



Triglav Group



9M 2022 Results

Investor Presentation

Building a
Safer Future.

22 November 2022



9M 2022 Results

Financials & Investments

2023 Outlook

Appendix

9M 2022 Performance
by Markets

About Triglav Group



9M 2022 Results

Financials & Investments





9M 2022 Results Confirm Robustness and Resilience of Our Business Model

TOTAL REVENUE


€1,241.1M

 **Up by 10% y-o-y**

GWP	+9%	€1,147.7M
OTHER INSURANCE INCOME	+21%	€46.1M
OTHER INCOME	+35%	€47.3M

PROFIT BEFORE TAX


€89.2M

 **Down by 3% y-o-y**

- Growth in business volume. Higher frequency and severity of claims.
- Negative investment returns due to challenging conditions on financial markets.
- Traditionally prudent reserving. Favourable development of claims provisions created in past periods.

COMBINED RATIO NON-LIFE&HEALTH

89.5%

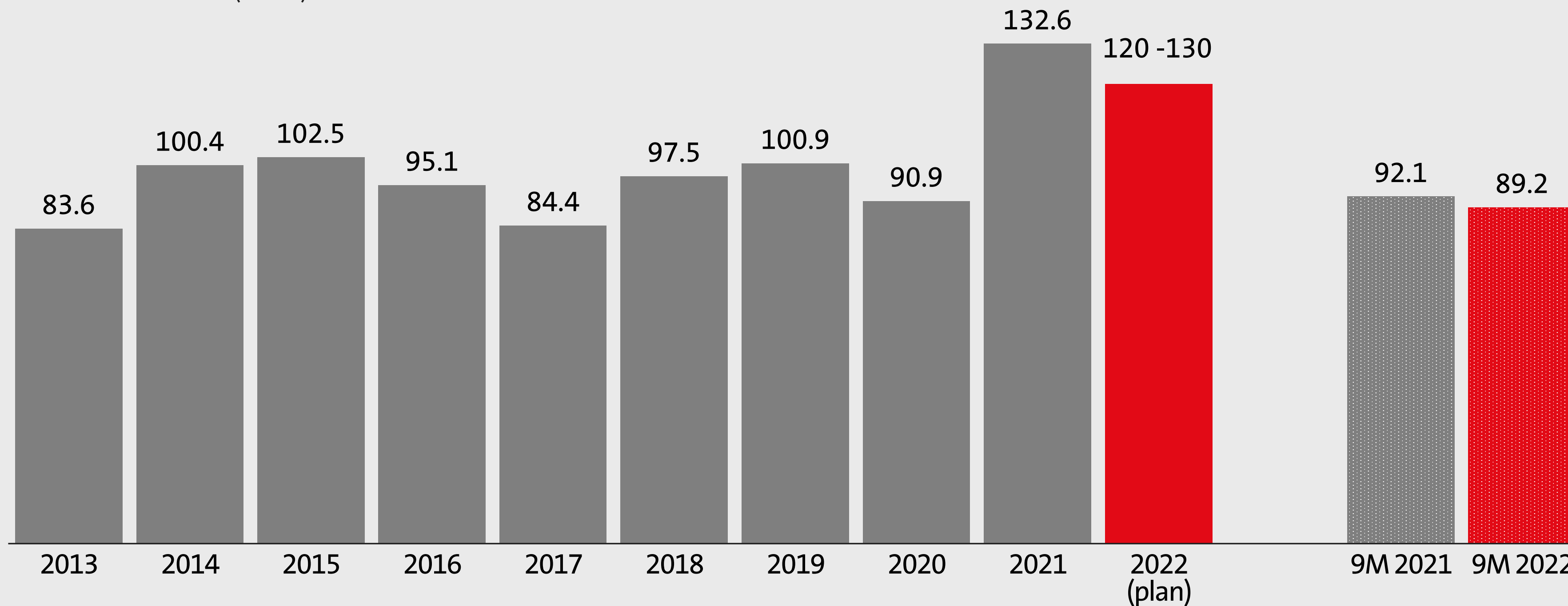
 **89.3% in 9M 2021**

- Effects of higher frequency of claims and inflation compensated by positive run-off of reserves.
- Expense ratio: 27.8% (down by 1.0 pp y-o-y)
- Claims ratio: 61.8% (up by 1.2 pp y-o-y)



Profit Guidance for 2022 Confirmed

Profit before tax (in €M)



We estimate that **2022 annual profit will be within initially planned range**; however, we stress that **risks related to realisation of target profit have increased significantly** due to negative influences from business environment.



Total Revenue Growth

Total revenue development from 9M 2021 to 9M 2022 (in €M)



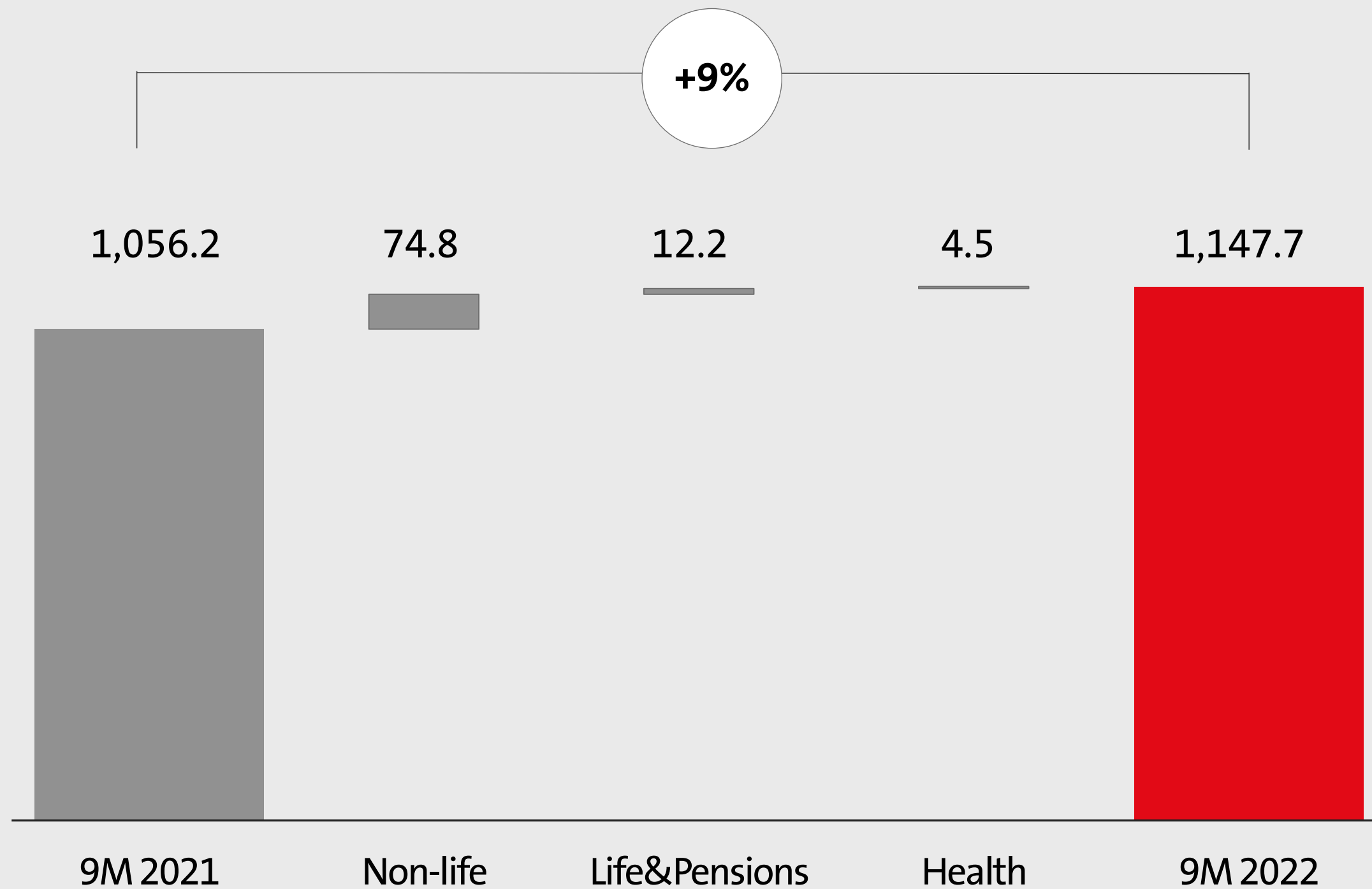
Components (in €; as at 9M 2022, growth y-o-y)		
GWP	1,147.7 (+9%)	↑
Other insurance income	46.1 (+21%)	↑
Other income	47.3 (+35%)	↑
Total revenues	1,241.1 (+10%)	↑

GWP growth. Realized gains in Group's real-estate portfolios and results of AM (€22.9M of income from AM of mutual funds, up by 6% y-o-y) are major drivers of other income growth.










GWP Growth In All Insurance Segments

GWP development from 9M 2021 to 9M 2022 (in €M)



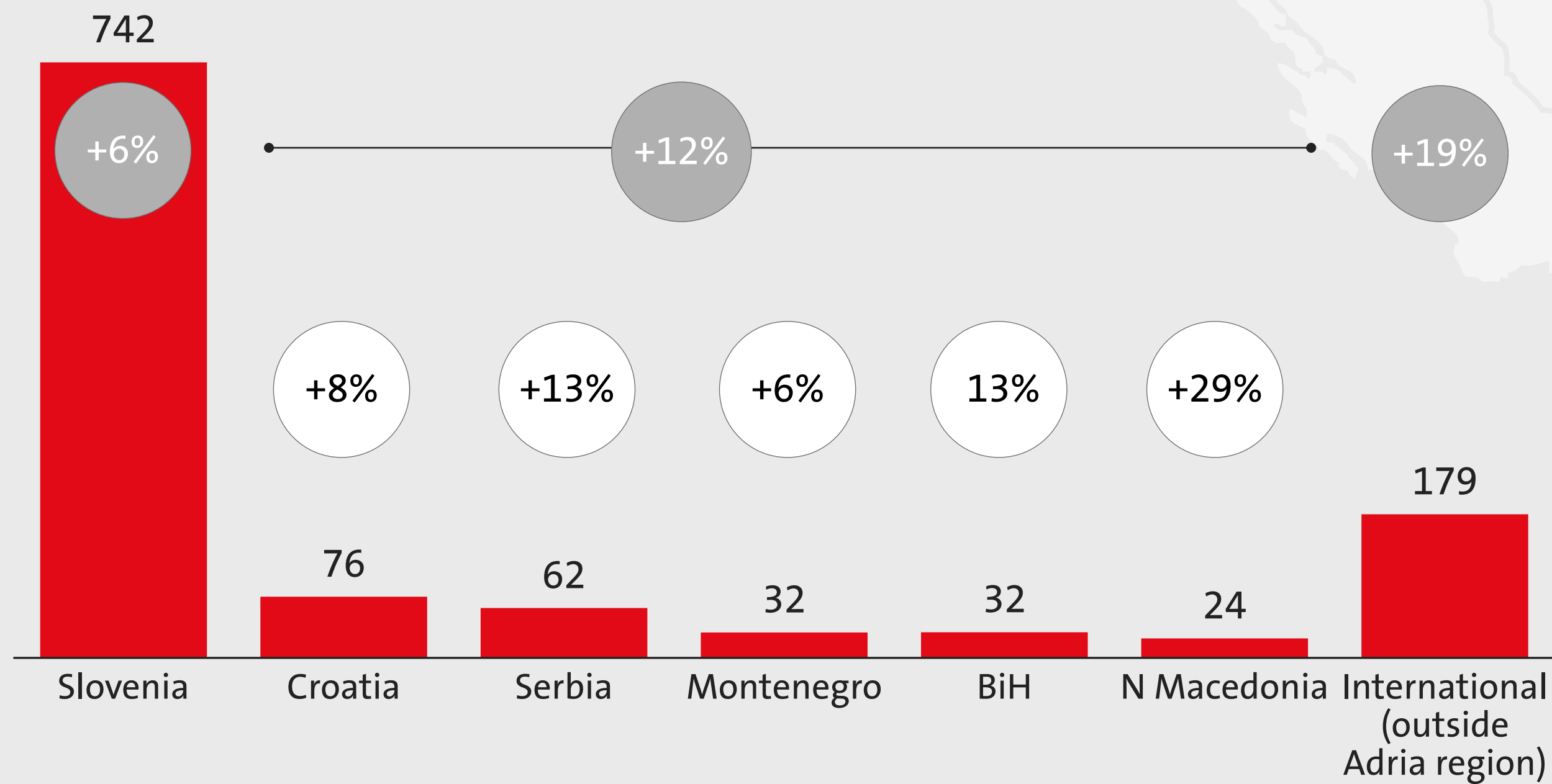
GWP growth by insurance segments

GWP by insurance segments (in €; as at 9M 2022, growth y-o-y)			
 Non – life	796.4	(+10%)	
 Life & Pensions	198.5	(+7%)	
 Health	152.8	(+3%)	
GWP TOTAL	1,147.7	(+9%)	



