

TRIGLAV GROUP INVESTOR PRESENTATION

April 2013



Vse bo v redu.

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. 38 subsidiaries and 9 associated companies
 - Market presence in 7 countries and 8 markets
 - 5.379 employees
- **S&P rating BBB+/positive outlook**



TRIGLAV GROUP

Further profit growth in core business

- 2012 net profits up 54%, further favorable movement in combined ratio
- Proposed dividends at 1,00 EUR per share (42.9 % 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 Q2 2013
- 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 from “A-” to “BBB+” because of the recent lowering of the long-term sovereign credit rating of the Republic of Slovenia
- AM Best issues a financial strength and issuers credit rating of “A-” to Triglav Group

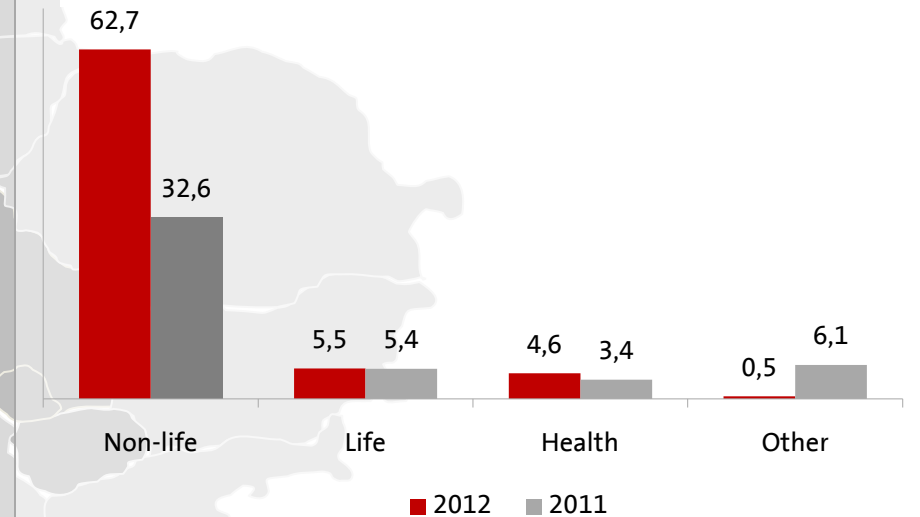


TRIGLAV GROUP

The core business is insurance

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

Profit by business segments 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 Brno, Pozavarovalnica Triglav Re, Triglav Osiguranje Sarajevo, Triglav INT and Abanka Vipava



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, Triglav INT



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

- MBA
- Extensive experience in finance and banking
- Supervisory Board membership in: Triglav Skladi Ljubljana, Triglav INT and Lovćen osiguranje
- 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 Osiguranje Skopje



FINANCIAL HIGHLIGHTS OF TRIGLAV GROUP FOR 2012

Underlying performance above business plans

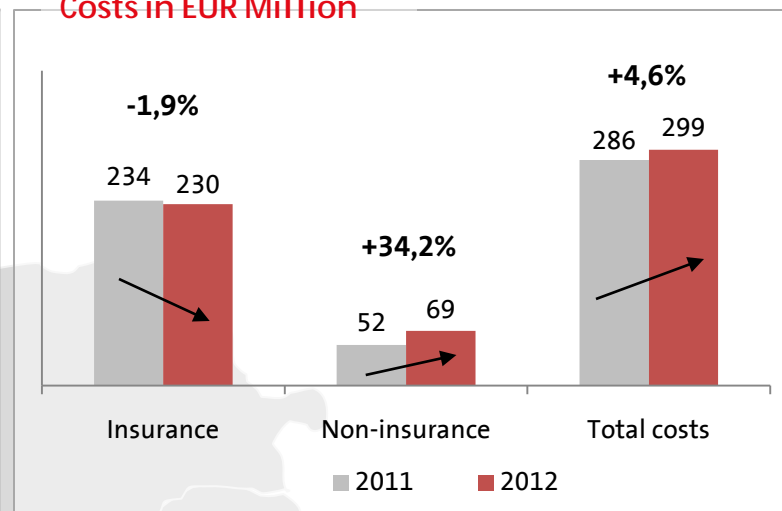
	2011	2012	INDEX
			In EUR million
Gross written premium	989,4	936,3	95
Net premium income	916,3	884,4	97
Gross claims settled	593,9	613,8	103
Net claims incurred	576,1	578,9	100
Gross operating costs	286,4	299,4	105
Profit before tax	58,0	89,7	155
Net profit for the accounting period	47,5	73,2	154
Gross insurance technical provisions	2.234,14	2.305,26	103
Total equity	489,5	574,6	117
Number of employees	5.064	5.379	106
Expense ratio	29,2%	28,8%	
Net claims ratio	61,0%	60,9%	
Combined ratio non-life	90,1%	89,6%	

TRIGLAV GROUP IN 2012 – INSURANCE ONLY

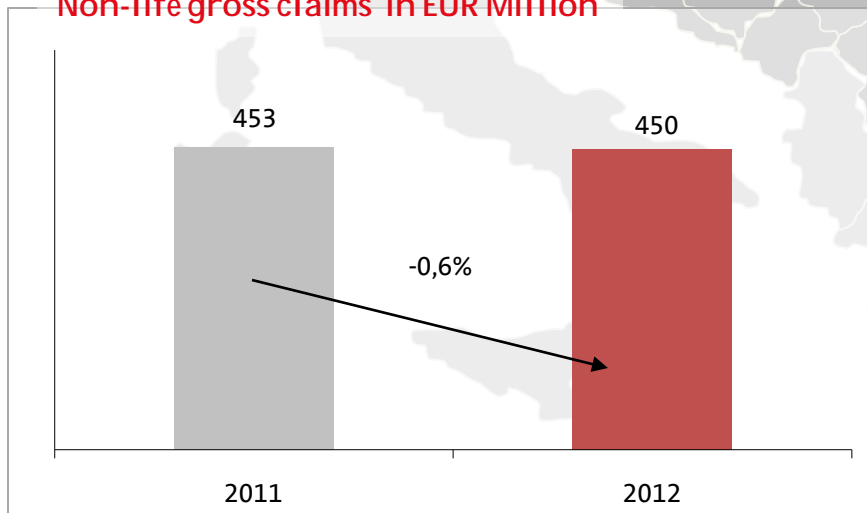
Lower costs, claims influenced by life insurance policies maturity

	2011	2012	INDEX
In EUR million			
Gross written premium	989,4	936,3	95
Net premium income	916,3	884,4	97
Gross claims settled	593,9	613,8	103
Net claims incurred	576,1	578,9	100
Gross operating costs	234,8	230,3	98
Profit before tax	53,3	88,0	165
Net profit	41,4	72,7	176

