

Triglav Group

Q1 2017 Results Presentation

June 2017



Everything will be alright.

triglav

www.triglav.eu

Q1 2017 Triglav Group at a glance

Solid performance consistent with our plans.

Profitable operations, premium growth in all insurance markets and segments, return on financial investments under the influence of still unfavorable conditions in the financial markets.

	Q1 2017	Comment
Gross written premium	€ 281m	8% growth (growth in all insurance markets and all three premium segments)
Profit before tax	€ 25m	Successful performance in the insurance business
Combined ratio non-life	92.7%	Favourable (strategic average target value around 95%). Higher loss ratio compensated by lower expense ratio.



In 2017 with new strategy 2017 - 2020

Our vision: The dynamic development of new ways of business as the foundation of the Group's responsible long-term development, while at the same time operating profitably and safely.

Strategic guidelines (topics) by 2020:

1. Profitable operations and greater value of Triglav Group

- Selected growth of operations & profitable insurance business
- Average target combined ratio in non-life around 95% & ROE over 10% in 2020
- Effective management of risks, cost-effectiveness, financial stability, "A" credit ratings
- Dividend paid in line with the dividend policy and the capital management guidelines

2. Effective asset management in Triglav Group

3. Comprehensive client relationships

4. Transformed operations of Triglav Group

- Digital strategy
- Innovative and comprehensive insurance-service products and AM services
- Developing sales channels and the omnichannel sale

5. Modern culture and dedicated staff

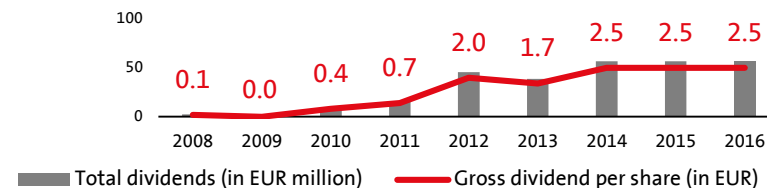
*Accompanying a client
throughout their lifecycles*

Client focus
Simple products
Individual handling
Increasingly digitised processes
Omni-channel availability
Innovative products

Highlights in 2017

▪ Dividend for 2016

Proposal of Management Board and Supervisory Board adopted by the shareholders, dividend for 2016 € 2.5 gross per share (69% of net profit of Triglav Group for 2016)



▪ Establishment of a Regional Platform for Alternative Investments (Trigal) in cooperation with the German KGAL Group

Purpose of the project: To raise funds from institutional investors and invest them in various types of investments (real property, infrastructure projects and other alternative investments).

▪ Changes in Supervisory Board of Zavarovalnica Triglav

Supervisory Board consists of nine members, on June 2017 the term of office of five members, shareholder representatives, expired. Members with high professional competence, good reputation and integrity were appointed.

EXPECTED SHORTLY: Public disclosure of Solvency and Financial Condition Report (SFCR) of Triglav Group by 1 July 2017

	30 Sept 2016**	31 Dec 2015*
Solvency ratio of Triglav Group (in %)	276	245

* With dividend payment for 2015 already taken into account. No optional LTC measures considered (transitional rules, matching adjustment, volatility adjustment)

