

## INFORMATION PUBLISHED AFTER H1 2018 RESULTS

### Triglav Group is going to be a 100% owner of Skupna pokojninska družba

*This purchase enables Triglav to efficiently consolidate its pension insurance segment in Slovenia*

On 14 September 2018, Zavarovalnica Triglav, the parent company of Triglav Group, and Nova Ljubljanska banka signed an agreement to purchase the remaining 28.1% equity stake of Skupna pokojninska družba, thereby becoming its 100% owner. Following this purchase, Triglav continues to implement its strategic guidelines of strengthening its presence on the pension insurance market as well as the processes of consolidation and integrated management of this segment within the Group.

As at the 2017 year-end, nine insurance companies operated on the Slovene supplemental voluntary pension insurance market. Being one of these providers, Zavarovalnica Triglav d.d., the parent company of Triglav Group, held a 14% market share in terms of accumulated assets, whilst Skupna pokojninska družba held a 20% share. Along with future prospects, the Group's leading position, knowledge and experience make a sound foundation for future operations of the Group in both the pension and life insurance (pension annuities) segments in Slovenia and the Adria region. The Group sees this market as promising with a growth potential in terms of an increased number of clients and a higher volume of accumulated assets.

### Triglav Group to Acquire the Slovene Asset Management Company ALTA Skladi

*Triglav Group Strengthens Its Position Among the Slovene Asset Managers*

Ljubljana, 21 September 2018 – On 21 September 2018, Triglav Skladi, a Triglav Group member, and the seller ALTA Skupina signed an agreement to acquire a 100% stake in the Slovene asset management company ALTA Skladi. The agreement was entered into under suspensive conditions, among others the condition that the approval of the regulators is required. The purchase price excluding adjustment for net debt is EUR 21.7 million, a part of which is contingent on future payments made into the funds of the acquiree. The acquisition is consistent with the strategic guideline of the Group to continue to strengthen its asset management business in the strategic period to 2020 because, in addition to insurance, asset management is one of the two key business pillars of the leading insurance/financial group in Slovenia and the Adria region. Integration of both asset management companies within Triglav Group will be a strong guarantee for their clients to be provided asset management services of the highest quality also in the future.

With almost 10% market share, ALTA Skladi is the fifth largest asset management company in the Slovene mutual funds market. In 22 mutual funds, it manages over EUR 270 million in assets on behalf of its clients. Triglav Group has a long tradition and rich experience in the Slovene mutual funds market. Through its subsidiary Triglav Skladi, the Group has been active on the Slovene market since 1994, where it currently ranks second with a 26% market share. In its 17 mutual funds and discretionary mandates, it effectively manages over EUR 750 million in assets on behalf of its clients by providing them a wide range of investment opportunities and forms of saving.

The acquisition of ALTA Skladi is an important step towards developing the Group's asset management business. In this way, the Group will not only increase the volume of assets under management but also acquire new clients, to whom it is be able to offer its quality and comprehensive products and services. The planned synergistic effects resulting from the integration of both asset managers within the Group will be a solid basis for further effective development of the Group's asset management business.

## High “A” Credit Rating with Stable Medium-Term Outlook Reaffirmed

On 7 September 2018, S&P Global Ratings (hereinafter: S&P) confirmed the “A” Long-Term Credit Rating and Financial Strength Rating of Triglav Group and thereby of its parent company Zavarovalnica Triglav and its subsidiary Pozavarovalnica Triglav Re. Both credit ratings have a stable medium-term outlook. According to S&P, the reaffirmed high ratings reflect the Group’s leading position both in the Slovene growing market and the region, its stable and profitable operations in recent years and a sound risk-based capital adequacy.

### **BUSINESS RISK PROFILE ASSESSED AS STRONG**

S&P assessed the business risk profile of Triglav Group as strong. This is based on its market leadership in Slovenia and the region, its profitable and well-diversified insurance portfolio enhanced by a large sales network and strong brand recognition. As the important aspects, S&P pointed out the Group’s strategic client-centric approach, its leading position in offering innovative risk covers in the region and the use of alternative sales channels, such as the option to purchase insurance online.

### **FINANCIAL RISK PROFILE ASSESSED AS VERY STRONG**

According to S&P, the Group’s capital adequacy meets the “AAA” rating requirements, also reaffirmed by the Solvency II ratio of 222% as at the 2017 year-end. Sound financial stability is ensured by strong business profitability, a very conservative and stable reinsurance protection and prudent management of provisions. Triglav has a good diversified investment portfolio, with its assets mostly invested in the euro area. S&P regards the Group’s exceptional liquidity as its important advantage. It is based on steady premium income and a liquid asset portfolio, allowing Triglav to manage unexpectedly large claims. Furthermore, the Group’s experienced management is effectively adjusting the Group to the changing environment and market conditions, while at the same time focusing on Triglav’s core activities (insurance and asset management) and on implementing its set strategy.

The “A” credit rating exclusively reflects the Group’s standalone credit profile and does not include any uplift from the insurer’s status as a government-related entity.

The stable medium-term outlook reflects the S&P’s expectations that the Triglav Group will continue to effectively implement its business strategy, focusing on sustaining profitability, growth and very strong capital adequacy over the next two years.