

2. Triglav Group and Zavarovalnica Triglav in 2023

- The Group's operations were negatively impacted by one-off events, in particular regulated prices of supplemental health insurance and extreme CAT events.
- The Group consistently carried out its strategic activities for further growth and development and achieved its sustainability-related ambitions.
- The Group not only increased its business volume but also maintained its financial strength and high "A" credit ratings with a stable medium-term outlook.
- Its leading position in the insurance sector was strengthened both in Slovenia and the Adria region.

2.1 Financial highlights of the Triglav Group*²

	in EUR million		
	2023	2022	Index
Total business volume	1,780.2	1,594.3	112
Gross written premium	1,653.7	1,479.6	112
Other income	126.5	114.8	110
Total revenue	1,425.2	1,279.3	111
Insurance operating result	-9.4	-12.6	
Insurance revenue	1,351.2	1,206.6	112
Claims incurred	1,021.2	767.7	133
Acquisition and administrative costs including non att. costs	363.0	325.1	112
Net reinsurance service result	31.6	-104.5	
Net other insurance revenue and expenses	-7.9	-21.9	
Net investment result	22.0	-14.3	
Investment result	83.6	-88.6	
Financial result from insurance contracts	-69.7	82.2	
Change in provisions for not achieving the guaranteed yield	8.1	-9.8	
Gains/losses and impairments of investments in associates	0.0	1.8	
Result from non-insurance operations	8.4	16.9	50
Earnings before tax	21.1	-10.0	
Net earnings	16.3	-7.0	
Other comprehensive income	34.7	-50.9	
Combined ratio Non-Life and Health	101.6%	99.7%	1.9 p.p.
Claims ratio Non-Life and Health	76.3%	74.6%	1.7 p.p.
Expense ratio Non-Life and Health	25.3%	25.1%	0.2 p.p.
New business margin Life and Pension	14.6%	11.4%	3.2 p.p.
Return on equity	1.8%	-0.7%	2.5 p.p.
Return on financial investments	1.8%	-0.4%	2.2 p.p.
	31 Dec 2023	31 Dec 2022	Index
Balance sheet total	4,099.0	3,802.3	108
Equity	891.1	897.0	99
Contractual service margin (CSM)	238.4	186.4	128
Assets under management (AUM)	4,851.4	4,379.8	111
Number of employees	5,318	5,306	100
Number of employees (full-time equivalent)	5,190	5,177	100

The calculation of indicators and the chosen terms are explained in the glossary enclosed to the Annual Report. See page 336.

2.2 Financial highlights of Zavarovalnica Triglav*³

	in EUR million		
	2023	2022	Index
Total business volume	1,060.7	934.8	113
Gross written premium	982.8	868.9	113
Other income	78.0	66.0	118
Total revenue	794.7	708.0	112
Insurance operating result	17.6	-20.0	
Insurance revenue	775.6	690.2	112
Claims incurred	554.2	406.0	136
Acquisition and administrative costs incl. non att. costs	239.1	212.4	113
Net reinsurance service result	39.4	-75.4	
Net other insurance revenue and expenses	-4.3	-16.4	
Net investment result	28.0	21.4	131
Investment result	70.1	-81.6	
Financial result from insurance contracts	-62.8	77.0	
Change in provisions for not achieving the guaranteed yield	4.3	-4.6	
Gains/losses and impairments of investments in associates	16.3	30.6	53
Earnings before tax	45.6	1.4	3,271
Net earnings	38.7	8.9	433
Other comprehensive income	28.4	-36.5	
Combine ratio Non-Life	99.2%	101.8%	-2.6 p.p.
Claims ratio Non-Life	70.2%	73.3%	-3.0 p.p.
Expense ratio Non-Life	29.0%	28.5%	0.5 p.p.
New business margin Life and Pension	13.9%	13.2%	0.7 p.p.
Return on equity	5.8%	1.2%	4.6 p.p.
Return on financial investments	2.4%	1.4%	1.0 p.p.
	31 Dec 2023	31 Dec 2022	Index
Balance sheet total	2,945.4	2,730.8	108
Equity	669.2	658.9	102
Contractual service margin (CSM)	225.4	175.6	128
Number of employees	2,243	2,243	100
Number of employees (full-time equivalent)	2,215	2,213	100



"The Triglav Group maintains its financial strength and effectively adapts to

environmental challenges through a robust business model and efficient risk management."

