

TRIGLAV GROUP INVESTOR PRESENTATION

4 December 2012

LJSE Meeting with investors and analysts



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triglav

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TRIGLAV GROUP

Key Features

- **Core business – 3 pillars**
 - Insurance
 - Third-party asset management
 - “Banking”
- **Triglav Group**
 - Parent company Zavarovalnica Triglav, d.d. 41 subsidiaries and 9 associated companies
 - Market presence in 7 countries and 8 markets
 - 5.426 employees
- **S&P rating A-/negative**



TRIGLAV GROUP

Further profit growth in core business

- Q3 profits up 5.4 %, further favorable movement in combined ratio
- Dividends at 0,70 EUR per share (47.7 % growth in dividends)
- Restructuring of the Management Board
- IFC, member of the World Bank Group, enters into Triglav INT as a minority partner of the Zavarovalnica Triglav to develop insurance business outside Slovenia – capitals increase expect by the end of 2012
- Impact of financial crisis and situation in the banking sector on the value of investment portfolios
- Continuation of the ownership consolidation of the Triglav Group
- S&P downgraded Triglav Group credit rating form “A” to “A-” because of the recent lowering of the long-term sovereign credit rating of the Republic of Slovenia. Credit watch still in place.
- Discussions with other shareholders about the conditions of the capital increase of Abanka Vipa

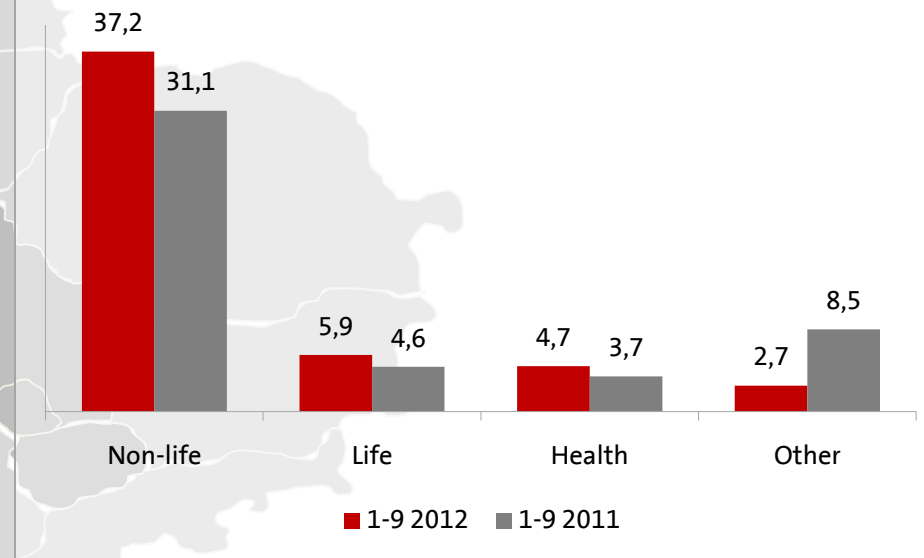


TRIGLAV GROUP

The core business is insurance

- Insurance
 - Non-life
 - Life
 - Supplementary pensions
 - Health
- Asset management
 - Mutual funds
 - Investment companies
 - Investment holdings
 - Real Estate
- Banking
 - Significant interest in Abanka Vipa, d.d.
 - Strategic importance of banking distribution channels in the future

PROFIT BY BUSINESS SEGMENTS IN Q3 2012 IN EUR M



THE MANAGEMENT TEAM



MATJAŽ RAKOVEC, PRESIDENT OF THE MANAGEMENT BOARD, DOB: 1964

- BSc in Economics
- Extensive experience in insurance industry and sales
- Supervisory Board membership in: Krka, Jedrski Pool, Triglav INT, Triglav Osiguranje, Sarajevo and Lovćen Osiguranje
- Membership in numerous Boards including: Chamber of commerce and Industry of Slovenia, AmCham, Olympic Committee of Slovenia



ANDREJ SLAPAR, MEMBER OF THE MANAGEMENT BOARD, DOB: 1972

- BSc in Law
- Extensive experience in insurance industry
- Supervisory Board membership in: Triglav Pojišt'ovna, Pozavarovalnica Triglav Re, Triglav Osiguranje Sarajevo, Triglav INT and Abanka Vipa



STANISLAV VRTUNSKI, MEMBER OF THE MANAGEMENT BOARD, DOB: 1972

- MBA
- Extensive experience in insurance industry
- Supervisory Board membership in: Triglav Osiguranje Zagreb, AS Triglav Ljubljana



BENJAMIN JOŠAR, MEMBER OF THE MANAGEMENT BOARD, DOB: 1973

- MBA
- Extensive experience in finance and banking
- Supervisory Board membership in: Triglav Skladi Ljubljana
- Senior Lecturer for subject area and banking at Gea College



MARICA MAKOTER, MEMBER OF THE MANAGEMENT BOARD - EMPLOYEE REPRESENTATIVE, DOB: 1972 Bachelor of Law, Slovenian State Bar Examination

- Extensive experience in insurance industry and law
- Supervisory Board membership in: Triglav Osiguruvanje Skopje

