



Triglav Group Strategy for the 2019–2022 Period

Ljubljana, December 2018

The strategy has been revised for the period to 2022, while preserving the existing main elements of Triglav Group's strategy.

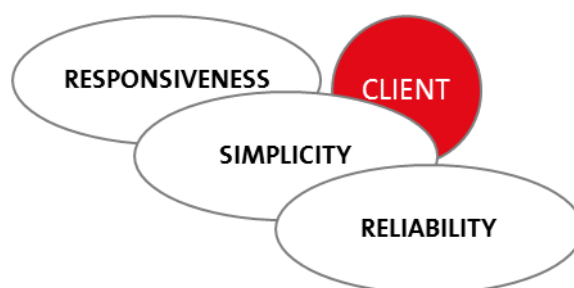
Through its vision, values and strategic objectives, the Triglav Group has set out on an ambitious path to become a modern, innovative and dynamic insurance/financial group, firmly remaining the leader both in Slovenia and the wider region.

MISSION**BUILDING A SAFER FUTURE.****VALUES**

We respond immediately and effectively.

We are simple and transparent.

We realise what we have promised.

**VISION**

By adopting a client-centric approach, we 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.

- In South-East Europe, Triglav Group is recognised as the leading provider of innovative and comprehensive insurance-service products and asset management services.
- The Group is the largest in terms of income and the best in terms of client satisfaction.
- Clients perceive the Group's omni-channel products and services as simple and desirable.
- Client experience is the Group's main competitive advantage.
- The Group dynamically develops new ways of doing business, which are among the top trends of digitisation.
- The Group is well-positioned in dynamic networks of business ecosystems.
- The Group effectively manages the risks and ensures its financial stability.
- Return on equity (ROE) surpasses 10% throughout the whole strategy period.
- The standalone "A" credit rating assigned by a renowned rating agency is being maintained.
- An efficient governance and management system of the Group has been established.
- The Group's processes are lean, simple, technologically advanced and cost-effective.
- Engaged and highly skilled employees are the cornerstone of the Group's culture of openness and cooperation, as well as its sustainable development and a responsible attitude to all of its stakeholders.

STRATEGIC ACTIVITIES

INSURANCE

- Non-life
- Life
- Pension
- Health
- Reinsurance

ASSET MANAGEMENT

- Asset management**
 - Own insurance portfolios (asset backing liabilities and guarantee funds)
 - Mutual funds and discretionary mandates

KEY STRATEGIC GUIDELINES

Long-term stable and profitable operations and greater value of Triglav Group

The strategic guideline of the Group remains achieving long-term stable profitability and increasing its value. Its strategic objectives are as follows: profitable operations, growth in the volume of operations (in terms of written premium, Triglav Group remains the largest insurer in South-East Europe), maintaining the “A” credit ratings, capital adequacy and optimal capital allocation by segment/subsidiary of the Group and comprehensive risk management. The dividend policy criteria and the capital management guidelines of the Group defined in 2018 remain unchanged. The return on equity (ROE) of the Group will exceed 10% throughout the whole strategy period (2019–2022). The Group will ensure both long-term responsible management of assets and cost-effectiveness.

In its operations, the Group will not only exploit but also enhance its competitive advantages. Triglav Group has a strong, trustworthy brand, size, economy of scale and economy of scope (capital strength), a comprehensive client portfolio, quality and comprehensive services, a wide range of products and services and developed sales channels (multi-channel availability and a strong own sales network), in addition to being known for quick settlement of claims. Furthermore, the Group is set apart from its competitors by its attitude towards the market. Its long-term focus on the existing markets of South-East Europe requires the Group to both actively and responsibly invest in the market and its relations with the stakeholders.

The Group will continue to operate in six countries of South-East Europe, where it will grow organically, however potential takeovers are not ruled out should an appropriate opportunity present itself. New business models will be developed, which will, among other things, enable the Group to enter the markets outside of the region. The Group will build strategic partnerships with the companies whose activities complement its business model. In the region where the Group operates, a long-term growth of insurance markets is expected, resulting in a higher share of total premium written in the markets outside of Slovenia. The core insurance business will be profitable in the long run, whilst the average target combined ratio in non-life insurance will be around 95%. With respect to asset management, the strategic objective of the Group will be to increase the volume of AUM and the share of assets managed for a particular client.

The Group's strategic objectives with regard to its process organisation and implementation are as follows: a high degree of automation, optimisation and cost-effectiveness of business processes, the digital way of doing business, innovation, exploitation of synergies within the Group, efficient use of data (internal and external) so as to make the right business decisions, and developed multi-matrix organisation and business productivity growth. All activities and effects will be systematically assessed in terms of responsibility and sustainable development (the three-level balance: 3P – people, planet, profit).

Client focus and development of related services

Clients are in the very centre of all activities of the Group. Relations with them are built on trust and efforts are made to achieve their satisfaction and loyalty. The Group develops a range of comprehensive solutions for its clients with related solutions and communication. Moreover, it not only develops simple products and solutions but also implements digital ways of doing business and new business models. Insurance products are being transformed into insurance and other related services, which strengthen the Group's core activities, i.e. insurance and asset management. The strategic objective is comprehensive and responsible client relationship management and multi-channel communication with clients. The Group aims to improve the understanding of its services, raise the insurance coverage of individual clients and increase the number of active clients.

Developing even more cooperative and agile organisation and culture

Triglav Group is implementing a renewed organisational culture and an increasingly agile and cooperative organisational structure, which allows it to provide responsive, simple and efficient services to both external and internal clients. Engaged employees with adequate competences and digital skills are of key importance for the upgraded and optimised processes of the Group. The Group will use state-of-the-art practices in all areas of operation.