

6. The Share and Shareholders of Zavarovalnica Triglav

- Zavarovalnica Triglav's share won the Ljubljana Stock Exchange *Prime Market Share of the Year Award*.
- In 2017, there were no significant changes in the shareholder structure. Strengthening of the share of international shareholders continued.
- High »A« credit ratings with a stable long-term outlook were reassigned.

6.1 The share of Zavarovalnica Triglav

In December 2017, the share of Zavarovalnica Triglav (ZVTG) won the Ljubljana Stock Exchange Prime Market Share of the Year Award. In the assessment, the criteria such as turnover, price increase, increase in turnover and the number of trading days in a one-year period were taken into account. This award affirms the Company's performance in terms of its position, information and the active promotion of the share among investors.

The year 2017 was successful for the share of Zavarovalnica Triglav also in other aspects. Its price went up by 24.6% at an annual level, which is more than twice the growth of the SBITOP index and more than four times the growth of the BEIN-SUR insurance index. Compared to the preceding year, share turnover grew by 45%, reaching EUR 40.9 million. ZVTG was the second most traded share on the Ljubljana Stock Exchange, accounting for 11.8% of total turnover, and ranked third in terms of market capitalisation.

Starting at EUR 23.20 on the first trading day, the share peaked to its highest price of EUR 28.90 as at the reporting day. The share price significantly dropped as the result of dividend payment because on 14 June 2017 holding the share no longer meant being entitled to the dividend payment for 2016. In 2017, its value stood at EUR 2.50 gross per share, which made it one of the best dividend yielding stocks on the Ljubljana Stock Exchange.

Key figures for the shares of Zavarovalnica Triglav

Items	31 December 2017	31 December 2016	31 December 2015
Maximum closing price in the year	29.30	27.38	30.15
Minimum closing price in the year	23.21	21.80	20.92
Closing price	28.90	23.20	23.50
Book value per share (parent company)*	25.13	24.78	23.34
Book value per share (consolidated data)*	32.98	32.28	30.48
Net earnings per share (consolidated data)**	3.07	3.62	3.91
Market capitalisation	657,045,777	527,455,434	534,275,978
Average daily trading volume	166,345	114,845	142,878
Payed dividend per share for the previous business year	to be defined	2.50	2.50
No. of shares	22,735,148	22,735,148	22,735,148
The percentage of floating stock***	31.04%	30.98%	31.13%
Traded on	Ljubljana Stock Exchange - LJSE		
ISIN code	SI0021111651		
Ticker symbol	ZVTG		
Bloomberg	ZVTG SV		
Reuters	ZVTG.LJ		
Credit rating (S&P Global Ratings, AM Best)	»A«, stable medium term outlook	»A«, stable medium term outlook	»A-«, positive medium term outlook

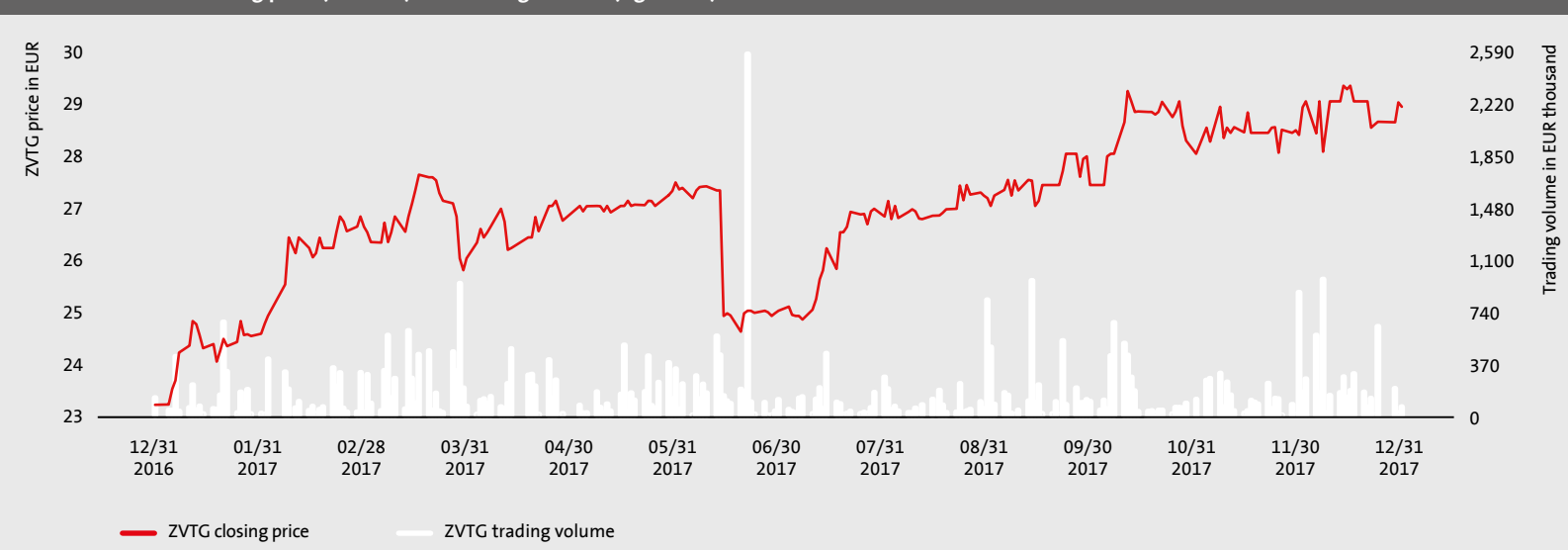
* In calculating the book value per share (parent company), the equity of the Triglav Group and the number of shares as at the reporting date were taken into account, whilst in calculating the book value per share (consolidated data), the equity and the number of shares as at the reporting date were taken into account.