FINANCIAL HIGHLIGHTS OF TRIGLAV GROUP FOR Q3 2012

Underlying performance inline with business plans

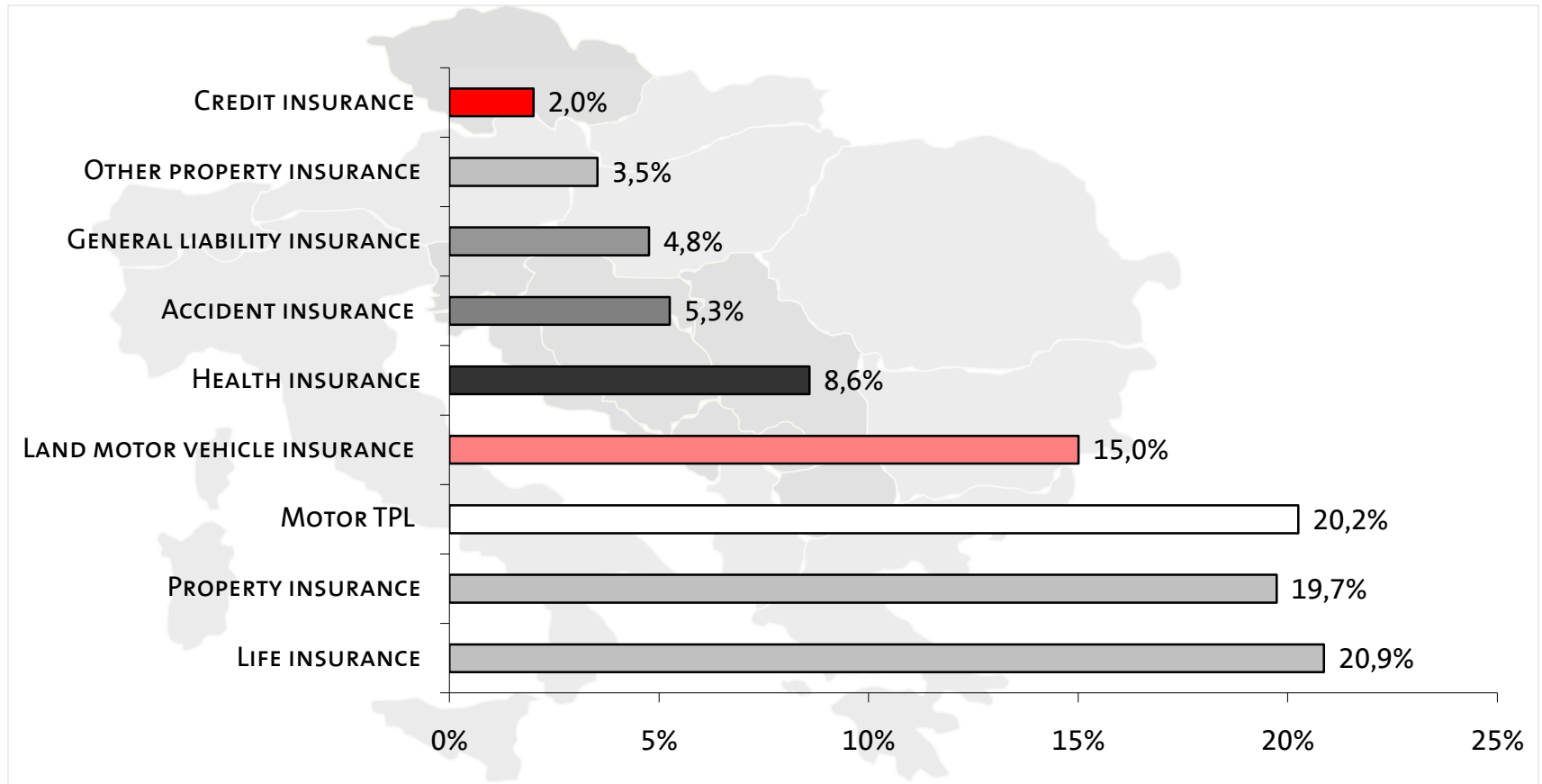
	Q3 2011	Q3 2012	INDEX
			In EUR million
Gross written premium	773,9	732,1	95
Net premium income	687,1	665,9	97
Gross claims settled	437,1	449,5	103
Net claims incurred	428,9	450,1	105
Gross operating costs*	166,6	169,5	102
Profit before tax	65,1	62,6	96
Net profit for the accounting period	47,9	50,5	105
Gross insurance technical provisions	2.234,1	2.334,6	104
Total equity	489,5	554,9	113
Number of employees	5.064	5.426	107
Expense ratio	61,9%	64,0%	
Net claims ratio	27,7%	27,8%	
Combined ratio non-life	89,7%	91,8%	

