

# 5. Share Capital and Shareholders of Zavarovalnica Triglav

- The ZVTG share was the second most traded share on the Ljubljana Stock Exchange.
- The ZVTG share price increased by over 15%.
- The shareholdings of international investors rose by 7 percentage points.
- Changed top shareholders structure.

## 5.1 Capital

As at the 31 December 2013, the share capital of Zavarovalnica Triglav remained at the same level as at the 2012 year-end, amounting to EUR 73,701,391.79. It was divided into 22,735,148 ordinary, registered, no-par value shares bearing the ticker symbol ZVTG and the ISIN code SI0021111651. The shares of Zavarovalnica Triglav are freely transferable and issued in a dematerialised form. Each represents the same stake and corresponding amount in the share capital. All have been fully paid in.

## 5.2 The share of Zavarovalnica Triglav

The shares of Zavarovalnica Triglav have been listed on the Ljubljana Stock Exchange Prime Market since 5 December 2011. Thereby, the Company is committed to the highest standards of business and reporting in both the domestic and international markets.

Each share of Zavarovalnica Triglav gives its holder the right to one vote at the General Meeting of Shareholders, proportional dividends from the profit intended for the payment of dividends and a proportional share of the remaining bankruptcy or liquidation mass after the payoff of priority shareholders in the case of bankruptcy or liquidation.

### Key figures for the shares of Zavarovalnica Triglav

ITEMS	31 December 2013	31 December 2012	31 December 2011
Number of shares	22,735,148	22,735,148	22,735,148
Book value per share (in EUR)	21.98	22.33	19.25
Book value per share (in EUR) - consolidated - Triglav Group	25.70	24.98	20.46
Net earnings/loss per share (in EUR)	2.12	2.22	1.93
Net earnings/loss per share (in EUR) - consolidated - Triglav Group	3.06	3.19	2.07
Dividend per share (in EUR) for the previous business year	To be defined	2.00	0.70
Share market value (in EUR) - closing price	19.00	16.50	10.00
Market capitalisation (in EUR) - closing price	431,967,812	375,129,942	227,351,480
Traded on	Ljubljana Stock Exchange – LJSE		
Ticker symbol	ZVTG		
ISIN	SI0021111651		
Credit rating	Standard & Poor's; »A-«, stable medium-term outlook  AM Best; »A-«, stable medium-term outlook	Standard & Poor's; »A«, warning on potential credit rating downgrade	Standard & Poor's; »A«, stable medium-term outlook
Bloomberg	ZVTG SV		
Reuters	ZVTG.LJ		

In acquiring shares, the existing and potential shareholders of Zavarovalnica Triglav are required to observe the following provisions of the Insurance Act:

- The acquisition of shares of Zavarovalnica Triglav by which a person directly or indirectly acquires or exceeds the qualifying holding in the Company requires a prior authorisation of the Insurance Supervision Agency. A qualifying holding is a direct or indirect holding of shares or other rights that gives the holder a 10% share of voting rights or equity interest, or that gives the holder a share of voting rights or equity interest that is smaller than 10%, but nevertheless allows the holder to significantly influence the management of the company.
- A prior authorisation of the Insurance Supervision Agency is required for any further acquisition of shares of the insurance company, by which the person having obtained an authorisation acquires or exceeds the 20%, 33.3% or 50% limit of voting rights or equity interest, or by which the person becomes a controlling company of the insurance company.
- Apart from that, a new prior authorisation of the Insurance Supervision Agency is required before any further acquisition of shares by which a qualified holder would surpass the range for which an authorisation for the acquisition of a qualifying holding had been issued.
- A prior authorisation of the Insurance Supervision Agency for the acquisition of a qualifying holding is also obligatory for shareholders of the insurance company who jointly own shares by which they

reach or exceed a qualifying holding in the insurance company and who intend to enter into a shareholders' agreement.