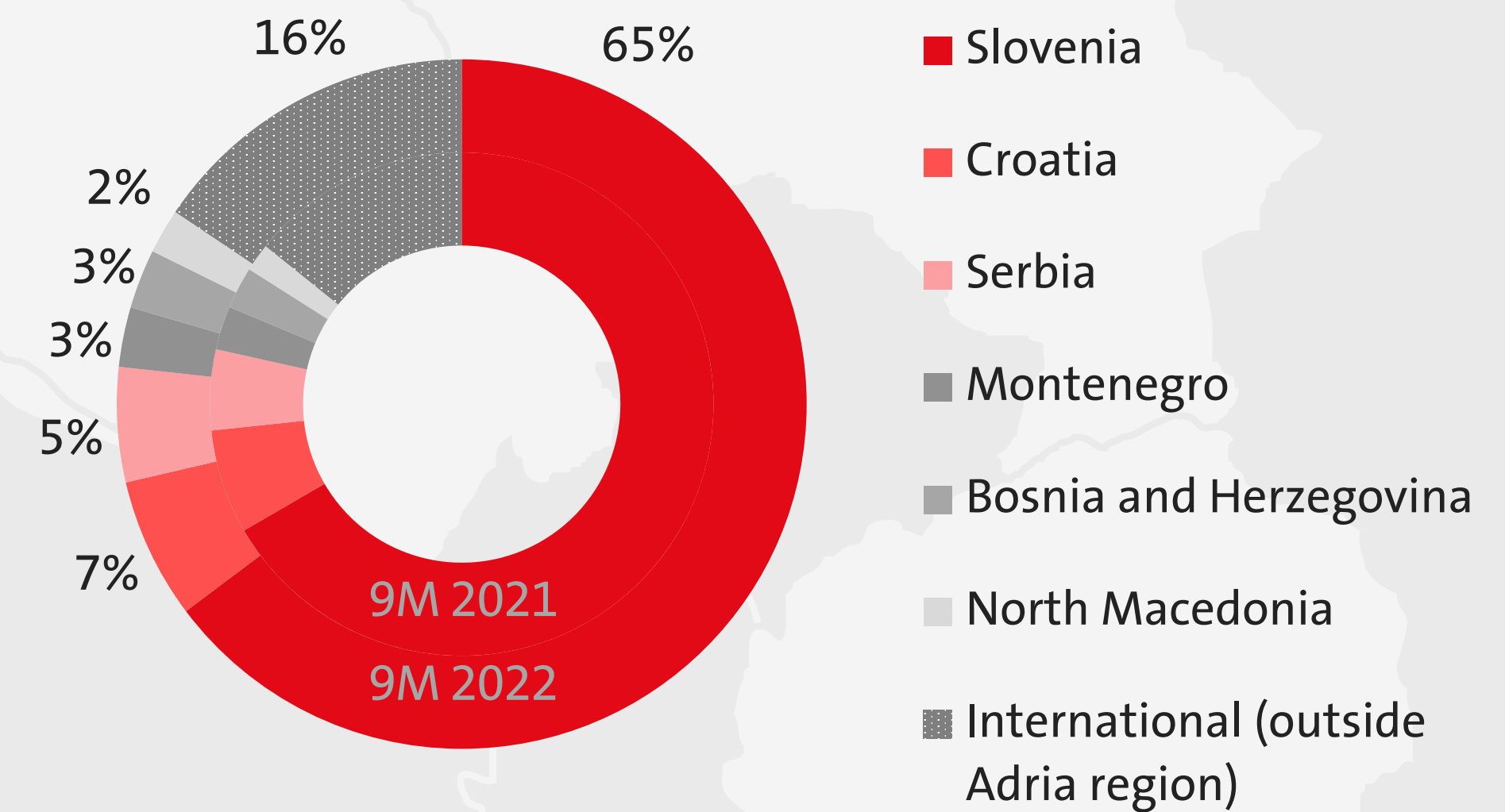
GWP Growth In All Markets

9M 2022 GWP by markets (GWP in €M; GWP growth y-o-y in %)



Structure of GWP by markets

Consistently increasing share of GWP in Adria region outside Slovenia, in 9M 2022 +0.6 pp y-o-y to 19.7%





Well Balanced GWP Structure

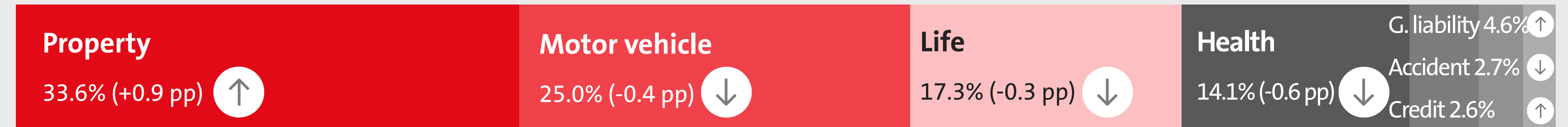
Data for 9M 2022, change y-o-y

Well balanced structure of GWP

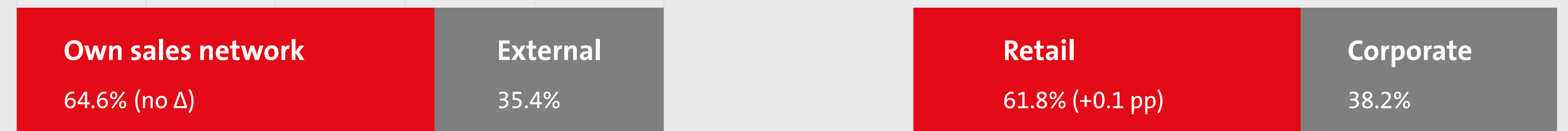


Constant upgrading product /service mix

Consolidated data



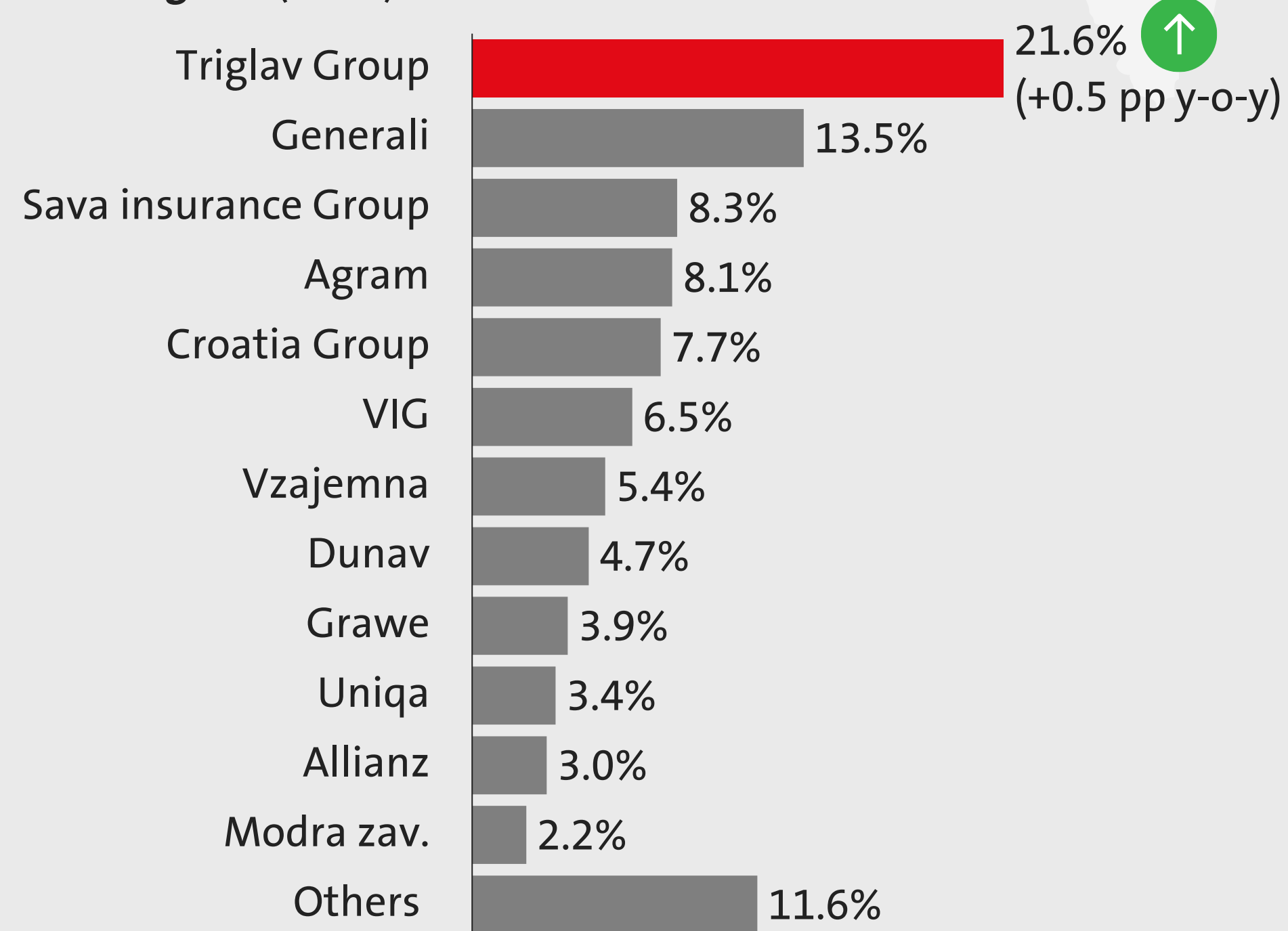
Omni-channel sales approach



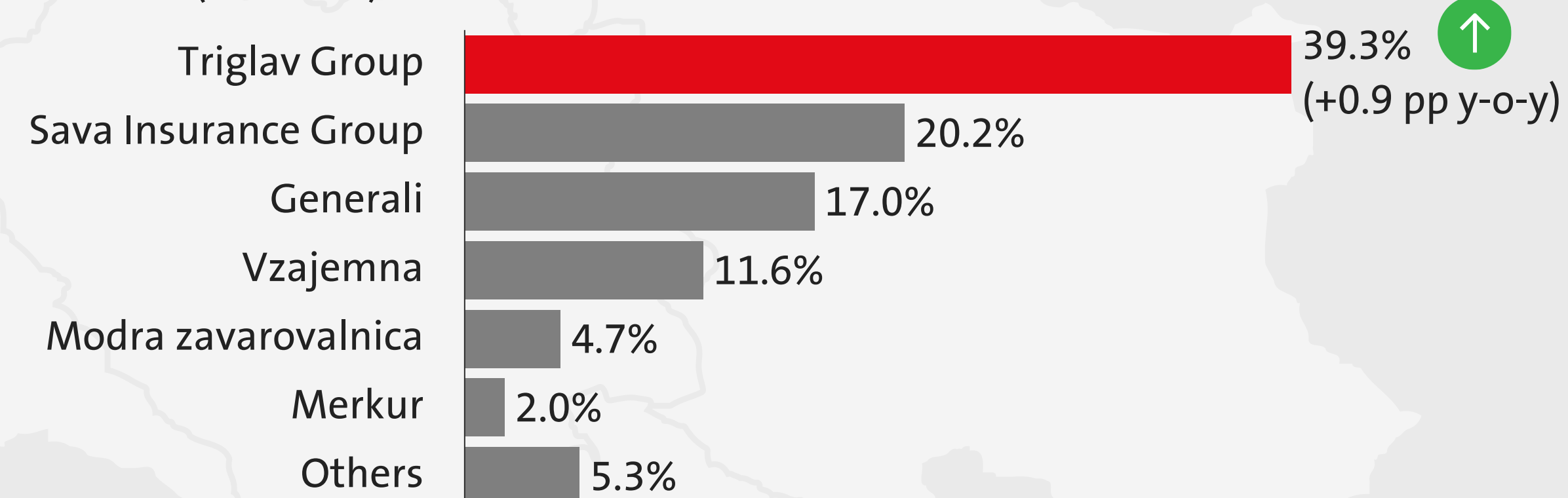


Leading Insurance /Financial Group in Adria Region

Adria Region* (2021)



Slovenia (9M 2022)



Triglav's market share by insurance segments:

46.7% in Non-life (+0.4 pp y-o-y)
 32.3% in Life & Pensions (+1.7 pp y-o-y)
 30.4% in Health (+0.1 pp y-o-y)

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



Position by Adria Region Markets (as at 9M 2022)



SLOVENIA

39.3%  (+0.9 pp y-o-y)

Market share
1st rank



CROATIA

5.9%  (unchanged)

Market share
7th rank



SERBIA (H1 2021)

7.5%  (+0.1 pp y-o-y)

Market share
5th rank



MONTENEGRO

38.4%  (-1.8 pp y-o-y)

Market share
1st rank



BOSNIA & HERZEGOVINA

9.3%  (+0.4 pp y-o-y)

Market share
3rd rank



NORTH MACEDONIA

15.6%  (+2.4 pp y-o-y)

Market share
2nd rank



Claims Experience Under Influence of Higher Frequency & Inflation

Gross Claims Paid Development from 9M 2021 to 9M 2022 (in €M)



9M 2022 Gross Claims Paid

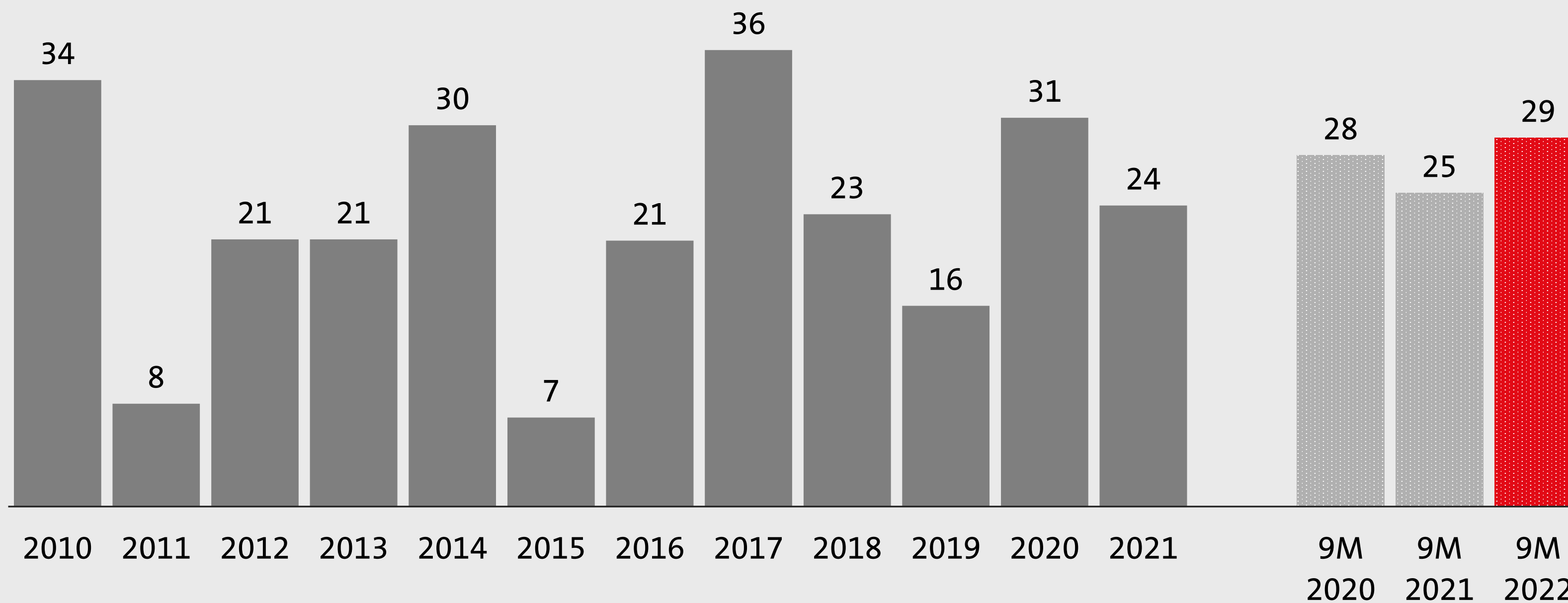
Insurance Segment	Gross claims paid (in €; growth y-o-y)
Non – life	333.4 (+23%) ↑
Life & Pensions	138.5 (+1%) ↑
Health	132.1 (+15%) ↑
GWP TOTAL	604.0 (+16%) ↑

Claims experience influenced by GWP growth, end of last year's pandemic-related restrictions, higher prices of materials and services and major CAT loss events.



