

Triglav Group

H1 2017 Results Presentation

September 2017



Everything will be alright.

triglav

www.triglav.eu

Triglav Group - 117 years of tradition and experience

- Triglav Group:**
- Parent company Zavarovalnica Triglav, 31 subsidiaries and 6 associated companies
 - Around 5.100 employees
-
- Core business:**
- Insurance, Asset management
-
- Ratings:**
- A/stable outlook (S&P Global Ratings, AM Best)
-
- Market presence:**
- Leading insurance - financial group in Adria region and in Slovenia
 - In 6 countries in Adria region, global through inward reinsurance



- 1. Profitable operations and greater value of Triglav Group**
- 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**

H1 2017 Triglav Group at a glance

Solid performance consistent with our plans.

Good results in insurance business, stronger return on financial investments influenced by one-offs in 2016 and 2017.

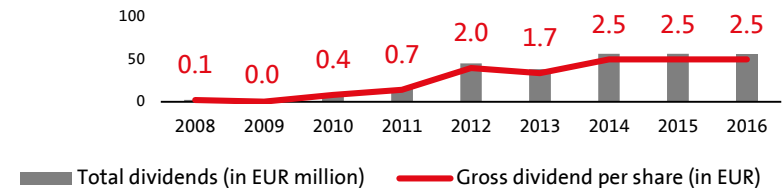
	H1 2017	Comment
Gross written premium	€ 548m	8% growth (growth in all insurance markets and all three premium segments)
Profit before tax	€ 42m	Successful performance in insurance business
Combined ratio non-life	95.5%	Favourable (lower expense ratio, higher loss ratio)



Highlights for Triglav Group in 2017

- **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, primarily in Adria region).

- **Dividend for 2016**
€ 2.5 gross per share (69% of net profit of Triglav Group for 2016)