Uroš Ivanc, Management Board member, Zavarovalnica Triglav

*Notes on the effects of the transition to IFRS 17 and IFRS 9 are provided in Section 2.6 of the Accounting Report. The breakdown of profit or loss in the Business Report (comprising insurance operating result, net investment result, result from non-insurance operations) differs from that of the statement of profit and loss in the Accounting Report (comprising insurance service result, investment result, financial result from insurance contracts and other profit or loss categories). This is primarily because the Business Report also takes into account non-attributable costs, insurance revenue, insurance service expenses and net other insurance revenue and insurance service expenses in the presentation of the insurance operating result. Meanwhile, the net investment result includes the financial result from insurance contracts, change in provisions for not achieving the guaranteed yield and gains/losses on and impairments of investments in associates, in addition to the investment result. Other categories are included in the result from non-insurance operations. For a more detailed description of the categories shown, see Appendix 1. Glossary of terms.

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

	2023	2022	Index
1. Environmental aspects			
Carbon footprint (tonnes of CO ₂ equivalent)*	8,131	8,649	94
Scope 1 and 2 carbon footprint per employee (tonnes of CO ₂ equivalent)*	1.54	1.63	94
Electricity consumption (MWh)	10,342	11,015	94
Share of electricity consumption from renewable sources (%)	61.6	59.0	104
Total quantity of waste at the Triglav Group per employee (kg)	118	125	94
Average daily consumption of office paper per employee**	13	19	68
Written premium from products promoting social and environmental benefits (EUR million)	24.8	20.8	119
Assets under management in funds that incorporate sustainability aspects (EUR million)	1,139.0	49.2	2,313
Investments in social impact, green and sustainable bonds (EUR million)	262.5	222.9	118
2. Social aspects			
Employee satisfaction (ORVI)	3.94	4.00	99
Average employee age	45.1	44.8	101
Women employees to total employees ratio (%)	55.0	54.7	101
Proportion of women at first and second management levels under the management board (%)	42.6	41.2	103
Employee turnover (number of leavers/average number of employees; %)	12.0	11.6	103
Average number of training hours per employee	32	33	96
Lost time incident rate – LTIR (number of work-related incidents/total number of hours of all employees x 200,000)	0.38	0.37	101
Client satisfaction of Triglav Group (NPS)***	73	77	95
Number of insurance products and services sold online	23	22	105
Number of insurance products promoting prevention	62	62	100
Proportion of employees allowed to work from home (%)	36	33	110
Number of suppliers checked against ESG criteria	865	419	206
Investments into the community (prevention, donations, sponsorships) (EUR million)	8.9	10.2	87
3. Governance aspects			
Proportion of women in the management board/supervisory board in parent company (%)	20.0/25.0	25.0/0	
Proportion of women at the first management level under the management board (%)	46.5	45.1	103
Proportion of women in management and supervisory bodies (%)	25.5	23.6	108
Average age of Zavarovalnica Triglav Management Board members	47.8	48.5	99
Independence of Zavarovalnica Triglav Supervisory Board members, shareholder representatives (% of members)	100	78	129
President of the Management Board salary to the average employee salary ratio (factor x)****	5	5	100
Term of office of the current President of the Management Board (years)	10	9	111
Policies adopted: equal opportunities policy, anti-corruption policy, employee protection/whistleblower protection policy	YES	YES	
Fair business practices (number of fraud cases investigated)	1,771	1,651	107
Internationally renowned audit firm (Big 4)	YES	YES	
Period of cooperation with the existing auditor (years)	5	4	125
Investor relations when publishing results	YES	YES	
Economic value generated (EUR million)	1,642.4	1,318.9	125
Economic value distributed (EUR million)	1,682.9	1,409.9	119
Economic value retained (EUR million)	-40.5	-91.0	

* 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 11.2.2](#).