Major CAT Loss Events

CAT losses in last 12 years (estimated values; in €M; Triglav Re's non-group CAT losses included)



Major CAT events in 9M 2022 (estimated values):

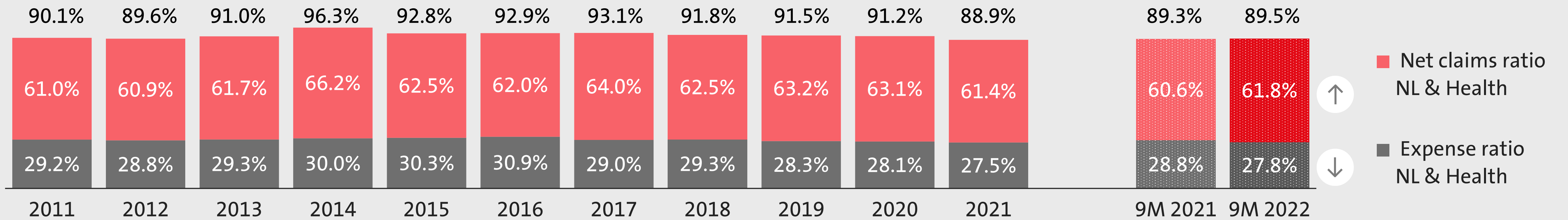
- In Slovenia hailstorms in May and June and storm in August (€21.1M). Hailstorms in North Macedonia (€0.4M) and Montenegro (€0.3M).
- Group's reinsurance claims (€7.6M) due to storms in Great Britain, the Benelux countries and Germany, floods in Australia and South Africa, hailstorms in France, drought in Croatia.

Most frequent Triglav's CAT loss events are flood, storm, hail and frost.

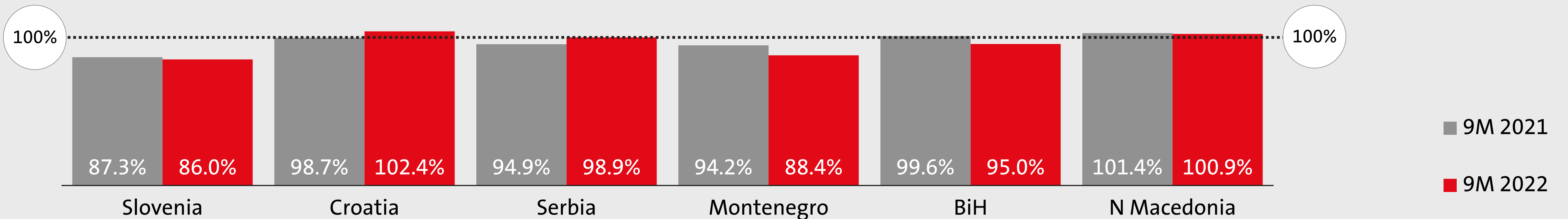


Continued Underwriting Discipline

Triglav Group Combined Ratio Non-life & Health



Triglav Group Combined Ratio NL & Health by Markets

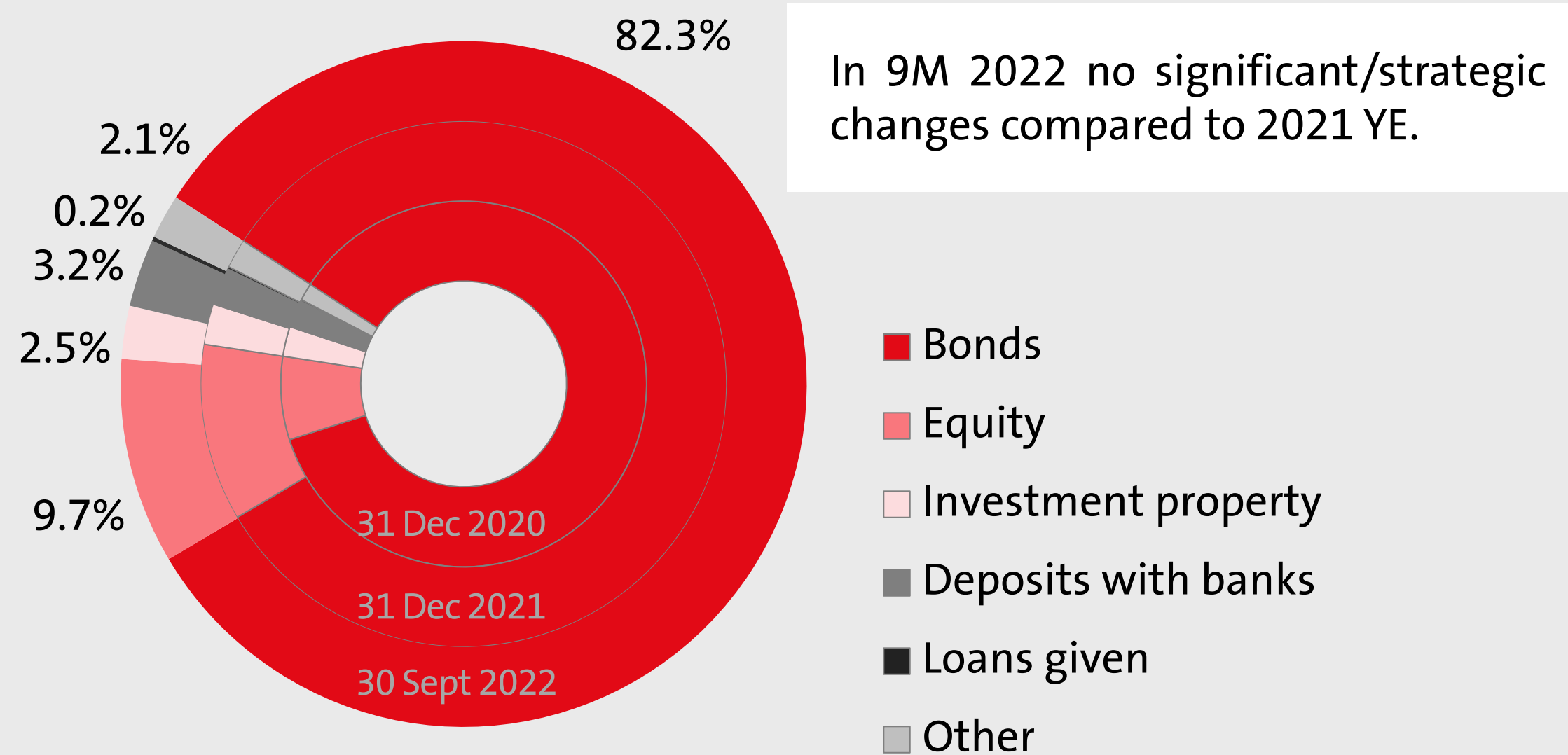




High-Quality Investment Portfolio

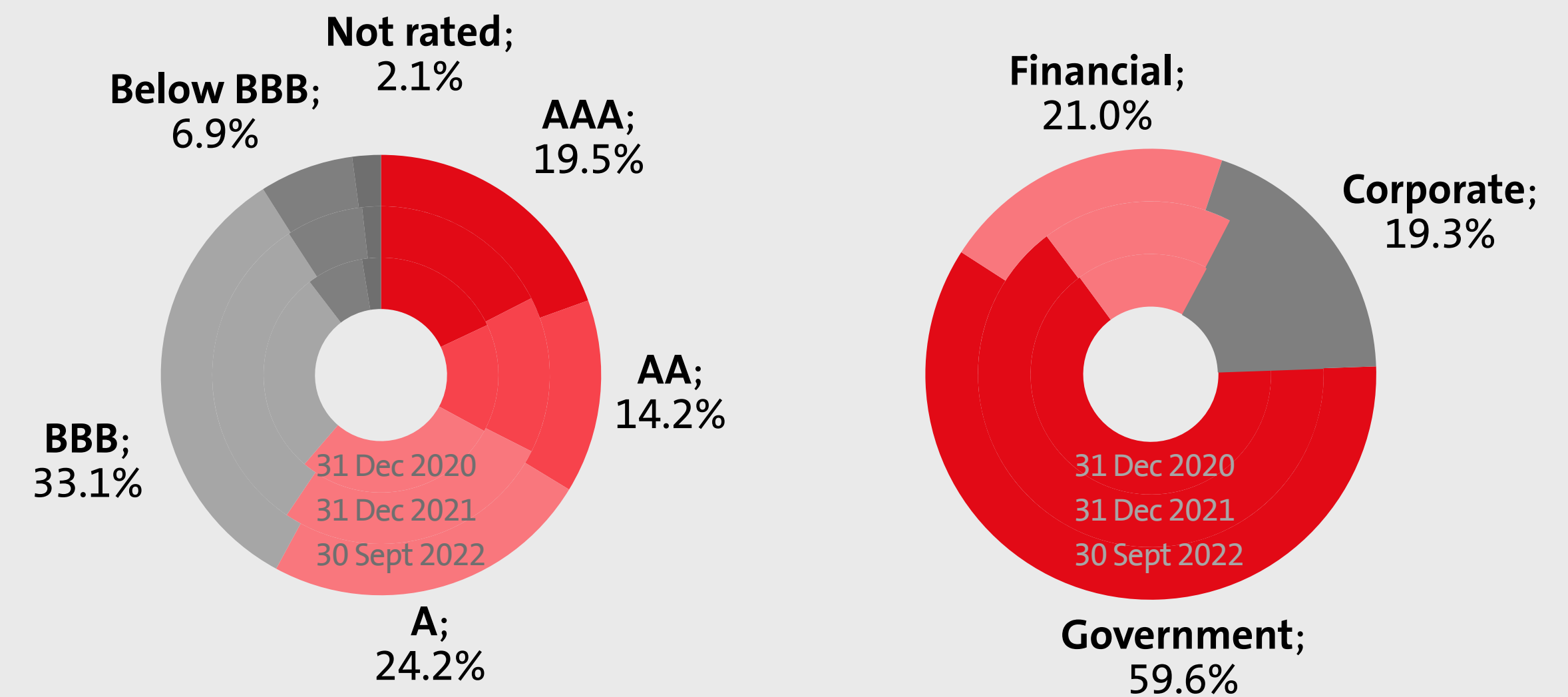
Asset Allocation¹

Total as at 30 Sept 2022: € 2,710M (-11% compare with 2021 YE)



Debt Instruments¹ by Rating and by Type of Issuer

Total as at 30 Sept 2022: € 2,229M (-11% compare with 2021 YE)