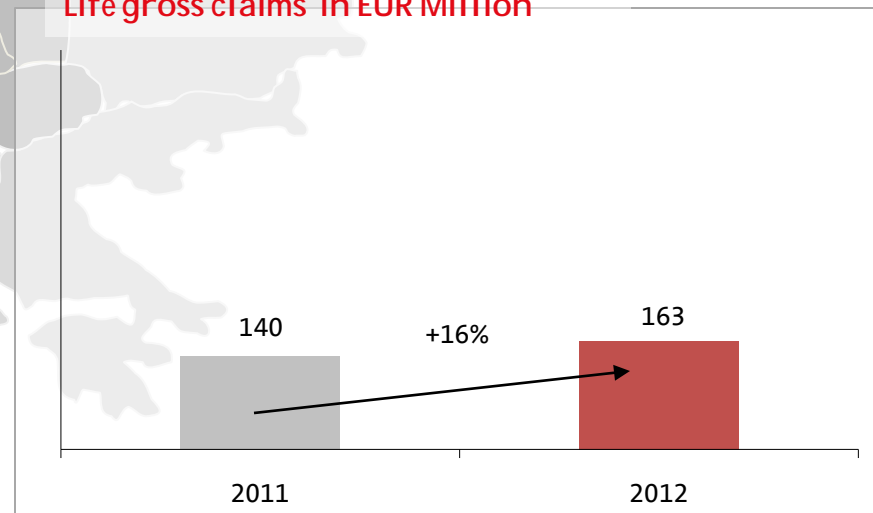
Costs in EUR Million



Non-life gross claims in EUR Million

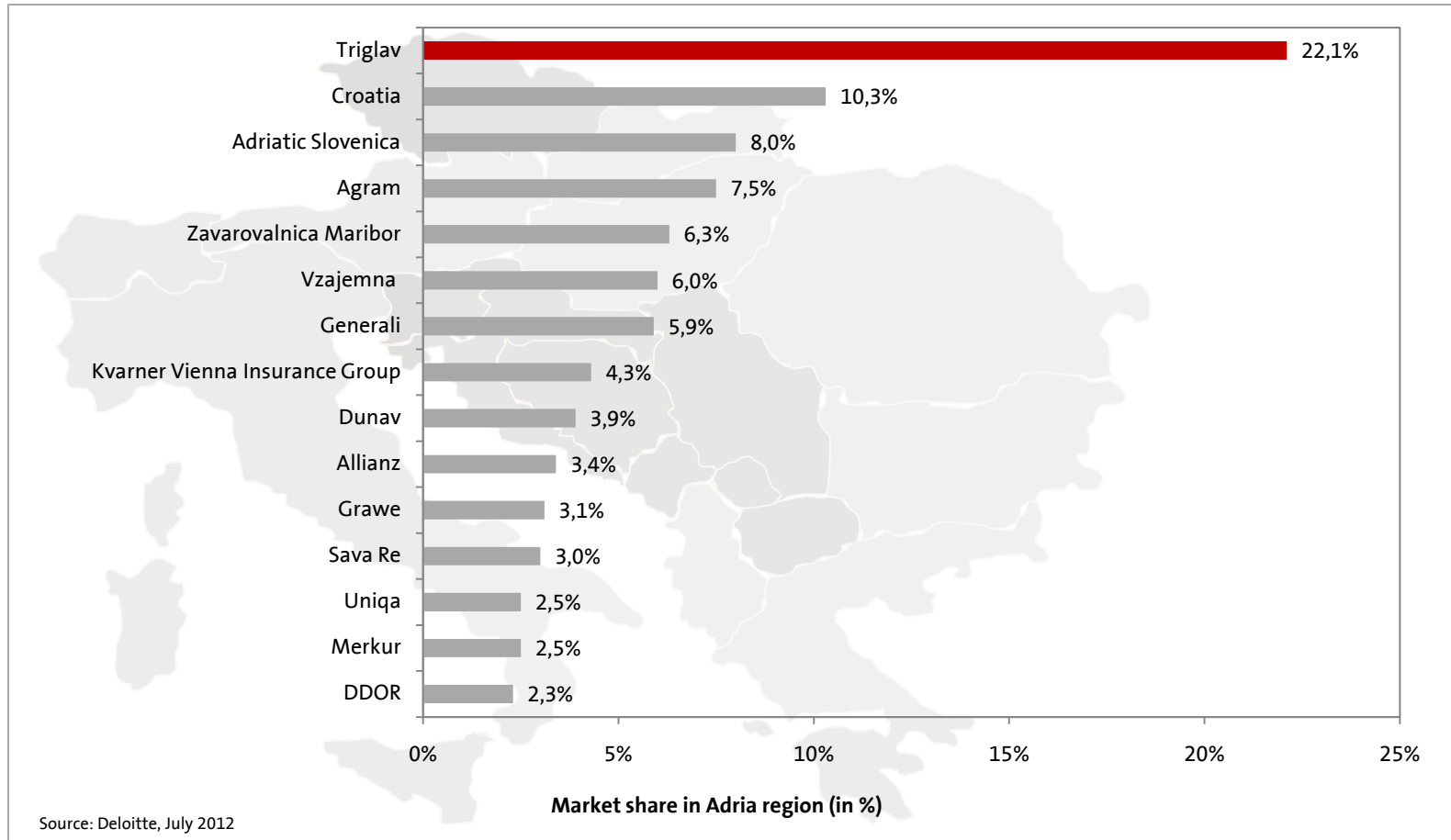


Life gross claims in EUR Million



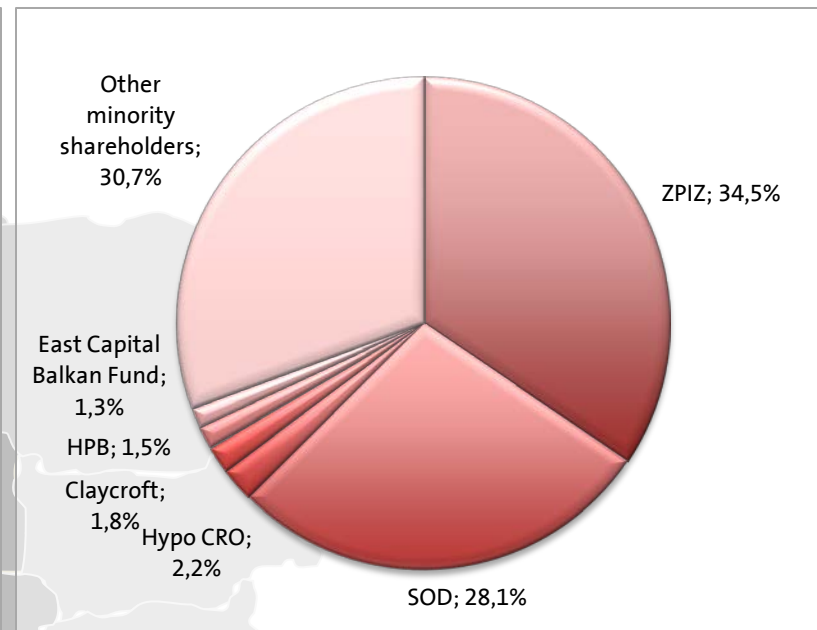
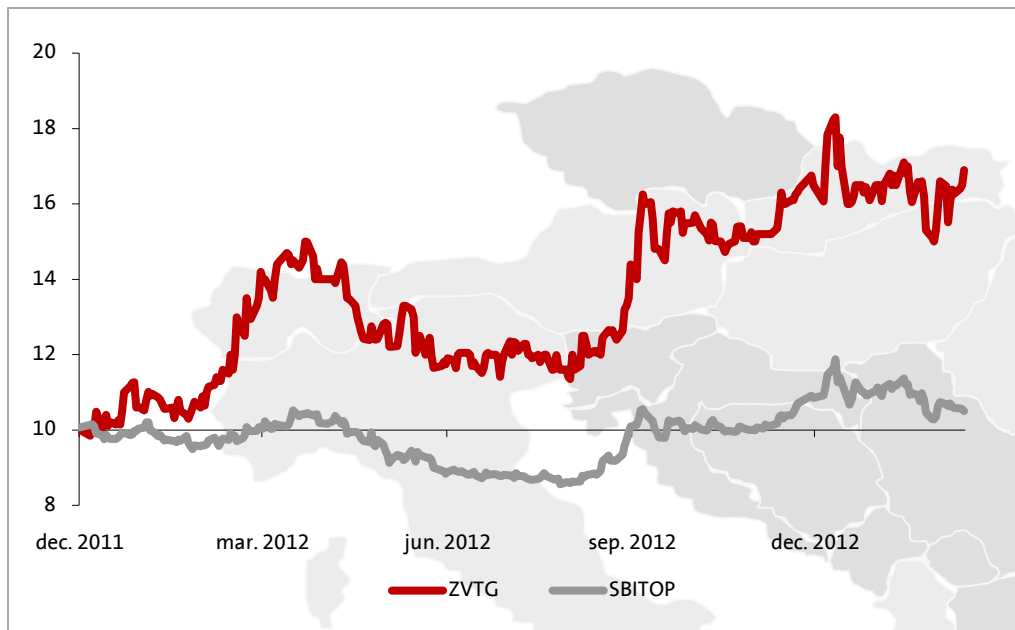
MARKET SHARES IN 2011

