

Triglav Group

Investor Presentation 2018 Preliminary Results

March 2019



Highlights

Vstopite v
prihodnost.

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2018 Key Financials¹

Gross written premium

€ 1,068M

GWP up 7% y-o-y

Profit before tax

€ 97.5M

Increased by 15% y-o-y

Combined ratio non-life

91.8%

Down from 93.1% in 2017

Growth in all markets:

- Slovenia: +7%
- Other markets: +8%

Growth in all insurance segments:

- Non-life: +8%
- Life & Pension: +2%
- Health: +11%

Influenced by high premium growth, favourable claim ratio and several one-off events

Growth of net premium income (+7% y-o-y) at a higher rate than growth of net claims incurred (+1% y-o-y)

PBT from underwriting +32% y-o-y, PBT from investment activities -29% y-o-y, as expected.

In lower range of its long term average target value i.e. around 95%

¹ 2018 Unaudited



Triglav With Strong Credit Ratings

S&P Global
Ratings

A/stable outlook



A/stable outlook

*From S&P GR Rating Report 2018:

The credit rating exclusively reflects Triglav Group's **standalone credit profile** and does not include any uplift from the Group's status as a government-related entity.

Business risk profile - strong

Financial risk profile - very strong

Capital adequacy - extremely strong

Group has adequate reinsurance protection

Credit rating agency	Credit rating	Medium-term outlook	Date
A.M. Best	A	stable	30-Nov-2018
S&P Global Ratings	A	stable	7-Sep_2018*
A.M. Best	A	stable	30-Oct-2017
S&P Global Ratings	A	stable	8-Sep-2017
A.M. Best	A	stable	28-Oct-2016
S&P Global Ratings	A	stable	1-Jul-2016
A.M. Best	A-	positive	16-Oct-2015
S&P Global Ratings	A-	positive	29-Aug-2015
A.M. Best	A-	positive	3-Oct-2014
S&P Global Ratings	A-	stable	26-Sep-2014
S&P Global Ratings	A-	stable	7-Jul-2014
A.M. Best	A-	stable	17-Oct-2013
S&P Global Ratings	A-	stable	4-Jul-2013
A.M. Best	A-	stable	21-Mar-2013
S&P Global Ratings	BBB+	positive	14-Feb-2013
S&P Global Ratings	A-	negative	8-Aug-2012
S&P Global Ratings	A	negative	21-Nov-2011
S&P Global Ratings	A	stable	25-Nov-2010
S&P Global Ratings	A	stable	25-Aug-2009
S&P Global Ratings	A	stable	25-Sep-2008



Latest Expansion Activities

2017

NORTH MACEDONIA: Entry into life insurance market (new company)

BOSNIA AND HERZEGOVINA: Entry into voluntary pension insurance market (joint-venture)

Establishment of **REGIONAL PLATFORM** for alternative investments Triglav (joint-venture)

2018

CROATIA: Triglav Group signed agreement to acquire RMOD in Croatian pension insurance market (takeover)

Using **NEW BUSINESS MODEL** and **IN COOPERATION WITH** the reinsurance and local **PARTNER** entry into Greek motor vehicle insurance market

SLOVENIA: Triglav Group purchased remaining 28.1% equity stake of SPD thereby becoming 100% owner. Company operates in the Slovene supplemental voluntary pension insurance market

SLOVENIA: Triglav Group signed agreement to acquire Slovenian AM company ALTA Skladi (takeover)

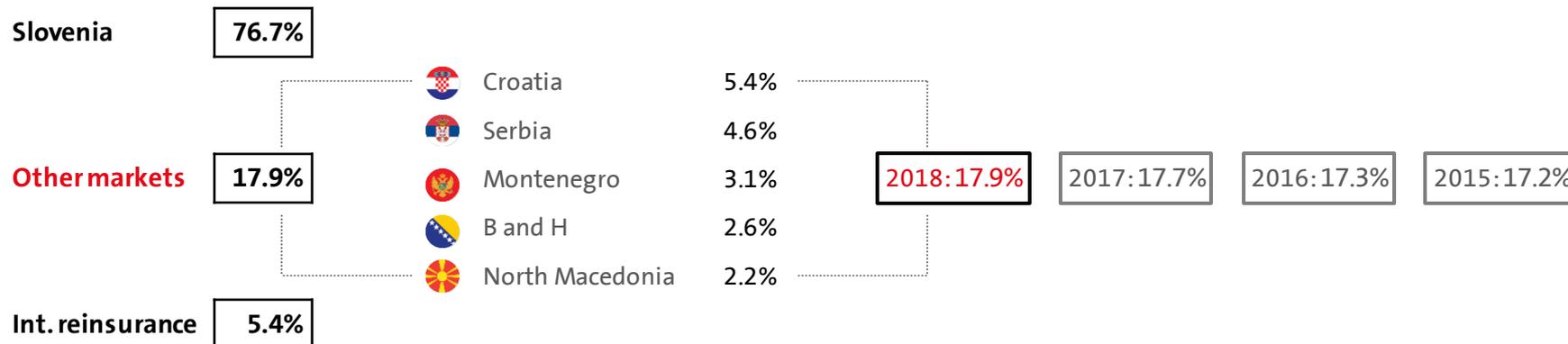
2019

NORTH MACEDONIA: Triglav Group initiated procedure to establish a pension insurance company



