

 **120years**

TRIGLAV GROUP

INVESTOR PRESENTATION FOR USE WEBCAST

H1 2020 RESULTS

SEPTEMBER 2020

H1 2020 AT A GLANCE

**Our
mission is
to build a
safer
future.**



H1 2020 KEY FINANCIALS

GROSS WRITTEN PREMIUM

€ 673.4M

GWP UP 7% Y-O-Y

BY MARKETS:

Slovenia: +4%; Other markets: +8%

BY SEGMENTS:

Non-life: +6%; Life & Pensions: +3%;

Health: +17%

PROFIT BEFORE TAX

€ 40.6M

DECREASED BY 3% Y-O-Y

Decrease primarily due to deteriorating situation in financial markets and partly due to major CAT and other one-off events

COMBINED RATIO NON-LIFE

92.4%

93.2% IN H1 2019

Favourable, below 95%

H1 2020 HIGHLIGHTS



COVID-19 PANDEMIC

Quick and effective adaptation to situation with additional impetus to planned development activities.

H1 20
Results

SOLID PERFORMANCE

Despite challenging conditions during the pandemic, profitable and safe operations as outlined in strategy.



AGM (ON 2 JUNE 2020)

2019 accumulated profit remained undistributed. Decision in line with regulator's call (*more on page 8*).



CAT EVENTS

Earthquake in Zagreb and hail storms in Slovenia.



CORPORATE GOVERNANCE

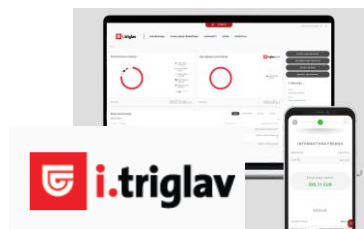
SB: Reappointment of Mr Stebernak. Resignation of Ms Damjanovič (*due to commitments related to her new employment*). Appointment Mr Andoljšek as Chairman of SB.

QUICK AND EFFECTIVE ADAPTATION TO COVID-19 PANDEMIC SITUATION

- Protection of our clients, employees and other stakeholders
- Client service continuity
- Efficient risk management
- Transparent disclosure of information to our investors, shareholders, analysts¹
- Focus on our sustainability goals and solidarity with the environment

Challenging conditions caused by the COVID-19 pandemic gave additional impetus to our planned development activities and we assess that we have made an **important step towards our digital transformation.**

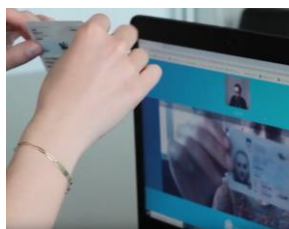
IMPROVED DIGITAL APPEARANCE



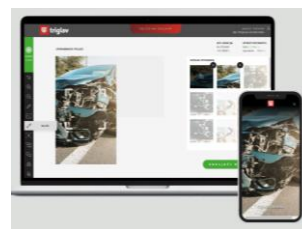
REMOTE AND E-SIGNING



VIDEO IDENTIFICATION



REMOTE ASSESSMENT



MOBILE



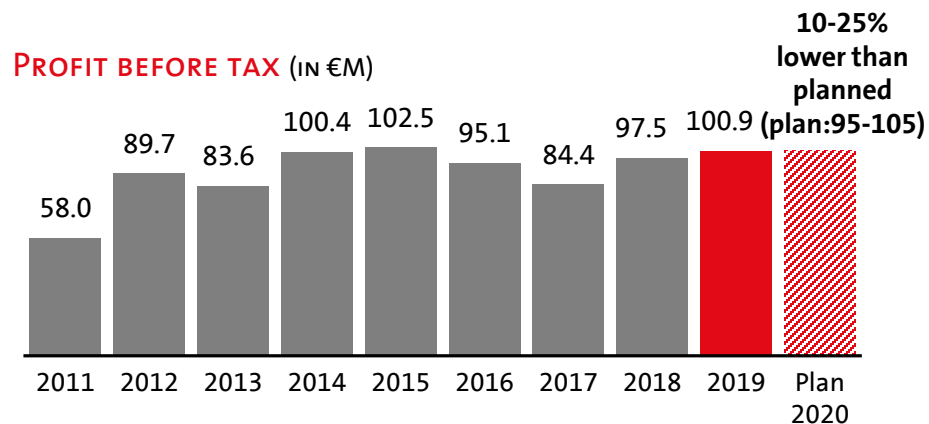
¹Announcements, published on 16 March 2020, 22 April 2020, 14 May 2020

COMMENT ON PERFORMANCE OF TRIGLAV GROUP IN 2020 (AS AT H1 2020)

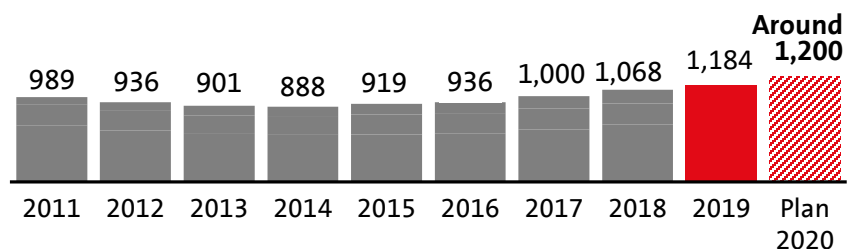
Focus on long term profitability and safety of operations

As at H1 2020, there is still high level of uncertainty about impact of pandemic on economy and international financial markets, which remain highly volatile. In view of above, Group re-examined bases and assumptions of 2020 plan.

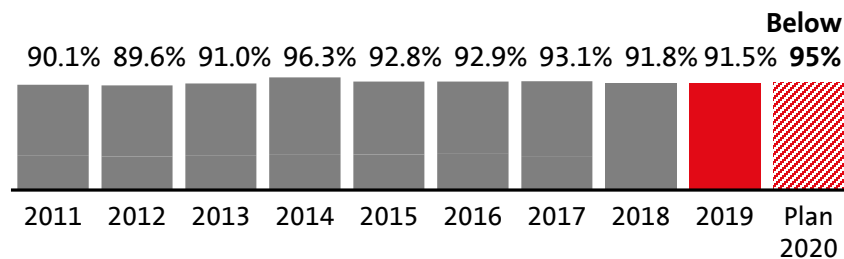
The high level of uncertainty prevents Triglav Group from giving relatively reliable annual profit guidance this year. PBT was planned between EUR 95M and 105M. Triglav Group confirms its assessment made in April 2020 that **annual PBT will be 10–25% lower than planned**. It is estimated that **GWP and CoR will be as originally planned**.



