

TRIGLAV GROUP INVESTOR PRESENTATION

December, 2013



Vse bo v redu.

triglav

www.triglav.si

TRIGLAV GROUP

Key Features

- **Core business**
 - Insurance
 - Third-party asset management
- **Triglav Group**
 - Parent company Zavarovalnica Triglav, d.d. 38 subsidiaries and 9 associated companies
 - Market presence in 7 countries and 8 markets
 - 5.410 employees
- **Ratings**
 - S&P rating A-/stable outlook
 - AM Best rating A-/stable outlook



TRIGLAV GROUP

Further profit growth in core business

- 9M net profits up 12.1 %, based on strong underwriting performance
- Dividends at 2.00 EUR per share (186 % growth in dividends)
- S&P raised the Triglav Group's credit rating by one notch to »A-« and issued a stable medium-term outlook
- The AM Best credit rating agency has affirmed Zavarovalnica Triglav d.d. and thus also the Triglav Group the financial strength rating of “A-“ (excellent) and the issuer credit rating of “A-“.
- Changes in Management and Supervisory Board
- Continuation of the ownership consolidation of the Triglav Group
- Strategy update of Triglav Group

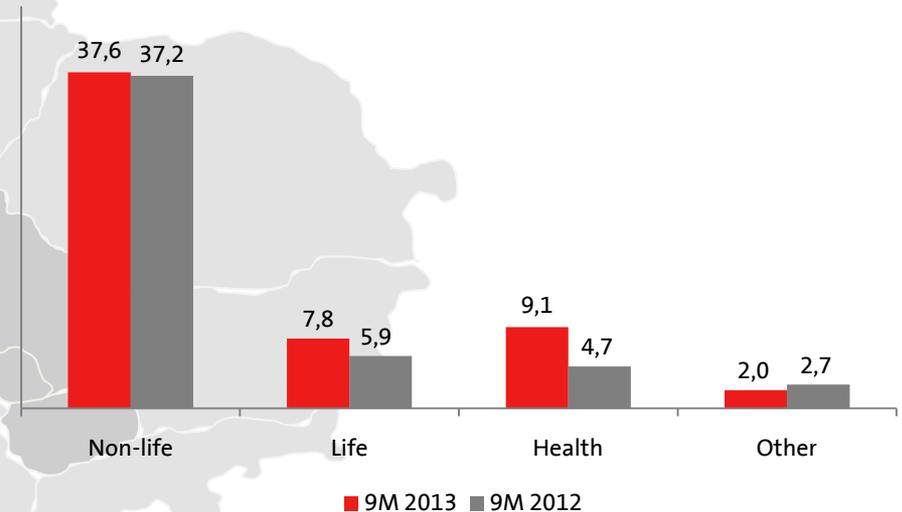


TRIGLAV GROUP

The core business is insurance

- Insurance
 - Non-life
 - Life
 - Supplementary pensions
 - Health
 - Reinsurance
- Asset management
 - Mutual funds
 - Investment companies
 - Investment holdings
 - Real Estate

Profit by business segments in EUR m



THE MANAGEMENT TEAM



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

- BSc in Law
- Extensive experience in insurance industry
- Supervisory Board membership in: 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, Triglav osiguranje Sarajevo and Lovćen osiguranje Podgorica



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 9M 2013

Underlying performance above business plans

	9M 2013	9M 2012	In EUR million INDEX
Gross written premium	702,8	732,1	96
Net premium income	629,7	665,9	95
Gross claims settled	470,5	449,5	105
Net claims incurred	443,4	450,1	99
Gross operating costs*	166,5	169,5	98
Profit before tax	65,4	62,6	105
Net profit for the accounting period	56,6	50,5	112
	30 Sept. 2013	31 Dec. 2012	INDEX
Gross insurance technical provisions	2.308,4	2.305,3	100
Total equity	569,6	574,6	99
Number of employees	5.410	5.379	101
	9M 2013	9M 2012	
Expense ratio	28,1%	27,8%	
Net claims ratio	64,3%	64,0%	
Combined ratio non-life	92,3%	91,8%	

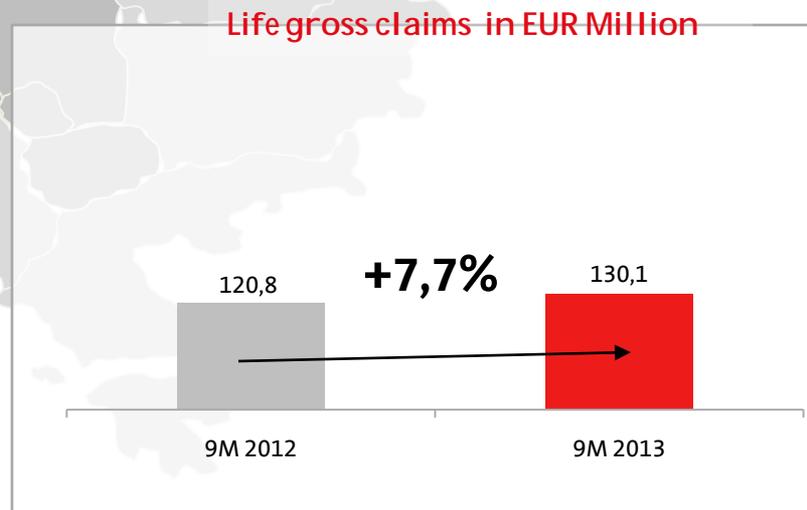
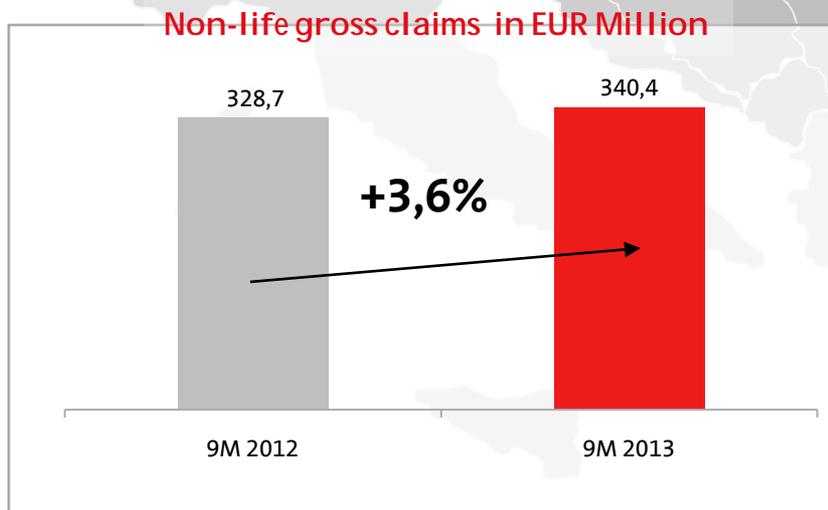
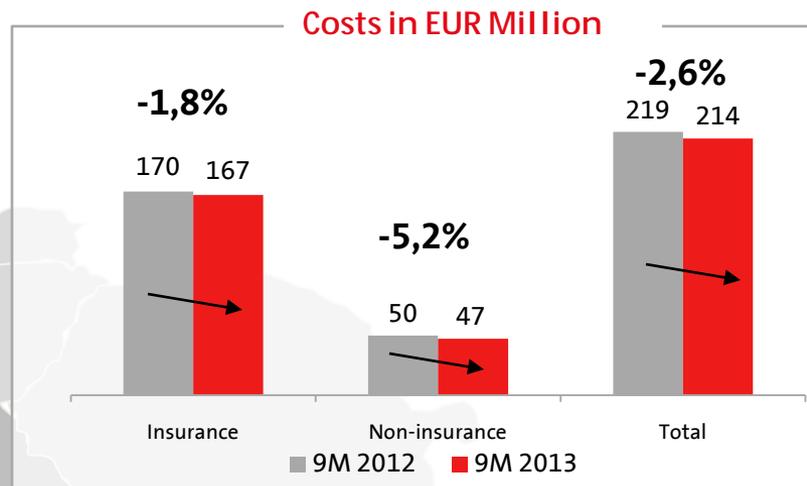
*Insurance business gross operating costs