Triglav Group ranks first in Adria region



OWNERSHIP AND SHARE PRICE PERFORMANCE

Outperformance of capital markets in 2012, Slovenian government predominant shareholder



	31.12.2012	31.12.2011	31.12.2010
Number of shares in Million	22,7	22,7	22,7
Book value per share (in EUR)	22,3	19,3	21,2
Earnings per share (in EUR)	2,2	1,9	1,4
Share market price (in EUR)	16,5	10	17,6
Market capitalization (in Million EUR)	375,1	227,4	400,4
Dividend per share (in EUR)		0,7	0,4
Trading simbol	ZVTG		



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**

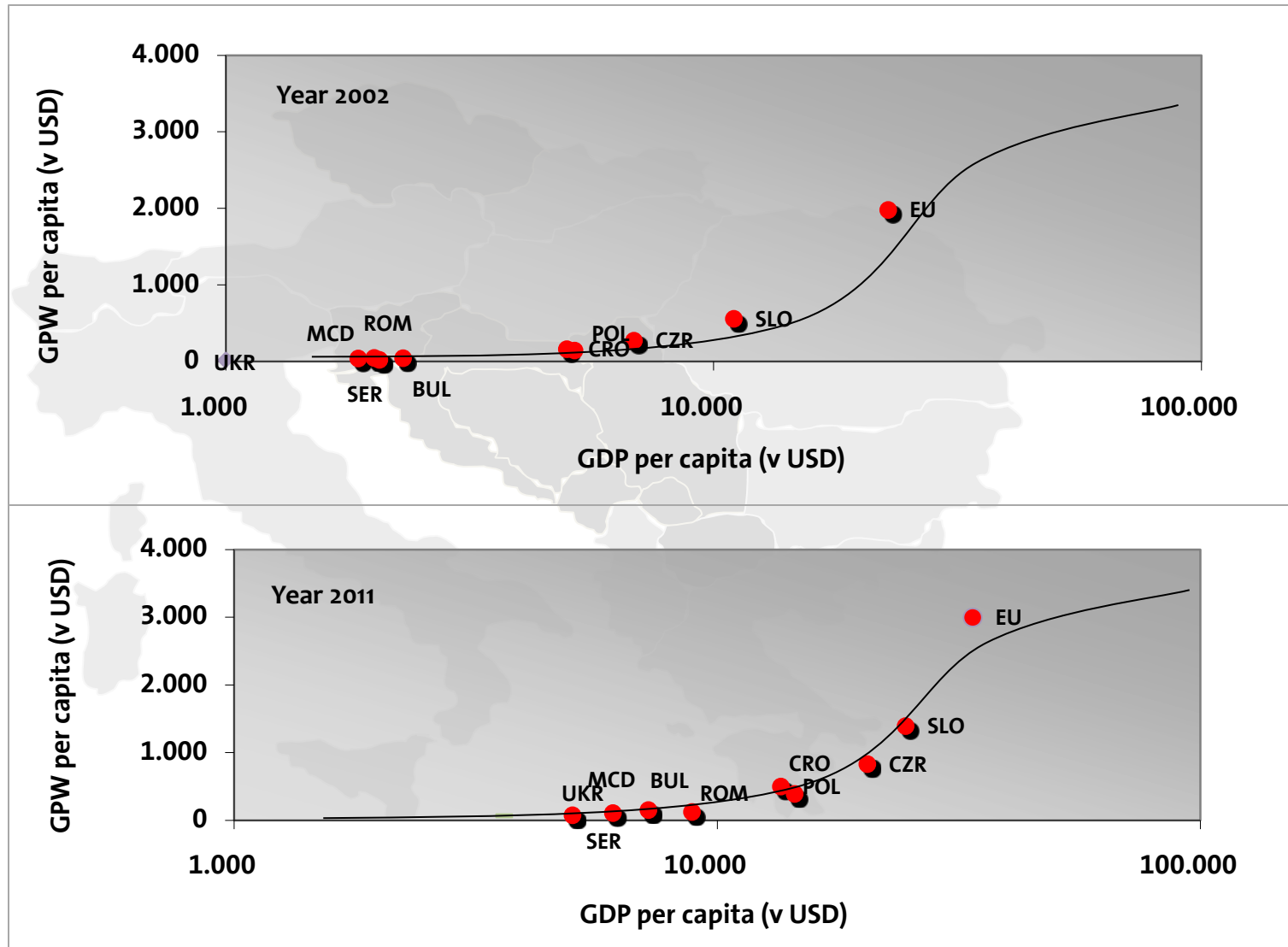
- Limited growth potential of Slovenian insurance market
- High growth potential and knowledge level of relatively undeveloped insurance markets of former Yugoslavia – entry on all markets in former Yugoslavia region
- Biggest insurance group in Western Balkans