* Gross operating costs of insurance operations



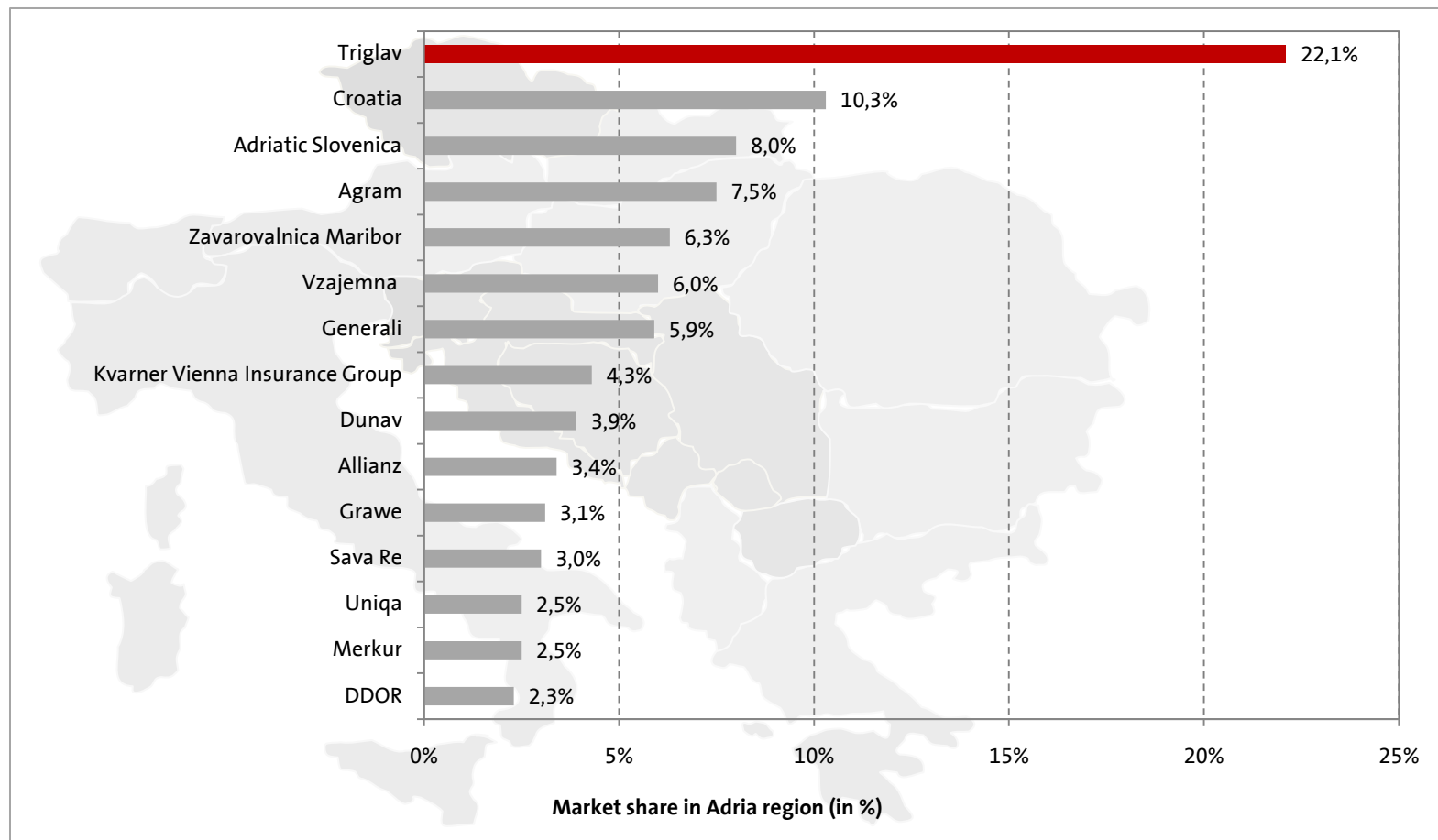
GROSS PREMIUM WRITTEN IN Q3 2012

Well balanced insurance portfolio structure



MARKET SHARES IN 2011

Triglav Group ranks first in Adria region



INVESTMENT STORY

From high growth and fast expansion to profitable operations



- **Leading insurance company in Slovenia – expansion started in 2000**

- Fast growth in Slovenia, especially life insurance
- Entry into private pension business
- In part a regional strategy – besides Slovenia also present in Croatia, Czech Republic and Montenegro

- **Fast growth in the markets of former Yugoslavia**

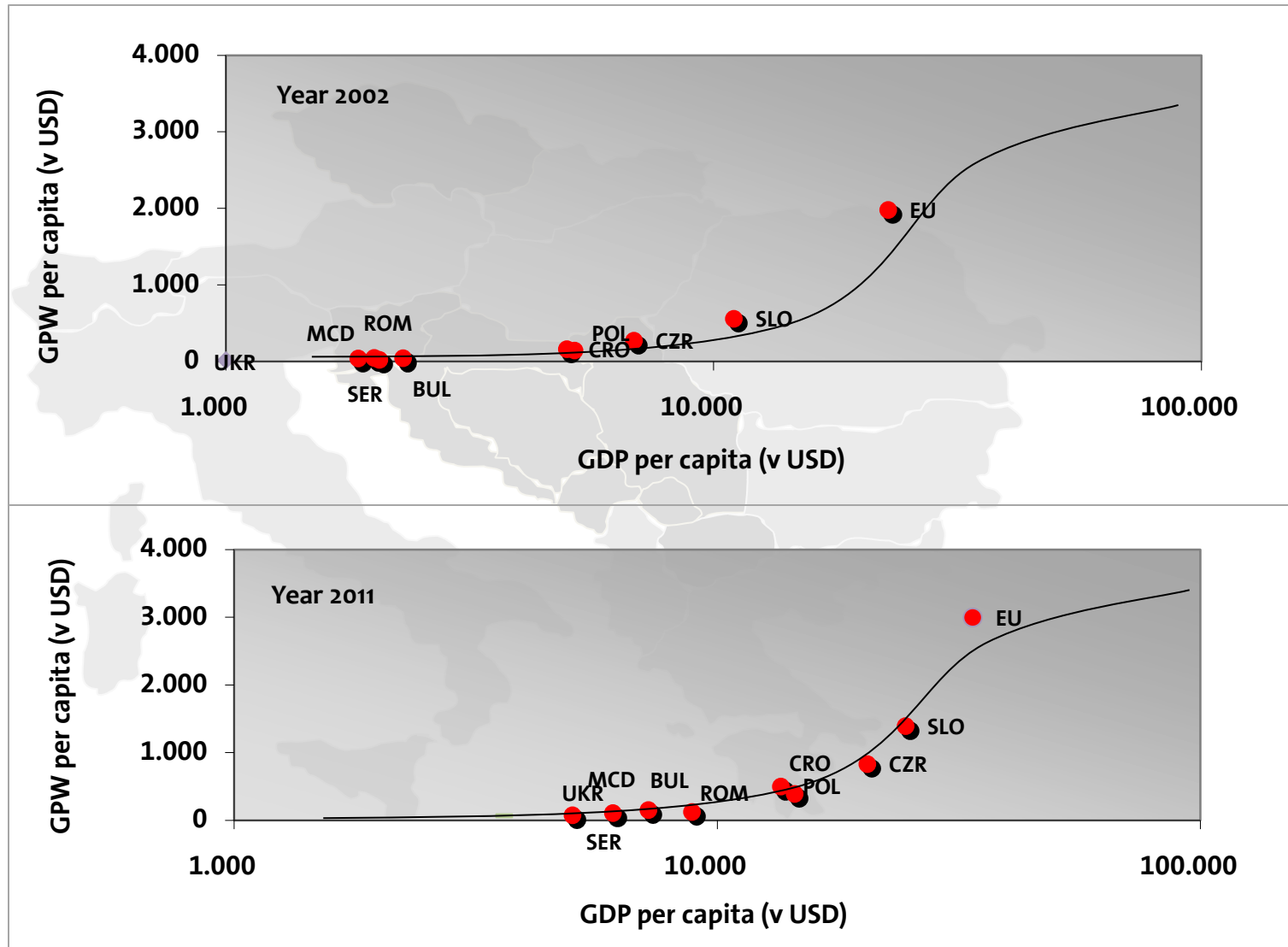
- Limited growth potential of Slovenian insurance market
- High growth potential and knowledge level of relatively undeveloped insurance markets of former Yugoslavia – entry on all markets in former Yugoslavia region
- Biggest insurance group in Western Balkans

- **Focus on profitability and selective expansion**

- Profitability of the core business result of consolidation of business functions, prudent selection of insurance risks, transfer of know-how – exploiting potential of existing markets
- Growth of operations and expansion of insurance lines in existing markets, prudent entry in new insurance markets
- Efficient system of risk management compliant with Solvency II

