



ZAVAROVALNICA TRIGLAV, d.d.

(incorporated as a joint stock company (*delniška družba*) in the Republic of Slovenia)

EUR 100,000,000 Subordinated Fixed to Floating Rate Bonds with scheduled maturity in 2045

ISIN XS2848005166, Common Code 284800516

Issue price: 99.685 per cent.

ZAVAROVALNICA TRIGLAV, d.d. (the "Issuer" or "Triglav") will issue on 16 July 2024 (the "Issue Date") EUR 100,000,000 subordinated fixed to floating rate bonds with a scheduled maturity in 2045 (the "Bonds") in the denomination of EUR 100,000 each.

The Bonds will be governed by the laws of the Federal Republic of Germany ("Germany").

The Bonds will bear interest at the rate of 6.70 per cent. *per annum* from and including 16 July 2024 (the "Interest Commencement Date") to but excluding 16 January 2035 (the "First Reset Date"), scheduled to be paid annually in arrear on 16 January in each year, commencing on 16 January 2025 (short first coupon). Thereafter, unless previously redeemed, the Bonds will bear interest at a rate of 4.937 per cent. *per annum* above the 3-month EURIBOR, being the Euro-zone inter-bank offered rate for three-month Euro deposits (expressed as a percentage rate *per annum*), scheduled to be paid quarterly in arrear on 16 January, 16 April, 16 July and 16 October in each year (each a "Floating Interest Payment Date"), commencing on 16 April 2035.

Under certain circumstances described in § 4 of the Terms and Conditions of the Bonds (the "Terms and Conditions"), interest payments on the Bonds may be deferred at the option of the Issuer or will be required to be deferred. Interest accrued for any interest period which is not due and payable due to a deferral of interest payment will constitute arrears of interest ("Arrears of Interest").

The Bonds are scheduled to be redeemed at an amount per Bond equal to the principal amount plus any interest accrued on such Bond to but excluding the date of redemption but unpaid and, for the avoidance of doubt, any Arrears of Interest due on such Bond (the "Redemption Amount") on 16 January 2045 (the "Scheduled Maturity Date"), provided that on the Scheduled Maturity Date the Conditions to Redemption and Repurchase (as defined in the Terms and Conditions) are fulfilled. If this is not the case, the Bonds will only be redeemed on the first Floating Interest Payment Date following the Scheduled Maturity Date on which the Conditions to Redemption and Repurchase are fulfilled. Under certain circumstances described in § 5 of the Terms and Conditions, the Bonds may be subject to early redemption, always subject to the Conditions to Redemption and Repurchase being fulfilled.

The Bonds will initially be represented by a temporary global bond in bearer form (the "Temporary Global Bond"). Interests in a Temporary Global Bond will be exchangeable, in whole or in part, for interest in a permanent global bond (the "Permanent Global Bond" and together with the Temporary Global Bond, the "Global Bonds") on or after the date 40 days after the later of the commencement of the offering and the Issue Date (the "Exchange Date"), upon certification as to non-U.S. beneficial ownership. The Global Bonds will be deposited with a common depository for Clearstream Banking S.A and Euroclear Bank SA/NV (together, the "Clearing System").

This prospectus (the "Prospectus") constitutes a prospectus within the meaning of Article 6(3) of Regulation (EU) No 2017/1129 (as amended, the "Prospectus Regulation"). This Prospectus, together with all documents incorporated by reference, will be published in electronic form on the website of the Luxembourg Stock Exchange (www.luxse.com).

This Prospectus has been approved by the *Commission de Surveillance du Secteur Financier*, Luxembourg ("CSSF") in its capacity as competent authority under the Prospectus Regulation. The CSSF only approves this Prospectus as meeting the standards of completeness, comprehensibility and consistency imposed by the Prospectus Regulation. Such approval should neither be considered as an endorsement of the Issuer that is subject of this Prospectus nor of the quality of the securities that are the subject of this Prospectus. The CSSF gives no undertaking as to the economic and financial soundness of the transaction or the quality or solvency of the Issuer. Investors should make their own assessment as to the suitability of investing in the Bonds.

This Prospectus will be valid until 12 July 2025 and may in this period be used for admission of the Bonds to trading on a regulated market. In case of a significant new factor, material mistake or material inaccuracy relating to the information included in this Prospectus which may affect the assessment of the Bonds, the Issuer will prepare and publish a supplement to the Prospectus

without undue delay in accordance with Article 23 of the Prospectus Regulation. The obligation of the Issuer to supplement this Prospectus will cease to apply upon expiry of the validity period of this Prospectus.

Application has been made to the Luxembourg Stock Exchange for the Bonds to be listed on the official list of the Luxembourg Stock Exchange (the "**Official List**") and to be admitted to trading on the Luxembourg Stock Exchange's regulated market. The regulated market of the Luxembourg Stock Exchange is a regulated market for the purposes of Directive 2014/65/EU (as amended, the "**MIFID II**").

This Prospectus does not constitute an offer to sell, or the solicitation of an offer to buy, the Bonds in any jurisdiction where such offer or solicitation is unlawful.

The Bonds have not been and will not be registered under the U.S. Securities Act of 1933 (as amended, the "Securities Act") and subject to certain exceptions, the Bonds may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons.

The Bonds issued pursuant to the Prospectus are complex financial instruments and are not a suitable or appropriate investment for all investors. In some jurisdictions, regulatory authorities have adopted or published laws, regulations, or guidance with respect to the offer or sale of securities such as the Bonds to retail investors. Please refer to the paragraph "*Restrictions on Marketing and Sales to Retail Investors*" below.

Prospective purchasers of the Bonds should ensure that they understand the nature of the Bonds and the extent of their exposure to risks and that they consider the suitability of the Bonds as an investment in light of their own circumstances and financial condition. Investing in the Bonds involves certain risks. Please review the section entitled "*Risk Factors*" beginning on page 7 of this Prospectus.

Structuring Advisor, Sole Lead Manager and Sole Bookrunner

Erste Group

RESPONSIBILITY STATEMENT

The Issuer with its registered office in Ljubljana, Republic of Slovenia, accepts responsibility for the information contained in this Prospectus and hereby declares that, having taken all reasonable care to ensure that such is the case, the information contained in this Prospectus is, to the best of its knowledge, in accordance with the facts and does not omit anything likely to affect the import of such information.

The Issuer further confirms that: (i) this Prospectus contains all information with respect to the Issuer and its subsidiaries (the Issuer and its fully consolidated subsidiaries taken as a whole, the "**Triglav Group**") and to the Bonds which is material in the context of the issue and offering of the Bonds, including all information which, according to the particular nature of the Issuer and of the Bonds is necessary to enable investors and their investment advisers to make an informed assessment of the assets and liabilities, financial position, profits and losses, and prospects of the Issuer and the Group and of the rights attached to the Bonds; (ii) the statements contained in this Prospectus relating to the Issuer, the Group and the Bonds are in every material particular true and accurate and not misleading; (iii) there are no other facts in relation to the Issuer, the Group or the Bonds the omission of which would, in the context of the issue and offering of the Bonds, make any statement in this Prospectus misleading in any material respect; and (iv) reasonable enquiries have been made by the Issuer to ascertain such facts and to verify the accuracy of all such information and statements.

NOTICE

No person is authorised to give any information or to make any representation other than those contained in this Prospectus and, if given or made, such information or representation must not be relied upon as having been authorised by or on behalf of the Issuer or the Sole Lead Manager (as defined in the section "*Subscription and Sale of the Bonds*").

This Prospectus should be read and understood in conjunction with any supplement hereto and with any documents incorporated herein or therein by reference.

Each investor contemplating purchasing any Bonds should make its own independent investigation of the financial condition and affairs, and its own appraisal of the creditworthiness, of the Issuer. This Prospectus does not constitute an offer of Bonds or an invitation by or on behalf of the Issuer or the Sole Lead Manager to purchase any Bonds. Neither this Prospectus nor any other information supplied in connection with the Bonds should be considered as a recommendation by the Issuer or the Sole Lead Manager to a recipient hereof and thereof that such recipient should purchase any Bonds.

This Prospectus reflects the status as of its date. The offering, sale and delivery of the Bonds and the distribution of this Prospectus may not be taken as an implication that the information contained herein is accurate and complete subsequent to the date hereof or that there has been no adverse change in the financial condition of the Issuer since the date hereof.

To the extent permitted by the laws of any relevant jurisdiction, neither the Sole Lead Manager nor any of its affiliates nor any other person mentioned in this Prospectus, except for the Issuer, accepts responsibility for the accuracy and completeness of the information contained in this Prospectus or any document incorporated by reference, and accordingly, and to the extent permitted by the laws of any relevant jurisdiction, none of these persons accept any responsibility for the accuracy and completeness of the information contained in any of these documents. The Sole Lead Manager has not independently verified any such information and accept no responsibility for the accuracy thereof.

This Prospectus does not constitute, and may not be used for the purposes of, an offer or solicitation by anyone in any jurisdiction in which such offer or solicitation is not authorised or to any person to whom it is unlawful to make such offer or solicitation.

The distribution of this Prospectus and the offering, sale, and delivery of the Bonds in certain jurisdictions may be restricted by law. Persons into whose possession this Prospectus comes are required to inform themselves about and to observe any such restrictions. For a description of the restrictions see "*Subscription and Sale of the Bonds – Selling Restrictions*".

For the avoidance of doubt the content of any website referred to in this Prospectus does not form part of this Prospectus and the information on such websites has not been scrutinised or approved by the CSSF as competent authority under the Prospectus Regulation.

In this Prospectus all references to "€", "EUR" or "Euro" are to the currency introduced at the start of the third stage of the European Economic and Monetary Union, and as defined in Article 2 of Council Regulation (EC) No 974/98, as amended. References to "billions" are to thousands of millions.

All of the financial information presented in the text and tables below is shown in millions of Euro (in EUR million), except as otherwise stated. Certain financial information, including percentages, has been rounded according to established commercial standards. Changes and percentage changes as well as ratios and aggregate amounts (sum totals or sub totals or differences or if numbers are put in relation) presented in this Prospectus are calculated based on the unrounded figures and commercially rounded to one digit after the decimal point. As a result of rounding, rounded figures may not in all cases add up.

MIFID II PRODUCT GOVERNANCE / TARGET MARKET: PROFESSIONAL INVESTORS AND ECPS ONLY

Solely for the purposes of each manufacturer's product approval process, the target market assessment in respect of the Bonds has led to the conclusion that: (i) the target market for the Bonds is eligible counterparties and professional clients only, each as defined in MiFID II; and (ii) all channels for distribution of the Bonds to eligible counterparties and professional clients are appropriate. Any person subsequently offering, selling, or recommending the Bonds (a "**Distributor**") should take into consideration the manufacturers' target market assessment; however, a Distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of the Bonds (by either adopting or refining the manufacturers' target market assessment) and determining appropriate distribution channels.

PRIIPS REGULATION AND UK PRIIPS REGULATION

The Bonds are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the European Economic Area ("**EEA**"). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of MiFID II; or (ii) a customer within the meaning of Directive (EU) 2016/97 (as amended, the "**IDD**"), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II. Consequently, no key information document required by Regulation (EU) No 1286/2014 (as amended, the "**PRIIPs Regulation**") for offering or selling the Bonds or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Bonds or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPs Regulation.

The Bonds are not intended to be offered, sold, or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the United Kingdom ("**UK**"). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client, as defined in point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 ("**EUWA**"); or (ii) a customer within the meaning of the provisions of the Financial Services and Markets Act 2000 (the "**FSMA**") and any rules or regulations made under the FSMA to implement the IDD, where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the EUWA. Consequently, no key information document required by the PRIIPs Regulation as it forms part of domestic law by virtue of the EUWA (the "**UK PRIIPs Regulation**") for offering or selling the Bonds or otherwise making them available to retail investors in the UK has been prepared and therefore offering or selling the Bonds or otherwise making them available to any retail investor in the UK may be unlawful under the UK PRIIPs Regulation.

NOTICE TO PROSPECTIVE INVESTORS IN SINGAPORE

In connection with Section 309B of the Securities and Futures Act 2001 of Singapore, as modified or amended from time to time (the "**SFA**"), and the Securities and Futures (Capital Markets Products) Regulations 2018 of Singapore (the "**CMP**"),

Regulations 2018"), the Issuer has determined, and hereby notifies all relevant persons (as defined in Section 309A(1) of the SFA), that the Bonds are 'prescribed capital markets products' (as defined in the CMP Regulations 2018) and Excluded Investment Products (as defined in MAS Notice SFA 04-N12: Notice on the Sale of Investment Products and MAS Notice FAA-N16: Notice on Recommendations on Investment Products). For a further description of certain restrictions on offerings and sales of the Bonds see "*Subscription and Sale of the Bonds – Selling Restrictions*".

BENCHMARKS REGULATION: STATEMENT ON REGISTRATION OF BENCHMARK ADMINISTRATOR

Following the First Reset Date, interest amounts payable under the Bonds are calculated by reference to the Euro Interbank Offered Rate ("**EURIBOR**"), which appears on the Reuters Screen Page EURIBOR01 (or such other screen page of Reuters or such other information service, which is the successor to Reuters Page EURIBOR01 for purposes of displaying such rates) at or around 11:00 a.m. (Brussels time) on the relevant Interest Determination Date, and which is provided by the European Money Market Institute ("**EMMI**"). As of the date of this Prospectus, EMMI appears on the register of administrators and benchmarks established and maintained by the ESMA pursuant to Article 36 of Regulation (EU) 2016/1011 (as amended, the "**BMR**").

ALTERNATIVE PERFORMANCE MEASURES

Certain terms and financial measures presented in the documents incorporated by reference are not recognised financial measures under International Financial Reporting Standards as adopted by the European Union ("**IFRS**") ("**Alternative Performance Measures**") and may therefore not be considered as an alternative to the financial measures defined in the accounting standards in accordance with generally accepted accounting principles. The Issuer has provided these Alternative Performance Measures because it believes they provide investors with additional information to assess the operating performance and financial standing of Triglav Group's business activities. The definition of the Alternative Performance Measures may vary from the definition of identically named alternative performance measures used by other companies. The Alternative Performance Measures for Triglav Group presented by the Issuer should not be considered as an alternative to measures of operating performance or financial standing derived in accordance with IFRS. These Alternative Performance Measures have limitations as analytical tools and should not be considered in isolation or as substitutes for the analysis of the consolidated results or liabilities as reported under IFRS.

For further information, please refer to the section "*Description of the Issuer and the Triglav Group – Description of Key Performance Indicators*".

FORWARD-LOOKING STATEMENTS

This Prospectus contains certain forward-looking statements. A forward-looking statement is a statement that does not relate to historical facts and events. They are based on analyses or forecasts of future results and estimates of amounts not yet determinable or foreseeable. These forward-looking statements are identified by the use of terms and phrases such as "anticipate", "believe", "could", "estimate", "expect", "intend", "may", "plan", "predict", "project", "will" and similar terms and phrases, including references and assumptions. This applies, in particular, to statements in this Prospectus containing information on future earning capacity, plans and expectations regarding Triglav Group's business and management, its growth and profitability, and general economic and regulatory conditions and other factors that affect it.

Forward-looking statements in this Prospectus are based on current estimates and assumptions that the Issuer makes to the best of its present knowledge. These forward-looking statements are subject to risks, uncertainties and other factors which could cause actual results, including Triglav Group's financial condition and results of operations, to differ materially from and be worse than results that have expressly or implicitly been assumed or described in these forward-looking statements. Triglav Group's business is also subject to a number of risks and uncertainties that could cause a forward-looking statement, estimate or prediction in this Prospectus to become inaccurate. Accordingly, investors are strongly advised to read the section "*Description of the Issuer and the Triglav Group*" of this Prospectus. This section includes more detailed descriptions of factors that might have an impact on Triglav Group's business and the markets in which it operates.

In light of these risks, uncertainties and assumptions, future events described in this Prospectus may not occur. In addition, neither the Issuer nor the Sole Lead Manager assume any obligation, except as required by law, to update any forward-looking statement or to conform these forward-looking statements to actual events or developments.

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RISK FACTORS

The Issuer believes that the following factors may affect its ability to fulfil its obligations under the Bonds. Factors which the Issuer believes may be material for the purpose of assessing the market risks associated with the Bonds are also described below. All of these factors are contingencies which may or may not occur and the Issuer is not in a position to express a view on the likelihood or the extent of any such contingency occurring. Additional risks not currently known to the Issuer or the Triglav Group that are now immaterial may result in material risks in the future.

The Issuer believes that the factors described below represent the principal risks inherent in investing in the Bonds, but additional risks of which the Issuer is not presently aware could also affect the Issuers ability to pay interest, principal or other amounts on or in connection with the Bonds. Prospective investors should also read the detailed information set out elsewhere in this Prospectus (including any documents incorporated by reference herein) and reach their own views prior to making any investment decision.

Words and expressions defined in the Terms and Conditions shall have the same meanings in this section.

RISKS RELATING TO THE ISSUER AND THE TRIGLAV GROUP

Set out below are risks associated with the Issuer and the Triglav Group which may have a material impact on its business operations, assets and liabilities, financial strength and liquidity position and/or the level and volatility of its profitability and therefore its ability to perform its obligations under the Bonds.