** In calculating net earnings/loss per share (consolidated data), net profit or loss of the Triglav Group and the weighted average number of shares were taken into account.

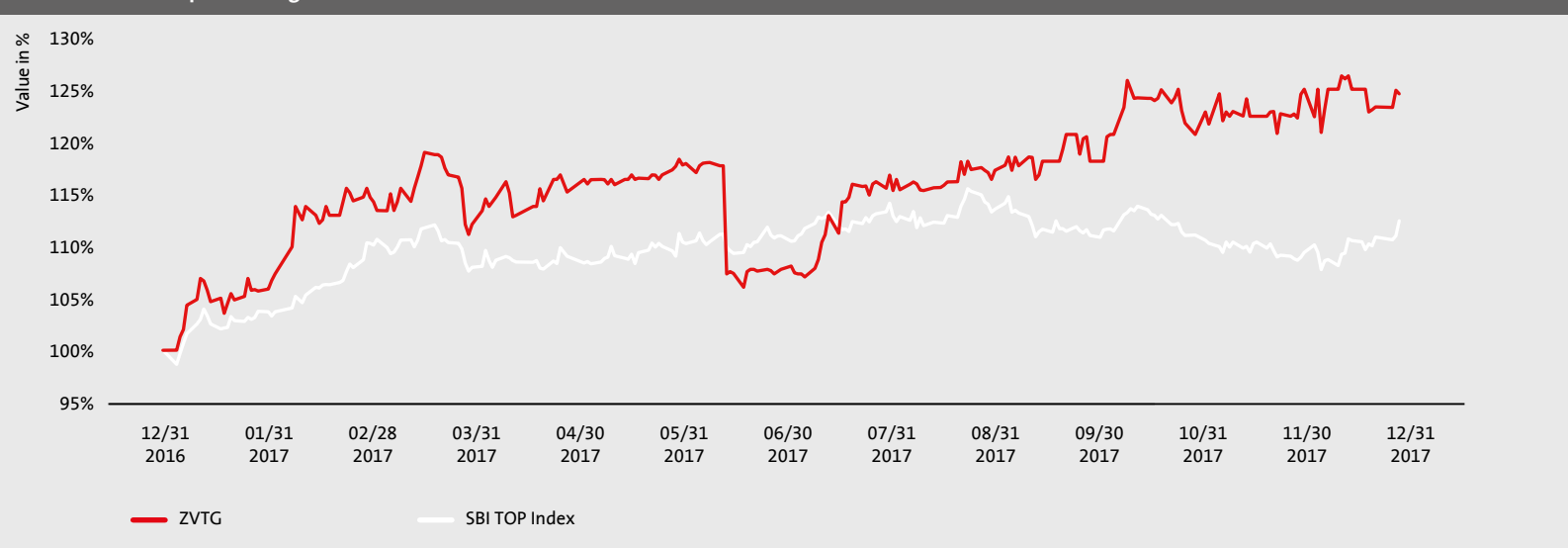
*** The shares held by shareholders with a 5% or higher stake are deducted from the total number of shares.

