

Triglav Group

Investor Presentation for LJSE Webcast

Q1 2018 Results

May 2018



Everything will be alright.

triglav

www.triglav.eu

Our mission

BUILDING A SAFER FUTURE

for all our stakeholders,
while being committed to
responsible and sustainable
development.

Enter the future.

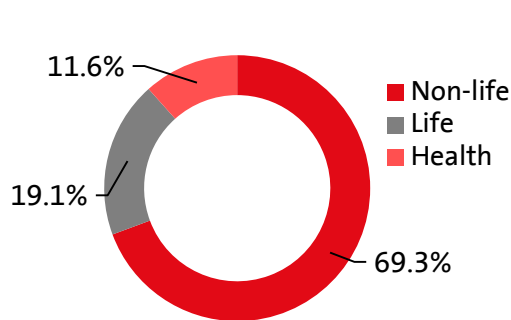


About Triglav Group

Insurance

- All lines of insurance

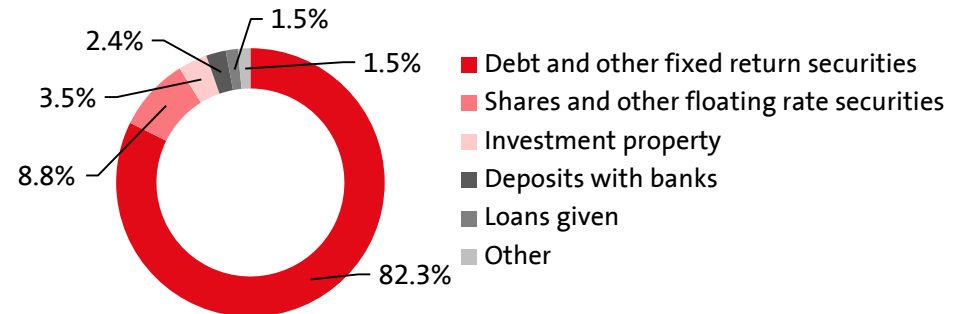
Structure of GWP (Q1 2018):



Asset Management

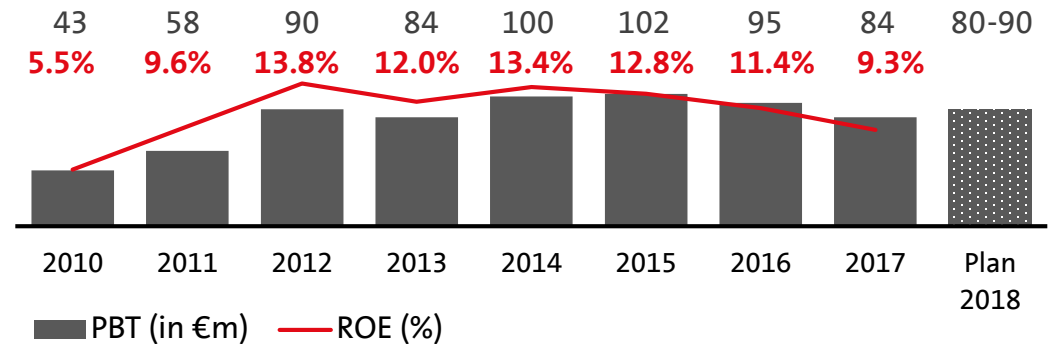
- Insurance portfolios and own funds: AUM € 2,686 million; Liability driven investing
- Investment funds: AUM € 723.7 million

Insurance portfolios and own funds (without united-linked products) Q1 2018:



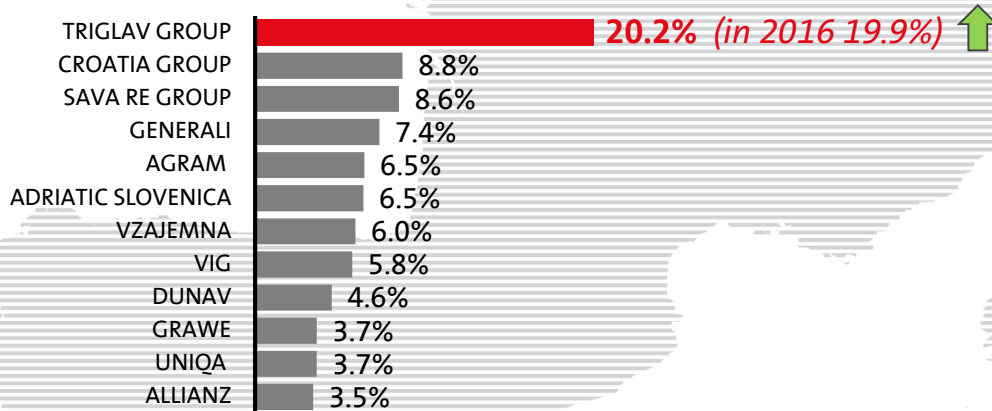
Focus on profitability, safety of operations and greater value of Triglav Group.