Business risks

Actuarial appraisals of insured risks, which are used to estimate the amount of potential claims under insurance policies, could prove to be incorrect.

The Issuer's revenues depend to a significant degree on the extent to which the performance actually to be rendered in an insured event is consistent with the underwriting assumptions used to determine the price of such coverage. When entering into a new insurance policy, the Issuer must estimate the amount of potential claims under the policy in order to determine the appropriate amount of premiums to be paid under that policy. These actuarial calculations are based on past experience with similar policies, future projections, and actuarial models (for example, mortality, longevity and morbidity models used to calculate premiums and reserves for life insurance coverage). Over time, these assumptions may prove to be inaccurate and additional expenditures may be required. Despite efforts to minimize this risk, deviations can occur due to misinterpretation of data or change in external factors beyond the Issuer's control. In property-casualty business, the increasing complexity and long-term nature of the run-off process also makes it more difficult to set risk-adequate prices. As a result of individually tailored concepts for coverage, especially in the industrial insurance business, actual results may vary from the assumptions about the type and scope of the insured risk used as a basis when assessing the premiums. If the calculated premiums are insufficient to cover claims arising from insured events, this could have a material adverse effect on the Issuer's business, results of operations and financial condition.

The Issuer's reserves set aside to pay insurance claims could prove insufficient, which could necessitate additional reserves.

The Triglav Group determines the amount of the technical insurance reserves using actuarial methods and statistical models. Adjustments are made on a continuous basis to reflect the latest market information available to the Triglav Group. However, the reserves established in this way may turn out to be inadequate if the calculations of future insured events differ from the actual claims experience. Even a conservative assessment of the reserves as well as a regular actuarial review cannot completely eliminate this risk. In life (re-)insurance, changes may result from certain external factors, such as increases in the general life expectancy, increases in mortality and morbidity rates or changes in other biometric calculation bases, any of which can create the need for additional reserves. In property/casualty insurance, there is a risk that the reserves may not be sufficient to anticipate the losses from risks that are not yet fully known or assessed. In particular, the occurrence of natural catastrophes with a greater frequency or severity than expected may therefore have a material adverse effect on the Issuer's results of operations and financial position (see also "*The Issuer is exposed to so-*

called "emerging risks" such as related to climate change and sustainable development, including changes in applicable legislation and reporting requirements" below). Incorrect estimates have in the past resulted, for example, from insured events in connection with asbestos, claims in relation to the COVID-19 pandemic, and the Russian-Ukrainian conflict (see also "The Issuer's business is largely dependent on global risks related to global economic conditions, geopolitical tensions and political instability" and "Disease outbreaks can have a severe impact on insurance operations, the social and economic environment and financial market developments, with significant adverse effects for the Issuer's business and financial position"). The occurrence of any of these risks could have a material adverse effect on the Issuer's business, results of operations and financial condition.

Natural catastrophes, epidemics or man-made disasters could result in large insurance claims that could materially affect the Issuer's financial results and capacity to underwrite new business.

Triglav Group's insurance business covers certain losses arising from natural catastrophes and manmade disasters. Events such as earthquakes, floods, major storms, winter storms, large fires and civil unrest can result in significant losses for the Issuer's property/casualty lines. Similarly, epidemics and pandemics can claim large numbers of victims, resulting in significant claims under life insurance products. Such catastrophes of this kind are inherently unpredictable. Their frequency and severity can only be estimated using scientific modelling tools based on assumptions and judgments that are subject to error and mis-estimation and could produce estimates that differ materially from actual results, exposing the Issuer to extraordinarily high losses.

Following a series of severe earthquakes, storms, floods and forest fires, the volume of claims from natural catastrophes may be significantly higher than in the previous years. The frequency and severity of such natural catastrophes are inherently unpredictable, and it is possible that both the frequency and severity of natural and man-made catastrophes may increase. The increases in frequency and severity observed in the recent past may be part of a general upward trend which could expose the Issuer to substantial losses, particularly in its reinsurance business. For example, there are indications that the Atlantic basin is presently in an active phase of multi-decadal cycle in which the oceanic and atmospheric conditions lead to an increased frequency or intensity of tropical storms. In addition, most scientists suspect that increases in global emissions of greenhouse gases, particularly carbon dioxide, are increasing average global surface temperatures, which could lead to an increased frequency of natural catastrophes. More frequent natural catastrophes could also lead to a reduction in underwriting capacity in the reinsurance market as some reinsurance companies may exhaust their capacity. This tightening of supply could lead to increased premiums in the reinsurance market and, consequently, to higher retention ratios or lower revenues in the primary insurance market.

Another potentially catastrophic loss event could arise from the nuclear risk that the Issuer has assumed from the Slovenian Nuclear Pool. The Slovenian Nuclear Pool is a member of a world-wide network of nuclear pools that collect risk and distribute them to other nuclear pools. All sources of nuclear risks (mostly nuclear power plants) are obliged to insure third party liability. Sources of nuclear risk usually obtain the necessary insurance protection by using the system of national nuclear pools. The members of each pool (insurance companies) bear the risks accepted by the particular pool. The amount of individual risk accepted by each pool is limited by the risk-bearing capacity offered to the pool by its members. Surplus of risks accepted by each pool but exceeding the pool's capacity are offered to other pools.

The occurrence of any of the above risks could have a material adverse effect on the Issuer's business, results of operations and financial condition.

The Triglav Group relies strongly on its network of intermediaries in some countries to sell and distribute its products and may not be able to maintain a competitive distribution network.

Triglav Group relies on a number of distribution channels to market and offer its products and services. One of the distribution channels used by the Triglav Group is distribution through intermediaries (e.g., banks). The intermediaries through which the Triglav Group sells and distributes its products and services are independent of Triglav Group. Triglav Group does not in all cases have exclusivity agreements in place with its intermediaries, so they are free to offer products from other insurance companies and there is no obligation on them to favour the products of the Triglav Group.

The successful distribution of the Triglav Group's products and services through this distribution channel therefore depends on the choices that an intermediary may make as regards its preferred insurance company or companies, and as regards its preferred products and services. An intermediary may determine its preference for an insurer based on the suitability of that insurer for its customers and for itself by considering a number of factors, including the security of investment and prospects for future investment returns in the light of an insurer's product offering, past investment performance, financial strength and perceived stability, ratings, the amount of initial and recurring sales commissions and fees paid by an insurer and the quality of the service provided to the intermediary. An intermediary then determines which products are most suitable by considering, among other things, product features and price. An intermediary's unfavourable assessment of Triglav Group and its products based on any of these factors could result in Triglav Group generally, or in certain of its products particularly, not being actively marketed by intermediaries to their customers, which could have a material adverse effect on Triglav Group's business, operating results and financial position and its reputation.

Reinsurance for the Issuer's primary insurance business and the retrocession of risks from the Issuer's reinsurance business may prove insufficient or may not be available in the required scope or only on less favourable terms in the future.

The risks insured by the Issuer are partly transferred to other insurance and reinsurance companies by means of reinsurance or retrocession. The decisions as to which insured risks are transferred and which risks are retained by the Issuer are made by the Issuer on the basis of various criteria. These include the group risk strategy set by the Issuer's management board, the type and level of the underwritten risks, the individual business segment's ability to bear risks, the availability and the terms of reinsurance and retrocessions, as well as the reputation and financial strength of the relevant reinsurers and retrocessionaires. If the risk assessments, assumptions and forecasts on which these decisions are based differ from the actual circumstances and developments, there is a risk of an inadequate protection through reinsurance, retrocession or financial instruments.

In addition, disruptions in the reinsurance and retrocession markets could prevent the Issuer from being able to transfer risks to the extent desired or on acceptable terms. The Issuer could experience increased difficulty in obtaining such coverages on acceptable terms if increases in the frequency of natural catastrophes lead to an increase in the demand for reinsurance and retrocession coverage at a time when underwriting capacity in the reinsurance and retrocession markets is decreasing. An increase in the frequency, or the volume of other major loss events, could also worsen the Issuer's risk position. In the future, only a few reinsurers with strong capital bases may be able to write capital-intensive reinsurance, which, together with limited access to capital, could make it more difficult for the Issuer to obtain reinsurance coverage on acceptable terms.

For its reinsurance business, the Issuer also uses systematic retrocessions on acquired reinsurance in order to reduce potential fluctuations in revenues and to optimize and/or to balance its net income. The Issuer's business, results of operations and financial condition could be adversely affected if the availability of certain retrocession coverage is significantly reduced or if individual reinsurers and/or retrocessionaires become unable or unwilling to pay or may be legally or otherwise restricted to fulfil its obligation.

The occurrence of any of the risks set out above could have a material adverse effect on the Issuer's business, results of operations and financial condition.

The Issuer could lose important customers.

The Issuer works with major customers that generate a high volume of premiums, particularly in the reinsurance and industrial insurance businesses. If the Issuer loses a certain number of important customers, for example because competing insurance companies, or new competing entrants to the market, such as hedge funds or other financial sponsors make better offers to these customers or because the customers forgo insurance protection or increasingly obtain coverage from their own internal insurance companies, this could have a material and adverse effect on the Issuer's business, results of operations and financial condition.

The cyclical nature of the reinsurance market and certain segments of the primary insurance market can lead to major fluctuations in premiums generated.

The insurance market is subject to cyclical fluctuations, especially in property/casualty insurance. In particular in the Issuer's non-life reinsurance business, uncertain and unforeseeable events have in the past caused the Issuer to experience substantial fluctuations in operating income. The cycles in the reinsurance business are characterized by periods of intense price competition and less restrictive underwriting standards, followed by periods of higher premium rates and more selective underwriting standards. As a result, the Issuer's business volume may fluctuate. The factors that drive these fluctuations are generally outside the control of insurance companies and include macroeconomic factors, the competitive environment, the frequency and severity of catastrophes, the occurrence of new risks (for example as a result of new technologies), and the availability of reinsurance capacity. The cyclical nature of the property/casualty insurance businesses, as well as the reinsurance business, could lead to fluctuations in premiums and revenues in the future, which in turn could lead to an increase in the Issuer's cost of capital and may thus have a material and adverse effect on the Issuer's business, results of operations and financial condition.

Poor performance of the Issuer's asset liability or investment management could lead to a mismatch in value between its investment portfolio and the liabilities under its insurance business and to a loss of current or potential customers, including customers of its asset management and fund provider business.

Fluctuations in the financial markets affect consumer behaviour, which has a negative impact on the life insurance and asset management businesses of the Issuer's subsidiaries. Demand for products benchmarked to fixed income securities, such as pension funds that invest in this type of asset may decrease when markets are performing favourably and increase when equity markets are weaker. Demand for investment products benchmarked to equity securities, such as mutual funds that invest in this type of asset, may decrease when markets show a downward trend.

The Issuer invests the premiums it collects in various asset classes. It attempts to follow a conservative investment policy, as set out in the Triglav Group's guidelines, which emphasizes highly liquid investments from issuers with excellent credit ratings reflecting its liabilities. However, the Issuer's investments may perform poorly, including in terms of matching of assets and liabilities, or the Issuer's investment professionals may make poor investment decisions or other mistakes (including intentional violations of statutory provisions, standards of care or the Triglav Group's investment guidelines). Such events could result in a decline in the value of the Issuer's investment portfolio and a mismatch between the assets and liabilities of the Issuer's insurance business. In addition, the Issuer could lose current or potential customers and its reputation could be damaged as a result of poor investment performance. This reputational risk applies in particular to the Issuer's asset management and fund provider businesses, which compete for customers with other financial services providers, in part on the basis of investment performance. If the Issuer's investments perform worse than those of its competitors, customers may withdraw their assets under management from the Issuer. The occurrence of any of the above risks could have a material adverse effect on the Issuer's business, results of operations and financial condition.

The Issuer's reinsurance business relies on receiving accurate and sufficient risk information from the primary insurers and reinsurers which are ceding risks to the Issuer; incorrect risk information could lead to the writing of unprofitable or loss-making reinsurance business and potentially to material losses.

In the reinsurance business, the Issuer assumes risks that have been underwritten by other primary insurance and reinsurance companies. To determine whether to write such reinsurance or retrocession contracts, and to establish the corresponding technical insurance reserves, the Issuer must receive accurate and sufficient risk information from the respective cedant or retrocedant. If the Issuer incorrectly assesses the extent of the risks covered by reinsurance and retrocession contracts as a result of incorrect or inadequate risk information, the Issuer may fail to establish adequate reserves. Even if the Issuer has a right of a recourse against a cedant or retrocedant as a result of incorrect or inadequate risk information, the Issuer may not necessarily be able to recover the full amount of such claim. Inaccurate or inadequate information could result in the underwriting of unprofitable or loss-making reinsurance or retrocession contracts, which, if material, could have a material and adverse effect on the Issuer's business, results of operations and financial condition.

The Issuer depends on the reliable functioning of its own and third-party IT systems, and a major failure in these systems could disrupt its business.

The Issuer depends on the reliable and efficient functioning of computer and data processing systems and telecommunications systems to conduct its operations. As these systems are susceptible to failures and problems (e.g., as a result of power failures, computer viruses, malicious software, hacker attacks (see also "*The Issuer is exposed to security risks*"), misuse by employees, or hardware, software or network problems), failures or problems cannot necessarily be prevented despite the adoption of comprehensive protective and back-up measures. In addition, regular maintenance of the IT systems is required, for example when changing software or migrating processes following the acquisition of companies or business units. If done incorrectly, such maintenance can also lead to failures, problems and delays.

A major failure or disruption in one or more computer or data processing systems operated by the Issuer or third-party IT providers could disrupt the Issuer's operations. In the asset management business, there could also be an interruption of trading activity, which would make it difficult for the asset management business to react in timely manner to current market developments. A broad or ongoing disruption of operations could materially and adversely affect the Issuer's business, results of operations and financial condition.

Cost saving measures or measures to increase efficiency within the Triglav Group could fail or cause labour disputes.

There is substantial competitive pressure in all markets in which the Issuer operates. Some competing insurance and financial companies have cost advantages due to their larger corporate size (economies of scale) or their distribution strategy. Managing expenses is therefore of critical importance for the Issuer's profitability, especially in mature markets. Therefore, premiums at current levels are not always sufficient to generate positive margins. The Issuer has implemented and will continue to implement various cost reduction and efficiency improvement programmes. However, there is no guarantee that these initiatives can be successfully implemented or that they will yield the desired results. A complete or partial failure of any cost saving and efficiency improvement measures, as well as employees' or trade unions' actions, could have a material adverse effect on the Issuer's business, results of operations and financial condition.

Triglav Group may be unable to retain or attract key staff for their activities.

Triglav Group depends on the availability of highly qualified personnel in order to be able to carry out its activities properly and to duly meet the necessary requirements. In some cases, as a result of the intense competition for certain professional profiles, there may be a risk of not being able to attract or retain key professional profiles, which could have a material adverse effect on its business, operating results, financial position and reputation.

Financial and market risks

The Issuer is subject to substantial general market risks that could have a material adverse effect on the value of its investment portfolio and financial position and could, in an extreme case, leave the Issuer with insufficient funds to pay its insurance liabilities.

The Issuer's assets consist primarily of investments made using funds from premiums received under insurance, reinsurance and retrocession contracts. Although the Issuer's investment strategy with regard to the investment of collected premiums is conservative, its investment portfolio is subject to substantial general market risks.

The market value of fixed income securities is generally subject to changes in prevailing interest rates. Decreases in prevailing interest rates generally result in increases in the market value of fixed income securities, while increases in prevailing interest rates result in decreases in market value. Credit-spread risks are another important factor for the Issuer's fixed income security holdings. Credit spread refers to the difference in the rate of interest between a risk-bearing security and a risk-free security of the same quality (duration/currency). Market changes in these risk premiums lead to changes in the market value of the corresponding securities in a manner analogous to changes in prevailing interest rates. An increase in credit spreads beyond the expected figures could give rise to higher default probabilities for bonds, causing basic own funds to decline. If the future spreads realized - and, therefore, the probability of defaults - deviate from a long-term target figure, this would have an impact on net investment income. Due to the typical asymmetric distribution of

gains and losses on policyholders and shareholders in life insurance, high credit losses in particular years may lead to a disproportionate reduction in basic own funds.

In life insurance, the most significant risk in primary life insurance is that investments do not generate sufficient returns to meet liabilities to customers. The guaranteed returns on savings elements under traditional life insurance policies mainly depend on the actuarial interest rate generation of the policies concerned. Due to the limited supply of long-term fixed-income securities on the capital markets, it is in some cases only possible to cover the interest liabilities under the policies at matching maturities. As a result, fixed interest rates on the assets side may regularly have a shorter term than those on the liabilities side (duration or asset-liability mismatch).

A rapid and significant rise in interest rates could result in unrealized losses on fixed-income securities. In the event of early termination of insurance contracts, policyholders would be entitled to the full guaranteed surrender values in full, but would not share in any unrealized losses incurred under the general terms and conditions. Instead, when the investments are sold, the unrealized losses would have to be borne solely by the life insurers. In theory, it might be possible that the fair value of the investments in certain interest rate increase scenarios would not cover the guaranteed surrender values.