GWP Share from Outside Slovenia Consistently Increasing

Share of GWP by Markets¹



Leading Market Position Both in Slovenia and Adria Region

Slovenia (% market share; 2018):

35.4% (-0.2 p.p. y-o-y)

Adria Region (% market share; 2017):

20.2% (+0.3 p.p. y-o-y)

¹ 2018 Unaudited



Revised Strategy of Triglav Group



STRATEGY 2019– 2022 (key elements)

BUSINESS PROCESSES TRANSFORMATION:	Change of processes to better address the challenges and support our strategic initiatives
CORPORATE CULTURE:	Modern culture. Dedicated and highly skilled employees
INSURANCE:	Primarily investing in insurance segments where the highest growth rates expected Higher share of total GWP on markets outside Slovenia
ASSET MANAGEMENT:	Greater visibility as leading asset manager in the region. Increased volume of AUM
MARKETS:	Focus on Adria region (organic growth, potential takeovers not excluded) Developing new business models for entering markets outside the region Building strategic partnerships
PERFORMANCE:	Profitable and stable operations



Revised Capital Management Policy and Dividend Policy

	31 Dec 2017	31 Dec 2016 ²			
Solvency ratio ¹	222%	242%	> 250%	Surplus capital adequacy	Possibility of a more aggressive growth of business volume, assessment of potential changes in the business strategy
			200 - 250%	Target capital adequacy	Regular performance of risk management activities
			150 - 200%	Sub-optimum level of capital adequacy	Analyzing possible medium and long-term measures to improve capital adequacy and emphasized monitoring of risks
			130 - 150%	Warning level of capital adequacy	Implementation of measures to improve capital adequacy
			< 130%	Insufficient capital adequacy	

Attractive and Sustainable Dividend Policy

The minimum dividend pay-out is set to 50% of consolidated net profit for the previous year, however Zavarovalnica Triglav will **strive not to reduce its dividend payment below the level of the previous year**. As thus far, the future implementation of the **dividend policy will be subordinated to achieving the medium-term sustainable target capital adequacy of 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 Triglav Group and its financial stability, to reinvest net profit in the implementation of the strategy of growth and development of Triglav Group and to pay out attractive dividends to the shareholders.

¹ Standard formula used. In 2017 methodology was revised introducing more conservative approach for calculation of the adjustment for the loss absorbing capacity of deferred taxes.

² Based on methodology before its revision in 2017



Dividends Paid for 2017

Dividend Yield (31 Dec 2018)

8.3%

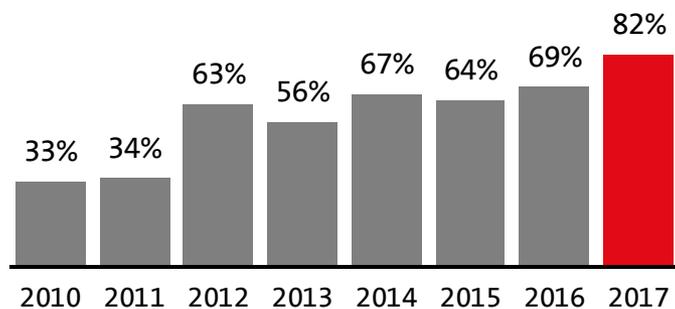
Total Return (2018)

Triglav Share **+13.1%**

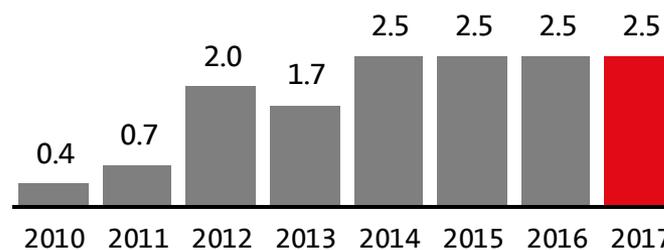
SBITOP Index +5.9%

BEINSUR Index -6.0%

Pay-out (% consolidated net profit):



Gross dividend per share (in €):



Management Board of Zavarovalnica Triglav

- **Andrej Slapar**
President
CEO
- **Uroš Ivanc**
Member
CFO
- **Tadej Čoroli**
Member
Non-life, Sales and Marketing
- **Barbara Smolnikar**
Member
Life & Health
- **Marica Makoter**
Member and Employee Representative
HRM, Operations, IT, Fraud prevention



