,876	1,948,521	14,561,397
Estimates of the present value of future cash inflows	-121,440,141	-13,429,648	-134,869,789
Risk adjustment for non-financial risk	1,765,745	67,626	1,833,371
Contractual service margin	17,800,965	0	17,800,965
Total liability on initial recognition	-1	122,582	122,581

The effects of the Triglav Group's insurance contracts for which initial recognition was carried out in 2022 and which are not measured according to the premium allocation approach

in EUR

GENERAL MODEL (BBA)	NON-LIFE			LIFE			HEALTH			TOTAL		
	Contracts issued		Total	Contracts issued		Total	Contracts issued		Total	Contracts issued		Total
	Profitable	Onerous		Profitable	Onerous		Profitable	Onerous		Profitable	Onerous	
Estimates of the present value of future cash outflows	39,764,905	0	39,764,905	39,405,445	6,679,369	46,084,814	166,964	4,723,523	4,890,486	79,337,313	11,402,892	90,740,205
Incurring claims and other incurred insurance service expenses	25,190,501	0	25,190,501	28,926,216	6,422,523	35,348,738	117,137	4,089,343	4,206,480	54,233,854	10,511,866	64,745,720
Insurance acquisition cash flows	14,574,404	0	14,574,404	10,479,229	256,847	10,736,076	49,827	634,179	684,006	25,103,460	891,026	25,994,486
Estimates of the present value of future cash inflows	-51,007,776	556,112	-50,451,664	-51,014,621	-5,568,466	-56,583,087	-244,498	-2,859,988	-3,104,486	-102,266,896	-7,872,342	-110,139,238
Risk adjustment for non-financial risk	1,433,299	0	1,433,299	1,849,306	161,244	2,010,550	10,729	559,632	570,361	3,293,334	720,876	4,014,210
Contractual service margin	9,809,573	0	9,809,573	9,759,870	0	9,759,870	66,805	0	66,805	19,636,249	0	19,636,249
Total liability on initial recognition	0	556,112	556,112	0	1,272,147	1,272,147	0	2,423,167	2,423,167	0	4,251,426	4,251,426

in EUR

VARIABLE FEE APPROACH (VFA)	LIFE		
	Contracts issued		Total
	Profitable	Onerous	
Estimates of the present value of future cash outflows	119,169,078	3,968,547	123,137,625
Incurring claims and other incurred insurance service expenses	105,955,787	3,405,563	109,361,350
Insurance acquisition cash flows	13,213,291	562,984	13,776,276
Estimates of the present value of future cash inflows	-137,284,326	-3,961,717	-141,246,043
Risk adjustment for non-financial risk	1,790,426	19,193	1,809,620
Contractual service margin	16,324,822	0	16,324,822
Total liability on initial recognition	0	26,024	26,024

The effects of Zavarovalnica Triglav's insurance contracts for which initial recognition was carried out in 2023 and which are not measured according to the premium allocation approach

in EUR

CONTRACTS MEASURED UNDER THE GENERAL MODEL (BBA)	NON-LIFE			LIFE			TOTAL		
	Contracts issued		Total	Contracts issued		Total	Contracts issued		Total
	Profitable	Onerous		Profitable	Onerous		Profitable	Onerous	
Estimates of the present value of future cash outflows	11,888,945	6,092,959	17,981,904	39,894,992	6,515,898	46,410,890	51,783,937	12,608,857	64,392,794
Incurred claims and other incurred insurance service expenses	9,394,234	4,022,620	13,416,855	28,763,909	6,325,862	35,089,771	38,158,143	10,348,482	48,506,625
Insurance acquisition cash flows	2,494,711	2,070,338	4,565,049	11,131,083	190,036	11,321,119	13,625,794	2,260,374	15,886,168
Estimates of the present value of future cash inflows	-20,018,132	-5,911,099	-25,929,230	-54,012,004	-5,713,175	-59,725,179	-74,030,136	-11,624,274	-85,654,410
Risk adjustment for non-financial risk	1,930,676	841,751	2,772,427	2,176,265	156,165	2,332,430	4,106,941	997,916	5,104,857
Contractual service margin	6,198,511	0	6,198,511	11,940,747	0	11,940,747	18,139,258	0	18,139,258
Total liability on initial recognition	0	1,023,611	1,023,611	0	958,888	958,888	0	1,982,499	1,982,499

in EUR

CONTRACTS MEASURED UNDER THE VARIABLE FEE APPROACH (VFA)	LIFE		
	Contracts issued		Total
	Profitable	Onerous	
Estimates of the present value of future cash outflows	100,629,028	13,402,262	114,031,290
Incurred claims and other incurred insurance service expenses	88,751,160	11,459,653	100,210,813
Insurance acquisition cash flows	11,877,868	1,942,609	13,820,477
Estimates of the present value of future cash inflows	-116,775,973	-13,307,797	-130,083,770
Risk adjustment for non-financial risk	1,628,126	67,186	1,695,312
Contractual service margin	14,518,820	0	14,518,820
Total liability on initial recognition	0	161,652	161,652

The effects of Zavarovalnica Triglav's insurance contracts for which initial recognition was carried out in 2022 and which are not measured according to the premium allocation approach

in EUR

CONTRACTS MEASURED UNDER THE GENERAL MODEL (BBA)	NON-LIFE			LIFE			TOTAL		
	Contracts issued		Total	Contracts issued		Total	Contracts issued		Total
	Profitable	Onerous		Profitable	Onerous		Profitable	Onerous	
Estimates of the present value of future cash outflows	21,334,906	0	21,334,906	36,504,330	6,679,369	43,183,699	57,839,236	6,679,369	64,518,605
Incurred claims and other incurred insurance service expenses	15,990,325	0	15,990,325	26,224,557	6,422,523	32,647,079	42,214,882	6,422,523	48,637,404
Insurance acquisition cash flows	5,344,581	0	5,344,581	10,279,773	256,847	10,536,620	15,624,354	256,847	15,881,201
Estimates of the present value of future cash inflows	-29,655,871	556,112	-29,099,759	-47,901,286	-5,568,466	-53,469,752	-77,557,156	-5,012,354	-82,569,511
Risk adjustment for non-financial risk	880,737	0	880,737	1,821,213	161,244	1,982,457	2,701,950	161,244	2,863,194
Contractual service margin	7,440,228	0	7,440,228	9,575,743	0	9,575,743	17,015,971	0	17,015,971
Total liability on initial recognition	0	556,112	556,112	0	1,272,147	1,272,147	0	1,828,259	1,828,259

in EUR

CONTRACTS MEASURED UNDER THE VARIABLE FEE APPROACH (VFA)	LIFE		
	Contracts issued		Total
	Profitable	Onerous	
Estimates of the present value of future cash outflows	119,169,078	3,968,547	123,137,625
Incurred claims and other incurred insurance service expenses	105,955,787	3,405,563	109,361,350
Insurance acquisition cash flows	13,213,291	562,984	13,776,276
Estimates of the present value of future cash inflows	-137,284,326	-3,961,717	-141,246,043
Risk adjustment for non-financial risk	1,790,426	19,193	1,809,620
Contractual service margin	16,324,822	0	16,324,822
Total liability on initial recognition	0	26,024	26,024

3.1.7 Presentation of the expected release of the contractual service margin

Presentation of the expected release of the contractual service margin of the Triglav Group

								in EUR
NET INSURANCE CONTRACT ASSETS AS AT 31 DECEMBER 2023	< 1 year	1–2 years	2–3 years	3–4 years	4–5 years	5–10 years	> 10 years	TOTAL
Non-life insurance contracts								
General model (BBA)	7,602,267	3,976,282	1,742,570	1,123,522	714,900	1,260,773	277,040	16,697,354
Life insurance contracts								
General model (BBA)	16,280,532	13,841,152	11,914,103	10,247,785	8,819,200	30,148,660	30,488,520	121,739,952
Variable fee approach (VFA)	11,083,623	10,419,020	9,732,445	8,975,336	8,204,325	29,952,660	21,549,506	99,916,915
Total life insurance contracts	27,364,155	24,260,172	21,646,548	19,223,121	17,023,525	60,101,320	52,038,026	221,656,867
Health insurance contracts								
General model (BBA)	51,492	22,618	12,460	6,091	0	0	0	92,661
Total	35,017,914	28,259,072	23,401,578	20,352,734	17,738,425	61,362,093	52,315,066	238,446,882

								in EUR
NET INSURANCE CONTRACT ASSETS AS AT 31 DECEMBER 2022	< 1 year	1–2 years	2–3 years	3–4 years	4–5 years	5–10 years	> 10 years	TOTAL
Non-life insurance contracts								
General model (BBA)	6,194,778	4,304,898	2,818,303	964,662	616,156	1,071,887	233,915	16,204,600
Life insurance contracts								
General model (BBA)	14,308,931	11,967,124	10,157,758	8,690,075	7,393,800	24,298,760	23,412,149	100,228,597
Variable fee approach (VFA)	8,352,679	7,601,365	6,904,715	6,277,524	5,663,997	20,332,383	14,772,110	69,904,773
Total life insurance contracts	22,661,610	19,568,489	17,062,473	14,967,599	13,057,797	44,631,143	38,184,259	170,133,370
Health insurance contracts								
General model (BBA)	39,525	39,651	12,565	1,577	0	0	0	93,318
Total	28,895,913	23,913,039	19,893,341	15,933,838	13,673,953	45,703,030	38,418,175	186,431,288

Presentation of the expected release of the contractual service margin of Zavarovalnica Triglav

	in EUR							
NET INSURANCE CONTRACT ASSETS AS AT 31 DECEMBER 2023	< 1 year	1–2 years	2–3 years	3–4 years	4–5 years	5–10 years	> 10 years	TOTAL
Life insurance								
General model (BBA)	13,760,903	12,064,696	10,504,904	9,136,112	7,963,361	28,129,189	29,334,501	110,893,667
Variable fee approach (VFA)	10,944,029	10,301,626	9,627,865	8,881,794	8,120,187	29,640,817	21,232,314	98,748,633
Total life insurance	24,704,932	22,366,323	20,132,769	18,017,906	16,083,549	57,770,006	50,566,815	209,642,300
Non-life insurance								
General model (BBA)	7,344,341	3,760,276	1,568,947	991,442	624,208	1,165,997	276,996	15,732,207
Total non-life insurance	7,344,341	3,760,276	1,568,947	991,442	624,208	1,165,997	276,996	15,732,207

	in EUR							
NET INSURANCE CONTRACT ASSETS AS AT 31 DECEMBER 2022	< 1 year	1–2 years	2–3 years	3–4 years	4–5 years	5–10 years	> 10 years	TOTAL
Life insurance								
General model (BBA)	12,504,848	10,707,845	9,146,523	7,879,247	6,753,906	22,597,699	22,368,883	91,958,952
Variable fee approach (VFA)	8,152,039	7,429,061	6,754,817	6,147,267	5,550,286	19,941,370	14,350,361	68,325,201
Total life insurance	20,656,887	18,136,906	15,901,340	14,026,514	12,304,192	42,539,069	36,719,244	160,284,153
Non-life insurance								
General model (BBA)	5,991,040	4,129,793	2,672,527	848,424	528,677	956,159	233,680	15,360,300
Total non-life insurance	5,991,040	4,129,793	2,672,527	848,424	528,677	956,159	233,680	15,360,300

3.1.8 Claims development

Non-life claims development of the Triglav Group

	Year of occurrence										in EUR
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	TOTAL
Cumulative estimate of gross claims											
– at the end of year of occurrence	-567,556	-58,455,843	-35,833,868	-43,927,705	-44,507,608	-172,198,265	-141,468,543	-635,574,407	-839,297,231	-1,162,941,276	
– 1 year after year of occurrence	-540,971	-53,589,151	-37,924,601	-44,534,436	-45,004,584	-166,087,534	-259,698,565	-671,548,403	-849,541,692	0	
– 2 years after year of occurrence	-538,139	-52,327,914	-37,415,490	-44,981,097	-45,409,491	-220,440,577	-245,066,199	-648,530,014	0	0	
– 3 years after year of occurrence	-530,139	-52,095,752	-37,811,797	-45,365,942	-75,319,185	-211,718,805	-242,226,611	0	0	0	
– 4 years after year of occurrence	-526,981	-51,893,842	-38,477,763	-65,606,209	-71,974,859	-211,496,491	0	0	0	0	
– 5 years after year of occurrence	-502,324	-53,332,768	-145,359,562	-64,155,918	-63,593,179	0	0	0	0	0	
– 6 years after year of occurrence	-499,274	-54,055,766	-136,898,686	-67,116,491	0	0	0	0	0	0	
– 7 years after year of occurrence	-7,688,002	-52,550,683	-129,421,917	0	0	0	0	0	0	0	
– 8 years after year of occurrence	-8,360,100	-52,244,719	0	0	0	0	0	0	0	0	
– 9 years after year of occurrence	-8,134,689	0	0	0	0	0	0	0	0	0	
Cumulative payments up to the balance sheet date	-4,179,423	-47,298,780	-45,445,782	-49,976,745	-51,832,069	-167,607,021	-189,275,188	-556,193,296	-723,303,046	-695,470,155	
Gross liabilities	-3,955,266	-4,945,939	-83,976,135	-17,139,746	-11,761,110	-43,889,470	-52,951,423	-92,336,718	-126,238,646	-467,471,121	-904,665,574
Gross liabilities of previous years											28,486
Discounting effect											78,283,362
Gross liabilities for incurred claims included in the financial statements											-826,353,726

in EUR

	Year of occurrence										TOTAL
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	
Cumulative estimate of net claims											
– at the end of year of occurrence	-567,556	-58,455,843	-34,981,866	-43,664,638	-44,332,108	-157,657,108	-117,142,326	-556,863,069	-756,284,366	-903,896,788	
– 1 year after year of occurrence	-540,971	-52,156,273	-35,674,949	-44,147,550	-44,851,030	-150,925,899	-197,287,681	-557,947,644	-744,288,118	0	
– 2 years after year of occurrence	-538,139	-50,992,064	-35,023,721	-44,633,667	-45,257,590	-192,669,080	-186,602,429	-546,086,949	0	0	
– 3 years after year of occurrence	-530,139	-50,043,400	-35,419,021	-44,978,043	-68,537,483	-184,331,444	-175,097,058	0	0	0	
– 4 years after year of occurrence	-526,981	-49,856,975	-36,084,311	-61,539,251	-65,122,709	-182,569,681	0	0	0	0	
– 5 years after year of occurrence	-502,324	-51,281,385	-140,010,238	-60,808,755	-57,187,891	0	0	0	0	0	
– 6 years after year of occurrence	-499,274	-48,970,334	-132,897,016	-63,554,911	0	0	0	0	0	0	
– 7 years after year of occurrence	11,488,752	-48,203,099	-124,839,722	0	0	0	0	0	0	0	
– 8 years after year of occurrence	4,826,953	-48,177,698	0	0	0	0	0	0	0	0	
– 9 years after year of occurrence	6,180,706	0	0	0	0	0	0	0	0	0	
Cumulative payments up to the balance sheet date	1,110,053	-44,673,602	-41,486,164	-48,060,465	-47,370,693	-147,864,669	-145,037,999	-500,218,607	-662,131,618	-628,713,850	
Net liabilities	5,070,653	-3,504,096	-83,353,558	-15,494,446	-9,817,198	-34,705,012	-30,059,059	-45,868,342	-82,156,500	-275,182,938	-575,070,496
Net liabilities of previous years											28,486
Discounting effect											67,209,626
Net liabilities for incurred claims included in the financial statements											-507,832,384

Life claims development of the Triglav Group

	Year of occurrence										in EUR
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	TOTAL
Cumulative estimate of gross claims											
– at the end of year of occurrence	-13,258,710	-14,386,984	-21,735,265	-53,276,639	-36,435,931	-44,875,116	-58,246,631	-99,980,619	-180,350,217	-202,425,113	
– 1 year after year of occurrence	-13,258,710	-13,678,534	-20,280,430	-52,247,037	-34,960,623	-42,676,670	-86,120,578	-99,024,624	-179,373,218	0	
– 2 years after year of occurrence	-13,346,636	-13,599,658	-20,064,387	-51,805,207	-34,452,877	-76,096,393	-85,543,861	-98,642,222	0	0	
– 3 years after year of occurrence	-13,390,813	-13,615,224	-19,898,607	-51,736,461	-66,986,906	-75,896,050	-85,733,013	0	0	0	
– 4 years after year of occurrence	-13,424,985	-13,608,409	-19,918,903	-97,127,331	-66,999,207	-76,125,268	0	0	0	0	
– 5 years after year of occurrence	-13,456,782	-13,637,568	-37,502,281	-97,111,029	-67,173,465	0	0	0	0	0	
– 6 years after year of occurrence	-13,487,784	-30,173,319	-37,528,413	-97,158,868	0	0	0	0	0	0	
– 7 years after year of occurrence	-29,812,645	-30,173,020	-37,581,335	0	0	0	0	0	0	0	
– 8 years after year of occurrence	-29,821,100	-30,205,274	0	0	0	0	0	0	0	0	
– 9 years after year of occurrence	-29,836,495	0	0	0	0	0	0	0	0	0	
Cumulative payments up to the balance sheet date	-29,674,351	-30,020,909	-37,197,300	-96,722,022	-66,706,027	-75,413,736	-84,607,815	-96,442,842	-174,461,382	-177,939,429	
Gross liabilities	-162,144	-184,365	-384,035	-436,846	-467,438	-711,532	-1,125,198	-2,199,380	-4,911,836	-24,485,684	-35,068,458
Gross liabilities of previous years											-236,849
Discounting effect											824,713
Gross liabilities for incurred claims included in the financial statements											-34,480,594

in EUR

	Year of occurrence										TOTAL	
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023		
Cumulative estimate of net claims												
– at the end of year of occurrence	-13,258,710	-14,386,984	-21,735,265	-53,276,639	-36,435,931	-44,717,234	-57,790,696	-98,731,174	-179,558,644	-201,333,933		
– 1 year after year of occurrence	-13,258,710	-13,678,534	-20,280,430	-52,247,037	-34,960,623	-42,676,670	-85,871,846	-98,240,416	-178,417,868	0		
– 2 years after year of occurrence	-13,346,636	-13,599,658	-20,064,387	-51,805,207	-34,452,877	-76,096,393	-85,285,704	-97,845,237	0	0		
– 3 years after year of occurrence	-13,390,813	-13,615,224	-19,898,607	-51,736,461	-66,986,906	-75,896,050	-85,459,365	0	0	0		
– 4 years after year of occurrence	-13,424,985	-13,608,409	-19,918,903	-97,127,331	-66,999,207	-76,125,268	0	0	0	0		
– 5 years after year of occurrence	-13,456,782	-13,637,568	-37,502,281	-97,111,029	-67,173,465	0	0	0	0	0		
– 6 years after year of occurrence	-13,487,784	-30,173,319	-37,528,413	-97,158,868	0	0	0	0	0	0		
– 7 years after year of occurrence	-29,812,645	-30,173,020	-37,581,335	0	0	0	0	0	0	0		
– 8 years after year of occurrence	-29,821,100	-30,205,274	0	0	0	0	0	0	0	0		
– 9 years after year of occurrence	-29,836,495	0	0	0	0	0	0	0	0	0		
Cumulative payments up to the balance sheet date	-29,674,351	-30,020,909	-37,197,300	-96,722,022	-66,706,027	-75,413,736	-84,344,664	-95,645,857	-173,523,799	-177,211,306		
Net liabilities	-162,144	-184,365	-384,035	-436,846	-467,438	-711,532	-1,114,701	-2,199,380	-4,894,069	-24,122,627		-34,677,137
Net liabilities of previous years												-236,849
Discounting effect												820,401
Net liabilities for incurred claims included in the financial statements												-34,093,585

Non-life claims development of Zavarovalnica Triglav

	Year of occurrence										in EUR
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	TOTAL
Cumulative estimate of gross claims											
– at the end of year of occurrence	-567,556	-1,854,864	-2,733,651	-3,151,844	-3,609,490	-4,005,585	-4,285,339	-263,906,230	-429,712,110	-654,217,821	
– 1 year after year of occurrence	-540,971	-2,002,500	-3,024,020	-4,079,514	-5,211,302	-5,887,283	-68,708,618	-287,303,682	-430,243,107	0	
– 2 years after year of occurrence	-538,139	-1,978,188	-2,920,846	-3,844,517	-4,983,052	-37,469,492	-66,265,750	-269,913,712	0	0	
– 3 years after year of occurrence	-530,139	-1,902,410	-2,819,719	-3,705,027	-24,004,466	-33,716,329	-59,814,815	0	0	0	
– 4 years after year of occurrence	-526,981	-1,869,136	-2,761,587	-20,517,526	-22,131,127	-34,588,301	0	0	0	0	
– 5 years after year of occurrence	-502,324	-1,838,694	-107,573,196	-20,054,018	-14,755,413	0	0	0	0	0	
– 6 years after year of occurrence	-499,274	-1,823,988	-99,164,171	-22,685,995	0	0	0	0	0	0	
– 7 years after year of occurrence	-480,230	-1,669,520	-92,161,467	0	0	0	0	0	0	0	
– 8 years after year of occurrence	-773,718	-1,548,348	0	0	0	0	0	0	0	0	
– 9 years after year of occurrence	-592,370	0	0	0	0	0	0	0	0	0	
Cumulative payments up to the balance sheet date	-601,513	-1,554,546	-10,127,110	-8,251,839	-8,138,407	-16,467,586	-38,563,719	-206,483,470	-341,404,359	-368,210,522	
Gross liabilities	9,143	6,198	-82,034,357	-14,434,156	-6,617,006	-18,120,715	-21,251,096	-63,430,242	-88,838,748	-286,007,299	-580,718,279
Gross liabilities of previous years											28,486
Discounting effect											61,106,400
Gross liabilities for incurred claims included in the financial statements											-519,583,393

in EUR

	Year of occurrence										TOTAL	
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023		
Cumulative estimate of net claims												
– at the end of year of occurrence	-567,556	-1,854,864	-2,733,651	-3,151,844	-3,609,490	-4,005,585	-4,285,339	-197,181,096	-365,706,832	-422,076,418		
– 1 year after year of occurrence	-540,971	-2,002,500	-3,024,020	-4,079,514	-5,211,302	-5,887,283	-34,653,393	-184,315,448	-343,481,883	0		
– 2 years after year of occurrence	-538,139	-1,978,188	-2,920,846	-3,844,517	-4,983,052	-24,139,739	-28,227,465	-177,896,911	0	0		
– 3 years after year of occurrence	-530,139	-1,902,410	-2,819,719	-3,705,027	-13,913,150	-19,689,445	-23,973,843	0	0	0		
– 4 years after year of occurrence	-526,981	-1,869,136	-2,761,587	-17,617,102	-12,563,539	-20,529,873	0	0	0	0		
– 5 years after year of occurrence	-502,324	-1,838,694	-104,754,063	-16,853,935	-6,380,933	0	0	0	0	0		
– 6 years after year of occurrence	-499,274	243,576	-97,325,340	-20,803,393	0	0	0	0	0	0		
– 7 years after year of occurrence	-281,234	-321,480	-90,600,484	0	0	0	0	0	0	0		
– 8 years after year of occurrence	-442,156	-695,651	0	0	0	0	0	0	0	0		
– 9 years after year of occurrence	796,055	0	0	0	0	0	0	0	0	0		
Cumulative payments up to the balance sheet date	-453,030	-1,150,741	-5,681,031	-6,803,850	-2,204,198	-3,888,698	-13,447,749	-162,321,780	-305,266,602	-305,813,692		
Net liabilities	1,249,086	455,090	-84,919,452	-13,999,543	-4,176,735	-16,641,175	-10,526,094	-15,575,132	-38,215,281	-116,262,726	-298,611,963	
Net liabilities of previous years											8,726,131	
Discounting effect											50,733,006	
Net liabilities for incurred claims included in the financial statements											-239,152,826	

Life claims development of Zavarovalnica Triglav

	Year of occurrence										in EUR
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	TOTAL
Cumulative estimate of net claims											
– at the end of year of occurrence	-13,258,710	-14,386,984	-21,647,714	-52,592,395	-33,459,027	-39,599,423	-49,550,045	-87,637,062	-159,785,854	-179,972,130	
– 1 year after year of occurrence	-13,258,710	-13,678,534	-20,232,266	-51,586,961	-32,203,398	-37,415,710	-76,465,375	-85,847,606	-157,764,063	0	
– 2 years after year of occurrence	-13,346,636	-13,599,658	-20,022,748	-51,163,571	-31,737,178	-70,858,274	-75,807,034	-85,243,559	0	0	
– 3 years after year of occurrence	-13,390,813	-13,615,224	-19,859,824	-51,096,161	-64,199,193	-70,646,080	-75,858,750	0	0	0	
– 4 years after year of occurrence	-13,424,985	-13,608,409	-19,880,634	-96,446,139	-64,211,232	-70,830,437	0	0	0	0	
– 5 years after year of occurrence	-13,456,782	-13,637,568	-37,427,115	-96,397,582	-64,392,599	0	0	0	0	0	
– 6 years after year of occurrence	-13,487,784	-30,139,837	-37,425,558	-96,460,959	0	0	0	0	0	0	
– 7 years after year of occurrence	-29,796,316	-30,125,684	-37,481,286	0	0	0	0	0	0	0	
– 8 years after year of occurrence	-29,811,982	-30,169,037	0	0	0	0	0	0	0	0	
– 9 years after year of occurrence	-29,828,766	0	0	0	0	0	0	0	0	0	
Cumulative payments up to the balance sheet date	-29,675,429	-30,017,834	-37,144,076	-96,058,612	-63,958,612	-70,173,594	-74,806,382	-83,192,232	-153,164,749	-157,750,360	
Net liabilities	-153,337	-151,203	-337,210	-402,347	-433,987	-656,843	-1,052,367	-2,051,327	-4,599,314	-22,221,770	-32,059,706
Net liabilities of previous years											-173,630
Discounting effect											784,920
Net liabilities for incurred claims included in the financial statements											-31,448,416

3.2 Reinsurance business

3.2.1 Assumptions and accounting estimates used in the valuation of reinsurance contracts

The Group's reinsurance contracts are included in the non-life, life and health insurance segments. The Company's reinsurance contracts are included only in the non-life insurance segment. The premium allocation approach (PAA) is used for all Group's and Company's reinsurance contracts.

