

## Triglav Group in Q1 2024: High profit growth and strong performance in all segments

The Triglav Group effectively overcame the shortfall in supplemental health insurance premium in Slovenia in Q1 2024. It significantly increased the business volume of other segments, especially the Non-Life segment (up by 12%), and achieved growth both in the Adria region markets (up by 14%) and the wider international environment (up by 19%), while maintaining its financial stability and strong capitalisation. The Group's earnings before tax amounted to EUR 43.3 million (up by 153%) and its net earnings to EUR 36.6 million (up by 154%). Taking into account the expected business conditions for the remainder of the year, at the end of the first quarter, the Group estimates that it will achieve its planned annual result. The Management Board and the Supervisory Board have proposed that this year's regular General Meeting of Shareholders, to be held on 4 June 2024, approve a dividend payout of EUR 1.75 gross per share, representing a 5% dividend yield at the current share price.

### FINANCIAL HIGHLIGHTS OF Q1 2024

The Group's **total business volume** in Q1 2024 amounted to EUR 488.7 million, similar to the same period last year. The Group's quarterly **earnings before tax** stood at EUR 43.3 million (Q1 2023: EUR 17.1 million, index 253) and the Group's net earnings stood at EUR 36.6 million (Q1 2023: EUR 14.4 million, index 254). Zavarovalnica Triglav, the Group's parent company, generated earnings before tax of EUR 29.4 million (Q1 2023: EUR 8.8 million, index 335) and net earnings of EUR 24.9 million (Q1 2023: EUR 7.3 million, index 341).

**The combined ratio of Non-Life and Health**, which shows the profitability of these two segments, stood at a favourable 87.9% (being down by 11.0 percentage points year-on-year). **The new business margin of Life** stood at 14.9%, up by 3.5 percentage points year-on-year.

**Andrej Slapar, President of the Management Board of Zavarovalnica Triglav**, commented: *"We have made a very promising start this year, with a remarkable improvement in the Group's results compared to last year. Given this context, at the end of the first quarter, we estimate that we will achieve our planned annual result, taking into account the expected business conditions for the remainder of the year. In Q1 2024, the supplemental health insurance premium in Slovenia, which accounted for 11% of the Group's total written premium in Q1 2023, had already been largely offset by premium growth in other insurance classes both in the region and internationally. Our performance in the first quarter was also positively affected by less intense claim events without any major nat CAT events. In summary, we have performed well in all segments of both activities – insurance and asset management – for which I would also like to thank all of Triglav Group's employees."*

### Q1 2024 FINANCIAL RESULTS

The Triglav Group is financially stable and adequately liquid with a strong capital base. The Group's **balance sheet total** increased to EUR 4.2 billion (index 102) relative to 31 December 2023, while **total equity** amounted to EUR 929.8 million (index 104).

The Group's **total business volume** reached EUR 488.7 million (index 99) and gross written premium, which accounted for 92% of total business volume, amounted to EUR 448.7 million (index 99). Due to the termination of supplemental health insurance, there was a 10% reduction in premium written year-on-year in Slovenia's market, while a 19% growth was recorded in the international market and a 12% growth in other markets of the Adria region. In terms of the geographical structure of written premium, the Group collected 58.6% of total written premium in Slovenia's insurance market (Q1 2023: 64.7%) and 19.9% in the remaining markets of the Adria region (Q1 2023: 17.5%), while the share of international insurance and reinsurance increased by 3.7 percentage points to 21.5% year-on-year.