Strategic goal: **ROE over 10% in 2020**

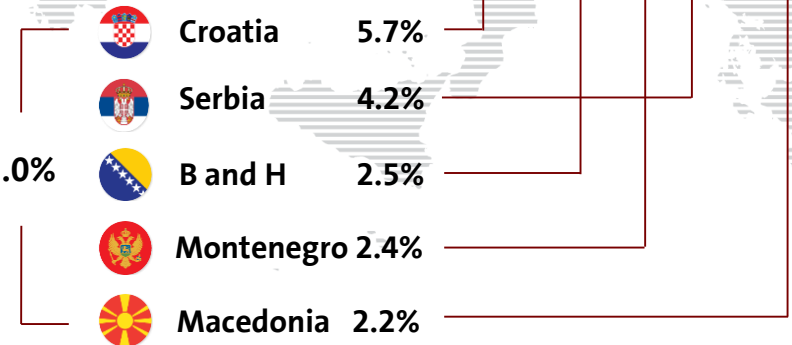
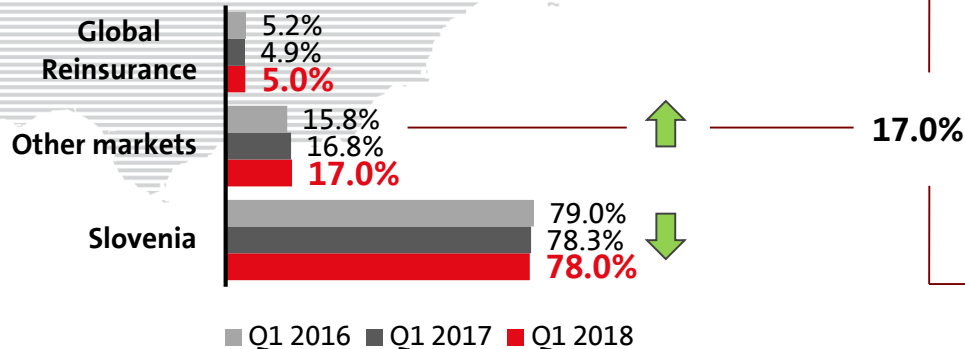


Consistently increasing share of GWP outside Slovenia

Leading position in Adria region in 2017*



GWP of Triglav Group by markets (Q1 2018)



*Source: Calculation based on the data of regional regulators



Q1 2018 Triglav Group at a glance

- Good results in the insurance business, lower net interest income as expected.
- Taking into account business conditions anticipated until the end of the year, it is estimated that the 2018 profit before tax will be within the planned range.

	Q1 2018	Comment
Gross written premium (€m)	292.6	4% growth (growth in all markets)
Profit before tax (€m)	27.5	Up by 8% compared to Q1 2017
Combined ratio non-life	88.5%	Favourable
Dividend paid	€ 2.5 p.s.	82% of 2017 consolidated net profit

Highlights in Q1 2018:

- Triglav Group to enter pension insurance market in Croatia
- Capital management policy of Triglav Group as well as the dividend policy revised in March 2018
- Dividend for 2017 paid in the amount of € 2.5 gross per share (82% of net profit of Triglav Group for 2017)



Strong Capital Adequacy

- Capital management policy revised in March 2018
- The capital management strategic objectives:

> 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	



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

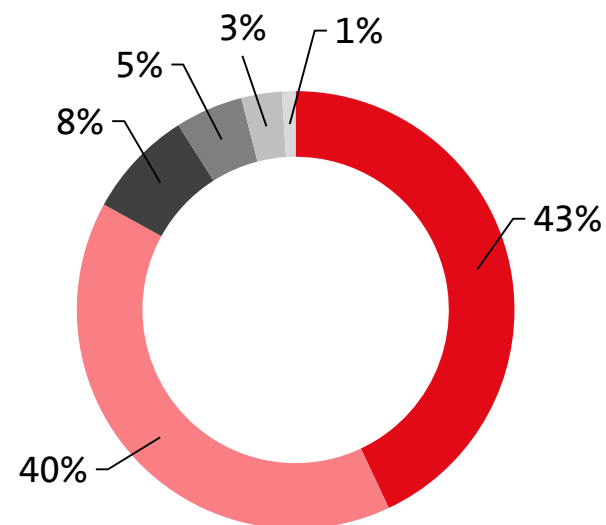
- In 2017 methodology revised with **more conservative approach** for calculation of the adjustment for the loss absorbing capacity of deferred taxes, which caused **the decrease of the solvency ratio**.