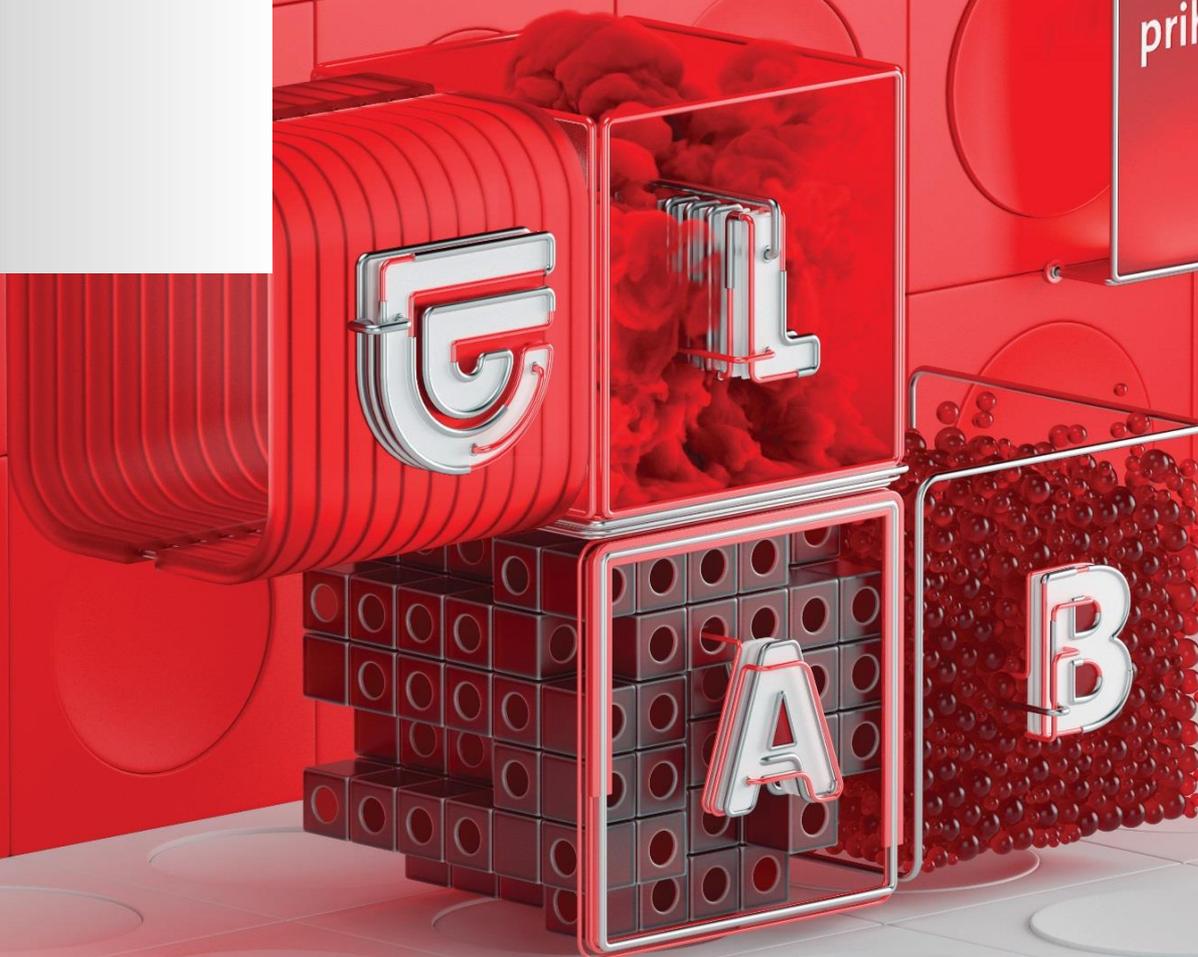
■ Marica Makoter ■ Tadej Čoroli ■ Andrej Slapar ■ Uroš Ivanc ■ Barbara Smolnikar

On 14 November 2018 Supervisory Board of parent company reappointed the President of MB Andrej Slapar for a new five-year term of office and approved his proposal, reappointing Uroš Ivanc and Tadej Čoroli as Members of MB



Financials & Investments

Vstopite v prihodnost.



2018 Triglav Group at a Glance¹

	In € million		
	2018	2017	Index 2018/2017
Gross written premium	1,068.4	999.9	107
Net premium income	951.8	891.2	107
Gross claims paid	679.6	642.2	106
Net claims incurred	626.6	620.0	101
Insurance business gross operating costs	261.7	248.4	105
Profit before tax	97.5	84.4	115
Net profit for the accounting period	80.8	69.7	116
Gross insurance technical provisions	2,713.1	2,732.2	99
Total equity	746.9	756.6	99
Number of employees	5,166	5,151	100
Expense ratio non-life	29.3%	29.0%	
Net claims ratio non-life	62.5%	64.0%	
Combined ratio non-life	91.8%	93.1%	

¹ 2018 Unaudited

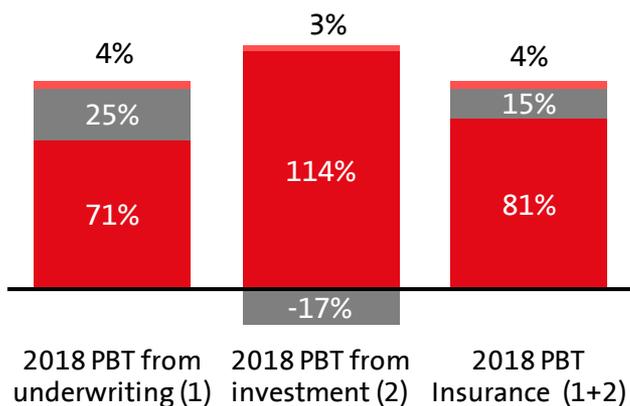


Structure of Profit Before Tax¹

In € million

	2018				2017			
	Non-life	Life & Pensions	Health	Total	Non-life	Life & Pensions	Health	Total
PBT from underwriting activities (1)	51.2	17.8	2.6	71.6	37.2	14.4	2.6	54.2
PBT from investment activities (2)	24.5	-3.7*	0.7	21.6	25.0	4.5	0.9	30.3
PBT from insurance operations (1+2)	75.7	14.1	3.4	93.2	62.2	18.9	3.5	84.5
PBT from non-insurance operations (3)				4.3				-0.1
Total PBT (1+2+3)				97.5				84.4

