

# III. Consolidated Financial Statements<sup>107</sup>

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Notes	31 December 2013	31 December 2012
in EUR			
<b>ASSETS</b>		<b>3,077,107,344</b>	<b>3,123,808,393</b>
Intangible assets	6.1	71,724,243	66,878,286
Property, plant and equipment	6.2	122,850,884	130,350,482
Deferred tax receivables	6.16	23,696,799	34,434,717
Investment property	6.3	97,245,384	100,186,863
Investments in associates	6.4	10,204,674	14,384,184
Financial assets	6.5	2,432,183,379	2,445,878,652
Financial investments		1,994,515,763	2,026,996,736
- loans and deposits		199,264,326	273,278,022
- held to maturity		224,880,951	228,416,165
- available for sale		1,431,023,178	1,417,564,782
- recognised at fair value through profit and loss		139,347,308	107,737,767
Unit-linked insurance assets		437,667,616	418,881,916
Reinsurers' share of technical provisions	6.6	64,707,528	83,575,712
Receivables	6.7	196,328,781	194,850,052
- receivables from direct insurance operations		95,959,929	103,865,001
- receivables from reinsurance and coinsurance operations		43,322,539	42,942,784
- current tax receivables		14,724,095	9,331,709
- other receivables		42,322,218	38,710,558
Other assets	6.8	26,973,765	33,680,408
Cash and cash equivalents	6.9	29,068,558	17,251,420
Non-current assets held for sale	6.10	2,123,349	2,337,617
<b>EQUITY AND LIABILITIES</b>		<b>3,077,107,344</b>	<b>3,123,808,393</b>
Equity	6.11	590,537,457	574,563,757
Controlling interests		584,314,877	567,863,820
- share capital		73,701,392	73,701,392
- share premium		56,866,194	56,710,713
- reserves from profit		276,678,464	253,233,080
- treasury share reserves		452,880	364,680
- treasury shares		-452,880	-364,680
- fair value reserve		44,605,435	51,819,054
- net profit brought forward		90,083,115	86,769,095
- net profit/loss for the year		46,213,507	48,809,667
- currency translation differences		-3,833,230	-3,179,181
Non-controlling interests		6,222,580	6,699,937
Subordinated liabilities	6.12	28,244,484	37,025,550
Insurance technical provisions	6.13	1,826,231,310	1,887,920,781
- unearned premiums		258,066,669	268,424,573
- mathematical provisions		870,733,006	869,949,936
- claims provisions		674,436,244	723,176,114
- other insurance technical provisions		22,995,391	26,370,158
Insurance technical provisions for unit-linked insurance contracts	6.13	435,201,724	417,338,984
Employee benefits	6.14	11,401,382	10,573,673
Other provisions	6.15	16,218,730	19,621,552
Deferred tax liabilities	6.16	18,465,042	21,351,998
Other financial liabilities	6.17	34,790,998	39,380,566
Operating liabilities	6.18	56,325,533	58,150,107
- liabilities from direct insurance operations		20,247,893	20,811,717
- liabilities from reinsurance and co-insurance operations		35,338,592	36,744,115
- current tax liabilities		739,048	594,275
Other liabilities	6.19	59,690,684	57,881,425

<sup>107</sup> Notes on the pages 120 to 184 are integral part of these financial statements.

