

TRIGLAV GROUP WE ARE BUILDING A SAFER FUTURE

INVESTOR'S DAY, ZAGREB, APRIL 17, 2012



Management and strategies



Competitive position



Financial flexibility



Risk management



Capital adequacy

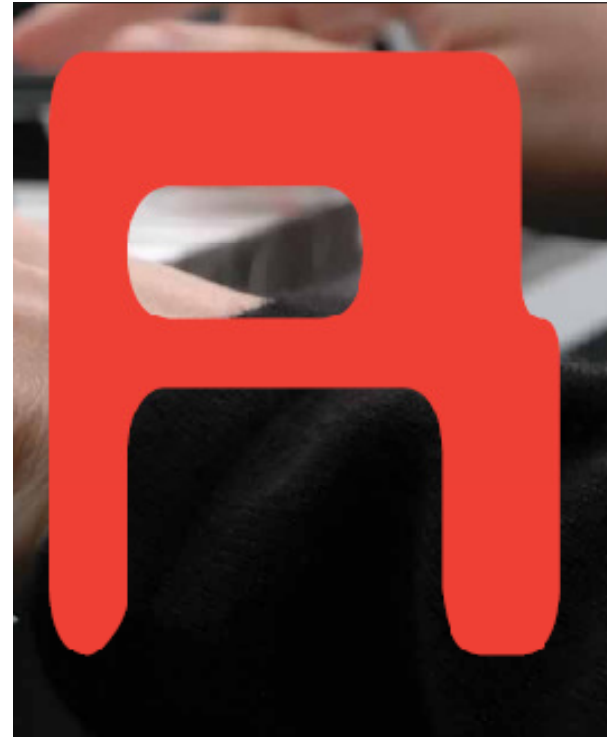


Investing / Liquidity



CONTENTS

- 1. TRIGLAV GROUP**
2. INVESTMENT STORY AND STRATEGY
3. TRIGLAV GROUP'S RESULTS IN 2011
4. TRIGLAV GROUP'S RESULTS BY KEY MARKETS

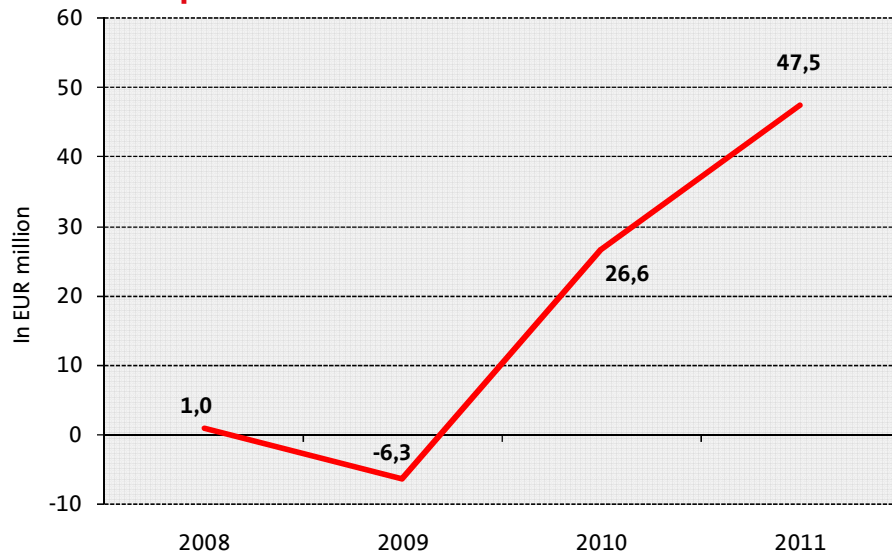


TRIGLAV GROUP

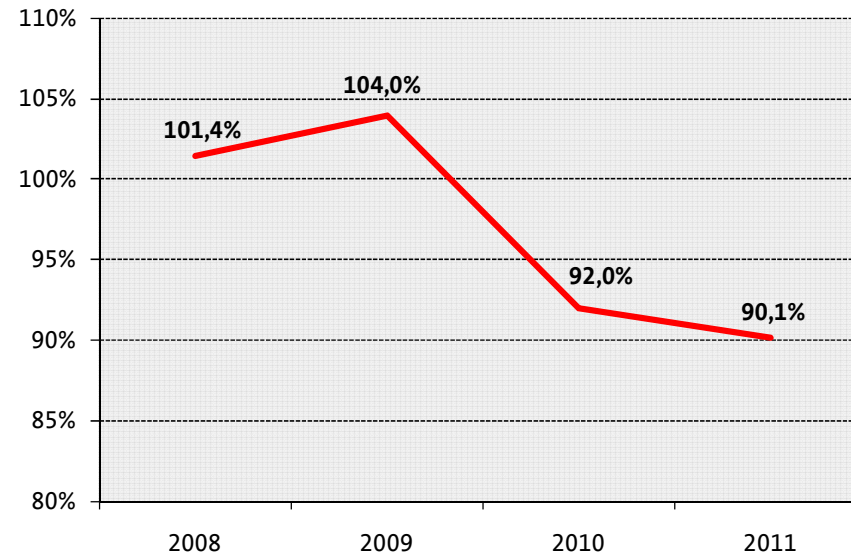
Excellent profit growth and further strenghtening of the group structure

- Profits up 78 % in 2011
- Continued ownership consolidation of subsidiaries
- Sound capitalisation with Solvency 1 ratio at 179 %
- IFC, member of the World Bank Group, enters into Triglav INT as a mignority partner of the Zavarovalnica Triglav to develop insurance business outside Slovenia
- Impact of financial crisis and situation in the banking sector on the value of investment portfolios

Net profit 2008 - 2011



Combined ratio 2008 - 2011



TRIGLAV GROUP

Key Features

- **Core business – 3 pillars**
 - Insurance
 - Third-party asset management
 - “Banking”
- **Triglav Group**
 - Parent company Zavarovalnica Triglav, d.d. 34 subsidiaries and 10 associated companies
 - Market presence in 7 countries and 8 markets
 - 5.064 employees
- **S&P rating A/negative outlook**



TRIGLAV GROUP

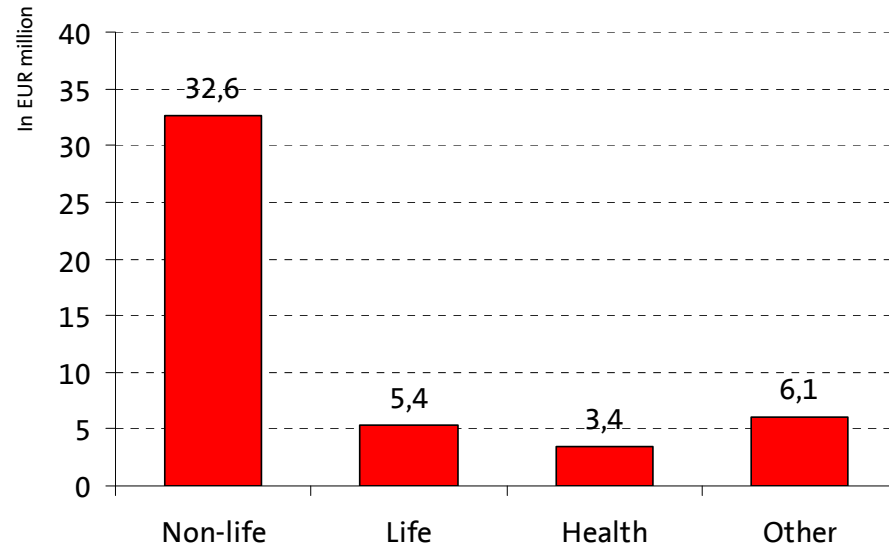
The core business is insurance

- **Insurance**
 - Non-life
 - Life
 - Pensions
 - Health

- **Asset management**
 - Mutual funds
 - Investment companies
 - Investment holdings
 - Real Estate

- **Banking**
 - Significant interest in Abanka
 - Strategic importance of banking distribution channels in the future

PROFIT BY BUSINESS SEGMENTS IN 2011



TRIGLAV GROUP

	INSURANCE	ASSET MANAGEMENT	BANKING (PRESENCE ONLY THROUGH SIGNIFICANT INTEREST)	OTHER (SUPPORTING BUSSINES)
Slovenia	- Zavarovalnica Triglav, d.d. - Pozavarovalnica Triglav Re, d.d. - Triglav, Zdravstvena zavarovalnica, d.d.	- Triglav Skladi, d.o.o. - Triglav Naložbe, d.d. - Triglav nepremičnine, d.d.	- Abanka Vipa, d.d.	- Triglav INT, d.d. - TRI-PRO, d.o.o. - AS Triglav, d.o.o. - Triglavko, d.o.o. - Skupna pokojninska družba, d.d.
Croatia	- Triglav Osiguranje, d.d., Zagreb			
Bosnia & Herzegovina	- Triglav Osiguranje, d.d., Sarajevo - Triglav Osiguranje, a.d.o., Banja Luka	- Polara Invest, d.d. - PROF-IN, d.o.o.		- TRI-PRO BH, d.o.o. - Triglav Auto, d.o.o. - Autocentar BH, d.o.o. - Unis automobili i dijelovi, d.o.o.
Serbia	- Triglav Osiguranje, a.d.o., Beograd	- Triglav Penzijski fondovi, a.d.		- Pista, d.o.o.
Montenegro	- Lovćen Osiguranje, a.d., Podgorica - Lovćen životna osiguranja, a.d., Podgorica			- Lovćen Avto, a.d.
Macedonia	- Triglav Osiguruvanje, a.d., Skopje			
Czech republic	- Triglav Pojišt'ovna, a.s., Brno			

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 for companies: 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 Osiguruvanje Skopje, Triglav Osiguranje Sarajevo and Triglav INT



