



Triglav Group

Investor Presentation for LJSE Webcast H1 2018 Results

3 September 2018



Highlights

Enter the future

Vstopite v
prihodnost.

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Highlights H1 2018

- Solid and safe operations. Consistent implementation of strategic activities.
- Annual profit guidance confirmed, taking into account the business conditions anticipated until the end of 2018.

Gross written premium	Profit before tax	Combined ratio non-life
€ 574.8m	€ 35.6m	95.2%
GWP up 5% compared to H1 2017	Decreased by 16% y-o-y	Up from 94.7% in H1 2017
<ul style="list-style-type: none"> ▪ Growth in all markets: <ul style="list-style-type: none"> - Slovenia: +4% - Other markets: +7% ▪ Growth in all insurance segments: <ul style="list-style-type: none"> - Non-life: +6% - Life: +0.3% - Health: 8% 	<ul style="list-style-type: none"> ▪ Influence of CAT loss events (non-life gross claims +9.3%) and lower returns on financial investments (-30%) ▪ H1 2018 PBT from underwriting +12% y-o-y, from investment activities -17% y-o-y (<i>decrease of life investment result mainly due to lower returns on assets of guarantee fund and additionally formed mathematical reserves</i>) 	<ul style="list-style-type: none"> ▪ In line with long term average target value i.e. around 95%

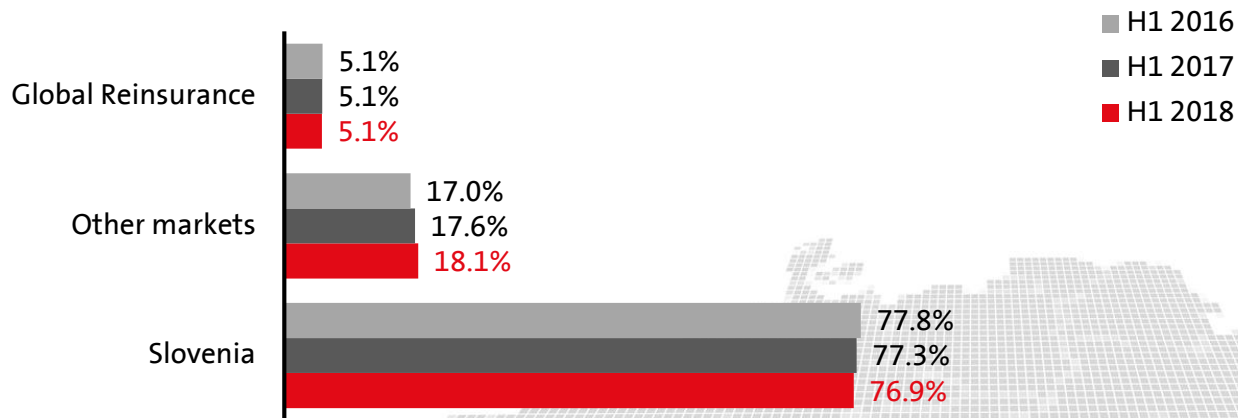
Well on Track in Implementing Strategic Goals (I)

PROFITABLE AND SAFE OPERATIONS

- H1 2018 PBT € 35.6m, **annual profit guidance confirmed**
- H1 2018 y-o-y: **GWP up 5%, the volume of AUM** (mutual funds and discretionary mandates) **up 4%**

MARKETS & GROWTH

- **Share of GWP outside Slovenia consistently increasing:**

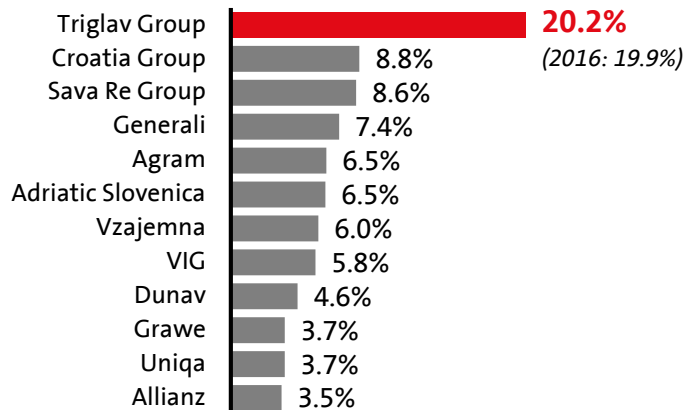


Well on Track in Implementing Strategic Goals (II)

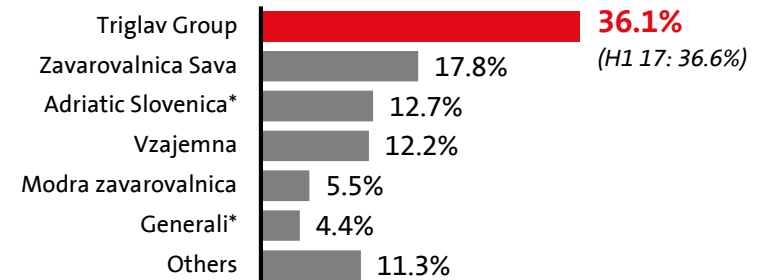
IN THE REGION AND BEYOND

- Leading market position in Slovenia and Adria region (% market share)

In Adria region (2017)



In Slovenia (H1 2018)



**In 2018 Generali announced to buy Adriatic Slovenica*

- In 2018 entry into pension insurance market in Croatia (takeover)
- Active monitoring of the possibility to further consolidate the portfolios of asset management companies in the region
- Using new business model and in cooperation with the reinsurance and local partner in 2018 entry into Greek motor vehicle insurance market

Focus on Comprehensive Client Relationship

OMNI-CHANNEL APPROACH

- Continued development of **online and mobile** & strengthening of other **alternative sales channels** (banks, travel agencies and leasing houses)