The Group's **quarterly earnings before tax** amounted to EUR 43.3 million (Q1 2023: EUR 17.1 million). The bulk of it, EUR 38.3 million, was generated from the insurance business (Q1 2023: EUR 7.4 million), with high growth in all three segments, i.e. Non-Life, Life and Health. The net investment result reached EUR 5.2 million in the reporting period. The comparable result last year (EUR 11.3 million) was strongly positively affected by the change in provisions for not achieving the guaranteed yield (EUR 5.5 million), while this year it had no significant impact (EUR 0.4 million). **Uroš Ivanc, a Management Board member of Zavarovalnica Triglav**, explained: *"The investment part of our business showed strong performance in the first quarter, primarily driven by the growth in interest income. In the asset management segment, we have significantly increased the assets under management in mutual and pension funds, as well as discretionary mandate assets based on net inflows and capital market effects, and have delivered strong results."*

The Group's **total assets under management** as at 31 March 2024 amounted to EUR 5,162.7 million, up by 6% relative to 31 December 2023. Of these, the Group companies managed own funds and unit-linked insurance assets in the total amount of EUR 3,508.8 million (index 103 relative to the 2023 year-end). The structure of this portfolio is comparable to the balance as at 31 December 2023, with the bulk (52.8%) accounting for bonds invested in developed markets, most of which have a high credit rating. The Group's sustainable fixed-income investments reached EUR 267.4 million, up by 2% relative to 31 December 2023, and their share in the total bond portfolio grew to 11.3% (31 December 2023: 11.1%). The Group also manages assets in mutual and pension funds as well as discretionary mandate assets under individual management amounting to EUR 1,542.6 million (index 115).

The annualised rate of return on investments of the Group (excluding unit-linked insurance assets) was 2%, which is the same as last year.

**Other comprehensive income** amounted to EUR 2.1 million (Q1 2023: EUR 7.6 million). **Uroš Ivanc, a Management Board member of Zavarovalnica Triglav**, explained: *"There were no significant changes in Q1 2024 relating to the revaluation of financial instruments and insurance liabilities. We ensure that the duration of assets and liabilities is properly matched, resulting in a relatively low net impact on comprehensive income."*

## PERFORMANCE IN Q1 2024 BY SEGMENT

**Non-Life segment:** Total business volume rose by 12% to EUR 397.5 million. Insurance revenue grew at the same rate to EUR 260.5 million, driven by higher insurance coverage, past premium rate rises on premium increases and the growth of insurance sales under the principle of free movement of services (FOS). Claims incurred declined by 6% to EUR 125.2 million year-on-year, while acquisition and administrative costs including non-attributable costs grew by 2% to EUR 65.0 million. The combined

ratio of the Non-Life segment stood at a favourable 89.5% (Q1 2023: 98.8%). The quarterly earnings before tax amounted to EUR 28.5 million (Q1 2023: EUR 7.1 million).

**Life segment:** Total business volume increased by 5% to EUR 59.6 million. The new business margin reached 14.9%, up by 3.5 percentage points year-on-year. The contractual service margin rose by one percentage point to EUR 224.7 million, while the CSM of new contracts in total CSM increased by 0.6 percentage point to 5.0%. The quarterly earnings before tax amounted to EUR 6.1 million (Q1 2023: EUR 3.5 million).

**Health segment:** Following the termination of supplemental health insurance in Slovenia, total business volume in Q1 2024 decreased by 90% year-on-year to EUR 5.0 million. The quarterly earnings before profit were positive at EUR 4.2 million, mainly due to the impact of the reduction of provisions as a consequence of the termination of supplemental health insurance.

**Asset Management<sup>1</sup>:** Total business volume amounted to EUR 26.6 million (index 92); income from asset management (income from fees) increased by 16% to EUR 11.2 million. The quarterly earnings before tax stood at EUR 4.5 million, with a 32% year-on-year decrease primarily due to the effect of one-off events that had a positive impact on earnings in the previous year.

## OTHER HIGHLIGHTS

**The dividend and regular general meeting of shareholders.** The Management Board and the Supervisory Board have proposed that this year's General Meeting of Shareholders, to be held on 4 June 2024, approve a dividend payout of EUR 1.75 gross per share, or EUR 39.8 million in total, representing a 5% dividend yield at the current share price. The Company aims to implement its dividend policy consistently, thereby meeting shareholders' expectations of being a stable, safe and profitable long-term investment.

