

TRIGLAV GROUP

WE ARE BUILDING A SAFER FUTURE

INVESTOR PRESENTATION

PORTOROŽ, SEPTEMBER 29TH, 2012



Management and strategies



Competitive position



Financial flexibility



Risk management



Capital adequacy



Investing / Liquidity



TRIGLAV GROUP

Further profit growth in core business

- H1 profits up 22,1 %, 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
- Discussions with other shareholders about the conditions of the capital increase of Abanka Vipava

TRIGLAV GROUP

Key Features

- **Core business – 3 pillars**
 - Insurance
 - Third-party asset management
 - “Banking”
- **Triglav Group**
 - Parent company Zavarovalnica Triglav, d.d. 42 subsidiaries and 9 associated companies
 - Market presence in 7 countries and 8 markets
 - 5.447 employees
- **S&P rating A-/negative**



TRIGLAV GROUP

The core business is insurance

- **Insurance**

- Non-life
- Life
- Supplementary pensions
- Health

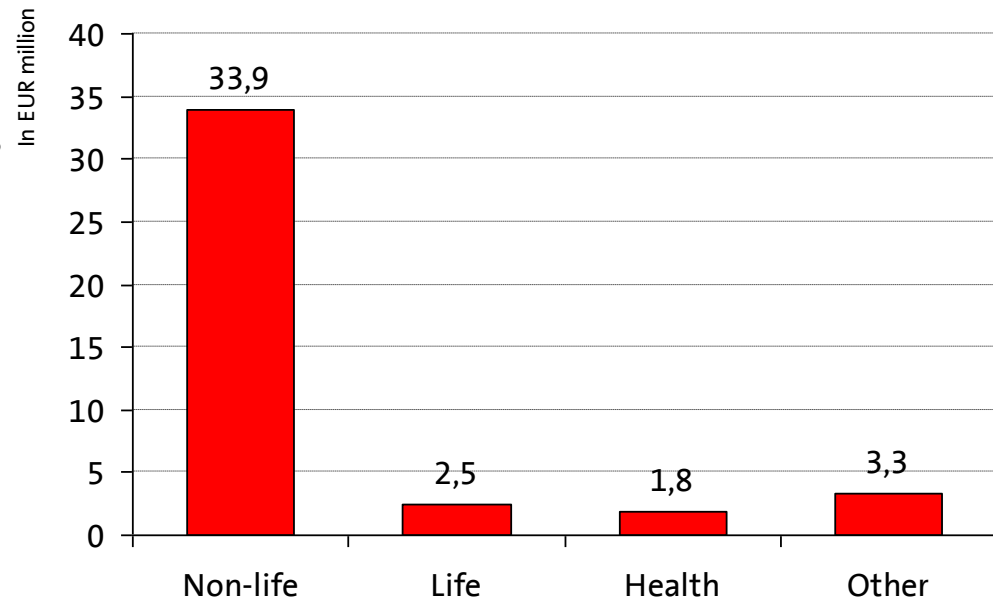
- **Asset management**

- Mutual funds
- Investment companies
- Investment holdings
- Real Estate

- **Banking**

- Significant interest in Abanka Vipava, d.d.
- Strategic importance of banking distribution channels in the future

