

III. Consolidated Financial Statements

A. CONSOLIDATED STATEMENT OF FINANCIAL POSITION

Consolidated statement of financial position

in EUR

	Notes	31 December 2011	31 December 2010
ASSETS			
Intangible assets	6.1	63,333,465	61,218,108
Property, plant and equipment	6.2	128,808,682	142,550,661
Deferred tax receivables	6.16	40,661,243	27,545,028
Investment property	6.3	96,784,890	84,256,259
Investments in associates	6.4	20,504,563	117,067,739
Financial assets	6.5	2,326,023,820	2,282,449,510
<i>Financial investments</i>		1,961,339,446	1,904,557,249
- <i>loans and deposits</i>		439,712,247	364,944,602
- <i>held to maturity</i>		245,218,281	253,578,582
- <i>available for sale</i>		1,192,865,725	1,195,021,035
- <i>recognised at fair value through profit and loss</i>		83,543,191	91,013,031
<i>Unit-linked insurance assets</i>		364,684,374	377,892,261
Reinsurers' share of technical provisions	6.6	43,983,083	44,221,316
Receivables	6.7	205,049,270	216,643,960
- receivables from direct insurance operations		118,559,323	127,992,948
- receivables from reinsurance and coinsurance operations		40,739,474	45,432,007
- current tax receivables		459,509	2,427
- other receivables		45,290,964	43,216,578
Other assets	6.8	12,597,206	12,949,696
Cash and cash equivalents	6.9	22,771,667	34,108,090
Non-current assets held for sale	6.10	1,482,215	1,385,441
TOTAL ASSETS		2,962,000,104	3,024,395,808
EQUITY AND LIABILITIES			
Equity	6.11	489,469,838	498,977,808
<i>Controlling interests</i>		465,264,933	470,765,036
- share capital		73,701,402	23,701,391
- share premium		53,204,076	53,655,516
- reserves from profit		230,826,820	69,417,981
- fair value reserve		2,786,975	45,520,845
- net profit brought forward		61,135,220	269,153,671
- net profit/loss for the year		46,175,732	11,313,293
- currency translation differences		-2,565,292	-1,997,661
<i>Non-controlling interests</i>		24,204,905	28,212,772
Subordinated liabilities	6.12	40,932,090	40,932,090
Insurance technical provisions	6.13	1,869,646,881	1,894,832,826
- unearned premiums		291,740,398	296,367,451
- mathematical provisions		845,464,934	849,847,775
- claims provisions		705,464,250	711,728,317
- other insurance technical provisions		26,977,299	36,889,283
Insurance technical provisions for unit-linked insurance contracts	6.13	364,495,891	376,083,063
Employee benefits	6.14	10,392,165	10,278,077
Other provisions	6.15	19,140,222	17,797,395
Deferred tax liabilities	6.16	9,613,587	14,110,839
Other financial liabilities	6.17	39,491,120	34,870,425
Operating liabilities	6.18	57,860,742	68,049,411
- liabilities from direct insurance operations		20,928,061	23,243,104
- liabilities from reinsurance and co-insurance operations		36,106,029	27,928,812
- current tax liabilities		826,652	16,877,495
Other liabilities	6.19	60,957,569	68,463,874
TOTAL CAPITAL AND LIABILITIES		2,962,000,104	3,024,395,808