TRIGLAV GROUP IN 9M 2013 – INSURANCE ONLY

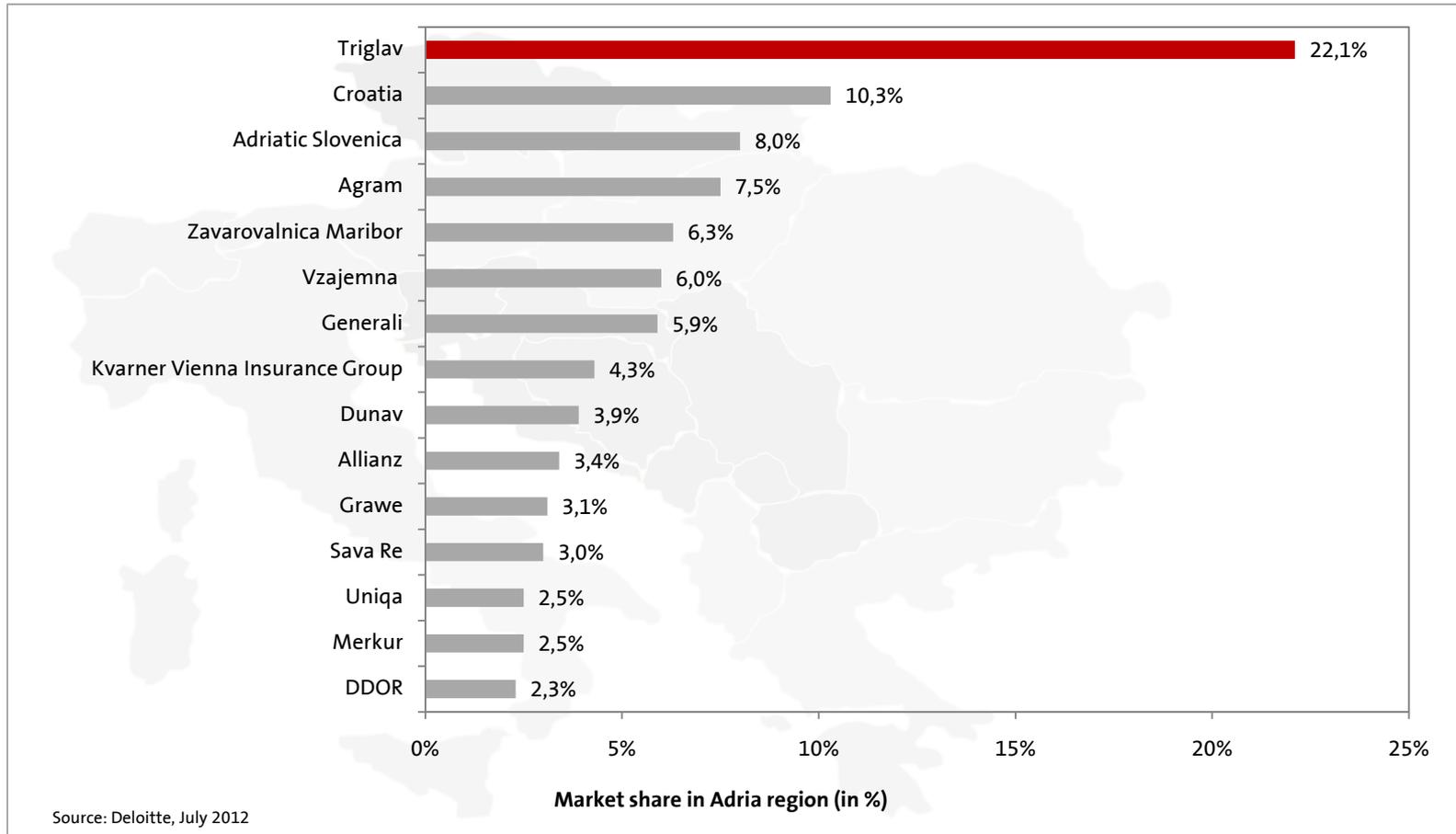
Lower costs, claims influenced by life insurance policies maturity

	9M 2013	9M 2012	In EUR million INDEX
Gross written premium	702,8	732,1	96
Net premium income	629,7	665,9	95
Gross claims settled	470,5	449,5	105
Net claims incurred	443,4	450,1	99
Gross operating costs	166,5	169,5	98
Profit before tax	62,5	59,4	105
Net profit	54,6	47,8	114



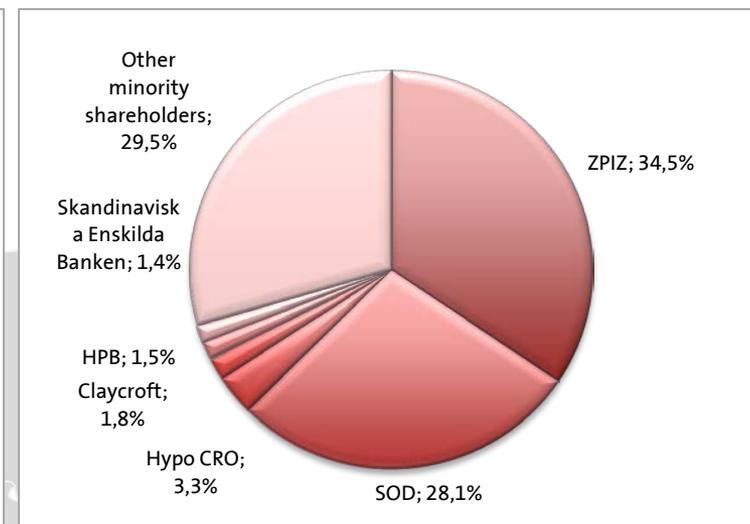
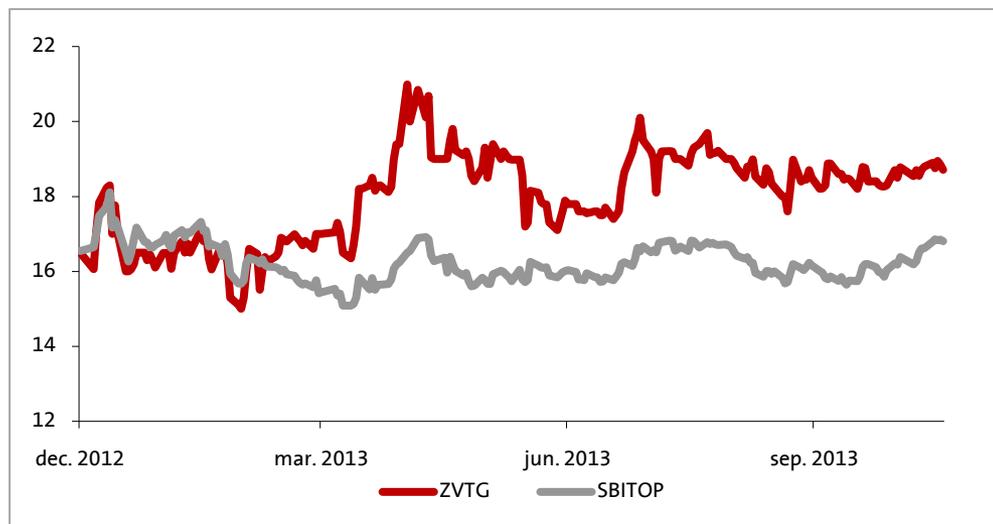
MARKET SHARES IN 2011

