

5. Share Capital and Shareholders of Zavarovalnica Triglav

Zavarovalnica Triglav’s share capital was raised by EUR 50 million from net profit brought forward.

On 5 December 2011, the shares of Zavarovalnica Triglav were moved from the Standard to the Prime market of the Ljubljana Stock Exchange.

5.1 Share capital

As at the 2011 year end, the share capital of Zavarovalnica Triglav amounted to EUR 73,701,391.79. At the 35th regular General Meeting of Shareholders of Zavarovalnica Triglav a resolution was passed to increase the share capital by capitalisation of reserves without issuing new shares. The share capital was raised by EUR 50,000,000 from net profit brought forward. It is divided into 22,735,148 ordinary registered par value shares bearing the ticker ZVTG and the ISIN code SI0021111651, which are freely transferable and issued in a dematerialised form. Each represents the same stake and corresponding amount in the share capital. All have been paid up in full.

5.2 The shares of Zavarovalnica Triglav

On 5 December 2011, the shares of Zavarovalnica Triglav were moved from the Standard to the Prime market of the Ljubljana stock exchange. With the listing on the Prime Market, Zavarovalnica Triglav has secured a highly visible position amongst the issuers on the Ljubljana Stock Exchange. The Company has committed itself to the highest standards in business and reporting in both the domestic and foreign markets, and has also undertaken to make all relevant information available in English, as it is aware of the importance of transparency towards its shareholders and investors.

Each share of Zavarovalnica Triglav gives its holder the right to one vote at the General Meeting of Shareholders, to proportional dividends from the profit intended for the payment of dividends and to 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

| Item | 31 December 2011 | 31 December 2010 | 31 December 2009 |
|---|--|------------------|------------------|
| Number of shares | 22,735,148 | 22,735,148 | 22,735,148 |
| Book value of a share (in EUR) | 19.25 | 21.19 | 21.00 |
| Share book value (in EUR) – consolidated – Triglav Group | 20.46 | 20.71 | 19.79 |
| Net earnings/loss per share (in EUR) | 1.93 | 1.41 | -0.08 |
| Net earnings/loss per share (in EUR) - consolidated - Triglav Group | 2.07 | 1.22 | -0.21 |
| Dividend per share (in EUR) - for the previous business year | to be defined | 0.40 | 0.00 |
| Share market value (in EUR) - closing price | 10.00 | 17.61 | 25.00 |
| Traded on | Ljubljana Stock Exchange - LJSE | | |
| Ticker symbol | ZVTG | | |
| Market capitalisation in EUR - closing price as at 31 Dec. (in EUR) | 227,351,480 | 400,365,956 | 568,378,700 |
| Credit rating | Standard & Poor's; "A", negative medium-term outlook | | |
| Bloomberg | ZVTG SV | | |
| Reuters | ZVTG.LJ | | |

The Insurance Act stipulates that any acquisition of shares of Zavarovalnica Triglav by which a person indirectly or directly acquires or exceeds a qualifying holding in the Company (hereinafter: qualified holder) is subject to the prior authorisation of the Insurance Supervision Agency (authorisation to acquire a qualifying holding). According to the Insurance Act, a qualifying holding is an indirect or direct holding of shares or other rights that gives the holder a 10% share of voting rights or a 10% participation in the issuer’s capital, or that gives the holder a share of voting rights or participation in the issuer’s capital that is smaller than 10%, but nevertheless allows the holder to significantly influence the management of the issuer.

A prior authorisation of the Insurance Supervision Agency is mandatory 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 participation in the company's capital or by which the person becomes a controlling company of the insurance company. Likewise, a new prior authorisation of the Insurance Supervision Agency is mandatory 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.

Moreover, the Insurance Act sets out the obligations and the requirement to obtain prior authorisations for entities which 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.