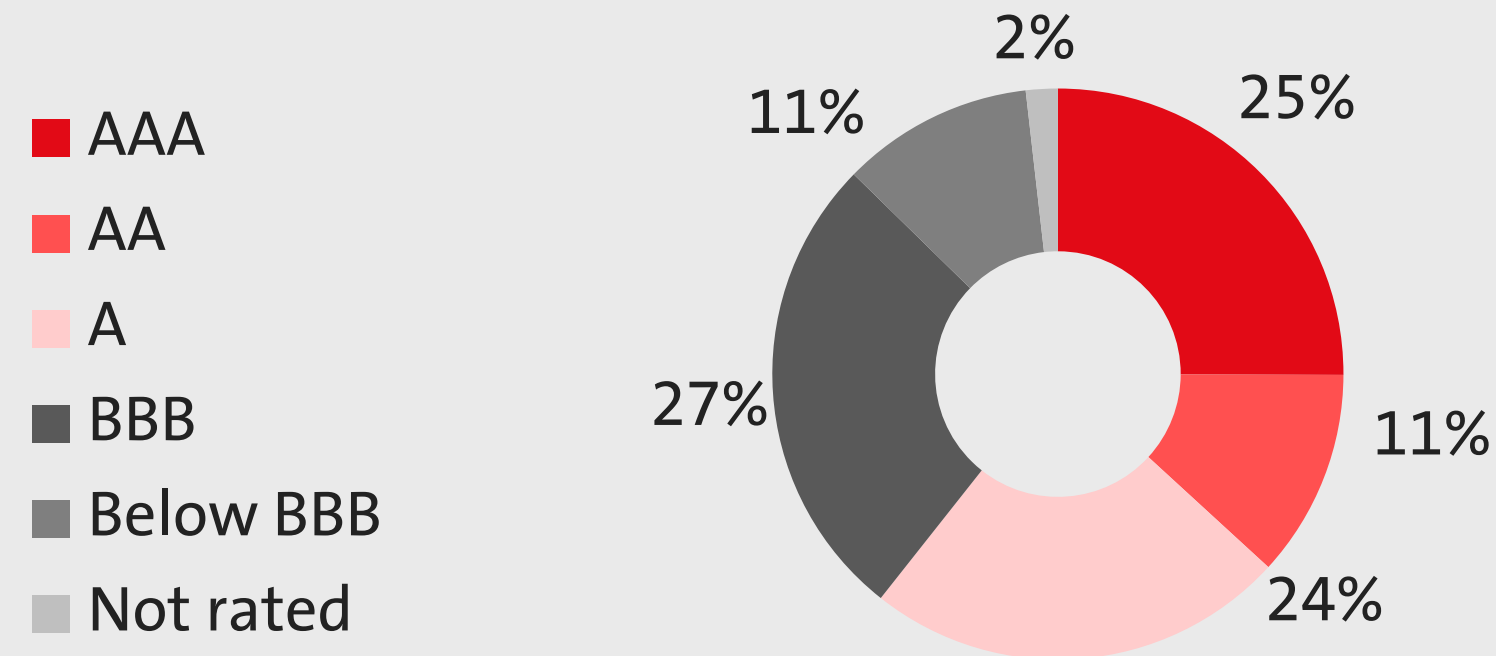


¹ Unit-linked insurance contract investments excluded

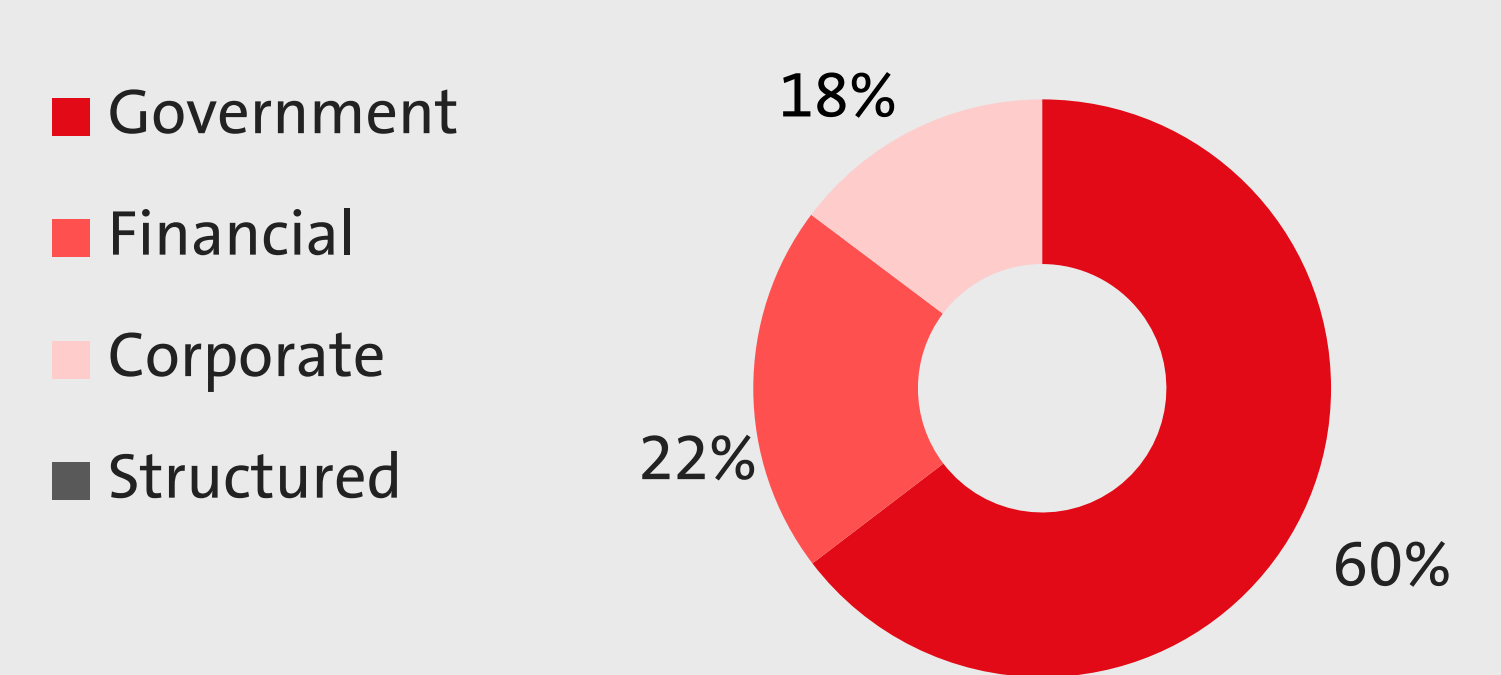


Non-life and Health Investment Portfolios (as at 9M 2022)

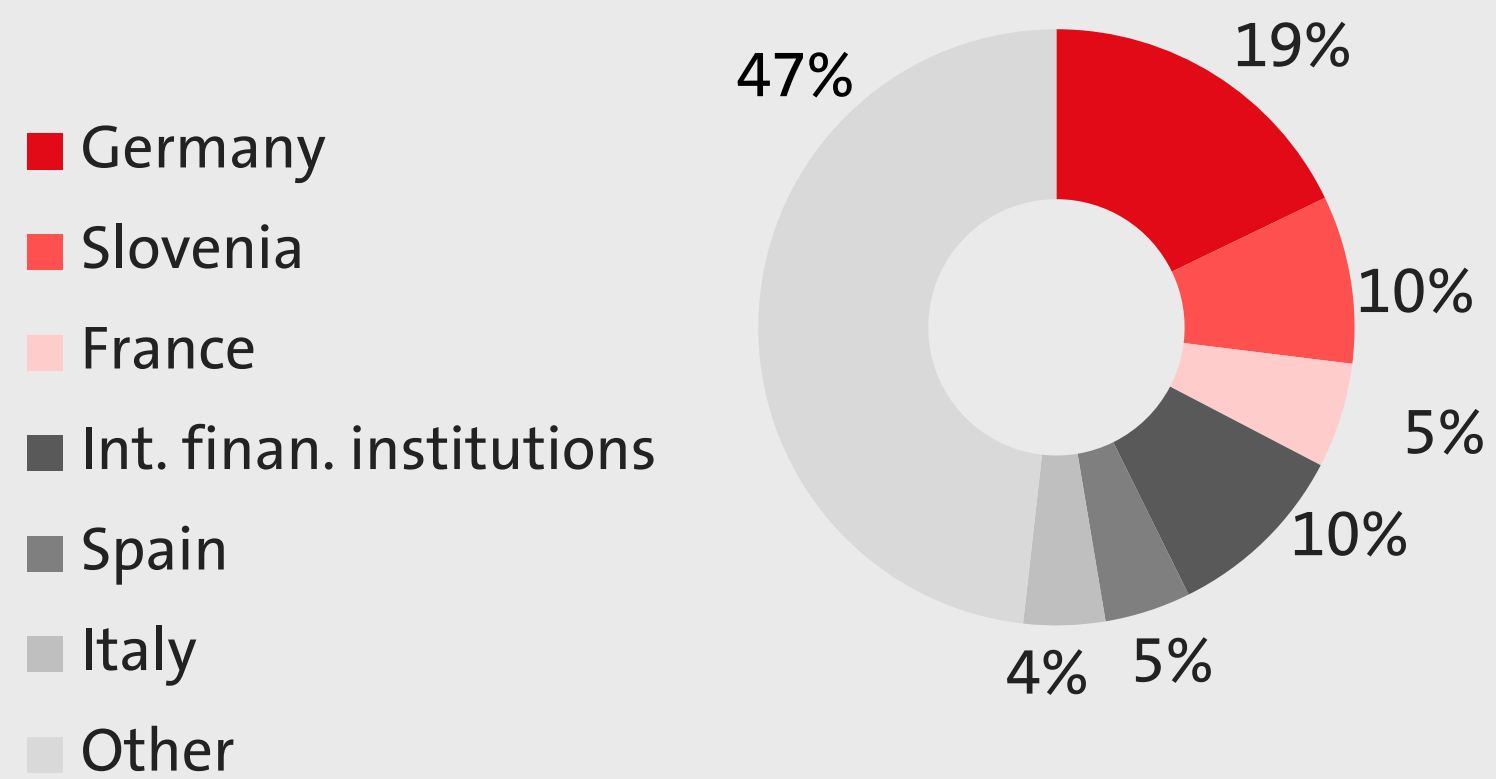
Bonds by Rating



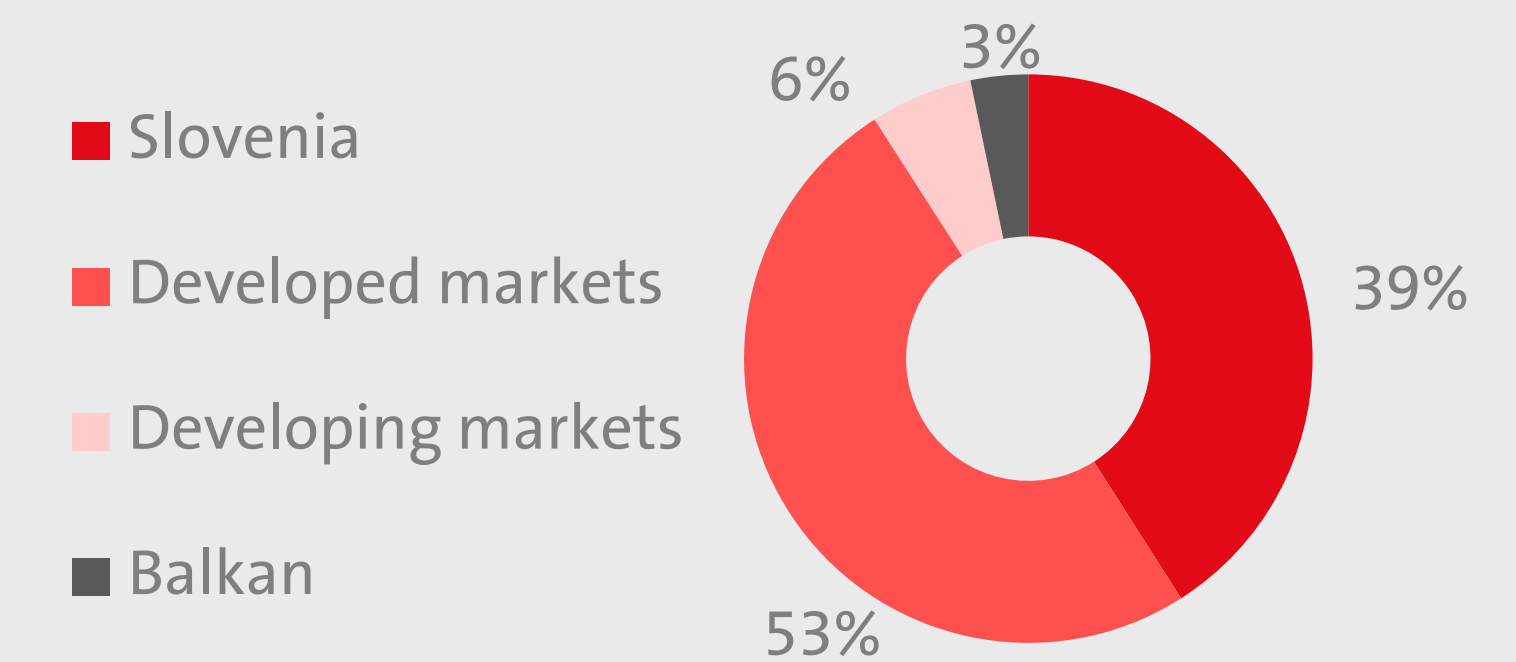
Bonds by Type of Issuer



Top Bond Exposures by Country



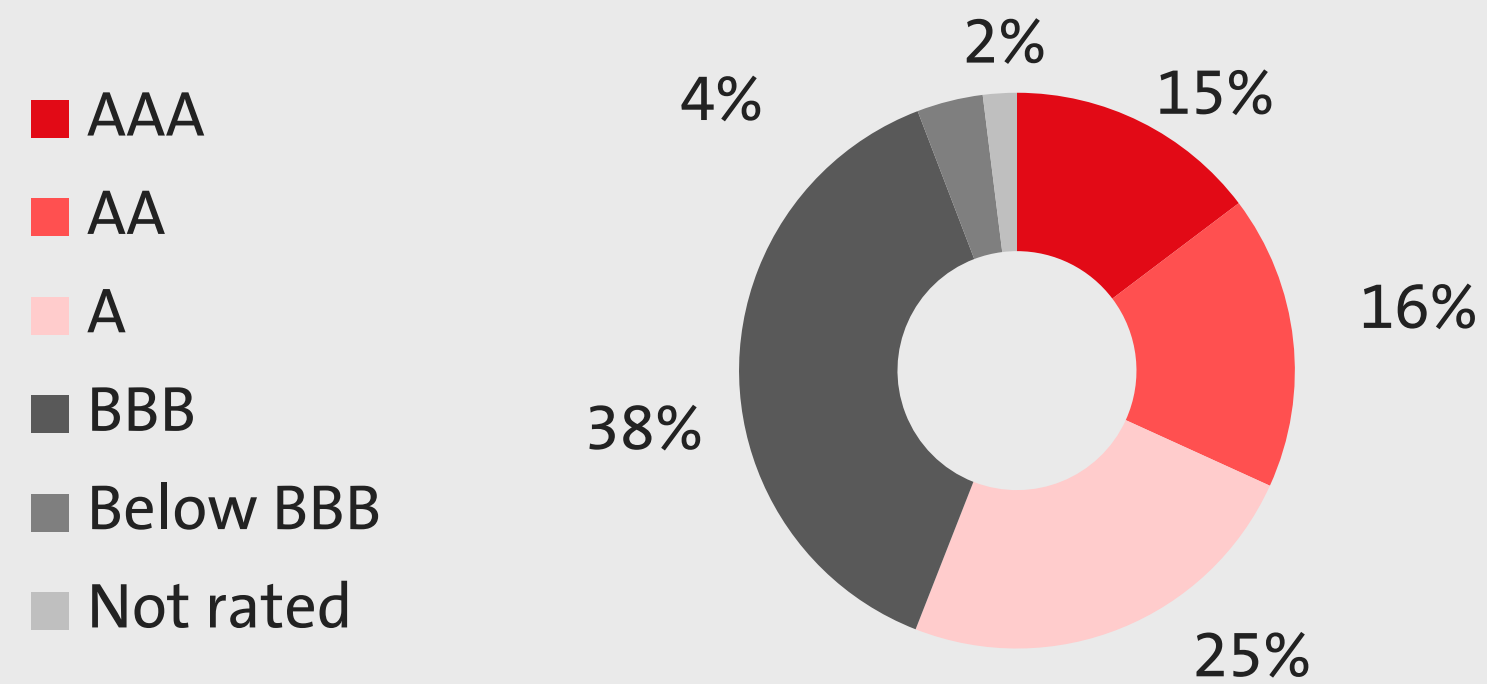
Equity Exposures by Region



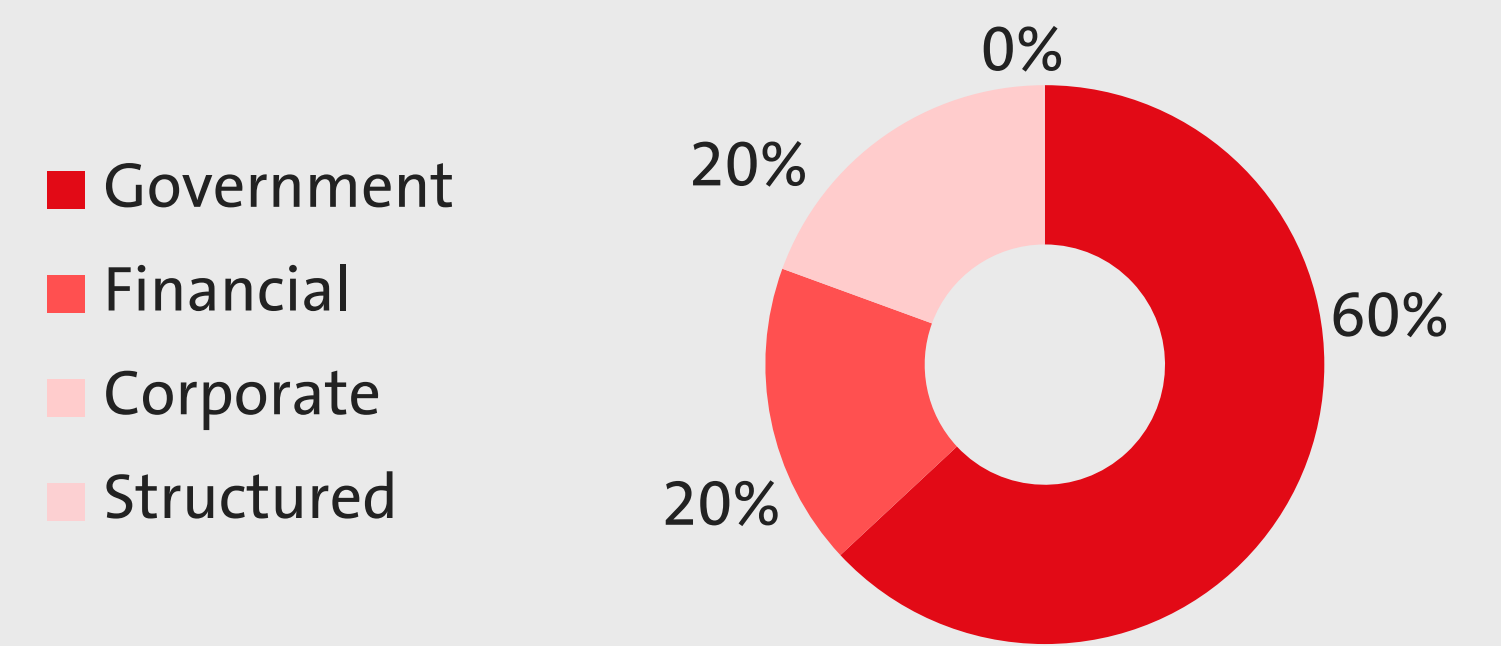


Life and Pensions Investment Portfolios (as at 9M 2022; Unit-Linked Investments Excluded)

