



A reflection of tomorrow

The Triglav Group and
Zavarovalnica Triglav d.d.
Annual Report 2022

triglav

Marija Judež, 2022 Young Hope



The actions of today will determine our tomorrow.

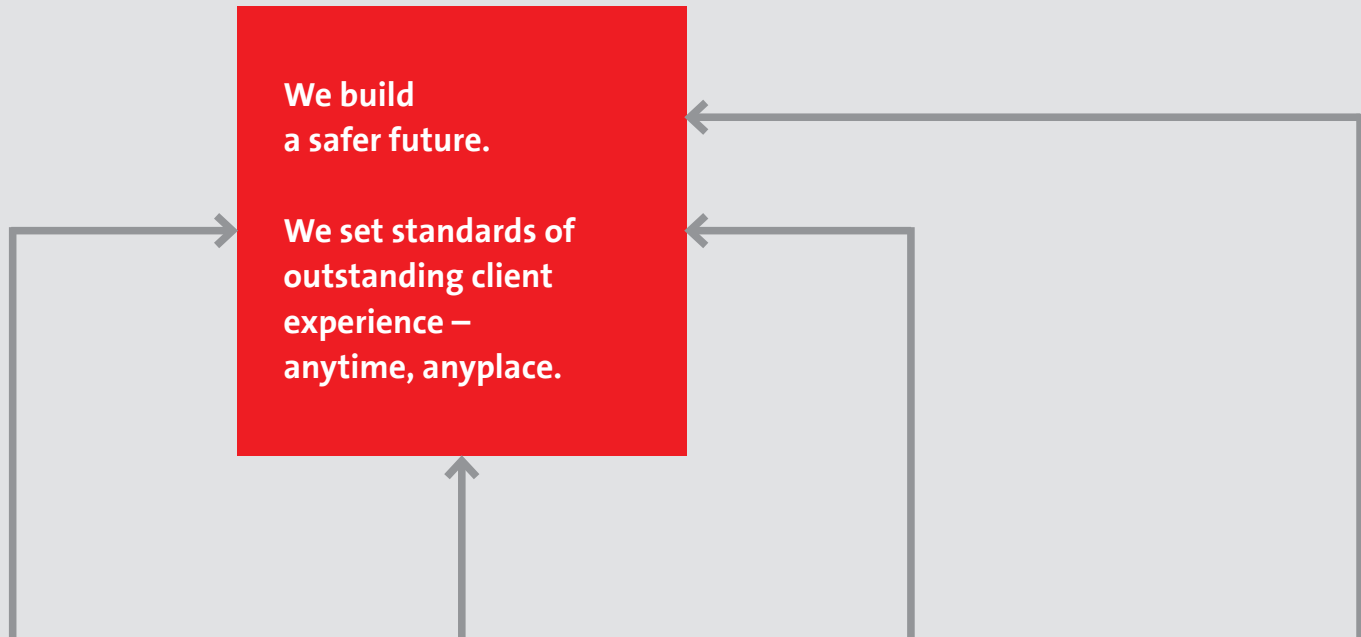
The Triglav Group's business development is guided by its mission and vision.

The Group's mission and vision are pursued for all young hopes, all its clients, employees and shareholders, as well as for existing and future partners and communities.

On cover:

The multi-talented student **Marija Judež** knows what she wants and steadfastly pursues her goals. The young winner of international Olympiads in experimental science, astronomy and astrophysics is determined to become a scientist. She wants to devote her exceptional talent to astronomy and physics. She is unstoppable in her desire to learn more about the expansion of the universe and galaxies, but also in paving the way for other young women and female scientists and anyone who wants to push boundaries.

[More about the Young Hopes project and its anniversary](#)



In 2022, the Triglav Group consolidated its position as the leading insurance and financial group in the Adria region as well as one of the leaders in South East Europe.

Insurance	Asset management	A client-centric approach	Sustainable development
<p>Premium growth was recorded in all three insurance segments and in all insurance markets.</p> <p>EUR 1,479.6 million ↑ +9% Gross written insurance, coinsurance and reinsurance premiums</p> <p>See Section 7. Operations of the Triglav Group and Zavarovalnica Triglav for more information</p>	<p>Our goal is to achieve a high credit rating for the entire investment portfolio, focusing on its safety and liquidity.</p> <p>90.4% Bond investments in the investment grade with at least »BBB« credit rating</p> <p>See Section 7.9 Investment structure of the Triglav Group and Zavarovalnica Triglav for more information</p>	<p>We offer a flexible range of modern insurance and investment products and services, which are provided with existing and newly established business ecosystems.</p> <p>77 ↑ +4 points Client satisfaction at Triglav Group (the NPS index)</p> <p>See Section 11. Development activities for more information</p>	<p>Environmental, social and governance (ESG) aspects are integrated into our operations. We are promoting the transition to a more sustainable society and are reducing our impact on climate change.</p> <p>10% The share of social impact, green and sustainable bonds in debt securities</p> <p>See Section 12. Sustainable development at the Triglav Group for more information</p>

A man with a beard and glasses, wearing a blue button-down shirt, is smiling and adjusting his glasses with both hands. The background is a plain, light-colored wall. The image is overlaid with several text boxes: a white box on the left with a title and paragraph, a grey box on the top right with a headline and link, a red box on the right with a paragraph, and a red box at the bottom with a quote.

Seeing through the eyes of clients

We aim to develop an offer tailored to the needs and expectations of our clients. We were among the first in the region to launch the Report & Repair service. This service means that clients no longer have to deal with the time-consuming and often demanding process of repairing the damage to their property.

Franc Branko Florjančič, Director of Assistance Claims Department, points out that Triglav's focus continues to be on its comprehensive repair service. It brought about a shift in the range of services provided and their organisation, in which they fully cater to the needs of clients. »We expanded our cooperation with assistance service providers and developed partnerships in the Company's business ecosystem based on a common approach. Client feedback and exceptional reviews of their experience serve as an excellent basis for the expansion of personalised repair services and the further development of the platform.«

**A simple solution,
a richer experience,
a better relationship**

[See Section
Development activities for
more information](#)

We work with a network of local partners involved in the Triglav Dom (Home) business ecosystem, handle the procedures and provide comprehensive engineering services.

In the event of damage to property, clients can choose us to handle the repairs instead of opting for direct payment of compensation.



A welcome solution

In the cosy home of the Vegan family, you will feel relaxed from the very first minute you enter. The three generations of family members and the loyal guardian dog Flash have created a lively atmosphere in their house.

Mr Bogdan knows very well that even a minor incident can lead to significant damage to the property, which was what happened when there was a leak in the bathroom plumbing due to a damaged wall-hung toilet bowl. Thanks to adequate insurance coverage, the insurance company took care of everything, finding the materials and a contractor to replace the tiles, fixtures and cabinets. Zavarovalnica Triglav effectively repaired the damage, supervised the quality of repairs and covered all the costs.

Opportunities and rules are the same for everyone

Aleksandra Česen, our colleague at Zavarovalnica Triglav, is also an international football referee. She has loved this most popular team sport since her youth. Propelled by her passion, effort and skill, she established herself in a traditionally male-dominated field. She played on her local team for many years, then in the national team, after which she became a junior team coach.

Aleksandra is proof to younger generations that they can achieve anything they set their mind to. As a colleague, she inspires us in spreading the culture of equality and diversity.

54.7%

of all Triglav Group employees are female.

≈ payment

In all employee categories, activities and countries where the Group operates, the basic salary of men and women is equal.

The name of the first women's football league in Slovenia was renamed to **Triglav Zdravje Women's Football League** in 2022.

Contents

Business Report

1. Address by the President of the Management Board	9
2. Triglav Group and Zavarovalnica Triglav in 2022	11
3. Report of the Supervisory Board	23
4. Strategy and plans of the Triglav Group	30
5. Corporate Governance Statement	40
6. The share and shareholders of Zavarovalnica Triglav	51
7. Operations of the Triglav Group and Zavarovalnica Triglav	57
8. Financial result of the Triglav Group and Zavarovalnica Triglav	83
9. Financial position of the Triglav Group and Zavarovalnica Triglav	90
10. Cash flow statement	94
11. Development activities	95
Non-financial statement	101
12. Sustainable development at the Triglav Group	103
13. Information on the Triglav Group as at 31 December 2022	135
14. Business network of the Triglav Group	140
15. Performance indicators of Zavarovalnica Triglav	143

Keep updated about our activities

Detailed information for investors and existing shareholders is available at:

Information for shareholders:

Zavarovalnica Triglav, d.d., Ljubljana,
 Miklošičeva cesta 19, 1000 Ljubljana,
 Helena Ulaga Kitek,
 Head of Investor Relations
 T: ++386 (1) 47 47 331
 E: investor.relations@triglav.si

Risk Management

1. Risk management system	160
2. Capital position	165
3. Risk profile	167

Accounting Report

Statement of management's responsibilities	193
Independent auditor's report	194
1. Financial statements	198
2. Notes to the financial statements	204
3. Notes to the statement of financial position	242
Glossary of insurance terms	320
GRI, SASB and SDG Content Index	323

The Triglav Group and Zavarovalnica Triglav d.d.

Audited Annual Report of the Triglav Group and Zavarovalnica Triglav d.d. for the Year Ended 31 December 2022

About the report

The annual report in the PDF format is its unofficial version. Annual report in the ESEF format complies with the Commission Delegated Regulation (EU) 2019/815 and paragraph one of Article 134 of the Market in Financial Instruments Act (ZTFI-1) and is its official version published on SEOnet.

The Annual Report of the Triglav Group and Zavarovalnica Triglav d.d. for 2022 is integrated and describes the balance and plans as at 31 December 2022. When compiling the report, the aim was to present a comprehensive overview of the main financial and non-financial (ESG) aspects, results and plans.

When reporting on sustainable development, GRI and SASB standards as well as UN Sustainable Development Goals (SDGs) were used. Progress in the field of climate change is disclosed in accordance with the CDP methodology.

You can read more about the report in Section [2.4 About the report](#).

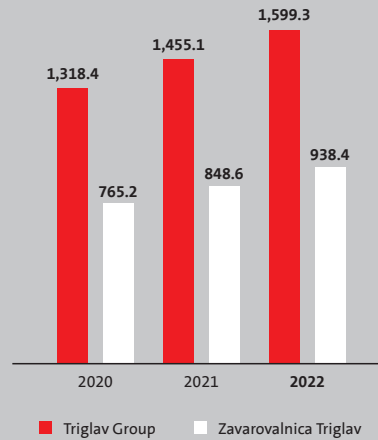




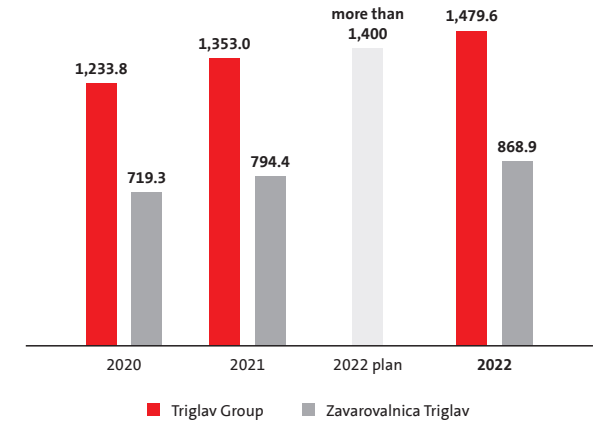
2022 Key Highlights

We consistently pursued our planned strategic guidelines and goals.

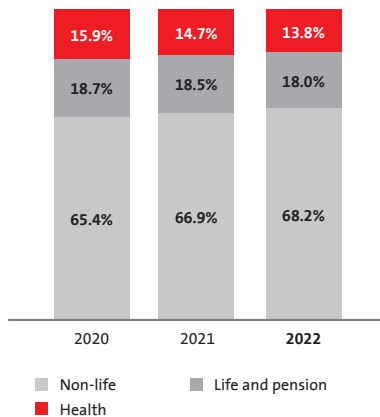
Total revenues in EUR million



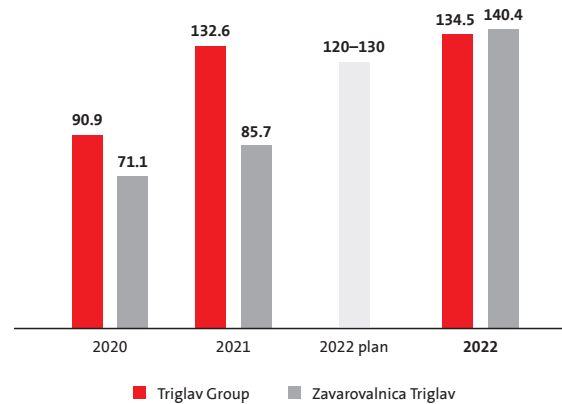
Gross written premium for insurance, coinsurance and reinsurance contracts in EUR million



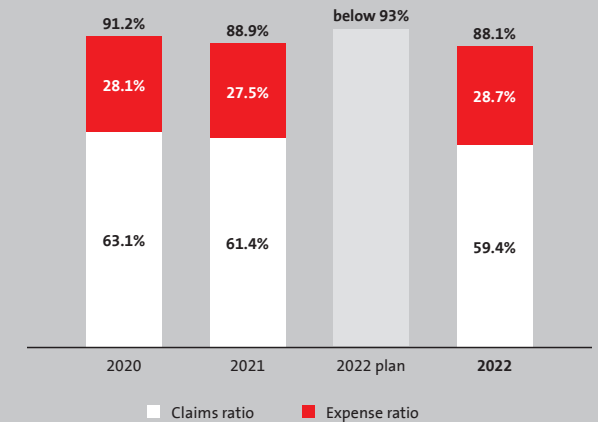
Consolidated gross written premium of the Triglav Group by segment



Net profit before tax in EUR million



Combined ratio of the Triglav Group





»A«

Credit rating with a stable medium-term outlook

2021: A

200%

Capital adequacy of the Triglav Group

2021: 219%

EUR 3.7

Dividend per share

2021: 1.7 EUR

EUR 4.1 billion

Balance sheet total of the Triglav Group

2021: EUR 4.4 billion

EUR 3,271.2 million

investment portfolio of the Triglav Group

2021: EUR 3,668.5 million

88.1%

Combined ratio of the Triglav Group

2021: 88.9%

13.1%

Return on equity of the Triglav Group

2021: 12.5%

EUR 832.2 million

Gross claims

2021: EUR 736.6 million

77

Satisfaction of Triglav Group's clients (NPS index)

2021: 73

41.2%

Women at first and second management levels under the management board

2021: 42.0%

1.86 tCO_{2e}

Carbon footprint per employee

2021: 2.09 tCO_{2e}

63.3%

Share of electricity consumption from renewable sources in Triglav Group

2021: 60.1%

5,306

Number of employees in Triglav Group

2021: 5,264

419

Number of Triglav Group's suppliers checked against ESG criteria

2021: 375

EUR 20.8 million

Written premium from products promoting social and environmental benefits

2021: 16.3 mio. EUR

2022 Key Highlights

1. Address by the President of the Management Board¹

Dear
Shareholders
and Readers,

In 2022, we made important development steps and achieved good results that confirm both the robustness of our business model and the flexibility and success of our strategy. We achieved this despite a challenging environment in which we were faced with the effects of the broader geopolitical situation, high inflation growth, an unfavourable situation in international financial markets and the consequences of the

COVID-19 pandemic. The Triglav Group was again assigned a high “A” credit rating by the credit rating agencies S&P Global Ratings and AM Best, confirming its sound performance.

The Group generated EUR 134.5 million in consolidated profit before tax, up by 1% over the previous year. A net profit of EUR 110.2 million was 2% lower compared to last year. The results achieved are above those planned and are the result of good performance and one-off events, especially the partial release of claims provisions from previous years, which mitigated the growth of claims and expenses. In estimating claims provisions, the trends of the best estimate introduced by the new IFRS 17 accounting standard were followed, bringing their amount closer to the estimated value according to IFRS 17. Gains on the disposal of investment property and some equity investments also had a positive impact, whereas total return on the investment portfolio was negative as a result of the unfavourable situation in the financial markets. This, together with the increased dividend payment, reduced equity by 19% to EUR 752.8 million and increased net return on equity to 13.1%. Due to the aforementioned reasons and inflation, the Group’s capital adequacy decreased over the previous year, remaining around the lower end of its target range.



¹ GRI 2-22

Insurance and asset management

Total revenue rose by 10% to EUR 1,599.3 million, while gross written premium increased by 9% to EUR 1,479.6 million. Premium growth was recorded in all three insurance segments and all our markets. In Slovenia, it reached 7% and was consistent with market trends, while in other markets of the Adria region it stood at 12%. Premium written in the international market based on the principle of free movement of services and inward reinsurance premium grew by 17%. The non-life insurance premium increased by 12%, life and pension insurance premium by 6% and health insurance premium by 3%.

Backed by a larger insurance portfolio, more dynamic activity of households and businesses, and the inflationary rise in the prices of materials and services, gross claims paid grew by 13% to EUR 832.2 million. Major CAT events also contributed to this. Their estimated value of EUR 32.1 million was more than 20% above the five-year average. The Triglav Group's combined ratio was favourable, standing at 88.1%, primarily as a result of an improved claims ratio due to the release of claims provisions.

The unfavourable situation in the financial markets characterised by interest rate hikes and share price falls resulted in an 11% decrease in the investment portfolio, the value of which at the end of the year stood at EUR 3,271.2 million. In accordance with investment policies, its conservative structure and quality did not change significantly. Net inflows were recorded in the management of clients' assets in mutual funds and discretionary mandates, but assets nevertheless decreased by 10% to EUR 1,389.5 million due to lower prices on the financial markets. By holding a 31.3% market share, the Group is one of the leading managers of mutual fund assets in Slovenia.

Implementation of the dividend policy by paying out a higher dividend

We strive to make the ZVTG share a profitable, safe and stable investment for investors. The ZVTG share was also affected by the situation in the stock markets, its price falling by 6% (the Ljubljana Stock Exchange SBITOP index dropped by 17%). Its total return was 4.5%, of which the dividend yield was 10.7%. After two years marked by the pandemic, a higher dividend of EUR 3.70 gross per share was paid in 2022. In addition to the level of the Group's available capital, the uniqueness or exceptionality of some segments of the Group's operations in the past two years was taken into account.

Strategic focus on growth and development

We firmly believe that by continuing the Group's digital transformation and developing service-oriented business ecosystems, we will achieve our main strategic objective – an outstanding and uniform client experience across all channels, all processes, all products and companies.

Our transformation is based on the unified management of client experience and digital business. To this end, we are continuing with the digitalisation of our assistance, sales and claims procedures and the development of a single platform for client communication and service. In addition, several internal processes have already been equipped with tools for robotic process automation. The ecosystems in key areas of health, financial services, mobility, living and pets are linked in both the single platform and the Triglav komplet bonus system. We are expanding not only the range of our partners, with whom we

share common business principles and the goal of achieving high client satisfaction, but also the range of assistance and related services.

According to measurements, clients have once again recognised our efforts and have expressed their satisfaction. The NPS indicator, which measures the probability of recommending us to others, has reached 77. Annual in-house employee satisfaction surveys show that our achievements are the result of a high level of employee engagement, cohesion, teamwork and commitment. On behalf of the Management Board, I would like to thank all employees for their dedicated work.

Sustainable development (ESG) defines our operations

We are committed to achieving our ambitions in sustainable development, which are a key part of our strategy. The range of products and services of both our core activities is being expanded with those that promote social and environmental benefits. The share of sustainable investments in the bond portfolio was increased. The Group's Scope 1 and Scope 2 carbon footprint decreased by 13%. We aim to follow high corporate governance standards in our operations. We nurture a culture of diversity and inclusion, recognising the opportunities it brings. Women represent 55% of all employees, 45% of senior managers and 24% of employees who lead or supervise our companies. Furthermore, we are strongly involved in socially and environmentally responsible projects, partnerships and donations. We participate in the international initiatives of UN PSI, UNEP FI and the PCAF partnership, which implement the principles of sustainable development, and we report in accordance with the GRI, SASB sustainability standards and according to the CDP climate change questionnaire.

In a year full of challenges, we worked even harder to *build a safer future* for our clients, employees and you, our shareholders, which will be our guiding principle also in the future. On behalf of the Management Board and all employees of the Triglav Group, I thank you for your trust.

Andrej Slapar
President of the Management Board of
Zavarovalnica Triglav

2. Triglav Group and Zavarovalnica Triglav in 2022

- The Triglav Group operated profitably and successfully in all markets, with the generated profit being affected by one-off events.
- It consistently carried out its strategic activities for further growth and development and achieved its sustainable ambitions.
- It maintained its financial strength with capital adequacy around the lower end of its target range and was again assigned an “A” credit rating with a stable medium-term outlook.
- The Group is the leader in insurance in both the Adria region, where it increased its market share, and in Slovenia, the most developed insurance market in this region.
- There were no significant changes in the Group’s structure, its markets or activities.

The calculation of indicators and the chosen terms are explained in the glossary enclosed to the Annual Report.

[See page 320.](#)

2.1 Financial highlights of the Triglav Group²

in EUR million

	2022	2021	2020	Index	
				2022/2021	2021/2020
Total revenue	1,599.3	1,455.1	1,318.4	110	110
Gross written premium from insurance, coinsurance and reinsurance contracts	1,479.6	1,353.0	1,233.8	109	110
Net premium income	1,189.9	1,119.8	1,066.8	106	105
Gross claims paid	832.2	736.6	697.4	113	106
Net claims incurred	746.7	715.0	683.6	104	105
Gross operating expenses	374.9	333.4	306.7	112	109
Profit before tax	134.5	132.6	90.9	101	146
Net profit	110.2	113.0	73.7	98	153
Net profit attributable to the controlling company	110.5	112.8	73.5	98	153
Combined ratio	88.1%	88.9%	91.2%	99	98
Insurance technical provision as at 31 December	3,100.0	3,198.7	3,033.2	97	105
Equity as at 31 December	752.8	933.0	870.2	81	107
Equity attributable to the controlling company as at 31 December	749.4	930.5	867.6	81	107
Return on equity	13.1%	12.5%	8.9%	104	141
Return on equity attributable to the controlling company	13.2%	12.5%	8.9%	105	141
Book value per share (in EUR)	32.96	40.93	38.16	81	107
Net earnings per share (in EUR)	4.85	4.97	3.24	98	153
Number of employees as at 31 December	5,306	5,264	5,316	101	99

2.2 Financial highlights of Zavarovalnica Triglav³

in EUR million

	2022	2021	2020	Index	
				2022/2021	2021/2020
Total revenues	938.4	848.6	765.2	111	111
Gross written premium from insurance, coinsurance and reinsurance contracts	868.9	794.4	719.3	109	110
Net premium income	627.7	598.8	583.9	105	103
Gross claims paid	452.5	408.9	408.3	111	100
Net claims incurred	346.4	365.1	375.3	95	97
Gross operating expenses	221.4	195.0	180.0	113	108
Profit before tax	140.4	85.7	71.1	164	121
Net profit	120.5	73.4	58.0	164	127
Combined ratio	77.2%	81.8%	86.1%	94	95
Insurance technical provisions as at 31 December	2,173.4	2,280.5	2,199.0	95	104
Equity as at 31 December	552.1	675.2	644.0	82	105
Return on equity	19.6%	11.1%	9.5%	176	117
Book value per share (in EUR)	24.28	29.70	28.33	82	105
Net earnings per share (in EUR)	5.30	3.23	2.55	164	127
Number of employees as at 31 December	2,243	2,246	2,244	100	100

2.3 Environmental, social and governance (ESG) aspects of the Triglav Group's operations⁴

	2022	2021	2020	Index	
				2022/2021	2021/2020
1. Environmental aspects					
Carbon footprint (tonnes of CO ₂ equivalent)*	9,857	11,299	10,602	87	107
Scope 1 and 2 carbon footprint per employee (tonnes of CO ₂ equivalent)*	1.86	2.09	1.95	89	107
Electricity consumption (MWh)	13,354	14,087	12,841	95	110
Share of electricity consumption from renewable sources (%)	63.3	60.1	2.7	105	2,234
Total quantity of waste at the Triglav Group per employee (kg)	116	124	125	94	99
Average daily consumption of office paper per employee**	19	20	45	95	44
Written premium from products promoting social and environmental benefits (EUR million)	20.8	16.3	13.5	127	121
Assets managed by the Triglav Zeleni Fund (EUR million)	49.2	41.8	24.6	118	170
Investments in social impact, green and sustainable bonds (in EUR million)	222.9	204.5	104.3	109	196
2. Social aspects					
Employee satisfaction (ORVI)	4.00	4.00	3.99	100	100
Average employee age	44.80	44.67	44.38	100	101
Women employees to total employees ratio (%)	54.7	53.9	53.5	102	101
Proportion of women at first and second management levels under the management board (%)	41.2	42.0	42.1	98	100
Employee turnover (number of leavers/average number of employees; %)	11.6	13.2	11.7	88	113
Average number of training hours per employee	33	31	24	107	130
Lost time incident rate – LTIR (number of work-related incidents/total number of hours of all employees x 200,000)	0.37	0.24	0.21	155	117
Client satisfaction of Triglav Group (NPS)***	77	73		106	
Number of insurance products and services sold online	22	21	20	105	105
Number of insurance products promoting prevention	62	61	62	102	98
Proportion of employees allowed to work from home (%)	33	28	n.a.	119	
Number of suppliers checked against ESG criteria	419	375	311	112	121
Investments into the community (prevention, donations, sponsorships) (EUR million)	10.2	8.8	8.0	116	111
3. Governance aspects					
Proportion of women in the management board/supervisory board in parent company (%)	25.0/0	33.3/0	33.3/0		
Proportion of women at the first management level under the management board (%)	45.1	45.3	45.8	100	99
Proportion of women in management and supervisory bodies (%)	23.6	20.9	21	113	101
Average age of Zavarovalnica Triglav Management Board members	48.5	48.7	47.7	100	102
Independence of Zavarovalnica Triglav Supervisory Board members, shareholder representatives (% of members)	78	100	100	78	100
President of the Management Board salary to the average employee salary ratio (factor x)****	5	5	5	100	100
Term of office of the current President of the Management Board (years)	9	8	7	113	114
Policies adopted: equal opportunities policy, anti-corruption policy, employee protection/whistleblower protection policy	YES	YES	YES		
Fair business practices (number of fraud cases investigated)	1,651	1,517	1,134	109	134
Internationally renowned audit firm (Big 4)	YES	YES	YES		
Period of cooperation with the existing auditor (years)	4	3	2	133	150
Investor relations when publishing results	YES	YES	YES		
Economic value generated (EUR million)	1,403.1	1,378.8	1,274.9	102	108
Economic value distributed (EUR million)	1,351.1	1,281.8	1,179.2	105	109
Economic value retained (EUR million)	52.0	96.9	95.7	54	101

* Includes Scope 1 and 2 emissions under the location-based method. A more detailed calculation of Scope 1, 2 and 3 GHG emissions is shown in Section [12.3.2](#).

** Includes A4 paper consumption for internal purposes.

*** NPS shows the share of promoters who would recommend the Company to their acquaintances, friends and others based on experience.

**** Pursuant to the ZPPOGD, the base salary of the President of the Management Board is determined in relation to the average gross salary in the Group members which are headquartered in Slovenia and whose data are included in the consolidated annual report in the previous financial year.

For additional information

about this report
please contact:⁵

Zavarovalnica Triglav d.d.,
Ljubljana
Miklošičeva cesta 19,
1000 Ljubljana

Blaž Kmetec, Executive Director
of Finance and Controlling

Email:
blaz.kmetec@triglav.si

⁴ GRI 2-21 | ⁵ GRI 2-3

2.4 About the report⁶

The Annual Report of the Triglav Group and Zavarovalnica Triglav was compiled in accordance with **International Financial Reporting Standards (IFRS)**, the **Companies Act (ZGD-1)** and the **Insurance Act (ZZavar-1)**.

The Report is integrated and equally includes sustainability (ESG) disclosures. In line with the strategic ambitions relating to sustainable development, the quality and scope of reporting are regularly improved. For non-financial reporting, **GRI standards** (Global Reporting Initiative) and their specific guidelines for the financial sector as well as **SASB standards** (Sustainability Accounting Standards Board) are used. The range of topics and disclosures used is presented in the GRI and SASB content index at the end of the Annual Report and the materiality matrix. Progress in environmental, social and governance (ESG) areas is presented mainly in Section [Sustainable development at the Triglav Group](#), but it is also incorporated in other sections, as evident from the GRI and SASB references. The Company has disclosed proportions of exposure to taxonomy-eligible and taxonomy non-eligible economic activities according to the EU Taxonomy Regulation in total assets and non-life insurance activities since 2021. The proportions presented partially comply with Commission Delegated Regulation (EU) 2021/2178 of 6 July 2021 supplementing Regulation (EU) 2020/852.

The content of the annual report and the data on the Group's sustainable operations are collected by the competent departments of the Company, which is responsible for reporting in cooperation with the respective departments at subsidiaries. Reporting refers to a particular financial and calendar year.

Financial reporting for the Group comprises all companies included in the consolidated

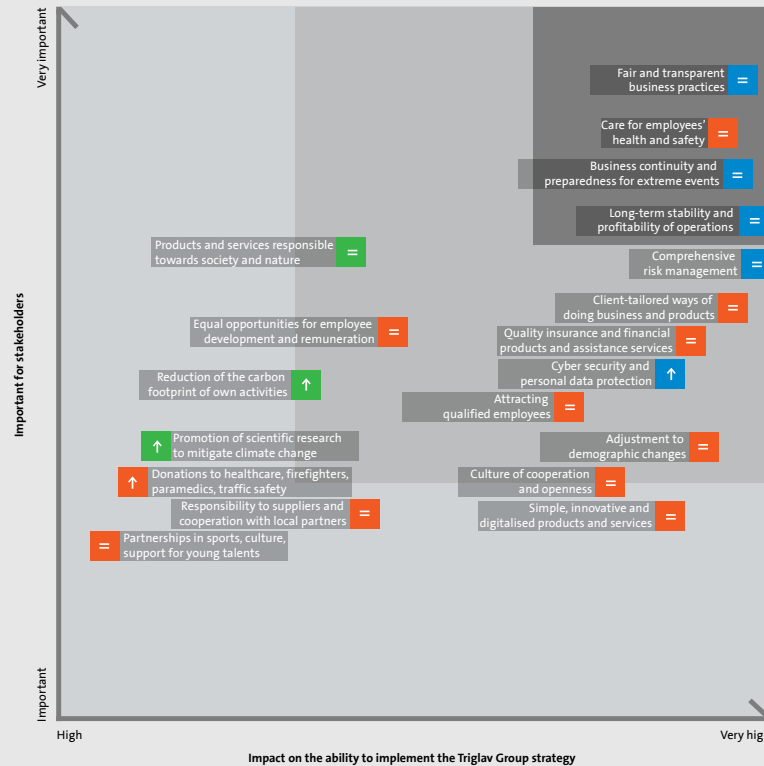
financial statements (See Section [2.1.4 of the Accounting Report](#) for more information). With the gradual integration of ESG aspects into the Group's operations, the scope of companies included in ESG disclosures in accordance with GRI and SASB is also increasing. The notes to individual disclosures indicate which companies are included. The calculation methodology for individual indicators is described in the text and the notes.

Key stakeholders are involved in identifying material topics and thus non-financial disclosures. The identified main sustainability topics are presented in an updated double materiality matrix, and are revised based on regular surveys on the impact on stakeholders, their interests and satisfaction factors. A set of material topics and their descriptions was defined in 2021 through an extensive internal process led by the Compliance and Sustainable

Development Committee and an external process (two quantitative surveys among employees and individual clients and a qualitative survey among NGOs, local communities and corporate clients), in which nearly 3,000 representatives of stakeholder groups participated.

In 2022, which was marked by major changes in the business environment, the materiality assessment was reviewed and updated based on a quantitative survey conducted among more than 600 clients and other respondents from Slovenia, a study of regulatory trends in the EU and information obtained from domestic and foreign investors. More about stakeholders and their engagement is reported in Section [12. Sustainable development at the Triglav Group](#).

Materiality matrix of ESG topics for stakeholders and the Triglav Group⁷



Material ESG topics of the Triglav Group by area

<ul style="list-style-type: none"> Products and services responsible towards society and nature Reduction of the carbon footprint of own activities Promotion of scientific research to mitigate climate change 	Environmental protection
<ul style="list-style-type: none"> Care for employees' health and safety Culture of cooperation and openness Equal opportunities for employee development and remuneration Attracting qualified employees 	Responsibility to employees
<ul style="list-style-type: none"> Quality insurance and financial products and assistance services Client-tailored ways of doing business and products Simple, innovative and digitalised products and services Adjustment to demographic changes 	Client focus
<ul style="list-style-type: none"> Donations to healthcare, firefighters, paramedics, traffic safety Partnerships in sports, culture, support for young talents Responsibility to suppliers and cooperation with local partners 	Support and development of partnerships
<ul style="list-style-type: none"> Long-term stability and profitability of operations Fair and transparent business practices Comprehensive risk management Cyber security and personal data protection Business continuity and preparedness for extreme events 	Stable, safe and profitable operations

■ Environment
 ■ Social
 ■ Governance
 ↑ Importance has increased
 ↓ Importance has decreased
 = Importance remained unchanged

⁶ GRI 2-2, 2-3, 2-4, 2-14, 3-1, 3-2 | ⁷ GRI 3-2

2.5 Significant events in 2022

Good business results

Despite the challenging situation in the business environment characterised by a geopolitical situation, high inflation growth, major CAT events and an unfavourable situation in financial markets, the Triglav Group operated profitably and successfully,

with the generated profit being affected by one-off events.

See Section [8. Financial result of the Triglav Group and Zavarovalnica Triglav](#) for more information.

Dividend payment

At the May General Meeting of Shareholders, the shareholders adopted the resolution proposed by the Management Board and the Supervisory Board to pay a dividend of EUR 3.70 gross per share or EUR 84.1 million in total, which accounts for 74% of

Zavarovalnica Triglav's consolidated net profit for 2021.

See Section [6.4 Dividends and dividend policy](#) for more information.

The high “A” credit rating affirmed

The credit rating agencies S&P Global Ratings and AM Best again confirmed the Group's “A” credit rating with a stable medium-term outlook.

See Section [6.6 Credit rating of the Triglav Group and Zavarovalnica Triglav](#) for more information.

Changes in the Management Board and the Supervisory Board of Zavarovalnica Triglav

The term of office of the Management Board members Barbara Smolnikar and David Benedek ended. Blaž Jakič was appointed a new Management Board member for a five-year term of office. The decision entered into force upon the fulfilment of the conditions precedent,

including obtaining the authorisation of the Slovenian Insurance Supervision Agency to perform the function of a management board member of 2 March 2023 (see Section [5.11 Events after the reporting period in the Accounting Report](#) for more information). On 9 December 2022, the Supervisory Board members Branko Bračko and Peter Kavčič notified the Company of their resignation. Their term of office will end on the date of the regular annual General Meeting of Shareholders in 2023, but not later than on 30 June 2023.

See Section [5.3.3 Supervisory Board](#) for more information.

Sustainable development at the Triglav Group

Zavarovalnica Triglav became a signatory to the United Nations Principles for Sustainable Insurance (UN PSI) in February 2021, and thereby a member of the global community of banks, insurers and investors joining the United Nations Environment Programme

Finance Initiative (UNEP FI). It also joined the Partnership for Carbon Accounting Financials (PCAF). In 2022, the Company reported on climate change impacts to the CDP international non-profit organisation for the second time in a row.

See Section [12.1 Implementation of strategic guidelines and sustainable development goals of the Triglav Group and Zavarovalnica Triglav](#) for more information.

Calendar of financial announcements for 2023

Date and time of announcement*	Type of announcement	Quiet period**
Friday, 3 March 2023, 8:30	Preliminary key figures for 2022	From Friday, 10 February 2023
Friday, 31 March 2023, 8:30	Audited annual report for 2022	From Friday, 17 March 2023
Friday, 21 April 2023	Call notice of the General Meeting of Shareholders to decide on the distribution of accumulated profit	
Wednesday, 31 May 2023, 8:30	January–March 2023 interim financial report	From Wednesday, 17 May 2023
Tuesday, 6 June 2023	General Meeting of Shareholders and announcement of its resolutions	
Thursday, 31 August 2023, 8:30	January–June 2023 interim financial report	From Thursday, 17 August 2023
Thursday, 30 November 2023, 8:30	January–September 2023 interim financial report	From Thursday, 16 November 2023

* Announcement dates as planned. The actual dates may differ from the above-stated planned dates.

** The quiet period denotes a period preceding the announcement of a financial report, during which Zavarovalnica Triglav does not disclose any information on current operations to the public.

2.6 Financial calendar 2023

The general public is informed about the dates of key announcements (including the time of announcements when publishing financial results) and about any amendments to the planned time of announcement in the Ljubljana Stock Exchange SEOnet information system (seonet.ljse.si) and on Zavarovalnica Triglav's corporate website (www.triglav.eu).



2.7 Activities, markets and position of the Triglav Group⁸

The Triglav Group is the leading insurance and financial group in Slovenia and the Adria region as well as one of the leading groups in South-East Europe. The Group operates in seven markets in six countries, where Group members operate. Furthermore, it operates in the wider international environment through partnerships with foreign insurance brokerage and agency companies as well as reinsurers.

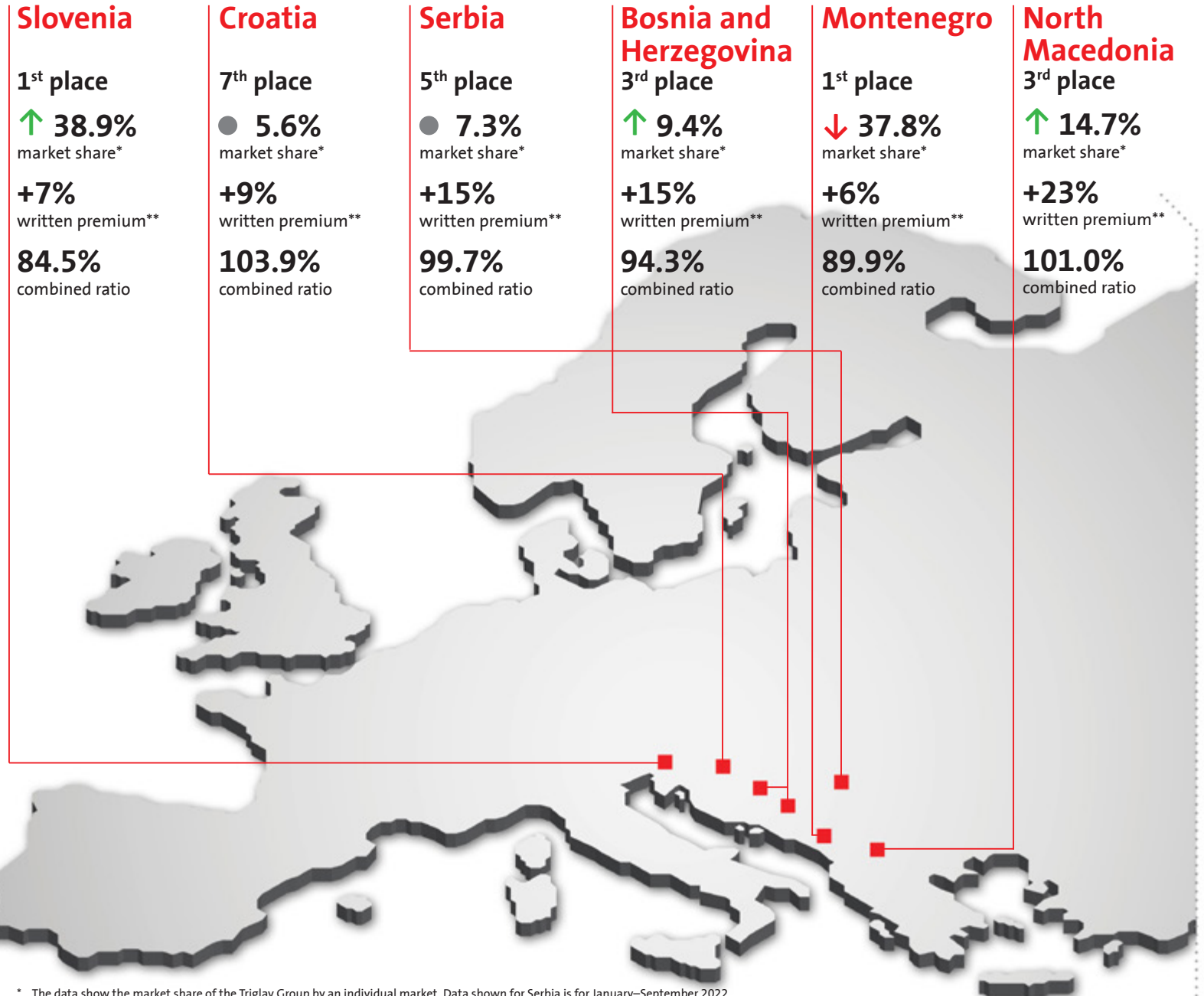
Strategic activities:

Insurance

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

Asset management

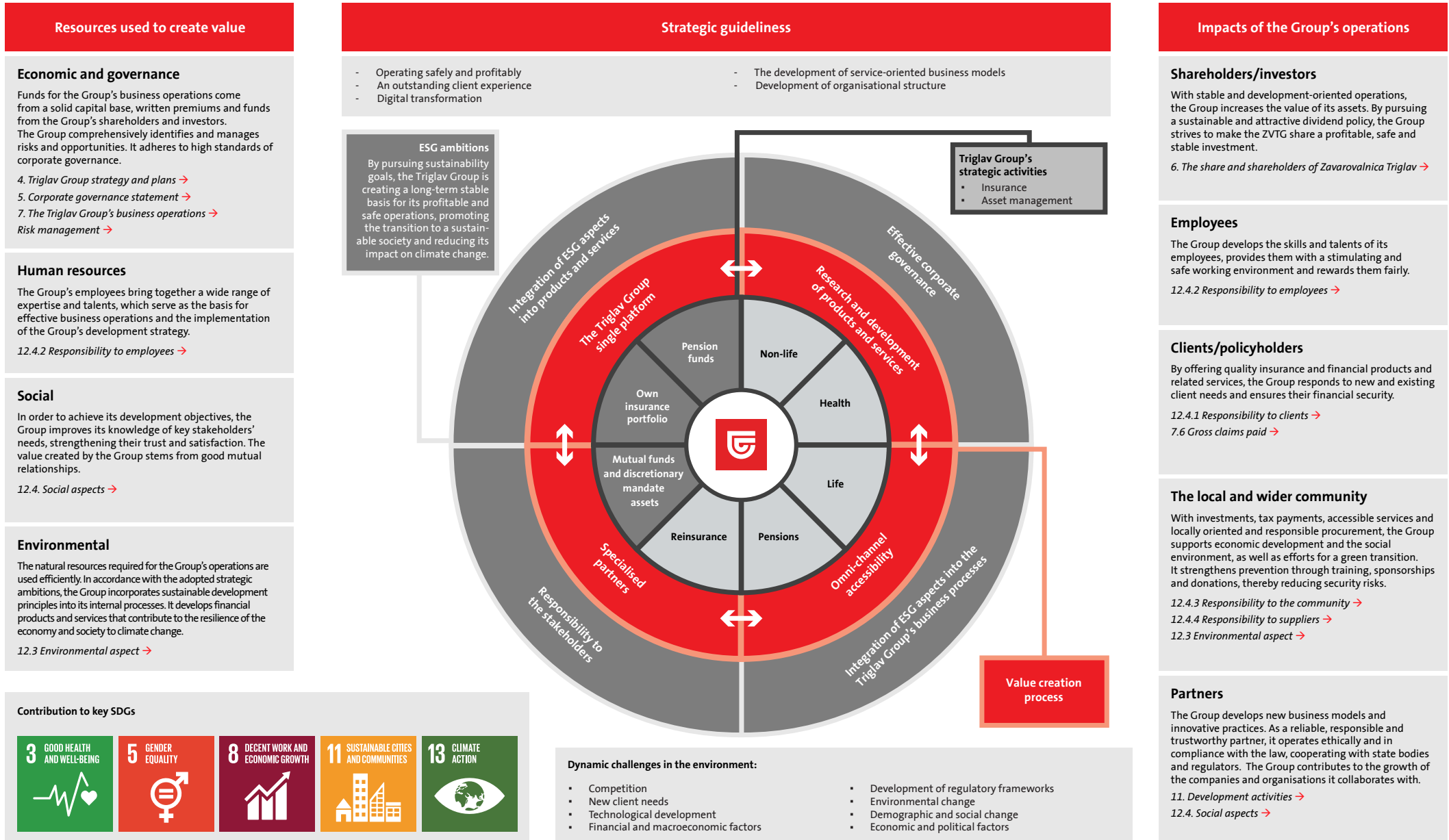
- Own insurance portfolio (asset backing liabilities and backing funds)
- Mutual funds and individual asset management
- Pension funds



* The data show the market share of the Triglav Group by an individual market. Data shown for Serbia is for January–September 2022.

** The data show the growth of the Triglav Group's gross written premium by an individual market.

2.7.1 The Triglav Group's value creation model



The Triglav Group members directly involved in or supporting the Group's two strategic activities

	Insurance	Asset management	Other
Slovenia	<ul style="list-style-type: none"> ■ Zavarovalnica Triglav d.d. ■ Pozavarovalnica Triglav Re d.d. ■ Triglav, Zdravstvena zavarovalnica d.d. ■ Triglav, pokojninska družba d.d. 	<ul style="list-style-type: none"> ■ Triglav Skladi d.o.o. ■ Triglav, Upravljanje nepremičnin d.o.o. ■ Triglav d.o.o. 	<ul style="list-style-type: none"> ■ Triglav INT d.o.o. ■ Triglav Svetovanje d.o.o. ■ Triglavko d.o.o. ■ Diagnostični center Bled d.o.o. ■ Triglav zdravje asistenca d.o.o.
Croatia	<ul style="list-style-type: none"> ■ Triglav Osiguranje d.d., Zagreb 		<ul style="list-style-type: none"> ■ Triglav Savjetovanje d.o.o.
Serbia	<ul style="list-style-type: none"> ■ Triglav Osiguranje a.d.o., Belgrade 		<ul style="list-style-type: none"> ■ Triglav Savetovanje d.o.o.
Montenegro	<ul style="list-style-type: none"> ■ Lovćen Osiguranje a.d., Podgorica ■ Lovćen životna osiguranja a.d., Podgorica 		<ul style="list-style-type: none"> ■ Lovćen auto d.o.o.
Bosnia and Herzegovina	<ul style="list-style-type: none"> ■ Triglav Osiguranje d.d., Sarajevo ■ Triglav Osiguranje a.d., Banja Luka 	<ul style="list-style-type: none"> ■ Triglav Fondovi d.o.o. ■ Društvo za upravljanje Evropskim dobrovoljnim penzijskim fondom a.d, Banja Luka 	<ul style="list-style-type: none"> ■ Triglav Savjetovanje d.o.o. ■ Autocentar BH d.o.o.
North Macedonia	<ul style="list-style-type: none"> ■ Triglav Osiguruvanje a.d., Skopje ■ Triglav Osiguruvanje Život a.d., Skopje 	<ul style="list-style-type: none"> ■ Triglav penzisko društvo a.d., Skopje 	

2.7.2 Insurance

Insurance is the most extensive strategic activity of the Triglav Group, which includes non-life, health, life and pension insurance as well as reinsurance.

The Group's insurance business comprises:

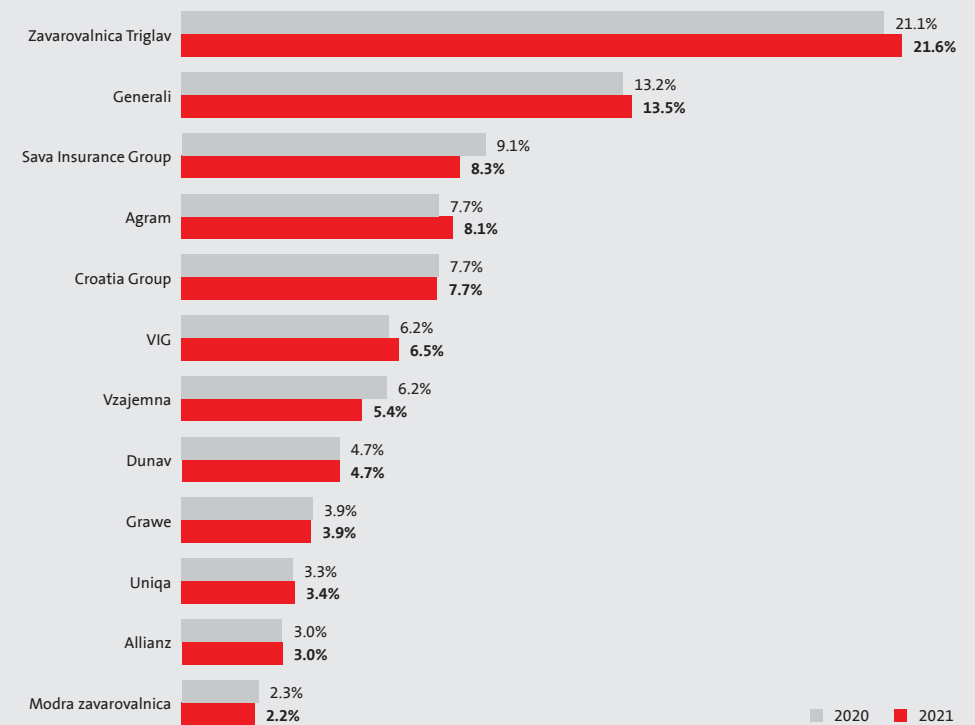
- **in Slovenia:** Zavarovalnica Triglav d.d., Triglav, Zdravstvena zavarovalnica d.d., Pozavarovalnica Triglav Re d.d. and Triglav, pokojninska družba d.d.;
- **abroad:** eight insurance companies in the Adria region (Croatia, Serbia, Montenegro, Bosnia and Herzegovina, and North Macedonia) and through business partnerships under the principle of free movement of services (FOS).

Position in the regional insurance market

In 2021, the Triglav Group again consolidated its dominant market position in the **Adria region** (Slovenia, Croatia, Serbia, Montenegro, Bosnia and Herzegovina, and North Macedonia) by increasing its market share by 0.5 percentage point to 21.6%.

The Company maintained its leading role among the insurers in **South-East Europe** (Albania, Bosnia and Herzegovina, Bulgaria, Montenegro, Croatia, Moldova, Romania, North Macedonia, Serbia and Slovenia). According to a SeeNews survey, eight insurance companies of the Triglav Group and 12 Slovenian insurers (three insurers from Slovenia are among the top five) rank among the top 100 insurers in South-East Europe in terms of gross written premium. Generali came in second (vs. fourth the year before), while the Romanian insurer Euroins ranked third (eighth the year before) as a result of a high increase in written premium. All 100 insurers collected a total of EUR 9.7 billion in written premium (12% more than the previous year), with only nine of them recording a drop in written premium. Their net profit grew by 26% to EUR 599 million. Among the top 100 insurers, Zavarovalnica Triglav again saw the highest profits, with Zavarovalnica Sava coming in second in this category.

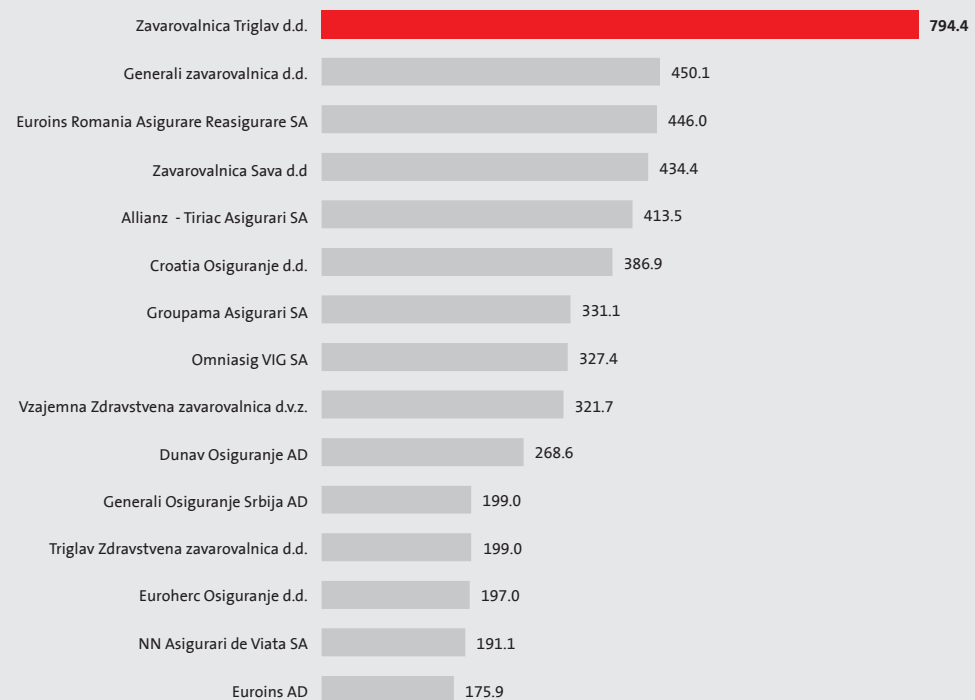
The market share of insurers in the Adria region in 2021 and 2020 (%)*



* Data for 2022 not yet available.

Source: Zavarovalnica Triglav's calculation based on the data of national insurance supervision agencies and insurance associations

The largest insurers in South-East Europe by written premium in 2021 (in EUR million)



Source: SeeNews 2022

2.7.3 Asset management

The **asset management activity** at the Triglav Group, which is performed by Zavarovalnica Triglav, the Group's life insurance and pension insurance companies, Triglav Skladi d.o.o., Triglav, Upravljanje nepremičnin d.o.o. and Triglav d.o.o., includes saving via the Group's insurance services and investing in the Group's mutual funds and discretionary mandate assets, pension funds and private equity funds.

2.7.4 Composition of the Triglav Group

As at 31 December 2022, the Triglav Group comprised 53 companies; in addition to the parent company, 29 subsidiaries, 14 associates and 9 joint ventures.

The Triglav Group members and their participating interests as at 31 December 2022



Changes in the structure of the Triglav Group in 2022⁹

There were no significant changes in the Group's structure in 2022. Companies carried out some corporate activities, such as capital increases, consolidation, increase of participating interests and others:

- With the in-cash contribution of EUR 7,500, Triglav, Zdravstvena zavarovalnica d.d., Koper established Triglav zdravje asistenca, družba za zdravstveno dejavnost d.o.o., Ljubljana, thereby becoming its 100% owner.
- Triglav INT d.d., Ljubljana acquired a 0.36% participating interest in Triglav Osiguruvanje a.d., Skopje from non-controlling interest holders, thereby increasing its participating interest in said company to 81.69%. The consideration totalled MAK 2.2 million or EUR 36 thousand.
- Triglav Svetovanje d.o.o., Domžale sold its 51% participating interest in Triglav Savetovanje d.o.o., Belgrade to Triglav Osiguranje a.d.o, Belgrade, which thereby became its 100% owner.
- Triglav Svetovanje d.o.o., Domžale sold its 51% participating interest in Triglav Savjetovanje d.o.o., Zagreb to Triglav Osiguranje d.d., Zagreb. As a result, Triglav Osiguranje, Zagreb became a 100% owner of said company.
- PROF IN d.o.o., Sarajevo, a subsidiary of Triglav Skladi, changed its name to Triglav Fondovi, društvo za upravljanje investicijskim fondovima d.o.o., Sarajevo or abbreviated Triglav Fondovi d.o.o., Sarajevo.
- Zavarovalnica Triglav increased the capital of its subsidiary Triglav, pokojninska družba d.d., Ljubljana in the amount of EUR 45.0 million with the aim of consolidating its capital strength and resilience in the environment characterised by significant growth in interest rates. The parent company retained its 100% participating interest.
- Triglav INT d.o.o. increased the capital of Triglav Osiguranje d.d., Banja Luka through the in-cash contribution of EUR 1.0 million, thereby remaining its 100% owner.
- In Q3 2022, Zavarovalnica Triglav, as the Triglav Group's controlling company, for the first time included Triglav Fondovi d.o.o., Sarajevo in its consolidated financial statements under the full consolidation method.
- In Q3 2022, Triglav Osiguranje d.d., Sarajevo and Autocentar BH d.o.o., Sarajevo increased the capital of Triglav upravljanje nekretninama d.o.o., Sarajevo with in-kind contributions of EUR 577 thousand. Through this capital increase, the participating interests changed as follows: Triglav Osiguranje d.d., Sarajevo became a 25.13% owner (previously 100%) of said company and Autocentar BH d.o.o., Sarajevo a 74.85% owner (before the capital increase it did not have any participating interest in said company). In Q4 2022, Triglav Upravljanje nepremičnin d.o.o. bought the participating interest in Triglav upravljanje nekretninama d.o.o., Sarajevo from Triglav Osiguranje d.d., Sarajevo and Autocentar BH d.o.o., Sarajevo, thereby becoming a 100% owner of Triglav upravljanje nekretninama d.o.o., Sarajevo.
- Triglav INT d.o.o. increased the capital of Triglav Osiguruvanje Život a.d., Skopje with an in-cash contribution of EUR 2.0 million, thereby increasing its participating interest to 85.71%. With the capital increase, the participating interest of Triglav Osiguruvanje a.d., Skopje decreased to 14.29% (previously 20.00%) and that of the Triglav Group increased to 97.38% (96.34% before the capital increase).
- Zavarovalnica Triglav d.d. increased the capital of Triglav penzisko društvo a.d., Skopje with an in-cash contribution of EUR 2.4 million, remaining its 100% owner.
- Zavarovalnica Triglav d.d. increased the capital of Triglav INT, holdinška družba d.o.o. with an in-cash contribution of EUR 10.0 million, retaining its 100% participating interest.

The changes in the Group are discussed in greater detail in Section [2.1.4 of the Accounting Report](#).

2.8 Management of Zavarovalnica Triglav

The Management Board of
Zavarovalnica Triglav comprises:

Andrej Slapar
President

The period from the first appointment to the end of
the current term of office: 2013–2024
Employed at the Triglav Group: from 1997



Uroš Ivanc
Member

The period from the first appointment to the end of
the current term of office: 2014–2024
Employed at the Triglav Group: from 2001



Tadej Čoroli
Member

The period from the first appointment to the end of
the current term of office: 2014–2024
Employed at the Triglav Group: from 2001



Marica Makoter
Member

The period from the first appointment to the end of
the current term of office: 2011–2026
Employed at the Triglav Group: from 2001



Blaž Jakič
Member

The period from the first appointment to the end of
the current term of office: 2023–2028*
Employed at the Triglav Group: from 2010

* His term of office as a Management Board member of Zavarovalnica Triglav began on
2 March 2023.

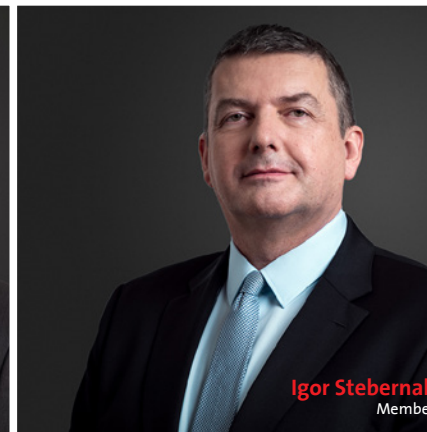
3.

Report of the Supervisory Board

Report of the Supervisory Board of Zavarovalnica Triglav d.d. on the verification of the Annual Report of the Triglav Group and Zavarovalnica Triglav d.d. for 2022 and Opinion of the Supervisory Board of Zavarovalnica Triglav d.d. on the Annual Internal Audit Report of the Internal Audit Department of Zavarovalnica Triglav d.d. for 2022

In 2022, the Supervisory Board of Zavarovalnica Triglav carried out the responsible and proper supervision of the operations of Zavarovalnica Triglav d.d. and the Triglav Group. It oversaw different aspects of their operations and development, and on that basis took appropriate decisions and followed up on their implementation. Individual areas were first discussed within the framework of the Supervisory Board's committees. Based on their findings, proposals and careful assessment, the Supervisory Board passed appropriate resolutions. The Supervisory Board also monitored the implementation and effectiveness of the Triglav Group's strategy.

The Supervisory Board performed its work within the scope of its powers and competencies set out by law, the Company's Articles of Association and its own Rules of Procedure.



3.1 Introduction

Pursuant to Article 282 of the Companies Act and Article 69 of the Insurance Act, the Supervisory Board hereby presents its Report on the verification of the Annual Report of the Triglav Group and Zavarovalnica Triglav d.d. for 2022 (hereinafter: the report) and its Opinion on the Annual Internal Audit Report of the Internal Audit Department of Zavarovalnica Triglav d.d. for 2022.

The findings are based on the supervision of operations of Zavarovalnica Triglav d.d. (hereinafter: the Company, the controlling company or the parent company) in 2022 and on the verification of the Audited Annual Report of the Triglav Group and Zavarovalnica Triglav d.d. for 2022, including the report of the non-life insurance actuarial function holder and the life insurance actuarial function holder for 2022.

An integral part of the report is also the opinion of the Supervisory Board on the work of the Internal Audit Department in 2022 and the Annual Internal Audit Report of the Internal Audit Department of Zavarovalnica Triglav d.d. for 2022.

3.2 General information

The Supervisory Board and its committees in 2022

The composition of the Supervisory Board in 2022 is described in Section [5. Corporate Governance Statement \(Supervisory Board\) of the Business Report](#). In 2022, the Supervisory Board held eight sessions and had four committees: the Audit Committee, the Appointment and Remuneration Committee, the Strategy Committee and the Nomination Committee. The composition of the Supervisory Board committees in 2022 as well as the more important duties and powers of individual committees are described in Section [5. Corporate Governance Statement \(Composition of Supervisory Board committees and their activities in 2022\) of the Business Report](#).

Audit Committee

In 2022, the Audit Committee held six meetings, at which it, among other things:

- monitored and discussed financial reporting procedures and the external audit of the annual financial statements of the Triglav Group and Zavarovalnica Triglav d.d.;
- assessed the content of the Annual Report of the Triglav Group and Zavarovalnica Triglav d.d. for 2021 and the 2022 interim reports;
- took note of the management representation letter for Zavarovalnica Triglav d.d. and the Triglav Group;
- discussed the Solvency and Financial Condition Report of Zavarovalnica Triglav d.d. as at 31 December 2021 and the Solvency and Financial Condition Report of the Triglav Group as at 31 December 2021, including the independent auditor's assurance reports;

- monitored and discussed the risk management systems, the functioning of internal controls, the Internal Audit Department's interim reports, recommendations, annual work plan for 2023 and guidelines for the 2024–2026 period;
- discussed the findings of the Insurance Supervision Agency and other supervisory bodies in supervision procedures within the Audit Committee's competence and was briefed on procedures related to these findings or requirements;
- supervised and discussed the conclusion of agreements with audit firms, the independence of the certified auditor, the quality of auditing, the audit plan for 2022 and the auditor's report following the pre-audit of Zavarovalnica Triglav d.d. for 2022; discussed and approved the proposal to appoint an auditor to perform audit services for the 2022–2024 financial year;
- discussed the report on the external quality assessment of the work of the Internal Audit Department of Zavarovalnica Triglav d.d. and the implementation plan of the recommendations for improving the quality of the Internal Audit Department's work;
- took note of remuneration of the Director of Internal Audit Department for 2021;
- discussed risk reports of Zavarovalnica Triglav d.d. and the Triglav Group;
- took note of the comparative analysis of capital adequacy of (re)insurance groups in the European Union and (re)insurers in Slovenia;
- took note of the proposal for stress and scenario tests, which show the potential risks of the Group to be addressed within the own risk and solvency assessment (ORSA) process;
- discussed the Compliance Office Annual Report for 2021;
- discussed the Statement of Compliance with the Slovenian Corporate Governance Code;
- monitored the operation of the information technology and cyber security area;
- took note of the status of the implementation of IFRS 17 in the Triglav Group;
- took note and approved the proposed Guidelines for monitoring the quality of external auditing in the Triglav Group.

The external expert Jernej Pirc provided his expertise and support to the work of the Audit Committee in relation to information technology issues. The Audit Committee carried out a performance self-assessment with the aim of ensuring the continued improvement and quality of its work and adopted an action plan for the improvement of its performance.

Appointment and Remuneration Committee

The Appointment and Remuneration Committee held seven meetings in 2022. Its most important activities included:

- drawing up draft periodic fit and proper assessments of the members of the Management Board and the Supervisory Board and of the two bodies as a whole;

- drawing up draft fit and proper assessments of the candidates for the members of the Supervisory Board, including the Audit Committee external member Luka Kumer, and of the body collectively;
- reviewing the calculation and amount of the average gross salary for 2022 in the Group members which are headquartered in the Republic of Slovenia and were fully consolidated by the Group pursuant to the Act Governing the Remuneration of Managers of Companies with Majority Ownership Held by the Republic of Slovenia or Self-Governing Local Communities (ZPPOGD);
- discussing the adjustment of the base salary of Management Board members and the calculation of the Group's performance factor on which the variable part of remuneration of Management Board members depends;
- giving consent to the proposed amendments to the Methodology for the calculation of the performance factor to set the annual bonus and reduce the base salary of a Management Board member for 2022;
- discussing the report on the development of key promising staff at Zavarovalnica Triglav d.d.;
- reviewing amendments to the Fit and Proper Policy for the Management Board and Supervisory Board Members of Zavarovalnica Triglav d.d., the Succession Policy for the Management Board Members of Zavarovalnica Triglav d.d. and the premises for amending the Remuneration Policy of Zavarovalnica Triglav d.d.;
- discussing the additional training programme for the Supervisory Board members in 2022, the proposal of the President of the Management Board regarding the nomination procedure due to the expiry of the term of office of the Management Board member Barbara Smolnikar, the proposal for termination of the term of office of the Management Board member David Benedek by mutual agreement and the proposal for the appointment of the new Management Board member Blaž Jakič.

Strategy Committee

The Strategy Committee, which held two meetings in 2022, devoted special attention to the realisation of Triglav Group's strategy and starting points for the development of the Triglav Group's business plan for 2023.

Nomination Committee

The Nomination Committee was established on 21 December 2022 with the aim of carrying out the nomination procedure to appoint candidates for Supervisory Board members – shareholder representatives to replace Peter Kavčič and Branko Bračko, who on 9 December 2022 notified the Company of their irrevocable resignation as Supervisory Board members. The Nomination Committee held no meetings in 2022.

3.3 Work of the Supervisory Board and scope of supervision of the company's operations in 2022

The description of the Supervisory Board's operations and the scope of monitoring and supervision of the governance of the Company and the Group in 2022 are based on the supervision of the Company's and the Group's operations performed by the Supervisory Board in 2022, acting within its powers. The Supervisory Board held eight sessions in 2022.

The Supervisory Board's duty is to supervise how the Company conducts its business and to perform other tasks in accordance with the Companies Act, the Insurance Act, the Company's Articles of Association, the Rules of Procedure of the Supervisory Board and the Slovenian Corporate Governance Code. The methods and organisation of its work are set out in the Rules of Procedure of the Supervisory Board, which are published on the Company's website.

a) With regard to its core competences, in 2022 the Supervisory Board:

- approved the Solvency and Financial Condition Report (SFCR) of Zavarovalnica Triglav d.d. and the Triglav Group for 2021 and the annual capital adequacy as at 31 December 2021 and took note of the independent auditor's assurance report;
- adopted the Audited Annual Report of the Triglav Group and Zavarovalnica Triglav d.d. for 2021, the Report by the Supervisory Board of Zavarovalnica Triglav d.d. on the verification of the Annual Report of the Triglav Group and Zavarovalnica Triglav d.d. for 2021 and the Opinion of the Supervisory Board of Zavarovalnica Triglav d.d. on the Annual Internal Audit Report for 2021 of the Internal Audit Department of Zavarovalnica Triglav d.d.;
- discussed unaudited interim financial reports of the Triglav Group and Zavarovalnica Triglav d.d. for the periods from 1 January to 31 March 2022, from 1 January to 30 June 2022 and from 1 January to 30 September 2022;
- discussed the Annual Internal Audit Report of the Internal Audit Department for 2021;
- approved the Triglav Group's business policy and business plan for 2023 and took note of the key findings of ORSA;
- approved the Internal Audit Department's work plan for 2023 and its guidelines for 2024–2026;
- proposed to the 47th General Meeting of Shareholders of Zavarovalnica Triglav d.d. to grant a discharge to the Management Board for 2021, submitted a proposal regarding the payment of accumulated profit and a proposal to appoint an audit firm for the 2022, 2023 and 2024 financial years, and presented the Remuneration Policy and the Remuneration Report for 2021;
- discussed the findings of the Insurance Supervision Agency and other supervisory bodies in supervision procedures and was briefed on procedures related to these findings or requirements;
- approved the amendments to the Governance System and Policy of Zavarovalnica Triglav d.d., the Policy of Management and Control of Insurance Services and Products, the Succession Policy and the Fit and Proper Policy for the Management and Supervisory Board Members of Zavarovalnica Triglav d.d.;

- approved individual transactions in accordance with the law and the Rules of Procedure of the Supervisory Board.

b) With regard to the supervision of the management of the Company's operations, in 2022 the Supervisory Board:

- discussed the reports of the Audit Committee, the Appointment and Remuneration Committee and the Strategy Committee, and was briefed on the financial reports of Zavarovalnica Triglav d.d., the Triglav Group and Zavarovalnica Triglav's subsidiaries;
- took note of the implementation of the Triglav Group strategy;
- monitored the assessed performance indicators of the Company in each period, capital adequacy, the implementation of the business plan and potential measures;
- took note of risk reports, the Risk Underwriting and Management Strategy, the Risk Appetite Statement, the Capital Management Policy and the Policy of the Risk Management and Capital Adequacy Function of Zavarovalnica Triglav d.d. and the Triglav Group;
- oversaw the work of the Internal Audit Department and was briefed on its internal audit reports as well as on the Compliance Office Annual Report for 2021 and its work plan for 2022;
- took note of the Report of the Life Insurance Actuarial Function Holder in Zavarovalnica Triglav d.d. and the Report of the Non-Life Insurance Actuarial Function Holder in Zavarovalnica Triglav d.d.;
- was briefed on insurance products;
- took note of the report on the development of key promising staff at Zavarovalnica Triglav d.d. in 2021;
- discussed the Statement of Compliance with the Slovenian Corporate Governance Code and took note of the positions on the Corporate Governance Code for Companies with Capital Assets of the State and the Recommendations and Expectations of the Slovenian Sovereign Holding and
- was briefed on other information regarding Zavarovalnica Triglav d.d., the Triglav Group and its subsidiaries.

c) Other major actions taken by the Supervisory Board in 2022:

- discussing periodic fit and proper assessments of the members of the Management Board and the Management Board as a collective body, the members of the Supervisory Board and the Supervisory Board as a collective body, as well as of the Audit Committee external member Luka Kumer;
- approving the Group's performance factor, determining the annual performance bonus for the Management Board of Zavarovalnica Triglav d.d. for 2021 and approving the amendments to the Methodology for the calculation of the performance factor to set the annual bonus and reduce the base salary of a Management Board member for 2022;
- discussing the report of the Works Council of Zavarovalnica Triglav d.d.;
- discussing the proposal of the President of the Management Board regarding the nomination procedure due to the expiry of the term of office of the Management Board member Barbara Smolnikar and the proposal for termination of the term of office of the Management Board member

David Benedek by mutual agreement and approving the proposal for the appointment of the new Management Board member Blaž Jakič;

- taking note of the resignation letters of the Supervisory Board members Branko Bračko and Peter Kavčič, who on 9 December 2022 notified the Company of their irrevocable resignation as Supervisory Board members, as a result of which the Nomination Committee was established to carry out the nomination procedure in 2023;
- adopting the labour costs plan of the Supervisory Board for 2023, the financial calendar and the timetable for the meetings of the Supervisory Board and its committees in 2023;
- performing other activities related to the supervision and work of the Supervisory Board or its committees.