IGOR STEBERNAK, MEMBER OF THE MANAGEMENT BOARD, DOB: 1968

- MBA and BSc in Electrical Engineering
- Extensive experience in finance, accounting and controlling from banking and insurance industries
- Supervisory Board membership in: Triglav Osiguruvanje Skopje, Triglav Skladi, Triglav Osiguranje Beograd, Triglav Osiguranje Zagreb, Triglav INT, Abanka Vipava
- Member of the Strategy Council of the Faculty of Organisational Sciences, University of Ljubljana and the Issuers' Council of the Ljubljana Stock Exchange

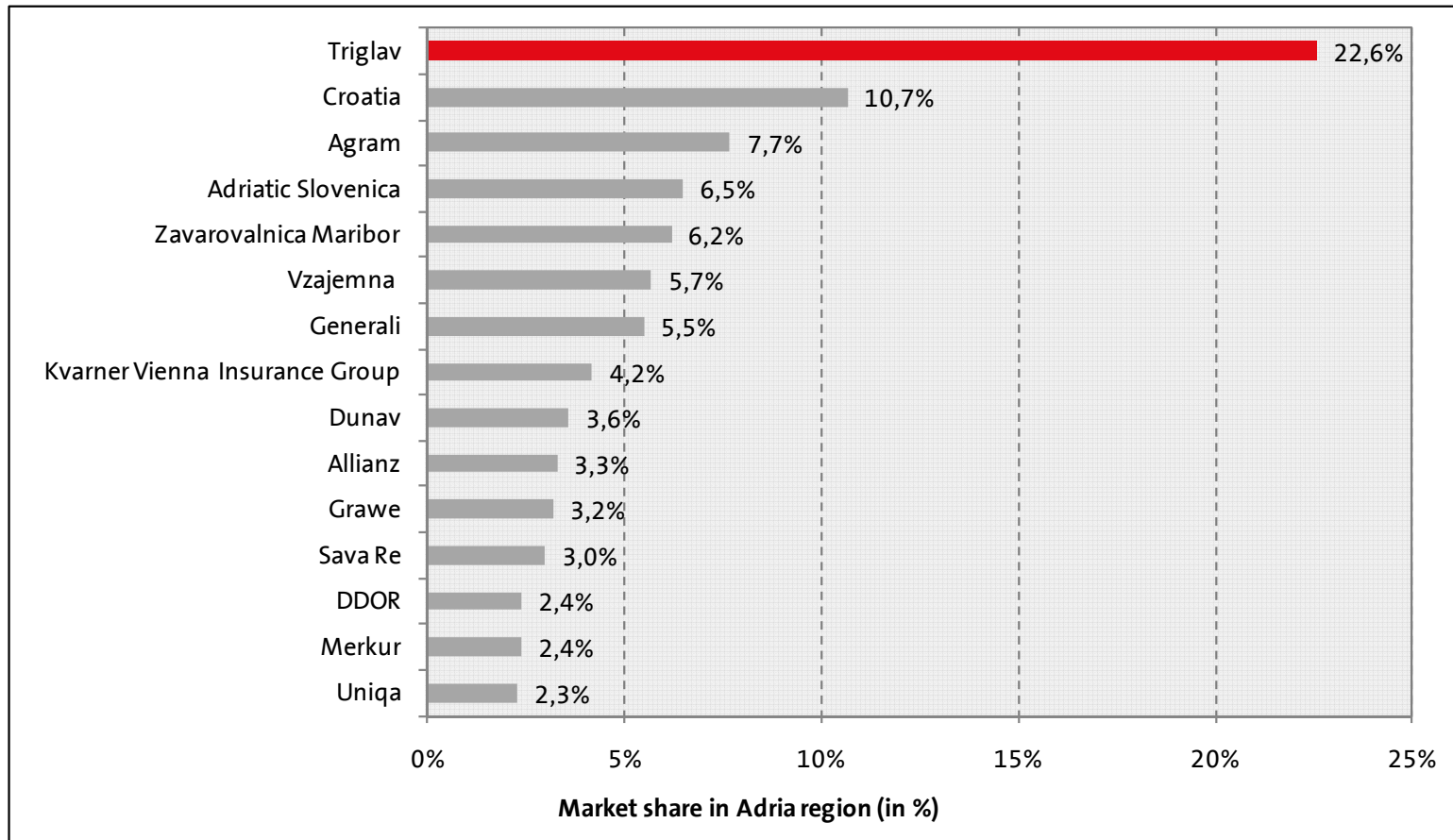


MARICA MAKOTER, MEMBER OF THE MANAGEMENT BOARD - EMPLOYEE REPRESENTATIVE, DOB: 1972 Bachelor of

- Law, Slovenian State Bar Examination
- Extensive experience in insurance industry and law

TRIGLAV GROUP

Triglav Group ranked first in terms of gross written premium in Adria region in 2010



Source: Deloitte, July 2011

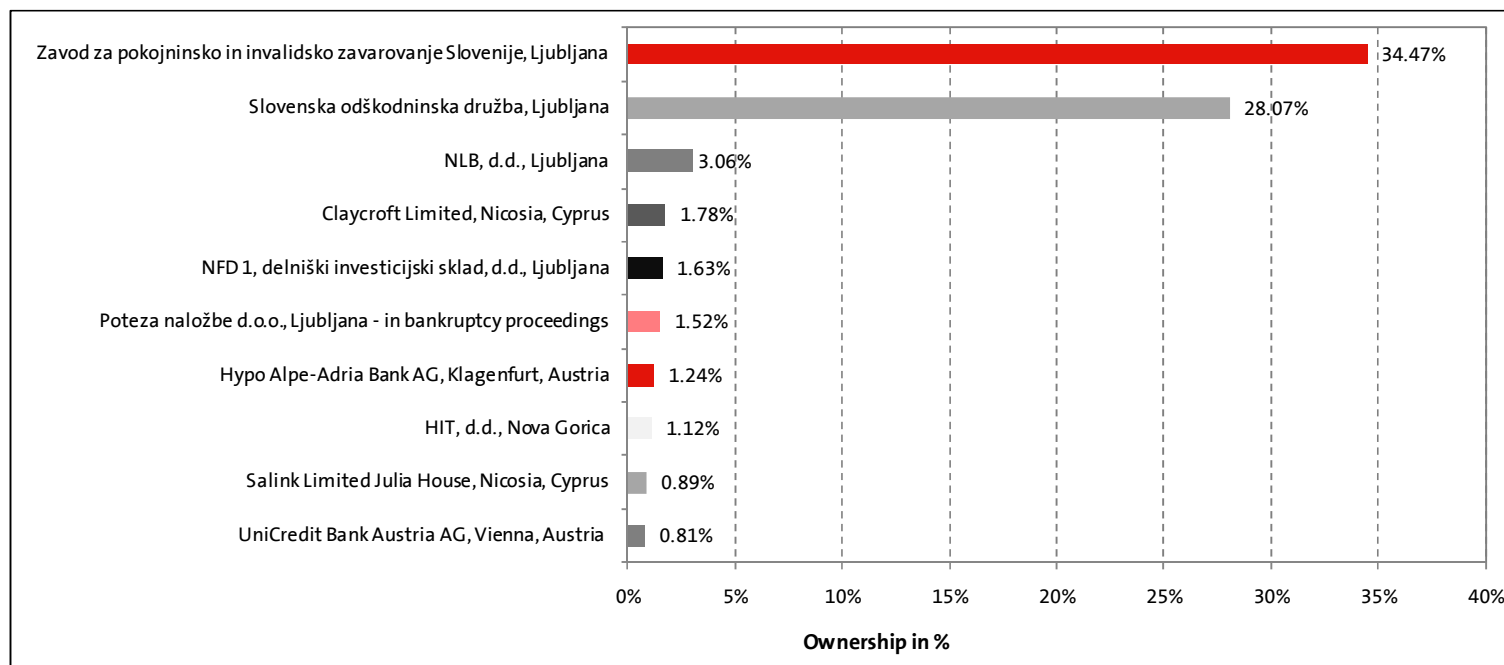
TRIGLAV GROUP

Slovenian government a predominant shareholder

SHAREHOLDERS OF ZAVAROVALNICA TRIGLAV AS AT 31.12.2011

	TOTAL	DOMESTIC	FOREIGN	LEGAL	NATURAL
NUMBER OF SHAREHOLDERS AS AT 31.12.2011	29.000	28.526	474	683	28.317
NUMBER OF SHAREHOLDERS - SHARE	100,0%	98,4%	1,6%	2,4%	97,6%