GROSS WRITTEN PREMIUM (IN €M)



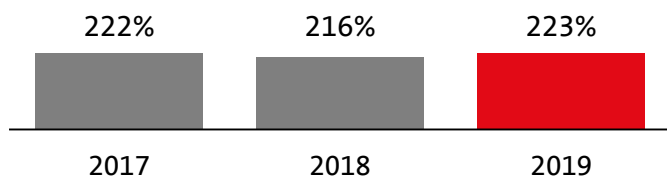
COMBINED RATIO NL



DISCIPLINED CAPITAL MANAGEMENT

Triglav Group's capital position is appropriately strong to effectively cope with increased risks arising from the COVID-19 pandemic situation.

2019 CAPITAL ADEQUACY WITHIN THE TARGET RANGE



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

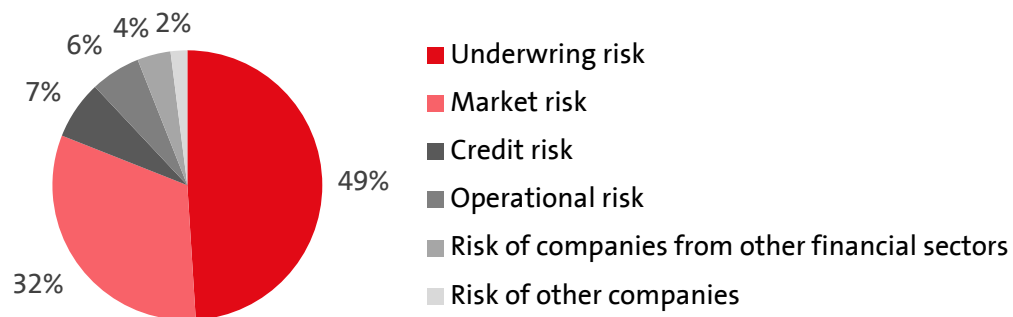
COMMENT ON CAPITAL ADEQUACY AS AT H1 2020:

Due to increased volatility in financial markets, **decrease** in capital adequacy was recorded across EU insurance sector, **by average of 20 p.p. (in range of 10–40 p.p.)**, which is **estimated to coincide with effects at Triglav Group level**. Triglav assesses that its insurance and investment portfolios are sufficiently resilient and that **capital position is appropriate to effectively cope with increased risks arising from business environment due to coronavirus pandemic**.

> 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	

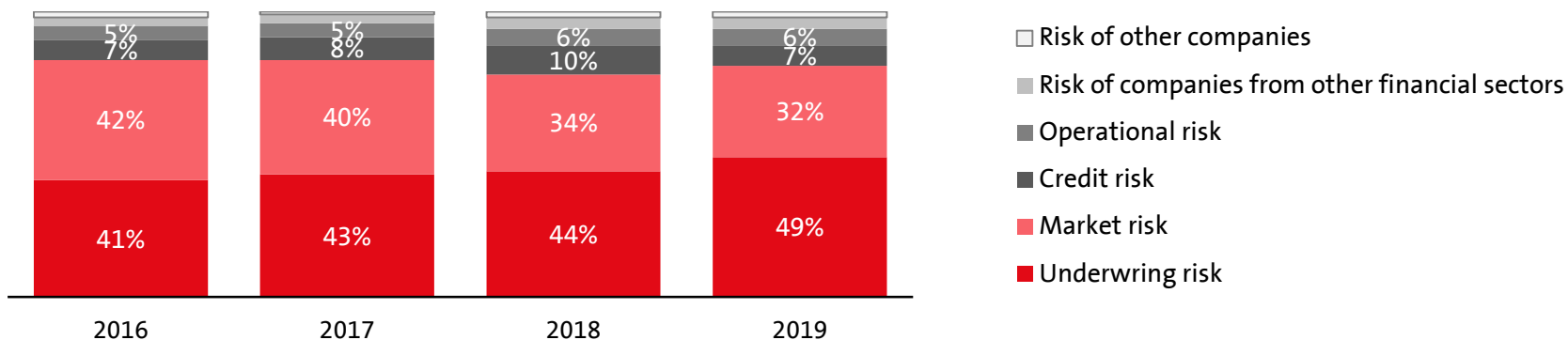
DISCIPLINED CAPITAL MANAGEMENT

RISK EXPOSURE IN LINE WITH THE DEFINED RISK APPETITE (AS AT 31 DEC 2019)



OPERATIONAL RISK RELATED TO COVID-19 PANDEMIC WELL MANAGED: Based on current situation, Group has successfully adapted to extraordinary situation and ensured uninterrupted operations during the pandemic-related crisis, as well as effectively managed the increased operational risks. **No material operational risk related to COVID-19 pandemic was realised within Triglav Group.** Group effectively overcame challenges of gradually returning operations to pre-crisis levels and gradual return of employees to companies' premises. Group will continue to regularly monitor the situation and on this basis take the necessary additional measures.

CONSISTENTLY DECREASING EXPOSURE TO MARKET RISK AND PRUDENTLY INCREASING UNDERWRITING RISKS



2019 ACCUMULATED PROFIT UNDISTRIBUTED

AGM, held on 2 June 2020, adopted resolution to keep 2019 accumulated profit undistributed. Decision is in line with the Insurance Supervision Agency's call upon insurance companies in Slovenia to suspend payout of dividends and not to undertake any irrevocable commitment to pay out dividends by 1 October 2020. **Triglav is not changing its dividend policy** (see below), which is not only attractive to shareholders but has to be and is sustainable therefore subordinated to achieving the medium-term sustainable target capital adequacy of Triglav Group. Due to coronavirus pandemic, the financial and operating conditions have deteriorated in 2020 and Triglav's various scenarios of assessed impacts on performance in 2020 among other things show potential decrease of Group's capital adequacy. Nevertheless, Triglav's solvency position remains strong.