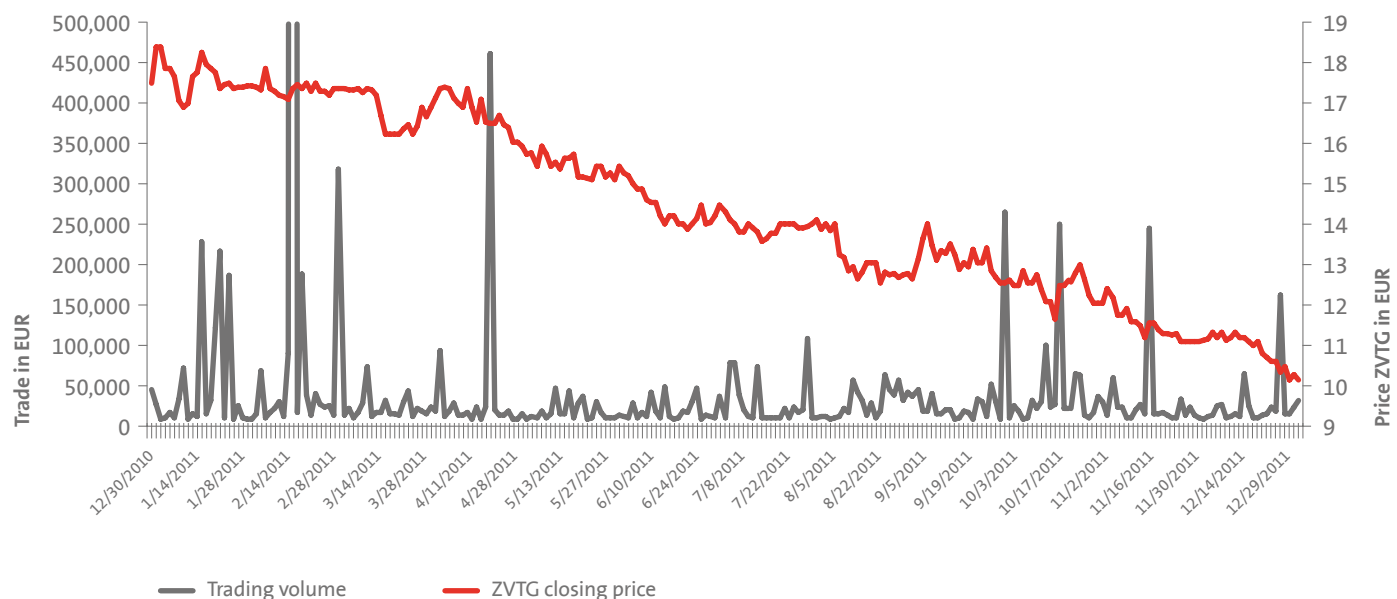
A prior authorisation of the Insurance Supervision Agency for the acquisition of a qualifying holding is also obligatory for shareholders of the insurance company who jointly own shares by which they reach or exceed a qualifying holding in the insurance company and who intend to enter into an agreement (hereinafter: qualified shareholders' agreement).