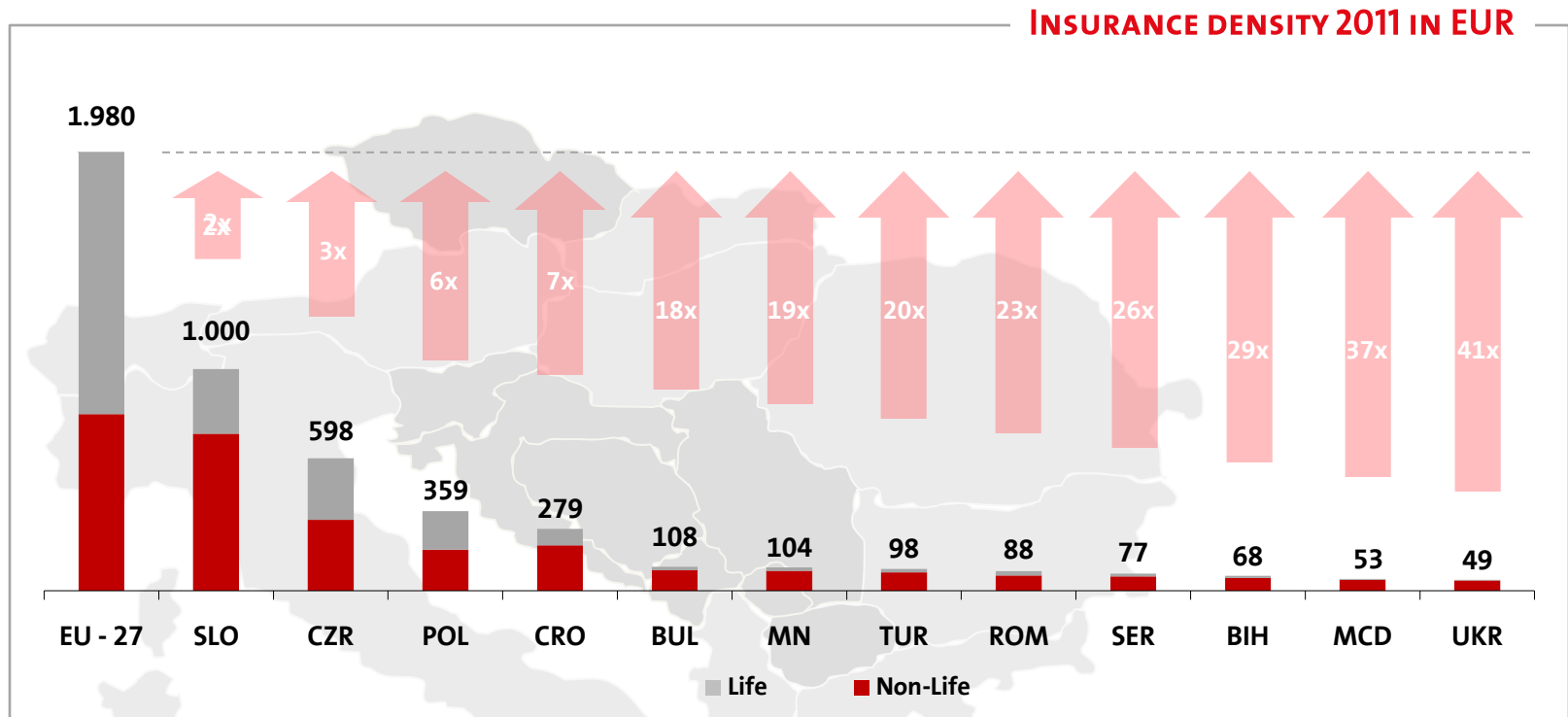
DEVELOPMENT OF INSURANCE MARKETS

GDP growth and low insurance density key growth drivers on target markets



LONG TERM PROSPECTIVENESS OF TARGET MARKETS

High catch-up potential



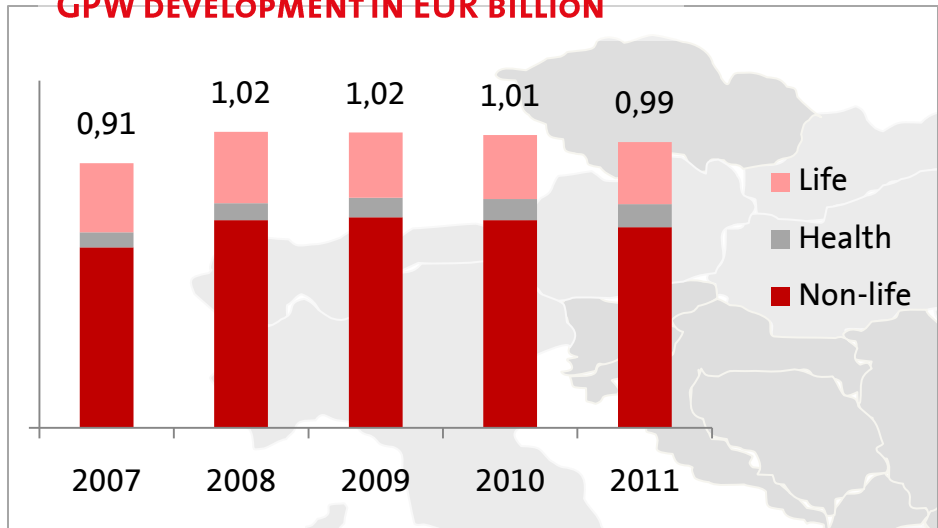
Relatively lower density creates opportunities

- Higher future demand for existing insurance products
- Development and growth in sales of new and more sophisticated insurance products
- Life insurance growth
- Expected changes in regulation: pension, health, tax