**Health segment.** The merger process of Triglav, Zdravstvena zavarovalnica with Zavarovalnica Triglav, the Triglav Group's parent company, is underway. The merger will simplify and optimise the Group's operations in the Health segment within the Slovenian market following the termination of supplemental health insurance.

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<sup>1</sup> This segment includes clients' pension savings through the insurance services of the Group's insurance and pension companies, asset management and the management of clients' assets in mutual funds and discretionary mandate assets. The investment results of own insurance portfolios (assets backing liabilities and guarantee funds) are taken into account in the insurance segments.

## Financial highlights of the Triglav Group in Q1 2024

	EUR million		
	Q1 2024	Q1 2023*	Index
<b>Total business volume</b> (1+2)	<b>488.7</b>	<b>494.5</b>	<b>99</b>
Gross written premium (1)	448.7	454.4	99
Other revenue (2)	40.0	40.1	100
<b>Insurance operating result</b> (1)	<b>38.3</b>	<b>7.4</b>	<b>520</b>
Insurance revenue	288.3	304.0	95
Claims incurred	130.5	186.2	70
Acquisition and administrative costs incl. non-attributable items	76.5	77.6	99
Net reinsurance service result	-42.0	-30.8	
Net other insurance revenue/insurance service expenses	-0.9	-2.0	
<b>Net investment result</b> (2)	<b>5.2</b>	<b>11.3</b>	<b>46</b>
Investment result	60.8	26.0	234
Financial result from insurance contracts	-56.8	-21.0	
Change in provisions for not achieving the yield on SVPI	0.4	5.5	7
Gains/losses and impairments of investments in associates	0.8	0.8	101
<b>Result from non-insurance operations**</b> (3)	<b>-0.1</b>	<b>-1.5</b>	
<b>Earnings before tax</b> (1+2+3)	<b>43.3</b>	<b>17.1</b>	<b>253</b>
<b>Net earnings</b>	<b>36.6</b>	<b>14.4</b>	<b>254</b>
Other comprehensive income	2.1	7.6	28
	<b>Q1 2024</b>	<b>Q1 2023</b>	
<b>Combined ratio Non-Life &amp; Health</b>	<b>87.9%</b>	<b>98.9%</b>	
Claims ratio Non-Life & Health	62.4%	74.1%	
Expense ratio Non-Life & Health	25.5%	24.9%	
<b>New business margin Life</b>	<b>14.9%</b>	<b>11.4%</b>	
Annualised ROE	17.1%	6.6%	
<b>Return on financial investment</b>	<b>2.0%</b>	<b>2.0%</b>	
	<b>31. 3. 2024</b>	<b>31. 12. 2023</b>	<b>Index</b>
Balance sheet total	4,190.1	4,099.0	102
Equity	929.8	891.1	104
Assets under management (AUM)	5,162.7	4,851.4	106
Contractual service margin (CSM)	241.6	238.4	101
Number of employees	5,267	5,318	99

\* Note regarding the comparison period of Q1 2023: In last year's publication of the Triglav Group's Q1 2023 results, the data were presented for the first time in accordance with IFRS 17 but on a non-consolidated basis (excluding the elimination of intercompany transactions). The figures presented here for Q1 2023 are consolidated and also take into account certain improvements to the IFRS 17 calculations made throughout 2023. Last year's quarterly figures are not materially different from this year's in terms of the Group's performance. In order to ensure appropriate data transparency, the main differences between them are as follows: Q1 2024 earnings before tax of EUR 18.5 million are now EUR 17.1 million; net earnings of EUR 16.1 million are now EUR 14.4 million; other comprehensive income of EUR 8.1 million is now EUR 7.6 million; and claims incurred of EUR 252.3 million (calculated according to IFRS 4) are now EUR 186.2 million; total business volume of EUR 484.6 million is now EUR 494.5 million and the combined ratio of Non-Life & Health of 94.7% is now 98.9%. \*\* Excluding Group revenue (e.g. from Triglav Svetovanje, Triglav zdravje asistenca and Triglav, Upravljanje nepremičnin).