- **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

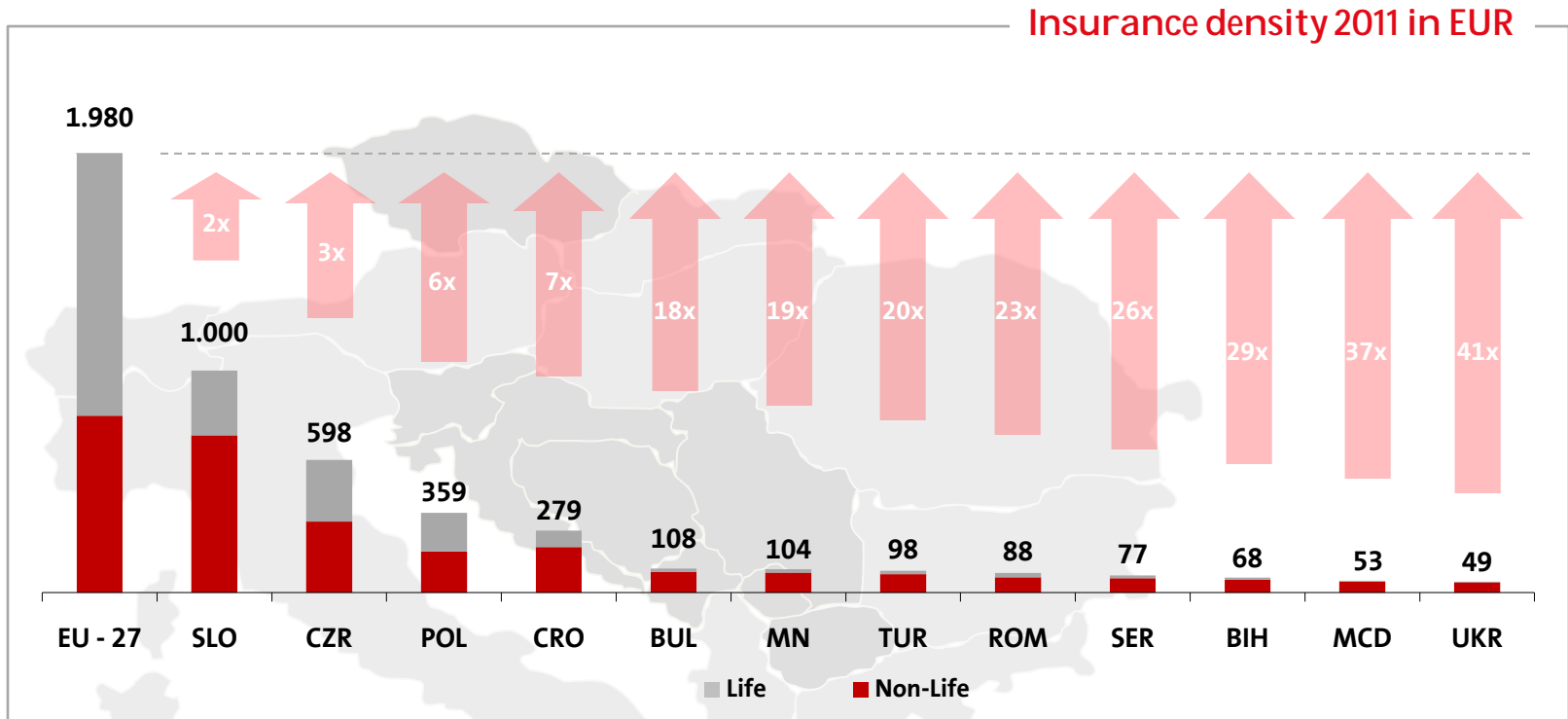
DEVELOPMENT OF INSURANCE MARKETS

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



LONG TERM PROSPECTIVENESS OF TARGET MARKETS

High catch-up potential



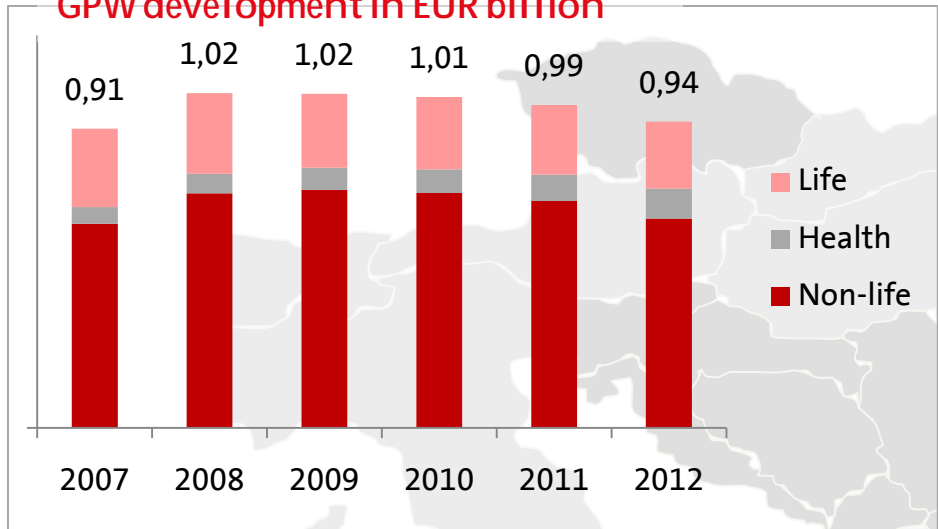
Relatively lower density creates opportunities