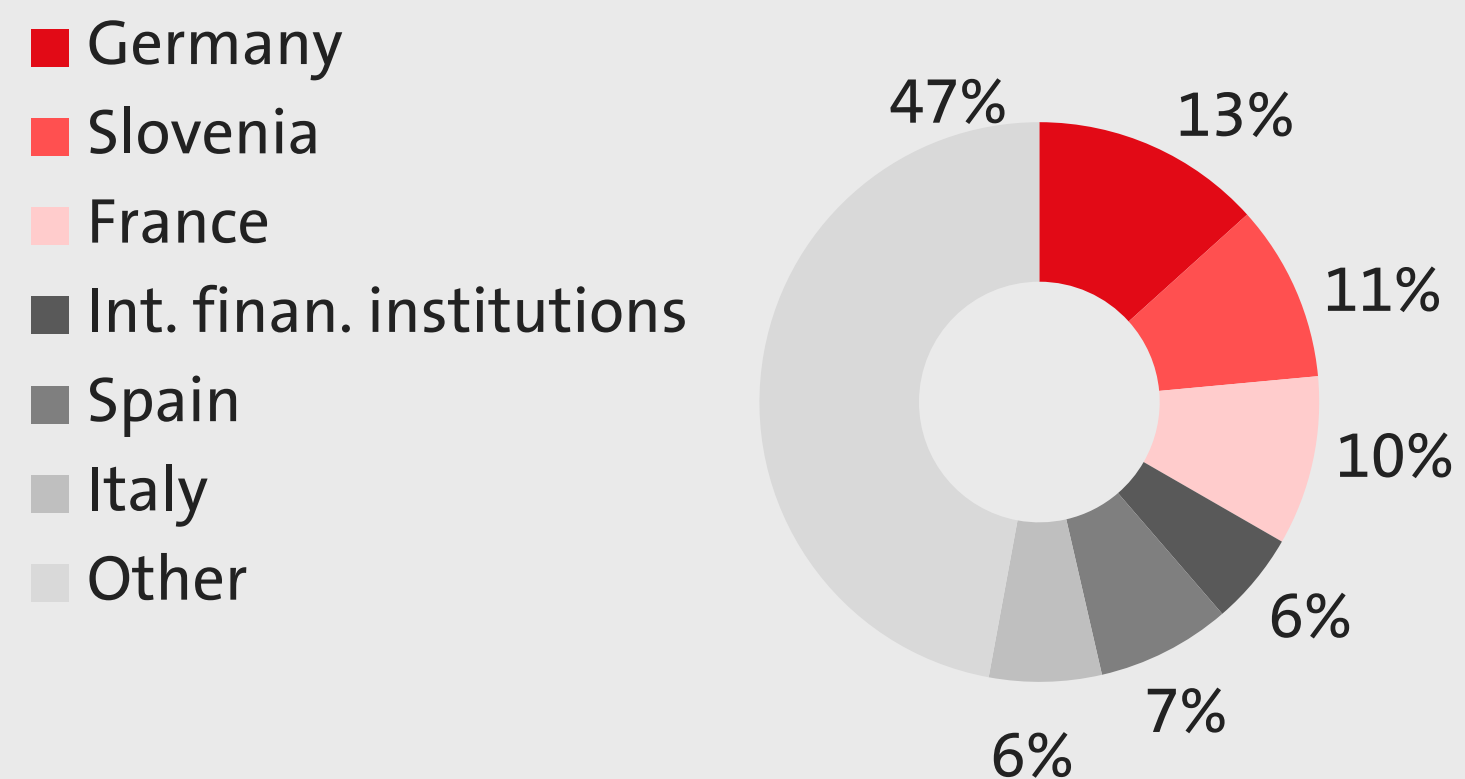
Bonds by Rating



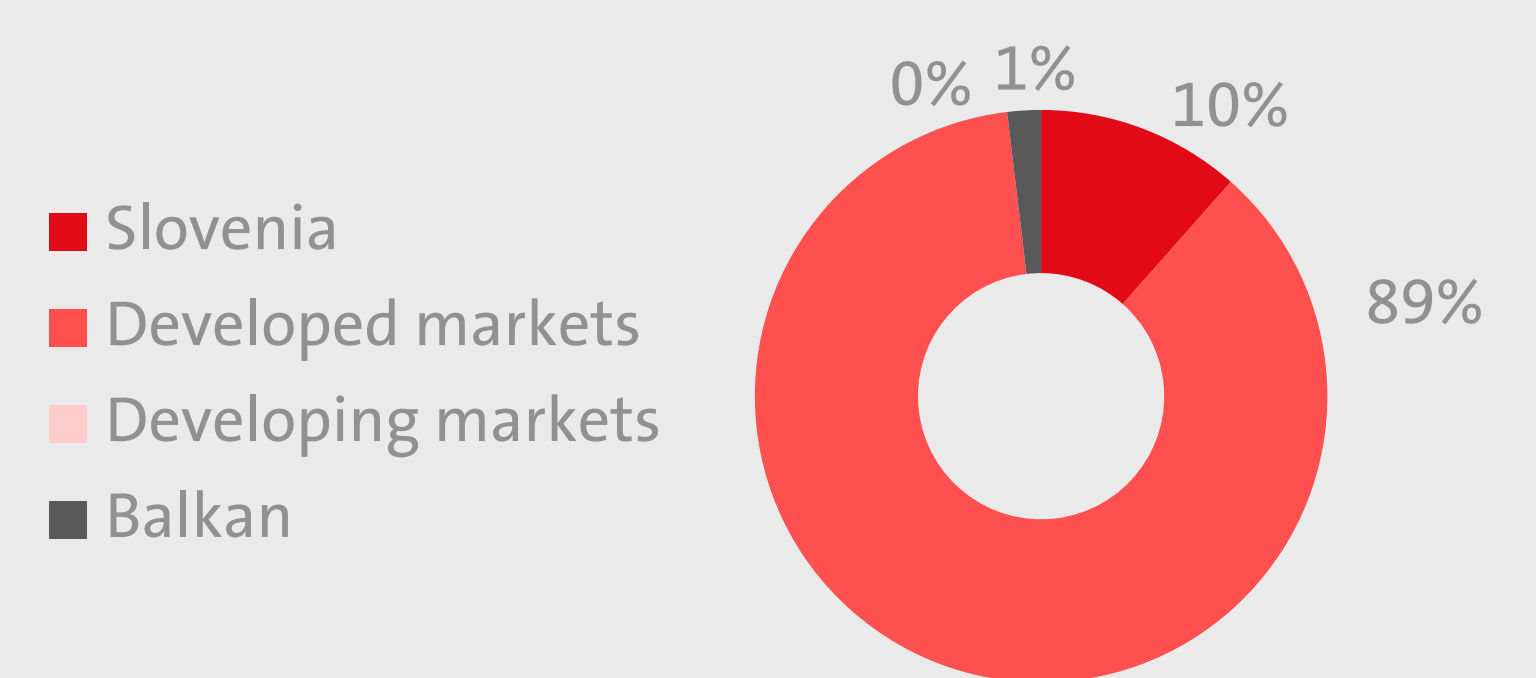
Bonds by Type of Issuer



Top Bond Exposures by Country



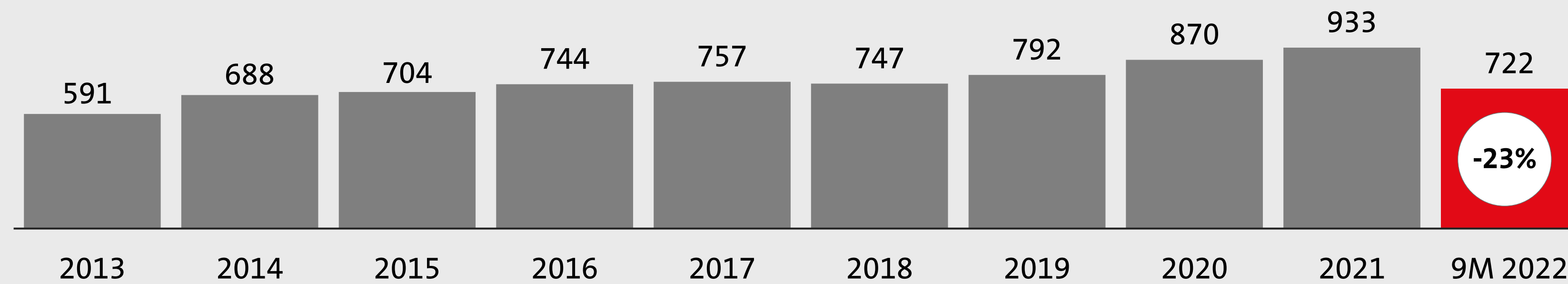
Equity Exposures by Region





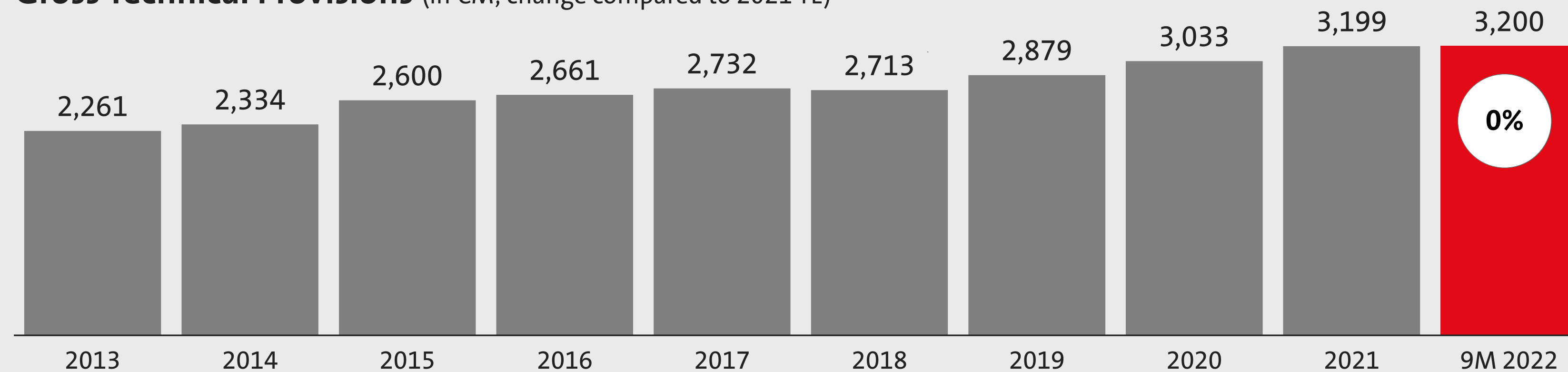
Resilience And Financial Strength

Equity (in €M, change compared to 2021 YE)



Total equity decrease relative to 2021 YE primarily due to lower fair value reserve and high dividend payment.

Gross Technical Provisions (in €M; change compared to 2021 YE)



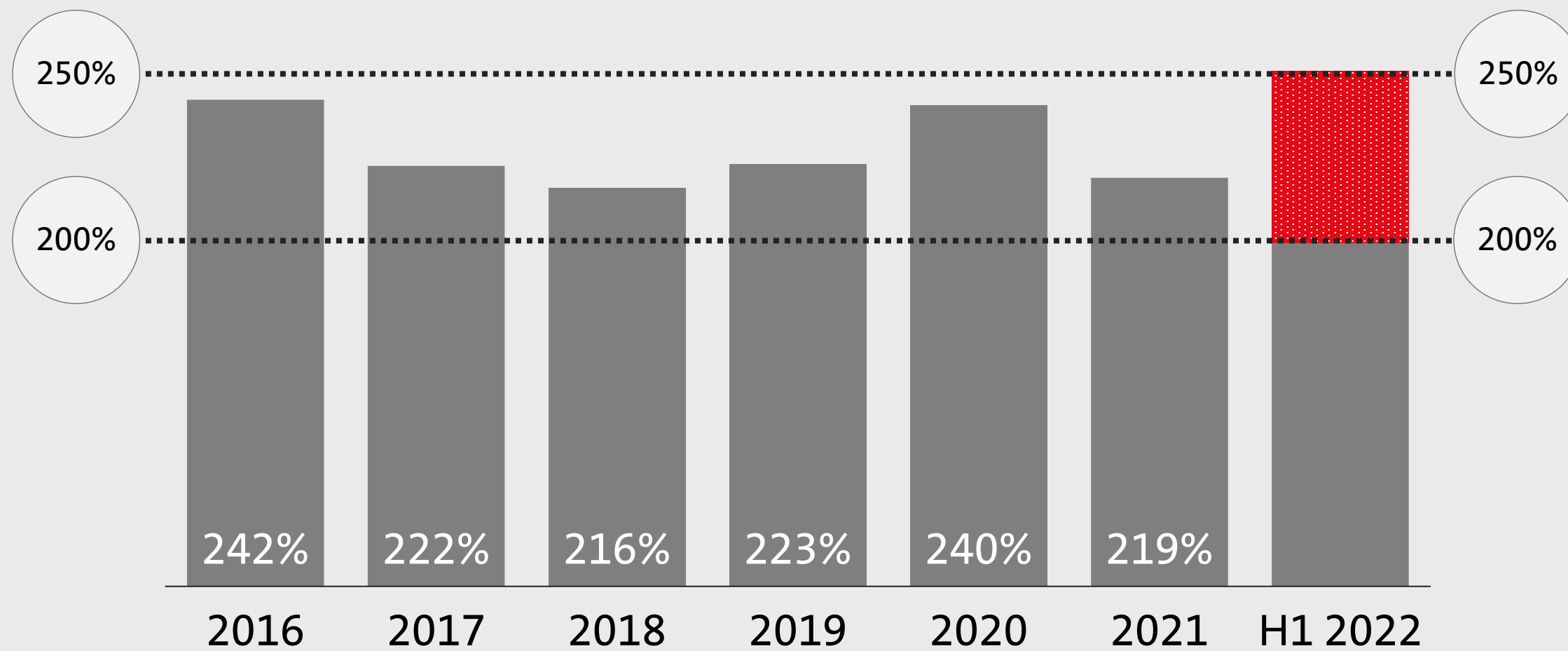
Prudent reserving. Last year's practice positively influenced underwriting activities in 9M 2022. In Life & Pensions release of part of shortfall reserves for guarantees due to rising interest rates in 9M 2022.