The key assumptions in the valuation of reinsurance contracts are described in [Section 3.1.1.](#)

3.2.2 Reinsurance contract assets and liabilities

Reinsurance contract assets and liabilities of the Triglav Group

in EUR				
31 December 2023				
Premium allocation approach (PAA)	NON-LIFE	LIFE	HEALTH	TOTAL
Reinsurance contract assets	327,345,399	387,756	0	327,733,155
Assets for remaining coverage	8,580,960	2,213	0	8,583,173
Assets for incurred claims	318,764,439	385,543	0	319,149,982
Reinsurance contract liabilities	6,425,493	3,246	31,861	6,460,600
Liabilities for remaining coverage	6,182,395	4,712	31,861	6,218,968
Liabilities for incurred claims	243,098	-1,466	0	241,632
Total net reinsurance contract assets	320,919,906	384,510	-31,861	321,272,555
Net assets for remaining coverage	2,398,565	-2,499	-31,861	2,364,205
Net assets for incurred claims	318,521,341	387,009	0	318,908,350

in EUR				
31 December 2022				
Premium allocation approach (PAA)	NON-LIFE	LIFE	HEALTH	TOTAL
Reinsurance contract assets	181,443,548	7,890,550	0	189,334,098
Assets for remaining coverage	18,053,955	7,579,711	0	25,633,666
Assets for incurred claims	163,389,593	310,839	0	163,700,432
Reinsurance contract liabilities	9,465,063	0	0	9,465,063
Liabilities for remaining coverage	16,169,915	0	0	16,169,915
Liabilities for incurred claims	-6,704,852	0	0	-6,704,852
Total net reinsurance contract assets	171,978,485	7,890,550	0	179,869,035
Net assets for remaining coverage	1,884,040	7,579,711	0	9,463,751
Net assets for incurred claims	170,094,445	310,839	0	170,405,284

Reinsurance contract assets and liabilities of Zavarovalnica Triglav

in EUR		
Premium allocation approach (PAA)	31 December 2023	31 December 2022
Reinsurance contract assets	305,976,870	167,888,159
Assets for remaining coverage	25,546,303	22,122,618
Assets for incurred claims	280,430,568	145,765,541
Reinsurance contract liabilities	0	4,052,384
Liabilities for remaining coverage	0	12,546,021
Liabilities for incurred claims	0	-8,493,637
Total net reinsurance contract assets	305,976,870	163,835,775
Net assets for remaining coverage	25,546,303	9,576,597
Net assets for incurred claims	280,430,568	154,259,178

3.2.3 Reinsurance income and reinsurance service expenses recognised in profit or loss and other comprehensive income

Reinsurance income and reinsurance service expenses of the Triglav Group

in EUR

Premium allocation approach (PAA)	2023				2022			
	NON-LIFE	LIFE	HEALTH	TOTAL	NON-LIFE	LIFE	HEALTH	TOTAL
Reinsurance income recognised in profit or loss								
Reinsurers' shares in claims and other insurance service expenses	253,508,820	1,086,198	0	254,595,018	81,511,046	781,404	0	82,292,450
Changes in reinsurers' shares that relate to changes in liabilities for incurred claims	21,228,667	193,618	0	21,422,285	22,718,424	-453,858	0	22,264,566
Changes in reinsurers' shares that relate to underlying onerous contracts	34,663	0	-31,861	2,802	-11,122	0	0	-11,122
Total reinsurance income recognised in profit or loss	274,772,148	1,279,817	-31,861	276,020,104	104,218,346	327,546	0	104,545,892
Reinsurance service expenses recognised in profit or loss								
Expected reinsurers' share in insurance income	-244,752,913	339,376	0	-244,413,537	-209,401,834	401,998	0	-208,999,836
Total reinsurance service expenses recognised in profit or loss	-244,752,915	339,376	0	-244,413,539	-209,401,834	401,998	0	-208,999,836
Net income/expenses from reinsurance contracts	30,019,233	1,619,193	-31,861	31,606,565	-105,183,488	729,544	0	-104,453,944
Finance income/expenses from reinsurance contracts								
Financial effects from non-performance risk	-606,316	-968	0	-607,284	-1,068,939	-162	0	-1,069,101
Interest accreted	664,423	8,378	0	672,801	59,491	-4,742	0	54,749
Other – effect on other comprehensive income before tax	3,590,303	1,351	0	3,591,654	-6,789,905	-1,426	0	-6,791,331
Total finance income/expenses from reinsurance contracts	3,648,410	8,761	0	3,657,171	-7,799,353	-6,330	0	-7,805,683

in EUR

Premium allocation approach (PAA)	2023				2022			
	NON-LIFE	LIFE	HEALTH	TOTAL	NON-LIFE	LIFE	HEALTH	TOTAL
Finance income/expenses from reinsurance contracts								
Finance income/expenses recognised in profit or loss	58,108	7,410	0	65,518	-1,009,445	-4,904	0	-1,014,349
Finance income/expenses recognised in other comprehensive income	3,590,307	1,351	0	3,591,658	-6,789,908	-1,426	0	-6,791,334
Total finance income/expenses from reinsurance contracts	3,648,410	8,761	0	3,657,171	-7,799,353	-6,330	0	-7,805,683

Reinsurance income and reinsurance service expenses of Zavarovalnica Triglav

	in EUR	
Premium allocation approach (PAA)	2023	2022
Reinsurance income recognised in profit or loss		
Reinsurers' shares in claims and other insurance service expenses	219,885,118	58,109,413
Changes in reinsurers' shares that relate to changes in liabilities for incurred claims	6,114,790	36,189,481
Changes in reinsurers' shares that relate to underlying onerous contracts	43,662	3,260
Total reinsurance income recognised in profit or loss	226,043,570	94,302,153
Reinsurance service expenses recognised in profit or loss		
Expected reinsurers' share in insurance income	-186,595,924	-169,673,411
Total reinsurance service expenses recognised in profit or loss	-186,595,924	-169,673,411
Net income/expenses from reinsurance contracts	39,447,646	-75,371,258
Finance income/expenses from reinsurance contracts		
Financial effects from non-performance risk	-410,334	-1,086,297
Interest accreted	520,188	255,875
Other – effect on other comprehensive income before tax	4,090,372	-10,002,491
Total finance income/expenses from reinsurance contracts	4,200,226	-10,832,913

	in EUR	
Premium allocation approach (PAA)	2023	2022
Finance income/expenses from reinsurance contracts		
Finance income/expenses recognised in profit or loss	109,854	-830,422
Finance income/expenses recognised in other comprehensive income before taxes	4,090,372	-10,002,491
Total finance income/expenses from reinsurance contracts	4,200,226	-10,832,913

3.2.4 Assets and liabilities for remaining coverage and assets and liabilities for incurred claims

Assets and liabilities for remaining coverage and assets and liabilities for incurred claims of the Triglav Group

Premium allocation approach (PAA)	NON-LIFE				in EUR
	Remaining coverage		Incurred claims		TOTAL
	Excluding the loss component	Loss component	Estimates of the present value of the future cash flows	Risk adjustment for non-financial risk	
Opening balance of net reinsurance contract assets/liabilities as at 1 January 2023	1,882,869	1,172	154,897,985	15,196,460	171,978,486
Reinsurance contract assets	18,052,787	1,168	149,247,690	14,141,903	181,443,548
Reinsurance contract liabilities	-16,169,918	4	5,650,295	1,054,557	-9,465,062
Changes in profit or loss and/or other comprehensive income	-244,750,523	34,667	273,038,314	5,293,611	33,616,069
Reinsurance income – amounts recoverable from reinsurers					
Reinsurers' shares in claims	0	0	242,806,688	10,702,131	253,508,819
Reinsurers' shares in other insurance service expenses	0	0	0	0	0
Changes in reinsurers' shares that relate to changes in liabilities for incurred claims	0	0	27,095,509	-5,866,843	21,228,666
Changes in reinsurers' shares that relate to underlying onerous contracts	0	34,663	0	0	34,663
Total reinsurance income – amounts recoverable from reinsurers	0	34,663	269,902,197	4,835,288	274,772,148
Reinsurance service expenses – premium income ceded to reinsurers	-244,752,915	0	0	0	-244,752,915
Reinsurance investment components	0	0	0	0	0
Finance income/expenses from reinsurance contracts	0	3	3,795,834	458,894	4,254,731
Financial effects from non-performance risk	0	0	-606,321	0	-606,321
Effect of exchange rate differences	2,392	1	-53,396	-571	-51,574
Cash flows	245,230,380	0	-129,905,029	0	115,325,351
Premiums paid	245,230,380	0	0	0	245,230,380
Reinsurance service expenses recovered for insurance contracts issued	0	0	-129,905,029	0	-129,905,029
Reinsurance acquisition cash flows	0	0	0	0	0
Closing balance of net reinsurance contract assets/liabilities as at 31 December 2023	2,362,726	35,839	298,031,270	20,490,071	320,919,906
Reinsurance contract assets	8,545,118	35,842	298,210,415	20,554,024	327,345,399
Reinsurance contract liabilities	-6,182,392	-3	-179,145	-63,953	-6,425,493

Premium allocation approach (PAA)	NON-LIFE				in EUR
	Remaining coverage		Incurred claims		TOTAL
	Excluding the loss component	Loss component	Estimates of the present value of the future cash flows	Risk adjustment for non-financial risk	
Opening balance of net reinsurance contract assets/liabilities as at 1 January 2022	15,156,782	12,294	127,725,885	12,631,115	155,526,076
Reinsurance contract assets	19,393,064	12,063	125,772,290	12,498,679	157,676,096
Reinsurance contract liabilities	-4,236,282	231	1,953,595	132,436	-2,150,020
Changes in profit or loss and/or other comprehensive income	-209,407,064	-11,122	93,833,240	2,565,345	-113,019,601
Reinsurance income – amounts recoverable from reinsurers					
Reinsurers' shares in claims	0	0	75,886,717	5,624,327	81,511,044
Reinsurers' shares in other insurance service expenses	0	0	0	0	0
Changes in reinsurers' shares that relate to changes in liabilities for incurred claims	0	0	25,110,269	-2,391,845	22,718,424
Changes in reinsurers' shares that relate to underlying onerous contracts	0	-11,122	0	0	-11,122
Total reinsurance income – amounts recoverable from reinsurers	0	-11,122	100,996,986	3,232,482	104,218,346
Reinsurance service expenses – premium income ceded to reinsurers	-209,401,834	0	0	0	-209,401,834
Reinsurance investment components	0	0	0	0	0
Finance income/expenses from reinsurance contracts	0	1	-6,064,076	-666,339	-6,730,414
Financial effects from non-performance risk	0	0	-1,068,939	0	-1,068,939
Effect of exchange rate differences	-5,230	-1	-30,731	-798	-36,760
Cash flows	196,133,150	0	-66,661,140	0	129,472,010
Premiums paid	196,133,150	0	0	0	196,133,150
Reinsurance service expenses recovered for insurance contracts issued	0	0	-66,661,140	0	-66,661,140
Reinsurance acquisition cash flows	0	0	0	0	0
Closing balance of net reinsurance contract assets/liabilities as at 31 December 2022	1,882,868	1,172	154,897,985	15,196,460	171,978,485
Reinsurance contract assets	18,052,787	1,168	149,247,690	14,141,903	181,443,548
Reinsurance contract liabilities	-16,169,919	4	5,650,295	1,054,557	-9,465,063

Premium allocation approach (PAA)	LIFE				in EUR
	Remaining coverage		Incurred claims		TOTAL
	Excluding the loss component	Loss component	Estimates of the present value of the future cash flows	Risk adjustment for non-financial risk	
Opening balance of net reinsurance contract assets/liabilities as at 1 January 2023	7,579,711	0	293,345	17,494	7,890,550
Reinsurance contract assets	7,579,711	0	293,345	17,494	7,890,550
Reinsurance contract liabilities	0	0	0	0	0
Changes in profit or loss and/or other comprehensive income	339,376	0	1,284,213	4,362	1,627,951
Reinsurance income – amounts recoverable from reinsurers					
Reinsurers' shares in claims	0	0	1,065,930	20,268	1,086,198
Reinsurers' shares in other insurance service expenses	0	0	0	0	0
Changes in reinsurers' shares that relate to changes in liabilities for incurred claims	0	0	210,073	-16,454	193,619
Changes in reinsurers' shares that relate to underlying onerous contracts	0	0	0	0	0
Total reinsurance income – amounts recoverable from reinsurers	0	0	1,276,003	3,814	1,279,817
Reinsurance service expenses – premium income ceded to reinsurers	339,376	0	0	0	339,376
Reinsurance investment components	0	0	0	0	0
Finance income/expenses from reinsurance contracts	0	0	9,179	549	9,728
Financial effects from non-performance risk	0	0	-968	0	-968
Effect of exchange rate differences	0	0	-1	-1	-2
Cash flows	-7,921,586	0	-1,212,435	0	-9,134,021
Premiums paid	-7,921,586	0	0	0	-7,921,586
Reinsurance service expenses recovered for insurance contracts issued	0	0	-1,212,435	0	-1,212,435
Reinsurance acquisition cash flows	0	0	0	0	0
Closing balance of net reinsurance contract assets/liabilities as at 31 December 2023	-2,499	0	365,153	21,856	384,510
Reinsurance contract assets	2,213	0	363,770	21,773	387,756
Reinsurance contract liabilities	-4,712	0	1,383	83	-3,246

Premium allocation approach (PAA)	LIFE				TOTAL
	Remaining coverage		Incurred claims		
	Excluding the loss component	Loss component	Estimates of the present value of the future cash flows	Risk adjustment for non-financial risk	
Opening balance of net reinsurance contract assets/liabilities as at 1 January 2022	4,041,339	0	816,519	48,874	4,906,732
Reinsurance contract assets	4,041,339	0	816,519	48,874	4,906,732
Reinsurance contract liabilities	0	0	0	0	0
Changes in profit or loss and/or other comprehensive income	401,999	0	352,596	-31,380	723,215
Reinsurance income – amounts recoverable from reinsurers					
Reinsurers' shares in claims	0	0	764,470	16,934	781,404
Reinsurers' shares in other insurance service expenses	0	0	0	0	0
Changes in reinsurers' shares that relate to changes in liabilities for incurred claims	0	0	-405,892	-47,966	-453,858
Changes in reinsurers' shares that relate to underlying onerous contracts	0	0	0	0	0
Total reinsurance income – amounts recoverable from reinsurers	0	0	358,578	-31,032	327,546
Reinsurance service expenses – premium income ceded to reinsurers	401,998	0	0	0	401,998
Reinsurance investment components	0	0	0	0	0
Finance income/expenses from reinsurance contracts	0	0	-5,820	-348	-6,168
Financial effects from non-performance risk	0	0	-162	0	-162
Effect of exchange rate differences	1	0	0	0	1
Cash flows	3,136,373	0	-875,770	0	2,260,603
Premiums paid	3,136,373	0	0	0	3,136,373
Reinsurance service expenses recovered for insurance contracts issued	0	0	-875,770	0	-875,770
Reinsurance acquisition cash flows	0	0	0	0	0
Closing balance of net reinsurance contract assets/liabilities as at 31 December 2022	7,579,711	0	293,345	17,494	7,890,550
Reinsurance contract assets	7,579,711	0	293,345	17,494	7,890,550
Reinsurance contract liabilities	0	0	0	0	0

in EUR

Assets and liabilities for remaining coverage and assets and liabilities for incurred claims of Zavarovalnica Triglav

in EUR

Premium allocation approach (PAA)	Remaining coverage		Incurred claims		TOTAL
	Excluding the loss component	Loss component	Estimates of the present value of the future cash flows	Risk adjustment for non-financial risk	
Opening balance of net reinsurance contract assets/liabilities as at 1 January 2023	9,573,141	3,456	139,002,526	15,256,651	163,835,775
Reinsurance contract assets	22,119,162	3,456	131,892,269	13,873,271	167,888,159
Reinsurance contract liabilities	-12,546,021	0	7,110,257	1,383,380	-4,052,384
Changes in profit or loss and/or other comprehensive income	-190,034,413	43,675	230,877,291	2,761,319	43,647,872
Reinsurance income – amounts recoverable from reinsurers					
Reinsurers' shares in claims	0	0	209,365,580	10,519,538	219,885,118
Reinsurers' shares in other insurance service expenses	0	0	0	0	0
Changes in reinsurers' shares that relate to changes in liabilities for incurred claims	0	0	14,457,853	-8,343,063	6,114,790
Changes in reinsurers' shares that relate to underlying onerous contracts	0	43,662	0	0	43,662
Total reinsurance income – amounts recoverable from reinsurers	0	43,662	223,823,432	2,176,476	226,043,570
Reinsurance service expenses – premium income ceded to reinsurers	-186,595,924	0	0	0	-186,595,924
Reinsurance investment components	-3,438,489	0	3,438,489	0	0
Finance income/expenses from reinsurance contracts	0	14	4,025,703	584,843	4,610,560
Financial effects from non-performance risk	0	0	-410,334	0	-410,334
Cash flows	205,960,443	0	-107,467,219	0	98,493,223
Premiums paid	205,960,443	0	0	0	205,960,443
Reinsurance service expenses recovered for insurance contracts issued	0	0	-107,467,219	0	-107,467,219
Reinsurance acquisition cash flows	0	0	0	0	0
Closing balance of net reinsurance contract assets/liabilities as at 31 December 2023	25,499,171	47,132	262,412,597	18,017,970	305,976,870
Reinsurance contract assets	25,499,171	47,132	262,412,597	18,017,970	305,976,870
Reinsurance contract liabilities	0	0	0	0	0

in EUR

Premium allocation approach (PAA)	Remaining coverage		Incurred claims		TOTAL
	Excluding the loss component	Loss component	Estimates of the present value of the future cash flows	Risk adjustment for non-financial risk	
Opening balance of net reinsurance contract assets/liabilities as at 1 January 2022	23,116,787	196	101,549,805	11,882,321	136,549,108
Reinsurance contract assets	23,159,395	196	101,509,643	11,881,705	136,550,939
Reinsurance contract liabilities	-42,608	0	40,162	616	-1,830
Changes in profit or loss and/or other comprehensive income	-172,303,612	3,261	82,721,849	3,374,331	-86,204,171
Reinsurance income – amounts recoverable from reinsurers					
Reinsurers' shares in claims	0	0	52,538,861	5,570,551	58,109,413
Reinsurers' shares in other insurance service expenses	0	0	0	0	0
Changes in reinsurers' shares that relate to changes in liabilities for incurred claims	0	0	37,247,985	-1,058,505	36,189,481
Changes in reinsurers' shares that relate to underlying onerous contracts	0	3,260	0	0	3,260
Total reinsurance income – amounts recoverable from reinsurers	0	3,260	89,786,847	4,512,046	94,302,153
Reinsurance service expenses – premium income ceded to reinsurers	-169,673,411	0	0	0	-169,673,411
Reinsurance investment components	-2,630,201	0	2,630,201	0	0
Finance income/expenses from reinsurance contracts	0	1	-8,608,902	-1,137,716	-9,746,617
Financial effects from non-performance risk	0	0	-1,086,297	0	-1,086,297
Cash flows	158,759,966	0	-45,269,128	0	113,490,838
Premiums paid	158,759,966	0	0	0	158,759,966
Reinsurance service expenses recovered for insurance contracts issued	0	0	-45,269,128	0	-45,269,128
Reinsurance acquisition cash flows	0	0	0	0	0
Closing balance of net reinsurance contract assets/liabilities as at 31 December 2022	9,573,141	3,456	139,002,526	15,256,651	163,835,775
Reinsurance contract assets	22,119,162	3,456	131,892,269	13,873,271	167,888,159
Reinsurance contract liabilities	-12,546,021	0	7,110,257	1,383,380	-4,052,384

3.3 Investments in subsidiaries, associates and joint ventures

Zavarovalnica Triglav's interests in subsidiaries

Company name	PARTICIPATING INTEREST, SHARE OF VOTING RIGHTS (%)		CARRYING AMOUNT (in EUR)	
	31 Dec 2023	31 Dec 2022	31 Dec 2023	31 Dec 2022
Pozavarovalnica Triglav Re, d.d.	100.00	100.00	9,750,752	9,750,752
Triglav, Zdravstvena zavarovalnica, d.d.	100.00	100.00	26,235,909	3,735,886
Triglav INT, d.o.o.	100.00	100.00	100,270,730	89,770,730
Triglav, pokojninska družba, d.d.	100.00	100.00	52,070,000	52,070,000
Triglav, Upravljanje nepremičnin, d.o.o.	100.00	100.00	24,493,300	24,493,300
Triglav Skladi, d.o.o.	100.00	100.00	2,076,723	2,076,723
Triglav Avtoservis, d.o.o.	100.00	100.00	194,217	194,216
Triglav Svetovanje, d.o.o.	100.00	100.00	279,736	279,736
Zavod Vse bo v redu	100.00	100.00	100,000	100,000
Triglav penzisko društvo, a.d., Skopje	100.00	100.00	3,889,000	2,889,000
TOTAL			219,360,367	185,360,343

Triglav Group's interests in associates and joint ventures

Company name	PARTICIPATING INTEREST, SHARE OF VOTING RIGHTS (%)		CARRYING AMOUNT (in EUR)	
	31 Dec 2023	31 Dec 2022	31 Dec 2023	31 Dec 2022
Nama, d.d.	39.15	39.15	4,648,981	4,496,424
Triglavko, d.o.o.	38.47	38.47	18,509	18,562
TRIGAL, upravljanje naložb in svetovanje, d.o.o.	49.90	49.90	10,925,240	10,925,240
Diagnostični center Bled d.o.o.	50.00	50.00	21,560,001	21,856,109
Alifenet, d.o.o.	23.58	23.58	66,110	73,202
Društvo za upravljanje EDPF, a.d.	34.00	34.00	489,221	440,647
TOTAL			37,708,062	37,810,184

Zavarovalnica Triglav's interests in associates and joint ventures

Company name	PARTICIPATING INTEREST, SHARE OF VOTING RIGHTS (%)		CARRYING AMOUNT (in EUR)	
	31 Dec 2023	31 Dec 2022	31 Dec 2023	31 Dec 2022
Nama, d.d.	39.07	39.07	4,648,981	4,496,424
Triglavko, d.o.o.	38.47	38.47	18,509	18,562
TRIGAL, upravljanje naložb in svetovanje, d.o.o.	49.90	49.90	10,925,240	10,925,240
Diagnostični center Bled d.o.o.	50.00	50.00	21,560,001	21,856,109
Alifenet, d.o.o.	23.58	23.58	66,110	73,202
TOTAL			37,218,841	37,369,536

Zavarovalnica Triglav's investments in subsidiaries, associates and joint ventures

Zavarovalnica Triglav	Investments in subsidiaries		Investments in associates and joint ventures	
	31 Dec 2023	31 Dec 2022	31 Dec 2023	31 Dec 2022
As at 1 January 2022		131,924,683		35,591,377
Capital increase of companies		57,355,448		0
Revaluation under the equity method		0		1,778,159
Impairment		-3,919,788		0
As at 31 December 2022 = 1 January 2023		185,360,343		37,369,536
Capital increase of companies		34,000,024		0
Revaluation under the equity method		0		2,131,016
Impairment		0		-2,281,711
As at 31 December 2023		219,360,367		37,218,841

in EUR

Impairment of Zavarovalnica Triglav's investments in subsidiaries, associates and joint ventures

In 2023, the Company assessed signs of impairment of investments in associates. Where signs were identified, the recoverable amount of the investment was calculated and impairment was made for the difference to its carrying amount.

Impairment of investments in associates was recognised in the Company's separate financial statements under impairment expenses for non-financial assets, as follows:

- in the amount of EUR 2,274,620, which relates to the impairment of investment in Diagnostični center Bled d.o.o.;
- in the amount of EUR 7,091, which relates to the impairment of investment in Alifenet d.o.o.

The following assumptions were taken into account to determine the recoverable amount of investment in the associate Diagnostični center Bled d.o.o.:

- expected cash flows based on the companies' business plans for 2024–2036,
- the discount rate of 10.23% based on weighted average cost of capital (WACC);
- the expected long-term growth rate of 2.5%.

The following assumptions were taken into account to determine the recoverable amount of investment in the associate Alifenet d.o.o.:

- impairment for negative net earnings in 2021–2022.

3.4 Financial investments and their return

3.4.1 Types of financial investments

Types of financial investments of the Triglav Group

in EUR

TYPES OF INVESTMENTS OF THE TRIGLAV NA GROUP AS AT 31 Dec 2023	FVOCI	AC	FVTPL	TOTAL
Debt securities and other fixed-income securities	1,668,940,444	156,334,533	34,769,923	1,860,044,900
Equity securities	4,026,488	0	705,544,188	709,570,676
Bank deposits	0	65,794,876	0	65,794,876
Loans given	0	6,557,904	0	6,557,904
Other financial instruments	0	872,414	0	872,414
TOTAL	1,672,966,932	229,559,727	740,314,111	2,642,840,770

in EUR

TYPES OF INVESTMENTS OF THE TRIGLAV NA GROUP AS AT 31 Dec 2022	FVOCI	AC	FVTPL	TOTAL
Debt securities and other fixed-income securities	1,616,828,258	154,827,769	30,000,146	1,801,656,173
Equity securities	17,325,257	0	652,024,326	669,349,583
Bank deposits	0	79,458,018	0	79,458,018
Loans given	0	5,784,491	0	5,784,491
Other financial instruments	0	934,751	0	934,751
TOTAL	1,634,153,515	241,005,029	682,024,472	2,557,183,016

In the Group's total financial instruments as at 31 December 2023, equity securities measured at fair value through profit or loss in the amount of EUR 540,890,478 refer to unit-linked insurance assets. As at 31 December 2022, these investments amounted to EUR 469,528,905.

As at 31 December 2023 and as at 31 December 2022, the Group's portfolio included neither received securities as collateral for loans given, nor any securities pledged as collateral for its liabilities. The proportion of the Group's financial investments classified as subordinated investments by the issuer was 1.69% as at the reporting date (31 December 2022: 1.92%).

Types of financial investments of Zavarovalnica Triglav

in EUR

TYPES OF INVESTMENTS OF ZAVAROVALNICA TRIGLAV AS AT 31 Dec 2023	FVOCI	AC	FVTPL	TOTAL
Debt securities and other fixed-income securities	1,091,531,303	131,083,304	22,481,910	1,245,096,517
Equity securities	2,641,391	0	628,946,586	631,587,976
Bank deposits	0	7,212,364	0	7,212,364
Loans given	0	4,547,639	0	4,547,639
TOTAL	1,094,172,694	142,843,306	651,428,496	1,888,444,496

in EUR

TYPES OF INVESTMENTS OF ZAVAROVALNICA TRIGLAV AS AT 31 Dec 2022	FVOCI	AC	FVTPL	TOTAL
Debt securities and other fixed-income securities	1,127,394,658	127,868,471	23,043,218	1,278,306,347
Equity securities	15,938,294	0	564,456,297	580,394,591
Bank deposits	0	19,489,668	0	19,489,668
Loans given	0	4,409,207	0	4,409,207
TOTAL	1,143,332,952	151,767,345	587,499,515	1,882,599,813

The Company's total financial investments include equity securities measured at fair value through profit or loss, of which unit-linked insurance assets accounted for EUR 512,824,007 as at 31 December 2023. As at 31 December 2022, these investments amounted to EUR 446,142,033.

As at 31 December 2023 and as at 31 December 2022, the Company's portfolio included neither received securities as collateral for loans given, nor any securities pledged as collateral for its liabilities. The proportion of the Company's financial investments classified as subordinated investments by the issuer was 2.17% as at the reporting date (31 December 2022: 2.43%).