- Moreover, the Insurance Act sets out the obligations and the requirement to obtain prior authorisations for entities that have agreed to a concerted acquisition of the shares of the insurance company or a concerted exercising of management rights attached to the shares in the case that they do not reach a qualifying holding, as well as in the case that they intend to acquire a holding by which they would jointly reach or exceed a qualifying holding.

Holders of shares that have been acquired or are possessed contrary to the Insurance Act have no voting rights. See the Insurance Act for details.

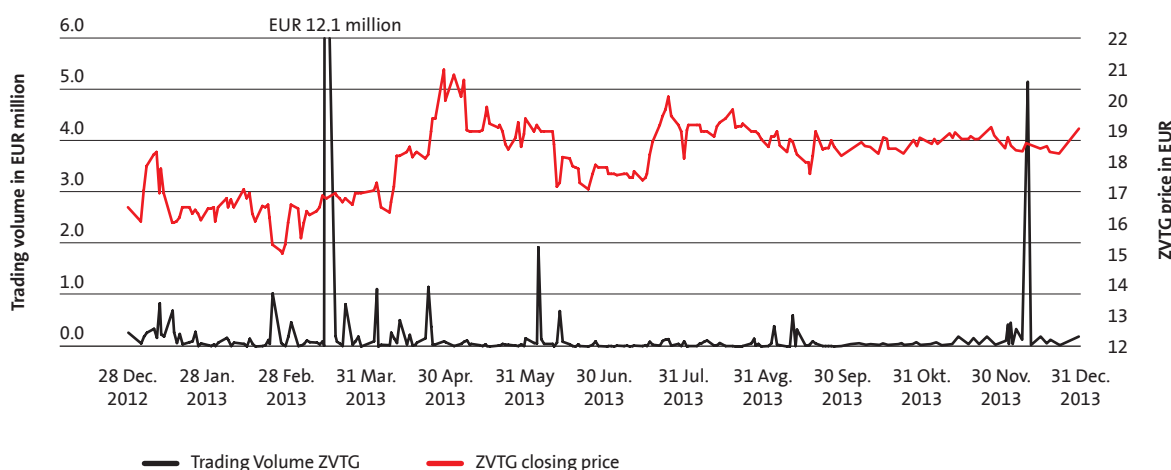
### 5.3 Movements in the share value of Zavarovalnica Triglav in 2013

The year 2013 saw a growing price and increased liquidity of the ZVTG share. Its price increased by over 15%. Starting at EUR 16.50 on the first trading day, the share peaked to its highest price of EUR 20.99 in April. At the 2013 year-end, the closing price reached EUR 19.

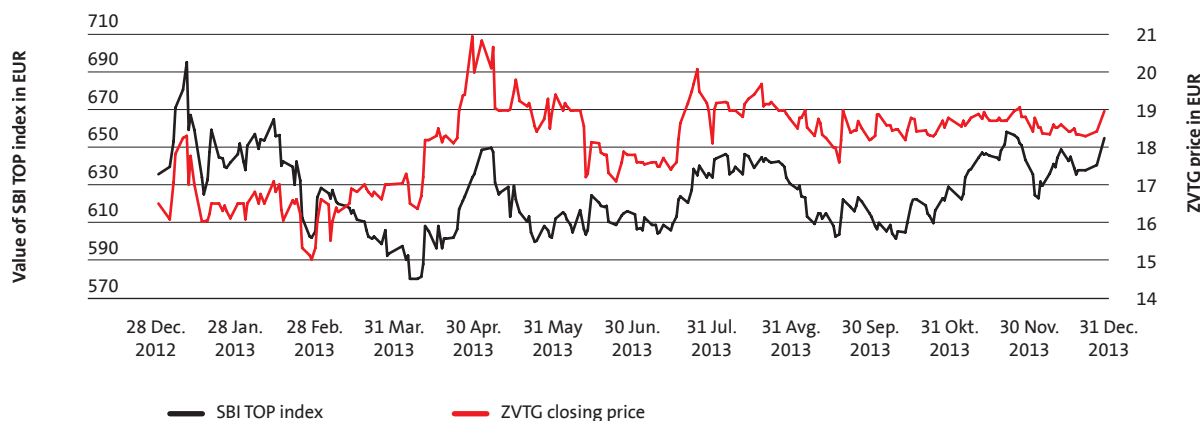
The ZVTG share was the second most traded share on the Ljubljana Stock Exchange, accounting for 16% of total trading volume. The average turnover of ZVTG shares per trading day was EUR 193,355, which was more than twice the 2012 average of EUR 84,364.

