TRIGLAV GROUP

INVESTOR PRESENTATION FOR LJSE WEBCAST
H1 2019 RESULTS

3 September 2019
Highlights

2019 Triglav Group’s corporate video available on web site www.triglav.eu
## H1 2019 Key Financials

Solid performance, annual profit guidance confirmed, taking into account the business conditions anticipated until the end of 2019

<table>
<thead>
<tr>
<th>Gross Written Premium</th>
<th>Profit Before Tax</th>
<th>Combined Ratio Non-life</th>
</tr>
</thead>
<tbody>
<tr>
<td>€ 630.2M</td>
<td>€ 41.7M</td>
<td>93.2%</td>
</tr>
</tbody>
</table>

GWP up 10% y-o-y

Increased by 17% y-o-y

<table>
<thead>
<tr>
<th>Growth in almost all markets:</th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Slovenia: +8%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Other markets: +10%</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Growth in all insurance segments:

- Non-life: +10%
- Life & Pensions: +0%
- Health: +21%

Influenced by growth of net premium income (+6% y-o-y) at a higher rate than growth of net claims incurred (+2% y-o-y).

Higher return on financial investments as a result of higher net gains on the sale of financial assets and higher net income from changes in fair value.

PBT from underwriting +19% y-o-y, PBT from investment activities -8% y-o-y, as expected. 84% of regular PBT came from underwriting (+4 p.p. y-o-y), 16% from investment activities.

In lower range of its long term average target value i.e. around 95%
**Highlights in H1 2019**

**AGM:**
AGM passed all proposed resolutions of Management and Supervisory Boards. Dividend paid for 2018 in the amount of € 2.5 gross per share (70% pay-out)

**S&P Global Ratings**
S&P affirmed “A” financial strength and credit ratings with a stable medium-term outlook.  
*S&P GR Research Update available on [www.triglav.eu](http://www.triglav.eu)*

**Expansion activities:**
Takeover of Slovenian AM company ALTA Skladi. Triglav with 34% market share leading position in Slovene mutual fund market (AUM € 1,022M in investment funds & discretionary mandate assets)

Establishment of pension company in North Macedonia

**New bond:**
Issue of 30.5-year subordinated bond (replacement of existing issued subordinated bond with maturity in 2020)

*Total issue size € 50M, fixed annual interest rate 4.375% until the first call date in 2029. Traded on Luxembourg SE*

**Corporate Governance:**
Management Board: Appointment of David Benedek as a member of MB, responsible for subsidiaries and investments.

Supervisory Board: Appointment of two members, employee representatives, due to expiration of term of office of existing members

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In line with dividend policy of Triglav Group

In line with strategy: Long-term focus on the existing markets. Organic growth, potential takeovers not excluded. New business models for entering markets outside region.

Part of regular capital management activities of Triglav Group, aimed at ensuring optimal capital structure and its cost effectiveness

Two tier governance system, Triglav focused on high level of corporate governance
**GWP Diversification By Markets**

### GWP by Markets (H1 2019)

<table>
<thead>
<tr>
<th>Region</th>
<th>% Total GWP</th>
</tr>
</thead>
<tbody>
<tr>
<td>Slovenia</td>
<td>75.6%</td>
</tr>
<tr>
<td>Croatia</td>
<td>6.2%</td>
</tr>
<tr>
<td>Serbia</td>
<td>4.8%</td>
</tr>
<tr>
<td>Montenegro</td>
<td>2.9%</td>
</tr>
<tr>
<td>Bosnia and Herz.</td>
<td>2.4%</td>
</tr>
<tr>
<td>North Macedonia</td>
<td>1.9%</td>
</tr>
<tr>
<td>Other markets</td>
<td></td>
</tr>
<tr>
<td>International RE</td>
<td>6.3%</td>
</tr>
</tbody>
</table>

### Focused on increasing % GWP outside Slovenia

- Slovenia: 75.6% → 75.6% → 76.9% → 77.3% → 77.8%
- Outside Slovenia: 18.1% → 18.1% → 17.6% → 17.0% → 16.1%
- Internat. RE: 6.3% → 5.1% → 5.1% → 5.1% → 5.1%
GWP Diversification by Products