INNOVATIVE AND SIMPLE PRODUCTS

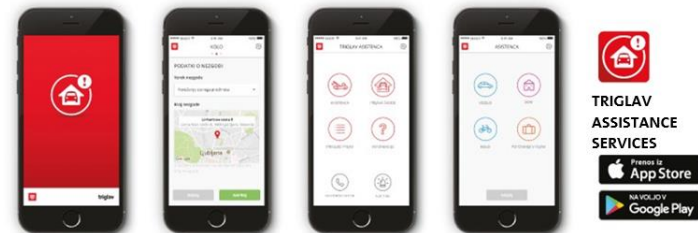
- Upgrade of existing products & developing new ones**
- Strengthening of cooperation with **healthcare service providers**
 - Property insurance for small and micro enterprises (new)
 - Motor vehicle, agricultural, accident, loan protection life, i.fleks unit-linked life, voluntary pension insurance etc (upgrade, redesign)
 - Personal protection insurance (expanded range)
 - More flexible whole life insurance
 - Development of new health insurance products etc

BUSINESS PARTNERS

- Entering into **innovative partnerships** (e.g. loyalty programmes, MGAs) & strengthening **cross selling** (adapted to specific markets)

ASSISTANCE SERVICES

- Upgrade of products with assistance services** (e.g. assistance after suffering an injury; specialists – accident)
- Development of new services** (e.g. new assistance application ASAP for health insurance)



Digital Transformation of Triglav Group

OPTIMISATION & DIGITISATION OF EXTERNAL AND INTERNAL PROCESSES

- Further modernisation and optimisation of
 - **insurance underwriting**
 - **insurance processing**
 - **claim settlement processes**
 - **customer communication processes**
- Further digitisation and automation by introducing **paperless, mobile and simple operations both with clients and partners**
- **OUTSIDE OF SLOVENIA:** Upgrade of functionality for B2B and online solutions for C2B; launch of application for online insurance underwriting in all subsidiaries
 - Redesign and functional upgrade of customer self-service portal **i.triglav**
 - New mobile-first design website with insurance sales functionalities **triglav.si**
 - Fully electronic claim file introduced (Life)
 - Upgrade of electronic document archiving system (Life)
 - Implementation of possibility of cloud-based digital signatures (Non-life)
 - Development of application to optimise the process for issuing life insurance policies
 - Implementation of module for improved e-enforcement management implemented, etc

Mobilna aplikacija **i.triglav**



i.triglav Customer service portal:

- Web portal and mobile applications (Android and IOs)
- Online sale
- Web portal, where individual clients are able to overview insurance policies, the state and the structure of savings, payments, claims and forms related to products

Financials & Investments

Enter the future.



Triglav Group in H1 2018

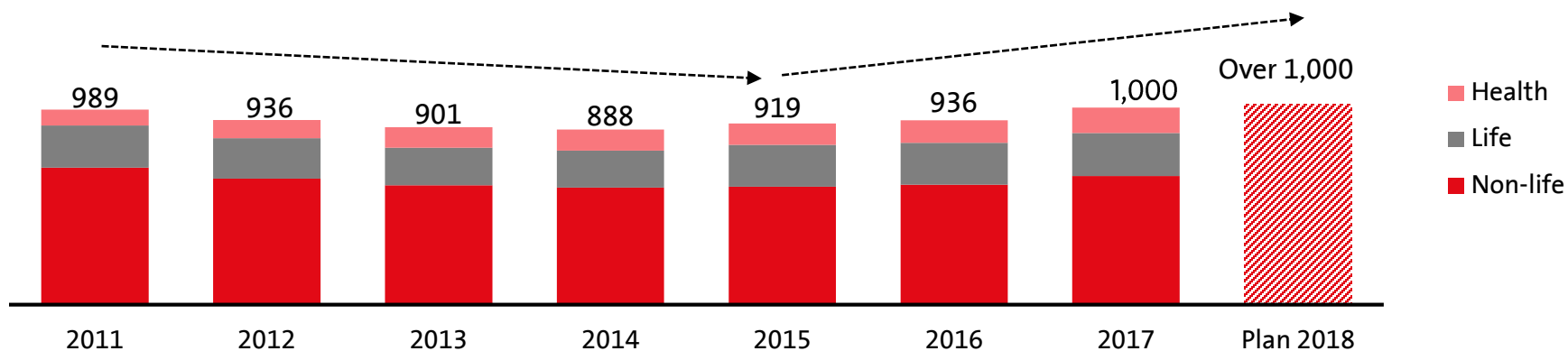
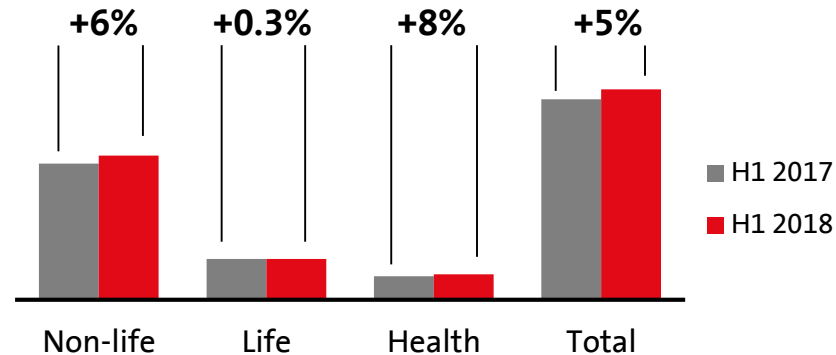
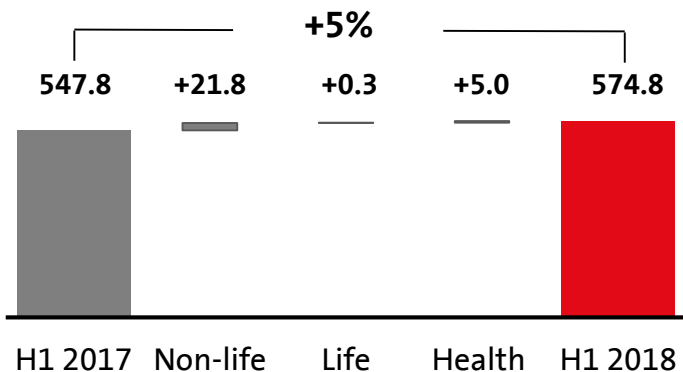
	In € million		
	H1 2018	H1 2017	Index 2018/2017
Gross written premium	574.8	547.8	105
Net premium income	465.9	440.0	106
Gross claims paid	326.8	314.2	104
Net claims incurred	324.8	312.4	104
Insurance business gross operating costs	128.1	122.5	105
Profit before tax	35.6	42.4	84
Net profit for the accounting period	30.0	36.1	83
Gross insurance technical provisions	2,846.2	2,732.2	104
Total equity	719.3	756.6	95
Number of employees	5,158	5,151	100
Expense ratio non-life	28.6%	28.5%	
Net claims ratio non-life	66.5%	66.1%	
Combined ratio non-life	95.2%	94.7%	