The costs in connection with the Supervisory Board's work other than the remuneration paid to its members and committees (disclosed in Section [5.8 Management and supervisory bodies and their remuneration in the Accounting Report](#) and in Section [5.3.3 Supervisory Board in the Business Report](#)) mostly included the rental costs of interpretation equipment for smooth execution of its sessions, training costs of the members of the Supervisory Board and its committees, and the outsourced IT services for the Audit Committee. These costs amounted to EUR 277,646 in 2022.

3.4 Self-assessment

Specific topics were discussed in advance by the Supervisory Board's committees, which drafted resolutions to be adopted by the Supervisory Board and meticulously carried out other tasks within the scope of their powers. The committee chairs regularly reported on their work at the sessions of the Supervisory Board, which discussed the adopted decisions, submitted recommendations and opinions and passed appropriate resolutions after due consideration.

All members were involved in the work of the Supervisory Board and its committees. With their attendance at its sessions and active participation in discussions and decision-making, they contributed to the effective discharge of duties within the powers of the Supervisory Board and its committees. The work of the Supervisory Board is well managed and supported, whilst the planning and frequency of its sessions is adequate. Both the Rules of Procedure of the Supervisory Board and the Rules of Procedure of the Audit Committee include clear rules of conduct in the event of a conflict of interest. The Supervisory Board members and the Audit Committee's external member signed and submitted statements of independence in accordance with the Slovenian Corporate Governance Code, which are published on the Company's website. All Supervisory Board members (except employee representatives Branko Gorjan and Peter Celar) declared themselves independent in accordance with the Slovenian Corporate Governance Code criteria (all statements of independence are published on the Company's website). In 2022, to the knowledge of the Supervisory Board, there was no case of conflict of interest with an individual Supervisory Board member in the discussions and decisions of the Supervisory Board and its committees, or appropriate action was taken to manage it. The Supervisory Board and its committees follow the highest standards of conflict of interest management.

The Supervisory Board is of the opinion that its cooperation with the Management Board was adequate, in accordance with the applicable legislation and good practices. To the best of its knowledge, the Supervisory Board was informed of all events of material significance to the assessment of the situation and its consequences, and to the effective supervision of the Company's operations. The documents provided as materials for the Supervisory Board's sessions were of good quality and information was accurate, relevant, reliable, comparable and exhaustive. The Supervisory Board regularly followed the implementation of its resolutions. The Governance System and Policy of Zavarovalnica Triglav d.d. sets out main corporate governance guidelines, taking into account the set long-term objectives and the defined role and work of the Supervisory Board and its committees.

The fit and proper criteria as set out in the Fit and Proper Policy for the Management Board and Supervisory Board Members of Zavarovalnica Triglav d.d. apply to both the Supervisory Board as a collective body and to Supervisory Board members as individuals. Fitness and propriety were assessed before new Supervisory Board members took office. In addition, the Appointment and Remuneration Commission's periodic assessment was performed. The Supervisory Board as a collective body was assessed as fit and proper, taking into account the adequate range of qualifications, knowledge and experience in view of the circumstances and requirements under which the Company operates. A fit and proper assessment is also performed for the Audit Committee's external member.

The Supervisory Board regularly carries out the self-assessment procedure. Based on its findings, it adopts an action plan containing a series of proposals and measures aimed at improving its future performance. The implementation of the action plan is monitored on an ongoing basis. By implementing the self-assessment procedures, the quality of the Supervisory Board's work is improved, which is reflected in a higher quality of supervision of the operations and the areas material for the Company and the Group.

The Supervisory Board believes that its composition in 2022 corresponded to the size, activities and set objectives of both the Company and the Group, which enabled it to make quality decisions.

The Supervisory Board carried out its duties and powers smoothly. The sessions of the Supervisory Board and its committees were held in person and, in exceptional cases, also virtually with the help of technical means.

In view of the above, the Supervisory Board is of the opinion that its work and the work of its committees in 2022 were successful.

3.5 Opinion on the annual internal audit report for 2022

In accordance with paragraph three of Article 165 of the Insurance Act (ZZavar-1), the Annual Internal Audit Report of the Internal Audit Department of Zavarovalnica Triglav d.d. for 2022 was submitted to the Supervisory Board, which took note of it at its session on 28 March 2023. The report contains an overview of the implementation of the Internal Audit Department's (hereinafter: IAD) planned activities in 2022 and a summary of material audit findings, including an assessment of the adequacy and

effectiveness of risk management and the internal control system of the audited areas, the assessment of the adequacy of the IAD's funds for its work, the IAD's quality assurance and improvement programme and its results, and the statement of independence and impartiality of the IAD and its employees.

The Internal Audit Department conducted the planned internal audits in the Company and other companies of the Group and presented its internal audit findings to the relevant persons in charge and made recommendations for improving risk management and the internal control system of audited areas. Based on the performed internal audits and the follow-up of implementation of recommendations, the IAD assessed that risk management and the internal control system of the audited areas within the Company and the Group were overall appropriate and were constantly improving. The IAD also carried out advisory activities, followed up on the implementation of recommendations made by external auditors, and carried out tasks related to quality assurance and improvement of the IAD and the internal audit departments of other Group members. The IAD reported on the implementation of its work plan, material audit findings and the implementation of recommendations on a quarterly basis to the Audit Committee and on a semi-annual basis to the Supervisory Board.

Based on the monitoring of the IAD's work and the submitted Annual Internal Audit Report of the Internal Audit Department of Zavarovalnica Triglav d.d. for 2022, the Supervisory Board is of the opinion that the IAD operated in line with its work plan for 2022, which was adopted by the Management Board with the approval of the Supervisory Board, and the expectations of the Supervisory Board and that its work contributed to the better functioning of the internal control system and improved risk management both in the Company and the Group. The Supervisory Board has no objection to the Annual Internal Audit Report of the Internal Audit Department of Zavarovalnica Triglav d.d. for 2022.

3.6 Findings of the supervisory board regarding the operations of Zavarovalnica Triglav in 2022

Based on its monitoring and supervision of the Company's operations in 2022 and the examination and verification of the Annual Report of the Triglav Group and Zavarovalnica Triglav d.d., the Supervisory Board hereby establishes that the Company performed well and consistently pursued its set strategic objectives.

The Group generated EUR 134.5 million in consolidated profit before tax (index 101) and EUR 110.2 million in consolidated net profit (index 98). The parent company's net profit amounted to EUR 120.5 million (index 164).

The Group's insurance companies generated insurance and coinsurance premiums of EUR 1,479.6 million in the preceding year (index 109), of which EUR 868.9 million (index 109) was earned by the parent company. Premium growth was achieved in all insurance segments and in all markets where the Group operates.

The Group recorded gross claims paid of EUR 832.2 million, up by 13% relative to 2021. Gross claims paid by the parent company amounted to EUR 452.5 million (index 111).

Total consolidated gross operating expenses incurred by the Group in the amount of EUR 374.9 million rose by 12% and those of the Company totalled EUR 221.4 million (index 113).

The Group's total equity amounted to EUR 752.8 million as at 31 December 2022 and was 19% lower relative to the preceding year. Return on equity stood at 13.1%.

The Group's financial stability, high capital adequacy and high profitability in 2022 were again confirmed by the two renowned rating agencies S&P Global Ratings and AM Best by assigning an "A" rating to the Group. Both credit ratings have a stable medium-term outlook.

The findings of the Supervisory Board are also based on the following:

- Report of the non-life insurance actuarial function holder for 2022,
- Report of the life insurance actuarial function holder for 2022,
- Annual Internal Audit Report of the Internal Audit Department of Zavarovalnica Triglav d.d. for 2022.

The Supervisory Board has no objection to the aforementioned reports.

3.7 Annual report

The Management Board submitted the Audited Annual Report of the Triglav Group and Zavarovalnica Triglav d.d. for 2022 to the Supervisory Board.

The Supervisory Board hereby ascertains that the Annual Report was compiled within the statutory deadline and submitted to the appointed auditor. The Annual Report of the Triglav Group and Zavarovalnica Triglav d.d. for 2022 was audited by the audit firm Deloitte revizija d.o.o., Ljubljana, which on 10 March 2023 expressed an unmodified opinion on the separate and consolidated financial statements in the Annual Report of the Triglav Group and Zavarovalnica Triglav d.d. for 2022. In their report as an independent auditor, they took a stance on key audit issues regarding insurance technical provisions and equity investments in subsidiaries. They also provided their opinion on other information contained in the Annual Report as to their consistency with the separate and consolidated financial statements and their compliance with the applicable legislation and other regulations.

The certified auditor, a key audit partner, was present at the session of the Supervisory Board and the Audit Committee regarding those items where the Annual Report was discussed and provided the requested additional explanations to the Audit Committee and the Supervisory Board. The Audit Committee discussed the annual report after the pre-audit and the final audit and the letter to the Management, which was also discussed by the Supervisory Board, after the audit

Based on a detailed verification, the Supervisory Board established that the Annual Report of the Triglav Group and Zavarovalnica Triglav d.d. for 2022, which was prepared by the Management Board and verified by a certified auditor, was compiled in a clear and transparent manner and that it was a true and fair presentation of the assets, liabilities, financial position, and profit or loss of the Triglav Group and Zavarovalnica Triglav d.d. The Supervisory Board is of the opinion that the Corporate Governance Statement, which is included in the Annual Report, is appropriate and has no objections to it.

In accordance with the aforementioned findings, the Supervisory Board expresses no objection to the unmodified opinion of the certified audit firm Deloitte revizija d.o.o., Ljubljana, which found that in all material respects the consolidated and separate financial statements presented a true and fair presentation of the financial position of the Triglav Group and Zavarovalnica Triglav d.d. as at 31 December 2022, their profit or loss, comprehensive income and cash flows for the year then ended, in accordance with the International Financial Reporting Standards as approved by the EU.

In view of the above, the Supervisory Board approves the Audited Annual Report of the Triglav Group and Zavarovalnica Triglav d.d. for the Year Ended 31 December 2022.

At its session, the Supervisory Board also discussed the Remuneration Report for 2022, which was verified by the authorised audit firm Deloitte revizija d.o.o., Ljubljana, and in accordance with paragraph six of Article 294b of the Companies Act (ZGD-1) issued the auditor's report confirming that the Remuneration Report contains all the information required by paragraphs two and three of Article 294b of the ZGD-1. The review of the company's report was performed by a certified auditor in accordance with the International Standard on Assurance Engagements 3000 – Assurance Engagements, except for audits or investigations of past accounting information.

3.8 Proposal for the distribution of accumulated profit

At its 2nd/2023 session, the Supervisory Board examined the Management Board's proposal for the distribution of accumulated profit as at 31 December 2022, which will be subject to a final decision by the General Meeting of Shareholders of Zavarovalnica Triglav d.d., and approved the following draft resolution on the distribution of accumulated profit to be proposed by the Management Board to the General Meeting of Shareholders:

"The accumulated profit totalling EUR 63,769,278.25 as at 31 December 2022 shall be distributed as follows:

- A part of the accumulated profit amounting to EUR 56,837,870.00 shall be distributed for dividend payments. A dividend in the amount of EUR 2.50 gross per share shall be paid to the shareholders appearing in the Share Register as at 20 June 2023. On 21 June 2023, the Company shall ensure funds for the payment of all dividends on the account of KDD – Centralno klirinška depotna družba d.d., intended to execute the corporate action of paying out dividends to the shareholders in accordance with the common European standards for corporate actions.
- The distribution of the remaining accumulated profit of EUR 6,931,408.25 shall be decided on in the coming years and shall remain undistributed."

Ljubljana, 28 March 2023

Andrej Andoljšek
Chairman of the Supervisory Board



Applause to the invisible contributors to our joint success

In the same responsive way as the sales staff listen to the needs of clients, **Barbara Mušič** and **Miroslav Breznik** always come to the aid of sales staff with development and support technological services. Barbara works in the Development and Technology Department in the field of Zavarovalnica Triglav's digital business and client experience. Miroslav always has all the answers to questions relating to IT. The sales staff gave them a big round of applause when they were announced as top salespersons, when they received special recognition for accessibility and efficient assistance.

In the Triglav Group, the development of technology and IT is at the fore of:

- The agile and responsive operation of multifunctional teams,
- Achieving a seamless user experience,
- Building and maintaining business ecosystems that enable an outstanding user experience.

4. Strategy and plans of the Triglav Group

- Strategic risks and business opportunities are regularly assessed based on the challenges and opportunities identified in the business and social environments, which are characterised by rapid changes.
- The Triglav Group’s vision, aimed at creating an outstanding user experience, is implemented through development activities. The transition from an insurance-oriented to a service-oriented business model with multiple ecosystems and continued digital transformation are at the fore.
- The Group’s performance in 2022 was sound and impacted by one-off events, with the business result exceeding plans.
- The Group’s operations will continue to be profitable, further increasing the business volume in 2023.

Challenges and opportunities of today

The ever-changing business and social environment requires the Group to constantly monitor and identify new challenges and opportunities in its business operations and to effectively deal with unknown risks. To this end, strategic risks and opportunities as well as the relevance of the main

guidelines for the implementation of the Group’s strategy are regularly assessed. By constantly upgrading the risk management system, the Group maintains a level of preparedness that ensures an optimal response even in the case of unexpected events, which in turn ensures profitable, stable and future-oriented business operations.

The main trends that the Group has identified as having a significant impact on its business operations today and in the coming years are, in particular, the events related to the geopolitical situation as a result of the Russian-Ukrainian war and their impact on the macroeconomic situation, inflation and financial markets, increased digitalisation of operations and related changes in consumer habits, as well as the effects of climate change and the growing importance of sustainable business.

The impact of the external environment in which the Group operates and may continue to operate

In 2021, most European countries lifted the restrictive measures related to the COVID-19 pandemic, which made it possible to restore stable economic activity. But the start of 2022 was already marked by the conflict between Russia and Ukraine, which escalated into a war between the two countries at the end of February. Russia's military intervention in the territory of Ukraine triggered a series of international measures and sanctions intended to weaken the Russian economy, and which disrupted many supply chains and caused the high growth of energy prices. These effects, together with the existing consequences of the pandemic, supply chain disruptions and measures taken by countries to stimulate increased household consumption during this period, had a strong impact on inflation. In order to limit it to around 2%, the central banks started raising interest rates, which lowered economic growth forecasts. Higher interest rates significantly increased countries' borrowing costs; countries noticeably increased their indebtedness during the pandemic.

Geopolitical risks and deteriorating macroeconomic bases also had an impact on financial markets. The global markets experienced a shake-up in the beginning of the year, especially investments in companies with higher exposure to the Russian market, which was followed by declines in financial markets caused by uncertain economic forecasts and sharp increases in interest rates. In the coming period, supply chain pressures are expected to ease and the EU's dependence on the import of Russian gas and oil to decrease, as a result of which energy prices will stabilise. Nevertheless, it may take several years for inflation to slow down, and the actions taken by central banks may further deteriorate economic growth outlook.

The advantages brought by international trade and globalisation are diminishing, and many businesses are aiming to switch to local supply chains. EU Member States displayed a great deal of coordination in their response to the situation so far, but despite this, many European countries began to pay more attention to the security policy. Expectations regarding the further development of economic trends and financial markets thus remain highly uncertain.

1. Geopolitical risks and financial instability

The Group's acceptance of challenges and risk management

The Triglav Group is responding to the current situation by carefully **adjusting its risk profile**. A well-functioning risk management system enables the Group to monitor the situation and respond to it rapidly by appropriately addressing the negative impacts on capital adequacy and profitability.

Investment policies are primarily designed to pursue the interests of policyholders, insured persons and other beneficiaries from insurance contracts. Therefore, the security of investments and the simultaneous achievement of the highest possible profitability with the assumed risks remain at the forefront. The amount, maturity and currency of assets allocated to cover insurance liabilities are harmonised with liabilities as much as possible, thus further limiting market risks. By managing the remaining assets, the goal of achieving a reasonable rate of return is pursued, taking into account all the risks assumed and maintaining a high overall credit rating of the investment portfolio. See Section [3.3 of Risk management](#) for more information about exposure to market risks.

In the current situation, additional attention is paid to the optimal profitability of the insurance business and the appropriate return on investment, which is also achieved by investing in alternative investments, which at somewhat lower liquidity generate slightly higher expected rates of return.

The volume of such investments is subordinated to achieving adequate portfolio liquidity even in the

event of a deteriorating situation in the financial markets.

For the purpose of timely identification and action, the Group set up an effective **system for monitoring the entire counterparty portfolio**. The portfolio's credit quality is constantly monitored and the concentration at Group level is managed by adjusting the exposure to individual partner segments.

Rising interest rates, increased uncertainty about the economic outlook and the unpredictability of the monetary policy have a major impact on market liquidity, which has deteriorated across all asset classes. The Company ensures the timely fulfilment of all obligations with adequate liquidity. To **maintain an optimal liquidity level**, liquidity risk is managed on an ongoing basis, which includes regularly testing liquidity in exceptional circumstances and the liquidity plan with the order of actions to take in such cases. See Section [3.5 of Risk management](#) for more information.

High inflation affects higher claim payouts, especially in the segments of non-life insurance and operating expenses. Such risks are managed by **regularly monitoring and promptly adjusting the pricing policy and through effective cost management**. High inflation and interest rates also affect the value of the investment portfolio, particularly fixed-income investments. Inflation risk is managed in the context of interest rate risk management. High inflation also resulted in a decrease in the real disposable income of households and, consequently, in lower consumption, including insurance purchase. If current macroeconomic developments settle into stagflation (low economic growth with high inflation), credit and liquidity risks could increase.

Due to the increase in required returns on debt securities and the resulting drop in the value of investments, especially with regard to supplemental voluntary pension insurance with a guaranteed return, in which the policyholder does not fully assume the investment risk, the Company adjusted its investment policy to a less risky one in the face of increased fluctuations in the financial markets.

Geopolitical risks are regulated through the appropriate geographic diversification of investments, as presented in Section [7.9 Investment structure of the Triglav Group and Zavarovalnica Triglav](#), and prudent conclusion of insurance and reinsurance transactions in the international market.

The impact of the external environment in which the Group operates and may continue to operate

Among the key challenges of more mature European economies is an ageing population due to longer life expectancy and declining birth rates. International migration mitigates this trend only partially. The accompanying labour shortage will be an important factor in future development and economic growth. In most European countries, young age groups are often characterised by a lower average income, which stems mainly from the unstable labour market and precarious forms of employment and results in the lower funding of the social welfare system. The need for social security is therefore increasing, and its funding is increasingly difficult. The awareness that health, lifestyle and environmental aspects are connected is growing.

Employment in the EU is at its highest levels, and the demand for workers still exceeds supply in many sectors and industries. Staff shortage in the labour market is particularly high in some highly skilled occupations, the demand for which has increased in recent years also due to the rapidly increasing digitalisation of business and the need to combine IT skills and a good knowledge of specific topics. The pandemic has visibly transformed the labour market in past years with the emergence of several forms of hybrid work that include the possibility of working from home. Employees now look for jobs that offer hybrid forms of work. Employers who are better able to adapt to these new demands also have a better chance of attracting suitable staff. Securing an appropriately qualified workforce also results in higher salary costs.

The described challenges also apply to the countries in which the Group companies operate.

2. Demographics and human resource risks

The Group's acceptance of challenges and risk management

Demographic trends are monitored on an on-going basis in all Group markets. They are observed in terms of adjusting insurance terms and conditions and calculation factors as well as identifying opportunities for new types of insurance coverage and products, with which the Group responds to the changing client needs. The coverage of risks that the compulsory social security scheme does not cover or covers inadequately is ensured by a range of complementary and supplemental insurance products. The Company is expanding its life, pension and health insurance product range, thereby increasing the security of clients at all stages of life. It is exposed to longevity risk in products with lifetime annuity or pension payouts. Especially long-term risk requires special attention: it is managed by developing dynamic models of the policyholders' life expectancy and setting appropriate premium rates and provisions.

The Group is aware that healthcare will continue to gain social significance. It is proactively increasing its range of healthcare services in order to provide its policyholders – at health centres – with timely and, at the same level of quality, more affordable healthcare services than its competitors on the market. The Group aims to transform from a traditional health insurance provider into a health partner and provide clients with comprehensive lifelong services. By offering additional health insurance products and services, it takes into consideration the risk of a potential healthcare reform and the abolition of supplemental health insurance.

The pandemic also profoundly changed employment and how the Group interacts with its employees, who play a key role in achieving the Group's ambitious business objectives. Currently, it is difficult to recruit new employees with appropriate skills and competences in the Slovenian labour market. A general human resource risk was identified when recruiting workers in shortage occupations (IT, digital, BI, risks, actuaries, etc.), in addition to the risk of departure of key staff and problems with retaining existing staff.

The Group is aware of these risks and manages them accordingly. It aims to provide the best working conditions for its employees, thereby reducing the risk of unwanted fluctuations. The Group is strengthening its brand of a development-oriented and responsible employer and building up its recognisability as a desirable employer, being able to attract and motivate new highly qualified and highly skilled workers.

During the COVID-19 pandemic, the Group companies implemented a hybrid work model, which included working from home, for the employees whose nature of work allowed it, and which was continued even after the pandemic ended. This may be a competitive advantage over companies that do not provide this option. See Section [11. Development activities](#) for more information about the hybrid workplace strategic pilot project.

Employee satisfaction within the Group is regularly monitored by measuring the organisational climate, which shows better results every year. This proves that the Group is effectively adapting to changes; communication is open and effective, and the Group remains an attractive working environment for its employees despite changes.

See Section [12.4.2 Responsibility to employees](#) for more information about steps taken to the care for employees.

The impact of the external environment in which the Group operates and may continue to operate

The digital transformation of insurance companies has been accelerating in recent years. Advanced analytics, the use of cloud services, the Internet of Things, cognitive computing, mobile network development, process robotisation, machine learning, artificial intelligence, API interfaces and remote business are all on the rise. The COVID-19 pandemic has rapidly and extensively transformed the way insurance companies engage with their clients, largely shifting from physical contact and a small number of interaction points to remote communication and via digital channels (taking out insurance, settling claims, etc.). In parallel, some work processes shifted partially from the workplace to employees' homes, with communication mainly taking place via an internet connection and with remote access to the Company's data.

This increased the pace of business digitalisation and produced many challenges, such as client identity verification, remote signing and inspection of the object insured, secure document exchange and managing client data changes in databases. Insurers are expected to keep up to date with and adapt their operations to digital changes as well as implement technological upgrades and innovative business models developed by insurtech and fintech companies. Implementing new digital services into operations and providing an outstanding user experience can be a significant challenge for insurance service providers (due to rapid and continuous development), as it requires rapid adaptation to new market opportunities and cost-effective performance. The latter is also becoming one of the key differentiating factors in the industry.

Digitalisation thus not only creates new opportunities but also results in many additional risks. With technological development, the increasing connectivity of businesses and the financial sector's heavy reliance on major global information and communication technology (ICT) service providers to provide services to clients, the vulnerability of insurers to cyber-attacks is increasing, which is reflected in the increased number of these incidents. Understanding the role of effective risk management and the continuous improvement of digital resilience are among the decisive factors for successful business performance and maintaining clients' confidence in the security of their data processing. A requirement for digital resilience is also the effective management and limitation of possible financial and operational-process effects. The development of regulations also follows these guidelines. New requirements include EIOPA guidelines on outsourcing to cloud service providers and guidelines on information and communication technology security management. Additional requirements in this field were specified by the Regulation of the European Parliament and of the Council on digital operational resilience for the financial sector (DORA).

3. Digital transformation and cyber security

The Group's acceptance of challenges and risk management

The Triglav Group incorporates the described changes into the development of its business operations, which are rapidly being digitalised and upgraded with other innovations that are the result of the Group's strategic development processes. The implementation of an omni-channel sales approach and paperless and remote operations are at the fore. See Section [11.2 Transformation and digitalisation](#) for more information on development activities. Thanks to the quick launch of solutions such as remote signing, video identification and remote inspection of the object insured, **business continuity was ensured also in extraordinary circumstances**, proving that the Group was well-prepared for the transition to digital business, which is now being expanded and upgraded.

Ensuring adequate cyber resilience and meeting regulatory requirements are among the Company's strategic objectives. This is achieved by **keeping the information security management system and security controls regularly updated, regularly testing information security** at various levels and verifying recovery procedures and information systems. The Company's **security and control centre** continuously monitors security events and responds to threats 24/7. The Company is introducing new tools and processes for the comprehensive monitoring and control of information (cyber) security risks, which, after being implemented in the parent company, are transferred to other Group members, ensuring their coordinated operation. In this way, the Group's security risks are managed more effectively, in addition to actively managing the level of information security. A new tool for managing all types of operational risks was used to improve the management of information (cyber) risks, which are regularly included in stress scenario tests.

The Company is aware that people are the most vulnerable part of information security, which is why it regularly raises employees' awareness and educates them about information security risks and their management. Employee's level of awareness is regularly checked, for example through social engineering tests using electronic communication (a phishing test). Based on these findings, activities and measures to improve information security and raise employee awareness are planned.

Before the implementation of new technological solutions, risks are consistently assessed and a set of measures for their management is designed. New solutions are then verified on an ongoing basis, used to measure client satisfaction and then further improved based on the feedback received. IT solution providers who comply with high security standards and offer legally compliant solutions for information security and personal data protection with guaranteed compatibility of services are selected. The risks of outsourcing ICT services are managed in all contractual stages of the relationship with service providers. This also applies to the project of developing an integrated sales module.

To better deal with the challenges of remote business and cyber threats, the Company provides tailored cyber insurance products and related assistance services to its clients.

The impact of the external environment in which the Group operates and may continue to operate

Concern for sustainable business and the sustainable development of the natural, social and economic environment ensures the preservation of natural resources and is a prerequisite for long-term successful business. World population growth and economic development have led to excessive consumption of limited resources and adverse effects in the form of climate change. The need for balanced social development, which reduces inequalities in society and improves the well-being of the most vulnerable social groups, is increasingly coming to the fore.

Among sustainability aspects, the most pressing in recent times have been **climate change aspects**. Their impact on the insurance industry is expected both in the investment and insurance segments as:

- the risk of transition to a low-carbon economy,
- physical risks due to the increased frequency and severity of extreme weather events.

Measures to mitigate climate change are becoming increasingly important, and with them the need to adapt operations to reduce transition risk. Any inadequate action in terms of transition risk may increase physical risks, which will, in turn, mainly result in the greater frequency and severity of weather disasters and other consequences.

Insurance companies can greatly contribute to an easier and coordinated transition of society to a low-carbon economy, as they play an important role as institutional investors. In addition to the implementation of investment policies that take sustainability aspects into account, with insurance products covering climate change-related perils, they can contribute to a higher level of safety in terms of physical risks and thereby to a better economic situation.

Physical risks are among the most important long-term challenges for insurance companies, as they are increasing significantly due to the higher average surface temperature and expected further temperature rises. They are and will continue to result in rising sea levels, more frequent and longer heat waves, and other extreme weather events. In the region where the Triglav Group operates, more frequent floods, drought periods and hailstorms are of particular concern.

The frequency and severity of weather disasters will increase the demand for insurance coverage, which on the one hand brings new opportunities to expand the volume of business, and on the other presents a challenge due to the larger scope of required reinsurance coverage. Together with the ever-increasing frequency and severity of these events, this will put pressure on reinsurance prices, increase the risk of the non-life insurance portfolio and intensify the insurers' need for additional capital.

As the global surface temperature increases, mortality and the likelihood of disease or new epidemics also increase, which may affect supply and demand of life and health insurance. The emergence of more extensive and long-lasting disease outbreaks may affect social and economic stability.

Insurers are also exposed to sustainability risks in the investment segment. In terms of climate change, transition risks are in the foreground. In the short and medium term, they can significantly affect the value of financial investments of issuers that are more exposed to climate risks, either because of the sector in which they operate, or because of the way they operate or respond to these risks.

The Group's acceptance of challenges and risk management

Sustainability aspects have traditionally been an important part of the Triglav Group's operations, which are based on responsible long-term development. Through its activities, the Group has undertaken to reduce uncertainty in the environment, provide its clients with financial and other security and create long-term sustainable value for its shareholders and other stakeholders.

4. Climate change and sustainable development

The Group's sustainability activities have recently been upgraded to implement additional legal requirements and own guidelines into the Group's processes and management systems to promote the transition to a sustainable society.

The Group's strategic ambitions relating to sustainable development (ESG) define the key guidelines for the implementation of business processes in the Group members, engagement with clients and other stakeholders, and its activities and integration in the community. The Group strives to find sustainable solutions that focus on the efficient use of energy, water and other natural resources as well as reduce pollution. In its engagement with clients and other external stakeholders, the Group endeavours to meet the set environmental goals and national and global environmental commitments, thereby monitoring the direct and indirect impacts of operations on the environment and related environmental risks. In parallel with developing various types of insurance coverage, the Group aims to make individuals be more aware of and better understand climate risks, the growing dangers of natural disasters and other climate change impacts on society. The Group will support the development

of science so as to understand the causes of environmental change and related indicators as well as the development of new technologies to reduce the negative impacts of economic and social activities on the environment. See Section [12.3 Environmental aspect](#) for more information.

The Group's risk management system was significantly upgraded recently. As part of the own risk and solvency assessment process, particular attention was paid to the identification and assessment of climate risks at Group level. Based on the improved quality of data for climate risk assessment, an in-depth qualitative assessment of climate risks was performed for both assets and liabilities. It is expected that, in the investment segment of the Group's business, these risks will be significant both in the medium and long term. The Group's key task remains to adapt its investment policies to the green transition, which also applies to investment and pension insurance. With respect to liabilities, physical risk was identified as the highest short-term climate risk. In Slovenia, the *flood* event is already material. Extraordinary weather events due to climate change will become even more frequent and severe in the medium and long term, and other perils (hailstorms, drought) will likely have a material effect on the Company's operations. It is estimated that transition risk in the Group's insurance portfolio does not materially affect its operations in the short term, but with the emergence of legal and technical risks, it may increase in the medium and long term, becoming a material risk.

Based on a qualitative assessment of climate risks, a stress scenario that included transition risk for assets and physical risk for liabilities was performed. Transition risk could be significant, especially in the event that it would affect the economic situation and thus the financial markets. On the other hand, despite the increased severity and/or frequency of weather disasters within a year, this did not have a noticeable effect on the capital adequacy of the Company's existing non-life insurance portfolio, primarily thanks to the adequate reinsurance protection. Ensuring adequate protection will continue to be of key importance in the future, taking into account changes and limitations to reinsurance terms and conditions.

Sustainability risks also related to the Group's reputational risk, which arises from the adjustment of operations in relation to competitors, especially with the growing awareness of society and the importance of sustainability for our stakeholders. These future potential risks may materialise in the long term and affect all key business processes, acquisition and retention of business and human resources.

The ever-increasing role of sustainability in business also brings many new opportunities due to both the need for additional insurance coverage and rapid technological progress and innovations in sustainable technologies.





See Section [12. Sustainable development](#) at the Triglav Group for more information about sustainability aspects.

4.1 Triglav Group Strategy for 2022–2025¹⁰

In the revised Triglav Group Strategy to 2025, adopted at the end of 2021, the Group continues to pursue its existing key strategic guidelines, upgrading them in terms of growth and development activities and an improved client-centric approach.

The strategy focuses on the Group’s sustainable development ambitions (environmental, social and governance factors) even more than in the past. By pursuing these ambitions, a long-term stable basis is created for the Group’s profitable and safe operations, promoting the transition to a sustainable society, reducing its impact on climate change, remaining a development-oriented environment for its employees, maintaining ties with its partners and representing a stable, safe and profitable investment for investors.

Triglav Group’s mission, vision and values

 Mission	<p>We build a safer future.</p> <ul style="list-style-type: none"> ■ We are client-centred. ■ We support development of our partners. ■ We provide development-oriented environment for our employees. ■ We are stable, safe and profitable investment for our investors. 	<p>Triglav Group is leading Insurance and financial group in Adria region, synonymous with the best user experience. Through our operations we are creating above-average value for our key stakeholders and promote transition to sustainable company.</p>		
 Vision	<p>We set standards of outstanding client experience – anytime, anyplace.</p>			
 Values	<p>Responsiveness, simplicity and reliability are reflected in our day-to-day operations</p>			
 Strategic activities	<table border="0"> <tr> <td data-bbox="949 1166 1339 1465"> <p>Insurance</p> <ul style="list-style-type: none"> ■ Non-life ■ Health ■ Life ■ Pension ■ Reinsurance </td> <td data-bbox="1339 1166 1722 1465"> <p>Asset management</p> <ul style="list-style-type: none"> ■ Own insurance portfolio (asset backing liabilities and backing funds) ■ Mutual funds and individual asset management ■ Pension funds </td> </tr> </table>	<p>Insurance</p> <ul style="list-style-type: none"> ■ Non-life ■ Health ■ Life ■ Pension ■ Reinsurance 	<p>Asset management</p> <ul style="list-style-type: none"> ■ Own insurance portfolio (asset backing liabilities and backing funds) ■ Mutual funds and individual asset management ■ Pension funds 	<p>Triglav Group will remain leader in all its core businesses in Adria region.</p>
<p>Insurance</p> <ul style="list-style-type: none"> ■ Non-life ■ Health ■ Life ■ Pension ■ Reinsurance 	<p>Asset management</p> <ul style="list-style-type: none"> ■ Own insurance portfolio (asset backing liabilities and backing funds) ■ Mutual funds and individual asset management ■ Pension funds 			

¹⁰ GRI 3-3

The Triglav Group continues with its digital transformation process with the aim of becoming the leading digitalised insurance and financial group in the Adria region.

By developing digital services, automating processes and implementing advanced digital technologies, it will ensure the best digital user experience to its clients.

Digital transformation

The development of service-oriented business models

The Triglav Group is gradually transitioning from an insurance-oriented business model to a mostly service-oriented business model and ecosystem, which address many interrelated client needs in terms of insurance products and assistance and related services.

The Triglav Group's strategic indicators in 2022–2025

In terms of financial strategic indicators, the goal is for the Group's total revenue to exceed EUR 1.6 billion in 2025, while achieving a 10% return on equity in this strategy period (the figures are determined using the existing IFRS 4 reporting framework).



Triglav Group's strategic guidelines

Development of organisational culture

The Triglav Group continues to create a highly effective and service-oriented organisational culture, which supports strategic business guidelines, and an organisational environment, which enables the Group to attract, develop and retain competent, engaged, healthy and satisfied employees.

- Creating a unique client experience across all channels, processes and products.
- A client-tailored range of insurance and financial products and services.
- Focusing on assistance and related services aimed at developing interrelated ecosystems.

An outstanding client experience

Operating safely and profitably

The Triglav Group is an independent insurance and financial group with high credit ratings, holding a dominant market position in the Adria region. Its strategic guidelines are aimed at achieving a high profit and profitable growth.

4.2 Implementation of the Triglav Group strategy in 2022¹¹

In the first year of implementing the revised strategy to 2025, the focus was on creating an exceptional user experience that will be uniform across all sales channels and for all processes and products. A client-tailored range of insurance and financial services is being developed, gradually transitioning from an insurance-oriented business model to a service-oriented business model and developing service ecosystems so as to address even more effectively the various but interrelated client needs.

The Group continued with its digital transformation process with the aim of becoming the leading digitalised financial and insurance group in the Adria region. In order to achieve the set goals, the Group's highly effective and service-oriented organisational culture continued to be strengthened and co-created by more than 5,300 satisfied and dedicated employees.

Operating safely and profitably



- **Profitable operations and credit rating**
 - Profit before tax: EUR 134.5 million.
 - Return on equity (ROE): 13.1%.
 - Affirmed "A" credit rating with a stable medium-term outlook.
- **Growth in business volume**
 - Gross written premium: +9%.
 - Total market share of Slovenian insurance companies: +0.4 percentage point.
 - Seized opportunities of new business models and partnerships for doing business outside the region.
 - The Triglav Group remains the largest insurance company in South-East Europe (SEE) in terms of written premium.
- **Capital adequacy and capital allocation**
 - Prudent implementation of the capital management policy.
 - Market capital was regularly monitored and risks were assessed by individual activity (insurance business, asset management, capital management), thereby – despite the challenging situation in the financial markets – maintaining financial strength and capital adequacy, which remains around the lower end of the target range.
- **Ensuring safe operations and compliance**
 - Comprehensive review of information systems in terms of information security.
 - Support provided to the implementation of accounting standards IFRS 9 and IFRS 17.
 - Core and support information systems were upgraded for the transition to the euro in Croatia.
- **Growth in business productivity and exploitation of synergies in the Group**
 - Business productivity: increased by 9%; gross written premium per employee: EUR 318 thousand.
 - Transferring good practices among the Group companies and taking advantage of internal potential.

An outstanding client experience



- **Increased client satisfaction and loyalty**
 - Higher client satisfaction rating (NPS) compared to the preceding year: an increase of 4 points.
 - The adjustment of products and services to changed client needs and rewarding their loyalty.
 - The upgrade of the Triglav komplet loyalty programme for underwriting applications.
- **Comprehensive and responsible client relationship management and omni-channel communication**
 - An increased number of clients registered in the i.triglav application and a higher number of clients who gave their consent to receive information electronically.
 - The development of an omni-channel strategy for client communication management.
 - Automated connection of the user's call with their client card for faster resolution of claims.
 - The merger of the databases of non-life and life insurance business partners.
 - The upgraded process and protocol for roadside assistance enable guided acceptance of calls for assistance.
 - The claim reporting process adapted to the "report and repair" option, a clearly presented assistance service procedure, upgraded claim applications for centralised claims settlement.
- **Increased number of active clients, a better understanding of the Group's services and higher insurance coverage of individual clients**
 - The TRIA virtual assistant was launched to help clients and website visitors in answering questions about products and services.
 - Upgraded websites of all Group insurance companies.
 - New marketing and sales approaches.
 - Ongoing measurement and analysis of user experience and implementation of activities to better understand the Group's products and services.

Development of service-oriented business models and digital transformation



Advanced service-oriented business models

- A central entry communication point for clients.
- Business ecosystems upgraded with new services and partnerships and harmonised with the upgraded Triglav komplet loyalty programme.
- Strengthened partnerships in the mobility, home, pets and health ecosystems.
- Encouraging the sales network to sell insurance products remotely and deliver insurance documentation electronically.

A high level of business process digitalisation, optimisation and automation

- Digitalisation of sales processes.
- Digitalisation and automation of claim processes.
- Implementation of advanced analytics and artificial intelligence in client service processes.
- A digital office and mobile application for clients.

Development of an organisational culture



Realisation of the Group's key values in relation to all its stakeholders

- Exceeded planned strategic indicator of employee satisfaction and engagement at Group level.
- The promotion of teamwork, intergenerational cooperation and a healthy lifestyle and work practices.
- Enhanced agility of employees and their willingness to accept changes.

Building a unified employer brand

- The employer's brand is being upgraded.
- Workshops and focus groups at the Company and Group level.

Unified human resource information system in Group companies (Gecko HRM)

- Basic human resource modules were implemented.
- Development modules are being introduced.

A unified system for conducting annual development interviews and a management-by-objectives and remuneration system

- Workshops on setting SMART operational and strategic goals for all leaders.
- The module for annual development interviews was transferred to subsidiaries.

Identifying promising staff and setting up a succession system

- A group of promising staff was identified at Group level as well as their development opportunities.
- First training activities for Group employees and coaching sessions.

Hybrid workspace pilot project (flexible space)

- The scope of the pilot project was defined, the participating areas were identified and renovation plans were designed for two locations.
- Information about working in a hybrid workspace for employees.

Benefits and opportunities for employees

- Five programmes adapted to employee groups were developed.

Sustainable development (ESG) at the Triglav Group



Insurance and asset management

- The share of green, sustainable and social impact bonds rose to 10%, thereby demonstrating the Group's contribution to a greener, sustainable and fair future.
- In the context of its insurance business, the Group develops sustainability-oriented products and

services and increases the premium written from products promoting general social and environmental benefits, including energy efficiency and low-carbon technology.

The Triglav Group's business processes

- The Group actively pursues goals to reduce the carbon footprint of its operations by reducing energy and paper consumption and the quantity of waste. The Group's Scope 1 and Scope 2 carbon footprint decreased by 13% in 2022.
- At the end of the year, a sustainable development action plan was developed for individual areas, which is the basis for implementing strategic activities and legislative requirements.
- In 2022, the Group received for the first time a public score for disclosing according to the CDP questionnaire on climate change.
- Raising employee awareness about energy conservation and the importance of sustainable practices
- The share of electric and hybrid vehicles in the Group rose to 8% in 2022.

Responsible stakeholder engagement

- A high level of satisfaction among the Group's employees and clients was maintained.
- In early February 2022, the Insure Our Future project was launched. Together with partners from the fields of sport, culture, health, prevention and the economy, the Group raises awareness of the importance of achieving the 17 United Nations Sustainable Development Goals.
- Increasingly more attention is paid to sustainability aspects when holding events (Triglav Run, Our Day).

Effective corporate governance

- The Group achieves high corporate governance standards, while improving the public disclosures of its sustainable business and operations.
- In early 2022, Zavarovalnica Triglav became a signatory to the United Nations Principles for Sustainable Insurance (UN PSI) and joined the Partnership for Carbon Accounting Financials (PCAF).
- Support for the process of handling reports of violations and protection of reporting persons was implemented within the Group.
- Within the framework of the Compliance and Sustainable Development Committee and other committees of the risk management system, the development and implementation of regulations, including in ESG areas, is monitored.

4.3 Implementation of the Triglav Group's business plans in 2022

In the difficult economic situation, the Triglav Group achieved a **profit before tax of EUR 134.5 million**, up by 1% relative to 2021 and more than planned. This is the result of good performance and one-off events (see Section [8. Financial result of the Triglav Group and Zavarovalnica Triglav](#) for more information).

Total written premium grew by 9% to EUR 1,479.6 million, **exceeding the planned figures**. Premium growth was recorded in all insurance markets of the Group and in all insurance segments despite the challenging situation marked by fierce competition. In the Slovenian market, premium grew by 7%, in other markets in the Adria region by 12% and in the international market by 17%. See Section [7.5 Gross written insurance, coinsurance and reinsurance premiums](#) for further information on insurance premium.

The Group's **combined ratio** reached a favourable **88.1%**, which is in the lower end of its average target strategic value range (the company's performance indicator in the core non-life and health insurance business excluding return on investment). Compared to the previous year, it decreased by 0.8 percentage point as a result of the improved claims ratio. See Section [8. Financial result of the Triglav Group and Zavarovalnica Triglav](#) for more information.

The credit rating agencies S&P Global Ratings and AM Best re-affirmed the Group's **"A" credit rating with a stable medium-term outlook**, thereby confirming the Group's **strong financial stability, capital adequacy and profitability**. Achieving an "A" credit rating ensures an appropriate competitive position of the Group in insurance, reinsurance and financial markets as it confirms its financial strength and sound performance. See Section [6.6 Credit rating of the Triglav Group and Zavarovalnica Triglav](#) for more information.

4.4 Plans of the Triglav Group for 2023

The Triglav Group business plan for 2023 takes into account strategic starting points and goals, performance results and implementation of the business plan in 2022, market potential, competitive conditions, and forecasts of trends in the macroeconomic environment and the financial markets. For the purposes of data comparability, business plans for 2023 were developed using the existing IFRS 4 reporting framework. This will change with the implementation of the new IFRS 17 accounting standard in 2023. Upon the implementation of the new accounting standard, adequate information will be provided regarding its effects on the Group's key performance categories.

Expected business conditions: The outlook for 2023 is characterised by great uncertainty, which will also affect the Group's operations. The situation on the financial and energy markets is particularly unpredictable, and with the war in Ukraine continuing, it is exacerbating the deterioration of the economic outlook and contributing to inflation. Further growth in required yields on government and corporate bonds is expected, but not as much as in 2022.

Triglav Group Business Plan for 2023

A **profit before tax** of EUR 95–110 million is planned for 2023. The planned profit is lower than the profit for 2022, which was affected by one-off events. In the insurance business, the Group plans to operate profitably and record a **total written premium** of EUR 1.5–1.6 billion, as well as achieve a **combined ratio** of below 94% in non-life and health insurance.

As the leading insurance and financial group in Slovenia and the Adria region, the Group plans to further strengthen its position in existing markets, while seeking opportunities in the EU markets according to the principle of free movement of services and through partnerships. In its operations, the Group will consistently follow its strategic guidelines, focusing on a high-quality and uniform client experience, the further development of service-oriented business models and ecosystems that address the interrelated needs of clients, and the implementation of innovative processes using modern technology.

The Group will continue to pursue cost streamlining, effective risk management, financial stability and retain high credit ratings from recognised credit rating agencies. The Company's dividend policy remains unchanged, and every effort will be made for the ZVTG share to remain a profitable, safe and stable investment for investors.

5. Corporate Governance Statement

- The Group's corporate governance system was responsive and efficient during the pandemic. It showed adequate robustness even in a changing business environment, which is shaped by the broader geopolitical situation.
- Blaž Jakič was appointed a Management Board member for a five-year term of office. The decision will enter into force upon the fulfilment of the conditions precedent, including obtaining the authorisation of the Slovenian Insurance Supervision Agency to perform the function of a management board member.
- The term of office the Management Board members Barbara Smolnikar and David Benedek ended.

5.1 Governance policy

The Company's reliable governance system, which is based on effective risk management, enables it to implement its business strategy. The main governance guidelines take into account the set long-term objectives. They are defined in the Company's Governance System and Policy. This document, which is adopted by the Management and Supervisory Boards, is published on SEOnet, the Ljubljana Stock Exchange information system, and on the Company's official website (www.triglav.eu).

5.2 Statement of Compliance with the Slovene Corporate Governance Code

In its operations in 2022, Zavarovalnica Triglav abided by the Corporate Governance Code (hereinafter: the Code), which was adopted on 9 December 2021 and entered into force on 1 January 2022. The Code is available on the website of the Ljubljana Stock Exchange (Ljubljanska borza d.d.) at <http://www.ljse.si> in Slovene and English. Zavarovalnica Triglav's statement of compliance with the Corporate Governance Code for the period from 1 January 2022 to the day of publication in 2023 is available on SEOnet and Zavarovalnica Triglav's official website (www.triglav.eu).

Zavarovalnica Triglav adheres to the provisions of the Code. For well-grounded reasons, the Company deviated from or did not comply with the following provisions of the Code (as clarified by specific point of the Code):

- Points 4.1 to 4.3 *refer to the Diversity Policy*:

The Company and its management and supervisory bodies are subject to the Insurance Act and the Companies Act, which require that the members of the management and supervisory bodies and the bodies as a whole meet the fit and proper criteria for insurance companies. Zavarovalnica Triglav has adopted a Diversity Policy, according to which, when several candidates meet the fit and proper criterion, the candidate who contributes more to the diversity of the Management Board or the Supervisory Board will have priority. The diversity of expertise and experiences is set out in greater detail in the Fit and Proper Policy for the Management and Supervisory Board Members of Zavarovalnica Triglav d.d. The aim of the Diversity Policy is for both genders to be represented on the management and supervisory bodies. The ratio between the two genders, which is appropriate given the size of the company and its goals and procedures, is not determined in advance, as it is first necessary to ensure the fitness and propriety of the bodies as a whole, in accordance with the requirements of the law. When appointing the members of the management and supervisory bodies, strict legislative regulations applicable to insurance companies and the regulator's requirements as regards the fitness and propriety of the candidates for members of the Management Board and the Supervisory Board must primarily be taken into account. In any case, when appointing the members of the Management Board and the Supervisory Board, the Company aims to achieve the greatest possible diversity, including by specifying in the position requirements, in addition to the fit and proper requirements that candidates must meet, which candidates will

have an advantage in terms of diversity (e.g. gender, age, nationality). The Diversity Policy does not set goals for each individual aspect of diversity and for each body separately, but it does determine the way to ensure diversity as mentioned above and, as a result, has a direct impact on personnel procedures and other processes in the Company.

- Point 5.6 refers to an external assessment of the appropriateness of the Corporate Governance Code by an independent institution:

The Corporate Governance Statement, as part of the annual report, is reviewed annually by an independent external auditor. Zavarovalnica Triglav is a regulated company whose operations are supervised by the Insurance Supervision Agency. In parallel, internal audit is established as one of its key functions, which not only performs continuous and comprehensive supervision of the Company's operations but also verifies and assesses whether the processes of risk management, control procedures and management of the Company are appropriate.

- Points 7.1 to 7.4 refer to the development of the Sustainable Development Policy:

It is planned that Zavarovalnica Triglav will develop an overarching sustainability policy by 31 March 2023. In 2021, the Company upgraded its sustainability orientation in environmental, social and governance areas by adopting the Triglav Group's strategic ambitions in sustainable development (ESG), which was approved by the Supervisory Board. At Group level, sustainability-related activities are coordinated and directed by the Sustainable Development Coordinator, monitored by the Compliance and Sustainable Development Committee and decided on by the parent company's Management Board. The ambitions regarding the ESG goals for 2025 are divided into four key areas: insurance and asset management, Triglav Group's business processes, responsible stakeholder engagement and effective corporate governance. The Commitment to respect human rights in business operations was incorporated into the business processes, with which the Triglav Group undertakes to respect human rights in the entire business process and to avoid and prevent any adverse effects in ensuring human rights.

- Point 16.4 stipulates that at least once in every three years the supervisory board should ensure an external assessment in which it cooperates with an institution or external experts:

Each year, the Supervisory Board, with the assistance of competent departments, carries out self-assessment of its work and the work of its committees and draws up a report. It takes a position on this and adopts an action plan to improve its functioning. At its discretion, the Supervisory Board also performs external assessment, in which it cooperates with relevant external experts.

- Point 21.6 refers to the prior approval of the Supervisory Board before the appointment of the members of the Management Board to the management or supervisory bodies in other companies:

Pursuant to the resolution of the Supervisory Board, the members of the Management Board do not require the approval of the Supervisory Board prior to their appointment to the management or supervisory bodies of Zavarovalnica Triglav's direct and indirect subsidiaries and associates; however, the Management Board members promptly inform the Supervisory Board in writing about their appointment in accordance with point 1 of paragraph two of Article 62 of the Insurance Act (ZZavar-1).

- Point 25 stipulates that all supervisory board and committee members are independent:

Two members of the Supervisory Board, both employee representatives, are not considered independent in accordance with point g) of Appendix B of the Code, as they have served on the Supervisory Board for more than three terms.

In addition, the Company is bound by the principles of the Insurance Code in its operations and conduct, which is available on the Slovenian Insurance Association's website (www.zav-zdruzenje.si).

The Company also has its own code, which presents its fundamental values and business principles in order to achieve its business objectives, strategic guidelines and competitive advantages in a fair and transparent manner and in compliance with the law and ethics. It is published on the Company's official website (www.triglav.eu).

The Statement of compliance with the Slovenian Corporate Governance Code is available both on SEOnet and the Company's official website (www.triglav.eu).

5.3 Management bodies of Zavarovalnica Triglav¹²

The Company has a two-tier governance system in place. Its governance bodies are as follows: **General Meeting of Shareholders, Management Board and Supervisory Board**. They operate in compliance with the primary and secondary legislation, the Articles of Association and adopted rules of procedure. Zavarovalnica Triglav's Articles of Association are published on its official website (www.triglav.eu).

5.3.1 General Meeting of Shareholders

The shareholders of Zavarovalnica Triglav exercise their rights at the General Meeting of Shareholders, which is convened at least once a year, by the end of August at the latest. The General Meeting of Shareholders may also be convened in other circumstances provided by law and the Articles of Association, and when it is in the interest of the Company.

The powers and operation of the General Meeting of Shareholders are set out in the Companies Act and the Articles of Association. The latter does not lay down any specific provisions for the adoption of amendments.

Each share of Zavarovalnica Triglav gives its holder the right to:

- one vote at the General Meeting of Shareholders,
- proportional dividends from the profit intended for the dividend payment and
- a proportional share from the remaining bankruptcy or liquidation estate in the event of bankruptcy or liquidation.

All shareholders who are entered in the share register managed by KDD – Centralno klirinška depotna družba d.d. not later than by the end of the seventh day before the date of the General Meeting of Shareholders have the right to attend the General Meeting. They may exercise their voting right provided that they register their attendance not later than by the end of the fourth day before the date of the General Meeting of Shareholders.

The rights and obligations attached to the shares as well as the notes on the restriction of transfer of shares and on reaching a qualifying holding are described in Section [6.2 Equity](#). See the Insurance Act for further details.

In accordance with the Financial Instruments Market Act, the following three shareholders of Zavarovalnica Triglav hold a qualifying holding (as at 31 December 2022):

- Zavod za pokojninsko in invalidsko zavarovanje Slovenije (Institute of Pension and Invalidity Insurance of Slovenia; hereinafter: ZPIZ) is the direct holder of 7,836,628 shares or 34.47% of the Company's share capital. Its stake remained unchanged in 2022. On behalf and for the account of ZPIZ, the shareholder's rights attached to the shares were managed by Slovenski državni holding d.d. (hereinafter: SDH).
- SDH is the direct holder of 6,386,644 shares or 28.09% of the Company's share capital. Its stake remained unchanged in 2022.
- Erste Group Bank – PBZ Croatia Osiguranje OMF account – a fiduciary account, Vienna, holds 1,526,190 shares or 6.71% of the Company's share capital.

According to the data available, as at the reporting date Zavarovalnica Triglav had no other shareholders whose interests exceeded 5.00% of the share capital, nor any issued securities that would grant their holders special control rights

General Meeting of Shareholders in 2022

Zavarovalnica Triglav's shareholders held one general meeting in 2022. The total number of shares and voting rights represented at the 47th General Meeting of Shareholders, held on 24 May 2022, was 17,439,358 or 76.97% of all shares to which the voting rights are attached. The General Meeting of Shareholders was briefed on:

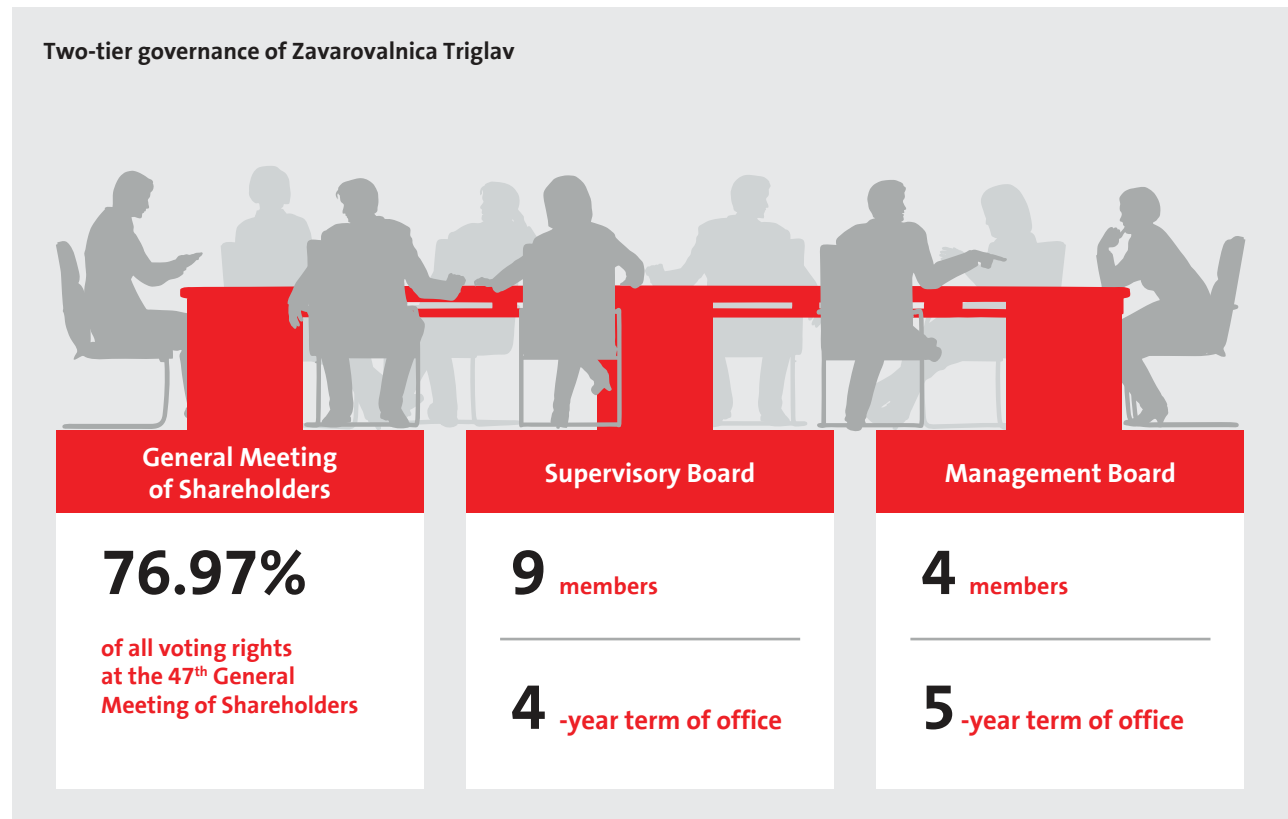
- Annual Report of the Triglav Group and Zavarovalnica Triglav d.d. for 2021,
- the opinion on the annual report given by the audit firm,
- Annual Internal Audit Report of the Internal Audit Department of Zavarovalnica Triglav d.d. for 2021,

- Report of the Supervisory Board of Zavarovalnica Triglav d.d. on the Verification of the Annual Report of the Triglav Group and Zavarovalnica Triglav d.d. for 2021,
- Opinion of the Supervisory Board on the Annual Internal Audit Report of the Internal Audit Department of Zavarovalnica Triglav d.d. for 2021.

The shareholders approved Zavarovalnica Triglav's remuneration report for 2021, whereas the consultative resolution on its remuneration policy was not adopted. The remuneration policy complies with the law, but it is not fully in line with the recommendations of the shareholder SDH, which were published on 16 March 2022 and will be examined by the next regular General Meeting of Shareholders.

The shareholders adopted a resolution on the following distribution of the accumulated profit of EUR 87,660,380.45 as at 31 December 2021:

- A part of accumulated profit in the amount of EUR 84,120,047.60 shall be allocated for dividend payments. The dividend of EUR 3.70 gross per share shall be paid to the shareholders appearing in the share register as at 7 June 2022. As at 8 June 2022, the Company provided funds for the payment of all dividends to the account of KDD – Centralno klirinška depotna družba d.d.
- The distribution of the remaining accumulated profit of EUR 3,540,332.85 shall be decided in the next few years.



The shareholders granted a discharge for the 2021 financial year to both the Management Board and the Supervisory Board of Zavarovalnica Triglav.

The General Meeting of Shareholders appointed the audit firm Deloitte revizija d.o.o., Ljubljana the auditor of Zavarovalnica Triglav for the 2022, 2023 and 2024 financial years.

5.3.2 Management Board

The Management Board manages the Company independently and at its own responsibility, and presents and represents the Company without limitations. In legal transactions, the Company is always jointly presented and represented by two members of the Management Board, one of whom is its President.

According to the Solvency II Directive requirements, all persons who manage an insurance undertaking must have adequate professional qualifications (fit) and be appropriate to perform this function, i.e. be of good reputation and integrity (proper). The fit and proper assessment of the Management Board members is carried out based on national legislation and internal regulations.

Any person fulfilling the requirements stipulated by the Insurance Act, the Companies Act and the applicable documents of the Company may be appointed to the Management Board as its President or member. The fit and proper criteria, which the Management Board members and other individuals are required to meet, are clearly defined in the Fit and Proper Policy for the Management and Supervisory Board Members of Zavarovalnica Triglav d.d., which sets out the fit and proper assessment procedure for individual Management Board members to be performed before their appointment, periodically, extraordinarily or after the appointment of an individual Management Board member. Furthermore, the policy determines the fit and proper assessment criteria and procedures for the Management Board as a collective body. With respect to the latter, the Supervisory Board takes into account the diversity of knowledge and competences, which not only allow comprehensive functioning of the Management Board, but also contribute to an appropriate variety of skills, knowledge and experience for professional management of the Company. All members are required to collectively possess the relevant knowledge and experience relating to insurance and financial markets, the business strategy and business models, governance systems, financial and actuarial analyses, risk management, and the regulatory and legal environment in which the Company operates.

In October 2022, a preliminary fit and proper assessment of Blaž Jakič as a new Management Board member took place. In November 2022, the existing Management Board members (Andrej Slapar, Tadej Čoroli, Uroš Ivanc, Marica Makoter and David Benedek) and the Management Board as a collective body, also excluding David Benedek, were subject to periodic assessment.

The Diversity Policy is also taken into account when appointing an individual member of the Management Board. Its aim is to ensure complementarity and diversity in the Management Board by taking into account various qualifications, experiences and knowledge as defined in the Fit and Proper Policy for the Management and Supervisory Board Members of Zavarovalnica Triglav d.d. as well as to achieve gender balance and representation of various age groups. The gender balance in the Management Board, which is appropriate to the Company's size, the objectives it pursues and

the procedures for selecting management body members and other procedures in the Company, is not predetermined. If several candidates meet the fit and proper criterion, the candidate who will contribute more to greater diversity of the Management Board will have priority. One of the important goals is that both genders are represented in the management body. A comprehensive approach enables prudent and careful management of the Company, thus achieving strategic objectives and ensuring long-term values for all key stakeholders.

At its session on 17 October 2022, the Supervisory Board of Zavarovalnica Triglav agreed with the proposal of the President of the Management Board to appoint Blaž Jakič a new Management Board Member and approved the agreement on the termination of the term of office of the Management Board Member David Benedek. Blaž Jakič was appointed for a five-year term of office. The decision will enter into force upon the fulfilment of the conditions precedent, including obtaining the authorisation of the Slovenian Insurance Supervision Agency to perform the function of a management board member. The term of office of the Management Board member David Benedek ended on 1 December 2022 by mutual agreement, while the five-year term of office of the Management Board member Barbara Smolnikar ended on 17 October 2022.

Composition and appointment of the Management Board

In accordance with the Company's Articles of Association, the Management Board has no less than three and no more than six members, one of whom one is the president. The number of the Management Board members, their powers, the manner of representation and presentation and the transfer of the Management Board's authorisations are determined by the Supervisory Board in the Management Board Rules.

The Management Board is appointed by the Supervisory Board. The term of office of individual Management Board members is up to five years, with the possibility of reappointment without limitation. Zavarovalnica Triglav has one Worker Director, who is a member of the Management Board.

The appointment or recall of an individual member or all members of the Management Board is proposed to the Supervisory Board by the President of the Management Board. Any individual member or President of the Management Board may be dismissed also by the Supervisory Board if legal grounds for their dismissal have been established.

5.3.2.1 Management Board's powers to increase the share capital

In accordance with the Company's Articles of Association, the Management Board is authorised to increase the share capital of Zavarovalnica Triglav by up to EUR 14,740,278.36 through new shares issued for cash contributions within five years of 28 May 2021. The issue of new shares, the amount of capital increase, the rights attached to the new shares and the conditions for issuing new shares are decided upon by the Company's Management Board with the consent of the Supervisory Board. Following a share capital increase, the Supervisory Board is authorised to amend the Company's Articles of Association.

5.3.2.2 Presentation of the Management Board, its functioning and powers

Composition of the Management Board in 2022¹³

First and last name	Function	Area of work in the Management Board (as at 31 December 2022)	Start of term of office (the first)	End of term of office	Gender	Nationality	Date of birth	Education	Professional profile	Membership in the supervisory and/or management bodies of other companies
Andrej Slapar	President	Manages and directs the work of the Management Board and head office support departments (the Management Board Office, the Legal Office, the Internal Audit Department, the Corporate Communication Department and the Compliance Office). In charge of the Corporate Accounts Division, the Non-Life Insurance Division, the Triglav Group Subsidiary Management Division (excluding the subsidiaries outside Slovenia), HR matters related to the employees with special powers, arbitration, Nuclear Pool and the economic interest grouping of Slovenian insurance companies. Also responsible for the drawing up and implementation of the strategy of Zavarovalnica Triglav and the Triglav Group.	22 May 2013	12 November 2024	Male	Slovenian	1972	LL.B.	Management, strategic management, commercial law, insurance and reinsurance, actuarial science	
Uroš Ivanc	Member	In charge of the Non-Life Insurance Actuarial Department, the Life Insurance Actuarial Department, the Accounting Division, the Finance and Controlling Division, excluding the Investment Department, the Triglav Group Subsidiary Management Division – the subsidiaries outside Slovenia and the Investment Department (a head office support department). Also responsible for mergers and acquisitions (M&A), investor relations (IR) and relations with credit rating agencies, as well as for environmental, social and corporate sustainable development (ESG) activities.	14 July 2014	15 July 2024	Male	Slovenian	1975	MSc in Business and Organisation	Management and organisation, strategic management, insurance, financial management, financial markets and analyses, asset management, risk management	Triglav, upravljanje naložb in svetovalne storitve d.o.o. Triglav, Zdravstvena zavarovalnica d.d. Triglav INT d.o.o. Triglav Osiguranje, Zagreb d.d. (from 1 July 2022)
Tadej Čoroli	Member	In charge of the Marketing Division, the Non-Life Insurance Claims Division, the Insurance Sales Division, the Digital Operations and Client Experience Division, the Digital Platform and Business Intelligence Division, the Life Insurance Division, the IT Division and the head office support departments: the Risk Management Department and the Bancassurance Section.	29 July 2014	30 July 2024	Male	Slovenian	1975	LL.M.	Management, strategic management, commercial law, insurance, marketing	Pozavarovalnica Triglav Re d.d.
Marica Makoter	Member and Worker Director	Represents the workers' interests as set out in the Worker Participation in Management Act. In charge of the Fraud Prevention, Detection and Investigation Department and the Change and Project Portfolio Management Department. Responsible for the Back Office Division and the Human Resource Management Division (excluding HR matters related to the employees with special powers). Also responsible for the Strategic Sourcing Department and the Money Laundering Prevention Department (head office support departments).	21 December 2011	23 December 2026	Female	Slovenian	1972	LL.B.	Management, strategic management, commercial law, insurance, human resources and organisation, worker representation	Triglav Skladi d.o.o.
Barbara Smolnikar	Member		17 October 2017	17 October 2022	Female	Slovenian	1967	PhD in Management	Management, strategic management, banking, bancassurance, financial markets and analyses, risk management	Triglav, pokojninska družba d.d. (until 17 October 2022)
David Benedek	Member		29 August 2019	1 December 2022	Male	Slovenian	1973	MSc in Business and Organisation	Management, strategic management, banking, insurance, financial markets and analyses, corporate governance	Triglav Osiguranje, Zagreb d.d. (until 30 June 2022) Triglav, upravljanje naložb in svetovalne storitve d.o.o. (until 16 November 2022) Triglav, Upravljanje nepremičnin d.o.o. (until 16 November 2022) Triglav Skladi d.o.o. (until 16 November 2022) Diagnostični center Bled d.o.o. (until 16 November 2022)

Andrej Slapar took over the position of the President of the Management Board nine years ago, and in 2022 all members of the Management Board (together) performed their function for an average of seven years.

¹³ GRI 2-11, 2-12, 405-1, SASB: FN-AC-330a.1

Data on the remuneration of the Management Board members¹⁴

Data on the remuneration of the Management Board members are disclosed in Section [5.8 of the Accounting Report](#). The basis for the remuneration of the Management Board is the Remuneration Policy of Zavarovalnica Triglav d.d. (hereinafter: the Remuneration Policy), which is based on Directive 2009/138/EC – Solvency II, as amended by Directive 2012/23/EU, and Commission Delegated Regulation (EU) 2015/35 supplementing Directive 2009/138/EC.

The remuneration of the Management Board members consists of the basic salary (fixed part) and a variable part of the salary. The basic salary of the President of the Management Board is set as five times the average gross salary of employees in Group companies in Slovenia, and the basic salary of the Management Board members is set at 95% of the basic salary of the President of the Management Board. The President and members of the Management Board are entitled to the variable part of up to 30% of the basic salaries paid annually provided that the Triglav Group not only generated profit in the previous year but also surpassed the set objectives. The achievement of annual and medium-term objectives and the assessment of the Management Board members' work according to adopted criteria is monitored by the Supervisory Board. Both financial criteria (e.g. premium, claims, costs, profit) and non-financial criteria (compliance, client satisfaction – NPS, employee satisfaction, achievement of ethical and sustainability standards) are taken into account. The amount of remuneration and the Remuneration Policy are approved by the General Meeting of Shareholders.

The Remuneration Policy is designed to ensure the maintenance of appropriate capital strength of the Company, to encourage reliable and effective risk management, and to provide for the acquisition and retention of appropriately professionally qualified, competent, responsible and engaged employees. The policy is the foundation for implementing a robust and reliable governance system, ensuring responsible long-term development and business integrity and transparency. In 2021, it was revised in accordance with the requirements of the Regulation on sustainability-related disclosures in the financial services sector. In accordance with the Triglav Group's strategic ambitions in sustainable development (ESG), the succession policy, the diversity policy and the remuneration policy for the Group companies' management members will be upgraded with environmental, social and governance factors.

5.3.3 Supervisory Board

The Company's conduct of business is supervised by the Supervisory Board, which is composed of nine members: six shareholder representatives and three employee representatives. Their term of office is four years, and they can be re-elected without a term limit.

Shareholder representatives are elected by the General Meeting of Shareholders and employee representatives by the Company's Works Council. The Chairman and Vice Chairman of the Supervisory Board are elected from among its members representing shareholders. The appointment and dismissal of the Supervisory Board members is made in accordance with the applicable legislation and Company regulations. The General Meeting of Shareholders may dismiss any elected Supervisory Board member before the expiry of their term of office, while each Supervisory Board member may resign from their position under the conditions and in the manner laid down by the Articles of Association.

According to the Solvency II Directive requirements, the Supervisory Board members must have adequate professional qualifications (fit) and be appropriate to perform this function, i.e. be of good reputation and integrity (proper). Their fit and proper assessment is carried out based on national legislation and internal regulations.

The criteria as set out in the Fit and Proper Policy for the Management and Supervisory Board Members of Zavarovalnica Triglav d.d. also apply to both the Supervisory Board as a collective body and to individual Supervisory Board members. Fit and proper assessment is made before the appointment,

periodically, extraordinarily or after the appointment of an individual Supervisory Board member. In accordance with this policy, a periodic fit and proper assessment was carried out in November 2022 for all Supervisory Board members and the Supervisory Board as a collective body. All individual members were assessed as fit and proper, with the exception of Branko Bračko, for whom it was not yet possible to provide a final periodic fit and proper assessment as a Supervisory Board member. In the same way, a periodic fit and proper assessment the Supervisory Board as a collective body was carried out, excluding Branko Bračko.

In assessing its composition and performance in accordance with the Insurance Act and the Companies Act, the Supervisory Board takes into account that all members possess the relevant knowledge, skills and experience relating to insurance and financial markets, the business strategy and business models, governance systems, financial and actuarial analyses, risk management, and the regulatory and legal environment in which the Company operates. In addition to the above, if several candidates meet the fit and proper criterion, the Diversity Policy is taken into account in the appointment of new members. Its goal is to ensure complementarity and diversity in the Supervisory Board by taking into account various qualifications, experience and knowledge defined in the Fit and Proper Policy for the Management and Supervisory Board Members of Zavarovalnica Triglav d.d. This enables prudent and careful supervision of the Company, thereby achieving strategic objectives and ensuring long-term values for all key stakeholders, representation of both genders and representation of different age groups. The gender balance in the supervisory body, which is appropriate to the Company's size, the objectives it pursues and the procedures for selecting supervisory body members and other procedures in the Company, is not predetermined, because in accordance with the law it is first necessary to ensure that the composition of the Supervisory Body as a whole is fit and proper.