Similarly, the market value of shares, equity derivatives and equity index derivatives held by the Issuer tend to decline when equity markets in general lose value. Issuer's real estate holdings are subject to the risk of negative changes in the value of properties held directly or in real estate funds. These impairments can be triggered by deteriorations in the underlying real estate, such as long term vacancies, or structural deterioration of a building, or due to general market decline. Losses in the value of investments may require write-downs or result in losses on the sale of investments, both of which would adversely affect investment income. In an extreme case, such losses could affect Triglav's ability to meet its general insurance liabilities or other liabilities. In addition, the Issuer is exposed to currency exchange risks due to currency fluctuations, especially if there is a currency mismatch between the Issuer's investments and its liabilities.

The occurrence of any of the above risks could have a material adverse effect on the Issuer's business, results of operations and financial condition.

Lower interest rates could adversely affect the Issuer's ability to generate the investment income upon which it relies to pay amounts owed under insurance policies.

Interest rate risks generally arise from movements in prevailing interest rates and a mismatch between the duration of assets and liabilities. Interest rates are highly sensitive to many factors beyond Issuer's control, such as economic developments, inflation rates, monetary and interest rate policies of central banks, government tax and fiscal policies and currency exchange rates. The low interest rates prevailing on the international markets in the period between the years 2015 and 2022 have made it difficult for the Issuer's life insurance companies to generate the guaranteed interest agreed under the life insurance contracts issued in the preceding years. The obligation to distribute reserves under Slovenian insurance laws may increase the severity of the impact of the interest rates. A recurrence of an extremely low interest rate environment could necessitate an increase in technical insurance reserves. In particular, it may be necessary to increase the additional interest rate reserve in accordance with regulatory requirements. This could have an impact not only on the statutory financial statements of the Triglav Group's life insurance subsidiaries, but also on its consolidated IFRS financial statements.

The occurrence of any of the above risks could have an adverse effect on the Issuer's business, results of operations and financial condition.

Interest rate volatility or significant increases in interest rates could materially reduce the value of fixed-income investments held by the Issuer, could trigger accounting risks and could significantly reduce demand for long-term insurance policies.

Significant interest rate fluctuations or increases in interest rates present a risk to the Issuer. Increases in interest rates may reduce the market value of fixed-income investments and increase the Issuer's borrowing costs under certain variable rate financing arrangements. In addition, if interest rates rise rapidly or remain high for a significant period of time, long-term

insurance policies may become less attractive relative to other forms of investment, thereby reducing the demand for long-term insurance policies. If a significant proportion of policyholders were to terminate their life insurance policies prematurely, the Issuer's life insurance group companies could be forced to sell investments in order to be able to pay the required cash surrender values to withdrawing policyholders. There is no guarantee that the market value of Issuer's investments will be sufficient to cover the cash surrender values.

A repeated period of low interest rates over the longer term, the associated financing of the additional interest reserve, the simultaneous distribution of valuation reserves and the maintenance of an adequate solvency ratio could, taken together, place a significant challenge on Slovenian life insurance companies, pension funds and occupational pension scheme providers and thus also represent a significant risk for the Triglav Group.

The occurrence of any of the above risks could have a material adverse effect on the Issuer's business, results of operations and financial condition.

Triglav Group is exposed to material currency transaction and translation risks.

The Issuer reports the financial results of Triglav Group in Euro. However, the Triglav Group's subsidiaries enter into insurance transactions in different currencies, in particular in the Adria region. As a result, the Triglav Group is exposed to certain currency exchange risks.

Currency transaction risks arise primarily when there is a currency mismatch between liabilities and investments. Although Triglav Group attempts to minimize these risks by investing capital wherever possible in the currencies in which the obligations under insurance contracts are to be fulfilled and by hedging these risks using currency swaps and currency futures, adverse changes in currency exchange rates could nevertheless have a material and adverse effect on the Issuer's business, results of operations and financial condition.

In addition to the currency transaction risks, Triglav Group is exposed to currency translation risks due to the fact that the financial statements of some of its foreign subsidiaries, associated companies, special purpose entities and special funds, are prepared in non-euro currencies. Furthermore, Triglav Group receives dividends, profit transfers and interest payments from its foreign subsidiaries, associated companies, special purpose entities and special funds, some of which are denominated in currencies other than the Euro. Adverse changes in the exchange rate between the Euro and these currencies may result in adverse changes in the value (in Euro) of the corresponding items in the Triglav Group's financial statements, even if the results as measured in the local currency remain unchanged or improve.

The occurrence of any of the above risks could have a material adverse effect on the Issuer's business, results of operations and financial condition.

Higher inflation could lead to losses in value in the Issuer's investment portfolio, higher costs for claims settlements, and lower earnings.

As a result of the economic and geopolitical risks, there is currently considerable uncertainty about the level of inflation. Higher energy and commodity prices could also lead to higher inflation, in addition to limiting economic growth. If inflation were to rise, the market value of the Issuer's fixed income securities would likely decline, as higher inflation would normally raise nominal interest rates. In addition, claims costs in the Issuer's property and casualty insurance business could increase as a result of inflation (agreed premiums can generally only be adjusted for inflation when the contracts are renewed and cannot be adjusted in current contracts). Therefore, if the Issuer makes incorrect assumptions about the future inflation, its premiums and reserves for the payment of claims on existing policies could prove inadequate.

Higher inflation may also lead to lower demand for life insurance and higher lapse rates, as increasing inflation tends to reduce demand for long-term financial investments.

The occurrence of any of the above risks could have a material adverse effect on the Issuer's business, results of operations and financial condition.

There is no guarantee that the Issuer's hedging of financial risks will be effective or adequate.

The Issuer occasionally uses derivative financial instruments to hedge against various risks, in particular the risks related to changes in interest rates, inflation, currency exchange rates and market prices. However, there is no guarantee that these hedging strategies will be sufficient to protect the Issuer against such risks. In addition, the counterparty to a derivatives contract could default on its obligations, for example, because its assets or financial position have deteriorated or because it has transferred the underlying risk and corresponding derivative contracts to other market participants and these market participants fail to make payments. Adverse changes in the derivatives market could result in the Issuer being unable to purchase derivatives in the future to a sufficient degree or on reasonable terms. The occurrence of any of the above risks could have a material adverse effect on the Issuer's business, results of operations and financial condition.

A deterioration in market conditions for primary insurance and reinsurance could reduce the Issuer's revenues and limit its growth.

The markets in which the Issuer operates are characterized by intense domestic and foreign competition from insurance and reinsurance companies, banks, brokers, asset management and financial services companies, including some of the world's largest insurance groups and other financial services providers. The Issuer's ability to compete in these markets depends on several factors, including its financial strength, credit rating, local presence and reputation, the quality of its customer service, the type, scope and conditions of its products and services, the efficiency of its claims management and its ability to adapt to changing customer needs.

Some of these competitors have extensive financial, technical and operational resources and offer alternative products to those of the Issuer or do so at more competitive prices. In addition, Triglav Group competes in the industrial insurance market with risk transfer solutions other than traditional insurance, including risk assignment solutions and self-insurance. Furthermore, competition may intensify with the development of alternative distribution channels for certain types of insurance products. Although Triglav Group aims to maintain a technically appropriate pricing policy, if its product range is not competitive with the variety and prices offered by its competitors, its business, revenues, operating results, financial position and reputation, could be adversely affected.

Changes in legislation, the social environment or market conditions may affect the demand for the Issuer's existing products, and there is no guarantee that new products will be met with sufficient customer demand or obtain all necessary regulatory approvals.

Overall, competition in the primary insurance and reinsurance markets has increased, particularly through the entry of new competitors. The growing use of the internet by consumers to research competing insurance offers has also led to increased price transparency and increased price competition. In certain markets, consumers focus on the price or the amount of premiums and do not attach value to other competitive factors, such as service, proximity to the customer, quality of claims management, or scope of coverage. Traditional insurance providers find it difficult to compete with direct insurance companies, which often have lower distribution costs and can offer lower premiums. In certain markets or market segments, the pressure on prices has made it difficult for the Issuer to underwrite policies on a profitable basis. In those market segments where the Issuer can write business profitably, it faces competition from competitors attracted by the higher margins. The Issuer's credit protection insurance business is also subject to the risk that banks may reduce lending, thereby reducing the potential volume of new credit protection insurance policies.

If the Issuer loses market share as a result of increased competition, it could face disadvantages in terms of costs, especially fixed costs. As a significant portion of the Issuer's total costs are fixed costs (including general administrative costs), such losses could also adversely affect the margins in the remaining business.

If competitive pressure continues to increase, or if the Issuer fails to respond to these changes or otherwise adapt to new developments in the market, this could have a material adverse effect on the Issuer's business, results of operations and financial condition.

Deterioration in market conditions in the capital markets could have a material adverse effect on the Issuer's financial position, access to liquidity and capital and financing costs.

The Issuer has historically financed its operations to a significant extent through issuance of various bonds and other financial instruments, including equity. The success of such transactions depends on a variety of factors, including general market conditions, the general availability of capital and liquidity, the perception of counterparty risk generally and in particular with respect to banks and financial services providers, including insurance companies, trading volumes, the ratings of the Triglav Group and market participants' general view of the economic prospects of the Issuer and the insurance industry in general. These factors have become increasingly volatile and hard to predict. There can be no guarantee that the Issuer will be able to raise additional funds in a timely manner, on attractive terms or at all. If the Issuer is unable to raise such funds, its business, results of operations and financial condition could suffer a material adverse effect.

Financing arrangements impose restrictions on the Issuer's business.

The Issuer's various financing arrangements contain variable interest rates that may increase and lead to higher borrowing costs for the Issuer if market interest rates (such as the Euro-zone inter-bank offered rate for three-month Euro deposits, the "EURIBOR") increase or if the Issuer's credit ratings deteriorate. In addition, the Issuer's financing arrangements contain customary covenants that, among other things, restrict or limit the Issuer's freedom to dispose of, merge or create security interests in its assets. The Issuer's financing agreements also provide that the lenders may terminate the agreements if the Issuer or any of its material subsidiaries fails to pay interest or principal when due (subject to a number of qualifications and exceptions). If the lenders under these financing arrangements were to rely on such provisions to call the amounts owed by the Issuer prior to maturity, this could have material adverse effects on the Issuer's business, financial condition and results of operations.

Credit Risks

The Issuer's investment activities expose it to significant credit and default risks.

As part of its investment activities, the Issuer regularly acquires large volumes of securities and financial instruments, including interests in investment companies and funds and, to a lesser extent, acts as a lessor of real estate. These activities expose the Issuer to the risk that its counterparties may be unable to make payments when due. Although the Issuer's investment guidelines are designed to limit undue concentrations of risk, the Issuer could become significantly exposed to a particular counterparty if its investment managers fail to comply with the Triglav Group's investment guidelines or if those guidelines prove to be inadequate. In addition, a perceived or actual deterioration in the creditworthiness of one or more counterparties, such as a major bank, could lead to write downs for a large number of other market participants. Existing protection mechanisms may prove to be insufficient to avoid or compensate for payments losses. General economic uncertainty and volatility in the capital markets could intensify these risks going forward. If a significant portion of its investments become impaired for any reason, the Issuer would be required to write down the value of these investments, which could have a material adverse effect on the Issuer's business, results of operations and financial condition.

The Issuer bears significant credit risks as a result of its business activities.

As part of its business, the Issuer acquires a large number of receivables against counterparties, in particular policyholders, reinsurers, retrocessionaires, cedants, insurance brokers (especially to the extent commissions are paid upfront for the distribution of long-term insurance policies) and financial institutions. If the Issuer's obligors experience financial difficulties and cannot or do not pay the full amounts owed to the Issuer, the Issuer would be exposed to the risk of financial losses and a possible downgrade of its credit rating and may be required to write down or write off certain assets. This risk is particularly high for reinsurers and retrocessionaires because they often secure a large volume of insurance risks. If the Issuer's internal guidelines on the concentration of credit and counterparty risk (especially in relation to reinsurers and retrocessionaires) are not followed or turn out to be inadequate, this could result in significant losses. In addition, the Issuer is exposed to systemic risk, which means that an extraordinary strain on one or more market participants (for example, if a large reinsurer incurs high losses as a result of a major insured event) could also adversely

affect the solvency of other companies that have contracted and acquired receivables from such market participants. In view of the uncertainties in the capital markets and the general global economic development, the decline in value of certain asset classes (e.g., real estate) and similar factors, counterparty risks could increase in the future if such factors simultaneously affect the solvency of a large number of market participants. The occurrence of any of the above risks could have a material adverse effect on the Issuer's business, results of operations and financial condition.

Internal Control and other Operational risk

Operational risks could materially and adversely affect the Issuer's business, results of operations and financial condition.

The Issuer is exposed to a large number of operational risks, including risks from internal operational failings (human or systems error), risks from third parties and risks from external events. The Issuer relies on complex and comprehensive systems for assessing and controlling risks. Despite Triglav Group's detailed risk management guidelines, mistakes and disruptions in these systems cannot always be prevented. In particular, there can be no assurance that this internal risk and control system will fully protect the Triglav Group against material misstatements in its public reporting and other disclosures (including, but not limited to, as a result of the operational risks described below), that it will be adequate to prevent, detect and remediate violations of law, or that it will be adequate for the Triglav Group to comply with any applicable laws and regulations.

Internal operational risks may include the risk of employee misconduct, including violations of the Issuer's own guidelines, applicable laws or regulations (for example in handling confidential information, processing payments, executing investment strategies, handling client assets, and underwriting or transferring risks in the insurance and reinsurance business), as well as risks related to workplace safety and security (including fraudulent behaviour and embezzlement). Operational risks may also arise from authorized, legal conduct by employees, such as strikes and labour disputes that interrupt operations.

Operational risks resulting from a failure of internal processes or systems include the incorrect or incomplete storage of files, data and important information, inadequate documentation of contracts, incorrect structure of products (especially insurance contracts), mistakes in the settlement of claims, errors in monitoring the credit status of debtors, mistakes in planning resulting from false information or false accounts, and failures of risk management processes. These risks could result in financial losses (including lost sales, lost receivables or fines) or reputational damage for the Issuer.

The Issuer also relies on risk quantification models based on simplified assumptions that may not fully reflect actual circumstances. For example, market risk in the investment portfolio is quantified using a "value-at-risk" model that is based on historical data and experience, such as, the volatility of market values of different financial instruments and the correlation of risks. There is no guarantee that the underlying data or assumptions regarding future developments in the financial markets and the resulting risks for the Issuer's business and the capital investment portfolio will prove to be accurate.

Third parties may create operational risks for Triglav through poor performance of contracted services or criminal or other intentional misconduct, including theft, embezzlement, fraud, money laundering, sabotage, corporate espionage, arson or similar crimes.

Operational risks resulting from external events include, for example, the risk that operations are interrupted due to infrastructure failures (for example, a blockage of important traffic routes or outages of power, water or heat), or as a result of natural disasters, fires or epidemics. Changes in the legal environment can also lead to operational risks and are of specific importance.

Any failure to effectively prevent, detect or respond to violations of the Issuer's legal obligations as a result of inadequate internal controls, procedures, compliance systems and risk management systems could result in fines and other sanctions, liabilities and claims for damages by third parties, which could adversely affect the Issuer's revenues and have a material adverse effect on the Issuer's business, results of operations and financial condition.

Legal, Regulatory, Accounting and Tax Related Risks

The Issuer is exposed to legal, tax and regulatory risks. These risks arise principally from changes in laws, regulations, taxation and accounting standards, the failure of the Issuer to comply with regulatory standards and unfavourable decisions in legal proceedings against the Issuer.

The Issuer is required by law to comply with various regulatory requirements. Any changes to existing laws or new laws, or the enforcement thereof (including own funds and governance) in accordance with Solvency II, may have a material adverse effect on the Issuer's business, results of operations and financial condition.

The Triglav Group is subject to detailed and comprehensive laws, regulations and supervision in all countries in which the Triglav Group companies operate. Regulatory authorities in the countries in which the Issuer and Triglav Group operates have broad authority over many insurance and financial services activities, including, but not limited to, liquidity, capital adequacy and permitted investments, corporate governance, codes of conduct, money laundering, "know your customer" rules, prohibited transactions with sanctioned or otherwise blacklisted countries and persons, privacy and data protection, recordkeeping, and marketing and distribution practices. Failure to comply with laws and regulations could result in disciplinary action, the imposition of fines and/or the revocation of a licence, permit or approval necessary to conduct Triglav Group's business, or civil or criminal liability, any or all of which could have a material adverse effect on Triglav Group's business, revenues, results of operations and financial condition. The Issuer incurs substantial costs to remain in compliance with applicable insurance rules and regulations and to adapt its business and products in light of regulatory changes.

In addition, the insurance, banking and other financial services laws, regulations and policies currently applicable to the Triglav Group and its subsidiaries may change at any time in a manner that adversely affects the Triglav Group's business. Particularly in times of severe crisis, the risk of regulatory or legislative changes tends to increase and governments or courts may seek to change the interpretation of policy wordings.