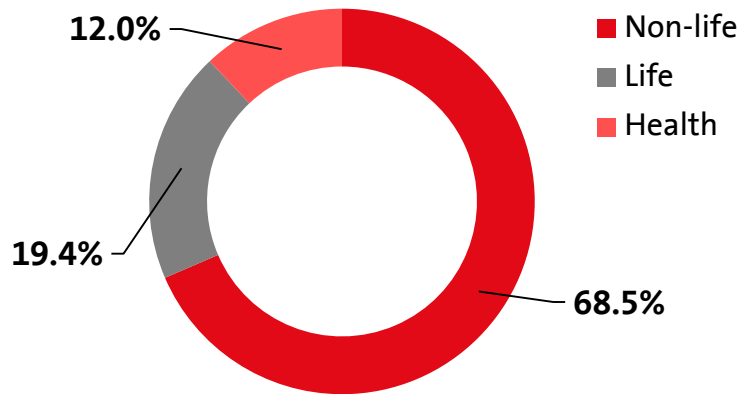
Gross Written Premium

GWP development from H1 2017 to H1 2018 (in €m)

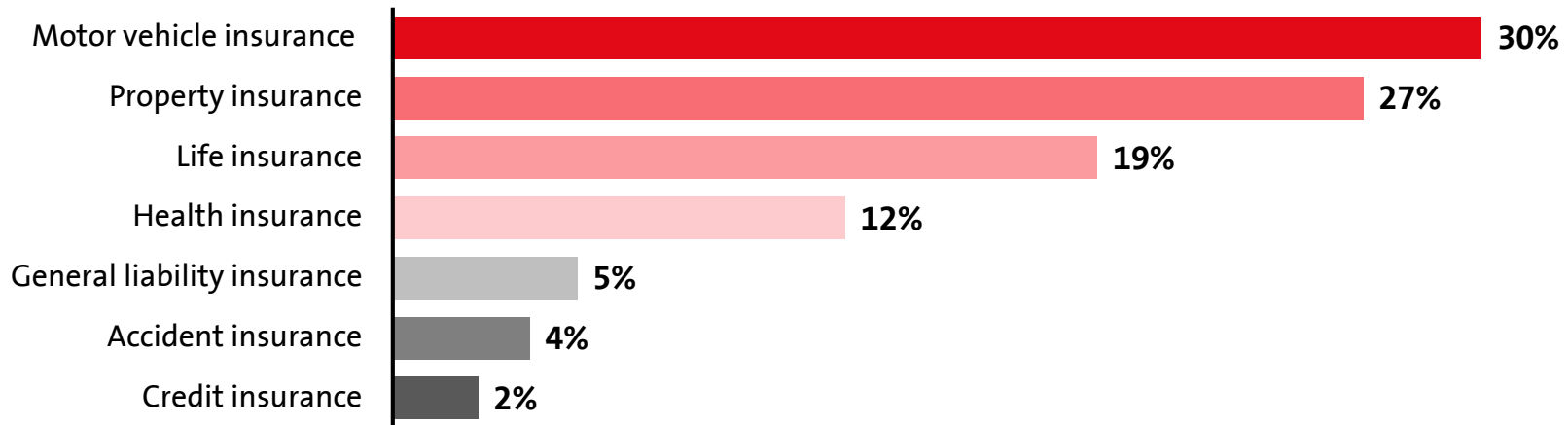
GWP growth by segments (H1 2018 y-o-y)










Well balanced Structure of Gross Written Premium



Structure of GWP		Q1 2018	Q1 2017
Non-life	▲	68.5%	67.9%
Life	▼	19.4%	20.4%
Health	▲	12.0%	11.7%