GWP by main insurance segments

<table>
<thead>
<tr>
<th>Segment</th>
<th>H1 2019</th>
<th>H1 2018</th>
<th>H1 2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Non-life</td>
<td>68.9%</td>
<td>68.5%</td>
<td>67.9%</td>
</tr>
<tr>
<td>Life &amp; Pensions</td>
<td>17.8%</td>
<td>19.4%</td>
<td>20.4%</td>
</tr>
<tr>
<td>Health</td>
<td>13.3%</td>
<td>12.0%</td>
<td>11.7%</td>
</tr>
</tbody>
</table>

Well balanced structure of GWP

<table>
<thead>
<tr>
<th>Segment</th>
<th>H1 2019</th>
<th>H1 2018</th>
<th>H1 2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Motor vehicle insurance</td>
<td>29.7%</td>
<td>30.1%</td>
<td></td>
</tr>
<tr>
<td>Property insurance</td>
<td>17.8%</td>
<td>19.4%</td>
<td></td>
</tr>
<tr>
<td>Life &amp; Pensions</td>
<td>14.0%</td>
<td>12.5%</td>
<td></td>
</tr>
<tr>
<td>Health insurance</td>
<td>12.5%</td>
<td>12.5%</td>
<td></td>
</tr>
<tr>
<td>General liability insurance</td>
<td>4.9%</td>
<td>5.1%</td>
<td></td>
</tr>
<tr>
<td>Accident insurance</td>
<td>3.6%</td>
<td>3.8%</td>
<td></td>
</tr>
<tr>
<td>Credit insurance</td>
<td>2.4%</td>
<td>2.3%</td>
<td></td>
</tr>
</tbody>
</table>

Total (H1 2019): € 630M
**Dominant Market Position Both in Slovenia and Adria Region**

**ADRIA region**¹ (% market share; 2018):

- Triglav Group: 20%
- Generali & Adriatic Sl.: 14%
- Croatia Group: 9%
- Sava Re Group: 9%
- Agram: 7%
- VIG: 6%
- Vzajemna: 6%
- Dunav: 5%
- Grawe: 4%
- Uniqa: 4%
- Allianz: 3%
- Others: 13%

**SLOVENIA**² (% market share; H1 2019):

- Triglav Group: 36%
- Sava Re Group: 18%
- Generali & Adriatic Sl.: 16%
- Vzajemna: 12%
- Modra zavarovalnica: 6%
- NLB Vita: 3%
- Merkur: 2%
- Grawe: 2%
- Others: 5%

**Triglav on its markets** (H1 2019):

<table>
<thead>
<tr>
<th>Market</th>
<th>Market share</th>
<th>Position</th>
</tr>
</thead>
<tbody>
<tr>
<td>Slovenia</td>
<td>36.1%</td>
<td>1</td>
</tr>
<tr>
<td>Croatia</td>
<td>5.0%</td>
<td>8</td>
</tr>
<tr>
<td>Serbia</td>
<td>6.7%¹</td>
<td>5¹</td>
</tr>
<tr>
<td>Montenegro</td>
<td>38.8%</td>
<td>1</td>
</tr>
<tr>
<td>Bosnia and Herz.</td>
<td>7.7%²</td>
<td>6²</td>
</tr>
<tr>
<td>North Macedonia</td>
<td>14.1%¹</td>
<td>1</td>
</tr>
</tbody>
</table>

¹Q1 2019  ²Q4 2018

*Source: Calculation based on the data of regional regulators and insurance associations*

Adria region: Slovenia, Croatia, Serbia, Bosnia and Herzegovina, Montenegro, North Macedonia

*Source: Slovenian Insurance Association*
H1 2019 Results

Financials & Investments

Triglav’s app DRAJV
The best mobile insurance app in 2018 in Europe
## H1 2019 Performance at a Glance