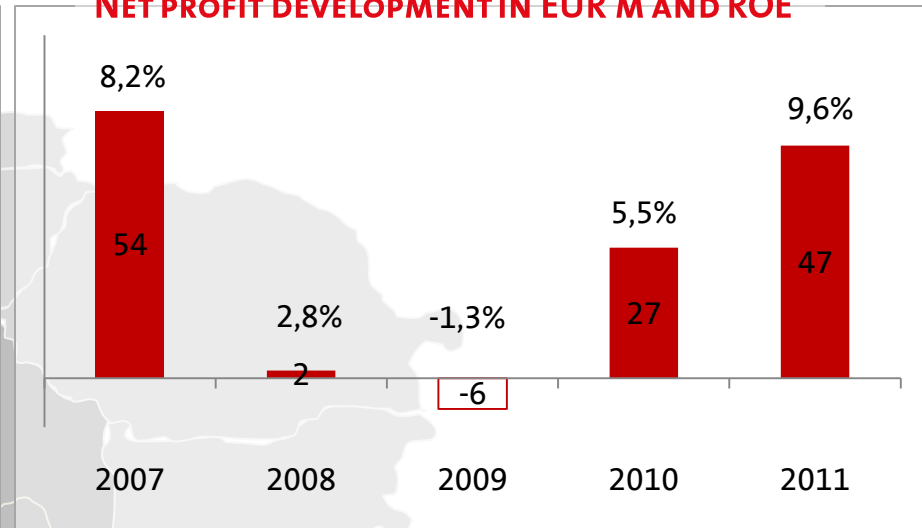
STRATEGY TURNAROUND – PROFITABILITY OF CORE BUSINESS

Underlying performance targeting, not premium growth for any price

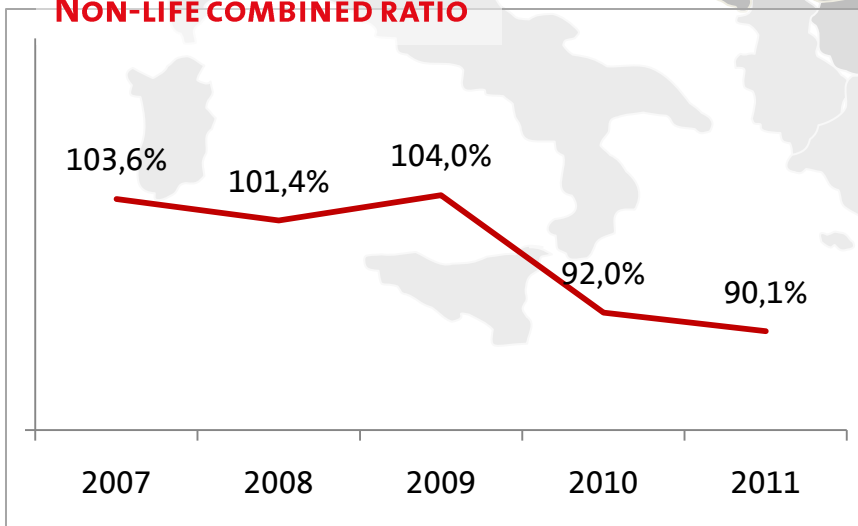
GPW DEVELOPMENT IN EUR BILLION



NET PROFIT DEVELOPMENT IN EUR M AND ROE



NON-LIFE COMBINED RATIO



Key measures taken

- More conservative pricing of certain products (i.e. agriculture)
- Increase of deductibles
- More conservative risk selection
- Strengthening of all underwriting activities
- Better reinsurance protection



TRIGLAV GROUP MARKETS IN Q3 2012

Slovenia: Zavarovalnica Triglav d.d., Triglav Zdravstvena zavarovalnica d.d.

Gross premium written: -5%
580.4 m EUR



Market share (in 2011) : 37.1% -0.8 p.p.



Market position: 1



Gross operating costs: +2%
125.7 m EUR



Gross claims paid: +2%
358.2 m EUR



Combined ratio: 87.1%
+2.0 p.p.



Market development in 2011:

- Insurance penetration (2011): 5.8%
- GPW: 2,092 m EUR (-0.1%)
- Insurance density (2011): 1,000 EUR per capita

Major events:

- New strategy of the group strictly implemented
- Low combined ratio
- Impairments of financial instruments



TRIGLAV GROUP MARKETS IN Q3 2012

Croatia: Triglav Osiguranje d.d.

Gross premium written: -13%
37.0 m EUR



Market share (in 2011) : 4.3% -0.1 p.p.



Market position: 7



Gross operating costs: -1%
13.1 m EUR



Gross claims paid: +12%
23.3 m EUR



Combined ratio: 114.2%
+7.6 p.p.



Market development in 2011:

- Insurance penetration (2011): 2.7%
- GPW: 1,229 mio EUR (-3%)
- Insurance density (2011): 279 EUR per capita


Major events:

- GPW lower due to loss of a major client, portfolio selection (casco, life stock) and drop of credit insurance
- Higher claims paid due to some big loss events

TRIGLAV GROUP MARKETS IN Q3 2012


Serbia: Triglav Osiguranje a.d.o.


Gross premium written: -23%
12.0 m EUR 

Market share (in 2011) : 3.7% +0,2 p.p. 

Market position: 7 

Gross operating costs: -21%
7.8 m EUR 

Gross claims paid: -8%
6.1 m EUR 

Combined ratio: 127.6%
+12.3 p.p. 

Market development in 2011:

- Insurance penetration (2011): 1.7 %
- GPW: 526 m EUR (+2 %)
- Insurance density (2011): 77 EUR per capita

Major events:

- Impact of stricter cost management on MTPL acquisition
- Restructuring of management



TRIGLAV GROUP MARKETS IN Q3 2012

Bosnia and Herzegovina: Triglav osig. Sarajevo d.d., Triglav osig. Banja Luka a.d.

Gross premium written: -2%
16.1 m EUR



Market share (in 2011) : 8.2% -1.2 p.p.



Market position: 3



Gross operating costs: -11%
6.8 m EUR



Gross claims paid: +8%
6.7 m EUR



Combined ratio: 101.0%
-5.5 p.p.



Market development in 2011:

- Insurance penetration (2011): 1.5%
- GPW: 255 m EUR (+4%)
- Insurance density (2011): 68 EUR per capita

Major events:

- Restructuring of insurance portfolio into non-car insurance
- Lower acquisition costs

TRIGLAV GROUP MARKETS IN Q3 2012

Montenegro: Lovćen osiguranje a.d. & Lovćen, životna osiguranja a.d.

Gross premium written: -5%
22.0m EUR



Market share (in 2011) : 47.3% -4.7 p.p.



Market position: 1



Gross operating costs: +7%
7.9 m EUR



Gross claims paid: -2%
12.3 m EUR



Combined ratio: 81.9%
-16.8 p.p.



Market development in 2011:

- Insurance penetration (2011): 1.6 %
- GPW (2011): 65 m EUR (+4%)
- Insurance density (2011): 104 EUR per capita

Major events:

- Loss of major client, lower MTPL sales due to competition on acquisition costs and natural catastrophe at the beginning of the year
- Turnaround strategy and management yielding results

TRIGLAV GROUP MARKETS IN Q3 2012

Macedonia: Triglav Osiguruvanje a.d.

Gross premium written: -10%
14.4 m EUR

Market share NL (in 2011) : 19,7% -2.1 p.p.

Market position NL: 1

Gross operating costs: +11%
4.2 m EUR

Gross claims paid: +7%
10.6 m EUR

Combined ratio: 101.3%
+4.7 p.p.

Market development in 2011:

- Insurance penetration (2010): 1.2 %
- GPW: 110 m EUR (+4%)
- Insurance density (2010): 53 EUR per capita

Major events:

- Lower MTPL sales through brokers - escalating commissions
- Higher costs due to new IT support and costs of rebranding
- Higher claims paid due to one big loss event



TRIGLAV GROUP MARKETS IN Q3 2012

Czech republic: Triglav Pojišť'ovna a.s.