Share price growth

Movements in the closing price (right axis) and turnover in EUR (left axis) of the ZVTG share

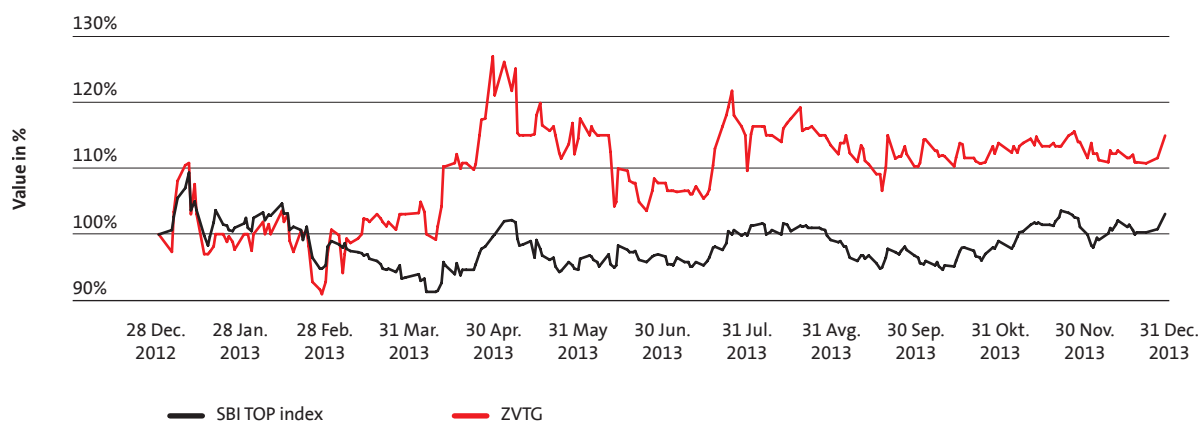


Movements in the closing price of the ZVTG share (right axis)  
and movements in the value of the SBI TOP Index in EUR (left axis)



The ZVTG share price recorded movement similar to the trends of the SBI TOP Index, however its value increased considerably more. The SBI TOP Index climbed 3% above the starting price.

The relative stock price change of ZVTG share and the value of the SBI TOP Index in 2013 were compared against their base data values as at 31 December 2012



## Improved liquidity

The ZVTG share as one of the most liquid shares of the Ljubljana Stock Exchange is included in the Slovene SBI TOP Index and six indices of the regional Central and Eastern European Stock Exchange Group (CEESEG) under the auspices of the Vienna Stock Exchange (indices CEESEG EUR, CECE Mid Cap, CECE Extended, SETX, CEESEG Financials and CEERIUS Sustainability Index).

Maximum and minimum closing prices, maximum and minimum trading volumes and average trading volume in ZVTG shares in a trading day

Month	in EUR				
	Maximum closing price	Minimum closing price	Maximum daily trading volume	Minimum daily trading volume	Average daily trading volume
January	18.30	16.00	837,619	5,276	192,104
February	17.10	15.00	1,031,681	2,540	119,237
March	17.00	15.52	12,119,861	84	730,909
April	20.99	16.35	1,157,219	2,286	220,627
May	20.85	18.41	158,475	2,636	38,713
June	19.20	17.10	1,925,427	683	178,423
July	20.10	17.40	144,818	1,050	36,439
August	19.70	18.75	153,278	188	36,268
September	18.99	17.60	601,741	1,886	83,290
October	18.88	18.20	124,160	924	22,798
November	19.10	18.54	213,729	7,302	84,137
December	19.00	18.25	5,279,854	11,481	672,711

## 5.4 Shareholder structure<sup>18</sup>

In terms of numbers, the shareholder structure of Zavarovalnica Triglav remained practically the same. As at 31 December 2013, Zavarovalnica Triglav had 28,647 shareholders, 28,686 in the previous year.

