



SLOVENSKI DRŽAVNI HOLDING, d. d.

CONFIDENTIAL

(CH. III, SPECIAL SECTION)

ANNUAL ASSET MANAGEMENT PLAN FOR 2018

Ljubljana, November 2017

ASSET
MANAGEMENT ANNUAL
PLAN
FOR 2018

The State is an important owner of enterprises in Slovenia.
The responsibility of the State in the capacity of the owner is to act in a proactive and professional manner, focusing on generating value for the owner.
The general objective of state-owned enterprises is effective, profitable and economic operation, and, in case of companies with strategic and important assets, efficient management of duties of specific public interest.

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TERMS AND DEFINITIONS

Company with capital assets of the State or State-owned enterprise (SOE): is a company in which capital assets are directly held by SSH or the Republic of Slovenia, and which is managed by SSH. The said term must be differentiated from the term "a financial asset of the state" which is defined by ZSDH-1 as a financial asset owned by the Republic of Slovenia, KAD or SSH.

DSU: Družba za svetovanje in upravljanje, d.o.o.

VCC: Venture capital companies.

BAMC: Bad Asset Management Company.

ECB: European Central Bank.

EC: European Commission.

EU: European Union.

KAD: Kapitalska družba, d.d. (Pension Fund Management).

SSH Code: Corporate Governance Code for SOEs of 19 December 2014 as modified in March 2016 and May 2017.

CA: capital asset Capital assets are equity securities under the act regulating the financial instruments market, or shareholdings or other equity stakes in individual companies in accordance with the act regulating companies. In this Act, the following terms are used inter-changeably with the same meaning: CA, capital asset and assets.

AMAP: is the Asset Management Annual Plan developed every year by SSH in accordance with Article 30 of ZSDH-1.

Criteria: is the Criteria for Measuring Performance of SOEs, a legal document of SSH which was adopted in November 2015. As a rule, the document is updated every year simultaneously with AMAP. This document defines the criteria and the indicators for measuring the performance of SOEs.

MoF: is the Ministry of Finance.

MoEDT: is the Ministry of Economic Development and Technology.

MoPA: is the Ministry of Public Administration.

MoESP: is the Ministry of the Environment and Spatial Planning.

SMEs: is small and medium-sized enterprises.

Mol: is the Ministry of Infrastructure.

(O)SGEI: (Obligatory) services of general economic interest.

SSH Asset Management Policy: is the SSH Asset Management Policy of 19 December 2014, as amended in December 2016.

Important assets: are assets whose development function should be kept within the Republic of Slovenia.

Portfolio assets: are assets by means of which the Republic of Slovenia strives to attain solely economic goals.

SSH Recommendation and Expectations: are recommendations and expectations of SSH which were adopted by SSH in December 2014 and amended in March 2016 and in May 2017.

RS: is the Republic of Slovenia.

SSH Articles of Association: is the Articles of Association of SSH as applicable at the point in time.

Strategy and Asset Management Strategy: is the State Assets Management Strategy which was adopted by the National Assembly of the Republic of Slovenia on 13 July 2015 in the form of the Ordinance On State-Owned Capital Assets Management Strategy (OdsUKND).

Strategic assets: are assets with which the Republic of Slovenia, in addition to economic goals, also attains strategic goals.

SSH: is Slovenian Sovereign Holding.

SOD: Slovenska odškodninska družba, d.d., which has been transformed into SSH in accordance with ZSDH-1.

SEF: is the Public Fund of the Republic of Slovenia for Entrepreneurship or shortly The Slovene Enterprise Fund.

USA: is the United States of America.

ZGD-1: is the Companies Act (Official Gazette RS, No. 42/2006 et seq.).

ZIS: is the Gaming Act.

ZPIZ: is Zavod za pokojninsko in invalidsko zavarovanje or, in English, Pension and Disability Insurance Institute of Slovenia.

ZSDH-1: is the Slovenian Sovereign Holding Act (Official Gazette RS, No. 25/2014).

ZSDU: is the Worker Participation in Management Act (Official Gazette RS, No. 42/936 et seq.).

ZTFI: is the Financial Instruments Market Act (Official Gazette RS, No. 108/10 et seq.).

ASSET MANAGEMENT ANNUAL PLAN
FOR 2018

INTRODUCTION

I. INTRODUCTION

The Asset Management Annual Plan in front of you represents one of the four key documents on the basis of which SSH, in a prudent and competent manner, carries out its role of an active manager of the assets of the State being a shareholder/company member in numerous and important Slovenian companies.

The Plan determines detailed goals to be achieved by SSH in the management of individual assets, together with measures and policies for attaining these goals. SSH sets ambitious yet realistic values for strategic, economic and financial performance indicators expected to be achieved by every individual company from the portfolio in the coming year. SSH implements its vision of generating value from capital assets for the owner through the goals set. These target indicators cover key aspects which are important for the development and competitiveness of an enterprise. The Annual Asset Management Plan also determines the expected cash flows.

Similarly as in previous years, the Assets Management Annual Plan for 2018, being the third such document issued, was prepared by taking into consideration the knowledge SSH has about special characteristics of operations of an individual company and its industry and by critically observing its development plans. When determining final goals, acting in line with its professional judgement, SSH also takes into consideration opinions produced by companies with which a legally admissible dialogue is kept within the scope of SSH's regular asset management activities.

From the aspect of SSH, acting in the capacity of an active asset manager, this document is of key importance as it reflects expectations the owner has for 2018 and it enables SSH to monitor the implementation of goals set for this year.

Net return on equity (ROE) of the portfolio of companies in direct ownership of RS and SSH

The first estimates in regard to the operations of companies under SSH's management show that these companies will exceed the ROE indicator planned for 2017 which amounted to 5.2%.

Notwithstanding the above, the SSH's plan for 2018 envisages further growth in the profitability of the portfolio of assets under SSH's management. The planned rate of return of the portfolio managed by SSH for 2018 thus amounts to **6.1%**.

The planned rate of return is lower than the target rate of return determined in the Strategy but it is worth pointing out that the RS's portfolio includes two thirds of strategic assets whose priority is the attainment of strategic goals, that is, the realisation of various important social interests and not solely economic goals. The attainment of strategic goals and economic goals is, however, often mutually exclusive which hampers the attainment of high profitability arising from the state capital assets portfolio.

This fact is supported by the data on the ROE indicators by individual industry - specifically, ROEs achieved as compared to those planned. These data show that, on average, the portfolio of assets in industries in which a great share of strategic assets is included (for example, energy sector) achieve lower rates of return on equity as compared to industries in which a great share of portfolio assets is included (for example, sector of economy).

Pillar	ROE (in %)					
	2014	2015	2016	2017/ (estimate)	AMAP 2018	AMP 2019
ENERGY SECTOR	1.1	2.2	4.1	3.2	4.0	4.6
FINANCIAL SECTOR	0.6	5.9	8.9	9.1	7.7	8.1
SECTOR OF ECONOMY	2.8	12.6	6.5	6.3	8.2	9.7
TRANSPORT	3.7	3.4	5.0	5.4	5.7	5.7
Portfolio	1.8	4.7	6.0	6.0	6.1	6.4

SSH believes that it makes sense to set the methodology for determining the target profitability of assets (ROE) - being one of the key goals of asset management - by individual groups of assets, for example by industry/by pillar or by the classification of assets, in the future either in the State Assets Management Strategy or in another legal document. SSH also proposes that in regard to strategic assets, the introduction of other criteria for measuring the attainment of strategic goals should be considered.

Expected cash flows

In addition to target return on equity, SSH also sets clear goals in connection with the expected cash flows generated from the management of state assets. SSH provides support to the development and efficiency of operations of the portfolio companies, and, by means of its decisions made at General Meetings of companies, pursues a responsible approach to the dividend policy in terms of advocating a suitable balance between dividends and development needs of companies.

As regards dividends received, the dividend revenue hit a record high in 2017 as companies with RS's equity stakes¹ paid out EUR 211 million in dividends, whereas SSH received dividends in the amount of EUR 46 million from companies in which SSH holds its equity stakes. SSH expects further growth in dividend pay-outs for 2018.

In 2018, in line with expectations stated in AMAP, RS¹ is expected to receive **EUR 246.1 million** of dividend revenue while EUR 47.7 million of dividends is expected to be paid out to SSH from capital assets held by SSH; therefore, together the total of EUR 293.8 million is expected, which is 14% more than in the preceding year.

Other goals to be achieved in 2018 in connection with asset management

In addition to efforts to achieve economic and financial goals and strategic goals of companies with capital assets of the State, along with ongoing endeavours for transparent, competitive and efficient running of processes for the sale of companies with capital assets, the future focus will be placed on the following features: the quality of corporate governance, the transparency and compliance of operations of companies under management, the support for corporate transformation of companies and the attainment of set goals. SSH regularly strives to improve the quality and analytical value of information system platforms necessary for the effective management of capital assets. In this regard, SSH will strive to further **improve reporting due by SOEs to SSH** with the aim of achieving the standards applicable for listed companies. Such reporting will include the preparation of monthly plans accompanied by monthly reporting due by SOEs to SSH. SSH will dedicate special attention to upgrading one of the key tools for the management of SSH, that is the monitoring and benchmarking

¹ Including the share of dividends received by ZPIZ from the ownership of shares held in Zavarovalnica Triglav, which are managed by SSH on behalf of and for the account of ZPIZ. The amount of dividend revenue to be received by RS, not including dividends paid by Zavarovalnica Triglav which is to be received by ZPIZ, is planned to amount to EUR 226.5 million.

of key performance indicators obtained by individual companies in the portfolio against relevant competitive companies, by way of which a more active and more efficient management of capital assets will be enabled. The attainment of ambitious goals and the maintenance of competitiveness of numerous companies will not be possible only by implementing gradual changes but a decisive transformation will be needed at all levels of an organization in terms of strategies, business models, organisation, processes and personnel. Thus, SSH will **verify the strategies of selected companies by engaging internationally recognized experts** and strive to **introduce the practice of systemically reviewing risks** which is expected to be carried out in the most important companies (this practice has already been introduced in the energy sector). It will continue to provide support to all portfolio companies to tackle changed conditions for operations in an effective manner and to ensure long-term growth and employment.

ASSET MANAGEMENT ANNUAL PLAN
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GENERAL SECTION

II. GENERAL SECTION

1. COMPOSITION AND CONTENT OF ASSET MANAGEMENT ANNUAL PLAN

The Annual Asset Management Plan is composed of the General Section and the Special Section. The Special Section mainly includes sensitive business data which is why the whole section has been classified as "BUSINESS SECRET - CONFIDENTIAL". This is the reason for not publishing it publicly.