*Life investment result net of guarantees and additionally formed mathematical reserves



■ Health:

Results comparable with 2017

■ Life & Pensions:

Decrease in investment result* mainly result of lower returns on assets of guarantee fund (€ 5.1M) and additional provisions made due to the reduction in reserving interest rate

■ Non-life:

Improved insurance result (+22% y-o-y) mainly due to higher net premium earned and more favourable net claims experience. PBT from investments unchanged due to higher net realised capital gains

¹ 2018 Unaudited

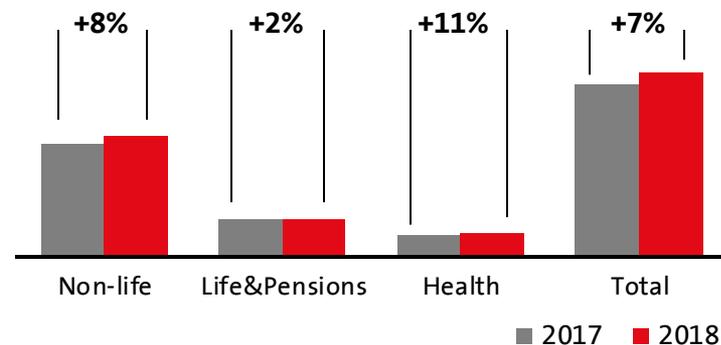


Gross Written Premium¹

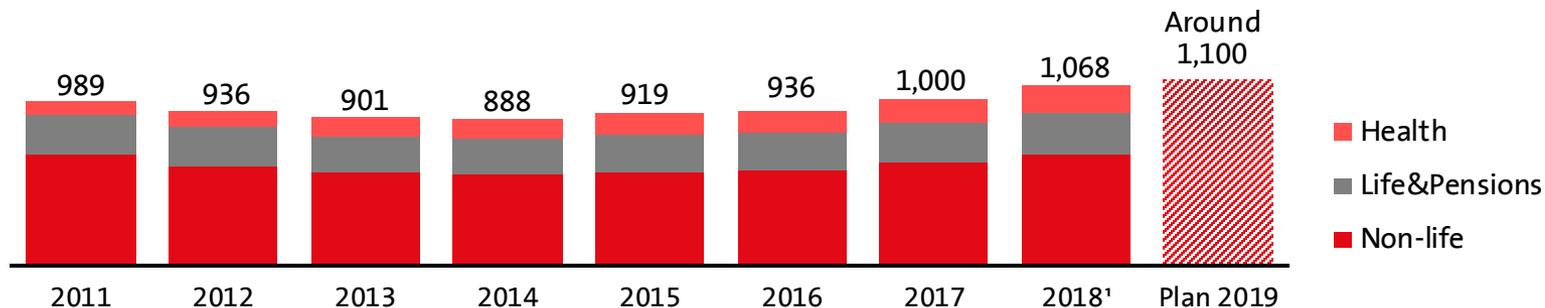
GWP development from 2017 to 2018 (in €M)



GWP growth by segments (%)



Gross written premium through years (in €M)