- 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

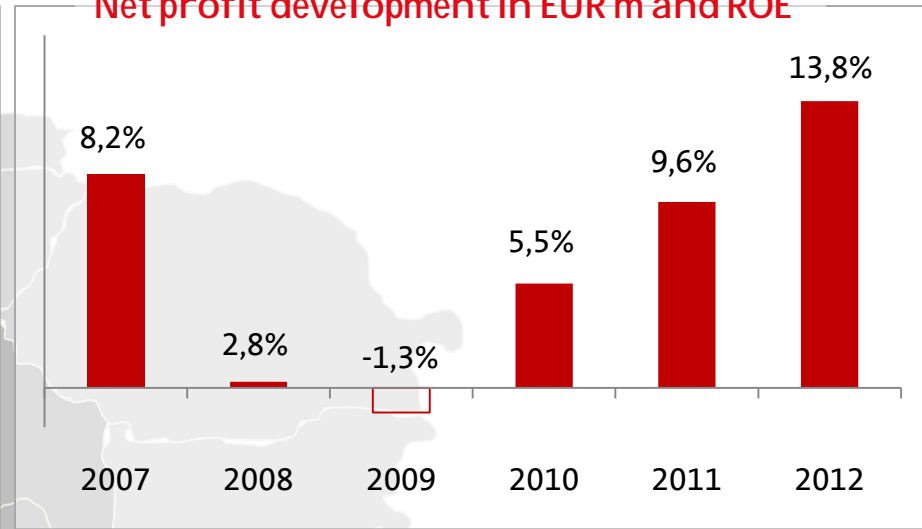
STRATEGY TURNAROUND – PROFITABILITY OF CORE BUSINESS

Underlying performance targeting, not premium growth for any price

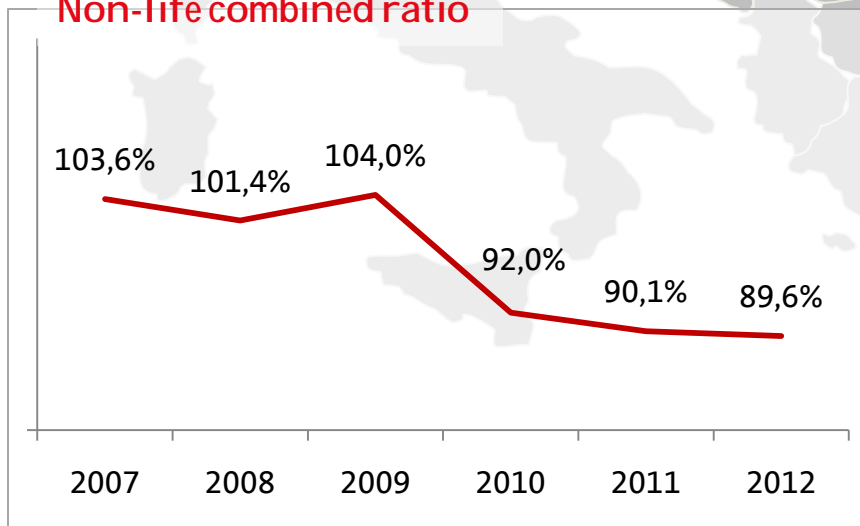
GPW development in EUR billion



Net profit development in EUR m and ROE



Non-life combined ratio



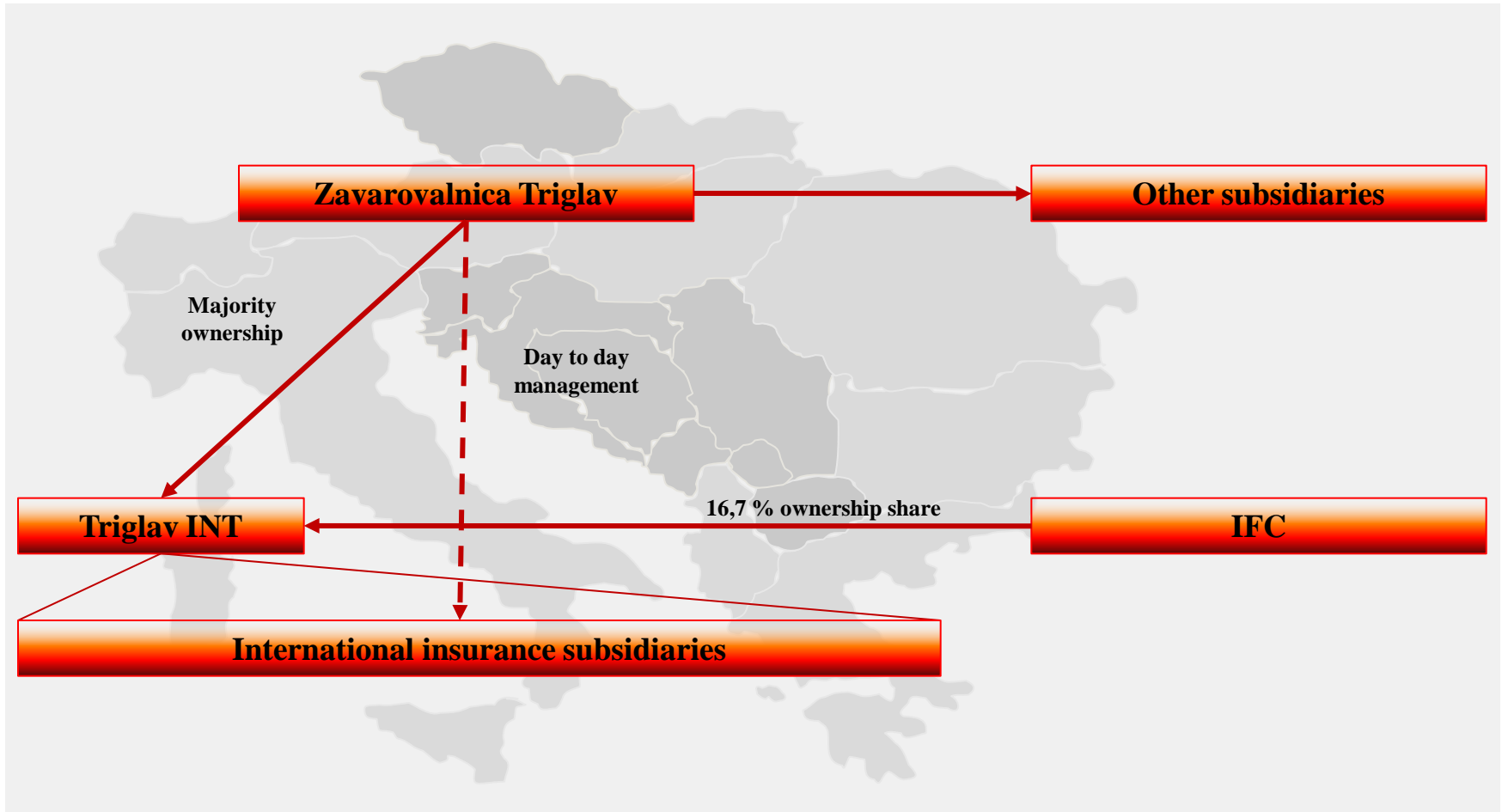
Key measures taken

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



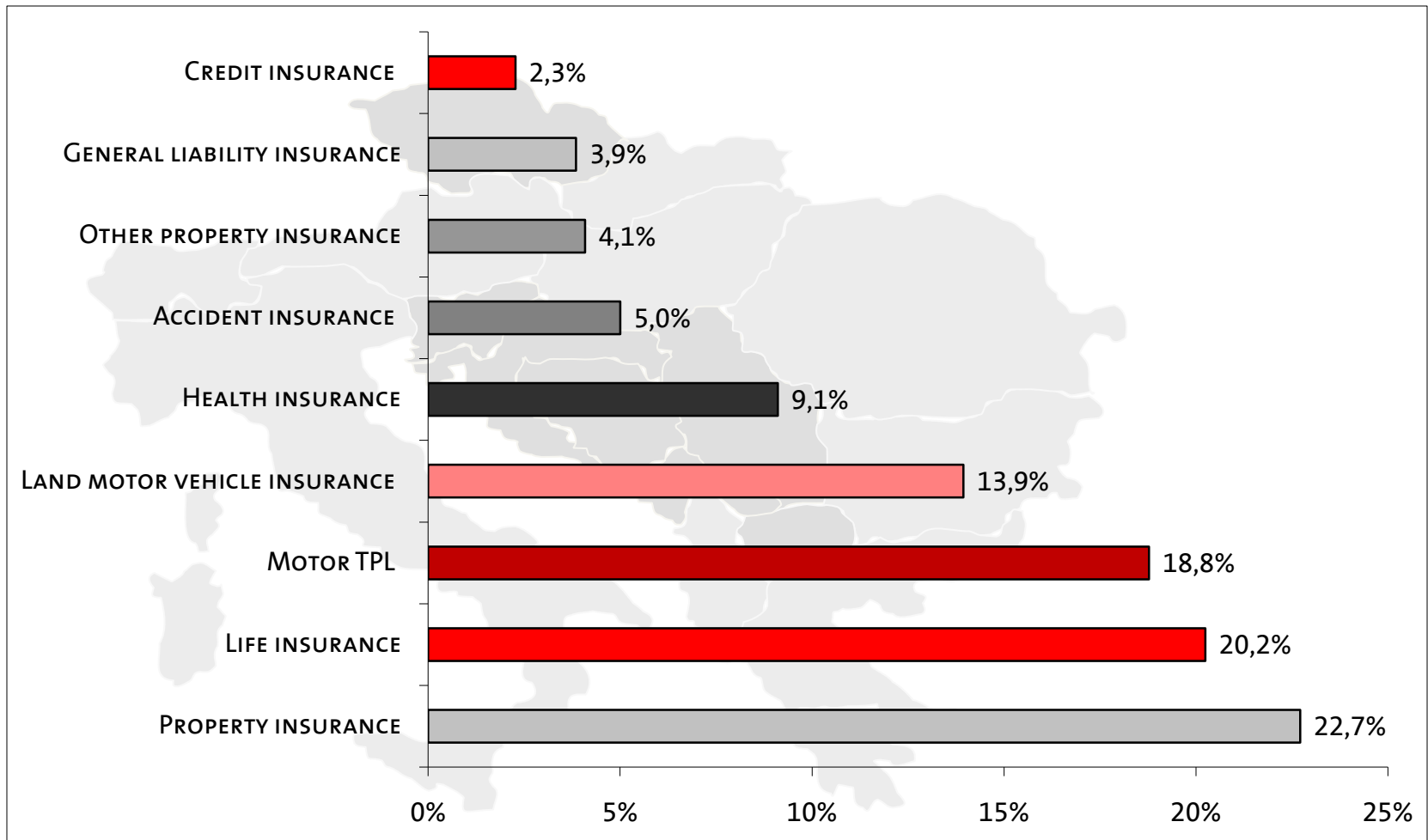
IFC ENTERS TRIGLAV GROUP INTERNATIONAL BUSINESS

Future structure of international insurance business



GROSS WRITTEN PREMIUM IN 2012

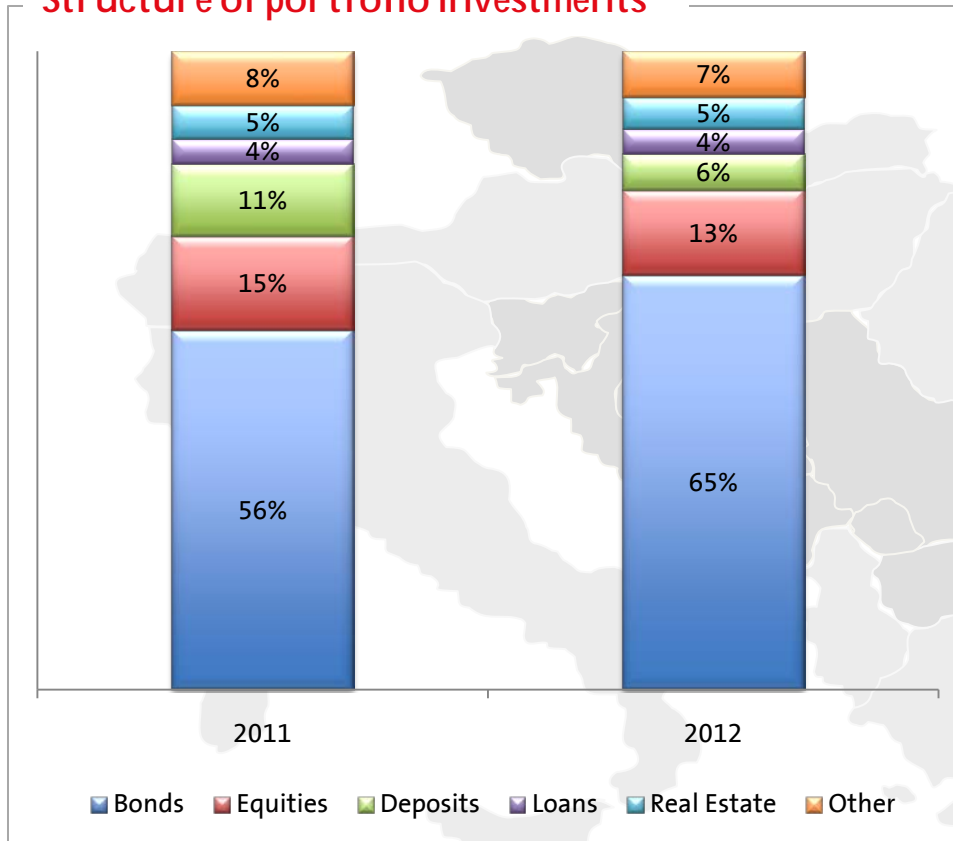
Well balanced insurance portfolio structure