The **General Section of AMAP** gives a short presentation of key documents for asset management, the entire asset management portfolio of SSH is presented and the definition of companies which have not been included in the Special Section of AMAP is given. The said Section also presents fundamental and additional goals in the management of assets, macroeconomic forecasts, a review of return on equity as achieved vs. expected by individual criteria, cash flows which are expected to be generated from the management of assets, specifically, the dividend revenue. It also presents inconsistencies in the methodology for determining the target return on equity as stated in the Asset Management Strategy.

The **Special Section of AMAP** gives a presentation of individual pillars/areas of assets under management. Within the scope of each pillar of assets under management, the asset management plan is presented for each company separately; every plan defines in detail asset management goals for the coming year and key criteria for measuring performance in achieving the said asset management goals, together with measures and policies for attaining these goals. In case of companies having the greatest impact on the performance of the SSH's asset management portfolio from the aspect of the return on equity, and in case of some other companies in which regard their operation made it reasonable to do so, asset management goals for 2018 and 2019 are also defined. An exception to the above mentioned presentation method is the illustration of measures for electric distribution companies; in this case measures are defined for these companies as a whole since activities envisaged in connection with asset management are similar for all of these assets.

The Special Section also states the forecast cash flows arising from sales and acquisitions of assets to be undertaken in 2018.

Considering special characteristics of industries in which companies operate, criteria for measuring performance of companies are highly complex which is why it is advised to use the Criteria for Measuring Performance of SOEs in conjunction with this AMAP.

The review of the bodies of management and supervision has been prepared according to the situation as of 30 September 2017.

This AMAP does not take into account the effects of the transfer of assets from SSH to RS which should be implemented not later than by 31 December 2017, in accordance with the Act Amending the Slovene Compensation Fund Act (ZOSO).

LIMITS OF LIABILITY

The AMAP 2018 was developed in accordance with the principle of conscientiousness and fairness, by applying the necessary expertise and in accordance with the principle of professional diligence. Forecasts included in this

document are based on estimates and assumptions made by SSH in regard to the operations of companies. Inside information of listed companies was not available to SSH when developing this document.

2. KEY CAPITAL ASSET MANAGEMENT DOCUMENTS

The Slovenian Sovereign Holding Act (ZSDH-1) states four key legal documents necessary for the management of assets owned by SSH and for assets of RS which are managed by SSH. These are: Asset Management Strategy, Asset Management Annual Plan, SSH Asset Management Policy and SSH Code of Corporate Governance. In addition to the above stated documents there are three additional documents which are connected with the latter in terms of their content. These are: Criteria for Measuring Performance of SOEs, Platform of SSH for Voting on AGMs of companies and SSH Recommendations and Expectations.

The Asset Management Strategy, which was adopted by the National Council of the Republic of Slovenia on 13 July 2015 in accordance with Article 28 of ZSDH-1, provides for the following: the definition and classification of assets to individual types of assets in accordance with Article 10 of ZSDH-1, the definition of development policies of RS in the capacity of a shareholder or a company member in companies, and individual strategic goals which RS aims to achieve with every asset defined as strategic asset. The Article 10 of ZSDH-1 further stipulates that all assets of SSH and RS be classified in one class of assets, specifically, strategic, important or portfolio assets. When individual asset is not classified into one of the above mentioned class of assets it is considered to be portfolio asset.

In accordance with Article 30 of ZSDH-1, the **Asset Management Annual Plan (AMAP)** is adopted by the SSH Management Board on the basis of the adopted Asset Management Strategy. The consent by the SSH Supervisory Board must be granted to make the said document valid; the consent should be delivered not later than by the end of November, for the following calendar year. AMAP must subsequently be approved by the Government of RS, upon the proposal given by MoF. The said Plan determines detailed goals to be achieved by SSH in the management of individual assets, together with measures and policies for attaining these goals. It also gives a forecast of cash flows from the management of assets owned by SSH and RS.

SSH may carry out certain actions in connection with asset management without modifying or amending AMAP when justified grounds are given and when such action is in accordance with the law, the SSH's Articles of Association and when it does not significantly contravenes the envisaged actions in connection with asset management stated in the Special Section of AMAP for the relevant year. These actions are:

- with the aim of balancing the liquidity, SSH may sell or in another manner dispose of capital assets held by SSH under condition that the book value of ² the CA ,which is the subject of the disposition in an individual year, does not exceed EUR 5 million;
- SSH may manage and disposes of capital assets which are acquired by SSH during the year and which do not form the part of AMAP, under condition that the book value of CA, which is the subject of the asset management or the disposition, does not exceed EUR 1 million;
- SSH may pursue all activities in connection with the acquisition of CA for RS when such acquisition has received a prior approval by the Government of RS by way of a resolution, irrespective of the capacity held by the Government of RS when passing such resolution (either as the General Meeting of SSH or as the state authority or in any other capacity, if, however, the will of the Government of RS about the acquisition may be clearly understood and SSH has been informed on this matter)³.

² The book-value is the amount of equity according to the last published balance sheet of a company, calculated to the shareholding which is the subject of the disposition.

³ Regardless of the Government's decision which never has the form of an instruction, SSH is obliged to carry out all processes for the acquisition of CA in accordance with the SSH Asset Management Policy. The general authority referred to in this section of AMAP only makes it possible to implement measures for SSH's asset management, when SSH takes such a decision, without

It is considered that actions of asset management, which satisfy the criteria referred to in the preceding paragraph, are carried out in accordance with and on the basis of AMAP.

Another important legal document which is connected in terms of the content with AMAP is the **Criteria**. The said document defines the criteria (indicators) for SSH to monitor the performance of operations of companies with State's capital assets. In addition to measuring and assessing past performance results, the performance criteria are intended for a more detailed determination of expectations on the part of SSH towards SOEs about their future business results. These criteria are not quantified which is why they have to be applied with every AMAP. As a matter of fact, in the AMAP, the performance criteria are quantified, representing SSH's expectations from SOEs as regards their attainment of future business results while in retrospect, these criteria form a quantified basis for measuring and assessing past performance of companies in regard to the expectations set by SSH.

The SSH Asset Management Policy is a legal document which presents principles, procedures and criteria which are applied by SSH in carrying out its duties and activities. In addition, the said document defines in detail the processes for the disposal of capital assets. It is adopted by the SSH Management Board and the consent for its adoption is granted by the SSH Supervisory Board.

The SSH Code contains principles and recommendations for good practice in corporate governance of SOEs. Its connection with AMAP is given in Chapter 3 of the Code. The main premise is defined in the introductory provisions of the Principle 3.1., i.e., the fundamental goal of a company with State's capital assets is to maximise the value of the company and to generate the highest possible return for the owner, unless stipulated otherwise in the law or in the Articles of Association.

Platform of SSH for Voting on annual general meetings (AGMs) of companies includes premises for representatives of SSH for their action at AGMs of companies and general standpoints of SSH in connection with some important topics discussed at AGMs. The said document is adopted by the SSH Management Board and is updated every year prior to the beginning of the AGM season.

The SSH Recommendation and Expectations, characterized by a predetermined and clear framework and public publication, communicates to SOEs some specific recommendations and expectations which SSH anticipates to be observed by SOEs. They especially include advice in regard to business planning, periodic reporting, processes involving transactions which affect company's expenses, cost optimisation and other similar recommendations.

having to amend AMAP; the Government of RS would, in fact, have to take a new decision on the matter although Government's decision about the acquisition was already made. The acquisition is carried out only in case when the purchase price for CA is lower than the estimated value of CA, or if it is within the range of the estimated value of CA. After a potential acquisition of new CA actually takes place, the AMAP for individual CA is produced in reasonable time.

3. SSH'S ASSET MANAGEMENT PORTFOLIO

SSH manages capital assets and their asset management is presented in detail in this document.

SSH also manages the portfolio of SSH's liquid assets (deposits and other instruments from the money market, debt securities, units of mutual funds and ETF) which are intended to balance its current liquidity necessary for the operation of SSH. This portfolio is not included in AMAP.

3.1. Capital assets managed by SSH

SSH manages capital assets which are owned by SSH and capital assets which are owned by RS but managed by SSH.

As of 30 September 2017, there were 90 capital assets managed by SSH, 1 capital asset owned by RS was sold but as of that date the change of its title was not yet recorded in the Business/Court Register of Companies. From the total of 90 companies under management, there were 52 companies with capital assets solely owned by RS and 25 companies with assets solely owned by SSH while both RS and SSH held capital assets in the remaining 13 companies.

Out of the total number of companies under SSH management, there were 65 active capital assets whereas the remaining capital assets included assets in companies in bankruptcy proceedings or in liquidation. The said active assets included 40 companies with capital assets solely owned by RS and 14 companies with assets solely owned by SSH while both RS and SSH held capital assets in the remaining 11 companies.

Table 1: Lists of SSH and/or RS assets managed by SSH (SSH's Asset Management Portfolio) as of 30 September 2017

Lfd. No.	Company name	Asset type	Pillar/Area	RS ownership stake (%)	SSH ownership stake (%)	TOTAL ownership stake (%)	Portfolio book value of RS and SSH as of 31/12/2016 (in EUR)*
1	ELEKTRO CELJE, D.D.	STRATEGIC	ENERGY SECTOR	79.50		79.50	169,585,077
2	ELEKTRO GORENJSKA, D.D., KRANJ	STRATEGIC	ENERGY SECTOR	79.42	0.31	79.73	119,303,215
3	ELEKTRO LJUBLJANA D.D.	STRATEGIC	ENERGY SECTOR	79.50	0.30	79.80	242,680,387
4	ELEKTRO MARIBOR, D.D.	STRATEGIC	ENERGY SECTOR	79.50		79.50	214,278,885
5	ELEKTRO PRIMORSKA, D.D.	STRATEGIC	ENERGY SECTOR	79.50		79.50	121,876,389
6	ELEKTROGOSPODARSTVO SLOVENIJE - RAZVOJ IN INŽENIRING, D.O.O.	PORTFOLIO	ENERGY SECTOR	100.00		100.00	772,595
7	GEN ENERGIJA, D.O.O.	STRATEGIC	ENERGY SECTOR	100.00		100.00	755,519,495
8	GEOPLIN, D.O.O.	IMPORTANT	ENERGY SECTOR	41.24	0.05	41.29	130,026,095
9	HOLDING SLOVENSKE ELEKTRARNE, D.O.O.	STRATEGIC	ENERGY SECTOR	100.00		100.00	1,015,220,355
10	INFRA, IZVAJANJE INVESTICIJSKE DEJAVNOSTI, D.O.O.	IMPORTANT	ENERGY SECTOR	100.00		100.00	10,015