Equity securities of the Triglav Group measured at fair value through other comprehensive income

in EUR

EQUITY SECURITIES AT FVOCI	Carrying amount 31 December 2023	Dividends in 2023	Carrying amount 31 December 2022	Dividends in 2022
ELEKTRO PRIMORSKA	2,641,391	0	3,102,229	134,880
KRKG SV	0	813,173	11,335,136	2,164,707
LKPG SV	0	0	0	129,468
PETG SV	0	0	0	704,880
POSR SV	0	38,773	1,085,616	89,285
TLSG SV	0	0	415,313	43,011
SAVR SV	78,671	0	78,671	0
BSRSRK1 BT	1,197,139	98,048	1,162,005	86,858
REGISTAR VRIJ.PAPIRA BIH	9,286	0	9,286	0
ZAVODVSEBO	100,000	0	100,000	0
TOTAL	4,026,487	949,994	17,288,257	3,353,087

in EUR

DISPOSAL OF EQUITY SECURITIES AT FVOCI	2023		2022	
	Carrying amount at disposal	Realised gains/losses	Carrying amount at disposal	Realised gains/losses
KRKG SV	13,311,813	11,525,418	24,363,857	20,191,205
LKPG SV	0	0	2,893,378	1,226,669
PETG SV	0	0	9,487,182	6,324,946
POSR SV	575,389	352,750	264,021	77,849
TLSG SV	421,634	-247,523	36,103	-55,411
TOTAL	14,308,836	11,630,646	37,044,541	27,765,259

Equity securities of Zavarovalnica Triglav Group measured at fair value through other comprehensive income

in EUR

EQUITY SECURITIES AT FVOCI	Carrying amount 31 December 2023	Dividends in 2023	Carrying amount 31 December 2022	Dividends in 2022
ELEKTRO PRIMORSKA	2,641,391	0	3,102,229	134,880
KRKG SV	0	813,173	11,335,136	2,073,191
LKPG SV	0	0	0	129,468
PETG SV	0	0	0	704,880
POSR SV	0	38,773	1,085,616	89,285
TLSG SV	0	0	415,313	43,011
ZAVODVSEBO	100,000	0	100,000	0
TOTAL	2,741,391	851,946	16,038,294	3,174,714

In 2023 and 2022, the Group and the Company sold part of the equity investments disclosed through other comprehensive income in order to manage market risks, primarily to reduce equity exposure in local markets. An overview of the securities sold is provided in the table below.

in EUR

DISPOSAL OF EQUITY SECURITIES AT FVOCI	2023		2022	
	Carrying amount at disposal	Realised gains/losses	Carrying amount at disposal	Realised gains/losses
KRKG SV	13,311,813	11,525,418	22,546,409	18,966,758
LKPG SV	0	0	2,893,378	1,226,669
PETG SV	0	0	9,487,182	6,324,946
POSR SV	575,389	352,750	264,021	77,849
TLSG SV	421,634	-247,523	36,103	-55,411
TOTAL	14,308,836	11,630,646	35,227,093	26,540,812

3.4.2 Movement in financial investments

Movement in financial investments of the Triglav Group

	in EUR			
	FVOCI	AC	FVTPL	TOTAL
As at 1 January 2022	1,959,630,084	222,389,210	735,138,240	2,917,157,534
Acquisitions	578,933,527	65,007,666	200,396,929	844,338,122
Disposals	-512,655,315	-1,129,300	-154,579,767	-668,364,382
Maturities	-160,165,910	-53,136,924	-10,965,486	-224,268,320
Measurement of financial investments through profit or loss	0	0	-83,412,618	-83,412,618
Measurement of financial investments at FVOCI	-245,827,537	0	0	-245,827,537
Impairment/reversal of impairment	-7,663,347	117,583	0	-7,545,764
Premiums and discounts	-5,242,850	4,944,575	0	-298,275
Interest income	23,302,325	2,873,774	798,072	26,974,171
Realised gains/losses in profit or loss	-23,907,163	1,689	-5,552,775	-29,458,249
Realised gains/losses in retained earnings	27,765,259	0	0	27,765,259
Exchange rate differences	-15,558	-63,244	201,877	123,075
As at 31 December 2022 = 1 January 2023	1,634,153,515	241,005,029	682,024,472	2,557,183,016
Acquisitions	458,642,311	31,112,335	240,631,709	730,386,355
Disposals	-262,526,538	-30,730	-232,167,933	-494,725,201
Maturities	-255,221,278	-51,314,418	-6,952,198	-313,487,894
Measurement of financial investments through profit or loss	0	0	47,832,182	47,832,182
Measurement of financial investments at FVOCI	70,866,543	0	0	70,866,543
Impairment/reversal of impairment	1,926,962	364,796	0	2,291,758
Premiums and discounts	-1,174,762	5,162,258	0	3,987,496
Interest income	26,691,815	3,278,149	1,140,837	31,110,801
Realised gains/losses in profit or loss	-9,304,015	464	7,877,436	-1,426,115
Realised gains/losses in retained earnings	11,630,647	0	0	11,630,647
Exchange rate differences	-2,718,268	-18,156	-72,394	-2,808,818
As at 31 December 2023	1,672,966,932	229,559,727	740,314,111	2,642,840,770

Movement in financial investments of Zavarovalnica Triglav

	in EUR			
	FVOCI	AC	FVTPL	TOTAL
As at 1 January 2022	1,458,144,469	165,556,736	637,133,037	2,260,834,241
Acquisitions	415,387,078	5,330,799	157,891,908	578,609,785
Disposals	-443,295,715	0	-125,333,317	-568,629,032
Maturities	-101,502,367	-25,845,420	-6,260,732	-133,608,519
Measurement of financial investments through profit or loss	0	0	-71,224,522	-71,224,522
Measurement of financial investments at FVOCI	-194,455,646	0	0	-194,455,646
Impairment/reversal of impairment	-5,127,329	-4,215	0	-5,131,544
Premiums and discounts	-4,705,038	4,944,575	0	239,537
Interest income	14,326,328	1,824,352	688,700	16,839,380
Realised gains/losses in profit or loss	-21,945,661	0	-5,383,494	-27,329,155
Realised gains/losses in retained earnings	26,540,812	0	0	26,540,812
Exchange rate differences	-33,978	-39,482	-12,065	-85,525
As at 31 December 2022 = 1 January 2023	1,143,332,953	151,767,345	587,499,515	1,882,599,813
Acquisitions	214,544,134	2,224,287	182,513,415	399,281,836
Disposals	-199,922,053	0	-167,749,103	-367,671,156
Maturities	-137,732,523	-17,986,681	-1,454,890	-157,174,094
Measurement of financial investments through profit or loss	0	0	42,461,437	42,461,437
Measurement of financial investments at FVOCI	52,165,217	0	0	52,165,217
Impairment/reversal of impairment	1,199,169	96,281	0	1,295,450
Premiums and discounts	-1,032,438	5,162,258	0	4,129,820
Interest income	15,132,004	1,576,047	773,339	17,481,390
Realised gains/losses in profit or loss	-5,145,593	0	7,398,937	2,253,344
Realised gains/losses in retained earnings	11,630,646	0	0	11,630,646
Exchange rate differences	1,178	3,769	-14,154	-9,207
As at 31 December 2023	1,094,172,694	142,843,306	651,428,496	1,888,444,496

3.4.3 Return on financial investments

Return on financial investments of the Triglav Group

	in EUR	
	2023	2022
Interest income calculated using the effective interest method	35,098,297	26,675,896
Dividend income	2,705,064	4,686,546
Net gains/losses on financial investments at FVTPL	55,709,619	-88,965,394
Realised gains	8,493,234	721,582
Realised losses	-615,797	-6,274,358
Unrealised gains	52,042,824	8,806,754
Unrealised losses	-4,210,642	-92,219,372
Net gains/losses on financial investments at AC	464	1,689
Realised gains	464	1,689
Net gains/losses on financial investments at FVOCI	-9,304,016	-23,907,162
Realised gains	407,630	6,460,356
Realised losses	-9,711,646	-30,367,518
Net impairment/reversal of impairment	2,291,758	-7,545,764
Impairment expenses	-1,890,420	-11,258,590
Income from reversal of impairment	4,182,178	3,712,826
Other income and expenses from investing activities	-2,669,999	430,688
Income from positive exchange rate differences	39,119	2,051,813
Expenses from negative exchange rate differences	-2,847,937	-1,928,738
Other income from financial investments	771,502	839,727
Other expenses from financial investments	-632,683	-532,114
TOTAL	83,831,187	-88,623,501

The total return on the Triglav Group's financial investments in 2023 comprises the return on unit-linked insurance contract assets of EUR 49,559,643, of which net unrealised gains accounted for EUR 44,423,988. Last year, the return on unit-linked insurance contract assets was negative at EUR -88,397,473, of which net unrealised losses accounted for EUR 77,616,840.

Return on financial investments of Zavarovalnica Triglav

	in EUR	
	2023	2022
Interest income calculated using the effective interest method	21,611,210	17,078,917
Dividend income	2,441,534	4,410,224
Net gains/losses on financial investments at FVTPL	49,860,374	-76,608,015
Realised gains	7,627,745	634,099
Realised losses	-228,807	-6,017,592
Unrealised gains	46,132,539	8,716,933
Unrealised losses	-3,671,102	-79,941,455
Net gains/losses on financial investments at FVOCI	-5,145,594	-21,945,662
Realised gains	331,465	5,467,159
Realised losses	-5,477,059	-27,412,821
Net impairment/reversal of impairment	1,295,450	-5,131,544
Impairment expenses	-964,705	-6,882,234
Income from reversal of impairment	2,260,155	1,750,690
Other income and expenses from investing activities	71,751	544,125
Income from positive exchange rate differences	30,871	102,098
Expenses from negative exchange rate differences	-40,078	-187,623
Other income from financial investments	616,855	905,968
Other expenses from financial investment	-535,896	-276,319
TOTAL	70,134,725	-81,651,955

The total return on Zavarovalnica Triglav's financial investments in 2023 comprises the return on unit-linked insurance contract assets of EUR 46,224,967, of which net unrealised gains accounted for EUR 41,194,359. Last year, the return on unit-linked insurance contract assets was negative at EUR -77,040,940, of which net unrealised losses accounted for EUR 73,331,397.

3.4.4 Impairment of financial investments

Movement in ECL impairment of the Triglav Group

in EUR

	31 Dec 2023			31 Dec 2022		
	Gross carrying amount	ECL adjustment	Amortised cost	Gross carrying amount	ECL adjustment	Amortised cost
Debt securities at FVOCI	1,797,038,900	-6,712,145	1,790,326,755	1,827,909,430	-8,637,987	1,819,271,443
Debt securities at AC	156,437,923	-103,390	156,334,533	154,984,088	-156,319	154,827,769
Loans and deposits at AC	73,330,169	-977,389	72,352,780	86,542,236	-1,299,727	85,242,509
TOTAL	2,026,806,992	-7,792,924	2,019,014,068	2,069,435,754	-10,094,033	2,059,341,721

in EUR

Debt securities at FVOCI	Level 1	Level 2	Level 3	TOTAL
Gross carrying amount as at 1 January 2022	1,877,521,684	5,233,895	0	1,882,755,579
Acquisitions	565,425,871	726,088	0	566,151,959
Disposals, maturities	-633,485,798	-1,740,241	-192,625	-635,418,664
Interest	16,249,218	167,220	166,006	16,582,444
Transfer to Level 1	-10,977,899	6,095,922	4,881,977	0
Transfer to Level 2	2,368,382	-2,368,382	0	0
Transfer to Level 3	-3,127,396	0	3,127,396	0
Other changes	-2,163,900	2,012	0	-2,161,888
Gross carrying amount as at 31 December 2022 = 1 January 2023	1,811,810,162	8,116,514	7,982,754	1,827,909,430
Acquisitions	457,853,313	50,249	0	457,903,562
Disposals, maturities	25,081,913	305,629	98,306	25,485,848
Interest	-513,595,848	-236,502	-192,623	-514,024,973
Transfer to Level 1	-1,380,039	1,380,039	0	0
Transfer to Level 2	774,724	-774,724	0	0
Other changes	-234,375	-592	0	-234,967
Gross carrying amount as at 31 December 2023	1,780,309,850	8,840,613	7,888,437	1,797,038,900

in EUR

Debt securities at FVOCI	Level 1	Level 2	Level 3	TOTAL
ECL adjustment as at 1 January 2022	-503,816	-164,244	0	-668,060
Acquisitions	-948,022	-3,800	0	-951,822
Disposals, maturities	549,903	597	0	550,500
Change in ECL adjustment	-3,456,600	-284,320	-3,774,159	-7,515,079
Transfer to Level 2	57,518	-57,518	0	0
Transfer to Level 3	3,852	0	-3,852	0
Other changes	-53,546	20	0	-53,526
ECL adjustment as at 31 December 2022 = 1 January 2023	-4,350,711	-509,265	-3,778,011	-8,637,987
Acquisitions	-206,194	0	0	-206,194
Disposals, maturities	295,172	0	0	295,172
Change in ECL adjustment	1,495,581	92,377	248,490	1,836,448
Transfer to Level 1	434	-434	0	0
Transfer to Level 2	-182,339	182,339	0	0
Other changes	446	-30	0	416
ECL adjustment as at 31 December 2023	-2,947,611	-235,013	-3,529,521	-6,712,145

in EUR

Debt securities at AC	Level 1	Level 2	TOTAL
Gross carrying amount as at 1 January 2022	146,648,433	0	146,648,433
Acquisitions	25,439,767	0	25,439,767
Disposals, maturities	-23,938,628	0	-23,938,628
Interest	6,834,518	0	6,834,518
Transfer to Level 2	-495,350	495,350	0
Gross carrying amount as at 31 December 2022 = 1 January 2023	154,488,740	495,350	154,984,090
Disposals, maturities	-5,026,247	0	-5,026,247
Interest	6,470,425	2,901	6,473,326
Transfer to Level 1	498,251	-498,251	0
Other changes	6,756	0	6,756
Gross carrying amount as at 31 December 2023	156,437,925	0	156,437,925

in EUR

Debt securities at AC	Level 1	Level 2	TOTAL
ECL adjustment as at 1 January 2022	-15,102	0	-15,102
Acquisitions	-746	0	-746
Disposals, maturities	348	0	348
Change in ECL adjustment	-140,614	-204	-140,818
Transfer to Level 2	260	-260	0
ECL adjustment as at 31 December 2022 = 1 January 2023	-155,854	-464	-156,318
Disposals, maturities	267	0	267
Change in ECL adjustment	52,662	0	52,662
Transfer to Level 1	-464	464	0
ECL adjustment as at 31 December 2023	-103,389	0	-103,389

in EUR

Loans and deposits at AC	Level 1	Level 3	TOTAL
Gross carrying amount as at 1 January 2022	75,218,802	1,137,595	76,356,397
Acquisitions	39,567,899	0	39,567,899
Disposals, maturities	-30,134,688	-191,219	-30,325,907
Interest	983,831	0	983,831
Other changes	-39,974	-10	-39,984
Gross carrying amount as at 31 December 2022 = 1 January 2023	85,595,870	946,366	86,542,236
Acquisitions	31,112,335	0	31,112,335
Disposals, maturities	-46,265,895	-52,542	-46,318,437
Interest	1,967,081	0	1,967,081
Other changes	26,953	0	26,953
Gross carrying amount as at 31 December 2023	72,436,344	893,824	73,330,168

in EUR

Loans and deposits at AC	Level 1	Level 3	TOTAL
ECL adjustment as at 1 January 2022	-453,037	-1,154,209	-1,607,246
Acquisitions	-189,616	0	-189,616
Disposals, maturities	80,259	189,716	269,975
Change in ECL adjustment	226,844	0	226,844
Other changes	306	10	316
ECL adjustment as at 31 December 2022 = 1 January 2023	-335,244	-964,483	-1,299,727
Acquisitions	-88,097	0	-88,097
Disposals, maturities	24,320	48,908	73,228
Change in ECL adjustment	337,587	0	337,587
Other changes	-380	0	-380
ECL adjustment as at 31 December 2023	-61,814	-915,575	-977,389

Movement in ECL impairment of Zavarovalnica Triglav

in EUR

	31 December 2023			31 December 2022		
	Gross carrying amount	ECL adjustment	Amortised cost	Gross carrying amount	ECL adjustment	Amortised cost
Debt securities at FVOCI	1,197,292,484	-4,216,660	1,193,075,824	1,296,546,271	-5,415,829	1,291,130,443
Debt securities at AC	131,171,044	-87,740	131,083,304	128,009,473	-141,002	127,868,471
Loans and deposits at AC	11,764,380	-4,378	11,760,003	23,946,271	-47,397	23,898,875
TOTAL	1,340,227,907	-4,308,778	1,335,919,130	1,448,502,015	-5,604,227	1,442,897,788

in EUR

Debt securities at FVOCI	Level 1	Level 2	Level 3	TOTAL
Gross carrying amount as at 1 January 2022	1,383,286,851	2,308,995	0	1,385,595,847
Acquisitions	415,387,077	0	0	415,387,077
Disposals, maturities	-512,298,298	-1,699,338	-106,375	-514,104,011
Interest	9,484,075	84,942	92,911	9,661,928
Transfer to Level 1	-10,825,309	5,943,332	4,881,977	0
Transfer to Level 2	3,888,621	-3,888,621	0	0
Other changes	5,430	0	0	5,430
Gross carrying amount as at 31 December 2022 = 1 January 2023	1,288,928,447	2,749,311	4,868,513	1,296,546,271
Acquisitions	214,544,134	0	0	214,544,134
Disposals, maturities	-327,687,415	-104,875	-106,375	-327,898,665
Interest	13,940,746	106,342	52,477	14,099,565
Transfer to Level 1	-1,579,655	1,579,655	0	0
Transfer to Level 2	1,994,910	-1,994,910	0	0
Other changes	1,178	0	0	1,178
Gross carrying amount as at 31 December 2023	1,190,142,345	2,335,524	4,814,615	1,197,292,484

				in EUR
Debt securities at FVOCI	Level 1	Level 2	Level 3	TOTAL
ECL adjustment as at 1 January 2022	-266,530	-23,399	0	-289,929
Acquisitions	-743,860	-3,800	0	-747,660
Disposals, maturities	486,281	597	0	486,878
Change in ECL adjustment	-2,282,581	-202,520	-2,380,019	-4,865,120
Transfer to Level 2	57,518	-57,518	0	0
Transfer to Level 3	2,135	0	-2,135	0
Other changes	2	0	0	2
ECL adjustment as at 31 December 2022 = 1 January 2023	-2,747,036	-286,640	-2,382,153	-5,415,829
Disposals, maturities	145,457	0	0	145,457
Change in ECL adjustment	770,737	54,754	228,221	1,053,712
Transfer to Level 1	2,549	-2,549	0	0
Transfer to Level 2	-203,451	203,451	0	0
Other changes	-1	0	0	-1
ECL adjustment as at 31 December 2023	-2,031,744	-30,984	-2,153,932	-4,216,660

All debt securities and deposits measured at amortised cost are classified into Level 1. The movements in gross carrying amount and ECL adjustment are shown in the tables below.

		in EUR
Debt securities at AC		TOTAL
Gross carrying amount as at 1 January 2022		140,945,748
Disposals, maturities		-19,279,372
Interest		6,343,097
Gross carrying amount as at 31 December 2022 = 1 January 2023		128,009,473
Disposals, maturities		-2,803,000
Interest		5,964,571
Gross carrying amount as at 31 December 2023		131,171,044

		in EUR
Debt securities at AC		TOTAL
ECL adjustment as at 1 January 2022		-5,881
Disposals, maturities		348
Change in ECL adjustment		-135,469
ECL adjustment as at 31 December 2022 = 1 January 2023		-141,002
Disposals, maturities		107
Change in ECL adjustment		53,155
ECL adjustment as at 31 December 2023		-87,740

		in EUR
Loans and deposits at AC		TOTAL
Gross carrying amount as at 1 January 2022		24,795,172
Acquisitions		5,330,799
Disposals, maturities		-6,566,047
Interest		425,830
Other changes		-39,482
Gross carrying amount as at 31 December 2022 = 1 January 2023		23,946,271
Acquisitions		2,224,287
Disposals, maturities		-15,183,681
Interest		773,735
Other changes		3,768
Gross carrying amount as at 31 December 2023		11,764,380

		in EUR
Loans and deposits at AC		TOTAL
ECL adjustment as at 1 January 2022		-178,303
Acquisitions		-7,882
Disposals, maturities		46,728
Change in ECL adjustment		91,797
Other changes		264
ECL adjustment as at 31 December 2022 = 1 January 2023		-47,397
Disposals, maturities		3,454
Change in ECL adjustment		39,828
Other changes		-263
ECL adjustment as at 31 December 2023		-4,378

3.5 Financial contract assets and liabilities

Financial contract assets and liabilities of the Triglav Group

	in EUR	
	31 Dec 2023	31 Dec 2022
Financial investments from financial contracts	650,042,171	589,033,089
Receivables from financial contracts	123,066	1,147,412
Cash from financial contracts	23,949,908	23,638,145
Total financial contract assets	674,115,145	613,818,646
Liabilities to pension fund members	671,920,610	611,705,642
Other liabilities to pension funds	2,194,535	2,113,004
Total financial contract liabilities	674,115,145	613,818,646

Financial contract assets and liabilities of Zavarovalnica Triglav

	in EUR	
	31 Dec 2023	31 Dec 2022
Financial investments from financial contracts	255,841,271	230,801,335
Receivables from financial contracts	83,130	398,787
Cash from financial contracts	3,699,640	3,768,392
Total financial contract assets	259,624,041	234,968,514
Liabilities to pension fund members	258,978,506	234,454,625
Other liabilities to pension funds	645,535	513,889
Total financial contract liabilities	259,624,041	234,968,514

3.5.1 Types of investments from financial contracts

Types of investments from financial contracts of the Triglav Group

	in EUR	
	31 Dec 2023	31 Dec 2022
Financial investments from financial contracts		
<i>Financial investments at AC</i>	<u>283,215,425</u>	<u>321,859,990</u>
Debt securities and other fixed-income securities	283,215,425	301,388,805
Deposits with banks	0	20,471,185
<i>Financial investments at FVTPL</i>	<u>366,826,746</u>	<u>267,173,099</u>
Debt securities and other fixed-income securities	214,934,774	152,569,812
Equity securities	151,891,972	114,603,287
TOTAL	650,042,171	589,033,089

Types of investment from financial contracts of Zavarovalnica Triglav

	in EUR	
	31 Dec 2023	31 Dec 2022
Financial investments from financial contracts		
<i>Financial investments at AC</i>	<u>86,215,285</u>	<u>99,398,021</u>
Debt securities and other fixed-income securities	86,215,285	99,398,021
<i>Financial investments at FVTPL</i>	<u>169,625,986</u>	<u>131,403,313</u>
Debt securities and other fixed-income securities	96,181,144	74,475,133
Equity securities	73,444,843	56,928,180
TOTAL	255,841,271	230,801,335

3.5.2 Movement in investments from financial contracts

Movement in investments from financial contracts of the Triglav Group

	in EUR		
	AC	FVTPL	TOTAL
As at 1 January 2022	11,225,305	612,415,548	623,640,853
Acquisitions	317,924,741	142,339,358	460,264,099
Disposals	0	-385,475,745	-385,475,745
Maturities	-10,512,390	-47,550,729	-58,063,119
Measurement of investments through profit or loss	0	-48,671,982	-48,671,982
Impairment/reversal of impairment	-594,460	0	-594,460
Premiums and discounts	526,146	0	526,146
Interest income	3,290,648	3,853,281	7,143,929
Realised gains/losses in profit or loss	0	-12,641,017	-12,641,017
Exchange rate differences	0	2,904,385	2,904,385
As at 31 December 2022 = 1 January 2023	321,859,990	267,173,099	589,033,089
Acquisitions	4,996,330	191,669,217	196,665,547
Disposals	-12,551,545	-71,848,617	-84,400,162
Maturities	-36,951,090	-50,717,595	-87,668,685
Measurement of investments through profit or loss	0	27,758,208	27,758,208
Impairment/reversal of impairment	309,953	0	309,953
Premiums and discounts	953,197	0	953,197
Interest income	5,326,428	3,571,662	8,898,090
Realised gains/losses in profit or loss	-727,838	1,099,542	371,704
Exchange rate differences	0	-1,878,770	-1,878,770
As at 31 December 2023	283,215,425	366,826,746	650,042,171

Movement in investments from financial contracts of Zavarovalnica Triglav

	in EUR		
	AC	FVTPL	TOTAL
As at 1 January 2022	0	245,306,210	245,306,210
Acquisitions	98,905,203	81,064,263	179,969,466
Disposals	0	-158,979,319	-158,979,319
Maturities	-464,870	-11,030,063	-11,494,933
Measurement of investments through profit or loss	0	-14,535,473	-14,535,473
Impairment/reversal of impairment	-249,082	0	-249,082
Premiums and discounts	526,147	0	526,147
Interest income	680,624	1,281,121	1,961,745
Realised gains/losses in profit or loss	0	-12,656,126	-12,656,126
Exchange rate differences	0	952,700	952,700
As at 31 December 2022 = 1 January 2023	99,398,022	131,403,313	230,801,335
Acquisitions	991,330	78,805,001	79,796,331
Disposals	-11,537,681	-41,126,379	-52,664,060
Maturities	-4,228,490	-15,117,881	-19,346,371
Measurement of investments through profit or loss	0	14,115,103	14,115,103
Impairment/reversal of impairment	105,066	0	105,066
Premiums and discounts	953,197	0	953,197
Interest income	1,261,878	1,291,257	2,553,135
Realised gains/losses in profit or loss	-728,037	1,245,601	517,564
Exchange rate differences	0	-990,029	-990,029
As at 31 December 2023	86,215,285	169,625,986	255,841,271

3.5.3 Return on investments from financial contracts

Return on investments from financial contracts of the Triglav Group

	in EUR	
	2023	2022
Interest	9,851,287	7,670,075
Dividends	1,700,237	1,465,191
Realised gains/losses	371,704	-12,641,017
Unrealised gains/losses	27,758,208	-48,671,982
Impairment/reversal of impairment	309,953	-594,460
Exchange rate differences	-1,878,770	2,904,385
Other investment income/expenses	519,399	587,740
TOTAL	38,632,018	-49,280,068

Return on investments from financial contracts of Zavarovalnica Triglav

	in EUR	
	2023	2022
Interest	3,506,332	2,487,891
Dividends	920,242	684,423
Realised gains/losses	517,564	-12,656,126
Unrealised gains/losses	14,115,103	-14,535,473
Impairment/reversal of impairment	105,066	-249,082
Exchange rate differences	-990,029	952,700
Other investment income/expenses	-371,983	233,219
TOTAL	17,802,295	-23,082,449

3.5.4 Impairment of investments from financial contracts

Movement in ECL impairment of investments from financial contracts of the Triglav Group

	31 December 2023			31 December 2022		
	Gross	ECL adjustment	Carrying amount	Gross	ECL adjustment	Carrying amount
Debt securities at AC	283,524,818	-309,392	283,215,426	302,008,147	-619,341	301,388,806
Deposits at AC	0	0	0	20,471,189	-4	20,471,185
Total	283,524,818	-309,392	283,215,426	322,479,336	-619,345	321,859,991

All financial investments from financial contracts are classified in Level 1. The movements in gross carrying amount and ECL adjustments are shown in the tables below.

	in EUR
Debt securities at AC	TOTAL
Gross carrying amount as at 1 January 2022	8,249,330
Acquisitions	292,470,041
Disposals, maturities	-2,507,609
Interest	3,796,385
Gross carrying amount as at 31 December 2022 = 1 January 2023	302,008,147
Acquisitions	991,330
Disposals, maturities	-25,705,942
Interest	6,231,084
Other changes	199
Gross carrying amount as at 31 December 2023	283,524,818

	in EUR
Debt securities at AC	TOTAL
ECL adjustment as at 1 January 2022	-24,876
Change in ECL adjustment	-594,465
ECL adjustment as at 31 December 2022 = 1 January 2023	-619,341
Acquisitions	-1,472
Disposals, maturities	6,917
Change in ECL adjustment	304,504
ECL adjustment as at 31 December 2023	-309,392

	in EUR
Deposits at AC	TOTAL
Gross carrying amount as at 1 January 2022	3,000,860
Acquisitions	25,454,700
Disposals, maturities	-8,004,781
Interest	20,410
Gross carrying amount as at 31 December 2022 = 1 January 2023	20,471,189
Acquisitions	4,005,000
Disposals, maturities	-24,524,730
Interest	48,541
Gross carrying amount as at 31 December 2023	0

The effects of ECL impairments of deposits measured at amortised cost are insignificant and are therefore not disclosed.