B. CONSOLIDATED INCOME STATEMENT

Consolidated income statement

in EUR

	Notes	2011	2010
NET PREMIUM INCOME	7.1	916,278,896	946,170,224
- gross written premium		989,398,804	1,013,560,225
- ceded written premium		-80,087,864	-74,371,737
- change in unearned premiums		6,967,956	6,981,736
INCOME FROM FINANCIAL ASSETS	7.2	148,981,933	181,533,361
INCOME FROM FINANCIAL ASSETS IN ASSOCIATES		4,269,157	6,332,162
- profit on equity investments accounted for using the equity method		4,265,615	3,525,434
- interest expense		3,060	1,353,194
- fair value gains	7.4	0	187,561
- realised gains on disposals	7.5	0	1,261,807
- other financial income		482	4,166
INCOME FROM OTHER FINANCIAL ASSETS		118,961,870	132,682,856
- interest income		85,744,485	83,863,954
- dividends		4,366,741	3,110,228
- fair value gains	7.4	6,575,898	12,834,622
- realised gains on disposals	7.5	16,145,886	26,366,161
- other financial income		6,128,860	6,507,892
NET UNREALISED GAINS ON UNITLINKED LIFE INSURANCE ASSETS		25,750,906	42,518,343
OTHER INCOME FROM INSURANCE OPERATIONS	7.6	26,441,506	22,433,024
- fees and commission income		17,402,868	14,633,234
- other income from insurance operations		9,038,638	7,799,790
OTHER INCOME	7.7	57,156,897	61,561,494
NET CLAIMS INCURRED	7.8	576,117,033	557,704,906
- gross claims settled		593,872,215	588,325,459
- reinsurers' share		-22,450,576	-30,148,316
- changes in claims provisions		-1,961,843	-6,334,129
- equalisation scheme expenses for supplementary health insurance		6,657,237	5,861,892
CHANGE IN OTHER INSURANCE TECHNICAL PROVISIONS	7.9	-2,909,572	62,450,614
CHANGE IN INSURANCE TECHNICAL PROVISIONS FOR UNIT-LINKED INSURANCE CONTRACTS	7.9	-11,402,162	66,351,880
EXPENSES FOR BONUSES AND DISCOUNTS	7.10	6,458,995	5,735,228
OPERATING EXPENSES	7.11	203,308,320	208,135,976
- acquisition costs		130,633,390	132,463,862
- other operating costs		72,674,930	75,672,114
EXPENSES FROM FINANCIAL ASSETS AND LIABILITIES	7.3	202,010,429	121,554,254
EXPENSES FROM FINANCIAL ASSETS AND LIABILITIES IN ASSOCIATES		19,175,570	4,683,649
- loss on investments accounted for using the equity method		16,977,661	1,504,027
- interest expense		0	589,645
- fair value losses	7.4	1,775,494	174,093
- realised loss on disposals		94,434	0
- loss on impairment of financial assets	7.3	327,453	2,387,884
- other expenses from financial assets and liabilities		528	28,000
EXPENSES FROM OTHER FINANCIAL ASSETS AND LIABILITIES		107,035,830	88,273,022
- interest expense		5,849,807	6,531,136
- fair value losses	7.4	10,847,926	12,215,391
- realised loss on disposals	7.5	17,273,701	9,414,307
- loss on impairment of financial assets	7.3	62,861,127	48,664,399
- other expenses from financial assets and liabilities		10,203,269	11,447,789
NET UNREALISED LOSSES ON UNIT-LINKED LIFE INSURANCE ASSETS		75,799,029	28,597,583
OTHER INSURANCE EXPENSES	7.12	55,953,030	61,439,998
OTHER EXPENSES	7.13	61,323,544	85,074,981
PROFIT/ LOSS BEFORE TAX		57,999,615	43,250,266
Income tax expense	7.14	-10,502,374	-16,600,458
NET PROFIT / LOSS FOR THE ACCOUNTING PERIOD		47,497,241	26,649,808
Net profit / loss attributable to the controlling company		47,060,748	27,846,858
Net profit / loss attributable to non-controlling interest holders		436,490	-1,197,048

C. CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

Consolidated statement of comprehensive income

		in EUR	
	Notes	2011	2010
I. NET PROFIT/LOSS FOR THE YEAR AFTER TAX		47,497,241	26,649,810
II. OTHER COMPREHENSIVE INCOME AFTER TAX		-43,870,371	-9,683,289
1. Net gains/losses from the re-measurement of available-for-sale financial assets		-69,942,764	-20,471,532
Gains/losses recognised in fair value reserve		-130,511,883	-39,298,578
Transfer from fair value reserve to profit/loss		60,569,123	18,827,046
2. Net gains/losses from non-current assets held for sale		-198,746	0
3. Gains/losses recognised in fair value reserve and net profit/loss brought forward arising from equity in associates and jointly controlled entities recognised using the equity method	7.2	-2,164,189	-483,129
4. Liabilities from insurance contracts with a discretionary participating feature (shadow accounting)	7.14	9,274,697	9,349,361
5. Currency translation adjustment	6.11	-566,861	-538,760
6. Tax on other comprehensive income	7.14	19,727,492	2,460,771
III. COMPREHENSIVE INCOME OR LOSS FOR THE YEAR AFTER TAX		3,626,870	16,966,521
Controlling interests		3,718,858	18,458,702
Non-controlling interests		-91,988	-1,492,181