Gross premium written: 0%
20.7 m EUR ○

Market share NL (in 2011) : 0.9% 0.0 p.p. ○

Market position NL: 11 ↓

Gross operating costs: +9%
6.7 m EUR ↑

Gross claims paid: +7%
13.7 m EUR ↑

Combined ratio: 121.0%
+17.3 p.p. ↑

Market development in 2011:

- Insurance penetration (2011): 3.9%
- GPW NL: 2,890 m EUR (+1%)
- Insurance density (2011): 598 EUR per capita

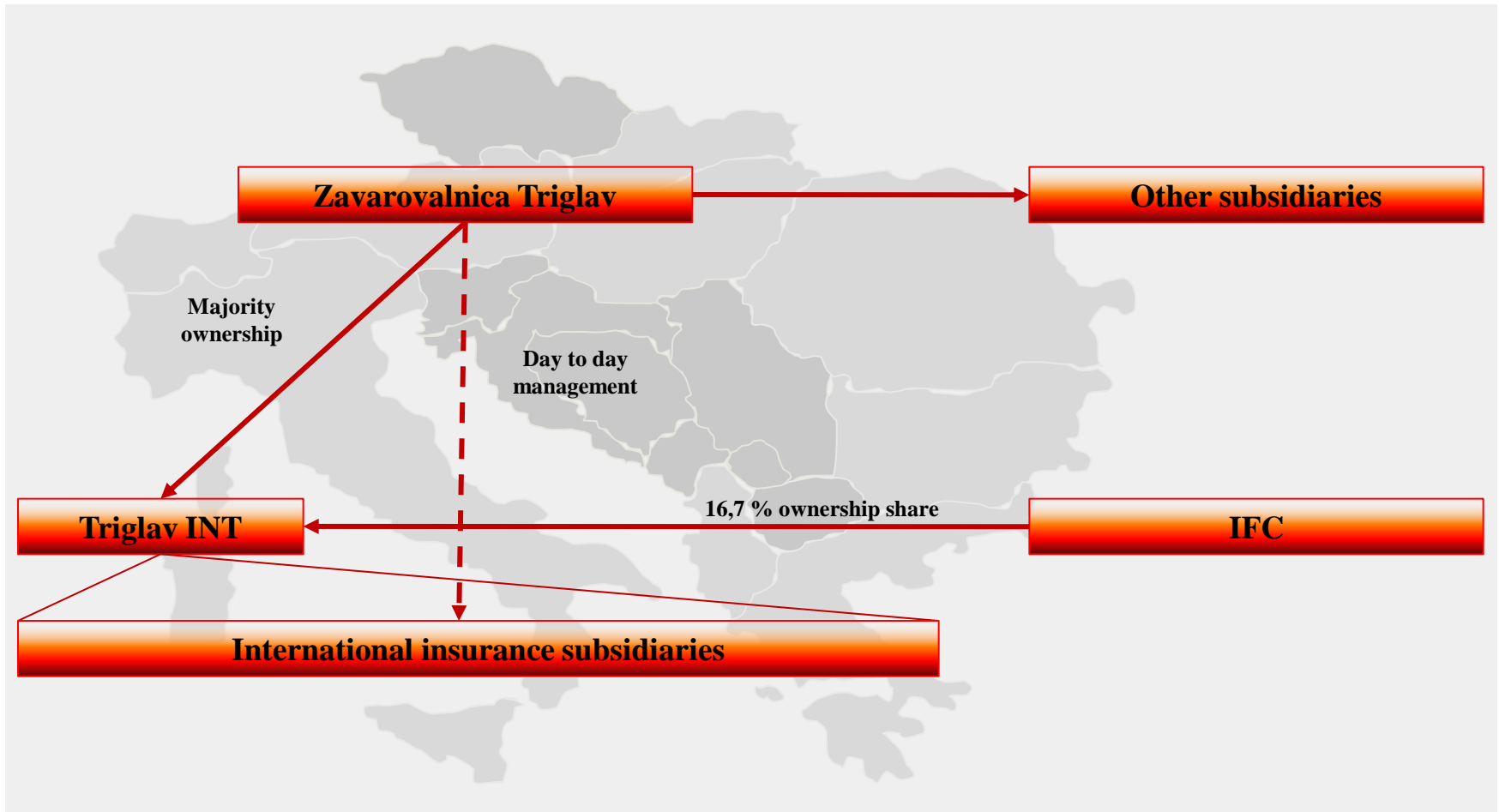
Major events:

- Restructuring of insurance portfolio
- Higher claims paid due to some big loss events
- Reinsurance restructuring



IFC ENTERS TRIGLAV GROUP INTERNATIONAL BUSINESS

Future structure of international insurance business



THE STRATEGY OF TRIGLAV GROUP

Moderate expansion with focus on profitability

Triglav Group Goals for 2015

- Return on equity (end of strategic period target): above **12%**
- Net combined ratio: **95% stable**
- Gross premium written: **1.1 billion EUR**
- Profitable operation of all subsidiaries



TRIGLAV GROUP PLANS FOR 2012

Stable premium with high growth of profits, underlying performance firmly on track