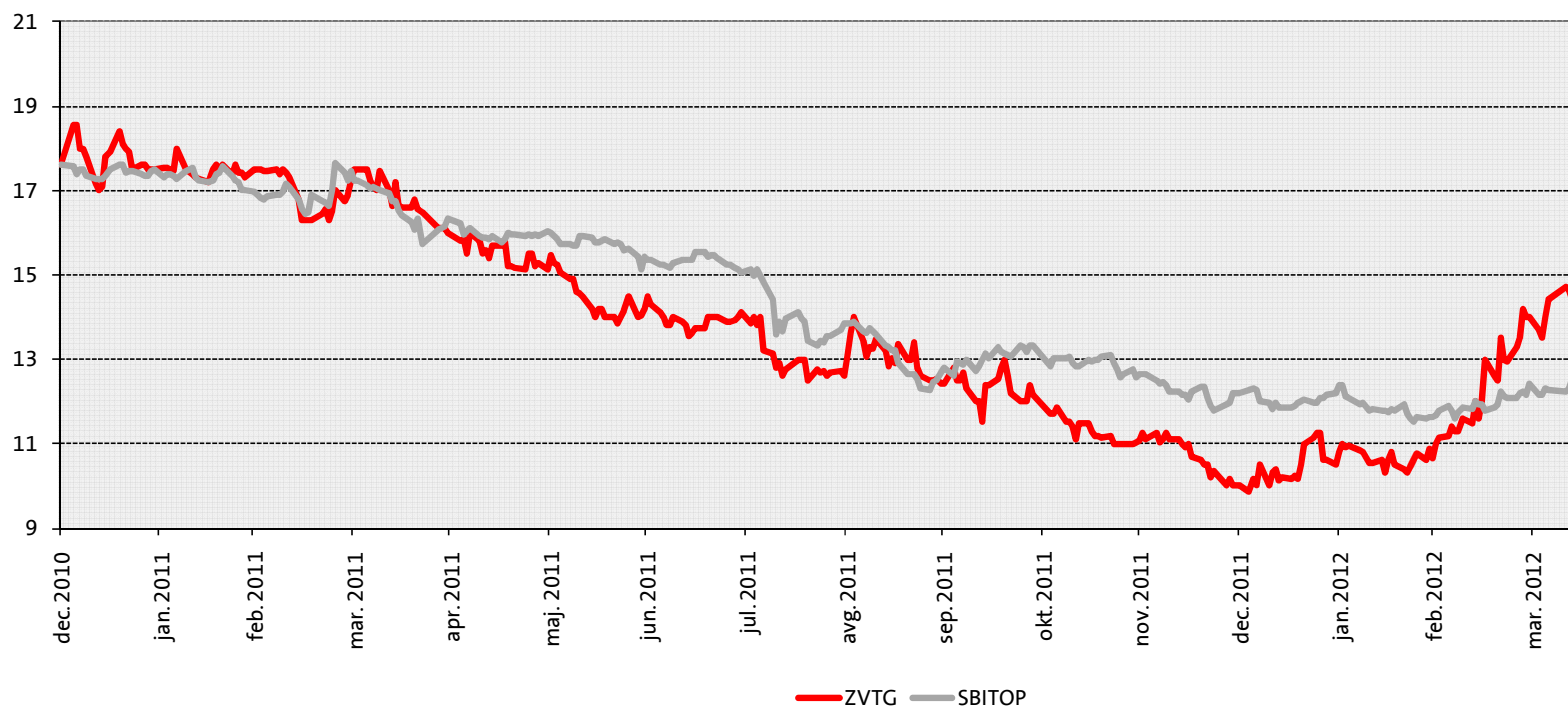
THE TOP TEN SHAREHOLDERS OF ZAVAROVALNICA TRIGLAV AS AT 31.12.2011



- **37,5% FREE FLOAT**
- **SOME CHANGES BETWEEN TOP TEN SHAREHOLDERS**

THE SHARE OF ZAVAROVALNICA TRIGLAV

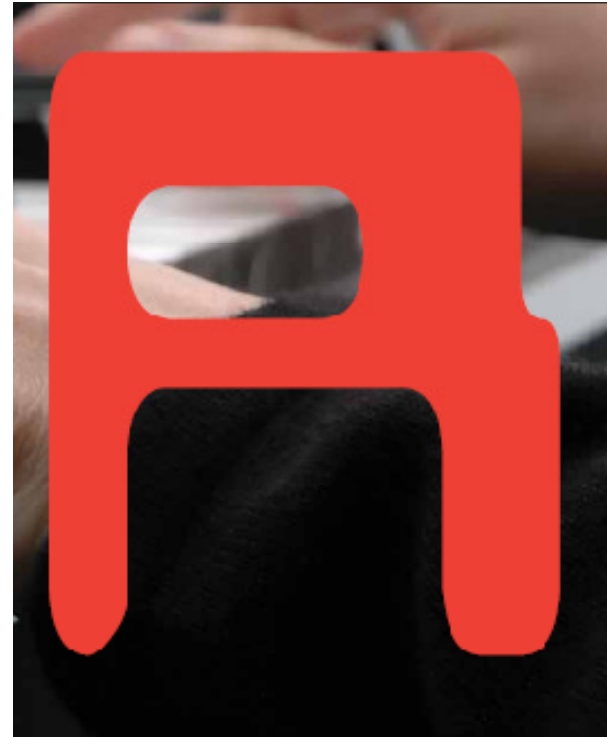
Share price performance picking up in 2012



	16.04.2012	31.12.2011	31.12.2010
Number of shares	22.735.148	22.735.148	22.735.148
Book value per share (in EUR)	19,25	19,25	21,19
Earnings per share 30.9.2011 (in EUR)	1,93	1,54	1,41
Share market price (in EUR)	14,31	10,00	17,61
Market capitalization (in EUR)	325.339.968	227.351.480	400.365.956
Dividend per share (in EUR)			0,40
Share simbol	ZVTG		

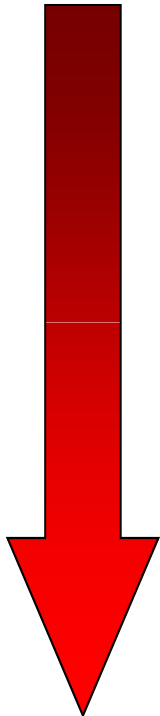
CONTENTS

1. TRIGLAV GROUP
2. INVESTMENT STORY AND STRATEGY
3. TRIGLAV GROUP'S RESULTS IN 2011
4. TRIGLAV GROUP'S RESULTS BY KEY MARKETS



INVESTMENT STORY

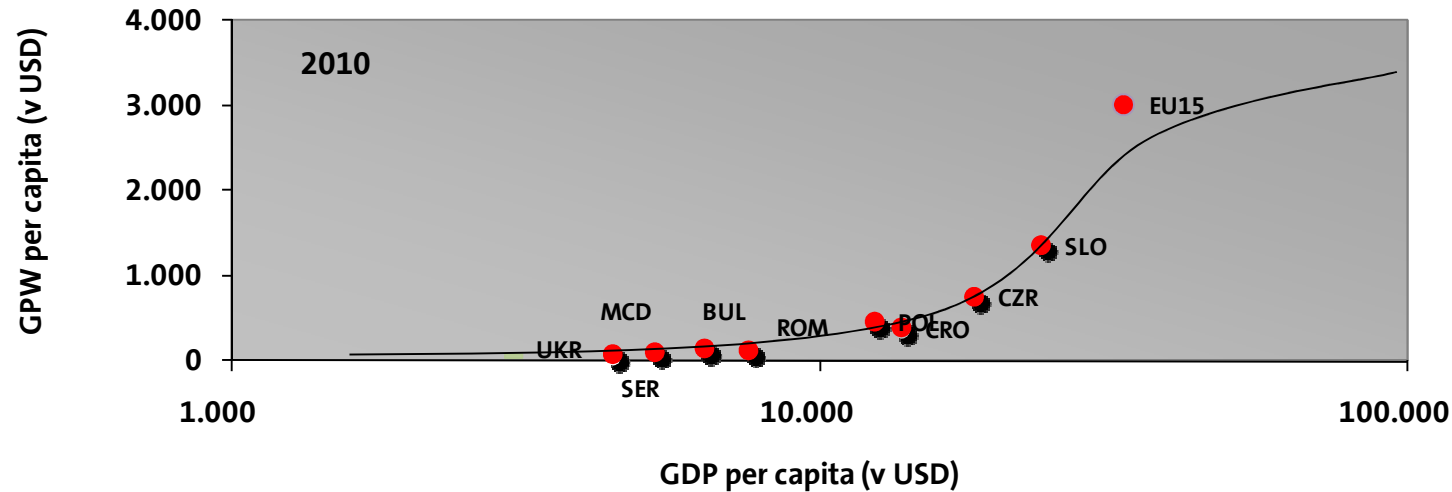
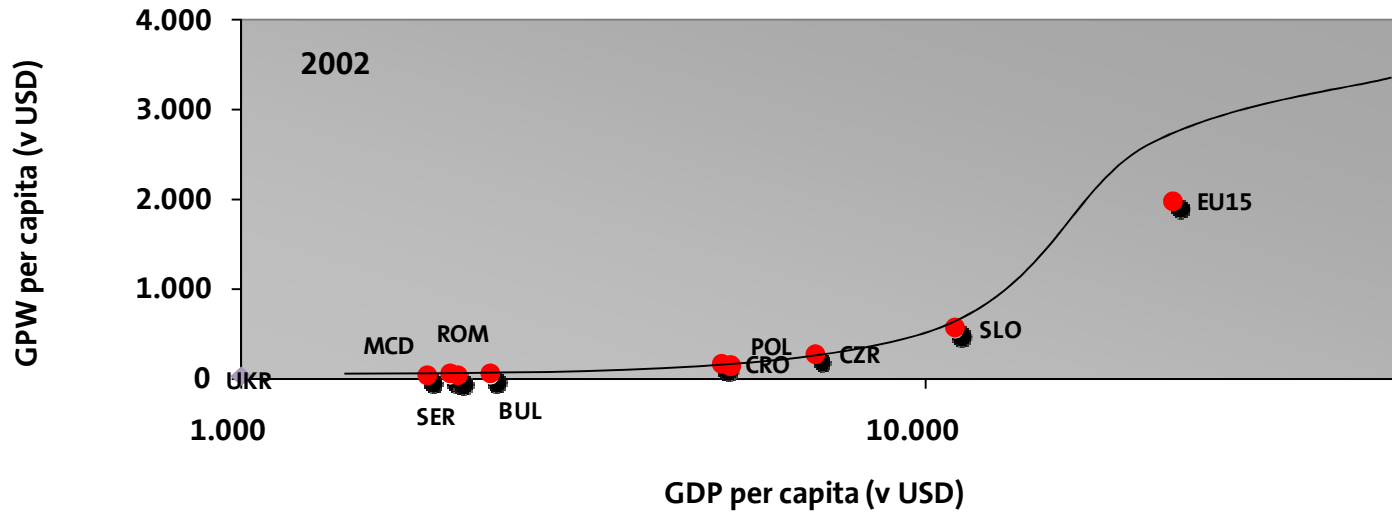
Further growth potential with profitable operations