*Based on methodology before its revision in 2017



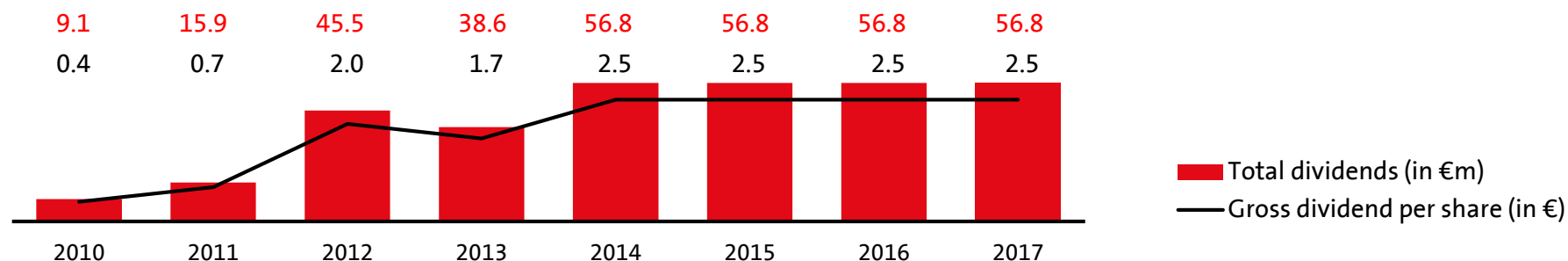
- Level of risk exposure acceptable and in line with the defined risk appetite
- All individual types of risks are effectively managed („three lines of defence” system)

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



Atractive and Sustainable Dividend Policy (Revised in March 2018)

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.



2018 General Meeting of Shareholders of Zavarovalnica Triglav

(More info on www.triglav.eu)

Date of the AGM:

Record date:

Ex dividend date:

Payment date (on the account of KDD):

29 May 2018 at 10:00 a.m.

13 June 2018

12 June 2018

14 June 2018



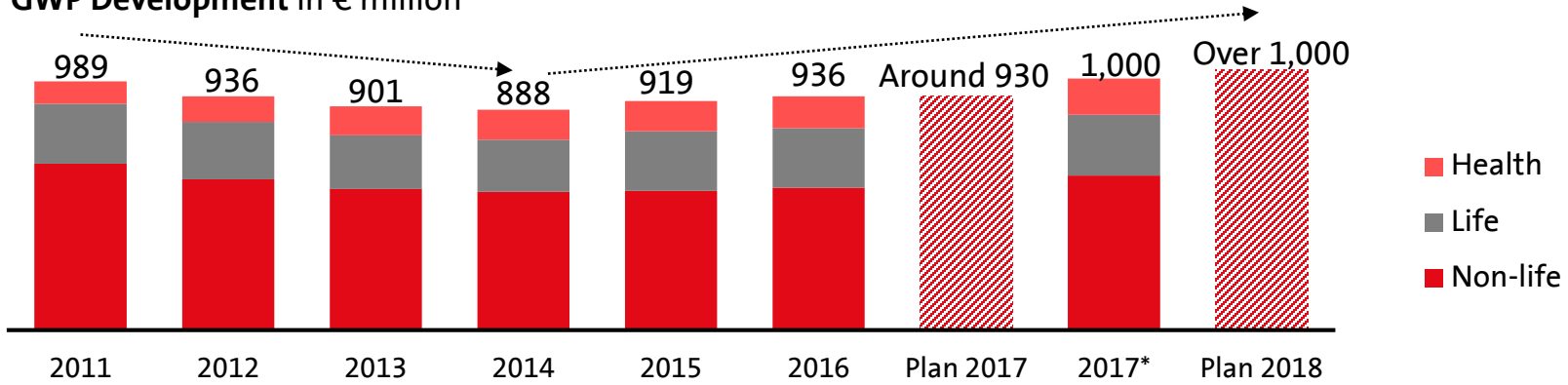
Triglav Group in First Quarter 2018

	In € million		Index
	Q1 2018	Q1 2017	2018/2017
Gross written premium	292.6	280.6	104
Net premium income	223.4	214.6	104
Gross claims paid	171.0	152.4	112
Net claims incurred	151.6	148.3	102
Insurance business gross operating costs	58.3	56.1	104
Profit before tax	27.5	25.5	108
Net profit for the accounting period	23.3	22.3	105
Gross insurance technical provisions	2,766.2	2,732.2	101
Total equity	767.8	756.6	101
Number of employees	5,180	5,151	101
Expense ratio non-life	27.3%	27.1%	
Loss ratio non-life	61.2%	64.8%	
Combined ratio non-life	88.5%	91.9%	