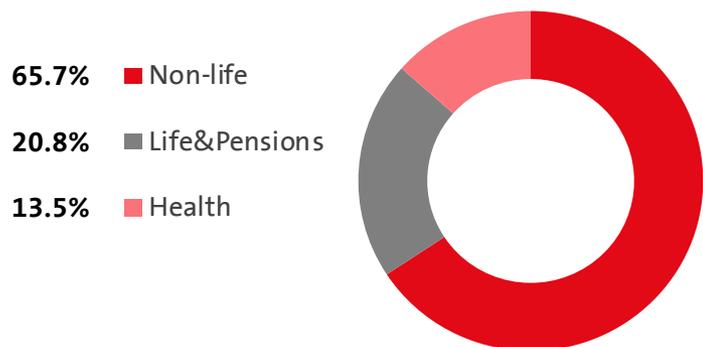


¹ 2018 Unaudited



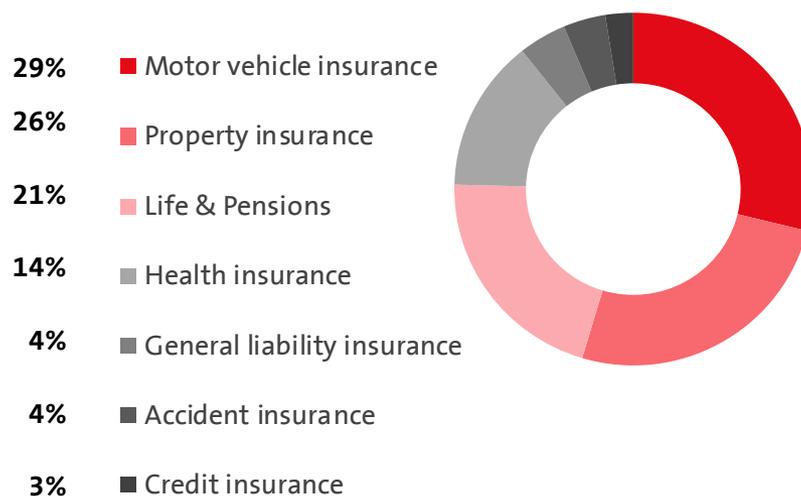
Structure of Gross Written Premium¹

Structure of GWP by main insurance segments



	2018/2017	2018 ¹	2017
Non-life	▲	65.7%	65.2%
Life&Pensions	▼	20.8%	21.8%
Health	▲	13.5%	12.9%

Well balanced structure of consolidated GWP

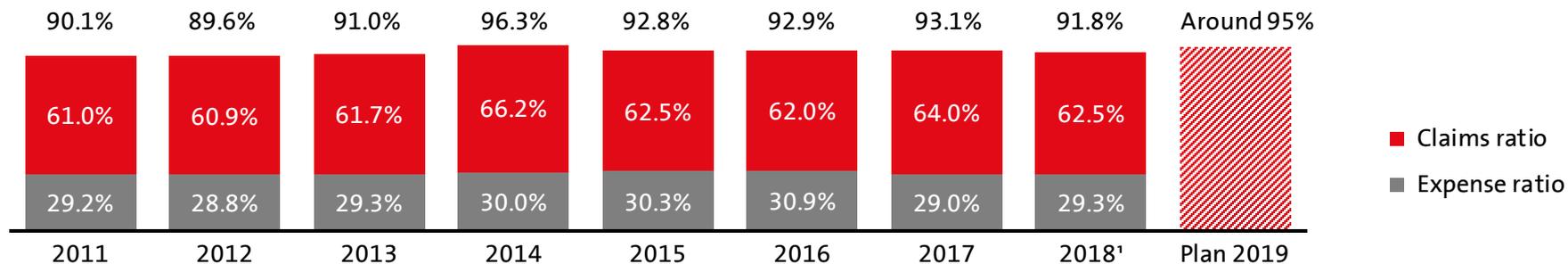


¹ 2018 Unaudited

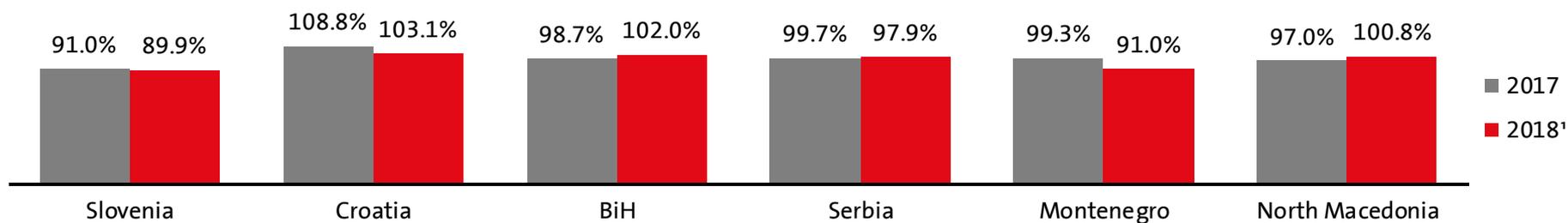


Combined Ratio Non-life

Triglav Group Combined Ratio NL



Triglav Group Combined Ratio NL by markets



¹ 2018 Unaudited



Performance by Markets¹

Total GWP up 7% y-o-y, **7% GWP average growth in Slovenia, 8% on other markets**

Country			GWP Growth Index 2018/2017	Market share	Market position
 Slovenia	▲		107	35.4%	1
 Internat.reinsurance	▲		106	-	-
 Croatia	▲		108	4.4%	9
 Serbia	▲		112	6.0% ²	5 ²
 Montenegro	▲		105	37.9%	1
 Bosnia and Herzegovina	▲		103	8.0% ³	6 ³
 North Macedonia	▲		110	14.5%	1

