TRIGLAV GROUP
INVESTOR PRESENTATION

April 2013
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**
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 form “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 Vipa, d.d.

![Profit by business segments in EUR m](chart.png)
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 Pojišťovna Brno, 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, 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 Osiguruvanje Skopje
# FINANCIAL HIGHLIGHTS OF TRIGLAV GROUP FOR 2012

Underlying performance above business plans

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<td>Combined ratio non-life</td>
<td>90,1%</td>
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### TRIGLAV GROUP IN 2012 – INSURANCE ONLY

Lower costs, claims influenced by life insurance policies maturity

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<td>Profit before tax</td>
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<td>88,0</td>
<td>165</td>
</tr>
<tr>
<td>Net profit</td>
<td>41,4</td>
<td>72,7</td>
<td>176</td>
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<th>Costs in EUR Million</th>
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<tbody>
<tr>
<td>Insurance</td>
<td>234</td>
<td>230</td>
<td>+34,2%</td>
</tr>
<tr>
<td>Non-insurance</td>
<td>52</td>
<td>69</td>
<td></td>
</tr>
<tr>
<td>Total costs</td>
<td>286</td>
<td>299</td>
<td>+4,6%</td>
</tr>
</tbody>
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**Non-life gross claims in EUR Million**

- 2011: 453
- 2012: 450

-0.6%

**Life gross claims in EUR Million**

- 2011: 140
- 2012: 163

+16%
MARKET SHARES IN 2011
Triglav Group ranks first in Adria region

Source: Deloitte, July 2012
OWNERSHIP AND SHARE PRICE PERFORMANCE

Outperformance of capital markets in 2012, Slovenian government predominant shareholder

<table>
<thead>
<tr>
<th>Date</th>
<th>Number of shares in Million</th>
<th>Book value per share (in EUR)</th>
<th>Earnings per share (in EUR)</th>
<th>Share market price (in EUR)</th>
<th>Market capitalization (in Million EUR)</th>
</tr>
</thead>
<tbody>
<tr>
<td>31.12.2012</td>
<td>22,7</td>
<td>22,3</td>
<td>2,2</td>
<td>16,5</td>
<td>375,1</td>
</tr>
<tr>
<td>31.12.2011</td>
<td>22,7</td>
<td>19,3</td>
<td>1,9</td>
<td>10</td>
<td>227,4</td>
</tr>
<tr>
<td>31.12.2010</td>
<td>22,7</td>
<td>21,2</td>
<td>1,4</td>
<td>17,6</td>
<td>400,4</td>
</tr>
</tbody>
</table>

Dividend per share (in EUR)

Trading symbol: 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

Year 2002

Year 2011
LONG TERM PROSPECTIVENESS OF TARGET MARKETS

High catch-up potential

Insurance density 2011 in EUR

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
STRAIGHT TURNAROUND – PROFITABILITY OF CORE BUSINESS

Underlying performance targeting, not premium growth for any price

**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

- **Zavarovalnica Triglav**
  - Majority ownership
  - Day to day management

- **Triglav INT**
  - 16.7% ownership share

- **International insurance subsidiaries**
  - **IFC**
  - **Other subsidiaries**
GROSS WRITTEN PREMIUM IN 2012

Well balanced insurance portfolio structure

- Credit insurance: 2.3%
- General liability insurance: 3.9%
- Other property insurance: 4.1%
- Accident insurance: 5.0%
- Health insurance: 9.1%
- Land motor vehicle insurance: 13.9%
- Motor TPL: 18.8%
- Life insurance: 20.2%
- Property insurance: 22.7%
INVESTMENT PORTFOLIO
Consistent investment strategy

Structure of portfolio investments

<table>
<thead>
<tr>
<th>Year</th>
<th>Bonds</th>
<th>Equities</th>
<th>Deposits</th>
<th>Loans</th>
<th>Real Estate</th>
<th>Other</th>
</tr>
</thead>
<tbody>
<tr>
<td>2011</td>
<td>56%</td>
<td>15%</td>
<td>11%</td>
<td>4%</td>
<td>5%</td>
<td>6%</td>
</tr>
<tr>
<td>2012</td>
<td>65%</td>
<td>13%</td>
<td>13%</td>
<td>4%</td>
<td>5%</td>
<td>5%</td>
</tr>
</tbody>
</table>