## CONSOLIDATED INCOME STATEMENT

in EUR

	Notes	2013	2012
<b>NET PREMIUM INCOME</b>	7.1	<b>837,642,667</b>	<b>884,367,872</b>
- gross written premium		900,892,580	936,263,023
- ceded written premium		-70,920,674	-74,983,245
- change in unearned premiums		7,670,761	23,088,094
<b>INCOME FROM FINANCIAL ASSETS</b>	7.2	<b>184,692,544</b>	<b>173,651,547</b>
INCOME FROM FINANCIAL ASSETS IN ASSOCIATES		63,423	5,754,725
- profit on equity investments accounted for using the equity method		39,532	1,720,451
- interest expense		0	0
- fair value gains	7.4	0	0
- realised gains on disposals	7.5	23,891	0
- other financial income		0	4,034,274
INCOME FROM OTHER FINANCIAL ASSETS		136,153,098	138,074,118
- interest income		76,142,863	82,502,711
- dividends		2,856,987	3,120,364
- fair value gains	7.4	22,249,328	17,616,160
- realised gains on disposals	7.5	28,643,036	29,270,460
- other financial income		6,260,884	5,564,423
NET UNREALISED GAINS ON UNITLINKED LIFE INSURANCE ASSETS		48,476,023	29,822,704
<b>OTHER INCOME FROM INSURANCE OPERATIONS</b>	7.6	<b>7,910,551</b>	<b>20,702,957</b>
- fees and commission income		2,493,159	13,741,969
- other income from insurance operations		5,417,392	6,960,988
<b>OTHER INCOME</b>	7.7	<b>76,614,124</b>	<b>76,039,900</b>
<b>NET CLAIMS INCURRED</b>	7.8	<b>571,663,099</b>	<b>578,938,271</b>
- gross claims settled		627,508,334	613,765,178
- reinsurers' share		-35,840,696	-22,515,985
- changes in claims provisions		-27,985,203	-19,720,565
- equalisation scheme expenses for supplementary health insurance		7,980,664	7,409,643
<b>CHANGE IN OTHER INSURANCE TECHNICAL PROVISIONS</b>	7.9	<b>2,651,409</b>	<b>-1,446,818</b>
<b>CHANGE IN INSURANCE TECHNICAL PROVISIONS FOR UNIT-LINKED INSURANCE CONTRACTS</b>	7.9	<b>17,906,261</b>	<b>52,882,779</b>
<b>EXPENSES FOR BONUSES AND DISCOUNTS</b>	7.10	<b>6,539,195</b>	<b>8,647,771</b>
<b>OPERATING EXPENSES</b>	7.11	<b>199,362,100</b>	<b>198,477,965</b>
- acquisition costs		128,032,778	127,960,690
- other operating costs		71,329,322	70,517,275
<b>EXPENSES FROM FINANCIAL ASSETS AND LIABILITIES</b>	7.3	<b>114,386,924</b>	<b>100,957,942</b>
EXPENSES FROM FINANCIAL ASSETS AND LIABILITIES IN ASSOCIATES		1,417,909	2,104,247
- loss on investments accounted for using the equity method		986,250	2,104,247
- interest expense		0	0
- fair value losses	7.4	0	0
- realised loss on disposals		418,604	0
- loss on impairment of financial assets	7.3	1	0
- other expenses from financial assets and liabilities		13,054	0
EXPENSES FROM OTHER FINANCIAL ASSETS AND LIABILITIES		79,179,913	98,177,882
- interest expense		3,394,926	3,576,326
- fair value losses	7.4	23,209,947	18,768,643
- realised loss on disposals	7.5	15,744,740	24,081,742
- loss on impairment of financial assets	7.3	28,144,000	43,652,275
- other expenses from financial assets and liabilities		8,686,300	8,098,896
NET UNREALISED LOSSES ON UNIT-LINKED LIFE INSURANCE ASSETS		33,789,102	675,813
<b>OTHER INSURANCE EXPENSES</b>	7.12	<b>23,683,481</b>	<b>42,829,908</b>
<b>OTHER EXPENSES</b>	7.13	<b>87,026,356</b>	<b>83,803,046</b>
<b>PROFIT/ LOSS BEFORE TAX</b>		<b>83,641,061</b>	<b>89,671,412</b>
Income tax expense	7.14	-13,790,058	-16,490,349
<b>NET PROFIT / LOSS FOR THE ACCOUNTING PERIOD</b>		<b>69,851,003</b>	<b>73,181,063</b>
Net profit / loss attributable to the controlling company		69,541,096	72,512,985
Net profit / loss attributable to non-controlling interest holders		309,906	668,078