** Estimate, without the dividends for 2016 taken into account.

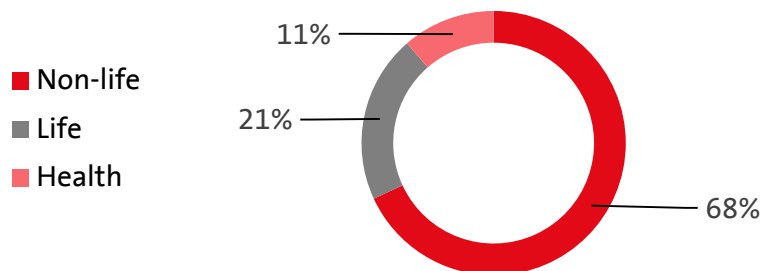
Triglav Group in Q1 2017

	In € million		
	Q1 2017	Q1 2016	Index 2017/2016
Gross written premium	280.6	258.7	108
Net premium income	214.6	201.6	106
Gross claims paid	152.4	147.3	103
Net claims incurred	148.3	139.7	106
Gross operating costs*	56.1	53.5	105
Profit before tax	25.5	28.2	90
Net profit for the accounting period	22.3	22.6	99
Gross insurance technical provisions	2,740.6	2,660.8	103
Total equity	759.6	744.3	102
Number of employees	5,079	5,046	101
Expense ratio non-life	27.9%	29.7%	94
Net claims ratio non-life	64.8%	61.7%	105
Combined ratio non-life	92.7%	91.4%	101

**Insurance business gross operating costs*

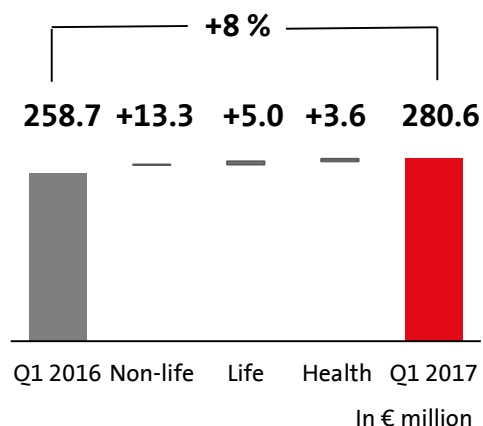


Gross Written Premium (GWP) of Triglav Group

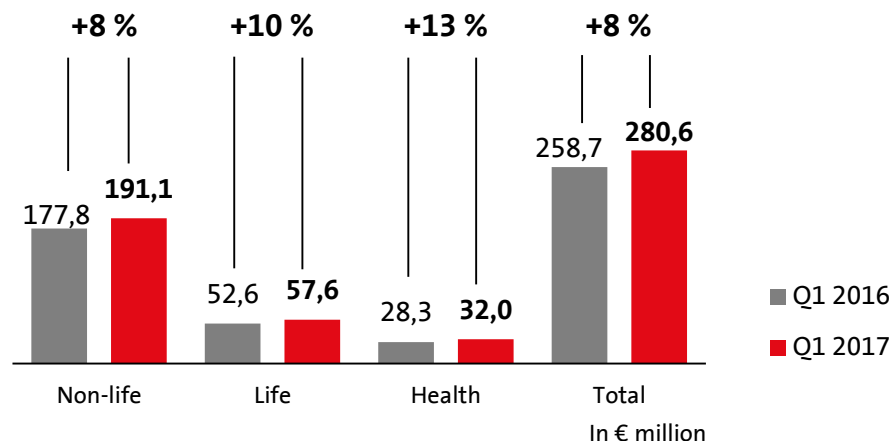


Structure of GWP		Q1 2017	Q1 2016
Non-life insurance	▼	68.1%	68.7%
Life insurance	▲	20.5%	20.3%
Health insurance	▲	11.4%	11.0%

GWP development from Q1 2016 to Q1 2017










GWP by segments in Q1 2016 and Q1 2017



Markets of Triglav Group

Average insurance premium growth in Slovenia of 7%, on markets outside Slovenia of 15%

Country	Triglav Group by markets			% Consol. GWP	Market development (2015)	
	GWP Growth Index Q1 17/Q1 16	Market share	Market position		Insurance penetration* (EU 7.6%)	Insurance density (€ per capita)
 Slovenia	▲ 107	▲ 37.3%	1	78.3%	5.1%	958
 Global Reinsurance	▲ 103	-	-	4.9%	-	-
 Croatia	▲ 111	▲ 4.7%	8	5.7 %	2.6%	269
 Serbia	▲ 138	▲ 4.7%**	5**	4.0 %	2.1%	95
 Bosnia and Herzegovina	▲ 110	▼ 8.5%	2	2.5%	2.1%	85
 Montenegro	▲ 107	▲ 40.2%	1	2.5%	2.1%	124
 Macedonia (NL)	▲ 109	▲ 17.8%	1	2.0%	1.5%	65