Triglav Group ranks first in Adria region



OWNERSHIP AND SHARE PRICE PERFORMANCE

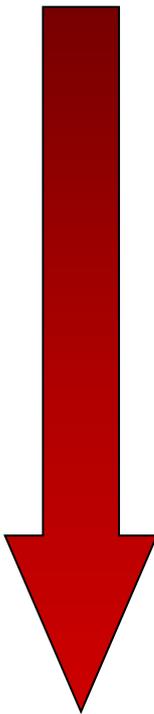
Outperformance of capital markets in 2013, Slovenian government predominant shareholder



	30 Sept. 2013	31 Dec. 2012	31 Dec. 2011
Number of shares in million	22,7	22,7	22,7
Book value per share (in EUR)	22,0	22,3	19,3
Earnings per share (in EUR)	2,2	2,2	1,9
Share market price (in EUR)	18,2	16,5	10,0
Market capitalization (in EUR million)	413,8	375,1	227,4
Dividend per share (in EUR)		2,0	0,7
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**

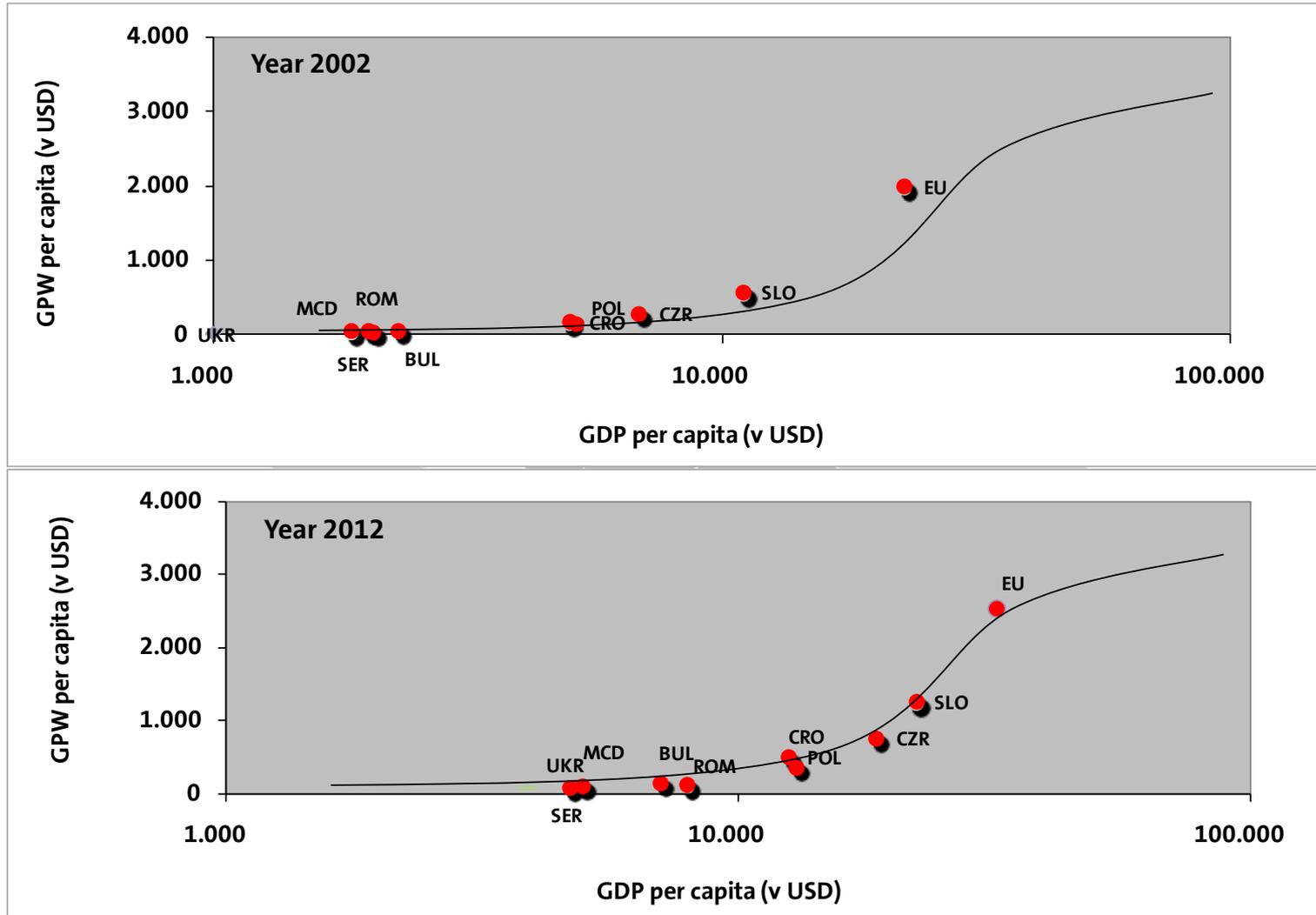
- Limited growth potential of Slovenian insurance market
- High growth potential and knowledge level of relatively undeveloped insurance markets of former Yugoslavia – entry on all markets in former Yugoslavia region
- Biggest insurance group in Western Balkans