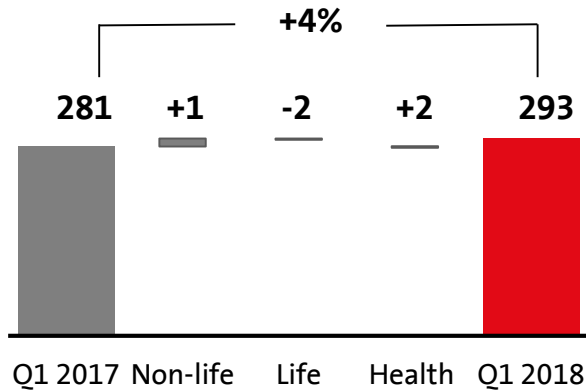


Gross Written Premium

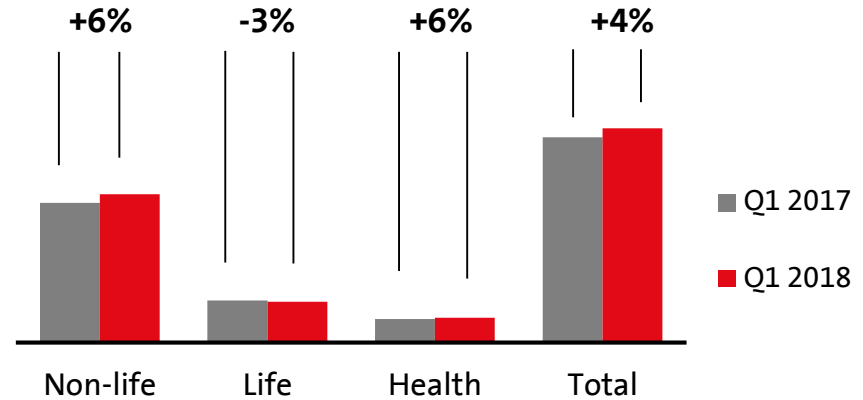
GWP Development in € million



GWP development from Q1 2017 to Q1 2018 (in € M)

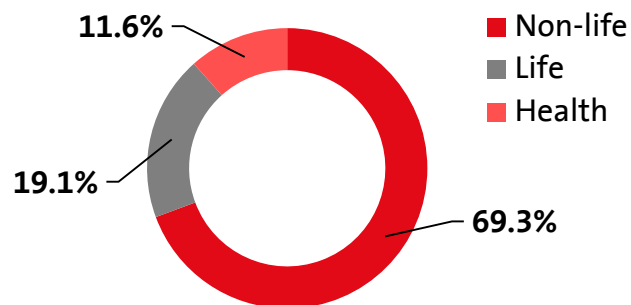


GWP by segments in Q1 2017 and Q1 2018 (in € M)



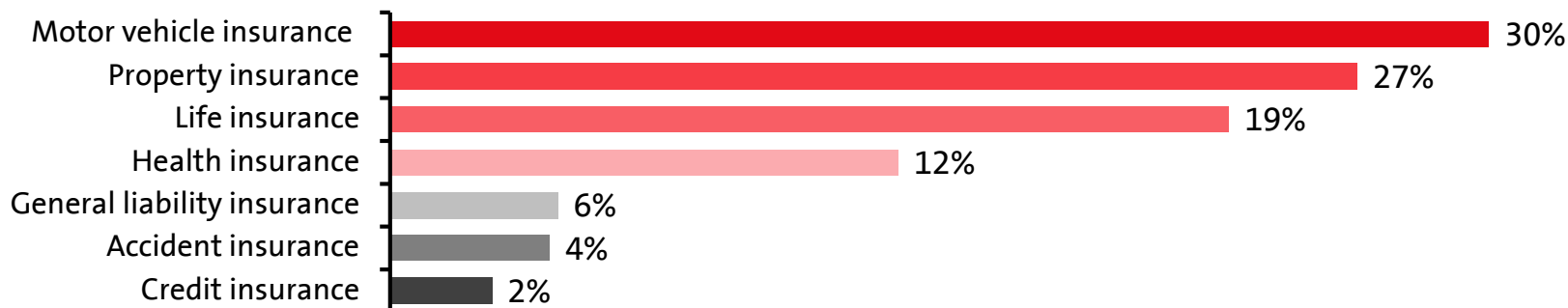
Gross Written Premium by Segments

Structure of GWP in Q1 2018










Structure of GWP		Q1 2018	Q1 2017
Non-life	▲	69.3%	68.1%
Life	▼	19.1%	20.5%
Health	▲	11.6%	11.4%

Well balanced structure of consolidated GWP



Performance by Markets

- Average premium growth in Slovenia of 4%, on markets outside Slovenia of 6%

Country/Market	Triglav Group by markets			% Con. GWP by markets	Market development (2016)	
	GWP Growth Index Q1 18/Q1 17	Market share	Market position		Insurance penetration** (EU 7.4%)	Insurance density (€ per capita)
 Slovenia	▲ 104	36.0%	1	78.0%	5.2%	1.001
 Global Reinsurance	▲ 106	-	-	5.0%	-	-
 Croatia	▲ 104	4.5%	8	5.7%	2.6%	278
 Serbia	▲ 110	5.7%*	5*	4.2%	2.1%	103
 Bosnia and Herzegovina	▲ 103	7.8%*	5*	2.5%	2.2%	92
 Montenegro	● 100	38.1%	1	2.4%	2.1%	129
 Macedonia (NL)	▲ 112	17.4%*	1*	2.2%	1.4%	68