Any changes in existing laws and regulations, or in their interpretation by the authorities, may affect the tax burden and capital requirements of the Triglav Group and the manner in which the Triglav Group companies conduct their business and the range of products they may offer. Governments, regulators and others have made and continue to make proposals to reform the regulatory framework for the financial services industry to make it more resilient to future crises and to improve consumer protection. Proposals include calls for more stringent regulatory capital requirements (e.g., potentially higher capital requirements for certain investments exposed to market risk in the context of European Insurance and Occupational Pensions Authority's ("**EIOPA**") consultation on the "Prudential Treatment of Sustainability Risk") and liquidity standards, updates to Pillar 3 reporting requirements under European Directive 2009/138/EC (as amended, the "**Solvency II**"), including consideration of full dividend accrual in quarterly reporting – a departure from the current quarterly incremental accrual approach that artificially reduces intra-year Solvency II capitalisation, regulation of certain types of business perceived as inherently risky, and expansion of the resolution powers of supervisors.

The future regulatory framework for the financial industry may change. This could result from the recent review of Solvency II (including any changes to the legal acts such as Commission Delegated Regulation 2015/35 (as amended, the "**Delegated Regulation**") and national legislation implementing these changes, in Slovenia, among others, the Insurance Act (*Zakon o zavarovalništvu (ZZavar-1)*; Official Gazette of the Republic of Slovenia No. 93/15 (as amended, the "**Insurance Act**")), including the treatment of certain entities in relation to third country equivalence or the "deduction and aggregation" methodology. EU legislators have also provisionally agreed on the Insurance Recovery and Resolution Directive (the "**IRR**D") on 14 December 2023 in the trilogue negotiations based on the European Commission's proposal of 22 September 2021, which may affect the capitalisation of Triglav Group and grant certain new powers to the supervisory authorities in the event of a financial deterioration of Triglav Group. The European Parliament adopted the amendments to the Solvency II framework and the IRRD on 23 April 2024 and they are now awaiting approval by the Council and publication in the Official Journal of the European Union. Once approved and published, the member states of the European Union will have two years to implement the amendments to the Solvency II framework and the IRRD into national law. The corresponding Delegated Regulation to the Solvency II framework and other technical standards will also need to be amended during this period to align their content and timing with the amended Solvency II framework.

The first consultations are expected in the course of 2024. Although the amendments to the Solvency II and the IRRD have been adopted by the European Parliament, it is not yet possible to assess the full impact of the Solvency II amendment and the IRRD, or of the Slovenian legislation implementing their provisions.

Any significant, unfavourable developments in the financial and insurance laws and regulations and the Issuer's obligations to comply with, monitor and/or implement these, similar or other additional, stricter and/or new regulatory rules and requirements could have a negative impact on the Issuer's revenues and thus materially and adversely affect the Issuer's business, results of operations and financial condition.

The Issuer is required by law to comply with regulatory capital requirements and is subject to stress tests and similar regulatory analyses which could adversely affect the Issuer's reputation and cost of funding or result in enforcement action by regulatory authorities.

The Solvency II framework sets out regulatory requirements for the calculation of solvency capital, own funds and technical provisions, as well as investment restrictions, market consistent valuation of assets and liabilities, regulatory reporting, disclosure and governance of insurance companies.

In the event that the Issuer or the Triglav Group fails to meet regulatory capital requirements, regulators have broad powers to take various regulatory actions, including limiting or prohibiting the writing of new business, prohibiting the payment of dividends or coupons and suspending the repayment of senior and subordinated debt. The changes in the Solvency II framework may (inter alia) result in adjustments to methodologies, assumptions and parameters, changes to policy options, more stringent capital requirements (such as potentially higher capital requirements for certain investments exposed to market risk) and/or a reduction in available capital, some of which changes may lead to increased compliance burdens and costs on the Issuer. In particular, there is a risk that instruments issued and to be issued by the Issuer or the Triglav Group may no longer be eligible (in whole or in part) as own funds and/or may not be sufficient to meet the capital requirements from time to time required under Solvency II or otherwise. In such cases, the Issuer may need to refinance existing debt or raise additional capital as own funds. There is a risk that the refinancing of existing debt or the raising of additional capital may be expensive, difficult or impossible on adequate terms, which could have an adverse effect on the capital adequacy, business and/or financial condition of the Triglav Group, however it is not yet possible to assess the full impact of the amendment to the Solvency II framework and the IRRD or any Slovenian legislation implementing these provisions.

A breach of regulatory capital requirements or a reduction in the solvency ratios of subsidiaries may result in capital injections by the Issuer into its subsidiaries, which in turn could adversely affect the Issuer's own financial position and risk exposure. Regulatory restrictions may limit the Issuer's ability to transfer capital within the Triglav Group, which may adversely affect the liquidity and financial condition of the Triglav Group. Under the Solvency II regime, the powers of intervention of supervisory authorities with respect to the issuer are extensive and, in particular, allow for the restriction of all payments (in particular payments under the Bonds) in a potential crisis.

In addition, the Issuer and the Triglav Group are subject to risk arising from various regular stress tests. In order to assess the level of capital in the insurance sector, the national and supra-national regulatory authorities (such as the EIOPA) periodically require solvency calculations and conduct stress tests where they examine the effects of various adverse scenarios on insurers (e.g., a strong downturn in the interest rates). Announcements by regulatory authorities to conduct such tests may destabilize the insurance sector and lead to a loss of trust in individual companies or the insurance sector as a whole. If the Issuer's results in any such a calculation or test are worse than those of its competitors and these results become public, this could have an adverse effect on the Issuer's financing costs, customer demand for the Issuer's insurance and reinsurance products and the Issuer's reputation. In addition, regulatory authorities may use a poor result by the Issuer in such calculations or tests as a basis for taking regulatory measures, which could have an adverse effect on the Issuer.

If any of the above risks occurs, this could have a material adverse effect on the Issuer's reputation, business, results of operations and financial condition.

Other developments in legislation and case law in the countries in which the Issuer operates, or actual or alleged violations of laws, standards of conduct or accounting rules or other irregularities at the Issuer, could materially and adversely affect the Issuer's business, results of operations and financial condition.

In addition to financial and insurance regulation, the Issuer is affected by many other legal provisions, such as pension and social security regulations, labour law, general civil law and insurance contract law, consumer protection rules, anti-discrimination rules, rules against unfair terms and conditions as well as rules on access to information, data protection and information (IT) security. In particular there has been an increasing focus by regulators on promoting the protection of customer/client information and the integrity of regulated firms' information technology systems, using data protection regulations such as the EU General Data Protection Regulation (Regulation (EU) 2016/679; the "EU GDPR") and Cybersecurity Regulation (Regulation (EU, Euratom) 2023/2841; the "Cybersecurity Regulation") (see also "*The Issuer is exposed to security risks*"). Changes to these regulations or their interpretation and application by the courts and public authorities could require the Issuer to undergo a cost-intensive restructuring of its business and could have other adverse effects on the Issuer.

In some of these areas of law, there has been a trend in recent years to increase the requirements on financial services and insurance companies. For example, some courts in the EU have interpreted the duties of care and the disclosure rules regarding the distribution of financial and insurance products more strictly in the recent past, especially for products sold to consumers. New legislation in Slovenia and elsewhere in the EU has also tightened the requirements regarding documentation of insurance policies. In light of these developments, certain contractual stipulations used by the Issuer in its insurance policies and its distribution agreements with brokers, agents, partner banks and other intermediaries could be determined to be invalid and unenforceable.

In view of the large number of regulations, rules and standards of conduct with which the Issuer must comply in various countries, there is an inherent risk of liability arising from actual or alleged breaches of such standards, which may also lead to regulatory investigations into the Triglav Group's business, with potential financial and/or reputational risks. The Triglav Group tries to minimise this risk by means of comprehensive compliance programmes, but these compliance programmes may not be able to prevent such violations.

The Issuer may also suffer reputational risks from actual or alleged violations of its various legal duties. Such reporting often takes a very critical view of the insurance industry. If such reports present the Issuer in a negative light, this could lead to losses of customers and market share. There is a risk that the Issuer could suffer by being associated with a generally negative image of the insurance industry. These legal risks and other legal risks, including from other areas of law, could have a material adverse effect on the Issuer's business, results of operations and financial condition.

The Issuer's business depends on a large number of approvals, licenses and permits and the cancellation, refusal to grant or failure to obtain these approvals, licenses and permits could materially and adversely affect the Issuer's business, results of operations and financial condition.

The insurance and reinsurance businesses in most jurisdictions in which the Issuer operates require approvals, licenses and permits granted by courts, governmental authorities or other agencies. For example, primary insurance companies and reinsurance companies in Slovenia require a license from the Slovenian Insurance Supervision Agency (*Agencija za zavarovalni nadzor*; the "AZN"), if they do not already have a corresponding license from a member state of the EU or another country of the EEA. Before such a license is granted, AZN carefully examines whether the applicant meets the Slovenian insurance regulatory standards for organizational, financial and legal matters. Slovenian regulators conduct detailed background checks on senior management, the supervisory board members and holders of qualifying shareholdings, as well as on the professional qualifications of senior management and the supervisory board members. In addition, applicants must submit a detailed business plan, describing the type and scope of the proposed business. Applicants must also demonstrate that they have a sufficient level of capital for the proposed business. Comparable examination proceedings and approval procedures exist in other countries as well.

If these approvals, licenses or permits are cancelled or declined or if the Issuer fails to obtain or maintain these approvals, licenses or permits, the Issuer could be forced to discontinue its business operations in the relevant jurisdiction, and this could have a material adverse effect on the Issuer's business, results of operations and financial condition.

The Issuer is subject to tax risks, especially as a result of changes in tax law or its interpretation and application, including the discontinuation of tax benefits for the Issuer products, or as a result of external or tax audits detrimental to the Issuer.

The Issuer benefits from certain tax provisions by offering certain insurance products such as life insurance retirement products. If these tax provisions or their interpretation and application by the courts competent for tax matters and the interpretation, application and practice of the tax authorities change in the future or if taxation in the countries in which the Issuer operates otherwise changes adversely (for example as a result of external tax audits with outcomes detrimental to the Issuer), or if the Issuer chooses unfavourable tax structures when developing its products or fails to optimize tax arrangements (also in relation to its acquisitions and divestitures), this may negatively affect the Issuer's revenues and could have a material adverse effect on the Issuer's business, results of operations and financial condition.

The Issuer is exposed to risks in changes in accounting standards.

In recent years, changes to EU endorsed IFRS for (re)insurance companies have been implemented and further changes may be proposed in the future.

The Issuer has applied IFRS 17 and IFRS 9, including any consequential amendments to other standards, for the first time as of 1 January 2023. These standards have resulted in significant changes in the accounting for (re)insurance contracts and financial instruments. As a result, the comparability of certain financial information or financial statement line items between periods presented in this Prospectus may be limited. IFRS 17 replaces IFRS 4, which was intended to be an interim standard and allowed insurers to continue to use the accounting policies they had applied prior to the first-time adoption of IFRS. IFRS 17 establishes principles for the recognition, measurement, presentation and disclosure of insurance contracts issued, reinsurance contracts held and investment contracts with discretionary participation features.

IFRS 9, Financial Instruments, issued by the International Accounting Standard Board ("IASB") in July 2014, fully replaces IAS 39 and provides a new approach to classifying financial instruments based on their cash flow characteristics and the business model under which they are managed. Under IFRS 9, a higher percentage of Issuer's financial assets are measured at fair value than under IAS 39. The standard also introduces a new forward-looking impairment model for debt instruments and new rules for hedge accounting. Interdependencies with IFRS 17 need to be considered to assess the ultimate combined impact of the two standards.

IFRS 17 and IFRS 9 lead to fundamental changes in the accounting of insurance and reinsurance companies and related processes. As a result, there is a risk of an unexpected impact on Issuer's financial position compared to the financial results included in the Issuer's consolidated financial statements for the financial year ended 31 December 2022 and earlier. In addition, Issuer acknowledges that the operating result under IFRS 17 may be more sensitive to changes in interest rates and also expects the net result under IFRS 17 and IFRS 9 to be subject to moderately higher volatility due to the increased volatility of financial assets following the introduction of IFRS 9. With respect to long-duration business, the Contractual Service Margin recognised under IFRS 17 is based on long-term cash flow assumptions that are subject to change in the future and is not designed to be a single, reliable indicator of the future profitability of long-duration insurance business (see "*Description of the Issuer - Significant changes in the accounting policy affecting the net profits*").

Any of the developments described above, or further changes to accounting standards, may adversely affect the Issuer's earnings and could have a material adverse effect on the Issuer's business, results of operations and financial condition. Unexpected effects may also adversely affect the Issuer's ratings. In addition, it may be difficult for investors to understand the complex measurement mechanisms for insurers under IFRS 17 and IFRS 9 and their presentation in the financial statements of (re)insurers in general.

Triglav Group companies are parties to legal, regulatory and other proceedings, negative outcomes in which could materially adversely affect the Issuer's business, results of operations and financial condition.

Companies of the Triglav Group are involved in legal disputes and arbitration and administrative proceedings in a number of foreign jurisdictions. These proceedings involve claims by and against them in connection with their activities as insurance and financial services providers, employers, investors and taxpayers.

In addition, companies of the Triglav Group are involved in numerous disputes and proceedings which arise in the ordinary course of the Triglav Group's insurance business. In the majority of cases, such involvement is indirect, for example if a lawsuit is brought against a policyholder of the Triglav Group, and the Triglav Group is obligated to provide legal defense and/or indemnity under the terms of the liability insurance policy. In some cases, however, Triglav Group companies have a direct involvement in disputes and proceedings as a defendant.

It is impossible to predict the outcome of these and other pending or threatened disputes or proceedings. Outcomes less favourable for the Triglav Group than expected, significant new disputes or proceedings, or substantial delays in existing disputes or proceedings could have a material adverse effect on the Issuer's business, financial condition and results of operations.

The Issuer could be subject to claims by customers for allegedly incorrect advice or other irregularities in the distribution of insurance contracts and financial investment products.

Insurance agents, brokers and financial advisers at banks sell a substantial volume of the Issuer's insurance and other financial products as intermediaries for the Issuer. Under certain circumstances, the Issuer companies may be liable for misconduct on the part of intermediaries in connection with the signing of an insurance contract or the customer service and advice prior to and after signing a contract. Such misconduct, or alleged misconduct, could damage the Issuer's reputation and lead to adverse legal or regulatory consequences such as contract termination claims or damages or fines. If such cases occur regularly, or are prominently publicized, they could materially and adversely affect the Issuer's business, results of operations and financial condition.

Subsidiaries of the Issuer have occasionally been confronted with the issue that with regard to certain products insufficient information had been given to policyholders at the inception of the contract regarding certain cost positions that were set out in the business plan and charged to the policyholder. Following the discovery of such issues, the charging of unjustified cost positions has been reversed in all affected policies in force. The Issuer has taken measures attempting to prevent similar cases in the future. However, it cannot be ruled out that customers may make claims against the Issuer for such mistakes or similar issues.

The occurrence of any of the risks set out above could have a material adverse effect on the business, results of operations and financial condition of the Issuer.

Other Risks

Other risks that may adversely affect the Issuer include risks related to geopolitical tensions and political instability, liquidity risk, strategic risk, security risk, reputational risk and emerging risks such as climate change.

The Issuer's business is largely dependent on global risks related to global economic conditions, geopolitical tensions and political instability.

Geopolitical crises are on the rise: in addition to the war in Ukraine and the ongoing conflicts in Gaza and the Red Sea, these include clashes and coups, both attempted and successful, in sub-Saharan Africa (Sudan, Niger, Sierra Leone, Gabon, Burkina Faso), tensions on the Kosovo-Serbia border and others. These conflicts have the potential to dramatically evolve into a wider war involving other countries, with a variety of unforeseen consequences, such as disruptions in supply chains, increases in energy prices, financial market volatility, social tensions and adverse effects on the global economy and the global financial and trading system. The Issuer carries out comprehensive analyses of potential losses in various types of war scenarios (in particular China/Taiwan, Russia and the Baltic States), focusing on direct war coverage; any potential indirect consequential losses or collateral damage or impact on capital markets are highly

dependent on the assumptions made. While the Issuer's direct exposures are managed in line with its risk strategy, the indirect consequences, in particular capital market dislocations, could be significant and exceed direct losses. Such indirect consequences are subject to considerable uncertainty, which severely limits the scope for taking preventive measures or recommending courses of action.

In addition, as the Issuer operates in many countries in the Adriatic region and its foreign operations have become increasingly important in recent years as a result of a number of acquisitions, the Issuer is subject to the economic, legal and political environment in these countries and must rely to some extent on the cooperation and reliability of government authorities (e.g. insurance supervisory authorities) and local business partners (e.g. distribution partners). In addition, in some of these countries there is significant political or economic instability and an unpredictable or unfavourable regulatory or legal climate. Embargoes and international sanctions against certain countries also pose risks to the Issuer's international activities, which the Issuer has addressed by adopting a code of conduct and implementing a compliance policy. In the event of a breach of embargoes or international sanctions, the Issuer could face legal consequences (e.g., fines) or damage to its reputation.