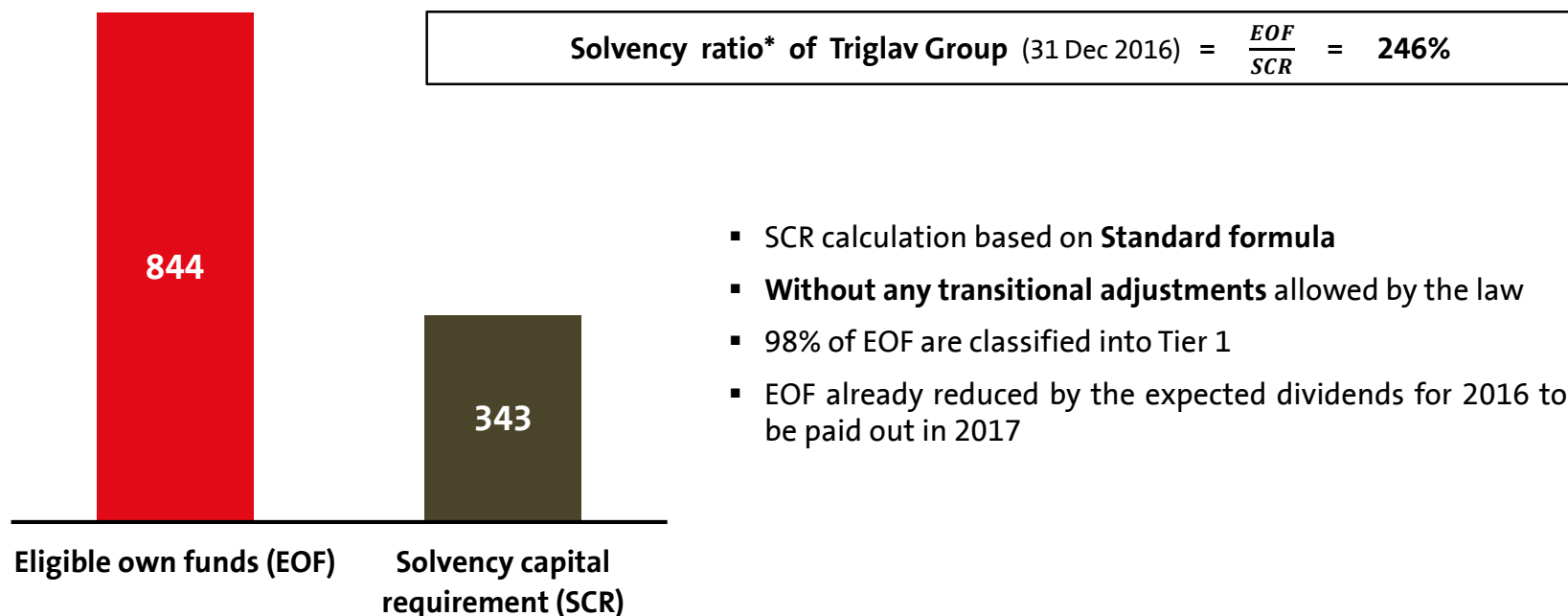


- **Changes in Supervisory Board and Management Board of Zavarovalnica Triglav**
Appointment of five members of Supervisory Board due to the expired term of office. Appointment Ms Barbara Smolnikar as a new Management Board member, responsible for life and pension insurance (in order to perform the function a relevant licence of the Insurance Supervision Agency is required).
- **Establishment of pension fund management company in Bosnia and Herzegovina**
After capital increase Triglav Group will be 34% owner of newly founded company. Joint venture with EBRD and Pension Reserve Fund of Republic of Srpska.
- **Agreement on the sale of equity stake in two Slovenian companies signed**
In July 2017 Triglav Group signed an agreement on the sale of equity stakes (7.8%) in Geoplin d.o.o. (natural gas trading company) and Plinhold d.o.o. (operator of the gas infrastructure) for € 14.5 million. Agreement subject to certain pre-closing conditions.

Financial Stability of Triglav Group

Strong capital adequacy and financial stability of Triglav Group, confirmed by the two rating agencies S&P Global Ratings and A.M. Best.

In € million

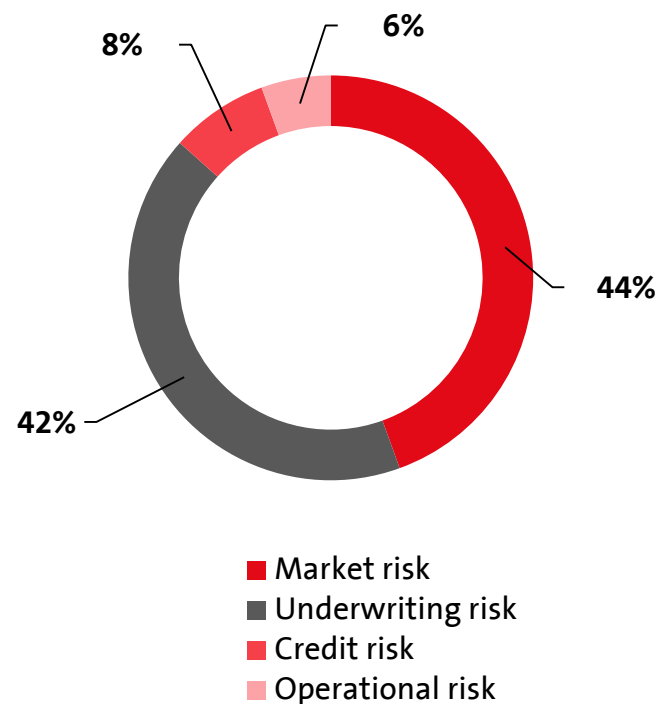


** Calculated in accordance with Solvency II regulation*



Risk profile of Triglav Group (31 Dec 2016)

- Stress tests and own risk assessment performed in the context of Solvency II in 2016 reveals that **the level of risk exposure of Triglav Group was acceptable and in line with the defined risk appetite.**
- The most significant and extensive among the risk types faced by Triglav Group are market and underwriting risks.
- All individual types of risks are **effectively managed** („three lines of defence” system).