On 9 December 2022, the Supervisory Board members Branko Bračko and Peter Kavčič notified the Company of their resignation as Supervisory Board members. In order to ensure the proper implementation of the nomination procedures, they are submitting an irrevocable letter of resignation effective as of the date on which the Supervisory Board approves the Annual Report of the Triglav Group and Zavarovalnica Triglav d.d. for 2022, or as of 31 March 2023 at the latest. The effective date of their resignation and termination of their term of office as Supervisory Board members will be the date of the regular annual General Meeting of Shareholders (which, according to the Company's financial calendar, is planned to take place on 6 June 2023), but not later than 30 June 2023.

5.3.3.1 Powers of the supervisory Board

The powers and operation of the Supervisory board are set out by the applicable legislation, the Company's Articles of Association and the Rules of Procedure of the Supervisory Board (available at www.triglav.eu). Besides the powers specified in the Companies Act and the Insurance Act, the Supervisory Board has the power to give consent to the decisions of the Management Board where the value or an investment exceeds the amount set out in the Rules of Procedure of the Supervisory Board, i.e. in the event of:

- the founding of limited companies in Slovenia and abroad;
- the acquisition or sale of Zavarovalnica Triglav's participating interests in domestic or foreign companies, except in the case of participating interests for which the conventional portfolio management approach is used;
- the issue of debt securities and long-term borrowing from domestic or foreign banks;
- the acquisition and sale of real property and investment in real property of Zavarovalnica Triglav.

In accordance with the law and the Rules of Procedure, the Supervisory Board holds at least one session per quarter, or more if necessary.

¹⁴ GRI 2-18, 2-19, 2-20, 2-21

5.3.3.2 Supervisory Board in 2022

Composition of the Supervisory Board in 2022¹⁵

First and last name	Function	Start of term of office (the first)	End of term of office	Attendance of sessions of the Supervisory Board/total number of Supervisory Board sessions	Gender	Nationality	Year of birth	Education	Professional profile	Independence pursuant to Article 23 of the Corporate Governance Code	Composition of the Supervisory Board in 2022	Membership in the supervisory and/or management bodies of other companies while serving on the Supervisory Board in 2022	Membership in Supervisory Board committees	Function in Supervisory Board committees	Attendance of meetings of Supervisory Board committees/total number of meetings of Supervisory Board committees
Andrej Andoljšek	Member	13 June 2017	13 June 2021	8 of 8	Male	Slovenian	1970	BSc in Economics	Financial and general management, financial markets and analyses, banking, corporate governance, business and financial restructuring of companies	YES	NO	Sava d.d.	Strategy Committee	Member	2 of 2
	Vice Chairman	21 June 2017	17 August 2020										Nomination Committee	Chairman	/
	Chairman	18 August 2020	13 June 2021												
	Member	14 June 2021	14 June 2025												
	Chairman	18 June 2021	14 June 2025												
Branko Bračko	Member	14 June 2021	14 June 2025	8 of 8	Male	Slovenian	1967	BSc in Mechanical Engineering	Business strategy and business models, governance system	YES	NO	Stanovanjsko podjetje Konjice d.o.o.	Strategy Committee	Chairman	2 of 2
	Vice Chairman	18 June 2021	14 June 2025												
Tomaž Benčina	Member	14 June 202	14 June 2025	8 of 8	Male	Slovenian	1965	BSc in Economics and BSc in Metallurgy	Financial markets, business strategy and business models, governance system, financial analyses	YES	NO	Luka Koper d.d.	Appointment and Remuneration Committee	Chairman	7 of 7
Peter Kavčič	Member	14 June 2021	14 June 2025	8 of 8	Male	Slovenian	1969	MSc in International Business	Financial markets, business strategy and business models, governance system, financial analyses	YES	NO	Mladinska knjiga založba d.d.	Audit Committee	Chairman	6 of 6
													Strategy Committee	Member	2 of 2
Igor Stebernak	Chairman	18 August 2016	2 June 2020	8 of 8	Male	Slovenian	1968	BSc in Electrical Engineering, MBA	Banking, insurance, strategic management, financial markets and analyses, controlling, accounting and business process reengineering	YES	NO	/	Audit Committee	Member	6 of 6
	Member	3 June 2020	3 June 2024												
Jure Valjavec	Member	14 June 2021	14 June 2025	8 of 8	Male	Slovenian	1975	Master of Science	Business strategy and business models, governance system	YES	NO	/	Appointment and Remuneration Committee	Member	7 of 7
													Nomination Committee	Member	/
Peter Celar	Member	29 May 2007	31 May 2019	8 of 8	Male	Slovenian	1958	BSc in Economics	Insurance, management systems, regulatory and other legal requirements that apply to Zavarovalnica Triglav	NO	NO	/	Appointment and Remuneration Committee	Member	7 of 7
		1 June 2019	1 June 2023												
Branko Gorjan	Member	14 March 1995	30 May 2015	8 of 8	Male	Slovenian	1960	Economic technician	Insurance, management systems, regulatory and other legal requirements that apply to Zavarovalnica Triglav	NO	NO	/	Strategy Committee	Member	2 of 2
		1 June 2019	1 June 2023												
Igor Zupan	Member	27 September 2019	1 June 2023	8 of 8	Male	Slovenian	1972	BSc in Organisation	Insurance, management systems, regulatory and other legal requirements that apply to Zavarovalnica Triglav	YES	NO	/	Audit Committee	Member	6 of 6
													Nomination Committee	Member	/

External members of Supervisory Board committees in 2022

First and last name	Supervisory Board committee	Attendance of meetings of Supervisory Board committees / total number of committee meetings	Gender	Nationality	Education	Year of birth	Professional profile	Membership in the supervisory bodies of other companies while serving on a Supervisory Board committee in 2021
Luka Kumer	Audit Committee	6 of 6	Male	Slovenian	BSc in Economics	1981	Financial markets, business strategy and business models, governance system, financial analyses	/
Mitja Svoltjšak	Nomination Committee	/	Male	Slovenian	BSc in Economics	1974	Corporate finance, asset management	Cinkarna Celje d.d.

By signing the Statement of Independence and Loyalty (www.triglav.eu), the members of the Supervisory Board undertook to adhere to the principles of independence laid down in item B of the Annex to the Corporate Governance Code.

Data on the remuneration of the Supervisory Board members are disclosed in Section 5.8 of the Accounting Report. Their remuneration was in line with the resolution passed by the 42nd General Meeting of Shareholders of Zavarovalnica Triglav.

5.3.3.3 Composition of Supervisory Board committees and their activities in 2022

In 2022, the Supervisory Board committees were the following: the Audit Committee, the Appointment and Remuneration Committee, the Strategy Committee and the Nomination Committee was established as an ad-hoc committee. Supervisory Board committees prepare draft resolutions for the Supervisory Board, assure their implementation and carry out other tasks.

The duties and powers of the committees are set out in the Companies Act, the Rules of Procedure of the Supervisory Board, Supervisory Board resolutions and the rules of procedure of individual committees. Their main tasks are presented in the diagram below.

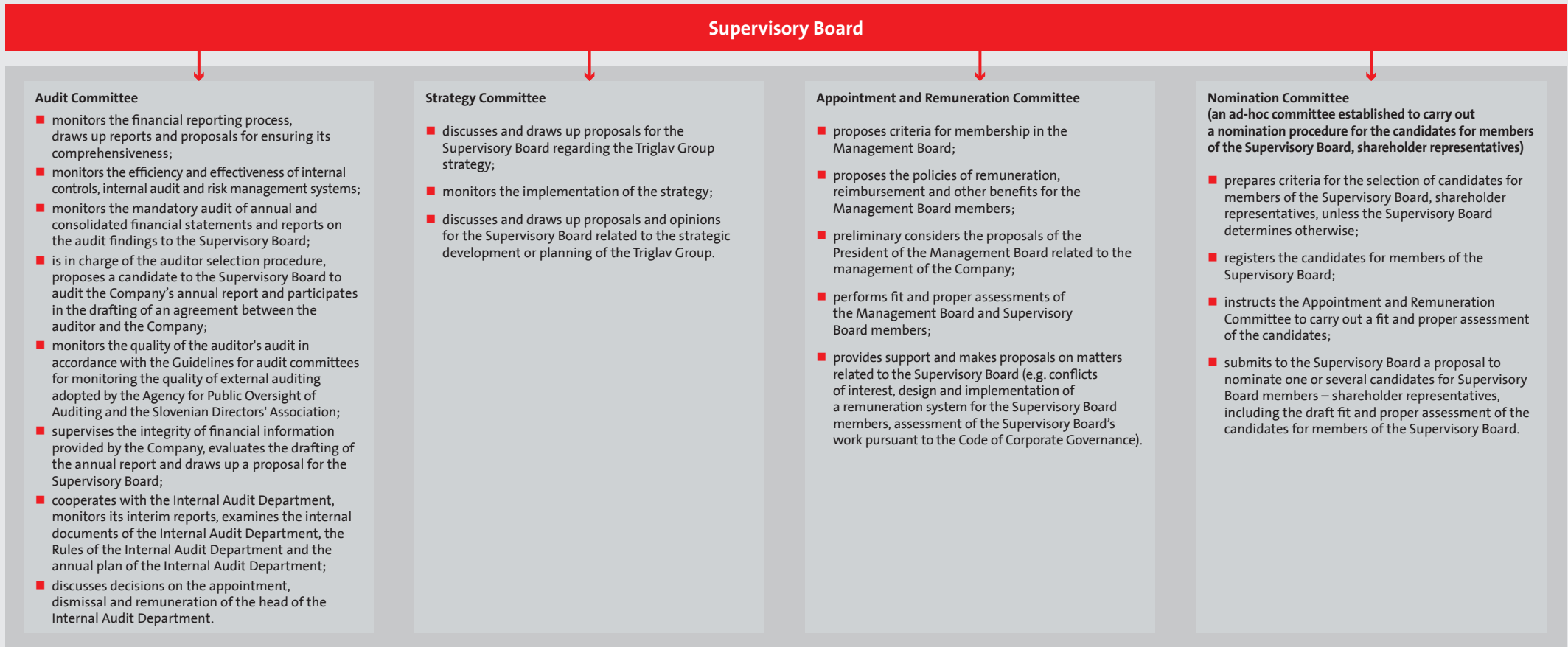
In 2022, **the Audit Committee** was composed of Peter Kavčič as chair and Igor Stebernak, Igor Zupan and Luka Kumer, an independent external expert, as members.

The Appointment and Remuneration Committee had the following composition: Tomaž Benčina as chair and Jure Valjavec and Peter Celar as members.

The Strategy Committee was composed of Branko Bračko as chair and Andrej Andoljšek, Peter Kavčič and Branko Gorjan as members.

The Nomination Committee as an ad-hoc committee was established on 21 December 2022 due to the submission of resignation letters of the Supervisory Board members Branko Bračko and Peter Kavčič. The Committee will operate until the election of new Supervisory Board members – shareholder representatives at the General Meeting of Shareholders, but not later than 6 June 2023. It is composed of Andrej Andoljšek as chair, Jure Valjavec and Igor Zupan as members, and Mitja Svolfjšak as the external member.

The Supervisory Board committees and their main tasks



5.4 Governance and management of subsidiaries¹⁶

The Triglav Group is comprised of Zavarovalnica Triglav as the controlling company and its subsidiaries and associates. The subsidiaries operate as independent legal entities in accordance with the applicable local legislation, resolutions passed by their general meetings and their management and supervisory bodies, business cooperation agreements (if any) and other internal documents implemented by individual subsidiaries.

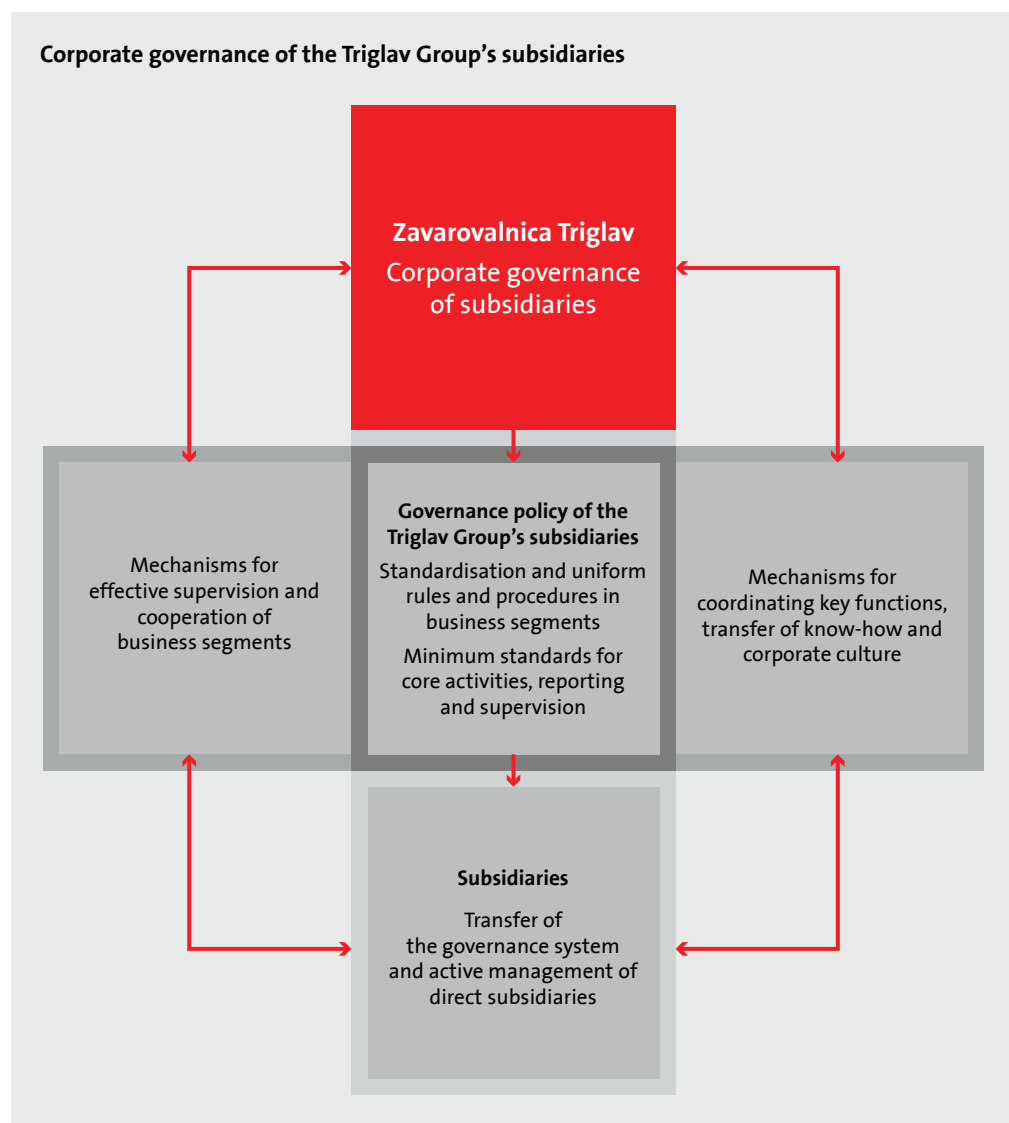
The governance policy of the Triglav Group's subsidiaries, which is the basis for the establishment and implementation of a robust and reliable governance system, was revised in 2022. The main objective of the Group's governance system is to implement uniform minimum standards for core business activities, reporting and supervision at Group level. The policy is designed to establish an internally consistent governance system of the Group by standardising and harmonising the rules and procedures in individual business segments within subsidiaries. The policy takes into account both the Group's strategic objectives and local legislation and regulatory requirements, the business environment of subsidiaries and good business practices.

Corporate governance and business management are used to govern the Group's subsidiaries. In corporate governance, the management rights are exercised in compliance with the law applicable to individual subsidiaries, taking into account their internal regulations. Business management is carried out via mechanisms for effective business supervision and cooperation in all business segments, harmonisation of business standards and mutual information of the Group's subsidiaries. This approach also comprises business and professional coordination of activities within

the Group, as well as holding various training courses with an aim to unify business processes, coordinate key functions and transfer know-how, corporate culture and good practices.

Zavarovalnica Triglav as the controlling company actively manages its direct subsidiaries, while subsidiaries assume responsibility for the transfer of the governance system and active management of their subsidiaries. The methods of transferring the system and carrying out the activities are defined in the minimum standards for individual business segments, which were thoroughly revised in 2022. Their implementation in individual subsidiaries is monitored by the competent business areas of the parent company, connecting the subsidiaries' business functions with Zavarovalnica Triglav's business segments and providing a comprehensive overview at Group level.

Based on experience in achieving strategic objectives, it was estimated that the governance system of the Group's subsidiaries functioned appropriately during the pandemic and is suitably robust even in the changing business environment defined by the broader geopolitical situation. A responsive and effective subsidiary governance system continued to ensure prompt identification of events in the business environment, optimisation of subsidiaries' operations and implementation of the outlined strategy. Furthermore, identification of business opportunities and challenges both in the local and wider environment was encouraged in line with the strategic objectives of the Group and individual Group companies.



The composition of governance and management bodies as at 31 December 2022

Subsidiary	Management	Supervisory function
Slovenia		
Pozavarovalnica Triglav Re d.d., Ljubljana	Gregor Stražar – President, Tomaž Rotar – Member, Stanislav Vrtunski – Member	Supervisory Board: Tadej Čoroli – Chairman Nataša Veselinovič, Katja Modec, Janko Šemrov
Triglav, Zdravstvena zavarovalnica d.d., Koper	Meta Berk Skok – President, Simon Vidmar – Member	Supervisory Board: Uroš Ivanc – Chairman, Nataša Veselinovič, Tomaž Krevatin
Triglav, pokojninska družba d.d., Ljubljana	Aljoša Uršič – President, Peter Krassnig – Member, Vida Šeme Hočevar – Member	Supervisory Board: Blaž Kmetec – Chairman Nataša Veselinovič, Miha Grilec, Miran Kalčič, Vesna Vodopivec, Borut Simonič, Tomaž Jontes
Triglav Skladi, družba za upravljanje d.o.o., Ljubljana	Benjamin Jošar – President, Andrej Petek – Member Miha Grilec – Member	Supervisory Board: Marica Makoter – Chairwoman, Jaka Kirn, Nataša Veselinovič, Barbara Gorjup, Miran Kraševc
Triglav Svetovanje, zavarovalno zastopanje d.o.o., Domžale	Matej Golob Matzele – Director	Supervisory Board: Jasna Kajtazovič – Chairwoman, Jana Polda, Matjaž Novak, Lidija Breznik
Triglav INT, holdinška družba d.o.o., Ljubljana	Tedo Djekanovič – Director	Supervisory Board: Uroš Ivanc – Chairman, Nataša Veselinovič, Saša Kovačič
Triglav Avtoservis d.o.o., Ljubljana	Edvard Zabukovnik – Director, Boris Kuhelj – Director	Supervisory Board: Janez Obaha – Chairman, Nataša Novak Priveršek, Aleš Klement, Boštjan Molan
Triglav, Upravljanje nepremičnin d.o.o., Ljubljana	Mitja Selan – Chief Executive Officer, Rok Pivk – Director	Supervisory Board: Nataša Veselinovič – Chairwoman, Ksenija Zajc, Nataša Novak Priveršek
Croatia		
Triglav Osiguranje d.d., Zagreb	Denis Burmaz – President, Darko Popovski – Member	Supervisory Board: Uroš Ivanc – Chairman, Tomaž Žust, Gorazd Jenko, Alenka Vrhovnik Težak, Pave Srezovič-Pušić
Serbia		
Triglav Osiguranje a.d.o., Belgrade	Dragan Marković – President of the Executive Committee, Blaž Jakič – Member of the Executive Committee	Supervisory Board: Tedo Djekanovič – Chairman, Fejsal Hrustanović, Vuk Šušić, Gorazd Jenko, Milan Tomažević
Montenegro		
Lovćen Osiguranje a.d., Podgorica	Matjaž Božič – Executive Director	Board of Directors: Tedo Djekanovič – Chairman, Tomaž Žust, Alenka Vrhovnik Težak, Marjeta Gorinšek, Mateja Geržina
Lovćen životna osiguranja a.d., Podgorica	Zorka Milić – Executive Director	Board of Directors: Ljubica Kovačević – Chairwoman, Slobodanka Vukadinović, Danilo Pavličić
Bosnia and Herzegovina		
Triglav Osiguranje d.d., Sarajevo	Edib Galijatović – President, Edin Muftić – Member	Supervisory Board: Tedo Djekanovič – Chairman, Janko Šemrov, Ivica Vulič, Aleš Levstek, Gorazd Jamnik
Triglav Osiguranje a.d., Banja Luka	Janez Rožmarin – Director, Dejan Vujičić – Member of the Executive Committee, Dragan Berić – Member of the Executive Committee	Management Board: Darko Popovski – President, Iztok Šekoranja, Blaž Jakič
North Macedonia		
Triglav Osiguruvanje a.d., Skopje	Gjorgje Vojnović – Chief Executive Officer, Vojdan Jordanov – Executive Director	Board of Directors: Tedo Djekanovič – Chairman, Darko Popovski, Matej Ferlan, Blaž Kmetec, Gjorgje Vojnović, Vojdan Jordanov, Gjorgji Jančevski
Triglav Osiguruvanje Život a.d., Skopje	Vilma Učeta Duzlevska – Chief Executive Officer	Board of Directors: Tedo Djekanovič – Chairman, Ivan Sotošek, Vilma Učeta Duzlevska, Gjorgji Jančevski, Vladimir Mišo Čeplak
Triglav penzisko društvo a.d., Skopje	Tihomir Petreski – President, Marijan Nikolovski – Member	Supervisory Board: Aljoša Uršič – Chairman, Rok Pivk, Blaž Kmetec, Miroslav Vujič

5.5 External and internal audit

On 24 May 2022, the General Meeting of Shareholders appointed the audit firm Deloitte revizija d.o.o. the auditor of Zavarovalnica Triglav for the 2022, 2023 and 2024 financial years, which was thus appointed for the second time in a row for a three-year period.

The report on the work of the Internal Audit Department is included in Section [1.1 Risk management](#).

5.6 Internal controls and risk management in relation to financial reporting

The Group's integrated internal control and risk management system is continuously adapted to the development, organisational changes and good practices, thereby maintaining its effectiveness. The system exceeds the basic statutory requirements for insurance undertakings set out in the Companies Act and the Insurance Act, as well as special implementing regulations of the Insurance Supervision Agency on the establishment and maintenance of a suitable internal control and risk management system.

The characteristics and operation of the risk management system is discussed in detail in the first section of [Risk management](#). The system was set up in all organisational levels, units and processes and includes:

- a clear organisational structure with a precisely defined and transparent system of duties and powers;
- efficient procedures for an ongoing control, error prevention, and identification, assessment, management and monitoring of risks to which the insurance undertakings are or may be exposed in the course of their operations;
- an adequate internal control system that includes appropriate administrative and accounting procedures (reporting, working procedures, risk exposure limits and physical controls);
- ensuring compliance with the applicable regulatory requirements.

The Internal Audit Department is an independent organisational unit, established in compliance with the law. It regularly reviews the effectiveness of the internal control and risk management system and offers upgrade proposals as well as reports to the Management Board, the Audit Committee and the Supervisory Board.

Internal controls are guidelines and procedures established by the parent company Zavarovalnica Triglav and implemented within the Group at all levels. Their purpose is not only to manage the risks relating to financial reporting, but also to ensure reliability of financial reporting and compliance with the applicable laws and other external and internal regulations.

Accounting controls are based on the principles of truthfulness and appropriate sharing of responsibilities. They include checking the performance of transactions, keeping up-to-date records, ensuring the matching of balance of books of account with the actual balance, separation of the records from the execution of transactions, professionalism of accountants and their independence. Accounting controls are closely linked to IT controls, which, inter alia, restrict and control access to the data and applications and ensure completeness and accuracy of data capturing and processing.

5.7 Notes on the takeover legislation

Zavarovalnica Triglav is subject to the Takeover Act (hereinafter: ZPre-1).

The share capital structure of Zavarovalnica Triglav, the rights and obligations attached to the shares, the restriction on transfer of shares and the absence of shares that would grant their holders special control rights are described in detail in Section [6. The share and shareholders of Zavarovalnica Triglav](#).

5.8 Disclosure of existence of any agreements or authorisations regarding shares or voting rights

Zavarovalnica Triglav is not aware of any shareholder agreements that could cause a restriction on the transfer of shares or voting rights.

The Company's Management Board is not authorised by the General Meeting of Shareholders to buy its own shares. The Management Board's authorisation to increase the share capital is described in Section [5.3.2.1](#). The issue of new shares, the amount of capital increase, the rights attached to new shares and the conditions for issuing new shares are decided on by the Company's Management Board with the consent of the Supervisory Board.

Zavarovalnica Triglav has no employee share scheme.

The Company is not aware of any agreements that would become effective, change or expire on the basis of a changed control of the Company or as a consequence of a takeover bid as defined by the ZPre-1.

Zavarovalnica Triglav has not entered into any agreements with the members of its management or supervisory bodies or employees which would provide for remuneration if a takeover bid in line with the Zpre-1 caused them to resign, be dismissed without justified grounds, or caused their employment to be terminated in some other manner.

Andrej Slapar
President of the Management Board

Uroš Ivanc
Member of the Management Board

Tadej Čoroli
Member of the Management Board

Marica Makoter
Member of the Management Board

Blaž Jakič
Member of the Management Board

6. The share and shareholders of Zavarovalnica Triglav

- The ZVTG share achieved a 4.5% total return and a 10.7% dividend yield at the 41% annual growth of the trading volume.
- The Triglav Group was assigned an “A” credit rating with a stable medium-term outlook for the seventh time in a row.
- There were no significant changes in the shareholder structure of Zavarovalnica Triglav.
- In investor relations, increased attention was paid to natural persons, whose trading in ZVTG shares and stake have strengthened in recent years.

6.1 Share of Zavarovalnica Triglav

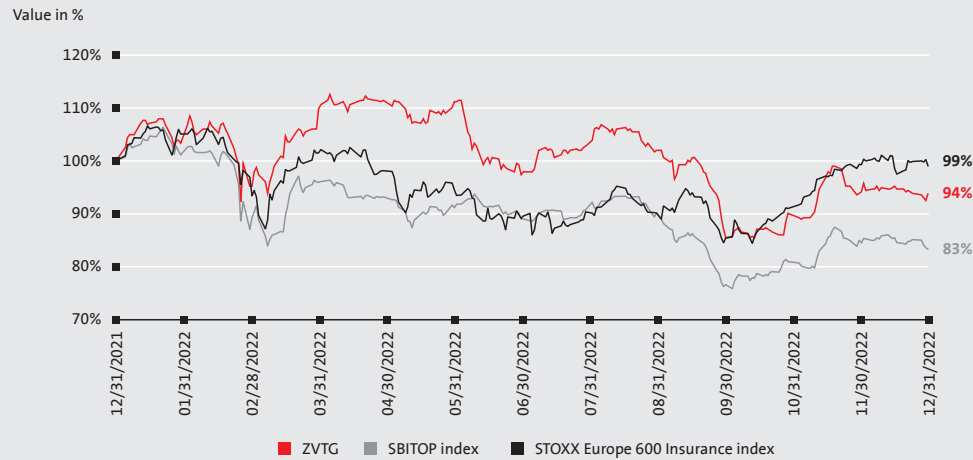
Zavarovalnica Triglav's share (ZVTG) is listed on the Ljubljana Stock Exchange Prime Market. Its **total annual return** was 4.5% as at 31 December 2022, of which **the dividend yield** was 10.7%. The price-to-book ratio was 1.05.

With the market capitalisation of EUR 784.4 million (index 94), Zavarovalnica Triglav was **the fourth largest Slovenian listed company** in 2022, and its share was **the fourth most liquid share on the Ljubljana Stock Exchange**. The ZVTG share generated the annual stock market turnover of EUR 28.3 million, up by 41% compared to the year before, while the total turnover on the Ljubljana Stock Exchange rose by 13%. Over a quarter of its share turnover was carried out by **the liquidity provider**, which has rendered its services for the Company since 2019. According to the data available, the ZVTG share is included in indices of STOXX, S&P, Bloomberg and the Ljubljana, Vienna, Zagreb and Warsaw stock exchanges.

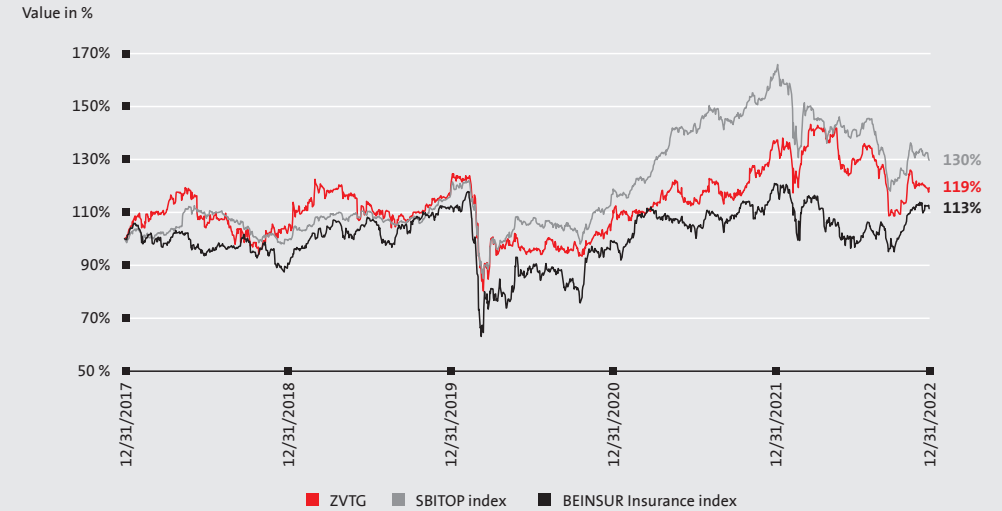
Key figures relating to the Zavarovalnica Triglav share

Items	31 December 2022	31 December 2021	31 December 2020
Maximum closing price	41.40	37.20	36.00
Minimum closing price	31.40	29.80	23.20
Closing price	34.50	36.80	30.00
Book value per share (parent company)	24.28	29.70	28.33
Book value per share (consolidated data)	32.96	40.93	38.16
Net earnings per share (consolidated data)	4.85	4.97	3.24
Market capitalisation	784,362,606	836,653,446	682,054,440
Average daily trading volume (excluding block trades)	113,291	80,554	131,945
Payed dividend per share	3.70	1.70	0.00
No. of shares	22,735,148	22,735,148	22,735,148
The percentage of floating stock	30.73 %	30.73%	30.73%
Traded on	Ljubljana Stock Exchange - LJSE		
ISIN code	S10021111651		
Ticker symbol	ZVTG		
Bloomberg	ZVTG SV		
Reuters	ZVTG.LJ		
Credit rating (S&P Global Ratings, AM Best)	»A«, stable medium term outlook	»A«, stable medium term outlook	»A«, stable medium term outlook

Movement in the ZVTG share price in 2022 compared to the Ljubljana Stock Exchange SBITOP index and the sectoral index of European insurance companies STOXX Europe 600 Insurance (the baseline date: 31 December 2021 = 100)



Movement in the ZVTG share price in the last five years compared to the Ljubljana Stock Exchange SBITOP index and the BEINSUR sectoral index (31 December 2017 = 100)



The ZVTG share price movement in 2022 was influenced by several factors; positive factors included good business results and the forecast high dividend payout of 74% of the Company's consolidated net profit for 2021. The dividend payment cut-off date was 7 June 2022 (see Section [5.3.1 General Meeting of Shareholders](#) and [6.4 Dividends and the dividend policy](#) for more information). Apart from that, the share price was negatively affected by the situation on the stock markets, including the Slovenian stock market, as a result of the war in Ukraine, the deterioration of the economic environment and an uncertain macroeconomic outlook. As seen in the figure, the ZVTG share price in 2022 decreased by 6%, the Ljubljana Stock Exchange SBITOP index, in which the ZVTG share holds an 11.5% share, fell by 17% and the STOXX Europe 600 Insurance sectoral index of 35 shares of European insurance companies dropped by 1%.

6.2 Equity

As at 31 December 2022, Zavarovalnica Triglav's **share capital** amounted to EUR 73,701,391.79. It is divided into 22,735,148 ordinary registered no-par value shares constituting one class. The shares are issued in dematerialised form and are freely transferable. Each share represents the same stake and corresponding amount in share capital, and all have been fully paid up. Each share gives its holder the right to one vote at the General Meeting of Shareholders and a proportionate share of profit allocated for dividend payment. In the event of bankruptcy or liquidation, the shareholders are entitled to a proportionate share of residual bankruptcy or liquidation estate after the payoff of preference shareholders.

In acquiring shares, the existing and potential shareholders of Zavarovalnica Triglav are required to comply with the Insurance Act (ZZavar-1). An authorisation of the Slovenian Insurance Supervision Agency is a prerequisite for:

- the acquisition of shares of an insurance undertaking by which a person acquires or exceeds a qualifying holding (i.e. a direct or indirect holding of shares or other rights that gives the holder a minimum 10% share of voting rights or capital, or that gives the holder a share of voting rights or capital lower than 10%, but nevertheless allows the holder to significantly influence the management of the company). In its decision on issuing an authorisation to acquire a qualifying holding, the Insurance Supervision Agency determines the level of the share in the voting rights or capital of the insurance undertaking for which the authorisation is issued as one of the following ranges:
 - the share of the voting rights or capital of the insurance undertaking that is equal to or greater than a qualifying holding and less than 20%;
 - the share of the voting rights or capital of the insurance undertaking that is equal to or greater than 20% and less than one third;
 - the share of the voting rights or capital of the insurance undertaking that is equal to or greater than one third and less than 50%;
 - the share of the voting rights or capital of the insurance undertaking that is equal to or greater than 50%;
 - the share on the basis of which the future qualifying holder becomes the parent company of the insurance undertaking;
- before any subsequent acquisition of shares by the qualifying holder that would result in the qualifying holding exceeding the range subject to the already issued authorisation for acquisition of a qualifying holding;
- for the entities that agree to a concerted acquisition of the shares of the insurance undertaking or a concerted exercising of management rights arising from the shares (joint qualifying holders) and intend to acquire a holding by which they would jointly reach or exceed a qualifying holding of the undertaking;
- before any subsequent acquisition of shares by the joint qualifying holders that would result in their joint qualifying holding exceeding the range subject to the already issued authorisation for acquisition of a qualifying holding.

The holder of shares of an insurance undertaking that were acquired or are being held in contravention of the ZZavar-1 has no voting rights with respect to those shares. See the ZZavar-1 for further information.

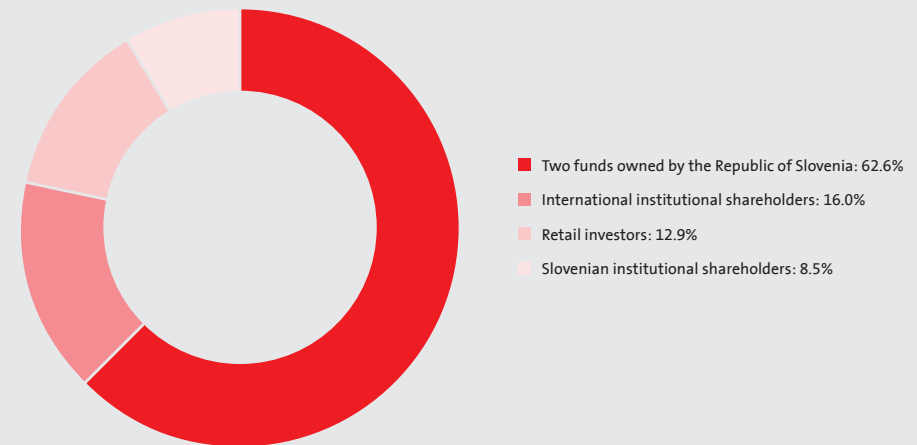
6.3 Shareholder structure¹⁷

There were no significant changes in Zavarovalnica Triglav's shareholder structure in 2022. The stakes of the three largest shareholders, two funds owned by the Republic of Slovenia (ZPIZ Slovenije and SDH d.d.) and the Croatian pension fund, which appears in the Company's share register on the fiduciary account of its custodian bank, remained unchanged.

Zavarovalnica Triglav had **8,294 shareholders** as at 31 December 2022, among them around 40 international banks with fiduciary accounts held by their clients and international institutional investors. At the beginning of the year, the number of shareholders decreased by a third (primarily natural persons) as a result of the activities of KDD (Centralna klirinško depotna družba), which were related to the time of the ownership transformation of Slovenian companies.

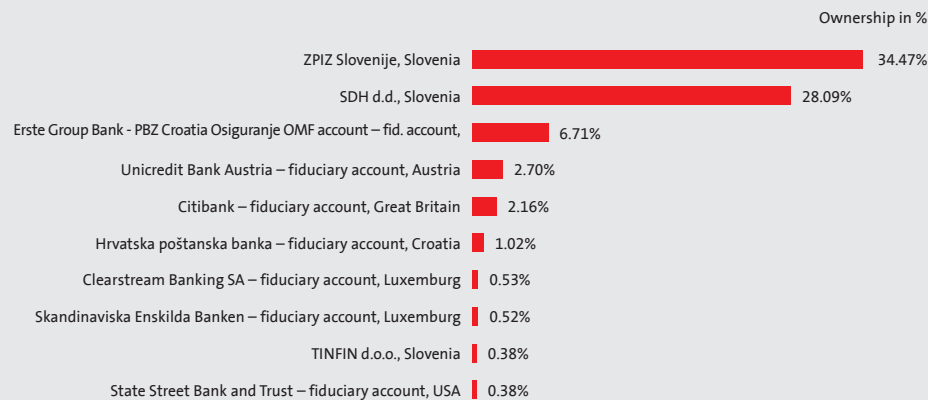
The stake of **international institutional shareholders**, who originate mostly from Europe and the USA, continues to remain stable and reached 16.0% as at 31 December 2022 (0.5 percentage point less than the previous year). The stake of **Slovenian institutional shareholders** remained unchanged at 8.5%, while the stake of **natural persons** increased by 0.6 percentage point to 12.9%. In recent years, natural persons have been actively trading in ZVTG shares, gradually increasing their stake, which the Company encourages with additional activities as part of its investor relations.

The shareholder structure of Zavarovalnica Triglav as at 31 December 2022



Source: Centralna klirinško depotna družba

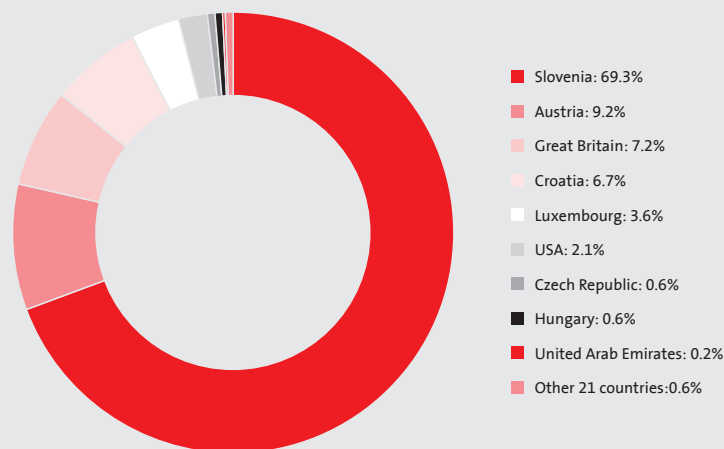
Zavarovalnica Triglav's top ten shareholders as at 31 December 2022



Source: Centralna klirinško depotna družba

The Company's share of the **free float**, i.e. the shares held by the shareholders with less than a 5% stake, stood at 30.7%, remaining stable. The ownership of the free float is dispersed among shareholders from 30 countries.

The minority shareholder structure of Zavarovalnica Triglav by the country of origin as at 31 December 2022 (the share of the free float in %)



The number of shares held by the members of the Management and Supervisory Boards as at 31 December 2022

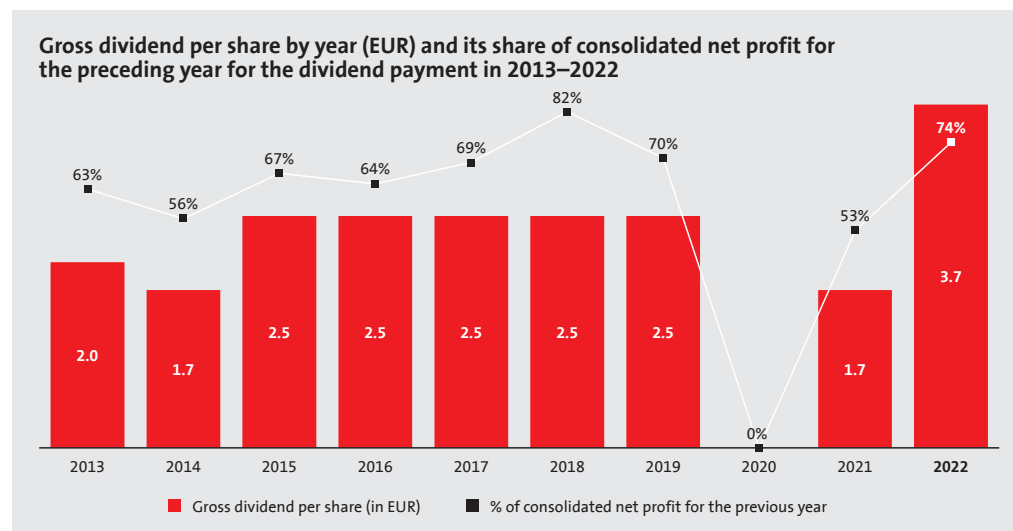
Name and surname	Post	Number of shares	Equity stake
Management Board		1,675	0.01%
Andrej Slapar	President	900	0.00%
Uroš Ivanc	Member	475	0.00%
Tadej Čoroli	Member	150	0.00%
Marica Makoter	Member	150	0.00%
Supervisory Board		3,104	0.01%
Shareholders representatives		1,500	0.01%
Andrej Andoljšek	President	0	0.00%
Branko Bračko	Deputy Chairman	0	0.00%
Tomaž Benčina	Member	0	0.00%
Peter Kavčič	Member	1,220	0.01%
Igor Stebernak	Member	0	0.00%
Jure Valjavec	Member	280	0.00%
Employee representatives		1,604	0.01%
Peter Celar	Member	400	0.00%
Branko Gorjan	Member	1,204	0.01%
Igor Zupan	Member	0	0.00%
Management and Supervisory Board combined		4,779	0.02%

6.4 Dividends and dividend policy

The Company considers its **dividend policy** to be a firm commitment to its shareholders and implements it in accordance with its provisions. In 2020 and 2021, the implementation of the dividend policy was affected by the COVID-19 pandemic and related positions of the Slovenian insurance sector regulator. In 2022, based on the Management Board and the Supervisory Board's proposal, the General Meeting of Shareholders approved the **resolution to pay the dividend of EUR 3.70 gross or EUR 84.1 million in total**. The amount exceeded the initial 50% of the consolidated net profit for the previous year – it was **74% of the net profit**. A part of the dividend was the additional amount made possible by the level of the Group's available capital and stemmed from the uniqueness or exceptionality of some segments of the Group's operations in the past two years. See Section [5.3.1 General Meeting of Shareholders](#) for more information about the 2022 General Meeting of Shareholders.

The dividend policy of Zavarovalnica Triglav provides as follows: »*The Company pursues an attractive and sustainable dividend policy. The part of consolidated net profit of the preceding year which is to be allocated to dividend payment accounts for at least 50%. The Company will strive to pay out a dividend no lower than the dividend paid out in the preceding year. As thus far, the future implementation of the dividend policy will be subordinated to achieving the medium-term sustainable target capital adequacy of the Triglav Group. The proposal of the Management Board and the Supervisory Board as regards the annual distribution of accumulated profit of the Company will therefore take into account the following three objectives in a balanced manner: to ensure prudent capital management of the Triglav Group and its financial stability, to reinvest net profit in the implementation of the strategy of growth and development of the Triglav Group and to pay out attractive dividends to its shareholders.*«

The strategic objectives of capital management in conjunction with the dividend policy are described in Section [2.1 Risk management](#).



6.5 Investor relations management¹⁸

Through the **active management of relations with investors**, shareholders and analysts, the Company promotes the attractiveness of its financial instruments. In doing so, the Company follows best international practices and, as one of the largest companies listed on the Ljubljana Stock Exchange (in December 2022 the Company marked 11 years since its listing on the prime market), strives to co-create the standards of this market.

The Company strives for transparent information. All key information about the Company's operations, position and outlook is regularly published in Slovenian and English on the SEOnet information system of the Ljubljana Stock Exchange and on the Company's website www.triglav.eu.

The Company also keeps the lines of communication with its shareholders, investors and analysts open, and pays special care to **shareholders – natural persons** by being available to them for any questions on a daily basis. Last year, the Company presented its ZVTG share at two events held by the Ljubljana Stock Exchange, targeting shareholders – natural persons, raising financial literacy of small investors and jointly promoting Ljubljana Stock Exchange Prime Market shares.

In the reporting period, the Company mainly communicated with **institutional shareholders**, predominantly via videoconferencing meetings, conference calls and by email. **The calendar of the 13 investor events attended by the Company** is available on its website, including the respective presentations. Among them was a special event organised by the Company, which was aimed at presenting the Triglav Group's strategy for 2022–2025, and four meetings held following the publication of each financial report.

For any information for shareholders, investors and analysts, please use the contact information below.

Information for shareholders:

Zavarovalnica Triglav, d.d., Ljubljana
 Miklošičeva cesta 19, 1000 Ljubljana
 Ms Helena Ulaga Kitek, Head of Investor Relations
 Telephone: ++386 (1) 47 47 331
 Email: investor.relations@triglav.si

6.6 Credit rating of the Triglav Group and Zavarovalnica Triglav

The credit ratings of the Triglav Group – and thus its parent company Zavarovalnica Triglav and its subsidiary Pozavarovalnica Triglav Re – are assigned by two renowned credit rating agencies: S&P Global Ratings (hereinafter: S&P) and AM Best. Both agencies assigned an **“A” stand-alone credit rating with a stable medium-term outlook** to the Triglav Group. In 2022, both credit rating agencies rated all individual elements of the overall credit rating **as high as the year before** and substantiated them in a similar way.

Credit ratings of Zavarovalnica Triglav since 2008

Year	Credit rating	Medium-term outlook	Rating agency
2022	A	Stable	AM Best S&P Global Ratings
2021	A	Stable	AM Best S&P Global Ratings
2020	A	Stable	AM Best S&P Global Ratings
2019	A	Stable	AM Best S&P Global Ratings
2018	A	Stable	AM Best S&P Global Ratings
2017	A	Stable	AM Best S&P Global Ratings
2016	A	Stable	AM Best S&P Global Ratings
2015	A-	Positive	AM Best S&P Global Ratings
2014	A-	Positive	AM Best
	A-	Stable	S&P Global Ratings
2013	A-	Stable	S&P Global Ratings
	A-	Stable	AM Best
	BBB+	Positive	S&P Global Ratings
2012	A-	Negative	S&P Global Ratings
2011	A	Negative	S&P Global Ratings
2010	A	Stable	S&P Global Ratings
2009	A	Stable	S&P Global Ratings
2008	A	Stable	S&P Global Ratings

In 2022, both credit rating agencies rated all individual elements of the overall credit rating **as high as the year before** and substantiated them in a similar way. The business risk profile of the Triglav Group was again assessed as strong and its financial risk profile as very strong by the S&P credit rating agency. The AM Best credit rating agency re-affirmed the Financial Strength Rating of “A” (Excellent) and the Long-Term Issuer Credit Ratings of “a” (Excellent).

The latest credit rating reports, i.e. the announcements of the credit rating agencies from 2022, are available on the website www.triglav.eu under the Investor Relations tab.

6.7 Bonds of Zavarovalnica Triglav

Zavarovalnica Triglav has one issued subordinate bond, which is included in its capital adequacy. The bond was issued in 2019 as part of the Group’s regular capital management to ensure its optimal composition and cost efficiency. It replaced the bond that matured on 21 March 2020. See the table below for more information.

Bond of Zavarovalnica Triglav

ISIN	XS1980276858
Type	Subordinated bond (Tier 2) pursuant to the Solvency II regulations
Issue size in EUR	50,000,000
Currency	EUR
Coupon rate and payment	fixed at 4,375% annually until first call date, payable annually thereafter variable at 3-month Euribor plus 4.845% (equal to the original initial credit spread + 1 percentage point), payable quarterly
First call date	22 October 2029
Maturity date	22 October 2049
Maturity in years	30.5
Regulated market	Luxembourg Stock Exchange
Issue rating	BBB+ (S&P)

7. Operations of the Triglav Group and Zavarovalnica Triglav

- The Triglav Group maintained its leading market position among insurance groups in Slovenia and Montenegro. Its market shares were either increased or maintained in most insurance markets.
- Premium growth was recorded in all insurance markets and all insurance segments.
- Due to higher inflation, gross claims paid and operating expenses increased, and it was necessary to make adjustments to premium rates.
- Escalation of the frequency of weather-related loss events additionally affected gross claims paid.
- Rising interest rates in the financial markets and falls in values in the stock markets reduced the value of financial investments, assets under asset management and returns on financial investments.

7.1 The general economic environment worldwide and in Slovenia

The year 2022 was marked by the war in Ukraine, sanctions imposed against Russia and a sharp rise in general inflation. The global economy also started to cool down. A moderate technical recession was recorded in the USA in the first half of the year, while the euro area found itself in a similar situation upon entering 2023. Economic sentiment indicators fell among businesses in both the manufacturing and the service sectors, which had begun to recover from the pandemic. At the same time, the looming threat of an energy crisis, record prices of energy products and ever-increasing general inflation severely eroded confidence among European consumers. Their purchasing power decreased noticeably, but the situation in the labour market remained favourable. Due to record low unemployment and a considerable shortage of workers, salary growth started to strengthen. According to Eurostat data, inflation in the euro area reached 10.6% in October, which is the highest since it started being measured by this institution. Inflation like this has not been recorded in developed countries since the energy crisis in the 1970s.

According to the latest estimates, inflation in the euro area in 2022 stood at 8.5% on average. In 2023, it is forecast to decrease slightly, but will remain at a high level of close to 6%. The economy of the euro area countries, whose real GDP growth was 3.2% on average, will go into a slight recession next year. Analysts point to the great uncertainty regarding geopolitical events and the wider consequences associated with them.

The Slovenian economy recovered above average in 2022, which is the result of the growth effect from the previous year. The first signs of cooling appeared in the first half of the year, when the effect of the post-pandemic opening of the economy gradually wore off, and the sentiment among businesses and consumers deteriorated due to the energy crisis. The growth of private consumption and gross investments began to slow down, and the growth of international trade also fell slightly. The labour market situation remained favourable, with the survey unemployment rate reaching an all-time low (4.0% in Q3 2022) according to the latest available data. The state of public finances was also favourable, as according to the Bank of Slovenia's December forecast, the general government deficit was relatively low, standing at 2.9% of GDP, while gross government debt decreased, but remained above the pre-epidemic level at 71% of GDP.

According to the forecast of the Slovenian central bank, Slovenian GDP growth in 2022 was 5.0%, and in 2023, the economy will practically stagnate at 0.8% growth. Inflation will also be slightly lower at 6.8%, which reached its peak at 9.3% in 2022. The forecasts are accompanied by numerous uncertainties due to geopolitical events, which may directly or indirectly affect economic growth and inflation in Slovenia through the international environment.

In 2022, the decisive response of central banks due to the economic situation had a markedly negative impact on capital markets worldwide. In early 2022, the US Federal Reserve (Fed) and the European Central Bank (ECB) accelerated the end of their multi-year accommodative monetary policies and started to raise interest rates. From March to the end of 2022, the Fed raised its key interest rate range to 4.25–4.50% in seven increments. The ECB ended its net asset purchases in June, and in the

second half of the year raised its central interest rate to 2.5% in four increments. In December, the ECB announced that in March, just as the Fed had already done in June 2022, it would start net bond sales. The representatives of both central banks clearly communicated on multiple occasions that they would continue to increase interest rates in the fight against inflation in 2023.

The required yields on long-term risk-free bonds grew at a historic rate save for a few short-lived downward spikes. The required yield on the 10-year German government bond rose from a negative value at the end of 2021 by 2.75 percentage points to 2.57% by the end of 2022, while the yield on the 10-year Slovenian government bond increased by 3.41 percentage points to 3.82%. Spreads on government bonds, especially those with a poor credit rating, also gradually rose following the July announcement of the ECB's new bond-buying scheme to combat financial fragmentation. On average, spreads on investment grade corporate bonds almost reached their peak at the outbreak of the pandemic in October, but fell slightly during the rest of the year. Stock indices also recorded one of their worst years. The US S&P index and the German DAX index fell by 19.4% and 12.3% in a year, respectively. The China's Hang Seng index fell by 15.5%. The Slovenian stock exchange index SBITOP ended the year with a 16.9% drop.

7.2 Environmental impact on the Triglav Group's operations¹⁹

Higher inflation resulted in higher prices of materials and services, and therefore higher payments of gross claims paid and gross operating expenses. Due to inflationary pressures, sums insured and premium rates were adjusted in most non-life insurance classes; however, they will have a greater impact on the growth of premium income in 2023. See Section [3. of Risk management](#) for more information about the impact of inflation. The increase in the number and volume of claims paid was also influenced by the greater mobility of the population and the economy, as well as by the need to compensate for the healthcare services that were unavailable due to the pandemic last year. Supply chain disruptions also had an impact on higher gross claims paid.

Due to high inflation, the war in Ukraine and the shutdown of the Chinese economy as a result of the COVID-19 pandemic, the prices of all major asset classes fell in the capital markets. The volume of the European asset management market decreased, which is primarily due to a fall in the value of the markets, while inflows into the funds were also under pressure. See Section [7.11 Asset management](#) for more information. The situation in the financial markets resulted in negative returns on investments, a decline in assets under management and lower values of financial investments.

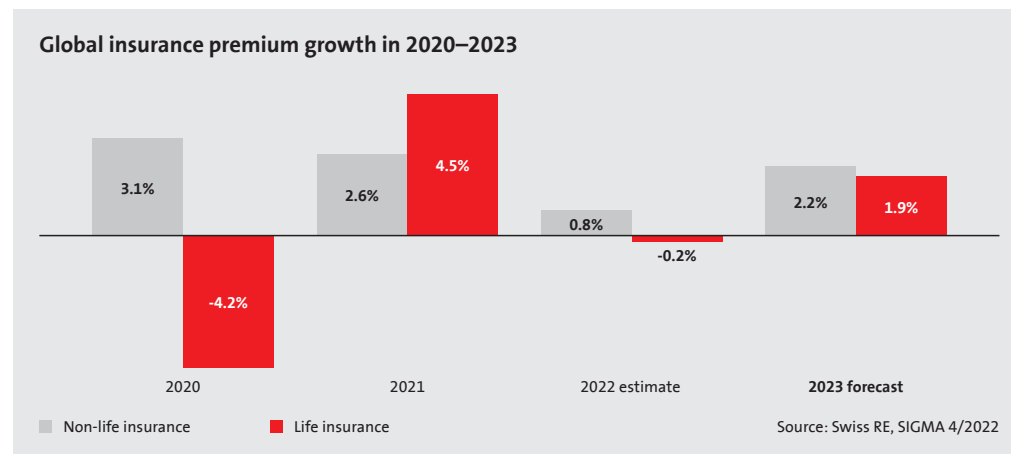
In 2022, the volume of major CAT events and their impact on the Group's profit was less favourable. Their impact is estimated at EUR 32.1 million (compared to EUR 23.6 million in the previous year). In Slovenia, hailstorms in May and June and a storm at the end of August led to EUR 18.9 million in claims, while in Croatia hailstorms and floods resulted in EUR 0.7 million in claims. Furthermore, in North Macedonia hailstorms resulted in EUR 0.5 million in claims and in Montenegro in EUR 0.4 million in claims. The Group also incurred EUR 11.6 million in reinsurance claims (due to the February storms in Great Britain, the Benelux countries and Germany, floods in South Africa and Australia, hailstorms in France, typhoon Hinnamnor in South Korea and drought that affected crops in Croatia).

7.3 Global insurance market

Total premium volume on **the global insurance market** in 2021 reached USD 6.9 trillion (according to latest official data from Swiss Re reinsurance company) or **3.4% in real terms** (nominal growth was 9.0%). The real growth rate for non-life insurance premium was slightly lower and stood at 2.6%, whereas for life insurance premium it was higher and reached 4.5%. The US, which remained the market leader, reached 3.3% real growth and accounted for 44.2% of total global premium. Among the groups of countries, the insurance market of advanced EMEA countries strengthened the most, achieving 6.6% growth and 25.8% of total global premium (vs. 24.6% the year before). The Middle East and Africa countries hold a 2.0% share of the global insurance market and recorded a 5.0% increase in written premium. The premium of Emerging Europe and Central Asia countries, which includes Slovenia, was 4.5% higher, with the region maintaining its 1.2% share of the world market. The countries of Asia (Pacific) recorded a 0.7% growth in premium volume but decreased their share in the global insurance market by 1.3 percentage points to 26.8%. Advanced markets accounted for 81.1% of the global insurance premium (3.9% premium growth) and the rest was contributed by emerging markets (1.5% premium growth).

The US continues to have the largest insurance market with a 39.6% of share of the world market, followed by China (10.1%), Japan (5.9%) and three European insurance markets – United Kingdom (5.8%), France (4.3%) and Germany (4.0%).

Swiss Re estimates that the slowdown in economic growth and high inflation will have a negative impact on the insurance market in 2022 and 2023. A slowdown in economic growth usually results in lower demand for insurance, while high inflation will primarily result in higher claims payout. According to Swiss Re, the global premium volume will surpass USD 7.0 trillion for the first time in 2022, achieving 6.1% nominal growth and 0.4% real growth. Non-life insurance premium will increase by 0.8% in real terms, whereas life insurance premium will contract slightly by 0.2%. In 2023, insurance premium growth will be somewhat higher.



¹⁹ GRI 201-2, SASB: FN-IN-450a.2

7.4 Operations of the Triglav Group in the Adria region (South-East Europe)²⁰

7.4.1 South-East Europe

The Triglav Group sells insurance in seven insurance markets in six countries: Slovenia, Croatia, Serbia, Montenegro, Bosnia and Herzegovina, and North Macedonia. The Group operates in the wider international environment through partnerships with foreign insurance brokerage and agency companies as well as with reinsurers.

The Slovenian insurance market, where Zavarovalnica Triglav and the specialised insurers Triglav, Zdravstvena zavarovalnica and Triglav, pokojninska družba are active, is well developed. Other insurance markets in the Adria region remain relatively underdeveloped, maintaining great potential for growth. They continue to be dominated by motor vehicle insurance. Pozavarovalnica Triglav Re operates throughout the region and in the wider international environment.

Premium growth was recorded in all insurance markets in the region. The Serbian, North Macedonian and Montenegrin markets achieved the highest relative growth.

Main macroeconomic indicators for 2022 by Triglav group insurance market and in the EU

Macroeconomic indicators	Slovenia	Croatia	Serbia	Montenegro	Bosnia and Herzegovina	North Macedonia	European Union
Population (in million)	2.1	4.0	6.8	0.6	3.5	2.1	443.6
GDP growth (estimate in %)	5.7	5.9	3.5	7.2	2.5	2.7	3.2
2022 GDP (estimate in USD million)	62.2	69.4	62.7	6.1	23.7	14.1	16,613.1
2022 GDP per capita (estimate in USD)	29,469	17,318	9,164	9,850	6,818	6,816	53,960
2022 inflation rate (estimate in %)	8.9	9.8	11.5	12.8	10.5	10.6	9.2
2022 unemployment rate (estimate in %)	4.3	6.9	9.9	13.0*	17.3	15.2	n/a

Source: International Monetary Fund (IMF), World Economic Outlook, October 2022.

* Agency for Statistics of Montenegro (Q3 2022)

The Triglav Group has a leading position among insurance groups in Slovenia and Montenegro and ranks third in North Macedonia. The Group increased or maintained its market share in most markets, while increasing the written premium volume in all markets. More information is provided below and in Section [7.5 Gross written insurance, coinsurance and reinsurance premiums](#).

Market shares and market position of the Triglav Group in the Adria region in 2022

Market	Market share	Market share trend	Ranked in 2022	Ranked in 2021
Slovenia	38.9%	↑ + 0.4 percentage point	1	1
Croatia	5.6%	● 0.0 percentage point	7	7
Serbia*	7.3%	● 0.0 percentage point	5	5
Montenegro	37.8%	↓ - 1.3 percentage point	1	1
Bosnia and Herzegovina	9.4%	↑ + 0.6 percentage point	3	3
- Federation of BiH	10.8%	↑ + 1.0 percentage point	3	4
- Republic of Srpska**	6.3%	↓ - 0.3 percentage point	7	7
North Macedonia	14.7%	↑ + 1.6 percentage point	3	3

* Data for January–September 2022.

** Including the market shares of Triglav Osiguranje, Banja Luka and the branch of Triglav Osiguranje, Sarajevo in Banja Luka.

Presented below are the characteristics of individual markets and the market position of Group members.

7.4.1.1 Slovenian insurance market

Although relatively small, the Slovenian insurance market is well developed. On a global scale, in 2021 Slovenia ranked 32nd by premium per capita (27th in the preceding year) and 31st by insurance penetration (premium as percentage in GDP), which is three ranks lower than the year before. The Slovenian insurance market ranked 59th by written premium (54th in the preceding year), accounting for 0.03% of the global insurance market and 0.2% of the EU insurance market (Swiss Re data for 2021).

Premium per capita and market penetration for Slovenia and some other European countries in 2021

	Premium per capita		Insurance penetration	
	(in EUR)	World rank	(% of GDP)	World rank
Slovenia*	1,237	32	5.0%	31
Croatia	398	42	2.7%	49
Serbia	149	62	1.9%	65
Switzerland	5,555	7	7.1%	20
United Kingdom	4,432	12	11.1%	8
Austria	2,084	25	4.6%	35
Czech Republic	648	36	2.9%	45
Poland	379	44	2.5%	51
Turkey	104	69	1.3%	74
Central Europe	429	-	2.7%	-
Eastern Europe	235	-	2.1%	-
European union	2,244	-	7.0%	-
Euro area	2,609	-	7.4%	-

Source: Swiss RE, SIGMA 4/2022

* Data for Slovenia: Slovenian Insurance Association (SZZ)

In 2021, the average premium per capita (insurance density) in Slovenia increased to EUR 1,237, reaching its peak value to date. Premium as percentage of GDP dropped to 5.0% (vs. 5.6% in 2020), reaching its bottom since 2000. The reason is high 8.1% growth of Slovenian GDP in 2021; nevertheless, the insurance industry remains one of the most important economic sectors.

In 2022, a total of 13 insurance companies, four foreign branches and two reinsurance companies were active in the Slovenian insurance market, all members of the Slovenian Insurance Association (hereinafter: the SZZ).

There were eight composite and nine specialised insurers (life, health and non-life insurance) operating in Slovenia. These data exclude direct insurance transactions of the insurers from other EU Member States (FOS), whose share is growing but is still relatively low.

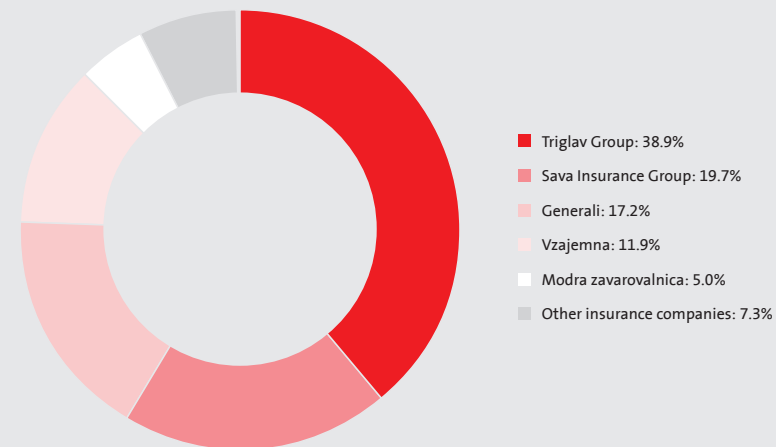
In the Slovenian insurance market, insurance companies collected **EUR 2.8 billion** in gross written insurance, coinsurance and reinsurance premiums (this calculation does not take into account internal transfers of assets for the payment of pension annuities), up by 6.7% relative to the year before. **Non-life insurance premium** rose by 7.9% and represents a 74.5% share. Motor vehicle insurance and other damage to property insurance contributed the most to the increase in non-life insurance premium. **Life insurance premium** grew by 3.1%, with unit-linked life insurance and capital redemption insurance recording growth. **Health insurance premium**, which is taken into account in non-life insurance premium, reached 5.0% growth.

The Slovenian insurance market continues to be highly concentrated, with the four largest insurers holding a 76.0% market share. **Zavarovalnica Triglav** is the market leader with a 30.5% market share (vs. 29.8% in the previous year), followed by Generali (a 17.2% market share). **The Triglav Group** (the parent company, Triglav, Zdravstvena zavarovalnica and Triglav, pokojninska družba) is the leading insurance group, which increased its market share by 0.4 percentage point to 38.9%.

The market shares of **the Triglav Group** by segment:

- non-life insurance (excluding health insurance): 46.4% (an increase of 0.5 percentage point);
- life insurance: 32.3% (an increase of 0.7 percentage point);
- health insurance: 30.3% (a decrease of 0.7 percentage point).

The market shares of insurance companies or insurance groups in Slovenia in 2022



Source: Slovenian Insurance Association (SZZ)

The market shares of **Zavarovalnica Triglav** by segment:

- non-life insurance: 31.6% (an increase of 0.8 percentage point);
- life insurance: 27.4% (an increase of 0.6 percentage point).

The market share of **Triglav, Zdravstvena zavarovalnica**:

- health insurance: 30.1% (a decrease of 0.7 percentage point).

The market share of **Triglav, pokojninska družba**:

- supplemental voluntary pension insurance (SVPI): 19.0% (a decrease of 0.3 percentage point).



Slovenia

1st place

EUR 1,237
premium per capita*

5.0% premium
as percentage in GDP*

106.7 insurance market
growth index in 2022

* data for 2021
Source: Slovenian Insurance Association (SZZ)

38.9%
market
share of
the Triglav
Group

7.4.1.2 Croatia

According to the International Monetary Fund (IMF), Croatia achieved 5.9% GDP growth in 2022, one of the highest in the European Union. The unemployment rate is estimated at 6.9%, and inflation rose to 9.8% in line with global trends.

Tourism returned to the pre-pandemic level of successful tourist seasons (reaching 96% of the record 2019 year) and remained Croatia's main strategic guideline and foundation of its economic success. Key future challenges for maintaining economic growth will include managing public spending, supporting investment and fostering the business climate.

On 1 January 2023, Croatia joined the euro area and the Schengen Area, which also improved its credit ratings in 2022 assigned by all credit rating agencies.

In accordance with global trends, GDP growth is expected to decrease to 3.5% in 2023 and inflation will continue to rise, expecting to reach 5.5%.

Insurance market

A total of 15 insurance companies were active in the Croatian market, of which nine were composite insurers, four non-life insurers and two life insurers. Total written premium was 8.2% higher than the previous year, with non-life insurance premium increasing by 11.5% and life insurance premium dropping by 1.8%. In total written premium, non-life insurance premium rose to 77.6% (vs. 75.3% in the preceding year), while life insurance accounted for the rest.

Market concentration continued to be high, with top three insurers controlling almost 48% of the market. With a 24.1% market share, Croatia osiguranje maintained its dominant position (0.2 percentage point less than in the preceding year). Triglav Osiguranje, Zagreb maintained its 5.6% market share, ranking seventh. Its written premium growth was slightly higher than the Croatian insurance market growth (index 108.9).



Croatia
7th place

EUR 398
premium per capita*

2.7% premium
as percentage in GDP*

108.2 insurance market
growth index in 2022

* data for 2021
Source: Swiss RE, SIGMA 4/2022,
Croatian Insurance Bureau

5.6%
market
share of
the Triglav
Group

7.4.1.3 Serbia

After a quick recovery from the economic consequences of the pandemic, the Serbian economy began to cool down. The inflation rate was estimated at high 11.5%, whereas the unemployment rate fell to 9.9%. It is estimated that Serbia recorded 3.5% GDP growth in 2022. The slowdown in economic trends resulted from the destabilising global and regional environment due to the war in Ukraine, weaker demand in the European Union, rising energy prices, supply chain disruptions and the impact of drought on agriculture. In order to tap into the potential for further growth, the Serbian government will need to focus on structural reforms, comprehensive control over government spending and providing assistance to the energy sector.

In December 2022, the European Council confirmed with satisfaction the general progress of Serbia in the accession negotiations for EU membership. It also highlighted that Serbia's progress in the rule of law and the normalisation of relations with Kosovo will be key in the future. In the context of the Open Balkan initiative, i.e. the way to establishing a zone of free movement of people, goods and services, Serbia, together with North Macedonia and Albania, continued with the activities to realise the set goals.

Insurance market

The Serbian insurance market was characterised by high concentration, where 16 insurance companies were active (six composite insurers, six non-life insurers and four life insurers). The top three insurers (Dunav, Generali Osiguranje and Wiener) control 57% of the market. Total written premium increased by 12.2% in the first nine months. Non-life insurance premium recorded 14.3% growth, while life insurance premium grew by 4.6%. In total written premium, non-life insurance premium climbed to 79.7% (vs. 78.2% in the preceding year).

The Serbian insurer **Triglav Osiguranje, Belgrade** maintained its 7.3% market share, ranking fifth. Its written premium growth was slightly higher than the Serbian insurance market growth (index 112.9).