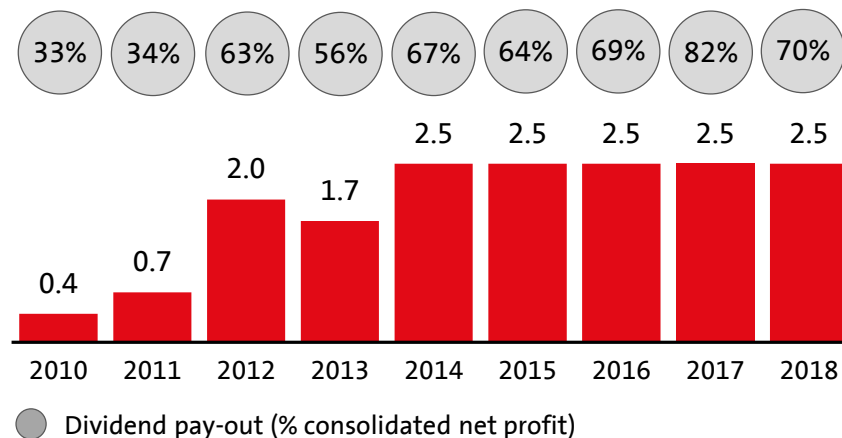
On 20 August 2020 insurance sector in Slovenia received another letter from regulator recommending it to suspend the payment of dividends even after 1 October 2020 with the aim of ensuring financial stability during the COVID-19 epidemic. The regulator requires a special upfront stress test resilience reporting, should some insurance company decide to act against its recommendation.

DIVIDEND POLICY OF TRIGLAV

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 DIVIDEND PAID PER SHARE (IN €) AND PAY-OUT RATIO



H1 2020 RESULTS

FINANCIALS & INVESTMENTS

Our
mission is
to build a
safer
future.



H1 2020 PERFORMANCE AT A GLANCE

In € million

	H1 2020	H1 2019	Index
Gross written premium	673.4	630.2	107
Net premium income	523.1	491.8	106
Gross claims paid	330.8	334.8	99
Net claims incurred	338.3	330.1	102
Insurance business gross operating costs	133.5	133.3	100
Profit before tax	40.6	41.7	97
Net profit	33.5	34.7	97
Gross insurance technical provisions	3,008.2	2,878.9	104
Total equity	814.7	792.0	103
Number of employees	5,231	5,281	99
Expense ratio non-life	28.2%	28.1%	
Net claims ratio non-life	64.3%	65.1%	
Combined ratio non-life	92.4%	93.2%	

Strong underwriting performance. Premium growth in almost all markets and all three insurance segments.

Higher growth of net premium earned (+6% y-o-y) compared to growth of net claims incurred (+2% y-o-y). Costs well managed.

PBT down by 3% y-o-y primarily due to lower return on investment, partly also due to major CAT events¹ (earthquake in Zagreb, hailstorms in Slovenia) and other one-off events (e.g. increased claims provisions due to Court decision in Croatia).

Equity up by 3% y-o-y, gross provisions up by 4% y-o-y (*more on slide 13*).

Favourable CoR at 92.4%

¹ Individual CAT events can cause volatility of interim results, but on annual basis operating results are much more predictable and stable due to Triglav's annual aggregate reinsurance programme.

STRUCTURE OF PROFIT BEFORE TAX

In € million

CONSOLIDATED	H1 2020					H1 2019				
	Non-life	Life & Pen.	Health	Total	In % total PBT	Non-life	Life & Pen.	Health	Total	In % total PBT
PBT from:										
Underwriting activities	25.5	4.3	4.8	34.6	85%	26.3	7.6	-0.4	33.4	80%
Investment activities ¹	9.0	-4.0	0.3	5.3	13%	10.9	-4.9	0.4	6.4	15%
Insurance	34.5	0.3	5.1	39.9	98%	37.2	2.7	-0.1	39.8	96%
Non-insurance ²				0.6	2%				1.9	4%
Total PBT				40.6	100%				41.7	100%

In € million

NON-CONSOLIDATED	H1 2020					H1 2019				
	Non-life	Life & Pen.	Health	Total	In % total PBT	Non-life	Life & Pen.	Health	Total	In % total PBT
PBT from:										
Underwriting activities	25.7	2.8	4.2	32.7	81%	26.4	6.6	-1.2	31.7	76%
Investment activities ¹	9.0	-3.9	0.2	5.3	13%	11.1	-4.9	0.3	6.6	16%
Insurance	34.7	-1.2	4.4	38.0	94%	37.5	1.7	-1.0	38.2	92%
Non-insurance ²				2.6	6%				3.4	8%
Total PBT				40.6	100%				41.7	100%

¹ Life investment result net of guarantees and additionally formed mathematical reserves and other investment-related provisions.

² PBT from non-insurance consists mainly from results of performance of Triglav AM company, Triglav real estate management company and holding company TINT.

H1 2020 CONSOLIDATED PBT:

Underwriting results up by 3% y-o-y, investment results down by 17% y-o-y due to lower net gains on sale of financial investments and continued deterioration of regular investment income.

PBT by segments:

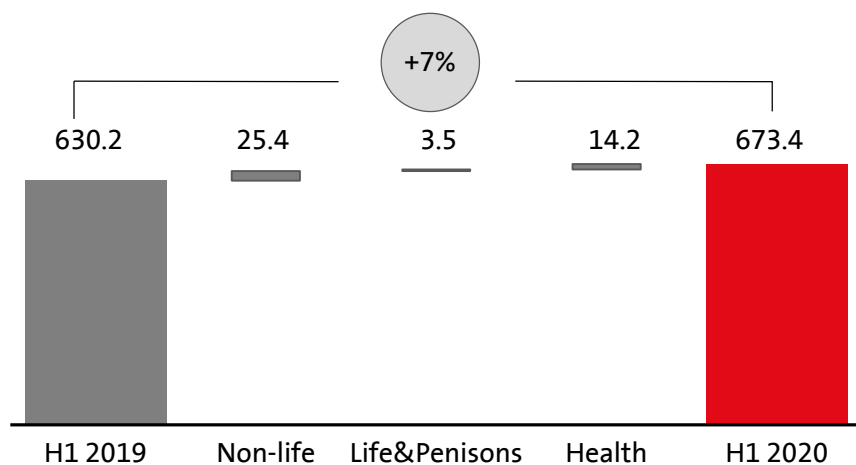
- **From non-life business** down by 7% y-o-y primarily due to lower gains on sale of financial assets and lower interest income, also influenced by formation of additional provisions due to pandemic and increased claims provisions (*impact of Supreme Court decision in Croatia, obligatory for the whole market, which changes monetary compensation for non-pecuniary damages*).