Triglav Group in H1 2017

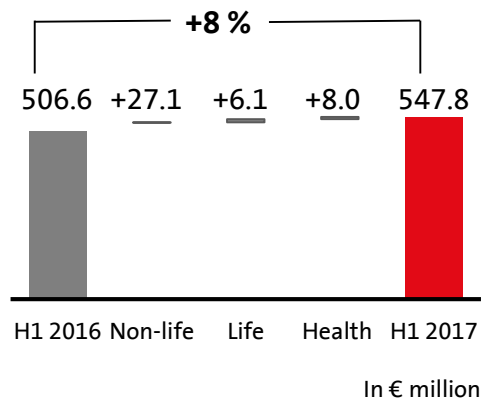
	In € million		
	H1 2017	H1 2016	Index 2017/2016
Gross written premium	547.8	506.6	108
Net premium income	440.0	415.6	106
Gross claims paid	314.2	301.1	104
Net claims incurred	312.4	294.2	106
Gross operating costs*	122.5	117.8	104
Profit before tax	42.4	43.2	98
Net profit for the accounting period	36.1	34.2	106
	30 June 2017	31 Dec 2016	2017/2016
Gross insurance technical provisions	2,765.5	2,660.8	104
Total equity	716.4	744.3	96
Number of employees	5,102	5,046	101
Expense ratio non-life	29.4%	30.3%	97
Net claims ratio non-life	66.1%	63.1%	105
Combined ratio non-life	95.5%	93.4%	102

**Insurance business gross operating costs*

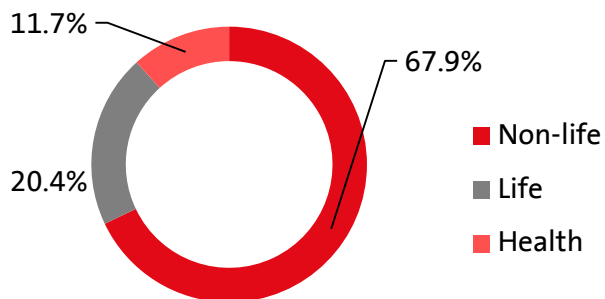
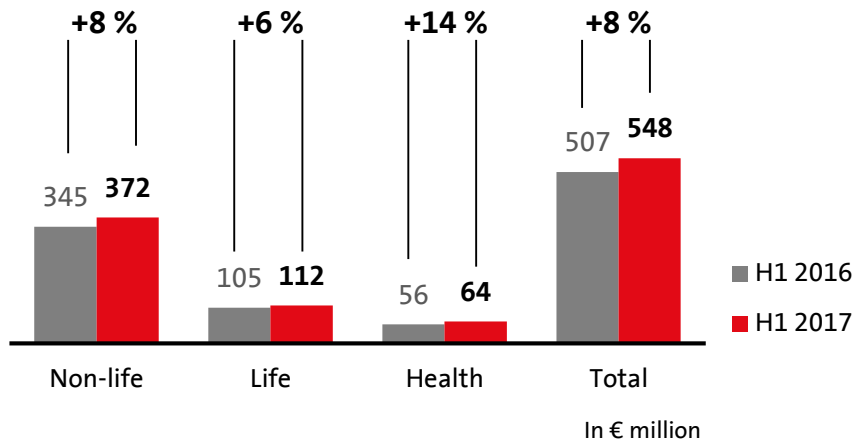