PROFIT BY BUSINESS SEGMENTS IN H1 2012



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



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 H1 2012

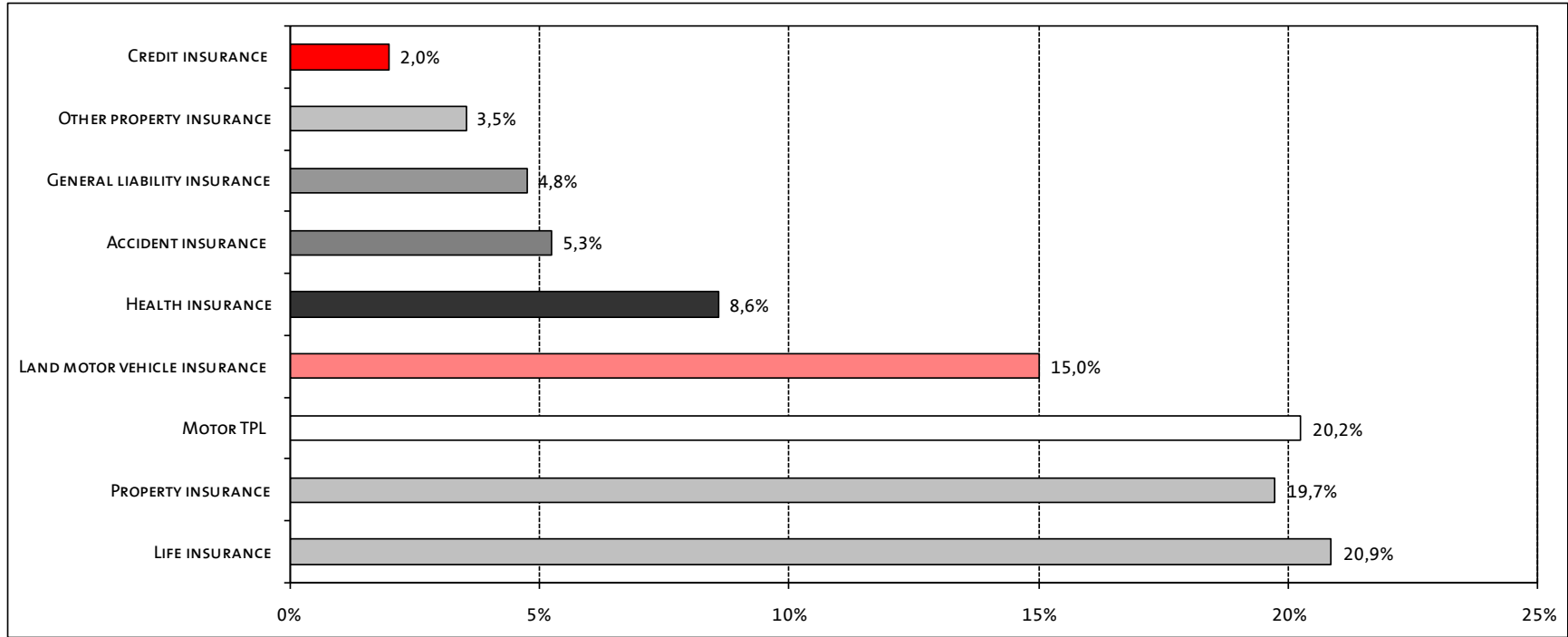
Performance inline with business plans

	In EUR million		
	H1 2011	H1 2012	INDEX
Gross written premium	549,9	523,6	95
Net premium income	456,9	443,5	97
Gross claims settled	296,7	301,7	102
Net claims incurred	282,5	291,5	103
Gross operating costs*	112,3	112,7	100
Profit before tax	49,0	49,5	101
Net profit for the accounting period	34,1	41,6	122
	30.6.2011	30.6.2012	INDEX
Balance sheet total	2.962,0	3.117,3	105
Gross insurance technical provisions	2.234,1	2.304,7	103
Total equity	489,5	539,3	110
Number of employees	5.064	5.447	108
	H1 2011	H1 2012	Change in percent. pt.
Expense ratio	27,8%	27,6%	-0,2
Net claims ratio	61,3%	60,4%	-0,8
Combined ratio	89,0%	88,0%	-1,1

* Gross operating costs of insurance operations

GROSS PREMIUM WRITTEN IN H1 2012

Well balanced insurance portfolio structure



TRIGLAV GROUP MARKETS IN H1 2012

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

Gross premium written: -4%
416.1 m EUR



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



Market position: 1



Gross operating costs: -1%
83.8 m EUR



Gross claims paid: +1%
243.4 m EUR



Combined ratio: 83.7%
-2.4 p.p.



Market development in 2011:

- Insurance penetration (2010): 5.9%
- GPW: 2,092 m EUR (-0.1%)
- Insurance density (2010): 1,020 EUR per capita


Major events:

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


TRIGLAV GROUP MARKETS IN H1 2012


Croatia: Triglav Osiguranje d.d.