**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**

	Notes	2013	in EUR 2012
<b>NET PROFIT/LOSS FOR THE YEAR AFTER TAX</b>		<b>69,851,003</b>	<b>73,181,063</b>
<b>OTHER COMPREHENSIVE INCOME AFTER TAX</b>		<b>-7,833,344</b>	<b>48,810,646</b>
Actuarial gains/losses for pension plans		-24,175	0
Net gains/losses from the re-measurement of available-for-sale financial assets		-11,408,076	85,240,369
- Gains/losses recognised in fair value reserve		-10,021,604	56,130,261
- Transfer from fair value reserve to profit/loss		-1,386,472	29,110,108
Net gains/losses from non-current assets held for sale		0	0
Gains/losses recognised in fair value reserve and net profit/loss brought forward arising from equity in associates and jointly controlled entities recognised using the equity method	7.2	333,003	246,560
Liabilities from insurance contracts with a discretionary participating feature (shadow accounting)	7.14	2,853,742	-23,745,609
Currency translation adjustment	6.11	-663,640	-638,532
Tax on other comprehensive income	7.14	1,075,802	-12,292,142
<b>COMPREHENSIVE INCOME OR LOSS FOR THE YEAR AFTER TAX</b>		<b>62,017,659</b>	<b>121,991,709</b>
Controlling interests		61,699,594	120,972,431
Non-controlling interests		318,065	1,019,278

## CONSOLIDATED STATEMENT OF CHANGES IN EQUITY<sup>108</sup>

in EUR

FOR THE YEAR 2013

	Share capital	Share premium	Reserves from profit					Fair value reserve	Net profit brought forward	Net profit/loss	Treasury shares	Currency translation differences	TOTAL equity attributable to the controlling company	Non-controlling interests	TOTAL
			Contingency reserves	Treasury share reserves	Legal and statutory reserves	Credit risk reserves	Other reserves from profit								
<b>OPENING BALANCE FOR THE PERIOD</b>	<b>73,701,392</b>	<b>56,710,713</b>	<b>529,798</b>	<b>364,680</b>	<b>19,517,390</b>	<b>32,185,892</b>	<b>201,000,000</b>	<b>51,819,054</b>	<b>86,769,095</b>	<b>48,809,667</b>	<b>-364,680</b>	<b>-3,179,181</b>	<b>567,863,820</b>	<b>6,699,937</b>	<b>574,563,757</b>
Comprehensive income for the year after tax	0	-1	0	0	0	0	0	-7,213,619	26,173	69,541,096	0	-654,056	61,699,593	318,063	62,017,656
Transfer to retained earnings	0	0	0	0	0	0	0	0	48,809,660	-48,809,660	0	0	0	0	0
Dividend payment	0	0	0	0	0	0	0	0	-45,404,032	0	0	0	-45,404,032	0	-45,404,032
Allocation to credit risk reserves	0	0	0	0	0	127,591	0	0	0	-127,591	0	0	0	0	0
Transfer of net profit to reserves from profit	0	0	4,568	0	113,225	0	23,200,000	0	-117,782	-23,200,000	0	0	11	-11	0
Change in methods and consolidation	0	118,328	0	0	0	0	0	0	0	0	0	0	118,328	-804,335	-686,007
Other	0	37,155	0	88,200	0	0	0	0	0	0	-88,200	0	37,156	8,925	46,081
<b>CLOSING BALANCE FOR THE PERIOD</b>	<b>73,701,392</b>	<b>56,866,195</b>	<b>534,366</b>	<b>452,880</b>	<b>19,630,611</b>	<b>32,313,485</b>	<b>224,200,000</b>	<b>44,605,435</b>	<b>90,083,114</b>	<b>46,213,505</b>	<b>-452,880</b>	<b>-3,833,230</b>	<b>584,314,877</b>	<b>6,222,580</b>	<b>590,537,457</b>