** Includes A4 and A3 paper consumption for internal purposes.

*** NPS shows the share of promoters who would recommend the Company to their acquaintances and friends 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 contact⁵

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Blaž Kmetec, Executive Director of Finance and Controlling
Email: blaz.kmetec@triglav.si

2.4 Significant events in 2023

Operating results:

The Group's operations were significantly impacted by negative one-off events, in particular by changes to supplemental health insurance and extreme CAT events. In April 2023, the legislative framework for the existing supplemental health insurance system was changed in Slovenia, which, due to price regulation and other restrictions, resulted in a negative result of the Health segment (see [Section 8.3 Health segment](#) for more information). CAT events in Slovenia and the region, particularly storms, hailstorms and floods in July and August, resulted in historically high claims for the Group and had a significant negative impact on the Group's performance (see [Section 7.2 Environmental impact on the Triglav Group's operations](#) for more information). Due to inflationary pressures, the Group companies not only adjusted premiums and premium rates but also implemented measures related to claims settlement and cost management. As a result of these effects, the Group achieved earnings before tax of EUR 21.1 million, lower than originally planned. See [Section 8. Operations 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 2.50 gross per share or EUR 56.8 million in total, which accounts for 51% of the Group's consolidated net earnings for 2022 and a 7% dividend yield. 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 re-affirmed the Group's »A« credit rating with a stable medium-term outlook. All individual elements of the rating are at the same level as last year. 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:

Blaž Jakič began his five-year term of office as a Management Board member of Zavarovalnica Triglav on 2 March 2023. President of the Management Board Andrej Slapar and Management Board members Uroš Ivanc and Tadej Čoroli were reappointed for a five-year term. Their current term of office expires in 2024. Monica Cramer Manhem and Tim Umberger were appointed as new Supervisory Board members, shareholder representatives, while Aleš Košiček and Janja Strmljan Čevnja were appointed as new Supervisory Board members, employee representatives. See [Section 5.3 Management bodies of Zavarovalnica Triglav](#) for more information.

Sustainable development at the Triglav Group:

As part of its efforts to build on its sustainable development activities, the Group adopted the overarching Sustainable Development Policy, Sustainable Investment Policy and Statement on principal adverse impacts of investment decisions on sustainability factors of Zavarovalnica Triglav d.d. in accordance with the SFDR. See [Section 11.1 Our approach to sustainability](#) for further information.



2.5 Financial calendar 2024

Calendar of financial announcements for 2024

Date and time of announcement*	Type of announcement	Quiet period**
Wednesday, 6 March 2024, 8:30	Preliminary key figures for 2023	From Wednesday, 14 February 2024
Friday, 29 March 2024, 8:30	Audited annual report for 2023	From Friday, 15 March 2024
Friday, 26 April 2024	Call notice of the General Meeting of Shareholders to decide on the distribution of accumulated profit	
Wednesday, 22 May 2024, 8:30	January–March 2024 interim financial report	From Wednesday, 8 May 2024
Tuesday, 4 June 2024	General Meeting of Shareholders and announcement of its resolutions	
Thursday, 22 August 2024, 8:30	January–June 2024 interim financial report	From Thursday, 8 August 2024
Wednesday, 20 November 2024, 8:30	January–September 2024 interim financial report	From Wednesday, 6 November 2024

* The planned date and time of announcement may differ from the actual date and time.