INVESTMENT PORTFOLIO

Consistent investment strategy

Structure of portfolio investments



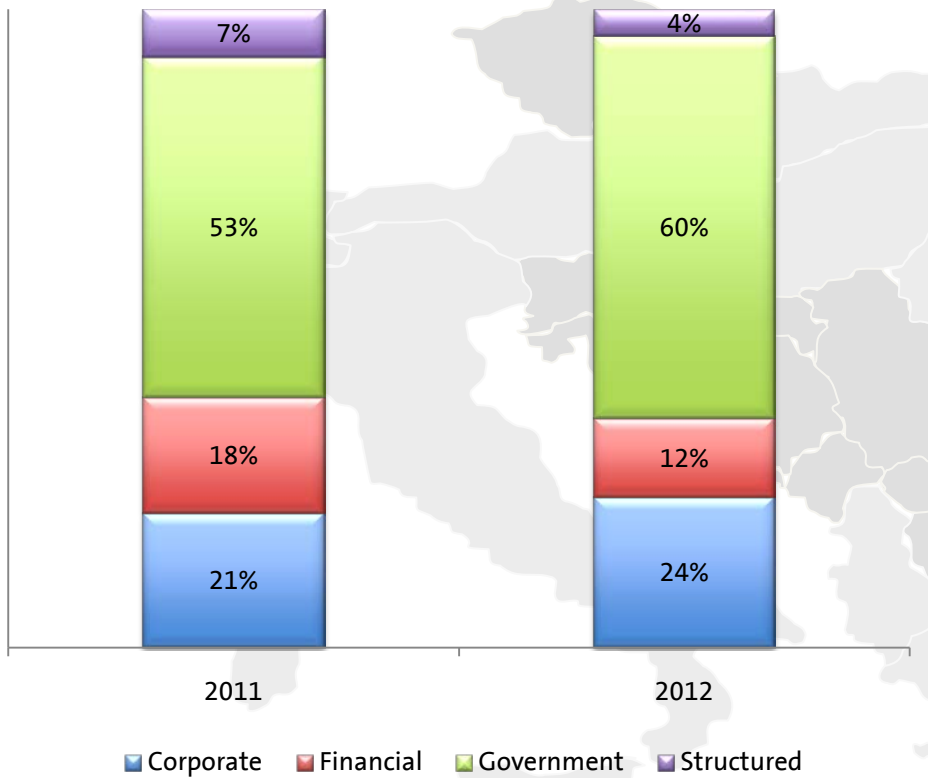
Main drivers :

- 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

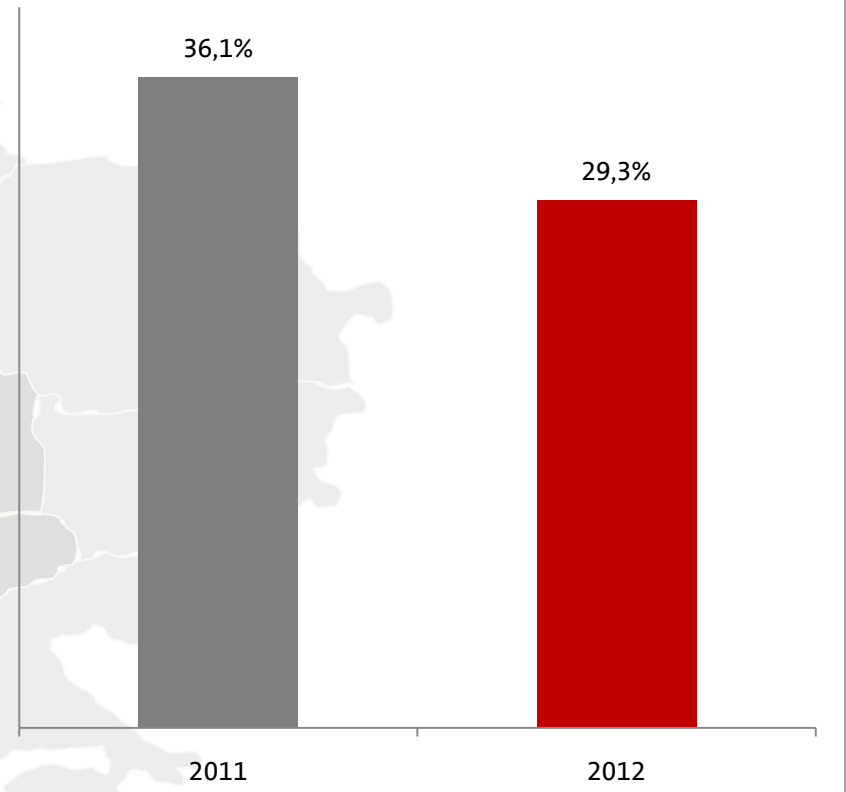
BOND PORTFOLIOS

Moving towards govies and corporates, lower exposure to Slovenian bonds

Bond portfolio structure by type of issuers



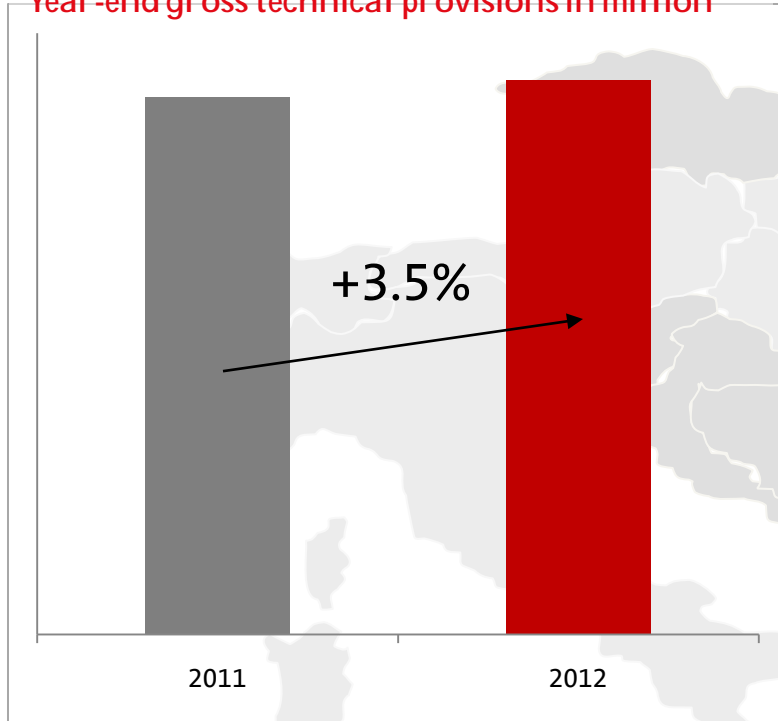
Exposure to Slovenian bonds in total bonds