Movement in ECL impairment of investments from financial contracts of Zavarovalnica Triglav

	31 December 2023			31 December 2022		
	Gross	ECL adjustment	Carrying amount	Gross	ECL adjustment	Carrying amount
Debt securities at AC	86,359,301	-144,016	86,215,285	99,647,104	-249,082	99,398,021
TOTAL	86,359,301	-144,016	86,215,285	99,647,104	-249,082	99,398,021

All financial investments from financial contracts are classified in Level 1. The movements in gross carrying amount and ECL adjustments are shown in the tables below.

	in EUR
Debt securities at AC	TOTAL
Gross carrying amount as at 1 January 2022	0
Acquisitions	98,905,203
Disposals, maturities	-464,870
Interest	1,206,771
Gross carrying amount as at 31 December 2022 = 1 January 2023	99,647,104
Acquisitions	991,330
Disposals, maturities	-16,494,208
Interest	2,215,075
Gross carrying amount as at 31 December 2023	86,359,301

	in EUR
Debt securities at AC	TOTAL
ECL adjustment as at 1 January 2022	0
Change in ECL adjustment	-249,082
ECL adjustment as at 31 December 2022 = 1 January 2023	-249,082
Acquisitions	-1,472
Disposals, maturities	6,917
Change in ECL adjustment	99,621
ECL adjustment as at 31 December 2023	-144,016

3.5.5 Financial contract liabilities

in EUR

	Triglav Group		Zavarovalnica Triglav	
	31 Dec 2023	31 Dec 2022	31 Dec 2023	31 Dec 2022
Liabilities to PDPZ Zajamčeni fund members	520,589,186	503,435,563	193,561,131	188,171,802
Liabilities to PDPZ Zmerni, Mešani fund members	74,253,819	57,046,617	31,243,232	23,385,516
Liabilities to PDPZ Drzni, Delniški fund members	77,077,607	51,223,462	34,174,144	22,897,307
Other financial contract liabilities	2,194,534	2,113,004	645,535	513,889
TOTAL	674,115,146	613,818,646	259,624,041	234,968,514

The guaranteed amount of the Triglav Group's liabilities to PDPZ Zajamčeni fund members as at 31 December 2023 was EUR 510,158,978 (31 December 2022: EUR 503,333,819), and the guaranteed amount of Zavarovalnica Triglav's liabilities to PDPZ Zajamčeni fund members as at 31 December 2023 was EUR 185,011,650 (31 December 2022: EUR 183,701,150).

Financial contract liabilities of the Triglav Group

in EUR

	PDPZ Zajamčeni	PDPZ Zmerni, Mešani	PDPZ Drzni, Delniški	TOTAL
As at 1 January 2022	545,602,448	50,954,764	44,907,848	641,465,060
Fund inflows	34,718,546	8,837,699	13,365,881	56,922,126
Fund outflows	-29,343,928	-623,822	-223,846	-30,191,596
Investment return of funds	-38,913,645	-5,783,973	-4,566,184	-49,263,802
Expenses for fund fees	-5,676,837	-640,850	-616,660	-6,934,347
Other fund expenses and costs	-203,938	-43,212	-44,649	-291,799
Transfers between funds	-2,747,083	4,346,011	-1,598,928	0
As at 31 December 2022 = 1 January 2023	503,435,563	57,046,617	51,223,462	611,705,642
Fund inflows	34,177,292	9,235,540	16,394,378	59,807,210
Fund outflows	-29,790,950	-618,053	-331,450	-30,740,453
Investment return of funds	19,083,765	8,933,738	10,618,870	38,636,373
Expenses for fund fees	-5,670,128	-758,553	-822,686	-7,251,367
Other fund expenses and costs	-144,836	-40,207	-51,750	-236,793
Transfers between funds	-501,520	454,737	46,783	0
As at 31 December 2023	520,589,186	74,253,819	77,077,607	671,920,612

Financial contract liabilities of Zavarovalnica Triglav

in EUR

	PDPZ Zajamčeni	PDPZ Zmerni	PDPZ Drzni	TOTAL
As at 1 January 2022	208,763,416	20,031,760	20,421,665	249,216,841
Fund inflows	12,434,151	3,671,848	5,415,010	21,521,009
Fund outflows	-10,145,071	-197,020	-108,990	-10,451,081
Investment return of funds	-17,952,606	-2,793,439	-2,320,136	-23,066,181
Expenses for fund fees	-2,187,226	-269,261	-278,695	-2,735,182
Other fund expenses and costs	0	-16,464	-14,319	-30,783
Transfers between funds	-2,740,863	2,958,093	-217,230	0
As at 31 December 2022 = 1 January 2023	188,171,802	23,385,516	22,897,307	234,454,625
Fund inflows	11,969,656	3,460,000	6,123,518	21,553,173
Fund outflows	-11,628,350	-188,425	-127,595	-11,944,370
Investment return of funds	7,756,092	4,473,268	5,573,304	17,802,664
Expenses for fund fees	-2,162,042	-321,998	-370,686	-2,854,726
Other fund expenses and costs	0	-16,348	-16,511	-32,859
Transfers between funds	-546,026	451,219	94,807	0
As at 31 December 2023	193,561,131	31,243,232	34,174,144	258,978,507

Maturity of liabilities to pension fund members of the Triglav Group

The undiscounted expected future cash flows from financial contract liabilities are equal to the carrying amount of the Group's liabilities. Their expected maturity at 31 December 2023 and 31 December 2022 is shown below.

in EUR

31 December 2023	< 1 year	1-5 years	5-10 years	> 10 years	TOTAL
Liabilities to PDPZ Zajamčeni fund members	9,044,911	44,983,103	75,927,029	390,634,143	520,589,186
Liabilities to PDPZ Zmerni, Mešani fund members	899,250	5,784,258	11,131,209	56,439,102	74,253,819
Liabilities to PDPZ Drzni, Delniški fund members	2,350,752	12,880,950	20,744,707	41,101,198	77,077,607
TOTAL	12,294,913	63,648,311	107,802,945	488,174,443	671,920,612

in EUR

31 December 2022	< 1 year	1-5 years	5-10 years	> 10 years	TOTAL
Liabilities to PDPZ Zajamčeni fund members	7,607,220	38,927,965	68,024,966	388,875,412	503,435,563
Liabilities to PDPZ Zmerni, Mešani fund members	520,338	3,527,258	7,720,385	45,278,636	57,046,617
Liabilities to PDPZ Drzni, Delniški fund members	1,311,961	7,834,169	13,220,342	28,856,990	51,223,462
TOTAL	9,439,519	50,289,392	88,965,693	463,011,038	611,705,642

Maturity of liabilities to pension fund members of Zavarovalnica Triglav

The undiscounted expected future cash flows from financial contract liabilities are equal to the carrying amount of the Company's liabilities. Their expected maturity at 31 December 2023 and 31 December 2022 is shown below.

in EUR

31 December 2023	< 1 year	1-5 year	5-10 year	> 10 year	TOTAL
Liabilities to PDPZ Zajamčeni fund members	3,834,771	18,606,355	29,568,623	141,551,382	193,561,131
Liabilities to PDPZ Zmerni fund members	420,828	2,659,441	4,842,199	23,320,763	31,243,232
Liabilities to PDPZ Drzni fund members	1,095,068	6,030,153	9,278,992	17,769,931	34,174,144
TOTAL	5,350,667	27,295,949	43,689,814	182,642,076	258,978,506

in EUR

31 December 2022	< 1 year	1-5 year	5-10 year	> 10 year	TOTAL
Liabilities to PDPZ Zajamčeni fund members	2,961,201	14,834,680	24,863,751	145,512,170	188,171,802
Liabilities to PDPZ Zmerni fund members	226,322	1,474,912	2,987,874	18,696,408	23,385,516
Liabilities to PDPZ Drzni fund members	640,013	3,785,376	5,706,943	12,764,975	22,897,307
TOTAL	3,827,536	20,094,968	33,558,568	176,973,553	234,454,625

3.6 Operating expenses

Operating expenses of the Triglav Group

in EUR

2023	Attributable acquisition costs	Attributable claim handling expenses	Attributable administrative costs	Non-attributable expenses of insurance companies	Expenses of non-insurance companies	TOTAL
OPERATING EXPENSES	214,668,318	29,992,668	83,801,833	58,998,876	46,643,578	434,105,273
Acquisition costs	92,612,498	864	0	193,092	0	92,806,454
Depreciation/amortisation costs	2,303,426	381,862	1,357,867	19,332,257	2,916,254	26,291,666
Depreciation/amortisation costs of leased assets	1,736,408	268,129	775,675	2,928,709	990,091	6,699,012
Depreciation/amortisation costs of other operating assets	567,018	113,733	582,192	16,403,548	1,926,163	19,592,654
Labour costs	90,886,243	23,014,544	54,812,664	11,138,406	18,095,743	197,947,600
Wages and salaries	65,040,590	15,777,470	35,874,972	7,351,519	12,735,298	136,779,849
Social and pension insurance costs	13,312,820	3,473,736	7,967,360	1,603,891	3,421,962	29,779,769
Other labour costs	12,532,833	3,763,338	10,970,332	2,182,996	1,938,483	31,387,982
Costs of services	28,866,151	6,595,398	27,631,302	28,335,121	25,696,867	117,124,839
Costs of entertainment, advertising and trade shows	8,133,825	19,067	172,839	13,704,398	1,580,349	23,610,478
Maintenance costs	4,463,095	1,204,444	9,006,364	554,278	1,494,336	16,722,517
Costs of materials and energy	4,381,093	1,000,413	1,656,737	435,945	2,572,997	10,047,185
Costs of payment transactions and banking services	675,772	10,958	1,585,406	65,732	212,409	2,550,277
Insurance premium costs	178,942	16,150	240,475	1,372,629	305,541	2,113,737
Costs of intellectual services	289,576	606,173	1,017,448	5,326,307	2,164,090	9,403,594
Training costs	363,077	136,539	545,787	298,342	215,575	1,559,320
Expenses for short-term leases, low-value leases and other leases	1,656,454	717,901	4,476,567	470,315	955,534	8,276,771
Costs of transport and communications services	2,784,319	536,092	2,566,509	141,165	431,209	6,459,294
Reimbursement of labour-related costs	3,049,244	150,510	734,771	533,683	1,128,333	5,596,541
Costs of services provided by natural persons other than sole proprietors	316,582	554,606	491,375	189,478	518,767	2,070,808
Other costs of services	2,574,172	1,642,545	5,137,024	5,242,849	14,117,727	28,714,317
Cost of goods sold	0	0	0	0	-65,286	-65,286
OTHER ATTRIBUTABLE INSURANCE SERVICE EXPENSES	213,309	3,844,303	19,534,686	203,396	0	23,795,694
CHANGE IN DEFERRED ACQUISITION COSTS	-13,616,542	0	0	0	0	-13,616,542
TOTAL	201,265,085	33,836,971	103,336,519	59,202,272	46,643,578	444,284,425
Elimination of intercompany transactions	-1,080,487	0	-1,511,832	-11,137,602	-1,539,779	-15,269,700
TOTAL	200,184,598	33,836,971	101,824,687	48,064,670	45,103,799	429,014,725

in EUR

2022	Attributable acquisition costs	Attributable claim handling expenses	Attributable administrative costs	Non-attributable expenses of insurance companies	Expenses of non-insurance companies	TOTAL
OPERATING EXPENSES	191,558,019	27,599,961	72,302,752	57,323,799	41,654,690	390,439,221
Acquisition costs	80,806,697	18	27,409	191,958	0	81,026,082
Depreciation/amortisation costs	2,302,938	369,329	1,185,886	19,259,537	3,048,989	26,166,679
Depreciation/amortisation costs of leased assets	1,731,253	237,393	724,504	2,928,188	939,009	6,560,347
Depreciation/amortisation costs of other operating assets	571,685	131,936	461,382	16,331,349	2,109,980	19,606,332
Labour costs	80,182,993	21,154,385	47,956,724	10,341,284	15,874,205	175,509,591
Wages and salaries	57,314,811	14,515,885	32,213,933	6,730,945	11,222,000	121,997,574
Social and pension insurance costs	11,608,508	3,223,360	7,352,045	1,330,317	2,964,370	26,478,600
Other labour costs	11,259,674	3,415,140	8,390,746	2,280,022	1,687,835	27,033,417
Costs of services	28,265,391	6,076,229	23,132,733	27,531,020	22,738,219	107,743,592
Costs of entertainment, advertising and trade shows	8,007,423	18,296	136,088	12,867,286	1,886,001	22,915,094
Maintenance costs	3,802,074	1,058,936	8,018,574	536,111	1,236,031	14,651,726
Costs of materials and energy	4,624,221	1,217,539	1,975,868	693,327	2,253,006	10,763,961
Costs of payment transactions and banking services	584,131	1,391	1,513,638	96,179	284,935	2,480,274
Insurance premium costs	134,873	19,732	229,815	716,962	266,152	1,367,534
Costs of intellectual services	319,245	507,271	655,512	6,078,489	1,022,113	8,582,630
Training costs	418,429	135,351	536,331	280,275	139,503	1,509,889
Expenses for short-term leases, low-value leases and other leases	1,913,623	617,415	2,308,859	332,931	802,403	5,975,231
Costs of transport and communications services	2,743,534	500,208	2,184,056	138,316	405,998	5,972,112
Reimbursement of labour-related costs	2,814,939	143,563	632,075	496,579	1,161,318	5,248,474
Costs of services provided by natural persons other than sole proprietors	419,418	446,661	411,230	167,391	364,540	1,809,240
Other costs of services	2,483,481	1,409,866	4,530,687	5,127,174	12,916,219	26,467,427
Cost of goods sold	0	0	0	0	-6,723	-6,723
OTHER ATTRIBUTABLE INSURANCE SERVICE EXPENSES	0	2,193,833	15,232,730	1,699,977	0	19,126,540
CHANGE IN DEFERRED ACQUISITION COSTS	-11,985,247	0	0	0	0	-11,985,247
TOTAL	179,572,772	29,793,794	87,535,482	59,023,776	41,654,690	397,580,514
Elimination of intercompany transactions	-1,120,999	0	-1,436,608	-9,873,812	-1,169,241	-13,600,659
TOTAL	178,451,773	29,793,794	86,098,874	49,149,964	40,485,449	383,979,855

Among other service costs, the Group mainly discloses expenses for fund fees, which amounted to EUR 9,984,023 in 2023 (2022: EUR 9,626,729), costs of computer services, which amounted to EUR 3,211,758 in 2023 (2022: EUR 2,710,022), and costs of property protection services, which amounted to EUR 1,675,798 in 2023 (2022: EUR 1,532,837).

Operating expenses of Zavarovalnica Triglav

in EUR

2023	Attributable acquisition costs	Attributable claim handling expenses	Attributable administrative costs	Non-attributable expenses	TOTAL
OPERATING EXPENSES	141,263,233	21,678,451	49,762,875	39,242,595	251,947,155
Acquisition costs	55,547,516	0	0	24,716	55,572,232
Depreciation/amortisation costs	690,797	134,450	301,196	15,038,079	16,164,522
Depreciation/amortisation costs of leased assets	690,797	134,450	301,196	94,428	1,220,871
Depreciation/amortisation costs of other operating assets	0	0	0	14,943,651	14,943,651
Labour costs	69,150,906	17,529,520	34,354,245	7,583,373	128,618,044
Wages and salaries	49,828,505	12,079,662	22,311,787	5,242,419	89,462,373
Social and pension insurance costs	8,422,285	2,051,485	3,748,859	917,505	15,140,134
Other labour costs	10,900,116	3,398,373	8,293,599	1,423,449	24,015,536
Costs of services	15,874,014	4,014,481	15,107,435	16,596,427	51,592,357
Costs of entertainment, advertising and trade shows	2,718,924	231	15,143	7,343,335	10,077,634
Maintenance costs	3,192,233	982,663	4,180,405	536,341	8,891,642
Costs of materials and energy	2,148,122	721,766	909,006	335,252	4,114,147
Costs of payment transactions and banking services	471,252	7,775	936,673	19,901	1,435,601
Insurance premium costs	0	0	0	1,005,722	1,005,722
Costs of intellectual services	94,565	43,103	330,587	3,302,260	3,770,515
Training costs	310,496	126,841	393,200	185,745	1,016,282
Expenses for short-term leases, low-value leases and other leases	1,148,723	642,121	4,222,146	453,438	6,466,428
Costs of transport and communications services	1,863,142	419,488	558,056	132,496	2,973,181
Reimbursement of labour-related costs	2,584,457	91,388	390,285	284,920	3,351,050
Costs of services provided by natural persons other than sole proprietors	71,709	384,590	219,122	18,624	694,045
Other costs of services	1,270,391	594,516	2,952,812	2,978,392	7,796,111
OTHER ATTRIBUTABLE INSURANCE SERVICE EXPENSES	0	1,591,019	18,832,824	6,164	20,430,008
CHANGE IN DEFERRED ACQUISITION COSTS	-10,020,473	0	0	0	-10,020,473
TOTAL	131,242,760	23,269,470	68,595,699	39,248,760	262,356,690

in EUR

2022	Attributable acquisition costs	Attributable claim handling expenses	Attributable administrative costs	Non-attributable expenses	TOTAL
OPERATING EXPENSES	122,785,821	19,930,061	39,943,674	38,715,422	221,374,979
Acquisition costs	45,233,097	0	27,204	34,409	45,294,710
Depreciation/amortisation costs	722,081	123,990	232,637	14,872,023	15,950,731
Depreciation/amortisation costs of leased assets	722,081	123,990	232,637	91,905	1,170,612
Depreciation/amortisation costs of other operating assets	0	0	0	14,780,118	14,780,118
Labour costs	60,988,095	16,036,119	28,658,677	7,265,733	112,948,623
Wages and salaries	43,778,391	11,051,467	19,234,017	5,015,883	79,079,757
Social and pension insurance costs	7,414,163	1,885,760	3,218,030	880,402	13,398,354
Other labour costs	9,795,542	3,098,891	6,206,631	1,369,448	20,470,512
Costs of services	15,842,549	3,769,953	11,025,156	16,543,257	47,180,915
Costs of entertainment, advertising and trade shows	2,895,924	49	1,088	6,791,642	9,688,702
Maintenance costs	2,663,955	826,715	3,165,553	515,731	7,171,955
Costs of materials and energy	2,495,082	964,166	1,192,927	570,854	5,223,029
Costs of payment transactions and banking services	412,489	350	884,254	33,886	1,330,980
Insurance premium costs	0	0	0	452,582	452,582
Costs of intellectual services	143,015	24,603	69,319	4,205,733	4,442,670
Training costs	360,709	118,219	405,379	182,025	1,066,331
Expenses for short-term leases, low-value leases and other leases	1,393,515	543,820	2,059,098	323,598	4,320,031
Costs of transport and communications services	1,797,872	390,911	464,836	129,455	2,783,075
Reimbursement of labour-related costs	2,414,333	87,802	290,377	267,958	3,060,470
Costs of services provided by natural persons other than sole proprietors	51,656	284,475	160,482	17,186	513,799
Other costs of services	1,213,999	528,843	2,331,843	3,052,606	7,127,291
OTHER ATTRIBUTABLE INSURANCE SERVICE EXPENSES	0	1,039,966	14,304,820	1,189,329	16,534,115
CHANGE IN DEFERRED ACQUISITION COSTS	-4,533,800	0	0	0	-4,533,800
TOTAL	118,252,021	20,970,027	54,248,494	39,904,751	233,375,294

In addition to costs of salaries, the Company set aside provisions for employee bonuses. In addition to employees' salaries, contributions charged to the employer are taken into account when creating provisions. Total provisions created for 2023 amounted to EUR 5,000,000 (2022: EUR 18,922,432).

3.7 Notes to other significant items in the financial statements

3.7.1 Property, plant and equipment

Movement in property, plant and equipment of the Triglav Group

	in EUR				
	Land	Buildings	Equipment	PPE in acquisition	TOTAL
COST					
As at 1 January 2022	11,480,626	128,546,856	67,993,004	542,651	208,563,137
Transfer in use	0	546,941	1,110,761	-1,657,702	0
Acquisitions	0	535,297	8,148,282	1,437,590	10,121,169
Disposals	-33,621	-796,202	0	0	-829,823
Write-offs	0	0	-7,313,981	0	-7,313,981
Other changes	-11,096	-3,083,319	51,800	304,578	-2,738,037
As at 31 December 2022 = 1 January 2023	11,435,909	125,749,573	69,989,866	627,117	207,802,465
Transfer to use	0	503,021	1,521,192	-2,024,213	0
Acquisitions	10,506	272,660	4,142,852	3,049,180	7,475,198
Disposals	0	-1,311,669	-1,108,292	0	-2,419,961
Write-offs	0	-562	-3,346,490	0	-3,347,052
Other changes	94,383	-1,057,416	-55,158	-299,208	-1,317,399
As at 31 December 2023	11,540,798	124,155,607	71,143,970	1,352,876	208,193,251
ACCUMULATED DEPRECIATION					
As at 1 January 2022	0	-44,779,835	-53,652,258	0	-98,432,093
Depreciation	0	-2,538,175	-5,940,073	0	-8,478,248
Disposals	0	277,580	0	0	277,580
Write-offs	0	0	7,042,755	0	7,042,755
Other changes	0	1,423,511	229,866	0	1,653,377
As at 31 December 2022 = 1 January 2023	0	-45,616,919	-52,319,710	0	-97,936,629
Depreciation	0	-2,449,618	-5,911,868	0	-8,361,486
Disposals	0	265,803	851,584	0	1,117,387
Write-offs	0	0	3,266,280	0	3,266,280
Other changes	0	424,040	125,966	0	550,006
As at 31 December 2023	0	-47,376,694	-53,987,748	0	-101,364,442
CARRYING AMOUNT					
As at 1 January 2022	11,480,626	83,767,021	14,340,746	542,651	110,131,044
As at 31 December 2022 = 1 January 2023	11,435,909	80,132,654	17,670,156	627,117	109,865,836
As at 31 December 2023	11,540,798	76,778,913	17,156,222	1,352,876	106,828,809

The Group has no property, plant and equipment pledged as collateral for liabilities. It also has no financial liabilities related to the purchase of property, plant and equipment.

The depreciation rates used for buildings range between 1.5% and 5%, the depreciation rate for computer equipment was 50% and for other equipment it ranged between 6.7% and 25%. Amortisation rates did not change in 2023 compared to the previous year.

Cost of fully depreciated assets still in use represents 18.12% of total cost of all assets used (31 December 2022: 16.62%).

In 2023, the Group assessed the existence of possible signs of impairment of land, buildings and equipment. Signs of impairment were identified in several real properties, which were subsequently impaired. The impairment of EUR 215,524 is shown under "Other changes" in movement in property, plant and equipment.

Movement in property, plant and equipment of Zavarovalnica Triglav

	in EUR				
	Land	Buildings	Equipment	PPE in acquisition	TOTAL
COST					
As at 1 January 2022	5,875,544	83,254,488	42,319,282	231,002	131,680,316
Transfer to use	0	381,851	177,896	-559,747	0
Acquisitions	0	51,230	6,260,448	544,688	6,856,366
Disposals	0	-392,118	0	0	-392,118
Write-offs	0	0	-5,639,803	0	-5,639,803
Other changes	0	810,984	214,900	0	1,025,884
As at 31 December 2022 = 1 January 2023	5,875,544	84,106,435	43,332,723	215,943	133,530,645
Transfer to use	0	503,021	838,567	-1,341,588	0
Acquisitions	10,506	194,514	2,698,009	2,121,992	5,025,021
Disposals	0	-777,960	0	0	-777,960
Write-offs	0	0	-2,192,611	0	-2,192,611
Other changes	0	-53,719	0	0	-53,719
As at 31 December 2023	5,886,050	83,972,291	44,676,688	996,347	135,531,376
ACCUMULATED DEPRECIATION					
As at 1 January 2022	0	-30,201,335	-34,719,681	0	-64,921,016
Depreciation	0	-1,417,798	-3,472,525	0	-4,890,323
Disposals	0	116,625	0	0	116,625
Write-offs	0	0	5,600,473	0	5,600,473
Other changes	0	-320,507	0	0	-320,507
As at 31 December 2022 = 1 January 2023	0	-31,823,015	-32,591,733	0	-64,414,748
Depreciation	0	-1,434,355	-3,510,237	0	-4,944,592
Disposals	0	213,411	0	0	213,411
Write-offs	0	0	2,162,703	0	2,162,703
Other changes	0	61,328	0	0	61,328
As at 31 December 2023	0	-32,982,631	-33,939,267	0	-66,921,898
CARRYING AMOUNT					
As at 1 January 2022	5,875,544	53,053,153	7,599,601	231,002	66,759,300
As at 31 December 2022 = 1 January 2023	5,875,544	52,283,420	10,740,990	215,943	69,115,897
As at 31 December 2023	5,886,050	50,989,660	10,737,421	996,347	68,609,478

The Company has no property, plant and equipment pledged as collateral for liabilities. It also has no financial liabilities related to the purchase of property, plant and equipment.

The depreciation rates used for buildings range between 1.5% and 5%, the depreciation rate for computer equipment was 50% and for other equipment it ranged between 6.7% and 25%. Amortisation rates did not change in 2023 compared to the previous year.

Cost of fully depreciated assets still in use represents 19.98% of total cost of all assets used (31 December 2022: 19.95%).

In 2023, the Company assessed the existence of possible signs of impairment of land, buildings and equipment. Signs of impairment were identified in several real properties, which were subsequently impaired. The impairment of EUR 215,524 is shown under "Other changes" in movement in property, plant and equipment.

Determining the fair value of the Group's and the Company's real property

The fair value of real property was determined based on valuations performed as at 30 September 2023 by an external certified real estate valuer in accordance with the guidelines described in [Section 2.5.10](#).

When preparing the financial statements as at 31 December 2023, the management performed a re-assessment and concluded that there were no changes between the valuation date and the reporting date that would significantly affect the fair value of real property. For the purposes of real property valuation, the suitability of using all valuation methods provided by the International Valuation Standards was checked. Considering the results of the real property market analysis as well as taking into consideration the purpose of valuation and the characteristics of specific valued real property, the following were used in valuation:

- the market approach (the comparable transaction method),
- the income approach (the income capitalisation approach) and
- the land residual method.

In the comparable transaction method, fair value was estimated based on market data derived from comparable transactions with similar real property.

When using the income capitalisation method, the fair value of Slovenian real property was estimated using a discount rate ranging between 7.50% and 9.50% for commercial buildings. The rate was determined using the market analysis method and further verified using the build-up method. Residential buildings were valued using the comparable sales method due to sufficient market evidence in local markets. The following assumptions were taken into account in the calculation of the capitalisation rate:

- the 0.68% risk-free rate of return in real terms, taking into account the yield on a 10-year Slovenian government bond of 3.70% and the annual price growth rate of 3%;
- the real estate risk premium of 5.0–7.0%;
- the capital retention premium of 1.36% (according to Hoskold) (in the case of an estimated age of office property of 60 years).

When using the income capitalisation method, the fair value of real property abroad was estimated using a discount rate ranging between 7.5% and 15.0%, and was also calculated using the market analysis method. The rate was verified using a build-up method (a three-part model), in which the following assumptions were used:

- the real risk-free rate of return of 0.58–6.02%, taking into account the yield on a 10-year German government bond (2.84%), the country risk premium (2.89–9.86%) and the current and projected inflation rate for the country in which real property is located;
- the real estate risk premium of 6.3%;
- the capital retention premium of 1.67% (in the case of an estimated age of office property of 60 years).

The fair values of the Group's and the Company's real property exceed their carrying amounts.

3.7.2 Investment property

Movement in investment property of the Triglav Group

	in EUR			
	Land	Buildings	Property in acquisition	TOTAL
COST				
As at 1 January 2022	14,838,567	62,858,021	13,888,435	91,585,023
Transfer to use	0	3,347,280	-3,347,280	0
Acquisitions	0	1,016,944	1,569,684	2,586,628
Disposals	-6,900,991	-1,179,333	-110,568	-8,190,892
Other changes	1,358	-42,785	0	-41,427
As at 31 December 2022 = 1 January 2023	7,938,934	66,000,127	12,000,271	85,939,332
Transfer to use	0	1,687,420	-1,687,420	0
Acquisitions	0	183,744	1,731,816	1,915,560
Disposals	-102,108	-1,146,824	-37,049	-1,285,981
Other changes	-185	-247,132	0	-247,317
As at 31 December 2023	7,836,641	66,477,335	12,007,618	86,321,594
ACCUMULATED DEPRECIATION				
As at 1 January 2022	0	-16,525,432	0	-16,525,432
Depreciation	0	-1,430,563	0	-1,430,563
Disposals	0	378,702	0	378,702
Other changes	0	-36,552	0	-36,552
As at 31 December 2022 = 1 January 2023	0	-17,613,845	0	-17,613,845
Depreciation	0	-1,434,129	0	-1,434,129
Disposals	0	667,231	0	667,231
Other changes	0	12,922	0	12,922
As at 31 December 2023	0	-18,367,821	0	-18,367,821
CARRYING AMOUNT				
As at 1 January 2022	14,838,567	46,332,589	13,888,435	75,059,591
As at 31 December 2022 = 1 January 2023	7,938,934	48,386,282	12,000,271	68,325,487
As at 31 December 2023	7,836,641	48,109,514	12,007,618	67,953,773

The Group has no investment property pledged as collateral for liabilities. It also has no financial liabilities related to the purchase of investment property. Investment property owned by the Group was not obtained with state support.