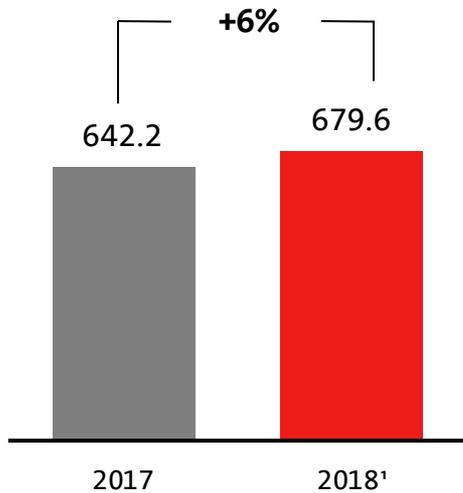
¹ 2018 Unaudited ² Q1-3 2018 ³ H1 2018



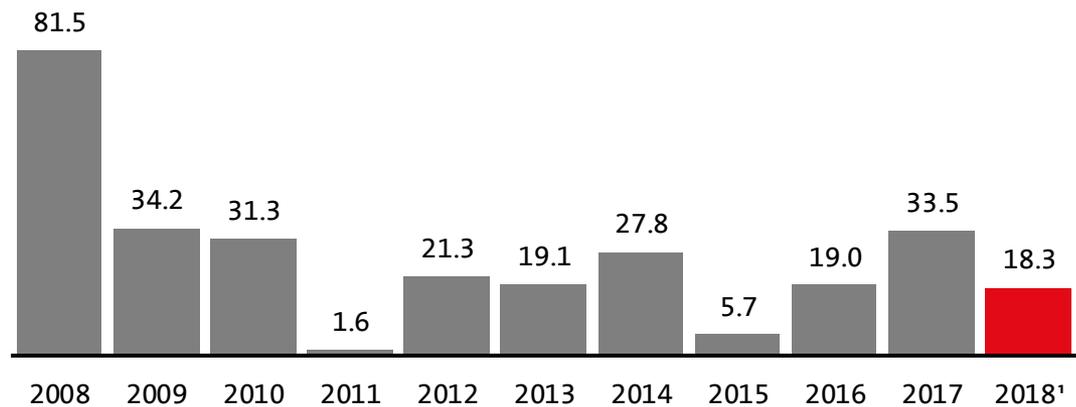
Gross Claims Paid

Influenced by increased business volume over the last few years and CAT claims from end of 2017 (paid out in 2018)

Gross claims paid (in €M)



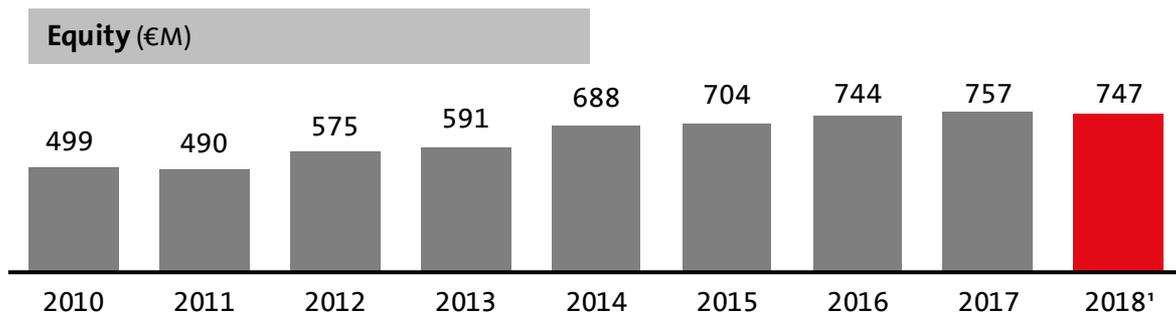
CAT losses in last 11 years (in €M)



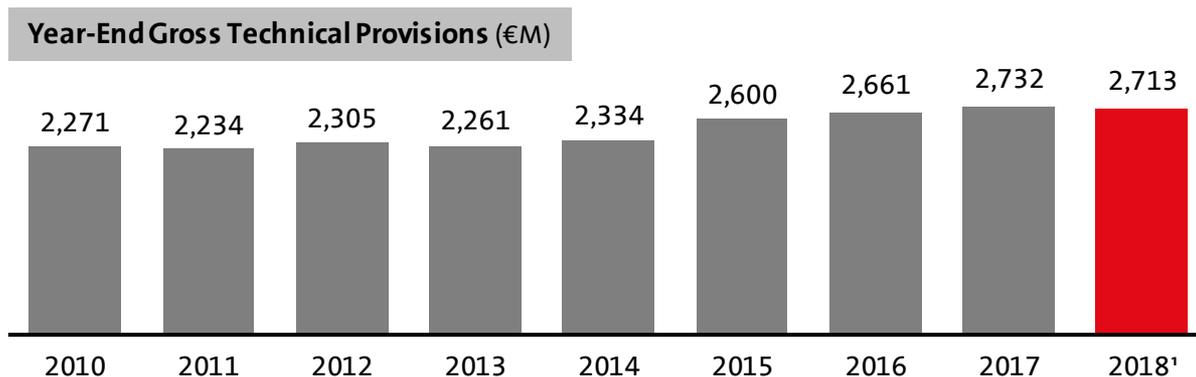
¹ 2018 Unaudited



Financial Strength, Prudent Management of Provisions



Down by 1% y-o-y primarily due to the decrease in fair value reserve (lower value of available-for-sale financial assets)



Declined by 1% y-o-y:

- Lower mathematical provisions (reduced provisions for unit-linked life insurance contracts)
- Lower claims provisions (due to their favourable development from previous years and payment of mass claims incurred at the end of 2017)