Gross Written Premium

GWP development from H1 2016 to H1 2017



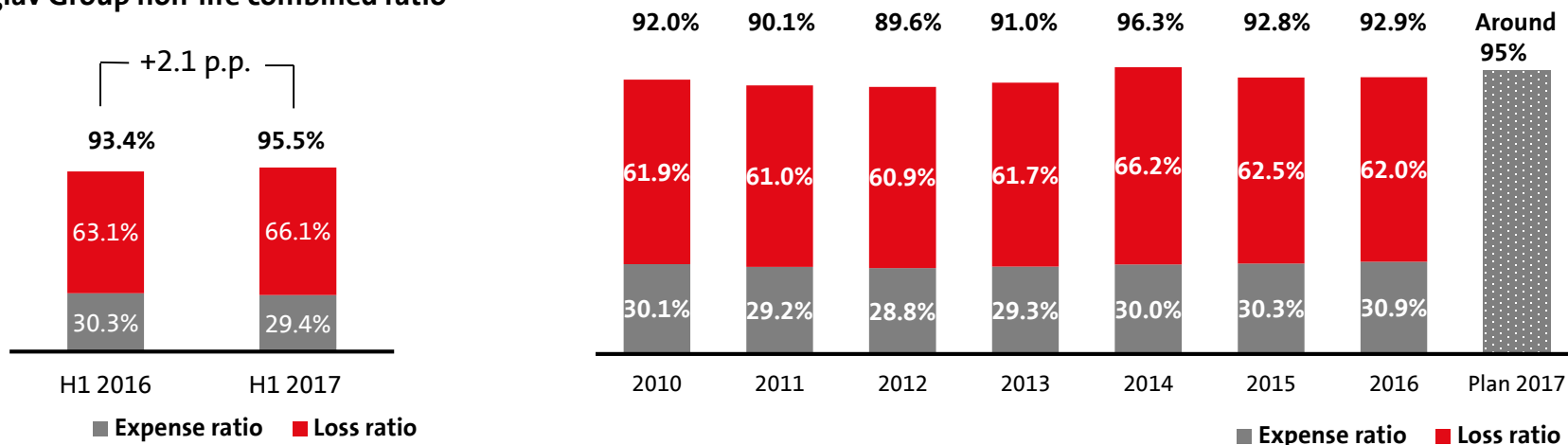
GWP by segments in H1 2016 and H1 2017



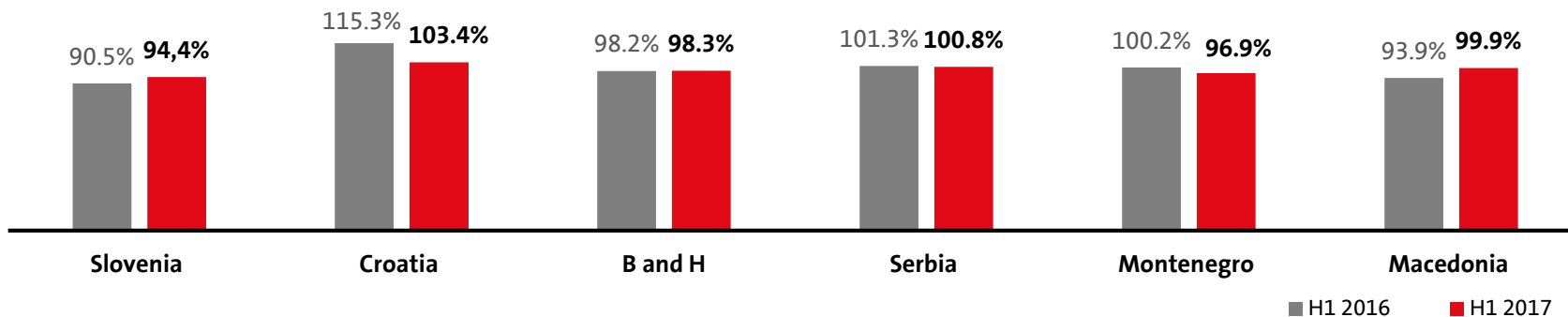
Structure of GWP		H1 2017	H1 2016
Non-life insurance	▼	67.9%	68.1%
Life insurance	▼	20.4%	20.8%
Health insurance	▲	11.7%	11.1%

Combined Ratio

Triglav Group non-life combined ratio



Non-life combined ratios by Triglav Group markets



Triglav Group's Markets










Strategy 2017 – 2020:

- Focus on Adria region. Organic growth, potential takeovers not excluded
- Higher share of total written premium on markets outside Slovenia
- Digitization of processes, development of innovative products, omnichannel availability
- Developing digital models which allow entering markets outside the existing region