<table>
<thead>
<tr>
<th></th>
<th>H1 2019</th>
<th>H1 2018</th>
<th>Index</th>
</tr>
</thead>
<tbody>
<tr>
<td>Gross written premium</td>
<td>630.2</td>
<td>574.8</td>
<td>110</td>
</tr>
<tr>
<td>Net premium income</td>
<td>491.8</td>
<td>465.9</td>
<td>106</td>
</tr>
<tr>
<td>Gross claims paid</td>
<td>334.8</td>
<td>326.8</td>
<td>102</td>
</tr>
<tr>
<td>Net claims incurred</td>
<td>330.1</td>
<td>324.8</td>
<td>102</td>
</tr>
<tr>
<td>Insurance business gross operating costs</td>
<td>133.3</td>
<td>128.1</td>
<td>104</td>
</tr>
<tr>
<td>Profit before tax</td>
<td>41.7</td>
<td>35.6</td>
<td>117</td>
</tr>
<tr>
<td>Net profit</td>
<td>34.7</td>
<td>30.0</td>
<td>116</td>
</tr>
<tr>
<td>Expense ratio non-life</td>
<td>28.1%</td>
<td>28.6%</td>
<td></td>
</tr>
<tr>
<td>Net claims ratio non-life</td>
<td>65.1%</td>
<td>66.5%</td>
<td></td>
</tr>
<tr>
<td>Combined ratio non-life</td>
<td>93.2%</td>
<td>95.2%</td>
<td></td>
</tr>
</tbody>
</table>

GWP increased by 10% y-o-y. Premium growth in almost all markets, average premium growth in Slovenia 8% in markets outside of Slovenia 10%

PBT increased by 17% y-o-y, which can primarily be attributed to higher growth of net premium earned compared to growth of net claims incurred in non-life insurance, and the higher realised return on financial investments

Combined ratio non-life in lower range of its long term average target value i.e. around 95%
### Structure of Profit Before Tax

#### In €M

<table>
<thead>
<tr>
<th></th>
<th>H1 2019</th>
<th>H1 2018</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Non-life</td>
<td>Life &amp; Pensions</td>
</tr>
<tr>
<td>PBT from underwriting activities (1)</td>
<td>26.3</td>
<td>7.6</td>
</tr>
<tr>
<td>PBT from investment activities* (2)</td>
<td>10.9</td>
<td>-4.9</td>
</tr>
<tr>
<td>PBT from insurance (1+2)</td>
<td>37.2</td>
<td>2.7</td>
</tr>
<tr>
<td>PBT from non-insurance (3)</td>
<td>1.9</td>
<td></td>
</tr>
<tr>
<td>Total PBT (1+2+3)</td>
<td><strong>41.7</strong></td>
<td></td>
</tr>
</tbody>
</table>

*Life investment result net of guarantees and additionally formed mathematical reserves and other investment-related provisions

1. The higher result of non-life insurance business primarily caused by higher growth of net premium income compared to growth of net claims incurred. Lower result of life insurance business mainly due to decrease in interest rates on financial markets.

2. Investment result under influence of higher net gains on the sale of financial assets. Net interest income continued to decrease due to the low interest rate environment. Due to lower interest rates on financial markets Triglav formed € 8.6M additional provisions for life insurance policies (€ 5.5M more than in H1 2018).

3. Increase in result from non-insurance activities due to solid performance of AM company and some one-offs.
**GWP GROWTH OF 10% Y-O-Y**

**GWP DEVELOPMENT FROM H1 2018 TO H1 2019 (in €M)**

<table>
<thead>
<tr>
<th>Segment</th>
<th>H1 2018</th>
<th>H1 2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Non-life</td>
<td>574.8</td>
<td>630.2</td>
</tr>
<tr>
<td>Life&amp;Pensions</td>
<td>40.5</td>
<td>394.0</td>
</tr>
<tr>
<td>Health</td>
<td>0.3</td>
<td>14.6</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>615.6</td>
<td>1264.8</td>
</tr>
</tbody>
</table>