Gross premium written: -10%
27.8 m EUR 

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

Market position: 7 

Gross operating costs: -1%
8.1 m EUR 

Gross claims paid: +5%
13.7 m EUR 

Combined ratio: 108.7%
+1.5 p.p. 

Market development in 2011:

- Insurance penetration (2010): 2.8%
- GPW: 1,229 mio EUR (-3%)
- Insurance density (2010): 286 EUR per capita


Major events:

- GPW lower due to loss of a major client, portfolio selection (casco, life stock) and drop of credit insurance
- Impact of financial crises


TRIGLAV GROUP MARKETS IN H1 2012


Serbia: Triglav Osiguranje a.d.o.


Gross premium written: -17%
8.8 m EUR 

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

Market position: 7 

Gross operating costs: -14%
5.3 m EUR 

Gross claims paid: -15%
3.9 m EUR 

Combined ratio: 112.5%
+4.1 p.p. 

Market development in 2011:

- Insurance penetration (2010): 1.8 %
- GPW: 526 m EUR (+2 %)
- Insurance density (2010): 75 EUR per capita

Major events:

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

TRIGLAV GROUP MARKETS IN H1 2012

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

Gross premium written: -1%
11.1 m EUR



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



Market position: 3



Gross operating costs: -8%
4.6 m EUR



Gross claims paid: +15%
4.6 m EUR



Combined ratio: 98.8%
-2.9 p.p.



Market development in 2011:

- Insurance penetration (2010): 1.5%
- GPW: 255 m EUR (+4%)
- Insurance density (2010): 65 EUR per capita


Major events:


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


TRIGLAV GROUP MARKETS IN H1 2012


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


Gross premium written: -11%
14.8m EUR 

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

Market position: 1 

Gross operating costs: +11%
5.3 m EUR 

Gross claims paid: -2%
8.7 m EUR 

Combined ratio: 92.0%
-7.1 p.p. 

Market development in 2011:

- Insurance penetration (2010): 1.6 %
- GPW (2011): 65 m EUR (+4%)
- Insurance density (2010): 99 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 H1 2012

Macedonia: Triglav Osiguranje a.d.

Gross premium written: -8%
10.3 m EUR



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



Market position NL: 1



Gross operating costs: +10%
2.9 m EUR



Gross claims paid: -16%
5.4 m EUR



Combined ratio: 81.9%
-14.3 p.p.



Market development in 2011:

- Insurance penetration (2010): 1.2 %
- GPW: 110 m EUR (+4%)
- Insurance density (2010): 51 EUR per capita

Major events:

- Lower MTPL sales through brokers due to escalating commissions
- Higher costs due to non-personnel overhead
- Insurance provision effect

TRIGLAV GROUP MARKETS IN H1 2012

Czech republic: Triglav Pojišť'ovna a.s.

Gross premium written: 0% 14.4 m EUR	○
Market share NL (in 2011) : 0.9% 0.0 p.p.	○
Market position NL: 11	↓
Gross operating costs: +9% 4.6 m EUR	↑
Gross claims paid: +9% 9.6 m EUR	↑
Combined ratio: 119.6% +19.8 p.p.	↑

Market development in 2011:

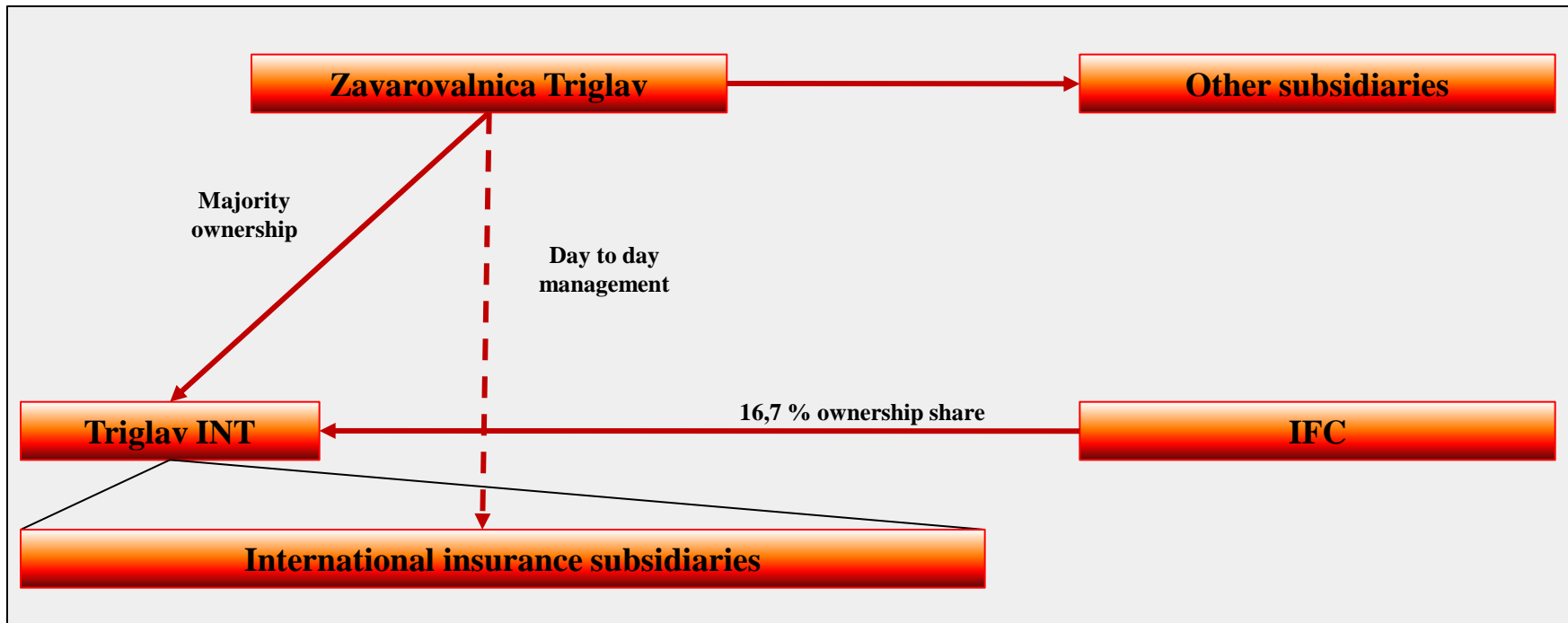
- Insurance penetration (2010): 4.0%
- GPW NL: 2,890 m EUR (+1%)
- Insurance density (2010): 568 EUR per capita

Major events:

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

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): **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 growth with high growth of profits

In EUR million

	2010	2011	Plan 2012	INDEX	
				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