Markets of Triglav Group

Average premium growth in Slovenia of 7%, on markets outside Slovenia of 12%

Country	Triglav Group by markets			% Consol. GWP by markets	Market development (2016)	
	GWP Growth Index H1 17/H1 16	Market share	Market position		Insurance penetration* (EU 7.4%)	Insurance density (€ per capita)
 Slovenia	▲ 107	36.6%	1	77.3%	5.0%	980
 Global Reinsurance	▲ 107	-	-	5.1%	-	-
 Croatia	▲ 111	4.8%	8	5.8%	2.6%	278
 Serbia	▲ 134	5.8%	5	4.2%	2.1%	103
 Bosnia and Herzegovina	▲ 105	8.1%	3	2.6%	2.2%	92
 Montenegro	▲ 103	39.1%	1	2.9%	2.1%	129
 Macedonia (NL)	▲ 102	18.1%	1	2.1%	1.4%	68

*Insurance penetration = Premium share in GDP

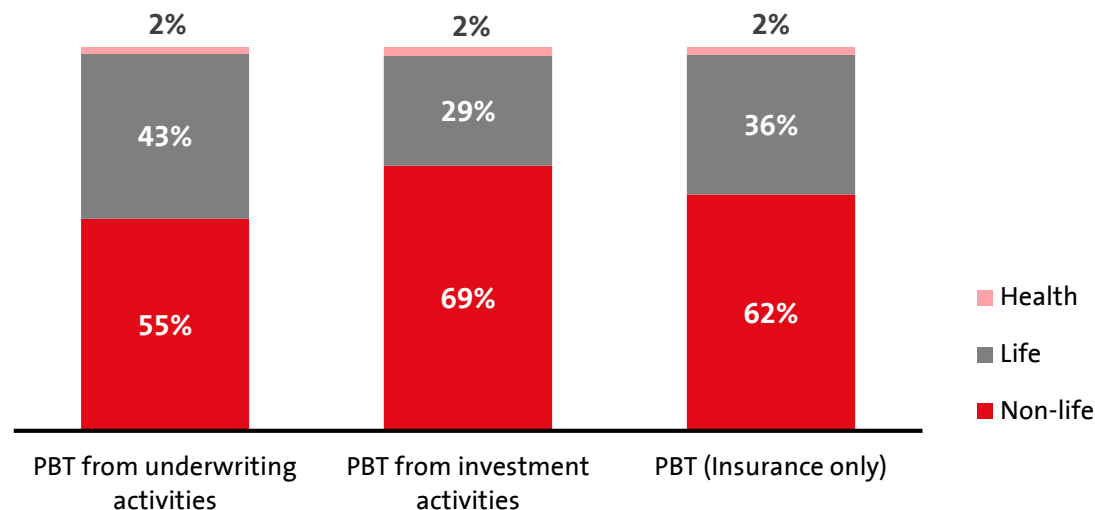


Structure of Profit before Tax of Triglav Group

In € million

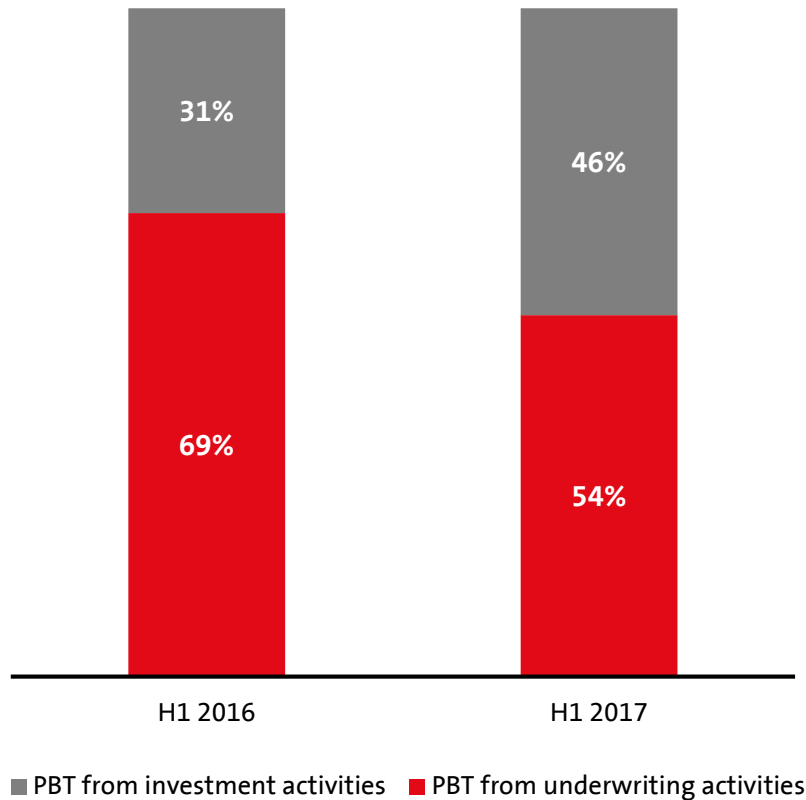
	H1 2017				H1 2016			
	Non-life	Life	Health	Total	Non-life	Life	Health	Total
PBT from underwriting activities	12.6	9.8	0.4	22.8	19.7	4.9	1.3	25.9
PBT from investment activities	13.3	5.5	0.4	19.3	13.6	-2.6	0.5	11.4
PBT from insurance operations	25.9	15.3	0.9	42.1	33.2	2.3	1.8	37.3
PBT from non-insurance operations				0.3				5.9
Total PBT				42.4				43.2