■ Starting at EUR 23.20 on the first trading day, the share peaked to its highest price of EUR 28.90 as at the reporting day.

Movements in the closing price (left axis) and trading volume (right axis) of the ZVTG share in 2017



The relative stock price change of the ZVTG share and the value of the SBI TOP Index in 2017



ZVTG share trading data by individual month of 2017 (in EUR)

Month	Maximum closing price	Minimum closing price	Average daily trading volume
January	24.80	23.21	122,746
February	26.80	24.90	146,624
March	27.60	25.78	251,045
April	27.10	26.17	166,127
May	27.45	26.88	150,524
June	27.38	24.60	254,827
July	26.95	24.83	90,902
August	27.40	26.75	121,024
September	28.00	27.00	148,250
October	29.20	27.40	152,365
November	28.90	28.02	153,684
December	29.30	28.04	211,969
Year 2017	29.30	23.21	166,345

6.2 Equity

As at the 2017 year-end, the share capital of Zavarovalnica Triglav remained at the same level with EUR 73,701,391.79. It was divided into 22,735,148 ordinary registered no-par value shares. All the ZVTG shares are of the same class, freely transferable and issued in a dematerialised form. Each represents the same stake and a corresponding amount in the share capital. All have been fully paid in. Each ZVTG share 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 estate after the payoff of priority shareholders in the case of bankruptcy or liquidation.

In acquiring shares, the existing and potential shareholders of Zavarovalnica Triglav are required to observe the provisions of the Insurance Act. Prior authorisation of the Insurance Supervision Agency is a prerequisite for:

- the acquisition of shares of an insurance company by which a person directly or indirectly acquires or exceeds a qualifying holding (the qualifying holding is a direct or indirect holding of shares or other rights that gives the holder a minimum 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). In the operative part of its decision on issuing an authorisation to acquire a qualifying holding, the Insurance Supervision Agency lays down the

amount of participation in the voting rights or participation in the insurance undertaking's capital for which the authorisation is issued as the ceiling for one of these thresholds:

- participation in the insurance undertaking's voting rights or in the insurance undertaking's capital, which equals or is higher than the qualifying holding and lower than 20%;
- participation in the insurance undertaking's voting rights or in the insurance undertaking's capital, which equals or is higher than 20% and lower than 1/3;
- participation in the insurance undertaking's voting rights or in the insurance undertaking's capital, which equals or is higher than 1/3 and lower than 50%;
- participation in the insurance undertaking's voting rights or in the insurance undertaking's capital, which equals or is higher than 50%;
- participation based on which a future qualifying holder becomes the parent entity of the insurance undertaking;
- before any further acquisition of shares by which a qualified holder would surpass the threshold for which an authorisation for the acquisition of a qualifying holding had been issued;
- for the entities that agree to a concerted acquisition of the shares of the insurance undertaking or a concerted exercising of management rights arising from the shares (joint qualifying holders) and intend to acquire a holding by which they would jointly reach or exceed a qualifying holding of the undertaking;
- before any further acquisition of shares of the joint qualifying holders, by which their joint holding would surpass the threshold for which an authorisation to acquire a qualifying holding had already been issued.

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

6.3 Shareholder structure¹⁶

In the reporting period, ownership concentration measured by equity stakes of the top ten shareholders increased by 0.4 percentage point and accounted for 76.7% of total shares. The shareholder Clearstream Banking SA, Luxembourg – fiduciary account decreased its stake and fell from the top ten shareholders. Therefore, there was a new shareholder among the top ten shareholders: Forplan d.o.o., Ljubljana. Among the top ten shareholders, the top two shareholders maintained their stake, whilst Unicredit Bank Austria – fiduciary account increased its stake the most, i.e. by 1.6 percentage point.

- As the reporting date, top ten shareholders held 73.7% of total shares.

Top ten shareholders of Zavarovalnica Triglav as at 31 December 2017 (ownership in %)

Zavod za pokojninsko in invalidsko zavarovanje Slovenije, Slovenia	34.47%
SDH d.d., Slovenia	28.09%
Addiko Bank d.d., Croatia - fiduciary account	6.39%
Unicredit Bank Austria, Austria - fiduciary account	2.79%
Hrvatska poštanska banka d.d., Croatia - fiduciary account	1.42%
East Capital - East Capital Balkans, Luxembourg	0.98%
Kuwait Investment Authority, Kuwait	0.85%
Pozavarovalnica Sava Re d.d., Slovenia	0.73%
The Bank of New York Mellon, USA - fiduciary account	0.57%
Forplan d.o.o., Slovenia	0.36%

- The number of international shareholders and their stake again went up. Their equity stake accounted for 18.0% as at the reporting date.

