

6. Share Capital and Shareholders of Zavarovalnica Triglav

- The ZVTG share was one of most traded shares on the Ljubljana Stock Exchange.
- The ZVTG share price increased by over 24%.
- Further strengthening of share of international investors.
- Slightly changed top shareholders structure.

6.1 Equity

As at 31 December 2014, the share capital remained at the same level as at the 2013 year-end, totalling EUR 73,701,391.79. It was divided into 22,735,148 ordinary registered no-par value shares bearing the ZVTG ticker symbol 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. 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 2014	31 December 2013	31 December 2012
Number of shares	22,735,148	22,735,148	22,735,148
Book value per share* (in EUR)	23.93	21.98	22.33
Net earnings per share** (in EUR)	2.01	2.12	2.22
Dividend per share (in EUR) for the previous business year	to be defined	1.70	2.00
Share market value (in EUR) - closing price	23.60	19.00	16.50
Market capitalisation (in EUR) - closing price	536,549,493	431,967,812	375,129,942
Traded on	Ljubljana Stock Exchange - LJSE		
Ticker symbol	ZVTG		
ISIN	SI0021111651		
Credit rating	Standard & Poor's; »A-«, stable medium term outlook AM Best; »A-«, positive medium term outlook	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
Bloomberg	ZVTG SV		
Reuters	ZVTG.LJ		

* In calculating the book value per share, equity of Zavarovalnica Triglav and the number of shares as at the reporting date were taken into account.

** In calculating net earnings per share, net profit of Zavarovalnica Triglav and weighted average number of total shares were taken into account.

6.2 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.

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.

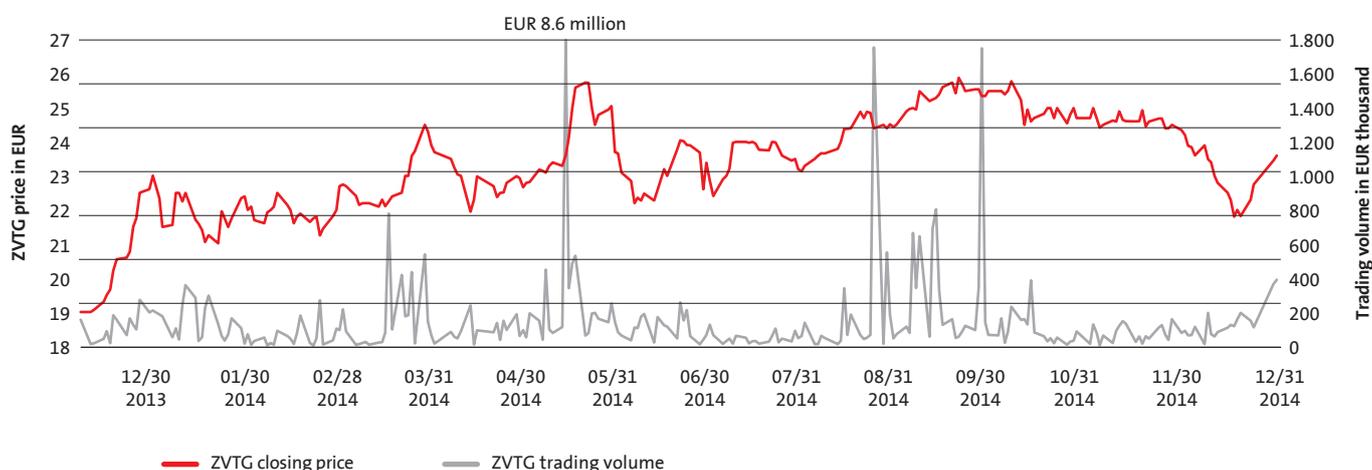
Holders of shares that have been acquired or are possessed contrary to the Insurance Act have no voting rights. See the Insurance Act for details.