Lfd. No.	Company name	Asset type	Pillar/Area	RS ownership stake (%)	SSH ownership stake (%)	TOTAL ownership stake (%)	Book value of RS and SSH as of 31/12/2016 (in EUR)*
11	NAFTA LENDAVAL, PROIZVODNJA NAFTNIH DERIVATOV, D.O.O.	IMPORTANT	ENERGY SECTOR	100.00		100.00	2,190,823
12	PETROL, D. D., LJUBLJANA	IMPORTANT	ENERGY SECTOR	3.03	19.75	22.78	117,644,764
13	PLINHOLD, D.O.O.	STRATEGIC	ENERGY SECTOR	41.24	0.05	41.29	
14	RTH, RUDNIK TRBOVLJE-HRASTNIK, D.O.O.	PORTFOLIO	ENERGY SECTOR	100.00		100.00	13,677,661
15	RŽV, JAVNO PODJETJE ZA ZAPIRANJE RUDNIKA URANA, D.O.O.	PORTFOLIO	ENERGY SECTOR	100.00		100.00	462,114
16	2TDK, DRUŽBA ZA RAZVOJ PROJEKTA, D. O.		TRANSPORT	100.00		100.00	974,509
17	DRI UPRAVLJANJE INVESTICIJ, DRUŽBA ZA RAZVOJ INFRASTRUKTURE, D.O.O.	STRATEGIC	TRANSPORT	100.00		100.00	20,241,397
18	DRUŽBA ZA AVTOCESTE V REPUBLIKI SLOVENIJI, D.D., CELJE	STRATEGIC	TRANSPORT	100.00		100.00	2,665,453,020
19	INTEREUROPA, D. D.	PORTFOLIO	TRANSPORT		1.73	1.73	2,390,601
20	KONTROLA ZRAČNEGA PROMETA, D.O.O.	STRATEGIC	TRANSPORT	100.00		100.00	17,209,774
21	LUKA KOPER, D. D.	STRATEGIC	TRANSPORT	51.00	11.13	62.13	206,258,504
22	POŠTA SLOVENIJE, D.O.O.	STRATEGIC	TRANSPORT	100.00		100.00	218,255,904
23	SLOVENSKE ŽELEZNICE, D.O.O.	STRATEGIC	TRANSPORT	100.00		100.00	305,586,451
24	ABANKA, D.D.	PORTFOLIO	FINANCIAL SECTOR	100.00		100.00	616,828,000
25	D.S.U., D.O.O., LJUBLJANA	IMPORTANT	FINANCIAL SECTOR	100.00		100.00	57,950,177
26	DTK MURKA, DRUŽBA TVEGANEGA KAPITALA, D.O.O.	IMPORTANT	FINANCIAL SECTOR	49.00		49.00	1,615,751
27	GORENJSKA BANKA, D.D.	PORTFOLIO	FINANCIAL SECTOR	0.17		0.17	343,400
28	M1, D.D., LJUBLJANA **		FINANCIAL SECTOR	0.00		0.00	
29	META INGENIUM, DRUŽBA TVEGANEGA KAPITALA, D.O.O.	IMPORTANT	FINANCIAL SECTOR	49.00		49.00	2,949,635
30	NLB, D.D.	IMPORTANT	FINANCIAL SECTOR	100.00		100.00	1,525,660,000
31	POZAVAROVALNICA SAVA, D. D., LJUBLJANA	IMPORTANT	FINANCIAL SECTOR	2.77	25.00	27.77	82,487,543
32	PRVI SKLAD, DRUŽBA TVEGANEGA KAPITALA, D.O.O.	IMPORTANT	FINANCIAL SECTOR	48.90		48.90	6,747,182
33	SID - SLOVENSKA IZVOZNA IN RAZVOJNA BANKA, D.D., LJUBLJANA	STRATEGIC	FINANCIAL SECTOR	99.41		99.41	411,366,533

Lfd. No.	Company name	Asset type	Pillar/Area	RS ownership stake (%)	SSH ownership stake (%)	TOTAL ownership stake (%)	Book value of RS and SSH as of 31/12/2016 (in EUR)*
34	STH VENTURES, D.O.O.	IMPORTANT	FINANCIAL SECTOR	49.00		49.00	1,494,438
35	ZAVAROVALNICA TRIGLAV, D.D., LJUBLJANA	STRATEGIC	FINANCIAL SECTOR	34.48	28.09	62.57	465,739,637
36	ADRIA, TURISTIČNO PODJETJE D.O.O., ANKARAN	PORTFOLIO	SECTOR OF ECONOMY		11.74	11.74	2,368,981
37	BODOČNOST MARIBOR, D.O.O.	PORTFOLIO	SECTOR OF ECONOMY	75.83		75.83	1,374,629
38	CASINO BLEDE, D. D., BLEDE	PORTFOLIO	SECTOR OF ECONOMY		43.00	43.00	104,492
39	CASINO PORTOROŽ, D. D., PORTOROŽ	PORTFOLIO	SECTOR OF ECONOMY		9.46	9.46	230,073
40	CETIS, D. D., CELJE	PORTFOLIO	SECTOR OF ECONOMY		7.47	7.47	2,320,904
41	CINKARNA CELJE, D. D., CELJE	PORTFOLIO	SECTOR OF ECONOMY		11.41	11.41	16,654,811
42	CSS, D.O.O.	PORTFOLIO	SECTOR OF ECONOMY	96.65		96.65	253,923
43	ELEKTROOPTIKA, D.D.	PORTFOLIO	SECTOR OF ECONOMY	0.01	70.48	70.49	0
44	HIT, D. D., NOVA GORICA	PORTFOLIO	SECTOR OF ECONOMY		20.00	20.00	9,437,400
45	INKOS, D.O.O., KRMELJ	PORTFOLIO	SECTOR OF ECONOMY	2.54		2.54	0
46	JAVNO PODJETJE URADNI LIST REPUBLIKE SLOVENIJE, D.O.O.	STRATEGIC	SECTOR OF ECONOMY	100.00		100.00	4,307,355
47	KDD D. D., LJUBLJANA	PORTFOLIO	SECTOR OF ECONOMY		19.23	19.23	2,365,826
48	KRKA, D.D., NOVO MESTO	IMPORTANT	SECTOR OF ECONOMY	0.01	16.20	16.21	234,144,372
49	LOTERIJA SLOVENIJE, D. D., LJUBLJANA	STRATEGIC	SECTOR OF ECONOMY		15.00	15.00	3,640,470
50	MARIBORSKA LIVARNA MARIBOR, D.D.	PORTFOLIO	SECTOR OF ECONOMY	32.73		32.73	0
51	PERUTNINA, D.D., PTUJ**	IMPORTANT	SECTOR OF ECONOMY	0.00		0.00	
52	POMGRAD - VODNOGOSPODARSKO PODJETJE, D.D.	IMPORTANT	SECTOR OF ECONOMY	25.01		25.01	990,154
53	PS ZA AVTO, D.O.O., LJUBLJANA	PORTFOLIO	SECTOR OF ECONOMY		90.00	90.00	4,156,989
54	RRA REGIONALNA RAZVOJNA AGENCIJA CELJE, D.O.O.	PORTFOLIO	SECTOR OF ECONOMY	5.89		5.89	0
55	SAVA, D. D.	IMPORTANT	SECTOR OF ECONOMY		22.56	22.56	7,832
56	SAVAPROJEKT, D.D.	PORTFOLIO	SECTOR OF ECONOMY	3.47		3.47	85,769
57	SIJ - SLOVENSKA INDUSTRIJA JEKLA, D.D.	IMPORTANT	SECTOR OF ECONOMY	25.00		25.00	105,868,000
58	STUDENTENHEIM KOROTAN GMBH	PORTFOLIO	SECTOR OF ECONOMY	100.00		100.00	3,916,572

Lfd. No.	Company name	Asset type	Pillar/Area	RS ownership stake (%)	SSH ownership stake (%)	TOTAL ownership stake (%)	Book value of RS and SSH as of 31/12/2016 (in EUR)*
59	TELEKOM SLOVENIJE, D. D., LJUBLJANA	PORTFOLIO	SECTOR OF ECONOMY	62.54	4.25	66.79	471,515,816
60	TERME OLIMIA, D.D., PODČETRTEK	IMPORTANT	SECTOR OF ECONOMY		4.01	4.01	1,210,241
61	UNIOR, D.D., ZREČE	PORTFOLIO	SECTOR OF ECONOMY		39.43	39.43	60,152,013
62	VARNOST SISTEMI, D.O.O.	PORTFOLIO	SECTOR OF ECONOMY		9.74	9.74	32,057
63	VODNOGOSPODARSKO PODJETJE DRAVA, D.O.O., PTUJ	IMPORTANT	SECTOR OF ECONOMY	25.00		25.00	728,913
64	VODNOGOSPODARSKO PODJETJE NOVO MESTO, D.D.	IMPORTANT	SECTOR OF ECONOMY	25.00		25.00	823,559
65	VODNOGOSPODARSKO PODJETJE, D.D., KRANJ	IMPORTANT	SECTOR OF ECONOMY	25.00		25.00	516,882

Note:

*The value of assets calculated from ownership stake of RS and/or SSH in the company's equity as of 31 December 2016 (the value of the equity of the Group is taken into account for companies which are a member of the Group).

**Shareholdings are rounded up to two decimal places. When the shareholding of 0.00% is referred to, this means that there is an ownership stake in the company but it has been rounded up to 0.00 %.