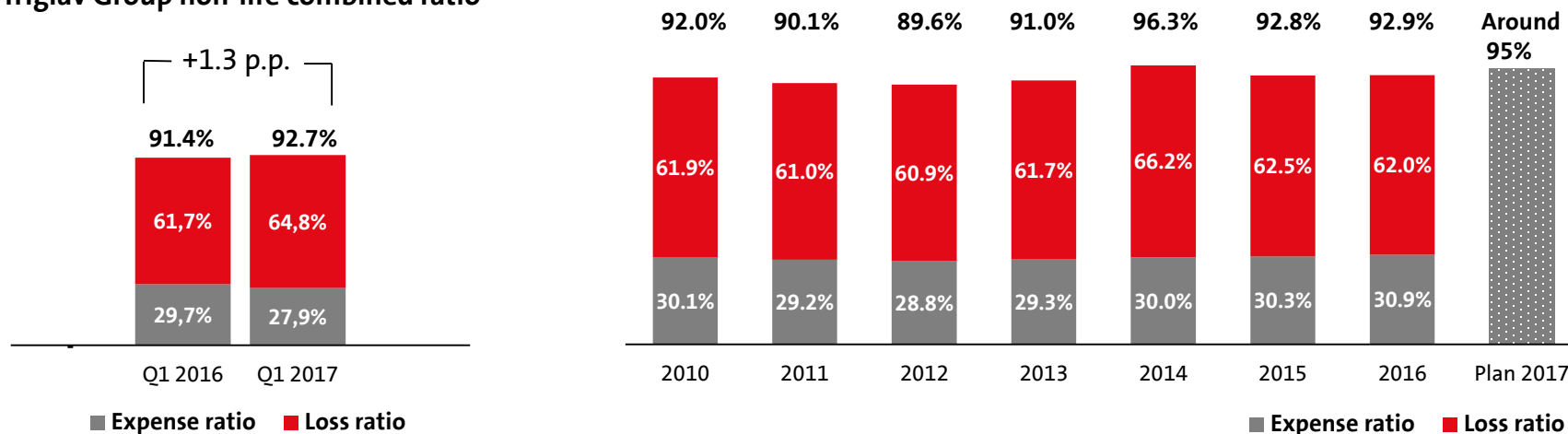
*Insurance penetration = Premium share in GDP