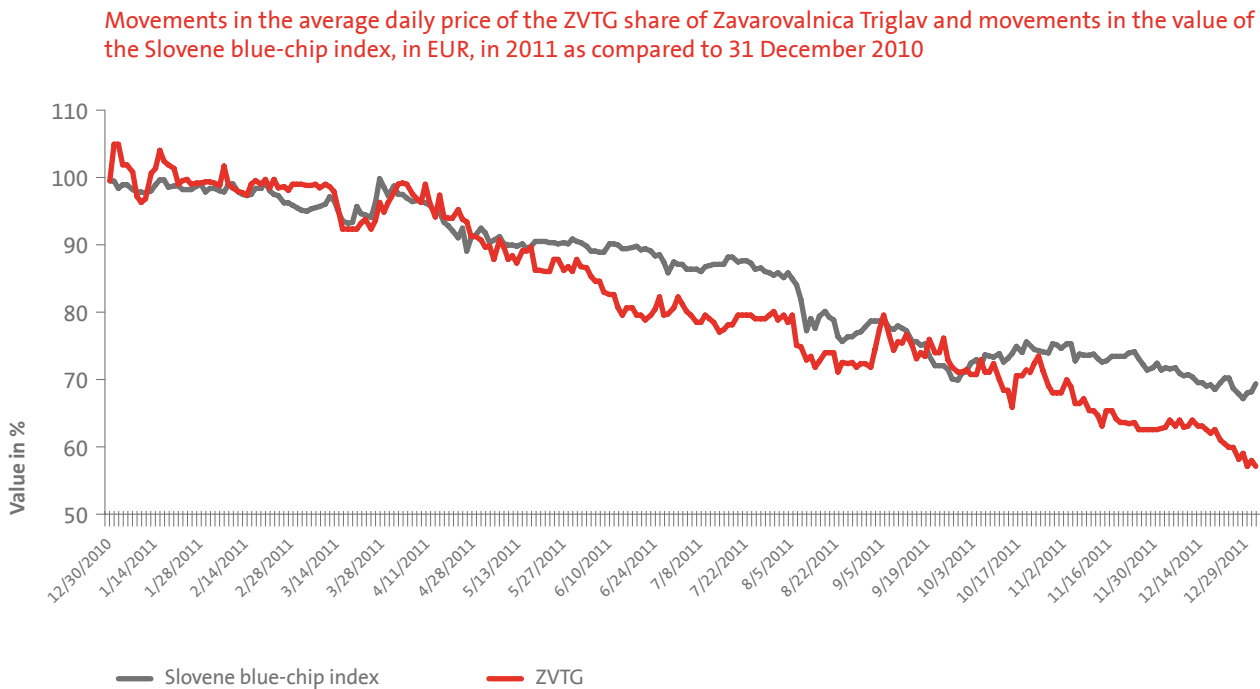
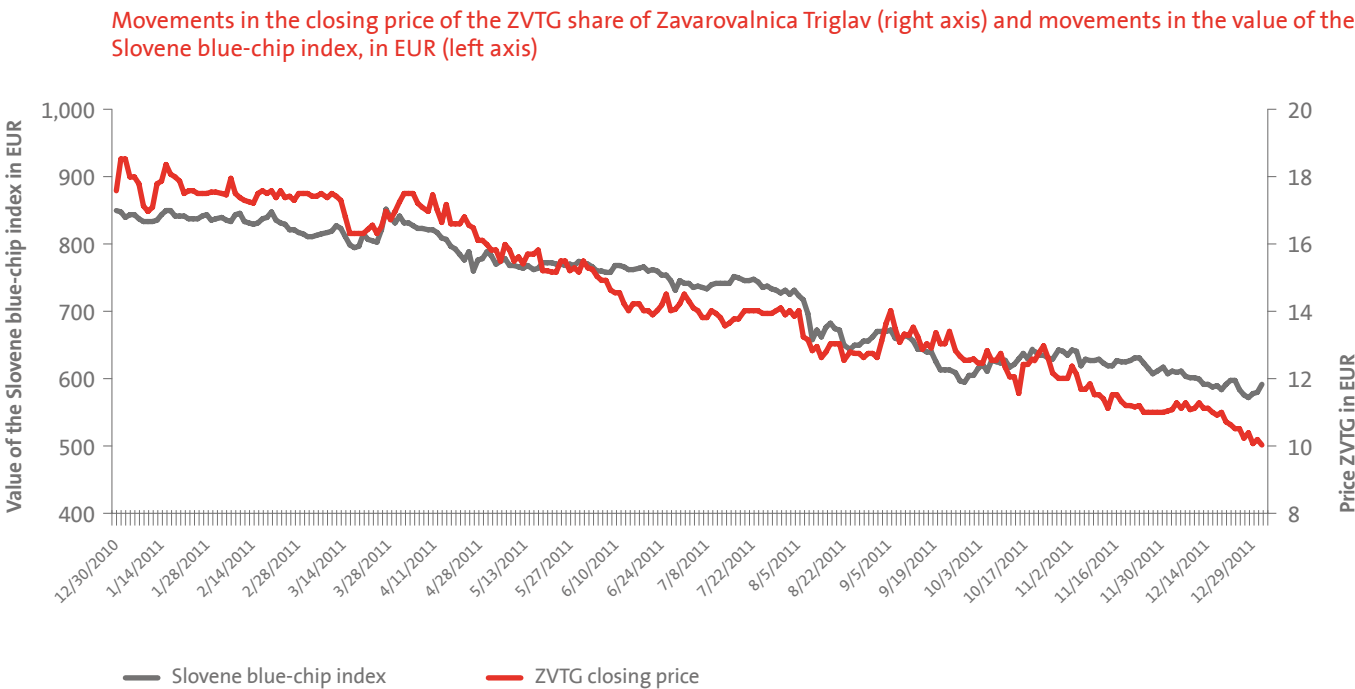
Holders of shares that have been acquired or are possessed contrary to the Insurance Act have no voting rights. See the Insurance Act for details.

5.3 Movements in the share value of Zavarovalnica Triglav in 2011

In 2011, the value of ZVTG shares was in decline. The highest and lowest closing prices were achieved on the first and last trading day of the year 2011, respectively. The average turnover per trading day was EUR 53,930.40, which is lower than the 2010 average of EUR 68,508.84. The general decline in 2011 also affected the Slovene blue-chip index; however, compared to this index, the ZVTG share experienced more volatility and a more significant drop in value. The value of the Slovene blue-chip index dropped by about 31%, while the ZVTG share lost about 43% of its initial value.