- **From life & pensions business** down by 89% y-o-y mainly due to creation of provisions as a result of liability adequacy test in pension insurance segment. Profit of parent company's life insurance business is at last year's level, profit of other Group members € 0.5M higher y-o-y.

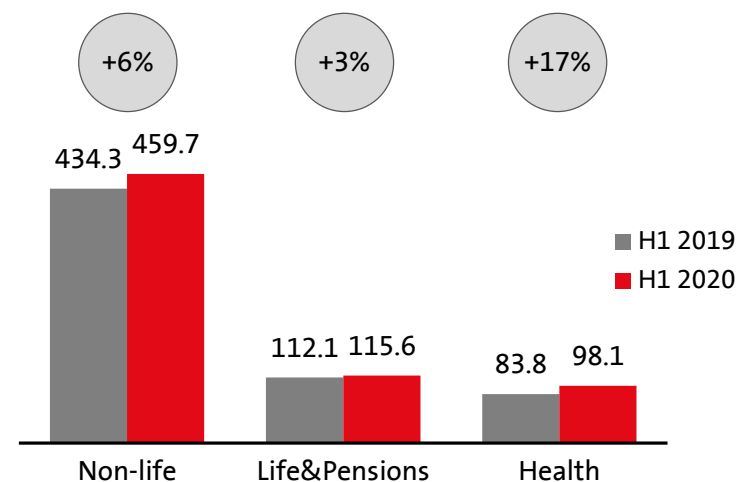
- **From health insurance business** increase due to higher growth in net premium income and lower operating expenses.

GWP GROWTH OF 7% Y-O-Y

GWP DEVELOPMENT FROM H1 2019 TO H1 2020 (in €M)



GWP GROWTH BY SEGMENTS
(GWP in €M; GWP growth y-o-y in %)



H1 2020 performance by insurance segments:

Non-life: Growth in most insurance classes with the exception of accident and credit insurance.

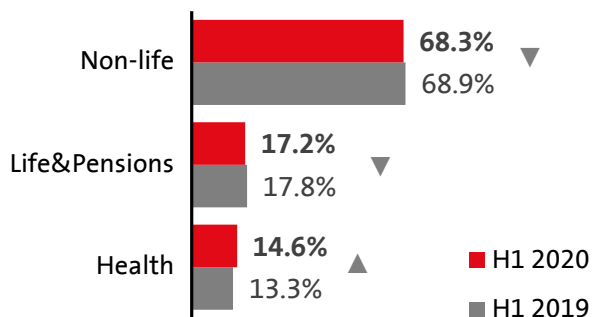
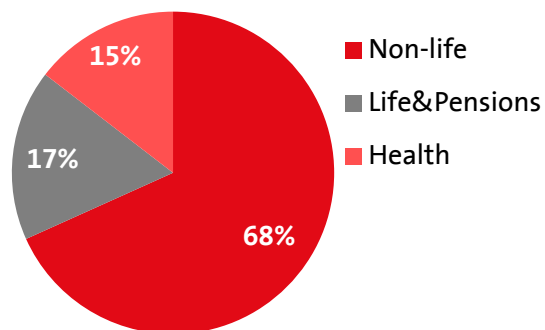
Life & Pensions: Higher single premium sales, increased sales through bank channels.

Health: Growth of supplemental health insur. premium (stable number of policies and carry-on impact of price increases in 2019). Successful marketing of additional health insurance products inside and outside Slovenia.

GWP DIVERSIFICATION BY PRODUCTS

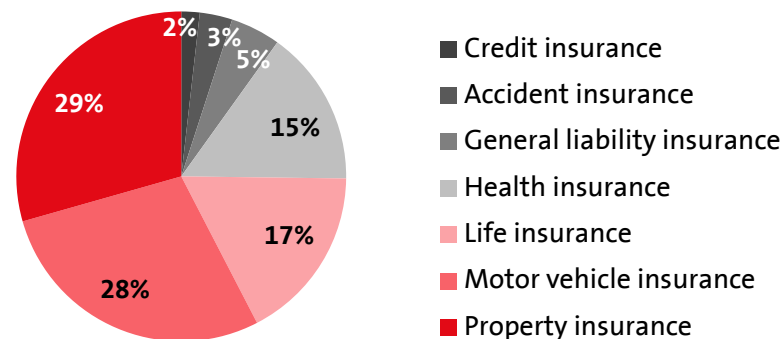
GWP BY MAIN INSURANCE SEGMENTS

Total (H1 2020): € 673M



WELL BALANCED STRUCTURE OF GWP

Total (H1 2020): € 673M

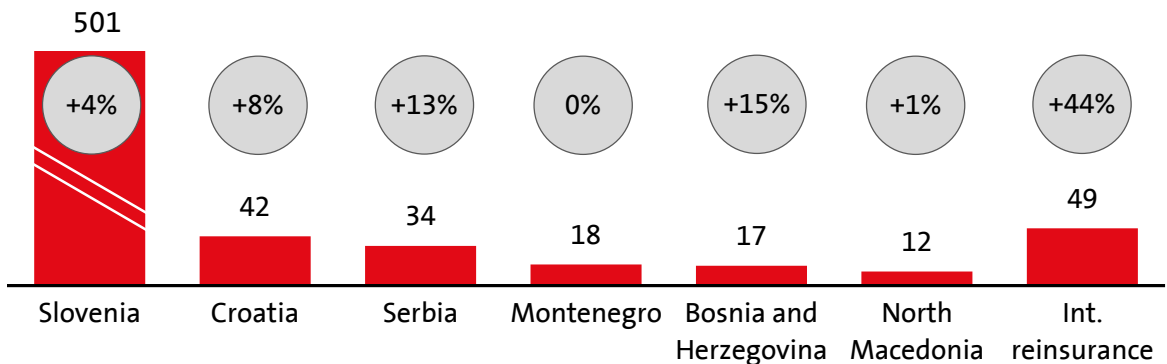


Efficient and intensive sales activities by using **omni-channel sales approach** (internal sales network, external network, online sales, partnerships with banks and companies selling cars and providing telecommunication services).