Table 2: Lists of assets held by SSH and/or RS in companies in bankruptcy proceedings or in liquidation, as of 30 September 2017

Lfd. No.	Company name	Asset type	Pillar/Area	RS ownership stake (%)	SSH ownership stake (%)	TOTAL ownership stake (%)
1	AERO, D. D. - IN BANKRUPTCY		SECTOR OF ECONOMY		1.44	1.44
2	CASINO MARIBOR, D.D. - IN BANKRUPTCY		SECTOR OF ECONOMY		22.83	22.83
3	DRUŽBA ZA SPODBUJANJE RAZVOJA TNP, D.D. - IN LIQUIDATION - IN BANKRUPTCY		SECTOR OF ECONOMY	51.05		51.05
4	GIO, D.O.O., LJUBLJANA - IN LIQUIDATION		SECTOR OF ECONOMY		71.27	71.27
5	GLIN IPP, D.O.O. NAZARJE - IN BANKRUPTCY		SECTOR OF ECONOMY	16.06		16.06
6	GRADIS SKUPINA G, D.D. - IN BANKRUPTCY	PORTFOLIO	SECTOR OF ECONOMY		1.36	1.36
7	IPOZ TRBOVLJE, D.O.O. - IN LIQUIDATION		SECTOR OF ECONOMY		1.20	1.20
8	LIPICA TURIZEM, D. O. - IN BANKRUPTCY		SECTOR OF ECONOMY	100.00		100.00
9	MAKSIMA HOLDING, D.D. - IN BANKRUPTCY		SECTOR OF ECONOMY	0.01		0.01
10	MAKSIMA INVEST, D.D. - IN BANKRUPTCY		SECTOR OF ECONOMY	0.00		0.00
11	MURA, D.D. - IN BANKRUPTCY		SECTOR OF ECONOMY		12.23	12.23
12	NFD HOLDING, D.D. - IN BANKRUPTCY		SECTOR OF ECONOMY	0.00		0.00

Lfd. No.	Company name	Asset type	Pillar/Area	RS owners hip stake (%)	SSH owners hip stake (%)	TOTAL ownership stake (%)
13	NOVOLES, D.D. STRAŽA - IN BANKRUPTCY		SECTOR OF ECONOMY		16.69	16.69
14	PEKO, D.D., TRŽIČ - IN BANKRUPTCY	PORTFOLIO	SECTOR OF ECONOMY	61.16		61.16
15	PODJETJE ZA UREJANJE HUDOURNIKOV, D.D. - IN BANKRUPTCY		SECTOR OF ECONOMY	40.00		40.00
16	POLZELA, D.O.O. - IN BANKRUPTCY	PORTFOLIO	SECTOR OF ECONOMY	71.43	28.57	100.00
17	RIMSKE TERME, D.O.O. - IN BANKRUPTCY		SECTOR OF ECONOMY	3.83	13.55	17.38
18	RUDNIK KANIŽARICA V ZAPIRANJU, D.O.O., ČRNOMELJ - IN LIQUID.		ENERGY SECTOR	100.00		100.00
19	RUDNIK SENOVO V ZAPIRANJU, D.O.O. - IN BANKRUPTCY		ENERGY SECTOR	100.00		100.00
20	RUDNIK ZAGORJE V ZAPIRANJU, D.O.O. - IN LIQUIDATION		ENERGY SECTOR	100.00		100.00
21	ABC TRGOVINA, D. D., LJUBLJANA - IN BANKRUPTCY		SECTOR OF ECONOMY		2.37	2.37
22	SVEA, D.D., ZAGORJE OB SAVI - V STEČAJU		SECTOR OF ECONOMY		15.57	15.57
23	TAM MARIBOR D.D. - IN BANKRUPTCY		SECTOR OF ECONOMY	10.85		10.85
24	UNIVERZALE, D. D., DOMŽALE - IN BANKRUPTCY		SECTOR OF ECONOMY		8.53	8.53
25	VEGRAD, D.D. - IN BANKRUPTCY		SECTOR OF ECONOMY		29.00	29.00

Table 3: RS's capital assets which have been sold but the change of the title was not registered in the Court/Business Register of Companies as of 30 September 2017.

Lfd. No.	Company name	Asset type	Pillar/Area	RS ownership stake (%)	SSH ownership stake (%)	TOTAL ownership stake (%)	Book value of RS and SSH as of 31/12/2016 (in EUR)*
1	TOPLOTNA OSKRBA, D.O.O., LOČE	PORTFOLIO	ENERGY SECTOR	49.17		49.17	95,839

3.2. Capital assets which are not included in this AMAP neither in the Special Section of AMAP

The classification of capital assets stated in the Asset Management Strategy referred to in Table 10 also includes capital assets which are not managed by SSH. **Capital assets which are not managed by SSH** are not included in this AMAP. They include the following companies with capital assets of RS:

- **for which SSH does not hold any powers to participate at their General Meeting** (for example, KAD, STA d.o.o.); as a result, SSH cannot enforce any shareholder's entitlements;
- **which are under direct management of RS in accordance with special legislation** (for example, SODO, d.o.o., ELES, d.o.o., Borzen, d.o.o., Slovenski državni gozdovi, d.o.o.);

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- **capital assets in companies in the process of acquisition**; in case of companies whose equity holdings are in the process of being acquired by SSH and/or RS, and/or which are not yet held by SSH, separate asset management plans for these companies will be made by SSH if and when such assets are actually acquired as SSH management of these assets may only commence at that point in time (for example, Koto, d.o.o.).

All of capital assets managed by SSH are included in the Special Section of AMAP with the exception of capital assets in companies which are subject to special circumstances owing to which the preparation of the Special Section of AMAP is not reasonable. These are:

- **capital assets in companies in bankruptcy proceedings or in liquidation (also referred to as inactive assets)**; SSH does not carry out any asset management related activities in companies in bankruptcy proceedings whereas in case of companies in liquidation, the main goal of asset management is a successful completion of liquidation proceedings;
- **assets whose management will be transferred to the Government of RS**: the Act on the Construction and Management of the Second Railway Track of the Divača to Koper Railway Line was adopted in April 2017. Pursuant to this Act, the management of capital assets held in 2TDK, d.o.o. will be transferred to the Government of RS, capital assets in **2TDK, d.o.o.** are therefore not included in AMAP for 2018. It is envisaged that the said Act will enter into force by the end of 2017. Neither does AMAP include capital assets held in Plinhold, d.o.o., whose management will be transferred to the Government of RS in 2018, following the merger of Plinhold, d.o.o. and Plinovodji, d.o.o.;
- **assets which represent less than 25% of equity holding and for which a Sale and Purchase Agreement or any other type of written agreement** has been concluded but not yet finally realised. In the management of capital asset of these companies the goal of SSH is to successfully carry out activities envisaged to be taken in the period between the signing of the agreement and the closing of the transaction and which are required for a successful closing of the transaction. If the process for the sale of these assets fails to be successfully closed, SSH will immediately start with the preparation of separate AMAP for these assets (Casino Portorož, d.d., KDD, d.d.);
- **assets in companies in compulsory settlement proceedings** for which it is envisaged that RS and/or SSH will cease to be the owner of a company following the completed compulsory settlement proceedings. This include companies whose actual economic owners are creditors who have an impact on the voting on proposals for compulsory settlement and further existence of such company in fact depends on their subsequent activities (additional contribution for investments) (MLM, d.d.);
- **assets in companies in which RS and/or SSH hold only a minor equity holding**; given that the equity holding is low, SSH has a very limited impact on the corporate governance of such companies. In the management of such assets, SSH will strive to act for the benefit of RS and/or SSH, by taking into account the principle of economy and its influence on voting. The fundamental goal pursued by SSH in the management of these assets (with the exception of Perutnina Ptuj, d.d., which has been defined as important asset in the Asset Management Strategy) is to ensure suitable conditions for selling these assets. Their sale will be conducted by means of public call to submit bids (Gorenjska banka, d.d., Inkos, d.o.o., Intereuropa, d.d., M1, d.d., Perutnina Ptuj, d.d., RRA Celje, d.o.o., Savaprojekt, d.d.).

Table 4: List of active assets managed by SSH and not included in the Special Section of AMAP

Lfd. No.	Company name	Asset type	RS ownership stake (%)*	SSH ownership stake (%)	TOTAL ownership stake (%)
1	2TDK, DRUŽBA ZA RAZVOJ PROJEKTA, D. O.		100.00		100.00
2	CASINO PORTOROŽ, D. D., PORTOROŽ	PORTFOLIO		9.46	9.46
3	GORENJSKA BANKA, D.D.	PORTFOLIO	0.17		0.17
4	INKOS, D. O. O.	PORTFOLIO	2.54		2.54
5	INTEREUROPA, D. D.	PORTFOLIO		1.73	1.73
6	KDD D. D., LJUBLJANA	PORTFOLIO		19.23	19.23
7	M1, D.D.		0.00		0.00
8	MARIBORSKA LIVARNA MARIBOR, D.D.	PORTFOLIO	32.73		32.73
9	PERUTNINA PTUJ, D. D.	IMPORTANT	0.00		0.00
10	PLINHOLD, D.O.O.	STRATEGIC	41.24	0.05	41.29
11	RRA CELJE, D.O.O.	PORTFOLIO	5.89		5.89
12	SAVAPROJEKT, D.D.	PORTFOLIO	3.47		3.47

Note:

*Shareholdings are rounded up to two decimal places. When the shareholding of 0.00% is referred to, this means that there is an ownership stake in the company but it has been rounded up to 0.00 %.

4. FUNDAMENTAL OBJECTIVES IN ASSET MANAGEMENT AND PREMISES FOR MEASURES AND ACTIONS TO ATTAIN GOALS

4.1. *Fundamental goals for managing capital assets and their classification*

In managing assets, in accordance with ZSDH-1, goals differ according to the classification of a company and state assets in strategic, important or portfolio asset.

All assets owned by SSH and RS are classified into one of these three groups of assets with equal or similar characteristics, realising the same or similar goals. They are deemed to be fundamental goals of asset management.

Fundamental goals in asset management are as follows:

- Group No.1: **STRATEGIC GOALS**: realising important social interest such as: ensuring the relevant level and accessibility of infrastructure, rendering public services, ensuring security objectives, development objectives and realising other significant social interest;
- Group No.2: **DEVELOPMENT GOALS**: maintaining key development factors in Slovenia;
- Group No.3: **ECONOMIC GOALS**: maximizing the value of assets and generating the highest return possible for an owner.

In regard to the above mentioned fundamental goals in asset management, capital assets are classified into three **fundamental groups of assets**, specifically:

- **Strategic assets** are assets in regard to which **strategic and economic goals are pursued**. The minimum stake to be kept in companies classified as strategic is 50 % plus one vote, in accordance with Article 14, Paragraph 1 of ZSDH-1.
- **Important assets** are assets in regard to which **development and economic goals are pursued**. The minimum stake to be kept in companies classified as important is 25 % plus one vote, in accordance with Article 14, Paragraph 2 of ZSDH-1.
- **Portfolio assets** are assets in regard to which solely **economic goals are pursued**. SSH may freely dispose of portfolio assets.

The Asset Management Strategy defines in detail the main substantive criteria for classifying assets into strategic, important and portfolio assets. These criteria are categorized into four groups:

- strategic and development criteria,
- sectoral and entrepreneurial criteria,
- network criteria and
- fiscal criteria.

Within these criteria, individual indicators have been determined together with the relevant weight which is used when rating individual assets; the classification of an asset into an individual group of assets depends on the total number of points received in the score.

Such scoring of assets in accordance with the substantive criteria referred to in the Asset Management Strategy mentioned above shows that the State holds:

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- a) strategic assets in the following companies:
- undertakings carrying out key infrastructural duties:
 - companies in economic activities which are important for stable and safe supply of resources and energy, in addition to public grid operators:
 - companies rendering important public obligations (services of general economic interest):
 - companies increasing the competitiveness of the entire forest-wood value chain:
- b) important assets in the following companies:
- systemic financial institutions and venture capital funds,
 - lottery and gambling,
 - companies which are important in terms of their development and technological functions, proficient in key technologies, and RS wishes to keep their key development components in Slovenia, and
 - companies which have an important role in the integration of companies within the supply chain and for the internationalisation of economy.