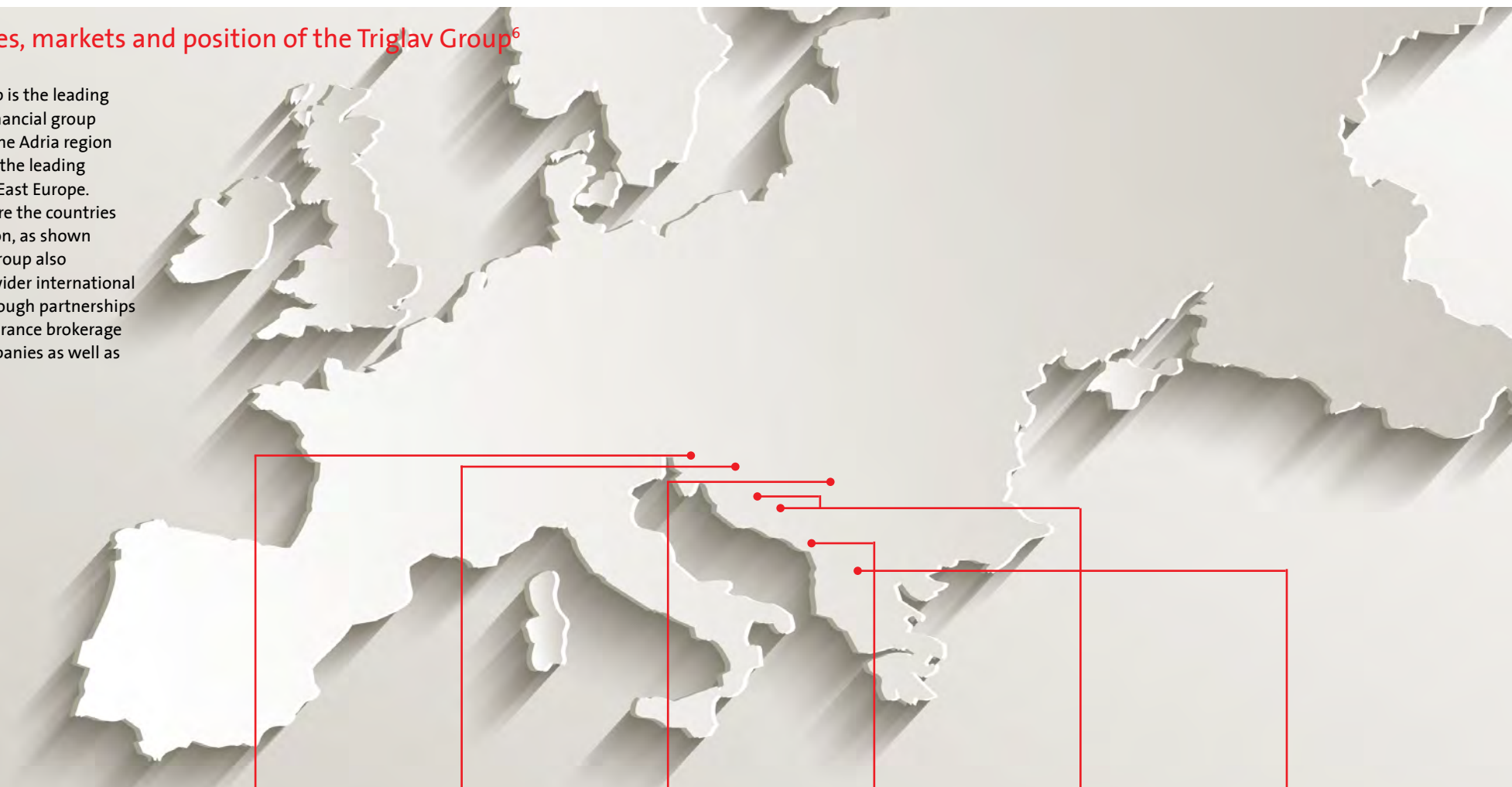
** The quiet period denotes a period preceding the announcement of a financial report, during which Zavarovalnica Triglav does not disclose any information on current operations to the public.

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).

2.6 Activities, markets and position of the Triglav Group⁶

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. Its key markets are the countries in the Adria region, as shown below, but the Group also operates in the wider international environment through partnerships with foreign insurance brokerage and agency companies as well as with reinsurers.



Slovenia

1st place
39.5%
 market share*
 (+0,6 p.p.)

Croatia

8th place
5.2%
 market share*
 (-0,3 p.p.)

Serbia

5th place
7.5%
 market share*
 (+0,2 p.p.)

Montenegro

1st place
35.0%
 market share*
 (-2,8 p.p.)

Bosnia and Herzegovina

4th place
9.3%
 market share*
 (-0,1 p.p.)

North Macedonia

3rd place
13.4%
 market share*
 (-1,3 p.p.)

* The data show the market share of the Triglav Group by an individual insurance market. Data shown for Serbia is for January–September 2023.