Upgrading product/service mix (i.e. cyber insurance for businesses), to be more flexible and understandable. Any identified risks (i.e. those related to climate change) is prudently managed in the processes.

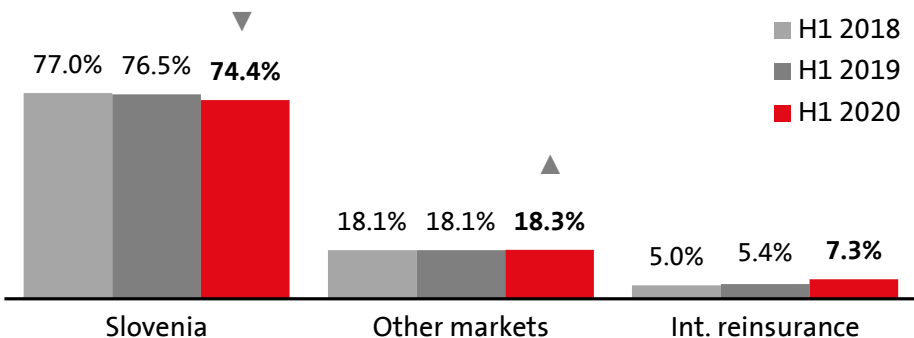
GWP DIVERSIFICATION BY MARKETS

H1 2020 GWP BY MARKETS (GWP in €M; GWP growth y-o-y in %)

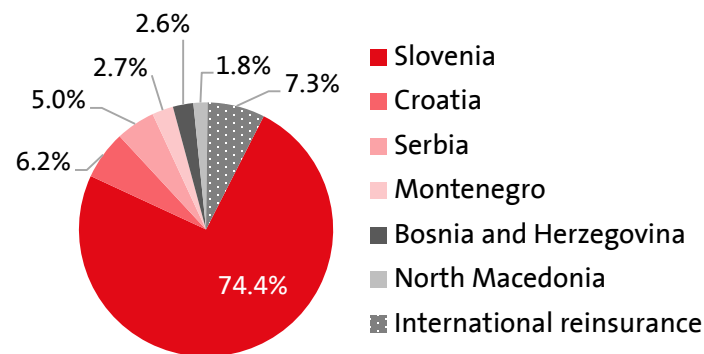


The average premium growth:
 Slovene market +4%
 Markets outside Slovenia +8%

GWP SHARE FROM OUTSIDE SLOVENIA CONSISTENTLY INCREASING (% GWP)

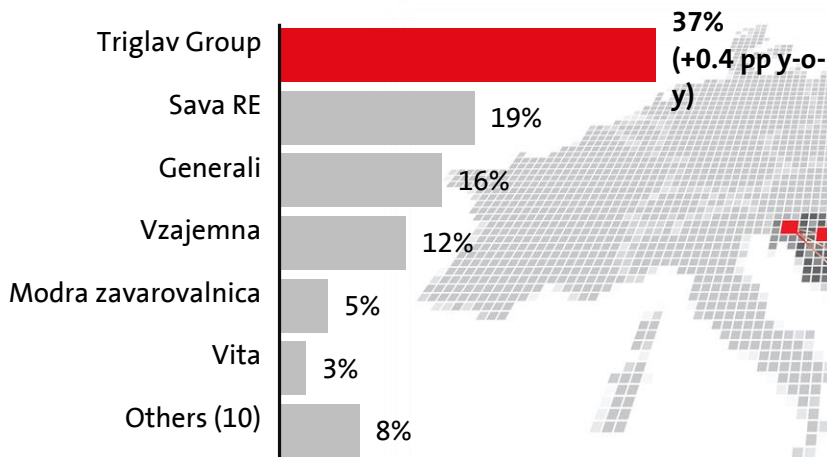


STRUCTURE OF GWP BY MARKETS (H1 2020; % GWP)



LEADING INSURANCE /FINANCIAL GROUP IN ADRIA REGION

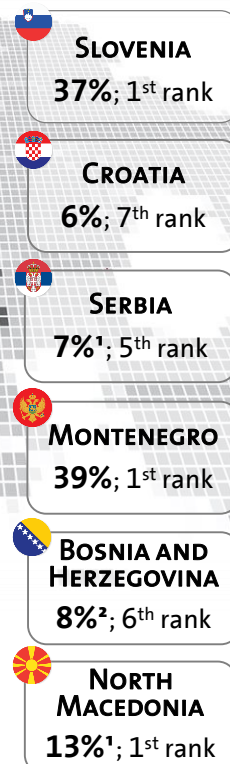
SLOVENIA (% market share; H1 2020)



TRIGLAV MARKET SHARE IN SLOVENIA BY SEGMENTS (H1 2020):
44% in non-life, 30% in life and in health

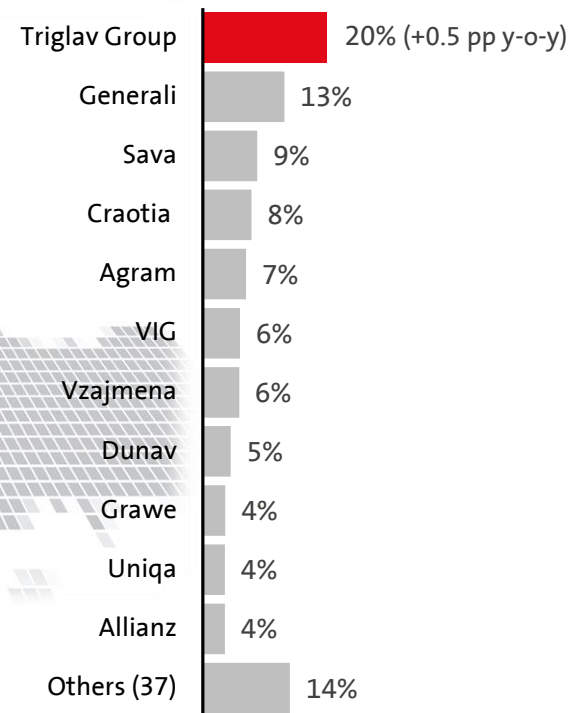
STRONG COMPETITIVE ADVANTAGES – good knowledge of regional markets, trustworthy brand, capital strength, comprehensive client portfolio, quality and comprehensive services, developed sales channels (strong own sales network), quick settlement of claims, focus on excellent client experience.