Furthermore, prevailing high interest rates make refinancing more costly for governments and necessitate fiscal consolidation. Lower real incomes, less discretionary spending and plans for economic transformation may trigger social unrest, more protests, more labour strikes and political instability. Another global recession or recessions, or continued inflation with high interest rates, affecting significant parts of the global economy, could reduce both demand for Issuer's products and the value of its investments. If large numbers of consumers were to delay purchasing new insurance or terminate existing coverage, for example due to high unemployment or lower disposable income, the demand for primary insurance coverage could decline. As life insurance is a long-term investment, demand for life insurance is particularly sensitive to changes in overall demand. In addition, consumer distrust in the financial sector could lead consumers to purchase fewer insurance products through banks or similar institutions, resulting in weaker sales in Issuer's distribution channel. Weaker demand for primary insurance coverage also tends to increase pricing and competitive pressures, which adversely affects profitability. Demand for the Issuer's corporate and industrial insurance products is also dependent on general economic conditions, as demand for corporate and industrial insurance products is generally higher when businesses are growing and more likely to make investments and take risks.

In addition, widespread concerns about the distributional consequences of globalisation and the global rise of populist forces in political landscapes have also contributed to an increase in protectionist trade policies. While an escalation into a full-blown global trade war remains more of a tail risk, its economic impact on the global economy would be significantly negative.

The occurrence of any of the risks set out above could negatively affect the Issuer's revenues and could have a material adverse effect on Issuer's, business, results of operations and financial condition.

Disease outbreaks can have a severe impact on insurance operations, the social and economic environment and financial market developments, with significant adverse effects for the Issuer's business and financial position.

Pandemics, epidemics and outbreaks of infectious diseases, such as COVID-19, which can have a severe impact on insurance operations, together with any measures taken to mitigate their further spread, such as travel restrictions, imposition of quarantines, prolonged business closures or curfews or other social distancing measures, may have a material adverse effect on the global economy and international financial markets in general and on the markets in which the Triglav Group operates in particular. The impact of such outbreaks depends on a number of factors, including the duration and spread of the outbreak, the timing, adequacy and effectiveness of measures taken by public authorities, the availability of resources, including human, material, infrastructure and financial (e.g. government stimulus packages and/or central bank measures), needed to implement effective responses to the situation at the international, national and regional levels, and the level of compliance by the population with such measures. In addition, uncertainties remain regarding the availability of adequate vaccines, their production, distribution and proper administration. There can be no guarantee that such measures, or any combination thereof, will be an effective means of controlling such an outbreak and its consequences, which may result in an increase in the Triglav Group's financial, underwriting, liquidity and operational risks and may ultimately have a material adverse effect on Issuer's business, results of operations and financial condition.

Rating agencies could downgrade the Triglav Group's credit rating, which could materially increase the Triglav Group's financing costs and detrimentally affect customer relationships.

Financial strength ratings are crucial for the Triglav Group's competitive position (see "*Description of the Issuer - Issuer Credit Ratings*" regarding the ratings of the Triglav Group). It cannot be excluded that there will be downgrades in the future due to changes in the development of the Triglav Group's financial position and consolidated results, or due to changes in the rating agencies' assessment of the industry and rating methodologies, or a combination of these factors.

Future rating downgrades may occur at any time, whether due to changes in Triglav Group's performance, its regulatory capital position, changes in the rating agencies' industry views or rating methodologies, or a combination of these and other factors.

A downgrade of one or more of the Triglav Group's ratings could have a negative impact on Triglav Group's business volume and its competitive position, for example in its dealings with large customers in the industrial insurance or reinsurance business which regularly monitor the ratings of their (re-)insurers. Additionally, Triglav Group may find it more difficult to access the capital markets and could incur higher borrowing costs. Furthermore, a rating downgrade may lead to new liabilities or increase existing liabilities, to the extent that they depend on Triglav Group maintaining a certain credit rating. A rating downgrade could therefore have a negative impact on the Issuer's competitive position and financing costs, and thus have a material adverse effect on Triglav Group's business, results of operations and financial condition.

The Issuer is exposed to reputational risks.

The Triglav Group's reputation as a provider of insurance services is influenced by its behaviour in a number of areas, including the quality of its products, business management, financial performance, customer service, employee relations, intellectual asset and corporate responsibility. Environmental, social and governance ("**ESG**") issues can arise in all risk categories. Incorrect identification or integration of ESG issues into core investment and insurance activities may result in increased reputational risks for the Triglav Group or even unexpected economic losses.

A failure of the Triglav Group, its staff members or a failure to take adequate account of societal developments and trends, financial performance and customer service may result in adverse publicity and damage to Triglav Group's reputation or could trigger increased regulatory supervision, which would have a negative effect on the Triglav Group. Such negative events could therefore have a negative impact on the Triglav Group's ability to attract and retain customers, as well as its access to the capital markets and have a material adverse effect on Triglav Group's business, results of operations and financial condition.

The Issuer is exposed to strategic risks.

The Issuer is exposed to a range of strategic risks, including the potential for misjudgement in business decisions, suboptimal implementation of those decisions or a lack of adaptability in the face of changing market conditions.

In general, the market in which the Issuer and the Triglav Group operate is competitive, with the potential for new business models to intensify competitive pressures. If the Issuer fails to offer products and services that meet customers' needs, revenues could be significantly reduced, and the Issuer may lose market share in important areas. This could also have a material adverse impact on the Issuer.

Strategic risk also encompasses the possibility that acquisitions by the Issuer could have a detrimental impact on its financial position and results of operations. A range of factors that are partially or entirely beyond the Issuer's control could result in the business results of the acquired undertakings being materially different from what was initially anticipated. In the past, the Triglav Group has acquired minority or controlling stakes in various companies. New acquisitions or strategic agreements may also be executed in the future. While the Triglav Group exercises caution and applies professional criteria when selecting and analysing opportunities, success in this acquisition and alliance policy cannot be guaranteed. Failure to integrate the acquired businesses or any current or future alliances successfully, or underperformance in such ventures or alliances, could have a material adverse effect on the business, revenues, operating results and financial position of the Triglav Group, as well as its reputation. Integration of IT systems and harmonisation of corporate cultures are key challenges in acquisitions. For investments in foreign countries, market conditions and the

legal, political and cultural circumstances are also important factors to consider. The process of integrating an acquired company or business can be complex and costly, creating unforeseen operating difficulties and expenditures. For instance, acquisitions can pose significant risks, including the diversion of management time and resources to integration challenges and the impact of an acquisition on the Issuer's financial position. Acquisitions also involve legal risks, for example if the warranties agreed with a seller are not sufficient to cover all acquisition risks. In addition, all investment decisions involve the risk that the financial assumptions on which an investment decision is based may prove to be incorrect, for example because the expected synergies cannot be realised or only materialise at a later stage than originally expected; and if synergies are not realised, there is a risk that the goodwill resulting from these acquisitions may have to be written down. If such strategic risks materialise, this could have a negative impact on the financial position of the Triglav Group and reduce its equity and could have a negative impact on the Issuer's earnings and could have a material adverse effect on the Issuer's business, results of operations and financial condition.

The Issuer is exposed to liquidity risk.

The Issuer is subject to the risk that investments or other assets cannot be converted into liquid funds in a timely manner or at a reasonable price in order to meet liabilities as they become due, especially general insurance liabilities (liquidity risk). Liquidity risk is the risk that current or future payment obligations cannot be met or can only be met under unfavourable conditions. It may arise primarily from mismatches in the timing of cash inflows and outflows. This could expose the Triglav Group to the risk of loss of value on the sale of assets (which is particularly serious for products offering a guaranteed minimum return) or increase its funding costs. Although the Issuer's and the Triglav Group's liquidity position is continuously monitored and subject to strict liquidity availability requirements and the Issuer seeks to mitigate its liquidity risk through a conservative investment strategy focused on liquid securities, there can be no guarantee that the Issuer will not encounter difficulties in attempting to liquidate assets or that it will be able to do so on reasonable terms. The Issuer relies on the functioning of the capital markets to meet its liquidity needs. To this end, the Issuer's and the Triglav Group's liquidity position is continuously monitored and subject to strict liquidity availability requirements. Nevertheless, adverse developments in the capital and credit markets may affect the Issuer's liquidity, cost of capital and access to capital. Extreme and widespread volatility or a partial collapse of the capital markets may result in a situation in which the Issuer's ability to convert investments and other assets into cash in a timely manner is restricted. This could adversely affect the cost of funding and may affect the Issuer's refinancing structure, liquidity and credit capacity to operate its business and the availability of capital to the Triglav Group's subsidiaries. Such adverse market conditions may, in particular, adversely affect the Issuer's access to capital required to operate its insurance business, such as to pay claims, meet regulatory capital requirements and generate fee and market-related income to meet liquidity needs. Any adverse development in its liquidity situation may adversely affect the Issuer's earnings and could have a material adverse effect on the Issuer's business, operation and financial condition.

The Issuer is exposed to security risks.

Security risk arising from threats to the security and integrity of the Issuer's employees, data, information and property, in particular due to the sharp increase in cybercrime in recent years and the increasing importance of information technology in the Issuer's core processes, security risks to the Issuer's own data and information (cyber risks) have become a key threat to the Issuer's business.

Regulators are increasingly focused on promoting the protection of customer/client data and the integrity of regulated firms' information technology systems, using the EU GDPR and the Cybersecurity Regulation. In addition, the regulators also set IT security requirements for the insurance industry, such as national requirements and under the Regulation (EU) 2022/2554 of 14 December 2022 on digital operational resilience for the financial sector and amending Regulations (EC) No 1060/2009, (EU) No 648/2012, (EU) No 600/2014, (EU) No 909/2014 and (EU) 2016/1011 ("**DORA**"), which will apply from 17 January 2025, although these requirements are subject to ongoing change. Inadequate access controls (especially for privileged accounts), computer viruses, ransomware, acts of sabotage, breaches of data protection measures or other internal or external security threats could result in financial losses, disruption of business operations, regulatory intervention or damage to the Issuer's reputation. If any of such risk occurs, this could have a negative impact on the

Issuer revenues and have a material adverse effect on the Issuer's reputation, business, results of operations and financial condition.

The Issuer is exposed to so-called "emerging risks" such as risks related to climate change and sustainable development, including changes in applicable legislation and reporting requirements.

The term "emerging risks" is used in the insurance industry to refer to previously unknown risks that could cause significant future losses and are therefore of major concern to insurance companies. Unlike traditional risks, emerging risks are difficult to analyse because they often exist as a hidden risk. Insurance premiums for emerging risks are difficult to calculate due to lack of historical data about or experience with such risks or their consequences. For example, inadequate reserves for the cases involving thalidomide or asbestos have caused extremely high losses in the insurance industry. Currently, the consequences of the potential global climate change are considered an emerging risk, as are epidemics and pandemics, such as the COVID-19 pandemic, (see also "*Disease outbreaks can have a severe impact on insurance operations, the social and economic environment and financial market developments, with significant adverse effects for the Issuer's business and financial position*"), and risks arising from the development of nanotechnology, genetic engineering and artificial intelligence (AI) (technological advances).

The climate change, which is associated with an increase in the severity and frequency of extreme weather events, may especially impact the insurance business. In the region, where the Issuer operates, more frequent and severe floods, drought periods and hailstorms due to climate change are of particular concern in the long run. Demand for insurance cover is expected to increase, bringing new opportunities to expand the volume of business and challenges to increase the required reinsurance covers.

Climate risks also include the risk of transition to a low-carbon economy. The transition is associated with policy changes, changes in consumer habits, reputational risk, market sentiment, legal and technological risks, and also includes adapting business operations to reduce greenhouse gas emissions. Given the nature of the business, the indirect impact through the investment and insurance portfolios (green house gas ("**GHG**") Scope 3) is more important for the insurance sector than the direct carbon footprint (GHG Scope 1 and 2) in the transition to a low-carbon economy. Transition risk could manifest through a significant impact on the value of investments in more exposed issuers, while shifts in environmental policies and consumer habits might substantially affect policyholders and insurance products.

The Issuer is also subject to risks associated with evolving reporting requirements and potential future disclosure requirements relating to climate change and ESG matters, which could materially increase the Issuer's compliance burden, increase compliance costs, require changes to certain of the Issuer's operations and thereby adversely affect the Issuer's business and financial condition. The Issuer is closely monitoring such existing and developing regulatory initiatives, including Regulation (EU) 2019/2088 of 27 November 2019 on sustainability disclosures in the financial services sector, Regulation (EU) 2020/852 of 18 June 2020 on the establishment of a framework to facilitate sustainable investment and amending Regulation (EU) 2019/2088, Directive (EU) 2022/2464 of 14 December 2022 amending Regulation (EU) No 537/2014, Directive 2004/109/EC, Directive 2006/43/EC and Directive 2013/34/ EU as regards corporate sustainability reporting, supplemented by Commission Delegated Regulation (EU) 2023/2772 of 31 July 2023 and the proposal for a Directive on corporate sustainability due diligence and amending Directive (EU) 2019/1937 (COM/2022/71 final). Regulatory requirements arising from these and similar EU, Slovenian and other applicable laws, directives and regulations will require the Issuer to collect and disclose a large amount of additional data and may prescribe approaches to ESG policies that are inconsistent with the Issuer's current practices.

Another significant emerging risk to the Issuer's business model could arise if a global trend towards political disintegration, nationalism and the collapse of multilateralism were to persist or even escalate (see also "*The Issuer's business is largely dependent on global risks related to global economic conditions, geopolitical tensions and political instability*"). The Issuer relies on stable and predictable market access, regulatory frameworks and the rule of law. The rise of protectionist trade policies resulting from the potential withdrawal of governments from international agreements, trade unions and frameworks may lead to a fragmentation of the global market and increased uncertainty about the future business environment in the countries concerned. For the Issuer, this may increase the complexity of operational

processes, regulatory and capital requirements for the Issuer and the Triglav Group as a whole, administrative costs to comply with changing legal requirements and may require a revision of business strategy.

Emerging risks are by their nature highly uncertain and their impact on the insurance industry as a whole and the Issuer in particular cannot credibly assess them at this stage. Deficiencies and inadequacies in identifying and responding to emerging risks (in particular the above-mentioned trends or the emergence of as yet unknown risks) may result in unforeseen damages, may have a negative impact on the Issuer's revenues and may materially and adversely affect risks set out above could have a material adverse effect on the Issuer's business, results of operations and financial condition.

RISKS RELATING TO THE BONDS

Risks associated with the characteristics of the Bonds

The risks associated with the characteristics of the Bonds include risks resulting from the subordination of the Bonds, risks related to the fixed rate interest rate applicable until the First Reset Date, risks related to the floating rate interest applicable from the First Reset Date, risks related to interest rate benchmarks, risks related to the nature of the Bonds as long-term securities, risks related to a possible early redemption of the Bonds and risks in connection with the application of the German Act on Issues of Debt Securities (*Gesetz über Schuldverschreibungen aus Gesamtemissionen*, "SchVG").

Risks resulting from the subordination of the Bonds

The obligations under the Bonds constitute unsecured subordinated obligations of the Issuer ranking *pari passu* among themselves and *pari passu* with any present or future security, registered security or other instrument, which is (i) issued or assumed by the Issuer and which, in accordance with its terms or mandatory provisions of law, ranks or is expressed to rank, *pari passu* with the Issuer's obligations under the Bonds, or (ii) guaranteed by the Issuer or for which the Issuer has otherwise assumed liability, where, in accordance with its terms or mandatory provisions of law, the Issuer's obligations under the relevant guarantee or other assumption of liability rank or are expressed to rank *pari passu* with the Issuer's obligations under the Bonds.

The terms of the Bonds provide that the obligations of the Issuer under the Bonds rank subordinated to any present or future (i) unsubordinated obligation of the Issuer (for the avoidance of doubt, including all claims of policy holders and beneficiaries under insurance and reinsurance contracts and regular obligations of the Issuer pursuant to Art. 21(4) of the Insolvency Act); (ii) preferred obligation of the Issuer under Art. 21(1) and 21(2) of the Insolvency Act; (iii) contractually subordinated obligation of the Issuer pursuant to Art. 21(3) of the Insolvency Act (for the avoidance of doubt, excluding (a) any such obligation qualifying as a Parity Obligation or a Junior Obligation and (b) the Issuer's obligations under the Bonds); (iv) subordinated obligation expressed to be ranking or ranking at least *pari passu* with any of the Issuer's obligations under preceding clauses (i), (ii) and (iii); (v) subordinated obligation of the Issuer qualifying as a Tier 3 own-fund item of the Issuer; and (vi) other subordinated obligation of the Issuer required to be preferred by mandatory provisions of law.

In the event of the liquidation proceedings (including compulsory dissolution proceedings) or insolvency proceedings of the Issuer or any proceedings to avoid insolvency of the Issuer, the Bondholders will not receive any amounts payable in respect of the Bonds until the above described senior ranking obligations of the Issuer have first been satisfied in full.

The Bondholders must be aware that, in the circumstances described above, (i) the Issuer will make payments in respect of the Bonds only in accordance with the subordination described above, and (ii) the rights of the Bondholders under the Bonds will be subject to the provisions of the insolvency laws applicable to the Issuer from time to time.