D. CONSOLIDATED STATEMENT OF CHANGES IN EQUITY⁴

Consolidated statement of changes in equity

2011	Share capital	Share premium	Contingency reserves	Treasury share reserves	Legal and statutory reserves	Credit risk reserves	Catastrophe reserves	Other reserves from profit
OPENING BALANCE FOR THE PERIOD	23,701,392	53,655,514	529,798	364,680	19,451,956	33,436,225	0	16,000,000
Comprehensive income for the year after tax								
Dividend payment								
Increase of share capital	50,000,000							
Allocation to reserves from profit								160,000,000
Allocation to other equity items					-20,971			
Allocation to credit risk reserves								
Allocation to net profit/loss brought forward						1,429,813		
Other		-451,438						
CLOSING BALANCE FOR THE PERIOD	73,701,402	53,204,076	529,798	364,680	19,430,985	34,866,038	0	176,000,000

Consolidated statement of changes in equity

2010	Share capital	Share premium	Contingency reserves	Treasury share reserves	Legal and statutory reserves	Credit risk reserves	Catastrophe reserves	Other reserves from profit
OPENING BALANCE FOR THE PERIOD	23,701,392	53,892,536	1,211,903	364,680	20,019,013	32,861,909	87,361	0
Comprehensive income for the year after tax								
Net profit allocations to reserves from profit						574,316		16,000,000
Offset of loss from previous years					-595,396			
Allocation and use of contingency and catastrophe reserves			-682,105				-87,361	
Allocation to net profit/loss brought forward								
Recognition of reserves resulting from intragroup transactions		-237,022						
Other					28,339			
CLOSING BALANCE FOR THE PERIOD	23,701,392	53,655,514	529,798	364,680	19,451,956	33,436,225	0	16,000,000

⁴ For additional notes on equity see Section 6.11.

in EUR

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
45,520,845	269,153,671	11,313,295	-364,680	-1,997,661	470,765,035	28,212,772	498,977,808
-42,774,286		47,060,748		-567,604	3,718,858	-91,988	3,626,870
	-9,088,053				-9,088,053	-22,019	-9,110,072
	-50,000,000				0		0
	-160,000,000				0		0
40,416	-19,445				0		0
		-885,016			544,797	-51,128	493,669
	11,313,295	-11,313,295			0		0
	-224,248				-675,686	-3,842,732	-4,518,418
2,786,975	61,135,220	46,175,732	-364,680	-2,565,292	465,264,933	24,204,905	489,469,838

in EUR

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
54,370,241	271,086,496	-5,861,927	-364,680	-1,458,901	449,910,023	27,877,664	477,787,687
-8,849,396		27,846,858		-538,760	18,458,702	-1,492,180	16,966,522
		-16,533,563			40,753	-40,753	0
	595,396				0		0
	769,466				0		0
	-5,861,927	5,861,927			0		0
	3,100,787				2,863,765		2,863,765
	-536,547				-508,208	1,868,042	1,359,834
45,520,845	269,153,671	11,313,295	-364,680	-1,997,661	470,765,035	28,212,772	498,977,808