POSITIONS ON MARKETS (% market share; H1 2020)



¹ Q1 2020 ² Q4 2019

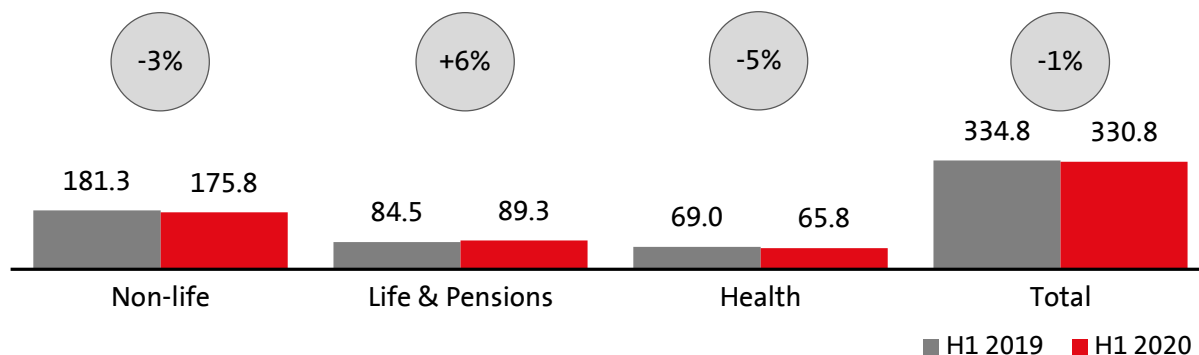
ADRIA REGION (% market share; 2019)



Source: Calculation based on the data of regional regulators and insurance associations

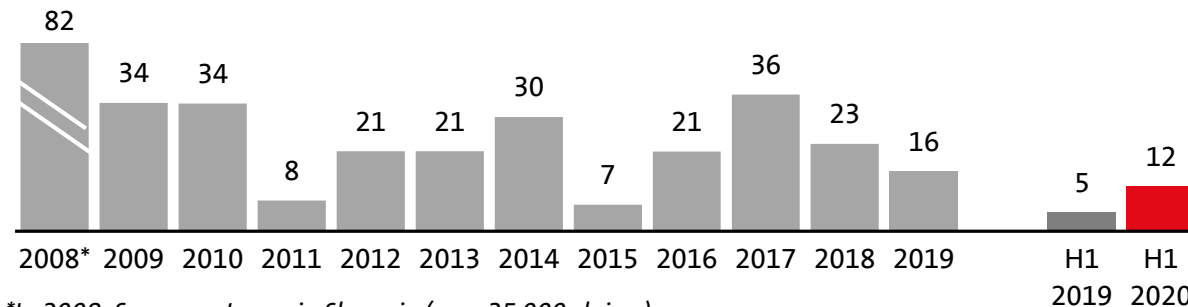
CLAIMS EXPERIENCE

GROSS CLAIMS PAID (IN €M, CHANGE IN %)



Gross claims paid down by 1% y-o-y due to fewer claims incurred and reported (e.g. in motor vehicle insurance), in health insurance due to fewer health services provided. In life & pensions segment increase due to active approach to payouts of capitalised life policies with high guarantees, and higher surrenders.

CAT LOSSES SINCE 2008 (ESTIMATED VALUES; IN €M; TRIGLAV RE'S NON-GROUP CAT LOSSES INCLUDED)



*In 2008: Summer storms in Slovenia (over 35,000 claims)

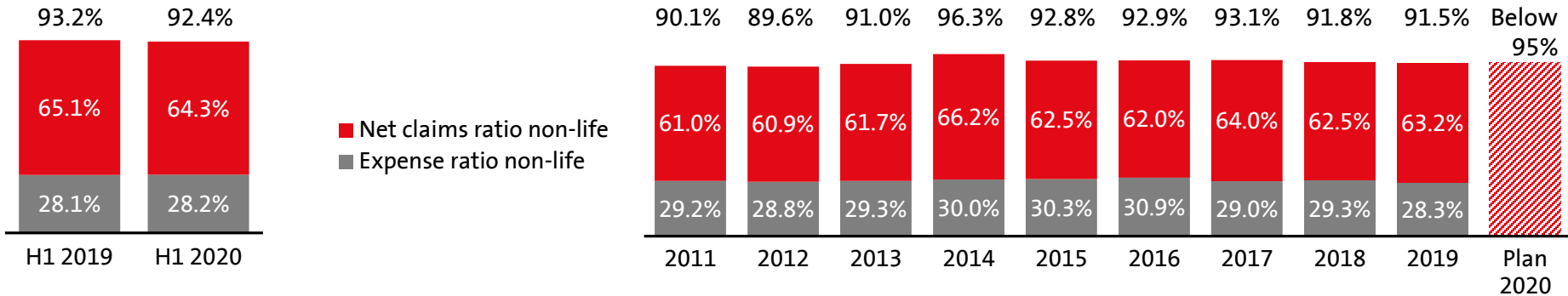
Most frequent CAT loss events are **flood, storm, hail and frost**.

H1 2020 major CAT events (estimated value): Earthquake in Zagreb (EUR 6.7M), hail storms in Slovenia (EUR 5.0M of which claims of EUR 3.3M already reported and settled), hail in North Macedonia and Croatia (EUR 0.5M damage on crops).