2.6.1 Triglav Group's value creation model

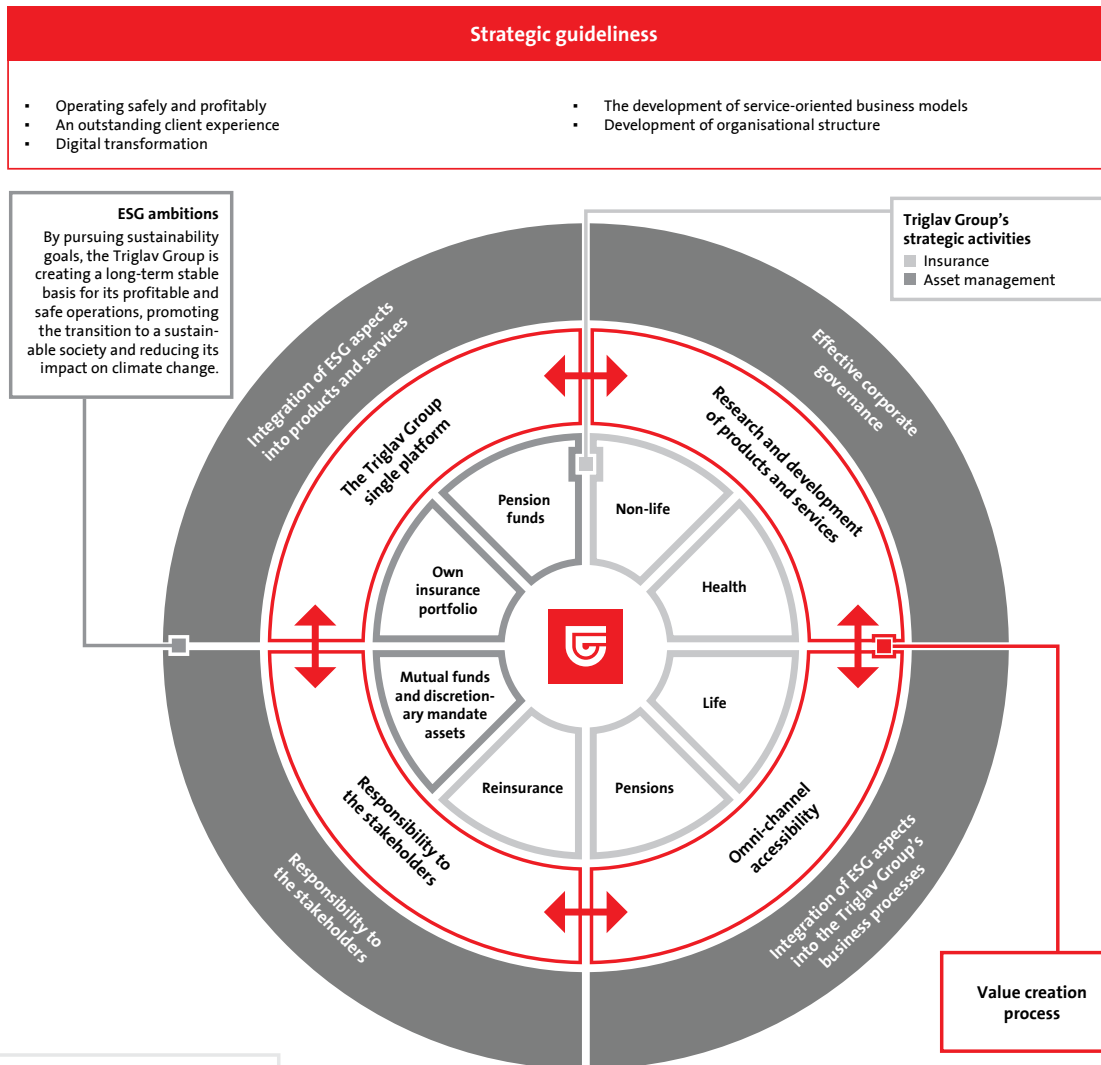
Resources used to create value

Economic and governance
 Funds for the Group's business operations come from a solid capital base, written premiums and funds from the Group's shareholders and investors. The Group comprehensively identifies and manages risks and opportunities. It adheres to high standards of corporate governance.
 4. Triglav Group strategy and plans →
 5. Corporate governance statement →
 8. The Triglav Group's business operations →
 9. Risk management →

Human resources
 The Group's employees bring together a wide range of expertise and talents, which serve as the basis for effective business operations and the implementation of the Group's development strategy.
 11.3.2 Responsibility to employees →