- **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

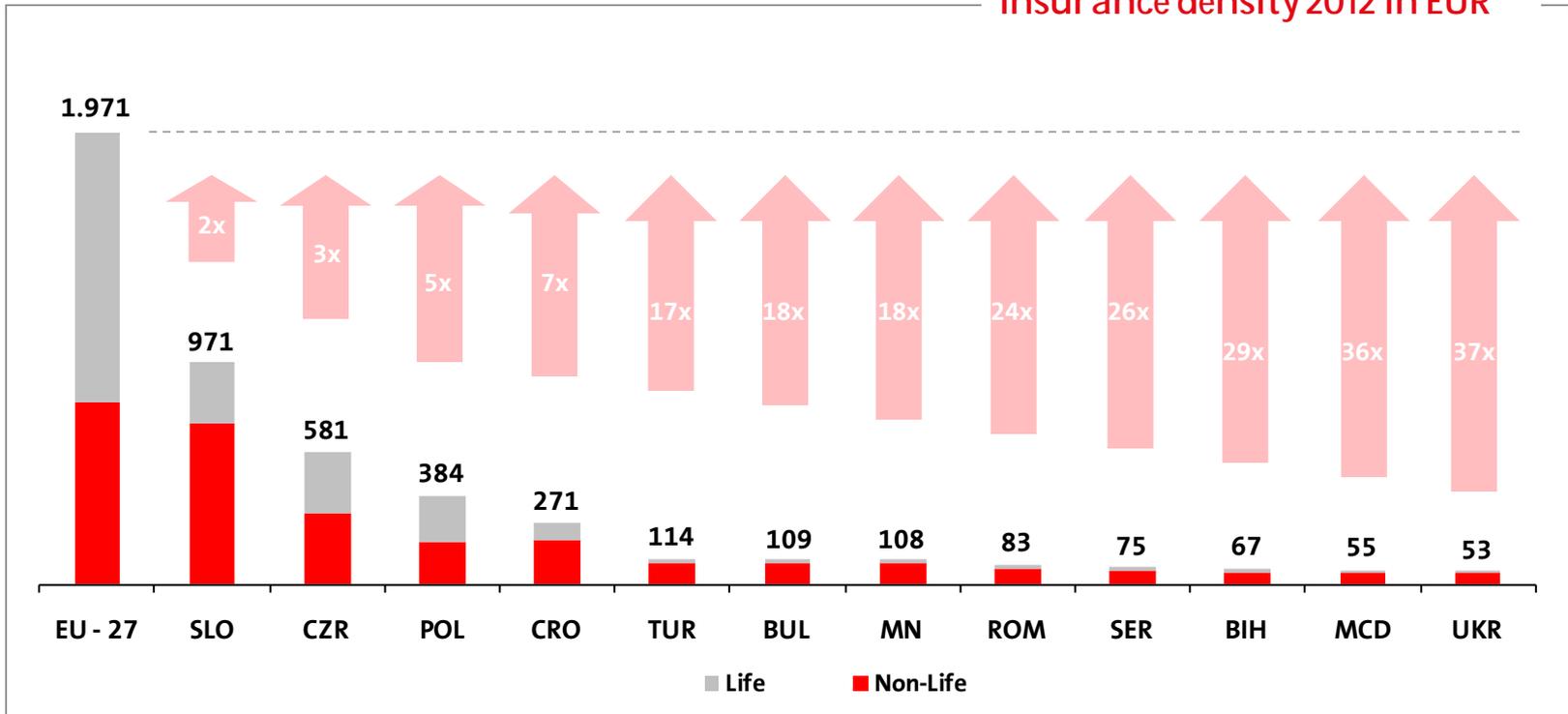
GDP growth and low insurance density key growth drivers on target markets



LONG TERM PROSPECTIVENESS OF TARGET MARKETS

High catch-up potential

Insurance density 2012 in EUR



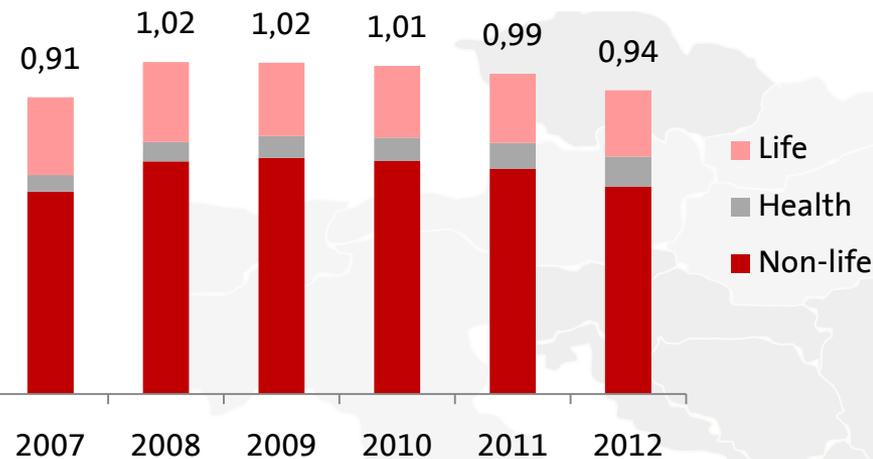
Relatively lower density creates opportunities