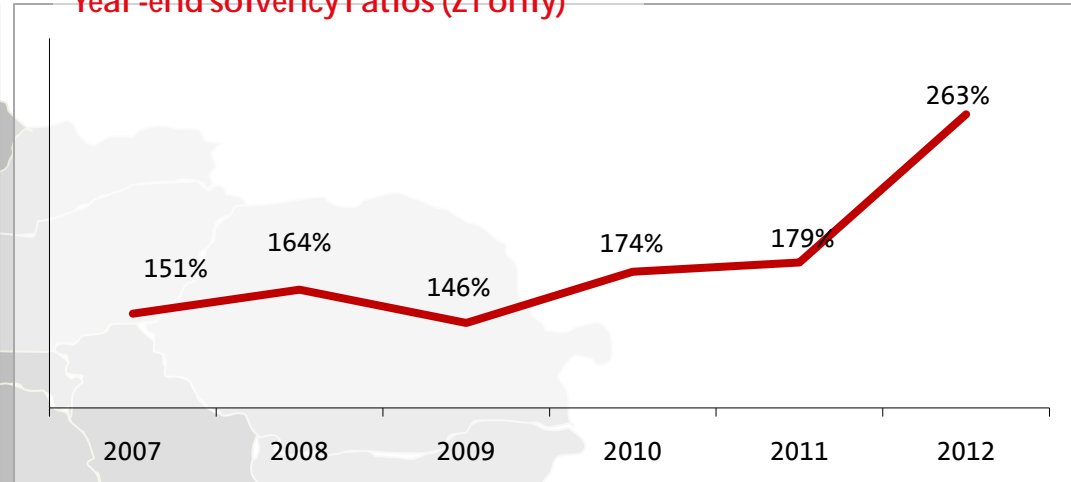
STRONG CAPITAL BASE

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

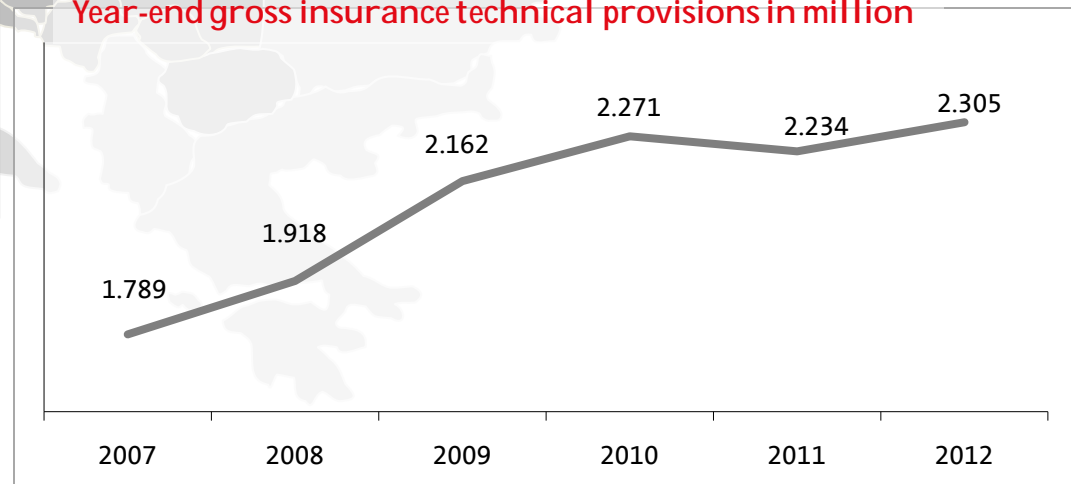
Year-end gross technical provisions in million



Year-end solvency ratios (ZT only)



Year-end gross insurance technical provisions in million



TRIGLAV GROUP MARKETS IN 2012

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

Gross premium written: -5%
739.0 m EUR



Market share: 36.2% -1.6 p.p.



Market position: 1



Gross operating costs: -1%
170.0 m EUR



Gross claims paid: +2%
506.0 m EUR



Combined ratio: 84.3%
-1.0 p.p.



Market development:

- Insurance penetration₍₂₀₁₁₎: 5.8%
- GPW: 2,034 m EUR (-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 2012

Croatia: Triglav Osiguranje d.d.

Gross premium written: -13%
46,2 m EUR



Market share : 3.8% -0.5 p.p.



Market position: 8



Gross operating costs: 0%
18.1 m EUR



Gross claims paid: +23%
34.2 m EUR



Combined ratio: 116.4%
+7.5 p.p.



Market development:

- Insurance penetration (2011): 2.7%
- GPW: 1,202 mio EUR (-1%)
- 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 2012

Serbia: Triglav Osiguranje a.d.o.

Gross premium written: -23%
16.0 m EUR



Market share (in Q3 2012) : 2.8% -0,7 p.p.



Market position: 7



Gross operating costs: -18%
10.5 m EUR



Gross claims paid: -16%
9.0 m EUR



Combined ratio: 138.1%
+22.7 p.p.



Market development:

- Insurance penetration (2011): 1.7 %
- GPW (in Q3 2012) : 420 m EUR (+7 %)
- Insurance density (2011): 77 EUR per capita

Major events:

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



TRIGLAV GROUP MARKETS IN 2012

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

Gross premium written: -2%
20.5 m EUR



Market share: 7.9% -0.4 p.p.



Market position: 3



Gross operating costs: -8%
9.4 m EUR



Gross claims paid: +7%
10.1 m EUR



Combined ratio: 102.2%
-4.2 p.p.



Market development:

- Insurance penetration (2011): 1.5%
- GPW: 258 m EUR (+3%)
- Insurance density (2011): 68 EUR per capita

Major events:

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



TRIGLAV GROUP MARKETS IN 2012

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

Gross premium written: -6%
28.7m EUR



Market share: 42.9% -4.4 p.p.



Market position: 1



Gross operating costs: +7%
11.0 m EUR



Gross claims paid: -3%
17.5 m EUR



Combined ratio: 94.7%
-5.0 p.p.



Market development:

- Insurance penetration (2011): 1.6 %
- GPW: 67 m EUR (+3%)
- 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 2012

Macedonia: Triglav Osiguranje a.d.

Gross premium written: -1%
20.0 m EUR

Market share NL_(in Q3 2012) 18,0% -2.4 p.p.

Market position NL: 1

Gross operating costs: +6%
5.8 m EUR

Gross claims paid: -4%
14.0 m EUR

Combined ratio: 105.9%
-1.4 p.p.

Market development in 2011:

- Insurance penetration ₍₂₀₁₀₎: 1.2 %
- GPW NL_(in Q3 2012): 80 m EUR (+1%)
- 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 2012

Czech republic: Triglav Pojišť'ovna a.s.

Gross premium written: 0%
27.3 m EUR ○

Market share NL (in Q32011) : 1.0% 0.0 p.p. ○

Market position NL: 11 ↓

Gross operating costs: +12%
9.5 m EUR ↑

Gross claims paid: +16%
19.3 m EUR ↑

Combined ratio: 119.6%
+18.1 p.p. ↑

Market development:

- Insurance penetration (2011): 3.9%
- GPW NL: 2,708 m EUR (-1%)
- Insurance density (2011): 598 EUR per capita

Major events:

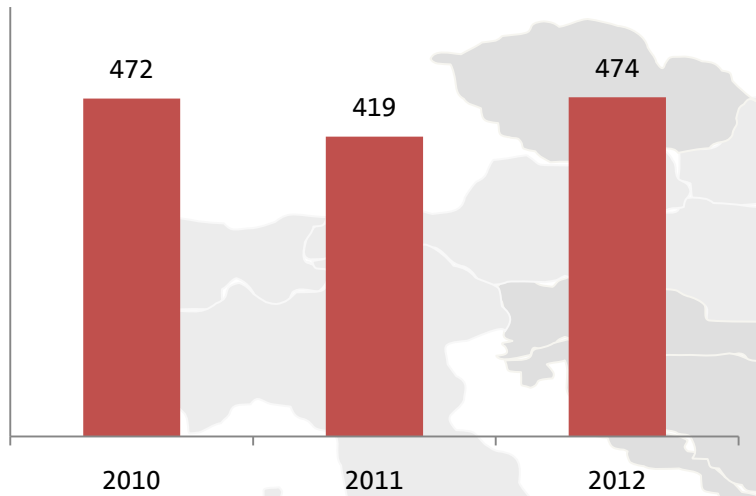
- Restructuring of insurance portfolio
- Higher claims paid due to some big loss events
- Reinsurance restructuring