Social
 In order to achieve its development objectives, the Group improves its knowledge of key stakeholders' needs, strengthening their trust and satisfaction. The value created by the Group stems from good mutual relationships.
 11.3 Social aspects →

Environmental
 The natural resources required for the Group's operations are used efficiently. In accordance with the adopted strategic ambitions and Sustainable Development Policy the Group incorporates ESG principles into its internal processes. It develops financial products and services that contribute to the resilience of the economy and society to climate change.
 11.2 Environmental aspect →



Impacts of the Group's operations

Shareholders/investors
 With stable and development-oriented operations, the Group increases the value of its assets. By pursuing a sustainable and attractive dividend policy, the Group strives to make the ZVTG share a profitable, safe and stable investment.
 6. The share and shareholders of Zavarovalnica Triglav →

Employees
 The Group develops the skills and talents of its employees, provides them with a stimulating and safe working environment and rewards them fairly.
 11.3.2 Responsibility to employees →

Clients/policyholders
 By offering quality insurance and financial products and related services, the Group responds to new and existing client needs and ensures their financial security.
 11.3.1 Responsibility to clients →
 8. The Triglav Group's business operations →

The local and wider community
 With investments, tax payments, accessible services and locally oriented and responsible procurement, the Group supports economic development and the social environment, as well as efforts for a green transition. It strengthens prevention through training, sponsorships and donations, thereby reducing security risks.
 11.3.3 Responsibility to the community →
 11.3.4 Responsibility to suppliers →
 11.2 Environmental aspect →

Partners
 The Group develops new business models and innovative practices. As a reliable, responsible and trustworthy partner, it operates ethically and in compliance with the law, cooperating with state bodies and regulators. The Group contributes to the growth of the companies and organisations it collaborates with.
 10. Development activities →
 11.3. Social aspects →

Contribution to key SDGs

Dynamic challenges in the environment:

- Competition
- New client needs
- Technological development
- Financial and macroeconomic factors
- Development of regulatory frameworks
- Environmental change
- Demographic and social change
- Economic and political factors

2.6.2 Insurance

The Group's largest strategic activity is **insurance**, which includes non-life, health, life and pension insurance as well as reinsurance.

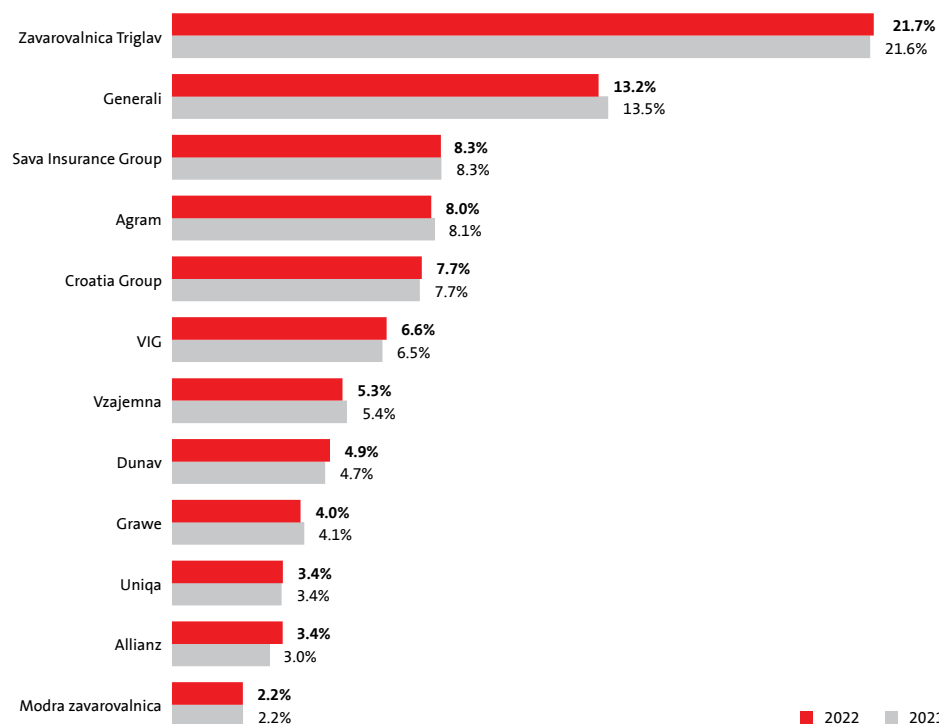
The Group's insurance business comprises:

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

Position in the regional insurance market

The Triglav Group consolidated its dominant market position in **the Adria region** (Slovenia, Croatia, Serbia, Montenegro, Bosnia and Herzegovina, and North Macedonia). In 2022, it increased its market share by 0.1 percentage point to 21.7%.