**GROWTH BY MARKETS (GWP in €M; GWP growth y-o-y in %)**

<table>
<thead>
<tr>
<th>Country</th>
<th>H1 2018</th>
<th>H1 2019</th>
<th>Growth</th>
</tr>
</thead>
<tbody>
<tr>
<td>Slovenia</td>
<td>476</td>
<td>434</td>
<td>+8%</td>
</tr>
<tr>
<td>Croatia</td>
<td>30</td>
<td>39</td>
<td>+14%</td>
</tr>
<tr>
<td>Serbia</td>
<td>18</td>
<td>15</td>
<td>+15%</td>
</tr>
<tr>
<td>Montenegro</td>
<td>12</td>
<td>15</td>
<td>+3%</td>
</tr>
<tr>
<td>Bosnia and Herzegovina</td>
<td>-6%</td>
<td>12</td>
<td>+3%</td>
</tr>
<tr>
<td>North Macedonia</td>
<td>30</td>
<td>18</td>
<td>-6%</td>
</tr>
<tr>
<td>International reinsurance</td>
<td>15</td>
<td>40</td>
<td>+37%</td>
</tr>
</tbody>
</table>

**GWP GROWTH BY SEGMENTS**

<table>
<thead>
<tr>
<th>Segment</th>
<th>H1 2018</th>
<th>H1 2019</th>
<th>Growth</th>
</tr>
</thead>
<tbody>
<tr>
<td>Non-life</td>
<td>394</td>
<td>434</td>
<td>+10%</td>
</tr>
<tr>
<td>Life &amp; Pensions</td>
<td>112</td>
<td>112</td>
<td>+0%</td>
</tr>
<tr>
<td>Health</td>
<td>69</td>
<td>84</td>
<td>+21%</td>
</tr>
</tbody>
</table>

Non-life: Growth in all insurance classes

Life & Pensions: Stable topline in a challenging environment

Health: Growth of supplemental health insur. premium (increased number of concluded policies and price increase). Successful marketing of additional health insurance products.

Premium growth in most markets of Triglav Group, mainly exceeding growth of the whole market.
**Gross Claims Paid**

**Gross Claims Paid (in €M, change in %)**

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<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>H1</td>
<td>327</td>
<td>34</td>
<td>31</td>
<td>2</td>
<td>21</td>
<td>19</td>
<td>28</td>
<td>6</td>
<td>19</td>
<td>34</td>
<td>18</td>
<td>5</td>
</tr>
</tbody>
</table>

*In 2008: Summer storms in Slovenia (over 35,000 claims)

In H1 2019: June storms with hail in Slovenia (€ 3.9M damage on cars, crops and buildings; February storms in Montenegro (€ 0.2M); in Q2 2019 storms with hail in North Macedonia (€ 0.7M). CAT losses figures are estimates.
**Continued Underwriting Discipline**

**Triglav Group Combined Ratio NL**

- **H1 2018**: 95.2% (Expense ratio: 28.6%, Loss ratio: 66.5%)
- **H1 2019**: 93.2% (Expense ratio: 28.1%, Loss ratio: 65.1%)

**Triglav Group Combined Ratio NL by markets**

- **Slovenia**: H1 2018 94.1%, H1 2019 92.6%
- **Croatia**: H1 2018 100.1%, H1 2019 103.2%
- **Serbia**: H1 2018 95.2%, H1 2019 96.0%
- **Montenegro**: H1 2018 95.8%, H1 2019 93.6%
- **Bosnia and Herzegovina**: H1 2018 99.6%, H1 2019 101.6%
- **North Macedonia**: H1 2018 98.5%, H1 2019 104.5%

**Strategy**: Average target combined ratio NL at around 95%
FINANCIAL STRENGTH, PRUDENT MANAGEMENT OF PROVISIONS

EQUITY (€M)

Year-End Gross Technical Provisions (€M)
High-Quality Investment Portfolio

Asset allocation subject to ALM on portfolio basis and ERM principles. In H1 2019 no significant changes in portfolio structure.

Asset Allocation (H1 2019)¹

- 84.7% Debt instruments
- 6.5% Equities
- 3.3% Investment property
- 3.5% Deposits with banks
- 0.9% Loans given
- 1.1% Other

Total: € 2,751M

Debt instruments by rating (H1 2019) Total: € 2,330M

- 87% at least BBB
- 29.6% A
- 41.6% BBB
- 8.5% Below BBB
- 4.4% Not rated

87% with credit rating at least BBB (+8 pp y-o-y)
45% with credit rating A or higher (+1 pp y-o-y)

Triglav's investment risk profile is solid, with high-quality investments broadly diversified across the eurozone.