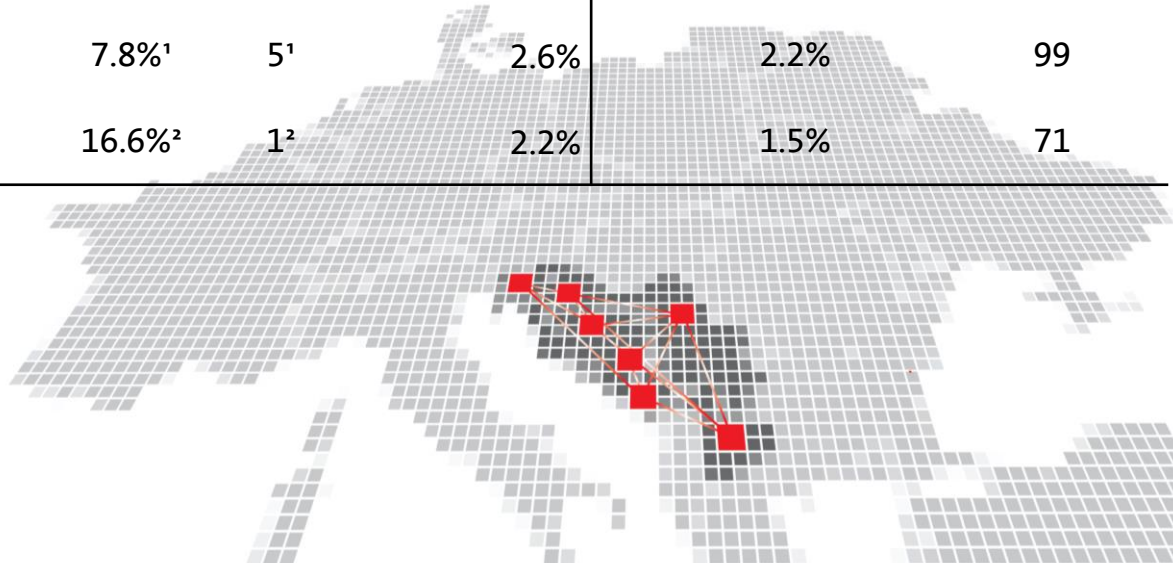


Performance by Markets

Country	Performance by markets (H1 2018)			% Consol. GWP	Market development (2017)	
	GWP growth Index	Market share	Market position		Insurance penetration Premium share in GDP (EU 7.2%)	Insurance density Premium per capita (EU €2,150)
 Slovenia	4% ▲ 104	36.1%	1	76.9%	5.0%	1.055
 Global Reinsurance	4% ▲ 104	-	-	5.1%	-	-
 Croatia	7% ▲	4.7%	8	6.0%	2.5%	295
 Serbia		5.9% ²	5 ²	4.6%	2.1%	109
 Montenegro		38.2%	1	2.7%	1.9%	131
 Bosnia and Herzegovina		7.8% ¹	5 ¹	2.6%	2.2%	99
 Macedonia		16.6% ²	1 ²	2.2%	1.5%	71