EUR 149
premium per capita*

1.9% premium
as percentage in GDP*

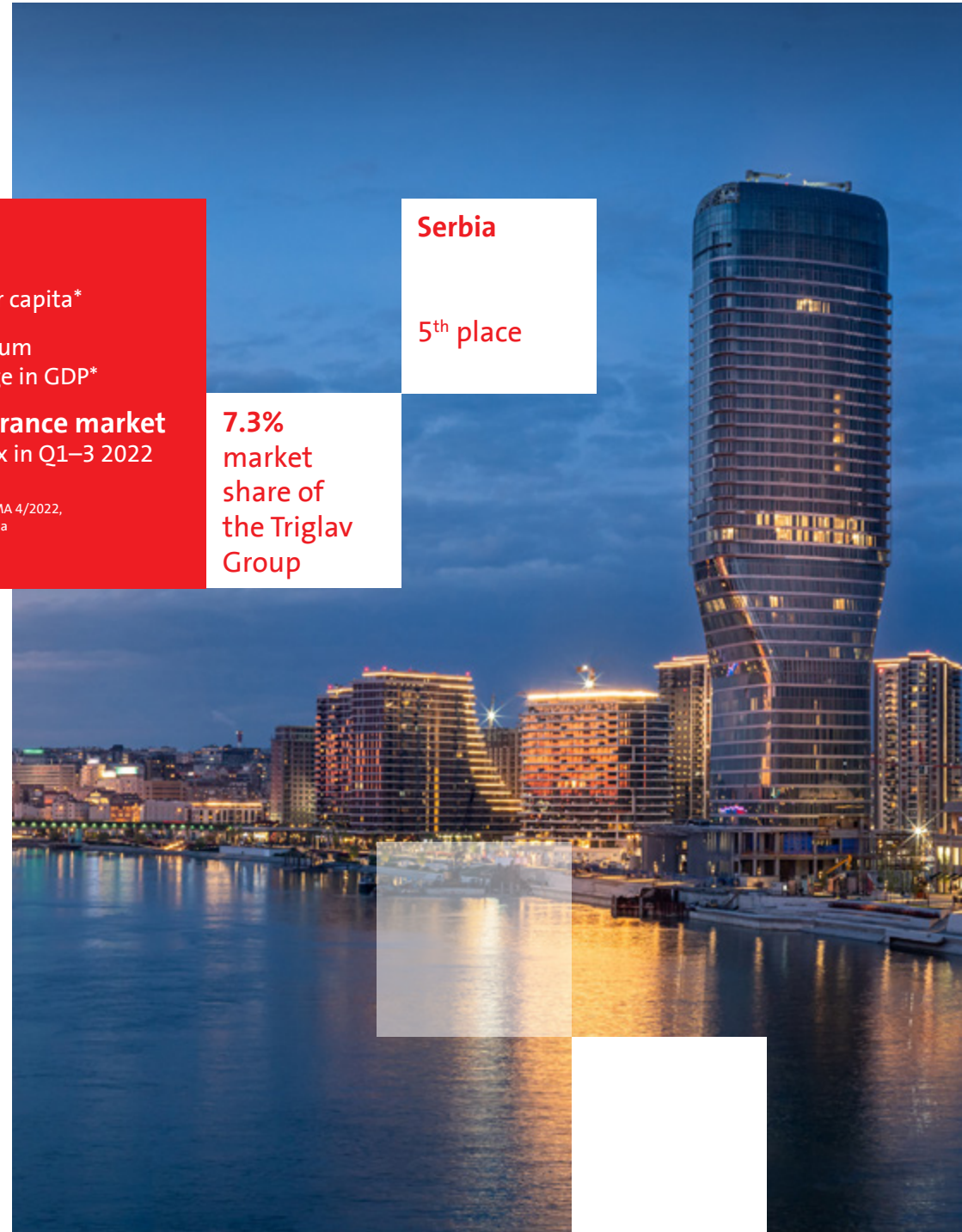
112.2 insurance market
growth index in Q1–3 2022

* data for 2021
Source: Swiss RE, SIGMA 4/2022,
National Bank of Serbia

Serbia

5th place

7.3%
market
share of
the Triglav
Group



7.4.1.4 Montenegro

According to estimates, Montenegro recorded 7.2% GDP growth in 2022, which is mainly the result of fiscal incentives and the recovery of the tourism sector; progress was also seen in export. The inflation rate rose to high 12.8% due to global economic developments.

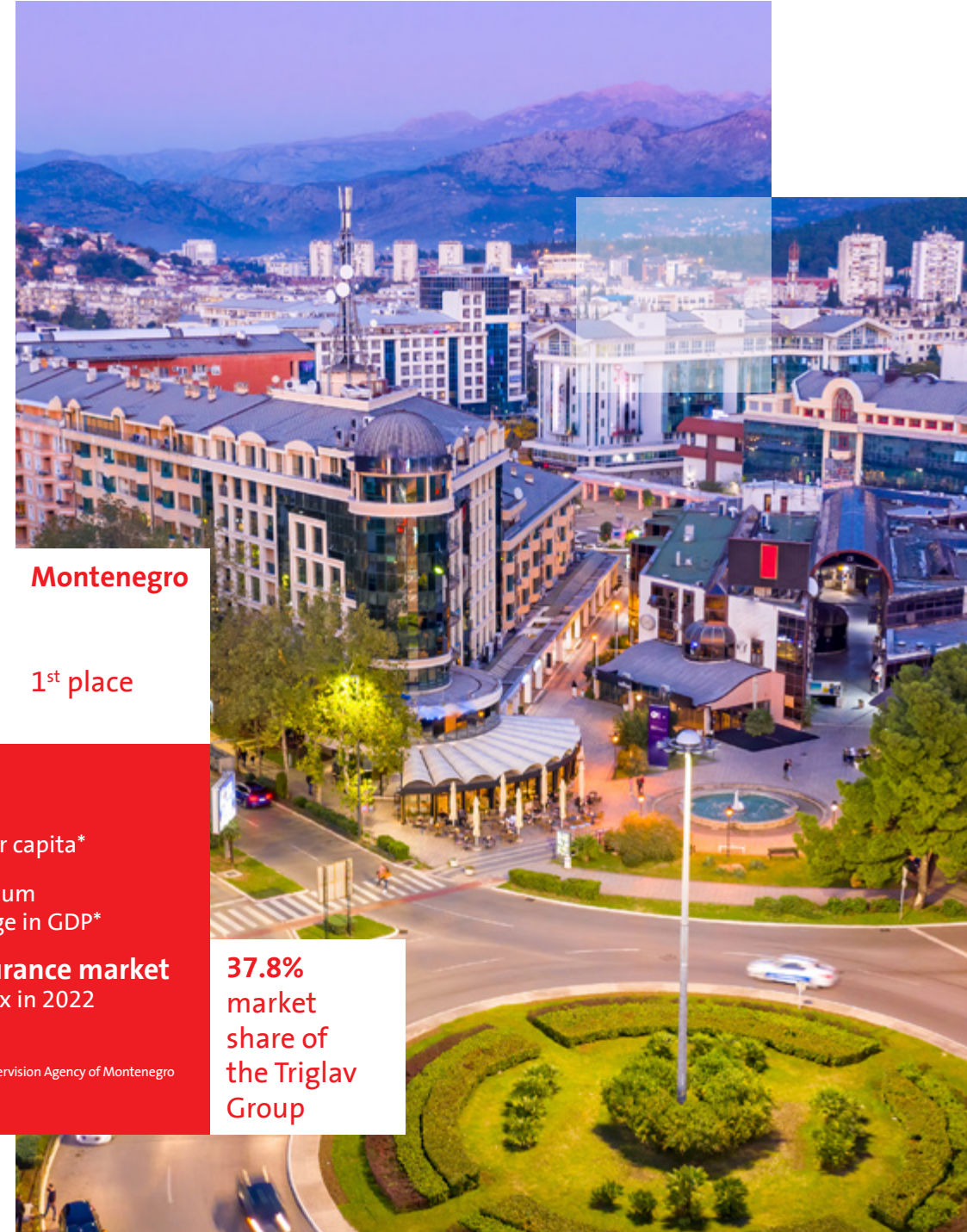
Public debt remains relatively high, which requires an agile fiscal policy and a prompt response to changes. While solving never-ending challenges, the economic policy will have to be directed towards improving legislative frameworks and strengthening competitiveness at the microlevel, especially in green energy, agriculture, tourism and digital transformation.

In the accession process to the European Union, Montenegro fulfilled a great deal of requirements and opened all negotiating chapters. In the coming period, the implementation of reforms will be crucial to restore the functioning and credibility of the main judicial bodies.

Insurance market

A total of nine insurance companies are active in the Montenegrin insurance market (five non-life insurers and four life insurers). Their total written premium was 9.6% higher than the year before. Non-life and life insurance premiums increased by 10.3% and 6.8% respectively. In total written premium, non-life insurance continued to account for the bulk (80.3%).

The Triglav Group, represented by **Lovćen Osiguranje** and **Lovćen životna osiguranja**, maintained its first place in the market, achieving a 37.8% market share (vs. 39.0% in 2021). The Group is followed by Sava Osiguranje and Uniqa Group (non-life and life insurance together) with a 16.1% and 14.7% market share respectively. The Group recorded 6.0% premium growth.



Montenegro

1st place

EUR 160
premium per capita*

2.0% premium
as percentage in GDP*

109.6 insurance market
growth index in 2022

* data for 2021
Source: Insurance Supervision Agency of Montenegro

37.8%
market
share of
the Triglav
Group

7.4.1.5 Bosnia and Herzegovina

It is estimated that the gross domestic product of Bosnia and Herzegovina grew by 2.5%, with domestic demand being the main growth driver. Inflation rose to high 10.5% due to negative economic trends worldwide, while the unemployment rate remained unchanged at 17.3%.

The priorities of Bosnia and Herzegovina's economy include strengthening the fiscal system, reforming public administration, and promoting a dynamic and competitive private sector. In the coming period, the key challenges will be solving the problem of qualified labour shortage and lowering labour costs, which should improve the business climate and increase the volume of significant foreign investment.

In December 2022, the leaders of the EU Member States granted Bosnia and Herzegovina EU candidate status. This was an important step on its path to European integration. It was also pointed out that in the future Bosnia and Herzegovina must take action in the fields of the rule of law, the fight against corruption and organised crime, migration management and fundamental human rights.

Insurance market

A total of 25 insurance companies were active on the very small but highly competitive insurance market of Bosnia and Herzegovina, of which 11 were domiciled in the Federation of BiH and 14 in Republika Srpska, including branches. Total written premium in Bosnia and Herzegovina rose by 7.7%. Premium written in the Federation of BiH grew by 7.8% and in Republika Srpska by 7.3%. In total written premium, non-life insurance premium maintained its 78.7% share.

In the Federation of BiH, the Agram corporate group (Adriatic osiguranje and Euroherc) remained the market leader with a 22.3% market share. By increasing its share by 1.0 percentage point to 10.8%, **Triglav Osiguranje, Sarajevo** ranked third (vs. fifth in the preceding year).

Holding a 13.0% market share, Grawe osiguranje was the market leader in Republika Srpska. With a 4.7% market share, which was 0.2 percentage point more than the year before, **Triglav Osiguranje, Banja Luka** maintained its eighth place. **The branch of Triglav Osiguranje, Sarajevo**, which sells only life insurance, held a 1.6% market share (vs. 2.1% the year before).

In Bosnia and Herzegovina, **the Triglav Group** increased its market share to 9.4% (vs. 8.8% in the previous year) and maintained its third place among the insurance groups. It recorded 14.7% premium growth, which was 7.1 percentage points higher than the insurance market growth.



Bosnia and Herzegovina

3rd place

EUR 119
premium per capita*

2.2% premium
as percentage in GDP*

107.7 insurance market
growth index in 2022

* data for 2021
Source: FBiH Insurance Supervision Agency,
RS Insurance Agency

9.4%
market
share of
the Triglav
Group

7.4.1.6 North Macedonia

The economic situation in North Macedonia deteriorated. According to estimates by the International Monetary Fund (IMF), its economic growth was 2.7%. The inflation rate rose to 10.6%, whereas the unemployment rate fell slightly to 15.2%.

In July 2022, the Parliament of North Macedonia adopted the Declaration of Social Consensus on Economic Reforms, Policies and Measures. The declaration summarises that the biggest obstacle to future development is the lack of the rule of law, an uncompetitive environment and the excessive influence of the political establishment on the economy. Future growth will depend primarily on the effective implementation of structural reforms to increase productivity and competitiveness, and investment in the green and digital transformation.

North Macedonia has always strived for regional integration. After 17 years, it was finally granted EU candidate status. In 2023, economic growth is expected to reach 3% and the inflation rate is expected to drop significantly to 4.5%.

Insurance market

A total of 16 insurance companies were active in the North Macedonian insurance market as at the 2022 year-end (11 non-life insurers and five life insurers), with Osiguruvanje Makedonija also holding a licence to conduct reinsurance business. The insurance companies booked MKD 12.8 billion (EUR 208 million) in written premium, up by 9.9% relative to the preceding year. Non-life insurance premium, representing 82.2% of total written premium, grew by 9.2% and life insurance premium by 13.7%. The five largest insurers booked nearly 46% of total written premium. The market concentration was particularly high in the life insurance segment, with Croatia život and Grawe život controlling 54% of the market.

The Triglav Group operates with two companies on the Macedonian market. Holding a 11.9% market share (0.4 percentage point more than in 2021), Triglav Osiguruvanje, Skopje continues to remain the leader in the North Macedonian insurance market. The insurer specialises in non-life insurance, holding a 14.4% market share (vs. 13.8% in the previous year).

Triglav Osiguruvanje Život, Skopje significantly increased its share in the life insurance market by 6.2 percentage points to 16.1%. The Triglav Group therefore improved its market share by 1.6 percentage points to 14.7%, maintaining the third place among the insurance groups.



EUR 103
premium per capita*

1.6% premium
as percentage in GDP*

109.9 insurance market
growth index in 2022

* data for 2021
Source: Insurance Supervision Agency of
North Macedonia

**North
Macedonia**

3rd place

14.7%
market
share of
the Triglav
Group

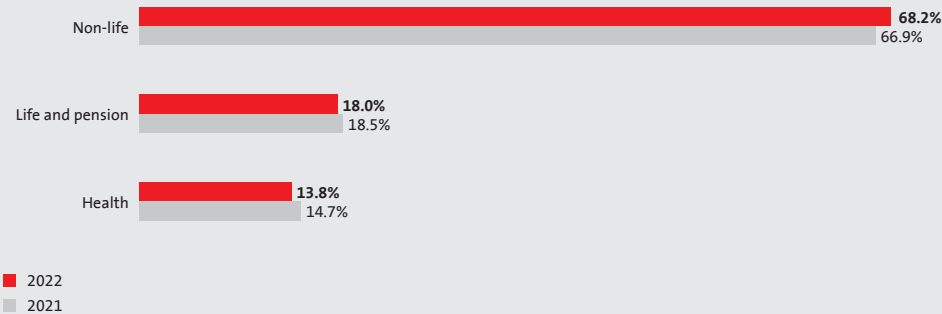
7.5 Gross written insurance, coinsurance and reinsurance premiums

The Triglav Group collected a total of EUR 1,479.6 million in consolidated gross insurance, coinsurance and reinsurance premiums, up by 9% relative to the preceding year. Total written premium increased in all insurance segments:

- **non-life insurance:** EUR 1,009.2 million (index 112),
- **life and pension insurance:** EUR 266.2 million (index 106),
- **health insurance:** EUR 204.2 million (index 103).

The proportion of non-life insurance premium in total consolidated gross written premium increased by 1.4 percentage points, whereas the proportions of life and pension insurance premium and health insurance premium decreased by 0.5 percentage point and 0.9 percentage point respectively.

The structure of consolidated insurance, coinsurance and reinsurance premiums of the Triglav Group by segment



The Group continues to increase the share of insurance premium written in markets outside Slovenia, which grew by 0.5 percentage point. A total of 65.3% of consolidated gross written premium was earned in the Slovenian insurance market, while 19.5% of the premium was charged in other markets of the Adria region. International insurance and reinsurance premium also increased and accounted for 15.2%

The structure of consolidated insurance, coinsurance and reinsurance premiums of the Triglav Group by market

Country	Gross written premium			Index		Share		
	2022	2021	2020	2022/2021	2021/2020	2022	2021	2020
Slovenia	965,457,942	903,397,817	872,396,910	107	104	65.3%	66.8%	70.7%
Croatia	94,408,379	86,805,041	72,871,040	109	119	6.4%	6.4%	5.9%
Serbia	79,905,307	69,274,521	60,770,184	115	114	5.4%	5.1%	4.9%
Bosnia and Herzegovina	42,757,734	37,189,884	33,220,348	115	112	2.9%	2.7%	2.7%
Montenegro	40,890,334	38,578,564	36,249,030	106	106	2.8%	2.9%	2.9%
North Macedonia	30,629,458	24,847,107	20,976,376	123	118	2.1%	1.8%	1.7%
International insurance and reinsurance*	225,507,933	192,882,616	137,291,477	117	140	15.2%	14.3%	11.1%
Total	1,479,557,087	1,352,975,550	1,233,775,365	109	110	100.0%	100.0%	100.0%

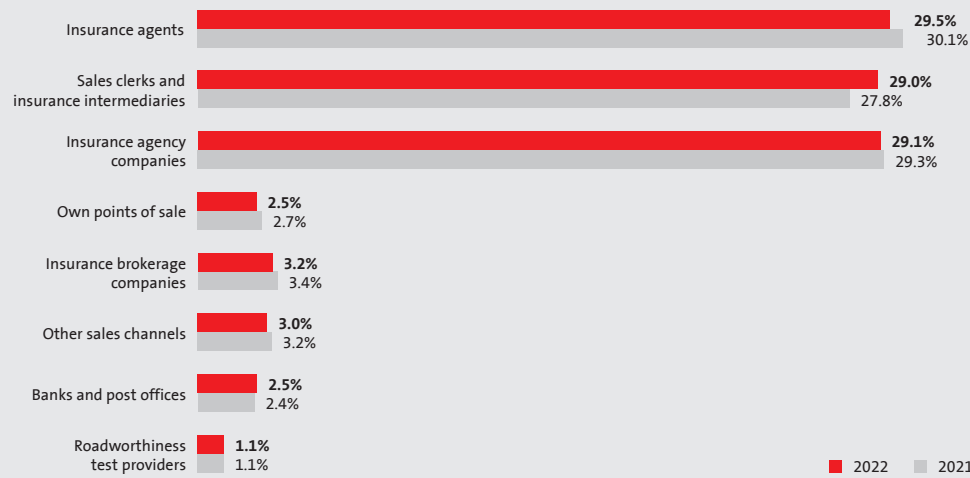
* Premium written outside the Adria region, collected according to the principle of free movement of services (FOS), and inward reinsurance premium.

Total written premium increased in **all insurance markets**. In the Slovenian market, premium grew by 7%, in other markets in the Adria region by 12% and in the international market by 17%.

Non-consolidated gross written premium of **retail clients** amounted to EUR 879.7 million, up by 13% relative to the year before. Its share in total written premium increased by 2.1 percentage points to 62.9%. The rest, 37.1%, was accounted for by **corporate clients'** written premium, which reached EUR 517.8 million, up by 3% relative to the preceding year.

The largest share, 64.0% (0.3 percentage points more than in the previous year), of the Group's non-consolidated gross written premium was collected via **own sales channels** (agents, sales clerks and brokers, own points of sale, online and other own sales channels). Its volume rose by 9%. The rest (36.0%) was collected via **external sales channels** (insurance agency and brokerage companies, banks, post offices and roadworthiness test providers), recording an 8% growth.

Non-consolidated gross written insurance, coinsurance and reinsurance premiums in 2022 and 2021 by sales channel of the Triglav Group (excluding Pozavarovalnica Triglav Re)



Gross written insurance, coinsurance and reinsurance premiums in 2022 by Triglav Group insurance company

Insurance company	Gross written premium			Index 2022/2021			Share
	Non-life	Life and pensions	Total	Non-life	Life and pensions	Total	2022
Zavarovalnica Triglav*	670,083,437	198,944,654	869,028,091	111	105	109	62.2%
Triglav, Zdravstvena zavarovalnica	204,622,959	1,425	204,624,384	103	95	103	14.6%
Triglav, pokojninska družba		35,401,117	35,401,117	0	104	104	2.5%
Triglav Osiguranje, Zagreb	86,395,961	8,012,418	94,408,379	110	99	109	6.8%
Triglav Osiguranje, Belgrade	73,711,208	6,194,099	79,905,307	118	94	115	5.7%
Triglav Osiguranje, Sarajevo	20,530,358	15,614,374	36,144,732	119	110	115	2.6%
Lovćen Osiguranje, Podgorica	36,008,211		36,008,211	106	0	106	2.6%
Triglav Osiguruvanje, Skopje	24,659,871		24,659,871	114	0	114	1.8%
Triglav Osiguranje, Banja Luka	6,647,064		6,647,064	113	0	113	0.5%
Lovćen životna osiguranja, Podgorica		4,882,123	4,882,123	0	105	105	0.3%
Triglav Osiguruvanje Život, Skopje		5,969,587	5,969,587	0	184	184	0.4%
Total	1,122,659,069	275,019,797	1,397,678,866	109	106	109	100.0%
Pozavarovalnica Triglav Re	250,292,376		250,292,376	124	0	124	
Consolidation eliminations	-159,555,333	-8,858,822	-168,414,155	128	92	125	
Total consolidated	1,213,396,112	266,160,975	1,479,557,087	110	106	109	

* The data already include pre-consolidation adjustments.

7.5.1 Non-life insurance

In the **non-life insurance segment**, the Group's insurance companies charged EUR 1,122.7 million in non-consolidated written premium, a 9% increase compared to the preceding year. Growth was achieved in all non-life insurance groups.

In total written premium, **motor vehicle insurance** (comprehensive car insurance, motor vehicle liability insurance) remained the largest insurance class with a 26.1% share. Motor vehicle insurance premium increased by 10% to EUR 365.4 million, and its share by 0.3 percentage point. The Group collected EUR 195.2 million in motor liability insurance premium, up by 10% compared to the preceding year. The volume of **motor liability insurance** premium grew in all insurance companies. The largest growth of 20% was achieved by the Serbian insurer, as it increased the number of points of sale and achieved a higher number of concluded insurance policies. The 11% premium growth recorded by the parent company (a 62% share in total written premium) was primarily a result of effective sales according to the principle of free movement of services (FOS transactions) and adjustments to premium rates due to inflation.

The Group collected EUR 170.2 million in **comprehensive car insurance** premium or 10% more than in the preceding year. The volume of comprehensive car insurance premium grew in all insurance companies. The highest growth of 15% was achieved by both insurers in Bosnia and Herzegovina as a result of effective sales through brokers and agencies, an increase in the number of concluded insurance policies and a higher average premium. The Serbian insurer recorded 13% growth resulting from a higher number of insurance policies and an increase in premium rates. The premium written by the parent company increased by 9% and represented 83% of the Group's total written premium due to a larger range of insurance covers and adjustments to premium rates due to higher inflation.

The **real property insurance** premium (fire and natural disaster insurance and other damage to property insurance) rose by 6% to EUR 309.9 million. It accounts for 22.2% of total written premium (0.6 percentage point less than last year). Premium growth of 8% was recorded in other damage to property insurance, whereas a 2% premium drop was seen in fire and natural disaster insurance. Premium growth was recorded in most markets by attracting new policyholders and increasing the scope of insurance coverage. The Serbian and Sarajevo insurers achieved the highest growth. With a share of more than 77% in total written premium, the parent company recorded 6% growth and achieved solid sales results were mainly in property and interest in property insurance for natural persons (effective sales of redesigned insurance), earthquake insurance (acquisition of new business) and computer and mobile phone insurance (effective sales of extended warranty at electronics stores).

In **health insurance**, EUR 216.2 million was collected in written premium, up by 4% relative to the preceding year. The bulk (EUR 204.6 million) of premium was written by Triglav, Zdravstvena zavarovalnica, which recorded a 3% increase. The majority of its premium was accounted for by supplemental health insurance, in addition to being successful mainly in the sale of complementary health insurance products. High premium growth was achieved by the majority of other insurance subsidiaries selling these insurance products by acquiring new policyholders.

In **general liability insurance**, the Group booked EUR 62.4 million in written premium, up by 15% relative to the year before. Zavarovalnica Triglav, accounting for 78% of total written premium, saw a 14% growth in written premium compared to the preceding year, predominantly as a result of high premium growth in product liability insurance, directors and officers liability insurance and general

liability insurance. A high premium growth was also seen in other insurance companies by attracting new policyholders or increasing the scope of insurance coverage with existing policyholders, the highest premium growth being recorded by the Sarajevo insurer.

Accident insurance premium amounted to EUR 38.3 million, up by 1%. Strong premium growth was recorded by the North Macedonian insurer (index 132), predominantly by attracting new policyholders. At the parent company (a 66% share in total written premium), written premium remained at approximately the same level as the previous year (index 100).

In **credit insurance**, the Group saw 25% premium growth, collecting EUR 37.6 million in written premium. At the parent company, written premium, which accounted for 72% of total written premium, grew by 23%. The main reasons for such favourable trend are mainly the increase in consumer credit insurance premium (higher demand for new housing loans and the repayment of existing loans at the reference interest rate mostly until September, the greater scope of cooperation with one of the leasing companies) and the high growth of the commodity credit insurance premium (export credits and domestic trade credits) due to the acquisition of new policyholders and higher bases for premium calculation resulting from rising prices of raw materials, energy products and inflation. With the exception of Croatia, insurance companies experienced strong growth in all other markets, the highest in Montenegro (effective sales of consumer credit insurance) and North Macedonia (acquisition of some new major policyholders).

High 34% growth was recorded in the **other non-life insurance** premium, which amounted to EUR 93.0 million. In all insurance markets, the written premium volume was higher, with the highest growth recorded in Croatia, Serbia, and Bosnia and Herzegovina. At the Croatian insurer, high premium growth resulted from premium growth in aircraft insurance (acquisition of new major policyholders) and marine insurance (higher sales via an agency) At the Serbian insurer, growth resulted from a premium increase in railway insurance (a new insurance product), assistance insurance (normalisation of the situation related to the COVID-19 epidemic and effective online sale) and miscellaneous financial loss insurance (fronting insurance), while at the Sarajevo insurer growth was a result of a premium increase in assistance insurance and goods in transit insurance (acquisition of new policyholders). The parent company (a 71% share in total written premium) achieved high 30% premium growth. Good results were recorded mainly in marine insurance (high growth of international comprehensive marine insurance) and assistance insurance (premium growth in roadside assistance insurance due to the higher number of concluded insurance policies and a premium increase).

7.5.2 Life and pension insurance

Premium growth was also recorded by the Group's **life and pension insurance**, where non-consolidated gross written premium amounted to EUR 275.0 million, a 6% increase compared to the preceding year. Its share in total gross written premium dropped by 0.5 percentage point to 19.7%.

Life insurance premium (traditional life, annuity, pension annuity and voluntary pension insurance) fell by 1% to EUR 110.9 million. The parent company's written premium was 6% lower than the preceding year mainly due to lower premium payments. Serbian and Croatian insurers also recorded a decline in written premium. Strong premium growth was seen in the Sarajevo insurer (effective sales via bank sales channels) and the North Macedonian life insurer (effective sales via banks and direct sale).

Non-consolidated gross written insurance, coinsurance and reinsurance premiums of the Triglav Group insurance companies (excluding Pozavarovalnica Triglav Re) by insurance class

Insurance class	Gross written premium			Index		Share
	2022	2021	2020	2022/2021	2021/2020	2022
Accident insurance	38,261,420	37,801,508	38,181,300	101	99	2.7%
Health insurance	216,165,405	208,329,989	204,060,344	104	102	15.5%
Comprehensive car insurance	170,185,517	155,404,424	153,459,390	110	101	12.2%
Real property insurance	309,865,917	293,121,568	237,408,204	106	123	22.2%
Motor liability insurance	195,188,463	177,177,660	175,732,026	110	101	14.0%
General liability insurance	62,396,965	54,208,387	48,408,488	115	112	4.5%
Credit insurance	37,606,653	30,194,983	25,453,099	125	119	2.7%
Other non-life insurance	92,988,731	69,214,485	52,465,305	134	132	6.7%
Non-life insurance	1,122,659,071	1,025,453,004	935,168,156	109	110	80.3%
Life insurance	110,857,535	112,261,447	106,799,922	99	105	7.9%
Unit-linked life insurance*	142,641,251	127,167,633	112,206,228	112	113	10.2%
Supplemental pension insurance in line with the Pension and Disability Insurance Act	21,521,009	20,316,064	18,880,523	106	108	1.5%
Life and pension insurance	275,019,795	259,745,144	237,886,673	106	109	19.7%
Total	1,397,678,866	1,285,198,148	1,173,054,829	109	110	100.0%

* According to the definition of the Insurance Supervision Agency, premium written by Triglav, pokojninska družba is included in the unit-linked life insurance class.

Gross written insurance, coinsurance and reinsurance premiums of Zavarovalnica Triglav by insurance class

Insurance class	Gross written premium			Index		Share
	2022	2021	2020	2022/2021	2021/2020	2022
Accident insurance	25,342,439	25,235,448	25,696,568	100	98	2.9%
Health insurance	933,955	787,154	926,557	119	85	0.1%
Comprehensive car insurance	141,497,773	129,298,413	127,536,357	109	101	16.3%
Real property insurance	238,834,859	225,822,878	188,545,816	106	120	27.5%
Motor liability insurance	121,932,762	109,621,258	106,754,958	111	103	14.0%
General liability insurance	48,665,425	42,719,369	38,619,888	114	111	5.6%
Credit insurance	26,957,216	21,883,871	19,137,654	123	114	3.1%
Other non-life insurance	65,919,007	50,641,101	37,569,379	130	135	7.6%
Non-life insurance	670,083,436	606,009,492	544,787,177	111	111	77.1%
Life insurance	74,655,209	79,238,943	79,466,230	94	100	8.6%
Unit-linked life insurance	102,603,969	88,785,604	76,121,938	116	117	11.8%
Supplemental pension insurance in line with the Pension and Disability Insurance Act	21,521,009	20,316,064	18,880,523	106	108	2.5%
Life and pension insurance	198,780,187	188,340,611	174,468,691	106	108	22.9%
Total	868,863,623	794,350,103	719,255,868	109	110	100.0%

The premium generated by **unit-linked life insurance** (life insurance linked to the units of investment funds) amounted to EUR 142.6 million, a 12% increase relative to the year before. This insurance class accounted for 51.9% of total written life and pension insurance premium. The high 15% growth at the parent company is the result of higher premium payments, asset transfers and additional payments. High increase was also recorded in the North Macedonian life insurer with effective sales via the bank sales channel. The volume of the pension company's written premium was also higher (index 104) as a result of the higher number of concluded insurance policies and the higher average monthly premium paid.

Premium from **supplemental pension insurance in line with the Pension and Disability Insurance Act** increased by 6% relative to the previous year and amounted to EUR 21.5 million. The growth stemmed from higher regular premium payments and transfers of supplemental pension insurance assets from other insurance companies.

7.5.3 Gross written reinsurance premium of Pozavarovalnica Triglav Re

Pozavarovalnica Triglav Re booked a total of EUR 250.3 million in gross written reinsurance premium, up by 24%. In transactions within the Group, it collected 30% more written premium (EUR 137.5 million), increasing its volume the most in motor vehicle insurance (motor vehicle liability insurance and comprehensive car insurance). In transactions outside the Group, premium growth was 17% (EUR 112.8 million), which is predominantly a result of organic growth of renewed transactions from the preceding year and the increase in shares in some other damage to property insurance contracts. The highest premium growth was recorded in the markets of Japan, Slovenia, China, South Korea and Israel.

7.6 Gross claims paid

The Group's **consolidated gross claims paid** amounted to EUR 832.2 million, up by 13% over the previous year. The increase was influenced by the higher number of reported claims due to the larger portfolio, higher population mobility (which was lower last year due to the pandemic), the higher number of major CAT events and the growth of prices of materials and services. In the largest segment, **non-life insurance**, gross claims paid amounted to EUR 463.4 million and were higher by 18%. In the **health insurance** segment, they grew by 16% to EUR 183.4 million.

In the **life and pension insurance** segment, gross claims paid in the amount of EUR 185.4 million remained at approximately the same level as in the previous year (index 100). Gross claims paid include claim handling expenses less income from collected subrogation receivables.

Non-consolidated gross claims paid of the Group insurance companies (excluding Pozavarovalnica Triglav Re) were also higher. High growth was recorded by most insurance companies, the highest among them by the North Macedonian life insurer.

Gross claims paid in 2022 by Triglav Group insurance company

Insurance company	Gross claims paid			Index 2022/2021			Share
	Non-life	Life and pensions	Total	Non-life	Life and pensions	Total	2022
Zavarovalnica Triglav*	298,242,177	154,213,675	452,455,852	118	99	111	57.0%
Triglav, Zdravstvena zavarovalnica	183,387,565	28,513	183,416,078	116	0	116	23.1%
Triglav, pokojninska družba		20,238,242	20,238,242	0	116	116	2.6%
Triglav Osiguranje, Zagreb	51,680,209	6,505,720	58,185,929	120	91	116	7.3%
Triglav Osiguranje, Belgrade	26,099,069	3,513,061	29,612,130	119	69	110	3.7%
Lovćen Osiguranje, Podgorica	16,479,024		16,479,024	110	0	110	2.1%
Triglav Osiguranje, Sarajevo	9,360,511	5,042,422	14,402,933	106	114	109	1.8%
Triglav Osiguruvanje, Skopje	10,874,980		10,874,980	110	0	110	1.4%
Lovćen životna osiguranja, Podgorica		3,669,976	3,669,976	0	99	99	0.5%
Triglav Osiguranje, Banja Luka	2,750,893		2,750,893	84	0	84	0.3%
Triglav Osiguruvanje Život, Skopje		1,049,798	1,049,798	0	277	277	0.1%
Total	598,874,428	194,261,407	793,135,835	117	100	112	100.0%
Pozavarovalnica Triglav Re	105,532,665		105,532,665	120	0	120	
Consolidation eliminations	-57,577,591	-8,860,368	-66,437,959	113	103	112	
Total - consolidated	646,829,502	185,401,039	832,230,541	118	100	113	

* The data already include pre-consolidation adjustments.

7.6.1 Non-life insurance

Non-consolidated gross claims paid in **non-life insurance** (excluding Pozavarovalnica Triglav Re) grew by 17% compared to the year before and totalled EUR 598.9 million. The claims ratio was impacted by some major CAT events, which is described in greater detail in Section [7.2 Environmental impact on the Triglav Group's operations](#). An increase in claims was characteristic of most non-life insurance classes, with the exception of accident insurance.

In **health insurance**, gross claims paid rose by 16% to EUR 189.9 million, representing 23.9% of total gross claims paid. The majority (EUR 183.4 million) was accounted for by gross claims paid by Triglav, Zdravstvena zavarovalnica (index 116). Their growth was influenced by the normalisation of the provision of healthcare services after the end of the pandemic and the increase in the prices of healthcare services. Most of the other Group insurance companies selling these insurance products also recorded high growth in gross claims paid. Equalisation scheme expenses increased by 3% to EUR 7.4 million.

In **real property insurance**, gross claims paid amounted to EUR 115.8 million, up by 21% compared to the preceding year. Most insurance companies saw strong growth in gross claims paid; the highest was recorded by the Montenegrin insurer (payment of a large claim in construction insurance, an increase in crop insurance claims due to hail and a higher number of fire and natural disaster insurance claims), the Sarajevo insurer (payment of three large fire and natural disaster insurance claims) and the Croatian insurer (payment of claims due to drought that affected crops, growth in animal insurance claims and payment of several large fronting insurance claims). Gross claims paid by the parent company, representing 69% of real property insurance claims, grew by 24%, predominantly due to the payment of several large individual claims from the international insurance programme in construction insurance and combined non-life insurance, a greater number of reported property and interest in property insurance claims, the rising prices of materials and services due to inflation and supply chain disruption, as well as major CAT events. In addition to the latter, several local CAT events (hail, flood) occurred, which were not large enough to be individually defined as major, but their total value was equal to the value of a major CAT event.

Gross claims paid in **comprehensive car insurance** totalled EUR 109.5 million, an 18% increase relative to the year before. The majority of insurance companies recorded high growth that resulted from a higher number of reported claims due to the larger portfolio, higher population mobility, major CAT events (hailstorms) and the rising prices of materials and services.

Gross claims paid in **comprehensive car insurance** grew by 12% and reached EUR 107.8 million. With the exception of the Serbian and the North Macedonian insurer, growth was seen in all other insurance companies. The reasons are mainly the increasing number of settled claims due to both the larger portfolio and greater population mobility compared to last year as well as the rising prices of materials and services. At the parent company, growth in gross claims paid was also influenced by the higher number of claims from insurance contracts underwritten under the principle of free movement of services (FOS transactions). The Banja Luka insurer recorded high growth due to the payment of a large individual claim from 2013.

Gross claims paid in **other non-life insurance** grew by 33% and totalled EUR 33.7 million. High growth was recorded by all insurance companies with the exception of the North Macedonian insurer. The largest increase was seen at the Croatian insurer (a higher number of reported marine insurance claims due to the larger portfolio) and the Serbian insurer (large payment of a claim due to insolvency in suretyship insurance, a higher number of assistance insurance claims due to the lifting of epidemic-related restrictions and an increased number of goods in transit insurance claims). Gross claims paid of the parent company, which accounted for 77% of other non-life insurance claims, were 30% higher mainly due to the larger volume of roadside assistance claims (a higher number of claims, rising prices of petroleum products and services, due to delays in the delivery of spare parts and longer coverage of replacement vehicle rental) and higher payment of international comprehensive marine insurance claims.

Gross claims paid in **accident insurance** decreased by 5% to EUR 21.5 million. A strong decline was recorded by the Montenegrin insurer (lower payouts in accident insurance for pensioners) and the Sarajevo insurer (lower payouts in group accident insurance). At the parent company, gross claims were down by 2% resulting from some large payouts due to disability in the previous year after the interruption caused by the pandemic. Lower payouts were mainly recorded in individual accident insurance.

Gross claims paid in **general liability insurance** amounted to EUR 15.0 million, up by 13% over the preceding year. High growth was experienced by Serbian, Croatian and Montenegrin insurers due to some larger claims paid out. Gross claims paid by the parent company, accounting for 78% of total gross claims paid by the Group in this insurance class, increased by 8% primarily due to higher payouts in architects and engineers liability insurance and general liability insurance (a higher number of settled claims and payouts of some large claims).

Gross claims paid in **credit insurance** amounted to EUR 5.6 million, up by 16%. Strong growth was recorded by the Croatian (large increase in the number of claims) and the Serbian insurer (payment of two large claims). Gross claims paid of the parent company, which account for the bulk (64%) of claims in this insurance class, recorded an 11% decline due to lower payouts in overdraft insurance (fewer reported claims) and export credit insurance.

7.6.2 Life and pension insurance

Non-consolidated gross claims paid in the **life and pension insurance group** totalled EUR 194.3 million, remaining at approximately the same level as the year before (index 100). Their share in total non-consolidated claims paid fell by 3.0 percentage points to 24.5%.

The bulk of total claims paid was accounted for by **life insurance** (traditional life, annuity, pension annuity and voluntary pension insurance), totalling EUR 117.8 million, down by 1% relative to the previous year. Gross claims paid by the parent company were 1% lower as a result of lower payouts due to maturity, illness and accident. Moreover, a large decline in gross claims paid was recorded by the Serbian insurer (which in 2021, as a result of the COVID-19 pandemic, recorded higher payouts due to death) and the Croatian insurer (which in 2021 carried out a campaign related to capitalised policies, resulting in payouts of mathematical provisions), while the Montenegrin life insurer recorded slightly lower payouts. Other insurance companies selling these insurance products recorded higher gross claims paid.

Gross claims paid in **unit-linked life insurance** rose by 1% to EUR 71.2 million. High 16% growth was recorded by Triglav, pokojninska družba (the higher number of withdrawals from insurance contracts and the higher number of increased ordinary termination of insurance contracts due to retirement and related transfer to annuity funds) and 9% growth by the Croatian insurer (higher payouts due to surrenders). A 4% decrease in gross claims paid by the parent company was primarily a result of lower payouts due to surrenders.

Gross claims paid in **supplemental pension insurance in line with the Pension and Disability Insurance Act** increased by 20%, predominantly as a result of higher payouts due to withdrawals from insurance contracts and transfers of insurance contracts.

Non-consolidated gross claims paid of Triglav Group insurance companies (excluding Pozavarovalnica Triglav Re) by insurance class

Insurance class	Gross claims paid			Index		Share
	2022	2021	2020	2022/2021	2021/2020	2022
Accident insurance	21,548,633	22,740,003	20,727,007	95	110	2.7%
Health insurance	189,929,677	163,043,285	147,911,003	116	110	23.9%
Comprehensive car insurance	109,522,638	92,636,703	92,882,937	118	100	13.8%
Real property insurance	115,792,051	95,514,391	89,057,583	121	107	14.6%
Motor liability insurance	107,830,744	96,226,864	94,229,264	112	102	13.6%
General liability insurance	14,974,192	13,276,964	18,212,366	113	73	1.9%
Credit insurance	5,599,782	4,832,669	6,079,260	116	79	0.7%
Other non-life insurance	33,676,712	25,253,513	20,706,410	133	122	4.2%
Non-life insurance	598,874,429	513,524,392	489,805,830	117	105	75.5%
Life insurance	117,769,441	119,439,876	111,595,230	99	107	14.8%
Unit-linked life insurance*	71,162,436	70,447,230	62,944,570	101	112	9.0%
Supplemental pension insurance in line with the Pension and Disability Insurance Act	5,329,529	4,425,926	4,656,031	120	95	0.7%
Life and pension insurance	194,261,406	194,313,032	179,195,831	100	108	24.5%
Total	793,135,835	707,837,424	669,001,661	112	106	100.0%

* According to the definition of the Insurance Supervision Agency, gross claims paid by Triglav, pokojninska družba are included in unit-linked life insurance.

Gross claims paid of Zavarovalnica Triglav by insurance class

Insurance class	Gross claims paid			Index		Share
	2022	2021	2020	2022/2021	2021/2020	2022
Accident insurance	12,481,300	12,755,919	11,259,216	98	113	2.8%
Health insurance	308,704	232,436	425,255	133	55	0.1%
Comprehensive car insurance	90,795,098	76,216,318	77,548,159	119	98	20.1%
Real property insurance	80,445,892	64,751,034	67,698,027	124	96	17.8%
Motor liability insurance	72,987,859	64,001,235	64,244,617	114	100	16.1%
General liability insurance	11,662,782	10,761,352	16,143,731	108	67	2.6%
Credit insurance	3,609,094	4,045,904	4,709,310	89	86	0.8%
Other non-life insurance	25,951,450	19,961,633	16,009,493	130	125	5.7%
Non-life insurance	298,242,179	252,725,831	258,037,808	118	98	65.9%
Life insurance	100,112,760	100,677,756	96,431,879	99	104	22.1%
Unit-linked life insurance	48,771,384	51,038,868	49,152,423	96	104	10.8%
Supplemental pension insurance in line with the Pension and Disability Insurance Act	5,329,529	4,425,926	4,656,031	120	95	1.2%
Life and pension insurance	154,213,673	156,142,550	150,240,333	99	104	34.1%
Total	452,455,852	408,868,381	408,278,141	111	100	100.0%

7.6.3 Gross claims paid of Pozavarovalnica Triglav Re

Gross claims paid by **Pozavarovalnica Triglav Re** totalled EUR 105.5 million, a 20% increase over the previous year. A 42% growth in gross claims paid was seen in transactions outside the Group (EUR 59.0 million), whereas gross claims paid in transactions within the Group remained at approximately the same level as last year (EUR 46.5 million). In transactions outside the Group, the increase was mainly a result of the payment of other damage to property insurance claims (a large claim under the facultative contract, which was fully ceded to one of the world's leading reinsurers) and fire and natural disaster insurance claims. In transactions within the Group, strong growth in gross claims paid was recorded in motor vehicle liability insurance claims due to the change in accounting for quota contracts, while settled fire and natural disaster insurance claims experienced a significant decline compared to the previous year.

7.7 Gross operating expenses

Total consolidated gross operating expenses of the Triglav Group rose by 12% to EUR 374.8 million. **Expenses from insurance operations** amounted to EUR 338.2 million, up by 13%. The highest increase was recorded by acquisition costs (fees and commissions), costs of materials and energy, and reimbursement of work-related costs. The share of operating expenses of insurance operations in gross written premium grew by 0.7 percentage point to 22.9%. Operating expenses increased in all insurance segments; by 16% in the **health insurance** segment (EUR 18.4 million), by 13% in the **non-life insurance** segment (EUR 269.2 million) and by 12% in the **life and pension insurance** segment (EUR 50.6 million).

Expenses from non-insurance operations increased by 9% and totalled EUR 36.7 million, primarily as a result of higher costs of materials and energy, higher labour costs and the inclusion of Triglav Fondovi, Sarajevo under the full consolidation method.

Acquisition costs (fees and commissions) rose by 24% to EUR 82.6 million. High growth in acquisition costs was recorded by most insurance companies mainly as a result of the higher number of underwritten insurance policies and the increased volume of written premium from insurance policies taken out via external sales channels (contracted points of sale, brokers, agencies and banks). In addition, their increase was influenced by the higher volume of transactions concluded under the principle of free movement of services (FOS) in the EU.

The 14% increase in *depreciation costs* in the amount of EUR 25.8 million was predominantly the consequence of higher depreciation costs of intangible fixed assets at the parent company (high investments in software last year), higher lease costs at the Serbian insurer and higher costs of depreciation of right-of-use assets at Triglav Skladi.

At 45.0%, *labour costs* accounted for the largest portion of total expenses. They amounted to EUR 177.3 million, up by 7% relative to the preceding year. The increase in labour costs resulted from the higher number of employees in some companies, adjustments to basic salaries due to inflationary pressures and higher other labour costs (higher meal and travel allowances, higher payments by the employer for voluntary pension insurance, etc.). At the parent company, labour costs rose by 6% mainly due to higher payments to insurance agents resulting from higher sale, an increase in basic salaries for employees in September and higher other labour costs.

Costs of services provided by natural persons other than sole proprietors (contract work and services of the student work service) dropped by 6%. They amounted to EUR 1.4 million and represented only 0.4% of total expenses.

Other operating expenses increased by 12% compared to the year before, reaching EUR 106.5 million. Among them, the bulk is represented by costs of representation, advertising and trade shows (EUR 22.7 million), followed by maintenance costs (EUR 14.7 million). Reimbursements of work-related costs increased the most compared to last year as a result of the smaller scope of agents' work, as well as lower reimbursement of business travel costs and training costs due to the pandemic in 2021. Their increase was influenced by the rise in the prices of fuel and hotel services; however, despite the high growth, they are still lower than they were before the pandemic. High growth was also recorded by costs of materials and energy due to high growth of energy prices, non-income related costs excluding insurance, and costs of intellectual and personal services (higher costs of advisory services at the parent company).

Acquisition costs represented the largest share (62.5%) of total gross operating expenses from insurance operations broken down by functional group. Other operating expenses represented 26.8%, claim handling expenses 9.3% and asset management costs 1.4%.

Gross operating expenses of the Triglav Group by nature

Operating expenses by nature	Gross operating expenses			Index		Share
	2022	2021	2020	2022/2021	2021/2020	2022
Acquisition costs (fees and charges)	82,580,992	66,422,411	54,124,019	124	123	21.0%
Costs of goods sold	7,722	130,008	11,179	6	1,163	0.0%
Depreciation of operating assets	25,825,206	22,591,303	22,001,097	114	103	6.6%
Labour costs	177,294,305	166,208,923	157,524,456	107	106	45.0%
- wages and salaries	123,057,863	115,443,711	110,229,227	107	105	31.3%
- social security and pension insurance costs	26,839,326	26,163,907	24,559,378	103	107	6.8%
- other labour costs	27,397,116	24,601,305	22,735,851	111	108	7.0%
Costs of services provided by natural persons other than SPs, including related taxes	1,444,698	1,535,695	1,208,769	94	127	0.4%
Other operating expenses	106,549,332	95,345,836	87,942,602	112	108	27.1%
- costs of entertainment, advertising, trade shows	22,687,179	20,704,813	17,181,444	110	121	5.8%
- costs of material and energy	10,761,123	7,916,541	8,426,457	136	94	2.7%
- maintenance costs	14,690,745	15,368,460	15,181,848	96	101	3.7%
- reimbursement of labour-related costs	4,741,674	3,456,616	3,202,363	137	108	1.2%
- costs of intellectual and personal services	8,512,551	6,724,017	5,560,110	127	121	2.2%
- non-income related costs, excluding insurance	4,556,697	3,490,300	3,241,068	131	108	1.2%
- costs of transport and communication services	5,692,554	5,510,075	5,360,314	103	103	1.4%
- costs for insurance premiums	1,353,304	1,132,762	1,159,846	119	98	0.3%
- payment transaction costs and banking services	12,096,235	11,921,424	9,495,754	101	126	3.1%
- rents	6,498,713	5,683,599	4,847,443	114	117	1.7%
- costs of professional training services	1,547,135	1,303,829	1,099,790	119	119	0.4%
- other costs of services	13,404,742	12,124,181	13,183,530	111	92	3.4%
- long-term employee benefits	6,680	9,219	2,635	72	350	0.0%
Total	393,702,255	352,234,176	322,812,122	112	109	100.0%
Consolidation eliminations	-18,818,724	-18,842,729	-16,065,703	100	117	
Total consolidated	374,883,531	333,391,447	306,746,419	112	109	

Gross operating expenses of Zavarovalnica Triglav by nature

Operating expenses by nature	Gross operating expenses			Index		Share
	2022	2021	2020	2022/2021	2021/2020	2022
Acquisition costs (fees and charges)	45,294,710	34,375,142	28,550,727	132	120	20.5%
Depreciation of operating assets	15,950,731	13,173,274	12,145,270	121	108	7.2%
Labour costs	112,948,624	106,607,468	101,313,635	106	105	51.0%
- wages and salaries	79,079,757	75,208,360	72,334,018	105	104	35.7%
- social security and pension insurance costs	13,398,355	12,778,998	12,000,752	105	106	6.1%
- other labour costs	20,470,512	18,620,110	16,978,865	110	110	9.2%
Costs of services provided by natural persons other than SPs, including related taxes	513,798	309,753	289,970	166	107	0.2%
Other operating expenses	46,667,116	40,582,438	37,651,247	115	108	21.1%
- costs of entertainment, advertising, trade shows	9,688,703	8,647,852	7,607,576	112	114	4.4%
- costs of material and energy	5,223,028	3,443,255	3,782,544	152	91	2.4%
- maintenance costs	7,171,955	8,699,049	8,823,036	82	99	3.2%
- reimbursement of labour-related costs	3,060,471	2,426,737	2,175,475	126	112	1.4%
- costs of intellectual and personal services	4,442,670	2,754,338	2,072,025	161	133	2.0%
- non-income related costs, excluding insurance	2,353,146	1,457,614	1,380,668	161	106	1.1%
- costs of transport and communication services	2,783,075	2,929,987	2,978,697	95	98	1.3%
- costs for insurance premiums	452,582	305,143	379,318	148	80	0.2%
- payment transaction costs and banking services	1,330,980	1,135,155	1,218,983	117	93	0.6%
- rents	4,320,030	3,688,633	3,024,699	117	122	2.0%
- costs of professional training services	1,066,332	895,727	764,945	119	117	0.5%
- other costs of services	4,774,144	4,198,948	3,443,281	114	122	2.2%
Total	221,374,979	195,048,075	179,950,849	113	108	100.0%

7.8 Risk equalisation

7.8.1 Insurance technical provisions

The Triglav Group equalised 83% of the risks within its own equalisation capacities. Claims were covered with the current annual inflow of technical premium by insurance class and the insurance technical provisions formed. The Group was able to equalise risks that exceeded its own equalisation capacities by reinsurance and, to a lesser extent, by coinsurance arrangements.

Gross insurance technical provisions of **the Triglav Group**, which are the basis for balanced operations and ensuring the long-term safety of insured persons, amounted to EUR 3,100.1 million as at 31 December 2022 (index 97). The amount of gross insurance technical provisions increased in **non-life insurance** (index 103), while decreasing in both **health insurance** (index 78) and **life and pension insurance** (index 94). **Zavarovalnica Triglav** allocated EUR 2,173.4 million to gross insurance technical provisions, down by 5% relative to the preceding year.

Provisions by type as at 31 December 2022 relative to 31 December 2021:

- Gross unearned premium** amounted to EUR 414.3 million, a 12% increase over the previous year. Unearned premium for non-life insurance also increased by 12% to EUR 410.3 million, while unearned premium for health insurance grew by 1% to EUR 3.5 million. In contrast, unearned premium for life and pension insurance dropped by 1% to EUR 452 thousand. The movement of gross unearned premium corresponds to the movement and duration of gross written premium and the nature of underwritten risks.
- Gross claims provisions** declined by 1% to EUR 688.8 million over 2021. Gross claims provisions are created for covering claims incurred but not settled by the end of the accounting period. Claims provisions for non-life insurance amounted to EUR 647.9 million, a 1% drop compared to the previous year. In calculating non-life insurance claims provisions, the inflation forecast by the International Monetary Fund (IMF) and local institutions in each country was taken into account. In addition, in making provisions, the higher frequency of claims was taken into account, which decreased during the COVID-19 pandemic, but is now returning to the pre-pandemic level. A partial release of claims provisions created in previous years largely compensated for higher gross claims paid; in doing so, in estimating claims provisions, the trends of the best estimate introduced by IFRS 17 were followed, bringing their amount closer to the estimated value according to IFRS 17. Claims provisions for life and pension insurance amounted to EUR 21.8 million (index 95) and those for health insurance equalled EUR 19.1 million (index 119). See Section [2.7.2 The impact of geopolitical risks and the changed economic situation on individual items in the financial statements](#) in the Accounting Report for more information.

- Mathematical provisions** declined by 6% to EUR 1,937.8 million. Mathematical provisions for the guarantee fund backing life insurance totalled EUR 1,356.9 million (index 95), while insurance technical provisions for unit-linked life insurance contracts amounted to EUR 580.9 million (index 93). They fell due to the drop in the price of fund units. Zavarovalnica Triglav's mathematical provisions of EUR 1,440.2 million accounted for the bulk (index 93), of which mathematical provisions for the guarantee fund backing life insurance amounted to EUR 944.5 million (index 94) and insurance technical provisions for unit-linked life insurance contracts equalled EUR 495.7 million (index 92).
- Provisions for bonuses and discounts** declined by 20% to EUR 22.0 million predominantly as a result of their decrease at the parent company and the health insurer.
- Other insurance technical provisions** reached EUR 37.1 million, having decreased by 28%. At Zavarovalnica Triglav, they were lower due to a decrease in provisions as a result of the LAT for life insurance, and at Triglav, Zdravstvena zavarovalnica provisions were formed last year for unexpired risks due to the pandemic. In addition, the parent company and Triglav, pokojninska družba created additional provisions due to failing to achieve the guaranteed return on supplemental voluntary pension insurance.

Gross insurance technical provisions of the Triglav Group

	Gross insurance technical provisions			Index	
	31 Dec. 2022	31 Dec. 2021	31 Dec. 2020	2022/2021	2021/2020
Unearned premium	414,289,158	370,043,725	344,760,927	112	107
Mathematical provisions	1,937,835,355	2,054,917,059	1,967,008,673	94	104
Claims provisions	688,788,186	694,498,311	645,331,168	99	108
Provisions for bonuses and discounts	21,962,914	27,464,185	28,195,354	80	97
Other insurance technical provisions	37,148,522	51,748,503	47,917,732	72	108
Total	3,100,024,135	3,198,671,783	3,033,213,854	97	105

Gross insurance technical provisions of Zavarovalnica Triglav

	Gross insurance technical provisions			Index	
	31 Dec. 2022	31 Dec. 2021	31 Dec. 2020	2022/2021	2021/2020
Unearned premium	276,301,500	246,017,850	235,190,816	112	105
Mathematical provisions	1,440,231,062	1,548,454,207	1,490,283,181	93	104
Claims provisions	426,901,198	446,567,255	430,259,621	96	104
Provisions for bonuses and discounts	21,450,003	23,724,069	23,837,107	90	100
Other insurance technical provisions	8,547,506	15,744,857	19,470,754	54	81
Total	2,173,431,269	2,280,508,238	2,199,041,479	95	104

7.8.2 Reinsurance

The Triglav Group operates in the global reinsurance market via Pozavarovalnica Triglav Re and Zavarovalnica Triglav. It aims for optimum coverage terms and conditions, which was achieved in all reinsurance and coinsurance contracts in 2022.

The Group allocated EUR 248.2 million of reinsurance premium to external equalisation, up by 16% relative to the year before. Ceded reinsurance premium accounted for 16.8% of total gross written premium or 1.0 percentage point more than the previous year. Reinsurance premium growth mainly resulted from the increased volume of non-life insurance premium, primarily those policies underwritten based on the principle of free movement of services (FOS). Higher reinsurance prices in the global reinsurance market and the change in quota reinsurance protection also contributed to its growth.

Changes in unearned premium related to the reinsurance portion totalled EUR 14.0 million compared to EUR 15.5 million in the preceding year. The amount of EUR 57.3 million was received from reinsurance (index 137). The change in gross claims provisions for the reinsurance portion amounted to EUR 29.4 million (index 113). The Group also received EUR 49.1 million in reinsurance fees and commissions (index 126). The reinsurance result was negative and amounted to EUR –98.3 million (compared to EUR –90.9 million in 2021).

The reinsurance result of Zavarovalnica Triglav was EUR –81.9 million (compared to EUR –89.5 million in 2021).

7.9 Investment structure of the Triglav Group and Zavarovalnica Triglav²¹

The Triglav Group pursues a relatively conservative investment policy in order to achieve an adequate return on its investment portfolio, while focusing on the security and liquidity of investments. The goal of investment management is to achieve a high credit rating of the whole portfolio. Environmental, social and governance (ESG) aspects are integrated into investment processes, which are aligned with the Group’s strategic ambitions in sustainable development.

The Group’s total financial investments including investment property, unit-linked insurance contract investments and investments in associates totalled EUR 3,271.2 million as at 31 December 2022, down by 11% relative to 31 December 2021. The decrease in value is to the greatest extent a result of the rise in interest rates on the financial markets and the fall in value on the stock markets. Their share in the Group’s total assets was down by 4.7 percentage points to 79.2%.

Financial investments (including investment property) of the Triglav Group

	Financial investments		Index	Share	
	31 Dec. 2022	31 Dec. 2021	2022/2021	31 Dec. 2022	31 Dec. 2021
Investment property	68,377,495	75,110,973	91	2.5%	2.5%
Shares in associates	37,810,184	36,031,343	105	1.4%	1.2%
Shares and other floating-rate securities	234,776,667	330,960,660	71	8.7%	10.9%
Debt and other fixed return securities	2,236,307,959	2,512,569,818	89	82.8%	82.4%
Loans given	4,645,899	4,525,184	103	0.2%	0.1%
Deposits with banks	96,853,602	70,472,827	137	3.6%	2.3%
Other financial investments	6,480,742	5,810,984	112	0.2%	0.2%
Financial investments of reinsurance companies in reinsurance contracts with cedents	14,044,977	13,340,360	105	0.5%	0.4%
Derivatives	0	20,317	0	0.0%	0.0%
Total (1)	2,699,297,525	3,048,842,466	89	100.0%	100.0%
Unit-linked insurance contract investments (2)	571,866,521	619,617,488	92		
Total (1+2)	3,271,164,046	3,668,459,954	89		

Through active investment, the Group maintained an investment portfolio composition comparable to the balance as at 31 December 2021. The bulk (68.4%) of the whole portfolio, or 82.8% excluding the unit-linked life insurance contract investments portfolio, is represented by bonds invested in developed markets, most of which have a high credit rating. Both the value of the bond and equity portfolio and the value of unit-linked life insurance contract investments were affected by the situation in the financial markets. The majority of this asset class is accounted for by assets invested in mutual funds of the policyholders’ choice, mostly in funds managed by Triglav Skladi. The decrease in the volume of investment property compared to the previous year is the result of their planned partial sale.

Investment structure of the Triglav Group (excluding unit-linked life insurance contract investments) as at 31 December 2022



²¹ SASB: FN-AC-410a.1

The detailed structure of the Group's bond and equity portfolio is presented below, and the data for the Company are presented at the end of this section.

The Group's bond portfolio is of **high quality** and globally diversified. A total of 90.4% of bond investments have an investment grade credit rating of at least "BBB" (vs. 90.9% as at 31 December 2021) and 58.2% have at least the "A" credit rating (vs. 59.4% as at 31 December 2021).

Debt securities of the Triglav Group by credit rating

Credit rating	Debt securities		Index	Share	
	31 Dec. 2022	31 Dec. 2021	2022/2021	31 Dec. 2022	31 Dec. 2021
AAA	484,876,559	438,921,752	110	21.7%	17.5%
AA	306,967,815	376,763,744	81	13.7%	15.0%
A	510,662,035	677,949,441	75	22.8%	27.0%
BBB	718,482,959	789,294,818	91	32.1%	31.4%
Below BBB	170,946,072	185,667,718	92	7.6%	7.4%
Not rated	44,372,520	43,972,345	101	2.0%	1.8%
Total	2,236,307,959	2,512,569,818	89	100.0%	100.0%

Unit-linked life insurance contract investments data are excluded.

By **issuer sector**, the largest share (60.5%) in the Group's bond portfolio in 2022 continued to be accounted for by government bonds. Compared to 2021, their share decreased by 4.7 percentage points primarily due to price fluctuations, whereas the shares of financial and corporate bonds increased in equal proportions.

Debt securities of the Triglav Group by issuer sector

Issuer sector	Debt securities		Index	Share	
	31 Dec. 2022	31 Dec. 2021	2022/2021	31 Dec. 2022	31 Dec. 2021
Government	1,351,856,599	1,637,292,470	83	60.5%	65.2%
Financial	458,582,957	450,896,480	102	20.5%	17.9%
Corporate	424,897,803	423,363,902	100	19.0%	16.8%
Structured	970,601	1,016,966	95	0.0%	0.0%
Total	2,236,307,959	2,512,569,818	89	100.0%	100.0%

Unit-linked life insurance contract investments data are excluded.

Debt securities of the Triglav Group by issuer sector/activity²²

Issuer sector	Debt securities		Index	Share	
	31 Dec. 2022	31 Dec. 2021	2022/2021	31 Dec. 2022	31 Dec. 2021
EMU bonds	991,672,234	1,204,550,177	82	44.3%	47.9%
Finance	459,553,557	451,913,446	102	20.5%	18.0%
Bonds of other countries	191,947,342	227,890,193	84	8.6%	9.1%
EU bonds (excluding EMU)	175,930,346	204,852,100	86	7.9%	8.2%
Non-cyclical sectors	124,865,616	106,676,738	117	5.6%	4.2%
Public goods	58,232,423	74,478,500	78	2.6%	3.0%
Communications	44,663,972	47,049,094	95	2.0%	1.9%
Cyclical sectors	50,702,125	46,995,262	108	2.3%	1.9%
Technology	31,756,559	39,255,888	81	1.4%	1.6%
Industry	41,403,083	37,525,233	110	1.9%	1.5%
Energy sector	33,041,595	36,662,200	90	1.5%	1.5%
Raw materials	32,539,108	34,720,987	94	1.5%	1.4%
Total	2,236,307,959	2,512,569,818	89	100.0%	100.0%

By **issuer country**, the majority of the portfolio is accounted for by debt securities of issuers from the countries with a high credit rating. The changed exposure to individual countries was mainly influenced by price fluctuations and tactical adjustments of some positions.

Debt securities of the Triglav Group by issuer country

Country of issuer	Debt securities		Index	Share	
	31 Dec. 2022	31 Dec. 2021	2022/2021	31 Dec. 2022	31 Dec. 2021
Germany	357,572,021	371,741,005	96	16.0%	14.8%
Slovenia	196,671,133	312,387,021	63	8.8%	12.4%
France	193,715,593	202,916,739	95	8.7%	8.1%
International financial institutions	169,288,879	153,800,111	110	7.6%	6.1%
Spain	133,738,698	154,859,010	86	6.0%	6.2%
Italy	121,071,901	133,591,273	91	5.4%	5.3%
USA	120,969,189	132,660,828	91	5.4%	5.3%
Croatia	116,405,899	113,080,581	103	5.2%	4.5%
Netherlands	97,151,100	90,155,239	108	4.3%	3.6%
Austria	67,733,516	66,664,263	102	3.0%	2.7%
Other	661,990,029	780,713,748	85	29.6%	31.1%
Total	2,236,307,959	2,512,569,818	89	100.0%	100.0%

Unit-linked life insurance contract investments data are excluded.

The Triglav Group set out strategic objectives relating to sustainability (see sections [4. Strategy and plans](#) and [12. Sustainable development](#) for more details). They are the basis for taking into account **environmental, social and governance (ESG) factors** in the management of the Group's investments and exercising its management rights when making decisions related to sustainable development with those issuers in its portfolio where this is possible.

The Group is increasing the **share of sustainable fixed-income investments** in line with its strategic ambitions. Their share in the bond portfolio almost doubled in 2021 compared to the previous year and further increased in 2022. As at the reporting date, sustainable fixed-income investments reached EUR 222.9 million, representing an 10.0% share of the bond portfolio.

Sustainable (ESG) fixed-income investments of the Triglav Group

	Sustainable fixed income investments			Share in debt securities		
	31 Dec. 2022	31 Dec. 2021	31 Dec. 2020	31 Dec. 2022	31 Dec. 2021	31 Dec. 2020
Social impact bonds*	98,060,591	83,630,721	33,278,595	4.4%	3.3%	1.3%
Green bonds**	110,964,143	104,433,167	67,424,385	5.0%	4.2%	2.6%
Sustainable bonds***	13,839,732	16,448,265	3,629,090	0.6%	0.7%	0.1%
Total ESG bonds	222,864,466	204,512,153	104,332,071	10.0%	8.1%	4.1%

* Bonds with a social impact are an instrument for funding social services.

** Green bonds are an instrument for funding environmental projects, the funds of which are intended for ecologically efficient products, technologies and processes, pollution prevention and control, sustainable management of natural resources, sustainable management of water resources, renewable energy use, energy efficiency and clean transport.

*** Sustainable bonds are an instrument for funding sustainability projects and a combination of green and social impact bonds. Funding is often conditional on achieving sustainability goals.

Equity investments, which comprise shares and other variable-income securities and investments in associates, amounted to EUR 272.6 million as at 31 December 2022. They accounted for 8.3% of the Group's entire portfolio, or 10.1% of the investment portfolio excluding unit-linked life insurance contract investments. The portfolio also includes the category *Other funds*, which comprises mostly alternative funds, among which the alternative fund managed by the associate Triglav holds a significant share. The total volume of the equity portfolio fell by 26% compared to the preceding year, which also resulted from the sale of certain investments.

The structure of equity investments of the Triglav Group

Equity investment type	Equity investments		Index	Share	
	31 Dec. 2022	31 Dec. 2021	2022/2021	31 Dec. 2022	31 Dec. 2021
Shares	60,621,118	128,582,339	47	22.2 %	35.0 %
Equity funds	50,307,701	85,330,024	59	18.5 %	23.3 %
Bond funds	52,981,904	62,836,072	84	19.4 %	17.1 %
Money market funds	7,530,672	4,177,739	180	2.8 %	1.1 %
Other funds	101,145,457	86,065,829	118	37.1 %	23.5 %
Total	272,586,851	366,992,003	74	100.0 %	100.0 %

Equity investments of the Triglav Group by region

Geographic area	Equity investments		Index	Share	
	31 Dec. 2022	31 Dec. 2021	2022/2021	31 Dec. 2022	31 Dec. 2021
Slovenia	54,651,955	103,490,296	53	20.0%	28.2%
Developed markets	201,749,712	244,542,137	83	74.0%	66.6%
Developing markets	12,033,289	13,588,353	89	4.4%	3.7%
Balkans	4,151,895	5,371,218	77	1.5%	1.5%
Total	272,586,851	366,992,003	74	100.0%	100.0%

Equity investments of the Triglav Group by issuer sector/activity²³

Issuer sector	Equity investments		Index	Share	
	31 Dec. 2022	31 Dec. 2021	2022/2021	31 Dec. 2022	31 Dec. 2021
Highly diversified activities	201,820,111	222,711,485	91	74.0%	60.7%
Non-cyclical sectors	35,201,684	75,540,556	47	12.9%	20.6%
Finance	18,627,715	25,015,182	74	6.8%	6.8%
Technology	4,895,154	12,932,690	38	1.8%	3.5%
Energy sector	443	12,679,131	0	0.0%	3.5%
Cyclical sectors	7,472,384	8,477,152	88	2.7%	2.3%
Public goods	3,111,515	3,428,188	91	1.1%	0.9%
Industry	1,018,292	3,399,847	30	0.4%	0.9%
Communications	438,941	2,210,403	20	0.2%	0.6%
Raw materials	612	597,371	0	0.0%	0.2%
Total	272,586,851	366,992,003	74	100.0%	100.0%

At **Zavarovalnica Triglav**, financial investments, including investment property, amounted to EUR 2,386.5 million as at 31 December 2022, down by 12%.

Financial investments of Zavarovalnica Triglav

	Financial investments		Index	Share	
	31 Dec. 2022	31 Dec. 2021	2022/2021	31 Dec. 2022	31 Dec. 2021
Investment property	43,377,173	43,840,055	99	2.3%	2.0%
Investments in subsidiaries and associates	227,312,214	173,618,679	131	12.0%	7.9%
Shares and other floating rate securities	151,148,306	204,009,208	74	8.0%	9.3%
Debt and other fixed return securities	1,446,813,411	1,736,539,693	83	76.3%	79.4%
Loans given	4,446,916	5,155,689	86	0.2%	0.2%
Deposits with banks	19,499,355	19,660,793	99	1.0%	0.9%
Other financial investments	3,264,537	3,278,363	100	0.2%	0.1%
Derivatives	0	20,317	0	0.0%	0.0%
Total (1)	1,895,861,912	2,186,122,797	87	100.0%	100.0%
Unit-linked insurance contract investments (2)	490,618,848	539,417,972	91		
Total (1+2)	2,386,480,760	2,725,540,769	88		

7.10 Investment in own-use real property and equipment

The Triglav Group invested EUR 10.1 million in property, plant and equipment and EUR 12.6 million in intangible assets (software and property rights). The parent company invested EUR 6.9 million in property, plant and equipment and EUR 9.0 million in intangible fixed assets.

By actively managing own-use real property and prudently investing in it, its value is being increased. In addition, its utilisation is being improved and its functionality increased. Renovation works are carried out in accordance with the Triglav Group's sustainable development guidelines, which include improved energy efficiency and a lower carbon footprint, in addition to better use of the premises. The rationalisation and optimisation of the premises takes place in accordance with the approved plan for 2021–2025. To this end, the energy and functional renovation of strategic real property, both for own use and investment, continued. In 2022, special attention continued to be paid to measures designed to protect health and ensure the safe use of real property for employees, clients, tenants and other users.

At Group level, minimum standards for flexible arrangement of workplace and points of sale are adopted, which comply with the international examples of good practice to modernise operations and make them more effective. If necessary, these standards will be updated according to new findings and guidelines in the business environment.

In 2022, the Company began to implement a **hybrid workplace** pilot project; for more information see Section [11.2 Transformation and digitalisation](#). Its implementation will result in a more modern and flexible arrangement, which will be better adapted to the different forms of employees' work (taking into account working from home), their need for rest during the working day and interaction, while being geared towards the better use of the premises.

IT support for real property management enables secure and complete record keeping, fast and accurate reporting and the implementation of various administration processes. In 2022, the IT support's software version was upgraded by including applications for investment management, cost management and energy accounting. Upgrades will be fully rolled out in 2023.

The value of the Group's real property and the excellent occupancy and profitability of investment property are maintained with systematic investment in real property of strategic importance and the sale of non-strategic real property. In 2022, several pieces of strategically less important real property was sold (business premises, land, holiday facilities). The sales process of one of the most important real property in the Company's portfolio, which was owned by Triglav, Upravljanje nepremičnin, was completed. In addition, the positive effects of the sale of the development land from 2021 were seen. Moreover, the project to rationalise own-use real property and locations was carried out.

7.11 Asset management

Asset management comprises the management of the parent company's own insurance portfolios (assets backing liabilities and guarantee funds), saving of clients through the Group's life and pension insurance companies, asset management by Triglav and the management of clients' assets in mutual funds and discretionary mandates by Triglav Skladi.

The value of assets under management of the Triglav Group as at 31 December 2022:²⁴

- own insurance portfolio: EUR 2,699.6 million (index 89),
- mutual funds and discretionary mandate assets at Triglav Skladi: EUR 1,389.5 million (index 90),
- investment management at Triglav: EUR 99.6 million (index 109).

Asset and investment fund management market

Due to high inflation, the war in Ukraine and the shutdown of the Chinese economy as a result of the COVID-19 pandemic, the prices of all major asset classes fell in the capital markets. According to the European Fund and Asset Management Association (EFAMA), the volume of **the European asset management market** (investment funds and discretionary mandates) decreased by EUR 3.8 trillion or 12% by Q3 2022, which is primarily due to the fall in the value of the markets, while inflows into the funds were also under pressure. By the end of October, outflows from UCITS funds reached EUR 238 billion, with EUR 78 billion outflow from equity funds, EUR 26 billion from money market funds and EUR 160 billion from bond funds. Net inflows of EUR 25 billion were attracted by multi-asset funds.