Most evident is the change in the shareholdings of international shareholders compared to domestic shareholders. International investors, accounting for only 1.7% of the

total number of shareholders, increased their shareholdings by almost 7 percentage points to 16.6%.

The ratio between natural persons and legal entities in the shareholder structure remains at the level similar to the previous year. As at the 2013 year-end, natural persons accounted for 28,000 shareholders or almost 98% of all shareholders, holding only less than 9% of all shares of Zavarovalnica Triglav.

### Shareholder structure of Zavarovalnica Triglav as at 31 December 2013

	Total	Domestic	Foreign	Legal entities	Natural persons
Number of shares	22,735,148	18,952,681	3,782,467	20,767,146	1,968,002
Number of shareholders	28,647	28,169	478	647	28,000
Number of shares - percentage	100.00%	83.36%	16.64%	91.34%	8.66%
Number of shareholders - percentage	100.00%	98.33%	1.67%	2.26%	97.74%

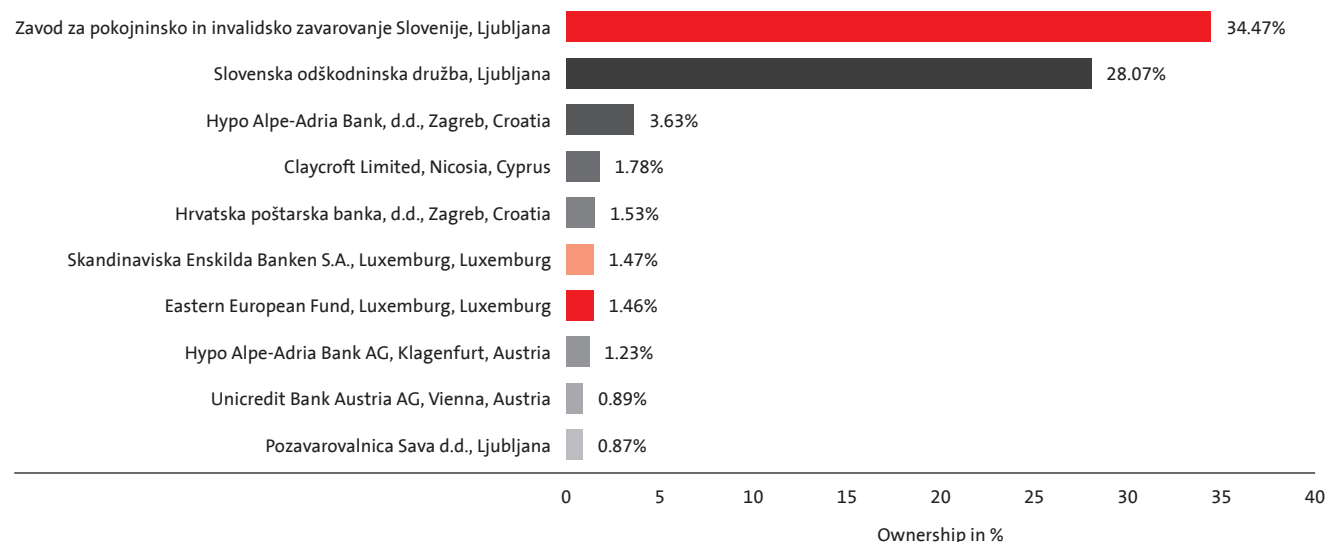
Ownership concentration measured by equity stakes of the first ten shareholders remained at the similar level as in 2012. A good 75% of shares were held by ten companies. The largest and unchanged equity stakes are maintained by ZPIZ and Slovenska odškodninska družba d.d., whereas radical changes were evident among the remaining eight largest shareholders. Among the top

ten shareholders, four retained their shares and six of them featured in the shareholder structure for the first time: Hypo Alpe-Adria Bank d.d., Zagreb, Croatia, Hrvatska poštarska banka d.d., Zagreb, Croatia, Skandinaviska Enskilda Banken S.A., Luxemburg, Eastern European Fund, Luxemburg, Unicredit Bank Austria AG, Vienna, Austria and Pozavarovalnica Sava d.d.