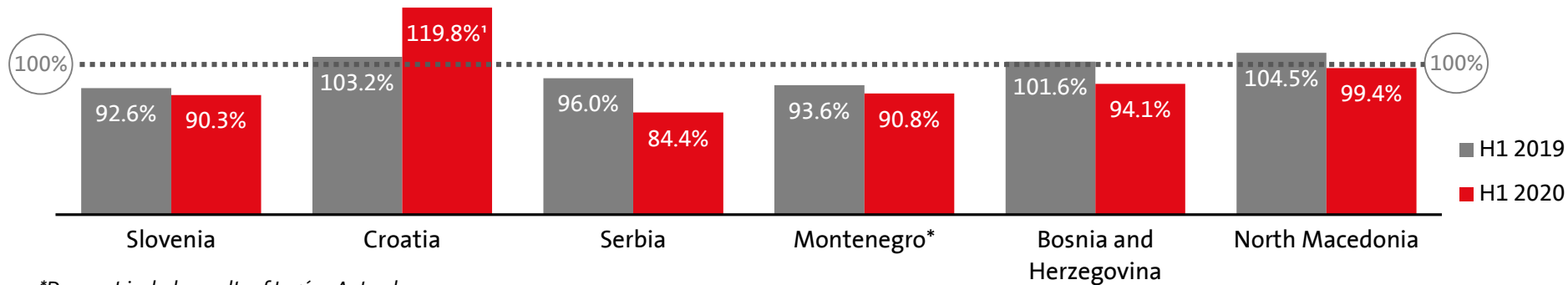
CONTINUED UNDERWRITING DISCIPLINE

TRIGLAV GROUP COMBINED RATIO NL

STRATEGY: Average target combined ratio NL at around 95%



TRIGLAV GROUP COMBINED RATIO NL BY MARKETS

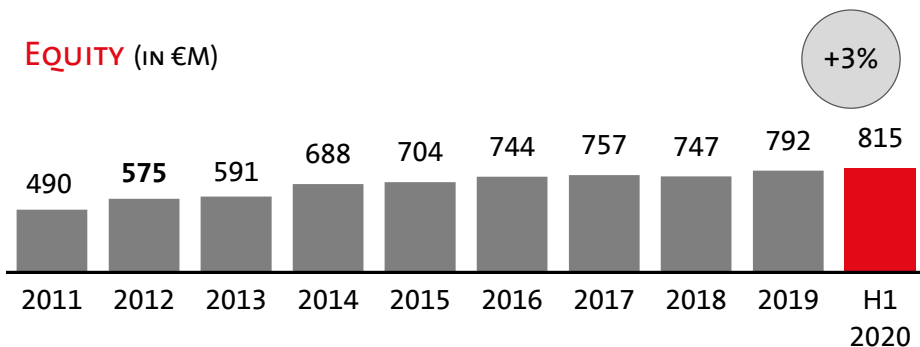


*Does not include results of Lovćen Auto, d.o.o.

¹ High growth, in addition to earthquake, mainly result of increased claims provisions due to Court decision, obligatory for the whole market, which changes criteria and amounts for determining monetary compensation for non-pecuniary damages.

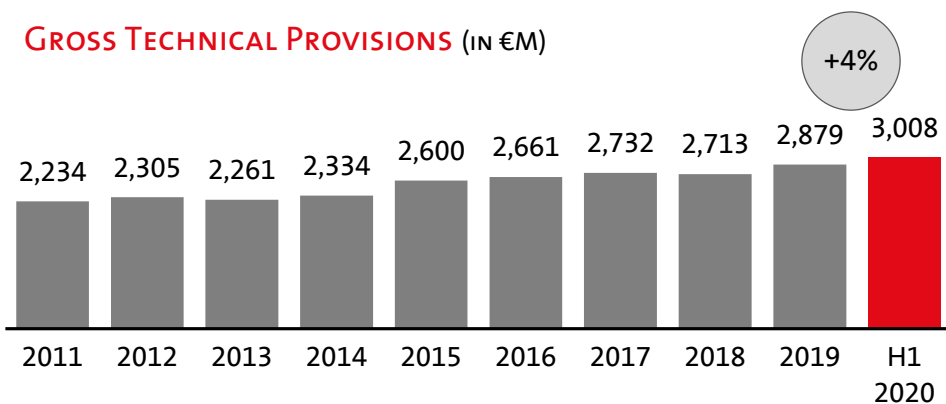
FINANCIAL STRENGTH, PRUDENT MANAGEMENT OF PROVISIONS

EQUITY (IN €M)



Equity up by 3% primarily due to higher retained earnings.

GROSS TECHNICAL PROVISIONS (IN €M)



Gross insurance technical provisions, which are basis for balanced operations and long-term safety of clients, were up by 4% compared to end of 2019.

Provisions by type:

- Mathematical provisions on similar level (€ 1,880M),
- Gross claims provisions increased by 5% to € 644M,
- Gross unearned premium up by 27% to €423M,
- Provisions for bonuses and discounts up by 21% to € 24M (additional provisions due to pandemic),
- Other provisions grew by 69% to € 37M (mainly additional provisions in health segment for unexpired risks due to pandemic).

TRIGLAV GROUP ASSET ALLOCATION

30 June 2020	NON-LIFE & HEALTH ¹		LIFE & PENSIONS ¹		TOTAL	
	In €M	In %	In €M	In %	In €M	In %
Investment property	79.3	6%	1.8	0%	81.1	3%
Investments in associates²	26.3	2%	0.5	0%	26.8	1%
Shares and other floating rate securities	120.6	9%	84.8	5%	205.3	7%
Debt and other fixed return securities	982.2	77%	1,459.0	93%	2,441.2	86%
Loans given	1.9	0%	3.5	0%	5.4	0%
Bank deposits	59.3	5%	21.3	1%	80.6	3%
Other financial investments	6.3	0%	0.4	0%	6.7	0%
Derivative financial instruments	0.3	0%	0.0	0%	0.3	0%
Investments	1,276.3	100%	1,571.2	100%	2,847.4	100%
Financial investments of reinsurance companies in reinsurance contracts with cedents	11.0		0.0		11.0	
Unit-linked insurance contract investments	0.0		458.6		458.6	
Group financial investments	1,287.3		2,029.8		3,317.1	

¹ Includes investments of own funds of the Group

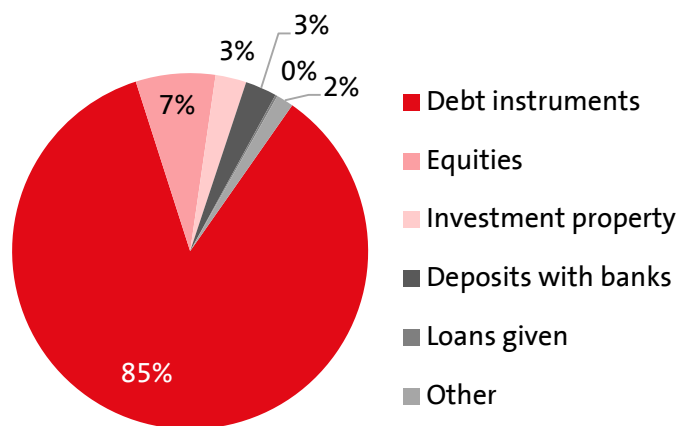
² Investment in associates are mainly additional real estate exposure

HIGH-QUALITY INVESTMENT PORTFOLIO

Asset allocation subject to ALM on portfolio basis and ERM principles (relatively conservative investment policy, focusing on investment security and liquidity governed by adequate profitability; key objective is to maintain a high overall rating of the whole investment portfolio).