6.3 Movements in the share value of Zavarovalnica Triglav in 2014

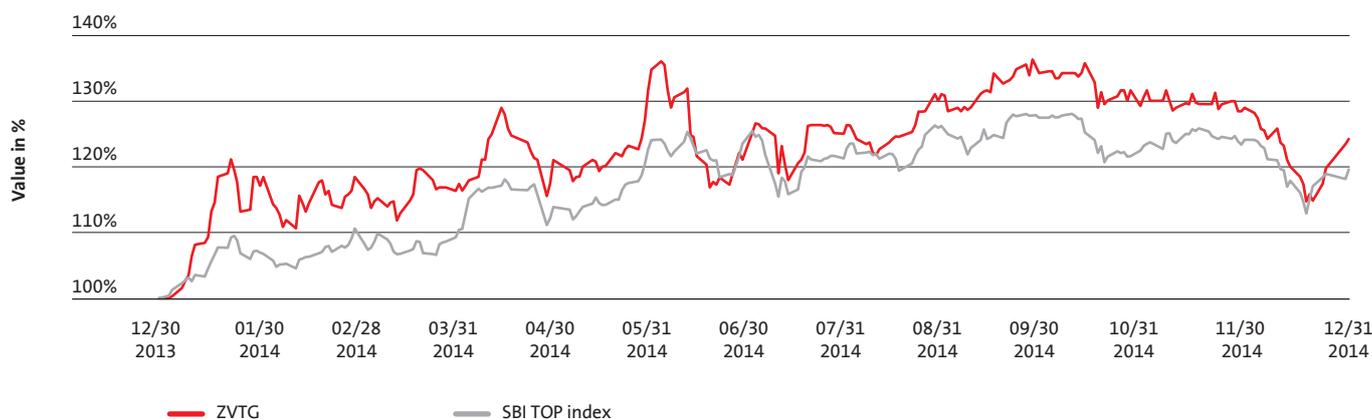
The year 2014 saw a growing price and increased liquidity of the ZVTG share. Its price increased by over 24%. Starting at EUR 19.00 on the first trading day, the share peaked to its highest price of EUR 25.89 in on 24 September 2014. As at 31 December 2014, the closing price reached EUR 23.60.

The ZVTG share was the seventh most traded share among 52 shares on the Ljubljana Stock Exchange, accounting for as much as 7% of total trading volume. The average turnover of ZVTG shares per trading day was EUR 168,611, which was 13% less compared to 2013 (EUR 193,355).

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



Comparison of movements in the average daily price of the ZVTG share and movements in the value of the SBI TOP Index in EUR in 2014 as compared to 31 December 2013



The ZVTG share price recorded movement similar to the trends of the SBI TOP Index, of which the ZVTG share represented 11%. The SBI TOP Index grew by 20%, however the ZVTG share climbed above the SBI TOP Index by 4 percentage points.

The ZVTG share as one of the most liquid shares of the Ljubljana Stock Exchange is included in the Slovene SBI TOP Index and ten indices (six in 2013) of the regional Central and Eastern European

Stock Exchange Group (CEESEG) under the auspices of the Vienna Stock Exchange. These indices are the following: CECE Mid Cap (CECE MID EUR in CECE MID USD), CECE Extended (CECEExt EUR and CECExt USD), South-East Europe Traded Index (SETX EUR and SETX USD), CEESEG Financials CEESEG FIN, CEE Responsible Investment Universe CEERIUS, SETX Net Total Return SETX NTR and SETX Total Return SETX TR.

ZVTG share trading data by individual months of 2014 (in EUR)

Month	Maximum closing price	Minimum closing price	Maximum daily trading volume	Minimum daily trading volume	Average daily trading volume
January	23.01	19.00	357,418	11,248	135,636
February	22.50	21.02	296,026	4,096	86,608
March	22.75	21.25	269,164	2,484	63,232
April	24.50	21.95	778,900	8,873	178,413
May	25.60	22.38	8,590,933	36,218	597,362
June	25.75	22.20	249,987	20,440	121,839
July	24.05	22.41	256,604	9,722	64,326
August	24.89	23.14	1,756,269	11,154	156,736
September	25.89	24.40	804,125	13,213	254,784
October	25.79	24.50	1,751,512	8,031	170,979
November	25.00	24.40	158,005	3,098	73,747
December	24.35	21.80	389,458	11,903	133,261

6.4 Shareholder structure¹³

As at 30 December 2014, Zavarovalnica Triglav had 28,526 shareholders, 121 less compared to the 2013 year-end.

Domestic shareholders accounted for the bulk, but the shareholdings of international shareholders continued to increase slightly. As at the reporting date, international shareholders accounted for only 1.7% of the total number of shareholders, remaining approximately at the same level as at the 2013 year-end.

They increased their shareholdings by 1 percentage point to 17.6%.

The ratio between natural persons and legal entities in the shareholder structure remains at the level similar to the previous year. As at the 2014 year-end, natural persons accounted for 27,869 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 2014

	Total	Domestic	Foreign	Legal entities	Natural persons
Number of shares	22,735,148	18,743,020	3,992,128	20,706,985	2,028,163
Number of shareholders	28,526	28,042	484	657	27,869
Number of shares - percentage	100.00%	82.44%	17.56%	91.08%	8.92%
Number of shareholders - percentage	100.00%	98.30%	1.70%	2.30%	97.70%