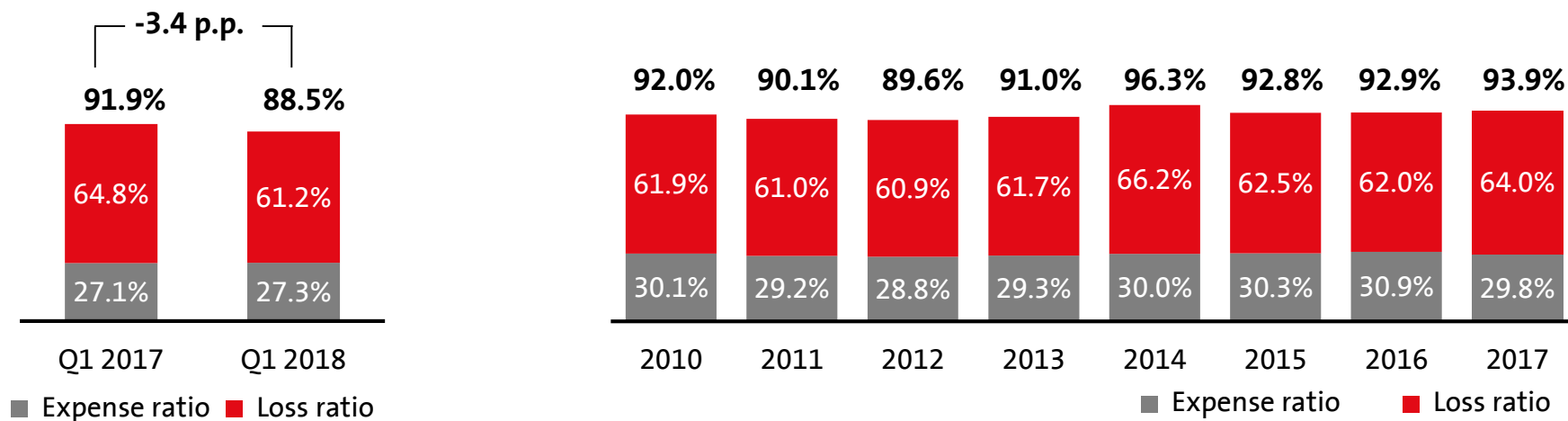
* Q4 2017

**Insurance penetration = Premium share in GDP

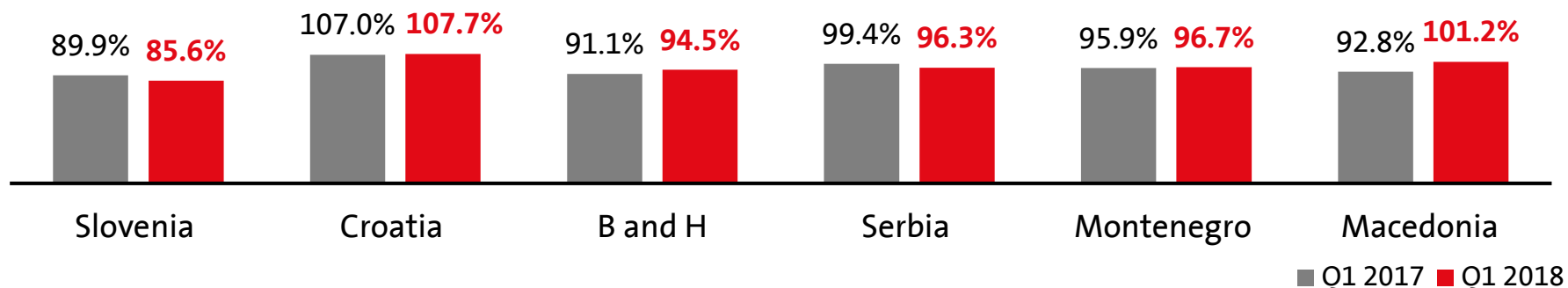


Combined Ratio

Triglav Group non-life combined ratio



Non-life combined ratios by Triglav Group markets

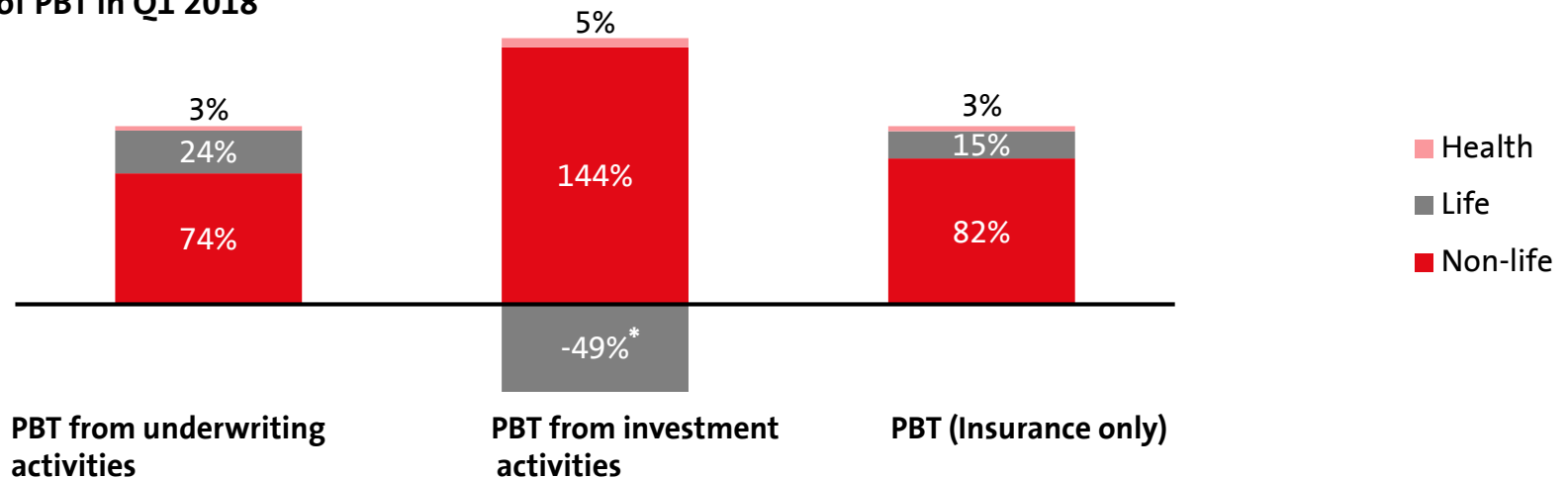


Structure of Profit before Tax of Triglav Group

In € million

	Q1 2018				Q1 2017			
	Non-life	Life	Health	Total	Non-life	Life	Health	Total