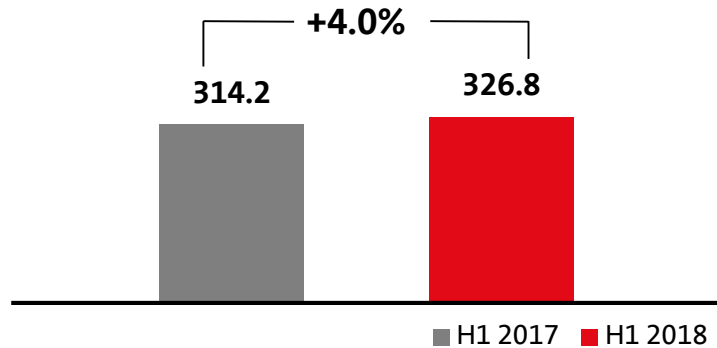
¹ Q4 2017

² Q1 2018

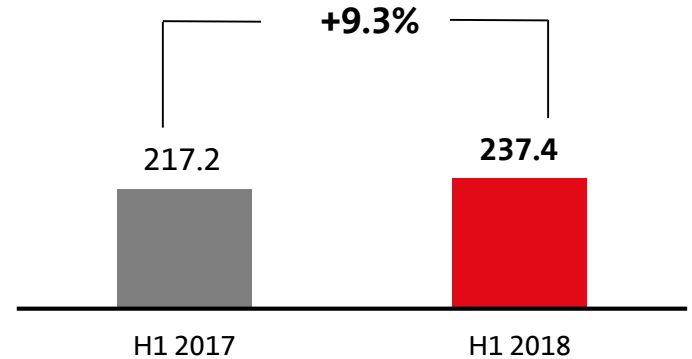


CAT Losses in H1 2018

Gross claims paid in € M



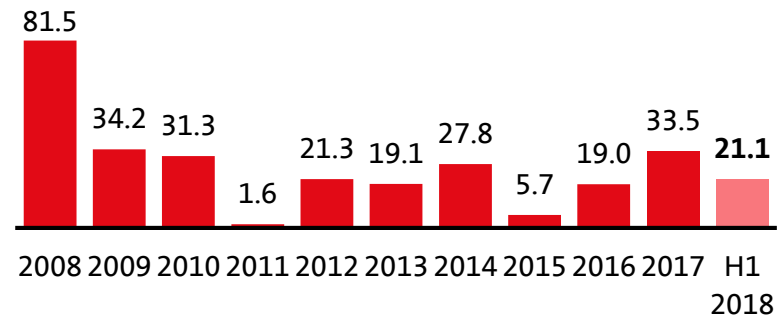
Non-life gross claims in € M



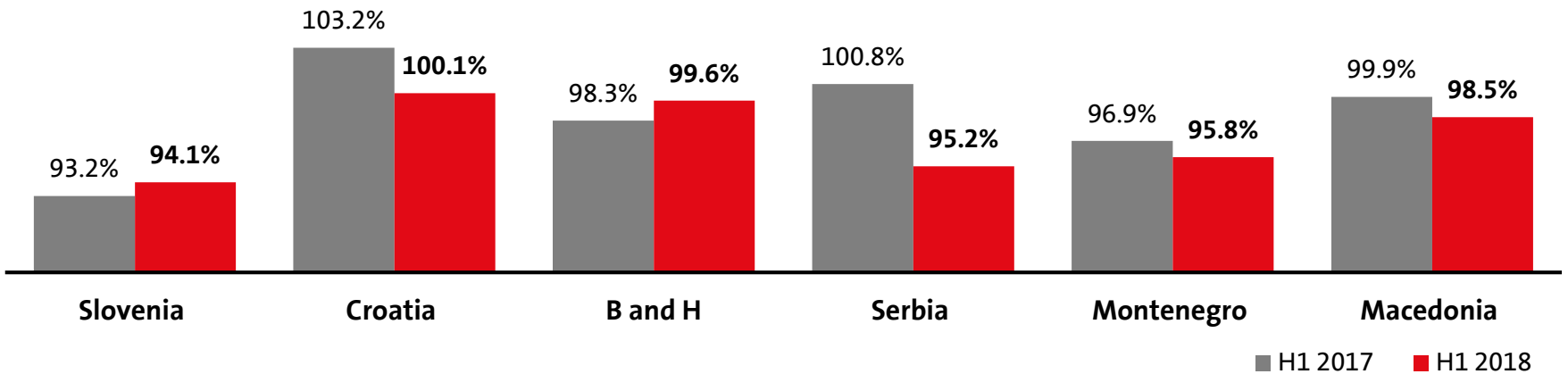
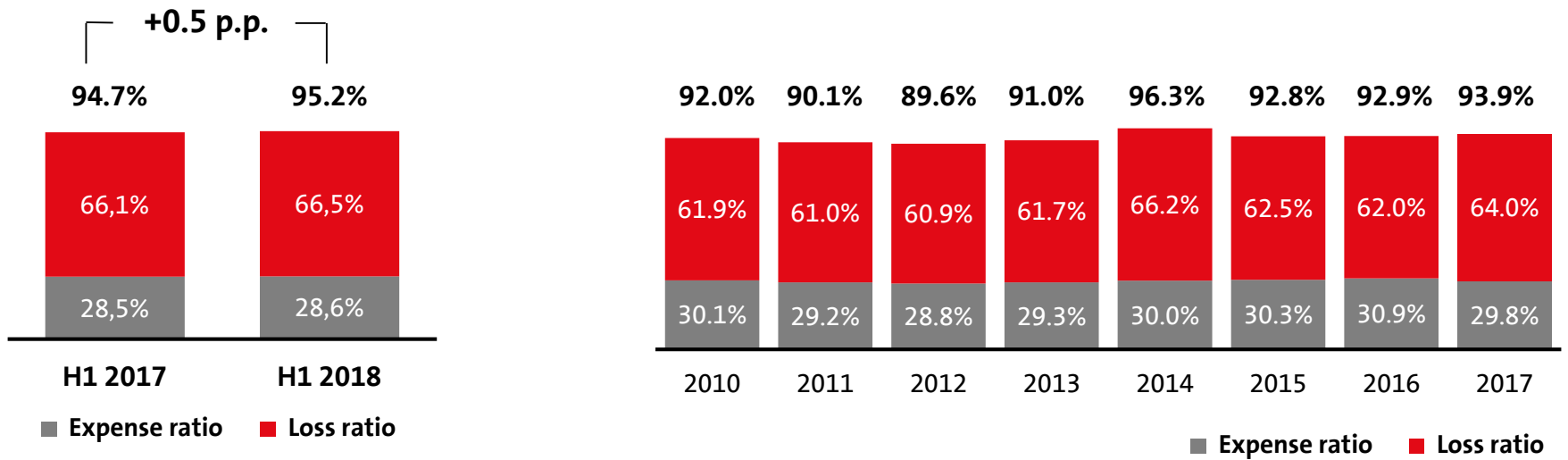
€ 21.1 million CAT loss events in H1 2018

- € 3.0 m - May hail and floods in Eastern Slovenia
- € 2.6 m - Early June storms with hail in North-Eastern Slovenia
- € 13.2 m - June hail in North-Eastern Slovenia and Bela Krajina
- € 1.2 m - Mid-June hail in Zasavje region (Slovenia)
- € 1.2 m - April frost, May and June floods in Macedonia

CAT losses in last 10 years in € M



Triglav Group Non-Life Combined Ratio

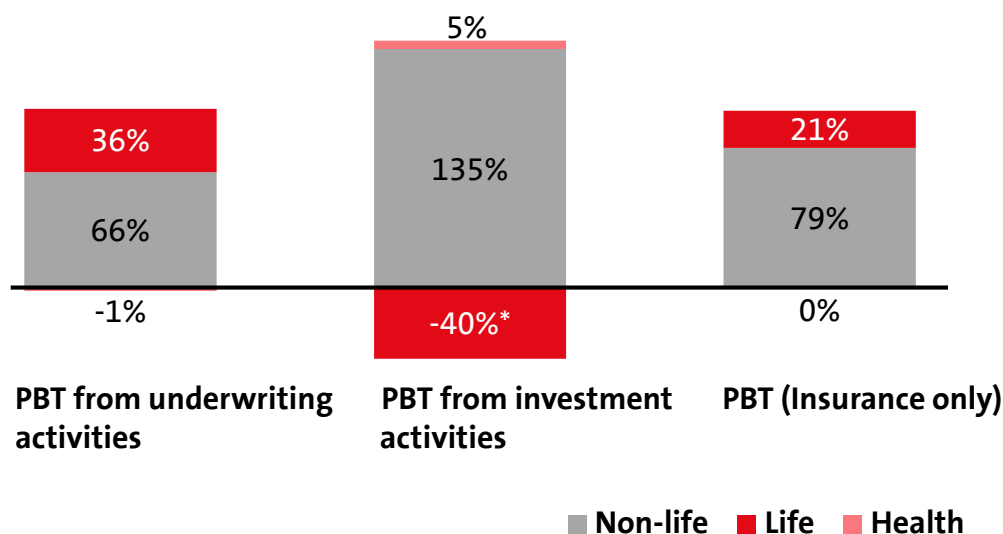


Structure of Profit Before Tax

In € million

	H1 2018				H1 2017			
	Non-life	Life	Health	Total	Non-life	Life	Health	Total
PBT from underwriting activities	18.3	10.0	-0.4	28.0	14.9	9.7	0.4	25.1
PBT from investment activities	9.4	-2.7*	0.3	6.9	11.0	5.6	0.4	17.0
PBT from insurance operations	27.7	7.3	-0.1	34.9	25.9	15.3	0.9	42.1
PBT from non-insurance operations				0.7				0.3
Total PBT				35.6				42.4

Structure of PBT in H1 2018



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

The decrease in H1 2018 life investment result y-o-y mainly result of:

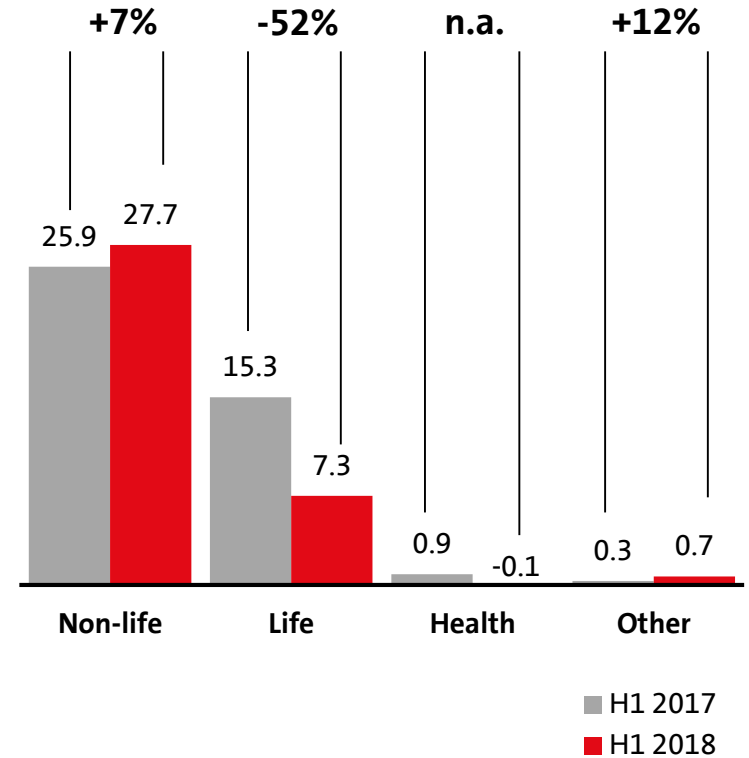
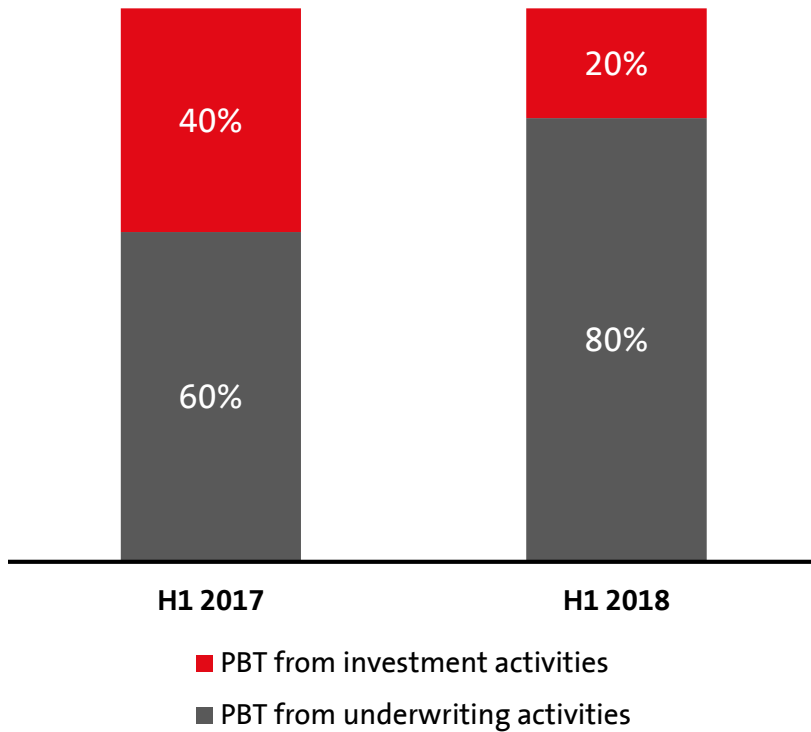
- lower returns on assets of guarantee fund (€ 5.8 m),
- additional provisions made due to reduction in reserving interest rate (€ 2.9 m)
- due to effect of liability adequacy test (€ 0.5 m)



Structure of Profit Before Tax

PBT from investment/underwriting

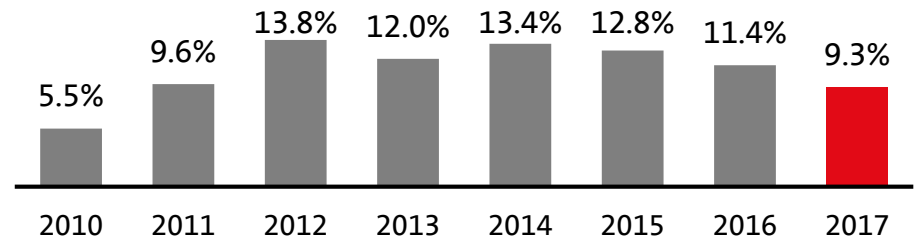
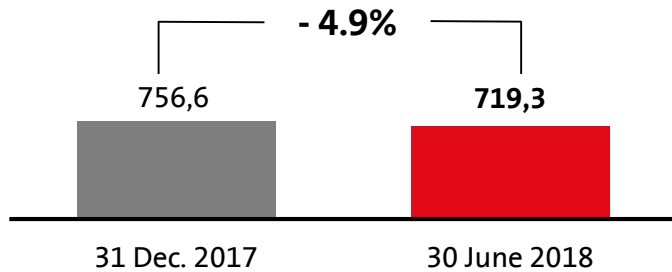
PBT by business segments (in € m)