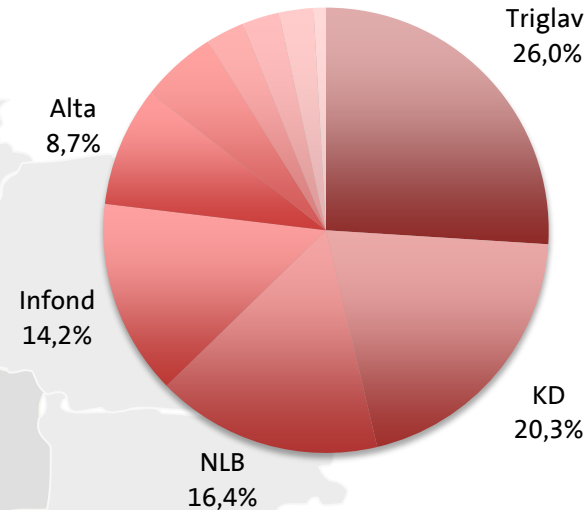
TRIGLAV SKLADI

Maintaining the leading position in investment fund management in SLO

AUM IN EUR MILLION



MARKET SHARES AT YEAR-END 2012

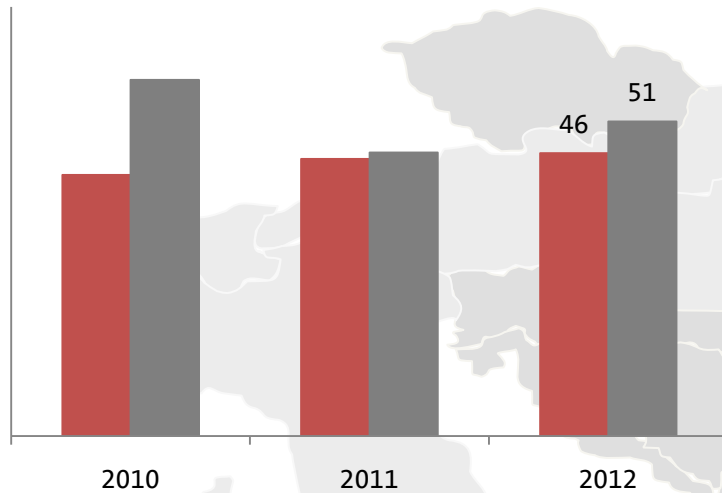


- Insurance the main distribution channel – unit linked business of Triglav Group
- Umbrella fund with 17 subfunds covering the majority of risk profiles, life cycles
- Significant market shares in Bosnian entities
- Professional asset management, Triglav brand – competitive products for third party institutional and private investors

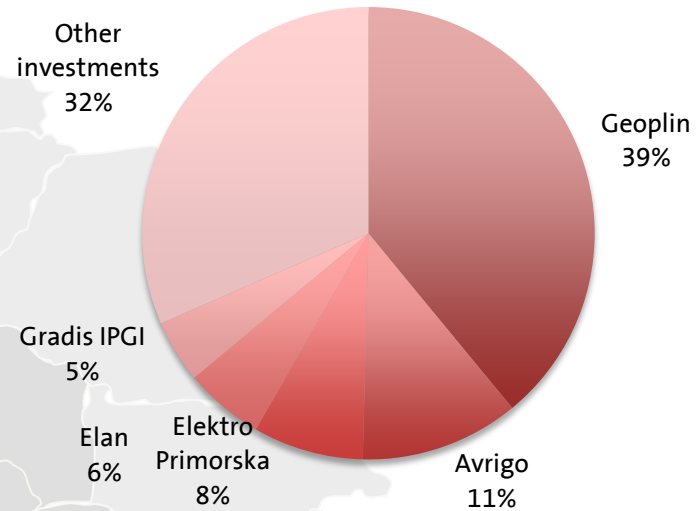
TRIGLAV NALOŽBE

Financial holding with attractive investments after successful deleveraging

TOTAL ASSETS AND EQUITY IN EUR MILLION



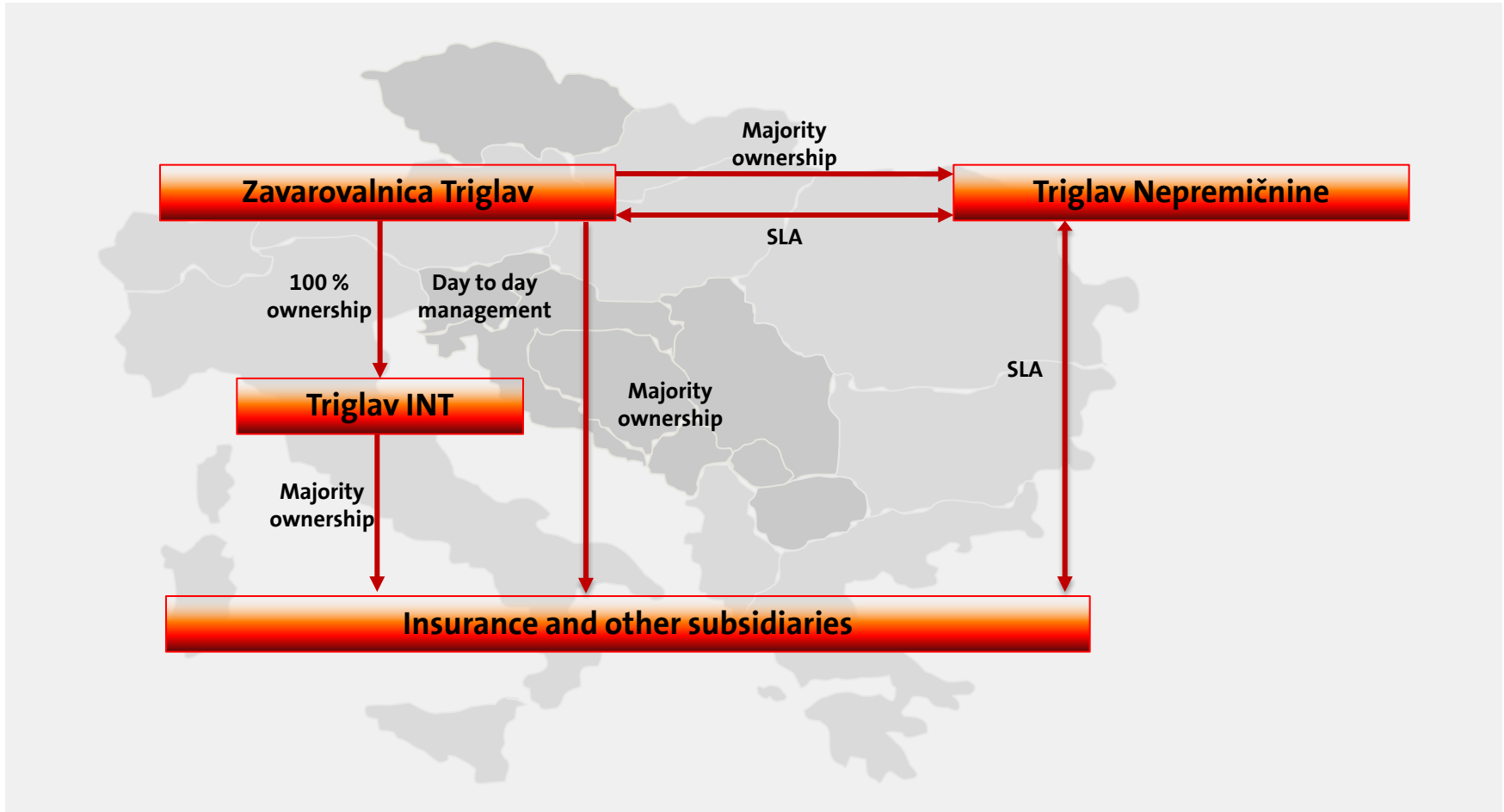
TOP 5 INVESTMENTS AS % OF TOTAL ASSETS



- Private equity investments of Triglav in Slovenia
- Consolidated ownership
- Run-off of existing portfolio
- Possible further development of the asset class with Triglav skladi

TRIGLAV NEPREMIČNINE

Real Estate SPV, asset class investment and operating management advisor of the Group



TRIGLAV GROUP PLANS FOR 2013

Stable premium and profit according to hard economic conditions

In EUR million

	2011	2012	Plan 2013	2012/2011	2013/2012
Gross written premium	989,4	936,3	941,1	95	101
Net premium income	916,3	884,4	862,2	97	97
Gross claims settled	593,9	613,8	648,2	103	106
Net claims incurred	576,1	578,9	630,4	100	109
Gross operating costs*	234,8	230,3	233,9	98	102
Profit before tax	58,0	89,7	68,9	155	77
Net profit for the accounting period	47,5	73,2	55,2	154	75
Gross insurance technical provisions	2.234,1	2.305,3	2.268,0	103	98
Total equity	489,5	574,6	611,9	117	107
Number of employees	5.064	5.379	5.348	106	99
Expense ratio	29,2%	28,8%	28,4%		
Net claims ratio	61,0%	60,9%	66,2%		
Combined ratio non-life	90,1%	89,6%	94,7%		

* Gross operating costs of insurance operations

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



INVESTOR RELATIONS CONTACTS

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