** 2016

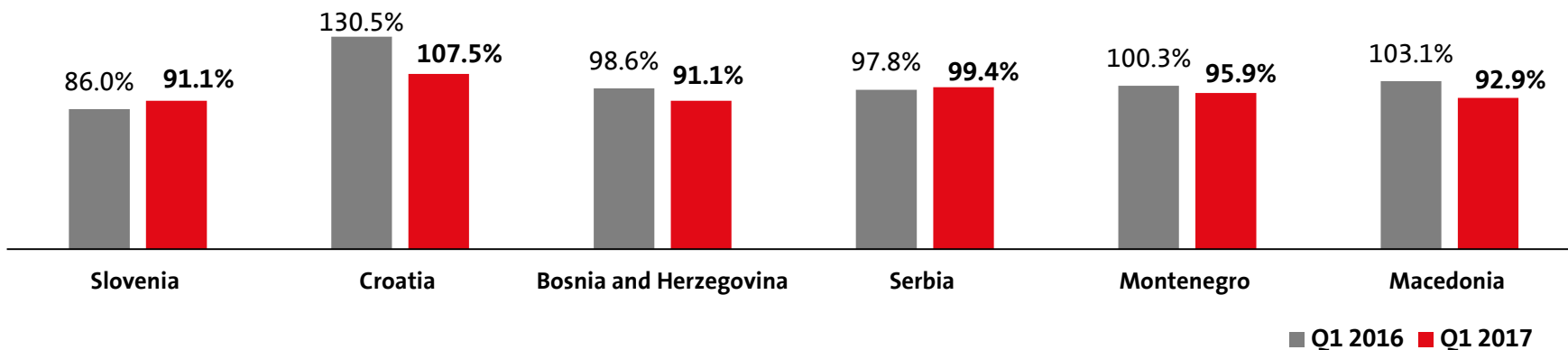


Combined Ratio

Triglav Group non-life combined ratio



Non-life combined ratios by Triglav Group markets

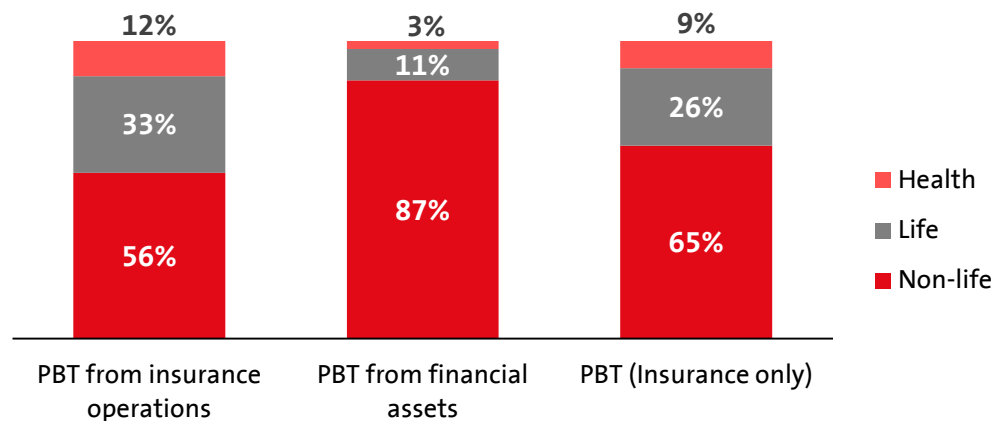


Structure of Profit before Tax of Triglav Group

In € million

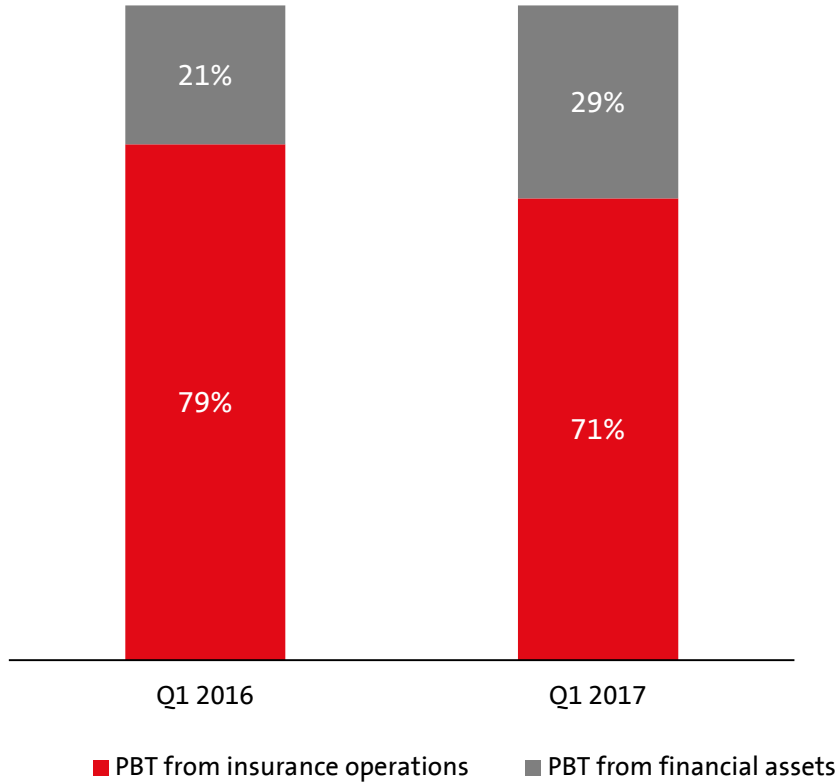
	Q1 2017			Q1 2016				
	Non-life	Life	Health	Total	Non-life	Life	Health	Total
PBT from underwriting activities	10.0	5.8	2.1	17.9	11.7	4.9	1.3	17.9
PBT from investment activities	6.5	0.8	0.2	7.5	6.6	-2.0	0.2	4.8
PBT from insurance operations	16.5	6.6	2.3	25.4	18.3	2.9	1.5	22.7
PBT from non-insurance operations				0.0				5.5
Total PBT				25.5				28.2