The amortisation rates used for investment property range between 1.5% and 5%. Amortisation rates did not change in 2023 compared to the previous year.

In 2023, the Group assessed the existence of possible signs of impairment of investment property. No signs of impairment were identified.

Movement in investment property of Zavarovalnica Triglav

	in EUR			
	Land	Buildings	Property in acquisition	TOTAL
COST				
As at 1 January 2022	3,529,464	40,688,135	10,810,918	55,028,517
Transfer to use	0	0	0	0
Acquisitions	0	33,675	1,118,817	1,152,492
Disposals	-16,237	-202,020	0	-218,257
Other changes	0	-810,985	0	-810,985
As at 31 December 2022 = 1 January 2023	3,513,227	39,708,805	11,929,735	55,151,767
Transfer to use	0	1,405,389	-1,405,389	0
Acquisitions	0	183,744	1,439,138	1,622,882
Disposals	-102,107	-986,853	0	-1,088,960
Other changes	-185	-227,671	0	-227,856
As at 31 December 2023	3,410,935	40,083,414	11,963,484	55,457,833
ACCUMULATED DEPRECIATION				
As at 1 January 2022	0	-11,188,462	0	-11,188,462
Depreciation	0	-966,800	0	-966,800
Disposals	0	60,161	0	60,161
Other changes	0	320,507	0	320,507
As at 31 December 2022 = 1 January 2023	0	-11,774,594	0	-11,774,594
Depreciation	0	-972,822	0	-972,822
Disposals	0	713,890	0	713,890
Other changes	0	2,874	0	2,874
As at 31 December 2023	0	-12,030,652	0	-12,030,652
CARRYING AMOUNT				
As at 1 January 2022	3,529,464	29,499,673	10,810,918	43,840,055
As at 31 December 2022 = 1 January 2023	3,513,227	27,934,211	11,929,735	43,377,173
As at 31 December 2023	3,410,935	28,052,762	11,963,484	43,427,181

The Company has no investment property pledged as collateral for liabilities. It also has no financial liabilities related to the purchase of investment property. Investment property owned by the Company was not obtained with state support.

The amortisation rates used for investment property range between 1.5% and 5% and did not change in 2023 compared to the previous year.

In 2023, the Company assessed the existence of possible signs of impairment of investment property. No signs of impairment were identified.

Determining the fair value of the Group's and the Company's investment property

The fair value of real property was determined based on valuations performed as at 30 September 2023 by an external certified real estate valuer in accordance with the guidelines described in [Section 2.5.10](#).

When preparing the financial statements as at 31 December 2023, the management performed a re-assessment and concluded that there were no changes between the valuation date and the reporting date that would significantly affect the fair value of real property. For the purposes of real property valuation, the suitability of using all valuation methods provided by the International Valuation Standards was checked. Considering the results of the real property market analysis as well as taking into consideration the purpose of valuation and the characteristics of specific valued real property, the following were used in valuation:

- the market approach (the comparable transaction method),
- the income approach (the income capitalisation approach) and
- the land residual method.

In the comparable transaction method, fair value was estimated based on market data derived from comparable transactions with similar real property.

When using the income capitalisation method, the fair value of Slovenian real property was estimated using a discount rate ranging between 7.50% and 9.50% for commercial buildings. The rate was determined using the market analysis method and further verified using the build-up method. Residential buildings were valued using the comparable sales method due to sufficient market evidence in local markets. The following assumptions were taken into account in the calculation of the capitalisation rate:

- the 0.68% risk-free rate of return in real terms, taking into account the yield on a 10-year Slovenian government bond of 3.70% and the annual price growth rate of 3%;
- the real estate risk premium of 5.0–7.0%;
- the capital retention premium of 1.36% (according to Hoskold) (in the case of an estimated age of office property of 60 years).

When using the income capitalisation method, the fair value of real property abroad was estimated using a discount rate ranging between 7.5% and 15.0%, and was also calculated using the market analysis method. The rate was verified using a build-up method (a three-part model), in which the following assumptions were used:

- the real risk-free rate of return of 0.58–6.02%, taking into account the yield on a 10-year German government bond (2.84%), the country risk premium (2.89–9.86%) and the current and projected inflation rate for the country in which real property is located;
- the real estate risk premium of 6.3%;
- the capital retention premium of 1.67% (in the case of an estimated age of office property of 60 years).

The fair values of the Group's and the Company's investment property exceed their carrying amounts.

Investment property income and expenses of the Group and the Company

The Group and the Company lease (operational lease) its investment properties, i.e. individual business premises. All operating leases can be cancelled and are concluded for an initial term of one to ten years or for an indefinite term. Leases do not include contingent rents (variable lease payments).

There were no significant modifications or terminations of lease contracts in 2023. As at 31 December 2023, 74.26% of all investment properties of the Group (31 December 2022: 74.34%) and 72.47% of all investment properties of the Company (31 December 2022: 72.50%) were leased.

All income from investment property relates exclusively to leases and operating expenses attributable to the lessee and is disclosed in profit or loss under the item net other operating income and expenses.

Expenses from investment property relate to amortisation, maintenance costs and other expenses of investment property and are disclosed in profit or loss under the item net other operating income and expenses.

	Triglav Group		Zavarovalnica Triglav	
	2023	2022	2023	2022
Lease income	7,441,237	9,106,100	6,195,418	6,116,290
Depreciation of investment property	-1,434,129	-1,430,563	-972,822	-966,800
Maintenance costs and other expenses related to income-generating real property	-2,349,341	-3,242,060	-2,945,673	-3,760,676
Maintenance costs and other expenses related to non-income-generating real property	-81,176	-100,392	-75,372	-99,740

in EUR

Expected undiscounted cash flows from concluded lease contracts

Based on the contractual provisions effective at the balance sheet date, the Group and the Company expect cash flows in the coming years as presented below. Expected cash flows are calculated based on the term of valid lease contracts. Contracts concluded without a term were assumed to last for five years.

	Triglav Group		Zavarovalnica Triglav	
	31 Dec 2023	31 Dec 2022	31 Dec 2023	31 Dec 2022
Expected lease payments in year 1	5,999,327	6,296,386	3,559,799	4,163,238
Expected lease payments in year 2	4,324,247	5,079,823	3,137,038	3,640,923
Expected lease payments in year 3	3,894,731	3,527,026	2,893,114	3,174,424
Expected lease payments in year 4	858,445	3,199,416	199,854	2,893,336
Expected lease payments in year 5	626,503	432,008	197,574	217,600
Expected lease payments later than 5 years	414,745	320,280	76,375	284,142
TOTAL	16,117,998	18,854,939	10,063,754	14,373,663

in EUR

3.7.3 Right-of-use assets

The Group and the Company lease business premises, vehicles and other equipment used in their operations. Leases for business premises are mostly concluded for an indefinite term, and leases for vehicles and other equipment for one to five years.

The Group and the Company also entered into short-term leases and leases of low-value equipment. Permitted exceptions to recognition apply to these leases.

Movement in right-of-use assets of the Triglav Group

	in EUR			
	Land and buildings	Vehicles	Other equipment	TOTAL
As at 1 January 2022	13,046,236	2,241,318	48,495	15,336,049
New leases	577,030	778,746	1,985	1,357,761
Lease termination	-356,009	-82,440	0	-438,449
Lease modification	1,852,227	0	37,658	1,889,885
Change in estimates of future cash flows	-16,749	-3,183	0	-19,932
Depreciation of right-of-use assets	-2,692,347	-751,400	-29,251	-3,472,998
Exchange rate differences and other changes	-7,643	733	-394	-7,304
As at 31 December 2022 = 1 January 2023	12,402,745	2,183,774	58,493	14,645,012
Elimination of intercompany transactions	-4,452,087	0	0	-4,452,087
TOTAL	7,950,658	2,183,774	58,493	10,192,925
New leases	3,150,111	1,941,607	20,954	5,112,672
Lease termination	-1,110,757	-801,698	-12,016	-1,924,471
Lease modification	2,536,837	662,404	0	3,199,241
Change in estimates of future cash flows	-276,350	20,161	0	-256,189
Depreciation of right-of-use assets	-4,059,700	-1,005,825	-36,190	-5,101,715
Exchange rate differences and other changes	-2,539	-839	-13	-3,391
As at 31 December 2023	12,640,347	2,999,584	31,228	15,671,159
Elimination of intercompany transactions	-4,557,710	0	0	-4,557,710
TOTAL	8,082,637	2,999,584	31,228	11,113,449

Movement in right-of-use assets of Zavarovalnica Triglav

	in EUR			
	Land and buildings	Vehicles	Other equipment	TOTAL
As at 1 January 2022	3,184,922	1,316,422	46,954	4,548,298
New leases	45,082	563,475	1,985	610,542
Lease termination	-427,216	-574,946	0	-1,002,162
Lease modification	423,542	574,437	0	997,979
Depreciation of right-of-use assets	-685,848	-515,855	-12,229	-1,213,932
As at 31 December 2022 = 1 January 2023	2,540,482	1,363,533	36,710	3,940,725
New leases	171,273	1,360,058	0	1,531,331
Lease termination	-362,510	-796,772	0	-1,159,282
Lease modification	644,117	662,404	0	1,306,521
Depreciation of right-of-use assets	-674,905	-575,819	-12,084	-1,262,808
As at 31 December 2023	2,318,457	2,013,404	24,626	4,356,487

Lease liabilities

	Triglav Group		Zavarovalnica Triglav	
	31 Dec 2023	31 Dec 2022	31 Dec 2023	31 Dec 2022
Right of use assets	11,113,449	10,192,925	4,356,487	3,940,725
Lease financial liabilities	-11,665,333	-10,593,326	-4,573,011	-4,054,668

To calculate the net present value of future cash flows from leases, discount rates were used that were determined at the level of the interest rate for risk-free government bonds, increased by the credit spread of an individual Group member. When valuing assets and liabilities from contracts concluded for an indefinite term, there were no changes in the estimated term of contracts in 2023.

The table below shows the maturity of expected discounted cash flows by year.

	Triglav Group		Zavarovalnica Triglav	
	31 Dec 2023	31 Dec 2022	31 Dec 2023	31 Dec 2022
Expected cash flows in less than 1 year	4,539,979	3,985,292	1,155,871	1,052,085
Expected cash flows in 1–2 years	4,431,734	3,656,537	1,189,495	902,108
Expected cash flows in 2–3 years	3,126,865	3,270,835	956,894	830,129
Expected cash flows in 3–4 years	2,277,307	2,572,670	518,289	629,924
Expected cash flows in 4–5 years	859,384	1,021,086	263,377	164,015
Expected cash flows over 5 years	1,153,420	676,036	489,085	476,407
Lease liabilities	16,388,689	15,182,456	4,573,011	4,054,668
Elimination of intercompany transactions	-4,723,356	-4,589,130	0	0
TOTAL	11,665,333	10,593,326	4,573,011	4,054,668

The maturity of expected undiscounted cash flows by year is shown below.

	Triglav Group		Zavarovalnica Triglav	
	31 Dec 2023	31 Dec 2022	31 Dec 2023	31 Dec 2022
Expected cash flows in less than 1 year	5,564,080	5,224,055	1,379,134	1,068,318
Expected cash flows in 1–2 years	5,028,385	4,817,885	1,257,926	1,057,896
Expected cash flows in 2–3 years	3,878,895	4,311,277	990,223	936,109
Expected cash flows in 3–4 years	2,440,864	3,168,977	521,975	668,405
Expected cash flows in 4–5 years	945,515	1,423,056	283,194	200,158
Expected cash flows over 5 years	1,619,749	1,712,302	539,490	555,445
Total expected undiscounted cash flows	19,477,488	20,657,552	4,971,942	4,486,331

The Group's and the Company's expenses related to leased assets and payments related to rights-of-use assets

	Triglav Group		Zavarovalnica Triglav	
	2023	2022	2023	2022
Expenses related to right-of-use assets				
Depreciation/amortisation costs of leased assets	-5,101,715	-3,472,998	-1,262,808	-1,213,932
Interest expenses from leased assets	-901,232	-489,303	-153,630	-79,806
Other expenses from leased assets	-126,504	-6,951	0	0
Other lease-related costs and expenses				
Expenses for short-term leases	-806,975	-125,836	-42,496	-49,092
Expenses for low-value leases	-525,068	-563,829	-442,246	-426,719
Expenses related to variable lease payments	-150,812	0	0	0
Payments for right-of-use assets in the year	5,878,787	4,227,582	1,317,713	1,245,256

3.7.4 Intangible assets and goodwill

Movement in intangible assets of the Triglav Group

	in EUR				
	Goodwill	Licenses and software	Intangible assets in acquisition	Long-term deferred items	TOTAL
COST					
As at 1 January 2022	10,413,312	101,682,341	3,512,789	630,596	116,239,038
Transfer to use	0	2,361,862	-2,361,862	0	0
Acquisitions and other increases	0	6,230,090	6,156,020	0	12,386,110
Disposals	0	-3,076,870	27,181	0	-3,049,689
Other changes	0	-1,386,350	13,766	-386,412	-1,758,996
As at 31 December 2022 = 1 January 2023	10,413,312	105,811,073	7,347,894	244,184	123,816,463
Transfer to use	0	2,147,073	-2,147,073	0	0
Acquisitions and other increases	0	8,210,238	5,710,237	0	13,920,475
Disposals	0	-394,177	0	0	-394,177
Other changes	0	-1,795,702	-8,795	-85,824	-1,890,321
As at 31 December 2023	10,413,312	113,978,505	10,902,263	158,360	135,452,440
ACCUMULATED DEPRECIATION					
As at 1 January 2022	0	-61,990,754	0	0	-61,990,754
Depreciation	0	-12,772,548	0	0	-12,772,548
Disposals	0	3,298,009	0	0	3,298,009
Other changes	0	1,369,089	0	0	1,369,089
As at 31 December 2022 = 1 January 2023	0	-70,096,204	0	0	-70,096,204
Depreciation	0	-11,696,494	0	0	-11,696,494
Disposals	0	367,575	0	0	367,575
Other changes	0	628,989	0	0	628,989
As at 31 December 2023	0	-80,796,134	0	0	-80,796,134
CARRYING AMOUNT					
As at 1 January 2022	10,413,312	39,691,587	3,512,789	630,596	54,248,284
As at 31 December 2022	10,413,312	35,714,869	7,347,894	244,184	53,720,259
As at 31 December 2023	10,413,312	33,182,371	10,902,263	158,360	54,656,306

Goodwill arises from the merger of Alta Skladi d.d., to Triglav Skladi, družba za upravljanje d.o.o. in 2019.

In testing goodwill as at 31 December 2023, the estimated value of the cash-generating unit (CGU) Triglav Skladi d.o.o. as at 30 September 2023 was determined, which was based on an estimated value in use in accordance with IAS 36. The estimated value in use exceeds the estimated carrying amount and the discounted net cash flow method was applied, taking into account the estimated net cash flows for the 2024–2031 period and a 12.12% discount rate (2022: 14.18%). When preparing the financial statements as at 31 December 2023, the management performed a re-assessment and concluded that there were no changes between the value assessment date and the reporting date that would significantly affect the value when using the cash-generating unit, i.e. Triglav Skladi d.o.o.

The calculated recoverable amount of goodwill exceeds its carrying amount, therefore no impairment of goodwill is required.

Under other intangible assets, the Group has no intangible assets pledged as collateral for liabilities. The Group also has no financial liabilities related to the purchase of intangible assets. Intangible assets owned by the Group were not obtained with state support.

The amortisation rate used for software is 20%, and for other material rights it ranges between 1% and 20%. Amortisation rates did not change in 2023.

The Group has no intangible assets that are individually significant for the consolidated financial statements.

In 2023, the Group assessed the existence of possible signs of impairment of other intangible assets. No signs of impairment were identified.

Movement in intangible assets of Zavarovalnica Triglav

	in EUR			
	Licenses and software	Intangible assets in acquisition	Long-term deferred items	TOTAL
COST				
As at 1 January 2022	74,148,609	2,961,525	302,283	77,412,417
Transfer to use	1,434,479	-1,434,479	0	0
Acquisitions and other increases	5,901,323	3,210,534	0	9,111,857
Disposals	-1,855,145	0	0	-1,855,145
Other changes	0	0	-143,861	-143,861
As at 31 December 2022 = 1 January 2023	79,629,266	4,737,580	158,422	84,525,268
Transfer to use	1,412,609	-1,412,609	0	0
Acquisitions and other increases	7,454,834	2,720,717	0	10,175,551
Disposals	-204,190	0	0	-204,190
Other changes	0	0	-86,017	-86,017
As at 31 December 2023	88,292,519	6,045,688	72,405	94,410,612
ACCUMULATED DEPRECIATION				
As at 1 January 2022	-45,436,239	0	0	-45,436,239
Depreciation	-10,026,265	0	0	-10,026,265
Disposals	1,855,146	0	0	1,855,146
As at 31 December 2022 = 1 January 2023	-53,607,358	0	0	-53,607,358
Depreciation	-10,128,295	0	0	-10,128,295
Disposals	204,190	0	0	204,190
As at 31 December 2023	-63,531,463	0	0	-63,531,463
CARRYING AMOUNT				
As at 1 January 2022	28,712,370	2,961,525	302,283	31,976,178
As at 31 December 2022	26,021,908	4,737,580	158,422	30,917,910
As at 31 December 2023	24,761,056	6,045,688	72,405	30,879,149

The Company has no intangible assets pledged as collateral for liabilities. The Company also has no financial liabilities related to the purchase of intangible assets. Intangible assets owned by the Company were not obtained with state support.

The amortisation rate used for software is 20%, and for other material rights it ranges between 1% and 20%. Amortisation rates did not change in 2023.

The Company has no intangible assets that are individually significant for the financial statements.

Cost of fully depreciated property, plant and equipment still in use represents 17.55% of total cost of property, plant and equipment used by the Company (31 December 2022: 19.46%).

In 2023, the Company assessed the existence of possible signs of impairment of other intangible assets. No signs of impairment were identified.

3.7.5 Deferred tax assets and liabilities

Breakdown of deferred tax assets and liabilities of the Triglav Group

	in EUR	
	31 Dec 2023	31 Dec 2022
Deferred tax assets	21,967,548	14,786,228
Deferred assets from determining the fair value of debt instruments at FVOCI	24,989,603	35,742,981
Deferred assets from determining the fair value of equity instruments at FVOCI	926,989	0
Deferred assets from the impairment of financial instruments	4,713,262	5,991,678
Deferred assets from the impairment of receivables	210,901	7,932,320
Deferred assets from impairment of land and buildings	327,683	285,803
Deferred assets from the calculation of employee benefits	1,707,895	1,134,508
Deferred assets from insurance contracts	7,262	299,201
Deferred assets from reinsurance contracts	423,347	1,479,461
Deferred assets from using various amortisation rates	118,289	26,289
Deferred assets from other items	1,132,225	27,794,516
Deferred assets from unused tax losses	6,443,736	475,061
Netting of deferred tax	-19,033,644	-66,375,590
Deferred tax liabilities	1,865,810	2,051,026
Deferred insurance contract liabilities	17,551,404	24,813,442
Deferred liabilities from the transition to the new standard	48	393
Deferred liabilities from determining the fair value of debt instruments at FVOCI	92,512	43,958
Deferred liabilities from determining the fair value of equity instruments at FVOCI	87,886	1,263,149
Deferred liabilities from using various amortisation rates	700,015	686,174
Deferred liabilities from other items	2,467,589	41,619,500
Netting of deferred tax	-19,033,644	-66,375,590
TOTAL	20,101,738	12,735,202

The high amounts of deferred tax assets and liabilities as at 31 December 2022 relate to the transition to new accounting standards and were reversed as at 31 December 2023.

Deferred tax assets and liabilities are calculated at the tax rate expected to apply at the time of their reversal.

Breakdown of deferred tax assets and liabilities of Zavarovalnica Triglav

	in EUR	
	31 Dec 2023	31 Dec 2022
Deferred tax assets	12,798,237	10,921,528
Deferred assets from determining the fair value of debt securities at FVOCI	21,715,470	29,230,648
Deferred assets from determining the fair value of equity securities at FVOCI	926,989	0
Deferred assets from the impairment of financial instruments	3,811,955	5,096,754
Deferred assets from the impairment of receivables	0	7,488,210
Deferred assets from impairment of land and buildings	327,683	285,803
Deferred assets from the calculation of employee benefits	1,379,131	854,092
Deferred assets from reinsurance contracts	179,844	932,490
Deferred assets from other items	0	26,403,325
Netting of deferred tax	-15,542,835	-59,369,795
Deferred tax liabilities	0	0
Deferred liabilities from determining the fair value of equity securities at FVOCI	0	1,104,367
Deferred insurance contract liabilities	15,542,835	20,462,707
Deferred liabilities from other items	0	37,802,721
Netting of deferred tax	-15,542,835	-59,369,795
TOTAL	12,798,237	10,921,528

Deferred tax receivables and liabilities of Zavarovalnica Triglav as of December 31, 2022, were calculated based on the tax rate of 19 percent, whereas as of December 31, 2023, due to changes in legislation, they were calculated based on the tax rate of 22 percent.

Movement in deferred tax assets and liabilities

	in EUR	
	Triglav Group	Zavarovalnica Triglav
Deferred tax assets		
As at 1 January 2022	23,278,057	20,229,797
Creation recognised in profit or loss	31,613,541	30,352,514
Use recognised in profit or loss	-1,007,513	-1,002,718
Release recognised in profit or loss	-1,295,057	-1,183,442
Creation recognised in other comprehensive income	37,224,914	30,163,138
Use recognised in other comprehensive income	0	0
Release recognised in other comprehensive income	-8,651,817	-8,267,966
Exchange rate differences	-307	0
As at 31 December 2022 = 1 January 2023	81,161,818	70,291,323
Creation recognised in profit or loss	8,718,018	1,813,191
Use recognised in profit or loss	-27,533,942	-27,517,711
Release recognised in profit or loss	-10,393,596	-8,904,895
Creation recognised in other comprehensive income	1,000,759	926,989
Use recognised in other comprehensive income	-1,268,943	-1,268,943
Release recognised in other comprehensive income	-10,681,468	-6,998,882
Exchange rate differences	-1,457	0
As at 31 December 2023	41,001,189	28,341,072
Deferred tax liabilities		
As at 1 January 2022	49,559,480	44,026,532
Creation recognised in profit or loss	6,294,498	5,042,756
Use recognised in profit or loss	-531	0
Release recognised in profit or loss	-93,349	0
Creation recognised in other comprehensive income	24,676,737	20,441,511
Use recognised in other comprehensive income	-8,436,748	-8,436,748
Release recognised in other comprehensive income	-3,571,645	-1,704,256
Exchange rate differences	-1,826	0
As at 31 January 2022 = 1 January 2023	68,426,616	59,369,795
Creation recognised in profit or loss	160,318	0
Use recognised in profit or loss	-37,802,721	-37,802,721
Release recognised in profit or loss	-1,542,879	0
Creation recognised in other comprehensive income	67,009	0
Use recognised in other comprehensive income	-1,281,815	-1,104,367
Release recognised in other comprehensive income	-7,126,183	-4,919,871
Exchange rate differences	-889	0
As at 31 December 2023	20,899,456	15,542,836

Offset of deferred tax assets and liabilities

In the Group's and the Company's financial statements, deferred tax assets and liabilities are offset at the level of the tax jurisdiction, as shown below.

	31 December 2023			31 December 2022		
Tax jurisdiction	Deferred tax assets	Deferred tax liabilities	Total deferred tax	Deferred tax assets	Deferred tax liabilities	Total deferred tax
Slovenia	21,175,326	376,288	20,799,038	14,008,968	470,579	13,538,389
Croatia	821,654	0	821,654	321,345	0	321,345
Montenegro	76,460	1,345,139	-1,268,679	5,065	1,152,653	-1,147,588
Bosnia and Herzegovina	0	597,131	-597,131	0	852,578	-852,578
North Macedonia	128,997	0	128,997	127,825	0	127,825
Serbia	217,859	0	217,859	0	50,860	-50,860
TOTAL DEFERRED TAX	22,420,296	2,318,558	20,101,738	14,463,203	2,526,670	11,936,533
Total deferred tax assets			21,967,548			13,987,559
Total deferred tax liabilities			-1,865,810			-2,051,026

3.7.6 Non-current assets held for sale

	Triglav Group		Zavarovalnica Triglav	
	31 Dec 2023	31 Dec 2022	31 Dec 2023	31 Dec 2022
Land	223,869	22,815	0	0
Buildings	2,522,482	1,778,648	0	0
Investment property	383,358	383,358	0	0
TOTAL	3,129,709	2,184,821	0	0

3.7.7 Other receivables

	Triglav Group		Zavarovalnica Triglav	
	31 Dec 2023	31 Dec 2022	31 Dec 2023	31 Dec 2022
Non-attributable receivables from insurance operations	16,333,461	23,531,256	15,505,994	22,700,850
Other receivables	21,310,542	26,947,081	4,541,031	12,454,760
Trade receivables	8,700,903	8,479,314	0	0
Overpayments and prepayments	3,802,918	3,306,261	2,788,279	2,375,066
Other short-term operating receivables	5,745,201	3,524,567	925,934	1,586,982
Receivables from financing	967,993	8,687,488	176,245	7,866,826
Other	2,093,527	2,949,451	650,573	625,886
TOTAL	37,644,003	50,478,337	20,047,025	35,155,610

Impairment of non-attributable receivables from insurance operations

Non-attributable receivables from insurance operations are receivables that relate to insurance business but are not attributable to individual insurance contracts. These are mainly receivables from points of sale and foreign intermediaries, receivables for card payments, receivables for overpaid benefits and similar. As at 31 December 2023 and 31 December 2022, the Group and the Company tested these receivables for impairment, focusing primarily on significant exposures to foreign intermediaries. No signs of impairment were identified, as the foreign intermediaries to which the Group and the Company are exposed have very good credit ratings and do not default on payments.

Impairment of other receivables

The table below shows the age structure of receivables and the amount of impairment allowance.

	Triglav Group		Zavarovalnica Triglav	
	31 Dec 2023	31 Dec 2022	31 Dec 2023	31 Dec 2022
Not due	13,984,739	22,495,540	4,223,072	11,643,404
Overdue up to 30 days	1,888,968	3,178,253	190,580	313,622
Overdue from 31 to 90 days	1,194,105	1,587,259	261,425	471,417
Overdue from 91 to 180 days	1,579,377	708,937	9,917	11,392
Overdue over 180 days	8,933,849	4,675,516	344,116	194,545
Total gross receivables	27,581,038	32,645,505	5,029,110	12,634,380
Impairment	-6,270,496	-5,698,424	-488,079	-179,620
Carrying amount	21,310,542	26,947,081	4,541,031	12,454,760

3.7.8 Cash and cash equivalents

	Triglav Group		Zavarovalnica Triglav	
	31 Dec 2023	31 Dec 2022	31 Dec 2023	31 Dec 2022
Cash in bank accounts	76,387,728	70,315,328	31,664,807	19,282,511
Call account	7,570,804	5,180,907	0	0
Cash on hand and other cash	462,135	570,044	14,637	14,338
TOTAL	84,420,667	76,066,279	31,679,444	19,296,850

In the statement of financial position under the item "cash and cash equivalents", cash of the fund backing unit-linked insurance is disclosed in the amount of EUR 15,158,808 (2022: EUR 9,078,017) for the Triglav Group and in the amount of EUR 14,286,647 (2022: EUR 7,960,931) for Zavarovalnica Triglav.