- **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 from 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

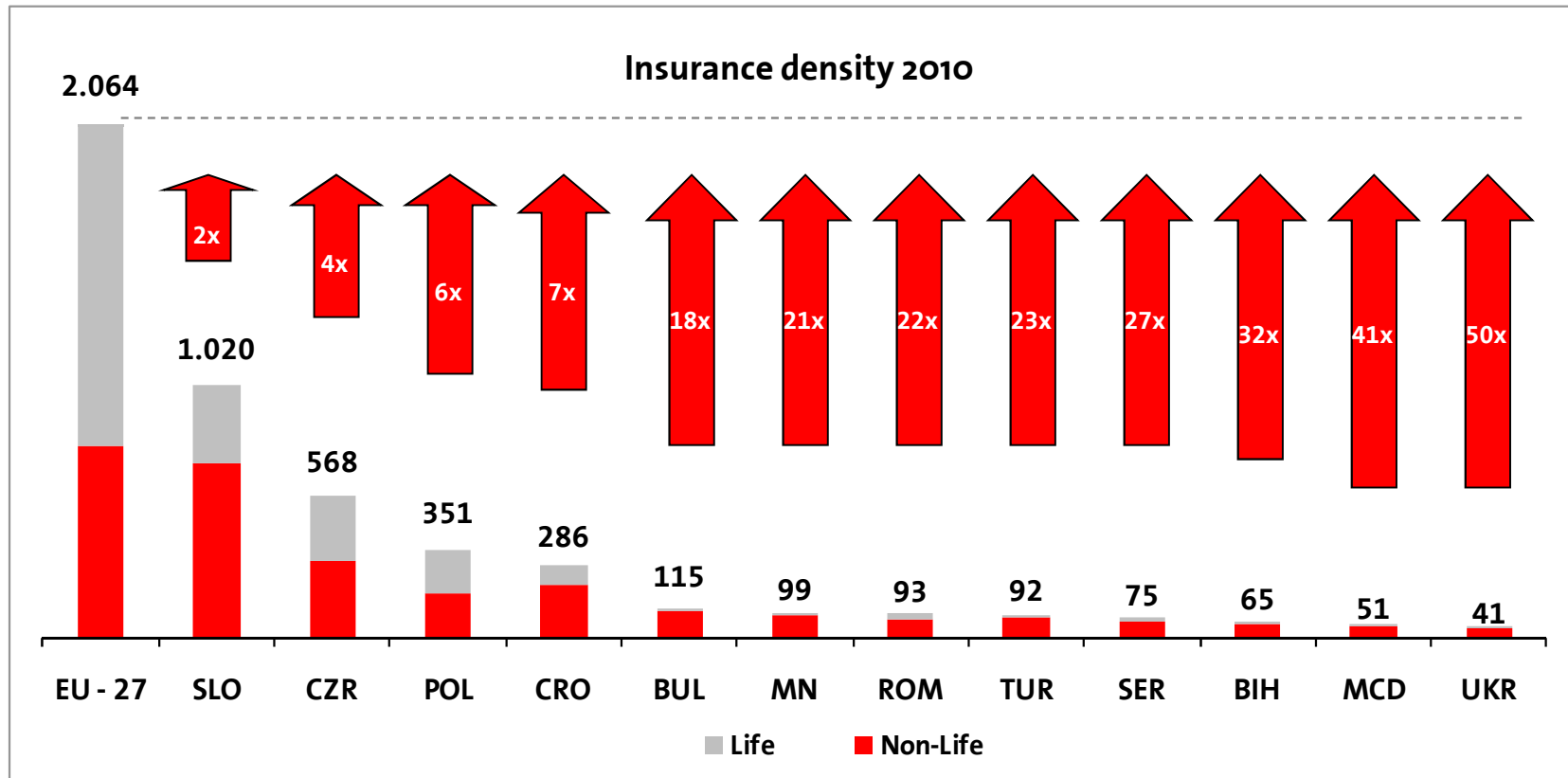
DEVELOPMENT OF INSURANCE MARKETS

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



LONG TERM PROSPECTIVENESS OF TARGET MARKETS

High catch-up potential



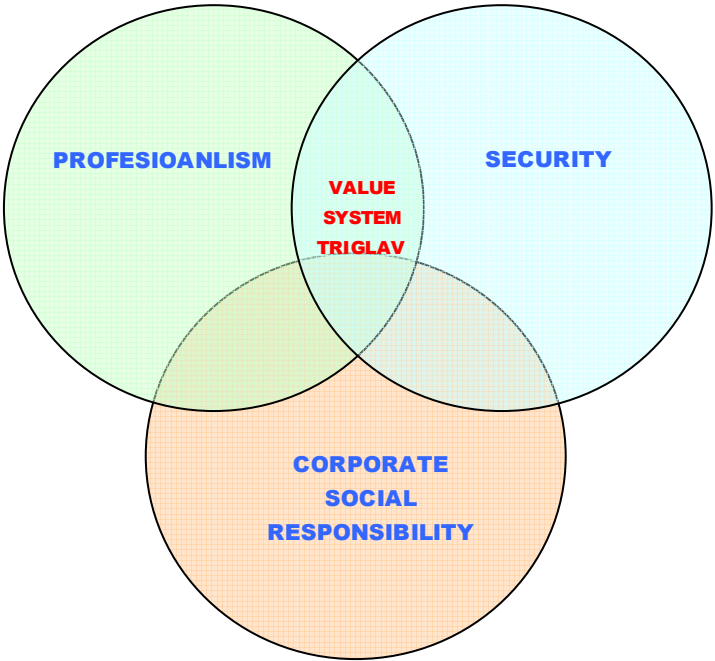
- Low insurance density on target markets
- Development and growth in sales of new insurance products
- Life insurance growth
- Regulation changes to be introduced in SEE: pension, health, tax

THE STRATEGY OF TRIGLAV GROUP

Mission and values

WE ARE BUILDING A SAFER FUTURE.

MISSION



VALUES

THE STRATEGY OF TRIGLAV GROUP

Vision 2015

- **Profitable and safe operation**
 - Competitiveness and quality of services
 - Efficient risk management
 - Financial stability of Triglav Group – retaining A rating

- **Superior image of Triglav Group**
 - Recognised by complete financial & insurance services
 - Modern distribution channels
 - Organised and efficient corporate governance
 - Principles of modern organisation introduced in all segments of operation

- **Enthusiastic and highly professional employees are the basis of our ongoing development**

THE STRATEGY OF TRIGLAV GROUP

Strategic guidelines and projects

■ Guidelines

- Establishing effective corporate governance system
- Optimisation of business processes and structure of human resources
- Profitability of operations and increasing the value of the Group
- Expansion on existing and new markets
- Development of alternative distribution channels
- Entry into new key projects, where the expected rate of return exceeds the required rate of return

■ Projects

- IT (Build, Life, Foreign operations)
- Business processes reengineering
- Solvency II
- Banking distribution channels
- Study of establishment of private medical services and long-term care services
- Entry of strategic partner in Triglav INT as source of additional capital, risk sharing of further business expansion and efficient relationship management with local regulators

THE STRATEGY OF TRIGLAV GROUP

Selective investment in growth and development of insurance in target markets

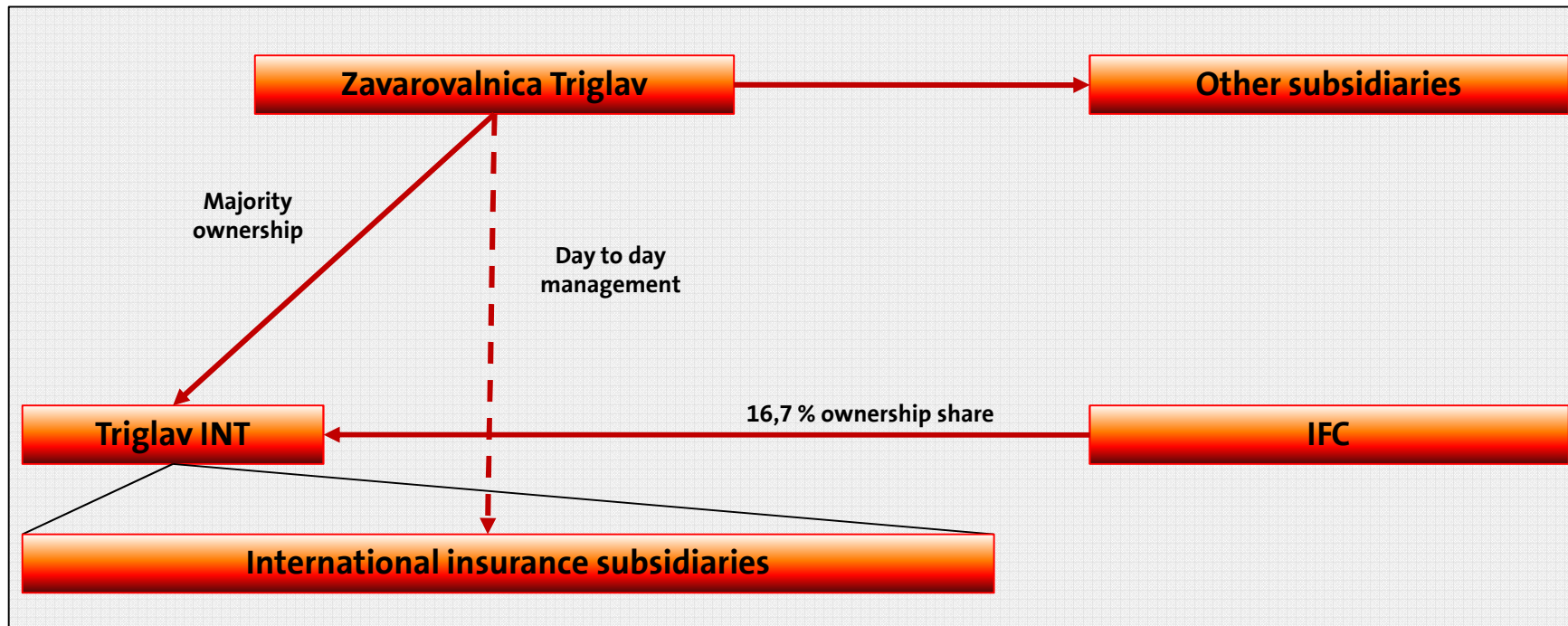
- **Slovenia**
 - High density in non-life insurance segment
 - Focus on profitability with goal to retain position of market leader
 - Increase the depth of Slovenian market and development of the Group in the field of health and pension insurance
 - The domicile market of the Group, but does not ensure sufficient growth rates to reach the strategic goal – top 3 insurance group in target region, which leads to searching for new opportunities in other target markets