4.2. *Premises for measures and actions to attain goals of AMAP*

When determining the direction, measures and actions to be kept and undertaken by SSH in managing companies with state capital assets and when defining in detail goals to be achieved, the following **starting points** are particularly taken into account:

- **fundamental guidelines** laid down in the Asset Management Strategy,
- **fundamental asset management goals** on account of which an individual asset has been classified into a certain fundamental group of assets;
- **additional goals in asset management** which are determined by the Asset Management Strategy;
- As regards SOEs, SSH has at its disposal "only" **corporate and legal leverage** arising from its capacity of a shareholder or a company member. Other statutory restriction must be taken into account when managing capital assets. These limitations are explained in detail in Chapter 4.3 of this AMAP;
- When preparing an Asset Management Annual Plan, SSH takes into consideration **strategies and business plans** produced by companies if companies have informed SSH of their own strategic and planning documents and these plans are compliant with SSH's goals. These plans are fully or, in their significant parts, summarised by SSH in the special section of this AMAP for some individual companies and when this is reasonable; in addition, SSH makes a stand in regard to the fact whether its support is to be provided for the strategy of a company or whether, obviously, in a legally admissible manner, SSH will attempt to have some changes be made to their strategies. In SOEs, which are organized as public limited companies, SSH has a **limited access to information** since, under the applicable law, the shareholder's right to information is restricted. In the Special Section of AMAP this may appear to be presented as an incomplete summary of strategic goals and development directions of and about an individual company. When the prognosis of all relevant circumstances cannot be ascertained with a sufficient level of probability, directions, measures and actions in the General and Special Sections of this AMAP are defined as an **alternative**, subject to the occurrence of certain events.

4.3. *Statutory restrictions in managing State capital assets*

SSH manages State capital assets in accordance with applicable laws and regulations and the adopted legal documents on asset management. Certain rules and statutory solutions may be viewed as limitations in

managing capital assets, however, they also have their own purpose, usually of a protective nature. In this regard, the following limitations in asset management are pointed out:

- The provision of Article 20, Paragraph 3 of ZSDH-1 stipulates that SSH must not interfere with the independence of the corporate bodies, and especially, it must not intervene with individual business and governance decisions.
- It has been made clear in Chapter 4.2 that a more important limitation in managing capital assets are imposed by provisions of ZGD-1 on the limited shareholder's right to information. When public companies are referred to, the provisions of ZTFI must also be taken into consideration.
- SSH must observe provisions of the take-over legislation which force a shareholder to publish a take-over bid for all remaining shares not yet held by the shareholder when the take-over threshold or the additional take-over threshold is reached. In other words, this means that SSH cannot increase the participation of the State in a target company above the take-over threshold or above the additional take-over threshold when there is no willingness to acquire the remaining shares of the target company.
- SSH must observe the provisions of the law which regulates the prevention of the restriction of competition. Among other things, this means that in case of a potential concentration, the responsible authority must be notified of the latter and activities aimed at implementing the concentration must be suspended until the decision on the compliance of concentration with competition rules is issued. SSH avoids concentration when it is believed that concentration of undertakings is questionable from the aspect of legal competition rules and submits to the regulatory body a proposal of correction measures.
- In case of certain measures regarding asset management, SSH must take into account the rules on state-aid. These must also be considered in the processes for the sale of capital assets which, among other things, means that, as a rule, in the SPA, a prospective buyer cannot be obliged to satisfy the non-financial commitments.
- SSH must take into account the Asset Management Strategy within the scope of which asset management measures are determined in every AMAP.

5. ADDITIONAL GOALS FOR ASSET MANAGEMENT AS STATED BY STRATEGY

5.1. *Rise in culture of corporate governance*

In Chapter 3.2, the Asset Management Strategy states that the goal of SSH is to raise the culture of corporate governance in all companies with capital assets of the State, including in SSH. Some additional goals for asset management have been set in the said Strategy in connection with this topic. They are: developing and implementing standards of good practice in corporate governance, establishing an organised and functioning system of internal controls, internal audit and risk management, providing positive examples and improving the integrity and ethical conduct of employees.

Measures which have already been implemented:

SSH has already taken key measures for raising the culture of corporate governance - it adopted the SSH Code of Corporate Governance for SOEs and the SSH Recommendations and Expectations which have been addressed to SOEs. In addition, the SSH Asset Management Policy has been adopted. All of the above mentioned documents are periodically improved and updated considering the developments in legislation, advances in good practice in corporate governance and SSH's own understanding about the necessary improvements of the system of corporate governance of SOEs. Now and then, SSH addresses to some companies different explanatory notes

and its standpoints in connection with the application of the above mentioned documents, and when necessary, provides broader remarks about the proper understanding of provisions of the company law. SSH has enforced its corporate rights in some companies so that their Articles of Association have been adopted pursuant to which corporate governance is implemented in these companies through corporate legal norms.

Measures in progress:

SSH regularly monitors operations of companies with state capital assets through the system of periodic reporting by SOEs on their operational results, through plans being submitted by companies, at meetings organised with the management of SOEs and by means of reports on risk management pursued by SOEs. In addition, SSH takes care that constant training is provided for members of management and supervisory bodies of SOEs; free-of-charge training sessions are thus organised on a monthly basis. In addition, SSH makes it possible that representatives of companies and other interested parties report anonymously about potential irregularities discovered in the operation of SOEs.

Measures planned:

- SSH will continue to pursue a systematic monitoring of the application and observance by SOEs of the SSH Code and the reference Code. It will also monitor the observance of SSH Recommendations and Expectations. If it is determined by SSH that a company has failed to observe recommendation referred to in these documents, SSH will verify whether this is suitably disclosed and explained and in case of more important recommendations, the lack of their observance will be highlighted at the periodic meeting held by SSH with these companies.
- SSH will support the adoption and the modification of Articles of Association of SOEs which will lead to the implementation of good practice of corporate governance in the incorporation documents.
- SSH will monitor further developments of legislation, cases of good practice and will try to detect issues and continue with the development of the corporate governance system accordingly. When necessary, initiatives for amendments and modifications of legislation will be submitted to the responsible ministry.

5.2. Improving efficiency in disposition of assets

In case of companies with state capital assets for which the analysis will show that fundamental goals in asset management are best achieved by disposing of such assets, more in-depth goals of such measure are presented in AMAP. When strategic or important goals in connection with an individual company with state capital assets may also be achieved by selling off one part of the company or by disposing of it in other manner, goals referred to in Chapter 3.3 of the Asset Management Strategy are additionally taken into account. These goals are: employment, competitiveness and business performance of the company, improvements of public services and future development of the society, ensuring responsible owners who will provide long-term and successful development of the company in the future. In this regard, the rules of the EU law on state-aid are fully observed. When, at the discretion of SSH, economic goals in regard to the ownership of portfolio assets are best achieved by their disposition, the objective of such disposition is always the highest proceeds from the sale. When the SSH's assessment shows that fundamental or additional goals in asset management may be better achieved by firstly restructure a company, the goal SSH pursues in this case is to direct the company towards its restructuring in a legally admissible manner. In line with the legal framework given, SSH is then actively involved in the process of restructuring.

Measures which have already been implemented:

SSH has adopted the Asset Management Policy which regulates in detail the processes for the acquisition and disposition of capital assets. As regards their legal regulation, these processes are organised so that good practice and rules of the discipline from the relevant area are taken into account. These rules make the attainment of goals which are connected with the disposition of and the acquisition of assets possible. SSH has successfully closed several processes of sale and activities for acquisition of capital assets.

Measures planned:

- to conduct efficient and well-coordinated processes of sale in the future;
- to realise fundamental goals in asset management, together with additional goals in disposition of assets, in an efficient manner and in accordance with applicable rules.

5.3. Prevention of concentration by other owners (the State as the largest owner)

In Chapter 2.3(3), the Asset Management Strategy states as follows: "In regard to individual important assets which are specially determined in this Strategy, the prohibition of the concentration and dispersion of ownership by private owners applies, specifically, up to the total amount of the state owned assets." The said goal applies to important capital assets in the following companies: NLB, d.d., Petrol, d.d., Pozavarovalnica Sava, d.d., Sava d.d. and Krka, d.d.

Measures which have already been implemented:

- the modification of the Articles of Association of NLB, d.d. by way of which the restriction on the transferability of shares has been imposed in accordance with the provisions of ZGD-1; thus, an approval by the company is now needed for the transfer of shares (i.e., an instrument restricting the transfer of shares) which may be denied when an acquirer exceeds the threshold of 25% of NLB voting shares plus 1 share.

Conditionally feasible measure:

- the harmonisation of the Articles of Association of Petrol, d.d., so that its content now matches the applicable law which restricts the acquisition of shares in undertakings from the energy sector.

Unfeasible measures:

- This measure is not attainable in case of the following companies: Pozavarovalnica Sava, d.d., Sava, d.d. and Krka, d.d.

Imposing the instrument for restricting the transfer of shares in the Articles of Association was only possible in case of the modifications of the NLB's Articles of Association which is an enterprise fully owned by the State. In the SSH's assessment, such measure is not feasible in practice in the case of Pozavarovalnica Sava, d.d., Sava d.d. and Krka, d.d. since the consent of all shareholders of these companies must be obtained to execute such a modification. In the opinion of SSH, it is not possible to expect such consent to be granted by other shareholders, as such restriction on the transferability of shares has a negative impact on the value of shares. In fact, this is a method which prevents shareholders who might be willing to pay the control premium from acquiring a controlling share in a company.

The Articles of Association of Petrol, specifically, the item 05.03, regulates the restriction on the acquisition of shares in a manner which is not fully compliant with the law currently regulating this issue (Article 46, Paragraph 4 of Implementation of the Republic of Slovenia's Budget for 2017 and 2018 Act; Official Gazette of the Republic of Slovenia, Nos. 80/16 and 33/17). The success of this measure aiming at the harmonisation of the Articles of Association with the law depends on the voting of other shareholders - SSH itself does not have the necessary voting power to modify the said document.

In accordance with Article 308 of ZGD-1, the restriction on the voting right may be determined in the Articles of Association so that the number of votes an individual has in regard to the number of shares held cannot exceed a certain threshold. In accordance with the law, this restriction cannot be imposed on voting rights of shares which are traded on the regulated market Shares of Petrol, d.d., Pozavarovalnica Sava, d.d., Sava d.d. and Krka, d.d., which have been discussed above, are quoted on the regular market which is why this measure is not viable in their case.