- 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

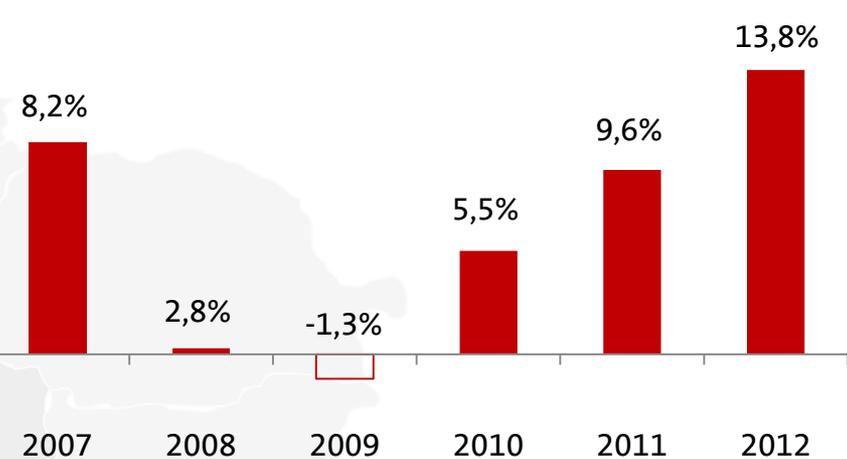
STRATEGY TURNAROUND – PROFITABILITY OF CORE BUSINESS

Underlying performance targeting, not premium growth for any price

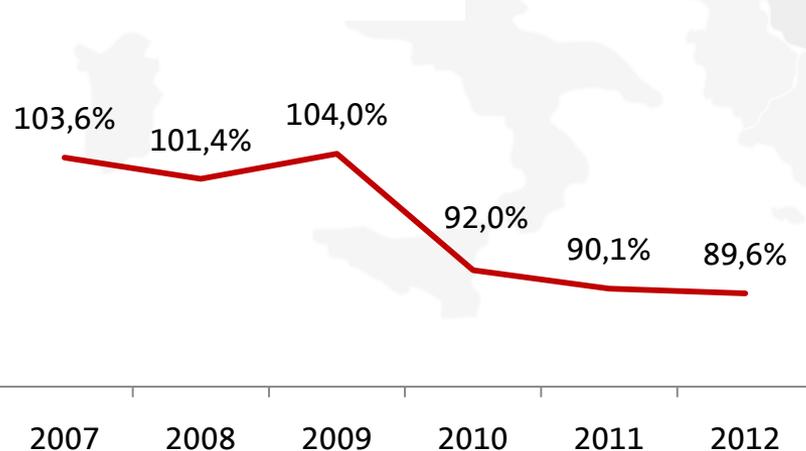
GWP development in EUR billion



Net profit development in EUR mio and ROE



Non-life combined ratio

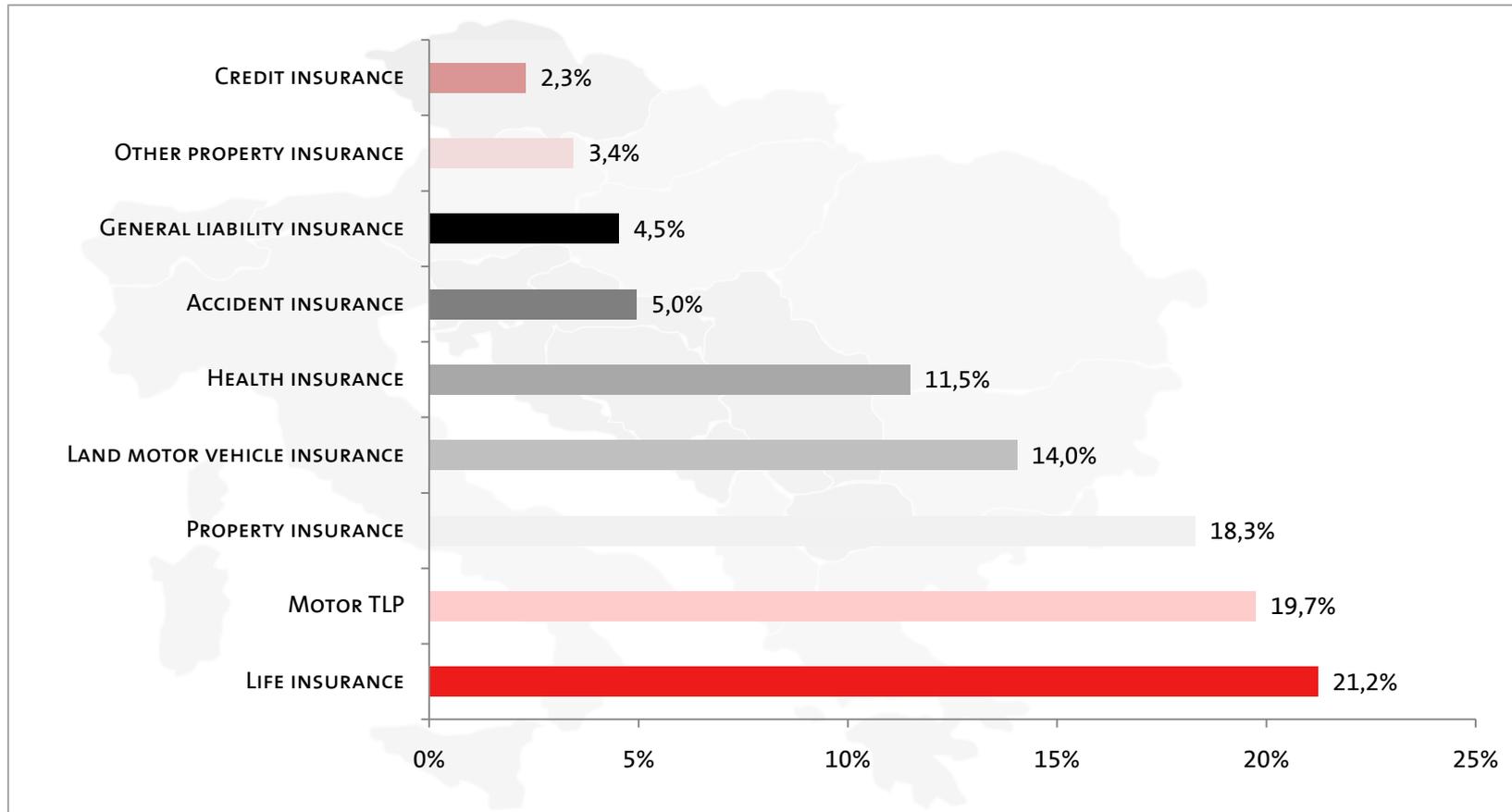


Key measures taken

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

GROSS WRITTEN PREMIUM IN 9M 2013

Well balanced insurance portfolio structure



GROUP ASSET ALLOCATION

Fixed income prevailing

	Non-life & Health ¹		Life & Pensions ¹		Total	
	In EUR M	In %	In EUR M	In %	In EUR M	In %
Investment property	94,0	4%	2,8	0%	96,8	5%
Investments in associates ²	6,3	0%	7,8	1%	14,0	1%
Shares and other floating rate securities	90,2	6%	23,6	2%	113,8	5%
Debt and other fixed return securities	785,2	79%	844,5	86%	1.629,7	78%
Loans given	23,7	2%	31,3	3%	54,9	3%
Deposits with banks	84,4	8%	72,1	7%	156,5	7%
Other financial investments	30,0	1%	1,4	0%	31,4	1%
Investments	1.113,7	100%	983,4	100%	2.097,1	100%
Financial investments of reinsurance companies in reinsurance contracts with cedents	4,2		0,0		4,2	
Unit-linked insurance contract investments	0,0		426,2		426,2	
Group financial investments	997,4		1.409,6		2.527,6	

1 Includes investments in own funds of the Group.

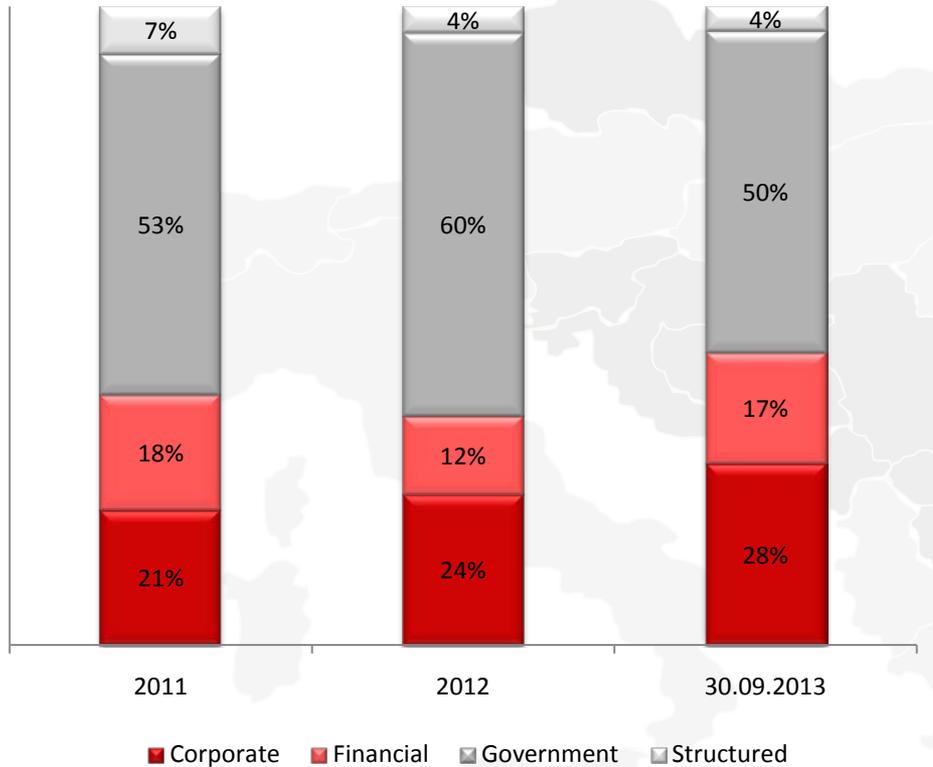
2 Investment in associates are mainly additional Real Estate exposure.