- **Target markets in South-eastern Europe**
 - Development in long term, but highly promising markets
 - Goal on existing markets is to acquire or retain target market shares under the rationality principle assumption
 - Entry to new insurance segments on existing markets (life, health and pensions)
 - New market entry in target region

- **Potential of Triglav Re**

THE STRATEGY OF TRIGLAV GROUP

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 level with high growth of profits

In EUR million

	2010	2011	Plan 2012	INDEX 2011/2010	INDEX 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

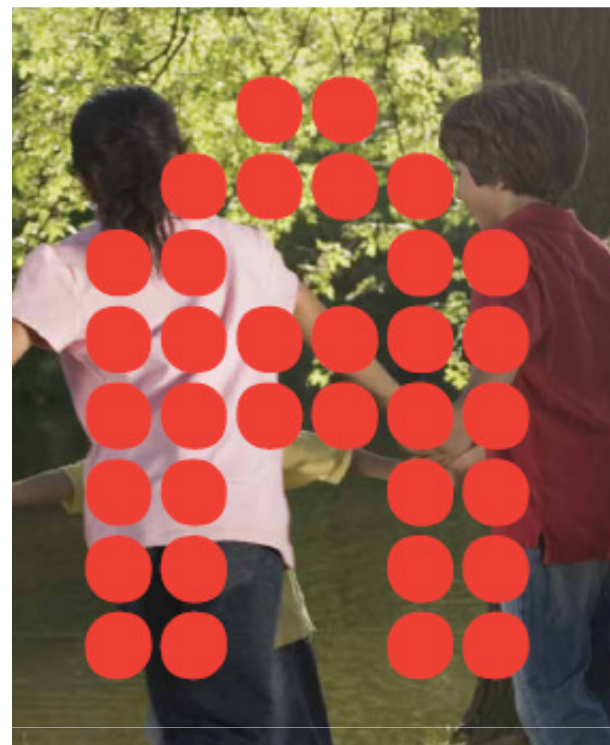
	31.12.2010	31.12.2011	Plan 31.12.2012	INDEX 2011/2010	INDEX 2012/2011
Balance sheet total	3.024,4	2.962,0	3.172,5	98	107
Gross insurance technical provisions	2.270,9	2.234,1	2.354,4	98	105
Total equity	499,0	489,5	554,2	98	113
Number of employees	5.247	5.064	5.180	97	102

	2010	2011	Plan 2012	Change in percent. pt. 2011/2010	Change in percent. pt. 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

* Gross operating costs of insurance operations

CONTENTS

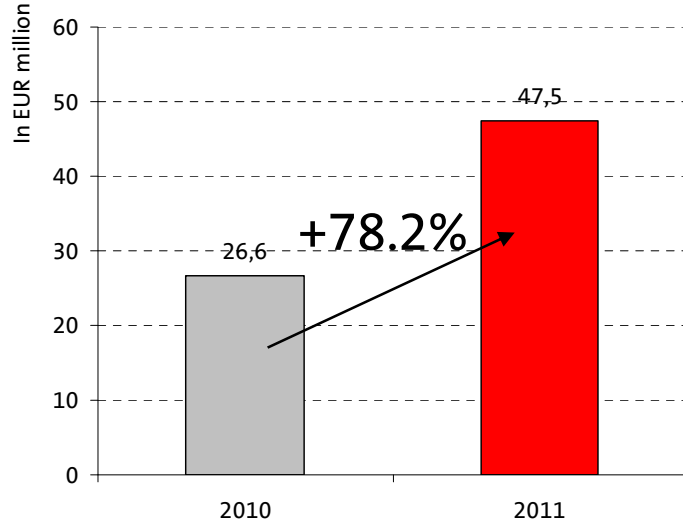
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2. INVESTMENT STORY AND STRATEGY
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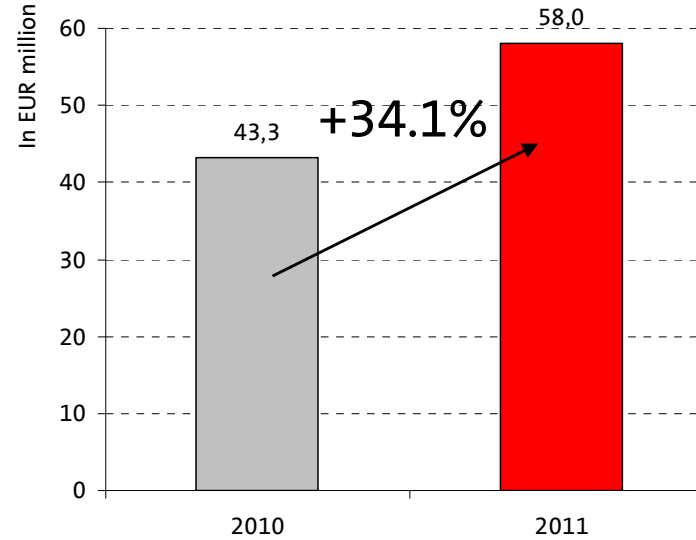
TRRIGLAV GROUP RESULTS IN 2011