3.7.9 Other assets

	Triglav Group		Zavarovalnica Triglav	
	31 Dec 2023	31 Dec 2022	31 Dec 2023	31 Dec 2022
Inventories	520,289	505,099	182,835	225,649
Deferred expenses and accrued income	7,712,503	4,273,425	2,462,227	2,029,561
Other assets	99,109	182,405	98,022	212,061
TOTAL	8,331,901	4,960,929	2,743,084	2,467,271

3.7.10 Equity

Zavarovalnica Triglav's share capital

As at 31 December 2023, the Company's share capital amounted to EUR 73,701,392 (31 December 2022: EUR 73,701,392). It was divided into 22,735,148 ordinary registered no-par value shares. Each share represents the same stake and corresponding amount in share capital. The proportion of each no-par value share in the share capital is determined based on the number of no-par value shares issued. All the shares have been paid up in full.

The shares are entered in the KDD register under the ZVTG ticker symbol and are listed on the Ljubljana Stock Exchange Prime Market. Shareholders have the right to participate in the management of the company and the right to participate in profit.

As at 31 December 2023, there were 8,453 subscribers of shares in Zavarovalnica Triglav's share register (31 December 2022: 8,294). The largest subscribers are presented in the table below.

Shareholders of Zavarovalnica Triglav

As at 31 December 2023	Numbers of shares	Share (%)
Zavod za pokojninsko in invalidsko zavarovanje Slovenije, Ljubljana	7,836,628	34.47
SDH, d.d., Ljubljana	6,386,644	28.09
Erste Group Bank PBZ Croatia Osiguranje OMF – fiduciarni račun, Zagreb, Hrvaška	1,526,190	6.71
Unicredit Bank Austria – fiduciarni račun, Dunaj, Avstrija	555,758	2.44
Citibank – fiduciarni račun, London, Velika Britanija	469,075	2.06
Hrvatska poštanska banka – fiduciarni račun, Zagreb, Hrvaška	232,644	1.02
Other shareholders (less than 1%)	5,728,209	25.20
TOTAL	22,735,148	100.00

As at 31 December 2022	Numbers of shares	Share (%)
Zavod za pokojninsko in invalidsko zavarovanje Slovenije, Ljubljana	7,836,628	34.47
SDH, d.d., Ljubljana	6,386,644	28.09
Erste Group Bank PBZ Croatia Osiguranje OMF – fiduciarni račun, Zagreb, Hrvaška	1,526,190	6.71
Unicredit Bank Austria – fiduciarni račun, Dunaj, Avstrija	613,116	2.70
Citibank – fiduciarni račun, London, Velika Britanija	491,165	2.16
Hrvatska poštanska banka – fiduciarni račun, Zagreb, Hrvaška	232,644	1.02
Other shareholders (less than 1%)	5,648,761	24.85
TOTAL	22,735,148	100.00

ZVTG price

	31 December 2023	31 December 2022
Quoted price of the share on the regulated securities market	34.70	34.50
Book value of equity per share	29.44	28.98

The share's book value is calculated taking into account the Company's total equity.

Distribution of accumulated profits of Zavarovalnica Triglav

On 6 June 2023, the General Meeting of Shareholders of Zavarovalnica Triglav d.d. decided on the distribution of accumulated profit, totalling EUR 63,769,278 as at 31 December 2022. A part of the accumulated profit in the amount of EUR 56,837,870 was allocated to dividend payments, amounting to EUR 2.50 gross per share. The dividends were paid on 21 June 2023. The distribution of the remaining part of accumulated profit will be decided on in the coming years.

	2023	2022
Net profit/loss for the year	38,662,426	120,472,072
Net profit brought forward	6,931,409	3,540,333
Change in net retained earnings	11,647,900	-43,128
Increase of other reserves from profit based on the decision by the Management and Supervisory Boards	-19,000,000	-60,200,000
Increase in net retained earnings due to the transition to new standards	49,612,304	0
ACCUMULATED PROFITS	87,854,039	63,769,277
Distribution of accumulated profits		
– to shareholders		56,837,870
– transfer to the following year		6,931,407

Reserves from profit

In addition to legal and treasury share reserves, reserves from profit also comprise other reserves from profit.

In accordance with the ZGD-1, the Management Board may allocate up to one half of the amount of the net profit remaining after the appropriation of the profit for the purposes required by law to create other reserves. In addition to prudent risk management, the creation of these reserves based on, in particular, the anticipated company's strategic needs for capital, taking into account capital sources. When preparing the Annual Report for 2023, the Management Board formed other reserves from profit in the amount of EUR 19,000,000 (2022: EUR 60,200,000).

Treasury shares reserves and treasury shares (as a deductible item)

The treasury shares include the shares of Zavarovalnica Triglav held by other Group companies whose financial statements are included in the Group's consolidated financial statements. As at 31 December 2023, Triglav, Upravljanje nepremičnin d.o.o. held 24,312 ZVTG shares worth EUR 364,680 as at the balance sheet date. The balance of treasury shares is unchanged compared to the preceding year.

In the consolidated financial statements, treasury shares are measured at cost and recognised as a deductible under equity. For these shares, treasury share reserves are created in the same amount from net profit brought forward.

Accumulated other comprehensive income

Accumulated other comprehensive income shows changes in the portion of assets and liabilities arising from insurance contracts that are measured at fair value through other comprehensive income and changes in the fair value of financial investments classified as measured at fair value through other comprehensive income.

The amounts of accumulated other comprehensive income are net of the amount of deferred tax. Changes in accumulated other comprehensive income are shown in more detail in the statement of other comprehensive income.

Translation differences

Translation differences arise from foreign exchange differences in consolidation procedures. In 2023, translation differences amounted to EUR -20,062 (2022: EUR -61,272). Translation differences mainly refer to the change in the exchange rate of Serbian dinar.

Notes to the statement of changes in equity

The following changes are shown in the Group's statement of changes in equity for 2023:

- increase in capital for net profit of the year in the amount of EUR 16,265,195, of which EUR 188,710 is accounted for by non-controlling interest holders;
- reduction of capital for the dividend payment in the amount of EUR 56,777,089, of which EUR 1,135 relates to the dividend payment to non-controlling interests;
- allocation of net profit from 2022 to net profit brought forward in the amount of EUR 67,037,485;
- allocation of net profit from 2023 to reserves from profit in the amount of EUR 23,269,022;
- increase of accumulated other comprehensive income and net profit brought forward in the total amount of EUR 34,671,532, of which EUR 74,181 reduces the capital of non-controlling interest holders. The decrease relates to the re-measurement of the fair value of financial instruments, insurance and reinsurance contracts, and the recalculation of actuarial gains and losses related to employee benefits;
- the effect of repurchases of shares of subsidiaries from non-controlling interests, which reduced the value of non-controlling interests by EUR 43,263, while the positive effect of repurchases in the amount of EUR 17,906 is disclosed as an increase in the Group's share premium.

The following changes are shown in the Company's statement of changes in equity for 2023:

- increase in capital for net profit of the year in the amount of EUR 38,662,426;
- reduction of capital for the payment of dividends in the amount of EUR 56,837,870 based on a general meeting of shareholders' resolution;
- allocation of net profit from 2022 to net profit brought forward in the amount of EUR 51,274,590;
- allocation of net profit from 2023 to reserves from profit in the amount of EUR 19,000,000 based on a management board's decision;
- increase of accumulated other comprehensive income and net profit brought forward in the total amount of EUR 28,447,417, which relate to the re-measurement of the fair value of financial instruments, insurance and reinsurance contracts, and the recalculation of actuarial gains and losses related to employee benefits.

3.7.11 Subordinated liabilities

	Triglav Group		Zavarovalnica Triglav	
	31 Dec 2023	31 Dec 2022	31 Dec 2023	31 Dec 2022
Amortised cost	49,994,402	49,941,796	49,994,402	49,941,796
Fair value	53,087,374	41,987,521	53,087,374	41,987,521

in EUR

Subordinated bond with the ISIN code XS1980276858 was issued on 24 April 2019 in the amount of EUR 50 million (500 denominations of EUR 100,000). The final maturity date of said bond is 22 October 2049 and the first call date is 22 October 2029. Until the first call, interest is paid annually at the fixed interest rate of 4.375%. Thereafter, the interest rate is variable, i.e. 3-month Euribor +4.845%, and interest is paid quarterly. The bond is valued at amortised cost in the financial statements. The bond was listed on the Luxembourg Stock Exchange on 30 April 2019 (ISIN code XS1980276858). The bond is subordinated (Tier 2) and issued in line with the Solvency II regulations.

Issued bond is disclosed at amortised cost. When calculating the fair value, the price according to the valuation model is taken into account, as there are very few transactions on the stock exchange. The price of the bond was 105.338% as at 31 December 2023 (vs. 83.118% as at 31 December 2022).

In the event of the Company's bankruptcy or liquidation, liabilities from the above-mentioned bond issues are subordinated to net debt instruments and are paid only when all non-subordinated liabilities to ordinary creditors have been paid. The holders of bonds do not have the right to early redemption before the maturity date set by the amortisation schedule. Bonds are not convertible to equity or any other liability.

3.7.12 Provisions

	Triglav Group		Zavarovalnica Triglav	
	31 Dec 2023	31 Dec 2022	31 Dec 2023	31 Dec 2022
Employee benefits	19,665,677	17,711,009	14,045,516	12,381,473
Provisions for retirement benefits	11,353,153	10,112,571	7,522,356	6,415,477
Provisions for jubilee payments	2,431,226	2,284,282	1,960,567	1,842,765
Provisions for unused leave	5,881,298	5,314,156	4,562,593	4,123,232
Other provisions and long-term deferred items	10,681,808	15,573,693	277,990	4,653,618
TOTAL	30,347,485	33,284,702	14,323,506	17,035,092

in EUR

Movement in provisions for retirement benefits and jubilee payments

The following estimates and assumptions were taken into account in the calculation of provisions for pensions and retirement benefits as at 31 December 2023:

- The expected mortality based on crude mortality tables for the population of Slovenia from 2019 (Statistical Office of Slovenia), taking into account a 20% lower mortality than given in those tables; in the companies outside of Slovenia, mortality tables from individual countries were taken into account.
- The expected annual employee turnover depending on age which, on average, stands at 2.5% in Slovenia; in the companies outside Slovenia, the expected employee turnover in an individual country was taken into account.
- The expected annual average wage growth in Slovenia was 3.7%; in the subsidiaries outside Slovenia, the expected average wage growth in an individual country was taken into account.
- The yield curve of the Slovenian government debt securities denominated in EUR as at 31 December 2023. The ten-year benchmark is 2.98%. In the companies outside Slovenia, the yield curves of government debt securities of individual countries were taken into account.

	in EUR		
Triglav Group	Provisions for retirement benefits	Provisions for jubilee payments	Total
As at 1 January 2022	10,914,184	2,183,950	13,098,134
Current service cost	614,100	141,356	755,456
Interest cost	39,723	1,286	41,009
Actuarial gains/losses due to:			
- changes in demographic assumptions	-104	0	-104
- changes in financial assumptions	-1,851,889	257,558	-1,594,331
- experience adjustments	885,479	-12,079	873,400
Past service cost	1,097	-528	569
Gains/losses upon payment	-357,843	8,473	-349,370
Payouts during the year	-445,872	-179,984	-625,856
Exchange rate difference	-1,776	-427	-2,203
As at 31 December 2022 = 1 January 2023	9,797,099	2,399,605	12,196,704
Current service cost	551,565	205,703	757,268
Interest cost	241,269	59,567	300,836
Actuarial gains/losses due to:			
- changes in demographic assumptions	-4,176	-3,974	-8,150
- changes in financial assumptions	574,188	71,247	645,435
- experience adjustments	652,501	76,314	728,815
Past service cost	10,427	4,272	14,699
Gains/losses on payout	-162,115	-9,169	-171,284
Payouts during the year	-557,287	-257,223	-814,510
Exchange rate difference	-65,784	207	-65,577
Other changes	315,472	-115,323	200,149
As at 31 December 2023	11,353,159	2,431,226	13,784,385

	in EUR		
Zavarovalnica Triglav	Provisions for retirement benefits	Provisions for jubilee payments	Total
Balance of provisions as at 1 January 2022	7,552,987	1,623,850	9,176,837
Current service cost	395,232	120,280	515,512
Interest cost	19,844	798	20,642
Actuarial gains/losses due to:			
- changes in financial assumptions	-1,775,399	259,093	-1,516,306
- experience adjustments	908,542	-12,645	895,897
Profit/loss upon payment	-378,877	7,647	-371,230
Payouts during the year	-306,852	-156,259	-463,111
Balance of provisions as at 31 December 2022 = 1 January 2023	6,415,477	1,842,764	8,258,241
Current service cost	317,725	135,963	453,688
Interest cost	203,186	57,052	260,238
Actuarial gains/losses due to:			
- changes in financial assumptions	565,919	63,135	629,054
- experience adjustments	715,389	76,791	792,180
Profit/loss upon payment	-208,291	-13,037	-221,328
Payouts during the year	-487,049	-202,101	-689,150
Balance of provisions as at 31 December 2023	7,522,356	1,960,567	9,482,923

Sensitivity analysis of parameter changes

Triglav Group		in EUR	
Parameter	Parameter change	2023	2022
Interest rate	shift in the discount curve by +0.25%	-271,626	238,036
	shift in the discount curve by -0.25%	280,948	740,213
Wage growth	change in annual wage growth by +0.5%	444,173	881,583
	change in annual wage growth by -0.5%	-395,910	130,401
Mortality rate	constant increase in mortality by +20%	-98,727	394,419
	constant increase in mortality by -20%	101,112	576,876
Early employment termination	shift in the expense curve by +20%	-472,652	108,901
	shift in the expense curve by -20%	512,279	898,052
Zavarovalnica Triglav		in EUR	
Parameter	Parameter change	2023	2022
Interest rate	shift in the discount curve by +0.25%	-163,619	-135,334
	shift in the discount curve by -0.25%	169,940	140,435
Wage growth	change in annual wage growth by +0.5%	323,319	258,816
	change in annual wage growth by -0.5%	-288,602	-230,782
Mortality rate	constant increase in mortality by +20%	-71,069	-58,971
	constant increase in mortality by -20%	72,023	59,746
Early employment termination	shift in the expense curve by +20%	-313,179	-261,064
	shift in the expense curve by -20%	333,403	277,580

Movement in provisions for unused annual leave and other provisions and long-term deferred items

Triglav Group		in EUR	
	Provisions for unused leave	Other provisions	
As at 1 January 2022	4,616,739	8,456,496	
Creation	4,740,744	11,569,350	
Use	-367,664	-1,417,250	
Release	-3,703,737	-3,058,506	
Effect of exchange rate differences	28,074	23,603	
As at 31 December 2022 = 1 January 2023	5,314,156	15,573,693	
Creation	5,281,991	5,392,601	
Use	-4,493,778	-1,025,094	
Release	-206,900	-9,298,530	
Effect of exchange rate differences	-14,174	39,140	
As at 31 December 2023	5,881,295	10,681,810	
Zavarovalnica Triglav		in EUR	
	Provisions for unused leave	Other provisions	
As at 1 January 2022	3,665,467	1,977,972	
Creation	4,123,232	3,059,989	
Use	0	-282,497	
Release	-3,665,467	-101,846	
As at 31 December 2022 = 1 January 2023	4,123,232	4,653,618	
Creation	4,562,593	284,564	
Use	-4,123,232	-161,212	
Release	0	-4,498,982	
As at 31 December 2023	4,562,593	277,989	

3.7.13 Other liabilities

	Triglav Group		Zavarovalnica Triglav	
	31 Dec 2023	31 Dec 2022	31 Dec 2023	31 Dec 2022
Liabilities for labour costs	31,260,501	34,747,418	26,363,762	29,963,307
Accrued costs and expenses and short-term deferred income	17,009,906	11,720,684	5,507,356	4,595,251
Non-attributable liabilities from insurance operations	21,316,579	16,302,428	10,283,796	10,012,249
Liabilities for overpayments and prepayments	5,720,365	5,828,437	4,865,652	5,088,921
Trade payables	14,014,947	14,051,577	10,204,290	10,190,980
Other current liabilities	12,275,041	10,537,687	4,768,562	3,791,125
TOTAL	101,597,339	93,188,231	61,993,418	63,641,833

As at 31 December 2023, the Company's liabilities related to labour costs include EUR 3,054,636 of provisions for the reorganisation of the work process (31 December 2022: EUR 1,820,200).

3.7.14 Income from asset management and net other operating income and expenses

Income from asset management in 2023 for the Group amounted to EUR 39,685,487 (2022: EUR 37,468,494) and for the Company to EUR 2,854,726 (2022: EUR 2,735,182). It relates to income from management fees.

Net other operating income and expenses are presented in the table below.

	Triglav Group		Zavarovalnica Triglav	
	31 Dec 2023	31 Dec 2022	31 Dec 2023	31 Dec 2022
Lease income	7,441,237	9,106,100	6,195,418	6,116,290
Non-attributable insurance revenue	8,640,465	5,093,266	7,389,289	3,156,989
Other operating income	11,201,871	16,592,852	1,476,136	1,435,786
Non-attributable insurance service expenses	-13,623,501	-18,242,735	-6,352,077	-11,497,804
Investment property expenses	-4,094,708	-4,924,178	-4,166,588	-5,008,119
Other operating expenses	-8,064,817	-22,180,874	-5,037,208	-18,961,716
TOTAL	1,500,547	-14,555,569	-495,030	-24,758,574

3.7.15 Gains and losses on investments in associates

In 2023, the Triglav Group recognised gains of EUR 2,242,935 (2022: EUR 1,842,183) and losses of EUR 2,281,711 (2022: 0) on investments in associates measured under the equity method.

In 2023, Zavarovalnica Triglav Group recognised gains of EUR 2,194,361 (2022: EUR 1,841,505) and losses of EUR 2,281,711 (2022: 0) on investments in associates measured under the equity method.

3.7.16 Income tax expense

Tax expense in profit or loss

in EUR

	Triglav Group		Zavarovalnica Triglav	
	2023	2022	2023	2022
Current tax expense	-14,792,092	-25,148,410	-10,092,384	-20,633,936
Deferred tax expense	9,996,850	28,202,517	3,193,305	28,166,353
TOTAL TAX EXPENSE IN PROFIT OR LOSS	-4,795,242	3,054,107	-6,899,079	7,532,417

Tax expense in other comprehensive income

in EUR

Triglav Group	2023			2022		
	Before tax	Tax	After tax	Before tax	Tax	After tax
Gains or losses arising from changes in the fair value of equity securities	4,536,173	-722,319	3,813,854	-220,547,205	38,871,226	-181,675,979
Gains or losses arising from changes in the fair value of debt securities	81,752,210	-10,636,023	71,116,187	-13,591,543	2,474,542	-11,117,001
Gains or losses on the valuation of insurance contracts	-49,101,049	7,403,718	-41,697,331	178,590,119	-33,359,696	145,230,423
Gains or losses on the valuation of reinsurance contracts	3,668,513	-1,132,642	2,535,871	-6,768,332	2,585,315	-4,183,017
Actuarial gains/losses	-1,521,911	525,039	-996,872	1,451,192	-183,421	1,267,771
Translation differences	0	0	-20,065	0	0	-61,272
Other	0	0	-74,181	0	0	-402,482
TOTAL OTHER COMPREHENSIVE INCOME	39,333,936	-4,562,227	34,677,463	-60,865,769	10,387,966	-50,941,557

in EUR

Zavarovalnica Triglav	2023			2022		
	Before tax	Tax	After tax	Before tax	Tax	After tax
Gains or losses arising from changes in the fair value of equity securities	4,332,776	-696,820	3,635,956	-12,621,095	2,398,008	-10,223,007
Gains or losses arising from changes in the fair value of debt securities	62,191,263	-7,515,178	54,676,086	-172,788,949	30,962,908	-141,826,041
Gains or losses on the valuation of insurance contracts	-37,049,204	4,919,871	-32,129,333	151,102,512	-28,709,477	122,393,034
Gains or losses on the valuation of reinsurance contracts	4,090,372	-752,647	3,337,725	-10,002,491	1,900,473	-8,102,018
Actuarial gains/losses	-1,594,009	520,991	-1,090,273	1,419,041	-173,305	1,245,736
TOTAL OTHER COMPREHENSIVE INCOME	31,971,198	-3,523,783	28,430,161	-42,890,982	6,378,607	-36,512,296

In accordance with the Corporate Income Tax Act (ZDDPO-2), the applicable tax rate in Slovenia was 19% in 2023, the same as in the preceding year. In subsidiaries operating outside Slovenia, tax rates were used as applicable in the country of operation and in compliance with the local legislation.

Reconciliation between accounting profit and tax expense

	Triglav Group		Zavarovalnica Triglav	
	2023	2022	2023	2022
Accounting profit before tax		134,540,230		140,357,864
Impact of the transition to new accounting standards		-144,566,771		-138,964,872
Accounting profit before tax after transition		-10,026,541		1,392,992
Tax for 2022:				
Tax expense at domestic rates applied to profits in the relevant countries		-24,762,510		-26,667,994
Tax effect of adjustments in tax returns for non-taxable income and non-deductible expenses		-1,471,277		7,629,420
Tax expense		-26,233,787		-19,038,574
Tax for 2023:				
Accounting profit before tax in 2023	21,060,437		45,561,505	
Tax expense at domestic rates applied to profits in the relevant countries for 2023 (only for the companies that have made a profit and without taking into account consolidation adjustments)	-13,000,659		-8,656,686	
Tax effect of adjustments in tax returns for non-taxable income and non-deductible expenses, including the effects of the transition to new standards	-1,791,433		-1,435,698	
Tax expense	-14,792,092		-10,092,384	
Deferred tax expense	9,996,850		3,193,306	
Total tax expense	-4,795,242		-6,899,078	
Effective tax rate	22.77%		15.14%	

The impact of the transition to new accounting standards, which has affected the level of adjustments in the tax return for 2023 amounted to EUR -14,081,800 for the Group and EUR -18,545,121 for the Company.

The Group's current tax assets and liabilities are netted at the level of each tax jurisdiction. The Group's current tax assets as at 31 December 2023 amounted to EUR 8,491,524 (31 December 2022: EUR 482,983) and the Group's current tax liabilities as at 31 December 2023 amounted to EUR 571,555 (31 December 2022: EUR 7,232,517).

The Company's current tax assets and liabilities are netted. The Company's current tax assets as at 31 December 2023 amounted to EUR 9,302,529 and its current tax liabilities as at 31 December 2023 amounted to EUR 9,697,471.

The Company has no unused tax losses; at the Group level they amounted to EUR 58,940,281 as at 31 December 2023 (compared to EUR 25,026,939 as at 31 December 2022).

4. Other information

4.1 Fair value measurement of assets and liabilities

4.1.1 Fair value hierarchy of assets and liabilities

The following tables show the fair value of assets measured at fair value and those that are not measured at fair value but for which fair value is disclosed. The table excludes cash, receivables and other financial liabilities whose carrying amount is the best indicator of their fair value.

Fair value hierarchy of the Triglav Group's assets and liabilities

in EUR

	31 December 2023					31 December 2022				
	Carrying amount	Level 1	Level 2	Level 3	Total fair value	Carrying amount	Level 1	Level 2	Level 3	Total fair value
ASSETS - MEASURED AT FAIR VALUE										
Financial investments at fair value through other comprehensive income	1,672,966,932	313,309,159	1,355,631,285	4,026,488	1,672,966,932	1,634,153,515	327,402,446	1,302,298,877	4,452,192	1,634,153,515
Debt and other fixed-return securities	1,668,940,444	313,309,159	1,355,631,285	0	1,668,940,444	1,616,828,258	314,529,381	1,302,298,877	0	1,616,828,258
Equity securities	4,026,488	0	0	4,026,488	4,026,488	17,325,257	12,873,065	0	4,452,192	17,325,257
Financial investments at fair value through profit or loss	740,314,111	592,633,465	32,240,449	115,440,197	740,314,111	682,024,472	561,428,628	26,468,788	94,127,056	682,024,472
Debt and other fixed-return securities	34,769,923	3,918,016	30,851,907	0	34,769,923	30,000,146	4,875,563	25,124,583	0	30,000,146
Equity securities	705,544,188	588,715,449	1,388,542	115,440,197	705,544,188	652,024,326	556,553,065	1,344,205	94,127,056	652,024,326
Financial investments from financial contracts at fair value through profit or loss	366,826,746	170,115,240	177,124,372	19,587,134	366,826,746	267,173,099	117,484,032	138,477,907	11,211,160	267,173,099
Debt and other fixed-return securities	214,934,774	37,810,402	177,124,372	0	214,934,774	152,569,812	14,091,905	138,477,907	0	152,569,812
Equity securities	151,891,972	132,304,838	0	19,587,134	151,891,972	114,603,287	103,392,127	0	11,211,160	114,603,287
ASSETS FOR WHICH FAIR VALUE IS DISCLOSED										
Financial investments at amortised cost	229,559,727	25,639,253	210,538,007	0	236,177,260	241,005,029	29,620,273	215,736,128	0	245,356,401
Debt and other fixed-return securities	156,334,533	25,321,845	136,803,226	0	162,125,071	154,827,769	29,620,273	129,721,849	0	159,342,122
Deposits with banks	65,794,876	18,269	65,467,051	0	65,485,320	79,458,018	0	79,176,822	0	79,176,822
Loans given	6,557,904	299,139	7,651,660	0	7,950,799	5,784,491	0	5,902,322	0	5,902,322
Other financial investments	872,414	0	616,070	0	616,070	934,751	0	935,135	0	935,135
Financial investments from financial contracts at amortised cost	283,215,425	56,843,688	216,323,532	0	273,167,220	321,859,990	68,807,828	230,184,931	0	298,992,759
Debt and other fixed-return securities	283,215,425	56,843,688	216,323,532	0	273,167,220	301,388,805	68,807,828	209,713,742	0	278,521,570
Bank deposits	0	0	0	0	0	20,471,185	0	20,471,189	0	20,471,189
Investment property using the cost model	67,953,773	0	0	86,515,708	86,515,708	68,325,487	0	0	85,298,690	85,298,690
Subordinated debt at amortised cost	49,994,402	0	53,087,374	0	53,087,374	49,941,796	0	41,978,521	0	41,978,521

Fair value hierarchy of the Zavarovalnica Triglav's assets and liabilities

in EUR

	31 December 2023					31 December 2022				
	Carrying amount	Level 1	Level 2	Level 3	Total fair value	Carrying amount	Level 1	Level 2	Level 3	Total fair value
ASSETS - MEASURED AT FAIR VALUE										
Financial investments at fair value through other comprehensive income	1,094,172,694	215,494,579	876,036,724	2,641,391	1,094,172,694	1,143,332,952	256,905,327	883,325,397	3,102,229	1,143,332,952
Debt and other fixed-return securities	1,091,531,303	215,494,579	876,036,724	0	1,091,531,303	1,127,394,658	244,069,262	883,325,397	0	1,127,394,658
Equity securities	2,641,391	0	0	2,641,391	2,641,391	15,938,294	12,836,065	0	3,102,229	15,938,294
Financial investments at fair value through profit or loss	651,428,496	516,893,782	20,634,448	113,900,267	651,428,496	587,499,515	475,801,551	19,362,509	92,335,455	587,499,515
Debt and other fixed-return securities	22,481,910	1,847,463	20,634,448	0	22,481,910	23,043,218	3,680,709	19,362,509	0	23,043,218
Equity securities	628,946,586	515,046,319	0	113,900,267	628,946,586	564,456,297	472,120,842	0	92,335,455	564,456,297
Financial investments from financial contracts at fair value through profit or loss	169,625,986	89,298,067	72,480,834	7,847,086	169,625,986	131,403,313	55,370,830	72,422,943	3,609,540	131,403,313
Debt and other fixed-return securities	96,181,144	23,700,309	72,480,834	0	96,181,144	74,475,133	2,052,190	72,422,943	0	74,475,133
Equity securities	73,444,843	65,597,757	0	7,847,086	73,444,843	56,928,180	53,318,640	0	3,609,540	56,928,180
ASSETS FOR WHICH FAIR VALUE IS DISCLOSED										
Financial investments at amortised cost	142,843,306	20,840,645	129,203,850	0	150,044,495	151,767,345	20,127,395	136,311,217	0	156,438,612
Debt and other fixed-return securities	131,083,304	20,840,645	117,765,696	0	138,606,341	127,868,471	20,127,395	112,984,054	0	133,111,449
Deposits with banks	7,212,364	0	7,073,871	0	7,073,871	19,489,668	0	19,116,835	0	19,116,835
Loans given	4,547,639	0	4,364,283	0	4,364,283	4,409,207	0	4,210,329	0	4,210,329
Financial investments from financial contracts at amortised cost	86,215,285	18,046,757	66,982,354	0	85,029,111	99,398,021	21,401,058	72,323,790	0	93,724,848
Debt and other fixed-return securities	86,215,285	18,046,757	66,982,354	0	85,029,111	99,398,021	21,401,058	72,323,790	0	93,724,848
Investment property using the cost model	43,427,181	0	0	59,495,267	59,495,267	43,377,173	0	0	58,524,955	58,524,955
Subordinated debt at amortised cost	49,994,402	0	53,087,374	0	53,087,374	49,941,796	0	41,978,521	0	41,978,521

4.1.2 Movement in financial investments classified in Level 3 of the fair value hierarchy

	Triglav Group		Zavarovalnica Triglav	
	Financial investments	Financial investments from financial contracts	Financial investments	Financial investments from financial contracts
	in EUR			
As at 1 January 2022	85,138,950	8,614,677	82,198,621	2,883,308
Acquisitions	9,740,264	1,328,167	9,667,419	698,623
Disposals	-3,487,156	0	-3,487,156	0
Revaluation of instruments through profit or loss	7,392,972	258,362	7,384,759	27,609
Revaluation of instruments through other comprehensive income	-284,516	0	-325,959	0
Reclassification between levels	78,734	1,009,954	0	0
As at 31 December 2022 = 1 January 2023	98,579,248	11,211,160	95,437,684	3,609,540
Acquisitions	19,047,448	8,094,848	19,064,412	4,269,554
Revaluation of instruments through profit or loss	2,262,044	281,126	2,500,186	-32,008
Revaluation of instruments through other comprehensive income	-422,254	0	-460,838	0
Exchange rate differences	199	0	214	0
As at 31 December 2023	119,466,685	19,587,134	116,541,658	7,847,086

The value of financial investments classified into Level 3 increased in 2023 predominantly due to the payments into alternative investment funds. The increase is reduced by payments received from alternative investment funds, which represent the bulk of the “sales” item. The “revaluation through profit or loss” item, which significantly contributes to the overall increase in financial investments classified into Level 3, is also mainly a result of changes in the value of alternative investment funds. In 2023, there were no disposals of financial investments classified in Level 3 of the fair value hierarchy either in the Group or the Company. In 2022, the disposals of financial investments in the Group and the Company amounted to EUR 3,487,156 in total. The gain on disposal of EUR 63,385 was recognised in the statement of profit or loss.