in EUR

FOR THE YEAR 2012

	Share capital	Share premium	Reserves from profit					Fair value reserve	Net profit brought forward	Net profit/loss	Treasury shares	Currency translation differences	TOTAL equity attributable to the controlling company	Non-controlling interests	TOTAL
			Contingency reserves	Treasury share reserves	Legal and statutory reserves	Credit risk reserves	Other reserves from profit								
<b>OPENING BALANCE FOR THE PERIOD</b>	<b>73,701,392</b>	<b>53,204,076</b>	<b>529,798</b>	<b>364,680</b>	<b>19,430,985</b>	<b>34,866,038</b>	<b>176,000,000</b>	<b>2,786,975</b>	<b>61,135,220</b>	<b>46,175,732</b>	<b>-364,680</b>	<b>-2,565,265</b>	<b>465,264,951</b>	<b>24,204,905</b>	<b>489,469,857</b>
Comprehensive income for the year after tax	0	0	0	0	0	0	0	49,073,336	0	72,512,985	0	-613,890	120,972,431	1,019,278	121,991,709
Dividend payment	0	0	0	0	0	0	0	0	-15,904,095	0	0	0	-15,904,095	6,511	-15,897,584
Allocation to reserves from profit	0	0	0	0	86,405	0	25,000,000	0	-86,405	-25,000,000	0	0	0	0	0
Allocation to credit risk reserves	0	0	0	0	0	-2,680,146	0	0	0	1,296,682	0	0	-1,383,464	75,613	-1,307,851
Allocation to net profit/loss brought forward	0	0	0	0	0	0	0	0	46,175,732	-46,175,732	0	0	0	0	0
Transactions with non-controlling interest holders	0	3,506,637	0	0	0	0	0	0	0	0	0	0	3,506,637	-18,606,370	-15,099,733
Other	0	0	0	0	0	0	0	-41,257	-4,551,357	0	0	0	-4,592,614	0	-4,592,614
<b>CLOSING BALANCE FOR THE PERIOD</b>	<b>73,701,392</b>	<b>56,710,713</b>	<b>529,798</b>	<b>364,680</b>	<b>19,517,390</b>	<b>32,185,892</b>	<b>201,000,000</b>	<b>51,819,054</b>	<b>86,769,095</b>	<b>48,809,667</b>	<b>-364,680</b>	<b>-3,179,181</b>	<b>567,863,820</b>	<b>6,699,937</b>	<b>574,563,757</b>

<sup>108</sup> For additional notes on equity see Section 6.11.

## CONSOLIDATED CASH FLOW STATEMENT<sup>109</sup>

	Notes	2013	in EUR 2012
<b>A. OPERATING CASH FLOW</b>			
<b>Income statement items</b>		<b>36.421.523</b>	<b>45.877.945</b>
Net written premium for the period	7.1	848.792.792	870.023.930
Investment income (excluding financial income) arising from:	7.3	23.175.868	23.934.772
- insurance technical provisions		17.226.999	20.759.650
- other sources		5.948.869	3.175.122
Other operating income (excluding revaluation and provisions reductions) operating revenues and financial income from operating receivables		83.429.712	107.126.416
Net claims paid	7.8	-601.205.876	-600.003.778
Bonuses and rebates paid	7.10	-8.468.746	-8.083.904
Net operating expenses excluding depreciation charge and changes in the accrued acquisition expenses	7.11	-194.022.280	-198.650.682
Investment expenses (excluding financial expenses) arising from:	7.4	-9.738.949	-48.570.963
- technical sources		-7.297.281	-10.064.141
- other sources		-2.441.668	-38.506.822
Other operating expenses excluding depreciation charge (except for revaluations and without increasing provisions)	7.13	-102.481.272	-85.565.697
Corporate income tax and other taxes excluded from operating expenses		-3.059.726	-14.332.149
<b>Changes in net current assets-operating balance sheet items</b>		<b>-23.685.222</b>	<b>-9.804.340</b>
Movements in receivables from insurance operations	6.7	914.247	-6.846.251
Movements in receivables from reinsurance operations		-1.897.625	181.594
Movements in other receivables from (re)insurance operations		6.729.455	-5.890.243
Movements in other receivables and assets		-7.058.274	3.101.504
Movements in deferred tax assets		63.331	2.337.454
Movements in inventories		722.094	1.879.031
Movements in debts from direct insurance operations	6.18	-1.944.453	11.410.478
Movements in debts from reinsurance operations		-3.191.418	-1.505.423
Movements in operating debts		-16.353.867	-16.822.070
Movements in other liabilities (excluding unearned premiums)		-760.469	-4.600.737
Movements in deferred tax liabilities		-908.243	6.950.323
<b>Operating cash flow</b>	<b>8.5</b>	<b>12.736.301</b>	<b>36.073.605</b>
<b>B. CASH FLOWS FROM INVESTING ACTIVITIES</b>			
<b>Cash inflows from investing activities</b>		<b>2.738.674.286</b>	<b>2.712.442.552</b>
Cash inflows from interest from investing activities and from:	6.5	84.623.552	79.822.024
- investment financed by insurance technical provisions		74.654.387	74.795.607
- other investment		9.969.165	5.026.417
Cash inflows from dividends received and profit sharing, arising from:	6.5	8.515.902	9.601.940
- investment financed by insurance technical provisions		2.812.918	1.612.124
- other investment		5.702.984	7.989.816
Cash inflows from the disposal of intangible assets financed by:	6.1	182.536	232.862
- insurance technical provisions		0	317.636
- other sources		182.536	-84.774
Cash inflows from the disposal of property, plant and equipment financed by:	6.2	979.728	6.104.632
- insurance technical provisions		47.741	2.479.264
- other sources		931.987	3.625.368
Cash inflows from the disposal of non-current investments financed by:	6.5	1.187.092.559	1.246.931.676
- insurance technical provisions		1.095.182.263	1.103.905.564
- other sources		91.910.296	143.026.112
Cash inflows from the disposal of current investments financed by:	6.5	1.456.444.249	1.369.749.418
- insurance technical provisions		1.284.593.660	1.195.426.053
- other sources		171.850.589	174.323.365