Profit growth as a result of lower net claims and costs

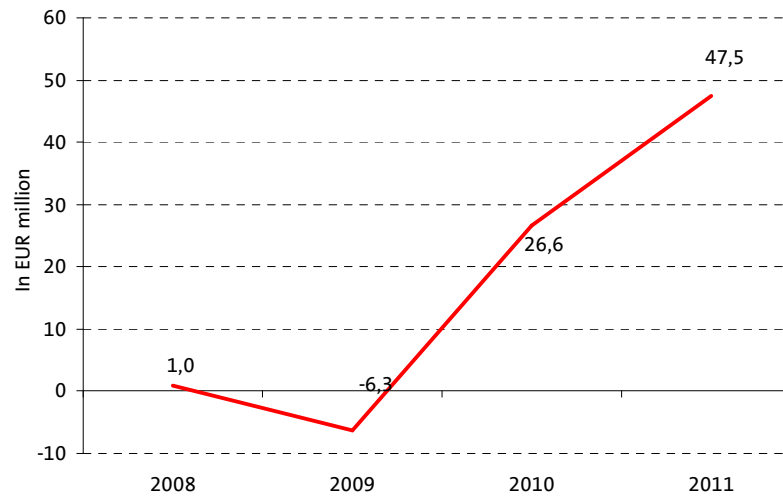
NET PROFIT



PROFIT BEFORE TAX



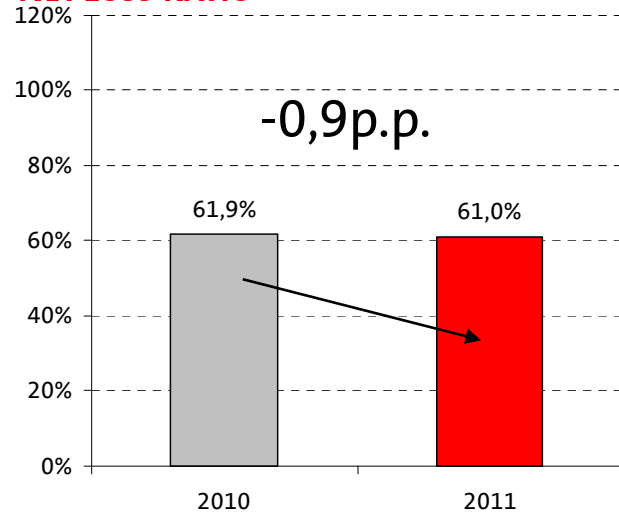
NET PROFIT BY YEARS



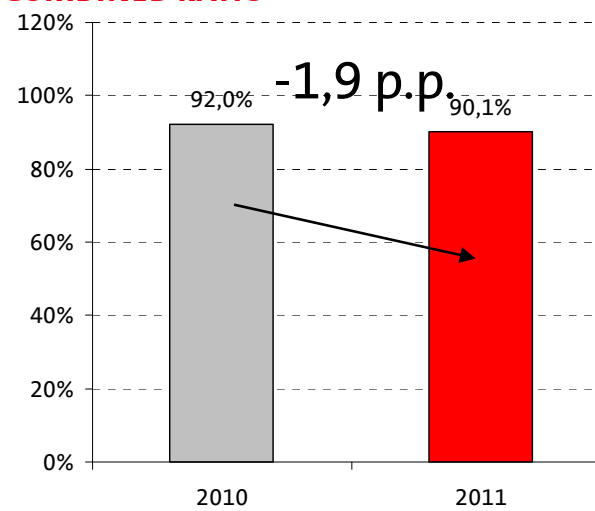
OPERATING RATIOS IN 2011

Combined ratio below 100 %

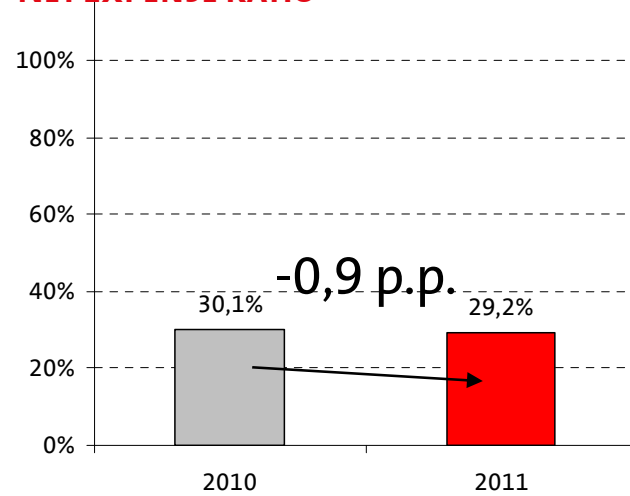
NET LOSS RATIO



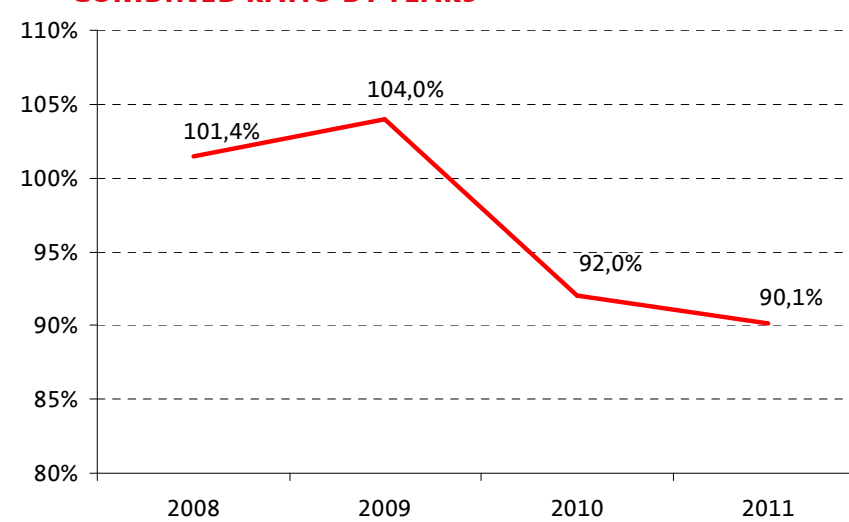
COMBINED RATIO



NET EXPENSE RATIO

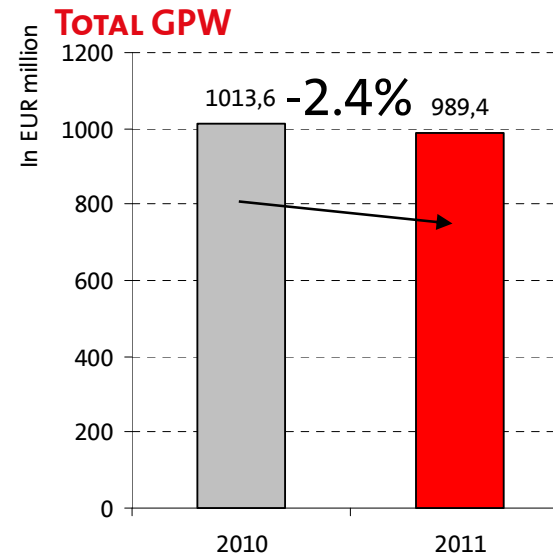
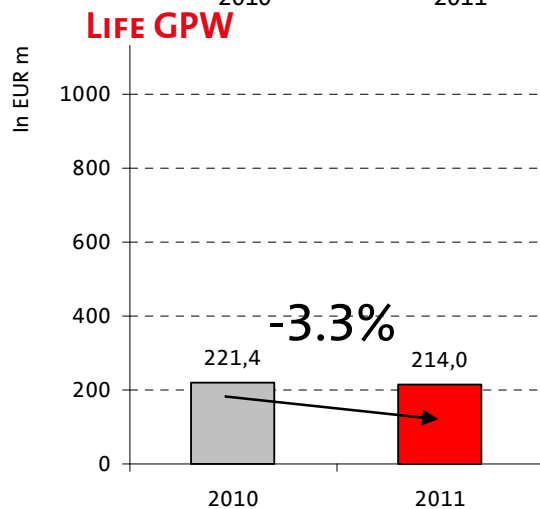
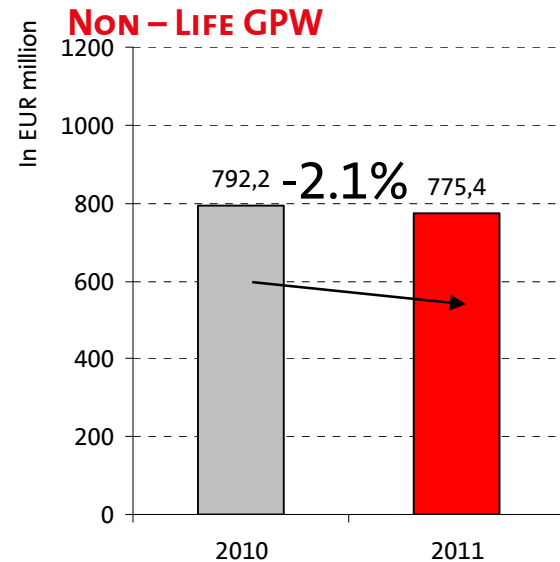


COMBINED RATIO BY YEARS



GROSS PREMIUM WRITTEN

Lower demand, measures taken to increase profitability

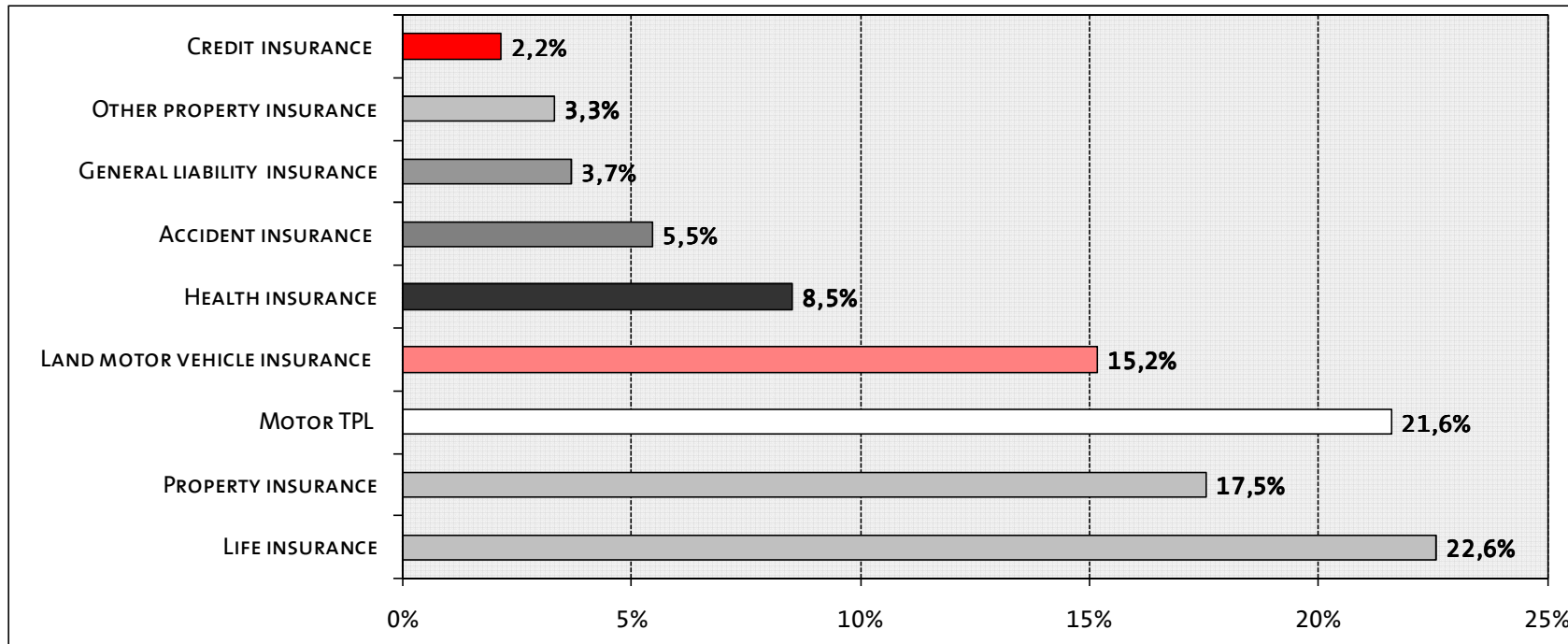


Main drivers 2011:

- Lower demand for life insurance products and mature life insurance portfolio
- MTPL – adjustments made in cover and pricing to tailor-made client needs (differentiation of premium)
- Introduction of obligatory deductibles and the decrease of sum insured for crop insurance