PBT from underwriting activities	17.4	5.7	0.6	23.7	10.9	6.0	2.1	19.0
PBT from investment activities	4.6	-1.6*	0.2	3.2	5.6	0.6	0.2	6.4
PBT from insurance operations	22.0	4.1	0.8	26.9	16.5	6.6	2.3	25.4
PBT from non-insurance operations				0.7				0.0
Total PBT				27.5				25.5

Structure of PBT in Q1 2018

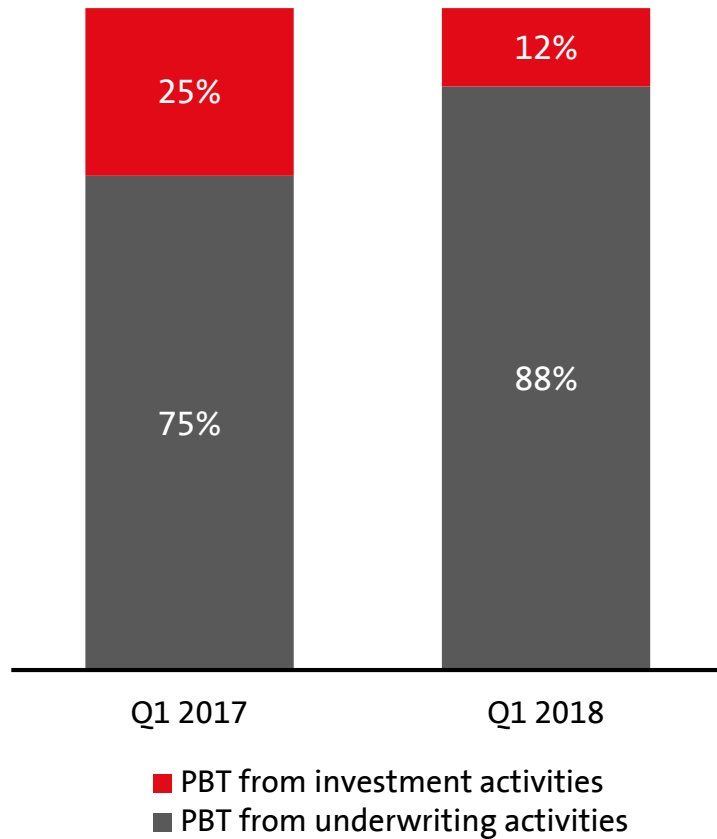


*Life investment result net of guarantees and additionally formed mathematical reserves