Structure of PBT in H1 2017

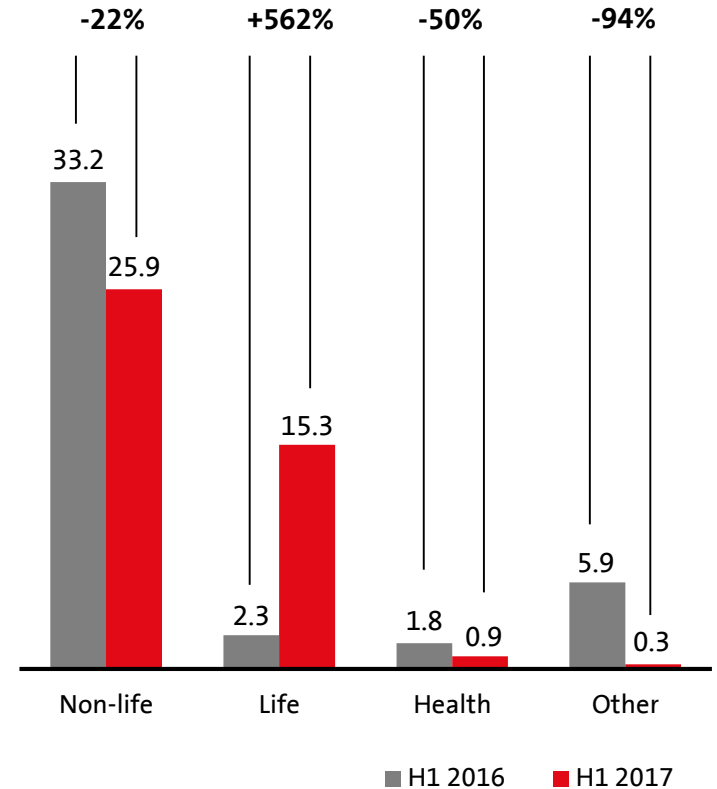


Structure of Profit before Tax of Triglav Group

Structure of PBT

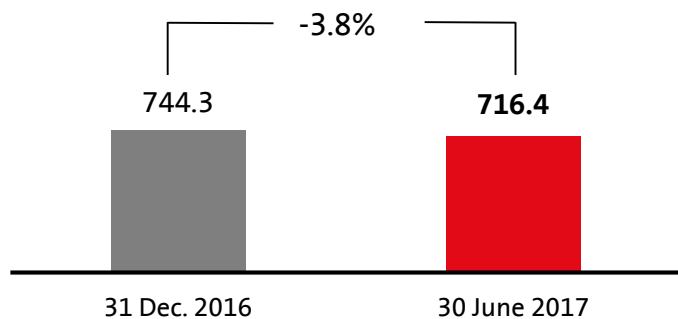


PBT by business segments in € M

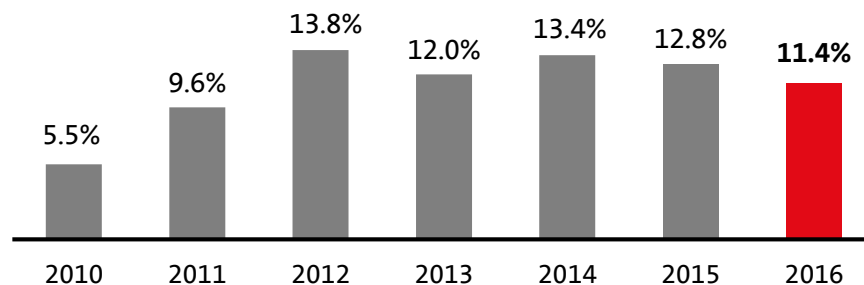


Strong Capital Base and ROE

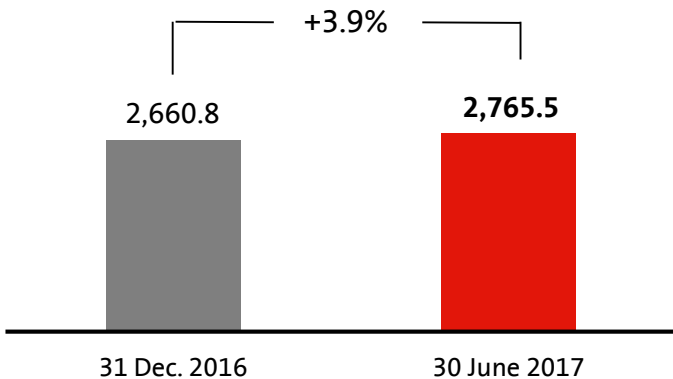
Equity in € M



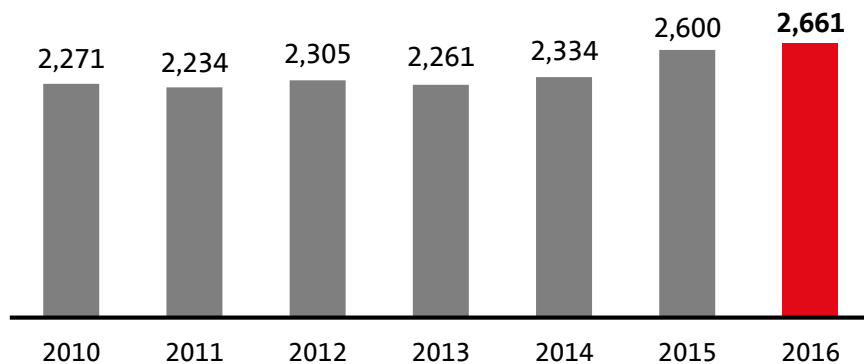
Triglav Group's Return on Equity



Gross Technical Provisions in € M



Year-End Gross Technical Provisions in € M



Triglav Group Asset Allocation (as at 30 June 2017)

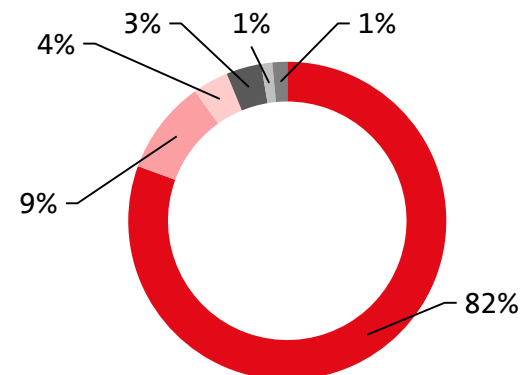
	Non-life & Health ¹		Life & Pensions ¹		Total	
	In € M	In %	In € M	In %	In € M	In %
Investment property	93.2	8%	2.3	0%	95.5	4%
Investments in associates ²	6.8	1%	0.8	0%	7.6	0%
Shares and other floating rate securities	119.8	10%	103.7	7%	223.5	9%
Debt and other fixed return securities	879.2	75%	1,256.0	87%	2,135.2	82%
Loans given	6.5	1%	22.6	2%	29.1	1%
Bank deposits	47.8	4%	43.2	3%	91.0	3%
Other financial investments	18.8	2%	7.4	1%	26.2	1%
Investments	1,172.1	100%	1,436.0	100%	2,608.2	100%
Financial investments of reinsurance companies in reinsurance contracts with cedents	5.3		0.0		5.3	
Unit-linked insurance contract investments	0.0		449.0		449.0	
Group financial investments	1,177.5		1,885.1		3,062.5	