Structure of PBT in Q1 2017

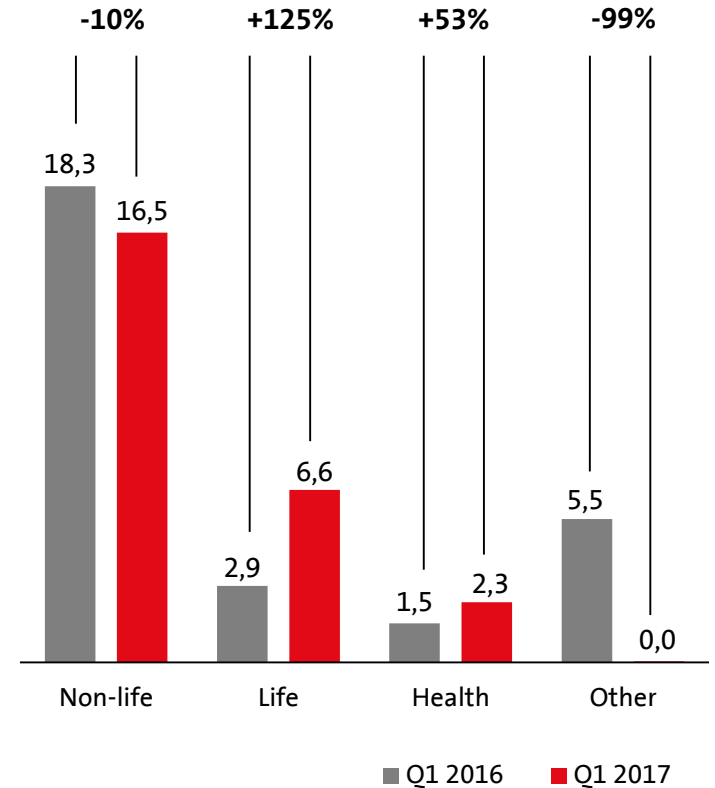


Structure of Profit before Tax of Triglav Group

Structure of PBT

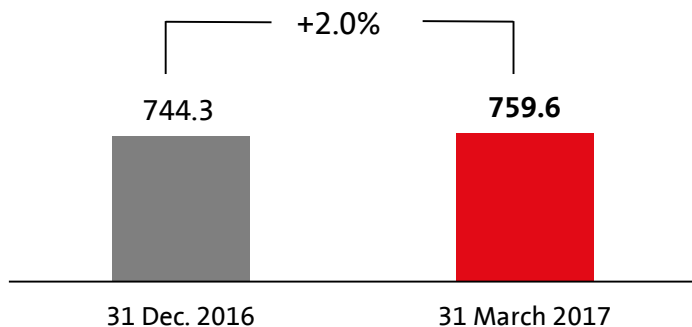


PBT by business segments in € M



Strong Capital Base and ROE

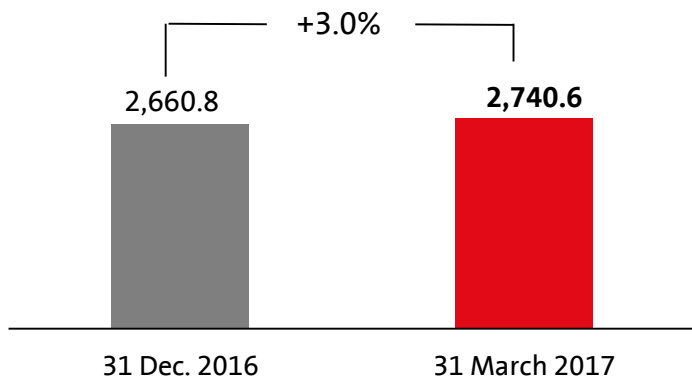
Equity in € M



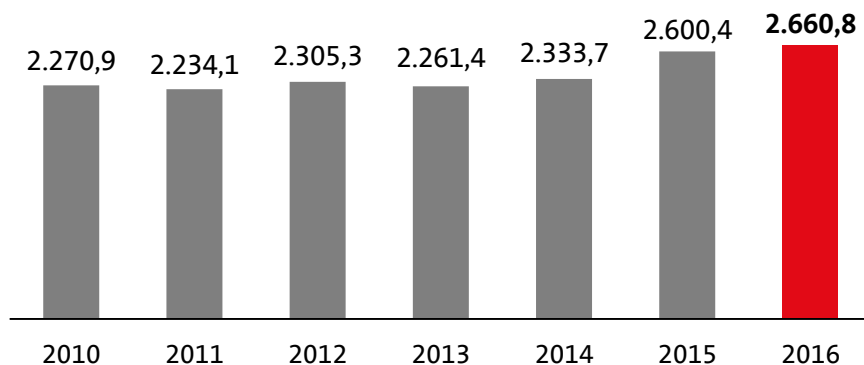
Triglav Group's Return on Equity



Gross Technical Provisions in € M



Year-End Gross Technical Provisions in € M



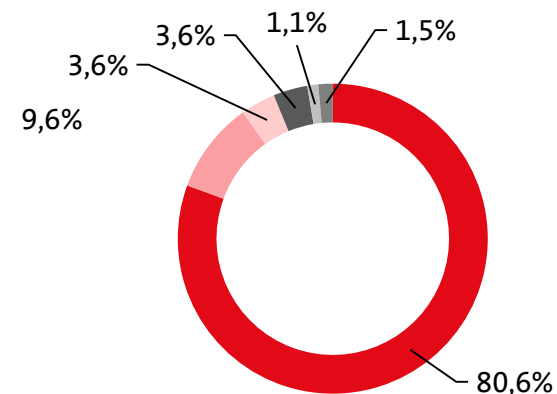
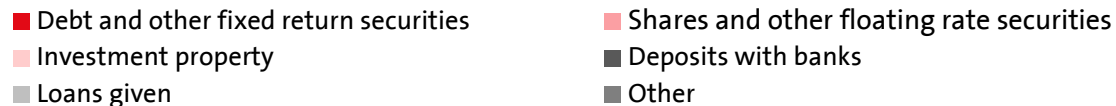
Triglav Group Asset Allocation

	Non-life & Health ¹		Life & Pensions ¹		Total	
	In € M	In %	In € M	In %	In € M	In %
Investment property	93.2	8%	2.3	0%	95.5	4%
Investments in associates ²	3.0	0%	4.2	0%	7.1	0%
Shares and other floating rate securities	122.0	10%	129.6	9%	251.6	10%
Debt and other fixed return securities	894.1	75%	1,223.5	85%	2,117.6	81%
Loans given	6.4	1%	23.4	2%	29.8	1%
Bank deposits	53.5	4%	40.4	3%	93.9	4%
Other financial investments	17.5	1%	9.3	1%	26.8	1%
Investments	1,189.7	100%	1,432.6	100%	2,622.3	100%
Financial investments of reinsurance companies in reinsurance contracts with cedents	5.7		0.0		5.7	
Unit-linked insurance contract investments	0.0		462.0		462.0	
Group financial investments	1,195.3		1,894.6		3,089.9	

¹ Includes investments of own funds of the Group.