The market share of insurance groups and insurers in the Adria region in 2022 and 2021 (%)*



* Data for 2023 not yet available

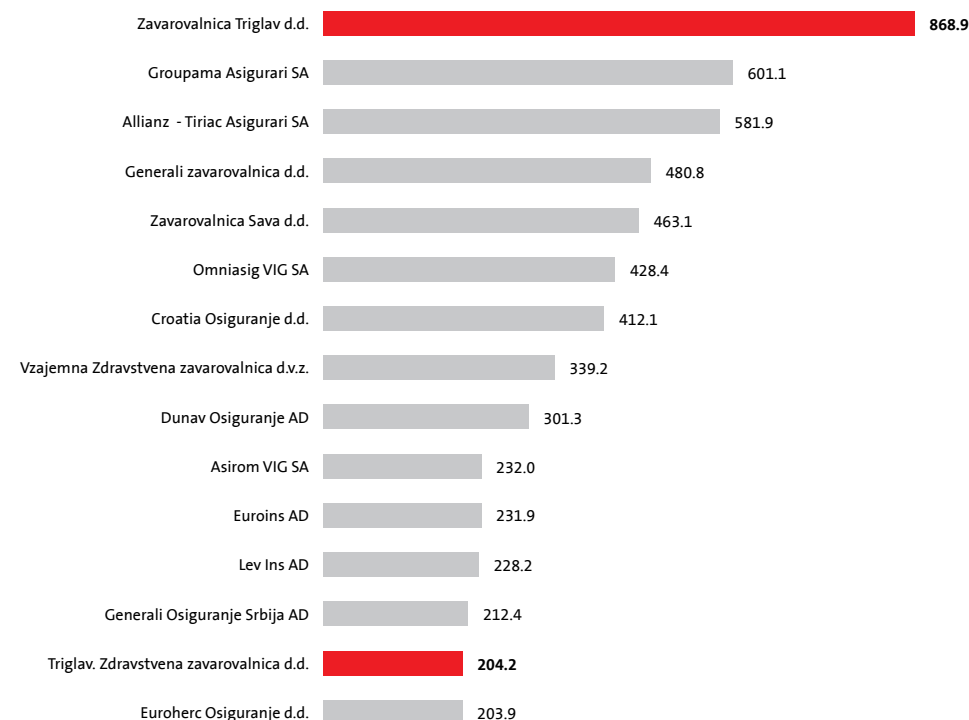
Source: Zavarovalnica Triglav's calculation based on the data of national insurance supervision agencies and insurance associations

The parent company is the leader among the insurers in **South-East Europe** (Albania, Bulgaria, Bosnia and Herzegovina, Montenegro, Croatia, Moldova, Romania, North Macedonia, Slovenia and Serbia). Eight insurance companies of the Triglav Group and 12 Slovenian insurers (three Slovenian insurers are among the top five) rank among the top 100 insurers in South-East Europe in terms of gross written premium. The Romanian insurers Groupama Asigurari (ranked seventh in the previous year) and Allianz – Tiriac Asigurari (ranked fifth in the previous year) ranked second and third thanks to the high premium growth. All 100 insurers collected a total of EUR 10.6 billion in written premium (9% more than the previous year).

2.6.3 Asset management

Asset management in the Group is carried out by insurance and pension companies, as well as investment fund and investor asset management companies. It comprises the management of own insurance portfolios (assets backing liabilities and guarantee funds), saving of clients through the Group's life and pension insurance companies, the management of alternative investments by Triglav and the management of clients' assets in mutual funds and discretionary mandates via asset management companies.