¹ Includes investments of own funds of the Group

² Investment in associates are mainly additional Real Estate exposure

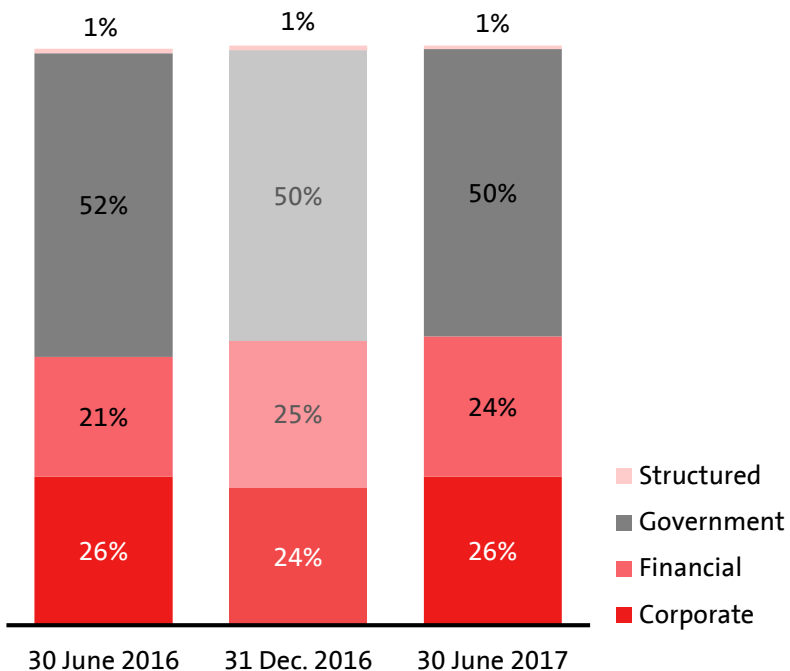
Structure of investments (without unit-linked insurance contract investments) as at 30 June 2017

- Debt and other fixed return securities
- Shares and other floating rate securities
- Investment property
- Deposits with banks
- Loans given
- Other

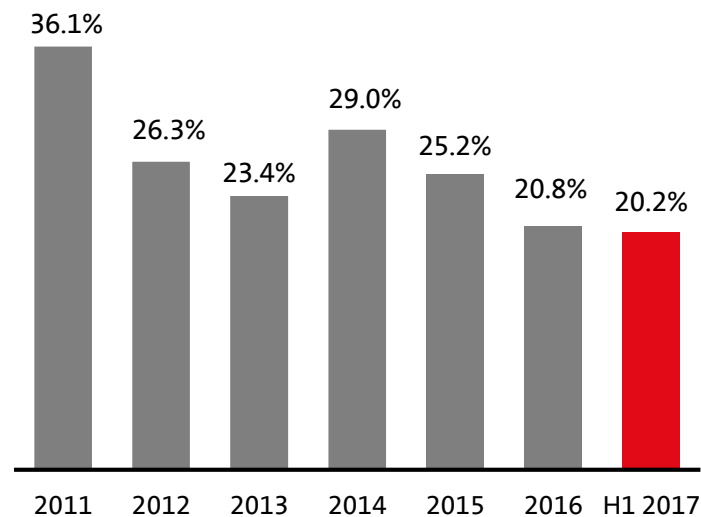


Bond portfolios

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%

H1 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

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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).