Alternative investment funds (AIF) also experienced outflows of EUR 117 billion by the end of October. The European investment fund industry (UCITS funds) managed EUR 12 trillion, while AIF managed EUR 7.1 trillion at the end of October.

As at 31 December 2022, a total of five asset management companies operated in Slovenia, which managed the total net asset value of EUR 3.9 billion in **mutual funds**, down by 9% relative to the year before. The decrease was a result of the decline in value on the capital markets, but in contrast to the European market, net inflows in Slovenia were positive and amounted to EUR 209 million. **As at 31 December 2021, Triglav Skladi held a 31.3% market share** (vs. 31.8% in 2021), remaining one of the leading managers of assets in investment funds in the Slovenian market. With respect to mutual funds, the company offers 18 different investment policies: conservative investments (two bond funds and a money market fund), moderately risky investments (flexible, mixed and defensive funds) and dynamic equity investments (equity funds). As at 31 December 2022, the company managed the portfolio of 110,000 investors worth **EUR 1.2 billion in mutual funds**, down by 10% compared to the year before. The value of net assets under management increased by EUR 68.0 million due to net inflows and decreased by EUR 205.0 million due to the situation in the capital markets. The net effect was therefore reflected in a decrease in the value of net assets of EUR 137.1 million.

A total of six companies provided **discretionary mandate services**, of which four were asset management companies. As at 31 December 2022, the latter managed EUR 2.5 billion in discretionary mandate assets, up by 34% relative to the previous year. Triglav Skladi held a 6.2% market share in the discretionary mandate segment (vs. 9.0% in 2021). Triglav Skladi's discretionary mandate assets amounted to EUR 154.5 million. Despite positive inflows of EUR 9.3 million, they decreased by EUR 12.7 million relative to the previous year due to the drop in value in the capital markets.

In addition to mutual funds, the company also offers six investment combinations as predefined structured mutual fund baskets, which correspond to the risk profiles of six different client segments.

In Bosnia and Herzegovina, the Group is present on the asset management market via **Triglav Fondovi**, which manages two open-end funds.

Triglav Skladi, as the Group's main asset management company, also manages the Group's unit-linked life insurance assets; this includes implementing the Financial Objectives investment strategy, which enables clients to actively adjust their portfolios according to the lifecycle principle, and Active Investment Packages, which correspond to different client segments adjusted to the risk profile. In addition, Triglav Skladi manages five portfolios of guarantee funds backing supplemental voluntary pension insurance: Triglav Drzni, Triglav Zmerni, Delniški Skupni pokojninski sklad, Mešani Skupni pokojninski sklad and Obvezniški Skupni pokojninski sklad.

Integration of environmental, social and governance (ESG) aspects into asset management²⁵

Asset management may help to achieve higher returns in the long run by taking into account key sustainability risks. The Triglav Zeleni equity fund is a sustainability fund that complies with Article 8 of Regulation (EU) 2019/2088 on sustainability-related disclosures in the financial services sector. It primarily pursues an environmental goal, namely striving to implement the Paris Agreement as regards the limitation of the increase in the average global temperature by 1.5 °C compared to the pre-industrial era. Moreover, the company pays attention to social impacts and does not invest in companies when it is clear that there were serious problems and incidents related to human rights.²⁶

In the management of financial instruments, clients were offered the new GFI Equity – Socially Responsible investment policy, which complies with Article 8 of Regulation (EU) 2019/2088. The aforementioned investment policy pursues the MSCI Climate Paris Aligned Index, which is committed to exceeding the standards adopted in the Paris Agreement. When making investment decisions, the company therefore considers the carbon footprint and exposure to companies operating in the fossil fuel sector as the principal adverse impact (PAI). Through a careful review of each investment, it is checked whether a company ensures minimum protective measures related to good corporate governance.

Active ownership²⁷

In the context of the investment process, the possibility to influence the corporate governance of companies in the portfolio is assessed, when ownership rights and the size of the participating interest allow it. Active ownership is key for the adoption of better business policies and practices of companies (or issuers of financial instruments) and improves their performance. It is exercised through communication with the issuer or through the exercise of rights deriving from financial instruments, and include participation, voting and proposing agenda items at issuers' general meetings.

See Section [11.3 Development activities related to asset management](#) for more information on strengthening the asset management activity.

8. Financial result of the Triglav Group and Zavarovalnica Triglav

The Triglav Group performed well in 2022 despite the deteriorated economic situation. Consolidated profit before tax amounted to EUR 134.5 million, up by 1% compared to the previous year. Net profit of EUR 110.2 million fell by 2%. The increased business volume and the release of claims provisions created in past periods effectively compensated for higher gross claims paid and gross operating expenses due to the higher activity of households and businesses, rising inflation and other impacts from the environment. In estimating claims provisions, the trends of the best estimate introduced by IFRS 17 were followed, bringing their amount closer to the estimated value according to IFRS 17. Return on investment decreased due to the unfavourable situation in the financial markets and the impairment of investments. Gains on disposal of investment property and some equity investments also had a positive impact on profit. Net return on equity increased by 0.5 percentage point to 13.1%.

Zavarovalnica Triglav posted a profit before tax of EUR 140.4 million, an increase of 64% over the previous year. In addition to the aforementioned one-off events, the growth was largely influenced by income from dividend payments from subsidiaries. Net profit also grew by 64% and totalled EUR 120.5 million. Net return on equity of the parent company increased by 8.5 percentage points to 19.6%.

The Group's combined ratio in non-life and health insurance was within the favourable long-term target range and stood at 88.1%, down by 0.8 percentage point relative to 2021. The decrease is the result of an improved claims ratio (by 2.0 percentage points to 59.4%), which was influenced by the growth of net premium income and the release of claims provisions. On the other hand, the increase in operating expenses and other insurance expenses affected the higher expense ratio (up by 1.2 percentage points to 28.7%).

The combined ratios in the Triglav Group and individual insurance companies

Insurance company	2022	2021	Change
Zavarovalnica Triglav	77.2%	81.8%	-4.6 p.p.
Triglav, Zdravstvena zavarovalnica	99.7%	96.0%	3.8 p.p.
Pozavarovalnica Triglav Re	93.2%	90.5%	2.7 p.p.
Triglav Osiguranje, Zagreb	103.9%	98.8%	5.2 p.p.
Triglav Osiguranje, Belgrade	99.7%	99.7%	0.0 p.p.
Lovćen Osiguranje, Podgorica	89.9%	93.7%	-3,8 p.p.
Triglav Osiguranje, Sarajevo	91.3%	98.0%	-6.6 p.p.
Triglav Osiguranje, Banja Luka	102.6%	112.1%	-9.5 p.p.
Triglav Osiguruvanje, Skopje	101.0%	102.1%	-1.1 p.p.
The Triglav Group	88.1%	88.9%	-0.8 p.p.

- The Triglav Group generated a profit before tax of EUR 134.5 million.
- The Group's combined ratio was favourable at 88.1%, remaining within the target range.
- Higher interest rates and the fall in the prices of shares on the financial markets affected the lower return on investment of the Group.

8.1 Total revenue, net premium income, claims incurred and operating expenses

Total revenue increased by 10% and amounted to EUR 1,599.3 million. It is composed of gross written insurance and coinsurance premiums in the amount of EUR 1,479.6 million (index 109), other insurance income in the amount of EUR 59.9 million (index 123) and other income in the amount of EUR 59.8 million (index 112).

Net premium income rose by 6% to EUR 1,189.9 million. Net premium income from non-life insurance grew by 7%, from life and pension insurance by 6% and from health insurance by 3%. Net premium income comprises gross written premium in the amount of EUR 1,479.6 million less written premium ceded to reinsurance and coinsurance in the amount of EUR 255.0 million (index 115) and adjusted by the change in net unearned premium of EUR –34.7 million (compared to –12.2 million in the previous year).

Net claims incurred of EUR 746.7 million were higher by 4%. The highest growth (17%) was recorded in the health insurance segment due to higher gross claims paid to compensate for the healthcare services that were unavailable due to the pandemic last year. Net claims incurred in non-life insurance increased by 2%, whereas in life and pension insurance they fell by 1%. Net claims incurred comprise gross claims paid in the amount of EUR 832.2 million (index 113) less reinsurers' and coinsurers' shares in gross claims paid in the amount of EUR 59.9 million (index 133), adjusted by the change in net claims provisions of EUR –33.0 million (higher by EUR 16.2 million in 2021) and increased by equalisation scheme expenses for supplemental health insurance in the amount of EUR 7.4 million (index 103).

Operating expenses (acquisition costs and other operating expenses) amounted to EUR 301.9 million, up by 13%. *Acquisition costs* rose by 14%, predominantly due to premium growth, a higher volume of business based on the principle of free movement of services (FOS) in the EU and a higher premium volume from insurance policies taken out via external sales channels. *Other operating expenses* went up by 10%. The share of *operating expenses from insurance operations* (includes all functional cost groups) in gross written premium was 22.9%, up by 0.7 percentage point compared to the year before. See Section [7.7 Gross operating expenses](#) for more information on operating expenses.

8.2 Income and expenses from financial assets

Income, expenses and return on investment of the Triglav Group

	2022			2021		
	Income and expenses from investments, including unit-linked insurance assets	Income and expenses from unit-linked life insurance assets (VEP – unit value)*	Income and expenses from investments and return on investment (excluding VEP – unit value)	Income and expenses from investments, including unit-linked insurance assets	Income and expenses from unit-linked life insurance assets (VEP – unit value)*	Income and expenses from investments and return on investment (excluding VEP – unit value)
INCOME FROM FINANCIAL ASSETS	93,398,564	8,374,638	85,023,926	156,783,225	87,798,280	68,984,945
- profit on investments in associates and joint ventures accounted for by using the equity method	1,842,183		1,842,183	1,444,054		1,444,054
- interest	34,401,619	556,163	33,845,456	34,281,279	1,702,475	32,578,804
- dividends	6,151,738	1,207,406	4,944,332	6,069,730	1,030,544	5,039,186
- change in the fair value	5,085,853	3,968,877	1,116,976	90,078,182	75,804,534	14,273,648
- gains on disposal	37,775,442	572,224	37,203,218	16,301,340	6,106,275	10,195,065
- other financial income	8,141,729	2,069,968	6,071,761	8,608,640	3,154,452	5,454,188
EXPENSES FROM FINANCIAL ASSETS AND LIABILITIES	201,644,899	100,931,963	100,712,936	31,978,417	5,483,554	26,494,863
- loss on investments in associates and joint ventures accounted for by using the equity method	0		0	145,631		145,631
- interest	0		0	0		0
- change in the fair value	132,594,207	94,635,781	37,958,426	16,138,516	4,087,778	12,050,738
- losses on disposal	50,341,763	5,725,743	44,616,020	7,122,739	937,693	6,185,046
- permanent impairment	9,034,736	0	9,034,736	33,629	0	33,629
- other financial expenses	9,674,193	570,439	9,103,754	8,537,902	458,083	8,079,819
Return on investment			-15,689,010			42,490,082

* The effect of the return on unit-linked life insurance contract investments (VEP – unit value) must be considered together with the change in insurance technical provisions for unit-linked insurance contracts and, therefore, it has no effect on the return on investment.

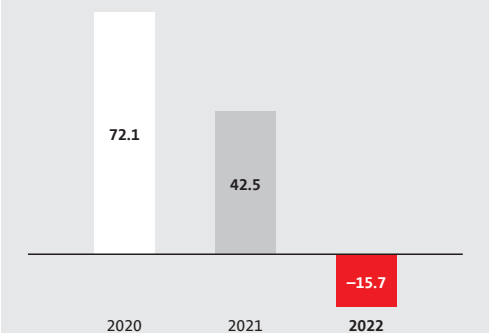
Income from investments, including income from investments in associates and unit-linked insurance contract investments, decreased by 40% to EUR 93.4 million. Gains on disposal of investments increased by 132% to EUR 37.8 million, primarily due to disposal of some equity investments, while interest income of EUR 34.4 million remained at the level of the previous year (index 100). Changes in the fair value decreased to EUR 5.1 million (compared to EUR 90.1 million last year), mainly as a result of rising interest rates. Other financial income dropped to EUR 8.1 million (index 95), whereas income from dividends in the amount of EUR 6.2 million was slightly higher than last year (index 101).

Expenses from investments, including expenses from investments in associates and unit-linked insurance contract investments, increased to EUR 201.6 million (index 631). Due to the fall in the value of bonds resulting from the rise in interest rates and the decrease in the value of equity investments, expenses from changes in the fair value rose to EUR 132.6 million (compared to EUR 16.1 million in the previous year). Due to higher interest rates and consequently lower bond prices, losses on disposal increased, amounting to EUR 50.3 million (index 707). Other financial expenses were higher by 13% and totalled EUR 9.7 million. Return on investment in 2022 was also significantly affected by the permanent impairment of Russian bonds, amounting to EUR 9.0 million.

Unit-linked life insurance contract investments decreased due to the fall in share prices to which the majority of policyholders' investments under these insurance contracts are tied (a drop in prices of fund units).

The Group's return on investment (excluding unit-linked insurance contract investments) was negative and amounted to EUR –15.7 million (compared to EUR 42.5 million in the preceding year). The decrease in the value of equity and bond investments resulted from the situation in the financial markets caused by rising interest rates and share price falls, which was reflected in higher net expenses due to changes in the fair value and lower realised net capital gains.

Return on investment of the Triglav Group (excluding unit-linked life insurance contract investments) in 2020–2022



Income, expenses and return on investment of Zavarovalnica Triglav

	2022			2021		
	Income and expenses from investments, including unit-linked insurance assets	Income and expenses from unit-linked life insurance assets (VEP – unit value)*	Income and expenses from investments and return on investment (excluding VEP – unit value)	Income and expenses from investments, including unit-linked insurance assets	Income and expenses from unit-linked life insurance assets (VEP – unit value)*	Income and expenses from investments and return on investment (excluding VEP – unit value)
INCOME FROM FINANCIAL ASSETS	97,581,935	3,813,608	93,768,327	123,792,784	79,523,179	44,269,605
- profit on investments in associates and joint ventures accounted for by using the equity method	0		0	0		0
- interest	19,662,989	103,243	19,559,746	19,863,123	86,419	19,776,704
- dividends	37,859,760	597,236	37,262,524	12,824,634	473,710	12,350,924
- change in the fair value	2,065,425	2,009,301	56,124	73,502,582	71,590,148	1,912,434
- gains on disposal	34,325,465	561,193	33,764,272	14,888,504	5,941,140	8,947,364
- other financial income	3,668,296	542,635	3,125,661	2,713,941	1,431,763	1,282,178
EXPENSES FROM FINANCIAL ASSETS AND LIABILITIES	153,435,580	86,916,160	66,519,420	19,453,734	3,763,418	15,690,316
- loss on investments in associates and joint ventures accounted for by using the equity method	0		0	0		0
- interest	0		0	0		0
- change in the fair value	89,339,217	80,992,271	8,346,946	6,127,181	2,777,976	3,349,205
- losses on disposal	46,526,684	5,641,837	40,884,847	6,870,017	837,707	6,032,310
- permanent impairment	10,353,228	0	10,353,228	1,066,400	0	1,066,400
- other financial expenses	7,216,451	282,052	6,934,399	5,390,136	147,734	5,242,402
Return on investment			27,248,906			28,579,288

* The effect of the return on unit-linked life insurance contract investments (VEP – unit value) must be considered together with the change in insurance technical provisions for unit-linked insurance contracts and, therefore, it has no effect on the return on investment.

Zavarovalnica Triglav's return on investment (excluding unit-linked insurance contract investments) amounted to EUR 27.2 million, down by 5% over the previous year. The generated income was mainly positively influenced by higher dividend payments from subsidiaries, dividends from listed companies and realised gains on disposal of equity investments. The main negative impact was realised losses on disposal of bond investments. Higher impairments of investments mostly include impairments of Russian bond investments, equity and bond funds, and capital investments of subsidiaries.

8.3 Change in other insurance technical provisions and other income and expenses

Other insurance technical provisions fell by EUR 79.0 million (compared to EUR 2.1 million in the previous year), predominantly due to the decline in mathematical provisions (EUR –67.6 million) and other insurance technical provisions for health insurance (EUR –11.5 million). In health insurance, the bulk (EUR 6.3 million) refers to the release of provisions for unexpired risks defined in the Act Determining Temporary Measures to Mitigate and Remedy the Consequences of COVID-19 (PKP5), which stipulated that the provisions are also intended for the payment of healthcare services in the share of supplemental health insurance until they are used up or until the measure expires at the end of 2024.

Change in insurance technical provisions for unit-linked insurance contracts was negative in the amount of EUR 43.8 million (in 2021 these provisions rose by EUR 112.7 million) due to a decrease in price of fund units. The majority of **expenses for bonuses and discounts** of EUR 10.8 million (index 95) are accounted for by expenses of the parent company (EUR 9.2 million), down by 13% as a result of lower provisions for bonuses.

Other insurance income, excluding fees and commissions, increased by 9% and reached EUR 10.8 million. The growth is primarily the result of higher income from external recovery and the elimination of impairment adjustment, as well as higher interest income from subrogation receivables. **Other insurance expenses**, excluding fees and commissions, grew by 22% to EUR 20.5 million, mainly due to higher contributions to cover uninsured vehicles and higher recovery costs of the health insurer. **Net fee and commission income** rose by 164% to EUR 10.2 million primarily due to the high growth of written premium ceded to reinsurance.

Other income was up by 12%, amounting to EUR 59.8 million. Its high growth mainly resulted from higher income from the sale of investment property. More than half of other income is accounted for by income from the management of clients' assets in the amount of EUR 30.6 million, up by 1% relative to the year before. **Other expenses** amounted to EUR 70.8 million (index 121), the bulk of which is accounted for by expenses of the Group's non-insurance companies.

Income statement of the Triglav Group

	2022	2021	Index
Net premium income	1,189,905,615	1,119,846,051	106
- gross written premium	1,479,557,087	1,352,975,550	109
- ceded written premium	-254,986,410	-220,949,875	115
- change in unearned premium reserve	-34,665,062	-12,179,624	285
Income from investments in subsidiaries and associates	1,842,183	1,444,054	128
- profit on equity investments accounted for using the equity method	1,842,183	1,444,054	128
- other income from investments in subsidiaries and associates	0	0	0
Income from investments	91,556,381	155,339,171	59
- interest income calculated using the effective interest method	34,401,619	34,281,279	100
- gains on disposals	37,775,442	16,301,340	232
- other income from investments	19,379,320	104,756,552	18
Other income from insurance operations	59,934,985	48,794,300	123
- fee and commission income	49,184,889	38,916,088	126
- other income from insurance operations	10,750,096	9,878,212	109
Other income	59,826,129	53,334,060	112
Net claims incurred	746,732,431	715,028,788	104
- gross claims paid	832,230,541	736,580,050	113
- reinsurers' share	-59,907,680	-44,884,460	133
- changes in claims provisions	-32,975,668	16,152,394	
- equalisation scheme expenses for supplemental health insurance	7,385,238	7,180,804	103
Change in other insurance technical provisions (excluding ULI)	-79,041,779	-2,113,408	3,740
Change in insurance technical provisions for unit-linked insurance contracts	-43,787,917	112,661,349	
Expenses for bonuses and discounts	10,798,750	11,404,143	95
Operating expenses	301,928,130	266,857,908	113
- acquisition costs	211,429,288	184,911,170	114
- other operating expenses	90,498,842	81,946,738	110
Expenses from investments in subsidiaries and associates	0	145,632	0
- loss on investments accounted for using the equity method	0	145,632	0
- other expenses from financial assets and liabilities	0	0	0
Expenses from investments	201,644,899	31,832,786	633
- loss on impairment of investments	9,034,736	33,628	26,867
- loss on disposal on investments	50,341,763	7,122,739	707
- other expenses from investments	142,268,400	24,676,419	577
Other insurance expenses	59,496,583	51,915,940	115
Other expenses	70,753,966	58,379,653	121
- expenses from financing	2,731,227	2,729,286	100
- other expenses	68,022,739	55,650,367	122
Profit before tax	134,540,230	132,644,845	101
Income tax expense	24,323,552	19,679,152	124
Net profit for the period	110,216,678	112,965,693	98
Net profit/loss attributable to the controlling company	110,459,978	112,761,814	98
net profit/loss attributable to the non-controlling interest holders	-243,300	203,879	

Financial result ratios of the Triglav Group

Financial result ratios	2022	2021	2020
Loss ratio	59.4%	61.4%	63.1%
Expense ratio	28.7%	27.5%	28.1%
Combined ratio	88.1%	88.9%	91.2%
Operating expenses of insurance business in gross written premiums	22.9%	22.2%	22.1%
Gross written premium per company employee* (in EUR)	317,611	292,523	268,516

* The average number of employees at the insurance companies and the reinsurance company of the Triglav Group was taken into account.

The structure of profit before tax from insurance operations of the Triglav Group*

	2022				2021			
	Non-life	Life and pension	Health	Total	Non-life	Life and pension	Health	Total
Profit before tax from underwriting activities	86,754,031	15,929,355	3,019,458	105,702,844	79,745,847	13,457,141	7,197,026	100,400,014
Profit before tax from investment activities	17,248,981	643,965	-1,030,725	16,862,221	17,490,477	6,171,883	788,554	24,450,914
Profit before tax from insurance operations	104,003,012	16,573,320	1,988,733	122,565,066	97,236,324	19,629,024	7,985,580	124,850,928
Profit before tax from non-insurance operations				11,975,163				7,793,918
Total profit before tax				134,540,230				132,644,845

* Profit from return on investment is reduced by the return guaranteed by the Group's insurance companies to life insurance policyholders in the form of a guaranteed return determined in insurance contracts. In addition, return on investment is reduced by the increase in mathematical provisions due to lower internally set maximum interest rate used for the valuation of life insurance liabilities.

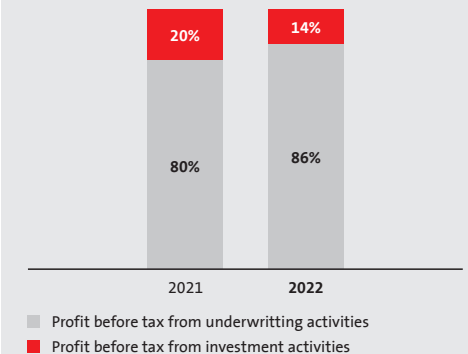
Profit before tax of the Group's **non-life and health insurance** segments amounted to EUR 106.0 million, up by 1% or EUR 0.8 million relative to the preceding year. The higher profit from non-life insurance underwriting activities was influenced by higher premium volume and a partial release of claims provisions created in previous years. The decrease in profit from health insurance underwriting activities was mainly influenced by the high increase in the frequency of supplemental health insurance claims. The decrease in profit from financial investments was influenced by the negative result of health insurance due to losses on disposal of investments and the impairment of bonds.

Profit before tax of the Group's **life and pension insurance** segments amounted to EUR 16.6 million, down by EUR 3.1 million relative to the previous year. Zavarovalnica Triglav's profit amounted to EUR 19.2 million, an increase of EUR 12.1 million compared to the year before. It was largely influenced by the release of additional provisions from the liability adequacy test in the amount of EUR 16.8 million. The rise in interest rates on the financial markets also resulted in a decrease in the value of investments,

but these were mostly offset by the reduction of provisions created in the past within mathematical provisions. The exception were the provisions for failing to achieve the guaranteed return on pension insurance, which were created for this purpose in the amount of EUR 4.5 million. The parent company's profit before tax was also influenced by higher profit before tax from life insurance underwriting activities of EUR 5.3 million, the lower cost of life insurance indexation of EUR 1.2 million as a result of rising inflation and higher operating expenses in the amount of EUR 4.0 million. Profit before tax of other Group members is lower by EUR 14.8 million, primarily due to additional provisions for failing to achieve the guaranteed return at Triglav, pokojninska družba. In 2021, the Group released EUR 7.8 million in provisions as a result of the LAT; in 2022, the Group formed provisions for failing to achieve the guaranteed return on pension insurance in the amount of EUR 5.1 million.

Profit before tax of **non-insurance operations** reached EUR 12.0 million. Compared to last year, it was higher by EUR 4.2 million mainly due to the realisation of gains on disposal of investment property.

The structure of profit before tax of the Triglav Group in 2022 and 2021



Income statement of Zavarovalnica Triglav

	2022	2021	Index
Net premium income	627,675,389	598,755,000	105
- gross written premium	868,863,623	794,350,103	109
- ceded written premium	-222,977,014	-187,969,749	119
- change in unearned premium reserve	-18,211,220	-7,625,354	239
Income from investments in subsidiaries and associates	32,887,342	8,179,885	402
- profit on equity investments accounted for using the equity method	0	0	0
- other income from investments in subsidiaries and associates	32,887,342	8,179,885	402
Income from investments	64,694,593	115,612,898	56
- interest income calculated using the effective interest method	19,620,922	19,685,884	100
- gains on disposals	34,325,465	14,888,504	231
- other income from investments	10,748,206	81,038,510	13
Other income from insurance operations	58,536,290	45,387,033	129
- fee and commission income	50,904,726	38,196,377	133
- other income from insurance operations	7,631,564	7,190,656	106
Other income	11,036,337	8,825,846	125
Net claims incurred	346,407,269	365,137,225	95
- gross claims paid	452,455,851	408,868,382	111
- reinsurers' share	-49,939,407	-35,818,958	139
- changes in claims provisions	-56,109,175	-7,912,199	709
Change in other insurance technical provisions (excluding ULI)	-56,716,599	-13,989,227	405
Change in insurance technical provisions for unit-linked insurance contracts	-47,072,818	91,860,583	
Expenses for bonuses and discounts	9,167,812	10,490,736	87
Operating expenses	194,264,584	170,334,866	114
- acquisition costs	142,569,005	124,268,560	115
- other operating expenses	51,695,579	46,066,306	112
Expenses from investments in subsidiaries and associates	4,002,475	1,087,047	368
- loss on investments accounted for using the equity method	0	0	0
- other expenses from financial assets and liabilities	4,002,475	1,087,047	368
Expenses from investments	149,433,105	18,366,687	814
- loss on impairment on investments	6,433,441	0	0
- loss on disposal on investments	46,526,684	6,870,017	677
- other expenses from investments	96,472,980	11,496,670	839
Other insurance expenses	27,910,368	25,298,497	110
Other expenses	27,075,891	22,485,637	120
- expenses from financing	2,289,560	2,277,892	101
- other expenses	24,786,331	20,207,745	123
Profit before tax	140,357,864	85,688,611	164
Income tax expense	19,885,791	12,273,062	162
Net profit for the period	120,472,073	73,415,549	164

Financial result ratios of Zavarovalnica Triglav

Financial result ratios	2022	2021	2020
Return on equity	19.6%	11.1%	9.5%
Loss ratio	45.2%	50.4%	54.8%
Expense ratio	32.0%	31.4%	31.3%
Combined ratio	77.2%	81.8%	86.1%
Operating expenses of insurance business in gross written premiums	25.5%	24.6%	25.0%

9. Financial position of the Triglav Group and Zavarovalnica Triglav

- Despite the challenging situation in the financial markets, the Triglav Group maintained its financial strength and capital adequacy around the lower end of its target range.
- Balance sheet total of the Triglav Group as at 31 December 2022 stood at EUR 4.1 billion, down by 6% relative to the preceding year.
- Total equity of the Triglav Group and Zavarovalnica Triglav decreased due to the reduction of fair value reserve as a result of the situation in the financial markets and a higher dividend payout.

9.1 Equity and liabilities

The Group's total equity as at 31 December 2022 amounted to EUR 752.8 million, down by 19% relative to the preceding year, while **Zavarovalnica Triglav's total equity** declined by 18% to EUR 552.1 million. The decrease in value is predominantly the result of a decrease in fair value reserve and a higher dividend payout. Total equity in the Group's total balance sheet liabilities declined by 3.1 percentage points to 18.2%. Equity attributable to the controlling company fell by 19% to EUR 749.4 million. The non-controlling interests increased to EUR 3.4 million (index 137), mainly due to the inclusion of Triglav Fondovi in the consolidated financial statements under the full consolidation method. The share capital of EUR 73.7 million remained unchanged and was divided into 22,735,148 ordinary shares. Due to the decrease in the value of available-for-sale financial assets, the Group's **other comprehensive income** was negative in the amount of EUR -97.9 million (in 2021 other comprehensive income was positive in the amount of EUR 101.5 million). As a result, **fair value reserve** decreased and amounted to EUR -129.5 million as at 31 December 2022 (compared to EUR 77.8 million as at 31 December 2021). **Share premium** amounted to EUR 50.3 million and remained at a level approximately equal to the 2021 year-end (index 100).

Reserves from profit in the amount of EUR 481.8 million grew by 14% relative to the year before and comprise legal and statutory reserves in the amount of EUR 20.3 million, contingency reserves of EUR 640 thousand and other reserves from profit of EUR 460.9 million. Other reserves from profit rose by EUR 60.2 million due to the allocation of net profit for the year.

The Group's net profit brought forward amounted to EUR 225.9 million (index 96). It grew by EUR 75.4 million due to the transfer of net profit for the preceding year and fell by EUR 84.0 million due to the dividend payment. **Net profit for the year** disclosed in the balance sheet amounted to EUR 53.6 million and, due to the allocation of part of the net profit to other reserves from profit, was EUR 60.2 million lower than net profit disclosed in the income statement.

Subordinated liabilities equalled EUR 49.5 million and were at a level approximately equal to the 2021 year-end (index 100).

Gross insurance technical provisions totalled EUR 3,100.0 million, down by 3%. They represented 75.1% of total balance sheet liabilities, up by 2.0 percentage points relative to the preceding year. Mathematical provisions and insurance technical provisions for unit-linked life insurance contracts in the amount of EUR 1,937.8 million declined by 6%; other insurance technical provisions (index 75) and claims provisions (index 99) also fell. In contrast, provisions for gross unearned premium increased (index 112). The Group's insurance technical provisions are discussed in greater detail in Section [7.8 Risk equalisation](#).

Operating liabilities rose by 48% over the 2021 year-end and amounted to EUR 93.8 million, thus representing 2.3% of balance sheet total. Their growth was primarily influenced by a 47% increase in liabilities from reinsurance and coinsurance operations (EUR 60.8 million), mainly due to high growth of liabilities for reinsurance premium. High growth was also recorded by current tax liabilities, which increased to EUR 11.5 million due to higher profit before tax (index 432).

Lease liabilities totalled EUR 10.8 million (index 95) as at the reporting date and comprise long-term lease liabilities of EUR 9.5 million (index 95) and short-term lease liabilities of EUR 1.2 million (index 99).

Other liabilities rose by 17% to EUR 100.2 million, mainly due to higher short-term liabilities for advances received, higher provisions for accrued costs of insurance acquisition fees and commissions and an increase in liabilities to employees at the parent company. The increase was also influenced by higher accrued equalisation scheme expenses for supplemental health insurance.

Employee benefits of EUR 17.4 million declined by 1% and **other provisions** by 15% to EUR 2.1 million.

Due to declines in the value of financial assets and the resulting negative fair value reserve, deferred tax assets of EUR 41.0 million were recognised at the 2022 year-end, while due to positive fair value reserve at the 2021 year-end, **deferred tax liabilities** in the amount of EUR 9.4 million were disclosed.

Other financial liabilities amounted to EUR 1.9 million, down by 39%, mainly due to the write-off of expired liabilities for unpaid dividends.

9.2 Assets

Financial investments, representing 62.8% of total assets, amounted to EUR 2,593.1 million, down by 12% relative to the 2021 year-end. The decrease in their value was primarily a result of the rise in interest rates on the financial markets and the fall in value on the stock markets. The bulk of financial assets was accounted for by available-for-sale financial assets, which totalled EUR 1,810.8 million (index 85). Furthermore, held-to-maturity financial investments amounted to EUR 456.5 million (index 290), financial investments measured at fair value through profit or loss amounted to EUR 199.3 million (index 37) and deposits and loans to EUR 126.5 million (index 129). In order to manage higher interest rates and reduce fluctuations in the value of SVPI guaranteed pension funds, the share of bond investments valued at amortized cost using the effective interest method and classified as held-to-maturity financial investments was increased. **Unit-linked insurance assets** amounted to EUR 571.9 million, down by 8%. See Section [7.9 Investment structure of the Triglav Group and Zavarovalnica Triglav](#) for more information on the structure of financial investments.

The Group's financial investments in associates of EUR 37.8 million were 5% higher compared to 31 December 2021. **Zavarovalnica Triglav's financial investments in subsidiaries and associates** rose by 31% and totalled EUR 227.3 million. Their increase is the result of the capital increase of Triglav, pokojninska družba, Triglav INT and Triglav penzisko društvo, Skopje (see Section [2.7.4 Composition of the Triglav Group](#) for more information).

Investment property in the amount of EUR 68.4 million decreased by 9% due to the sale of investment property.

Receivables, representing 6.5% of total balance sheet assets, grew by 27% compared to the preceding year and amounted to EUR 269.1 million, of which receivables from direct insurance operations of EUR 145.7 million (index 125) accounted for the bulk. Receivables from reinsurance and coinsurance operations reached EUR 81.3 million (index 121), other receivables stood at EUR 35.5 million (index 147) and current tax receivables at EUR 6.7 million (index 162). Due to the negative value of fair value reserve, **deferred tax assets** increased to EUR 40.3 million (compared to EUR 927 thousand as at 31 December 2021).

Insurance technical provisions transferred to reinsurance contracts grew by 20% and amounted to EUR 209.8 million. Assets from reinsurance contracts from claims provisions were 23% higher and totalled EUR 147.2 million, assets from unearned premium grew by 9% to EUR 57.7 million and assets from mathematical provisions rose by 56% to EUR 8.8 million.

Intangible assets totalled EUR 112.5 million, up by 5% due to increased long-term deferred acquisition costs. **Property, plant and equipment** amounted to EUR 108.0 million, down by 1% relative to the 2021 year-end.

Right-of-use assets amounted to EUR 10.4 million, down by 5% relative to 31 December 2021. They comprise the right to use land and buildings of EUR 8.3 million (index 96), the right to use vehicles of EUR 2.1 million (index 92) and the right to use other assets of EUR 37 thousand (index 43).

Non-current assets held for sale of EUR 2.2 million declined by 43% due to the sale of real property.

Cash and cash equivalents totalled EUR 98.5 million (index 120) and **other assets** equalled EUR 6.3 million (index 130).

Financial position ratios of the Triglav Group

Financial position ratios	2022	2021	2020
Equity to total liabilities ratio	18.2%	21.3%	21.0%
Average equity balance as % of gross written premium	57.0%	66.6%	67.4%
Return on equity	13.1%	12.5%	8.9%
Gross insurance technical provisions to total liabilities ratio	75.1%	73.1%	73.3%
Average balance of gross insurance technical provisions as % of gross written premium	212.9%	230.3%	239.6%
Financial assets to total assets ratio	76.7%	81.3%	81.9%
Financial assets to gross insurance technical provisions	102.1%	111.2%	111.7%

Balance sheet of the Triglav Group

	31 December 2022	31 December 2021	Index	Share 2022	Share 2021
ASSETS	4,128,824,920	4,374,353,616	94	100.0%	100.0%
Intangible assets	112,459,749	107,184,415	105	2.7%	2.5%
Property, plant and equipment	107,998,468	108,655,212	99	2.6%	2.5%
Non-current assets held for sale	2,182,419	3,812,044	57	0.1%	0.1%
Deferred tax assets	40,971,447	927,425	4,418	1.0%	0.0%
Investment property	68,377,495	75,110,973	91	1.7%	1.7%
Right-of-use assets	10,367,625	10,933,109	95	0.3%	0.2%
Investments in associates	37,810,184	36,031,346	105	0.9%	0.8%
Financial investments	2,593,109,846	2,937,700,150	88	62.8%	67.2%
- loans and deposits	126,526,363	98,104,537	129	3.1%	2.2%
- held to maturity	456,469,434	157,560,733	290	11.1%	3.6%
- available for sale	1,810,796,092	2,137,609,082	85	43.9%	48.9%
- recognised at fair value through profit or loss	199,317,957	544,425,798	37	4.8%	12.4%
Unit-linked insurance assets	571,866,521	619,617,488	92	13.9%	14.2%
Reinsurers' share of technical provisions	209,799,017	174,839,890	120	5.1%	4.0%
Receivables	269,140,646	212,376,909	127	6.5%	4.9%
- receivables from direct insurance operations	145,702,112	116,855,207	125	3.5%	2.7%
- receivables from reinsurance and coinsurance operations	81,261,176	67,200,932	121	2.0%	1.5%
- current tax receivables	6,704,693	4,127,384	162	0.2%	0.1%
- other receivables	35,472,665	24,193,386	147	0.9%	0.6%
Other assets	6,280,050	4,843,025	130	0.2%	0.1%
Cash and cash equivalents	98,461,452	82,321,630	120	2.4%	1.9%
EQUITY AND LIABILITIES	4,128,824,920	4,374,353,616	94	100.0%	100.0%
Equity	752,798,862	932,986,869	81	18.2%	21.3%
Controlling interests	749,398,340	930,511,224	81	18.2%	21.3%
- share capital	73,701,392	73,701,392	100	1.8%	1.7%
- share premium	50,304,674	50,283,747	100	1.2%	1.1%
- reserves from profit	481,833,959	421,633,959	114	11.7%	9.6%
- treasury share reserves	364,680	364,680	100	0.0%	0.0%
- treasury shares	-364,680	-364,680	100	0.0%	0.0%
- fair value reserve	-129,532,451	77,834,278		-3.1%	1.8%
- net profit brought forward	225,893,107	234,588,994	96	5.5%	5.4%
- net profit for the year	50,259,978	75,439,847	67	1.3%	1.7%
- currency translation differences	-3,062,318	-2,970,993	103	-0.1%	-0.1%
Non-controlling interests	3,400,522	2,475,645	137	0.1%	0.1%
Subordinated liabilities	49,522,163	49,471,831	100	1.2%	1.1%
Insurance technical provisions	2,519,079,596	2,576,368,384	98	61.0%	58.9%
- unearned premiums	414,289,158	370,043,725	112	10.0%	8.5%
- mathematical provisions	1,356,890,816	1,432,613,660	95	32.9%	32.8%
- claims provisions	68,788,186	694,498,311	99	16.7%	15.9%
- other insurance technical provisions	59,111,436	79,212,688	75	1.4%	1.8%
Insurance technical provisions for unit-linked insurance contracts	580,944,539	622,303,399	93	14.1%	14.2%
Provisions for employee benefits	17,429,108	17,672,133	99	0.4%	0.4%
Other provisions	2,146,887	2,512,536	85	0.1%	0.1%
Deferred tax liabilities	259,455	9,377,034	3	0.0%	0.2%
Other financial liabilities	1,873,559	3,085,647	61	0.0%	0.1%
Operating liabilities	93,775,550	63,341,658	148	2.3%	1.4%
- liabilities from direct insurance operations	21,501,649	19,450,557	111	0.5%	0.4%
- liabilities from reinsurance and coinsurance operations	60,816,415	41,241,465	147	1.5%	0.9%
- current tax liabilities	11,457,486	2,649,636	432	0.3%	0.1%
Lease liabilities	10,767,382	11,274,806	95	0.3%	0.3%
Other liabilities	100,227,818	85,959,319	117	2.4%	2.0%

Balance sheet of Zavarovalnica Triglav

	31 December 2022	31 December 2021	Index	Share 2022	Share 2021
ASSETS	2,920,466,482	3,118,944,094	94	100.0%	100.0%
Intangible assets	70,414,326	67,022,027	105	2.4%	2.1%
Property, plant and equipment	67,285,004	65,143,307	103	2.3%	2.1%
Deferred tax assets	34,667,180	0	0	1.2%	0.0%
Investment property	43,377,173	43,840,055	99	1.5%	1.4%
Right-of-use assets	3,940,725	4,548,298	87	0.1%	0.1%
Investments in subsidiaries	185,360,343	131,924,683	141	6.3%	4.2%
Investments in associates	41,951,871	41,693,997	101	1.4%	1.3%
Financial investments	1,625,187,871	1,968,679,979	83	55.6%	63.1%
- loans and deposits	31,856,441	32,521,523	98	1.1%	1.0%
- held to maturity	227,656,974	140,946,233	162	7.8%	4.5%
- available for sale	1,278,747,957	1,588,390,263	81	43.8%	50.9%
- recognised at fair value through profit and loss	86,926,499	206,821,960	42	3.0%	6.6%
Unit-linked insurance assets	490,618,848	539,417,972	91	16.8%	17.3%
Reinsurers' share of technical provisions	180,142,940	136,077,958	132	6.2%	4.4%
Receivables	152,064,970	105,169,567	145	5.2%	3.4%
- receivables from direct insurance operations	98,739,720	73,516,574	134	3.4%	2.4%
- receivables from reinsurance and coinsurance operations	37,156,172	23,522,340	158	1.3%	0.8%
- current tax receivables	0	564,166	0	0.0%	0.0%
- other receivables	16,169,078	7,566,487	214	0.6%	0.2%
Other assets	2,389,990	1,513,260	158	0.1%	0.0%
Cash and cash equivalents	23,065,241	13,912,991	166	0.8%	0.4%
EQUITY AND LIABILITIES	2,920,466,482	3,118,944,094	94	100.0%	100.0%
Equity	552,089,340	675,221,933	82	18.9%	21.6%
- share capital	73,701,392	73,701,392	100	2.5%	2.4%
- share premium	53,412,884	53,412,884	100	1.8%	1.7%
- reserves from profit	464,762,643	404,562,643	115	15.9%	13.0%
- fair value reserve	-103,556,856	55,884,634		-3.5%	1.8%
- net profit/loss brought forward	3,497,205	50,944,831	7	0.1%	1.6%
- net profit/loss for the year	60,272,072	36,715,549	164	2.1%	1.2%
Subordinated liabilities	49,522,163	49,471,831	100	1.7%	1.6%
Insurance technical provisions	1,677,748,467	1,740,373,185	96	57.4%	55.8%
- unearned premiums	276,301,501	246,017,849	112	9.5%	7.9%
- mathematical provisions	944,548,259	1,008,319,155	94	32.3%	32.3%
- claims provisions	426,901,198	446,567,255	96	14.6%	14.3%
- other insurance technical provisions	29,997,509	39,468,926	76	1.0%	1.3%
Insurance technical provisions for unit-linked insurance contracts	495,682,803	540,135,052	92	17.0%	17.3%
Provisions for employee benefits	12,381,473	12,842,304	96	0.4%	0.4%
Other provisions	154,638	358,980	43	0.0%	0.0%
Deferred tax liabilities	0	4,212,732	0	0.0%	0.1%
Other financial liabilities	22,640	1,690,586	1	0.0%	0.1%
Operating liabilities	67,460,551	34,861,554	194	2.3%	1.1%
- liabilities from direct insurance operations	11,547,677	10,182,945	113	0.4%	0.3%
- liabilities from reinsurance and coinsurance operations	46,215,403	24,678,609	187	1.6%	0.8%
- current tax liabilities	9,697,471	0	0	0.3%	0.0%
Lease liabilities	4,054,668	4,643,844	87	0.1%	0.1%
Other liabilities	61,349,739	55,132,093	111	2.1%	1.8%

10.

Cash flow statement

A positive **cash flow from operating activities of the Group** declined by 38% to EUR 84.9 million, primarily as a result of the higher volume of claims paid and increased operating expenses. For the same reasons, a positive **cash flow from operating activities of Zavarovalnica Triglav** fell by 31% to EUR 37.3 million.

Cash flow from investing activities of the Group was positive and reached EUR 20.5 million (compared to EUR –93.9 million last year), while **cash flow from investing activities of the parent company** was EUR 59.4 million (compared to EUR –20.3 million last year). The cash flow from investing activities of both the Group and the parent company was positive due to lower cash flow from operating activities and higher cash outflows for financing activities, which was financed with net disposal of investments.

Cash flow from financing activities of the Group was negative and stood at EUR –89.3 million. There were no cash inflows from financing activities in 2022, whereas cash outflows grew by 107% as a result of the higher dividend payment in 2022. In addition to the dividend payment, cash outflows for financing activities include cash outflows for interest on issued bonds and other interest. **Cash flow from financing activities of Zavarovalnica Triglav** was also negative due to the dividend payment and amounted to EUR –87.6 million (index 208).

The closing balance of cash and cash equivalents of the Group totalled EUR 98.5 million, up by 20% over the previous year, and that of **the parent company** increased by 66% to EUR 23.1 million.

Summary cash flow statement of the Triglav Group

	2022	2021	Index 2022/2021
A. Operating cash flow			
Income statement items	131,696,364	144,641,397	91
Changes in net current assets–operating balance sheet items	-46,777,647	-7,290,132	642
Net cash from/ (used in) operating activities	84,918,717	137,351,265	62
B. Cash flows from investing activities			
Cash inflows from investing activities	1,060,019,361	1,093,015,888	97
Cash outflows from investing activities	-1,039,487,097	-1,186,871,319	88
Net cash from/ (used in) investing activities	20,532,264	-93,855,431	
C. Cash flows from financing activities			
Cash inflows from financing activities	0	0	0
Cash outflows from financing activities	-89,334,516	-43,097,819	207
Net cash from/ (used in) financing activities	-89,334,516	-43,097,819	207
D. Closing balance of cash and cash equivalents	98,461,452	82,321,630	120
E1. Net cash flow for the period	16,116,465	404,882	3,981
E2. Currency differences	23,357	17,084	137
F. Opening balance of cash and cash equivalents	82,321,630	81,899,664	101

Summary cash flow statement of Zavarovalnica Triglav

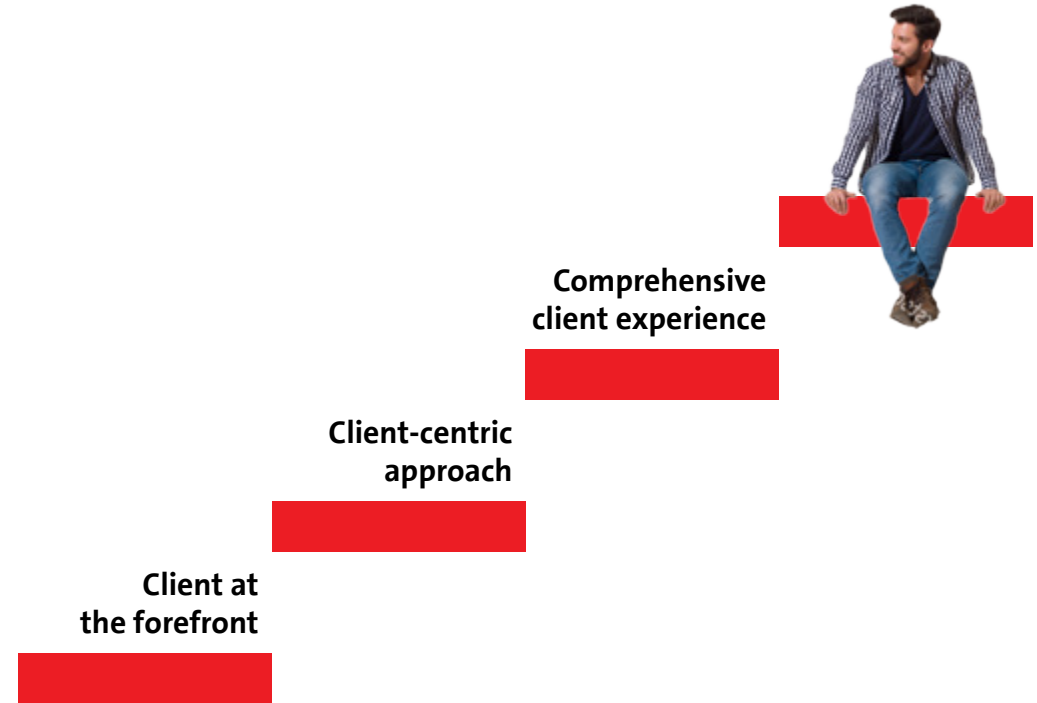
	2022	2021	Index 2022/2021
A. Operating cash flow			
Income statement items	59,519,111	57,377,294	104
Changes in net current assets–operating balance sheet items	-22,261,880	-3,345,436	665
Net cash from/ (used in) operating activities	37,257,231	54,031,858	69
B. Cash flows from investing activities			
Cash inflows from investing activities	866,067,369	945,312,942	92
Cash outflows from investing activities	-806,619,546	-965,578,127	84
Net cash from/ (used in) investing activities	59,447,823	-20,265,185	
C. Cash flows from financing activities			
Cash inflows from financing activities	0	0	0
Cash outflows from financing activities	-87,552,803	-42,157,904	208
Net cash from/ (used in) financing activities	-87,552,803	-42,157,904	208
D. Closing balance of cash and cash equivalents	23,065,242	13,912,991	166
E. Net cash flow for the period	9,152,251	-8,391,231	
F. Opening balance of cash and cash equivalents	13,912,991	22,304,222	62

■ The Triglav Group and Zavarovalnica Triglav generated a positive cash flow from operating and investing activities and a negative cash flow from financing activities.

■ The closing balance of cash and cash equivalents of the Group was EUR 98.5 million, up by 20%.

11. Development activities

- The number of client interaction points and the range of assistance service providers increased in all markets. Cooperation with partners was upgraded, and they were included in the Company's platform solutions.
- Business ecosystems were upgraded with new services and harmonised with the revised *Triglav komplet* loyalty programme.
- Assistance, sales and claims procedures, as well as communication processes, continued to be digitalised and automated in order to fully meet client needs the moment they arise.
- Among the numerous innovations implemented, digital sales and marketing stand out; the digital platform for easy-to-use electronic client service was upgraded in accordance with the latest guidelines and the TRIA virtual assistant was launched.
- Product development and pricing policies were adapted to personalised solutions and macroeconomic trends.
- The Company entered into partnerships in third countries, and international brokerage companies are increasingly recognising the quality and flexibility of the Company's services.
- The Company's internal organisation was redesigned to facilitate the achievement of its strategic objectives and ambitions.
- A pilot project for setting up a hybrid workspace was launched.
- The IT infrastructure continued to be centralised with the aim of including 11 Group companies in the Group's hybrid cloud by 2025.



At the forefront of the Group's development activities, which are carried out by respective divisions and departments at the parent company, was the implementation of strategic guidelines with a particular emphasis on achieving an outstanding client experience, digital transformation and the development of service-oriented business ecosystems. The goals set were fully achieved. Furthermore, sustainability aspects and regulatory changes were incorporated into the development of products and services. See Section [12. Sustainable development at the Triglav Group](#) for further information.

11.1 A client-centric approach

Our increasing focus on clients is reflected in the expansion of the range of client interaction points and the development of business ecosystems, thereby strengthening the Company's market presence and creating new sales opportunities. All of this increases the flexibility of the Group's business model, changing the value provided by the two core activities by designing comprehensive solutions to meet client needs, in addition to ensuring clients' financial security.

11.1.1 Business ecosystems

The main building blocks of all our ecosystems are assistance services expanded by related services, based on high-quality partnerships and supported by advanced information and digital solutions.

Ecosystems are built in the fields of health, well-being, mobility, living and financial services, integrating them with the revised *Triglav komplet* loyalty programme, as seen below.

In caring for people's health, new healthcare partners are added to the well-developed *Zdravje* (Health) business ecosystem, while upgrading existing partnerships and expanding the range of assistance and healthcare services. An outstanding user experience is also ensured by constantly improving processes in key client channels and implementing the most advanced technologies.

In a similar way, the Company enhances and upgrades partnerships with providers of home, car, computer, micromobility and pet assistance. At the home ecosystem, focus is on the solutions that provide the client with comprehensive repair of damage: from providing assistance immediately after the damage has occurred to repairing the damage using the "report and repair" method. In order to make it easier and faster to repair damage to clients' homes, various service providers were contracted. As part of the business ecosystem for the health and well-being of pets, their owners are joined into a community with easy access to information and service providers.

Triglav Group's business ecosystems

Triglav Health

Assistance to clients with acute and chronic illnesses, health prevention and provision of care.



Triglav Financial Security

A central point for planning and creating an individual's financial security in all periods of life - from savings to pension, access to advisors (financial, tax) or the use of various financial instruments.



Triglav Pets

For the well-being of pets, help with their acute illnesses and traumas, and insuring the owners' personal liability when caused by their pet.



Triglav Home

An ecosystem of assistance services in the elimination of damage, access to the services of verified contractors and solutions and systems for remote assistance, control and home security.



triglav
ko%mplet

Triglav Mobility

Ensuring various forms of safe and sustainable mobility.



The Triglav Group single platform

Customer data management, ensuring security, personalization of the offer, loyalty program, evaluation of providers, gamification, shared digital technologies (e.g. image and speech recognition, AI/ML, bots, geolocation services, AR).

11.1.2 Development of sales processes and channels

The single platform for client communication and service continues to be developed. It is intended to ensure the coordinated, integrated and transparent dealing with clients and is based on the Hermes model and Microsoft Dynamics 365 technology. It includes automated processes and a single solution for an omni-channel user experience. To ensure such experiences, data and content about products and services will be integrated into the platform, enabling it to become the main digital transformation accelerator. In accordance with the plans, the management of claims that are submitted to the single entry point through several channels was optimised.

In support of sales, the process of managing life insurance contractors was automated (the entire process up to the drawing up and signing of the contract and notification of the partner). In addition, a mobile application for non-life insurance partners is being developed, incorporating new back-office automated marketing modules into the platform. The application for automatically sending claims will simplify the procedures from the acceptance of claims to the payment of claims. By the end of 2023, claim reporting for 20 insurance classes will be automated.

To ensure standardised recording and a comprehensive overview of data, as well as simplified change management, the registers of the databases of non-life and life insurance business partners were merged. Underwriting applications were adapted to the revised *Triglav komplet* loyalty programme, enabling the automatic renewal of home insurance.

In Slovenia, the single digital platform was upgraded to support the sales processes of non-life, life and health insurance products. The range of insurance products and services offered in banks was expanded to include the option of taking out

insurance remotely and e-signing, as well as the storage and delivery of e-documentation, which was linked to the call centre.

In Croatia, the life insurance sales portal was integrated into the new single platform for non-life, life and health insurance.

Development and new forms of partnerships

The Triglav Group is consolidating its position on the primary markets in the Adria region and strengthening its position in the wider international environment through partnerships with foreign insurance brokerage and agency companies as well as with reinsurers.

Through various forms of partnerships in **Slovenia** and a large network of contact points, clients can take out insurance at the very moment they need it, making this experience as convenient as possible for them. Partnerships are being strengthened mainly with vendors and service companies providing banking and other financial services, while the level of cooperation with partners providing assistance services is also being increased. In 2022, a greater level of cooperation was seen with regard to the settlement of motor vehicle and non-life insurance claims, as well as in roadside, home and cyber assistance at the insurance companies **outside Slovenia**.

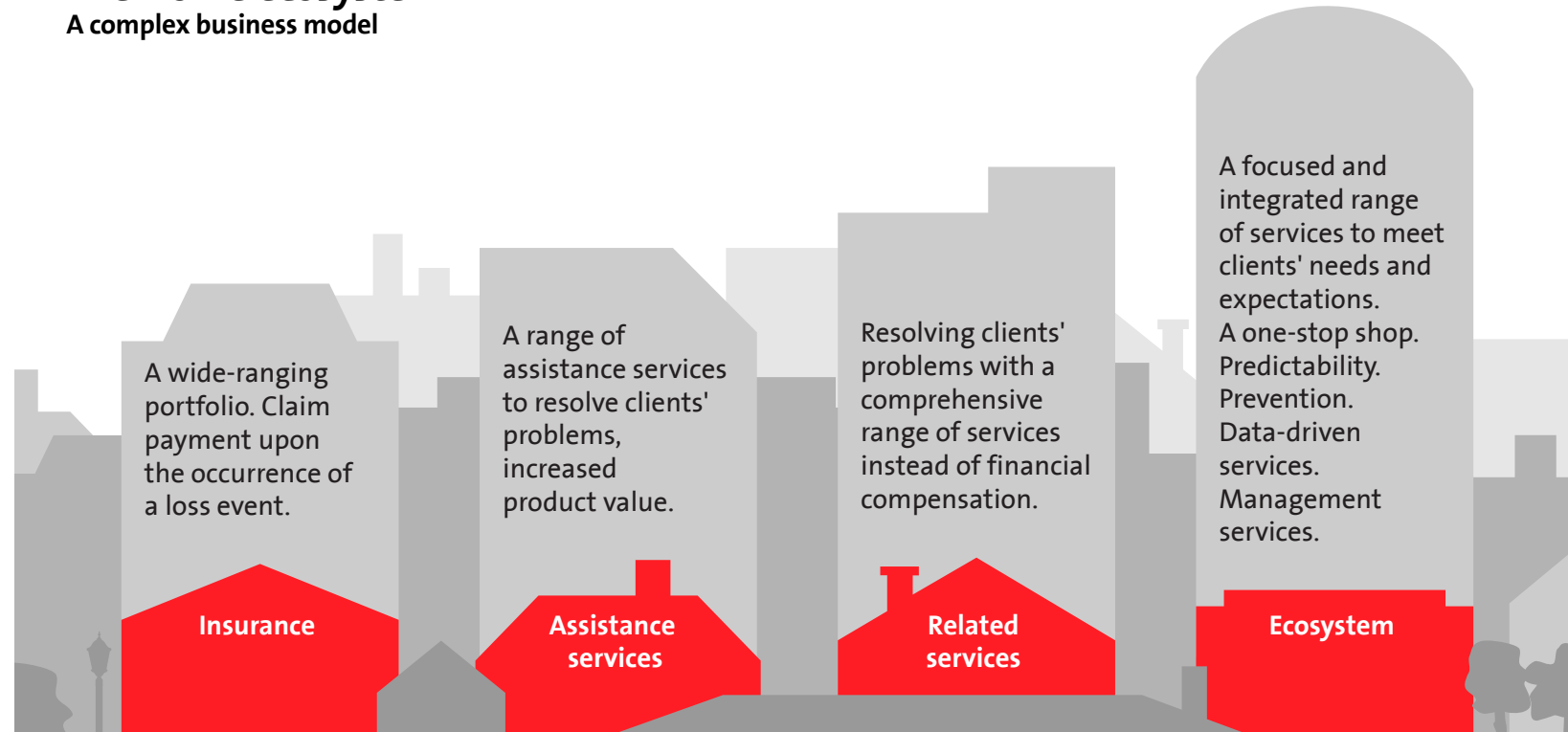
To ensure comprehensive vendor management, the Company established the Quality and

Contractor Relations Department. Cooperation was enhanced with the a specialised retail chain, a telecommunications operator and other vendors selling electronic devices, as well as business cooperation with a savings bank, which sells Triglav life insurance products.

In Montenegro, most new partnerships were entered into with banks (accounts receivable insurance) and with a mobile operator (mobile phone insurance). In addition, cooperation with Montenegrin Telekom was expanded in the high-net-worth client segment. Software support for own sales network and obtaining consent for direct marketing were improved. Furthermore, an online calculator was launched, and partnerships with four banks selling life insurance products were renewed.

The Home ecosystem

A complex business model



For the sales network in **Serbia**, a portal to simplify taking out home insurance and automatically renewing home and comprehensive insurance was designed, an application for selling life insurance was launched and the underwriting process was automated.

In **Croatia**, sales folders were introduced to simplify selling products via the sales network, authorisations for faster issuance of insurance policies were revised and e-classrooms for sales channel training were updated. Vehicle inspection providers were given access to the B2B portal, where motor vehicle insurance can be taken out. The introduction of the interface has simplified the use of Croatian insurance comparison sites. Moreover, a life and health insurance sales portal was launched.

In **North Macedonia**, cooperation with reputable partners was enhanced: another partner bank obtained authorisation to sell insurance, new partnerships with banks were established for selling consumer loan insurance and home insurance products, and an agreement was made with the leading mobile operator for telecommunications equipment insurance and home insurance via the B2B platform. In cooperation with healthcare institutions, free PCR tests were provided to policyholders.

In the Federation of **Bosnia and Herzegovina**, cooperation with travel agencies was expanded. In Republika Srpska, the sales network development strategy was revised to include the goal of expanding the sales network to new regions, new regulations on the work of the sales network and its remuneration were adopted, and both the number of points of sale of own and external sales networks and their employees were increased.

In the markets where the Group is not directly present, focus was on the strategy of expanding the core business. The Group's business presence was enhanced especially in most EU Member States and the EEA, while establishing new business partnerships with partners from third countries. The Group's business operations are developed and expanded through agency cooperation with local partners and international brokerage companies, which increasingly recognise the high quality and flexibility of the Group's services. Reinsurance products for international business clients were added to the insurance offer for agency partners abroad, globalising the Group's operations and underwriting.

11.1.3 Development of insurance products and services

Focused on client needs and setting the standard for an outstanding user experience, the Company aimed for responsiveness, simplicity and reliability of its services, products and processes. The transfer of products and good practices within the Group continued, achieving synergistic effects backed by a unified market presence.

- Property and interest in property insurance:** In order to mitigate inflationary pressures and balance the claims ratio of some insurance subclasses, premium rates, coverage limits and sums insured for all property insurance products were adjusted. Fixed deductibles were increased and the discount on insurance premium was adjusted. Sums insured were revalued based on the latest data on inflation rates and the construction index. The agreed value insurance terms and conditions were replaced with new *special insurance terms and conditions for investments of companies in buildings and equipment*, thereby removing automatic immunity from underinsurance. Insurance bases for general liability insurance were fully revised. The COVID-19 insurance coverage in the context of

insurance for travel abroad was extended, and for auto-renewal insurance policies the sum insured under liability insurance was increased to EUR 100,000.

- Motor vehicle insurance:** Insurance bases, premiums and tariff rates of motor vehicle insurance were adjusted to inflationary pressures and other needs. *Mini* roadside assistance insurance and roadside assistance insurance for goods vehicles with a maximum permissible weight over 3.5 tonnes was launched. Claims experience monitoring within the *Triglav komplet* system was designed, and the basis for awarding the *Triglav komplet Bonus* (TKB) was implemented. Insurance solutions continued to be developed for leasing service providers and vehicle importers (e.g. a multi-year policy for leasing-financed vehicles).
- Agricultural insurance:** Insurance products were harmonised with the Decree on co-financing of insurance premiums for primary agricultural production and fisheries for 2022. With regard to fruit tree insurance against the risk of spring frost, risk assumption activities were increased and the scope of insurance guarantee for outdoor orchards was reduced. Sums insured, premiums, tariff rates, the amount of insurance guarantee and pet insurance premiums were adjusted to inflationary pressures. The development and adaptation of insurance solutions continued in the context of building the *Triglav Male Živali* (Pets) ecosystem.
- Financial credit insurance:** Focus was on launching new and upgraded insurance products. With respect to credit insurance, the range of products for an individual assessment of whether to insure a credit was harmonised with regulatory amendments and modified criteria for determining creditworthiness. With regard to trade receivables insurance, advance payment insurance and factoring receivables insurance were adjusted to new market needs. A solution was developed for the approval of guarantees without expiry and for transactions involving long-term contracts (the energy sector).
- Transport insurance:** The portfolio analysis resulted in changes to road carrier's liability insurance for road carriers transporting new and used road vehicles (increased surcharge and deductible, clearly specified guarantee for sub-carriers as a secondary guarantee). In terms of legal protection for goods vehicles, the premium for the part that covers the protection of the transport contract was reduced, thereby increasing the availability of the product to carriers having a large fleet.
- Life and accident insurance:** In addition to upgrading *Fleks* unit-linked life insurance products, providing new investment options to clients and expanding the range of ETF funds, single premium unit-linked life insurance for bank clients and certain accident insurance products were upgraded. The redesign of the complementary accident insurance for children has made it possible for clients to opt for a higher sum insured and new risks (annuity, fractures, dislocations, burns and other injuries), as well as package or individual coverages and an additional benefit for families with three or more children. With the new coverages, the existing package offer of group accident insurance and accident insurance for the elderly was expanded and new coverages were added.
- Health insurance:** The range of modular health insurance products for businesses was expanded to include *Diagnoza rak Kolektivno* (Group Cancer Diagnosis) and *Psihološka pomoč Kolektivno* (Group Psychological Support), while the range of specialist outpatient treatment products was upgraded with additional elements and coverages (e.g. the option of remotely determining the

existence of a medically justified indication for referral to specialist treatment via family physicians who have a contract with the insurance company). The range of specialist areas, tests and procedures was expanded.

To better meet client needs, many processes were upgraded (for example, additional providers were included in the system for direct ordering of healthcare services and the range of services that can be ordered electronically at any time was expanded) and the assistance application was regularly updated to optimise the operation of the assistance centre. Due to the growing need to expand the range of assistance products for various groups of policyholders and the related provision of services, the Triglav zdravje asistenca company was founded.

- **Pensions:** The age classes of *Skupni pokojninski sklad* (Joint Pension Fund) guarantee funds were unified at Group level (*Skupni pokojninski sklad* (Joint Pension fund), *Skupina kritnih skladov Triglav PDPZ* (Triglav SVPI Guarantee Fund Group), *Skupina kritnih skladov Triglav pokojnine+* (Triglav Pensions+ Guarantee Fund Group)). This simplification, which will be implemented in early 2023, will also contribute to the reduction of the share of assets with a guaranteed return.

11.2 Transformation and digitalisation

Digitalisation and digital transformation are the key building blocks of the Group's new strategy period, aimed at providing clients with an outstanding user experience. The transformation is based on the unified management of client experience and digital business, which utilises self-service, digital sales and process automation. The latter also simplifies internal processes. Thus, several internal business processes were automated and digitalised using tools for robotic process automation (RPA).

In 2022, the network and server infrastructure was upgraded to ensure the stable, efficient and secure operation of information systems and services. As part of IT infrastructure centralisation, this project was completed at Triglav Osiguranje, Banja Luka. The goal is to include 11 companies in the Group' hybrid cloud by 2025, increasing the utilisation of equipment, obtaining additional security mechanisms and reducing maintenance costs. In developing the IT infrastructure, cloud services are used in all areas where this is reasonable and on-premise data centres are migrated to the hybrid cloud. A data centre was set up in the MS Azure cloud, enabling subsidiaries to migrate applications to the cloud.

By implementing the new AdInsure 3 core information system as a strategic project, a single platform for non-life, life and health insurance is being built. Within its framework, the AdInsure 3 sales portal for selling life insurance products was launched at the Croatian insurance company.

Core and support systems were upgraded to incorporate the new IFRS 17 accounting standard, while a uniform human resource system and intranet were implemented in companies in Slovenia

and most insurance companies outside Slovenia. By merging data from the Company's biggest registers, work was simplified and client experience was improved. Upon setting up the single business partners register, business partners' data from non-life and life insurance registers were collected in one place.

Due to the adverse economic situation, greater focus was on the recovery of insurance premium and the recovery of claims for unpaid rent.

Pilot project: hybrid workplace

Zavarovalnica Triglav launched a **hybrid workplace** pilot project, in which around 14% of employees participate. In the context of the project, the employer's premises are primarily intended for collaboration, networking and creative processes, while employees perform mental and routine tasks to a greater extent in a quiet environment in a remote (home) office. The premises are designed as a hybrid working environment with a flex space that includes integrated creative points for collaboration or individual work, designated areas for socialising, virtual areas for collaboration (video calls), quiet rooms for conversations, etc. Unassigned workspaces are also planned, which should gradually reduce the need for fixed workstations.



The situation during the COVID-19 pandemic changed the way employees work, therefore, where the nature of work allows it, **working from home was made possible**. In addition, efforts are being made to digitalise human resource employment procedures to the greatest extent possible in order to enable job candidates to apply digitally and conduct the first round of interviews online.

The Company's organisational structure is adapted to facilitate the realisation of its strategic guidelines and ambitions.

- The Council of Architects (to ensure the consistency of proposals for IT solutions with the target information system architecture) and
- the Council of Security Experts (to ensure systematic treatment of cyber risks) were established.
- By revising digital business segments and the operation of the digital platform, two organisational units were established:
 - the Digital Platform and Business Intelligence Division (the implementation and promotion of digital business, seeking new ways of doing business and defining requirements) and
 - the Digital Operations and Client Experience Division (the development of new technological solutions, the paths leading to them and the technological aspect of data preparation and analysis for making business decisions).
- The Cyber Resilience Department (safe operation of information systems and data security, ensuring confidentiality, integrity and availability of information) was established.
- A more extensive overhaul of the non-life insurance claim segment was also aimed at digitalisation, automation and simplification of processes.

In Croatia, many activities were focused on the introduction of the euro as of 1 January 2023.

The transformation of digital solutions and services continued, especially the upgrade of the digital platform for easy-to-use electronic client service. Key acquisitions are in line with the latest digitalisation trends:

- the new i.triglav mobile application (a one-stop shop for clients, where they can arrange most matters related to insurance contracts and receive other services);
- inclusion of clients in the i.triglav digital office, also via the SI-PASS and Rekono identity verification services and a multi-level access for clients (services depending on the client identification method);
- management of several vehicles and measurement of driving with motorcycles in the DRAJV application;
- redesigned websites of eight insurance companies outside Slovenia as well as Triglav Skladi and Triglav Svetovanje (uniform user experience across all websites and applications of the Group insurance companies and personalised content for registered users);
- the TRIA virtual assistant (user help and answers to questions about the Company's products and services, personalised services or information for registered users);
- advanced analytics and artificial intelligence were integrated into client service processes (faster decision-making when selling services);
- prepared and consolidated data in the Synaps system (improved reporting quality).

11.3 Development activities related to asset management

A more advanced and simpler experience was ensured to both the internal and external users of **Triglav Skladi's** services, thereby strengthening the company's competitive position. Priority was given to the company's sustainability (ESG) strategy, which was first implemented in the context of discretionary mandates, and to the adaptation of data sources for the pursuit of sustainable investment policies. In addition, the Sustainable Business Policy was adopted and the Key Indicators of Sustainable Business were defined.

By incorporating the company's offer of savings plans into **the Triglav Group's komplet single loyalty programme**, clients can receive additional benefits when taking out non-life insurance. The company's website was redesigned, adapting it to digital marketing.

All five investment policies were updated, which are also the basis for *Aktivni naložbeni paketi* (Active Investment Packages), designed for the clients to actively manage and individually adjust their investment strategy in the context of unit-linked life insurance. The company's IT system was integrated into Zavarovalnica Triglav's environment. The server infrastructure was centralised, business processes were digitalised, the data warehouse was upgraded and reporting dashboards for making business decisions were established. The sales funnel in the automated marketing tool was synchronised with the MS Dynamics CRM platform, improving the monitoring and treatment of sales leads and clients at all interaction points, to which the automated communication was also adapted.

The implementation of the new SimCorp Dimension platform for fund management and discretionary mandates, as well as the effective digital implementation of business processes will be completed in 2023.

The subsidiary **Triglav Fondovi, Sarajevo** upgraded its range of products and services in 2022. With two new mutual funds, it has effectively positioned itself in the segment of investing investor assets in open-end investment funds.

At **Triglav, pokojninska družba**, a new version of the IN2 Delta investment information system was implemented (in addition to easier monitoring of portfolios, it enables the preparation of materials and ongoing simulations to ensure guaranteed profitability) and comprehensive management of a group of new Triglav pokojnine+ lifecycle guarantee funds was established.

The platform for investing in alternative investments continued to be developed by Triglav, further expanding its range of alternative investment classes. In order to increase the return on portfolios, the exposure of alternative investment classes in relation to the risks assumed was slightly increased, while maintaining high portfolio liquidity.