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

<table>
<thead>
<tr>
<th>Year</th>
<th>Corporate</th>
<th>Financial</th>
<th>Government</th>
<th>Structured</th>
</tr>
</thead>
<tbody>
<tr>
<td>2011</td>
<td>21%</td>
<td>18%</td>
<td>53%</td>
<td>7%</td>
</tr>
<tr>
<td>2012</td>
<td>24%</td>
<td>12%</td>
<td>60%</td>
<td>4%</td>
</tr>
</tbody>
</table>

Exposure to Slovenian bonds in total bonds

- 2011: 36.1%
- 2012: 29.3%
STRONG CAPITAL BASE

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

- **Year-end gross technical provisions in million**
  - 2011: 1.789
  - 2012: 1.918
  - Increase: +3.5%

- **Year-end gross insurance technical provisions in million**
  - 2007: 1.789
  - 2008: 1.918
  - 2009: 2.162
  - 2010: 2.271
  - 2011: 2.234
  - 2012: 2.305

- **Year-end solvency ratios (ZT only)**
  - 2007: 151%
  - 2008: 164%
  - 2009: 146%
  - 2010: 174%
  - 2011: 179%
  - 2012: 263%
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
<table>
<thead>
<tr>
<th>Indicator</th>
<th>Percentage Change</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Gross premium written</td>
<td>-23%</td>
<td>16.0 m EUR</td>
</tr>
<tr>
<td>Market share (in Q3 2012)</td>
<td>2.8%</td>
<td>-0.7 p.p.</td>
</tr>
<tr>
<td>Gross operating costs</td>
<td>-18%</td>
<td>10.5 m EUR</td>
</tr>
<tr>
<td>Gross claims paid</td>
<td>-16%</td>
<td>9.0 m EUR</td>
</tr>
<tr>
<td>Combined ratio</td>
<td>138.1%</td>
<td>+22.7 p.p.</td>
</tr>
</tbody>
</table>

**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


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


<table>
<thead>
<tr>
<th>Metric</th>
<th>Value</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Gross premium written</td>
<td>-6% 28.7m EUR</td>
<td>↓</td>
</tr>
<tr>
<td>Market share</td>
<td>42.9% -4.4 p.p.</td>
<td>↓</td>
</tr>
<tr>
<td>Market position</td>
<td>1</td>
<td>○</td>
</tr>
<tr>
<td>Gross operating costs</td>
<td>+7% 11.0 m EUR</td>
<td>↑</td>
</tr>
<tr>
<td>Gross claims paid</td>
<td>-3% 17.5 m EUR</td>
<td>↓</td>
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<td>Combined ratio</td>
<td>94.7% -5.0 p.p.</td>
<td>↓</td>
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### 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 Osiguruvanje 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 Pojišťovna 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

- 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

AUM in EUR Million

<table>
<thead>
<tr>
<th>Year</th>
<th>Value</th>
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<tbody>
<tr>
<td>2010</td>
<td>472</td>
</tr>
<tr>
<td>2011</td>
<td>419</td>
</tr>
<tr>
<td>2012</td>
<td>474</td>
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Market shares at year-end 2012

- Triglav 26.0%
- KD 20.3%
- NLB 16.4%
- Infond 14.2%
- Alta 8.7%
TRIGLAV NALOŽBE
Financial holding with attractive investments after successful deleveraging

- 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**

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<td>578,9</td>
<td>630,4</td>
<td>100</td>
<td>109</td>
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<tr>
<td>Gross operating costs*</td>
<td>234,8</td>
<td>230,3</td>
<td>233,9</td>
<td>98</td>
<td>102</td>
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* Gross operating costs of insurance operations
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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