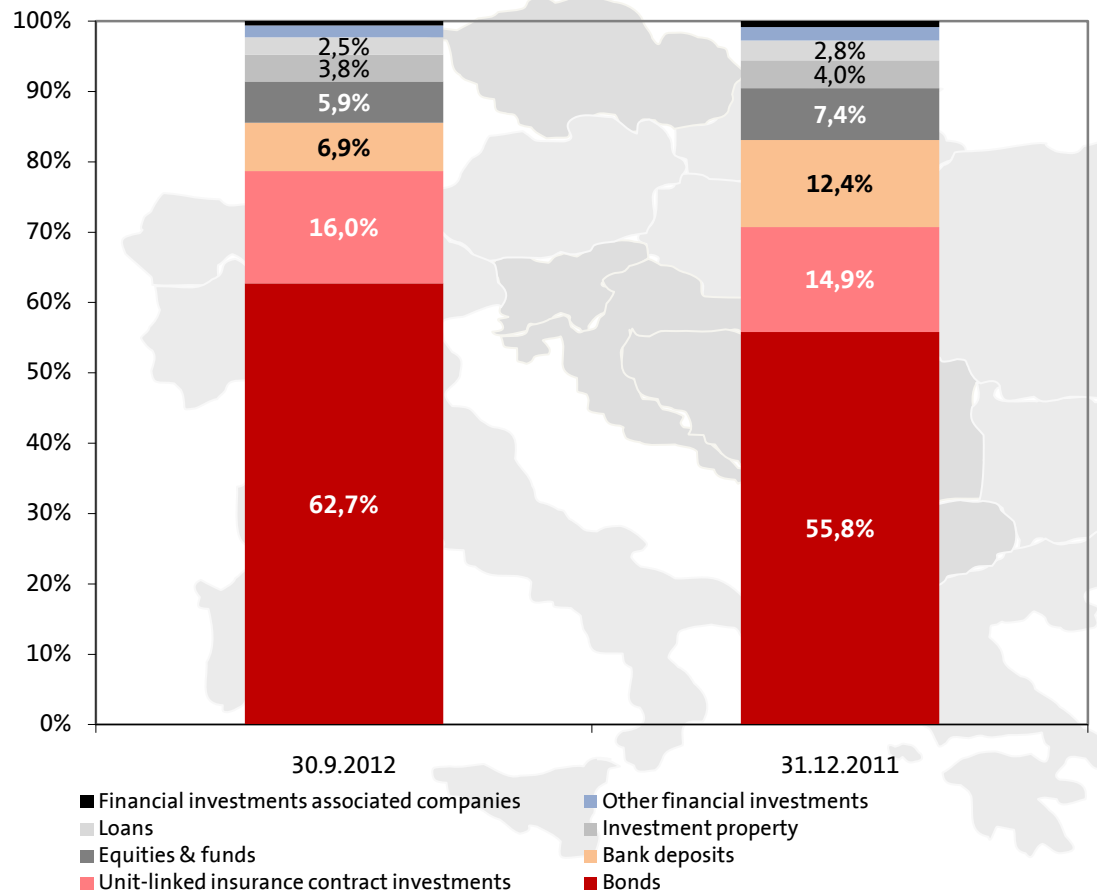
	2010	2011	Plan 2012	2011/2010	2012/2011
Gross written premium	1.013,6	989,4	984,0	98	99
Net premium income	946,2	916,3	905,8	97	99
Gross claims settled	588,3	593,9	622,5	101	105
Net claims incurred	557,7	576,1	595,9	103	103
Gross operating costs*	239,9	234,8	235,0	98	100
Profit before tax	43,3	58,0	73,7	134	127
Net profit for the accounting period	26,6	47,5	60,6	178	127
Balance sheet total	3.024,4	2.962,0	3.172,5	98	107
Gross insurance technical provisions	2.270,9	2.234,1	2.354,4	98	105
Total equity	499,0	489,5	554,2	98	113
Number of employees	5.247	5.064	5.180	97	102
Expense ratio	30,1%	29,2%	28,9%		
Net claims ratio	61,9%	61,0%	66,5%		
Combined ratio non-life	92,0%	90,1%	95,3%		



INVESTMENT PORTFOLIO

Consistent investment strategy

STRUCTURE OF PORTFOLIO INVESTMENTS



Main drivers :

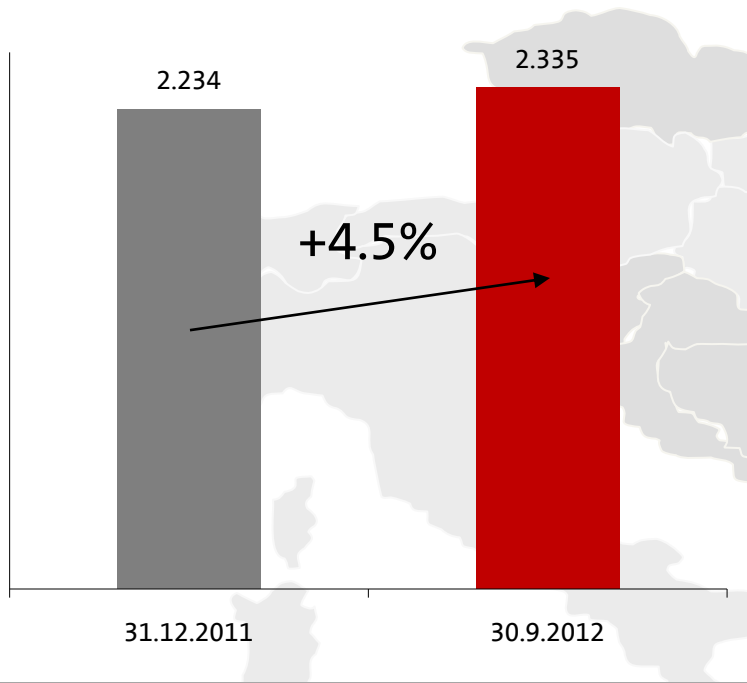
- Decreasing exposure towards Republic of Slovenia
- Increasing exposure toward European sovereigns with highest ratings
- Decreasing exposure towards Slovenian banks (deposits)
- Impairments of investments in banks
- Aligning strategic allocation according to solvency 2 parameters



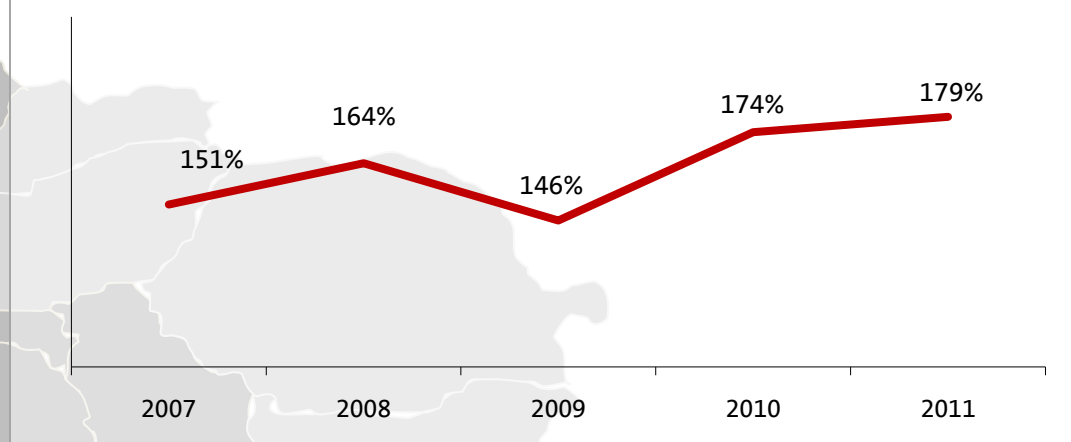
STRONG CAPITAL BASE

Solvency ratios and technical provisions follow the strategy and demanding business conditions