5.4. Consent granted by SSH in processes for disposition of assets

In Chapter 3.3(4), the Asset Management Strategy states that defining individual capital assets as strategic or important is subject to the criteria for the classification of assets which are determined in the said Strategy; such definition is always based on the assessment of the core business pursued by an individual company with state capital assets. In accordance with this statement of reasons, SSH must verify all strategic and important assets under its management, together with their assets in other companies (companies with their majority ownership, subsidiaries, minority equity stakes in enterprises) and, in doing so, SSH must follow the objective a company has in carrying out its core business, i.e., in providing support for key activities of its parent company. SSH must also take into account any potential companies' assets invested in other companies with state assets defined as important or strategic, and, in accordance with this principle, provide for suitable and justified procedures for the disposition of capital assets in other companies. In such cases, prior to disposing of assets in other companies, the Supervisory Board of an individual company must obtain a consent granted by SSH. This rule refers to companies with strategic or important assets of the State when such companies hold stakes in companies whose activities support the core activity of the parent company, which, in fact, is the activity on account of which the parent company has been classified as strategic or important asset in the Asset Strategy. The SSH's consent must be obtained regardless of the fact whether such company, in which the parent company holds a shareholding, has been classified as strategic or important, or not. The said standard also refers to all other enterprises with state capital assets irrespective of their status of a strategic or important asset when such enterprises hold a shareholding in a company with capital assets of the State which has been classified as strategic or important in the Strategy.

Measures which have already been implemented:

In case of many companies with limited liability in which SSH exercises at least 75% share of voting rights, SSH has introduced relevant provisions in their incorporation documents which refer to the requirement that the management of a company must obtain a consent by the company's General Meeting/company members/the founder for the disposition of assets which are subject to this goal. In companies in which this measure has not yet been implemented, its implementation is foreseen in the future.

Other potential measures:

- In case of listed companies, the Management Board itself may submit a business decision (a decision on the disposition of capital assets, in the case in question) to the General Meeting although the Management Board may not be forced to do so.

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- In an individual company with state capital assets SSH may, upon the company's explicit request, (only) give its opinion whether the disposition of certain capital assets, which are subject of the Chapter 3.3. of the Strategy, contravenes the goal of the State having the strategic ownership in a certain company.

Reasoning:

The Strategy is not a regulation of such nature which would bind Supervisory Boards of companies with state assets. It would also be contrary to the provisions of ZGD-1 and to Article 20 of ZSDH-1, if SSH, in the capacity of SSH, issues such consent to these companies. As a matter of fact, at General Meetings, SSH may only vote on a Resolution Proposal to issue a consent or passes the Resolution on the issue of the consent when acting as a sole shareholder. The decision to dispose of capital assets is a business decision which is why the authority to submit to the General Meeting of a company or to a company member such decision on the disposition of assets is vested in the management body or in the management body together with the Supervisory Board and not in the Supervisory Board alone. Therefore, SSH implements the quoted provision of the Strategy in line with and adapted to the legal organisational form of a company with state capital assets and according to ownership stake of the State in such enterprise. SSH will amend Articles of Association of companies in a manner so that prior to the disposition of capital assets, a limited liability company will be required to obtain a consent by the General Meeting of the company or the sole company member, obviously, within the legal framework given, and in cases where this has not yet been implemented. Then, acting in the capacity of a company member, SSH will vote for and adopt the Resolution to issue the consent. In case of listed companies in 100% state ownership, it is expected that, in accordance with the law, the Management Board of a company will submit to the General Meeting the said Board's decision on the disposition of assets. In case of other listed companies, it should be at the discretion of the Management Board to either observe the quoted provision of the Strategy and submit to the General Meeting its decision on the disposition of assets or not. Upon a request of an individual company, SSH will provide its opinion on whether a certain disposition of capital assets, which are the subject of Chapter 3.3 of the Strategy, contravenes the goal of maintaining strategic ownership of the State in a certain company; SSH's opinion is not binding in this case.

5.5. *Listing of SOEs to regulated securities market*

The support provided by SSH for the listing of shares of important economic players on capital markets is stated as an additional goal in asset management, specifically, referred to in Chapter 3.6 of the Strategy. SSH will support enterprises with the potential of being capitalised at more than EUR 300 million to become listed on the Ljubljana Stock Exchange in order to increase their market capitalisation, and thus the value of state capital assets and their associated entities. SSH will encourage enterprises with market capitalisation approaching EUR 1 billion to become listed on international capital markets.

Measures in progress:

In case of companies which satisfy the criteria stated in the Strategy in regard to the listing of their shares on regulated securities market, SSH will regularly monitor and analyse the needs and the effects of having such shares become listed on (international) regulated capital markets. The criteria stated in the Strategy for listing shares of companies on regulated securities market is the volume of companies' market capitalisation, which, *per se*, does not give sufficient grounds for a company to go public; the main reasons are to be found in the need to raise fresh capital (equity or debt capital) which means that the company plans further growth of its operation which cannot be financed with the current financial condition. A company may plan to take over other companies and its own shares may be used to pay for the transaction. It may also be that a company wishes to increase its recognition and to ensure a higher level of transparency and better organisation of its operations which may

have a positive indirect impact on the value and operation of the company. Negative aspects of listing shares of companies on regulated market are always considered and analysed in these cases.

6. MACROECONOMIC OUTLOOK

According to the forecast made by analysts of the International Monetary Fund (IMF), global economy is expected to grow by 3.5 % and by 3.6 % in 2017 and in 2018.. A stable economic growth may be expected both in advanced countries and in developing countries. Global growth will be mainly shaped by measures adopted by Central Banks. While ECB is slowly coming to an end of its quantitative easing programme, in America, FED is gradually increasing the key interest rates. In addition to the monetary policy, the growth of the global economy will also be affected by the impacts of the measures announced by responsible economic policy bodies. Reform measures which will have the greatest effect are those which have been announced by the American President (particularly the effects resulting from the new tax bill and lower taxes and the impact of significantly higher investments in the infrastructure). The greatest risk to the achievement of the forecast economic growth continues to be geopolitical instability (conflicts in the Middle East, the conflict between Ukraine and Russia, independence tendencies in Catalonia and the method of the exit of the United Kingdom from the EU).

Table 5: FED's macroeconomic outlook and the analysts' aggregated estimate for the USA

Indicator (in %)	2014	2015	2016	2017*	2018*	2019*
Real gross domestic product (GDP) (FED/analysts' estimate)	2.6	2.9	1.5	2.4/2.2	2.1/2.3	2.0/2.1
Consumer Price Index (CPI, inflation) (analysts' estimate)	1.6	0.1	1.3	2.0	2.0	2.1

Source: Bloomberg

Note: *Forecast

The FED's forecast and the analysts' aggregated estimate presented by Bloomberg show that the economic growth in the **USA** will move from 2.1% to 2.3% in the period for 2017 and beyond, while inflation is not to exceed 2.1% . In the year to come, analysts expect measures announced by the U.S. President, Donald Trump to have a positive impact. Thus, the impact of the lower personal income tax and lower corporate income tax are expected to have the greatest impact on the economic growth, in addition to the following: tightening the terms and condition of international trade, raising customs duties, investing in the infrastructure and reducing regulation. According to the outlook, the improved economic growth forecast will also have an impact on the dynamics of interest rate hikes in the year to come. It may be expected that FED, similarly as in previous years, will made decisions subject to data on labour market, inflation expectations and external factors which might affect the financial stability of the American economy.

Table 6: ECB's macroeconomic outlook and the analysts' aggregated estimate for the Euro area

Indicator (in %)	2014	2015	2016	2017*	2018*	2019*
Real gross domestic product (GDP) (ECB/analysts' estimate)	1.3	2.0	1.8	2.2/2.1	1.8/1.8	1.7/1.5
CPI, inflation (ECB/analysts' estimate)	0.4	0.0	0.2	1.5/0.2	1.4/1.3	1.7/1.5

Source: Bloomberg

Note: *Forecast

The economic growth forecast for the **Euro area** is lower than the forecast for the USA. In spite of currently uncertain political developments (the outcome of the German parliamentary election, the referendum on the independence of Catalonia, uncertainties associated with the type of Brexit), the forecasts about the EU economic growth have slightly improved. For investors and economic decision-makers, the ECB's decision on the

dynamics of its bond purchase programme will be of key importance. Considering the current level of the inflation rate in the Euro area, no fast turnaround in the monetary policy is to be expected. The ECB's goal is to gradually raise the inflation expectation to the desired level of slightly below 2%.

Table 7: Overview of past data and forecast for Slovenia (IMAD, OECD, EC)

Indicator (in %)	2014	2015	2016	2017*	2018*	2019*
Real GDP	3.0	2.3	3.1			
	IMAD			4.4	3.9	3.2
	EC:			3.3	3.1	
	OECD			3.8	3.1	
CPI, inflation	0.2	-0.5	-0.1			
	IMAD			1.7	1.9	2.1
	EC:			1.5	1.8	
	OECD			2.6	3.1	

Source: Bloomberg, IMAD

Note: *Forecast

According to the forecasts produced by the Institute of Macroeconomic Analysis and Development (IMAD), EC and international financial institutions (OECD, IMF, World Bank), the economic growth will be further strengthened in Slovenia in the upcoming year. In the view of the IMAD's analysts, the economic growth is predicted to stand at 4.4% in 2017, and to move between 3% and 4% in the years to follow. Similarly as in previous years, the most important factor for the improved forecasts regarding the economic growth are high exports, particularly in 2017, accompanied with the impact of government investments. According to IMAD's forecasts, the demand for export is to be enhanced in the next period. Private consumption is expected to strengthen, especially on account of favourable movements in the labour market which continues to record improved employment levels and higher wages. Investment activity mainly depends on government investment and the absorption of EU funds from the new financial perspective. With further recovery in the real-estate market, greater investments are expected in the housing sector. The surplus on the current account of the balance of payments is forecasted to remain high (5 % of GDP) in the 2017-2019 period, according to IMAD. The reason for maintaining high surplus lies in multi annual deleverage of private sector on one hand, and low private consumption, especially when compared to the pre-crisis period, and low investment levels in the crisis years, on the other hand.

The conditions in the banking market continue to improve. The share of non-performing claims is decreasing fast, hovering at the level of 5%. Following the years of stagnation, the trend in bank lending to corporations turned around in 2017; likewise, household lending continues to grow. The decreasing net interest income of banks slowed down with the growth in lending. As compared to the pre-crisis period, the structure of credit institutions' sources of funding changed significantly; today, foreign sources of funding represent only 5% of the balance sheet total of the banking system while they amounted to 35% in 2008. The government deficit is expected to additionally decrease in 2017; with favourable economic trends, this tendency is expected to continue in the next period. Slightly higher expenditures for wages are expected on account of the end of some of austerity measures, but, on the other hand, expenses for interest and for foreign borrowing facilities will decrease.