Non-financial statement

Sustainability (ESG) aspects of business are integrated in the Triglav Group's very mission and strategic guidelines. They are continuously incorporated in business processes, thereby upgrading them, while at the same time promoting the transition to a sustainable society. The Group joined the efforts and commitments for sustainable business and mitigating climate change and adopted the Triglav Group's strategic ambitions in sustainable development (ESG).

For reporting on environmental, social and management aspects, the Group uses Global Reporting Initiative (GRI) standards and their specific guidelines for the financial sector, Sustainability Accounting Standards Board (SASB) standards and an overview of the Group's progress in contributing to the achievement of the United Nations Sustainable Development Goals (SDGs). The integrated Annual Report of the Triglav Group and Zavarovalnica Triglav d.d. for 2022 is thus in line with the requirements of the Companies Act (ZGD-1), which requires public interest entities with an average number of employees greater than 500 on the balance sheet cut-off date to include a non-financial statement in their business report. This content is presented in an integrated way throughout the whole annual report.

- The information on environmental, social and employee matters, respect for human rights, and anti-corruption and bribery matters, as well as the description of the policies and results of the policies in these areas are presented in Section [12. Sustainable development at the Triglav Group](#).
- The main risks related to the abovementioned areas are presented in the context of [Risk Management](#), Section [11. Development activities](#) and Section [12. Sustainable development at the Triglav Group](#).
- A description of the Group's business model or value creation model is presented in Section [2. Triglav Group and Zavarovalnica Triglav in 2022](#).
- A description of the diversity policies implemented in relation to administrative, management and supervisory bodies is presented in Section [5. Corporate Governance Statement](#).
- The disclosures required by the Commission Delegated Regulation (EU) 2021/2178 of 6 July 2021 supplementing Regulation (EU) 2020/852 concerning the proportion of exposures to taxonomy non-eligible and taxonomy-eligible economic activities are described in Section [12. Sustainable development at the Triglav Group](#).

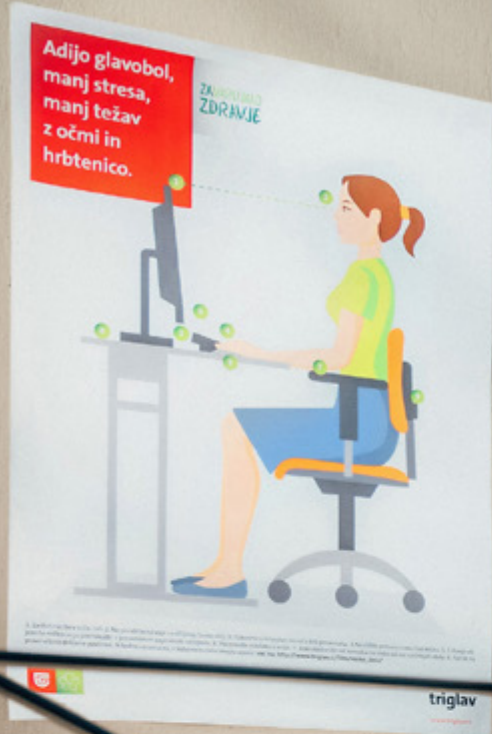
Andrej Slapar
President of the Management Board

Tadej Čoroli
Member of the Management Board

Blaž Jakič
Member of the Management Board

Uroš Ivanc
Member of the Management Board

Marica Makoter
Member of the Management Board



Zavarovalnica Triglav received a national award from the Ministry of Labour, Family, Social Affairs and Equal Opportunities for the effective prevention and management of work-related musculoskeletal disorders and the comprehensive regulation of occupational health and safety.

A holistic view of employees' health

The message that raises awareness about the importance of having a correct posture when using a computer is only part of the wide-ranging care shown by Zavarovalnica Triglav for the health of its employees.

»We couldn't have wished for a better celebration of the ten-year anniversary,« said **Duša Lindtner**, who leads a committed team of the Triglav.smo – Protecting Health programme, upon receiving a national and European award for good practice. With many activities and benefits for employees, the programme promotes a healthy lifestyle and a good work-life balance. In addition, **authorised occupational medicine specialists** participate in the programme with the aim of co-creating in-house health content and provide their services for the well-being of each individual.

Our concern for occupational safety and health: good national and European practices



The European Agency for Safety and Health at Work (EU-OSHA) awarded Zavarovalnica Triglav a good practice award for its strategic approach to the management of occupational safety and health and its contribution to the effective elimination of musculoskeletal disorders.

12. Sustainable development at the Triglav Group

- Implementing the Triglav Group's strategic ambitions in sustainable development (ESG).
- In the context of its insurance business, the Group develops sustainability-oriented products and services and increases the premium written from products promoting general social and environmental benefits, including energy efficiency and low-carbon technology.
- The share of green, social impact and sustainable bonds rose to 10%.
- The Group's Triglav Zeleni equity fund complies with Article 8 of EU regulation on sustainability-related disclosures in the financial services sector.
- Employee satisfaction was maintained at a high level, and client satisfaction was further improved.
- The Scope 1 and Scope 2 carbon footprint decreased by 13%. A total of 63% of electricity for the Group was obtained from renewable energy sources.
- Preventive health activities were strengthened. For the effective prevention and management of work-related musculoskeletal disorders, Zavarovalnica Triglav was awarded an EU-OSHA Healthy Workplaces Good Practice Award.
- Commitment to respect human rights in business operations was incorporated into business processes. Due diligence of respect for human rights is carried out on a regular basis as part of risk assessment.

12.1 Implementation of strategic guidelines and sustainable development goals of the Triglav Group

The implementation of the Group's mission was closely linked with its pursuit of sustainability goals, thereby creating a long-term stable basis for its profitable and safe operations, promoting the transition to a sustainable society and reducing its impact on climate change. At the end of 2021, an action plan for sustainable business, including key strategic activities and legislative requirements for individual departments and divisions, was adopted.

At Group level, sustainability-related activities are coordinated and directed by the Sustainable Development Coordinator, monitored by the Compliance and Sustainable Development Committee and decided on by the parent company's Management Board.

The ambitions regarding the ESG goals for 2025 are achieved in four key areas:

■ Insurance and asset management

In the Triglav Group's investment portfolio, the share of green, sustainable and social impact bonds was further increased (see Section [7.9 Investment structure of the Triglav Group and Zavarovalnica Triglav](#) for more details). In early 2022, by joining the Partnership for Carbon Accounting Financials (PCAF), the Group committed to publish the carbon footprint of at least one asset class over a three-year period. The Triglav Zeleni sustainability equity fund, which complies with Article 8 of EU regulation on sustainability-related disclosures in the financial services sector, has been available to clients for several years (See Section [7.11 Asset management](#) for more information).

In the insurance segment, products are designed that promote social and environmental benefits, such as solar power plant insurance, micromobility insurance, electric and hybrid vehicle insurance, agricultural insurance with an emphasis on local production and improving crop protection against drought. With the aim of ensuring that the Group's range of insurance products complies with Regulation (EU) 2017/2358, an internal methodology was developed to assess their sustainability. To better manage sustainability risks at Group level, monitoring of the insurance portfolio of legal entities according to the European classification of economic activities (NACE) was set up.

■ Own business processes

The Group's Scope 1 and Scope 2 carbon footprint decreased by 13% in 2022. In light of the energy crisis and care for the environment, efforts were made to raise employees' awareness about energy conservation and the importance of sustainable practices. As part of our carbon footprint calculation and the promotion of sustainable mobility, a survey was conducted among employees about how they commute to work. In 2022, first investments were made in solar panels to provide for partial energy self-sufficiency. The share of electric and hybrid vehicles in the fleet was increased. The Group companies took many additional measures related to digitalisation and paperless operations, enabling the Group to reduce overall paper consumption. The total quantity of waste generated at Group level fell by 6%.

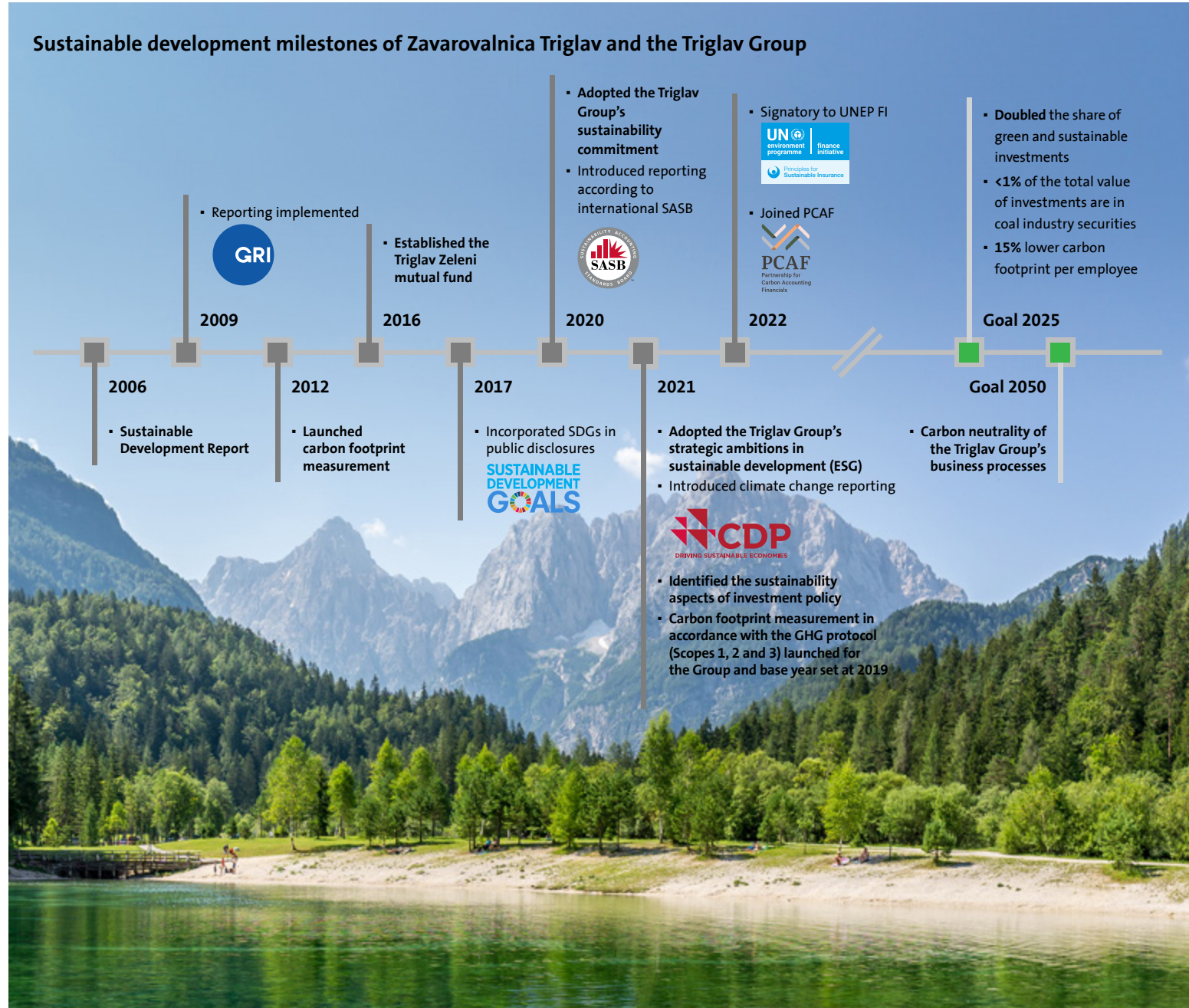
Responsible stakeholder engagement

Employee and client satisfaction remained high in 2022. The concept of flexible working is being implemented with the aim of improving employees' work-life balance and expanding programmes promoting health and well-being, while providing for multidimensional diversity and the development and training of employees. The Group will continue to participate in social responsibility and environmental projects, enter into partnerships and give donations. In early 2022, together with partners from the fields of sports, culture, healthcare, prevention and the economy, the Insure Our Future project was launched, dedicated to raising awareness about the 17 United Nations Sustainable Development Goals (SDGs). Sustainability aspects began to be incorporated into the execution of some events (Triglav Run, Our Day). An important part of employee training takes place in digital format.

Effective corporate governance

The Triglav Group achieves high corporate governance standards, while improving the public disclosures of its sustainable business and operations. In 2022, Triglav Funds adopted the Sustainable Business Policy and defined the Key Indicators of Sustainable Business. To make sure that its efforts in sustainable development are visible and communicated properly, it is a signatory to selected international initiatives (UN PSI, UNEP FI and PCAF, disclosures are made in accordance with the GRI and SASB sustainability standards). The Group disclosed through CDP's climate change questionnaire for the second year in a row.

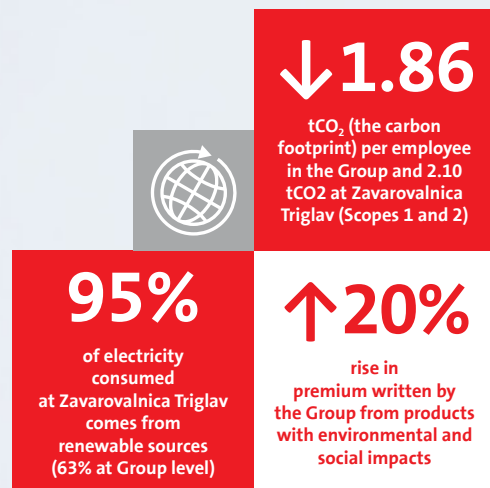
See Section 4. [Triglav Group strategy and plans](#) for more details about the achievement of strategic ambitions in sustainable development (ESG). At Group level, sustainability-related activities are coordinated and directed by the Sustainable Development Coordinator, monitored by the Compliance and Sustainable Development Committee and decided on by the parent company's Management Board.





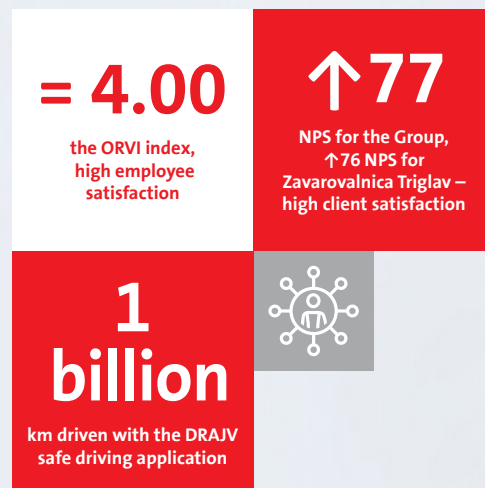
The Group's sustainable development goals

Transition to a climate-neutral and resilient circular economy



Integrating ESG aspects into product development and the execution of own business processes. By 2025, to reduce the carbon footprint (Scopes 1 and 2) of own activities per employee using the location-based method by 15%. Implementing the European Green Deal on carbon neutrality by 2050.

Responsible stakeholder and community engagement



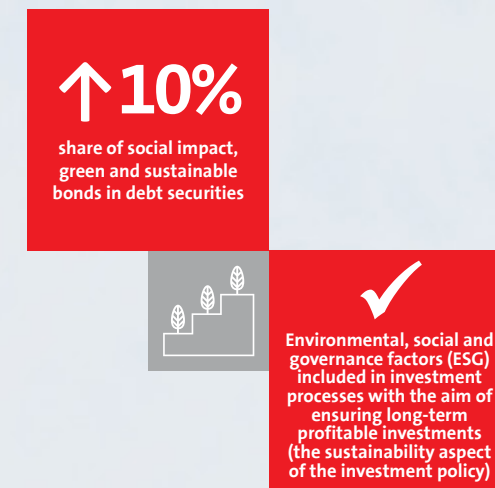
Maintaining high employee and client satisfaction. Developing an open culture of diversity and cooperation. Promoting projects that contribute to the achievement of the United Nations Sustainable Development Goals (SDGs).

Effective corporate governance



Upgrading high corporate governance standards by integrating ESG aspects and effectively managing sustainability risks. Increasing the scope of public disclosures related to main aspects of sustainable business (according to GRI, SASB, CDP/TCFD methodologies).

Sustainable aspects of asset management



To double the share of social impact, green and sustainable bonds in debt securities by 2025.

12.2 Key stakeholders²⁸

The Group's identified key stakeholders are **clients, employees, suppliers and partners, shareholders and investors, state and supervisory bodies, local communities and the media**. They are proactively included in the Group's operations, thereby strengthening mutual trust and understanding.

Their needs and interests are identified through mutual relationships at strategic and operational levels. In doing so, the Company measures reputation, satisfaction and Net Promoter Score (NPS), monitors regulatory changes and implements their requirements and recommendations, analyses complaints and compliments, maintains daily contact with investors and clients, regularly communicates with the media and so on.

In addition, it regularly monitors interests, opinions and proposals by **analysing the needs and interests of stakeholders**, which is also used to examine the desired disclosures. See Section [2.4 About the report](#) for more information.

Gained knowledge and guidelines are taken into account as much as possible in the Group's business and operations.

Highlighted topics and methods of stakeholder engagement

Stakeholders	Key interests	Engagement method	Engagement results
Clients	<ul style="list-style-type: none"> ■ Understanding the needs of clients ■ Rapid claim settlement ■ Innovative financial and insurance products and services ■ Client-tailored insurance products – throughout the entire lifecycle ■ Economic stability of the Company ■ Clear terms and conditions ■ Quality insurance and financial products and services ■ A broad range of quality assistance services ■ Sustainable development of the Company ■ Financial literacy ■ Digital ways of doing business and an easy-to-use online presentation of products/services ■ Raising awareness of users about risky behaviour and promoting prevention 	<ul style="list-style-type: none"> ■ Personal contact with insurance experts, asset managers ■ Recording complaints and compliments and responding thereto ■ Email ■ Telephone conversations ■ Opinion polls and surveys ■ Websites, blogs and e-newsletters ■ Social networks ■ Mobile applications ■ Marketing communication 	<ul style="list-style-type: none"> ■ 610,569 telephone conversations in Zavarovalnica Triglav's call centres. ■ 164,126 replied electronic messages at Zavarovalnica Triglav. ■ More than 29,000 subscribers to the newsletters <i>Vozim se</i> (I'm driving) and <i>Vse bo v redu</i> (Everything Will Be Alright). ■ 132,694 users of the i.triglav digital office. ■ More than 115,000 regular users of the <i>Vse bo v redu</i> and the <i>Vozim se</i> portals. ■ Improved NPS of the Group by 4 points and of Zavarovalnica Triglav by 3 points. ■ 299,885 processed claim files by Zavarovalnica Triglav, of which 266,433 were newly registered in 2022. ■ 3,429 complaints and 52 compliments in Zavarovalnica Triglav (according to the number of claims at Zavarovalnica Triglav and Triglav, pokojninska družba, the rate of complaints was 1.22% compared to 1.30% in 2021).²⁹
Employees	<ul style="list-style-type: none"> ■ Internal culture of cooperation ■ Rewarding of performance ■ Personal and professional development ■ Career advancement system ■ Information about important milestones and changes in the Company ■ Business strategy ■ Work-life balance ■ Education and additional training ■ Care for safety and health ■ Employee loyalty 	<ul style="list-style-type: none"> ■ Management participation (the works council, trade unions, employee representatives in the supervisory boards) ■ Career development and training system ■ Measurement of organisational vitality ■ Opinion polls and surveys ■ Triglav.smo programme ■ In-house print and online media ■ In-house events, professional training, sports and recreational events ■ Personal contact ■ Email 	<ul style="list-style-type: none"> ■ 4.00 – the ORVI index maintained at the same level ■ 24% of employees are members of the Triglav Group mountaineering and sports clubs. ■ Supplemental pension insurance for 59% employees of the Group and 95% of the Company. ■ The group insurance package Comprehensive Medical Care (Celostna zdravstvena oskrba – CZO), in which 50% of all employees of the Group and 83% of the parent company are included. ■ 33 training hours per employee at Group level.
Shareholders/ investors	<ul style="list-style-type: none"> ■ Business strategy and its implementation ■ The Group's operations, financial position and plans ■ The implementation of the dividend policy and ZVTG share profitability ■ Capital adequacy and risk management ■ Implementation of growth and development activities ■ Performance by particular market, situation in the markets and outlook ■ Corporate governance and sustainable operations ■ Cost-effectiveness ■ Achievement of the target credit rating ■ Effective organisation and governance of the Group 	<ul style="list-style-type: none"> ■ General Meetings of Shareholders ■ Sessions of the Supervisory Board and its committees ■ Quality and up-to-date information on the SEOnet ■ Information provided as presentation for investors ■ Active contact and relations with institutional investors (investor conferences, individual meetings, conference calls) ■ Organised presentations for shareholders natural persons and provision of information (by email and telephone) ■ Corporate website, LinkedIn and Twitter ■ Minority shareholders' associations 	<ul style="list-style-type: none"> ■ 77% of all voting rights at the annual General Meeting of Shareholders. ■ The Company provides organised collection of proxies to vote at the General Meeting of Shareholders. ■ 28 publications of controlled information (all in Slovenian and English). ■ 11 events held for institutional investors. ■ 2 organised presentations for retail investors. ■ Cooperation with minority shareholders' associations. ■ An available financial calendar of all key announcements. ■ An available calendar of events for investors.
State and supervisory bodies	<ul style="list-style-type: none"> ■ Ensuring capital adequacy ■ Safety of policyholders and/or users of insurance services ■ Efficient risk management system ■ Compliance of operations and insurance and financial services and products ■ Complying with all obligations of a public company ■ Responsible and sustainable operations 	<ul style="list-style-type: none"> ■ Regulatory reporting (to the Insurance Supervision Agency, the Securities Market Agency) ■ Regular reviews by inspection and supervisory bodies ■ Audits by certified auditors 	<ul style="list-style-type: none"> ■ 4 complaints with respect to personal data protection at the Triglav Group, 3 of which were partially grounded. ■ 886 fraud cases confirmed out of 1,651 reported cases of suspected insurance fraud insurance.
Suppliers	<ul style="list-style-type: none"> ■ Long-term cooperation ■ Reliable and timely payments ■ Upgrading the existing cooperation ■ Delivery times, prices of services and goods ■ Delivery of environmentally friendly material ■ Paperless operations 	<ul style="list-style-type: none"> ■ Public tenders and competitions ■ Working meetings ■ Email and electronic operations ■ Telephone conversations ■ Assessment of suppliers according to ESG criteria 	<ul style="list-style-type: none"> ■ 419 assessments of suppliers according to regulatory and expanded sustainability criteria, which confirmed that they respect employees' rights, human rights and environmental legislation.
The local and wider community	<ul style="list-style-type: none"> ■ Traffic safety ■ Fire safety ■ Health protection and care ■ Co-development of projects in the areas of culture, sport, prevention, health, art, charity ■ Infrastructure investments ■ Access to services for people with various disabilities ■ Insurance and financial literacy ■ Fair business practices ■ Disaster relief 	<ul style="list-style-type: none"> ■ Partnerships with non-profit organisations and educational institutions and execution of joint projects ■ Joint projects with local communities, particularly in traffic safety ■ Funds allocation system for sponsorships and donations ■ Cooperation with local decision-makers ■ Email ■ Telephone conversations 	<ul style="list-style-type: none"> ■ Involvement of over 160 partners in the Insure Our Future project, with the aim of raising awareness about the United Nations Sustainable Development Goals. ■ Support for 127 young talents in ten years of the Young Hopes project, to which over EUR 500,000 was allocated. ■ 2,000 motorcyclists attended safe driving workshops over nine years. ■ A total of 75 events, training sessions, workshops, seminars and video recording sessions to promote insurance literacy, risk awareness, presentation of products and services were held. ■ 24 sponsored top athletes in Slovenia. ■ EUR 4.1 million for prevention activities, EUR 5.1 million for sponsorships and EUR 1.1 million for donations. ■ 12 speed display signs installed, co-financed by Zavarovalnica Triglav in 2022.
Media	<ul style="list-style-type: none"> ■ Transparent information about the operations, events and changes in the Triglav Group ■ Information about insurance and financial products and services ■ Cooperation with local and broader communities ■ Professional insurance and financial topics 	<ul style="list-style-type: none"> ■ Press releases and statements ■ Meetings with media representatives ■ Answers and explanations ■ Email ■ Telephone conversations ■ Websites 	<ul style="list-style-type: none"> ■ 63 press releases by Zavarovalnica Triglav. ■ 178 answers to the questions of the press by Zavarovalnica Triglav. ■ 6,972 publications related to key topics about the Triglav Group in the media.

²⁸ GRI 2-29 | ²⁹ SASB: FN-IN-270a.2

12.3 Environmental aspects

12.3.1 Protection of the environment in business processes³⁰

In line with its strategic ambitions, the Group reduces its impact on the natural environment primarily through the efficient use of energy and by limiting greenhouse gas emissions. It strives for careful waste management, lower consumption of water and other resources. Its employees and partners are regularly reminded to act responsibly towards the natural environment, making them aware of its importance.

Among the goals set out in the Group's strategic ambitions relating to sustainable development is a **higher share of electric and hybrid vehicles**. In 2022, they accounted for 8% of all company vehicles in the Group (compared to 4% in the previous year), while at the parent company this share increased from 11% to 18%.³¹ At Group level, 40 electric and 10 hybrid vehicles and 24 company bicycles are available to employees, which they used to travel to 1,100 business obligations; in addition, 33 electric scooters are available for short trips. In Ljubljana, employees are able to use the car sharing service **to travel between the Company's three locations**, thereby gradually replacing company vehicles with low mileage.

The Group's employees are invited to use the DRAJV application to reduce fuel consumption and travel safely, providing them with training in safe driving courses and encouraging them to use a bicycle. Paper consumption is reduced by developing software, through electronic archiving and digitalisation of business processes (paperless operations, encouraging employees to use e-signing and reduce the use of printers). The quantity of plastic waste is reduced by using company mugs and water bottles. In 2022, 62% of all training sessions were held digitally (compared to 19% before the COVID-19 pandemic).



In North Macedonia, free use of a replacement electric car was offered to clients with comprehensive car insurance while their car was being repaired.

In 2022, the Company also carried out teambuilding programmes, which contributed to the quality development of the community, e.g. the playground at a kindergarten was renovated and arrangements were made with the associations that will be the Company's partner in organising volunteer activities for employees.

In the supplier selection process, the suppliers' sustainable business practices are checked (see Procurement practices in Section [12.4.4 Responsibility to suppliers](#)).

12.3.2 Carbon footprint³²

In 2022, the Group's carbon footprint (Scopes 1 and 2) was **reduced** by 13% compared to 2021, and by 14% compared to the 2019 base year. The Group's largest source of GHG emissions are Scopes 1 and 2 taken together (a 50% share). They are created by the consumption of electricity, district heating, heating fuel and motor fuel for cars owned or under operational lease by the companies included in the calculation.

Taken separately, **Scope 1 carbon footprint** increased by 12% at Group level in 2022 compared to the year before due to higher fuel consumption by company vehicles. At Zavarovalnica Triglav it increased by 14%. Compared to the 2019 base year, Scope 1 carbon footprint at Group level rose by 2%.

Compared to the previous year, **Scope 2 carbon footprint** fell by 20% at Group level in 2022 according to the location-based method and by 11% at Zavarovalnica Triglav. In 2021, the Company only purchased electricity from renewable sources for premises owned, therefore the Group's Scope 2 carbon footprint decreased by 27% according to the market-based method, which takes into account emission factors obtained from the energy supplier, and that of the Company by 11%. The share of green electricity for the premises owned by the Company was 100%. Compared to the 2019 base year, Scope 2 carbon footprint at Group level according to the location-based method decreased by 20%.

Scope 3 carbon footprint at Group level was 33% higher in 2022 compared to the previous year, and 3% lower compared to 2019. The largest share in 2022 was accounted for by employees commuting to work, business trips and purchases of computer equipment. Emissions from business trips rose by 30% at Group level by 22% at the parent company, because the number of business trips in the past two years was lower due to the COVID-19 pandemic. Emissions from employees commuting to work increased by 56% at Group level and by 37% at the parent company.

³⁰ GRI 3-3, 306-2 | ³¹ The total number of company vehicles includes all vehicles owned by the Company or under operating lease, including the vehicles used for private purposes. Due to a change in methodology, the share for the past year is lower than published in the Annual Report of the Triglav Group and Zavarovalnica Triglav for 2021. | ³² GRI 3-3, 305-1, 305-2, 305-3

Overview of the carbon footprint of the Triglav Group by scope

Quantities of specific activities	GHG emissions in tCO ₂ e				Index		
	2022	2021	2020	2019	2022/2021	2021/2020	2022/2019
Scope 1 – Direct GHG emissions	2,836	2,526	2,139	2,790	112	118	102
- Scope 1.1 – Consumption of energy products from own capacities	580	458	557	810	127	82	72
- Scope 1.2 – Fuel consumption of company cars	2,257	2,068	1,582	1,981	109	131	114
Scope 2 – Indirect GHG emissions (location-based)	7,020	8,773	8,463	8,728	80	104	80
Scope 2 – Indirect GHG emissions (market-based)	4,248	5,849	8,243	7,986	73	71	53
Scope 3 – Other direct GHG emissions	9,814	7,377	7,028	10,098	133	105	97
- Business travel (plane, train, bus, car)	1,430	1,101	1,125	1,963	130	98	73
- Purchase of computer equipment	848	917	909	705	92	101	120
- Waste management	196	195	172	47	100	113	419
- Employee commuting to work	7,036	4,501	4,207	6,565	156	107	107
- Paper consumption – internal	130	128	338	431	101	38	30
- Paper consumption – external	165	526	254	364	31	207	45
- Water consumption	10	9	23	24	116	38	42
Total Scope 1–2 GHG emissions	9,857	11,299	10,602	11,518	87	107	86
Total Scope 1–3 GHG emissions	19,671	18,677	17,630	21,617	105	106	91
Carbon footprint (Scope 1–2) per employee	1.86	2.09	1.95	2.13	89	107	88

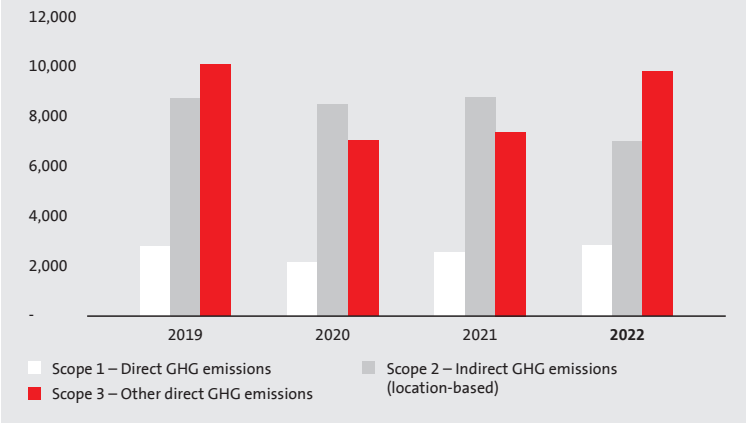
Following the change in data capture, the data for 2019, 2020 and 2021 were adjusted.

Overview of the carbon footprint of Zavarovalnica Triglav by scope

Quantities of specific activities	GHG emissions in tCO ₂ e				Index		
	2022	2021	2020	2019	2022/2021	2021/2020	2022/2019
Scope 1 – Direct GHG emissions	693	605	587	938	114	103	74
- Scope 1.1 – Consumption of energy products from own capacities	180	187	178	393	96	105	486
- Scope 1.2 – Fuel consumption of company cars	513	419	409	546	123	102	94
Scope 2 – Indirect GHG emissions (location-based)	4,004	4,503	4,351	4,379	89	103	91
Scope 2 – Indirect GHG emissions (market-based)	1,416	1,589	4,173	4,318	89	38	33
Scope 3 – Other direct GHG emissions	5,608	4,634	4,013	5,565	121	115	101
- Business travel (plane, train, bus, car)	1,053	861	886	1,369	122	97	77
- Purchase of computer equipment	443	602	398	315	74	151	141
- Waste management	78	85	68	20	92	125	396
- Employee commuting to work	3,837	2,791	2,393	3,463	132	117	111
- Paper consumption – internal	48	63	49	69	77	128	70
- Paper consumption – external	146	229	209	322	64	109	45
- Water consumption	3	3	8	8	96	34	32
Total Scope 1–2 GHG emissions	4,697	5,109	4,939	5,317	92	103	88
Total Scope 1–3 GHG emissions	10,305	9,743	8,951	10,882	106	109	95
Carbon footprint (Scope 1–2) per employee	2.10	2.14	2.09	2.23	98	102	94

Following the change in data capture, the data for 2019, 2020 and 2021 were adjusted.

Comparison of the quantity of Scopes 1, 2 and 3 carbon footprint in 2019–2022



The Triglav Group's carbon footprint calculation was prepared in accordance with the methodology for calculating Zavarovalnica Triglav's and the Triglav Group's carbon footprint, defining in greater detail the scope and limits, the method of data collection and analysis, and emission factors. For year-on-year comparisons and setting targets to reduce the carbon footprint, 2019 was set as the base year, when the epidemic situation had not yet affected the total volume of greenhouse gas emissions (GHG). The carbon footprint calculation according to the location-based method includes all Group companies that are fully consolidated and have office space or employees and therefore meet the materiality criterion.

The methodology follows the guidelines of the internationally recognised Greenhouse Gas Protocol and takes into account the release factors of the international database, which classifies emissions into three scopes (Scopes 1, 2, 3). The calculation of the Group's carbon footprint included the following scopes and categories of emissions:

- **Scope 1:** direct emissions from sources owned or controlled by the company (e.g. boilers, stoves, painting chambers, company vehicles) and fugitive emissions associated with air-conditioning units.
- **Scope 2:** indirect emissions resulting from purchased district heating and electricity.
- **Scope 3:** indirect emissions resulting from business trips by air, train, bus and car not owned or leased by the company, from purchases of IT equipment, generated waste, employee commuting, consumption of paper and water.

Based on an independent verification carried out in accordance with the ISO 14064-3 standard, the verifier, SIQ Ljubljana, gave a **positive opinion** on the carbon footprint report of Zavarovalnica Triglav d.d. and the Triglav Group and confirmed that the report:

- was prepared in accordance with the GHG protocol for GHG emission reporting (Scopes 1 and 2 emission reporting guidelines),
- was correct in terms of content and fairly presents GHG data (Scopes 1 and 2) from 1 January 2022 to 31 December 2022 for Zavarovalnica Triglav d.d. and the Triglav Group.

Use of energy products

The Group consumed 1,787 tonnes of oil equivalent (TOE) of energy on heating, cooling, lighting and electrical and electronic equipment, down by 2% relative to 2021, while the Company reduced its energy consumption by 6%. At the parent company, consumption of gas, electricity and water for heating decreased the most, whereas fuel oil consumption increased the most.

The Company launched a project to install solar power plants on some roofs of its commercial buildings, which together will cover around 8% of its total electricity needs. In Ljubljana (at Dunajska cesta 22), thermostatic valves for central temperature regulation were installed and the basic infrastructure for a higher number of electric cars was built. The guidelines aimed at reducing the consumption of energy products used for heating and cooling as well as electricity in general were taken into account in each renovation of the Group's business premises. LED lighting is installed in all new business premises and on advertising signs (see sections [12.1 Implementation of strategic guidelines and sustainable development goals of the Triglav Group](#) and [7.10 Investment in own-use real property and equipment](#) for more information).

Use of energy products at the Triglav Group and Zavarovalnica Triglav in energy product unit³³

Quantities	Energy product unit				Index			
	2022	2021	2020	2019	2022/2021	2021/2020	2022/2019	
Triglav Group								
Heating water	kWh	4,618,841	4,967,025	4,359,684	4,411,103	93	114	105
Fuel oil	L	29,410	27,388	57,342	89,790	107	48	33
Gas	kWh	2,221,206	1,656,589	1,660,892	2,581,140	134	100	86
Wood pellets	kg	49,030	51,810	47,000	26,000	95	110	189
Electricity	kWh	13,353,852	14,086,990	12,841,319	13,382,997	95	110	100
Green electricity	kWh	8,448,791	8,466,599	345,961	117,659	100	2,447	7,181
Green electricity	%	63.3	60.1	2.7	0.9	105	2,234	7,190
Zavarovalnica Triglav								
Heating water	kWh	3,843,000	4,045,257	3,629,474	3,741,053	95	111	103
Fuel oil	L	15,520	7,760	6,126	23,414	200	127	66
Gas	kWh	723,129	879,589	843,736	1,732,335	82	104	42
Wood pellets	kg	0				0	0	0
Electricity	kWh	8,330,044	8,890,970	8,438,062	8,404,232	94	105	99
Green electricity	kWh	7,913,093	8,446,421	345,961	117,659	94	2,441	6,725
Green electricity	%	95.0	95.0	4.1	1.4	100	2,317	6,785

Following the change in data capture, the data for 2019, 2020 and 2021 were adjusted.

Use of energy products at the Triglav Group and Zavarovalnica Triglav in tonne of oil equivalent (TOE)

Triglav Group	TOE (ton equivalent)				Index		
	2022	2021	2020	2019	2022/2021	2021/2020	2022/2019
Hot water	397	427	375	379	93	114	105
Fuel oil	25	24	49	77	107	48	33
Gas	196	146	147	228	134	100	86
Wood pellets	20	21	19	11	95	110	189
Electricity	1,148	1,211	1,104	1,006	95	110	114
Green electricity	726	728	30	8	100	2,447	8,976
Total	1,787	1,829	1,694	1,701	98	108	105
Zavarovalnica Triglav							
Hot water	330	348	312	322	95	111	103
Fuel oil	13	7	5	20	200	127	66
Gas	64	78	74	153	82	104	42
Wood pellets	0				0	0	0
Electricity	716	764	726	578	94	105	124
Green electricity	680	726	30	8	94	2,441	8,407
Total	1,124	1,197	1,117	1,073	94	107	105

Following the change in data capture, the data for 2019, 2020 and 2021 were adjusted.

³³ The calculation for a tonne of oil equivalent (toe) is based on the assumption that 10 kWh of electricity are generated from one litre of fuel oil and 9.5 kWh from a m3 of natural gas. GRI 302-1.

Waste management³⁴

Compared to the year before, the total quantity of waste generated in 2022 decreased by 6% at Group level and by 18% at the Company. The share of recycled waste increased to 29.7% at Group level and 37.1% at the Company.

This year, too, the consumption of paper for internal purposes was reduced. The average daily consumption of office paper (A4 and A3 formats) in sheets per employee fell to 19 at Group level (compared to 20 in 2021) and to 18 at the Company (compared to 23 in 2021).

Waste separation and disposal depends on the waste management system at the local level or at the level of the country in which the Group members operate. Full waste separation is carried out in Slovenia, whereas in other countries waste separation and disposal is not yet fully regulated, therefore the quantity and type of waste are often not available. In commercial buildings in Slovenia, employees are encouraged in various ways to use less packaging and better separate waste. In 2022, the subsidiary company in Serbia adopted a waste management plan, which implemented the monitoring of waste-by-waste separation category and type of waste disposal.



Employees are encouraged to use less packaging and better separate waste in a variety of ways.

Waste management at the Triglav Group and Zavarovalnica Triglav

		Triglav Group				Index		
	Unit	2022	2021	2020	2019	2022/2021	2021/2020	2022/2019
Paper	kg	76,124	71,139	113,209	85,443	107	63	89
Biological waste	kg	36,107	24,669	12,968	12,567	146	190	287
Packaging	kg	66,008	57,883	43,677	53,328	114	133	124
Glass	kg	3,903	1,438	11,093	5,396	271	13	72
Mixed waste	kg	430,833	431,965	346,780	415,353	100	125	104
Electrical equipment and other	kg	825	64,455	135,026	5,861	1	48	14
Total recycled waste	kg	182,142	155,129	180,947	156,734	117	86	116
Total waste intended for removal	kg	431,658	496,420	481,806	421,214	87	103	102
Total waste generated	kg	613,800	651,549	662,753	577,948	94	98	106
Water consumption	m ³	68,086	58,659	65,700	68,847	116	89	99
Waste in ton/employee	kg	116	124	125	109	94	99	106

		Zavarovalnica Triglav				Index		
	Unit	2022	2021	2020	2019	2022/2021	2021/2020	2022/2019
Paper	kg	34,495	35,806	65,319	38,818	96	55	89
Biological waste	kg	30,026	20,727	10,059	9,849	145	206	305
Packaging	kg	35,366	37,120	24,851	29,929	95	149	118
Glass	kg	667	651	7,546	971	102	9	69
Mixed waste	kg	170,202	174,971	137,730	180,327	97	127	94
Electrical equipment and other	kg	275	64,000	134,958	5,852	0	47	5
Total recycled waste	kg	100,554	94,304	107,775	79,567	107	88	126
Total waste intended for removal	kg	170,477	238,971	272,688	186,179	71	88	92
Total waste generated	kg	271,031	333,275	380,463	265,746	81	88	102
Water consumption	m ³	18,347	19,116	23,342	23,071	96	82	80
Waste in ton/employee	kg	121	148	170	118	82	88	103

Paper consumption at the Triglav Group and Zavarovalnica Triglav

		Paper consumption in kg				Index		
		2022	2021	2020	2019	2022/2021	2021/2020	2022/2019
Triglav Group								
Total paper consumption*		321,002	725,961	629,639	817,114	44	115	39
Paper consumption by employees (A4 and A3)		131,356	133,990	312,769	369,200	98	43	36
Average daily office paper consumption per employee (sheets)		19	20	45	53	98	43	36
Zavarovalnica Triglav								
Total paper consumption*		211,006	317,563	280,839	409,710	66	113	52
Paper consumption by employees (A4 and A3)		52,460	68,120	53,214	72,090	77	128	73
Average daily office paper consumption per employee (sheets)		18	23	18	25	78	128	74

Following the change in data capture, the data for 2019, 2020 and 2021 were adjusted.

* Includes paper consumption for internal and external purposes, including envelopes, promotional material, printed material, insurance documentation, etc.

The Triglav Group worked with the Slovenia Forest Service to **reforest the Karst region** after the devastation caused by fires in 2022. At the end of November, employees with their families and friends joined volunteers from Slovenia and abroad to plant saplings in the first large-scale campaign.

At the North Macedonian life insurer, employees organised a tree-planting campaign by the Veles Lake entitled “New life – for life with a smile”, while employees at Triglav penzisko društvo, Skopje participated in the tree-planting campaign “Plant a dream for a better future”. Triglav Skladi promoted investing in sustainable companies with the “Create a #floral summer” campaign.

See Section [12.4.3 Responsibility to the community](#) for more details on prevention projects.

12.3.3 Services and products promoting social and environmental impacts³⁵

Sustainability principles are implemented already when designing insurance and investment products. Each product in the development and approval stage is assessed in accordance with the internal methodology for sustainability impact assessment. Described below are the most important services and products that promote social and environmental benefits.

- **Solar power plant insurance and micromobility insurance:** Solar power plant insurance provides insurance for solar power plants and adequate insurance coverage for users of energy from renewable sources. Insurance for small electric means of transport is designed to promote the use of means of transport with zero emissions.
- **Comprehensive car insurance and roadside assistance insurance:** These products include all the necessary coverage for **electric and hybrid vehicles**, because they provide insurance for the entire infrastructure for charging such vehicles (charging stations, cables, etc.). In North Macedonia, the Kasko Green insurance product range was designed for owners of electric and hybrid vehicles, which includes a 50% discount when taking out comprehensive car insurance.
- **The DRAJV application:** With a lower motor vehicle insurance premium, it encourages clients to drive safely, economically and responsibly.
- **Co-financed agricultural insurance:** These insurance products promote the supply of locally produced food and its consumption, as well as shorter supply chains. In this way they contribute to the preservation of agricultural production and rural settlements, which is particularly important for more remote areas with difficult conditions for farming (less favoured areas for agriculture).
- **The range of agricultural insurance products:** Greater emphasis is being placed on plant production insurance and insurance of small and medium-sized livestock farms, which are a significantly smaller burden on the environment than intensive animal farming.
- **Agricultural insurance premium policy:** It promotes the importance of establishing preventive protection against increasing production risks as a result of climate change. The Company **participates in prevention programmes** for sustainable food production (irrigation systems, sprinkler systems to protect against spring frost, anti-hail nets, greenhouses, tunnels).

- **Index insurance products,** such as crop insurance against drought with remote sensing technology to detect a lack of soil moisture, help to reduce the burden on the environment in the claim settlement process. Damage assessment procedures in the field using tablets and drones are also more environmentally friendly.
- **Benefits for young farmers:** In partnership with the Slovenian Rural Youth Association, young farmers receive benefits when concluding insurance upon taking over a farm. Support is provided to innovative and preventive projects such as the IMK project (Innovative Young Farmer) and (Un)safe Driving with Tractors.
- **Triglav Skladi’s Triglav Zeleni equity fund:** The fund complies with EU regulation on sustainability-related disclosures in the financial services sector. The fund invests in the shares of leading companies in the field of sustainable development and corporate social responsibility. In 2022, Triglav Skladi offered the option of investing in sustainable funds for the life insurance products with a savings component.

Written premium from insurance and investment products that promote general social and environmental benefits is on the rise, which helps to realise the Company’s strategic ambitions. It reached EUR 20.8 million in 2022 (index 127). The Triglav Zeleni fund’s assets under management rose by 18% to EUR 49.2 million.



Our now traditional preventive workshops titled »(Un)safe Driving with Tractors« were held for young farmers.

³⁵ GRI G4-F57, G4-F58, SDG 2, SDG 7, SDG 9, SASB: FN-IN-410b.1, FN-IN-410b.2

Written premium from the Triglav Group's insurance products that promote social and environmental benefits and Triglav Zeleni fund's assets under management

	Written premium and assets under management			Index	
	2022	2021	2020	2022/2021	2021/2020
Crop insurance	17,056,736	13,392,760	11,140,631	127	120
Electric vehicle insurance	2,427,251	1,920,092	1,429,155	126	134
Micromobility insurance	550,591	484,875	475,136	114	102
Solar power plant insurance	773,394	537,912	459,248	144	117
Total written premium	20,807,972	16,335,639	13,504,170	127	121
Assets managed by the Triglav Zeleni fund	49,246,838	41,833,991	24,556,690	118	170

Integration of ESG factors into investment management and strategy³⁶

Investing of the Group's financial assets takes into account the sustainability aspect of the investment policy (in compliance with the requirements of Regulation (EU) 2019/2088 on sustainability-related disclosures in the financial services sector), which includes a description of sustainability risks and an overview of adverse sustainability impacts.

In the investment process, the Company pursues the social corporate responsibility guidelines developed by the Organisation for Economic Co-operation and Development (OECD) and the principles for responsible investment (PRI), supported by the United Nations.

Voluntary and mandatory disclosures of proportions of exposure of taxonomy-eligible and taxonomy non-eligible economic activities

Presented below are some of the proportions of exposure to taxonomy-eligible and taxonomy non-eligible economic activities according to the EU Taxonomy Regulation in total assets and non-life insurance activities. The proportions presented partially comply with Commission Delegated Regulation (EU) 2021/2178 of 6 July 2021 supplementing Regulation (EU) 2020/852.

Proportions and values of individual categories in the Triglav Group's total assets (voluntary disclosure)

Triglav Group	31 December 2022		31 December 2021	
	Proportion	Value in EUR	Proportion	Value in EUR
The proportion in total assets of exposures to taxonomy non-eligible economic activities, except exposures to central governments, central banks and supranational issuers excluded from the calculation of the numerator and denominator	89%	2,184,808,041	85%	2,025,967,171
The proportion in total assets of exposures to taxonomy eligible economic activities, except exposures to central governments, central banks and supranational issuers excluded from the calculation of the numerator and denominator	11%	281,908,313	15%	346,600,213
The proportion in total assets of exposures to taxonomy eligible economic activities of financial undertakings	3%	69,869,725	4%	88,379,241
The proportion in total assets of exposures to taxonomy eligible economic activities of non-financial undertakings	9%	211,081,858	11%	255,924,963
Exposures to central governments, central banks and supranational issuers and derivatives	44%	1,091,468,585	58%	1,382,189,062
Exposures to undertakings that are not obliged to publish non-financial information pursuant to Article 19a or 29a of Directive 2013/34/EU	45%	1,596,251,823	41%	1,521,997,653

Estimates of the Bloomberg information system were used for the calculation.

Derivatives are excluded from the numerator for calculating non-eligible and eligible exposures.

Exposures to undertakings that are not obliged to publish non-financial information pursuant to Article 19a or 29a of Directive 2013/34/EU are excluded from the numerator of key performance indicators of financial undertakings.

Exposures to investments held in respect of life insurance contracts where the investment risk is borne by the policyholders are excluded from the calculation of the numerator and denominator of all exposure calculations.

The proportion of taxonomy-eligible and taxonomy non-eligible non-life insurance economic activities in the Triglav Group (mandatory disclosure)

Triglav Group	Proportion	
	31 December 2022	31 December 2021
Taxonomy eligible non-life insurance economic activities	91%	91%
Taxonomy non-eligible non-life insurance economic activities	9%	9%

The Group's strategic ambitions in sustainable development (ESG) fully follow the goals adopted in the context of the Paris Agreement to limit global warming and the European Green Deal on reducing greenhouse gas emissions by 2030 and reaching carbon neutrality by 2050.

In both strategic activities, insurance and asset management, the Group's activities will be focused on the transition to a climate-neutral society and a climate-resilient circular economy. In carrying out its activities, the Group will promote sustainable economic activity, energy efficiency and energy from renewable sources with an aim to reduce greenhouse gas emissions.

See Section [12.1 Implementation of strategic guidelines and sustainable development goals of the Triglav Group and Zavarovalnica Triglav](#) for more information.

12.4 Social aspects

12.4.1 Responsibility to clients³⁷

In client relations, the Company pursues the principles of simplicity and transparency and responds quickly and effectively to clients' needs, thereby building mutual trust. A lot of effort is invested in good long-term relationships, monitoring developments in the insurance markets, determining the requirements and needs of clients, and professionally and properly addressing their comments. On this basis, the Company improves its business models and processes, and develops new products, services and ecosystems. Client focus is also achieved using new marketing approaches at all levels.

By developing digital solutions, the Company aims to improve the clients' user experience; furthermore, it strengthens its relationships through direct communication via insurance agents (see Section [11. Development activities](#) for more information). The focus is on keeping clients informed about insurance products and protecting their personal data and rights. Ensuring quality and thus client satisfaction is governed by rules, protocols and instructions.

An integral part of developing insurance products are procedures set up for approving and testing products before they are sold or distributed. Each product must meet clients' needs and goals in its lifetime and correspond to their characteristics. The adequacy of distribution strategies is checked and tested on an ongoing basis. When any deviations are identified, the respective product or its distribution is appropriately adjusted.

Informing clients³⁸

The Company informs clients in a professional and transparent manner, enabling them easy access to all the necessary information about the Company's products and services. The Company aims to ensure that its insurance and other general terms and conditions are fair and transparent and that clients are treated in a proper and equal manner. Furthermore, the Company complies with special requirements with regard to client information when concluding financial and insurance contracts remotely.

Any complaint, which may be filed in various ways, is resolved quickly according to the prescribed procedures. The Company complies with the guidelines of supervisory bodies and carefully implements its policy of management and control of insurance services and products and their distribution.

As regards advertising, the newest communication guidelines are followed, without using any misleading, aggressive, insulting, shocking or other inappropriate practices. The Company is guided by ethical principles, cultivates its brand reputation and applies the recommendations of the Slovene Consumers' Association for improving financial literacy. No proceedings for violations related to marketing communication were initiated against Zavarovalnica Triglav and its subsidiaries in 2022.

Availability of services

By expanding and constantly upgrading our digital solutions, clients are provided with easily accessible products and services and a simple way of doing business. See Section [11. Development activities](#) for more information about improvements and numerous activities.

- **Communication objectives:** Toll-free telephone numbers are available for the Company's services (general information and technical assistance: 080 555 555, info@triglav.si; and assistance services: 080 2864 in Slovenia, 080 2222 2864 abroad). The toll-free telephone number 080 2664 of Triglav, Zdravstvena zavarovalnica, is available for information on health insurance, and the toll-free telephone number 080 1019 of Triglav Skladi is available for information on investment solutions. Call centres also operate in Croatia, Serbia and North Macedonia. Additional dialogue was created for the digital assistant (chatbot) and support topics for clients were expanded.
- **The DRAJV mobile application:** The milestone marking 1 billion kilometres being driven in total was surpassed. The upgraded application now uses a driving assessment algorithm, allows multiple vehicles to be added to user accounts (a car, motorhome, motorcycle), motorcycle rides to be recorded and also offers a custom way of claiming discounts on

'Insure Our Future' with partnerships for sustainable development

In early 2022, in cooperation with over 160 partners – our sponsored parties, the **Insure Our Future** project was launched live on streaming channels. The project aims to raise awareness about the United Nations Sustainable Development Goals (SDGs). Our employees, followers of our sponsored parties, clients and other users of our communication channels are encouraged to commit to implementing them. The existing collaboration was upgraded into a joint partnership for sustainable development, taking on an ambassadorial role in raising awareness about global development challenges and sustainable living.



³⁷ GRI 3-3

³⁸ GRI 3-3, 417-1, 417-2, 417-3, SASB: FN-IN-270a.1, FN-IN-270a.4, FN-AC-270a.2, FN-AC-270a.3

motorcycle insurance. The application is used by more than 60,000 drivers per month, who recorded over 11 million journeys in 2022 (up by 36% relative to the previous year) and drove more than 275 million kilometres. By driving safely, users are rewarded with a discount when taking out motor vehicle insurance or insurance for young drivers and receive a discount on motorcycle insurance.



The DRAJV mobile app is used by more than 60,000 users a month.

- The i.triglav mobile application:** By upgrading the application, a wider range of services was made available to smart device users. Clients can sort out most things related to insurance contracts in one place and access the Company's other services (taking out or renewing insurance policies, reporting a claim and monitoring the status of their claim, ordering assistance, reviewing details of insurance and benefits, etc.). The mobile application allows clients to check the balance of their savings at Triglav Skladi and the balance of their life and pension insurance assets. In the i.triglav digital office, the processes related to taking out insurance and making additional premium payments were upgraded, and communication with employers was enabled in the i.triglav Poslovni (Business) application.

- The Triglav Vreme mobile application:** The application provides reliable weather information and forecasts. The data are provided by the Slovenian Environment Agency.
- Websites of Group companies:** With the technological, content and design upgrade of the websites of subsidiaries outside Slovenia and Triglav Skladi, the user experience was unified and their visibility boosted with a uniform digital identity, i.e. corporate visual identity (see Section [11.2 Transformation and digitalisation](#)).
- Mobile appraisal units in the event of mass claims:** In the affected areas, mobile appraisal units were set up for a quick and prompt damage assessment. In 2022, eight mobile appraisal units were set up after six major and several small hailstorms in Slovenia, which carried out a total of over 4,000 appraisals of damaged vehicles.
- An application for inspection of the object insured:** Remote inspection is possible using a client's smartphone, a drone and 360° cameras, as well as by capturing data using OCR technology. Damage reporting and inspection procedures are therefore simpler and faster.
- Many new features have been added to claim settlement:** the possibility of reporting claims online for liability insurance claims, paperless claim reporting at claim reporting counters, the upgraded *Mobilni zastopnik* (Mobile Agent) mobile application, the centralisation of claim settlement according to the "report and repair" procedure, the possibility to report motor vehicle legal protection insurance claims at SK+ service centres, the establishment of a call centre to assist clients in reporting and inspecting damage, the launch of assistance for pets, the possibility of electronic document signing for clients in the claim settlement process.
- The Triglav Skladi mobile application and Moj račun (My Account) online application:** The two upgraded applications with automated input of professional topics and advice for prudent asset management enable comprehensive online service and the remote management of mutual funds and investment solutions.
- Remote consultation with a doctor under the Zdravstveni nasvet (Medical Advice) insurance product:** Clients can consult with a specialist doctor by telephone or video call.
- A safe driving simulator at Triglav Lab:** Young drivers can take a practical driving test on a simulator to obtain a discount when concluding a young driver's insurance policy. They can also get a discount by attending a safe driving workshop.

Access to insurance services for people with various disabilities³⁹

Zavarovalnica Triglav: improving the services provided to persons with disabilities and ensuring their social integration

- A total of 70% of the Company's points of sale provide independent access to people with different types of disabilities. In 2022, disability-friendly restroom facilities were built at Dunajska cesta 22 in Ljubljana, and during the renovation of the Vič representative office, automatic sliding doors were installed for easier access.
- 100% of the points of sale are equipped with aids for partially sighted persons.
- 100% of the regional units' head offices are fitted with FM devices for hard-of-hearing persons.
- Awareness about the needs of people with disabilities is raised in cooperation with the Sports Federation for the Disabled of Slovenia and the Vozim Institute, as well as through volunteer work of employees at school sports days.

12.4.1.1 Client satisfaction⁴⁰

Client satisfaction is monitored by measuring and researching clients' experience. The results obtained are helpful not only in improving services but also in designing employee training, upgrading claim applications and monitoring sales.

In 2022, client satisfaction measurement according to the Net Promotor Score (NPS) methodology was expanded to include additional contact points in subsidiaries. Satisfaction with assistance services began to be measured in subsidiaries in Croatia, Bosnia and Herzegovina and Montenegro, as well as satisfaction with underwriting and paying out claims in Bosnia and Herzegovina. NPS measurement is performed in all markets where the Group operates, expanding the number of companies included.

The NPS of the Group and the Company reached the highest levels ever. **The Triglav Group's NPS** in 2022 was 77, up by four points compared to the previous year, while **Zavarovalnica Triglav's NPS** was 76, up by three points. This is mainly a result of improved satisfaction with taking out insurance, which grew by five percentage points. Clients once again expressed their greatest satisfaction with assistance services, where the NPS increased by two points (88).

Any negative client experiences are dealt with very carefully. The automated recording and sending of client comments about their experiences with the Company will be integrated into the CRM platform in 2023. Employees are informed about the satisfaction measurement results, and based on the findings, internal processes and services are further improved.

Client satisfaction with **healthcare service providers** is measured at the **Zdravstvena točka** health information office. Scores always exceed target values. All clients who left negative feedback are contacted. The range of products and services is adapted based on feedback

received, which is also communicated to partner healthcare service providers. The best rated partner healthcare service providers are awarded awards of excellence, and the *Ambassador of Excellence* award is given to the providers who were awarded five years in a row.

In **asset management**, a recognisable brand was built and client satisfaction was improved through active and targeted tailoring of the product range. Clients were addressed via various marketing channels, our presence on social networks and the use of digital platforms were strengthened, a call centre was set up and client satisfaction measurement according to the NPS methodology was established.

Insurance companies outside Slovenia continued to perform activities aimed at increasing client satisfaction. When implementing solutions, they take into account the parent company's experiences as well as business digitalisation trends and needs in the region.

In addition to NPS measurement, client feedback is obtained through an anonymous survey when reporting a claim, mail and electronic complaints,



In Montenegro, a full-day event with activities for children and a concert was held for clients using the My Home service.

responses on various social networks and own websites, as well as directly from agents in the field. A book of complaints and compliments is available **at points of sale**, which are also recorded in an application. No such complaints were recorded in 2022 (4 compliments were received).

Complaints and compliments are regularly monitored and analysed. Individual complaints are monitored and managed with effective software. The complaint handling rules define the individual stages of the complaints procedure and the duties of the responsible persons. Once a year, a report on the handling of complaints and compliments is drawn up and presented to the Company's management. It also specifies measures to improve the complaints procedure and processes. The Company ensures that clients are transparently informed about the complaints procedure, both with appropriate explanations in the insurance documentation and on the Company's websites, where they can find all information related to the effective handling of complaints.

In 2022, Zavarovalnica Triglav received 3,429 complaints (compared to 3,335 complaints in 2021), most of which related to non-life insurance

claims (91%), followed by complaints related to life insurance claims (6%), life insurance (2%) and non-life insurance (1%). Less than one percent of complaints were related to subrogations and other matters. Complaints are classified into substantive and general complaints and complaints relating to personal data protection. Substantive complains in which clients express their dissatisfaction with the handling of their claims are the most common (94%). Of all complaints received, two-thirds were unfounded, 11% were founded and 17% were partly founded. Apart from that, 52 compliments were received, mainly from employees, agents, technicians and appraisers. In the Group members outside Slovenia, complaints are handled in accordance with complaint committee's rules; records are kept in the prescribed form, mostly digital.

The client retention rate in Zavarovalnica Triglav in 2022 was 92.9% Together with the new clients acquired this year, the total number increased by 8.6%.⁴¹ **The rate of complaints** in relation to the number of claims at Zavarovalnica Triglav and Triglav, pokojninska družba was 1.22% compared to 1.30% in 2021.⁴²

12.4.1.2 Assessment of effectiveness and market research

Marketing and communication campaigns are monitored by researching visibility, likeability and what affects clients' understanding and purchasing decisions. EEG-based neurometry and eye tracking are used to monitor emotional perception and response to certain TV ads.

When developing, upgrading and consolidating products and services, measurements are used to check the suitability of services, bundles and the potential use of mobile applications, in addition to the mystery shopping method and using focus groups for new underwriting applications and products.

⁴⁰ GRI 2-25 | ⁴¹ SASB: FN-IN-270.3 | ⁴² SASB: FN-IN-270a.1



Building on brand strength by incorporating a new value promise

All stakeholders in all markets are involved in repositioning the brand and renewing the value promise. The branding process is managed by Zavarovalnica Triglav's Marketing Communication Department. **Tjaša Kolenc Filipčič:** "We are building on the implementation of our mission and business development, where, with new business models and services, we are focusing even more on the changed needs of clients and their user experience."

In the **non-life insurance segment**, the focus was on building the visibility of the upgraded Triglav komplet loyalty programme, which includes subsidiaries' insurance products. The interest in agricultural insurance, insurance for motorcyclists and tractor operators, *Pazi name!* (Watch Out for Me!) accident insurance, travel insurance, insurance for young drivers and DRAJV challenges was actively promoted.

In the **life insurance segment**, the focus was on an integrated approach that comprehensively addressed several target groups. In cooperation with top sport climber Janja Garnbret, the whole life insurance campaign was carried out.

In the **asset management segment**, due to the situation related to the war in Ukraine, an online information centre was set up to provide expert explanation regarding the safety of invested assets.

In the **health insurance segment**, a new long-term 360-degree communication, content and sales campaign was designed, focusing on the message "Your partner in health" and the Company's position as a reliable organiser of healthcare and assistance services, as well as on additional health insurance products.

The purchasing habits of consumers are monitored with quantitative research of factors that affect purchasing (All insurance), which takes place in the entire insurance market and provides insight into end consumer habits. An in-house report on measuring contractors' satisfaction is drawn up twice a year, identifying measures for improvement.

Zavarovalnica Triglav is **one of the most reputable brands** in the Slovenian market and ranks among top five brands in terms of reputation in markets outside Slovenia. The Group members are recognised as reputable companies with a distinctive, transparent style of communication with their clients. The Group is known well for its comprehensive range of insurance products and efficient claim settlement, including the payment of indemnities and benefits. It has the best corporate image in Slovenia, where Zavarovalnica Triglav is considered one of the best companies in Slovenia and contributes positively to the development of the local community; in other markets, the Group is still growing its image.

Brand management and marketing communication

For effective brand positioning and communication, a **new Triglav brand strategy** is being developed. It covers three aspects – the company's corporate brand, product brand and employer brand, and the Triglav brand identity, which is built based on its new personality archetype.

The reputation of the Triglav brand and the Triglav Group, clients' loyalty and relationships with them are built using an in-depth knowledge of clients' needs and examining trends. Brand strength is increased by applying comprehensive branding at corporate (i.e. at Group level) and product levels (i.e. at the level of individual products, product groups and services). In addition, brand identity is implemented on all target markets.

12.4.1.3 Awards and acknowledgements received

Awards and acknowledgments of the Triglav Group in 2022

- **WEBSI 2022:** Triglav Skladi was ranked second in the Corporate Social Responsibility Projects category for its Wholehearted Woods project.
- **TOP investor in education:** Zavarovalnica Triglav was awarded a certificate for systematic investment in employee education and training.
- **Top manager and Top Funds 2022 selected by the Moje finance magazine:** Mitja Baša from Triglav Skladi received an award for the best mutual fund manager, and the winning mutual funds were: for the three-year period (2019–2021) Triglav Money Market EUR in the Money Market – Euro category, Triglav Top Brands in the Equity Global category and Triglav Asia in the Equity Asia – Oceania category, which was also awarded the highest score for the ten-year period (2012–2021).
- **European Agency for Safety and Health at Work (EU-OSHA):** Zavarovalnica Triglav was recognised for effective prevention and management of work-related musculoskeletal disorders.
- **Recognition for occupational safety and health:** Zavarovalnica Triglav received a national award for its Protecting Health programme by the Ministry of Labour, Family, Social Affairs and Equal Opportunities in the context of the Healthy Workplaces Good Practice Awards 2020–2022 competition.
- **IADA:** The 2021 Annual Report of the Triglav Group and the parent company received gold awards in the following categories: Overall Presentation (online version), Home Page Design (PDF version) and Infographic (PDF version).
- **Arc Awards:** The 2021 Annual Report of the Triglav Group and the parent company received gold awards in the following categories: PDF Version of Annual Report, Design/Graphics and Photography/Video. In addition, the annual report was the grand winner in the Best of Eastern Europe category.
- **Gold Quill:** The 2020 Annual Report of the Triglav Group and parent company received two awards from the International Association of Business Communicators (IABC) – for excellence in strategic communication and for an integrated online approach with effective and imaginative use of online tools.
- **Best Annual Report:** Two awards for the best annual report in the Communication and Sustainable Development categories for 2021 selected by the Finance business daily.
- **Reputable Employer:** Zavarovalnica Triglav received the title of *Reputable Employer 2021* in the insurance sector for the fourth time in a row.
- **Recognition for spreading a family-friendly company culture:** Special thanks for spreading a family-friendly company culture to Zavarovalnica Triglav, which has been a holder of the Family-Friendly Enterprise Certificate since 2012.

12.4.2 Responsibility to employees⁴³

Strategic employee management guidelines and the recruitment policy

- The Company acquires, develops and retains the best employees, as well as improves selection processes. Standardised employee management processes are introduced within the Group by implementing minimum standards and transferring good practices.
- A uniform organisational culture is being created at Group level based on constructive behaviour, teamwork, initiative, responsibility and cooperation. The employer brand is systematically redesigned in order to strengthen the Company's reputation. Mobility within individual companies and between Group companies is promoted. Onboarding mentoring for new hires and development mentoring for promising employees are carried out, in addition to fostering intergenerational cooperation.
- Employees' know-how is being upgraded in all areas of work and the competencies necessary for the effective achievement of individuals' goals are developed on an ongoing basis. In 2022, the main competency – flexibility was strengthened at Group level.
- The development of key and promising employees and leaders is an ongoing process. Zavarovalnica Triglav's leadership license encourages leaders to continuously improve their knowledge and upgrade their leadership skills.
- Employee satisfaction and commitment are a priority, which is monitored using an annual ORVI survey.
- Modern, hybrid forms of work are being implemented that will enable employees to

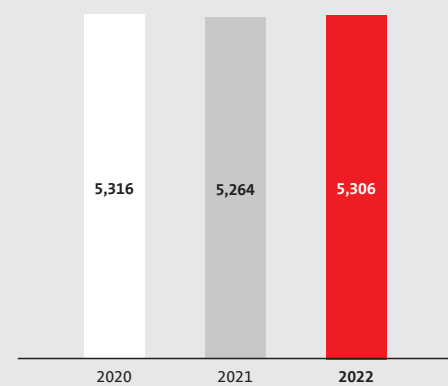
work more flexibly and efficiently, facilitate networking and cooperation, and improve their work-life balance.

- At the Triglav Group, the main modules were integrated into the Gecko HRM HR information system, and by the end of 2023 development modules will be fully implemented.

12.4.2.1 Recruitment and employee structure⁴⁴

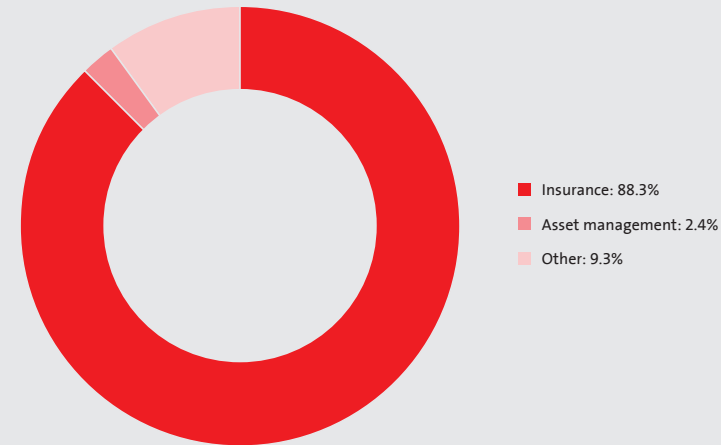
The Triglav Group had 5,306 employees as at 31 December 2022, up by 42 over the preceding year. The number of employees increased the most due to new hires at the Serbian insurer, Triglav, Zdravstvena zavarovalnica and the Macedonian life insurer.

The number of Triglav Group employees as at 31 December 2022



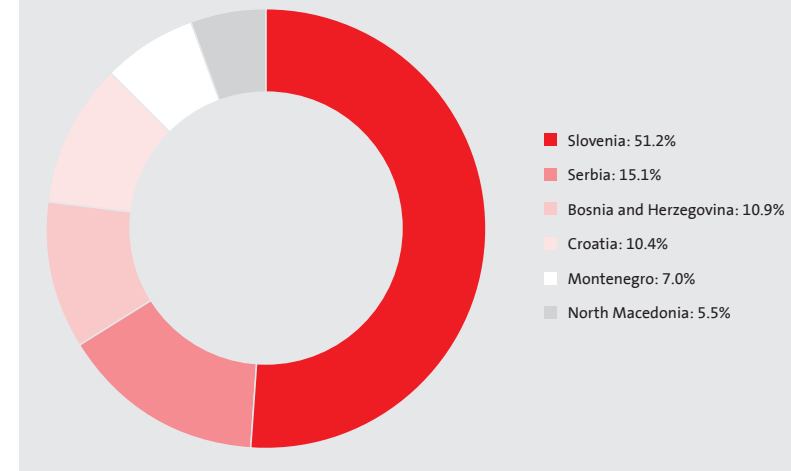
The majority, i.e. 88.3%, of all employees worked in the insurance activity, up by 0.5 percentage point compared to 2021. The share of employees in asset management activity increased by 0.1 percentage point, whereas in other activities it decreased by 0.6 percentage point.

Employees by Triglav Group activity as at 31 December 2022

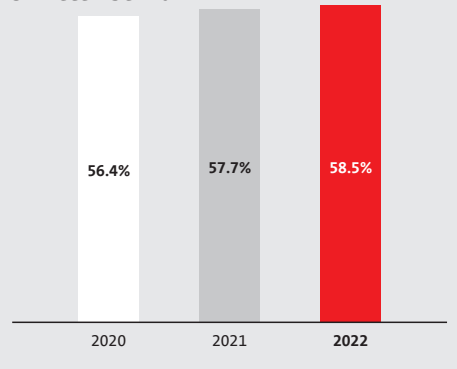


A total of 51.2% of all Group employees are employed in Slovenia, down by 0.2 percentage point relative to the preceding year. The share of employees in Serbia increased the most, by 0.6 percentage point.