4.1.3 Sensitivity analysis of non-marketable securities

Sensitivity analysis of financial investments classified in Level 3 is disclosed below. The sensitivity analysis shows how much the fair values of these financial investments would increase or decrease in the case of differently applied assumptions that are not based on observable market data. The sensitivity analysis considered a median scenario of value estimates.

	Triglav Group		Zavarovalnica Triglav	
	31 Dec 2023	31 Dec 2022	31 Dec 2023	31 Dec 2022
	in EUR			
Non-marketable assets (Level 3)	139,053,819	109,790,408	124,388,744	99,047,224
Estimated value deviation	-33,756,788/14,202,985	-26,121,887/12,748,545	-30,464,312/12,519,336	-23,899,552/10,599,161

With regard to investments valued using model-based valuation techniques, the value deviation is determined in the valuation process with adjustments made to key assumptions (price of invested capital, growth rate). For non-valued investments, $\pm 15\%$ of the change in investment value is taken into account in calculating the deviation and asymmetric -25 and $+10\%$ of the change in investment value for alternative investment funds.

4.1.4 Reclassification of financial investments among levels

Reclassification of financial investments of the Triglav Group among levels

in EUR

	2023			2022		
	Reclassification from Level 1 to Level 2	Reclassification from Level 2 to Level 1	Reclassification from Level 1 to Level 3	Reclassification from Level 1 to Level 2	Reclassification from Level 2 to Level 1	Reclassification from Level 1 to Level 3
Financial investments						
Debt and other fixed-return securities	217,059,836	112,772,641	0	238,129,678	163,179,532	0
Equity securities	0	0	0	0	0	78,671
TOTAL	217,059,836	112,772,641	0	238,129,678	163,179,532	78,671

in EUR

	2023			2022		
	Reclassification from Level 1 to Level 2	Reclassification from Level 2 to Level 1	Reclassification from Level 1 to Level 2	Reclassification from Level 2 to Level 1	Reclassification from Level 1 to Level 3	
Financial investments from financial contracts						
Debt and other fixed-return securities	48,325,659	49,016,213	25,581,794	18,009,471	0	
Equity securities	0	0	0	0	1,009,955	
TOTAL	48,325,659	49,016,213	25,581,794	18,009,471	1,009,955	

Reclassification of financial investments of Zavarovalnica Triglav among levels

in EUR

	2023		2022	
	Reclassification from Level 1 to Level 2	Reclassification from Level 2 to Level 1	Reclassification from Level 1 to Level 2	Reclassification from Level 2 to Level 1
Financial investments				
Debt and other fixed-return securities	174,352,425	102,067,457	182,677,420	154,496,899
TOTAL	174,352,425	102,067,457	182,677,420	154,496,899

in EUR

	2023		2022	
	Reclassification from Level 1 to Level 2	Reclassification from Level 2 to Level 1	Reclassification from Level 1 to Level 2	Reclassification from Level 2 to Level 1
Financial investments from financial contracts				
Debt and other fixed-return securities	7,667,349	21,044,425	17,365,606	9,844,640
TOTAL	7,667,349	21,044,425	17,365,606	9,844,640

4.2 Amounts spent on auditors

The audit costs relating to services provided for 2023 are shown in the table below.

	Triglav Group		Zavarovalnica Triglav	
	2023	2022	2023	2022
Auditing of the Annual Report	902,024	693,944	323,143	178,395
Other assurance and related services	131,675	122,220	68,808	68,808
TOTAL	1,033,698	816,164	391,951	247,203

in EUR

4.3 Government grants

The following are government grants received by the Company in the form of:

- reimbursements of labour costs by the state;
- government grants received as part of aid measures in response to unfavourable developments in the economy (primarily rising energy prices);
- incentives for the employment of specific categories of workers;
- funds obtained through public tenders, both for co-financing costs and for the purchase of specific assets.

	Triglav Group		Zavarovalnica Triglav	
	2023	2022	2023	2022
Reimbursements of labour costs by the state	2,939,619	2,713,394	2,460,583	2,525,437
Government grants received in the framework of aid measures	0	215,909	0	191,008
Government incentives for the employment of specific categories of workers	231,202	165,222	153,058	158,179
Funds obtained in public tenders for co-financing of costs	163,572	37,007	0	5,337
Funds obtained in public tenders for the acquisition of assets	145,453	0	140,138	0
Other government grants	29,970	6,929	0	0
TOTAL	3,509,816	3,138,461	2,753,779	2,879,961

in EUR

Cost-related grants reduce the costs to which they relate or are recognised as other income. Asset-related grants are recognised as deferred income and transferred to profit or loss on a straight-line basis over the useful life of the asset.

4.4 Related party transactions

Related party transactions are disclosed separately for the Triglav Group and Zavarovalnica Triglav:

- transactions with shareholders and shareholder-related companies;
- transactions with subsidiaries are disclosed only at Company level and include transactions with entities in which the Company has a dominant influence; at Group level, these transactions are eliminated in the consolidation processes;
- transactions with associates in which the Group or the Company have significant influence;
- transactions with the management which is represented by the members of the Management Board and the Supervisory Board.

Transactions with shareholders and shareholder-related companies

The largest shareholders of Zavarovalnica Triglav are Zavod za pokojninsko in invalidsko zavarovanje Slovenije (Pension and Disability Insurance Institute of Slovenia – ZPIZ) and Slovenski državni holding (Slovenian Sovereign Holding – SDH), which hold a 34.47% and a 28.09% participating interest respectively. The only material transaction in 2023 with the two largest shareholders was the dividend payout. Dividends of EUR 19.59 million were paid to Zavod za pokojninsko in invalidsko zavarovanje (the Pension and Disability Insurance Institute of Slovenia) and dividends of EUR 15.97 million to Slovenski državni holding (the Slovenian Sovereign Holding).

The shareholder-related companies are also those in which SDH has a majority participating interest or dominant influence. As at 31 December 2023, there were 62 such companies, with which neither the Company nor the Group have significant transactions.

The related party services are charged at the same prices as those applying to unrelated parties.

Transactions with subsidiaries and associates

Transactions among Group companies, i.e. intra-group transactions, relate mainly to reinsurance, underwriting commissions, asset and real property management, and intercompany leases.

In 2023, written reinsurance premium totalled EUR 191,312,512 (2022: EU 159,130,067), reinsurance claims amounted to EUR 140,669,148 (2022: EUR 57,545,112) and reinsurance commissions equalled EUR 45,966,785 (2022: EUR 41,961,823).

Among Group companies in 2023, underwriting commissions totalled EUR 7,468,853 (2022: EUR 6,690,585), leases equalled EUR 1,444,800 (2022: EUR 1,146,242), real property management income totalled EUR 1,609,941 (2022: EUR 1,517,402) and income from other services amounted to EUR 1,515,113 (2022: EUR 1,616,795).

The related party services among Group members are charged at the same prices as those applying to unrelated parties. Pricing methods include the external or internal comparables method and cost contribution arrangement.

In 2023, the Group and the Company had no significant transactions with associates and jointly controlled entities.

Management and supervisory bodies and their remuneration

In 2023, the Management Board members received the following remuneration:

	in EUR						
First and last name	Fixed remuneration – gross (1)*	Variable remuneration (bonuses) – gross (2)	Total gross (3 = 1 + 2)	Total remuneration – net (4)	Insurance premium – benefits and SVPI (5)**	Other benefits (6)***	Total benefits and SVPI (7 = 5 + 6)
Andrej Slapar	227,850	59,302	287,152	92,889	80,966	6,746	87,712
Uroš Ivanc	216,587	56,336	272,923	91,598	59,080	234	59,314
Tadej Čoroli	216,587	56,336	272,923	90,964	59,079	3,469	62,548
Marica Makoter	216,587	56,336	272,923	89,323	59,083	3,955	63,038
Blaž Jakič****	162,481	0	162,481	45,891	47,722	10,079	57,801
Barbara Smolnikar****	0	28,840	28,840	17,181	0	0	0
David Benedek****	754	29,226	29,980	17,884	82	0	82
TOTAL	1,040,846	286,376	1,327,222	445,730	306,012	24,483	330,495

* Fixed remuneration includes salary, pay for annual leave and jubilee benefits.

** Insurance premiums include premiums for supplemental voluntary pension insurance, accident insurance, liability insurance and other insurance.

*** Other benefits include the use of a company vehicle.

**** The commencement or termination of the function of a Management Board member is described in more detail in [Section 3.2 of the Business Report](#).

The disclosure does not include travel expenses, accommodation costs and daily allowance as, by their nature, they are not considered remuneration of the Management Board.

As at 31 December 2023, Zavarovalnica Triglav had the following liabilities to the Management Board members:

in EUR

First and last name	Deferred variable remuneration (bonuses) – gross (1)	Fixed remuneration (salary) – gross and reimbursement (2)	Total liabilities (3=1+2)
Andrej Slapar	66,473	19,248	85,721
Uroš Ivanc	63,149	18,040	81,189
Tadej Čoroli	63,149	18,040	81,189
Marica Makoter	63,149	18,048	81,197
Blaž Jakič	0	18,016	18,016
Barbara Smolnikar	34,623	0	34,623
David Benedek	38,432	0	38,432
TOTAL	328,975	91,392	420,367

As at 31 December 2023, the Company did not have any significant amounts receivable from Management Board members.

The criteria for the performance assessment of the Management Board members are proposed by the Appointment and Remuneration Committee and approved by the Supervisory Board. The purpose of these criteria is to maximise the objective monitoring of the achievement of annual and medium-term objectives and to periodically assess the performance of the Management Board members. The performance criteria are designed to follow the Company's annual and medium-term business objectives adopted in the Company's annual business plans and strategic documents. The definition of a specific objective includes the following: its description, the expected target value, the assigned weight and the method for measuring or assessing its achievement. The method used to calculate the performance measures deviations from the set objectives by awarding a bonus for overperformance and through pay deduction from the basic salary of a Management Board member for underperformance.

The annual performance bonus is paid in three installments. The first half is paid within 30 days of the Supervisory Board approving the annual report and adopting a resolution on the bonus amount, or, in the event the annual report is approved at the General Meeting of Shareholders, within 30 days of the General Meeting of Shareholders approving the annual report and the Supervisory Board adopting a resolution on the bonus amount. The remaining 40% of the bonus is paid after two years, and 10% after three years; however, all three payments must be proportionate to the period of the office being held in a particular calendar year.

The Management Board members are entitled to severance pay equalling six times the average monthly basic salary they received as board members, if they are dismissed for economic and business reasons and their employment is terminated as a consequence. Severance is paid within one month of dismissal.

In 2023, Zavarovalnica Triglav paid EUR 20,888,743 in remuneration to employees under an individual agreement (2022: EUR 19,352,495), of which EUR 18,626,905 in gross salaries (2022: EUR 17,151,231) and EUR 2,261,838 in other remuneration (2022: EUR 2,201,264). The amounts do not include meal and travel allowances.

Membership in the Supervisory Board and its committees is presented in more detail in Business Report; presented below is the remuneration received by the members of the Supervisory Board and its committees in 2023.

in EUR

First and last name	Flat-rate remuneration – gross (1)	Attendance fees – gross (2)	Total gross (1 + 2)	Total net	Travel expenses – gross	Travel expenses – net
Andrej Andoljšek	30,000	5,027	35,027	25,475	1,306	950
Branko Bračko	9,448	1,595	11,043	8,032	1,131	823
Tomaž Benčina	21,734	5,203	26,937	19,591	1,457	1,060
Monica Cramer Manhem	9,750	1,540	11,290	6,899	3,935	2,405
Peter Kavčič	9,565	2,475	12,040	8,756	1,779	1,294
Igor Stebernak	21,468	4,235	25,703	16,932	1,257	828
Tim Umberger	11,000	1,980	12,980	9,440	0	0
Jure Valjavec	22,500	6,083	28,583	20,788	758	551
Peter Celar	7,824	2,651	10,475	7,618	912	663
Branko Gorjan	7,824	1,595	9,419	6,850	626	455
Igor Zupan	9,345	3,355	12,700	9,237	626	455
Aleš Košiček	8,680	1,540	10,220	7,433	0	0
Janja Strmljan Čevnja	8,347	1,320	9,667	7,031	39	28
Luka Kumer*	7,500	1,925	9,425	6,855	752	547
Mitja Svoljšak*	1,628	1,100	2,728	1,984	0	0
TOTAL	186,613	41,624	228,237	162,921	14,578	10,059

* External members sitting on committees.

All the abovementioned remuneration of the members of the Management Board and the Supervisory Board represents the remuneration received at Zavarovalnica Triglav, d.d. In the other Group companies, these members did not receive any remuneration that would relate to the period of performing their function at Zavarovalnica Triglav.

As at 31 December 2023, the Company did not record any material receivables from or liabilities to Supervisory Board members.

4.5 Contingent assets and liabilities

	in EUR			
	Triglav Group		Zavarovalnica Triglav	
	31 Dec 2023	31 Dec 2022	31 Dec 2023	31 Dec 2022
Contingent assets				
Uncollected subrogation receivables	62,762,435	59,667,216	47,813,033	50,699,241
Alternative investments	106,998,447	29,683,598	105,529,254	28,029,100
Contingent receivables	34,067,804	2,963,368	2,704,509	2,706,002
Assets under management	1,699,308,044	1,389,467,297	0	0
Approved undrawn loans	0	0	1,300,000	1,300,000
Contingent liabilities				
Bonds, guarantees and other sureties issued	168,691,733	18,533,410	156,044,753	218,509,153
Other contingent liabilities	1,636,870	2,282,607	0	0

Contingent liabilities by maturity – Triglav Group

31 Dec 2023	Not defined	in EUR				Total
		Less than 1 year	1-5 years	5-10 years	Over 10 years	
Bonds, guarantees and other sureties issued	513,361	12,133,619	154,194,550	1,850,203	0	168,691,733
Other contingent liabilities	1,366,471	270,399	0	0	0	1,636,870
TOTAL	3,179,832	12,404,018	154,194,550	1,850,203	0	171,628,603

31 Dec 2022	Not defined	in EUR				Total
		Less than 1 year	1-5 years	5-10 years	Over 10 years	
Bonds, guarantees and other sureties issued	513,361	6,241,593	11,778,456	0	0	18,533,410
Other contingent liabilities	2,282,607	0	0	0	0	2,282,607
TOTAL	4,095,968	6,241,593	11,778,456	0	0	22,116,017

Contingent liabilities by maturity – Zavarovalnica Triglav

31 Dec 2023	Not defined	in EUR				Total
		Less than 1 year	1-5 years	5-10 years	Over 10 years	
Bonds, guarantees and other sureties issued	0	88,130,963	66,063,588	1,850,203	0	156,044,753

31 Dec 2022	Not defined	in EUR				Total
		Less than 1 year	1-5 years	5-10 years	Over 10 years	
Bonds, guarantees and other sureties issued	0	134,806,473	62,408,020	21,294,659	0	218,509,153

4.6 Major legal and arbitration disputes

As at 31 December 2023, the Group and the Company were not a party to any legal dispute that would result in material actual or contingent liabilities.

4.7 Events after the reporting period

In the period between the end of the reporting period and the date when the financial statements were authorised for issue, no adjusting events occurred that would affect the compiled consolidated and separate financial statements of Zavarovalnica Triglav for 2023.

On 10 January 2024, the Slovenian Insurance Supervision Agency issued a decision *ex officio*, prohibiting Vinko Letnar from serving as a member of the Supervisory Board due to his failure to comply with statutory requirements. This affirms the Supervisory Board's position that Mr Letnar's appointment by the Works Council was unlawful.

Appendix 1: Glossary of terms

Inward reinsurance

The activity of a reinsurance company to assume from other insurance companies and reinsurance companies the portion of the risk which exceeds their retention limits.

Accumulated profit

The legally justified amount of net profit for the year (net earnings for the year), net profit brought forward (retained earnings) and reserves from profit, which in accordance with the decision of the insurance company's management board is first used to increase reserves (legal reserves, treasury share reserves and treasury shares, and statutory reserves) and other reserves according to the supervisory board's decision. The remainder, referred to as accumulated profit, is allocated by the general meeting of shareholders to dividends, other reserves, carry-forwards and other purposes.

Cedent

A party to a reinsurance contract who passes a portion of their assumed risks to reinsurance. The recipient of those risks is usually an insurance company. To cede means to pass a portion of assumed risk to a reinsurance company.

Total return on share

The sum of growth in the share price in the accounting period and the dividend yield as at the reporting date.

Total business volume

Comprises gross written premium and other income.

Total revenue

Comprises insurance revenue, asset management income, other operating income and other income (under IFRS 17).

Net earnings per share

The ratio of net earnings in the accounting period which refers to the ordinary shareholders of the controlling company to the weighted average number of ordinary shares less ordinary shares held by Zavarovalnica Triglav or the Triglav Group members.

Return on equity (ROE)

The ratio of net earnings for the period to the average balance of shareholders' equity in the period.

Return on equity of controlling interests

The ratio of net earnings to the average balance of shareholders' equity held by controlling interests in the accounting period.

Free float

Shares held by shareholders who own 5% or less of shareholders' equity.

Economic value distributed

Comprises claims incurred, net reinsurance service result, finance expenses from financial and insurance contracts, other expenses, dividend payments, labour costs, tax expense and community investment (prevention, donations, sponsorships).

Dividend yield

The ratio of gross dividends per share to price per share on a given day.

Supplemental insurance/rider

Insurance that is underwritten as a supplement to another (precisely defined) insurance and that cannot be underwritten independently.

Investment return/investment result

A difference between income and expenses from financial investments. Income from financial investments comprises income from investments in associates and income from investments (interest income, gains on disposal of investments and other income from investments). Expenses from financial investments comprise expenses from investments in associates and expenses from investments (impairment of investments, losses on the disposal of investments and other expenses from investments). Return on own investment portfolio does not include unit-linked life insurance assets and financial investments from financial contracts.

Rate of return on investment

The ratio of return on investment to the average balance of financial investments. Own investment portfolio includes financial investments, investments in associates, loans granted, bank deposits and other financial investments, but excludes unit-linked life insurance assets, financial investments from financial contracts and investment property.

New business margin of life and pension insurance

The ratio of the sum of the contractual service margin (CSM) of new contracts and the loss of onerous contracts to the present value of new premium.

Endowment (for life insurance products with a savings component)

An insured event in which the insurance company pays the sum insured, together with bonuses after the insured survives the agreed insurance period.

Financial contracts

Contracts that take the form of an insurance contract but do not meet the definition of an insurance contract under IFRS 17. Distinct investment components of pension insurance contracts are also treated as financial contracts because these contracts do not bear insurance risk during the accumulation (savings) phase.

Financial investments

On initial recognition, a financial investment is classified into one of the following measurement categories:

- financial investments measured at fair value through profit or loss (FVTPL),
- financial investments measured at amortised cost (AC),
- financial assets measured at fair value through other comprehensive income (FVOCI).

Incurred but not reported (IBNR)

Provisions for incurred but not yet reported claims.

Capitalisation

The reduction of sums insured in life insurance with a savings component, which is carried out if the policyholder stops paying the premium. In addition to standard criteria for setting the premium (gender and age of the insured), the amount of the sum insured depends primarily on the number of paid-in premiums and the remaining insurance term.

Book value per share

The ratio of shareholders' equity to the number of outstanding shares as at the reporting date.

Onerous contracts

Non-profitable insurance contracts where all cash flows arising from an insurance contract together represent a negative net present value of the cash flow.

Capital adequacy ratio

The ratio of available own funds eligible for covering the solvency capital requirement to the solvency capital requirement.

Combined ratio

The sum of the expense ratio and claims ratio. A value of less than 100% indicates profit from a particular segment, excluding return on investment. It shows the profitability of the non-life segment, the health segment, or both together.

Composite (or universal, general) insurance company

An insurance company that conducts non-life and life insurance business.

Gross/net

In the insurance industry, the terms gross and net typically relate to quantities and ratios before and after the deduction for reinsurance.

Own risk and solvency assessment (ORSA)

The insurance company's own assessment of the risks to which it is exposed in the course of its business, including the risks to which it may be exposed in the future, and an assessment of the adequacy of own funds available to cover them.

Measurement of insurance contracts under IFRS 17

The following methods are used to measure insurance contracts:

- The general model or Building Block Approach (BBA) is the default model used for all long-term insurance contracts.
- The simplified approach or Premium Allocation Approach (PAA) is used for the measurement of insurance contracts with short-term coverage (usually applicable to non-life insurance policies with short-term coverage).
- The Variable Fee Approach (VFA) is typically applied to life insurance contracts with direct participation features (unit-linked contracts).

Gross written premium

The sum of all premiums that the insurance company charges to policyholders following the underwriting or renewal of policies in the accounting period.

Gross claims paid

Benefits and claims calculated for all or a portion of settled claims in the accounting period, including claim settlement costs.

Claims incurred

Comprise insurance service expenses for claims, change in future cash flows, change in experience correction, loss of onerous contracts, allocation to onerous contracts and other insurance expenses.

Operating expenses

Operating expenses are recognised as original expenses by nature. They are split into attributable and non-attributable costs to insurance contracts. Attributable costs comprise acquisition costs, claim handling expenses, management costs and other administrative costs and, as such, are attributed to the individual groups of insurance contracts.

Expense ratio

The ratio of the sum of attributable and non-attributable costs, net other insurance expenses less other insurance income to insurance revenue.

Surrender

The termination of a life insurance policy that results in the payout of the value thereof (saved assets and mathematical provisions less the costs incurred by the insurance company).

Contractual service margin (CSM)

Comprises the unearned profit that the company expects to earn from insurance contracts. It is calculated based on expected future cash flows (inflows and outflows), taking into account the time value of money and risk adjustment for non-financial risk.

Net investment result

Comprises the investment result, the financial result from insurance contracts, gains and losses on investments in associates and the change in the provisions for not achieving the guaranteed yield on supplemental voluntary pension insurance.

Insurance operating result

Comprises insurance revenue less claims incurred and acquisition and administrative costs, including non-attributable costs, net reinsurance service result and net other insurance income/expenses.

Share average daily turnover

The ratio of the total value of share turnover in the accounting period to the number of trading days in that period.

Reinsurance

Reinsurance is the business of accepting risks ceded by an insurance or reinsurance company.

Prevention

The portion of non-life insurance premium that an insurance company allocates to prevention activities to mitigate future risks.

Associate

A company in which another entity directly or indirectly holds between 20% and 50% of voting rights, and thus has a significant effect on capital, but does not control that company.

Insurance revenue

Revenue from insurance contracts issued under IFRS 17 that do not include a savings component.

Risk adjustment for non-financial risk (RA)

Relates to the compensation set by the insurance company because it bears uncertainty about the amount and timing of the cash flows that arises from non-financial risk.

Risk profile

A risk profile is a quantitative assessment of the risks to which an insurance company is exposed. In order to adequately identify the risk profile, processes are established, and risk exposure and measurements are defined for every type of risk for the purpose of assessing the extent thereof.

Deferred acquisition costs (DAC)

Costs that an insurance company incurs in the acquisition of new insurance contracts are deferred evenly over the entire term of those contracts for accounting purposes. Thus, the one-time cost incurred when insurance is underwritten is deferred evenly over the entire insurance term.

Available own funds

Available own funds are used to cover the solvency capital requirement and represent the surplus of assets over liabilities, plus subordinated liabilities, taking into account other regulatory, insurer-specific adjustments.

Reserves from profit

Comprise other reserves from profit, legal and statutory reserves, contingency reserves and credit risk equalisation reserves.

Solvency II

The European Union's regulatory framework in the field of insurance, which defines the calculation of capital adequacy and the governance of and reporting by insurance companies. An insurance company's available own funds must be at least equal to the assessment of assumed risks, as set as out in the regulatory framework.

Coinsurance

A way to equalise risks, where assumed risks are split or spread among several insurance companies. The proportion of risk assumed by an individual insurance company may vary and represents the basis for determining an individual insurance company's share of the premium and potential loss. Each insurance company is jointly and severally liable to the insured, i.e. for the full amount of benefits and/or claims from an insurance contract, irrespective of the proportion of risk it assumes.

Assets under management

Comprise own investment portfolio, assets from the pension insurance savings funds, unit-linked insurance assets, assets in mutual funds and discretionary mandate assets, and alternative investments.

Expense ratio – the ratio of gross operating expenses of the insurance business to gross written premium

The ratio of gross operating expenses from insurance operations to gross written premium.

Claims ratio

The ratio of the sum of claims, change in future cash flows, change in experience correction, change in onerous contracts and the reinsurance result to insurance revenue.

Contractual service margin sustainability

The contractual service margin sustainability shows the ratio of the contractual service margin (CSM) of new contracts to the release of the contractual service margin to profit or loss.

Market capitalisation

The value of a company calculated as the product of the closing share price and the number of shares on the reporting date.

Economic value generated

Comprises total revenue and finance income from financial and insurance contracts.