Disciplined Capital and Risk Management, Strong Capital Position

Solvency Ratio

9M 2022: Capital position within target level of 200–250%



Majority of capital is Tier 1 eligible. Capital management centralised at Group level (capital concentration at parent company).

Risk exposure (2021)

In 9M 2022 risk profile does not deviate significantly compared to 2021 YE.





9M 2022 Performance at a Glance

	In € million				
	9M 2022	9M 2021	9M 2020	Index 9M 2022/9M 2021	Index 9M 2022/9M 2020
Total revenue	1,241.1	1,129.5	1,030.7	110	120
Gross written premium	1,147.7	1,056.2	960.9	109	119
Net premium income	879.6	827.5	791.1	106	111
Gross claims paid	604.0	521.6	505.0	116	120
Net claims incurred	561.9	528.1	510.6	106	110
Gross operating costs	269.1	245.4	222.3	110	121
Profit before tax	89.2	92.1	62.4	97	143
Net profit	72.1	75.2	50.8	96	142
Expense ratio NL & Health	27.8%	28.8%	27.1%		
Net claims ratio NL & Health	61.8%	60.6%	64.3%		
Combined ratio NL & Health	89.5%	89.3%	91.4%		
	9M 2022	2021 YE	Index 9M 2022/2021 YE		
Gross insurance technical provisions	3,199.9	3,198.7	100		
Total equity	721.5	933.0	77		
Number of employees	5,290	5,264	100		



Structure of Profit Before Tax of Triglav Group

Consolidated PBT from (in € M):	Non-life 	Life & Pen. 	Health 	TOTAL	9M 2022 y-o-y
Underwriting activities (1)	64.2	14.0	2.2	80.4	+7%
Investment activities net of investment guarantees (2)	3.6	-6.4	-0.9	-3.7	In 9M 2021 €10.6M
INSURANCE (1+2) 9M 2022 y-o-y	67.8 +3%	7.6 -24%	1.3 -86%	76.8	-10%
NON-INSURANCE (3)				12.5	+91%
TOTAL PBT (1+2+3)				89.2	-3%



Robust underwriting profitability. GWP growth.



Influence of realised & unrealised investment losses through P&L, impairment of investments mostly compensated by „automatic“ investment and LAT releases.



Realized gains in Group's real-estate portfolios and results of AM.



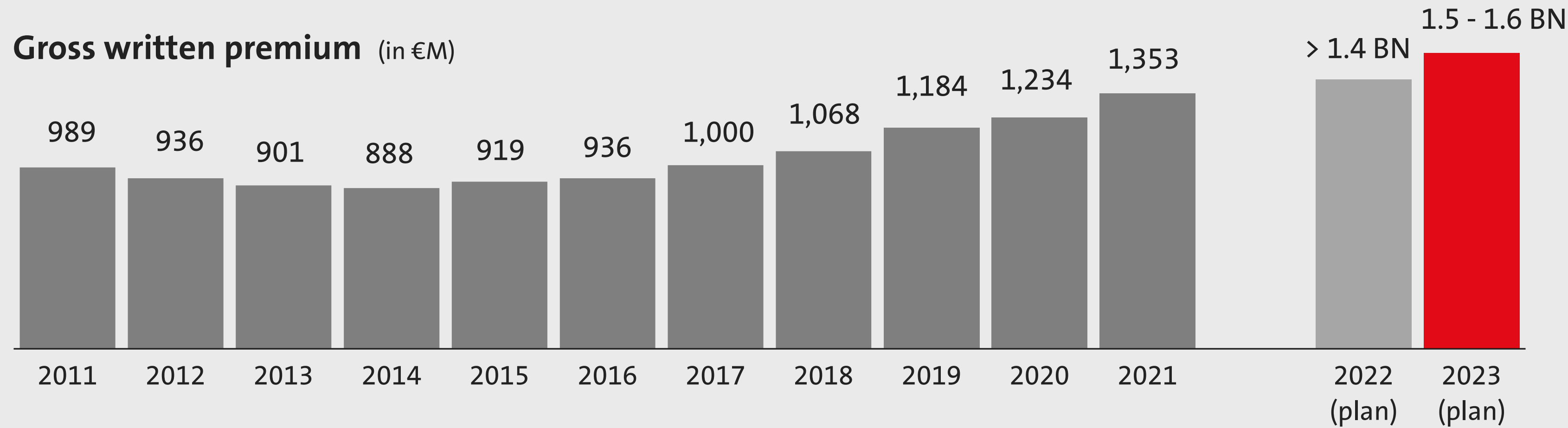
2023 Outlook

PBT, GWP, CoR

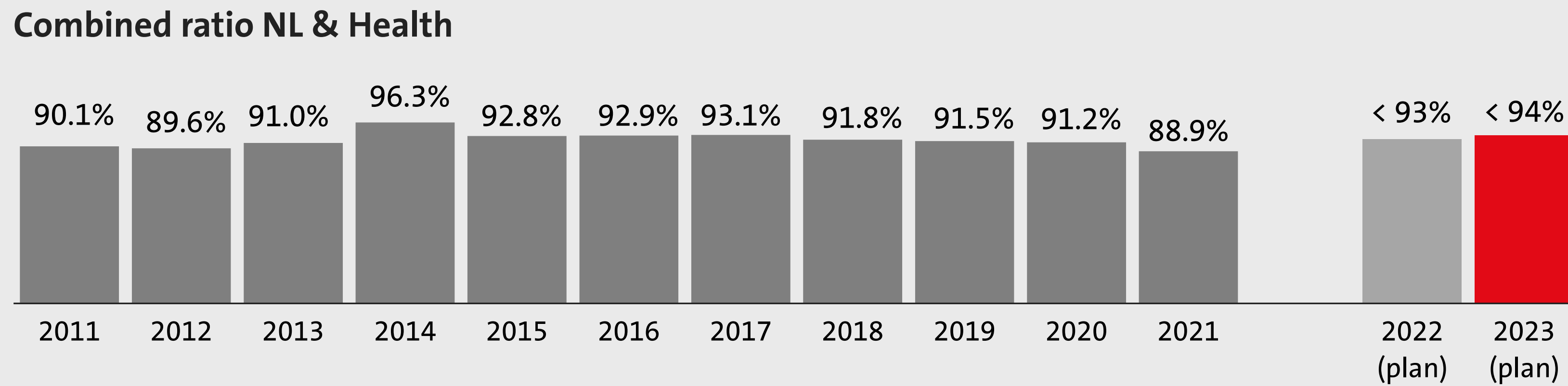




Premium Growth, Favourable CoR ¹



Continued focus on growth, development activities and improved client-centric approach.



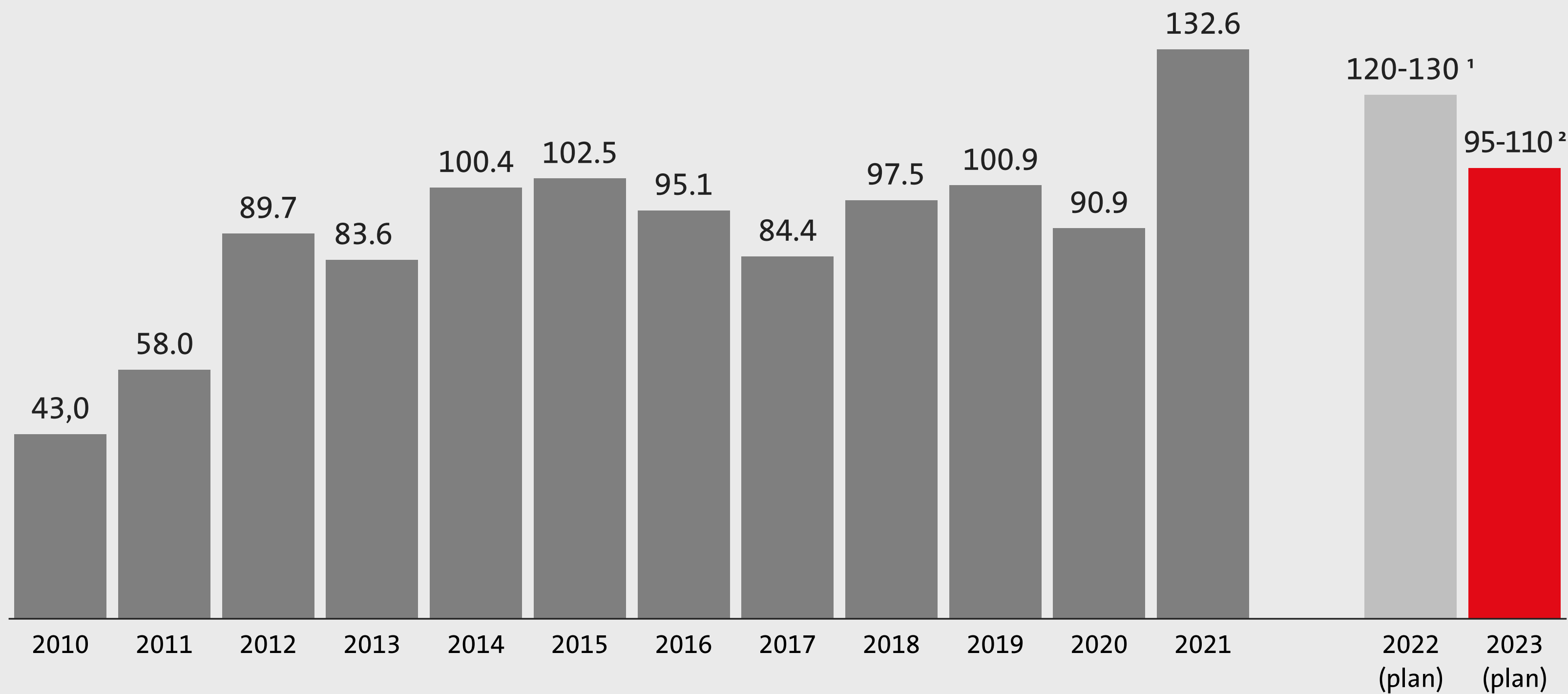
¹ Planned figures for 2023 have been prepared in accordance with current applicable IFRS. Transition effects of IFRS 9/17 not included.

Planned figures for 2023 are based on outlook, expectations about events and circumstances, and forecasts available to the Company at time of drafting plan. Actual results, performance and events may significantly deviate from those taken into account in plan.



Profitable and Safe Operations

Profit before tax (in €M)



¹ **2022:** As at 9M 2022 profit guidance confirmed, however risks related to realisation of target profit have increased significantly due to negative influences from business environment.

² **2023:** in challenging situation Triglav's planned operations will remain profitable and safe.

Planned figures for 2023 have been prepared in accordance with current applicable IFRS.

Planned figures for 2023 are based on outlook, expectations about events and circumstances, and forecasts available to Company at time of drafting plan. Actual results, performance and events may significantly deviate from those taken into account in plan.



