



Dividend Policy of Zavarovalnica Triglav

(March 2018)

Zavarovalnica Triglav implements an 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.

Strategic Objectives of Capital Management and Dividend Policy

> 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	<u>Regular performance of risk management activities</u>
150 - 200%	Sub-optimum level of capital adequacy	<u>Analyzing possible medium and long-term measures to improve capital adequacy and emphasized monitoring of risks</u>
130 - 150%	Warning level of capital adequacy	<u>Implementation of measures to improve capital adequacy</u>
< 130%	Insufficient capital adequacy	