In addition to other limitations on the payment of interest, Arrears of Interest and principal (also see "*Risks related to the nature of the Bonds as long-term securities including the risk of a delay of redemption*" and "*Risks related to deferral of interest payments and restrictions on payment of Arrears of Interest*" below), the Terms and Conditions provide for a pre-insolvency payment prohibition. This means that, prior to the commencement of liquidation proceedings (including compulsory dissolution proceedings) or insolvency proceedings, Bondholders will not have a claim for the relevant scheduled payment of interest, payment of Arrears of Interest or redemption of the Bonds if there is any reason to open

insolvency proceedings in respect of the Issuer under the applicable insolvency laws or if the payment of the relevant amount would itself cause the Issuer to become insolvent or accelerate the process of the Issuer becoming insolvent. These payment conditions constitute a payment prohibition, which means that the Issuer may only make payments on the Bonds if they are made in accordance with the aforementioned conditions. Such a payment prohibition may be in force for an indefinite period of time or even permanently. Any payment made in contravention of this prohibition must be repaid to the Issuer, notwithstanding any agreement to the contrary.

Risks related to the fixed rate applicable until the First Reset Date

The Bonds bear interest at a fixed rate from and including the Issue Date to but excluding the First Reset Date.

During that time, Bondholders are exposed to the risk that the price of such Bonds may fall because of changes in the market yield. While the nominal interest rate (i.e. the coupon) of the Bonds is fixed until, but excluding, the First Reset Date, the market yield typically changes on a daily basis. As the market yield changes, the price of the Bonds changes in the opposite direction. If the market yield increases, the price of the Bonds typically falls. If the market yield falls, the price of the Bonds typically increases. Bondholders should be aware that movements of the market yield can adversely affect the price of the Bonds and can lead to losses for the Bondholders.

Bondholders should also be aware that the market yield has two components, namely the risk-free rate and the credit spread. The credit spread is reflective of the yield that investors require in addition to the yield on a risk-free investment of equal tenor as a compensation for the risks inherent in the Bonds. The credit spread changes over time and can decrease as well as increase for a large number of different reasons. The market yield of the Bonds can change due to changes of the credit spread, the risk-free rate, or both.

Risks related to the floating rate interest applicable from the First Reset Date

If the Bonds are not called during the period from and including 16 July 2034 to and including the First Reset Date, the Bonds will bear interest at a floating rate from the First Reset Date (including) until the Final Maturity Date (excluding).

The floating rate applicable to the Bonds from (and including) the First Reset Date is based on two components, namely the EURIBOR and the Margin (as defined in the Terms and Conditions). The floating rate interest is payable quarterly and will be adapted immediately prior to any Floating Interest Period to the then prevailing 3-months EURIBOR rate plus the Margin. The Margin was fixed at issuance of the transaction and will apply to any Floating Interest Period.

Bondholders should be aware that the floating rate interest income is subject to changes to the 3-months EURIBOR and therefore cannot be anticipated. Hence, Bondholders are not able to determine a definite yield of the Bonds following the First Reset Date at the time they purchase them, so that their return on investment cannot be compared with that of investments in fixed rate instruments (i.e. instruments with a coupon that is fixed until maturity).

Since the Margin is fixed at issuance of the transaction, Bondholders are subject to the risk that the Margin does not reflect the market spread that investors require in addition to the 3-month EURIBOR as a compensation for the risks inherent in the Bonds.

The market spread typically changes continuously. As the market spread changes, the price of the Bonds changes in the opposite direction. A decrease of the market spread has a positive impact on the price of the Bonds, an increase of the market spread has a negative impact on the price of the Bonds. However, after the First Reset Date the price of the Bonds is subject to changes in the market spread, changes in the 3-months EURIBOR or both. Bondholders should be aware that movements of the market spread can adversely affect the price of the Bonds and can lead to losses for the Bondholders.

Interest rate benchmark risks

Reference rates and indices, including interest rate benchmarks, such as the EURIBOR, which are used to determine the interest amounts payable under financial instruments or the value of such financial instruments ("**Benchmarks**"), have, in recent years, been the subject of political and regulatory scrutiny as to how they are determined and operated. This has resulted in regulatory reform and changes to existing Benchmarks, with further changes anticipated. In particular, such regulatory changes to Benchmarks include the Benchmark Regulation.

These reforms and changes may cause a Benchmark to perform differently than it has done in the past, or to be discontinued. Any change in the performance of a Benchmark or its discontinuation could have a material adverse effect on financial instruments referencing a Benchmark such as the Bonds following the First Reset Date.

Following the First Reset Date, amounts payable under the Bonds are calculated by reference to the EURIBOR, which is provided by the European Money Market Institute. The rate of interest for each Floating Interest Period will be determined on the corresponding Interest Determination Date (as defined in the Terms and Conditions) by reference to Reuters Page EURIBOR01 (or such other screen page of Reuters or such other information service, which is the successor to Reuters Page EURIBOR01 for purposes of displaying such rates) (the "**Screen Page**"). In circumstances where EURIBOR is discontinued, neither the Screen Page, nor any successor or replacement may be available.

If a Benchmark Event occurs, the Issuer shall endeavour to appoint an Independent Adviser, which must be an independent financial institution of international repute or other independent financial adviser experienced in the international debt capital markets, which will be tasked with determining whether an officially recognized Successor Benchmark Rate to the discontinued Benchmark used as the Reference Rate exists. If that is not the case, the Independent Adviser will attempt to find an Alternative Benchmark Rate which, possibly in conjunction with an applicable Adjustment Spread and certain Benchmark Amendments to the Terms and Conditions, can replace the discontinued Benchmark. Such Adjustment Spread and/or Benchmark Amendments are intended to be applied in order to ensure industry-wide acceptance of the replacement Reference Rate, however, the relevant Adjustment Spread and/or Benchmark Amendments may not be successful in doing so and the Bonds may perform differently than they would have done if the original Reference Rate had continued to be applicable. If the Independent Adviser determines a Successor Benchmark Rate or Alternative Benchmark Rate, such rate will replace the previous Benchmark and be used as new Reference Rate. Such determination will be binding for the Issuer, the Bondholders and all other involved parties such as the paying agents. Any amendments pursuant to these fallback provisions will apply with effect from the Effective Date.

If the Issuer fails to appoint an Independent Adviser or if the Independent Adviser fails to determine a New Benchmark Rate following a Benchmark Event, the Reference Rate applicable to the immediately following Floating Interest Period shall be the Reference Rate determined on the last Interest Determination Date immediately preceding the relevant Effective Date, provided, however, that, in case of the first Floating Interest Period, the Reference Rate shall be 2.607 per cent. *per annum*.

Any adjustment as described above will only be made if no Regulatory Event would occur as a result of such adjustment and/or if such adjustment would not be likely prejudice the qualification of the Bonds as Tier 2 own-fund items of the Issuer on an individual and consolidated basis (solo solvency and group solvency). In such a case, the Reference Rate applicable to the next and each subsequent Floating Interest Period shall be the Reference Rate as determined on the last preceding Interest Determination Date or, in case this provision needs to be applied to the first Floating Interest Period, the Reference Rate shall be 2.607 per cent. *per annum*.

Uncertainty as to the continuation of EURIBOR and the rate that would be applicable if EURIBOR were discontinued may adversely affect the trading market and the value of the Bonds. At this time, it is not possible to predict what the effect of these developments will be or what the impact on the value of the Bonds will be.

Risks related to the nature of the Bonds as long-term securities including the risk of a delay of redemption

The Bonds are scheduled to be redeemed at par on 16 January 2045 (the "**Scheduled Maturity Date**"), provided that on such date the Conditions to Redemption and Repurchase are fulfilled. Before that date, the Issuer has, under certain conditions, the right to redeem or repurchase the Bonds, but is under no obligation to do so. If on the Scheduled Maturity Date the Conditions to Redemption and Repurchase are not met, redemption may be delayed beyond the Scheduled Maturity Date for an indefinite period of time. Therefore, Bondholders may receive the amounts due upon redemption at a much later point in time than initially expected.

Under the Terms and Conditions, the Bondholders have neither any put right nor any other right to terminate or otherwise accelerate the redemption of the Bonds prior to the Scheduled Maturity Date and on or following the Scheduled Maturity Date only if the Conditions to Redemption and Repurchase are fulfilled.

The Bondholders should be aware that the Terms and Conditions do not contain any express events of default provision that would allow Bondholders to accelerate the Bonds in case of the occurrence of an event of default.

There is currently no secondary market for the Bonds. Application has been made for the Bonds to be listed on the official list of the Luxembourg Stock Exchange and to be admitted to trading on the Luxembourg Stock Exchange's regulated market. However, a liquid secondary market for the Bonds may not develop or, if it does develop, it may not continue until the redemption of the Bonds.

In an illiquid market, an investor may not be able to sell his Bonds at any time at fair market prices. The possibility to sell the Bonds might additionally be restricted by country specific reasons.

Prospective investors should be aware that they may be required to bear the financial risk of an investment in the Bonds for a long period and may not recover their investment before the end of this period.

Risks related to a possible early redemption of the Bonds

At the Issuer's option and subject to the Conditions to Redemption and Repurchase being fulfilled, the Bonds may be redeemed prior to the First Reset Date at the Redemption Amount (as defined in the Terms and Conditions), if, as a result of any future change in, or amendment or clarification to, the laws, regulations or other rules of the Issuer's country of domicile for tax purposes, (i) the Issuer will be obligated to pay Additional Amounts (as defined in the Terms and Conditions), or (ii) interest payable by the Issuer in respect of the Bonds is no longer, or will no longer be, fully deductible by the Issuer for income tax purposes in the Issuer's country of domicile for tax purposes, and in each case this cannot be avoided by the Issuer by taking reasonable and appropriate measures.

The Bonds may also be redeemed, subject to the Conditions to Redemption and Repurchase being fulfilled, at the Redemption Amount if (i) the Issuer must not or must no longer record the obligations under the Bonds as liabilities on the balance sheet in the Issuer's annual consolidated financial statements (prepared in accordance with IFRS) and this cannot be avoided by the Issuer by taking reasonable and appropriate measures, (ii) if the Competent Supervisory Authority (as defined in the Terms and Conditions) states to the Issuer that under the Applicable Supervisory Regulations (as defined in the Terms and Conditions) the Bonds are not eligible (in whole or in part) to qualify for the inclusion of the Bonds in the calculation of the own funds as Tier 2 Capital for purposes of the determination of the solvency of the Issuer and/or the group solvency of the Triglav Group, and/or that the Bonds no longer fulfil or are likely to no longer fulfil such requirements (in whole or in part), except where this is merely the result of exceeding any applicable limits on the inclusion of the Bonds in the determination of the own funds as Tier 2 Capital of the Issuer and/or of the Triglav Group pursuant to the Applicable Supervisory Regulations, (iii) if as a consequence of a change in, or clarification to, the rating methodology (or the interpretation thereof) of S&P Global Ratings Europe Ltd., A.M. Best (EU) Rating Services B.V. (or any respective affiliate or successor of any such rating agency), which change or clarification becomes effective on or after the date of issue of the last tranche of the series of Bonds, which change in, or clarification to, the rating methodology (or the interpretation thereof) results in the capital or leverage treatment (including the assigned equity content) of the Bonds for the Issuer or the Triglav Group worsening in the reasonable opinion of the Issuer, as compared to the capital or the leverage treatment (including the assigned equity content) of the Bonds for the Issuer or the Triglav Group assigned at or around the date of issue of the last tranche of the series of Bonds., or (iv) if the Issuer or its subsidiaries have repurchased and cancelled or redeemed Bonds equal to or in excess of 80 per cent. of the aggregate principal amount of the Bonds initially issued (including any Bonds additionally issued).

The Bonds may also be redeemed at the option of the Issuer and subject to the Conditions to Redemption and Repurchase being fulfilled at their Redemption Amount with effect as of the First Reset Date and as of any Floating Interest Payment Date thereafter.

The redemption at the option of the Issuer may affect the market value of the Bonds. During any period when the Issuer may, or may be perceived to be able to, elect to redeem the Bonds, the market value of the Bonds generally will not rise substantially above the price at which they can be redeemed.

If the Bonds are redeemed prior to the Scheduled Maturity Date, a Bondholder is exposed to the risk that due to the early redemption his investment will have a lower than expected yield and to the risks connected with any reinvestment of the cash proceeds received as a result of the early redemption. Bondholders will receive the Redemption Amount upon any early redemption. The Redemption Amount may be lower than the then prevailing market price of the Bonds.

Risks in connection with the application of the German Act on Issues of Debt Securities

The Terms and Conditions may be amended by the Issuer with consent of the Bondholders by way of a majority resolution in a holder's meeting or by a vote not requiring a physical meeting (*Abstimmung ohne Versammlung*) as described in Sections 5 et seq. of the SchVG, whereby the Issuer may subsequently amend the Terms and Conditions with the consent of the majority of Bondholders as described in § 12 of the Terms and Conditions, which amendment will be binding on all Bondholders of the relevant Series of Bonds, even on those who voted against the change.

Therefore, a Bondholder is subject to the risk of being outvoted by a majority resolution of the Bondholders. As such majority resolution is binding on all Bondholders of a particular series of Bonds, certain rights of such Bondholder against the Issuer under the Terms and Conditions may be amended or reduced or even cancelled, which may have significant negative effects on the value of the Bonds and the return from the Bonds.

The Bondholders may by majority resolution provide for the appointment or dismissal of a joint representative. If a joint representative is appointed a Bondholder may be deprived of its individual right to pursue and enforce a part or all of its rights under the Terms and Conditions against the Issuer, such right passing to the Bondholders' joint representative who is then exclusively responsible to claim and enforce the rights of all the Bondholders.

Risks resulting from the Bonds representing regulatory capital

The risks resulting from the Bonds representing regulatory capital include risks resulting from the Bonds being structured to meet the criteria to qualify as regulatory capital (own funds), risks related to deferral of interest payments and restrictions on payments of Arrears of Interest and risk related to a deferral of redemption (see also "*Risks related to the nature of the Bonds as long-term securities including the risk of a delay of redemption*" above).

Risks resulting from the Bonds being structured to meet the criteria to qualify as regulatory capital (own funds) and as capital for rating agency purposes

The Bonds will be issued to increase the Issuer's and Triglav Group's regulatory capital under the Solvency II Directive and are intended to receive a certain capital treatment for rating agency purposes. The Terms and Conditions of the Bonds are structured accordingly, implying various risks for investors. In particular, there is the risk that the Issuer may be obliged to defer redemption of the Bonds beyond the Scheduled Maturity Date (as defined below), or to defer payment of interest beyond any Interest Payment Date, whenever the Issuer or the Triglav Group does not meet certain regulatory capital requirements. Moreover, due to the deep subordination of the Bonds there is a higher risk for investors to lose all or part of their investments. Should the Bonds fail to or cease to qualify as regulatory capital, there is a risk that the Bonds may be redeemed prior to the First Reset Date (please see "*Risks related to a possible early redemption of the Bonds*" above).

Risks related to deferral of interest payments and restrictions on payment of Arrears of Interest

Bondholders should be aware that, in certain cases, interest on the Bonds will not be due and payable (*fällig*) on the scheduled Interest Payment Date (as defined in the Terms and Conditions), that the payment of the resulting Arrears of Interest (as defined in the Terms and Conditions) is subject to certain further conditions, and that Arrears of Interest will not bear interest.

In case a Compulsory Deferral Event (as described in the Terms and Conditions) has occurred and is continuing on the relevant Interest Payment Date, interest which accrued during the period ending on but excluding such Interest Payment Date will not be due and payable (*fällig*) on that Interest Payment Date. Any such failure to pay will not constitute a default of the Issuer or any other breach of its obligations under the Bonds or for any other purpose. Interest deferred will

constitute Arrears of Interest, with no certainty for Bondholders as to when these Arrears of Interest will be paid. Bondholders will not receive any additional interest or compensation for the compulsory deferral of interest payments.

In case no Compulsory Deferral Event has occurred, the Issuer may elect in its discretion to defer the payment of accrued interest if, during the six months before the relevant Interest Payment Date, no Compulsory Interest Payment Event (as defined in the Terms and Conditions) has occurred. Such interest will not be due and payable (*fällig*) on that Interest Payment Date. If the Issuer exercises the right to defer interest, it shall endeavour to give notice thereof no later than on the relevant Interest Payment Date. Any failure to give notice to the Bondholders shall not affect the validity of the deferral of interest and shall not constitute a default of the Issuer or any other breach of its obligations under the Bonds or for any other purpose. A notice which has not been given by the relevant Interest Payment Date shall be given without undue delay (*unverzüglich*) thereafter. Interest deferred will constitute Arrears of Interest, with no certainty for Bondholders as to when these Arrears of Interest will be paid. Bondholders will not receive any additional interest or compensation for the optional deferral of interest payments.

Bondholders will not receive any additional interest or compensation for the deferral of interest payments.

Risk in relation with the adoption of a recovery and resolution regime for insurers and reinsurers

On 23 April 2024, the IRRD was adopted by the European Parliament and is now awaiting approval by the Council and publication in the Official Journal of the European Union (see also "*Risks relating to the Issuer and the Triglav Group – The Issuer is required by law to comply with various regulatory requirements. Any changes to existing laws or new laws, or the enforcement thereof (including own funds and governance) in accordance with Solvency II, may have a material adverse effect on the Issuer's business, results of operations and financial condition.*" above). The purpose of the directive, which will require implementation into national law, is, to provide authorities with a toolkit to protect policyholders, beneficiaries and claimants, to maintain financial stability, to ensure the continuity of the (re)insurer's critical functions and protect public funds by minimizing reliance on extraordinary public financial support.