Financial Strength, Prudent Management of Provisions and Profitability

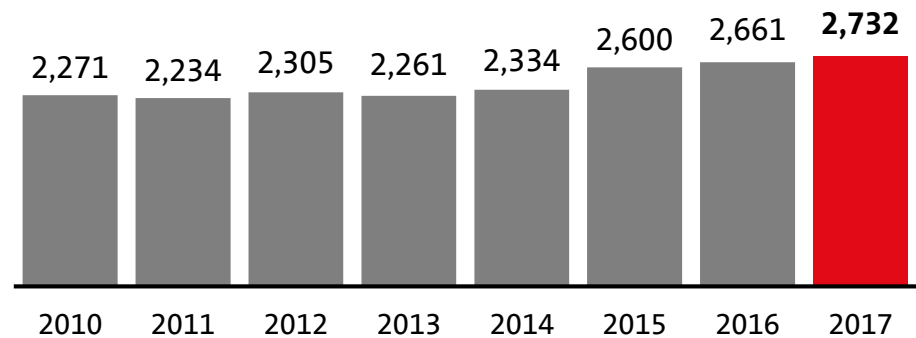
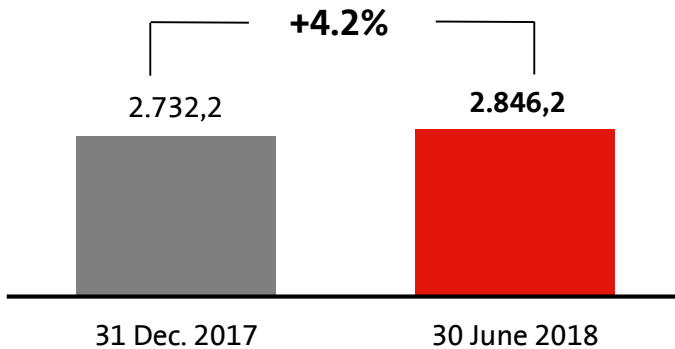
Equity (€ m)

Strategic goal: ROE over 10% in 2020



Gross Technical Provisions (€ m)

Year-End Gross Technical Provisions (€ m)



Asset Allocation In Line With Relatively Conservative Investment Policy

Asset Allocation (H1 2018)	Non-life & Health ¹		Life & Pensions ¹		Total	
	In € m	In %	In € m	In %	In € m	In %
Investment property	91.3	8%	2.4	0%	93.7	4%
Investments in associates ²	10.8	1%	0.6	0%	11.4	0%
Shares and other floating rate securities	126.7	11%	100.9	7%	227.6	9%
Debt and other fixed return securities	877.0	75%	1,302.0	88%	2,179.1	82%
Loans given	6.6	1%	31.9	2%	38.5	1%
Bank deposits	47.2	4%	43.8	3%	91.0	3%
Other financial investments	5.7	0%	4.7	0%	10.4	0%
Investments	1,165.3	100%	1,486.4	100%	2,651.7	100%
Financial investments of reinsurance companies in reinsurance contracts with cedents	5.9		0.0		5.9	
Unit-linked insurance contract investments	0.0		438.7		438.7	
Group financial investments	1,171.1		1,925.1		3,096.2	

1 Includes investments of own funds of the Group

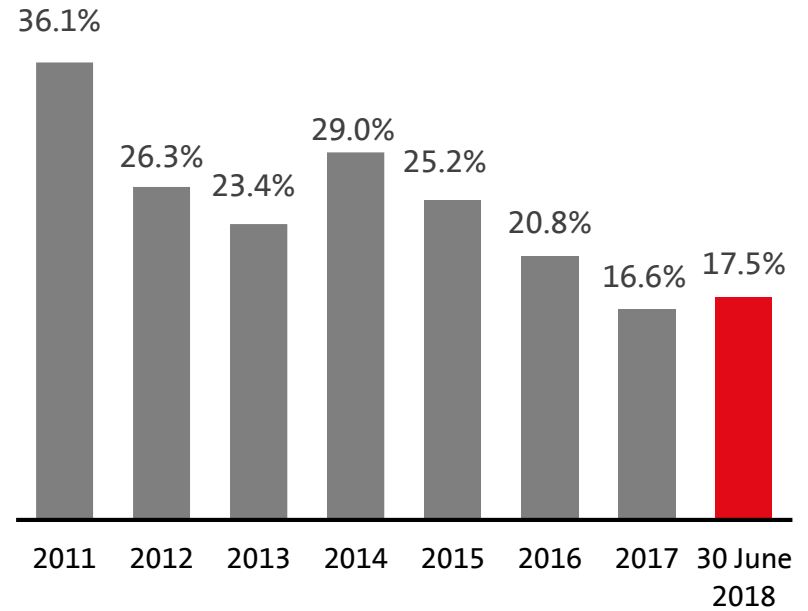
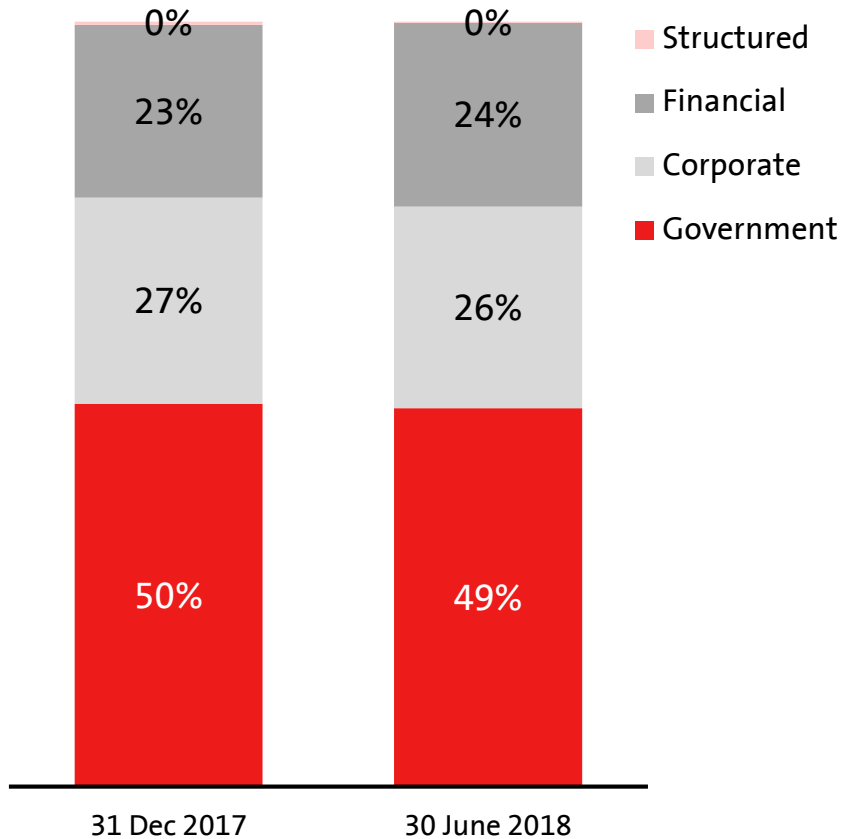
2 Investment in associates are mainly additional Real Estate exposure