<sup>109</sup> For additional notes to the cash flow statement see Section 8.5.

## Consolidated Cash Flow Statement - continued

	Notes	2013	in EUR 2012
Cash inflows from the disposal of investments in group companies, financed by:	6.5	835.760	0
- insurance technical provisions		0	0
- other sources		835.760	0
<b>Cash outflows from investing activities</b>		<b>-2.683.771.800</b>	<b>-2.727.253.065</b>
Cash outflows for the purchase of intangible assets	6.1	-10.000.862	-8.515.221
Cash outflows for the purchase of property, plant and equipment financed by:	6.2	-10.925.815	-7.452.052
- insurance technical provisions		-1.156.461	-851.175
- other sources		-9.769.354	-6.600.877
Cash outflows for the purchase of non-current investments financed by:	6.5	-1.204.050.533	-1.385.444.793
- insurance technical provisions		-1.079.503.888	-1.251.414.012
- other sources		-124.546.645	-134.030.781
Cash outflows for the purchase of current investments financed by:	6.5	-1.458.108.584	-1.325.840.999
- insurance technical provisions		-1.302.947.035	-1.146.279.066
- other sources		-155.161.549	-179.561.933
Cash outflows for the investments in group companies financed by:	6.4	-686.006	0
- insurance technical provisions		-686.006	0
- other sources		0	0
<b>Total cash flow from investing activities</b>		<b>54.902.486</b>	<b>-14.810.513</b>
<b>C. CASH FLOWS FROM FINANCING ACTIVITIES</b>			
<b>Cash inflows from financing activities</b>		<b>39.263.813</b>	<b>33.413.521</b>
Cash inflows from paid-in capital		0	0
Cash inflows from long-term loans received	6.12	7.751.222	5.735.970
Cash inflows from short-term loans received	6.17	31.512.591	27.677.551
<b>Cash outflows from financing activities</b>		<b>-95.034.085</b>	<b>-59.716.158</b>
Cash outflows for paid interest		-2.790.308	-2.822.301
Cash outflows for repayments of principal	6.17	0	0
Cash outflows for payments of long-term financial liabilities		-11.860.759	-3.390.936
Cash outflows for payments of short-term financial liabilities	6.12	-34.978.986	-37.604.980
Cash outflows from dividends paid and profit sharing	6.17	-45.404.032	-15.897.941
<b>Total cash flow from financing activities</b>		<b>-55.770.272</b>	<b>-26.302.637</b>
<b>D. OPENING BALANCE OF CASH AND CASH EQUIVALENTS</b>	6.9	<b>17.251.420</b>	<b>22.771.666</b>
<b>E1. NET CASH FLOW FOR THE PERIOD</b>		<b>11.868.515</b>	<b>-5.039.545</b>
<b>E2. FOREIGN EXCHANGE DIFFERENCES</b>		<b>-51.377</b>	<b>-480.702</b>
<b>F. CLOSING BALANCE OF CASH AND CASH EQUIVALENTS</b>	6.9	<b>29.068.558</b>	<b>17.251.419</b>