According to the IRRD, national resolution authorities will be provided with comprehensive and effective intervention powers to prepare for and deal with (near) failures of (re)insurers at national level and cooperation arrangements to tackle cross-border (re)insurance failures. To this end, it is proposed that the resolution authorities are provided with necessary powers to apply the resolution tools (as defined in the IRRD) to undertakings that meet the applicable conditions for resolution.

One of the resolution tools proposed in the IRRD is the power to write down or convert capital instruments and eligible liabilities, on which basis the competent resolution authority may write down, or (with the exception of shares) convert into shares, Tier 1, Tier 2 and Tier 3 instruments and other eligible liabilities issued or borrowed by an undertaking if the undertaking is failing or likely to fail and certain other conditions are met, or if the conditions for group resolution are met.

The IRRD further specifies that in certain circumstances the resolution authority shall exercise the power to write down or convert capital instruments and eligible liabilities, individually or in combination with another resolution tool.

Normal insolvency proceedings will remain the alternative path for the whole or parts of a (re)insurer that cannot be resolved, and the IRRD provides for a no creditor worse off principle, meaning that no creditor shall be worse off in resolution than in normal insolvency proceedings.

It is not yet possible to assess the full impact of the IRRD or any corresponding implementing Slovenian legislation.

Should the IRRD or similar provisions enter into force and be implemented into Slovenian law, the competent resolution authority would be granted power to enact far-reaching intervention measures in the event of a crisis of the Issuer, which could, despite the no creditor worse off principle being applicable, severely affect the rights of the Bondholders and may result in the loss of their entire investment in the event of resolution of the Issuer. Any perceptions in the market that these provisions may become applicable to the Issuer may reduce the market value of the Bonds even before the Issuer has actually reached the point of non-viability or resolution.

Risks associated with the ability of the Issuer to make payments when due

The risks associated with the ability of the Issuer to make payments when due include the risk that an investor in the Bonds will lose all or some of its investment should the Issuer become insolvent and the risk that the market value of the Bonds could decrease if the creditworthiness of Triglav Group worsens.

Risk that an investor in the Bonds will lose all or some of its investment should the Issuer become insolvent

Any person who purchases the Bonds is relying on the creditworthiness of the Issuer and has no rights against any other person.

Investors are subject to the risk of the Issuer's partial or total failure to make interest and/or redemption payments that the Issuer is obliged to make under the Bonds. A materialization of the credit risk (for example, due to the materialization of any of the "*Risks relating to the Issuer and the Triglav Group*" as described above) may result in partial or total failure of the Issuer to make interest and/or redemption payments under the Bonds. This risk is aggravated by the fact that the Bonds are unsecured and subordinated (see above, "*Risks associated with the characteristics of the Bonds - Risks resulting from the subordination of the Bonds*") and could result in a partial or total loss of the investor's investment in the Bonds.

Risk that the market value of the Bonds could decrease if the creditworthiness of the Triglav Group worsens

If the likelihood decreases that the Issuer will be in a position to fully perform all obligations under the Bonds when they fall due, for example, because of the materialization of any of the risks regarding the Triglav Group or the Issuer, the market value of the Bonds will fall. The market price of the Bonds may also be negatively impacted if the Issuer is perceived to be likely to defer, or has to defer, payments of interest. In addition, even if the likelihood that the Issuer will be in position to fully perform all obligations under the Bonds when they fall due actually has not decreased, market participants could nevertheless have a different perception.

Furthermore, the market participants' assessment of the creditworthiness of corporate debtors in general or debtors operating in the same business as the Triglav Group could adversely change.

If any of these risks materializes, third parties would only be willing to purchase Bonds for a lower price than before the materialization of mentioned risk. Under these circumstances, the market value of the Bonds will decrease.

TERMS AND CONDITIONS OF THE BONDS

These Terms and Conditions are written in the English language which will be the only legally binding version.

§ 1

Certain Definitions

Unless the context indicates otherwise, the following terms shall have the following meanings in these Terms and Conditions:

An "**Accounting Event**" will occur if a confirmation of a recognised auditing firm has been delivered to the Issuer (and the Issuer has provided the Principal Paying Agent with a copy thereof) stating that, as a result of any change in or amendment to any of the Applicable Accounting Standards, which change or amendment becomes effective on or after the date of issue of the Bonds, the Issuer must not or must no longer (including in case any such change or amendment to the Applicable Accounting Standards or their interpretation has retroactive effect) record the obligations under the Bonds as liabilities on the balance sheet in the Issuer's annual consolidated financial statements prepared in accordance with the Applicable Accounting Standards and this cannot be avoided by the Issuer taking such measures it (acting in good faith) deems appropriate.

"**Additional Amounts**" has the meaning set out in § 7(1).

"**Applicable Accounting Standards**" means the International Financial Reporting Standards (IFRS) as adopted by the European Union or any other generally accepted accounting principles which subsequently supersede them as applied by the Issuer at the relevant accounting dates and for the relevant accounting periods for purposes of drawing up its consolidated financial statements.

"**Applicable Insolvency Regulations**" means the provisions of the relevant insolvency laws, including, but not limited to, the Insolvency Act (as defined below) and Insurance Act (as defined below), and any rules and regulations thereunder (including court case law and any applicable court decisions) applicable to the Issuer from time to time.

"**Applicable Supervisory Regulations**" means the provisions of insurance supervisory laws (including the Insurance Act, the Solvency II Directive or any other future directive(s), as well as any directly applicable provisions of European Union law) and any regulations and rules thereunder (including the applicable guidelines and recommendations of the European Insurance and Occupational Pensions Authority, the administrative practice of the Competent Supervisory Authority and any applicable decision of a court including any future grandfathering provisions) for solvency purposes of the Issuer and for group solvency purposes of the Triglav Group as applicable from time to time.

An "**Appropriate Margin**" will exist if (x) the applicable Solo SCR of the Issuer and (y) the applicable Group SCR of the Triglav Group, after the redemption of the Bonds, is exceeded by an appropriate margin, taking into account the solvency position of the Issuer and the Triglav Group, including their respective medium-term capital management plan.

"**Arrears of Interest**" has the meaning set out in § 4(4)(d).

"**Bondholder**" has the meaning set out in § 2(3).

"**Bonds**" has the meaning set out in § 2(1).

"**Business Day**" means a day which is a day (other than a Saturday or a Sunday) (i) on which the Clearing System is open to settle payments, (ii) which is a T2 Business Day and (iii) on which commercial banks and foreign exchange markets in Ljubljana, Slovenia, settle payments in Euro.

"**Calculation Agent**" has the meaning set out in § 9(1).

"**Clearing System**" means together Clearstream Banking, *société anonyme*, Luxembourg, 42 Avenue JF Kennedy, L-1855 Luxembourg, and Euroclear Bank SA/NV, 1, Boulevard du Roi Albert II, B-1210 Brussels.

"Competent Supervisory Authority" means the Insurance Supervision Agency (*Agencija za zavarovalni nadzor*) or any authority which becomes its successor in such capacity with primary responsibility as insurance regulator competent for the Issuer or the Triglav Group.

A **"Compulsory Deferral Event"** will have occurred with respect to a date on which any payment of interest and/or Arrears of Interest on the Bonds is scheduled to be paid under these Terms and Conditions if

- (i) either an Insolvency Event that has occurred on or prior to such date is continuing on such date or such payment were to result in, or accelerate, the occurrence of an Insolvency Event; or
- (ii) there is in effect on such date an order of the Competent Supervisory Authority prohibiting the Issuer from making payments under the Bonds, or there is in effect on such date any other payment prohibition, whether by statute or by order of any authority in respect of the Bonds; or
- (iii) either a Solvency Capital Event that has occurred on or prior to such date is continuing on such date or the relevant payment were to result in, or accelerate the occurrence of, a Solvency Capital Event, unless the conditions under the Applicable Supervisory Regulations for the exceptional permission of the payment of the relevant interest and/or Arrears of Interest are satisfied on the relevant date.

On the date of issue of the Bonds this requires the following:

- (A) the Competent Supervisory Authority, being aware of the occurrence of a Solvency Capital Event that is continuing, has given, and not withdrawn by such date, its prior consent to the payment of the relevant interest and/or Arrears of Interest; and
- (B) the solvency position of the Issuer and/or the Triglav Group is not further weakened by the payment of such interest and/or Arrears of Interest on the Bonds; and
- (C)
 - (I) the applicable Solo MCR; and
 - (II) the applicable Group MCR of the Triglav Group,are complied with after the relevant payment of interest and/or Arrears of Interest on the Bonds.

"Compulsory Interest Payment Date" means any Interest Payment Date in respect of which a Compulsory Interest Payment Event occurred during the six months before the relevant Interest Payment Date, and in respect of which no Compulsory Deferral Event has occurred and is continuing.

"Compulsory Interest Payment Event" means any of the following events:

- (i) the Issuer or any of its subsidiaries pays a dividend, makes any other distribution or makes any other payment in respect of any Junior Obligation or any Parity Obligation; or
- (ii) the Issuer or any of its subsidiaries has redeemed, repurchased or otherwise acquired any Junior Obligation or Parity Obligation prior to the respective maturity date as stipulated under the terms and conditions of such Junior Obligation or Parity Obligation at the time of its respective issuance or assumption (as applicable), in each case, however, other than (x) in connection with any employee benefit plan or similar arrangements with or for the benefit of employees, officers or directors, (y) as a result of the exchange or conversion of one class of Junior Obligations for another class of Junior Obligations or the exchange or conversion of one class of Parity Obligations for another class of Parity Obligations or Junior Obligations, or (z) in the case the Issuer or the relevant subsidiary receives any Junior Obligation or Parity Obligation as consideration for a sale of assets to third parties; or
- (iii) the next Interest Payment Date in relation to which the Issuer elects to pay interest on the Bonds scheduled to be paid on such Interest Payment Date;

provided that

- (x) in the cases (i) and (ii) above, no Compulsory Interest Payment Event will occur if the Issuer or the relevant subsidiary is obliged under the terms and conditions of such Junior Obligation or Parity Obligation or by mandatory operation of law to make such payment, such redemption, such repurchase or such other acquisition or if the relevant payment, redemption, repurchase or other acquisition constitutes an intra-group payment (i.e. a payment by a subsidiary of the Issuer made exclusively to the Issuer and/or one or more of its other subsidiaries); and
- (y) in the case (ii) above, no Compulsory Interest Payment Event will occur if the Issuer or the relevant subsidiary repurchases or otherwise acquires any Parity Obligations in whole or in part in a public tender offer or public exchange offer at a consideration per Parity Obligation (as applicable) below its par value.

"Conditions to Redemption and Repurchase" has the meaning set out in § 5(6).

The **"Conditions to Settlement"** are fulfilled on a day with respect to any payment of Arrears of Interest if on such day no Compulsory Deferral Event has occurred and is continuing or were to occur as a result of such payment.

"Custodian" means any bank or other financial institution with which the Bondholder maintains a securities account in respect of any Bonds and having an account maintained with the Clearing System, including the Clearing System.

"Delegated Regulation" means Commission Delegated Regulation (EU) 2015/35 of 10 October 2014, as amended; if provisions of the Delegated Regulation are amended or replaced, the reference to the provisions of the Delegated Regulation as used in these Terms and Conditions shall refer to such amended provisions or successor provisions from time to time.

"Final Maturity Date" has the meaning set out in § 5(1).

"First Reset Date" means 16 January 2035.

"Fixed Interest Payment Date" means 16 January of each year commencing on 16 January 2025 (short first coupon).

"Fixed Interest Period" has the meaning set out in § 4(1)(b).

"Floating Interest Amount" has the meaning set out in § 4(2)(d).

"Floating Interest Payment Date" means 16 January, 16 April, 16 July and 16 October in each year, commencing on 16 April 2035. If any Floating Interest Payment Date would otherwise fall on a day which is not a Payment Business Day, it will be postponed to the next day which is a Payment Business Day unless it would thereby fall into the next calendar month, in which event the Floating Interest Payment Date will be the immediately preceding Payment Business Day.

"Floating Interest Period" means each period from and including the First Reset Date to but excluding the first Floating Interest Payment Date and thereafter from and including each Floating Interest Payment Date to but excluding the next following Floating Interest Payment Date.

"Floating Interest Rate" has the meaning set out in § 4(2)(b).

"Global Bond(s)" has the meaning set out in § 2(2).

A **"Gross-Up Event"** will occur if an opinion of a recognised law firm has been delivered to the Issuer (and the Issuer has provided the Principal Paying Agent with a copy thereof) stating that, as a result of any change in, or amendment or clarification to, the laws, regulations or other rules of the Issuer's country of domicile for tax purposes, any of its political subdivisions or any authority or any other agency of or in such country having power to tax (including in case any such change, amendment or clarification has retroactive effect), or as a result of any change in, or amendment or clarification to, the interpretation or application, or as a result of any interpretation or application made for the first time, of any such laws, regulations or other rules by any legislative body, court or authority (including the enactment of any legislation and the publication of any decision of any court or authority), which change or amendment becomes effective on or after the date of issue of the Bonds, the Issuer has or will become obliged to pay Additional Amounts pursuant to § 7(1) on the Bonds, and that obligation cannot be avoided by the Issuer taking such measures it (acting in good faith) deems reasonable and appropriate.

"Group MCR" means (i) the minimum consolidated group solvency capital requirement applicable to the Triglav Group pursuant to the Applicable Supervisory Regulations (regardless of the terminology used by the Applicable Supervisory Regulations); or (ii) any other capital requirement that may replace the capital requirement in preceding clause (i), to which the criteria for the eligibility of own funds items in the Tier 2 Capital of the Triglav Group refer, and that is applicable to the Triglav Group from time to time.

"Group SCR" means the group solvency capital requirement applicable to the Triglav Group pursuant to the Applicable Supervisory Regulations (regardless of the terminology used by the Applicable Supervisory Regulations).

"Insolvency Act" means the Slovenian Financial Operations, Insolvency Proceedings and Compulsory Winding-up Act (*Zakon o finančnem poslovanju, postopkih zaradi insolventnosti in prisilnem prenehanju (ZFPPIPP)*); Official Gazette of the Republic of Slovenia No. 13/14, as amended from time to time).

"Insurance Act" means the Slovenian Insurance Act (*Zakon o zavarovalništvu (ZZavar-1)*); Official Gazette of the Republic of Slovenia No. 93/15, as amended from time to time).

An **"Insolvency Event"** will have occurred if a reason for the opening of insolvency proceedings in respect of the Issuer pursuant to any Applicable Insolvency Regulations exists.

"Interest Commencement Date" means 16 July 2024.

"Interest Payment Date" means each Fixed Interest Payment Date and each Floating Interest Payment Date.

"Interest Period" means each Fixed Interest Period and each Floating Interest Period.

"Issuer" or **"Triglav"** means ZAVAROVALNICA TRIGLAV, d.d., with registered seat in Ljubljana, Slovenia and business address at Miklošičeva cesta 19, 1000 Ljubljana, Slovenia, registered with the Slovenian court and commercial register under registration number 5063345000.

"Issuer's Senior Ranking Obligation" means any present or future:

- (i) unsubordinated obligation of the Issuer (for the avoidance of doubt, including all claims of policy holders and beneficiaries under insurance and reinsurance contracts and regular obligations of the Issuer pursuant to Art 21(4) of the Insolvency Act);
- (ii) preferred obligation of the Issuer under Art. 21(1) and 21(2) of the Insolvency Act;
- (iii) contractually subordinated obligation of the Issuer pursuant to Art. 21(3) of the Insolvency Act (for the avoidance of doubt, excluding (a) any such obligation qualifying as a Parity Obligation or a Junior Obligation and (b) the Issuer's obligations under the Bonds);
- (iv) subordinated obligation expressed to be ranking or ranking at least *pari passu* with any of the Issuer's obligations under preceding clauses (i), (ii) and (iii);
- (v) subordinated obligation of the Issuer qualifying as a Tier 3 own-fund item of the Issuer; and
- (vi) other subordinated obligation of the Issuer required to be preferred by mandatory provisions of law.

"Junior Obligation" means any present or future:

- (i) ordinary share and preferred share (if any) of the Issuer;
- (ii) share of any other class of shares of the Issuer;
- (iii) other security, registered security or other instrument of the Issuer where the Issuer's obligations under which, pursuant to its terms or mandatory provisions of law, rank or are expressed to rank *pari passu* with the ordinary shares or the preferred shares (if any) of the Issuer; and
- (iv) security, registered security or other instrument which is issued by a subsidiary of the Issuer and guaranteed by the Issuer or for which the Issuer has otherwise assumed liability where the Issuer's obligations under such guarantee

or other assumptions of liability, pursuant to its terms or mandatory provisions of law, rank or are expressed to rank *pari passu* with any of the instruments described under clauses (i), (ii) and (iii).

"Mandatory Settlement Date" means the earlier of the following dates:

- (i) in respect of any Arrears of Interest outstanding on the date on which a Compulsory Interest Payment Event occurs, the next Interest Payment Date following the date on which a Compulsory Interest Payment Event occurred and in respect of which the Conditions to Settlement are fulfilled;
- (ii) the date on which the Bonds fall due for redemption in accordance with § 5; and
- (iii) the date on which an order is made for the winding up (including bankruptcy), liquidation or dissolution of the Issuer (other than for the purposes of or pursuant to an amalgamation, reorganisation or restructuring whilst solvent, where the continuing entity assumes substantially all of the assets and obligations of the Issuer).