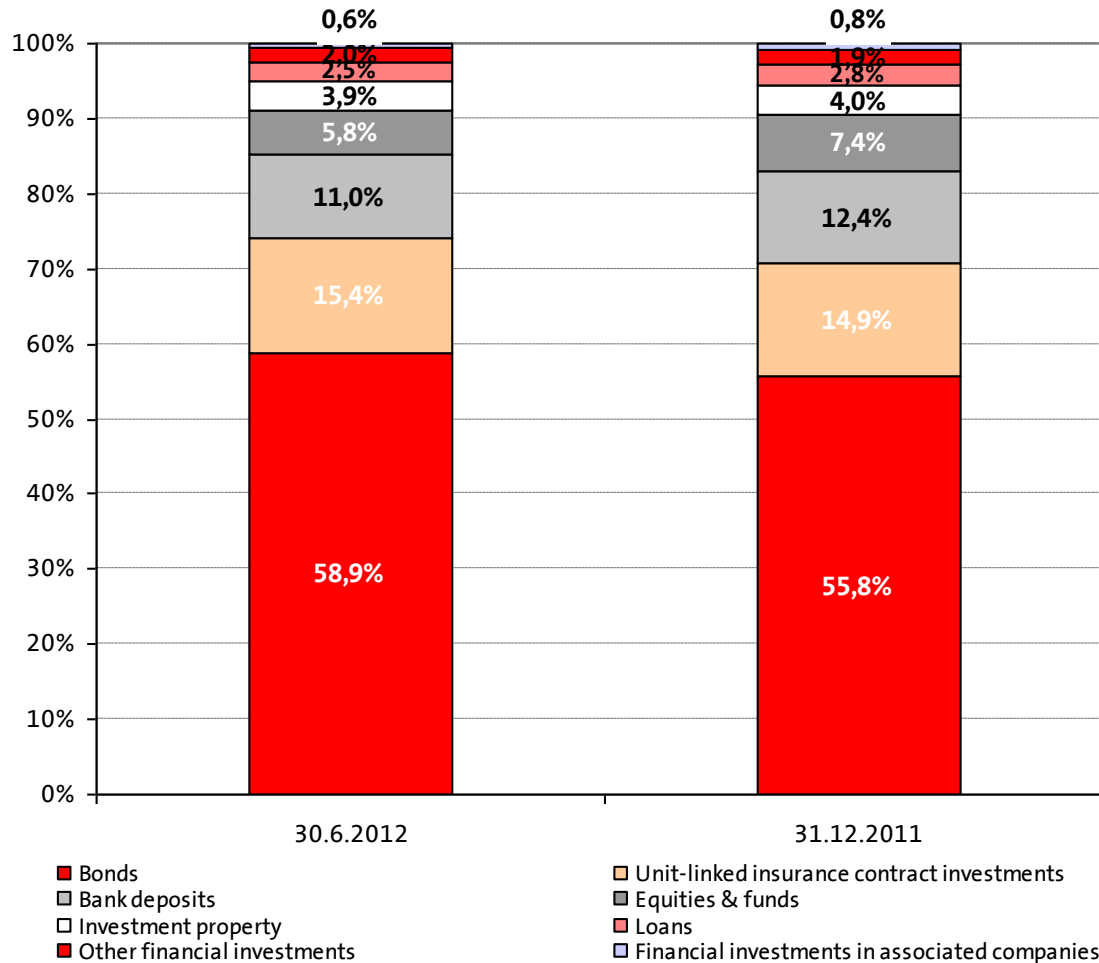
	31.12.2010	31.12.2011	Plan 31.12.2012	INDEX	
				2011/2010	2012/2011
Balance sheet total	3.024,4	2.962,0	3.172,5	98	107
Gross insurance technical provisions	2.270,9	2.234,1	2.354,4	98	105
Total equity	499,0	489,5	554,2	98	113
Number of employees	5.247	5.064	5.180	97	102

	2010	2011	Plan 2012	Change in percent. pt.	
				2011/2010	2012/2011
Expense ratio	30,1%	29,2%	28,9%	-0,9	-0,3
Net claims ratio	61,9%	61,0%	66,5%	-0,9	5,5
Combined ratio	92,0%	90,1%	95,3%	-1,9	5,2

INVESTMENT PORTFOLIO

Consistent investment strategy

STRUCTURE OF PORTFOLIO INVESTMENTS



Main drivers :

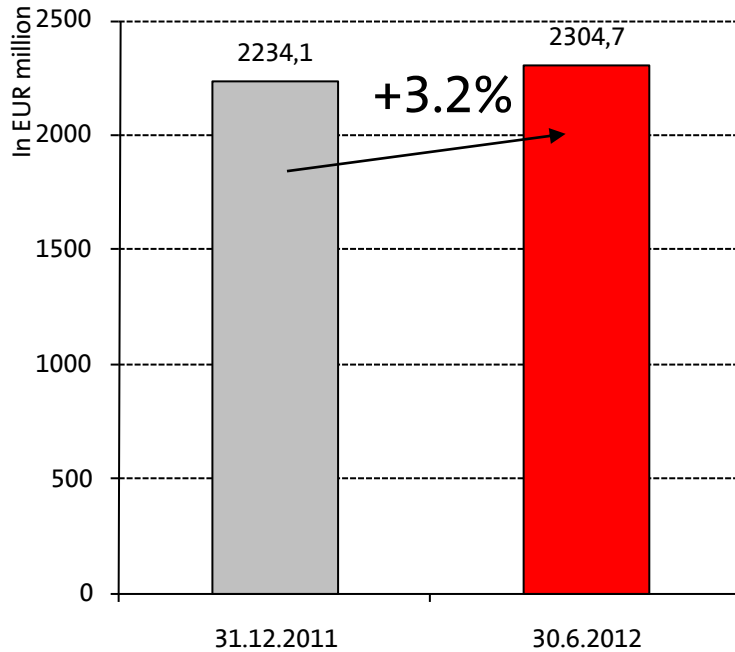
- Restructuring of portfolios towards liquid short term instruments
- Drop of prices of securities on LJSE
- Raising credit spreads
- Impairments of bank investments
- Very limited exposure to PIIGS (marked to market, Greeks impaired through P&L to expected recovery – market expectations)