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





Maximum and minimum closing prices and maximum and minimum trading volumes in ZVTG shares of Zavarovalnica Triglav in a trading day

| in EUR | | | | | |
|-----------|-----------------------|-----------------------|------------------------------|------------------------------|------------------------------|
| Month | Maximum closing price | Minimum closing price | Maximum daily trading volume | Minimum daily trading volume | Average daily trading volume |
| January | 18.55 | 17.00 | 227,781 | 631 | 46,430 |
| February | 17.99 | 17.21 | 7,213,031 | 632 | 407,298 |
| March | 17.50 | 16.30 | 320,336 | 1,809 | 30,865 |
| April | 17.51 | 16.00 | 469,624 | 68 | 32,851 |
| May | 16.00 | 15.15 | 39,488 | 142 | 9,957 |
| June | 15.30 | 13.86 | 41,018 | 290 | 12,176 |
| July | 14.30 | 13.56 | 102,637 | 895 | 20,399 |
| August | 14.00 | 12.50 | 57,235 | 55 | 21,996 |
| September | 14.00 | 12.42 | 265,989 | 394 | 23,942 |
| October | 12.99 | 11.54 | 250,531 | 51 | 35,476 |
| November | 11.85 | 11.00 | 247,009 | 750 | 19,304 |
| December | 11.25 | 10.00 | 159,894 | 1,414 | 19,379 |

5.4 Shareholder structure

In terms of numbers, the shareholder structure is still dominated by domestic natural persons with a relatively low percentage of ownership. In terms of leverage, domestic legal entities maintain their dominant position.

Shareholder structure of Zavarovalnica Triglav as at 31 December 2011

| | Total | Domestic | Foreign | Legal entities | Natural persons |
|-------------------------------------|------------|------------|-----------|----------------|-----------------|
| Number of shares | 22,735,148 | 20,994,552 | 1,740,596 | 20,920,242 | 1,814,906 |
| Number of shareholders | 29,000 | 28,526 | 474 | 683 | 28,317 |
| Number of shares - percentage | 100.00% | 92.34% | 7.66% | 92.02% | 7.98% |
| Number of shareholders - percentage | 100.00% | 98.37% | 1.63% | 2.36% | 97.64% |

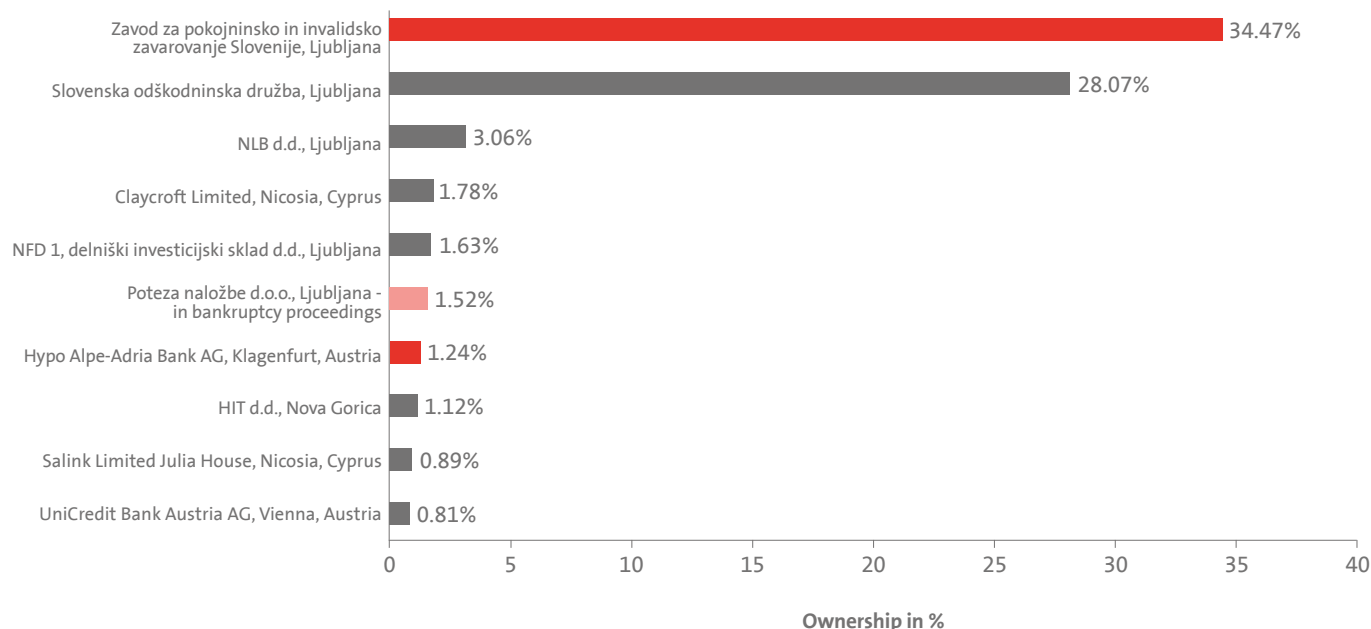
Among the top ten shareholders, four increased their shares, one of them featuring in the shareholder structure for the first time. The aforementioned changes have resulted in an increased concentration of ownership, but no significant changes in the shareholder structure were recorded in 2011.