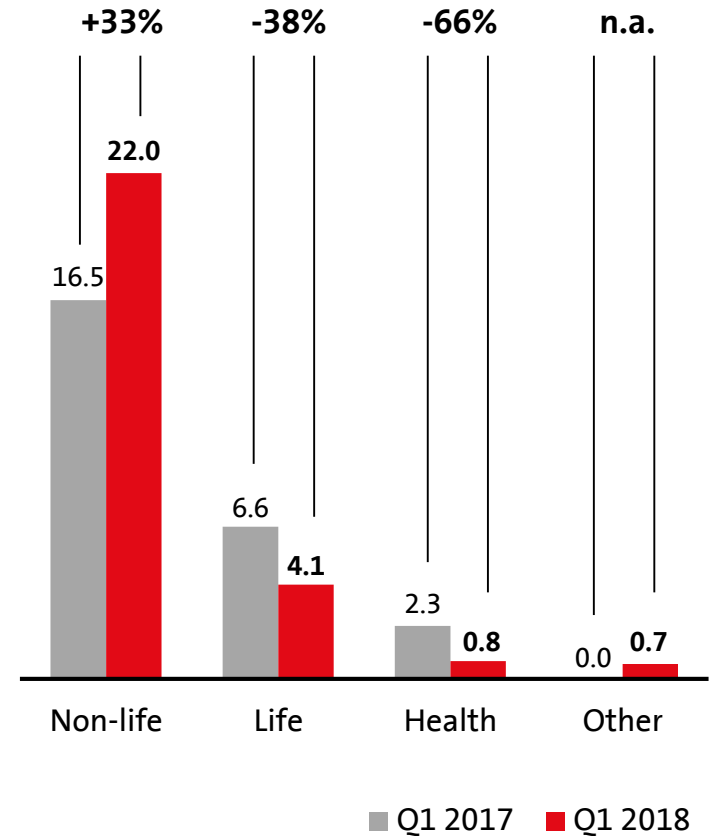


Structure of Profit before Tax of Triglav Group

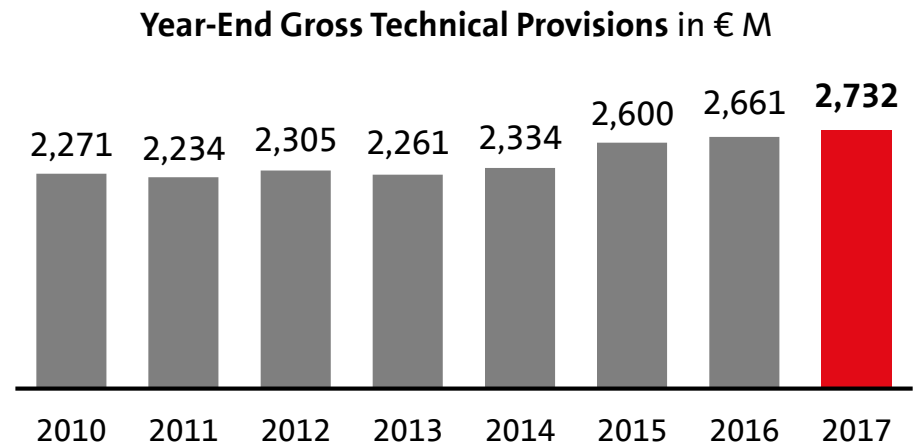
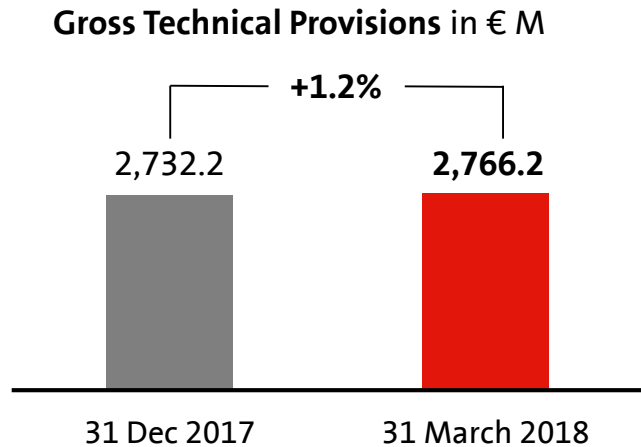
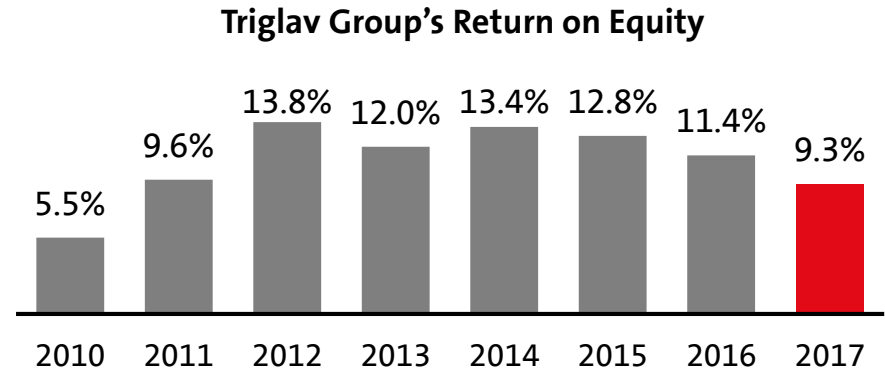
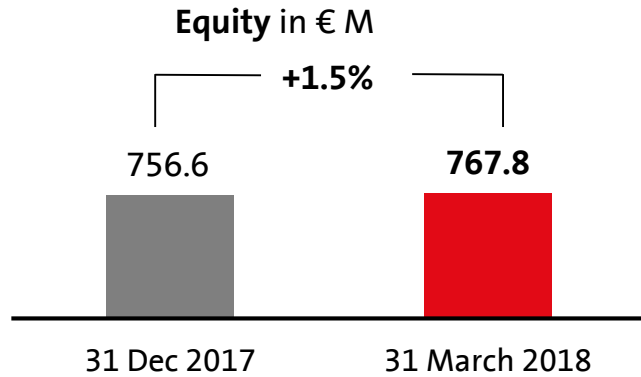
Structure of PBT



PBT by business segments in € M



Strong Capital Base and ROE



Triglav Group Asset Allocation

	Non-life & Health ¹		Life & Pensions ¹		Total	
	In € M	In %	In € M	In %	In € M	In %
Investment property	91.9	8%	2.4	0%	94.3	4%
Investments in associates ²	10.6	1%	0.7	0%	11.2	0%
Shares and other floating rate securities	125.7	10%	111.7	8%	237.4	9%
Debt and other fixed return securities	903.8	75%	1,307.2	88%	2,211.0	82%
Loans given	6.4	1%	32.8	2%	39.2	1%
Bank deposits	41.4	3%	22.2	1%	63.6	2%
Other financial investments	19.7	2%	3.8	0%	23.4	1%
Investments	1,199.4	100%	1,480.8	100%	2,680.2	100%
Financial investments of reinsurance companies in reinsurance contracts with cedents	5.6		0.0		5.6	
Unit-linked insurance contract investments	0.0		429.8		429.8	
Group financial investments	1,205.1		1,910.6		3,115.6	