ASSET ALLOCATION¹ SIMILARLY CONSERVATIVE AS AT 2019 YE

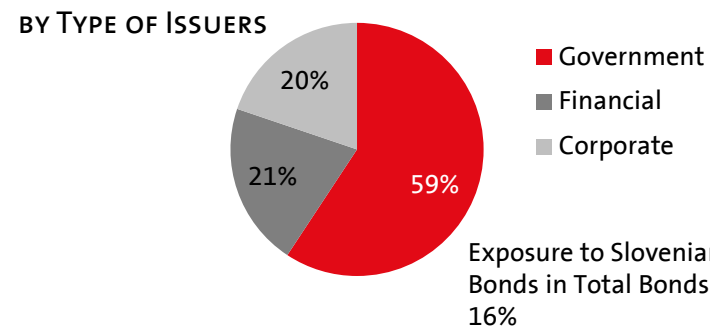
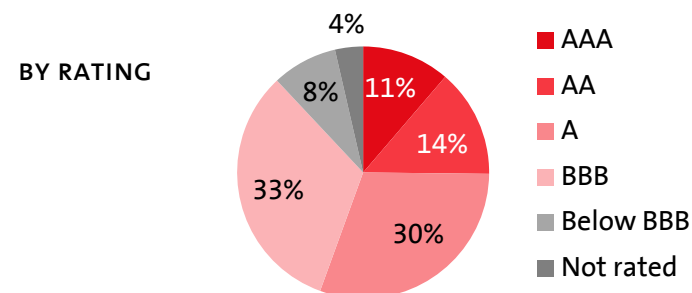
TOTAL (H1 2020): € 2,858M



¹ Unit-linked insurance contract investments excluded

DEBT INSTRUMENTS

TOTAL (H1 2020): € 2,441M



ZVTG SHARE AND SHAREHOLDERS

IN H1 2020 3TH MOST TRADED ON LJSE, TURNOVER UP BY 28%
(COMPARE TO 2019 AVERAGE):

Total Return: 2019: +17%;
2015 - 2019: +119% (market+55%, sector +58%)
H1 2020: -17% (market -8%, sector -19%)

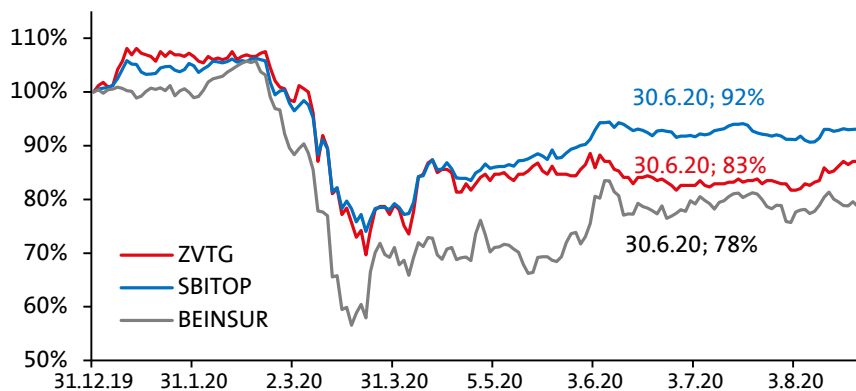
P/B: 2019: 1.0; H1 2020: 0.8
P/E: 2019: 9.3; H1 2020: 7.7

Turnover (average daily): 2019: 136T €; H1 2020: 174 €

Market cap: 2019: 757M €; H1 2020: 625 M €

Active IR: In 2019 over 80 meetings. New MM service. In 2020 IR activities adapted to restrictions and performed remotely (webcasts, confcalls, virtual conferences).

IN 2020 ZVTG UNDER INFLUENCE OF GLOBAL STOCK MARKET CRASH

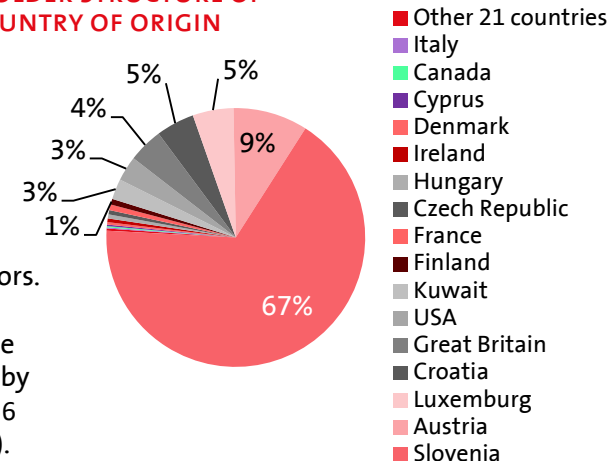


MINORITY SHAREHOLDER STRUCTURE OF TRIGLAV BY THE COUNTRY OF ORIGIN (30 June 2020)

Stable ownership structure.

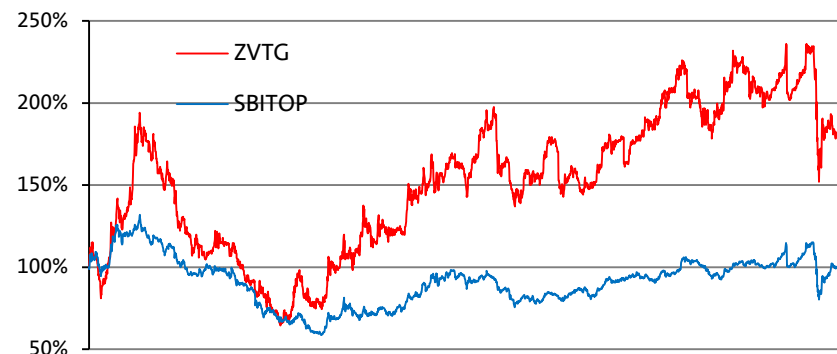
17% of all shares owned by international investors.

30.9% shares are free floating and owned by shareholders from 36 countries (see chart).



Source: LJSE, Bloomberg, KDD

ZVTG PRICE SINCE 2009



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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).