Appendix

Performance by Insurance Markets



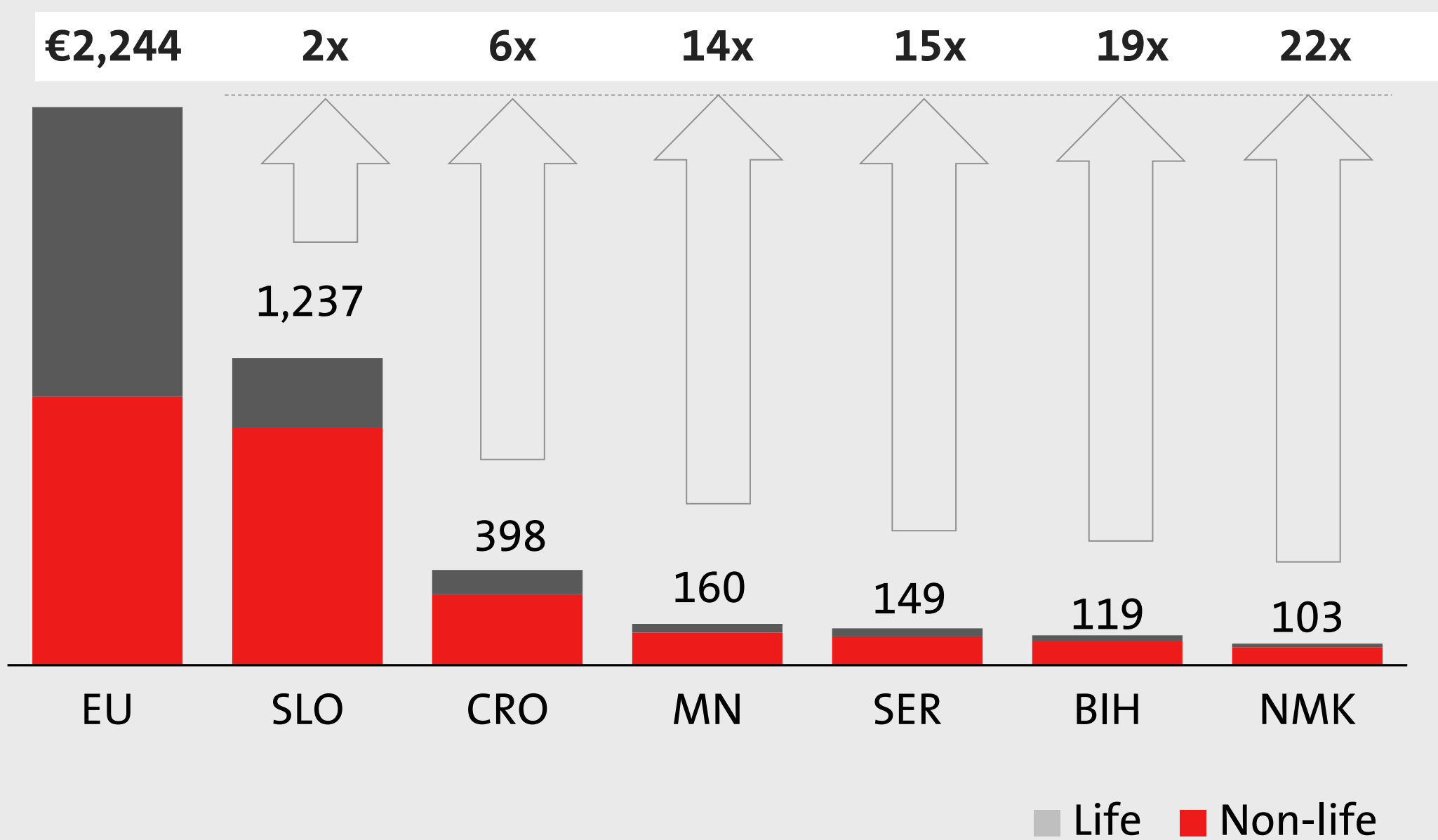


GDP Growth and Low Insurance Density Key Growth Drivers

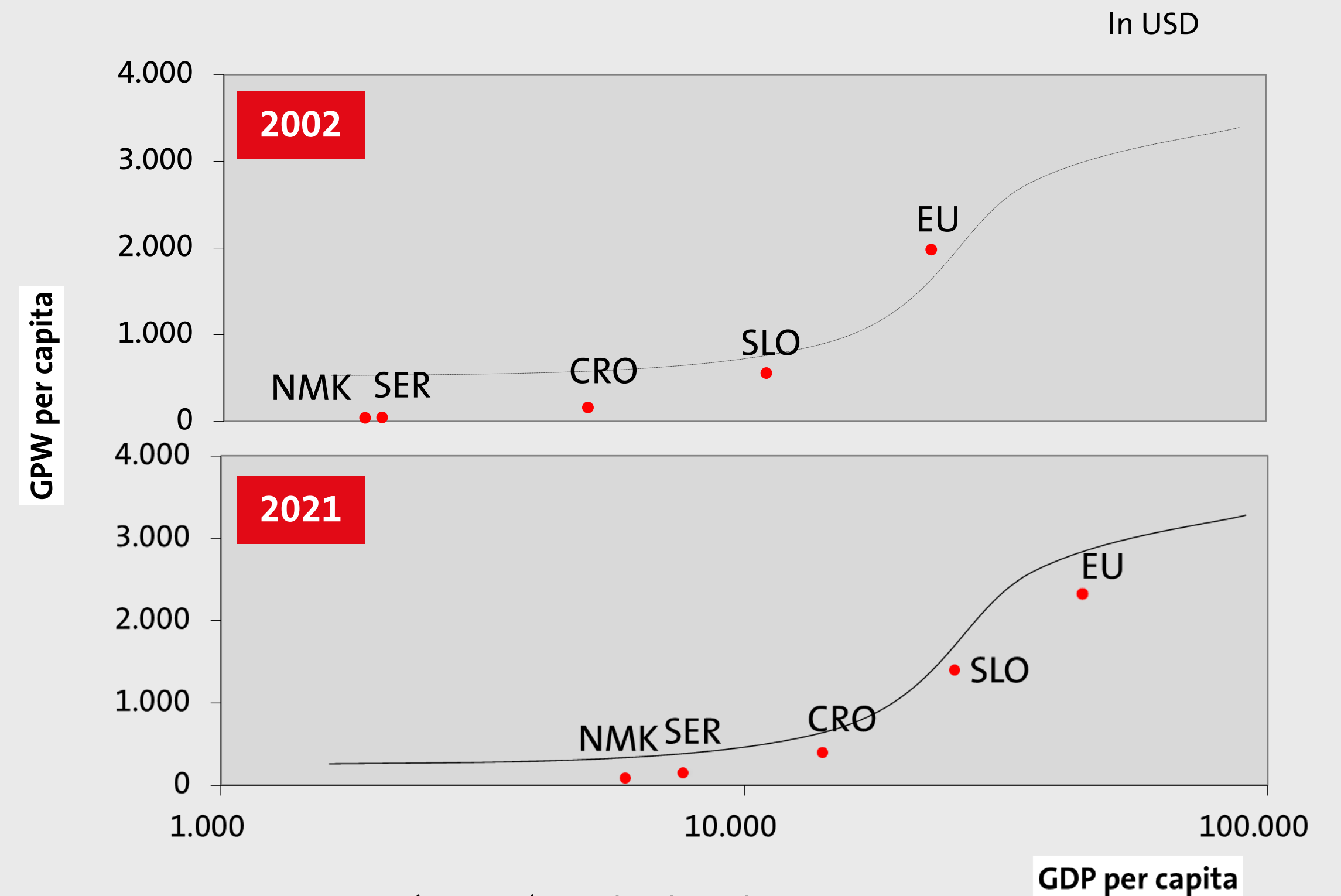
Insurance penetration by Triglav's markets in 2021 (Premium share in GDP)

EU	SLO	CRO	MN	SER	BiH	NMK
7.4%	5.0%	2.7%	2.0%	1.9%	2.2%	1.6%

Insurance density by Triglav's markets in 2021 (GWP per capita, in €)



Correlation between GWP and GDP





NON-LIFE & HEALTH
LIFE & PENSIONS

GWP
(Non-consolidated)
€ 856.4M
↑ +7%

Gross operating costs
€ 174.0M
↑ +8%

Gross claims paid
€ 474.9M
↑ +14%

Combined ratio NL
86.0%
↓ -1.3 pp

Market Share
39.3%
↑ +0.9 pp

Market Position
1
●

GWP growth above market (i.e. 2.5 pp). Rising price competition on selected insurance lines, upward pressure on the acquisition costs.



Croatia

NON-LIFE & HEALTH
LIFE

GWP

€ 76.3M

↑ +8%

Gross operating costs

€ 23.4M

↑ +9%

Gross claims paid

€ 43.1M

↑ +25%

Combined ratio NL

102.4%

↑ +3.7 pp

Market Share

5.9%

● 0.0 pp

Market Position

7

●

GWP growth in line with market growth. Stable market position. Performance indicators influenced by lose of one big client.



Serbia

NON-LIFE & HEALTH
LIFE

GWP

€ 62.1M

↑ +13%

Gross operating costs

€ 22.0M

↑ +6%

Gross claims paid

€ 21.5M

↑ +7%

Combined ratio NL

98.9%

↑ +4.0 pp

Market Share (H1 2022)

7.5%

↑ +0.1 pp

Market Position (H1 2022)

5



Strong GWP growth in Non-life. Normalization of MTPL sales & distribution.



Montenegro

NON-LIFE & HEALTH
LIFE

GWP

€ 31.8M

↑ +6%

Gross operating costs

€ 8.8M

↑ +4%

Gross claims paid

€ 15.1M

↑ +9%

Combined ratio NL

88.4%

↓ -5.8 pp

Market Share

38.4%

↓ -1.8 pp

Market Position

1



Leading market position. GWP growth, in Life as result of successful bancassurance operations.



Bosnia and Herzegovina

NON-LIFE & HEALTH
LIFE & PENSIONS

GWP

€ 32.2M

↑ +13%

Gross operating costs

€ 12.0M

↑ +13%

Gross claims paid

€ 12.1M

↑ +25%

Combined ratio NL

95.0%

↓ -4.6 pp

Market Share

9.3%

↑ +0.4 pp

Market Position

3



Strong GWP growth and improved market share.



North Macedonia

NON-LIFE & HEALTH
LIFE & PENSIONS

GWP

€ 24.3M

↑ +29%

Gross operating costs

€ 7.8M

↑ +24%

Gross claims paid

€ 7.5M

↑ +8%

Combined ratio NL

100.9%

↓ -0.5 pp

Market Share

15.6%

↑ +2.4 pp

Market Position

2

↑ 3rd

Improved market share and market position.
Strong growth in Life.



About Triglav Group



Triglav Story





Triglav Group

Triglav Group

53 companies, parent company founded in 1900
 Market leader in Adria region¹ and Slovenia, internationally present through reinsurance & FOS
 > 5.200 employees
 Balance Sheet (9M 2022): € 4.2Bn
 Rating A/Stable outlook
 Auditor Deloitte



Core business

INSURANCE

GWP (2021): € 1,353M

- Non-life
- Life
- Pensions
- Health
- Reinsurance

ASSET MANAGEMENT (9M 2022):

Insurance portfolios & own funds:
 AUM € 2,710M

Investment funds & discretionary
 mandate assets:
 AUM € 1,362

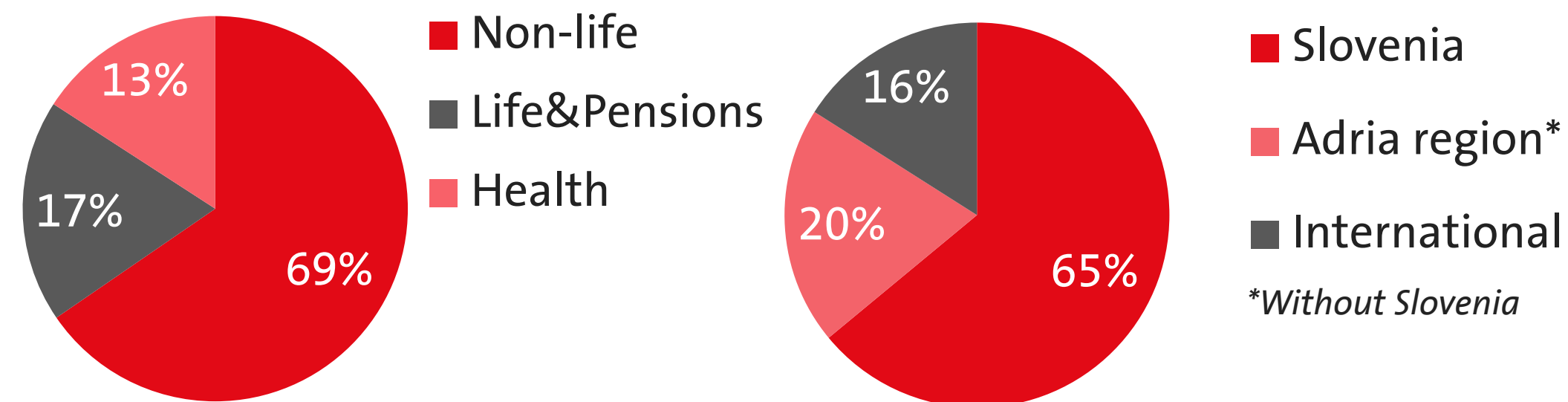
Shareholders

ZPIZ (35%) and SDH (28%)
 predominant shareholders
 37% free float
 16% international share
 ≈ 8,200 shareholders



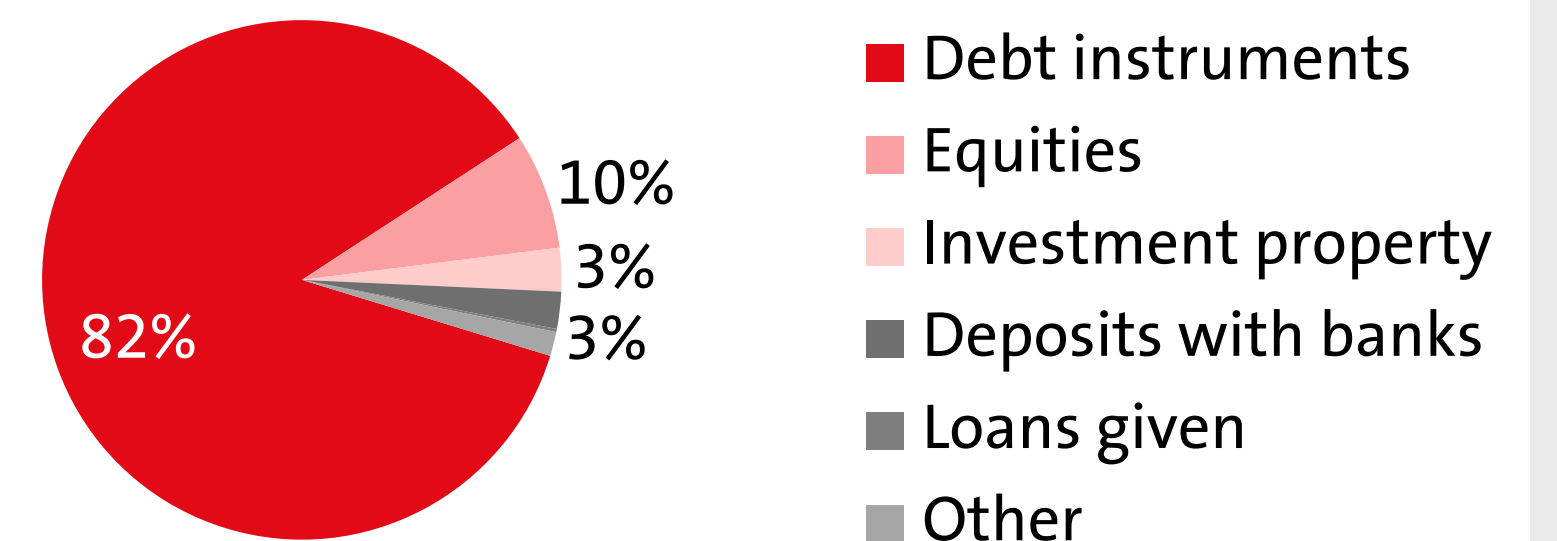
¹ Slovenia, Croatia, Serbia, Bosnia and Herzegovina, Montenegro, North Macedonia

GWP Diversification (9M 2022)



High quality investment portfolio (9M 2022; Unit-linked ins. contracts excluded)

91% with investment grade credit rating of at least "BBB", mostly invested in the euro area.



Strategy Upgraded to 2025



Some development activities in 2022:

- Activities aimed at achieving **synergy effects at Group level** and **strengthening competitive position of each Group member**.
- Focus on **high responsiveness, reliability and transparency in all communication channels with clients**. High client satisfaction score (NPS = 76).
- **Further digital onboarding of clients** and **incorporation of digital identity into Triglav komplet - client loyalty bonus system**.
- **Redesign of existing insurance products and development of new ones** (*non-life, life and health insurance policies focused on digitalisation, flexibility and accessibility*).
- In Health **upgraded client assistance model** and **new online portal** www.triglavzdravje.si. In AM (mutual funds) **conversion-focused website** www.triglavskladi.si.