Top ten shareholders of Zavarovalnica Triglav as at 31 December 2017 and 31 December 2016

Shareholder	Number of shares		Ownership (in %)	
	2017	2016	2017	2016
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	6,386,644	28.09	28.09
Addiko Bank d.d., Zagreb, Croatia – fiduciary account	1,453,894	1,467,458	6.39	6.45
Unicredit Bank Austria, Vienna, Austria – fiduciary account	634,792	267,356	2.79	1.18
Hrvatska poštanska banka d.d., Zagreb, Croatia – fiduciary account	322,004	322,004	1.42	1.42
East Capital - East Capital Balkans, Luxembourg, Luxembourg	221,700	290,278	0.98	1.28
Kuwait Investment Authority, Safat, Kuwait	193,827	158,571	0.85	0.70
Pozavarovalnica Sava Re d.d., Ljubljana	166,678	166,678	0.73	0.73
The Bank of New York Mellon, New York, USA – fiduciary account	128,576	157,157	0.57	0.69
Forplan d.o.o., Ljubljana	82,568	82,568	0.36	0.36

As at the year-end, Zavarovalnica Triglav had 14,297 shareholders, having decreased by 22% over the preceding year, mostly due to the withdrawal of Slovene shareholders – natural persons, holding only a small number of ZVTG shares. Their sale was expected as this was the effect of the abolition of free registry accounts kept by KDD – Centralno klirinška depotna družba d.d., which existed since the beginning of the privatisation of Slovene companies in the 1990s. This trend was most pronounced in 2016 and continued in particular in the first months of 2017. The other shareholders – natural persons were active traders in 2017. Their share increased by 0.25 percentage point to 10.7% as at the year-end. The majority of shareholders – legal entities remained in the Company's shareholder structure. Moreover, the share of international shareholders slightly increased.

The bulk of the ZVTG shareholders are from Slovenia, whereas international shareholders from 37 countries accounted for 3.1%. The number of international shareholders and their stake again went up. The growth of their stake over several years came to a halt in 2015 but again continued. Their equity stake accounted for 18.0% as at the reporting date, having increased by 0.9 percentage point over the 2016 year-end. The observed trend is also the result of the promotion of the Triglav Group among international investors and an active investor relations policy implemented by Zavarovalnica Triglav.

Shareholder structure of Zavarovalnica Triglav as at 31 December 2017

	Total	Domestic	Foreign	Legal entities	Natural persons
Number of shares	22,735,148	18,647,609	4,087,539	20,299,275	2,435,873
Number of shareholders	14,297	13,857	440	500	13,797
Number of shares - percentage	100.00%	82.02%	17.98%	89.29%	10.71%
Number of shareholders - percentage	100.00%	96.92%	3.08%	3.50%	96.50%

The number of shares held by the Management and Supervisory Boards equalled 4,484 as at the end of the reporting period.

The number of shares owned by members of the Management and Supervisory Boards as at 31 December 2017

Name and surname	Post	No. of shares	Equity stake
Management Board		80	0.00 %
Andrej Slapar	President of the Management Board	-	-
Uroš Ivanc	Member	80	0.00%
Tadej Čoroli	Member	-	-
Barbara Smolnikar	Member	-	-
Marica Makoter	Member, Employee Representative	-	-
Supervisory Board		4,404	0.02%
Shareholder representatives		4,004	0.02%
Igor Stebernak	Chairman	-	-
Andrej Andoljšek	Deputy Chairman	-	-
Mario Gobbo	Member	-	-
Nataša Damjanovič	Member	-	-
Žiga Škerjanec	Member	-	-
Milan Tomaževič	Member	4,004	0.02%
Employee representatives		400	0.00%
Boštjan Molan	Member	-	-
Peter Celar	Member	400	0.00%
Ivan Sotošek	Member	-	-
Management and Supervisory Board combined		4,484	0.02%

6.4 Dividends

In recent years, the Company has paid dividends in the amounts as shown in the table below.

Overview of dividend payments for the business years 2014–2017

Items	2017	2016	2015	2014
Total dividends (in EUR)	to be defined	56,837,870	56,837,870	56,837,870
Dividend per share (in EUR)	to be defined	2.50	2.50	2.50
General Meeting of Shareholders	29 May 2018	30 May 2017	31 May 2016	9 June 2015

6.5 Investor relations management¹⁷

In order to achieve a fair value of the ZVTG share and its expected liquidity, the share is promoted by actively managing investor relations.