E. CONSOLIDATED CASH FLOW STATEMENT⁵

Consolidated cash flow statement

in EUR

	Notes	2011	2010
A. OPERATING CASH FLOW			
a. Income statement items		15,483,061	83,347,693
1. Net written premium for the period	7.1	921,231,920	943,572,313
2. Investment income (excluding financial income) arising from:	7.2	52,023,035	97,321,632
- insurance technical provisions		48,394,304	85,873,869
- other sources		3,628,731	11,447,763
3. Other operating income (excluding revaluation and provisions reductions) operating revenues and financial income from operating receivables		92,424,896	94,388,281
4. Net claims paid	7.8	-575,979,434	-565,839,477
5. Bonuses and rebates paid	7.10	-10,789,820	-7,023,719
6. Net operating expenses excluding depreciation charge and changes in the accrued acquisition expenses	7.11	-180,378,877	-223,122,725
7. Investment expenses (excluding financial expenses) arising from:	7.3	-128,112,894	-80,215,840
- technical sources		-113,123,136	-65,974,172
- other sources		-14,989,758	-14,241,668
8. Other operating expenses excluding depreciation charge (except for revaluations and without increasing provisions)	7.13	-130,489,363	-165,401,229
9. Corporate income tax and other taxes excluded from operating expenses		-24,446,402	-10,331,543
b. Changes in net current assets-operating balance sheet items		-108,901,945	-13,961,043
1. Movements in receivables from insurance operations	6.7	-8,701,560	-45,957,161
2. Movements in receivables from reinsurance operations		13,231,300	-13,254,063
3. Movements in other receivables from (re)insurance operations		11,946,762	-911,942
4. Movements in other receivables and assets		-5,150,334	-10,282,220
5. Movements in deferred tax assets		-8,192,753	-4,525,176
6. Movements in inventories		543,313	376,634
7. Movements in debts from direct insurance operations	6.18	-763,375	12,553,097
8. Movements in debts from reinsurance operations		1,501,610	4,861,141
9. Movements in operating debts		-93,986,597	27,622,054
10. Movements in other liabilities (excluding unearned premiums)		2,732,819	23,166,123
11. Movements in deferred tax liabilities	6.16	-22,063,130	-7,609,531
c. Operating cash flow	8.5	-93,418,884	69,386,650
B. CASH FLOWS FROM INVESTING ACTIVITIES			
a. Cash inflows from investing activities		3,154,641,695	3,830,451,648
1. Cash inflows from interest from investing activities and from:	6.5	81,672,158	82,919,195
- investment financed by insurance technical provisions		77,990,411	77,320,216
- other investment		3,681,747	5,598,979
2. Cash inflows from dividends received and profit sharing, arising from:	6.5	4,820,953	4,742,245
- investment financed by insurance technical provisions		1,563,343	2,155,552
- other investment		3,257,610	2,586,693
3. Cash inflows from the disposal of intangible assets financed by:	6.1	776,499	255,070
- insurance technical provisions		155,769	223,281
- other sources		620,730	31,789
4. Cash inflows from the disposal of property, plant and equipment financed by:	6.2	2,239,195	2,295,708
- insurance technical provisions		294,039	1,377,554
- other sources		1,945,156	918,154
5. Cash inflows from the disposal of non-current investments financed by:	6.5	854,302,483	944,433,982
- insurance technical provisions		741,489,085	781,575,078
- other sources		112,813,398	162,858,904
6. Cash inflows from the disposal of current investments financed by:	6.5	2,210,830,407	2,795,805,448
- insurance technical provisions		2,055,075,841	2,618,867,548
- other sources		155,754,566	176,937,900

⁵ For additional notes to the cash flow statement see Chapter 8.5.

Consolidated cash flow statement - continued

in EUR

	Notes	2011	2010
b. Cash outflows from investing activities		-3,060,222,681	-3,886,606,162
1. Cash outflows for the purchase of intangible assets	6.1	-5,123,713	-4,656,655
2. Cash outflows for the purchase of property, plant and equipment financed by:	6.2	-9,586,447	-17,108,853
- insurance technical provisions		-4,532,464	-3,260,195
- other sources		-5,053,983	-13,848,658
3. Cash outflows for the purchase of non-current investments financed by:	6.5	-926,368,493	-1,226,313,687
- insurance technical provisions		-788,020,378	-1,078,995,831
- other sources		-138,348,115	-147,317,856
4. Cash outflows for the purchase of current investments financed by:	6.5	-2,119,144,028	-2,638,526,967
- insurance technical provisions		-1,968,482,135	-2,520,295,968
- other sources		-150,661,893	-118,230,999
c. Total cash flow from investing activities		94,419,014	-56,154,514
C. CASH FLOWS FROM FINANCING ACTIVITIES			
a. Cash inflows from financing activities		21,248,068	26,245,413
1. Cash inflows from paid-in capital		0	0
2. Cash inflows from long-term loans received	6.12	4,857,115	11,330,000
3. Cash inflows from short-term loans received		16,390,953	14,915,413
b. Cash outflows from financing activities		-33,673,683	-34,977,421
1. Cash outflows for paid interest		-3,829,877	-2,686,525
2. Cash outflows for repayments of principal		0	0
3. Cash outflows for payments of long-term financial liabilities		-13,933,500	-12,936,550
4. Cash outflows for payments of short-term financial liabilities		-7,030,545	-19,346,321
5. Cash outflows from dividends paid and profit sharing		-8,879,761	-8,024
c. Total cash flow from financing activities		-12,425,615	-8,732,007
Č. OPENING BALANCE OF CASH AND CASH EQUIVALENTS		34,108,090	30,443,966
D1. NET CASH FLOW FOR THE PERIOD	6.9	-11,425,485	4,500,129
D2. FOREIGN EXCHANGE DIFFERENCES		89,061	-836,005
E. CLOSING BALANCE OF CASH AND CASH EQUIVALENTS		22,771,666	34,108,090