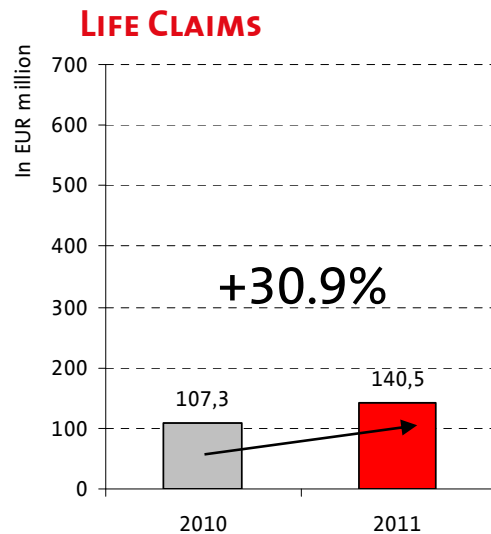
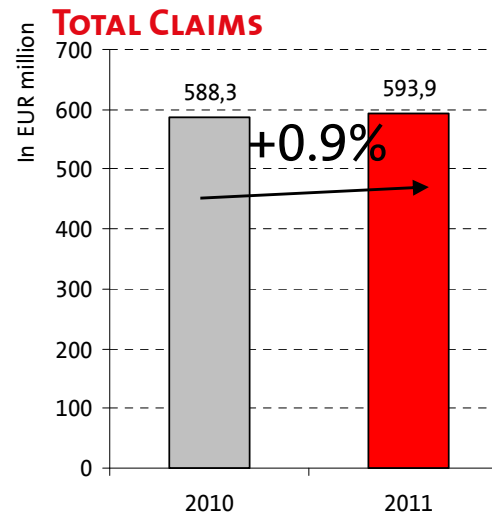
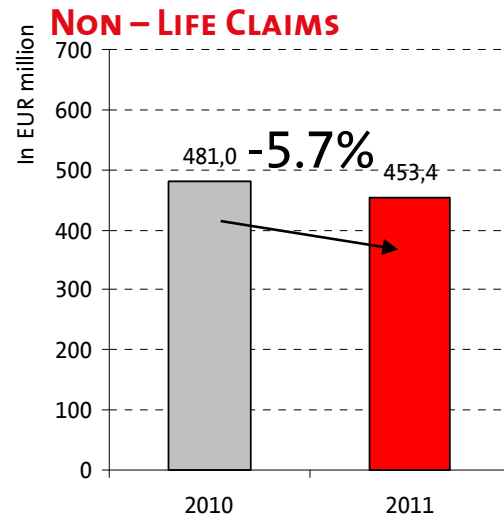
GROSS PREMIUM WRITTEN

Well balanced insurance portfolio structure



GROSS CLAIMS PAID

Effective measures, lower frequency and intensity of CAT losses



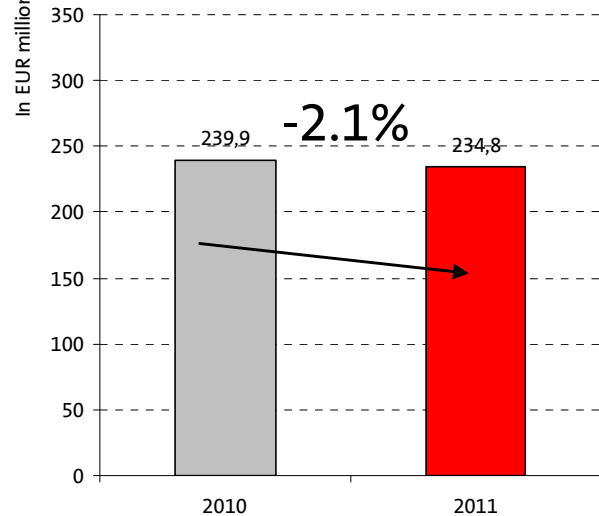
Major drivers in 2011:

- Lower frequency and intensity of CAT losses
- More emphasis put on risk selection and underwriting
- Effective reinsurance protection adapted to new business conditions (higher frequency and intensity of CAT events in recent years, financial crises)
- Increase in Life claims has no effect on results due to higher maturity and surrender rates

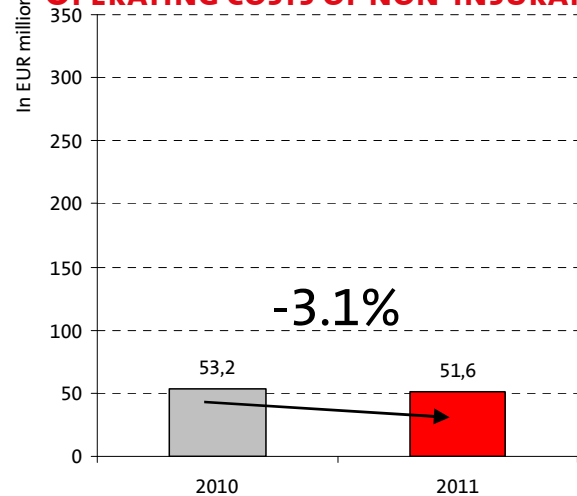
OPERATING COSTS

Through effective measures to lower costs

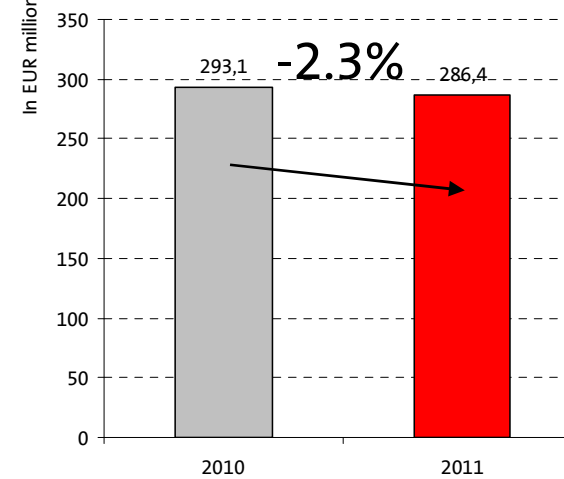
OPERATING COSTS OF INSURANCE BUSINESS



OPERATING COSTS OF NON-INSURANCE BUSINESS



TOTAL OPERATING COSTS



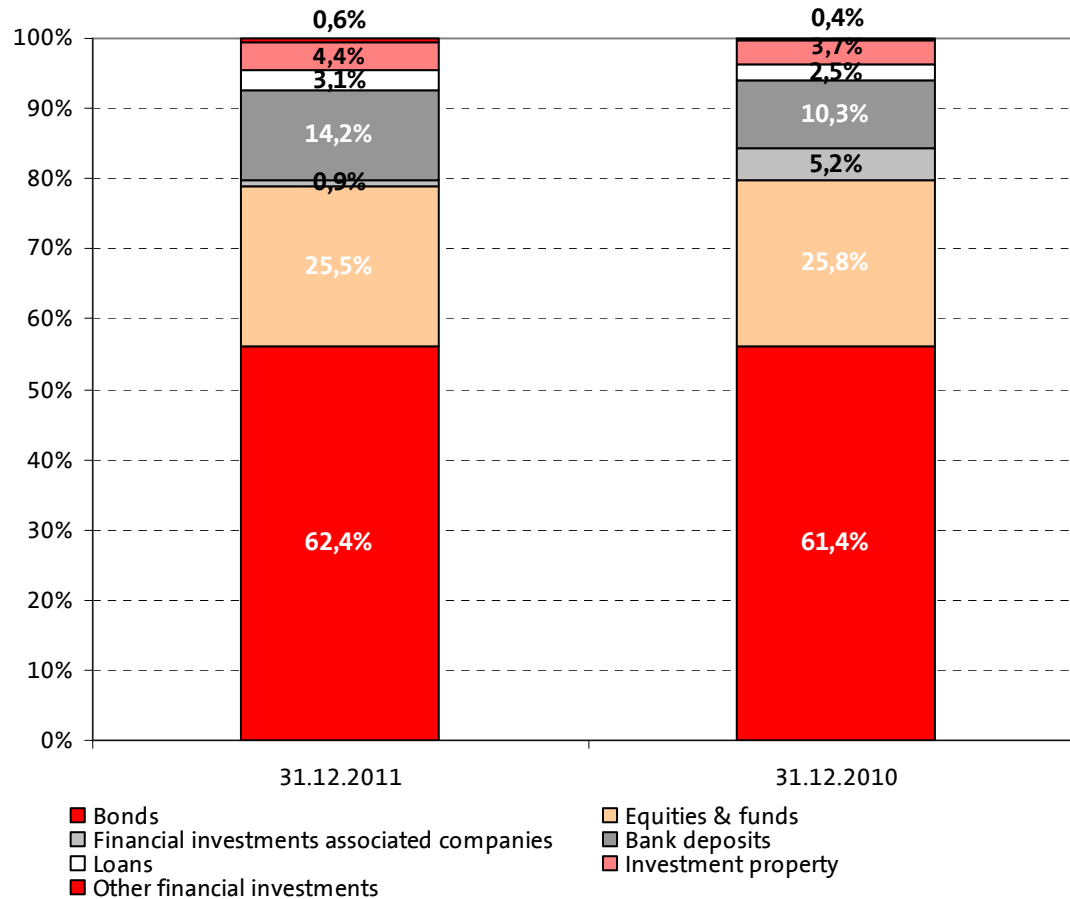
Major drivers in 2011:

- Strict measures taken for cost rationalisation
- Lower costs of labour
- Total costs still influenced by heavy investments in new insurance software