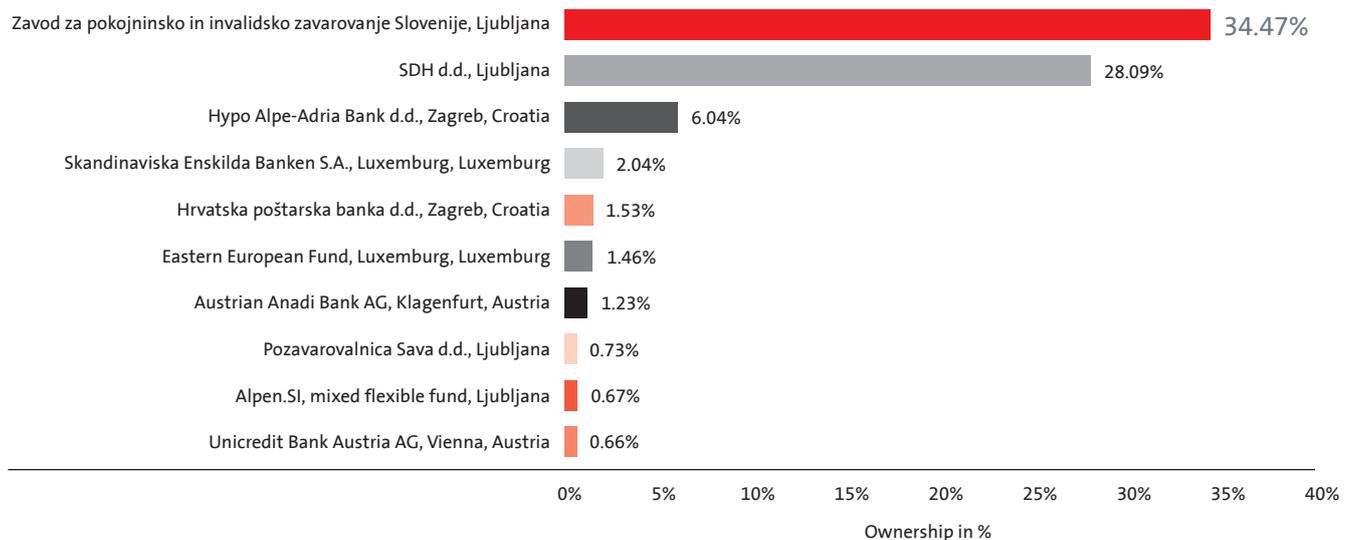
Ownership concentration measured by equity stakes of the first ten shareholders grew by 1.5%. As much as 77% of shares were held by ten companies. The largest and unchanged equity stake of 34.47% was maintained by ZPIZ. SHD d.d., the second top shareholder (a legal successor of Slovenska odškodninska družba d.d.), slightly increased its equity stake and held 28.09% of the shares as at the

2014 year-end. Among the top ten shareholders, four increased their shares, of which Hypo Alpe-Adria Bank d.d., Zagreb (custody account) increased its share the most. Alpen.SI, mešani fleksibilni podsklad, Ljubljana (renamed to NFD1, mixed flexible subfund) was featured in the shareholder structure for the first time.

Top ten shareholders of Zavarovalnica Triglav as at 31 December 2014 and 31 December 2013

Shareholder	Number of shares		Ownership (in %)	
	2014	2013	2014	2013
Zavod za pokojninsko in invalidsko zavarovanje Slovenije, Ljubljana	7,836,628	7,836,628	34.47	34.47
SDH d.d., Ljubljana	6,386,644	6,380,728	28.09	28.07
Hypo Alpe-Adria Bank d.d., Zagreb, Croatia	1,373,658	825,769	6.04	3.63
Skandinaviska Enskilda Banken S.A., Luxembourg, Luxembourg	463,285	334,516	2.04	1.47
Hrvatska poštarska banka d.d., Zagreb, Croatia	347,477	347,182	1.53	1.53
Eastern European Fund, Luxembourg, Luxembourg	333,034	333,034	1.46	1.46
Austrian Anadi Bank AG, Klagenfurt, Austria	279,164	279,164	1.23	1.23
Pozavarovalnica Sava d.d., Ljubljana	166,678	197,489	0.73	0.87
Alpen.SI, mešani fleksibilni podsklad (mixed flexible subfund), Ljubljana	152,477	162,790	0.67	0.72
Unicredit Bank Austria AG, Vienna, Austria	149,052	201,349	0.66	0.89

Top ten shareholders of Zavarovalnica Triglav as at 31 December 2014



The number of shares held by the Management and Supervisory Boards remained approximately at the same level as in the preceding year.