Employees by Triglav Group market as at 31 December 2022



Proportion of employees at the Triglav Group with at least level VI education according to the Bologna Process study programmes as at 31 December 2022



Employees at the Triglav Group and Zavarovalnica Triglav by type of employment (full-time, part-time) as at 31 December 2022

	Triglav Group						Zavarovalnica Triglav					
	2022		2021		2020		2022		2021		2020	
	Number	Percentage	Number	Percentage	Number	Percentage	Number	Percentage	Number	Percentage	Number	Percentage
Type of employment												
Part-time	241	4.5	221	4.2	251	4.7	74	3.3	74	3.3	77	3.4
Full-time	5,065	95.5	5,043	95.8	5,065	95.3	2,169	96.7	2,172	96.7	2,167	96.6
Total	5,306	100.0	5,264	100.0	5,316	100.0	2,243	100.0	2,246	100.0	2,244	100.0
Type of employment agreement												
Fixed-term	607	11.4	624	11.9	779	14.7	33	1.5	41	1.8	49	2.2
Permanent	4,699	88.6	4,640	88.1	4,537	85.3	2,210	98.5	2,205	98.2	2,195	97.8
Total	5,306	100.0	5,264	100.0	5,316	100.0	2,243	100.0	2,246	100.0	2,244	100.0

The turnover rate⁴⁵ at Group level fell to 11.6% (compared to 13.2% in 2021) and rose to 5.3% at Zavarovalnica Triglav (compared to 4.1% in 2021). A total of 615 employees left in 2022; most leavers were aged over 56 years (due to retirement) and 36–40 years. A total of 652 new employees were hired; most new hires were aged between 26 and 35 years.

The average age of employees in the Group rose slightly to 44.80 years (compared to 44.67 years in 2021); at the parent company it was 46.74 years (compared to 46.55 years in 2021). The average age of Zavarovalnica Triglav's Management Board members was 48.50 years.⁴⁶ In Slovenia, senior

management is hired from the local community, as is the majority of senior management in the markets outside Slovenia.⁴⁷

The proportion of women among all employees increased both at the Company and in the Group, where it reached 54.7%. The proportion of women among the members of the Management Board of Zavarovalnica Triglav was 25.0%, and in the management and supervisory bodies of all Group companies it stood at 23.6%.⁴⁸ In all employee categories, activities and countries where the Group operates, the basic salary of men and women is equal.⁴⁹

Gender representation by various categories at the Triglav Group and Zavarovalnica Triglav as at 31 December 2022 (%)⁵⁰

	Share in %			Index	
	2022	2021	2020	2022/2021	2021/2020
Triglav Group					
Women employees to total employees ratio	54.7	53.9	53.5	102	101
Proportion of women at the first management level under the Management Board	45.1	45.3	45.8	100	99
Proportion of women at first and second management levels under the Management Board	41.2	42.0	42.1	98	100
Proportion of women in management and supervisory bodies	23.6	20.9	20.7	113	101
Proportion of the underrepresented gender in management and supervisory bodies	17.1	17.2	18.2	100	94
Women in management to women employees ratio	4.9	4.5	5.3	108	85
Zavarovalnica Triglav					
Women employees to total employees ratio	51.1	50.8	50.4	101	101
Proportion of women on the Management Board of Zavarovalnica Triglav	25.0	33.3	33.3	75	100
Proportion of women on the Supervisory Board of Zavarovalnica Triglav	0.0	0.0	0.0	0	0
Proportion of women at the first management level under the Management Board	25.9	25.9	25.9	100	100
Proportion of women at first and second management levels under the Management Board	40.2	38.8	37.9	104	102
Women in management to women employees ratio	3.5	3.5	3.4	100	104

⁴⁵ GRI 401-1 | ⁴⁶ GRI 405-1, SASB: FN-AC-330a.1 | ⁴⁷ GRI 202-2 | ⁴⁸ GRI 405-1 | ⁴⁹ GRI 405-2 | ⁵⁰ GRI 405-1, SASB: FN-AC-330a.1

Employees at the Triglav Group and Zavarovalnica Triglav by age and gender as at 31 December 2022⁵¹

	Triglav Group						Zavarovalnica Triglav					
	2022		2021		2020		2022		2021		2020	
	Number	Percentage	Number	Percentage	Number	Percentage	Number	Percentage	Number	Percentage	Number	Percentage
Age group												
From 18 to 19	3	0.1	6	0.1	4	0.1	0	0.0	1	0.0	0	0.0
From 20 to 25	127	2.4	125	2.4	138	2.6	24	1.1	21	0.9	17	0.8
From 26 to 30	361	6.8	371	7.0	389	7.3	88	3.9	94	4.2	100	4.5
From 31 to 35	555	10.5	569	10.8	588	11.1	191	8.5	194	8.6	191	8.5
From 36 to 40	741	14.0	771	14.6	813	15.3	268	11.9	264	11.8	285	12.7
From 41 to 45	904	17.0	885	16.8	909	17.1	367	16.4	393	17.5	409	18.2
From 46 to 50	940	17.7	882	16.8	852	16.0	438	19.5	422	18.8	413	18.4
From 51 to 55	828	15.6	821	15.6	803	15.1	446	19.9	455	20.3	451	20.1
56 and over	847	16.0	834	15.8	820	15.4	421	18.8	402	17.9	378	16.8
Total	5,306	100.0	5,264	100.0	5,316	100.0	2,243	100.0	2,246	100.0	2,244	100.0
Gender												
Men	2,401	45.3	2,426	46.1	2,472	46.5	1,096	48.9	1,104	49.2	1,114	49.6
Women	2,905	54.7	2,838	53.9	2,844	53.5	1,147	51.1	1,142	50.8	1,130	50.4
Total	5,306	100.0	5,264	100.0	5,316	100.0	2,243	100.0	2,246	100.0	2,244	100.0

A total of 88.5% of Group employees were **employed under the collective agreement** (compared to 89.3% in 2021) and 89.6% at the Company (compared to 91.1% in 2021). The remaining 11.5% were employees with individual agreements.⁵² Benefits are the same for all employees, be it permanent full-time employees, fixed-term employees or part-time employees.⁵³

The Company does not employ any employees without a guaranteed minimum or fixed number of working hours.⁵⁴ In accordance with the law, 30 natural persons were employed at the Company under a work contract in 2022.⁵⁵

12.4.2.2 Employee training and development⁵⁶

The Group's strategic guidelines are implemented also by pursuing an educational policy, thereby ensuring the employees' expertise, sustainable business, digitalisation and an outstanding user experience.

Particular attention is paid to training leaders, promising employees, in-house mentors, sales staff and employees in the claim segment. Employees from all Group companies and employees at external points of sale are included in training. A variety of educational topics are available to

employees. At the parent company, the focus was again on insurance topics, sales training and business communication.

Most training sessions at Group level (67%) were held online (webinars and e-learning). In addition to regular training, the following took place:

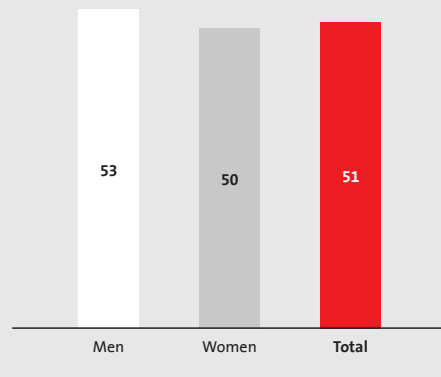
- **Specialised in-house training** of 70 employees. A total of 62 Triglav employees attended the Spring School to obtain new knowledge and skills (45 of them participated remotely).
- New educational topics were made available to **leaders** in the context of the leadership license, which is gradually being transferred to Group companies. In spring, **the Conference for Leaders** was held for the leaders at the parent company, and **the Effective Leadership and Communication programme** was offered to the management bodies of subsidiaries.
- New hires were included in **the Triglav Guide** programme, provided with onboarding mentoring and traineeships and participated in creative workshops.
- A new group of employees who took on the role of sales ambassadors participated in **the Triglav Ambassadors** programme to exchange knowledge, skills and experience of the best insurance agents.

- A total of 118 insurance agents and 30 sales clerks attended **the Sales Academy**, while all heads of sale continued with the Sales Management Academy programme.
- The compulsory training of **20 teaching hours** to maintain a **licence to conduct insurance agency business** was held for 1,216 employees at the parent company.
- Training of the Group's **16 new in-house coaches** commenced, who will provide coaching for leaders and promising employees. There are a total of 58 in-house coaches.
- A total of **9 expert meetings** were held for employees from subsidiaries, who also participated in other **in-house training sessions**; a total of 9,982 training hours were held for employees of subsidiaries. Special attention was paid to the internal transfer of knowledge, as 61% of in-house training was carried out by employees, i.e. in-house trainers.
- In cooperation with the IEDC – Bled School of Management, promising employees were given the opportunity to participate in **the Integrative Approach to Business** educational programme. The TIBA Alumni event was held with its main theme dedicated to understanding **the VUCA world**.
- In the context of online training for **employees at external points of sale**, topics about insurance products and consumer protection were at the forefront.

The total number of functional training hours at Group level rose by 8%. Employees at Group level participated in 33 training hours on average (index 107) and 51 training hours at the Company (index 110), most in the age group up to 30 years. At the Company, men participated in training on average two hours more than women.

⁵¹ GRI 405-1 | ⁵² GRI 2-30 | ⁵³ GRI 401-2 | ⁵⁴ GRI 2-7 | ⁵⁵ GRI 2-8 | ⁵⁶ GRI 3-3

The average number of functional training hours at Zavarovalnica Triglav in 2022 by gender⁵⁷



The Group's training costs amounted to EUR 2.4 million (compared to EUR 1.8 million in 2021), as the number of training hours in traditional form and related costs increased.

Employees are encouraged to continue their formal education. **Work study** was funded for 137 Group employees and **scholarships** were provided to 48 pupils and students. **Obligatory work placement** was provided to 67 pupils and students. The Company partnered with schools and faculties to transfer practical knowledge and experience to young people. A total of 22 young employees completed **traineeship** under the guidance of mentors.

Management by objectives and development of competences⁵⁸

The management-by-objectives system is implemented by all Group insurance companies and some Slovenian non-insurance companies. A total of 49% of all Group employees and 71% of the parent company's employees are included. Employees' performance is monitored and rewarded on a quarterly basis; their objectives are set together with their supervisor in an annual development interview (the top-down approach).

Due to the nature of their work, agents and heads of sales teams who are rewarded on the basis of sales targets are excluded from the management-by-objectives system.

The **competency model**, which is integrated into annual development interviews, identifies competency profiles and development activities of each employee. The development of employees' competencies is systematically planned based on the performance of tasks and duties as well as the current and anticipated development opportunities and requirements.

The competencies and development potential of employees in some Group members are assessed using the **DNLA** (Discovery of Natural Latent Abilities) **tool**. It is also used in training of leaders at Group most insurance companies and in the recruitment process at Zavarovalnica Triglav, Pozavarovalnica Triglav Re and Triglav Osiguranje, Belgrade.

12.4.2.3 Occupational health and safety⁵⁹

Zavarovalnica Triglav takes a comprehensive approach to ensuring occupational health and safety. In order to manage and reduce risks to the lowest possible level, the Company fully complies with sectoral legislation (identification of risks and hazards and their management), promotes occupational health (Triglav.smo – *Zavarujmo zdravje* (Protecting Health) health promotion programme), provides personal protective equipment, appropriate working conditions and ergonomic workplace arrangement, raises employees' awareness and educates them. Various activities take place in the context of the Family-Friendly Enterprise Certificate, additionally contributing to greater satisfaction and better health of employees.

Occupational health and safety system⁶⁰

The comprehensive approach is transferred from the parent company to other Group companies

by establishing common minimum occupational health and safety standards and by strictly complying with local legislation. In this regard, the aim is to identify, mitigate and manage risks arising from duties and the work environment.

Occupational safety and health is organised in accordance with the legislation and ensures the smooth provision of a healthy work environment for the employees.

The Safety Statement and Risk Assessment for **job categories** includes an assessment of hazards and harmful effects which could impact the health of employees. Measures for their prevention and reduction are also specified. As part of this continuous process, in which employees actively participate, assessments are revised and measures upgraded on an ongoing basis. Health risk assessments are revised in cooperation with occupational health specialists. Based on the assessment, employees are referred to periodic medical examinations and every new hire is required to undergo a statutory medical examination before taking up employment.

Participation in training and passing a test on **fire safety and occupational health and safety** are mandatory for employees. At **Zavarovalnica Triglav**, employees are made aware of these topics via various communication channels, the **Insure Our Future** (*Zavarujmo*

zdravje) health promotion programme, the measures related to the full Family-Friendly Enterprise Certificate and the **Triglav.smo** programme. Best practices are implemented at Group level.

Health promotion⁶¹

Health promotion is carried out with regard to the most common health problems that are perceived among employees based on anonymous reports of occupational medicine. Employees are able to participate in the **Health Days** (*Dnevi zdravja*) four-day preventive health programme, which has been attended by more than 550 employees over the past four years. Useful topics are communicated via in-house media, at training sessions, with e-Campus topics and at the series of the **Healthy Mind in a Healthy Body** workshops. On World Mental Health Day, a well-attended event titled *Seeking Help is Brave* was held in cooperation with Triglav, Zdravstvena zavarovalnica. At the event, renowned Slovenian experts spoke about when, how and why it is important to seek help when faced with mental distress.

In 2022, the parent company received an **important national and European award** in health protection, which is reported in greater detail in Section [12.4.1.3 Awards and acknowledgements](#).



Zavarovalnica Triglav received the Healthy Workplaces Good Practice Award at an award ceremony held in San Sebastian.

⁵⁷ GRI 404-1 | ⁵⁸ GRI 404-3 | ⁵⁹ GRI 3-3, SDG 8.8 | ⁶⁰ GRI 403-1, 403-2, 403-3, 403-4, 403-5, 403-8 | ⁶¹ GRI 403-6

A survey on the promotion of health, employees' well-being and experiences in the working environment was conducted at the parent company. Every year, together with an authorised occupational medicine specialist, an analysis of sick leave in the previous calendar year is made, which is then used as a guideline in planning appropriate activities in protecting employees' health and preventing the risks of sick leave due to health issues.

Care for occupational health and safety is **promoted among clients** through insurance products. Anyone (employer) wishing to conclude group accident insurance can only do so if they fulfil the requirements relating to occupational health and safety.

The crisis team, set up in the parent company when **the COVID-19 pandemic** was declared, drew up work instructions, regulated the organisation of work and issued up-to-date information regarding measures and the epidemic situation in Slovenia in order to ensure business continuity and safety at work. Employees were provided with protective equipment and rapid antigen (HAG) tests for self-testing, and the online mailbox for reporting infections remained active. The Company was subject to 43 inspections regarding the implementation of measures to prevent the spread of infectious diseases and compliance with the recovered/vaccinated/tested rule in 2022.

Fire safety

A **plan on emergency response and actions in the case of an emergency and other security events** is in place at Group level. In the case of an emergency or event that poses a security threat, employees can call the security control centre, where they will receive appropriate instructions. The Company regularly improves fire safety, monitors its compliance with legislative requirements and provides for training and education of employees; security patrols, inspections of buildings and premises and evacuation drills are carried out according to the annual plan. In 2022, 8 fire risk assessments and 5 fire safety inspections were carried out, with no major irregularities identified.

Occupational health and safety topics covered in formal agreements with trade unions and in the collective agreement⁶²

Safe working conditions at the parent company are defined in accordance with Zavarovalnica Triglav's collective agreement and the applicable legislation, while the subsidiaries adhere to the applicable local legislation. Before starting their work, employees are familiarised with the risks at work and work safety measures that they are obligated to follow. Employees are provided with the prescribed work equipment and personal protective equipment, and periodic medical examinations are carried out in line with the timeline and scope foreseen for individual job categories.

Injuries at work⁶³

The number of accidents remains low; at Group level their number increased to 20 in 2022, while at the parent company it decreased to 4.

Injuries at work at the Triglav Group and Zavarovalnica Triglav

Triglav Group	2022		2021		2020		Index	
	Number	Percentage	Number	Percentage	Number	Percentage	2022/2021	2021/2020
At work	14	70.0	10	76.9	7	63.6	140	143
On business trips	6	30.0	3	23.1	4	36.4	200	75
Total	20	100.0	13	100.0	11	100.0	154	118

Zavarovalnica Triglav	2022		2021		2020		Index	
	Number	Percentage	Number	Percentage	Number	Percentage	2022/2021	2021/2020
At work	1	25.0	4	57.1	1	25.0	25	400
On business trips	3	75.0	3	42.9	3	75.0	100	100
Total	4	100.0	7	100.0	4	100.0	57	175

The number of lost work days at Group level rose due to the higher number of injuries at work, while in the parent company this was a result of longer absences from work.

Lost work days and lost time incident rate due to injuries at work at the Triglav Group and Zavarovalnica Triglav

	2022	2021	2020	Index	
				2021/2020	2020/2019
Triglav Group					
Lost work days due to work-related injuries	1,279	543	289	236	188
Lost time incident rate – LTIR*	0.37	0.24	0.21	155	113
Zavarovalnica Triglav					
Lost work days due to work-related injuries	578	321	98	180	328
Lost time incident rate – LTIR*	0.18	0.31	0.17	58	175

* The number of work-related incidents/total number of hours of all employees x 200,000

Each injury which would render an employee unfit for work for more than three working days, each dangerous occurrence and each established occupational disease must be reported to the Labour Inspectorate of the Republic of Slovenia. The Company recorded two dangerous occurrences (also 2 in 2021) and no occupational diseases in 2022.⁶⁴

Absenteeism⁶⁵

At Group level, the absenteeism rate was 5.04 and was 0.30 percentage point higher than in 2021. The share of absenteeism for which sickness benefits are borne by the employer increased by 0.14 percentage point (medical leave up to 30 days), while the share of lost work days for which benefits are borne by other organisations increased by 0.16 percentage point (medical leave longer than 30 days, sick nursing, accompanying a sick person). The absenteeism rate at the Company was also higher and stood at 5.86% (compared to 5.13% in 2021). As a result, the share of work days lost borne by the employer rose by 0.18 percentage point and the share of work days lost borne by the Health Insurance Institute of Slovenia increased by 0.55 percentage point.

12.4.2.4 Care for employee satisfaction

Organisational vitality (climate) and organisational culture⁶⁶

The results of the **organisational vitality survey (ORVI)**, which measures employee satisfaction, remained at the same high level in 2022 as the year before. The ORVI index was **4.00** at **Group level** and **4.05** at **the parent company**. A total of 86% of employees from 17 Group companies participated in the survey (compared to 87% from 15 companies in 2021). The aggregate ORVI index is composed of the indicators (indices) for work environment, systems, operational management, personal view and engagement, which are further classified into ten categories.

The indicators for **operational leadership** and **engagement** recorded the highest values. Employees also remain **highly committed and active**. Their satisfaction with regular employment, working time, co-workers and direct supervisors were also rated high. **Interpersonal relationships and cooperation** within the organisation remain at a level similar to last

year, with employees cooperating more with employees from other Group companies. Triglav employees are **proud** to be part of the Triglav Group (score 4.33) and are satisfied with the **benefits** offered by employment in the Group; there is a sense of **security and equal treatment** at the workplace.

The change in the behavioural styles of the **organisational culture** was measured in 2021; based on the results, a number of activities were implemented.

Benefits and opportunities for employees

The **Triglav.smo** overarching programme is designed to improve the satisfaction of the Company's employees, bringing together various workshops and events to strengthen the awareness and knowledge of all important aspects of our lives. To a lesser extent, these activities also take place in other Group companies. The programme includes taking care

of employees' children by organising holiday camps and traditionally giving gifts to children at the end of the year. In 2022, a charity drive was carried out to raise money for the treatment of an employee's child. All Triglav Group employees are included in the Greeting the Seasons events.

The two in-house experts, who offer individual psychological counselling to employees as part of the **Psychological Pulse** group at Zavarovalnica Triglav, conducted 99 interviews in 2022, almost more than double than in 2021.

Results of organisational vitality (ORVI) of the Triglav Group in 2022



The **Family-Friendly Enterprise** Certificate facilitates better work-life balance of employees at the parent company, depending on the needs they have in different life situations or age periods. The Company has been the holder of the full Family-Friendly Enterprise Certificate since 2012. In 2022, extraordinary working from home was added to the benefits: in exceptional health-related cases, employees may work from home for up to 30 days. Based on good practices, the aim is to promote similar conduct in the Group subsidiaries and gradually set as uniform standards as possible.

Additional benefits for employees:⁶⁷

- supplemental pension insurance for 59% of employees of the Triglav Group and for 95% of employees of the parent company;
- payment of group accident insurance premium;
- favourable conditions for taking out complementary accident insurance for employees and their family members;
- complementary accident insurance for all business trips;
- after one year of employment in the parent company, employees may opt for supplemental voluntary pension insurance and voluntary pension insurance;
- the group insurance package Comprehensive Medical Care (Celostna zdravstvena oskrba – CZO), in which 50% of all employees of the Group and 83% of the parent company are included.

The Group members operating outside Slovenia provide benefits to their employees such as supplemental voluntary pension insurance premium, discounts on medical examinations, the payment of accident insurance premium and discounts on other types of insurance.

Work from home, parental leave and part-time work

At Zavarovalnica Triglav and some Group companies, employees whose nature of work allows it may work from home. At the 2022 year-end, 33% of Group employees and 63% of Company employees had this option available to them. .

Proportion of employees who worked from home and proportion of hours of working from home in the Triglav Group and Zavarovalnica Triglav in 2022

	Triglav Group	Zavarovalnica Triglav
Number of employees allowed to work from home	1,757	1,412
Proportion of employees allowed to work from home	33.1	63.0
Number of hours of working from home	634,846	437,583
Proportion of hours of working from home	5.9	9.7

Circumstance and work requirements permitting, working hours can be adapted to the needs and wishes of employees. Employees who are parents of first graders can take advantage of a day's paid leave on the first school day. Employees can take unpaid leave in certain cases and in agreement with their supervisors.

Parental leave or part-time work at the Triglav Group and Zavarovalnica Triglav in 2022⁶⁸

Triglav Group	Women	Men	Total
Maternity leave, child care leave	164	2	166
Paternity leave of 20 days		47	47
Paternity leave of 75 days (up to the child's age of three years)		2	2
Option of part-time working	39	6	45
Number of employees who returned to work after maternity leave in the reporting year	90	2	92
Return rate after parental leave	56%	100%	57%

Zavarovalnica Triglav	Women	Men	Total
Maternity leave, child care leave	51		51
Paternity leave of 20 days		45	45
Paternity leave of 75 days (up to the child's age of three years)			0
Option of part-time working	27	1	28
Number of employees who returned to work after maternity leave in the reporting year	48	2	50
Return rate after parental leave	96%	100%	96%

Relationships among employees and management, trade union activities⁶⁹

The employees exercise their management rights in line with the Worker Participation in Management Act and based on the agreement on worker participation in the management of Zavarovalnica Triglav. The Act sets out in greater detail the manner of exercising the rights referred to in said Act and lays down other rights and the manner of workers' participation in management, which is both individual and collective. Two representative trade unions and the Works Council are active in the Company. The Company concluded a special agreement and cooperates well with both. Before adoption, any document relating to the organisation of work or laying down the obligations that workers must be aware of to fulfil their contractual and other obligations is submitted to both trade unions to give their opinion.

Respecting the workers' rights and human rights⁷⁰

Any reported or detected suspected violation is dealt with according to a predetermined procedure, in which professionalism, confidentiality and protection of the reporting person are guaranteed. **The Triglav Group Code** defines the ethical principles of its operations, including respect for human rights, which is based on respect for and protection of internationally recognised human rights and fundamental freedoms. The Group creates a stimulating work environment that respects and protects the dignity and integrity of employees at the workplace, regardless of any personal circumstances or affiliation.

In addition to the Code, insurance companies outside Slovenia take into account local legislation. These companies have internal resolution mechanisms in place, and reporting of Code violations takes place in the context of compliance. Each report and identity of the reporting person (whistleblower) are treated confidentially. The reporting person is protected from any retaliatory action and is given an opportunity to informally resolve the issue.

⁶⁷ GRI 401-2, 201-3 | ⁶⁸ GRI 401-3 | ⁶⁹ GRI 3-3, 402-1 | ⁷⁰ GRI 2-23, 2-24, 2-25, 3-3

Potential discrimination and unwanted conduct at Zavarovalnica Triglav are additionally governed by the Rules on the protection of workers' dignity at work. The rules set out the manner of recognising, preventing and eliminating the consequences of discrimination, sexual and other harassment and workplace mobbing. In accordance with the rules, a confidant and their deputy are also appointed with the consent of the Works Council. Employees can report a suspected violation of rights to the confidant or their deputy, who then initiates proceedings to resolve the case, if possible, at the earliest stage. If the conflict cannot be resolved at this stage, a mediator is included in its resolution or a hearing before the competent committee is held.

In 2022, three reports of inadmissible conduct were received in Zavarovalnica Triglav, which the confidant dealt with in accordance with the rules. In one case, no violations were identified, and the confidant concluded the proceedings with a report. Two reports are still pending, as they were made at the end of the year.

The Company incorporated its **commitment to respect human rights in business operations** into its business processes. With it, as the Group's parent company, the Company committed itself to respecting human rights throughout the entire business process and to avoiding and preventing possible negative impacts on ensuring human rights. Due diligence of respect for human rights is carried out on a regular basis as part of risk assessment in compliance, human resources and procurement.



As part of the Children of Triglav corporate social responsibility project, new children's playground equipment was installed in Mežica

12.4.3 Responsibility to community⁷²

Through its business operations, the Group can directly or indirectly influence society. It aims to make a positive contribution to economic development, improving the quality of life of employees and their families, as well as the local community and society in general. In partnership with its stakeholders, the Group provides support to sports, cultural, educational, environmental and health activities.

The volume of generated assets distributed among various stakeholders of the Group is shown by economic value distributed. In 2022, it increased to EUR 1,351.1 million (index 105) predominantly due to higher dividend payments and an increase in expenses from financial assets.

Economic value distributed of the Triglav Group⁷³

	Index				
	2022	2021	2020	2021/2020	2020/2019
Economic value generated	1,403.1	1,378.8	1,274.9	102	108
Economic value distributed	1,351.1	1,281.8	1,179.2	105	109
- Net claims incurred and other insurance expenses	658.7	856.8	814.3	77	105
- Expenses from financial assets	196.8	27.6	36.7	714	75
- Other expenses	34.0	24.8	22.9	137	108
- Operating expenses	160.9	135.8	119.4	118	114
- Dividend payments	84.0	38.6	0.0	218	0
- Tax expense (income tax expense)	24.3	19.7	17.2	124	114
- Community investments (prevention activities, donations, sponsorships)	10.2	8.8	8.0	116	111
- Employee wages, allowances and benefits	182.0	169.7	160.7	107	106
Economic value retained	52.0	96.9	95.7	54	101

The Group's responsibility to the community is fulfilled primarily through investments in prevention, sponsorships and donations, as well as investments in infrastructure at national and local levels, which are presented below. Their content is defined based on:

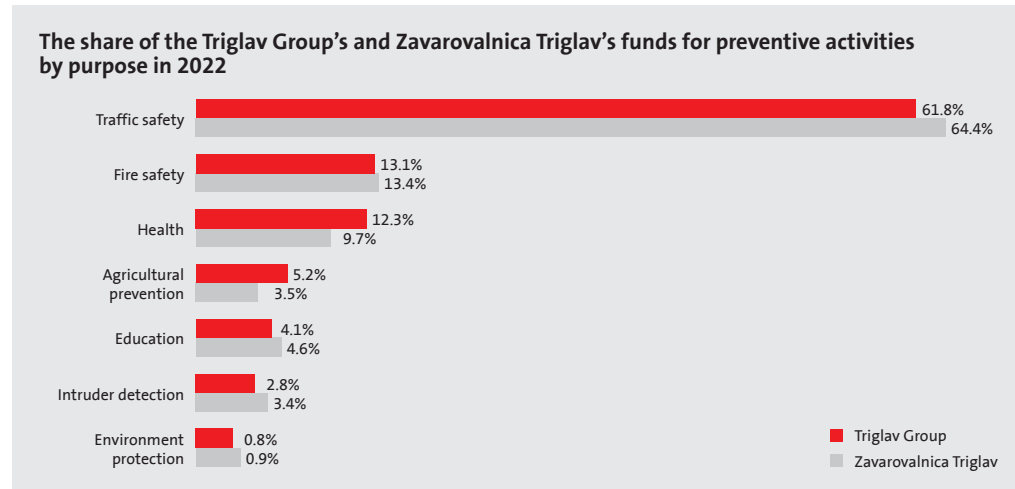
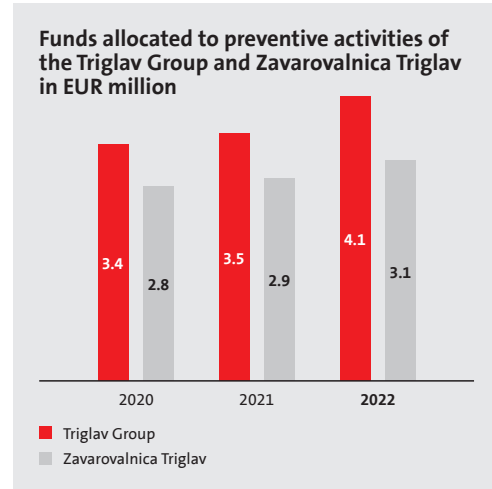
- sponsorships and donor partnerships and participation in investments in prevention;
- the needs identified in local environments by the Group's companies and business units;
- direct contact with local communities;
- performance analyses, especially risks and claims experience, published data of specialised organisations and institutions;
- market research and public opinion polls.

⁷² GRI 406-1 | ⁷³ GRI 3-3
⁷³ GRI 201-1, 203-1. The data on donations for 2021 and 2020 changed due to the revised methodology.

12.4.3.1 Investment in prevention

Prevention programmes are an important social aspect of sustainable impacts of the insurance industry, as they reduce risks and are also prescribed by law. The volume of investment in prevention has increased over the last three years, both at Group level and the parent company.

The bulk of funds was allocated to **improving traffic, fire and health safety**.



In cooperation with AMZS, 150 drivers over the age of 60 took a refresher course. Due to high interest, the project was continued and another 500 drivers were invited to participate.

Prevention projects⁷⁴

Prevention projects are mainly directed at the groups of people and natural environments most at risk. In line with demographic trends, the number of elderly drivers is increasing, and they are among those more exposed to the risk of being involved in a traffic accident. To this end, for the fourth year running, could the Company offers them the chance to improve their driving skills and knowledge of traffic regulations as part of the **Refresher Ride with a Driving Instructor for the Elderly** campaign. For motorcyclists, another more at risk group of drivers, the **DRAJV** safe driving application was upgraded. Support was provided to a total of 98 fire brigades and associations. To prevent accidents and fires in the mountains, cooperation was strengthened with the Mountain Rescue Association of Slovenia, the Alpine Association of Slovenia, the Avalanche Warning Institute, the Triglav National Park Public Institute and the Kranjska Gora Mountain Rescue Society and a dangerous high-mountain trail was rebuilt.

⁷⁴ GRI 3-3, 201-1, 203-1

High profile and comprehensive prevention projects of the Triglav Group in Slovenia in 2022 by area⁷⁵

Health prevention and safety at work	Impact
Assistance in the event of a sudden cardiac arrest	<ul style="list-style-type: none"> Co-financing or purchase of 18 defibrillators for local communities (184 in 9 years). Co-financing of training sessions in using a defibrillator.
Prevention and early detection of disease and mental health	<ul style="list-style-type: none"> 9 meetings and other events on physical and mental health were held at the Triglav Lab. The Najdi.se project was set up (in cooperation with the Vozim Institute) to promote and protect mental health among young people. 6 workshops for parents (in cooperation with the Vozim Institute) were held on alcohol- and cannabis-related issues, attended by 482 parents. Support was provided to 10 Hrastnik Social Work Centre workshops for parents on the mental and physical health of young people. Support was provided to the Slovenian Urological Patients Association in the Movember 2022 campaign.
Training in first aid response	<ul style="list-style-type: none"> Co-financing of first aid training – the purchase of Q CPR manikins for demonstration and CPR training.
Purchase of medical and therapeutic equipment	<ul style="list-style-type: none"> Purchase and co-financing of devices such as a mobile X-ray, a medical recliner for the elderly and a therapeutic chair for physically challenged students. Purchase of oximeters and infant warmers for 5 Slovenian maternity hospitals.
Prevention of accidents at work, partner: the Slovenian Forest Service	<ul style="list-style-type: none"> Financing a chainsaw safety course for forest owners.
Traffic safety	Impact
Refresher ride with a driving instructor for the elderly, partner: AMZS	<ul style="list-style-type: none"> A total of 150 drivers over the age of 60 attended a two-stage refresher course in driving knowledge and skills (driving in the city and at the safe driving centre) and 300 drivers attended a city driving course. In the four years of implementing this campaign, more than 640 experienced drivers have taken a refresher course with a driving instructor. The course focused on roundabouts, speed and keeping a suitable safety distance.
Vozimse.si – a road traffic prevention portal, partners: AMZS and Atmosferci	<ul style="list-style-type: none"> A total of 51,535 online tests were taken to refresh drivers' knowledge of road traffic regulations. Raising awareness of safe driving with videos on driving and working with tractors, autonomous and electric vehicles.
The Together for Road Safety project, partners: Sipronika and Zavod Vozim (I'm Driving Institute)	<ul style="list-style-type: none"> 12 new speed display signs in local communities, at high-risk road sections and in the vicinity of schools and kindergartens were set up, 92 in total over seven years. Under the mentorship of the Vozim Institute, students from schools with displays were researching speeding and submitted proposals to their municipalities to reduce speed in their settlements.
Together for Road Safety project, partner: COPS system	<ul style="list-style-type: none"> 10 new COPS@zebra and COPS@road systems were installed in Slovenia at points with the greatest risk of traffic accidents (over 70 in total).
Interactive workshops for secondary school students "I still drive but I no longer walk", partners: Zavod Vozim (I'm Driving Institute) and Sipronika	<ul style="list-style-type: none"> At 208 workshops in person or online, 10,386 young people listened to personal stories of traffic accident victims and became acquainted with the DRAJV safe driving application. 330 young people researched the influence of speed on impact load and braking distance at 117 specialised workshops. 380 young people attended the Alcohol=Change of Life workshop.
The safety of preschool children and first graders in road traffic, partner: the Slovenian Traffic Safety Agency	<ul style="list-style-type: none"> 21,000 first graders received yellow safety neckerchiefs. The Kuža Pazi (Watch Out Doggy) road safety mascot visited 45 elementary schools to promote being cautious.
Training events and topics for motorcyclists	<ul style="list-style-type: none"> The day of free prevention and first aid workshops for motorcyclists (attended by more than 2,000 motorcyclists in eight years). A conference on motorcyclists' behavioural risks entitled "Anatomy of a Motorcyclist's Ride". Presentation at the event about driving motorcycles of up to 125 cubic centimetres safely (analysis of data from the DRAJV application).
A training workshop on driving with tractors and tractor trailers, partner: AMZS, Vransko Safe Driving Centre	<ul style="list-style-type: none"> More than 300 tractor drivers attended the workshop on safe driving with tractors (more than 500 tractor drivers in three years, including many young tractor drivers).
The DRAJV safe driving application	<ul style="list-style-type: none"> The data from the DRAJV application were used to analyse and plan preventive measures and to select locations for the installation of speed display signs. The application was upgraded so as to promote the safe driving of motorcyclists.
Promotion of forming an emergency lane on motorways, partner: Zavod Reševalni pas (Emergency Lane Institute)	<ul style="list-style-type: none"> Sharing videos about the problems of ambulances on an emergency call.
Young drivers	<ul style="list-style-type: none"> A subpage for young drivers "Mission: pass your driver's test and be a safe driver" was set up on the Vozimse.si portal. In cooperation with gamers Žiga Lah (ScorpLZ) and Jaka Krčovnik (Jack on the Box) and psychologist Anja Čorić, an event was held for young drivers, at which the topic of having a fear of driving was discussed.
Being Safe on a Bike, partners: Butan plin, Slovenian Traffic Safety Agency, National Education Institute of Slovenia	<ul style="list-style-type: none"> More than 10,000 students (from over 100 schools) took part in cycling education about sustainable mobility, traffic regulations and active leisure time.
Fire prevention	Impact
Care for greater fire safety in mountain huts, partners: the Alpine Association of Slovenia and the Fire Fighting Association of Slovenia, Bonpet	<ul style="list-style-type: none"> 30 mountain huts were equipped with automatic fire extinguishing ampoules and fire extinguishers (115 mountain huts in three years). Support was provided to the construction of a new mountain hut on Okrešelj as a model of a modern fire-safe mountain hut.
Purchase of fire protection equipment, partners fire services, associations and brigades	<ul style="list-style-type: none"> Co-financed purchase of protective equipment, fire-fighting equipment and fire engines as well as investments in fire stations for 98 volunteer fire brigades and associations.
Financing of training and competitive activities of firefighters, partners: Fire Fighting Association of Slovenia and Instructor 112	<ul style="list-style-type: none"> The main sponsorship of the Firefighting Olympics in Celje. Co-financed three-day Heavy Rescue training course for firefighters in the event of major accidents, attended by 250 volunteer and professional firefighters from seven countries. In cooperation with the Atmosferci group, video content warning of the risk of battery fires was regularly posted on the Vozimse.si portal.
Protection of the natural environment	Impact
Safe return – prevention of bird strikes, partner: the Society of Knowledge and Values of Nature	<ul style="list-style-type: none"> Studying the coexistence of birds and airplanes in Slovenia and researching bird strike prevention techniques.
The sustainable development of pond banks, partner: the Brdo Public Utility Institute	<ul style="list-style-type: none"> Support for sustainable development of the bank of the pond in the Brdo pri Kranju park.
Sustainable visiting of Triglav National Park, partner: the Triglav National Park Public Institute	<ul style="list-style-type: none"> Co-organisation of an expert meeting and an open day at the Triglav Lab. The results of the analysis of driving with the Triglav application in terms of traffic congestion and speeding will serve as the basis to design measures to reduce motorised traffic in Triglav National Park.
Long-term conservation of protected wetlands, partner: the Wetland Research Society, Slovenia	<ul style="list-style-type: none"> Survey of 60 wetlands in the Julian Alps.
Study and conservation of dolphins, partner: Morigenos – Slovenian Marine Mammal Society	<ul style="list-style-type: none"> Initiation of the development of a research and education centre about dolphins in Piran.
Protection of indigenous marine species, partner: the Jesenice Fishing Family	<ul style="list-style-type: none"> Co-financing the construction of a centre for the breeding of indigenous marine species in Jesenice.
Keeping mountain trails well-maintained and safe, partner: the Alpine Association of Slovenia	<ul style="list-style-type: none"> Support in arranging mountain trails from Gorjanci to Kočevski rog as part of Trailblazers' Day. Support for restoring the challenging mountain trail to Koroška Rinka.
Sustainable visit to the mountains, partners: the Alpine Association of Slovenia and AMZS	<ul style="list-style-type: none"> Support for the Green Mountain Trail project to promote the sustainable choice of mountain locations, thereby contributing to less populated peaks.

In the context of this year’s traditional New Year’s prevention campaign **Za boljši jutri (For a better tomorrow)**, 26 prevention projects were supported in Slovenian local communities. Funds were allocated to firefighters, healthcare, civil protection, counselling in the field of children’s mental health, institutions for users with special needs and elementary schools. Over 230 preventive projects were supported over nine years.



As part of the Best Mountain Trail contest, the Company funded the renovation of the Koroška Rinka trail after it had been closed for several years.

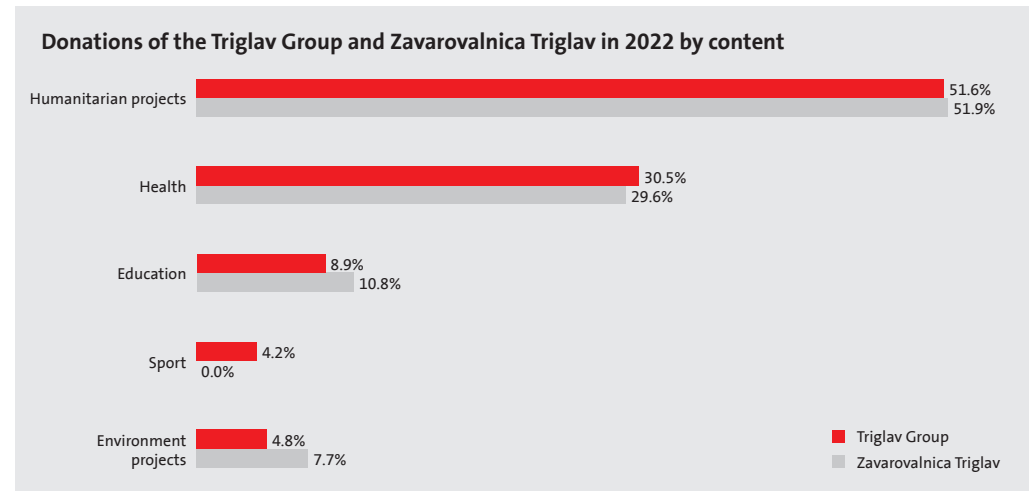
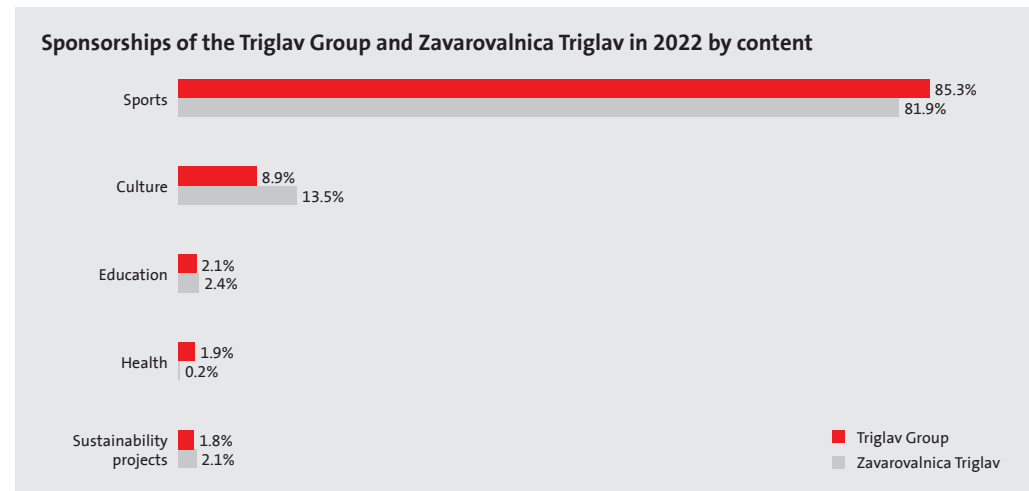
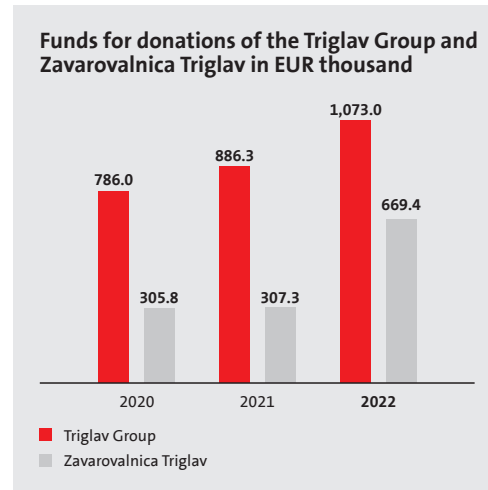
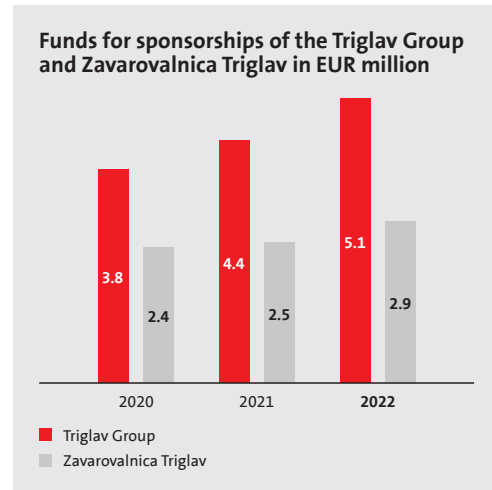
High profile and comprehensive prevention projects of the Triglav Group in the markets outside Slovenia in 2022 by area

Health prevention	Impact
Prevention of musculoskeletal diseases, partner: the Basketball Federation of Serbia, Serbia	■ Organisation of workshops for the prevention of musculoskeletal diseases in athletes.
Early detection of diseases, partner: the Croatian Neurological Society, Croatia	■ Support for the “Links in Neurology” symposium.
Prevention and early detection of disease, partner: the “Heart for Children with Cancer” Association, Bosnia and Herzegovina	■ Financial support for the treatment of children with cancer and help for their families.
Prevention of accidents in the mountains, partner: the Mountain Rescue Service of the Federation of BiH, Bosnia and Herzegovina	■ Co-financing of activities of the Gorazde Mountain Rescue Service.
Protection of the natural environment	Impact
Protection of the natural environment and biodiversity, partner: Eko Fond Orahovica, Bosnia and Herzegovina	■ Implementation of environmental and cleanliness drives.



12.4.3.2 Sponsorships and donations⁷⁶

The Group has uniform guidelines for sponsorships and donor partnerships in place. Attention is paid that their selection complies with the Company's business guidelines and brand. In 2022, the amounts of both sponsorships (index 133) and donations (index 121) were increased.



As part of the New Year's prevention campaign »For a Better Tomorrow«, more than 230 prevention projects have been supported throughout Slovenia over the past nine years.

Major sponsorships and donations

Sports sponsorships, the development of young athletes and raising awareness about the importance of a healthy lifestyle receive the majority of funds. The Group is recognised as a partner of national sports associations, international sports events and numerous sports clubs in its markets. In 2022, the largest share of donations was given to humanitarian projects and healthcare.

⁷⁶ GRI 201-1

Some major sponsorships of the Triglav Group in 2022

Country	Sports sponsorship	Culture	Education and training
Slovenia	<ul style="list-style-type: none"> ■ Partner of the Ski Association of Slovenia ■ Golden partner of national teams in biathlon and Nordic skiing ■ General sponsor of the FIS Ski Flying World Championship in Planica ■ Sponsor of the Ski Jumping World Cup Ladies (the New Year's Eve Tour) in Ljubno ob Savinji ■ Sponsor of the Biathlon World Cup in Pokljuka ■ Sponsor of the Sports Federation for the disabled of Slovenia ■ Golden partner of the Football Association of Slovenia and its national teams as well as the first women's and the first men's football league ■ Sponsor of the Tennis Association of Slovenia ■ Golden sponsor of the Table Tennis Association of Slovenia ■ Sponsor of the Gymnastic Federation of Slovenia ■ Sponsor of the Canoe Federation of Slovenia ■ Sponsor of the Olimpija Ice Hockey Club and the Jesenice Ice Hockey Skating Society ■ Sponsor of the Slovenian Golf Association ■ Sponsor of the Ice Hockey Federation of Slovenia ■ Sponsor of the Cedevisa Olimpija Basketball Club, the Krka – Telekom Novo mesto Basketball Club and the Domžale Basketball Club ■ Sponsor of the ACH Volley Ljubljana Volleyball Club and the Merkur Maribor Volleyball Club ■ General partner of the climbing event Triglav The Rock Ljubljana ■ Partner of the <i>Woop! Odbito na Ljubljani</i> event ■ Sponsor of top athletes: Peter, Domen and Cene Prevc, Anamarija Lampič, Ela Nala Milič, Kaja Juvan, Domen Škofic, Janja Garnbret, Nataša Robnik, Miha Dovžan, Vid Vrhovnik, Aljaž Sladič, Nika Radišič, Špela Rogelj, Nika Križnar, Taja Bodlaj, Rok Marguč, Klemen Bauer, Jakov Fak, Katja Pogačar, Žan Košir, Jan Pancar, Tjaša Fifer, Anej Doplihar and Matej Žan. 	<ul style="list-style-type: none"> ■ A series of concerts of Music of the World in Cankarjev dom ■ Kinodvor ■ Ljubljana Puppet Theatre ■ Slovene Writers' Association ■ Ljubljana Festival ■ Ljubljana Castle ■ Lent Festival ■ National Museum of Slovenia ■ Arsana Festival ■ Beletrina ■ Modern Gallery ■ Festival RUTA Triglav Group – a regional festival 	<ul style="list-style-type: none"> ■ Mountain Rescue Association of Slovenia: Staying Safe in the Mountains ■ Managers' Association of Slovenia ■ Slovenian Society for Dog Assisted Therapy Tačke Pomagačke (Helping Little Paws) ■ Maritime Law Association ■ American Chamber of Commerce in Slovenia (AmCham Slovenia)
Croatia	<ul style="list-style-type: none"> ■ Croatian Basketball Association ■ Croatia Open Umag ■ General sponsor of the Adriatic Water Polo League 	<ul style="list-style-type: none"> ■ Wine of Dalmatia Association 	
Montenegro	<ul style="list-style-type: none"> ■ Podgorica Basketball Club ■ AS Tennis Club ■ Budućnost VOLI Basketball Club ■ Budućnost Female Handball Club ■ ALL STAR Basketball Club ■ Podgorica Millennium Run ■ Water Polo and Swimming Federation of Montenegro 	<ul style="list-style-type: none"> ■ Budva Theatre Festival 	<ul style="list-style-type: none"> ■ EYCA international programme for young people
North Macedonia	<ul style="list-style-type: none"> ■ Vardar Handball Club ■ Vardar Female Handball Club ■ Alkaloid Handball Club ■ Support of rally driver Igor Stefanovski ■ Support of young tennis player Vesna Jovanova ■ Handball Federation of North Macedonia ■ Basketball Federation of North Macedonia 	<ul style="list-style-type: none"> ■ Kraft produkcija Festival 	<ul style="list-style-type: none"> ■ AETM
Bosnia and Herzegovina	<ul style="list-style-type: none"> ■ Female Play Off Sarajevo Basketball Club ■ Sarajevo Ski Club ■ Bosna Visoko Handball Club ■ Vitez Minifootball Club ■ Čelik Zenica Football Club ■ Jajce Handball Club ■ Support to SPARS 05 Youth Basketball Club 		
Serbia	<ul style="list-style-type: none"> ■ General sponsor of the Basketball Federation of Serbia and the Serbian male national team ■ Crvena zvezda Volleyball Club ■ Judo Federation of Serbia ■ Borac Basketball Club ■ Vojvodina Basketball Club ■ Golf Association of Vojvodina ■ Support for the judoka Nemanja Majdov 	<ul style="list-style-type: none"> ■ Manasija Knights Festival ■ Cultural manifestation – Oplenačka berba 	

Triglav Lab's activities

Many events, workshops and training sessions in prevention, financial literacy and cooperation with athletes are held at the Triglav Lab technology centre. In 2022, 75 on-site and online events were held, of which 42 were educational, 18 in the field of preventive healthcare, 10 for business and awareness purposes and 5 related to the Company's products. The main topics of the virtual events were fire and flood safety and dog care and health, while the virtual events on the topic of health were held in cooperation with Triglav Zdravje. As part of the POMNI project, screening tests for dementia took place in the premises of Triglav Lab (over several months), in addition to providing consulting for hemato-oncology patients. In the context of the summer finance school, young people attended a lecture on financial literacy (Triglav Skladi in partnership with Moje Finance magazine).

Everything Will Be Alright Institute

Zavarovalnica Triglav's *Zavod Vse bo v redu* (Everything Will Be Alright Institute) carries out socially responsible activities aimed at providing help and support to the socially disadvantaged as well as implements preventive activities. Key projects in 2022 included:

■ The Help Ukraine project

In the Slovenian companies of the Triglav Group, a charity drive was carried out to raise funds for refugees from Ukraine staying in Slovenia. The Group's employees, together with donations from Group companies, raised EUR 310.7 thousand.

■ Cooperation with the Slovenian Forest Service

The Everything Will Be Alright Institute signed an agreement on long-term cooperation in the Green Heart of the Karst project, with which the Triglav Group joined the project of Karst reforestation after the fire in 2022. The first large-scale campaign took place in November at the Cerje Monument of Peace. A total of 50 employees and other volunteers from Slovenia and abroad planted saplings.

As part of the collaboration with the Slovenian Forest Service, support was provided for the renovation of the Charcoal Forest Nature Trail in Dole pri Litiji, which is considered the heart of the Charcoal-Making Region.

■ Prevention activities aimed at preventing loss events

The Company participated as a partner in the **Alcohol-Free for 40 Days campaign** for the seventh year in a row, which promotes a healthy and sober lifestyle among the general public, including drivers.

■ Support to young talents – the Young Hopes project

The year 2022 was the tenth anniversary of the Young Hopes social responsibility project, providing support to talented young athletes, para-athletes, artists and scientists. This time, an open call was published in the spring. An expert jury selected 13 young and successful finalists aged between 16 and 20. In cooperation with Pro Plus media company, EUR 50,000 was allocated to the development of talented young people and the achievement of their goals. In ten years, 127 young people were

supported with a total of over half a million euros. The project ended with a gala event at the Ljubljana Castle, where diplomas were awarded to the last two generations of young people.

The recipients of financial support from the past five years were invited to apply to receive sponsorship funds from Zavarovalnica Triglav and which enabled them to receive even longer-term support. In addition, alumni meetings with lectures were held, focusing on safety, obstacles, tips and knowledge that young people need when they become young drivers.



Young Hopes 2022.

Information on corporate social responsibility partnerships:

Zavarovalnica Triglav, d.d., Ljubljana
 Miklošičeva cesta 19, 1000 Ljubljana
 Email: sponzorstva@triglav.si

12.4.4 Responsibility to suppliers

Procurement practices⁷⁷

The Company uses a **standardised software solution** for procurement, which increases the transparency of procurement procedures and reduces the operational risks of non-compliance with good business practices. The procurement procedures above a certain amount (above EUR 10,000) are performed by the Strategic Sourcing Department, which is responsible for coordination and communication between the relevant departments in need of procurement and suppliers. With the new electronic form implemented in 2022, the preparation of initial information for starting the procurement procedure was simplified.

Only verified suppliers who meet the **legal compliance** criteria can participate in procurement procedures. *The supplier compliance assessment* assesses the risks of corrupt practices, conflicts of interest and political exposure, while *the business sustainability assessment* is used to assess respect for human rights, provision of a safe and healthy work environment for employees and other workers, compliance with Slovenian legislation and international human rights documents and environmental legislation requirements. Based on these criteria, new suppliers are assessed in the selection process, while existing suppliers are assessed once a year. In 2022, additional criteria were added to the sustainable development form.

Locally-oriented procurement⁷⁸

The Company selects its suppliers mostly on the Slovenian market; the share of suppliers based outside the local market is less than 10%. Market trends in key procurement groups, such as IT, property management, general procurement, intellectual services, marketing, labour and general affairs, are regularly monitored. The Company seeks offers outside the local market when it is economically feasible or there is no comparable supplier in the market for the goods or services in demand.

The Group companies also carry out most of their procurement in local markets by complying with the common minimum procurement standards. Where possible and reasonable, some of the same types of materials, raw materials and services are procured centrally at Group level at more favourable purchasing terms and conditions. In 2022, procurement procedures above EUR 25,000 were centralised for all Slovenian companies and are carried out by the parent company's Strategic Sourcing Department.

Remuneration of insurance agency companies and sales staff

The Group's sales network is constantly being expanded with contractors. In 2022 their number **exceeded 1,980**, of which **1,441 were outside Slovenia**. See Section [14. Business network of the Triglav Group](#) for further information.⁷⁹ Before signing an agreement with a new contractor, the standardised selection procedure is carried out, while the business results of existing contractors are regularly monitored and measures are taken for enhancing cooperation and improving sales.

Non-life insurance agency companies are rewarded based on the following criteria: exclusivity, written premium, size of the area of operation, volume of sales of insurance products and fulfilment of planned obligations. When awarding a bonus, the Company takes into account the fulfilment of monthly targets and the renewability and growth of the insurance portfolio. The commission rate of contractors selling *life insurance* products depends on exclusivity, portfolio balance, client loyalty indicator and the effectiveness of maintaining the portfolio. Contractors are also rewarded for exceeding the annual non-life and life insurance sales targets (volume bonus); furthermore, special additional rewards are made available during the year. The first agreement with a new partner is concluded for a fixed term. Priority is given to exclusive sales, as insurance distributors can offer policyholders a comprehensive range of products of the Group members.

In Republika Srpska, remuneration regulations were revised. In some countries where the Group operates, additional incentives were used to promote sale to retail clients. In awarding a bonus, linear bonus schemes are used, which are upgraded with bonus commissions depending on the value of insurance policies, financial discipline and the claims ratio. Premium rates are universal (regardless of whether an insurance policy is new or renewed), whereas exclusive partnerships are additionally rewarded with benefits.

In order to maintain and promote loyalty, contractors may attend training sessions, workshops, and sales and motivational events, thus gaining new insurance and sales knowledge and skills, which improves not only relations between contractors and the Company but also client satisfaction.

12.5 Governance aspects⁸⁰

Fair business practices⁸¹

The Triglav Group adopted the **Triglav Group Code**, which focuses on twelve main ethical principles:

- integrity and compliance,
- conflict of interest management,
- prevention of the restriction of competition, unfair competition and unfair business practices,
- transparency and comprehensive communication,
- respect for human rights,
- responsibility to the employees,
- a client-centric approach,
- responsibility to the business partners and shareholders,
- fraud management,
- prevention of corruptive actions,
- money laundering and terrorist financing prevention,
- data protection and integrity.

Employees in all Group companies are made aware of and educated about the Code, fostering adherence to the adopted principles at all levels.

The Code defines the system for direct reporting of non-compliance, while the procedure for dealing with internal fraud and violations of the Code is regulated by an internal document. In 2022, the Group dealt with 14 reports of violations and two cases of suspected internal fraud. No major monetary losses directly related to the marketing and provision of information on insurance products were identified.⁸² None of the covered employees were involved in investment-related investigations, consumer complaints, private civil disputes or other regulatory proceedings.⁸³ No monetary losses directly related to legal proceedings concerning fraud, insider trading, antitrust, anticompetitive behaviour, market manipulation, abuse or other laws or regulations of the financial industry were recorded.⁸⁴

Insurance fraud management

To identify suspected fraud, advanced computer solutions are used that automatically and reliably detect suspicious cases and are helpful to experienced investigators. Key internal controls for fraud prevention and detection are also based on advanced technological solutions, which at the same time measure the effectiveness of fraud management processes.

Systematic training and awareness raising activities on how to identify insurance fraud, particularly with respect to underwriting and claim settlement, are carried out for all Group employees. In the fight against

fraud, the Company actively works together with other insurers, the Slovenian Insurance Association and the competent state authorities.

Modern forms of insurance and remote business lead to new types of fraud, which requires systematic monitoring and adjustment of the Company's operations.

Reporting and dealing with suspected fraud is regulated by the Group's Code, while the Rules on dealing with internal fraud and violations provide a framework for ensuring the protection of the reporting person's identity, handling anonymous reports and protection against retaliatory actions. The Rules also govern **whistleblowing** regulations.



To identify suspected fraud, advanced computer solutions are being used that automatically and reliably detect suspicious cases and are an additional tool for experienced investigators.

At least one communication channel for reporting violations (an online form, a hotline for reporting fraud or the email address preware@triglav.si) is available in all insurance and financial companies of the Group. In companies with at least 50 employees, the reporting person can also use an application to report violations, which is available and accessible on the www.triglav.eu website, and thus available to all external stakeholders. Any unlawful conduct, or an attempt thereof, that is contrary to the values and principles of the Triglav Group may be reported. Each report is dealt with in accordance with a predetermined procedure; the bona fide reporting person is protected during the procedure and after its completion.

⁸⁰ GRI 2-23, 2-24, 2-25, 2-26, 2-27 | ⁸¹ GRI 3-3 | ⁸² SASB FN-IN-270a.1 | ⁸³ SASB FN-AC-270a.1 | ⁸⁴ SASB FN-AC-510a.1

Insurance fraud was confirmed in 886 cases out of 1,651 reported cases of suspected fraud in 2022. Of these, 25 reports of suspected fraud were received from external and internal reporting persons (whistleblowers), which were confirmed in three cases. The number of confirmed cases of suspected fraud was 9% higher than in 2021.⁸⁵

Anti-corruption behaviour⁸⁶

The anti-corruption policy sets a minimum standard of conduct in proceedings with an identified corruption risk for the Group companies. Mandatory contractual provisions include an anti-corruption clause, a conflict of interest clause and clauses on the protection of human rights, personal data, inside information and business secrets. Employees are regularly made aware of how to act lawfully, fairly and transparently and how to respond to identified irregularities.

In 2022, the Company's employees attended training sessions on managing conflicts of interest and preventing money laundering and terrorist financing for an average of 3 hours. No cases of corrupt practices were confirmed in the Group.

In line with the Political Parties Act, Zavarovalnica Triglav may not and does not finance political parties. Such financing and other political activities are also banned by the corruption risk management policy of the Triglav Group; therefore, neither are carried out by any of its members.⁸⁷



Employees receive regular training on personal data protection and fair business practices.

Personal data protection⁸⁸

With regard to **personal data protection**, the Group received four complaints, three of which were found to be partially grounded. The cases of detected non-compliance were investigated and the internal control system was updated. No material sanctions due to non-compliance were imposed on the Company. In one case, a fine was imposed on the person responsible, but the procedure related to the request for judicial protection is still pending.⁸⁹

On average, the Company's employees received one hour of training on personal data protection. Information security and the personal data protection internal control system were upgraded, while keeping clients informed about the processing of their personal data. Uniform rules for personal data processing and protection continued to be implemented within Group; they are based on common minimum standards.

Protection of competition⁹⁰

In its operations, product development and marketing, the Group respects consumer rights and follows good business practices. When choosing suppliers, it aims for transparency and respects the protected interests of its competitors. In the Handbook for Consumer and Competition Protection, the rules of behaviour to competitors have been regulated to avoid the risk of violating regulations and principles of fair competition. In the markets where the Group holds a dominant position, consumers are advised to be cautious when taking out insurance and business partners when entering into business relationships. Proceedings for alleged non-compliance with competition protection rules have been initiated against a Group subsidiary company; as a result, in the future, the Group will be even more active in drawing attention to the importance of consumer protection and competition.

Commitments to external initiatives and membership in associations⁹¹

Zavarovalnica Triglav became a signatory to the United Nations Principles for Sustainable Insurance (UN PSI) and a member of the global community of banks, insurers and investors joining the United Nations Environment Programme Finance Initiative (UNEP FI). Also, it is a signatory to the Partnership for Carbon Accounting Financials (PCAF) initiative.

The main standard of professional business practices is implemented by complying with the Insurance Code of the Slovenian Insurance Association and other industry codes. The Company is active in the American Chamber of Commerce, especially in the Corporate Ethics and Transparency Committee and the Sustainable Growth Committee. As one of the first Slovenian companies, it committed itself to respecting the Declaration on Fair Business Practices. By joining Transparency International Slovenia, the Company additionally committed itself to developing an anti-corruption culture, and by signing the Commitment to Respect Human Rights in Business, it supported the implementation of the National Action Plan of the Republic of Slovenia for Respect for Human Rights in the Economy.

⁸⁵ GRI 419-1, SASB: FN-AC-510a.1, FN-AC-510a.3 | ⁸⁶ GRI 3-3, 205-1, 205-2, 205-3
⁸⁷ GRI 415-1 | ⁸⁸ GRI 3-3, 412-2, SDG 16 | ⁸⁹ GRI 419-1, 418-1 | ⁹⁰ GRI 3-3, 206-1 | ⁹¹ GRI 2-28

The Company is an active member of the Slovenian Insurance Association and its committees, the Chamber of Commerce and Industry of Slovenia and other local and interest chambers. It has representatives in several professional associations, such as the Slovenian Directors' Association, the Managers' Association of Slovenia, the Association of Employers of Slovenia, the European Institute of Compliance and Ethics, the Slovenian Association of Actuaries and the Institute of Internal Auditors – IIA Slovenia. Furthermore, representatives of the Company are members of many international industry and professional associations, particularly in the fields of finance, actuaries and compliance. Subsidiaries are members of industry and professional associations in the countries where they operate and participate in various committees.

Adjustment to regulatory changes

In 2022, the focus was on standardising the Group's personal data protection practices. The system for monitoring and complying with restrictive measures (sanctions) adopted due to the aggression against Ukraine was upgraded (e.g. the scope of client due diligence was updated and expanded, additional internal controls and ongoing notification of adopted new features were implemented); furthermore, guidelines for the Group's subsidiaries operating outside the EU were drawn up.

Procedures were updated in line with the amended law governing the prevention of money laundering and terrorist financing. The guidelines of the European Insurance and Occupational Pensions Authority in outsourcing cloud services were implemented.

Operations continued to be harmonised with the regulation on sustainability-related disclosures in the financial services sector and the EU Taxonomy, while regularly monitoring legislative changes in sustainable business. In addition, the implementation of accounting standards IFRS 17 and IFRS 9 continued.

The definitions of the target market and the distribution strategy for more complex products were reviewed and updated in line with the respective EIOPA's guidelines. Amendments to the Commission Delegated Regulation (EU) 2017/653 on PRIIPs and the Slovenian Insurance Supervision Agency's notices were taken into account in drafting key information documents for products. With respect to supplemental voluntary pension insurance (SVPI), approvals for changes to guarantee fund management rules were obtained.

Group subsidiaries adapted to changes and were actively involved in regulatory procedures. In the countries where EU legislation does not apply, the minimum standards of the parent company are followed.

Government grants and other forms of government assistance⁹²

The Triglav Group received EUR 3.1 million (index 116) in grants and other forms of government assistance in 2022, of which Zavarovalnica Triglav received EUR 2.9 million (index 114). The largest share of government grants in the Group, 86.5%, was accounted for by reimbursements of labour costs by the state. Government assistance in the context of aid measures due to unfavourable trends in the economy (mainly the rise in energy prices) accounted for 6.9%, while incentives for employing specific categories of workers accounted for 5.3%. The share of funds obtained in public tenders for co-financing the cost of a particular asset was 1.2%. See Section [5.6 of the Accounting Report](#) for more information on government grants.

13.

Information on the Triglav Group as at 31 December 2022

Insurance

Zavarovalnica Triglav d.d.	
Address:	Miklošičeva cesta 19, 1000 Ljubljana, Slovenia
Phone:	++ 386 (1) 474 72 00 , 080 555 555, 080 28 64
Fax:	++ 386 (1) 432 63 02
Email:	info@triglav.si
Website:	www.triglav.si, www.triglav.eu

Pozavarovalnica Triglav Re d.d.	
Address:	Miklošičeva cesta 19, 1000 Ljubljana, Slovenia
Phone:	++ 386 (1) 474 79 00
Fax:	++ 386 (1) 433 14 19
Email:	mail@triglavre.si
Website:	www.triglavre.si
Activity:	Reinsurance
Equity stake of Zavarovalnica Triglav/the Triglav Group:	100.00%/100.00%
Share of voting rights of Zavarovalnica Triglav/the Triglav Group:	100.00%/100.00%
Nominal value of equity stake held by Zavarovalnica Triglav/the Triglav Group:	EUR 4,950,000/EUR 4,950,000

Triglav, Zdravstvena zavarovalnica d.d.	
Address:	Pristaniška ulica 10, 6000 Koper, Slovenia
Phone:	++ 386 (5) 662 20 00, 080 26 64
Fax:	++ 386 (5) 662 20 02
Email:	info@triglavzdravje.si
Website:	www.triglavzdravje.si
Activity:	Insurance
Equity stake of Zavarovalnica Triglav/the Triglav Group:	100.00%/100.00%
Share of voting rights of Zavarovalnica Triglav/the Triglav Group:	100.00%/100.00%
Nominal value of equity stake held by Zavarovalnica Triglav/the Triglav Group:	EUR 25,822,144/EUR 25,822,144

Triglav, pokojninska družba d.d.	
Address:	Dunajska cesta 22, 1000, Ljubljana, Slovenia
Phone:	++ 386 (1) 47 00 840, 080 80 87
Fax:	++ 386 (1) 47 00 853
Email:	info@triglavpokojnine.si
Website:	www.triglavpokojnine.si
Activity:	Pension funds
Equity stake of Zavarovalnica Triglav/the Triglav Group:	100.00%/100.00%
Share of voting rights of Zavarovalnica Triglav/the Triglav Group:	100.00%/100.00%
Nominal value of equity stake held by Zavarovalnica Triglav/the Triglav Group:	EUR 25,756,808/EUR 25,756,808

Triglav Osiguranje d.d., Zagreb	
Address:	Antuna Heinza 4, 10000 Zagreb, Croatia
Phone:	0800 20 20 80
Fax:	++ 385 (1) 563 27 99, 0800 20 20 80
Email:	info@triglav.hr
Website:	www.triglav.hr
Activity:	Insurance
Equity stake of Zavarovalnica Triglav/the Triglav Group:	- /100.00%
Share of voting rights of Zavarovalnica Triglav/the Triglav Group:	- /100.00%
Nominalna vrednost kapitalnega deleža Zavarovalnice Triglav/Skupine Triglav:	- /EUR 38,060,776

Lovćen Osiguranje a.d., Podgorica	
Address:	Ulica slobode 13a, 81000 Podgorica, Montenegro
Phone:	++ 382 (20) 404 404
Fax:	++ 382 (20) 665 281
Email:	info@lo.co.me
Website:	www.lo.co.me
Activity:	Insurance
Equity stake of Zavarovalnica Triglav/the Triglav Group:	- /99.07%
Share of voting rights of Zavarovalnica Triglav/the Triglav Group:	- /99.07%
Nominal value of equity stake held by Zavarovalnica Triglav/the Triglav Group:	- /EUR 10,362,648

Lovćen životna osiguranja a.d., Podgorica	
Address:	Ulica Marka Miljanova 29, 81000 Podgorica, Montenegro
Phone:	++ 382 (20) 231 882
Fax:	++ 382 (20) 231 881
Email:	info@lovcenzivot.me
Website:	www.lo.co.me
Activity:	Insurance
Equity stake of Zavarovalnica Triglav/the Triglav Group:	- /99.07%
Share of voting rights of Zavarovalnica Triglav/the Triglav Group:	- /99.07%
Nominal value of equity stake held by Zavarovalnica Triglav/the Triglav Group:	- /EUR 3,665,590

Triglav Osiguranje d.d., Sarajevo	
Address:	Dolina 8, 71000 Sarajevo, Bosnia and Herzegovina
Phone:	++ 387 (33) 252 110
Fax:	++ 387 (33) 252 179
Email:	info@triglav.ba
Website:	www.triglav.ba
Activity:	Insurance
Equity stake of Zavarovalnica Triglav/the Triglav Group:	- /97.78%
Share of voting rights of Zavarovalnice Triglav/Skupine Triglav pravic:	- /98.87%
Nominal value of equity stake held by Zavarovalnica Triglav/the Triglav Group:	- /EUR 10,620,215

Triglav Osiguranje a.d., Banja Luka	
Address:	Ulica Prvog krajiškog korpusa 29, 78000 Banja Luka, Bosnia and Herzegovina
Phone:	++ 387 (51) 215 262
Fax:	++ 387 (51) 215 262
Email:	info@triglavrs.ba
Website:	www.triglavrs.ba
Activity:	Insurance
Equity stake of Zavarovalnica Triglav/the Triglav Group:	- /100.00%
Share of voting rights of Zavarovalnica Triglav/the Triglav Group:	- /100.00%
Nominal value of equity stake held by Zavarovalnica Triglav/the Triglav Group:	- /EUR 4,777,227

Triglav Osiguranje a.d.o., Belgrade	
Address:	Milutina Milankovića 7a, 11070 Novi Beograd, Serbia
Phone:	++ 381 (11) 330 51 00
Fax:	++ 381 (11) 312 24 20
Email:	office@triglav.rs
Website:	www.triglav.rs
Activity:	Insurance
Equity stake of Zavarovalnica Triglav/the Triglav Group:	- /100%
Share of voting rights of Zavarovalnica Triglav/the Triglav Group:	- /100%
Nominal value of equity stake held by Zavarovalnica Triglav/the Triglav Group:	- /EUR 19,661,348

Triglav Osiguranje a.d., Skopje

Address:	Bulevar 8-mi Septemvri br. 16, 1000 Skopje, North Macedonia
Phone:	++ 389 (2) 510 22 22
Fax:	++ 389 (2) 510 22 97
Email:	info@triglav.mk
Website:	www.triglav.mk
Activity:	Insurance
Equity stake of Zavarovalnica Triglav/the Triglav Group:	- /81.69%
Share of voting rights of Zavarovalnica Triglav/the Triglav Group:	- /81.69%
Nominal value of equity stake held by Zavarovalnica Triglav/the Triglav Group:	- /EUR 2,457,582

Triglav Osiguranje Život a.d., Skopje

Address:	Bulevar 8-mi Septemvri br. 18, 1000 Skopje, North Macedonia
Phone:	++ 389 (2) 510 22 01
Fax:	++ 389 (2) 510 22 97
Email:	info@triglavzivot.mk
Website:	www.triglavzivot.mk
Activity:	Insurance
Equity stake of Zavarovalnica Triglav/the Triglav Group:	- /97.38%
Share of voting rights of Zavarovalnica Triglav/the Triglav Group:	- /97.38%
Nominal value of equity stake held by Zavarovalnica Triglav/the Triglav Group:	- /EUR 6,819,115

Asset management

Triglav Skladi d.o.o.