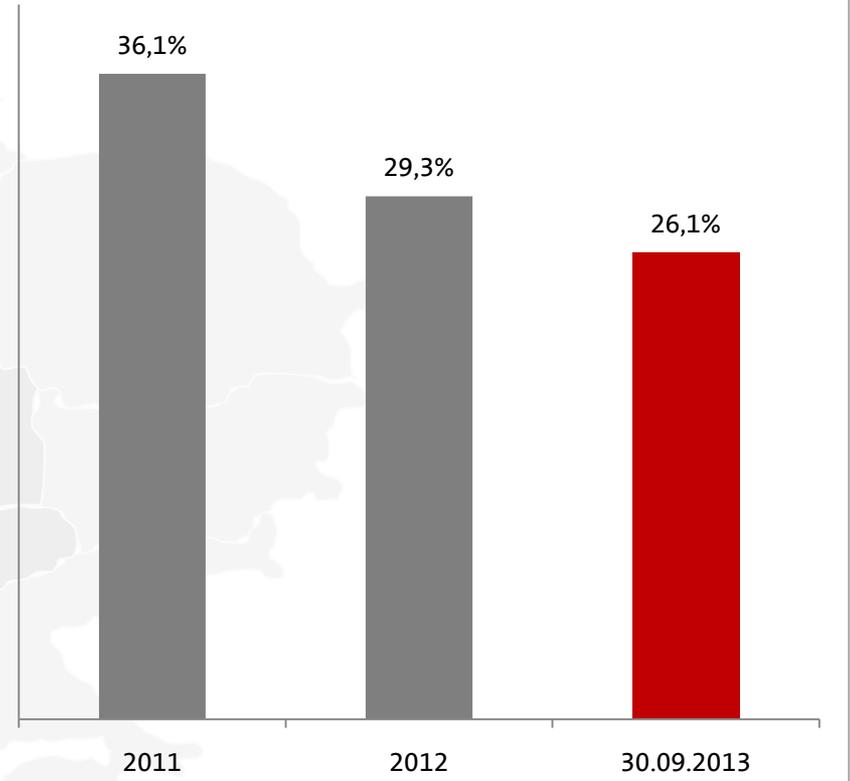
BOND PORTFOLIOS

Moving towards corporates and financials, lower exposure to Slovenian bonds

Bond portfolio structure by type of issuers



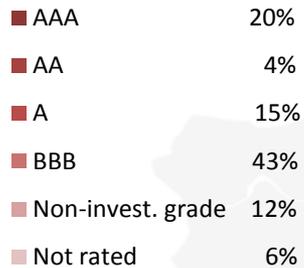
Exposure to Slovenian bonds in total bonds



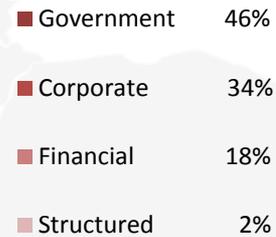
GROUP INVESTMENT PORTFOLIOS

Non-life and Health (30. 9. 2013)

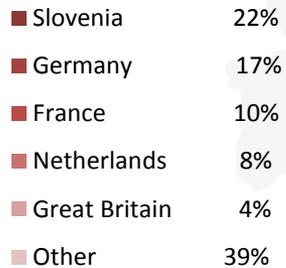
Bonds by rating



Bonds by type of issuer



Top bond exposures by country



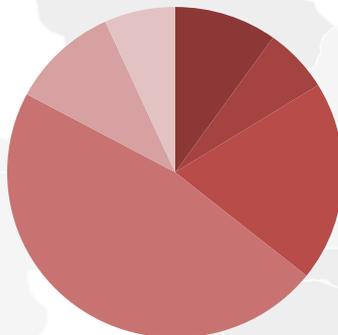
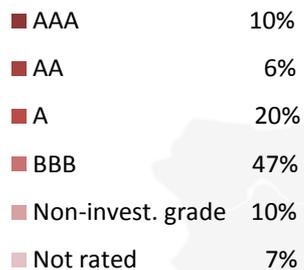
Equity exposures by region



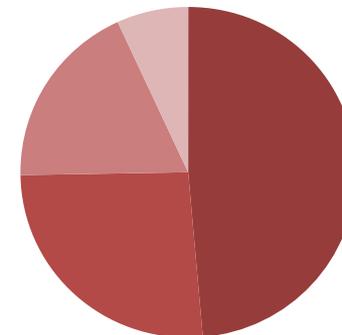
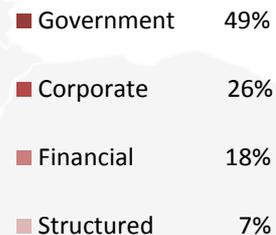
GROUP INVESTMENT PORTFOLIOS

Life¹ (30. 9. 2013)

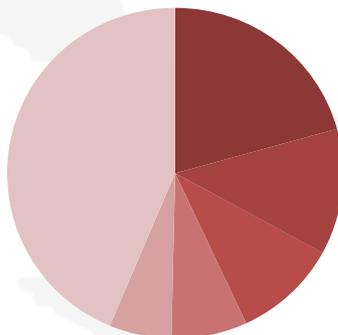
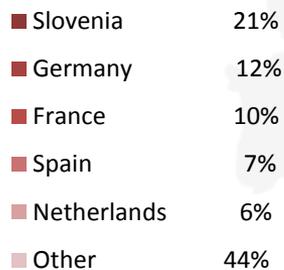
Bonds by rating



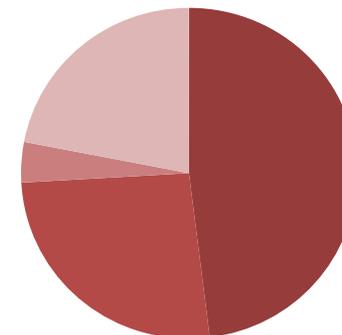
Bonds by type of issuer



Top bond exposures by country



Equity exposures by region



¹ Unit-linked investments excluded.

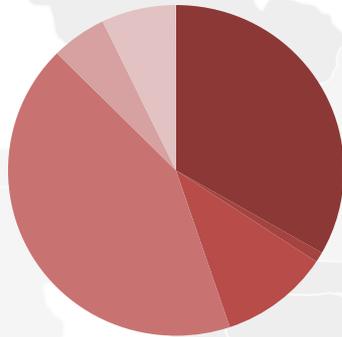


GROUP INVESTMENT PORTFOLIOS

Pensions (30. 9. 2013)

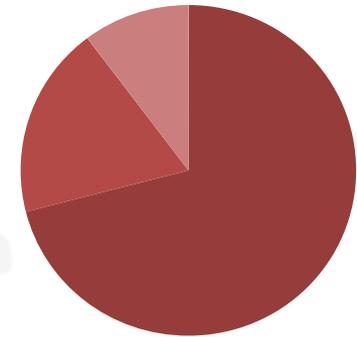
Bonds by rating

■ AAA	33%
■ AA	1%
■ A	10%
■ BBB	43%
■ Non-invest. grade	5%
■ Not rated	7%



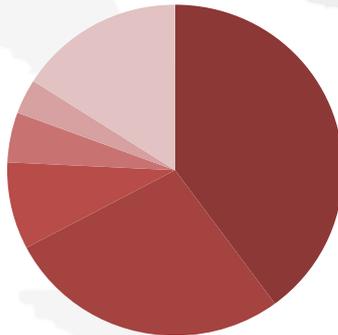
Bonds by type of issuer

■ Government	71%
■ Corporate	19%
■ Financial	10%
■ Structured	0%



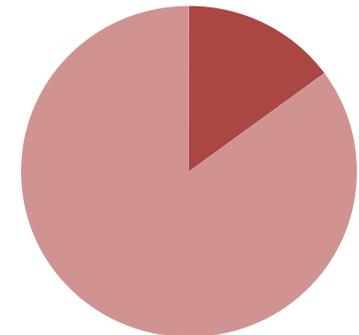
Top bond exposures by country

■ Slovenia	40%
■ Germany	27%
■ Netherlands	8%
■ France	5%
■ Austria	3%
■ Other	16%