Structure of Bond Portfolio

Bond Portfolio Structure by Type of Issuers

Exposure to Slovenian Bonds in Total Bonds



Strong Business Risk Profile and Capital Adequacy

Strong Capital adequacy, within target range 200-250%

Strong Credit Ratings: A/stable outlook

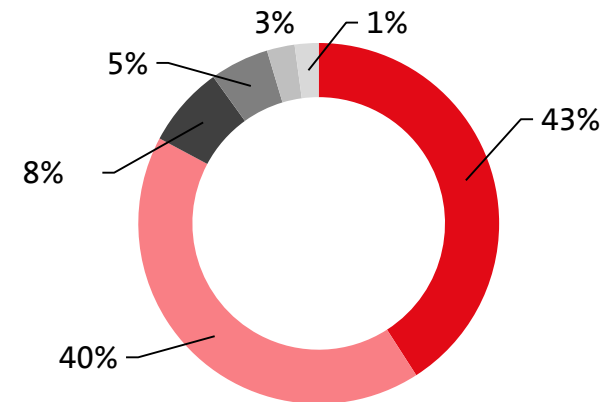
Risk profile of Triglav Group (as at 31 Dec 2017)

- Level of risk exposure acceptable and in line with the defined risk appetite
- Effective management of all types of risks („three lines of defence” system)

- Underwriting risk
 - Credit risk
 - Risk of companies from other financial sectors
- Market risk
 - Operational risk
 - Risk of other companies

	31 Dec 2017	31 Dec 2016**
Solvency ratio*	222%	242%

S&P Global Ratings

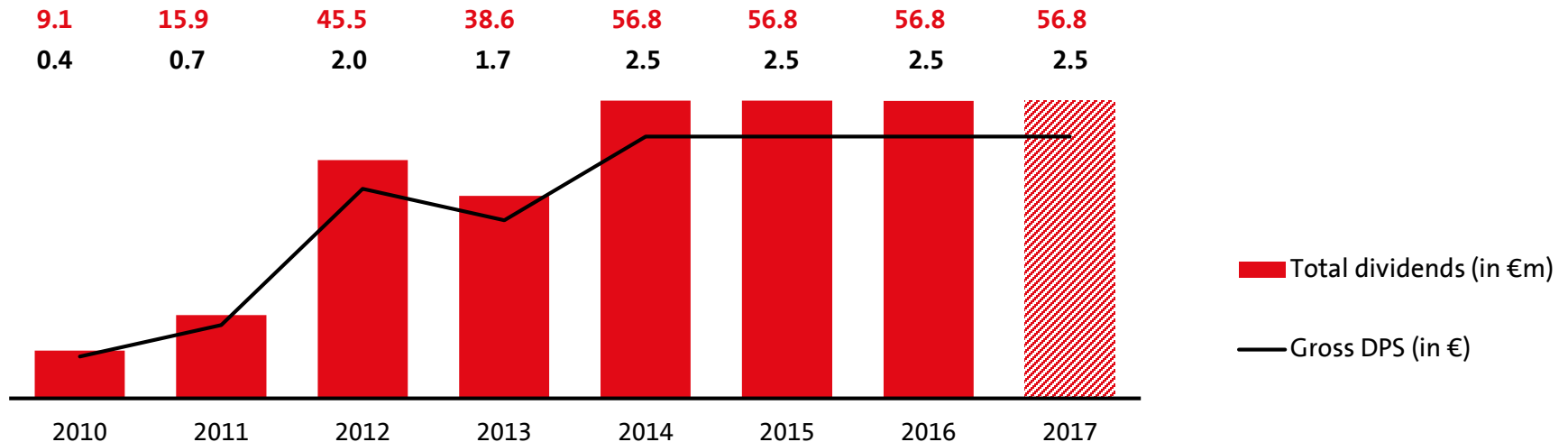


*Calculation in accordance with Solvency II regulation (Standard formula used). In 2017 methodology was revised introducing more conservative approach for calculation of the adjustment for the loss absorbing capacity of deferred taxes, which causes the decrease of the solvency ratio. *More information in Solvency and financial condition report of Triglav Group.*

**Based on methodology before its revision in 2017.



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.



Outlook 2018

In 2018 the Group's operations will continue to be **financially sound and profitable**, while maintaining the Group's **strong financial stability and capital adequacy**.

In € million

	2011	2012	2013	2014	2015	2016	2017	Outlook 2018
Gross written premium	989	936	901	888	919	936	1,000	Above 1,000
Profit before tax	58	90	84	100	102	95	84	80 - 90
Combined ratio non-life	90.1%	89.6%	91.0%	96.3%	92.8%	92.9%	93.9%	Around 95%



Our vision

Triglav Group, modern, innovative and dynamic insurance - financial group, firmly remaining the leader both in Slovenia and Adria region.

Our mission

BUILDING A SAFER FUTURE
for all our stakeholders,
while being committed to
responsible and sustainable
development.

Next investor conference: 6 -7 Sep 2018 / Bucharest, Romania / WOOD: Frontier Investor Day with FT