7. ROE OF ASSET MANAGEMENT PORTFOLIO - AS EXPECTED AND AS REALISED - BY PILLAR/AREA

7.1. Share of largest assets and pillars in portfolio

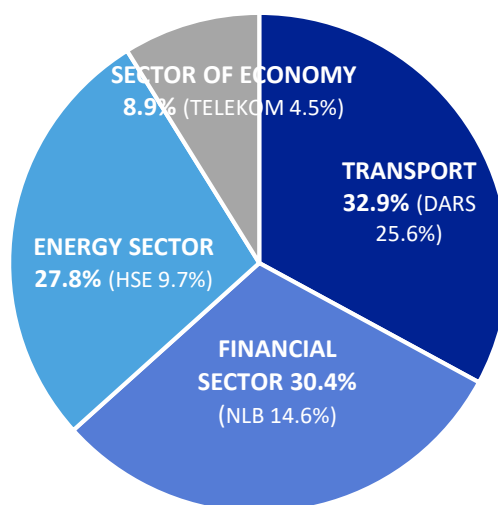
Table 8: The share of 5 largest capital assets in individual pillar (using the book value as the relevant criterion) in regard to the total of SSH asset management portfolio as of 31 December 2016

Asset	Share (in %)
ENERGY SECTOR	
HOLDING SLOVENSKE ELEKTRARNE, D.O.O.	9.7
GEN ENERGIJA, D.O.O.	7.2
ELEKTRO LJUBLJANA D.D.	2.3
ELEKTRO MARIBOR, D.D.	2.1
ELEKTRO CELJE, D.D.	1.6
FINANCIAL SECTOR	
NLB, D.D.	14.6
ABANKA, D.D.	5.9
ZAVAROVALNICA TRIGLAV, D.D., LJUBLJANA	4.5
SID - SLOVENSKA IZVOZNA IN RAZVOJNA BANKA, D.D., LJUBLJANA	3.9
POZAVAROVALNICA SAVA, D. D., LJUBLJANA	0.8
SECTOR OF ECONOMY	
TELEKOM SLOVENIJE, D. D., LJUBLJANA	4.5
KRKA, D.D., NOVO MESTO	2.2
SIJ - SLOVENSKA INDUSTRIJA JEKLA, D.D.	1.0
UNIOR, D.D., ZREČE	0.6
CINKARNA CELJE, D. D., CELJE	0.2
TRANSPORT	
DRUŽBA ZA AVTOCESTE V REPUBLIKI SLOVENIJI, D.D., CELJE	25.6
SLOVENSKE ŽELEZNICE, D.O.O.	2.9
POŠTA SLOVENIJE, D.O.O.	2.1
LUKA KOPER, D. D.	2.0
DRI UPRAVLJANJE INVESTICIJ, DRUŽBA ZA RAZVOJ INFRASTRUKTURE, D.O.O.	0.2
Total	94.0

Table 9: The share of pillars in the total SSH asset management portfolio as of 31 December 2016

Pillar	Share (in %)
TRANSPORT	32.9
FINANCIAL SECTOR	30.4
ENERGY SECTOR	27.8
SECTOR OF ECONOMY	8.9
Total	100.0

Figure 1: The share of pillars in the total SSH asset management portfolio as of 31 December 2016

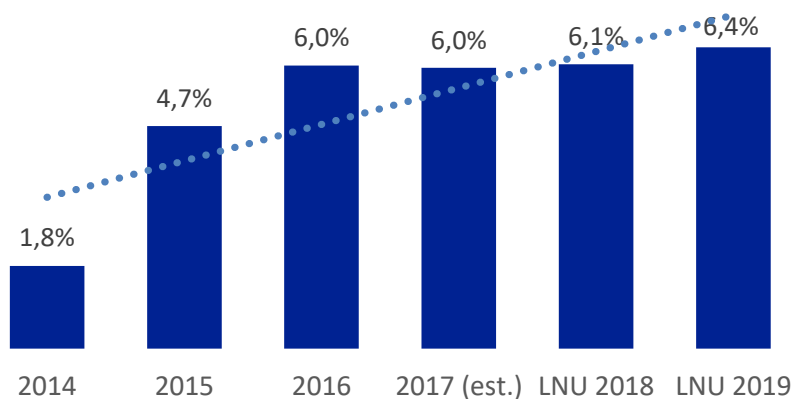


7.2. ROE of portfolio in 2014 - 2019 period, by pillar

Table 10: The weighted net rate of return on equity (ROE) for the SSH asset management portfolio, by pillars, by years

Pillar	ROE (in %)					
	2014	2015	2016	2017/ (estimate)	AMAP 2018	AMAP 2019
ENERGY SECTOR	1.1	2.2	4.1	3.2	4.0	4.6
FINANCIAL SECTOR	0.6	5.9	8.9	9.1	7.7	8.1
SECTOR OF ECONOMY	2.8	12.6	6.5	6.3	8.2	9.7
TRANSPORT	3.7	3.4	5.0	5.4	5.7	5.7
Portfolio	1.8	4.7	6.0	6.0	6.1	6.4

Figure 2: The weighted net rate of return on equity (ROE) for the SSH asset management, by years

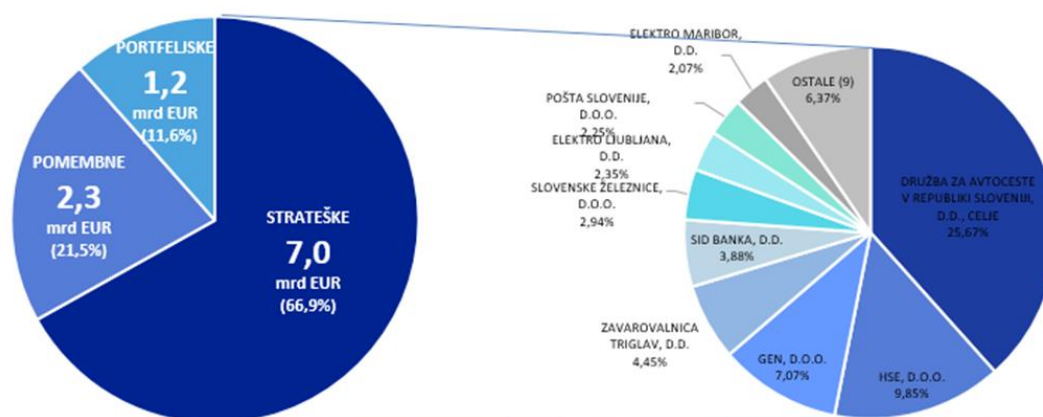


7.3. ROE of portfolio in 2014 - 2019 period, by classification of assets

Weighted average rate of return on equity (ROE)	2014	2015	2016	2017/ (estimate)	AMAP 2018	AMAP 2019
STRATEGIC	3.8%	3.3%	5.0%	4.5%	5.1%	5.4%
IMPORTANT	7.6%	7.0%	7.8%	10.3%	9.1%	9.5%
PORTFOLIO	-2.5%	8.6%	8.6%	6.2%	6.0%	7.1%
Portfolio	1.8%	4.7%	6.0%	6.0%	6.1%	6.4%

Note: The main reason for negative ROE of portfolio assets in 2014 in the amount of -2.5% is the loss generated by Abanka, d.d., in the amount of EUR 188 million.

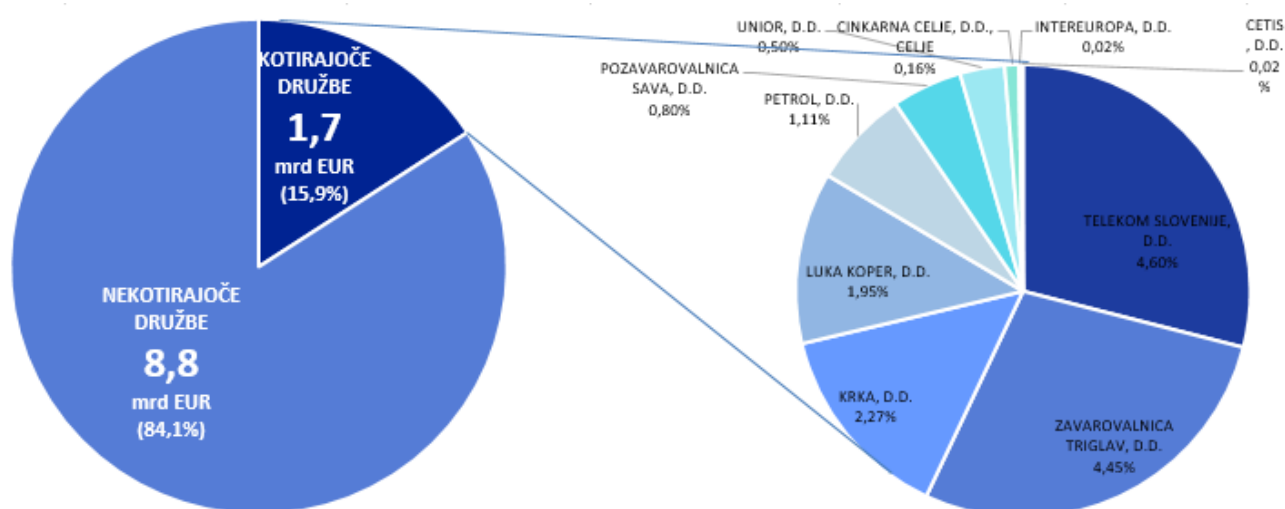
2016	Book value of shareholdings of RS + SSH as of 31 Dec. 2016 (in EUR)	Share of the portfolio	Weighted average rate of return on equity (ROE)
STRATEGIC	6,989,057,405	66.9%	5.0%
IMPORTANT	2,251,166,640	21.5%	7.8%
PORTFOLIO	1,207,953,022	11.6%	8.6%
Portfolio	10,448,177,067	100.0%	6.0%



7.4. ROE of portfolio in 2014 - 2019 period, by quotation of shares

Weighted average rate of return on equity (ROE)	2014	2015	2016	2017/ (estimate)	AMAP 2018	AMAP 2019
LISTED	7.9%	10.8%	9.4%	9.5%	10.3%	11.2%
NON-LISTED	0.8%	3.8%	5.4%	5.3%	5.3%	5.6%
Portfolio	1.8%	4.7%	6.0%	6.0%	6.1%	6.4%

2016	Book value of shareholdings of RS + SSH as of 31 Dec. 2016 (in EUR)	Share of the portfolio	Weighted average rate of return on equity (ROE)
LISTED	1,659,065,805	15.9%	9.4%
NON-LISTED	8,789,111,261	84.1%	5.4%
Portfolio	10,448,177,067	100.0%	6.0%

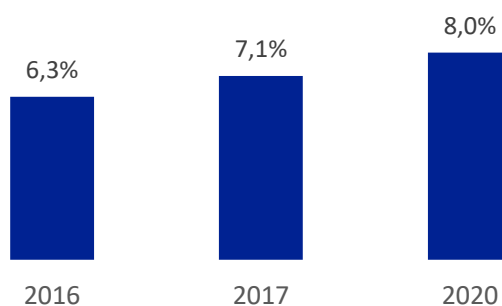


8. INCONCISTENCIES OF METHODOLOGY FOR DETERMINING TARGET ROE AS STATED IN ASSET MANAGEMENT STRATEGY

The Asset Management Strategy, which was adopted in 2015, states that one of key goals for the management of capital assets is the profitability of state capital assets; in regard to the book value of equity of companies with state capital assets, the rate of return should amount to 7.1% in 2017 and to 8% in 2020.