Equity exposures by region

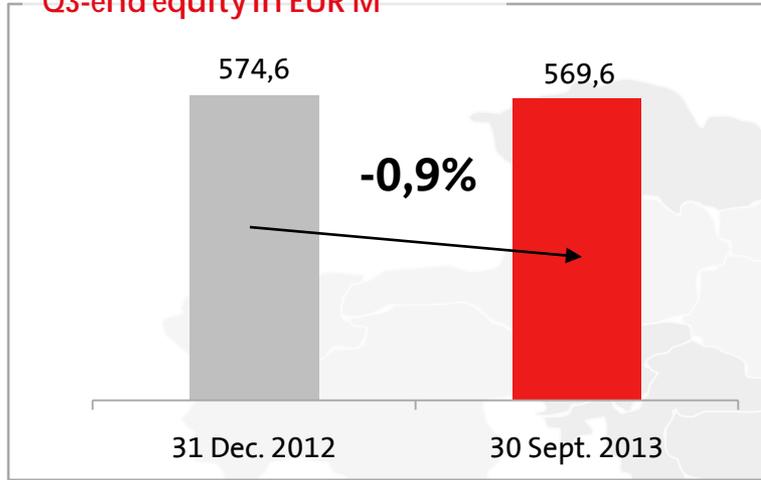
■ Slovenia	15%
■ Developed markets	85%



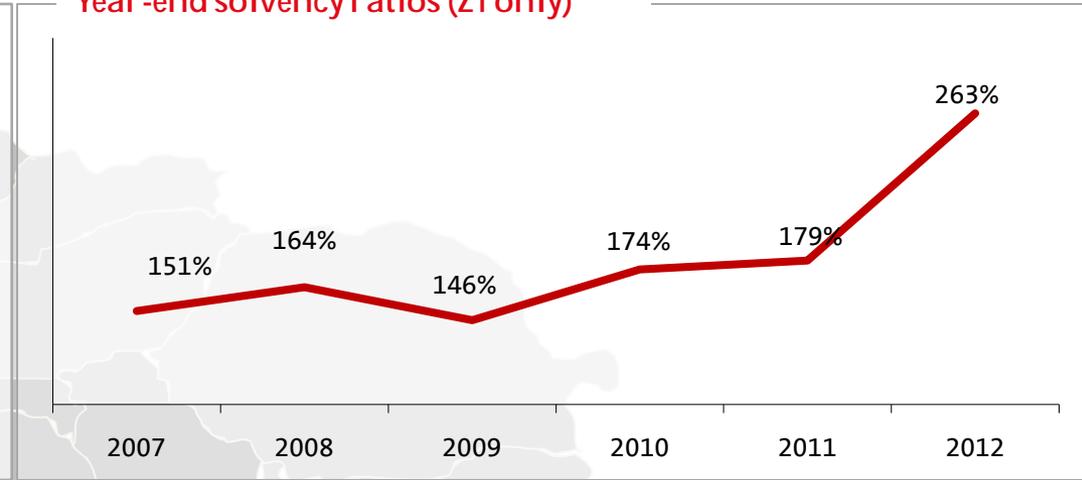
STRONG CAPITAL BASE

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

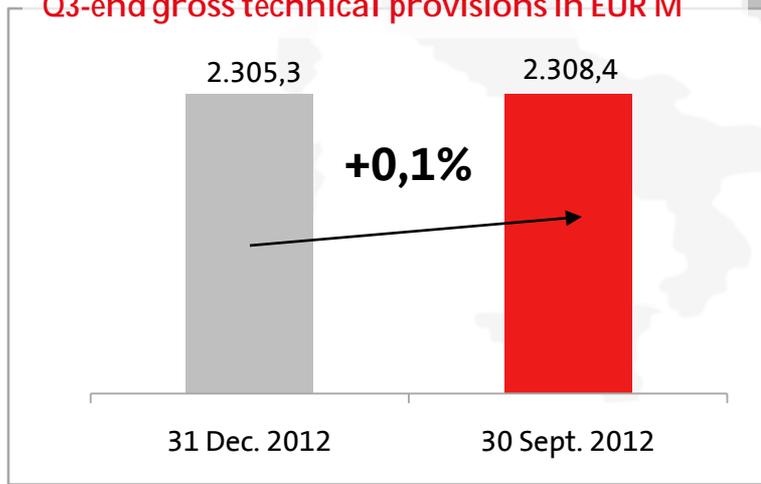
Q3-end equity in EUR M



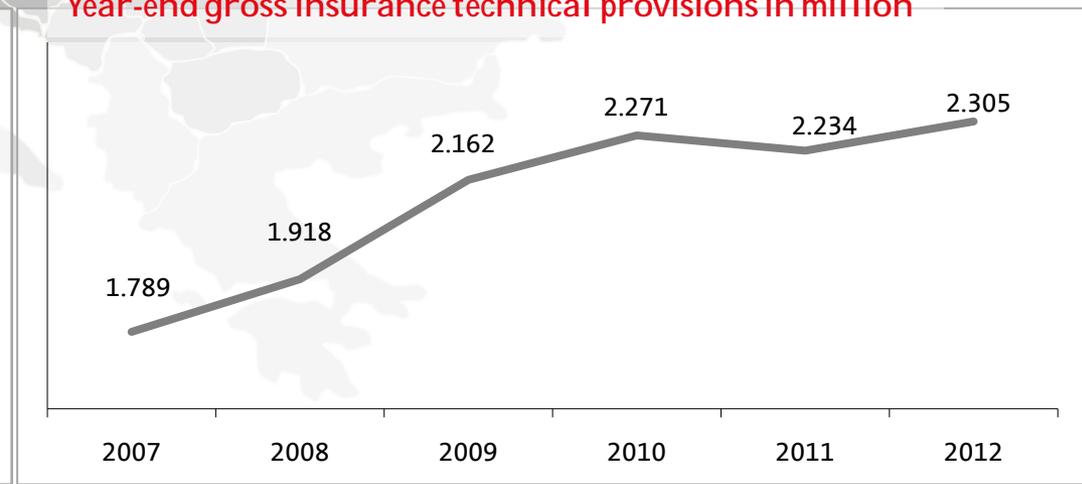
Year-end solvency ratios (ZT only)



Q3-end gross technical provisions in EUR M



Year-end gross insurance technical provisions in million



TRIGLAV GROUP MARKETS IN 9 MONTHS 2013

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

Gross premium written: -4%
557.1 M EUR



Market share: 36.2% -0.8 p.p.



Market position: 1



Gross operating costs: -2%
123.8 M EUR



Gross claims paid: +3%
370.3 M EUR



Combined ratio: 88.5%
+1.4 p.p.