### Top ten shareholders of Zavarovalnica Triglav as at 31 December 2013 and 31 December 2012

Shareholder	Number of shares 2013	Number of shares 2012	Ownership 2013 (in %)	Ownership 2012 (in %)
Zavod za pokojninsko in invalidsko zavarovanje Slovenije, Ljubljana	7,836,628	7,836,628	34.47	34.47
Slovenska odškodninska družba, Ljubljana	6,380,728	6,380,728	28.07	28.07
Hypo Alpe-Adria Bank d.d., Zagreb, Croatia	825,769	-	3.63	-
Claycroft Limited, Nicosia, Cyprus	404,460	404,460	1.78	1.78
Hrvatska poštarska banka d.d., Zagreb, Croatia	347,182	140,228	1.53	0.62
Skandinaviska Enskilda Banken S.A., Luxemburg, Luxemburg	334,516	-	1.47	-
Eastern European Fund, Luxemburg, Luxemburg	333,034	-	1.46	-
Hypo Alpe-Adria Bank AG, Klagenfurt, Austria	279,164	280,720	1.23	1.23
Unicredit Bank Austria AG, Vienna, Austria	201,349	184,562	0.89	0.81
Pozavarovalnica Sava d.d., Ljubljana	197,489	30,124	0.87	0.13

### Top ten shareholders of Zavarovalnica Triglav as at 31 December 2013



<sup>18</sup> GRI G4-7, G4-13

### Number of shares owned by members of the Management and Supervisory Boards as at 31 December 2013

Name and surname	Post	Number of shares	Equity stake
<b>MANAGEMENT BOARD</b>			
Andrej Slapar	President	-	-
Stanislav Vrtunski	Member	-	-
Benjamin Jošar	Member	-	-
Marica Makoter	Member, Employee Representative	-	-
<b>SUPERVISORY BOARD</b>		<b>1,604</b>	<b>0.01%</b>
<b>Shareholder representatives</b>			
Matej Runjak	Chairman	-	-
Gregor Kastelic	Deputy Chairman	-	-
Rajko Stanković	Member	-	-
Mario Gobbo	Member	-	-
Dubravko Štimac	Member	-	-
Matija Blažič	Member	-	-
<b>Employee representatives</b>		<b>1,604</b>	<b>0.01%</b>
Branko Gorjan	Member	1,204	0.01%
Peter Celar	Member	400	0.00%
Miran Krštinc	Member	-	-
<b>MANAGEMENT AND SUPERVISORY BOARDS COMBINED</b>		<b>1,604</b>	<b>0.01%</b>



Information on business operations



Information for small investors

Relations with shareholders

### Treasury shares

The holders of Zavarovalnica Triglav's shares are subsidiaries Slovenijales d.d. and Avrigo d.d. Slovenijales acquired 24,312 shares of Zavarovalnica Triglav and Avrigo 8,820 shares.

## 5.5 Dividend policy

The dividend policy of Zavarovalnica Triglav is stable and is based on its target capital adequacy. In line with its dividend policy, the Triglav Group will always have enough available capital to independently meet the criteria for ensuring its »A« rating. The dividend policy also takes into account the planned growth rate and development of the Group in target markets of the SEE region.

### Overview payments for the business years 2010–2013

Items	2013	2012	2011	2010
Total dividends* (in EUR)	to be defined	45,404,032	15,904,095	9,088,053
Dividends per share (in EUR)	to be defined	2.00	0.70	0.40
General Meetings of Shareholders	11 June 2013	13 June 2012	21 June 2011	28 June 2010
Earnings per share (in EUR) – consolidated	3.06	3.19	2.07	1.22

\* Note: Treasury share dividends are excluded.