¹ Unit-linked insurance contract investments excluded
## Triglav Group Asset Allocation

<table>
<thead>
<tr>
<th>30 June 2019</th>
<th>Non-life &amp; Health¹</th>
<th>Life &amp; Pensions¹</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>In €M</td>
<td>In %</td>
<td>In €M</td>
</tr>
<tr>
<td>Investment property</td>
<td>88.1</td>
<td>7%</td>
<td>2.0</td>
</tr>
<tr>
<td>Investments in associates²</td>
<td>12.7</td>
<td>1%</td>
<td>0.6</td>
</tr>
<tr>
<td>Shares and other floating rate securities</td>
<td>103.3</td>
<td>9%</td>
<td>75.6</td>
</tr>
<tr>
<td>Debt and other fixed return securities</td>
<td>922.9</td>
<td>77%</td>
<td>1,406.8</td>
</tr>
<tr>
<td>Loans given</td>
<td>2.6</td>
<td>0%</td>
<td>23.4</td>
</tr>
<tr>
<td>Bank deposits</td>
<td>65.2</td>
<td>5%</td>
<td>30.3</td>
</tr>
<tr>
<td>Other financial investments</td>
<td>6.8</td>
<td>1%</td>
<td>2.3</td>
</tr>
<tr>
<td>Investments</td>
<td>1,201.5</td>
<td>100%</td>
<td>1,541.0</td>
</tr>
<tr>
<td>Financial investments of reinsurance companies in reinsurance contracts with cedents</td>
<td>8.1</td>
<td></td>
<td>0.0</td>
</tr>
<tr>
<td>Unit-linked insurance contract investments</td>
<td>0.0</td>
<td>456.3</td>
<td></td>
</tr>
<tr>
<td>Group financial investments</td>
<td>1,209.6</td>
<td></td>
<td>1,997.3</td>
</tr>
</tbody>
</table>

### DURATION GAP (2018)³
(unit linked & Supplementary pensions excluded)
- Average weighted duration gap -0.9 y
- Average duration: Assets 5.6 y, Liabilities 9.4 y
- Average weighted duration gap: Non-life 0.5 y, Life -1.8 y

### LIFE GUARANTIES (2018)²
- The largest book at Zavarovalnica Triglav with size of € 756M
- Effective average rate of guarantee 2.5%
- Average IFRS investment yield 2.9%

¹ Includes investments of own funds of the Group  
² Investment in associates are mainly additional real estate exposure  
³ Data for parent company
Bond Portfolio Structure by Type of Issuers

Total: € 2,330M

<table>
<thead>
<tr>
<th></th>
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</tr>
</thead>
<tbody>
<tr>
<td>Structured</td>
<td>0%</td>
<td>0%</td>
</tr>
<tr>
<td>Financial</td>
<td>23%</td>
<td>24%</td>
</tr>
<tr>
<td>Corporate</td>
<td>25%</td>
<td>26%</td>
</tr>
<tr>
<td>Government</td>
<td>52%</td>
<td>50%</td>
</tr>
</tbody>
</table>

Exposure to Slovenian Bonds in Total Bonds

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<thead>
<tr>
<th></th>
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<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Exposure</td>
<td>36%</td>
<td>26%</td>
<td>23%</td>
<td>29%</td>
<td>25%</td>
<td>21%</td>
<td>17%</td>
<td>16%</td>
<td>16%</td>
</tr>
</tbody>
</table>
Outlook 2019

Annual profit guidance for 2019 confirmed, taking into account the business conditions anticipated until the end of 2019
Focus on long term profitability and safety of operations

Profit before tax (in €M)

ROE

Gross written premium (in €M)

Combined ratio NL

Triglav Group Investor Presentation
Triglav is the highest mountain in Slovenia and the highest peak of the Julian Alps (2,864 meters/9,396 ft).