Ownership concentration increased slightly, but no significant changes in the shareholder structure were recorded in 2011.

Top ten shareholders of Zavarovalnica Triglav as at 31 December 2011 and 31 December 2010

| Shareholder | Number of shares 2011 | Number of shares 2010 | Ownership in % 2011 | Ownership in % 2010 |
|---|-----------------------|-----------------------|---------------------|---------------------|
| 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 |
| NLB d.d., Ljubljana | 696,213 | 696,213 | 3.06 | 3.06 |
| Claycroft Limited, Nicosia, Cyprus | 404,460 | 210,000 | 1.78 | 0.92 |
| NFD 1, delniški investicijski sklad d.d., Ljubljana | 371,187 | 371,187 | 1.63 | 1.63 |
| Poteza naložbe d.o.o., Ljubljana - in bankruptcy proceedings | 346,570 | 346,570 | 1.52 | 1.52 |
| Hypo Alpe-Adria Bank AG, Klagenfurt, Austria | 282,055 | 280,720 | 1.24 | 1.23 |
| HIT d.d., Nova Gorica | 255,408 | 255,408 | 1.12 | 1.12 |
| Salink Limited Julia House, Nicosia, Cyprus | 202,414 | 0 | 0.89 | 0 |
| UniCredit Bank Austria AG, escrow accounts, Vienna, Austria | 184,648 | 183,772 | 0.81 | 0.81 |

Top ten shareholders of Zavarovalnica Triglav as at 31 December 2011



In 2011, shareholder's rights were managed on behalf of and for the account of ZPIZ by the Capital Assets Management Agency of the Republic of Slovenia.

Once again in 2011, two of the shareholders achieved a qualifying holding in accordance with the Takeovers Act: Zavod za pokojninsko in invalidsko zavarovanje Slovenije (hereinafter: ZPIZ) and Slovenska odškodninska družba d.d., Ljubljana. In accordance with the Management of Equity Investments of the Republic of Slovenia Act (Official Gazette of the RS No. 38/2010, 18/11 and 77/11), the Capital Assets Management Agency of the Republic of Slovenia (hereinafter: AUKN) acted on behalf of and for the account of ZPIZ in 2011 in exercising shareholder rights stemming from the shares of Zavarovalnica Triglav owned by ZPIZ. See also *Section 4.3.1.*

Number of shares owned by members of the Management and Supervisory Board as at 31 December 2011

| Name | Function | Number of shares | Share in capital |
|--|--|------------------|------------------|
| Management Board | | 4,740 | 0.021% |
| Matjaž Rakovec | President of the Management Board | 4,740 | 0.021% |
| Andrej Slapar | Management Board Member | - | - |
| Igor Stebernak | Management Board Member | - | - |
| Marica Makoter | Management Board Member, Employee Representative | - | - |
| Supervisory Board | | 5,628 | 0.025% |
| Shareholder representatives | | 4,024 | 0.018% |
| Anton Ribnikar | Chairman | 24 | 0,000% |
| Uroš Slavinec | Deputy Chairman | - | - |
| Igor Mihajlovič | Member | - | - |
| Aljoša Valentinčič | Member | - | - |
| Vladimir Uršič | Member | 4,000 | 0.018% |
| Employee representatives | | 1,604 | 0.007% |
| Branko Gorjan | Member | 1,204 | 0.005% |
| Peter Celar | Member | 400 | 0.002% |
| Miran Krštinc | Member | - | - |
| Management and Supervisory Board COMBINED | | 10,368 | 0.046% |

5.5 Dividend policy

Dividends are paid once a year in accordance with a resolution passed by the General Meeting of Shareholders. The dividend policy is defined in the Strategy of the Triglav Group 2011–2015 (see Section 3.2 Triglav Group in the 2011-2015 Strategy Period). It is aimed at achieving dividend amounts that reflect the achieved business results or profit while also meeting capital needs for future growth and capital adequacy requirements.