The largest insurers in South-East Europe by written premium in 2022 (in EUR million)

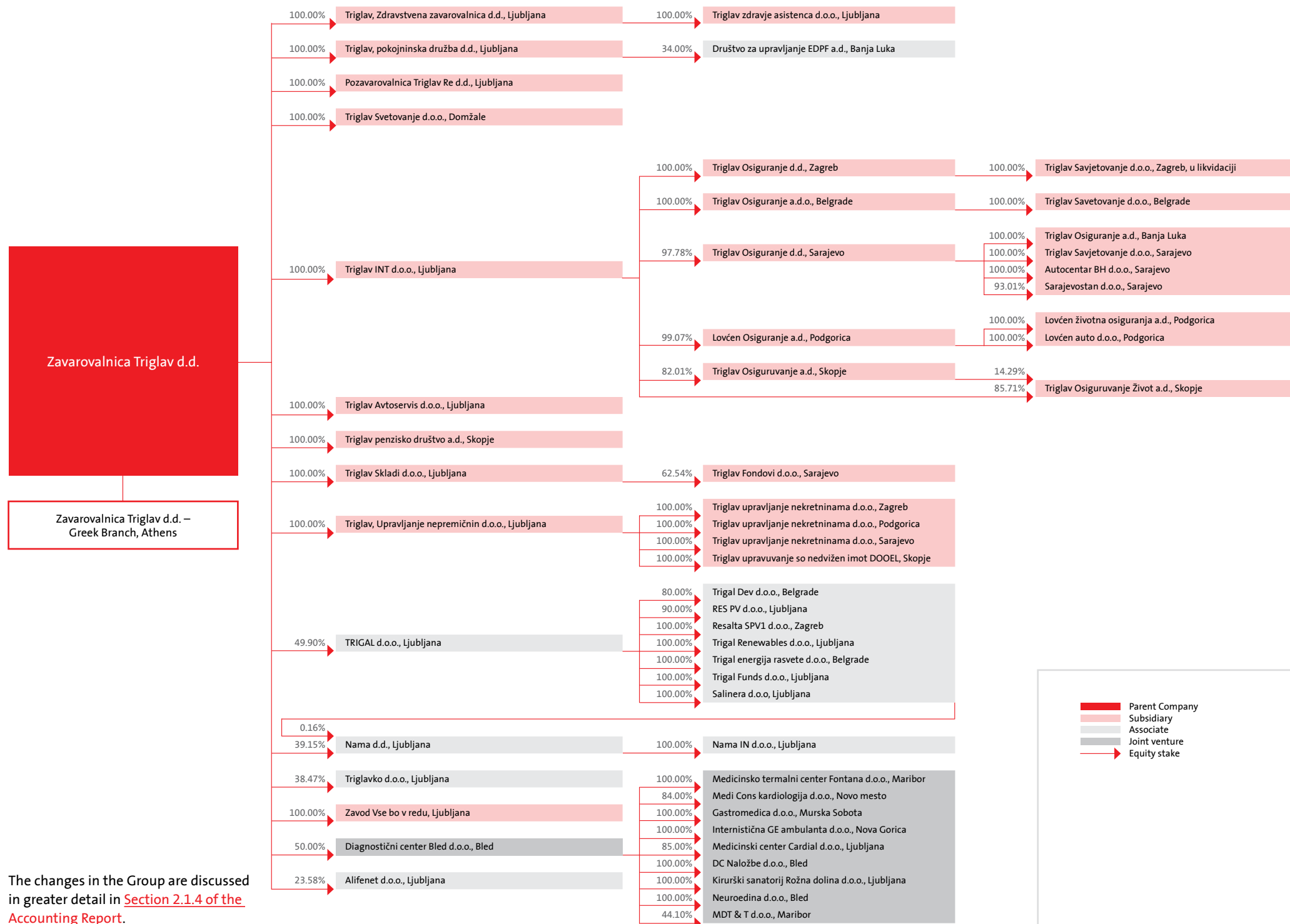


Source: SeeNews 2023.

2.6.4 Composition of the Triglav Group

As at 31 December 2023, the Triglav Group comprised 54 companies: the parent company, 30 subsidiaries, 13 associates and 10 joint ventures.

The Triglav Group members and their participating interests as at 31 December 2023



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

■ Parent Company
■ Subsidiary
■ Associate
■ Joint venture
→ Equity stake

2.7 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: 2013–2029
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: 2014–2029
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: 2014–2029
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.