Number of shares owned by members of the Management and Supervisory Boards as at 31 December 2014

Name and surname	Post	Number of shares	Equity stake
MANAGEMENT BOARD		80	0.00%
Andrej Slapar	President	-	-
Benjamin Jošar	Member	-	-
Uroš Ivanc	Member	80	0.00%
Tadej Čoroli	Member	-	-
Marica Makoter	Member, Employee Representative	-	-
SUPERVISORY BOARD		1,604	0.01%
Shareholders representatives		-	-
Matej Runjak	Chairman	-	-
Gregor Kastelic	Deputy Chairman	-	-
Rajko Stanković	Member	-	-
Mario Gobbo	Member	-	-
Dubravko Štimac	Member	-	-
Matija Blažič	Member	-	-
Employee representatives		1,604	0.01%
Branko Gorjan	Member	1,204	0.01%
Peter Celar	Member	400	0.00%
Miran Krštinc	Member	-	-
MANAGEMENT AND SUPERVISORY BOARD COMBINED		1,684	0.01%

6.5 Dividend policy

The dividend policy of Zavarovalnica Triglav d.d. 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« [[→ see section 4.2](#)]. The dividend policy also takes into account the planned growth rate and development of the Group in target markets of the South-East Europe.

A proposal by the Management Board and the Supervisory Board concerning the dividend per share is in line with the dividend policy. However, the dividend per share adopted at the General Meeting of Shareholders may deviate from the previously mentioned proposal, but the practice of recent years shows that it was set at such an amount which enabled the implementation of the Group's strategic objectives.

Overview of dividend payments for the business years 2011–2014

Items	2014	2013	2012	2011
Total dividends (In EUR)	to be defined	38,649,752	45,470,297	15,914,604
Dividends per share (in EUR)	to be defined	1.70	2.00	0.70
General Meetings of Shareholders	9 June 2015	10 June 2014	11 June 2013	13 June 2012
Earnings per share (in EUR)	2.01	2.12	2.22	1.93

6.6 Communication with investors

The main goal of up-to-date communicating with investors, shareholders and the expert financial public is to achieve a fair value and expected liquidity of the Company's securities. In line with the standards of the Prime Market of the Ljubljana Stock Exchange, 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 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 2014, the Company attended meetings with investors in the USA (New York), Austria (Stegersbach), the Czech Republic (Prague), Serbia (Belgrade), Romania (Mamaia), Croatia (Zagreb), Slovenia (Ljubljana) and an online investment conference organised by Alta Invest.

The Investor Relations page on the website www.triglav.eu contains a section devoted to minority 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 minority shareholders. Their involvement is ensured through regular and proactive communication.

The contacts for further information are listed below.

Information for shareholders:

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 Miklošičeva cesta 19, 1000 Ljubljana
 Investor Relations, Helena Ulaga Kitek
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 E-mail: helena.ulaga-kitek@triglav.si

6.7 Credit rating of the Triglav Group and Zavarovalnica Triglav

Achieving the »A« high credit rating by the established credit rating agency is one of the most important strategic objectives of the Triglav Group [[→ see Section 4.2](#)], which was again reached in 2014 with a confirmed »A-« rating.

In 2014, the Standard & Poor's Ratings Services (hereinafter: S&P) confirmed a current »A-« (excellent) long-term credit rating and an »A-« (excellent) financial strength rating of Zavarovalnica Triglav together with its subsidiary Pozavarovalnica Triglav Re d.d., and thereby the Triglav Group. Both credit ratings have a stable medium-term outlook. According to S&P, the Triglav Group will in the future maintain its strong competitive position, high capital adequacy, balanced investment portfolio and high profitability. As at the end of reporting year, the credit ratings of the Triglav Group, i.e. Zavarovalnica Triglav and Pozavarovalnica Triglav Re and the Republic of Slovenia are the same. Based on the stress tests carried out by the credit rating agency, Zavarovalnica Triglav may be rated a maximum of one notch above the sovereign rating on Slovenia.

Following its regular revision in 2014, the A.M. Best credit rating agency reaffirmed the financial strength rating of »A-« (Excellent) and issuer credit rating of »A-« (Excellent) of Zavarovalnica Triglav. Both credit ratings reflect solid risk-adjusted capitalisation, good business results and dominant competitive position in the Slovene market. A.M. Best revised the Company's medium-term outlook from "stable" to "positive". Despite challenging conditions in the insurance market in Slovenia, the credit rating agency improved Triglav's outlook based on its continued solid performance. The Triglav Group continues to strengthen its highly renowned brand across South-East Europe and carry out planned actions towards further growth. Moreover, the A.M. Best reaffirmed the two credit ratings of financial strength issuer credit rating and of Triglav's subsidiary Pozavarovalnica Triglav Re, thereby confirming its key role and important contribution to the implementation of the Triglav Group's strategic objectives. Both credit ratings have a stable medium-term outlook.

6.8 Bonds of Zavarovalnica Triglav

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

Since 30 June 2010, the bonds, bearing the ticker symbol ZT02 and ISIN Code SI0022103038, have been traded on the bond market of the Ljubljana Stock Exchange.