Overview of dividends from 2008 to 2011

| Item | 31 Dec. 2011 | 31 Dec. 2010 | 31 Dec. 2009 | 31 Dec. 2008 |
|-----------------------------|---------------|--------------|--------------|--------------|
| Total dividends (in EUR) | to be defined | 9,094,059 | 0 | 2,273,515 |
| Dividend per share (in EUR) | to be defined | 0.40 | 0.00 | 0.10 |

5.6 Communication with investors

The public is informed about all significant decisions and events in the parent company and in the Triglav Group. Communication with shareholders is based on the principles of transparency, equality, and regular and reliable reporting.

Information for investors is published regularly via the SEOnet system on the web portal of the Ljubljana Stock Exchange and in the investor information section on our website www.triglav.eu, where all relevant information on the Company and the Triglav Group can be found.

Details on the Company's communication activities with investors can be found in Section 12. *Sustainable development in the Triglav Group, item 12.3 Communication with stakeholders.*

Information for shareholders:

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<http://www.triglav.eu/en/investors/>

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Phone: ++386 (1) 47 47 468
Fax: ++386 (1) 23 16 456
E-mail: uros.ivanc@triglav.si



5.7 Protecting the interests of small shareholders

Zavarovalnica Triglav offers equal treatment to all shareholders and therefore also guarantees rights to minority shareholders.

5.8 Credit rating of Zavarovalnica Triglav d.d.

As stated in item 3.2 Triglav Group in the 2011-2015 Strategy Period, the rating agency Standard & Poor's Ratings Services (hereinafter S&P) reconfirmed the »A« long-term credit rating and financial strength credit rating of the Triglav Group and Zavarovalnica Triglav on 21 November 2011. At the same time, an »A« credit rating and a stable medium-term outlook were confirmed for one of the daughter companies of Triglav Group, Pozavarovalnica Triglav Re. A few days later, on 5 December 2011, S&P published a warning of a possible downgrade of credit rating for 15 of 17 member

On 21 November 2011, the credit rating agency Standard & Poor's confirmed the long-term rating and the financial strength rating of »A« for Zavarovalnica Triglav and the Triglav Group.

states of the European Economic and Monetary Union, including Slovenia. As an immediate consequence of this, S&P assigned a negative credit watch to certain European insurance companies and insurance groups, including the Triglav Group, on 9 December 2011. In the S&P rating published on 18 January 2012, the Triglav Group (along with Zavarovalnica Triglav and Pozavarovalnica Triglav Re) maintained its »A« credit rating, even though the credit rating of the Republic of Slovenia had been downgraded. S&P then removed the warning of a possible short-term downgrade of the credit rating for the Triglav Group. Nevertheless, the issued rating was assigned a negative outlook.

Achieving an »A« credit rating is one of the strategic goals of the Triglav Group, which is why the implementation of this goal is also discussed in the abovementioned item of *Section 3. Strategy and Plans of the Triglav Group*.

5.9 Bonds of Zavarovalnica Triglav d.d.

Zavarovalnica Triglav has thus far issued two series of bonds. In both cases, the bonds were issued as subordinated, registered, fixed rate bonds, in a dematerialised form, denominated in EUR. The bonds issued in 2003, bearing the ticker symbol ZT01 (ISIN: SI0022102063), are traded on the bond market of the Ljubljana Stock Exchange. The total nominal value of the bond issue was EUR 10,998,000 or EUR 1,000 per bond. The last coupon and the principal will fall due on 20 October 2013.