Comprehensive income

Comprehensive income consists of two elements. The first element comprises net earnings in the accounting period from the statement of profit or loss. The second element comprises other comprehensive income, which discloses income and expense items that are not recognised in the statement of profit or loss, but affect the balance of shareholders' equity. These income and expenses arise mainly from the revaluation of assets to fair value and from the financial effects of the valuation of insurance and reinsurance contracts.

Economic value retained

The difference between economic value generated and economic value distributed.

Solvency capital requirement (SCR)

The amount of an insurance company's capital that it needs to remain solvent for at least one year with a 99.5% probability calculated in accordance with Solvency II. It is calculated according to a statutory standard formula that takes into account all material measurable risks: underwriting, market, credit and operational risks.

Insurance density (premium per capita)

The ratio of gross written premium to the number of inhabitants of a particular country.

Insurance penetration

Insurance premium as a proportion of gross domestic product (GDP).

Insurance premium

The amount set out in an insurance contract that the policyholder pays to the insurance company. Insurance premium covers the payment of current and future claims, the costs of prevention activities and the insurance company's operating expenses.

Insurance class

Various insurance types that are grouped in accordance with the Slovenian Insurance Act based on the main types of risks they cover. The Slovenian Insurance Act defines 24 different insurance classes.

Insurance contract

A contract is defined as an insurance contract when, at the time of conclusion, significant insurance risk is accepted from the policyholder.

Appendix 2: Disclosures under the EU Taxonomy Regulation

The EU Taxonomy refers to Regulation (EU) 2020/852 on the establishment of a framework to facilitate sustainable investment (hereinafter: EU Taxonomy), which entered into force in July 2020, with disclosure requirements becoming effective on 1 January 2022. The EU Taxonomy is a cornerstone of the EU's sustainable finance framework and an important market transparency tool that helps direct investments to the economic activities most needed for a green transition.

In June 2023, the European Commission put forward a new package of measures to build on and strengthen the foundations of the EU sustainable finance framework. It has expanded the scope of taxonomy-aligned activities and proposed a regulation of ESG rating providers. This package aims to further encourage companies and financial organisations to finance transition projects and technologies towards a net zero carbon society and to facilitate financial flows to sustainable investments.

It introduces disclosure obligations for certain companies and financial market participants to disclose the proportion of their taxonomy-aligned activities. Disclosure of the proportion of green activities aligned with Regulation (EU) 2020/852 will allow companies and investment portfolios to be compared on the basis of this proportion.

Disclosures under the EU Taxonomy are based on:

- key performance indicators (KPIs) of insurance and reinsurance companies in relation to investment and underwriting activities;
- qualitative disclosures for asset managers, credit institutions, investment firms, and insurance and reinsurance companies to support the financial undertakings' explanations and markets' understanding of these KPIs. The disclosure of quantitative KPIs is accompanied by the following qualitative information:
 - contextual information in support of the quantitative indicators including the scope of assets and activities covered by the KPIs, information on data sources and limitation;
 - explanations of the nature and objectives of taxonomy-aligned economic activities and the evolution of the taxonomy-aligned economic activities over time, starting from the second year of implementation, distinguishing between business-related and methodological and data-related elements;
 - description of the compliance with Regulation (EU) 2020/852 in the financial undertaking's business strategy, product design processes and engagement with clients and counterparties;
 - for credit institutions that are not required to disclose quantitative information for trading exposures, qualitative information on the alignment of trading portfolios with Regulation (EU) 2020/852, including overall composition, trends observed, objectives and policy;
 - additional or complementary information in support of the financial undertaking's strategies and the weight of the financing of taxonomy-aligned economic activities in their overall activity.

1. Key performance indicators related to investments

The proportion of the insurance or reinsurance undertaking's investments that are directed at funding, or are associated with, taxonomy-aligned in relation to total investments		
The weighted average value of all the investments of insurance or reinsurance undertakings that are directed at funding, or are associated with taxonomy-aligned economic activities relative to the value of total assets covered by the KPI, with following weights for investments in undertakings per below: Turnover-based: 0.89% Capital expenditures-based: 1.96%	The weighted average value of all the investments of insurance or reinsurance undertakings that are directed at funding, or are associated with taxonomy-aligned economic activities, with following weights for investments in undertakings per below: Turnover-based: 18,510,977 Capital expenditures-based: 40,927,894	
The percentage of assets covered by the KPI relative to total investments of insurance or reinsurance undertakings (total AuM). Excluding investments in sovereign entities. Coverage ratio: 91.80%	The monetary value of assets covered by the KPI. Excluding investments in sovereign entities. Coverage: 2,090,509,482	
Additional, complementary disclosures: breakdown of denominator of the KPI		
The percentage of derivatives relative to total assets covered by the KPI: 0%	The value in monetary amounts of derivatives: 0	
The proportion of exposures to financial and non-financial undertakings not subject to Articles 19a and 29a of Directive 2013/34/EU over total assets covered by the KPI: For non-financial undertakings: 2.43% For financial undertakings: 7.14%	Value of exposures to financial and non-financial undertakings not subject to Articles 19a and 29a of Directive 2013/34/EU: For non-financial undertakings: 50,798,752 For financial undertakings: 149,334,845	
The proportion of exposures to financial and non-financial undertakings from non-EU countries not subject to Articles 19a and 29a of Directive 2013/34/EU over total assets covered by the KPI: For non-financial undertakings: 23.65% For financial undertakings: 14.92%	Value of exposures to financial and non-financial undertakings from non-EU countries not subject to Articles 19a and 29a of Directive 2013/34/EU: For non-financial undertakings: 494,451,493 For financial undertakings: 311,929,757	
The proportion of exposures to financial and non-financial undertakings subject to Articles 19a and 29a of Directive 2013/34/EU over total assets covered by the KPI: For non-financial undertakings: 19.02% For financial undertakings: 32.84%	Value of exposures to financial and non-financial undertakings subject to Articles 19a and 29a of Directive 2013/34/EU: For non-financial undertakings: 397,650,294 For financial undertakings: 686,434,340	
The proportion of exposures to other counterparties over total assets covered by the KPI: 0%	Value of exposures to other counterparties: 0	
The proportion of the insurance or reinsurance undertaking's investments other than investments held in respect of life insurance contracts where the investment risk is borne by the policy holders, that are directed at funding, or are associated with, taxonomy-aligned economic activities: 31.93%	Value of insurance or reinsurance undertaking's investments other than investments held in respect of life insurance contracts where the investment risk is borne by the policy holders, that are directed at funding, or are associated with, taxonomy-aligned economic activities: 667,591,479	
The value of all the investments that are funding economic activities that are not taxonomy-eligible relative to the value of total assets covered by the KPI: 95.68%	Value of all the investments that are funding economic activities that are not taxonomy-eligible: 2,000,098,817	
The value of all the investments that are funding taxonomy-eligible economic activities, but not taxonomy-aligned relative to the value of total assets covered by the KPI: 2.37%	Value of all the investments that are funding taxonomy-eligible economic activities, but not taxonomy-aligned: 49,482,770	
Additional, complementary disclosures: breakdown of numerator of the KPI		
The proportion of taxonomy-aligned exposures to financial and non-financial undertakings subject to Articles 19a and 29a of Directive 2013/34/EU over total assets covered by the KPI: For non-financial undertakings: Turnover-based: 0.74% Capital expenditures-based: 1.78% For financial undertakings: Turnover-based: 0.07% Capital expenditures-based: 0.10%	Value of taxonomy-aligned exposures to financial and non-financial undertakings subject to Articles 19a and 29a of Directive 2013/34/EU: For non-financial undertakings: Turnover-based: 15,498,469 Capital expenditures-based: 37,165,841 For financial undertakings: Turnover-based: 1,566,333 Capital expenditures-based: 2,054,250	
The proportion of the insurance or reinsurance undertaking's investments other than investments held in respect of life insurance contracts where the investment risk is borne by the policy holders, that are directed at funding, or are associated with, taxonomy-aligned economic activities: Turnover-based: 0.84% Capital expenditures-based: 1.77%	Value of insurance or reinsurance undertaking's investments other than investments held in respect of life insurance contracts where the investment risk is borne by the policy holders, that are directed at funding, or are associated with, taxonomy-aligned economic activities: Turnover-based: 9,363,293 Capital expenditures-based: 19,734,395	
The proportion of taxonomy-aligned exposures to other counterparties in over total assets covered by the KPI: Turnover-based: 0% Capital expenditures-based: 0%	Value of taxonomy-aligned exposures to other counterparties over total assets covered by the KPI: Turnover-based: 0 Capital expenditures-based: 0	
Breakdown of the numerator of the KPI per environmental objective		
Taxonomy-aligned activities – provided 'do-not-significant-harm' (DNSH) and social safeguards positive assessment:		
Climate change mitigation	Turnover: 0.84% CapEx: 1.91%	Transitional activities: A % (Turnover; CapEx) 17,481,017; 39,994,634 Enabling activities: B % (Turnover; CapEx)
Climate change adaptation	Turnover: 0.07% CapEx: 0.11%	Transitional activities: A % (Turnover; CapEx) 1,359,345; 2,223,837 Enabling activities: B % (Turnover; CapEx)
The sustainable use and protection of water and marine resources	Turnover: % CapEx: %	Transitional activities: A % (Turnover; CapEx) Enabling activities: B % (Turnover; CapEx)
The transition to a circular economy	Turnover: % CapEx: %	Transitional activities: A % (Turnover; CapEx) Enabling activities: B % (Turnover; CapEx)
Pollution prevention and control	Turnover: % CapEx: %	Transitional activities: A % (Turnover; CapEx) Enabling activities: B % (Turnover; CapEx)
The protection and restoration of biodiversity and ecosystems	Turnover: % CapEx: %	Transitional activities: A % (Turnover; CapEx) Enabling activities: B % (Turnover; CapEx)

2. KPI related to underwriting activities

The underwriting KPI for non-life insurance and reinsurance undertakings

Economic activities (1)	Substantial contribution to climate change adaptation			Do no significant harm					
	Absolute premiums, year 2023 (2)	Proportion of premiums, year 2023 (3)	Proportion of premiums, year 2022 (4)	Climate change mitigation (5)	Water and marine resources (6)	Circular economy (7)	Pollution (8)	Biodiversity and ecosystems (9)	Minimum safeguards (10)
	Currency	%	%	YES/NO	YES/NO	YES/NO	YES/NO	YES/NO	YES/NO
A.1 Non-life insurance and reinsurance underwriting taxonomy-aligned activities (environmentally sustainable)	0	0%	0%						
A.1.1 Of which reinsured	0	0%	0%						
A.1.2 Of which stemming from reinsurance activity	0	0%	0%						
A.1.2.1 Of which reinsured (retrocession)	0	0%	0%						
A.2 Non-life insurance and reinsurance underwriting taxonomy-eligible activities that are not environmentally sustainable (taxonomy-non-aligned activities)	1,296,241,548	92%	91%						
B. Non-life insurance and reinsurance underwriting taxonomy-non-eligible activities	116,906,244	8%	9%						
Total (A.1 + A.2 + B)	1,413,147,792	100%	100%						

In the Triglav Group, 92% of the non-life insurance portfolio is taxonomy-eligible. Despite the portfolio's growth, this percentage did not change significantly over the last three years.

At Group level, the assessment of the non-life insurance portfolio's taxonomy alignment is being established, which requires the portfolio to be checked against five technical criteria to assess how the individual products in the portfolio make a significant contribution to sustainability, to demonstrate that they do no significant harm to any other taxonomy objectives and to meet the minimum social safeguards. As the assessment is not yet fully established, the Group reports 0% taxonomy alignment.

Appendix 3: GRI, SASB and SDG Content Index

GRI (Global Reporting Initiative) Content Index

Statement of Use	The Triglav Group has reported in accordance with the GRI (Global Reporting Initiative) Standards for the period from 1 January 2023 to 31 December 2023
GRI 1 used	GRI 1: Foundation 2021
Applicable GRI Sector Standard(s)	G4: Financial services sector disclosures

GENERAL DISCLOSURES				
GRI standard	Disclosure	Section/page	Requirement(s) omitted	Reason and explanation for omission
GRI 2: General Disclosures 2021				
The Organization and its reporting practices				
2-1	Organizational details	2.6/12, 6.3/49–50		
2-2	Entities included in the organization's sustainability reporting	11.1/96		
2-3	Reporting period, frequency and contact point	2.3/9, 11.1/96		
2-4	Restatements of information	11.1/96		
2-5	External assurance			The Company has not yet decided to have the GRI standards externally assured.
Activities and workers				
2-6	Activities, value chain and other business relationships	2.1/8, 2.2/8, 2.6/12, 6.3/49, 7.4/55–62, 11.3.4/125		
2-7	Employees	11.3.2.1/111, 112, 113		
2-8	Workers who are not employees	11.3.2.1/113		
Governance				
2-9	Governance structure and composition	5.3/34, 5.4/42		
2-10	Nomination and selection of the highest governance body	5.3/34–42		
2-11	Chair of the highest governance body	5.3.2.2/37, 5.3.3.2/40		
2-12	Role of the highest governance body in overseeing the management of impacts	5.3.2.2/37, 11.1/96		
2-13	Delegation of responsibility for managing impacts	11.1/96		
2-14	Role of the highest governance body in sustainability reporting	11.1/96		
2-15	Conflicts of interest	5.3.3.2/40		
2-16	Communication of critical concerns	11.1/96		
2-17	Collective knowledge of the highest governance body		Data is not available	
2-18	Evaluation of the performance of the highest governance body	5.3.2.2/38		
2-19	Remuneration policies	5.3.2.2/38		
2-20	Process to determine remuneration	5.3.2.2/38		
2-21	Annual total compensation ratio	2.3/9, 5.3.2.2/38		



GENERAL DISCLOSURES				
GRI standard	Disclosure	Section/page	Requirement(s) omitted	Reason and explanation for omission
Strategy, policies and practices				
2-22	Statement on sustainable development strategy	1./7		
2-23	Policy commitments	11.3.2.4/119, 11.4/126		
2-24	Embedding policy commitments	8.4/77, 11.3.2.4/119, 11.4/126		
2-25	Processes to remediate negative impacts	11.3.1.1/109, 11.3.2.4/119, 11.4/126		
2-26	Mechanisms for seeking advice and raising concerns	11.4/126		
2-27	Compliance with laws and regulations	11.4/126		
2-28	Membership associations	11.4/127		
Stakeholder engagement				
2-29	Approach to stakeholder engagement	6.5/51, 11.1.2/99, 11.3.2.4/116		
2-30	Collective bargaining agreements	11.3.2.1/113		
GRI 3: Material Topics 2021				
3-1	Process to determine material topics	11.1/96		
3-2	List of material topics	11.1/96		
ECONOMIC IMPACTS				
GRI 201: Economic Performance 2016				
3-3	Management of material topics	4.2/28, 4.3/30		
201-1	Direct economic value generated and distributed	11.3.3/120, 11.3.3.1/121, 11.3.3.2/123		
201-2	Financial implications and other risks and opportunities due to climate change	7.2/54	Reporting on financial implications of weather and natural disasters.	
201-3	Defined benefit plan obligations and other retirement plans	11.3.2.4/118		
201-4	Financial assistance received from government	11.4/128		
GRI 202: Market presence 2016				
3-3	Management of material topics	4.2/30		
202-2	Proportion of senior management hired from the local community	11.3.2.1/113		
GRI 203: Indirect economic impacts 2016				
3-3	Management of material topics	11.3.3/120, 121		
203-1	Extent of development of significant infrastructure investments and services supported	11.3.3/120, 11.3.3.1/121		
GRI 204: Procurement practices 2016				
3-3	Management of material topics	11.3.4/125		
204-1	Percentage of the procurement budget used for local suppliers	11.3.4/125		
GRI 205: Anti-corruption 2016				
3-3	Management of material topics	11.4/126		
205-1	Total number and percentage of operations assessed for risks related to corruption	11.4/126		
205-2	Communication and training about anti-corruption policies and procedures	11.4/126		
205-3	Confirmed incidents of corruption and actions taken	11.4/126		

GENERAL DISCLOSURES				
GRI standard	Disclosure	Section/page	Requirement(s) omitted	Reason and explanation for omission
GRI 206: Anti-competitive behaviour 2016				
3-3	Management of material topics	11.4/126		
206-1	Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	11.4/126		
GRI 207: Tax 2019				
207-1	Approach to tax	Accounting report, 2.11 Tax policy/218		
207-2	Tax governance, control, and risk management	Accounting report, 2.11 Tax policy/218		
207-3	Stakeholder engagement and management of concerns related to tax	Accounting report, 2.11 Tax policy/218		
207-4	Country-by-country reporting	Accounting report, 2.1.4 About the Triglav Group/151		
ENVIRONMENTAL IMPACTS				
GRI 302: Energy 2016				
3-3	Management of material topics	11.2.1/100		
302-1	Energy consumption within the organization	11.2.2/103		
GRI 305: Emissions 2016				
3-3	Management of material topics	11.2.2/101		
305-1	Direct (Scope 1) GHG emissions	11.2.2/101		
305-2	Energy indirect (Scope 2) GHG emissions	11.2.2/101		
305-3	Other indirect (Scope 3) GHG emissions	11.2.2/101		
GRI 306: Waste 2020				
3-3	Management of material topics	11.2.1/101		
306-1	Waste generation and significant waste-related impacts	11.2.2/104		
306-2	Management of significant waste-related impacts	11.2.1/100, 11.2.2/104		
306-3	Waste generated	11.2.2/104		
306-4	Waste diverted from disposal	11.2.2/104		
306-5	Waste directed to disposal	11.2.2/104		
GRI 308: Supplier Environmental Assessment 2016				
3-3	Management of material topics	11.3.4/125		
308-1	New suppliers that were screened using environmental criteria	11.3.4/125		
SOCIAL IMPACTS				
GRI 401: Employment 2016				
3-3	Management of material topics	11.3.2/111		
401-1	Management of material topics	11.3.2.1/113		
401-2	New employee hires and employee turnover	11.3.2.1/113, 11.3.2.4/118		
401-3	Benefits which are standard for full-time employees of the organization but are not provided to temporary or part-time employees	11.3.2.4/118		The number and share of employees who were still employed 12 months after parental leave ended is not reported on.

GENERAL DISCLOSURES				
GRI standard	Disclosure	Section/page	Requirement(s) omitted	Reason and explanation for omission
GRI 402: Labour/management relations 2016				
3-3	Management of material topics	11.3.2.4/119		
402-1	Minimum notice periods regarding operational changes, including the information whether the notice period and provisions for consultation and negotiation are specified in collective agreements	11.3.2.4/119		
GRI 403: Occupational Health and Safety 2018				
3-3	Management of material topics	11.3.2.3/115		
403-1	Occupational health and safety management system	11.3.2.3/115		
403-2	Hazard identification, risk assessment, and incident investigation	11.3.2.3/115		
403-3	Occupational health services	11.3.2.3/115		
403-4	Worker participation, consultation, and communication on occupational health and safety	11.3.2.3/115, 116		
403-5	Worker training on occupational health and safety	11.3.2.3/115		
403-6	Promotion of worker health	11.3.2.3/115		
403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships		403-7 a.	The indicator is not relevant for Triglav Group services.
403-8	Workers covered by an occupational health and safety management system	11.3.2.3/115		
403-9	Work-related injuries	11.3.2.3/116		
403-10	Work-related ill health	11.3.2.3/116		
GRI 404: Training and education 2016				
3-3	Management of material topics	11.3.2.2/114–115		
404-1	Average hours of training that the organisation's employees have undertaken during the reporting period, by gender and employee category	11.3.2.2/115	Training by employee category is not reported on.	Data capture does not include classification by employee category.
404-3	Percentage of employees receiving regular performance and career development reviews by gender	11.3.2.2/115		
GRI: 405: Diversity and equal opportunity 2016				
3-3	Management of material topics	11.4/126		
405-1	Diversity of governance bodies and employees (gender, age group, representatives of minorities, other indicators of diversity)	5.3.2.2/37, 5.3.3.2/40, 11.3.2.1/113	Reporting on the gender and age structure.	
405-2	Ratio of the basic salary and remuneration of women to men for each employee category, by significant locations of operation	11.3.2.1/113		
GRI 406: Non-discrimination 2016				
3-3	Management of material topics	11.4/126		
406-1	Total number of incidents of discrimination during the reporting period and actions taken	11.3.2.4/120, 11.4/126		
GRI 414: Supplier Social Assessment 2016				
3-3	Management of material topics	11.3.4/125		
414-1	New suppliers that were screened using social criteria	11.3.4/125	Share is not reported.	
GRI 415: Public policy 2016				
3-3	Management of material topics	12.4/126		
415-1	Political contributions	12.4/126		

GENERAL DISCLOSURES











GRI standard	Disclosure	Section/page	Requirement(s) omitted	Reason and explanation for omission
GRI 417: Marketing and labelling 2016				
3-3	Management of material topics	11.3.1/107		
417-1	Requirements for product and service information and labelling	11.3.1/107		
417-2	Total number of incidents of non-compliance with regulations and/or voluntary codes concerning product and service information and labelling	11.3.1/107		
417-3	Total number of incidents of non-compliance with regulations and/or voluntary codes concerning marketing communications, including advertising, promotion, and sponsorships	11.3.1/107		
GRI 418 Customer privacy 2016				
3-3	Management of material topics	11.4/126		
418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	11.4/126		
Financial Services Sector Disclosures – GRI G4				
G4-FS7	Monetary value of products and services designed to deliver a specific social benefit	11.2.3/106		
G4-FS8	Monetary value of products and services designed to deliver a specific environmental benefit	11.2.3/106		
G4-FS14	Initiatives to improve access to financial services for disadvantaged people	11.3.1/108		

SASB (Sustainability Accounting Standards Board) Contents Index

Insurance			
Topic	Accounting metric	Code	Section/Page number
Transparent Information and Fair Advice for Customers	Total amount of monetary losses as a result of legal proceedings associated with marketing and communication of insurance product related information to new and returning customers	FN-IN-270a.1	11.3.1/107, 11.3.1.1/109, 11.4/126
	Complaints-to-claims ratio	FN-IN-270a.2	11.1.2/99
	Customer retention rate	FN-IN-270a.3	11.3.1.1/109
	Description of approach to informing customers about products	FN-IN-270a.4	11.3.1/107
Incorporation of Environmental, Social, and Governance Factors in Investment Management	Total invested assets, by industry and asset class	FN-IN-410a.1	8.4/77
	Description of approach to incorporation of environmental, social, and governance (ESG) factors in investment management processes and strategies	FN-IN-410a.2	11.1.1/97
Policies Designed to Incentivize Responsible Behavior	Net premiums written related to energy efficiency and low carbon technology	FN-IN-410b.1	11.2.3/106
	Discussion of products and/or product features that incentivize health, safety, and/or environmentally responsible actions and/or behaviors	FN-IN-410b.2	11.2.3/106
Environmental Risk Exposure	Probable Maximum Loss (PML) of insured products from weather-related natural catastrophes	FN-IN-450a.1	Accounting report, 2.8.1.1/192
	Total amount of monetary losses attributable to insurance payouts from (1) modeled natural catastrophes and (2) nonmodeled natural catastrophes, by type of event and geographic segment (net and gross of reinsurance)	FN-IN-450a.2	7.2/54
Systemic Risk Management	Exposure to derivative instruments by category	FN-IN-550a.1	Accounting report, 2.8.1.3/197–203
	Total fair value of securities lending collateral assets	FN-IN-550a.2	Accounting report, 2.8.1.3/197–203
	Description of approach to managing capital and liquidity-related risks associated with systemic non-insurance activities	FN-IN-550a.3	9.2.1/84
Asset Management and Custody			
Topic	Accounting metric	Code	Section/Page number
Transparent Information and Fair Advice for Customers	Number and percentage of covered employees with a record of investment-related investigations, consumer-initiated complaints, private civil litigations, or other regulatory proceedings	FN-AC-270a.1	11.4/126
	Total amount of monetary losses as a result of legal proceedings associated with marketing and communication of financial product related information to new and returning customers	FN-AC-270a.2	11.3.1./107
	Description of approach to informing customers about products and services	FN-AC-270a.3	11.3.1/107
Employee Diversity and Inclusion	Percentage of gender and racial/ethnic group representation for (1) executive management, (2) non-executive management, (3) professionals, and (4) all other employees	FN-AC-330a.1	5.3.2.2/37, 5.3.3.2/40, 11.3.2.1/113
Incorporation of Environmental, Social, and Governance Factors in Investment Management and Advisory	Amount of assets under management, by asset class, that employ (1) integration of environmental, social, and governance (ESG) issues, (2) sustainability themed investing, and (3) screening	FN-AC-410a.1	11.2.3/106
	Description of approach to incorporation of environmental, social, and governance (ESG) factors in investment and/or wealth management processes and strategies	FN-AC-410a.2	11.1.1/97
	Description of proxy voting and investee engagement policies and procedures	FN-AC-410a.3	8.4/77
Business Ethics	Total amount of monetary losses as a result of legal proceedings associated with fraud, insider trading, anti-trust, anticompetitive behavior, market manipulation, malpractice, or other related financial industry laws or regulations	FN-AC-510a.1	11.4/126
	Description of whistleblower policies and procedures	FN-AC-510a.2	11.4/126
Accounting metric	Code	Section/Page number	
Total registered and (2) total unregistered assets under management (AUM)	FN-AC-000.A	8.4/76	



Sustainable Development Goals (UN SDG) Content Index

Goal	Description	Section/Page
 2 ZERO HUNGER	By 2030, double the agricultural productivity and incomes of small-scale food producers, in particular women, indigenous peoples, family farmers, pastoralists and fishers, including through secure and equal access to land, other productive resources and inputs, knowledge, financial services, markets and opportunities for value addition and non-farm employment.	11.2.3/106
 3 GOOD HEALTH AND WELL-BEING	By 2020, halve the number of global deaths and injuries from road traffic accidents.	11.3.3.1/122
 5 GENDER EQUALITY	Achieve gender equality and empower all women and girls.	11.3.2.4/118
 7 AFFORDABLE AND CLEAN ENERGY	Ensure access to affordable, reliable, sustainable and modern energy for all.	11.2.3/106
 8 DECENT WORK AND ECONOMIC GROWTH	Promote development-oriented policies that support productive activities, decent job creation, entrepreneurship, creativity and innovation, and encourage the formalization and growth of micro-, small- and medium-sized enterprises, including through access to financial services. Protect labour rights and promote safe and secure working environments for all workers, including migrant workers, in particular women migrants, and those in precarious employment.	11.2.3/106 11.3.2.3/115
 9 INDUSTRY, INNOVATION AND INFRASTRUCTURE	Increase the access of small-scale industrial and other enterprises, in particular in developing countries, to financial services, including affordable credit, and their integration into value chains and markets.	11.2.3/106
 11 SUSTAINABLE CITIES AND COMMUNITIES	Make cities and human settlements inclusive, safe, resilient and sustainable.	11.3.3.1/120–122
 13 CLIMATE ACTION	Strengthen resilience and adaptive capacity to climate-related hazards and natural disasters in all countries.	11.1.1/97
 15 LIFE ON LAND	Improve education, awareness-raising and human and institutional capacity on climate change mitigation, adaptation, impact reduction and early warning. By 2030, ensure the conservation of mountain ecosystems, including their biodiversity, in order to enhance their capacity to provide benefits that are essential for sustainable development.	11.2.3/106 11.3.3.1/120–122
 16 PEACE, JUSTICE AND STRONG INSTITUTIONS	Substantially reduce corruption and bribery in all their forms.	11.4/126

Triglav Group and Zavarovalnica Triglav d.d. Annual Report 2023

Published by: Zavarovalnica Triglav d.d.

Text by: Zavarovalnica Triglav d.d.

Editing, consulting, production by: Studio Kernel d.o.o.

Photographs by: Ciril Jazbec, Andraž Blaznik, Jernej Lasič, Triglav Group archive, Shutterstock, iStock
Ljubljana, March 2024