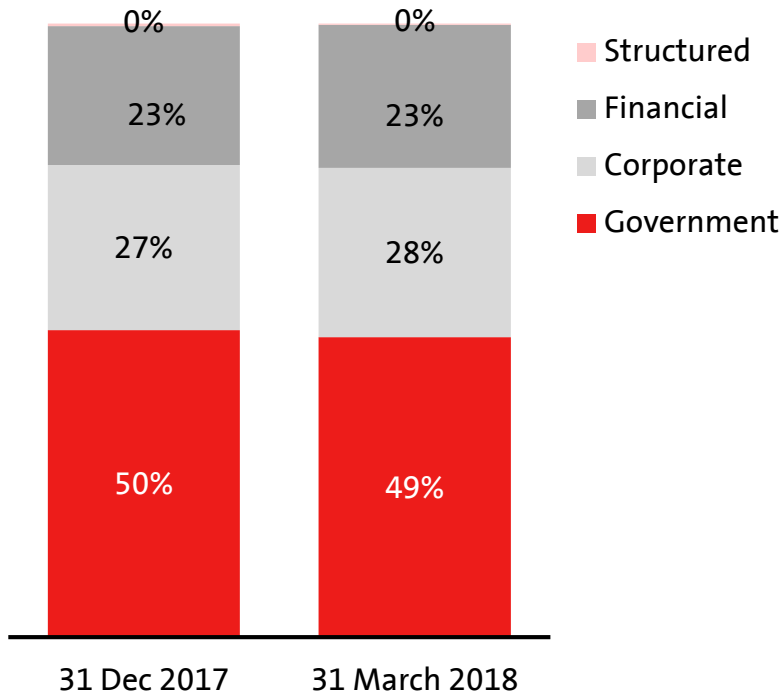
1 Includes investments of own funds of the Group

2 Investment in associates are mainly additional Real Estate exposure

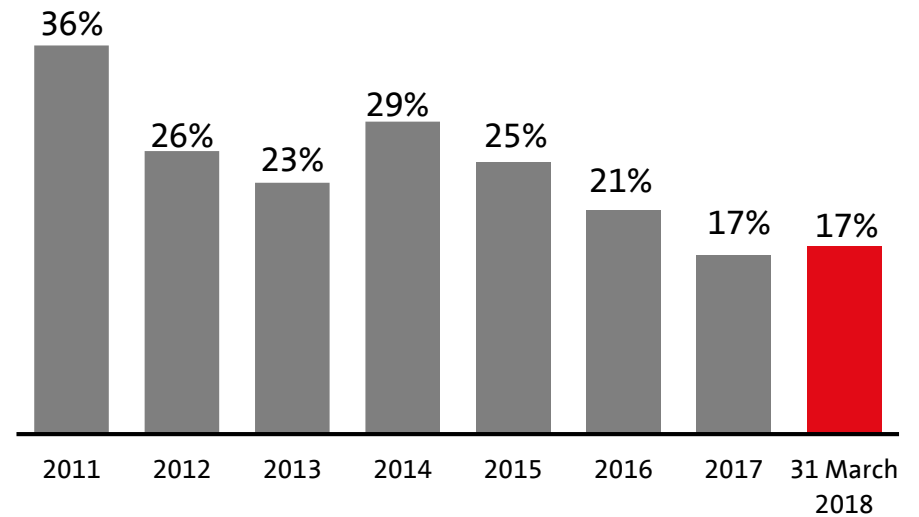


Bond portfolios

Bond Portfolio Structure by Type of Issuers



Exposure to Slovenian Bonds in Total Bonds



Strategy 2017 - 2020

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

Our **VISION**: To 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.

Five strategic guidelines:

1. Profitable operations and greater value of the Group
2. Efficient asset management
3. Comprehensive client relationships
4. Transformation of operations
5. Development of a modern culture and dedicated staff

Our **values**: Safety, Responsibility, Professionalism, Simplicity, Modernity



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%

Insurance: Sales activities with strong focus on customers' needs and well adapted to individual markets. Further gradual growth of the share of premium collected in markets outside Slovenia. Projected gross operating expenses affected by higher insurance acquisition costs and by higher depreciation of property, plant and equipment as a result of large past and future IT investments.

Asset management: Increase of volume of AUM from non-compulsory saving. Effective management of assets at the level of the whole Group. Actively pursuing opportunities arising from the consolidation of the AM industry in the region.

Investment policy and expected return on investments: Maintaining relatively conservative policy. Some activities will continue to focus on capacity building for investing in alternative investment classes and strategies. Lower return on investment (excluding the return on unit-linked life insurance assets) than in the previous year.





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

Our next Investor Conference: 13 Jun 2018/Warsaw/WOOD Emerging Europe Financials 2018 (more on www.triglav.eu)