Transparency is achieved with active and open communication. As the company whose shares are listed on the Ljubljana Stock Exchange Prime Market, Zavarovalnica Triglav exceeds the standards of this market segment and actively co-develops them. The Company's publications regarding its strategy, plans, performance and other material information are announced in the financial calendar for the coming year. Published information is available in both Slovene and English. All shareholders are treated equally. All publications are available on the Company's website www.triglav.eu, the SEOnet information system of the Ljubljana Stock Exchange and the INFO HRAMBA system.

The Company proactively cooperates with analysts, institutional investors and shareholders and is available to them at the meetings at investment conferences in Slovenia and abroad, at individual meetings, via conference calls and by e-mail. In 2017, investor relations activities were further strengthened. In 2017, Triglav participated in eight meetings with institutional investors and analysts in the financial centres across Europe and the USA and took part in two webcasts. Once again, Zavarovalnica Triglav held an annual meeting with analysts and investors at its headquarters. The calendar of past conferences, including the presentation material, and the calendar of future conferences is available on the Company's website.

Special attention is devoted to small shareholders. The Investor Relations subpage at www.triglav.eu contains a special section devoted to small shareholders, providing daily trading information about the ZVTG share and all key information on the Company's business operations and financial standing. For quality information of the Slovene shareholders about the effect of the amended legislation, a call centre with a toll-free telephone number was made available to the investors, who were also able to receive any clarifications in all Zavarovalnica Triglav's branches across Slovenia.

The contacts for further information for investors and the existing shareholders are listed below.

Information for shareholders:

Zavarovalnica Triglav, d.d., Ljubljana
Miklošičeva cesta 19, 1000 Ljubljana
Investor Relations, Ms Helena Ulaga Kitek
Phone: ++386 (1) 47 47 331
E-mail: investor.relations@triglav.si

6.6 Credit rating of the Triglav Group and Zavarovalnica Triglav

Maintaining the »A« credit rating is one of the strategic objectives of the Triglav Group. The credit ratings of the Triglav Group – and consequently its parent company Zavarovalnica Triglav and its subsidiary Pozavarovalnica Triglav Re – are assigned by two established credit rating agencies: S&P Global Ratings and A.M. Best. In 2017, both agencies assigned the Group an **»A« standalone credit rating** with a stable medium-term outlook.

The credit rating assigned by S&P Global Ratings exclusively reflects the Group's standalone credit profile and does not include any uplift from the Group's status as a government-related entity. In its report, the rating agency assessed the business risk profile of the Triglav Group as strong, its financial risk profile as very strong and its capital adequacy as extremely strong. In addition, the rating agency stated in its report that the Group had adequate reinsurance protection. S&P Global Ratings pointed out the notable advantages arising from the consistent strategic guidelines of the Triglav Group. The emphasis on profitability and safety of its operations was preserved in the new strategy period up to 2020, in which the Group's operations focus on only two business pillars: insurance and asset management. S&P Global Ratings expressed the same

positive opinion in respect of growing strategic importance, development of asset management and the new, particularly development-oriented components of the Group's operations, which include digitisation, integrated client management, and the development of new products and sales channels, which have already been assessed as favourable by the rating agency.

The high rating affirmations of Zavarovalnica Triglav by the credit rating agency A.M. Best reflect the strong balance sheet strength of the Triglav Group, constant excellent operating performance over the past five years and appropriate risk management. The Agency pointed out that the Group was supported by solid capitalisation, prudent management of provisions and strong financial flexibility. The Group's operations are affected by the low interest rate environment and the situation in the life insurance segment, which however is improving. A.M. Best pointed out the benefits of the Group's leading position in both the Slovene market and the region. In its opinion, the Group demonstrated improvement in its operations on the markets outside Slovenia as it actively sought alternative lower cost distribution channels. Furthermore, the economic conditions in the region partly improved, which also impacted the insurance markets, albeit the highly competitive and challenging operating conditions remained. A.M. Best also pointed out the key role of Pozavarovalnica Triglav Re as the reinsurer of all Triglav Group members.

6.7 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 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 ZT02 ticker symbol and the ISIN Code SI0022103038 have been traded on the bond market of the Ljubljana Stock Exchange.