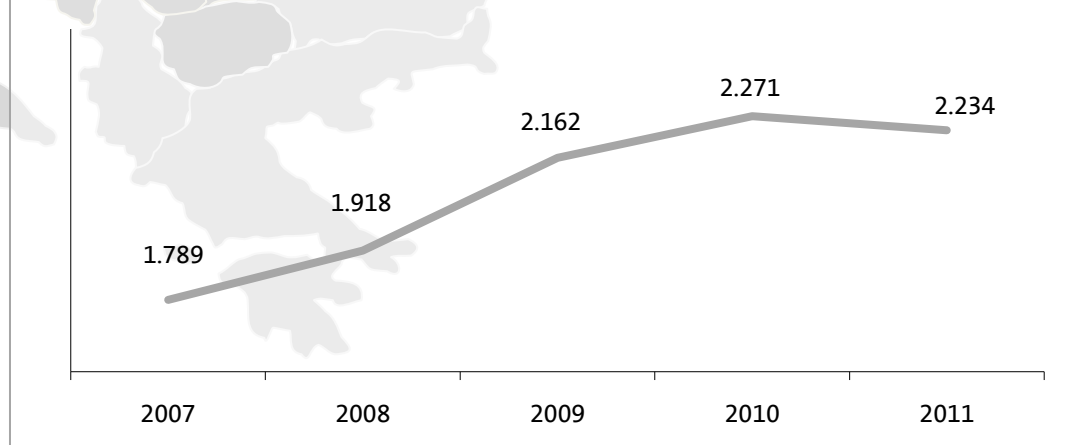
GROSS INSURANCE TECHNICAL PROVISIONS IN MILLION



YEAR-END SOLVENCY RATIOS

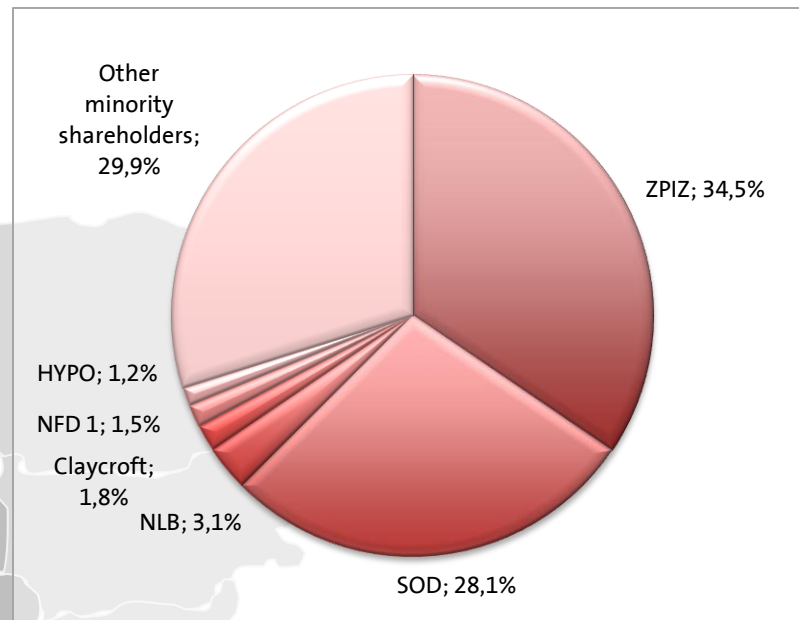
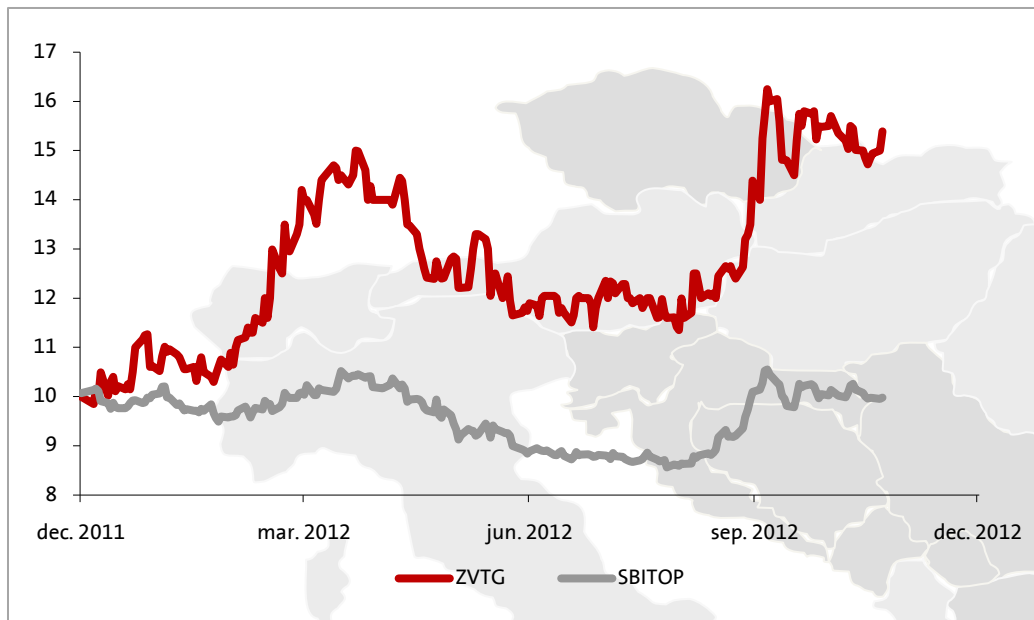


YEAR-END GROSS INSURANCE TECHNICAL PROVISIONS IN MILLION



ZAVAROVALNICA TRIGLAV'S SHARE

Outperformance of capital markets in 2012, Slovenian government predominant shareholder



	30.09.2012	31.12.2011	31.12.2010
Number of shares in Million	22,7	22,7	22,7
Book value per share (in EUR)	21,7	19,3	21,2
Earnings per share (in EUR)	1,7	1,9	1,4
Share market price (in EUR)	14,4	10,0	17,6
Market capitalization (in Million EUR)	327,2	227,4	400,4
Dividend per share (in EUR)		0,7	0,4
Trading simbol			ZVTG



INVESTOR RELATIONS CONTACTS

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