Address:	Dunajska cesta 20, 1000 Ljubljana, Slovenia
Phone:	++ 386 (1) 300 73 00, 080 10 19
Fax:	++ 386 (1) 300 73 50
Email:	info@triglavskladi.si
Website:	www.triglavskladi.si
Activity:	Mutual fund management
Equity stake of Zavarovalnica Triglav/the Triglav Group:	100.00%/100.00%
Share of voting rights of Zavarovalnica Triglav/the Triglav Group:	100.00%/100.00%
Nominal value of equity stake held by Zavarovalnica Triglav/the Triglav Group:	EUR 563,345/EUR 563,345

Triglav, Upravljanje nepremičnin d.o.o.

Address:	Dunajska cesta 22, 1000 Ljubljana, Slovenia
Phone:	++ 386 (1) 47 44 440
Fax:	++ 386 (1) 23 17 785
Email:	info@triglav-upravljanje.si, info-nep@triglav.si
Website:	www.triglav-upravljanje.si
Activity:	Asset management
Equity stake of Zavarovalnica Triglav/the Triglav Group:	100.00%/100.00%
Share of voting rights of Zavarovalnica Triglav/the Triglav Group:	100.00%/100.00%
Nominal value of equity stake held by Zavarovalnica Triglav/the Triglav Group:	EUR 3,160,113/EUR 3,160,113

Triglav, upravljanje naložb in svetovalne storitve d.o.o.

Address:	Dunajska cesta 22, 1000 Ljubljana, Slovenia
Phone:	++ 386 51 317 019, 82 007 348
Email:	info@triglav.com
Website:	www.triglav.com
Activity:	Management of financial funds
Equity stake of Zavarovalnica Triglav/the Triglav Group:	49.90%/49.90%
Share of voting rights of Zavarovalnica Triglav/the Triglav Group:	49.90%/49.90%
Nominal value of equity stake held by Zavarovalnica Triglav/the Triglav Group:	EUR 7,331,308/EUR 7,331,308

Triglav penzisko društvo a.d., Skopje

Address:	Bulevar 8-mi Septemvri br. 18, 1000 Skopje, North Macedonia
Phone:	++ 389 (2) 510 21 90
Fax:	++ 389 (2) 510 28 81
Email:	info@triglavpenzisko.mk
Website:	www.triglavpenzisko.mk
Activity:	Pension funds
Equity stake of Zavarovalnica Triglav/the Triglav Group:	100.00%/100.00%
Share of voting rights of Zavarovalnica Triglav/the Triglav Group:	100.00%/100.00%
Nominal value of equity stake held by Zavarovalnica Triglav/the Triglav Group:	EUR 5,356,000/EUR 5,356,000

Triglav Fondovi d.o.o., Sarajevo

Address:	Ul. Mehmed paše Sokolovića br. 15, 71000 Sarajevo, Bosnia and Herzegovina
Phone:	++387 33 277 270
Fax:	++387 33 277 271
Email:	info@triglavfondovi.ba
Website:	www.triglavfondovi.ba
Activity:	Management of financial funds
Equity stake of Zavarovalnica Triglav/the Triglav Group:	- /62.54%
Share of voting rights of Zavarovalnica Triglav/the Triglav Group:	- /62.54%
Nominal value of equity stake held by Zavarovalnica Triglav/the Triglav Group:	- /EUR 399,704

Other

Triglav INT, holdinška družba d.o.o.

Address:	Dunajska cesta 22, 1000 Ljubljana, Slovenia
Phone:	++ 386 (1) 430 95 34
Email:	triglavint@triglav-int.si
Website:	www.triglav-int.si
Activity:	Holding company
Equity stake of Zavarovalnica Triglav/the Triglav Group:	100.00%/100.00%
Share of voting rights of Zavarovalnica Triglav/the Triglav Group:	100.00%/100.00%
Nominal value of equity stake held by Zavarovalnica Triglav/the Triglav Group:	EUR 77,180,734/EUR 77,180,734

Triglav Svetovanje, zavarovalno zastopanje d.o.o.

Address:	Ljubljanska cesta 86, 1230 Domžale, Slovenia
Phone:	++ 386 (1) 724 66 50
Email:	info@triglav-svetovanje.si
Website:	www.triglav-svetovanje.si
Activity:	Insurance agency activities
Equity stake of Zavarovalnica Triglav/the Triglav Group:	100.00%/100.00%
Share of voting rights of Zavarovalnica Triglav/the Triglav Group:	100.00%/100.00%
Nominal value of equity stake held by Zavarovalnica Triglav/the Triglav Group:	EUR 8,763/EUR 8,763

Triglav Savetovanje, društvo za zastupanje u osiguranju d.o.o., Belgrade

Address:	Zelengorska 1g, 11070, Belgrade, Serbia
Phone:	++ 381 (1) 165 58 497, 011 655 84 97
Email:	office@triglav-savetovanje.rs
Website:	www.triglav-savetovanje.rs
Activity:	Insurance agency activities
Equity stake of Zavarovalnica Triglav/the Triglav Group:	- /100%
Share of voting rights of Zavarovalnica Triglav/the Triglav Group:	- /100%
Nominal value of equity stake held by Zavarovalnica Triglav/the Triglav Group:	- /EUR 31,305

Triglav Savjetovanje, društvo za zastupanje u osiguranju d.o.o., Sarajevo	
Address:	Dolina br. 8, 71000 Sarajevo, Bosnia and Herzegovina
Phone:	++ 387 (3) 361 81 06
Faks:	++ 387 (3) 361 82 95
Email:	info@triglav-savjetovanje.ba
Website:	www.triglav-savjetovanje.ba
Activity:	Insurance agency activities
Equity stake of Zavarovalnica Triglav/the Triglav Group:	- /97.78%
Share of voting rights of Zavarovalnica Triglav/the Triglav Group:	- /97.78%
Nominal value of equity stake held by Zavarovalnica Triglav/the Triglav Group:	- /EUR 149,983

Triglav Savjetovanje, društvo za zastupanje u osiguranju d.o.o., Zagreb	
Address:	Sarajevska cesta 60, 10000 Zagreb, Croatia
Phone:	++ 385 (1) 344 41 22
Email:	info@triglav-savjetovanje.hr
Website:	www.triglav-savjetovanje.hr
Activity:	Insurance agency activities
Equity stake of Zavarovalnica Triglav/the Triglav Group:	- /100.00%
Share of voting rights of Zavarovalnica Triglav/the Triglav Group:	- /100.00%
Nominal value of equity stake held by Zavarovalnica Triglav/the Triglav Group:	- /EUR 790,000

Triglav Avtoservis d.o.o.	
Address:	Verovškova 60b, 1000 Ljubljana, Slovenia
Phone:	++ 386 (1) 580 68 80
Fax:	++ 386 (1) 580 68 75
Email:	info@triglav-avtoservis.si
Spletna stran:	www.triglav-avtoservis.si
Activity:	Maintenance and repair of motor vehicle
Equity stake of Zavarovalnica Triglav/the Triglav Group:	100.00%/100.00%
Share of voting rights of Zavarovalnica Triglav/the Triglav Group:	100.00%/100.00%
Nominal value of equity stake held by Zavarovalnica Triglav/the Triglav Group:	EUR 43,663/EUR 43,663

Triglav zdravje asistenca d.o.o., Ljubljana	
Address:	Dunajska cesta 22, 1000 Ljubljana, Slovenia
Phone:	++ 386 (1) 893 84 40
Email:	info@tza.si
Website:	www.tza.si
Activity:	Other human health activities
Equity stake of Zavarovalnica Triglav/the Triglav Group:	100.00%/100.00%
Share of voting rights of Zavarovalnica Triglav/the Triglav Group:	100.00%/100.00%
Nominal value of equity stake held by Zavarovalnica Triglav/the Triglav Group:	EUR 7,500/EUR 7,500

Diagnostični center Bled d.o.o.	
Address:	Pod skalo 4, 4260 Bled, Slovenia
Phone:	++ 386 (4) 579 80 00
Email:	info@dc-bled.si
Spletna stran:	www.dc-bled.si
Activity:	Hospital activities
Equity stake of Zavarovalnica Triglav/the Triglav Group:	50.00%/50.00%
Share of voting rights of Zavarovalnica Triglav/the Triglav Group:	50.00%/50.00%
Nominal value of equity stake held by Zavarovalnica Triglav/the Triglav Group:	EUR 189,562/EUR 189,562

Vse bo v redu, zavod Zavarovalnice Triglav za družbeno odgovorne aktivnosti	
Address:	Miklošičeva cesta 19, 1000, Ljubljana, Slovenia
Phone:	++386 (1) 47 47 518
Faks:	++386 (1) 47 47 159
Email:	vsebovredu@triglav.si
Spletna stran:	www.vsebovredu.si
Activity:	Humanitarian and charity activities
Equity stake of Zavarovalnica Triglav/the Triglav Group:	100.00%/100.00%
Share of voting rights of Zavarovalnica Triglav/the Triglav Group:	100.00%/100.00%
Ustanovni vložek Zavarovalnice Triglav/Skupine Triglav:	EUR 100,000/EUR 100,000

14.

Business network of the Triglav Group

- The Group's well-developed business network was further expanded. It includes over 1,980 insurance agencies, brokers and banks in the Adria region. Almost 73% of its contractors operate in markets outside Slovenia.
- Sales, after-sales and assistance services, which are provided in increasingly hybrid forms, are being upgraded with digital, automated and simplified processes.

The Triglav Group's well-developed business network is constantly upgraded. The traditional method of selling insurance and financial services is complemented with a multi-channel approach and hybrid forms of business, which is made possible by business digitalisation. In 2022, the Group strengthened its advantages by entering into more strategic partnerships and increasing the number of contract sales partners and the scope of online and assistance services.

The Group's insurance sales network is composed of insurance agents, sales clerks and own points of sale. In 2022, the external sales network in Slovenia comprised 542 partners registered for insurance agency activities – 469 in non-life insurance and 73 in life insurance. Based on contracts, the Group also cooperates with roadworthiness test providers, car dealers, leasing companies, banks and travel agencies with great success. Subsidiaries outside Slovenia also strengthened their own and external sales networks. In markets outside Slovenia, the Group cooperates with more than 1,440 insurance agencies, with most partnerships being entered into in Serbia, particularly with vehicle inspection providers. In 2022, the bank sales channel was strengthened in particular. See Section [12.4.4 Responsibility to suppliers, Remuneration of insurance agencies and their sales staff](#) for more information.

In order to effectively resolve claims, the range of contractors was expanded, communication channels were upgraded and claims procedures were automated and simplified. Clients have access to insurance services also via call centres, where they receive the necessary information; furthermore, clients may take out insurance, report a claim and request assistance services via the telephone or online.

14.1 Insurance

■ Zavarovalnica Triglav d.d., Ljubljana, Headquarters – registered office

Regional units:

- | | | |
|---------|-----------------|------------------|
| ■ Celje | ■ Ljubljana | ■ Novo mesto |
| ■ Koper | ■ Maribor | ■ Postojna |
| ■ Kranj | ■ Murska Sobota | ■ Slovenj Gradec |
| ■ Krško | ■ Nova Gorica | ■ Trbovlje |

■ Pozavarovalnica Triglav Re d.d., Ljubljana – registered office

■ Triglav Zdravstvena zavarovalnica d.d., Koper – registered office

The insurance company has agencies set up in all 12 regional units of Zavarovalnica Triglav and a health information office at its registered office.

■ Triglav, pokojninska družba d.d., Ljubljana – registered office

■ Triglav Osiguranje d.d., Zagreb – registered office**Branch offices:**

- | | | |
|------------|--------------|---------|
| ■ Zagreb | ■ Koprivnica | ■ Pula |
| ■ Čakovec | ■ Osijek | ■ Split |
| ■ Varaždin | ■ Rijeka | |

■ Lovćen Osiguranje a.d., Podgorica – registered office**Branch offices:**

- | | | |
|----------------|---------------|---------------|
| ■ Podgorica | ■ Bar | ■ Ulcinj |
| ■ Nikšić | ■ Budva | ■ Tivat |
| ■ Berane | ■ Plužine | ■ Rožaje |
| ■ Pljevlja | ■ Šavnik | ■ Herceg Novi |
| ■ Bijelo Polje | ■ Danilovgrad | ■ Kolašin |
| ■ Kotor | ■ Cetinje | ■ Mojkovac |

■ Triglav Osiguranje d.d., Sarajevo – registered office**Branch offices:**

- | | | |
|--------------------------|------------------|------------------|
| ■ Sarajevo | ■ Grude | ■ Konjic |
| ■ Novi Grad – Autocentar | ■ Banja Luka | ■ Posušje |
| ■ Goražde | ■ Ljubuški | ■ Livno |
| ■ Kiseljak | ■ Jelah – Tešanj | ■ Čapljina |
| ■ Bihać | ■ Čitluk | ■ Tomislavgrad |
| ■ Ključ | ■ Široki Brijeg | ■ Sanski Most |
| ■ Tuzla | ■ Novi Travnik | ■ Velika Kladuša |
| ■ Mostar | ■ Teočak | ■ Lukavac |
| ■ Zenica | ■ Breza | ■ Prozor |
| ■ Travnik | ■ Gračanica | ■ Busovača |
| ■ Vitez | ■ Kakanj | |

■ Triglav Osiguranje a.d.o., Banja Luka – registered office**Regional offices:**

- | | | |
|--------------|------------|-------------|
| ■ Banja Luka | ■ Prijedor | ■ Pale |
| ■ Doboј | ■ Gradiška | ■ Bijeljina |

■ Triglav Osiguranje a.d.o., Belgrade – registered office**Branch offices:**

- | | | |
|--------------|--------------|---------------------|
| ■ Belgrade | ■ Čačak | ■ Sremska Mitrovica |
| ■ Novi Sad | ■ Jagodina | ■ Bogatić |
| ■ Kruševac | ■ Vranje | ■ Bor |
| ■ Niš | ■ Vršac | ■ Negotin |
| ■ Valjevo | ■ Novi Pazar | ■ Kraljevo |
| ■ Kikinda | ■ Užice | ■ Leskovac |
| ■ Subotica | ■ Zrenjanin | ■ Sombor |
| ■ Šabac | ■ Pančevo | ■ Prijepolje |
| ■ Kragujevac | ■ Bečej | |

■ Triglav Osiguruvanje a.d., Skopje – registered office**Branch offices:**

- | | | |
|------------|-------------|-------------|
| ■ Skopje | ■ Veles | ■ Štip |
| ■ Bitola | ■ Gevgelija | ■ Kavadarci |
| ■ Ohrid | ■ Prilep | ■ Strumica |
| ■ Gostivar | ■ Kičevo | ■ Struga |
| ■ Tetovo | ■ Radoviš | |
| ■ Kumanovo | ■ Kočani | |

■ Triglav Osiguruvanje Život a.d., Skopje – registered office

14.2 Asset management

- Triglav Skladi d.o.o., Ljubljana – registered office
- Triglav, Upravljanje nepremičnin d.o.o., Ljubljana – registered office
- Triglav, upravljanje naložb in svetovalne storitve d.o.o., Ljubljana – registered office
- Triglav Fondovi d.o.o., Sarajevo – registered office
- Triglav penzisko društvo a.d., Skopje – registered office

14.3 Other

- Triglav INT, holdinška družba d.o.o., Ljubljana – registered office
- Triglav Svetovanje, zavarovalno zastopanje d.o.o., Domžale – registered office
- Triglavko d.o.o., Ljubljana – registered office
- Triglav zdravje asistenca d.o.o., Ljubljana – registered office
- Diagnostični center Bled d.o.o., Bled – registered office
- Triglav Savjetovanje d.o.o., Zagreb – registered office
- Triglav Savetovanje d.o.o., Belgrade – registered office
- Triglav Savjetovanje d.o.o., Sarajevo – registered office
- Triglav Avtoservis d.o.o., Ljubljana – registered office

15.

Performance indicators of Zavarovalnica Triglav

15.1 Growth of gross written premium (index)

		Gross written premium for the current year*100			Gross written premium for the preceding year	
		in EUR				
No.		Gross written premium			Index	
		2022	2021	2020	2022/2021	2021/2020
1	2	3	4	5	6 = 3/4*100	7 = 4/5*100
1	Accident insurance	25,342,439	25,235,448	25,696,568	100	98
2	Health insurance	933,956	787,154	926,557	119	85
3	Land motor vehicle insurance	141,497,773	129,298,413	127,536,359	109	101
4	Railway insurance	5,880,448	4,614,328	4,175,198	127	111
5	Aircraft insurance	2,546,345	3,683,029	2,390,519	69	154
6	Marine insurance	18,083,405	7,689,364	994,760	235	773
7	Good in transit insurance	7,975,392	6,858,896	5,321,053	116	129
8	Fire and natural disaster insurance	56,381,966	60,796,633	58,291,995	93	104
9	Other damage to property insurance	182,452,894	165,026,243	130,253,821	111	127
10	Motor TPL insurance	121,932,761	109,621,258	106,754,958	111	103
11	Aircraft liability insurance	1,557,041	2,779,402	1,693,326	56	164
12	Marine liability insurance	1,427,546	1,390,962	950,911	103	146
13	General liability insurance	48,665,425	42,719,369	38,619,888	114	111
14	Credit insurance	26,957,217	21,883,872	19,137,654	123	114
15	Suretyship insurance	4,516,701	3,600,839	2,775,316	125	130
16	Miscellaneous financial loss insurance	3,643,791	2,948,793	2,574,281	124	115
17	Legal expenses insurance	610,916	595,434	641,309	103	93
18	Travel assistance insurance	19,677,421	16,480,055	16,052,704	119	103
19	Total non-life insurance (No. 1-18)	670,083,437	606,009,493	544,787,178	111	111
20	Life insurance	74,655,209	79,238,943	79,466,230	94	100
21	Unit-linked life insurance	102,603,969	88,785,604	76,121,938	116	117
22	Supplementary pension insurance (Pension and Invalidation Insurance Act)	21,521,009	20,316,064	18,880,523	106	108
23	Total life insurance (No. 20-22)	198,780,186	188,340,610	174,468,691	106	108
24	Total (No. 19+23)	868,863,623	794,350,103	719,255,868	109	110

15.2 Net written premium as % of gross written premium

$$\frac{\text{Net written premium} \times 100}{\text{Gross written premium}}$$

in EUR

No.		Net written premium		Gross written premium		Net written premium as % of gross written premium	
		2022	2021	2022	2021	2022	2021
1	2	3	4	5	6	7 = 3/5*100	8 = 4/6*100
1	Accident insurance	22,882,650	24,111,394	25,342,439	25,235,448	90	96
2	Health insurance	541,171	403,141	933,956	787,154	58	51
3	Land motor vehicle insurance	126,583,283	118,746,789	141,497,773	129,298,413	89	92
4	Railway insurance	3,721,998	3,179,050	5,880,448	4,614,328	63	69
5	Aircraft insurance	1,234,960	512,084	2,546,345	3,683,029	48	14
6	Marine insurance	-756,181	4,049,207	18,083,405	7,689,364	-	53
7	Good in transit insurance	4,865,040	4,377,329	7,975,392	6,858,896	61	64
8	Fire and natural disaster insurance	31,997,468	36,435,356	56,381,966	60,796,633	57	60
9	Other damage to property insurance	85,767,808	70,839,126	182,452,894	165,026,243	47	43
10	Motor TPL insurance	97,665,647	95,758,179	121,932,761	109,621,258	80	87
11	Aircraft liability insurance	984,115	274,980	1,557,041	2,779,402	63	10
12	Marine liability insurance	999,335	1,204,425	1,427,546	1,390,962	70	87
13	General liability insurance	30,369,988	26,327,195	48,665,425	42,719,369	62	62
14	Credit insurance	18,956,530	15,642,754	26,957,217	21,883,872	70	71
15	Suretyship insurance	2,243,640	1,697,484	4,516,701	3,600,839	50	47
16	Miscellaneous financial loss insurance	1,713,049	-738,912	3,643,791	2,948,793	47	-
17	Legal expenses insurance	482,797	479,720	610,916	595,434	79	81
18	Travel assistance insurance	17,780,134	15,565,586	19,677,421	16,480,055	90	94
19	Total non-life insurance (No. 1-18)	448,033,432	418,864,887	670,083,437	606,009,493	67	69
20	Life insurance	73,763,948	78,448,515	74,655,209	79,238,943	99	99
21	Unit-linked life insurance	102,568,222	88,750,889	102,603,969	88,785,604	100	100
22	Supplementary pension insurance (Pension and Invalidation Insurance Act)	21,521,009	20,316,064	21,521,009	20,316,064	100	100
23	Total life insurance (No. 20-22)	197,853,178	187,515,467	198,780,186	188,340,610	100	100
24	Total (No. 19+23)	645,886,610	606,380,354	868,863,623	794,350,103	74	76

15.3 Movements in gross claims paid (index)

Gross claims paid for the current year*100

Gross claims paid for the preceding year

		in EUR			Index	
No.		2022	2021	2020	2022/2021	2021/2020
1	2	3	4	5	6 = 3/4*100	7 = 4/5*100
1	Accident insurance	10,970,662	11,341,654	9,908,838	97	114
2	Health insurance	299,364	224,251	415,865	133	54
3	Land motor vehicle insurance	87,963,736	73,547,686	75,806,644	120	97
4	Railway insurance	937,433	1,351,160	623,235	69	217
5	Aircraft insurance	47,179	427,733	44,785	11	955
6	Marine insurance	2,536,821	462,437	-12,306	549	-
7	Good in transit insurance	2,405,710	1,330,731	1,511,975	181	88
8	Fire and natural disaster insurance	17,242,071	18,508,455	19,974,929	93	93
9	Other damage to property insurance	57,656,612	41,729,984	43,758,137	138	95
10	Motor TPL insurance	69,979,954	60,644,632	61,408,263	115	99
11	Aircraft liability insurance	66,673	4,171	23,398	1,598	18
12	Marine liability insurance	296,388	244,093	298,968	121	82
13	General liability insurance	10,086,223	9,130,723	14,547,830	110	63
14	Credit insurance	8,591,108	9,691,229	12,026,300	89	81
15	Suretyship insurance	363,218	888,227	454,233	41	196
16	Miscellaneous financial loss insurance	1,183,995	1,485,539	871,232	80	171
17	Legal expenses insurance	9,865	8,277	15,000	119	55
18	Travel assistance insurance	16,373,498	12,837,972	11,386,584	128	113
19	Total non-life insurance (No. 1-18)	287,010,510	243,858,953	253,063,910	118	96
20	Life insurance	99,226,366	99,811,473	95,631,064	99	104
21	Unit-linked life insurance	47,830,664	50,176,608	48,338,150	95	104
22	Supplementary pension insurance (Pension and Invalidation Insurance Act)	5,142,370	4,210,438	4,476,399	122	94
23	Total life insurance (No. 20-22)	152,199,401	154,198,520	148,445,613	99	104
24	Total (No. 19+23)	439,209,911	398,057,473	401,509,523	110	99

15.4 Claims ratio

Gross claims paid*100
Gross written premium

in EUR

No.		Gross claims paid		Gross written premium		Claims ratio (%)	
		2022	2021	2022	2021	2022	2021
1	2	3	4	5	6	7 = 3/5*100	8 = 4/6*100
1	Accident insurance	10,970,662	11,341,654	25,342,439	25,235,448	43	45
2	Health insurance	299,364	224,251	933,956	787,154	32	28
3	Land motor vehicle insurance	87,963,736	73,547,686	141,497,773	129,298,413	62	57
4	Railway insurance	937,433	1,351,160	5,880,448	4,614,328	16	29
5	Aircraft insurance	47,179	427,733	2,546,345	3,683,029	2	12
6	Marine insurance	2,536,821	462,437	18,083,405	7,689,364	14	6
7	Good in transit insurance	2,405,710	1,330,731	7,975,392	6,858,896	30	19
8	Fire and natural disaster insurance	17,242,071	18,508,455	56,381,966	60,796,633	31	30
9	Other damage to property insurance	57,656,612	41,729,984	182,452,894	165,026,243	32	25
10	Motor TPL insurance	69,979,954	60,644,632	121,932,761	109,621,258	57	55
11	Aircraft liability insurance	66,673	4,171	1,557,041	2,779,402	4	0
12	Marine liability insurance	296,388	244,093	1,427,546	1,390,962	21	18
13	General liability insurance	10,086,223	9,130,723	48,665,425	42,719,369	21	21
14	Credit insurance	8,591,108	9,691,229	26,957,217	21,883,872	32	44
15	Suretyship insurance	363,218	888,227	4,516,701	3,600,839	8	25
16	Miscellaneous financial loss insurance	1,183,995	1,485,539	3,643,791	2,948,793	32	50
17	Legal expenses insurance	9,865	8,277	610,916	595,434	2	1
18	Travel assistance insurance	16,373,498	12,837,972	19,677,421	16,480,055	83	78
19	Total non-life insurance (No. 1-18)	287,010,510	243,858,953	670,083,437	606,009,493	43	40
20	Life insurance	99,226,366	99,811,473	74,655,209	79,238,943	133	126
21	Unit-linked life insurance	47,830,664	50,176,608	102,603,969	88,785,604	47	57
22	Supplementary pension insurance (Pension and Invalidation Insurance Act)	5,142,370	4,210,438	21,521,009	20,316,064	24	21
23	Total life insurance (No. 20-22)	152,199,401	154,198,520	198,780,186	188,340,610	77	82
24	Total (No. 19+23)	439,209,911	398,057,473	868,863,623	794,350,103	51	50

15.5 Operating expenses as % of gross written premium

Operating expenses*100

Gross written premium

in EUR

No.		Operating expenses		Gross written premium		Operating expenses as % of gross written premium	
		2022	2021	2022	2021	2022	2021
1	2	3	4	5	6	7 = 3/5*100	8 = 4/6*100
1	Accident insurance	9,166,396	8,672,975	25,342,439	25,235,448	36	34
2	Health insurance	242,741	230,509	933,956	787,154	26	29
3	Land motor vehicle insurance	37,818,022	34,096,829	141,497,773	129,298,413	27	26
4	Railway insurance	818,888	559,582	5,880,448	4,614,328	14	12
5	Aircraft insurance	194,829	154,791	2,546,345	3,683,029	8	4
6	Marine insurance	2,932,558	822,118	18,083,405	7,689,364	16	11
7	Good in transit insurance	1,623,270	1,422,276	7,975,392	6,858,896	20	21
8	Fire and natural disaster insurance	19,388,387	19,781,204	56,381,966	60,796,633	34	33
9	Other damage to property insurance	38,631,076	32,123,263	182,452,894	165,026,243	21	19
10	Motor TPL insurance	34,467,832	30,362,056	121,932,761	109,621,258	28	28
11	Aircraft liability insurance	191,607	144,705	1,557,041	2,779,402	12	5
12	Marine liability insurance	409,010	341,804	1,427,546	1,390,962	29	25
13	General liability insurance	14,682,730	12,282,912	48,665,425	42,719,369	30	29
14	Credit insurance	6,098,333	5,172,811	26,957,217	21,883,872	23	24
15	Suretyship insurance	936,446	906,404	4,516,701	3,600,839	21	25
16	Miscellaneous financial loss insurance	1,013,787	806,297	3,643,791	2,948,793	28	27
17	Legal expenses insurance	463,390	524,741	610,916	595,434	76	88
18	Travel assistance insurance	9,029,782	7,752,097	19,677,421	16,480,055	46	47
19	Total non-life insurance (No. 1-18)	178,109,085	156,157,374	670,083,437	606,009,493	27	26
20	Life insurance	18,448,832	17,535,773	74,655,209	79,238,943	25	22
21	Unit-linked life insurance	21,709,776	18,324,915	102,603,969	88,785,604	21	21
22	Supplementary pension insurance (Pension and Invalidation Insurance Act)	3,107,286	3,030,016	21,521,009	20,316,064	14	15
23	Total life insurance (No. 20-22)	43,265,894	38,890,703	198,780,186	188,340,610	22	21
24	Total (No. 19+23)	221,374,979	195,048,077	868,863,623	794,350,103	25	25

15.6 Acquisition costs as % of gross written premium

Acquisition costs*100
Gross written premium

in EUR

No.		Acquisition costs		Gross written premium		Acquisition costs as % of gross written premium	
		2022	2021	2022	2021	2022	2021
1	2	3	4	5	6	7 = 3/5*100	8 = 4/6*100
1	Accident insurance	1,381,637	1,223,219	25,342,439	25,235,448	5.5	4.8
2	Health insurance	14,296	8,814	933,956	787,154	1.5	1.1
3	Land motor vehicle insurance	5,202,715	3,885,870	141,497,773	129,298,413	3.7	3.0
4	Railway insurance	198,382	48,155	5,880,448	4,614,328	3.4	1.0
5	Aircraft insurance	13,438	8,031	2,546,345	3,683,029	0.5	0.2
6	Marine insurance	2,538,661	567,938	18,083,405	7,689,364	14.0	7.4
7	Good in transit insurance	364,372	387,937	7,975,392	6,858,896	4.6	5.7
8	Fire and natural disaster insurance	2,580,415	2,356,688	56,381,966	60,796,633	4.6	3.9
9	Other damage to property insurance	6,271,876	5,168,814	182,452,894	165,026,243	3.4	3.1
10	Motor TPL insurance	8,896,098	6,052,533	121,932,761	109,621,258	7.3	5.5
11	Aircraft liability insurance	2,991	2,997	1,557,041	2,779,402	0.2	0.1
12	Marine liability insurance	108,174	99,227	1,427,546	1,390,962	7.6	7.1
13	General liability insurance	2,784,138	2,199,986	48,665,425	42,719,369	5.7	5.1
14	Credit insurance	1,308,473	1,122,319	26,957,217	21,883,872	4.9	5.1
15	Suretyship insurance	317,100	277,576	4,516,701	3,600,839	7.0	7.7
16	Miscellaneous financial loss insurance	278,372	172,472	3,643,791	2,948,793	7.6	5.8
17	Legal expenses insurance	161,288	225,651	610,916	595,434	26.4	37.9
18	Travel assistance insurance	1,094,379	617,728	19,677,421	16,480,055	5.6	3.7
19	Total non-life insurance (No. 1-18)	33,516,807	24,425,956	670,083,437	606,009,493	5.0	4.0
20	Life insurance	5,225,617	4,544,110	74,655,209	79,238,943	7.0	5.7
21	Unit-linked life insurance	6,517,877	5,329,105	102,603,969	88,785,604	6.4	6.0
22	Supplementary pension insurance (Pension and Invalidation Insurance Act)	34,409	75,970	21,521,009	20,316,064	0.2	0.4
23	Total life insurance (No. 20-22)	11,777,903	9,949,186	198,780,186	188,340,610	5.9	5.3
24	Total (No. 19+23)	45,294,710	34,375,142	868,863,623	794,350,103	5.2	4.3

15.7 Net claims ratio

$$\frac{(\text{Net claims paid} + \text{Change in claims provisions}) \cdot 100}{\text{Net premium income}}$$

Net premium income

in EUR

No.		Net claims paid + Change in claims provisions		Net premium income		Net claims ratio (%)	
		2022	2021	2022	2021	2022	2021
1	2	3	4	5	6	7 = 3/5*100	8 = 4/6*100
1	Accident insurance	8,523,287	9,121,682	23,069,429	24,183,142	37	38
2	Health insurance	292,541	213,843	537,495	405,936	54	53
3	Land motor vehicle insurance	77,728,698	67,900,878	122,102,052	117,492,243	64	58
4	Railway insurance	2,298,836	859,551	3,757,608	2,532,086	61	34
5	Aircraft insurance	-241,814	184,020	954,383	397,629	-	46
6	Marine insurance	2,711,596	635,964	-103,121	2,962,887	-	21
7	Good in transit insurance	2,116,359	1,346,910	4,887,802	4,308,714	43	31
8	Fire and natural disaster insurance	9,839,683	9,539,011	33,234,442	36,638,740	30	26
9	Other damage to property insurance	31,708,359	34,535,524	78,167,008	68,237,187	41	51
10	Motor TPL insurance	22,419,552	41,872,511	95,153,415	95,040,153	24	44
11	Aircraft liability insurance	-53,745	-35,691	1,082,161	175,361	-	-
12	Marine liability insurance	935,179	258,624	1,021,816	1,072,262	92	24
13	General liability insurance	-3,216,187	6,442,374	28,950,270	26,162,127	-	25
14	Credit insurance	42,323	816,479	17,258,960	14,346,889	0	6
15	Suretyship insurance	-213,149	293,166	1,524,759	1,887,076	-	16
16	Miscellaneous financial loss insurance	672,884	693,901	1,388,585	-486,163	48	-
17	Legal expenses insurance	41,032	-32,338	483,039	465,841	8	-
18	Travel assistance insurance	15,126,483	12,092,879	16,350,508	15,400,394	93	79
19	Total non-life insurance (No. 1-18)	170,731,916	186,739,289	429,820,612	411,222,504	40	45
20	Life insurance	97,693,354	101,319,177	92,054,945	97,382,393	106	104
21	Unit-linked life insurance	47,837,534	50,171,484	84,278,825	69,834,039	57	72
22	Supplementary pension insurance (Pension and Invalidation Insurance Act)	5,142,370	4,210,438	21,521,009	20,316,063	24	21
23	Total life insurance (No. 20-22)	150,673,259	155,701,100	197,854,778	187,532,496	76	83
24	Total (No. 19+23)	321,405,175	342,440,389	627,675,390	598,755,001	51	57

15.8 Combined claims ratio

$$\frac{(\text{Net claims paid} + \text{Change in claims provisions} + \text{Net operating expenses}) \times 100}{\text{Net premium income}}$$

in EUR

No.		Net claims paid + Change in claims provisions + Net operating expenses		Net premium income		Combined claims ratio (%)	
		2022	2021	2022	2021	2022	2021
1	2	3	4	5	6	7 = 3/5*100	8 = 4/6*100
1	Non-life insurance	319,126,063	324,345,168	429,820,613	411,222,504	74	79

15.9 Expense ratio

$$\frac{\text{Operating expenses} \times 100}{\text{Net premium income}}$$

in EUR

No.		Operating expenses		Net premium income		Expense ratio (%)	
		2022	2021	2022	2021	2022	2021
1	2	3	4	5	6	7 = 3/5*100	8 = 4/6*100
1	Life insurance	43,265,894	38,890,703	197,854,778	187,532,496	22	21

15.10 Utility ratio

$$\frac{(\text{Claims paid} + \text{Change in insurance technical provisions}) \times 100}{\text{Net written premium}}$$

in EUR

No.		Claims paid + Change in insurance technical provisions		Net written premium		Utility ratio (%)	
		2022	2021	2022	2021	2022	2021
1	2	3	4	5	6	7 = 3/5*100	8 = 4/6*100
1	Life insurance	55,518,856	235,795,772	197,853,178	187,515,467	28	126

15.11 Investment return as % of average balance of investments

$$\frac{\text{Investment return} \times 100}{(\text{starting balance for the year} + \text{ending balance for the year}) / 2}$$

in EUR

No.		Investment return		Average balance of investments		Investment return as % of average balance of investments	
		2022	2021	2022	2021	2022	2021
1	2	3	4	5	6	7 = 3/5*100	8 = 4/6*100
1	Asset backing liabilities	-4,359,129	10,587,574	706,297,608	751,765,118	-0.6	1.4
2	Guarantee fund backing traditional life insurance	9,820,809	14,715,936	670,308,751	780,794,982	1.5	1.9
3	Guarantee fund backing SVPI	-23,082,448	4,718,672	238,178,371	238,957,091	-9.7	2.0
4	Guarantee fund backing SVPI during the annuity payout period	-2,975,773	561,902	73,269,345	70,049,069	-4.1	0.8
5	Guarantee fund backing unit-linked insurance	-77,106,902	69,625,937	473,527,719	459,105,483	-16.3	15.2
6	Investments not financed from insurance technical provisions	47,940,633	9,312,530	383,790,208	369,312,925	12.5	2.5
7	Total	-49,762,811	109,522,551	2,545,372,003	2,669,984,670	-2.0	4.1

15.12 Net claims provisions as % of net premium income

Net claims provisions*100

Net premium income

in EUR

No.		Net claims provisions		Net premium income		Net claims provisions as % of net premium income	
		2022	2021	2022	2021	2022	2021
1	2	3	4	5	6	7 = 3/5*100	8 = 4/6*100
1	Accident insurance	15,684,696	17,680,459	23,069,429	24,183,142	68	73
2	Health insurance	17,065	13,120	537,495	405,936	3	3
3	Land motor vehicle insurance	15,450,403	17,134,841	122,102,052	117,492,243	13	15
4	Railway insurance	7,474,465	6,113,036	3,757,608	2,532,086	199	241
5	Aircraft insurance	212,808	498,393	954,383	397,629	22	125
6	Marine insurance	2,852,417	608,592	-103,121	2,962,887	-	21
7	Good in transit insurance	3,014,662	1,846,688	4,887,802	4,308,714	62	43
8	Fire and natural disaster insurance	6,943,563	10,973,756	33,234,442	36,638,740	21	30
9	Other damage to property insurance	23,089,518	27,564,239	78,167,008	68,237,187	30	40
10	Motor TPL insurance	123,057,802	157,639,676	95,153,415	95,040,153	129	166
11	Aircraft liability insurance	522,840	585,935	1,082,161	175,361	48	334
12	Marine liability insurance	1,437,930	788,206	1,021,816	1,072,262	141	74
13	General liability insurance	72,172,026	83,997,640	28,950,270	26,162,127	249	321
14	Credit insurance	996,625	1,707,665	17,258,960	14,346,889	6	12
15	Suretyship insurance	-363,880	19,932	1,524,759	1,887,076	-	1
16	Miscellaneous financial loss insurance	970,741	1,245,341	1,388,585	-486,163	70	-
17	Legal expenses insurance	110,548	73,293	483,039	465,841	23	16
18	Travel assistance insurance	2,113,699	2,176,686	16,350,508	15,400,394	13	14
19	Total non-life insurance (No. 1-18)	275,757,926	330,667,499	429,820,612	411,222,504	64	80
20	Life insurance	20,204,285	21,432,296	92,054,945	97,382,393	22	22
21	Unit-linked life insurance	0	-28,409	84,278,825	69,834,039	0	-
22	Supplementary pension insurance (Pension and Invalidity Insurance Act)	0	0	21,521,009	20,316,063	-	-
23	Total life insurance (No. 20-22)	20,204,285	21,403,887	197,854,778	187,532,496	10	11
24	Total (No. 19+23)	295,962,212	352,071,386	627,675,390	598,755,001	47	59

15.13 Gross profit/loss for the year as % of net written premium

$$\frac{\text{Gross profit/loss} \times 100}{\text{Net written premium}}$$

in EUR

No.		Gross profit/loss		Net written premium		Gross profit/loss for the year as % of net written premium	
		2022	2021	2022	2021	2022	2021
1	2	3	4	5	6	7 = 3/5*100	8 = 4/6*100
1	Non-life insurance	121,116,596	78,538,655	448,033,432	418,864,887	27.0	18.8
2	Life insurance	19,241,273	7,149,957	197,853,178	187,515,467	9.7	3.8
3	Total	140,357,869	85,688,612	645,886,610	606,380,354	21.7	14.1

15.14 Gross profit/loss for the year as % of average equity

$$\frac{\text{Gross profit/loss} \times 100}{(\text{equity starting balance for the year} + \text{equity ending balance for the year})/2}$$

in EUR

No.		Gross profit/loss		Average balance of equity		Gross profit/loss for the year as % of average equity	
		2022	2021	2022	2021	2022	2021
1	2	3	4	5	6	7 = 3/5*100	8 = 4/6*100
1	Non-life insurance	121,116,596	78,538,655	560,218,957	555,544,412	21.6	14.1
2	Life insurance	19,241,273	7,149,957	53,436,680	104,068,138	36.0	6.9
3	Total	140,357,869	85,688,612	613,655,637	659,612,550	22.9	13.0

15.15 Gross profit/loss for the year as % of average assets

$$\frac{\text{Gross profit/loss} \times 100}{(\text{assets starting balance for the year} + \text{assets ending balance for the year})/2}$$

in EUR

No.		Gross profit/loss		Average balance of assets		Gross profit/loss for the year as % of average assets	
		2022	2021	2022	2021	2022	2021
1	2	3	4	5	6	7 = 3/5*100	8 = 4/6*100
1	Non-life insurance	121,116,596	78,538,655	1,430,286,810	1,387,484,404	8.5	5.7
2	Life insurance	19,241,273	7,149,957	1,600,612,601	1,683,923,776	1.2	0.4
3	Total	140,357,869	85,688,612	3,030,899,411	3,071,408,181	4.6	2.8

15.16 Gross profit/loss for the year per share

		Gross profit/loss					
		Number of shares					
						in EUR	
No.		Gross profit/loss		Number of shares		Gross profit/loss for the year per share	
		2022	2021	2022	2021	2022	2021
1	2	3	4	5	6	7 = 3/5	8 = 4/6
1	Non-life insurance	121,116,596	78,538,655	15,837,350	15,837,350	7.6	5.0
2	Life insurance	19,241,273	7,149,957	6,897,798	6,897,798	2.8	1.0
3	Total	140,357,869	85,688,612	22,735,148	22,735,148	6.2	3.8

15.17 Receivables from reinsurance and reinsurer's share of insurance technical provisions as % of equity

		Receivables from reinsurance and reinsurer's share of insurance technical provisions*100					
		Equity					
						in EUR	
No.		Receivables from reinsurance and reinsurer's share of insurance technical provisions		Equity		Receivables from reinsurance and reinsurer's share of insurance technical provisions as % of equity (%)	
		2022	2021	2022	2021	2022	2021
1	2	3	4	5	6	7 = 3/5*100	8 = 4/6*100
1	Non-life insurance	201,997,092	151,216,498	543,041,098	577,396,816	37.2	26.2
2	Life insurance	40,963	91,560	9,048,243	97,825,117	0.5	0.1
3	Total	202,038,055	151,308,058	552,089,341	675,221,933	36.6	22.4

15.18 Net written premium as % of average balance of equity and insurance technical provisions

		Net written premium*100							
		Average balance of equity and insurance technical provisions							
								in EUR	
				Net written premium		Average balance of equity and insurance technical provisions		Net written premium as % of average balance of equity and insurance technical provisions (%)	
No.		2022	2021	2022	2021	2022	2021	2022	2021
1	2	3	4	5	6	7 = 3/5*100	8 = 4/6*100		
1	Non-life insurance	448,033,432	418,864,887	1,103,609,912	1,118,415,085	40.6	37.5		
2	Life insurance	197,853,178	187,515,467	1,578,905,030	1,659,981,628	12.5	11.3		
3	Total	645,886,610	606,380,354	2,682,514,942	2,778,396,712	24.1	21.8		

15.19 Average balance of net insurance technical provisions as % of net premium income

		Average balance of net insurance technical provisions*100							
		Net premium income							
								in EUR	
		Average balance of net insurance technical provisions		Net premium income		Average balance of net insurance technical provisions as % of net premium income (%)			
No.		2022	2021	2022	2021	2022	2021	2022	2021
1	2	3	4	5	6	7 = 3/5*100	8 = 4/6*100		
1	Non-life insurance	543,390,955	562,870,672	429,820,613	411,222,504	126.4	136.9		
2	Life insurance	1,525,468,350	1,555,913,490	197,854,778	187,532,496	771.0	829.7		
3	Total	2,068,859,305	2,118,784,161	627,675,391	598,755,000	329.6	353.9		

15.20 Equity as % of liabilities

		Equity*100		in EUR			
		Liabilities					
No.		Equity		Liabilities		Equity as % of liabilities (%)	
		2022	2021	2022	2021	2022	2021
1	2	3	4	5	6	7 = 3/5*100	8 = 4/6*100
1	Non-life insurance	543,041,098	577,396,816	1,435,563,635	1,425,009,986	37.8	40.5
2	Life insurance	9,048,243	97,825,117	1,496,632,978	1,704,592,224	0.6	5.7
3	Total	552,089,341	675,221,933	2,932,196,613	3,129,602,210	18.8	21.6

15.21 Net insurance technical provisions as % of liabilities

		Net insurance technical provisions*100		in EUR			
		Liabilities					
No.		Net insurance technical provisions		Liabilities		Net insurance technical provisions as % of liabilities (%)	
		2022	2021	2022	2021	2022	2021
1	2	3	4	5	6	7 = 3/5*100	8 = 4/6*100
1	Non-life insurance	526,435,966	560,345,943	1,435,563,635	1,425,009,986	36.7	39.3
2	Life insurance	1,466,852,362	1,584,084,338	1,496,632,978	1,704,592,224	98.0	92.9
3	Total	1,993,288,328	2,144,430,281	2,932,196,613	3,129,602,210	68.0	68.5

15.22 Net life insurance technical provisions as % of net insurance technical provisions

		Net life insurance technical provisions*100							
		Net insurance technical provisions							
in EUR									
No.		Net life insurance technical provisions		Net insurance technical provisions		Net life insurance technical provisions as % of net insurance technical provisions (%)			
		2022	2021	2022	2021	2022	2021	2022	2021
1	2	3	4	5	6	7 = 3/5*100	8 = 4/6*100		
1	Total	1,440,231,062	1,548,454,207	1,993,288,328	2,144,430,281	72.3	72.2		

15.23 Gross written premium as % of number of permanent employees

		Gross written premium							
		(ending number of employees for the previous year + ending number of employees for the year)/2							
in EUR									
No.		Gross written premium		Average number of employees		Gross written premium per number of permanent employees			
		2022	2021	2022	2021	2022	2021	2022	2021
1	2	3	4	5	6	7 = 3/5	8 = 4/6		
1	Total	868,863,623	794,350,103	2,245	2,245	387,108	353,831		

Appendix:

Glossary of insurance terms

Inward reinsurance

When a reinsurance company assumes from other insurance and reinsurance companies the portion of the risk that exceeds their retention limits.

Accumulated profit

The legally justified amount of net profit for the current year, net profit brought forward and reserves from profit, which in accordance with the decision of the insurance company's management board is first used to increase reserves (legal reserves, treasury share reserves and treasury shares, and statutory reserves) and other reserves according to the Supervisory Board's decision. The remainder, referred to as accumulated profit, is allocated by the General Meeting of Shareholders to dividends, other reserves and other purposes, and carried forward to the next year.

Cedent

A party to a *reinsurance contract* who passes a portion of their assumed *risks* to *reinsurance*. The recipient of those risks is typically an *insurance company*. To cede means to pass a portion of assumed risk to the reinsurer.

Total return on share

The sum of growth in the share price in the accounting period and the dividend yield as at the reporting date.

Total revenue

Total revenue is composed of gross written insurance, coinsurance and reinsurance written premiums, other insurance income and other income.

Net earnings per share

The ratio of net profit in the accounting period which refers to the ordinary shareholders of the controlling company to the weighted average number of ordinary shares less ordinary shares held by Zavarovalnica Triglav or the Triglav Group members.

Return on equity (ROE)

The ratio of net profit for the period to the average balance of shareholders' equity in the period.

Return on equity attributable to the owners of the controlling company

The ratio of net profit to the average balance of shareholders' equity held by the owners of the controlling company in the accounting period.

Net claims incurred

Comprise gross claims incurred (benefits, claim payments and appraisal costs) less reinsurers' and coinsurers' shares of gross claims paid, adjusted for any change in net claims provisions, plus equalisation scheme expenses for supplementary health insurance.

Net premium income

Comprises gross written premium less written premium ceded to reinsurers and coinsurers, adjusted for the change in net unearned premium.

Floating stock/free float

Shares held by shareholders who own 5% or less of shareholders' equity.

Economic value distributed

Comprises net claims incurred and other insurance expenses, expenses from financial assets, other expenses, operating expenses, dividend payments, tax expense, community investment (prevention activities, donations, sponsorships), employee wages, allowances and benefits.

Dividend yield

The ratio of gross dividends per share to price per share on a given day.

Supplemental insurance/rider

Insurance that is underwritten as a supplement to another (precisely defined) insurance and that cannot be underwritten independently.

Return on investment

Difference between income and expenses from financial assets. Income from investments comprises income from investments in associates and income from investments (interest income, gains on disposal of investments and other income from investments). Expenses from investments comprise expenses from investments in associates and expenses from investments (impairment of investments, losses on the disposal of investments and other expenses from investments). Return on investment does not include net unrealised gains and losses on unit-linked life insurance assets.

Endowment (for life insurance products with a savings component)

Insured event in which the insurer pays the sum insured, together with bonuses after the insured survives an agreed insurance period.

Incurred but not reported (IBNR)

Provisions for incurred but not yet reported claims.

Capitalisation

The reduction of sums insured in life insurance with a savings component, which is carried out if the policyholder stops paying premiums. In addition to standard criteria for setting the premium (gender and age of the insured), the amount of the sum insured depends primarily on the number of paid in premiums and the remaining insurance term.

Book value per share

Ratio of stockholders' equity to the number of outstanding shares on the reporting date.

Capital adequacy ratio

The ratio of available own funds eligible for covering the solvency capital requirement to the solvency capital requirement.

Combined ratio

The sum of the expense ratio and claims ratio. It shows the profitability of non-life and health insurance transactions. A value of less than 100% indicates profit from non-life and health insurance transactions, excluding returns on investment.

Composite (or universal, general) insurance company

An insurance company that conducts non-life and life insurance business.

Gross and net

In the insurance industry, the terms gross and net typically relate to quantities and ratios before and after the deduction for reinsurance.

Unearned premium

A component of insurance technical provisions that represents the component of gross written premium that relates to future or subsequent accounting periods.

Claims provisions

Provisions created to cover claims that incurred in the past and were not settled by the end of the accounting period. Provisions are created for already reported claims, claims not yet reported and/or under-reported claims.

Gross operating expenses

Gross operating expenses are recognised as original costs by nature.

Own risk and solvency assessment (ORSA)

Own assessment of risks to which the insurance company's business is exposed, including the risks it may be exposed to in the future, and an assessment of the appropriateness of available own funds to cover them.

Gross written premium

Sum of all premiums that the insurance company charges to policyholders following the underwriting or renewal of policies in the accounting period.

Gross written premium per company employee

Gross written premium in the accounting period divided by the average number of employees at an insurance company.

Gross claims paid

Benefits and claims calculated for all or a portion of settled claims in the accounting period, including claim settlement costs.

Expense ratio

Ratio of the sum of operating expenses, expenses for bonuses and discounts and other net insurance expenses (calculated as the difference between other insurance expenses and other insurance income) to net non-life and health insurance premium earned.

Surrender

The termination of a life insurance policy that results in the pay-out of the value thereof (saved assets and mathematical provisions, less the costs incurred by the insurance company).

Average daily turnover in shares

The ratio of the total value of share turnover in the accounting period to the number of trading days in that period.

Reinsurance

Reinsurance is the insurance of amounts over the internal risk equalisation rate of a given insurance company with another insurance company registered to provide reinsurance services.

Prevention

The portion of non-life insurance premiums that the insurance company allocates to prevention activities to mitigate future risks.

Associate

A company in which another entity directly or indirectly holds between 20% and 50% of voting rights, and thus has a significant effect on capital, but does not control that company.

Income from claimed gross subrogation receivables

The amount of subrogation claims that were created in the accounting period as subrogation receivable based on a ruling of the competent court, an agreement with the person liable to subrogation, or the payment of benefits with regard to credit insurance.

Risk profile

A risk profile is a quantitative assessment of the risks to which the insurance company is exposed. In order to adequately identify the risk profile, processes are established, and risk exposure and measurements are defined for every type of risk for the purpose of assessing the extent thereof.

Deferred acquisition costs (DAC)

Costs that the insurance company incurs in the acquisition of new insurance contracts are deferred equally for the entire duration of those contracts for accounting purposes. Thus, the one-time cost incurred when insurance is underwritten is deferred equally over the entire insurance period.

Available own funds

Available own funds are used to cover the solvency capital requirement and represent the surplus of assets over liabilities, plus subordinated liabilities, taking into account other regulatory, insurer-specific adjustments.

Reported but not settled (RBNS)

Provisions for losses incurred that have been reported but not settled (provisions after inventory).

Reserves from profit

Comprise other reserves from profit, legal and statutory reserves, contingency reserves and credit risk equalisation reserves.

Solvency II

The European Union's regulatory framework in the area of insurance, which defines the calculation of capital adequacy, and the governance of and reporting by insurance companies. The insurance company's available own funds must be at least equal to the assessment of assumed risks, as set as out in the regulatory framework.

Coinsurance

A way to equalise risks, where assumed risks are split or spread among several insurance companies. The proportion of risk assumed by an individual insurance company may vary and represents the basis for determining an individual insurance company's share of the premium and potential loss. Each insurance company is jointly and severally liable to the insured, i.e. for the full amount of benefits and/or claims from an insurance contract, irrespective of the proportion of risk it assumes.

Expense ratio – operating expenses from insurance transactions as a proportion of gross written premium

Ratio of operating expenses from insurance transactions to gross written premium.

Claims ratio

Ratio of the sum of net claims incurred and changes in other insurance technical provisions to net non-life and health insurance premium income.

Market capitalisation

The value of a company calculated as the product of the closing share price and the number of shares on the reporting date.

Economic value generated

Comprises net premium income, other insurance income, income from financial assets and other income.

Comprehensive income

Comprehensive income is composed of two elements. The first element comprises net profit or loss for the accounting period from the income statement. The second element comprises other comprehensive income, which discloses the effects of other income and expense items that are not recognised in the income statement, but affect the balance of shareholders' equity, primarily due to changes in fair value reserve.

Economic value retained

Difference between economic value generated and economic value distributed.

Solvency capital requirement (SCR)

The amount of the insurance company's capital that it needs to remain solvent for at least one year with a 99.5% probability calculated in accordance with Solvency II. Calculated according to a statutory standard formula that takes into account all material measurable risks: underwriting, market, credit and operational risks.

Insurance density (premium per capita)

Ratio of gross written premium to the number of inhabitants of a specific country.

Insurance penetration

Insurance premium as a proportion of gross domestic product (GDP).

Insurance premium

The amount set out in an insurance contract that the policyholder pays to the insurance company. Insurance premium covers the payment of current and future claims, the costs of prevention activities and the insurance company's operating expenses.

Insurance group

Several related insurance classes treated as a group. The Insurance Act groups insurance classes 1 to 18 in the non-life insurance group and insurance classes 19 to 24 in the life insurance group.

Insurance class

Various insurance types that are grouped in accordance with the Insurance Act based on the main types of risks they cover. The Insurance Act defines 24 different insurance classes.

Insurance technical provisions

The insurance company must create the necessary insurance technical provisions in connection with all insurance services that it provides. They are intended to cover future insurance liabilities and potential losses due to risks arising from rendered insurance services. They comprise unearned premium, claims provisions, mathematical provisions, provisions for bonuses and discounts, and other insurance technical provisions.

GRI (Global Reporting Initiative) Content Index

Statement of Use	Triglav Group has reported in accordance with the GRI (Global Reporting Initiative) Standards for the period from 1 January 2022 to 31 December 2022
GRI 1 used	GRI 1: Foundation 2021
Applicable GRI Sector Standard(s)	G4: Financial services sector disclosures

GENERAL DISCLOSURES				
GRI standard	Disclosure	Section/page	Requirement(s) omitted	Reason and explanation for omission
GRI 2: General Disclosures 2021				
The Organization and its reporting practices				
2-1	Organizational details	2.7/16, 6.3/53		
2-2	Entities included in the organization's sustainability reporting	2.4/13		
2-3	Reporting period, frequency and contact point	2.3/12, 2.4/13		
2-4	Restatements of information	2.4/13		
2-5	External assurance			The Company has not yet decided to have the GRI standards externally assured.
Activities and workers				
2-6	Activities, value chain and other business relationships	2.1/11, 2.2/11, 2.7/16, 2.7.4/21, 6.3/53, 7.4/59, 12.4.4/131		
2-7	Employees	12.4.2.1/117, 119		
2-8	Workers who are not employees	12.4.2.1/119		
Governance				
2-9	Governance structure and composition	5.3/41, 5.4/48		
2-10	Nomination and selection of the highest governance body	5.3/41		
2-11	Chair of the highest governance body	5.3.2.2/44		
2-12	Role of the highest governance body in overseeing the management of impacts	5.3.2.2/44		
2-13	Delegation of responsibility for managing impacts	12.1/104		
2-14	Role of the highest governance body in sustainability reporting	2.4/13		
2-15	Conflicts of interest	5.3.3.2/46		
2-16	Communication of critical concerns	12.5/132		
2-17	Collective knowledge of the highest governance body	5.3.2/43		
2-18	Evaluation of the performance of the highest governance body	5.3.2.2/45		
2-19	Remuneration policies	5.3.2.2/45		
2-20	Process to determine remuneration	5.3.2.2/45		
2-21	Annual total compensation ratio	2.3/12, 5.3.2.2/45		
Strategy, policies and practices				
2-22	Statement on sustainable development strategy	1./9		
2-23	Policy commitments	12.4.2.4/123, 12.5/132		
2-24	Embedding policy commitments	12.4.2.4/123, 7.11/82, 12.5/132		
2-25	Processes to remediate negative impacts	12.4.1.1/115, 12.4.2.4/123, 12.5/132		
2-26	Mechanisms for seeking advice and raising concerns	12.5/132		
2-27	Compliance with laws and regulations	12.5/132		

GENERAL DISCLOSURES				
GRI standard	Disclosure	Section/page	Requirement(s) omitted	Reason and explanation for omission
2-28	Membership associations	12.5/133		
Stakeholder engagement				
2-29	Approach to stakeholder engagement	6.5/55, 12.2/106, 12.4.2.4/122		
2-30	Collective bargaining agreements	12.4.2.1/119		
GRI 3: Material Topics 2021				
3-1	Process to determine material topics	2.4/13		
3-2	List of material topics	2.4/13		
ECONOMIC IMPACTS				
GRI 201: Economic Performance 2016				
3-3	Management of material topics	4.1/35		
201-1	Direct economic value generated and distributed	12.4.3/121, 12.4.3.1/125, 12.4.3.2/128		
201-2	Financial implications and other risks and opportunities due to climate change	7.2/58		Reporting on financial implications of weather and natural disasters.
201-3	Defined benefit plan obligations and other retirement plans	12.4.2./123		
201-4	Financial assistance received from government	12.5/134		
GRI 202: Market presence 2016				
3-3	Management of material topics	4.2/37		
202-2	Proportion of senior management hired from the local community	12.4.2.1/118		
GRI 203: Indirect economic impacts 2016				
3-3	Management of material topics	12.4.3/124		
203-1	Extent of development of significant infrastructure investments and services supported	12.4.3/124, 12.4.3.1/125		
GRI 204: Procurement practices 2016				
3-3	Management of material topics	12.4.4/131		
204-1	Percentage of the procurement budget used for local suppliers	12.4.4/131		
GRI 205: Anti-corruption 2016				
3-3	Management of material topics	12.5/133		
205-1	Total number and percentage of operations assessed for risks related to corruption	12.5/133		
205-2	Communication and training about anti-corruption policies and procedures	12.5/133		
205-3	Confirmed incidents of corruption and actions taken	12.5/133		
GRI 206: Anti-competitive behaviour				
3-3	Management of material topics	12.5/133		
206-1	Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	12.5/133		
GRI 207: Tax 2019				
207-1	Approach to tax	Accounting Report/229		
207-2	Tax governance, control, and risk management	Accounting Report/229		
207-3	Stakeholder engagement and management of concerns related to tax	Accounting Report/229		
207-4	Country-by-country reporting	Accounting Report/206		

GENERAL DISCLOSURES				
GRI standard	Disclosure	Section/page	Requirement(s) omitted	Reason and explanation for omission
ENVIRONMENTAL IMPACTS				
GRI 302: Energy 2016				
3-3	Management of material topics	12.3.2/107		
302-1	Energy consumption within the organization	12.3.2/109		
GRI 305: Emissions 2016				
3-3	Management of material topics	12.3.2/107		
305-1	Direct (Scope 1) GHG emissions	12.3.2/107		
305-2	Energy indirect (Scope 2) GHG emissions	12.3.2/107		
305-3	Other indirect (Scope 3) GHG emissions	12.3.2/107		
GRI 306: Waste 2020				
3-3	Management of material topics	12.3.2/107		
306-1	Waste generation and significant waste-related impacts	12.3.2/110		
306-2	Management of significant waste-related impacts	12.3.1/107, 12.3.2/110		
306-3	Waste generated	12.3.2/110		
306-4	Waste diverted from disposal	12.3.2/110		
306-5	Waste directed to disposal	12.3.2/110		
SOCIAL IMPACTS				
GRI 401: Employment 2016				
3-3	Management of material topics	12.4.2/117		
401-1	New employee hires and employee turnover	12.4.2.1/118		
401-2	Benefits which are standard for full-time employees of the organization but are not provided to temporary or part-time employees	12.4.2.1/119, 12.4.2.4/123		
401-3	Parental leave	12.4.2.4/123	The number and share of employees who were still employed 12 months after parental leave ended is not reported on.	
GRI 402: Labour/management relations 2016				
3-3	Management of material topics	12.4.2.4/123		
402-1	Minimum notice periods regarding operational changes, including the information whether the notice period and provisions for consultation and negotiation are specified in collective agreements	12.4.2.4/123		
GRI 403: Occupational Health and Safety 2018				
3-3	Management of material topics	12.4.2.3/120		
403-1	Occupational health and safety management system	12.4.2.3/120		
403-2	Hazard identification, risk assessment, and incident investigation	12.4.2.3/120		
403-3	Occupational health services	12.4.2.3/120		
403-4	Worker participation, consultation, and communication on occupational health and safety	12.4.2.3/120, 121		
403-5	Worker training on occupational health and safety	12.4.2.3/120		
403-6	Promotion of worker health	12.4.2.3/120		
403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	12.4.2.3/121		
403-8	Workers covered by an occupational health and safety management system	12.4.2.3/120		














GENERAL DISCLOSURES				
GRI standard	Disclosure	Section/page	Requirement(s) omitted	Reason and explanation for omission
403-9	Work-related injuries	12.4.2.3/121		
403-10	Work-related ill health	12.4.2.3/121		
GRI 404: Training and education 2016				
3-3	Management of material topics	12.4.2.2/119		
404-1	Average hours of training that the organisation's employees have undertaken during the reporting period, by gender and employee category	12.4.2.2/120	Training by employee category is not reported on.	Data capture does not include classification by employee category.
404-3	Percentage of employees receiving regular performance and career development reviews by gender	12.4.2.2/120		
GRI: 405: Diversity and equal opportunity 2016				
3-3	Management of material topics	12.5/132		
405-1	Diversity of governance bodies and employees (gender, age group, representatives of minorities, other indicators of diversity)	5.3.2.2/44, 5.3.3.2/46, 12.4.2.1/118		Reporting on the gender and age structure.
405-2	Ratio of the basic salary and remuneration of women to men for each employee category, by significant locations of operation	12.4.2.1/118		
GRI 406: Non-discrimination 2016				
3-3	Management of material topics	12.5/132		
406-1	Total number of incidents of discrimination during the reporting period and actions taken	12.4.2.4/124		
GRI 413: Local communities 2016				
3-3	Management of material topics	12.4.3/124		
413-1	Percentage of operations with implemented local community engagement	12.4.3/124	Share is not reported.	
GRI 414: Supplier Social Assessment 2016				
3-3	Management of material topics	12.4.4/131		
414-1	New suppliers that were screened using social criteria	12.4.4/131	Share is not reported.	
GRI 415: Public policy 2016				
3-3	Management of material topics	12.5/133		
415-1	Political contributions	12.5/133		
GRI 417: Marketing and labelling 2016				
3-3	Management of material topics	12.4.1/113		
417-1	Requirements for product and service information and labelling	12.4.1/113		
417-2	Total number of incidents of non-compliance with regulations and/or voluntary codes concerning product and service information and labelling	12.4.1/113		
417-3	Total number of incidents of non-compliance with regulations and/or voluntary codes concerning marketing communications, including advertising, promotion, and sponsorships	12.4.1/113		
GRI 418 Customer privacy 2016				
3-3	Management of material topics	12.5/133		
418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	12.5/133		
Financial Services Sector Disclosures - GRI G4				
G4-FS7	Monetary value of products and services designed to deliver a specific social benefit	12.3.3/111		
G4-FS8	Monetary value of products and services designed to deliver a specific environmental benefit	12.3.3/111		
G4-FS14	Initiatives to improve access to financial services for disadvantaged people	12.4.1/114		

SASB (Sustainability Accounting Standards Board) Content Index

Insurance			
Topic	Accounting metric	Code	Section/Page number
Transparent Information and Fair Advice for Customers	Total amount of monetary losses as a result of legal proceedings associated with marketing and communication of insurance product related information to new and returning customers	FN-IN-270a.1	12.4.1/113, 12.4.1.1/115, 12.5/132
	Complaints-to-claims ratio	FN-IN-270a.2	12.2/106
	Customer retention rate	FN-IN-270a.3	12.4.1.1/115
	Description of approach to informing customers about products	FN-IN-270a.4	12.4./113
Incorporation of Environmental, Social, and Governance Factors in Investment Management	Total invested assets, by industry and asset class	FN-IN-410a.1	7.9/79, 80, 7.11/82
	Description of approach to incorporation of environmental, social, and governance (ESG) factors in investment management processes and strategies	FN-IN-410a.2	12.3.3/112
Policies Designed to Incentivize Responsible Behavior	Net premiums written related to energy efficiency and low carbon technology	FN-IN-410b.1	12.3.3/111
	Discussion of products and/or product features that incentivize health, safety, and/or environmentally responsible actions and/or behaviors	FN-IN-410b.2	12.3.3/111
Environmental Risk Exposure	Probable Maximum Loss (PML) of insured products from weather-related natural catastrophes	FN-IN-450a.1	3.2.1.2/173
	Total amount of monetary losses attributable to insurance payouts from (1) modeled natural catastrophes and (2) nonmodeled natural catastrophes, by type of event and geographic segment (net and gross of reinsurance)	FN-IN-450a.2	7.2/58, 3.2.1.2/173
Systemic Risk Management	Exposure to derivative instruments by category	FN-IN-550a.1	3.3.2.4/178
	Total fair value of securities lending collateral assets	FN-IN-550a.2	3.3.2.4/178
	Description of approach to managing capital and liquidity-related risks associated with systemic non-insurance activities	FN-IN-550a.3	2.1/165, 3.5/183
Asset Management and Custody			
Topic	Accounting metric	Code	Section/Page number
Transparent Information and Fair Advice for Customers	Number and percentage of covered employees with a record of investment-related investigations, consumer-initiated complaints, private civil litigations, or other regulatory proceedings	FN-AC-270a.1	12.5/132
	Total amount of monetary losses as a result of legal proceedings associated with marketing and communication of financial product related information to new and returning customers	FN-AC-270a.2	12.4.1./113
	Description of approach to informing customers about products and services	FN-AC-270a.3	12.4.1/113
Employee Diversity and Inclusion	Percentage of gender and racial/ethnic group representation for (1) executive management, (2) non-executive management, (3) professionals, and (4) all other employees	FN-AC-330a.1	5.3.2.2/44, 5.3.3.2/46, 12.4.2.1/118
Incorporation of Environmental, Social, and Governance Factors in Investment Management and Advisory	Amount of assets under management, by asset class, that employ (1) integration of environmental, social, and governance (ESG) issues, (2) sustainability themed investing, and (3) screening	FN-AC-410a.1	7.9/78
	Description of approach to incorporation of environmental, social, and governance (ESG) factors in investment and/or wealth management processes and strategies	FN-AC-410a.2	7.11/82
	Description of proxy voting and investee engagement policies and procedures	FN-AC-410a.3	7.11/82
Business Ethics	Total amount of monetary losses as a result of legal proceedings associated with fraud, insider trading, anti-trust, anticompetitive behavior, market manipulation, malpractice, or other related financial industry laws or regulations	FN-AC-510a.1	12.5/132, 133
	Description of whistleblower policies and procedures	FN-AC-510a.2	12.5/133
Accounting metric		Code	Section/Page number
Total registered and (2) total unregistered assets under management (AUM)		FN-AC-000.A	7.11/81
Total assets under custody and supervision		FN-AC-000.B	7.11/82

Sustainable Development Goals (UN SDG) Content Index

The Triglav Group is focused on goals 3, 5, 8, 11, 13.

Goal	Description	Section/Page
	By 2030, double the agricultural productivity and incomes of small-scale food producers, in particular women, indigenous peoples, family farmers, pastoralists and fishers, including through secure and equal access to land, other productive resources and inputs, knowledge, financial services, markets and opportunities for value addition and non-farm employment.	12.3.3/111
	By 2020, halve the number of global deaths and injuries from road traffic accidents.	12.4.3.1/126
	Achieve universal health coverage, including financial risk protection, access to quality essential health-care services and access to safe, effective, quality and affordable essential medicines and vaccines for all.	11.1.3/98
	Achieve gender equality and empower all women and girls	12.4.2.1/118
	Ensure access to affordable, reliable, sustainable and modern energy for all	12.3.3/111
	Promote development-oriented policies that support productive activities, decent job creation, entrepreneurship, creativity and innovation, and encourage the formalization and growth of micro-, small- and medium-sized enterprises, including through access to financial services.	11.1.3/98
	Protect labour rights and promote safe and secure working environments for all workers, including migrant workers, in particular women migrants, and those in precarious employment.	12.4.2.3/120
	Increase the access of small-scale industrial and other enterprises, in particular in developing countries, to financial services, including affordable credit, and their integration into value chains and markets.	11.1.2/97
	Make cities and human settlements inclusive, safe, resilient and sustainable	12.4.3.1/126
	Strengthen resilience and adaptive capacity to climate-related hazards and natural disasters in all countries.	12.1/103
	Improve education, awareness-raising and human and institutional capacity on climate change mitigation, adaptation, impact reduction and early warning.	12.3.3/111
	By 2030, ensure the conservation of mountain ecosystems, including their biodiversity, in order to enhance their capacity to provide benefits that are essential for sustainable development.	12.4.3.1/126
	Substantially reduce corruption and bribery in all their forms.	12.5/133

Triglav Group and Zavarovalnica Triglav d.d. Annual Report 2022

Published by: Zavarovalnica Triglav d.d.

Text by: Zavarovalnica Triglav d.d.

Editing, consulting, production by: Studio Kernel d.o.o.

Photographs by: Ciril Jazbec, Andraž Blaznik, Triglav Group archive, Shutterstock, iStock
Ljubljana, March 2023