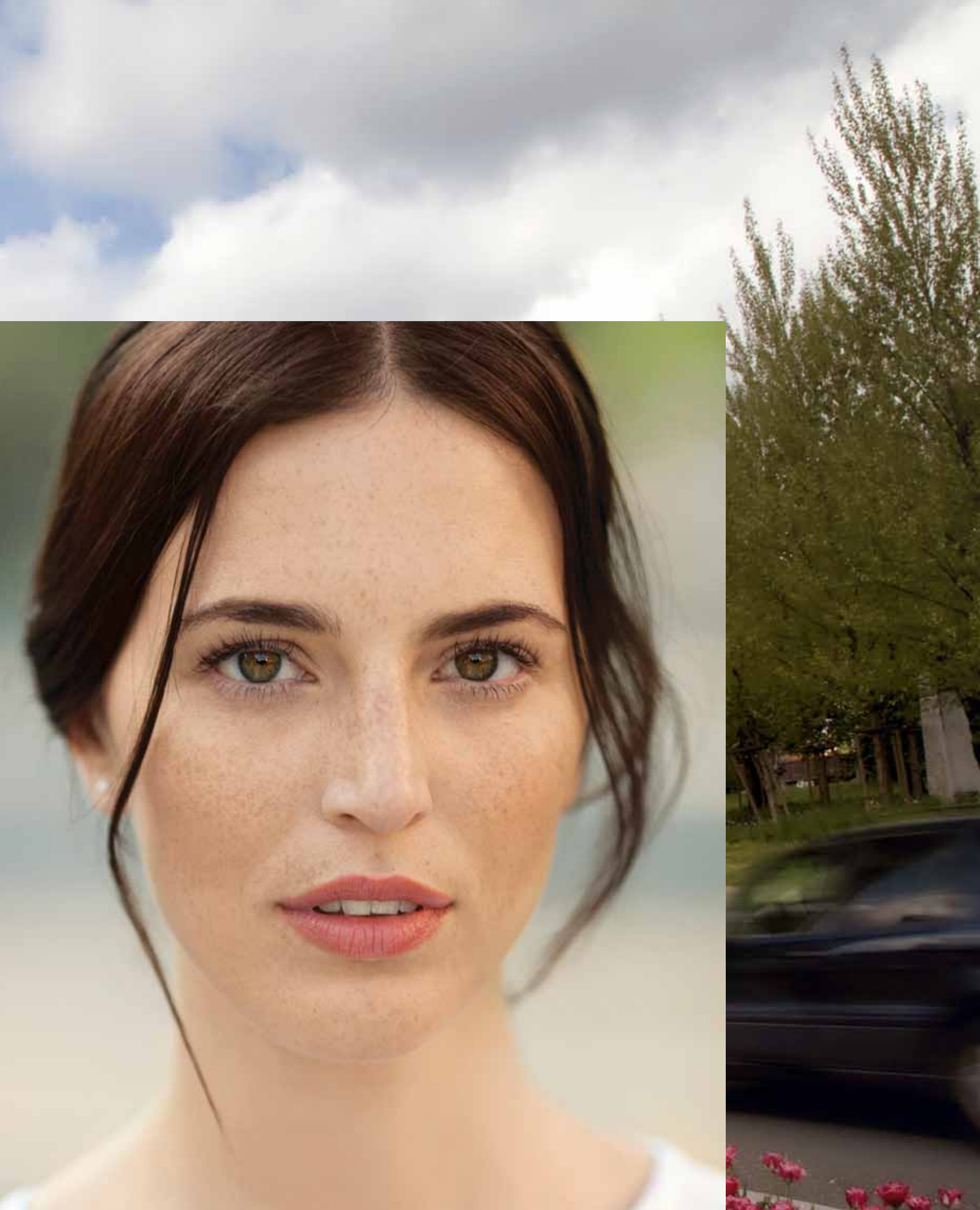
The second issuing of bonds of Zavarovalnica Triglav followed on 30 November 2009. The total nominal value of the issue is EUR 30,000,000 and the issue comprises 30,000 bonds with a denomination of EUR 1,000. On 4 June 2010, Zavarovalnica Triglav received a decision of the Securities Market Agency on the approval of the prospectus regarding the admission of ZT02 bonds to trading on the regulated market. Based on this decision, the Company filed a request for the admission of these bonds to listing on the Ljubljana Stock Exchange. The ZT02 bond (ISIN: SI0022103038) was listed on 30 June 2010. The last coupon and the principal will fall due on 21 March 2020.