Building Triglav's Ecosystem Platform as One of Development Activities

Triglav Zdravje (Health)

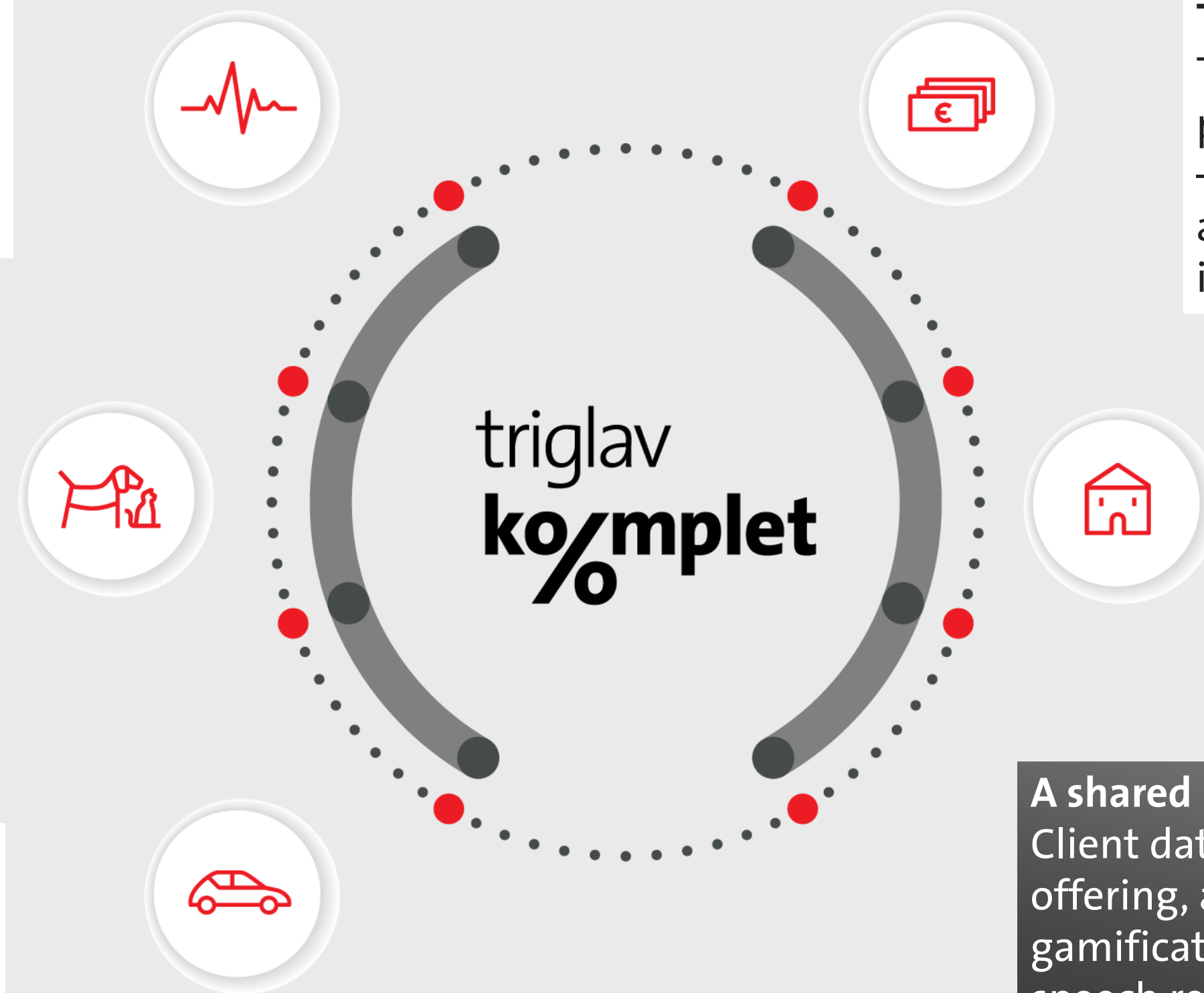
Connecting partners in providing comprehensive healthcare services, which ensure an outstanding client experience in different stages of life.

Triglav Male živali (Pets)

For the wellbeing of pets, assistance in their acute health problems and insurance of the owner's personal liability caused by their pet

Triglav Mobilnost (Mobility)

The provision of various forms of safe and sustainability-oriented mobility



Triglav Financial security

The central point for planning and creating a person's financial security in all their stages of life – from saving to pension, access to (financial, tax) advisers or the use of various payment instruments

Triglav Dom (Home)

The ecosystem of assistance services in eliminating damages, access to the services of verified providers and to solutions and systems for assistance and remote monitoring and security of your home

A shared platform

Client data management, provision of security, personalised offering, a loyalty programme, assessment of providers, gamification, joint digital technologies (e.g. Image and speech recognitions, AI/ML, bots, geolocation services, AR)



Strategic Focus on Profitable and Safe Operations

Independent insurance and financial group with dominant market position in Adria region

Insurance markets in Adria region, internationally through reinsurance:

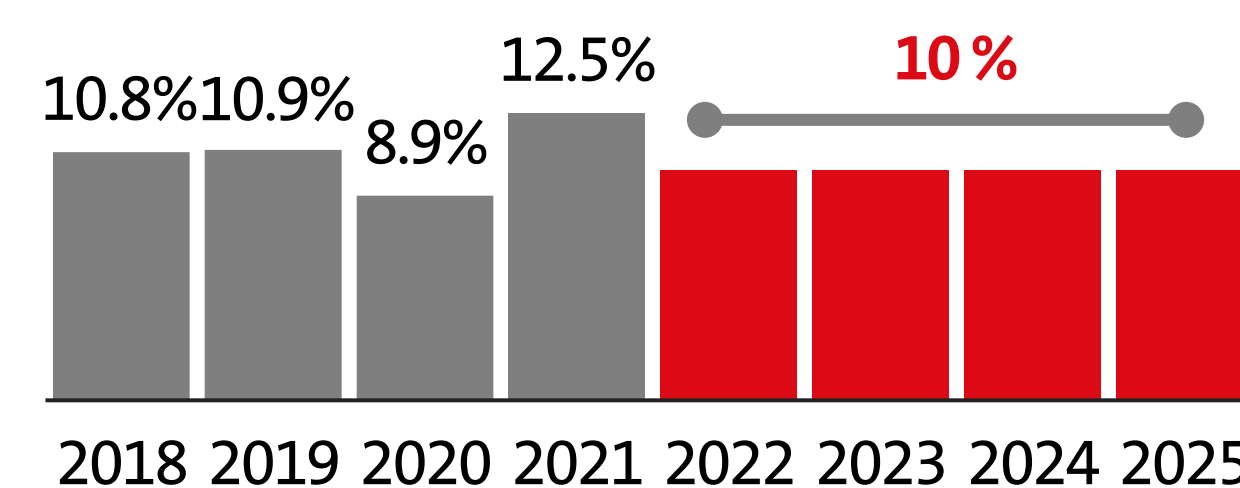
As at 9M 2022	Market share	Market position
Slovenia	39.3%	1 st
Croatia	5.9%	7 th
Serbia (H1 2022)	7.5%	5 th
Montenegro	38.4%	1 st
Bosnia and Herz.	9.3%	3 rd
North Macedonia	15.6%	2 nd
Adria Region (2021)	21.6%	1st

High profit and profitable growth

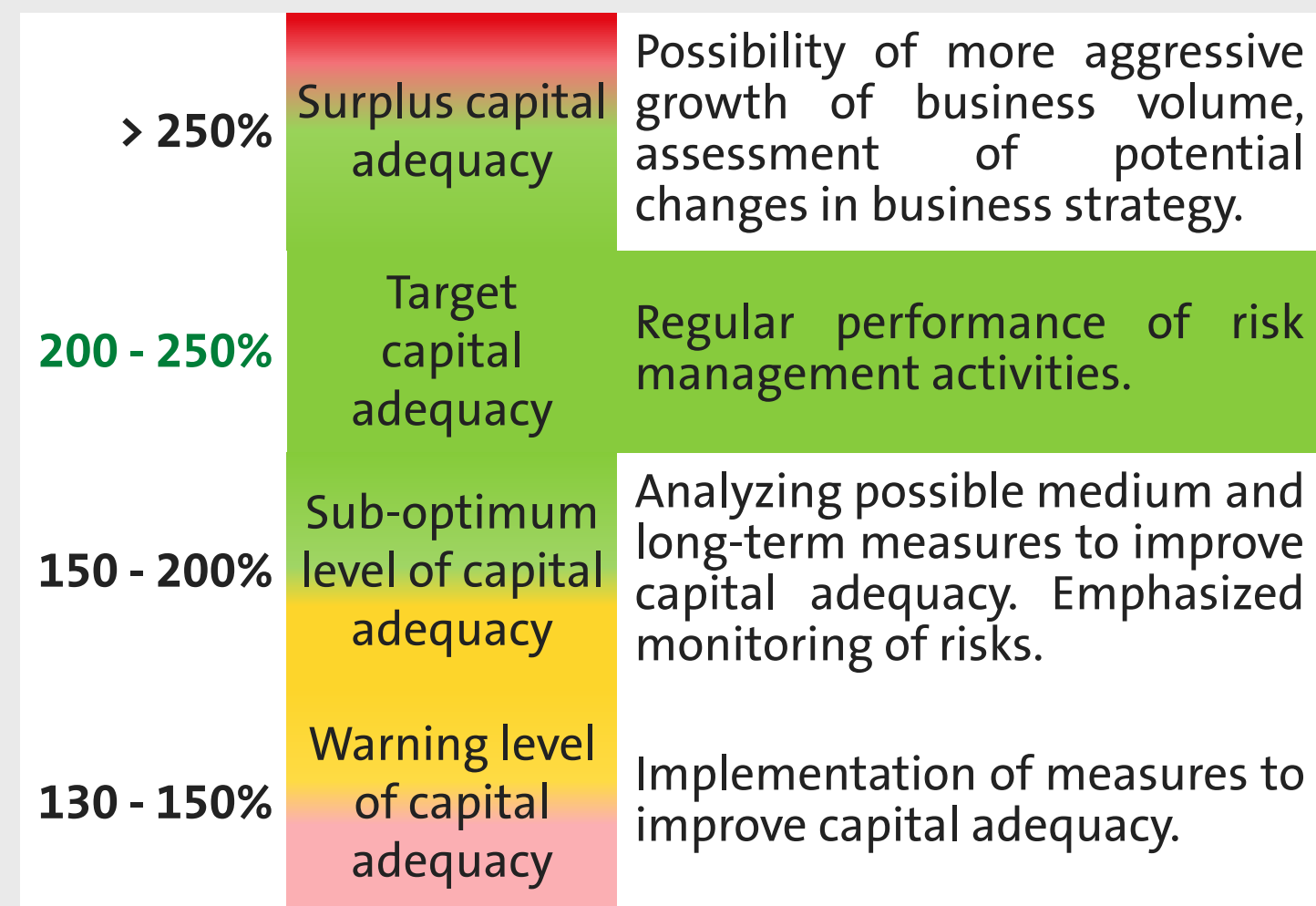
Total revenues



ROE



Disciplined capital management



Rating A/Stable
(2016 – 2022)

S&P Global
Ratings





Attractive & Sustainable Dividend Policy

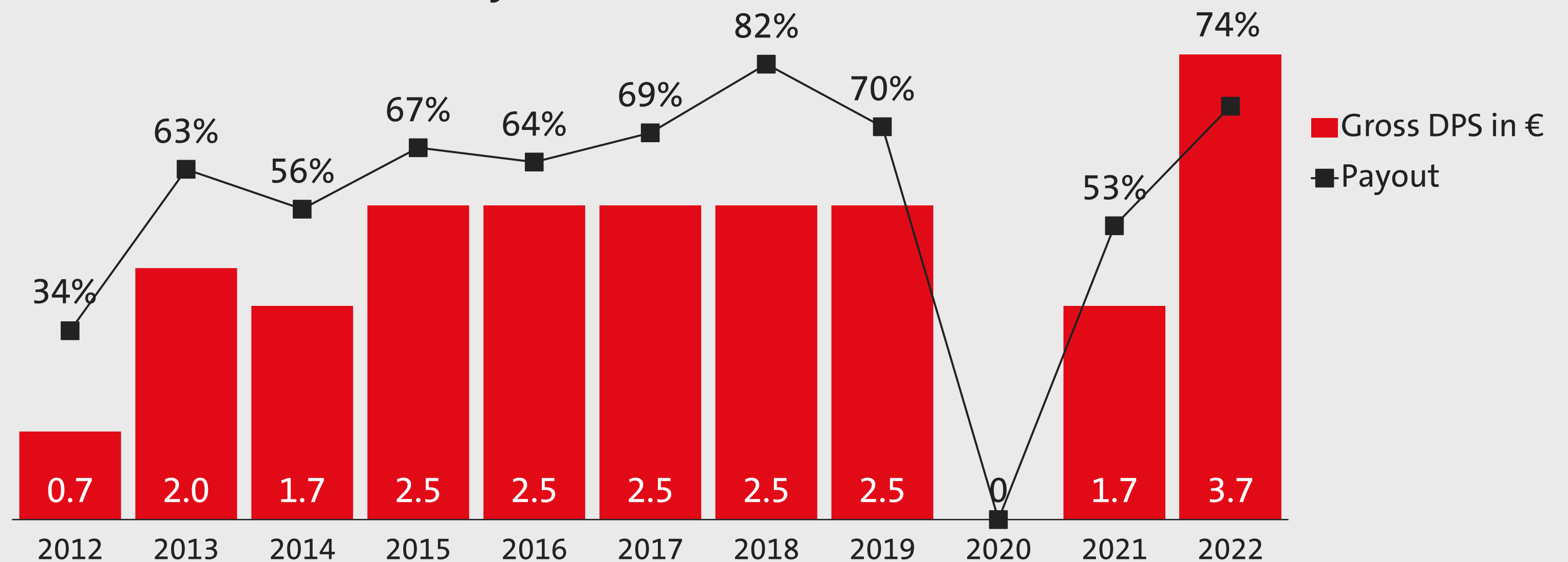
Minimum dividend pay-out is set to 50% of consolidated net profit for the previous year. Triglav will strive not to reduce its dividend payment below the level of the previous year.

Dividend policy subordinated to achieving the medium-term sustainable target capital adequacy of Triglav Group.

Three objectives are followed 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.

Gross DPS (in €) and Dividend Payout Ratio (% consolidated net profit)



In 2020: Regulator's call upon insurance companies in Slovenia to suspend payout of dividends.
In 2021: Triglav met regulator's requirements for dividend payment related to uncertainties in markets due to pandemic.
In 2022: Several aspects and circumstances of recent years also taken into account.



Sustainability – our E, S & G

Sustainable (ESG) ambitions of Triglav

Triglav aims to play the leading role in integrating the best global ESG practices into its operations in Adria region.

Our sustainable (ESG) ambitions for 2025 are divided into four key areas:

- insurance and AM
- business processes
- responsible stakeholder engagement
- effective CG

More information available on our website (2021 Sustainable business report <https://www.triglav.eu/en/sustainable-development/sustainable-business>)

In 2022 continuation of process of integrating sustainability risks and opportunities into Triglav' business (*e.g. a further increase in sustainable fixed-income investments in Group's investment portfolio*) and participation in several international initiatives in the field of sustainable development and disclosure (UN PSI, UNEP FI, PCAF, CDP).

Memberships and ESG disclosure standards



Disclaimer



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