¹ 2018 Unaudited

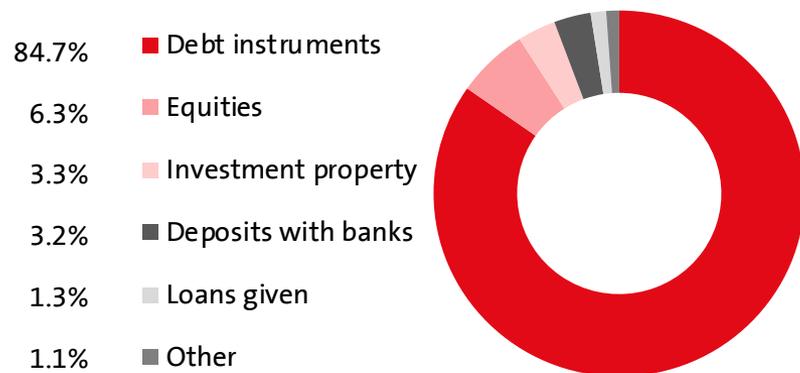


Asset Allocation¹

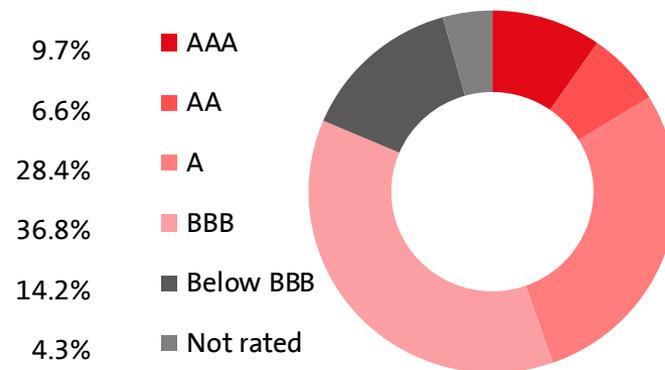
Structure of investment portfolio not significantly changed

Asset Allocation²

Total: € 2,692.9M



Debt instruments by rating



81.5% of debt instruments with credit rating **at least BBB** (in 2017 78.2%)

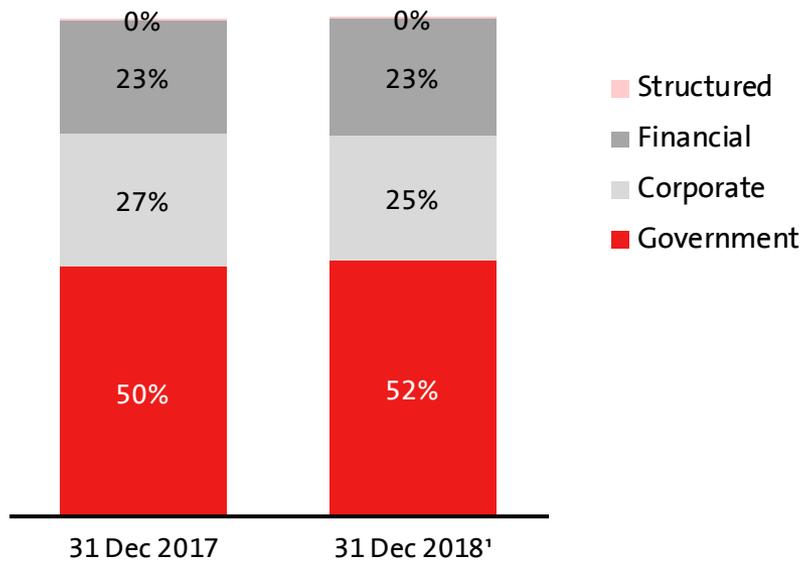
44.7% with credit rating **A or higher** (in 2017 43.2%)

¹ 2018 Unaudited ² Unit-linked insurance contract investments excluded

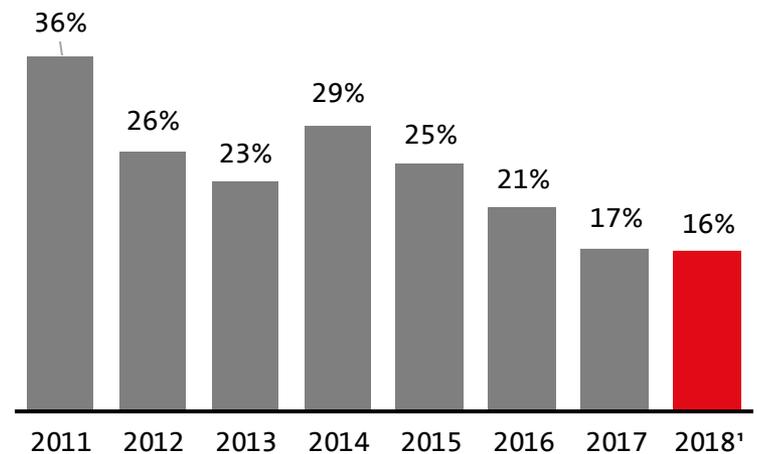


Bond Portfolios

Bond Portfolio Structure by Type of Issuers



Exposure to Slovenian Bonds in Total Bonds



'2018 Unaudited



Triglav Group Asset Allocation³

Triglav investment policy with focus on ensuring safety and liquidity while achieving adequate returns