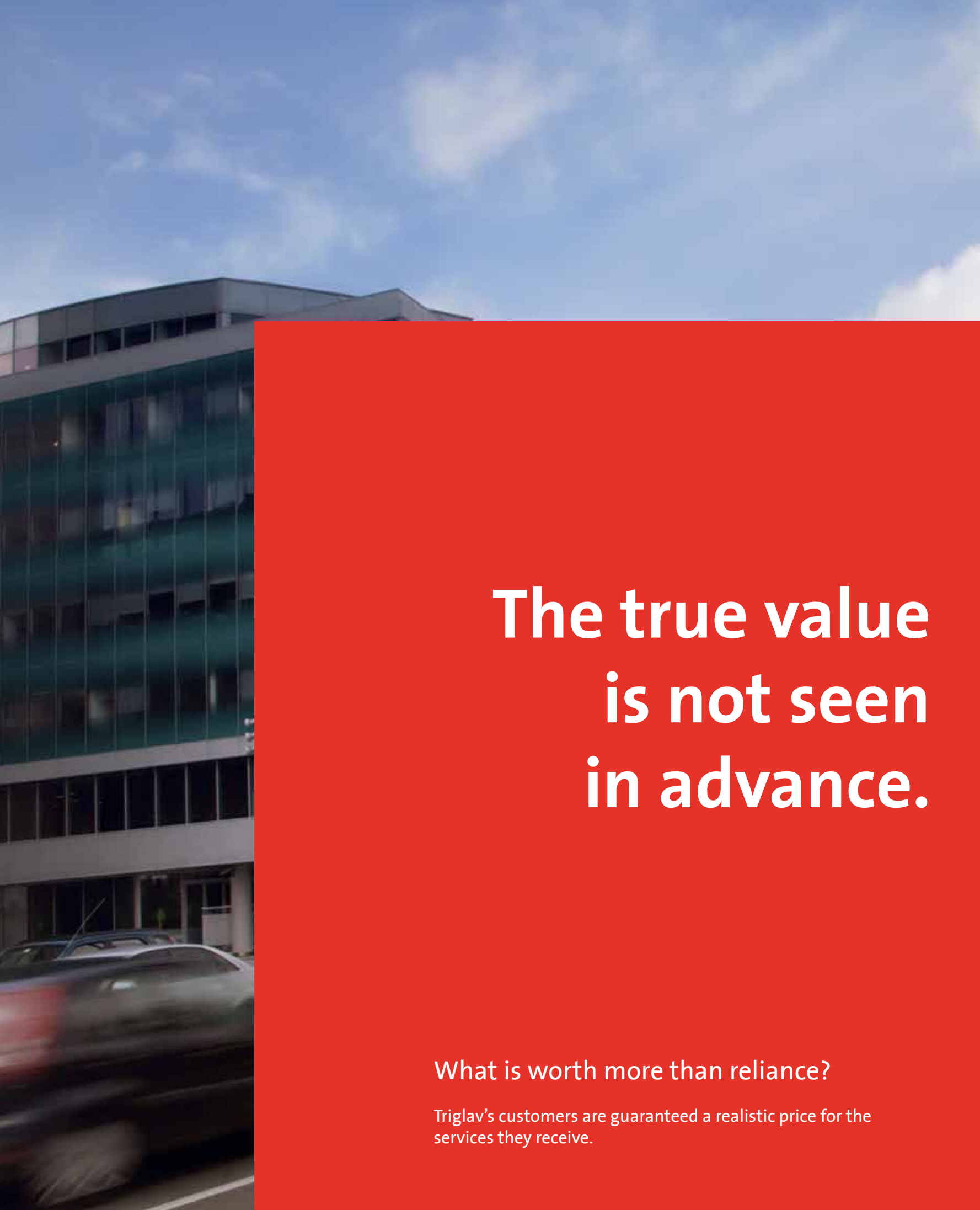
For safe and economical driving



View the footage from Family Safe Driving Days with Zavarovalnica Triglav (Slovene). On Sunday 25 September 2011, 200 families were invited to the Vransko Safe Driving Centre of AMZS, where they enjoyed driving with professional instructors and gained valuable new driving experience.







**The true value
is not seen
in advance.**

What is worth more than reliance?

Triglav's customers are guaranteed a realistic price for the services they receive.



Zavarovalnica Triglav Assistance Centre
contact information

A breakdown assistance vehicle
on its way to a Zavarovalnica
Triglav client.

In its first ten years of operation, Triglav Assistance has
helped with more than 100,000 breakdowns.