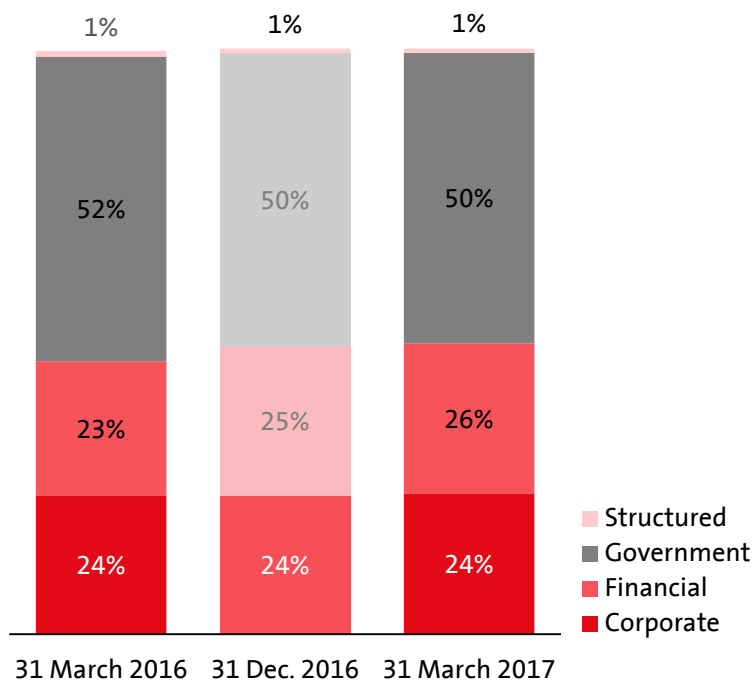
² Investment in associates are mainly additional Real Estate exposure.

Structure of investments (without unit-linked insurance contract investments) as at 31 March 2017

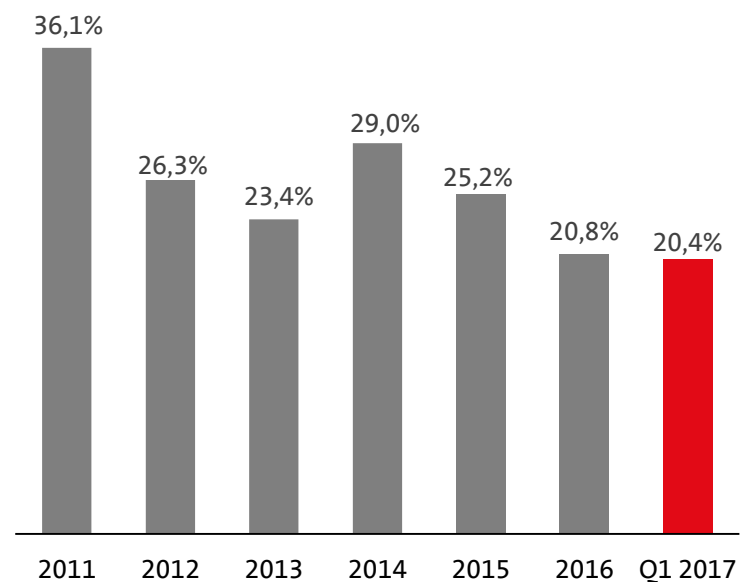


Bond portfolios

Bond Portfolio Structure by Type of Issuers



Exposure to Slovenian Bonds in Total Bonds



Triglav Group Plans for 2017

In 2017, 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	Plan 2017
Gross written premium	989	936	901	888	919	936	Around 930
Profit before tax	58	90	84	100	102	95	70 - 80
Combined ratio non-life	90.1%	89.6%	91.0%	96.3%	92.8%	92.9%	Around 95%

Q1 2017: „Taking into account the business conditions anticipated until the end of the year, we estimate that the 2017 profit before tax of the Triglav Group will be within the planned range between € 70 and 80 million.“



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

THANK YOU

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