Market development:

- Insurance penetration ⁽²⁰¹²⁾: 5.8%
- GPW: 1,084 mio EUR (-1%)
- Insurance density ⁽²⁰¹²⁾: 971 EUR per capita

Major events:

- High profit growth
- Low level of combined ratio
- High growth of health GWP

TRIGLAV GROUP MARKETS IN 9 MONTHS 2013

Croatia: Triglav Osiguranje d.d., Zagreb

Gross premium written: +1%
37.2 M EUR



Market share: 4.1% 0.0 p.p.



Market position: 8



Gross operating costs: 0.0%
7.8 M EUR



Gross claims paid: +12%
26.0 M EUR



Combined ratio: 103.9%
-10.6 p.p.



Market development:

- Insurance penetration ⁽²⁰¹²⁾: 2.7%
- GPW: 649 mio EUR (+0,0%)
- Insurance density ⁽²⁰¹²⁾: 271 EUR per capita

Major events:

- Lower GPW due to strict underwriting
- Introduction of new products
- Higher gross claims due to some big loss events, which were fully reinsured

TRIGLAV GROUP MARKETS IN 9 MONTHS 2013

Serbia: Triglav Osiguranje a.d.o., Belgrade

Gross premium written: +7%
12.8 M EUR



Market share: 3.0% +0,1 p.p.



Market position: 8



Gross operating costs: -2%
7.7 M EUR



Gross claims paid: +53%
9.4 M EUR



Combined ratio: 155.3%
+24.3 p.p.



Market development:

- Insurance penetration (2012): 1.9%
- GPW: 305 mio EUR (+4%)
- Insurance density (2012): 75 EUR per capita

Major events:

- Impact of stricter cost management on MTPL acquisition
- Overhead cost restructuring
- Higher gross claims due to some big loss events

TRIGLAV GROUP MARKETS IN 9 MONTHS 2013

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

Gross premium written: -1%
15.9 M EUR



Market share: 7.9% -0.4 p.p.



Market position: 5



Gross operating costs: +3%
7.0 M EUR



Gross claims paid: +6%
7.1 M EUR



Combined ratio: 100.5%
-0.4 p.p.



Market development:

- Insurance penetration (2012): 1.9%
- GPW: 133 mio EUR (+4%)
- Insurance density (2012): 67 EUR per capita

Major events:

- Restructuring of insurance portfolio into non-car insurance
- Cost growth due to higher acquisition costs

TRIGLAV GROUP MARKETS IN 9 MONTHS 2013

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

Gross premium written: +1%
22.2 M EUR



Market share: 41.4% -1.7 p.p.



Market position: 1



Gross operating costs: +2%
7.7 mio EUR



Gross claims paid: -4%
11.8 mio EUR



Combined ratio: 96.0%
+12.8 p.p.



Market development:

- Insurance penetration (2012): 2.0%
- GPW: 36 mio EUR (+5%)
- Insurance density (2012): 108 EUR per capita

Major events:

- GPW growth in non-life segment
- Lower claims
- Overhead cost restructuring initiated

TRIGLAV GROUP MARKETS IN 9 MONTHS 2013

Macedonia: Triglav Osiguruvanje a.d., Skopje

Gross premium written: -7%
13.4 M EUR



Market share NL (H1 2013): 16.2% -3.8 p.p.



Market position NL (Q1 2012): 1



Gross operating costs: +1%
4.1 M EUR



Gross claims paid: -24%
8.1 M EUR



Combined ratio: 95.2%
-6.1 p.p.



Market development:

- Insurance penetration (2012): 1.5 %
- GPW NL (Q1 2013): 26 mio EUR (+0%)
- Insurance density (2012): 55 EUR per capita

Major events:

- Loss of some major clients, with minor effects on net premium
- Lower MTPL premium through brokers - escalating commissions
- Restructuring of distr. channels
- Lower claims

TRIGLAV GROUP MARKETS IN 9 MONTHS 2013

Czech republic: Triglav Pojišť'ovna a.s.

Gross premium written: +5%
21.8 mio EUR



Market share NL: 1.1% +0.1 p.p.



Market position NL: 10



Gross operating costs: +13%
7.6 M EUR



Gross claims paid: +45%
19.8 M EUR



Combined ratio: 113.0%
-8.0 p.p.



Market development:

- Insurance penetration ⁽²⁰¹²⁾: 3.7%
- GPW NL: 1,381 mio EUR (-2%)
- Insurance density ⁽²⁰¹²⁾: 581 EUR per capita

Major events:

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

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 2017

- Return on equity (end of strategic period target): above **10%**
- Net combined ratio: **95% stable**
- Profitable operation of all subsidiaries

INVESTOR RELATIONS CONTACTS

BENJAMIN JOŠAR
MEMBER OF THE BOARD

+ 386 1 47 47 561
BENJAMIN.JOSAR@TRIGLAV.SI

UROŠ IVANC
EXECUTIVE DIRECTOR - FINANCE

+ 386 1 47 47 468
UROS.IVANC@TRIGLAV.SI

WEBPAGE: [HTTP://WWW.TRIGLAV.EU/EN/INVESTORS/](http://www.triglav.eu/en/investors/)



DISCLAIMER

THE INFORMATION, STATEMENTS OR DATA CONTAINED HEREIN HAS BEEN PREPARED BY TRIGLAV CORPORATE OFFICERS. ZAVAROVALNICA TRIGLAV, D.D., OR ANY MEMBER OF TRIGLAV GROUP, OR ANY ZAVAROVALNICA TRIGLAV EMPLOYEE OR REPRESENTATIVE ACCEPTS NO RESPONSIBILITY FOR THE INFORMATION, STATEMENTS OR DATA CONTAINED HEREIN OR OMITTED HERE FROM, AND WILL NOT BE LIABLE TO ANY THIRD PARTY FOR ANY REASON WHATSOEVER RELATING TO THE INFORMATION, STATEMENTS OR DATA CONTAINED HEREIN OR OMITTED HERE FROM. SUCH INFORMATION, STATEMENTS OR DATA MAY NOT BE PREPARED ACCORDING TO THE SAME STANDARDS AND REQUIREMENTS THAN THE INFORMATION, STATEMENTS OR DATA INCLUDED IN TRIGLAV'S OWN REPORTS AND PRESS RELEASES ARE PREPARED TO, AND ACCORDINGLY THE LEVEL OF INFORMATION AND MATERIALITY AND NATURE OF THE DISCLOSURES MAY BE DIFFERENT. UNDUE RELIANCE SHOULD NOT BE PLACED ON THE INFORMATION, STATEMENTS OR DATA CONTAINED HEREIN BECAUSE THEY ARE SUBJECT TO KNOWN AND UNKNOWN RISKS AND UNCERTAINTIES AND CAN BE AFFECTED BY OTHER FACTORS THAT COULD CAUSE ACTUAL RESULTS TO DIFFER MATERIALLY FROM THOSE EXPRESSED OR IMPLIED IN SUCH INFORMATION, STATEMENTS OR DATA. MOREOVER, THE INFORMATION, STATEMENTS AND DATA CONTAINED HEREIN HAVE NOT BEEN, AND WILL NOT BE, UPDATED OR SUPPLEMENTED WITH NEW OR ADDITIONAL INFORMATION, STATEMENTS OR DATA.