The target ROE which was determined with the said Strategy was calculated by taking into account all capital assets irrespective of the classification of assets in strategic, important or portfolio assets. The above mentioned calculation was made by also considering RS's assets in KAD, Eles, Sodo and Borzen, which are not under SSH management and which are consequently not included in SSH calculations. In addition, the rate of return mentioned in the Strategy comprises all assets, including those which have already been sold by SSH.

Figure 3: Target return on equity (ROE) for all state capital assets by 2020 as stated in the Strategy (in %)

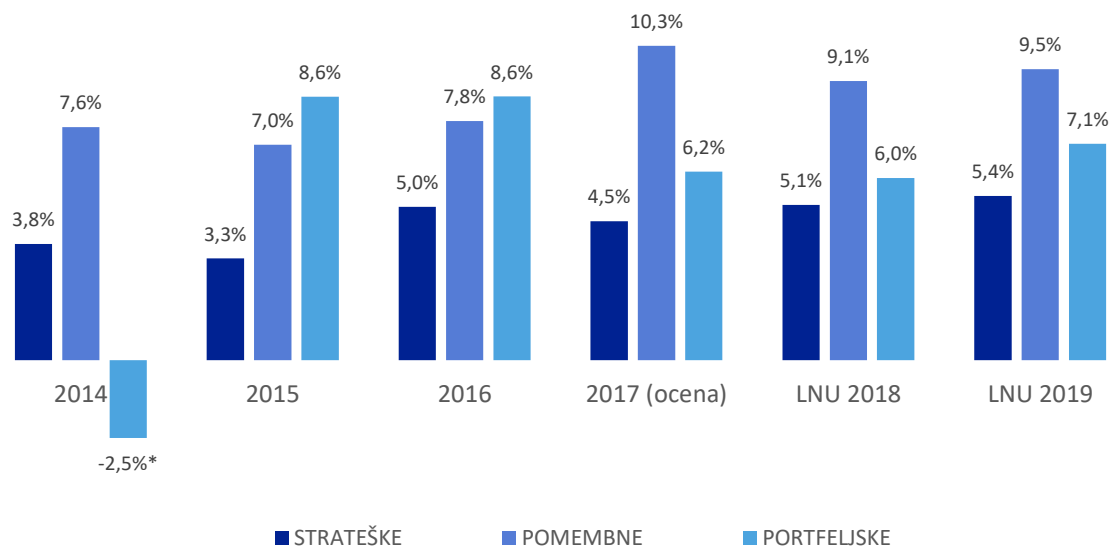


The data on operations of companies presented in previous Chapters of this document show that after 2015 the rates of return from equity stakes of RS's and SSH's capital assets have been gradually increasing and that the ROE is expected to reach 6.1% in 2018. Regardless of this impressive growth of the portfolio's ROE, the target ROE for the said portfolio for 2017 as stated in the Strategy will not be achieved. This is due to several factors, for example, the industry/pillar in which a company operates, the classification of assets in accordance with the Asset Management Strategy.

As a matter of fact, the RS's portfolio is composed of two thirds of strategic assets whose primary goal is attaining strategic goals of RS; that is, realising important social interests such as providing the relevant level and accessibility of infrastructure, rendering public services, ensuring security objectives, development objectives and realising other significant social interests. Strategic assets, thus, for example, include DARS, the Motorway company of Slovenia, whose ROE planned for 2018 is expected to be higher than in 2017 yet still significantly below the average ROE expected for RS's and SSH's assets in 2017; in fact, this asset represents more than one quarter of the RS's portfolio.

This illustration of peculiarities regarding the return on equity from assets classified according to the classification of assets referred to in the State Assets Management Strategy, i.e. strategic, important and portfolio assets, clearly shows that on average, companies which are classified in the group of strategic assets achieve lower rates of return.

Figure 4: Weighted average net rate of return on equity (ROE) for the SSH asset management portfolio in the 2014 - 2019 period, by classification of assets (in %)

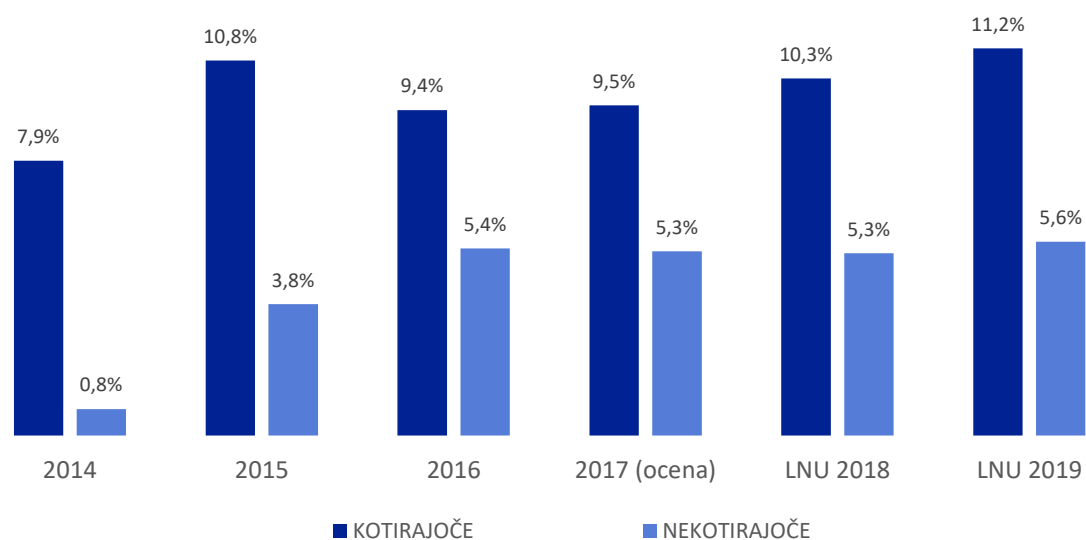


Note:

*The main reason for negative ROE of portfolio assets in 2014 in the amount of -2.5% is the loss generated by Abanka, d.d., in the amount of EUR 188 million.

Also, the comparison of the rates of return on equity between listed and non-listed companies indicates a substantial gap in the average profitability achieved by each of these two groups of companies.

Figure 5: Weighted average net rate of return on equity (ROE) for the SSH asset management portfolio in the 2014 - 2019 period, by quotation of shares on regulated securities market



Moreover, significant differences in achieved rates of return appear at companies operating in different pillars/industries.

SSH believes that it makes sense, in the future, to set the methodology for determining the target return on equity of assets (ROE) - being one of the key goals of asset management - by individual groups of assets, for example by industry/by pillar or by the classification of assets, either in the State Assets Management Strategy or in another legal document. SSH also proposes that in regard to strategic assets, the introduction of other criteria for measuring the attainment of strategic goals should be considered.

9. EXPECTED CASH FLOWS ARISING FROM ASSET MANAGEMENT - PART I

In accordance with ZSDH-1, SSH exercises all powers, responsibilities, rights and obligations held by SOD prior to the company transformation. In connection with, SSH (i) on behalf of and for the account of SSH, is obliged to provide for funds which are necessary for settling liabilities due to beneficiaries under regulations which regulate the denationalisation of property, and (ii) on behalf of and for the account of RS, provides for funds which are necessary for settling liabilities due to beneficiaries under the following three Acts: firstly, the Reimbursement of Investments in Public Telecommunications Network Act (ZVVJTO), secondly, the Act regulating the Issuing of Bonds in Compensations for Confiscated Property pursuant to the Abrogation of the Penalty of Confiscation of Property (ZIOOZP), and thirdly, the Act on Payment of Compensation to Victims of War and Post-War Violence (ZSPOZ).

It is estimated that by and including 2022, the total of EUR 120 million will have to be granted by SSH for settling its statutory obligations arising under regulations governing the denationalisation of property. According to current estimates, up to and including 2020, the total of EUR 105 million will have to be provided for by SSH for the repayment of bonds and the principal amounts of bank loans. When developing AMAP for 2018, SSH must therefore take into account the liquidity needs of SSH which arise from the above mentioned statutory and contractual obligations.

The remainder of this Chapter presents the expected cash flows arising from dividends received from capital assets whereas forecast cash flows arising from sales and acquisitions of capital assets to be undertaken in 2018 are presented in the Special Section of AMAP.

9.1. *Expected cash flows arising from dividends paid out by companies with capital assets under management*

SSH estimates that:

- **in 2018:** RS will receive EUR 226.5 million from dividends paid out by companies with capital assets held by RS and SSH will receive EUR 47.7 million from dividends paid out by companies with capital assets held by SSH;
- **in 2019:** RS will receive EUR 170.7 million from dividends paid out by companies with capital assets held by RS and SSH will receive EUR 46.3 million from dividends paid out by companies with capital assets held by SSH;

Table 11: Income* received by RS, ZPIZ and SSH from dividend paid out by companies with capital assets by years (in EUR mio)

Year	2015	2016	2017**	2018 - plan	2019 - plan	Total
RS (without Zavarovalnica Triglav, d.d.)	111.2	122.6	192.5	226.5	170.7	823.5
ZPIZ***	19.6	19.6	19.6	19.6	19.6	98.0
Total RS and ZPIZ***	130.8	142.2	212.1	246.1	190.3	921.5
SSH	42.4	43.8	45.9	47.7	46.3	226.1
Total RS and SSH and ZPIZ***	173.2	186.0	258.0	293.8	236.6	1,147.6

Note:

*The dividend amount received by RS, ZPIZ and SSH in a current year based on the distribution of distributable profit for a preceding year (for example, the total dividend income received by RS, ZPIZ and SSH in 2017 as voted by General Meetings of companies under management in 2017 refers to distributable profit of 2016).

** Dividends received in 2017 which refer to the distribution of distributable profit for 2016 include dividends which have been voted for by General Meetings of companies held until 31 October 2017. It is possible that the amount of dividend income for 2017 will be changed when any of companies under management adopts the Resolution on the pay-out of extraordinary dividends.

*** This is dividend income received by ZPIZ from the ownership of shares held in Zavarovalnica Triglav, which are managed by SSH on behalf of and for the account of ZPIZ.

Figure 6: Income received by RS and SSH from dividends paid out by years (in EUR mio)