STRONG CAPITAL BASE

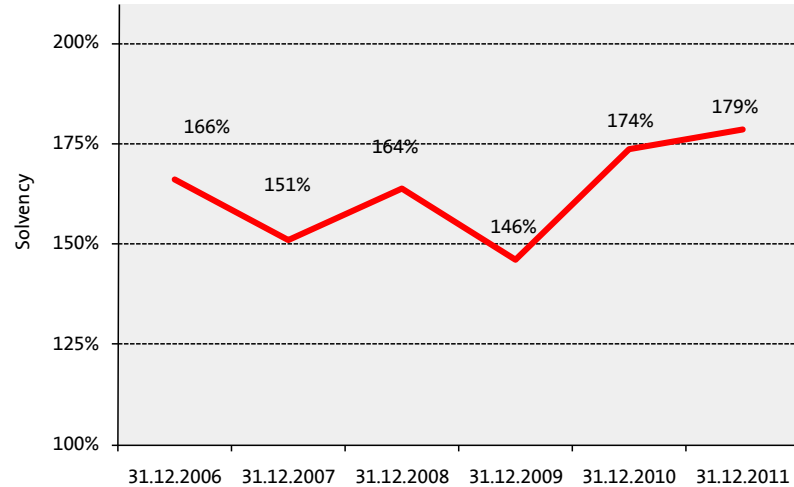
Solvency ratios and technical provisions follow the strategy and demanding business conditions

GROSS INSURANCE TECHNICAL PROVISIONS

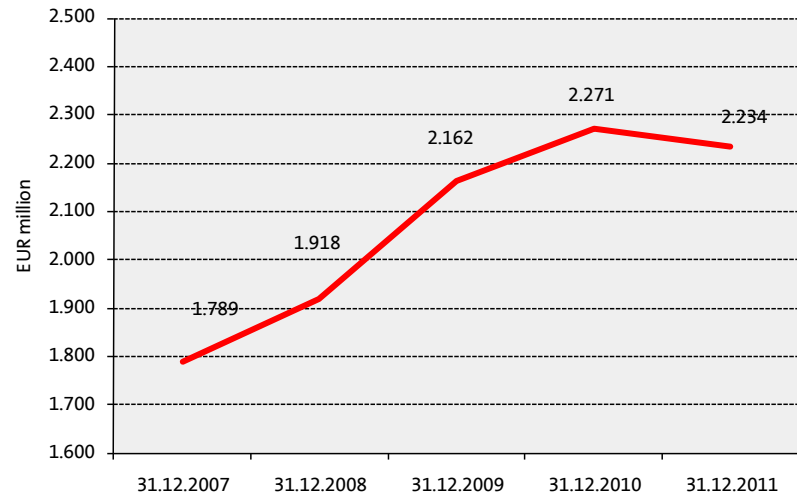
AS AT 30.6.2012



SOLVENCY RATIOS BY YEARS



GROSS INSURANCE TECHNICAL PROVISIONS BY YEARS



INVESTOR RELATIONS CONTACTS

UROŠ IVANC

+ 386 1 47 47 468

EXECUTIVE DIRECTOR - FINANCE

UROS.IVANC@TRIGLAV.SI

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

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