Inclusion of small shareholders

## 5.6 Communication with investors

The main goal of communicating with investors, shareholders and the expert financial public is to achieve a fair value and expected liquidity of the Company's securities by striving for openness and up-to-datedness as well as compliance with Prime Market standards. Zavarovalnica Triglav offers equal treatment to all existing and new shareholders and therefore also guarantees the best possible basis on which investment decisions are adopted.

Transparency of operations is ensured through the information on the Triglav Group's performance and its financial position published on the Company's website [www.triglav.eu](http://www.triglav.eu) and via the SEOnet system on the web portal of the Ljubljana Stock Exchange. Information is available in Slovene and English.

Communication objectives are realised by holding regular general meetings of shareholders, attending the meetings with financial analysts and investors, organising conference and individual calls with financial analysts and regularly communicating with financial media. In 2013, the Company attended meetings with investors in New York, Belgrade and Zagreb, two investment conferences in Ljubljana organised by the Ljubljana Stock Exchange and an online investment conference organised by Alta Invest.

The Investor Relations page on the website [www.triglav.eu](http://www.triglav.eu) contains a section devoted to minority shareholders, providing them with contact information and answers to basic questions related to Zavarovalnica Triglav shares. The contacts for further information are listed below.

### Information for shareholders:

Zavarovalnica Triglav d.d., Ljubljana  
Miklošičeva cesta 19, 1000 Ljubljana  
Finance Division  
Phone: ++386 (1) 47 47 331  
E-mail: [ir@triglav.si](mailto:ir@triglav.si)

## 5.7 Protecting the interests of minority shareholders

Zavarovalnica Triglav provides equal treatment to all shareholders. Timely and correct information on the Company, business performance enabling the payment of dividends and efficient corporate governance are of utmost importance for the shareholders. Special care is placed on the inclusion of minority shareholders, which is achieved by regular and comprehensive communication (for more information see *Section 5.6*).

## 5.8 Credit rating of the Triglav Group and Zavarovalnica Triglav

In February 2013, the Standard & Poor's credit rating agency (hereinafter: S&P) lowered the long-term rating of the Triglav Group, which applies to both Zavarovalnica Triglav and Pozavarovalnica Triglav Re, by one notch from »A-« to »BBB+«. This downgrade was caused by the lowering of the long-term sovereign credit on the Republic of Slovenia.

Due to the revised criteria for assessing credit ratings of insurance companies and on the basis of a re-evaluation, the S&P raised the Triglav Group's credit rating by one notch from »BBB+« to »A-« and issued a stable medium-term outlook in July 2013. The credit rating increase is the result of the S&P's view that the Triglav Group is capable of preserving its capital adequacy and profitability at very strong levels. The S&P credit rating reflects the Triglav Group's prudent insurance technical provisions of non-life insurance and growth in retained earnings. The »A-« rating reflects the Group's acceptable level of business risk, enhanced by its leading position on the Slovene insurance market and strong financial profile. The stable medium-term outlook reflects the S&P's expectations that the Triglav Group will maintain its strong competitive position and very strong capital adequacy and earnings.

In March 2013, the A.M. Best Rating Services assigned Zavarovalnica Triglav, and thus also the Triglav Group, a financial strength rating of »A-« (excellent) and an issuer credit rating of »A-«. A.M. Best assigned the same joint credit rating to Pozavarovalnica Triglav Re. The medium-term outlook for the credit ratings is stable. In October 2013, the A.M. Best credit rating agency re-affirmed the above-mentioned credit ratings.

## 5.9 Bonds of Zavarovalnica Triglav d.d.

Zavarovalnica Triglav issued a serie of bonds. The bonds were issued as subordinated, registered, Euro-denominated bonds at a fixed rate of 5.95%. The bond was listed on 30 June 2010 with its nominal value of EUR 30 million. The last coupon and the principal will fall due on 21 March 2020.

The bonds, bearing the ticker symbol ZT02 and ISIN Code SI0022103038, are traded on the bond market of the Ljubljana Stock Exchange.