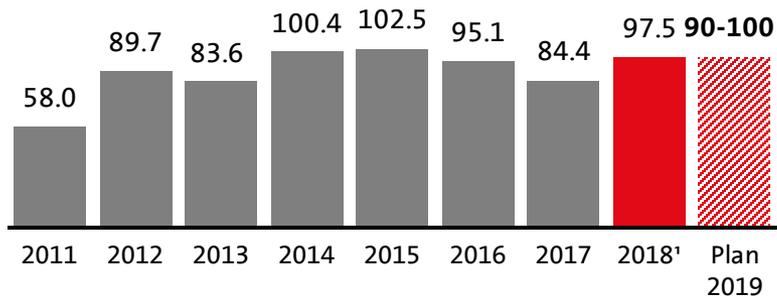
2018 Unaudited	Non-life & Health ¹		Life & Pensions ¹		Total	
	In €M	In %	In €M	In %	In €M	In %
Investment property	87.5	7%	2.3	0%	89.8	3%
Investments in associates ²	13.5	1%	0.6	0%	14.1	1%
Shares and other floating rate securities	93.2	8%	75.1	5%	168.3	6%
Debt and other fixed return securities	910.0	77%	1,371.7	91%	2,281.6	85%
Loans given	3.6	0%	32.8	2%	36.4	1%
Bank deposits	67.5	6%	18.8	1%	86.4	3%
Other financial investments	5.7	0%	4.2	0%	9.9	0%
Investments	1,181.0	100%	1,505.6	100%	2,686.6	100%
Financial investments of reinsurance companies in reinsurance contracts with cedents	6.3		0.0		6.3	
Unit-linked insurance contract investments	0.0		402.5		402.5	
Group financial investments	1,187.3		1,908.1		3,095.4	

¹ Includes investments of own funds of the Group ² Investment in associates are mainly additional Real Estate exposure ³ 2018 Unaudited

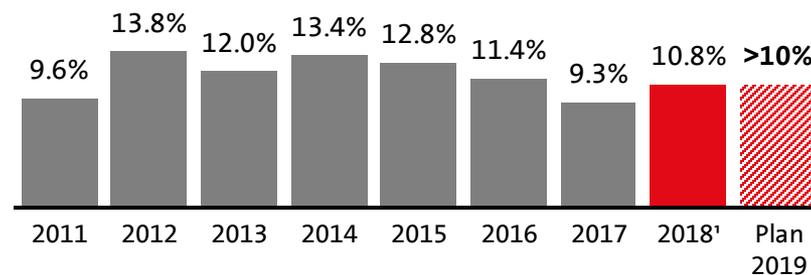


Focus on Long Term Profitability and Safety of Operations

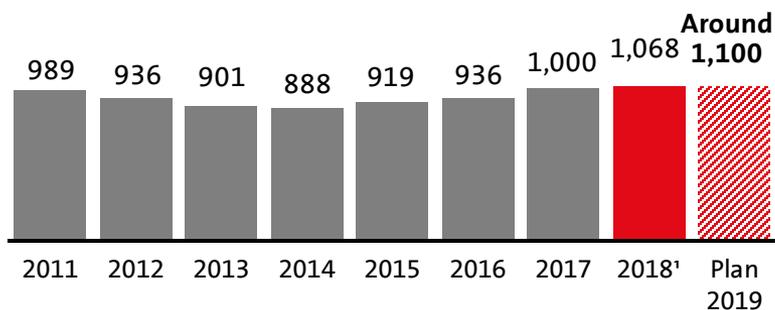
Profit before tax (in €M)



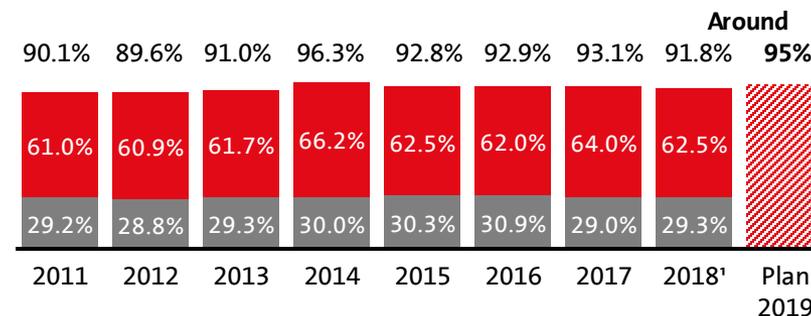
ROE



Gross written premium (in €M)



Combined ratio NL



'2018 Unaudited



A photograph of the Triglav mountain peak, a rugged, rocky mountain with a blue sky and white clouds. The mountain is the central focus, with its jagged, grey rock faces and a prominent peak. The sky is a vibrant blue, dotted with soft, white clouds. The foreground is filled with a thick layer of white mist or low clouds, partially obscuring the base of the mountain. The overall scene is majestic and serene.

Our vision: By adopting a **client-centric approach**, we dynamically develop **new ways of doing business** as the foundation of the Group's **responsible long-term development**, while at the same time **operating profitably and safely**.

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