INVESTMENT PORTFOLIO

Consistent investment strategy

STRUCTURE OF PORTFOLIO INVESTMENTS



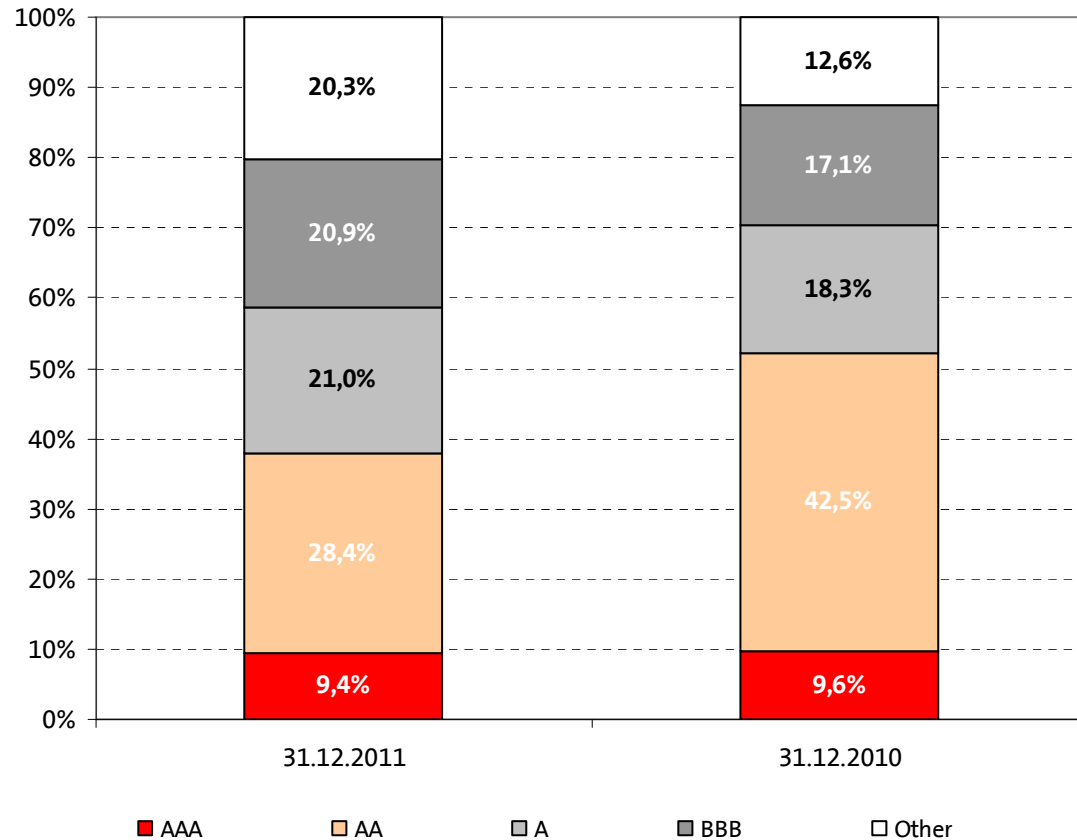
Main drivers in 2011:

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

INVESTMENT PORTFOLIO - BONDS

Portfolios still dominated by sovereign bonds with high rating

STRUCTURE OF BOND PORTFOLIO BY RATING



Main drivers in 2011:

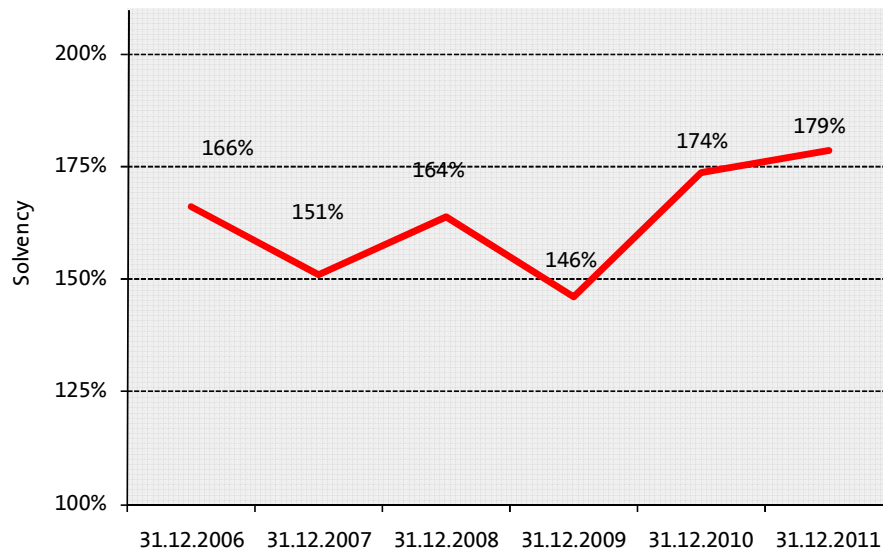
- Drop of sovereign bond ratings



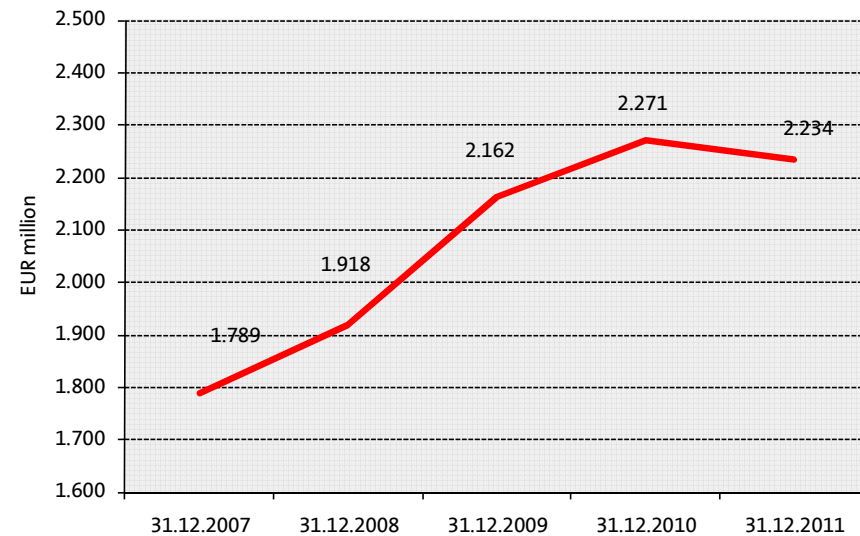
STRONG CAPITAL BASE

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

SOLVENCY RATIOS

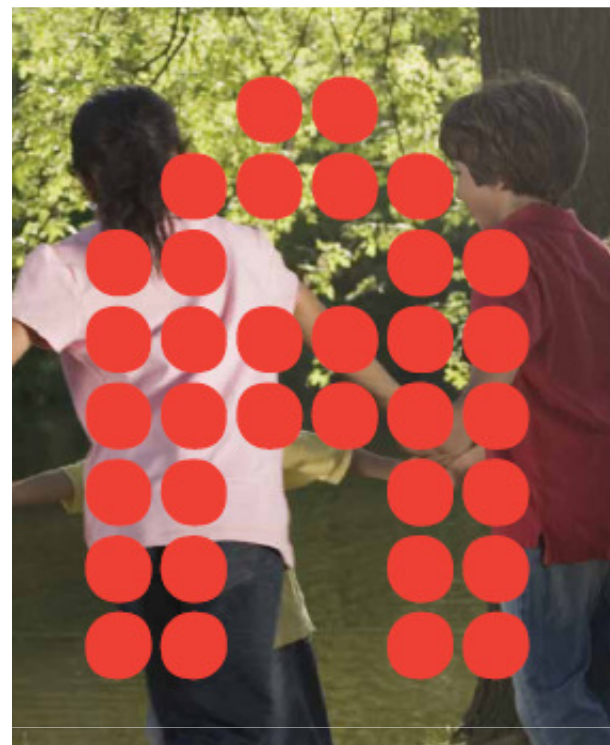


GROSS INSURANCE TECHNICAL PROVISIONS



CONTENTS

1. TRIGLAV GROUP
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TRIGLAV GROUP MARKETS

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

Gross premium written: -2%
777.0 m EUR



Market share : 37.1% -0.8 p.p.



Market position: 1



Gross operating costs: -5%
172.0 m EUR



Gross claims paid: 0%
496.3 m EUR



Combined ratio: 85.3%

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
- Immense improvement in profitability
- High increase of profit and improvement of combined ratio
- Impairments of financial instruments

TRIGLAV GROUP MARKETS

Croatia: Triglav Osiguranje d.d.

Gross premium written: -4%
53.2 m EUR



Market share: 4.3% -0.1 p.p.



Market position: 7



Gross operating costs: 0%
18.0 m EUR



Gross claims paid: -7%
27.7 m EUR



Combined ratio: 108.9%

Market development in 2011:

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

Major events:

- Favourable trend in key performance ratios
- Asset management software fully implemented

TRIGLAV GROUP MARKETS

Serbia: Triglav Osiguranje a.d.o.

Gross premium written: +7%
20.8 m EUR



Market share: 3.7% +0,2 p.p.



Market position: 7



Gross operating costs: +14%
12.8 m EUR



Gross claims paid: +42%
10.7 m EUR



Combined ratio: 118.5%

Market development in 2011:

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

Major events:

- Continuous, but relatively costly growth of market share
- Strengthening of technical reserves
- Change of accounting method caused one time jump in costs

TRIGLAV GROUP MARKETS

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

Gross premium written: -1%
20.9 m EUR



Market share: 8.2% -1.2 p.p.



Market position: 3



Gross operating costs: 9%
10.2 m EUR



Gross claims paid: -12%
9.4 m EUR



Combined ratio: 106.3%

Market development in 2011:

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

Major events:

- Growth of acquisition costs due to challenging distribution environment

TRIGLAV GROUP MARKETS

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

Gross premium written: -5%
30.7m EUR



Market share: 47.3% -4.7 p.p.



Market position: 1



Gross operating costs: -18%
10.4 m EUR



Gross claims paid: 0%
18.0 m EUR



Combined ratio: 100.7%

Market development in 2011:

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


Major events:

- Turnaround strategy and management yielding results
- Decrease of operating costs


TRIGLAV GROUP MARKETS IN 2011


Macedonia: Triglav Osiguruvanje a.d.

Gross premium written: -7%
20.1 m EUR 

Market share NL: 19,7% -2.1 p.p. 

Market position NL: 1 

Gross operating costs: +24%
5.4 m EUR 

Gross claims paid: +6%
14.6 m EUR 

Combined ratio: 107.3%

Market development in 2011:

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

Major events:

- Restructuring of insurance portfolio
- Higher costs due to non-personnel overhead
- Favourable old claims liquidation

TRIGLAV GROUP MARKETS IN 2011 est.

Czech republic: Triglav Pojišt'ovna a.s.

Gross premium written: +2%
27.4 m EUR



Market share NL: 0.9% 0.0 p.p.



Market position NL: 11



Gross operating costs: +10%
8.5 m EUR



Gross claims paid: 0%
16.7 m EUR



Combined ratio: 102,4%

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:

- Measures for the improvement in profitability being introduced and already yielding results
- Access to wider distribution channels caused by IFC negotiations

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