"Margin" means 4.937 per cent.

"New Issuer" has the meaning set out in § 13(1).

"Optional Interest Payment Date" means each Interest Payment Date in respect of which no Compulsory Interest Payment Event occurred during the six months before the relevant Interest Payment Date, and in respect of which no Compulsory Deferral Event has occurred and is continuing.

"Optional Settlement Date" has the meaning set out in § 4(5)(a).

"Parity Obligation" means any present or future security, registered security and other instrument:

- (i) which is issued or assumed by the Issuer and which, in accordance with its terms or mandatory provisions of law, ranks or is expressed to rank *pari passu* with the Issuer's obligations under the Bonds; or
- (ii) which is guaranteed by the Issuer or for which the Issuer has otherwise assumed liability, where, in accordance with its terms or mandatory provisions of law, the Issuer's obligations under the relevant guarantee or other assumption of liability rank or are expressed to rank *pari passu* with the Issuer's obligations under the Bonds.

"Paying Agent(s)" has the meaning set out in § 9(1).

"Payment Business Day" means a day which is a day (other than a Saturday or a Sunday) (i) on which the Clearing System is open to settle payments and (ii) which is a T2 Business Day.

"Permanent Global Bond" has the meaning set out in § 2(2).

"Principal Amount" has the meaning set out in § 2(1).

"Principal Paying Agent" has the meaning set out in § 9(1).

"Qualified Majority" has the meaning set out in § 12(2).

A **"Rating Event"** will occur if, as a consequence of a change in, or clarification to, the rating methodology (or the interpretation thereof) of S&P Global Ratings Europe Ltd., A.M. Best (EU) Rating Services B.V. (or any respective affiliate or successor of any such rating agency), which change or clarification becomes effective on or after the date of issue of the last tranche of this series of Bonds, which change in, or clarification to, the rating methodology (or the interpretation thereof) results in the capital or leverage treatment (including the assigned equity content) of the Bonds for the Issuer or the Triglav Group worsening in the reasonable opinion of the Issuer, as compared to the capital or the leverage treatment (including the assigned equity content) of the Bonds for the Issuer or the Triglav Group assigned at or around the date of issue of the last tranche of this series of Bonds.

"Redemption Amount" means an amount per Bond equal to the Principal Amount plus any interest accrued on such Bond to but excluding the date of redemption but unpaid and, for the avoidance of doubt, any Arrears of Interest due on such Bond.

A "**Regulatory Event**" will occur if the Competent Supervisory Authority states to the Issuer that under the Applicable Supervisory Regulations the Bonds are not eligible (in whole or in part) to qualify for the inclusion of the Bonds in the calculation of the own funds as Tier 2 Capital for purposes of the determination of the solvency of the Issuer and/or the group solvency of the Triglav Group, and/or that the Bonds no longer fulfil or are likely to no longer fulfil such requirements (in whole or in part), except where this is merely the result of exceeding any applicable limits on the inclusion of the Bonds in the determination of the own funds as Tier 2 Capital of the Issuer and/or of the Triglav Group pursuant to the Applicable Supervisory Regulations. For purposes of determining the occurrence of a Regulatory Event, it suffices that the Issuer has received a corresponding communication from the Competent Supervisory Authority.

"**Relevant Consolidated Subsidiary Insolvency Event**" means the commencement of insolvency or liquidation proceedings with respect to a subsidiary of the Issuer that has its seat in a member state of the European Economic Area and which is either an Insurance Undertaking or a Reinsurance Undertaking or an Institution for Occupational Retirement Provision (each as defined below), if and as long as the Issuer determines, in conjunction with the Competent Supervisory Authority, that the assets of that subsidiary may or will be insufficient to meet all insurance and reinsurance and occupational pension obligations of such subsidiary towards policy holders and beneficiaries of insurance and reinsurance contracts or occupational pension schemes of the subsidiary.

Where:

"**Institution for Occupational Retirement Provision**" has the meaning given to this term in Directive (EU) 2016/2341 of the European Parliament and of the Council of December 14, 2016, as amended.

"**Reinsurance Undertaking**" has the meaning given to this term in the Solvency II Directive.

"**Insurance Undertaking**" has the meaning given to this term in the Solvency II Directive.

"**Scheduled Maturity Date**" has the meaning set out in § 5(1).

"**Solo MCR**" means the minimum capital requirement applicable to the Issuer on an individual basis pursuant to the Applicable Supervisory Regulations (regardless of the terminology used by the Applicable Supervisory Regulations).

"**Solo SCR**" means the solvency capital requirement applicable to the Issuer on an individual basis pursuant to the Applicable Supervisory Regulations (regardless of the terminology used by the Applicable Supervisory Regulations).

"**Solvency II Directive**" means Directive 2009/138/EC of the European Parliament and of the Council of 25 November 2009, as amended, the further legislative acts of the European Union enacted in relation thereto, including the Delegated Regulation, and the applicable legislation and measures implementing the same in Slovenia, in each case as amended.

A "**Solvency Capital Event**" will have occurred if:

- (i) the amount of own funds of the Issuer (regardless of the terminology used by the Applicable Supervisory Regulations) is not sufficient to cover the applicable Solo SCR or the applicable Solo MCR of the Issuer; and/or
- (ii) the amount of own funds of the Triglav Group (regardless of the terminology used by the Applicable Supervisory Regulations) is not sufficient to cover the applicable Group SCR or the applicable Group MCR of the Triglav Group.

"**T2 Business Day**" means a day on which the real-time gross settlement system operated by the Eurosystem (T2), or any successor system, is open for the settlement of payments in Euro.

A "**Tax Event**" will occur if an opinion of a recognised law firm has been delivered to the Issuer (and the Issuer has provided the Principal Paying Agent with a copy thereof) stating that, as a result of any change in, or amendment or clarification to, the laws, regulations or other rules of the Issuer's country of domicile for tax purposes, any of its political subdivisions or any authority or any other agency of or in such country having power to tax (including in case any such change, amendment or clarification has retroactive effect), or as a result of any change in, or amendment or clarification to, the interpretation or application, or as a result of any interpretation or application made for the first time, of any such laws, regulations or other rules by any legislative body, court or authority (including the enactment of any legislation and the publication of any decision of any court or authority), which change, amendment or clarification becomes effective

on or after the date of issue of the Bonds, interest payable by the Issuer in respect of the Bonds is no longer, or will no longer be, fully deductible by the Issuer for income tax purposes in the Issuer's country of domicile for tax purposes, and that risk cannot be avoided by the Issuer taking such measures it (acting in good faith) deems reasonable and appropriate.

"**Taxes**" has the meaning set out in § 7(1).

"**Temporary Global Bond**" has the meaning set out in § 2(2).

"**Tier 2 Capital**" means Tier 2 basic own funds (as defined in, and regardless of the terminology used by, the Applicable Supervisory Regulations) for solvency purposes of the Issuer on an individual basis or for group solvency purposes of the Triglav Group.

"**Triglav Group**" means the Issuer and any company consolidated by the Issuer pursuant to the Applicable Supervisory Regulations for group solvency purposes.

§ 2

Form and Denomination

(1) Currency, Denomination and Form.

The Issuer issues subordinated fixed to floating rate bearer bonds (the "**Bonds**") in a denomination of € 100,000 each (the "**Principal Amount**") in the aggregate principal amount of € 100,000,000.

(2) Global Bonds and Exchange.

The Bonds will initially be represented by a temporary global bearer bond (the "**Temporary Global Bond**") without coupons which will be deposited with a common depository for the Clearing System on or around the date of issue of the Bonds. The Temporary Global Bond will be exchangeable, in whole or in part and free of charge, for a permanent global bearer Bond (the "**Permanent Global Bond**" and, together with the Temporary Global Bond, each a "**Global Bond**") without coupons not earlier than 40 days after the date of issue of the Bonds upon certification as to non-U.S. beneficial ownership as required by U.S. tax law and in accordance with the rules and operating procedures of the Clearing System. Payments on a Temporary Global Bond will only be made after presentation of such certification. No definitive Bonds or interest coupons will be issued.

Each of the Temporary Global Bond and the Permanent Global Bond will be held in custody by or on behalf of the Clearing System until all obligations of the Issuer under the Bonds have been satisfied.

(3) Bondholders.

The holders of Bonds ("**Bondholders**") are entitled to co-ownership interests or other comparable rights in the Global Bond which are transferable in accordance with applicable law and the rules and regulations of the Clearing System.

§ 3

Status

(1) Status of the Bonds.

The Bonds constitute unsecured subordinated obligations of the Issuer. In the event of the liquidation proceedings (including compulsory dissolution proceedings) or insolvency proceedings of the Issuer or any proceedings to avoid insolvency of the Issuer, the obligations of the Issuer under the Bonds will:

- (a) rank *pari passu*: (i) among themselves; and (ii) with all Parity Obligations of the Issuer;
- (b) be subordinated to all the Issuer's Senior Ranking Obligations, so that in any such event no amounts will be payable in respect of the Bonds until the Issuer's Senior Ranking Obligations have been satisfied in full.

(2) No Security.

No security of whatever kind is, or will at any time be, provided by the Issuer or any other person securing the claims of the Bondholders under the Bonds.

(3) No Right to Set-off.

The Bondholders may not set off any claims arising under the Bonds against any claims that the Issuer may have against each of them. The Issuer may not set off any claims it may have against any Bondholder against any of its obligations under the Bonds.

(4) Payment Conditions, Payment Prohibition.

Prior to the commencement of any liquidation proceedings (including compulsory dissolution proceedings) or insolvency proceedings:

- (i) any payment of interest and Arrears of Interest on the Bonds will be subject to the conditions set forth in § 4(4) and § 4(5) being fulfilled; and
- (ii) any redemption of the Bonds and any repurchase of Bonds will be subject to the Conditions to Redemption and Repurchase set forth in § 5(6) being fulfilled.

The conditions set out in § 4(4) and § 4(5) and the Conditions to Redemption set out in § 5(6) include the condition that on the date on which the relevant amount of principal or interest (or Arrears of Interest) is to be paid (i) no Insolvency Event has occurred and is continuing on such date and (ii) the payment of the relevant amount would not cause or accelerate the imminent occurrence of an Insolvency Event. This means that irrespective of, and even prior to, the commencement of any liquidation proceedings (including compulsory dissolution proceedings) or insolvency proceedings in respect of the assets of the Issuer, the Issuer will not make any scheduled payment of interest (or Arrears of Interest) or redemption if there is any reason for the opening of insolvency proceedings in respect of the Issuer under the Applicable Insolvency Regulations or if such event would accelerate the occurrence of such event. Such a prohibition of payment may be in effect for an indefinite period of time or even permanently.

These payment conditions constitute a prohibition meaning that any payments on the Bonds may only be made by the Issuer if it is made in accordance with the aforementioned conditions. Any payment made in breach of this prohibition must be returned to the Issuer irrespective of any agreement to the contrary.

§ 4 Interest

(1) Fixed Interest Periods.

- (a) In the period from and including the Interest Commencement Date to but excluding the First Reset Date the Bonds bear interest on their Principal Amount at the rate of 6.70 per cent. per annum. The first payment of interest will amount to EUR 3,368.306 per Principal Amount. During such period, interest for each Fixed Interest Period is scheduled to be paid in arrear on each Fixed Interest Payment Date and will be due and payable (*fällig*) in accordance with the conditions set out in § 4(4) and § 4(5).
- (b) If interest is required to be calculated for any Fixed Interest Period or part thereof, such interest shall be calculated on the basis of the Fixed Rate Day Count Fraction (other than the period of time in relation to the first payment of interest for which a fixed interest amount has been set).

"Fixed Interest Period" means each period from and including the Interest Commencement Date to but excluding the first Fixed Interest Payment Date and thereafter from and including each Fixed Interest Payment Date to but excluding the next following Fixed Interest Payment Date.

"Fixed Rate Day Count Fraction" means, in respect of the calculation of an amount of interest on the Bonds for any period of time (the **"Calculation Period"**):

- (i) if the Calculation Period is equal to or shorter than the Determination Period during which it falls, the number of days in the Calculation Period divided by the number of days in such Determination Period; and
- (ii) if the Calculation Period is longer than one Determination Period, the sum of:
 - (A) the number of days in such Calculation Period falling in the Determination Period in which the Calculation Period begins divided by the number of days in such Determination Period; and
 - (B) the number of days in such Calculation Period falling in the next Determination Period divided by the number of days in such Determination Period.

"Determination Period" means each period from and including 16 January in any year to but excluding the next 16 January.

(2) Floating Rate Interest Periods.

(a) Floating Rate Interest.

In the period from and including the First Reset Date to but excluding the first Floating Interest Payment Date and thereafter from and including each Floating Interest Payment Date to but excluding the next Floating Interest Payment Date the Bonds bear interest on their Principal Amount at the Floating Interest Rate for the relevant Floating Interest Period. During such period, interest is scheduled to be paid quarterly in arrear on each Floating Interest Payment Date and will be due and payable (*fällig*) in accordance with the conditions set out in § 4(4) and § 4(5).

(b) Floating Interest Rate.

The rate of interest for the relevant Floating Interest Period (the **"Floating Interest Rate"**) will be a rate per annum equal to the relevant Reference Rate plus the Margin.

(c) Determination of the Reference Rate.

The Calculation Agent will determine the relevant Reference Rate in accordance with this § 4(2)(c) on each Interest Determination Date.

The **"Reference Rate"** for each Floating Interest Period will be determined as follows:

- (i) For each Floating Interest Period beginning prior to the occurrence of the relevant Effective Date (as defined in § 4(2)(e)(vii)), the Reference Rate will be equal to the Original Benchmark Rate on the relevant Interest Determination Date.

If the Original Benchmark Rate does not appear on the Screen Page as at the relevant time on the relevant Interest Determination Date, the Reference Rate shall be equal to the Original Benchmark Rate on the Screen Page on the last day preceding the Interest Determination Date on which such Original Benchmark Rate was displayed.

- (ii) For the Floating Interest Period commencing immediately after the relevant Effective Date and all following Floating Interest Periods, the Reference Rate will be determined in accordance with § 4(2)(e).
- (iii) If the determination of the Reference Rate would cause a Regulatory Event and/or would be likely to prejudice the qualification of the Bonds as Tier 2 own-fund items of the Issuer on an individual and consolidated basis (solo solvency and group solvency), the Reference Rate applicable to the next and each subsequent Floating Interest Period shall be the Reference Rate determined on the last preceding Interest Determination Date, provided that if this § 4(2)(c)(iii) is to be applied on the first Interest Determination Date prior to the commencement of the first Floating Interest Period, the Reference Rate applicable to the first and each subsequent Floating Interest Period shall be 2.607 per cent. per annum.

Where:

"Interest Determination Date" means the second T2 Business Day prior to the commencement of the relevant Floating Interest Period; and

"Original Benchmark Rate" on any day means (subject to § 4(2)(e)) the 3-month Euro Interbank Offered Rate (expressed as a percentage rate *per annum*) fixed at and appearing on the Screen Page as of 11:00 a.m. (Brussels time) on such day.

"Screen Page" means Reuters Page EURIBOR01 (or such other screen page of Reuters or such other information service, which is the successor to Reuters Page EURIBOR01 for purposes of displaying such rates).

(d) Duties of the Calculation Agent.

The Calculation Agent will, on or as soon as practicable after each Interest Determination Date, determine the Floating Interest Rate and calculate the amount of interest (the **"Floating Interest Amount"**) scheduled to be paid on the Bonds for the relevant Floating Interest Period. The Calculation Agent will calculate the Floating Interest Amount by applying the Floating Interest Rate (including the Margin) and the Floating Day Count Fraction to the Principal Amount of the Bonds and rounding the resultant figure to the nearest eurocent, with 0.5 or more of a eurocent being rounded upwards.

The Calculation Agent will cause the Floating Interest Rate, each Floating Interest Amount for each Floating Interest Period, each Floating Interest Period and the relevant Floating Interest Payment Date to be notified to the Issuer, to the Bondholders and, if required by the rules of any stock exchange on which the Bonds are from time to time listed at the initiative of the Issuer, to such stock exchange by notice in accordance with § 11 as soon as possible after their determination, but in no event later than at the commencement of the next relevant Floating Interest Period thereafter. Each Floating Interest Amount and Floating Interest Payment Date so notified may subsequently be amended (or appropriate alternative arrangements may be made by way of adjustment) without notice in the event of an extension or shortening of the Floating Interest Period. Any such amendment will be promptly notified to any stock exchange on which the Bonds are then listed at the initiative of the Issuer and to the Bondholders in accordance with § 11.

All certificates, communications, opinions, determinations, calculations, quotations and decisions given, expressed, made or obtained for the purposes of the provisions of this § 4(2) by the Calculation Agent will (in the absence of manifest error) be binding on the Issuer, the Paying Agents and the Bondholders.

"Floating Day Count Fraction" means, in respect of the calculation of the Floating Interest Amount for any Calculation Period, the actual number of days in the Calculation Period divided by 360.

(e) Benchmark Event.

If a Benchmark Event (as defined in § 4(2)(e)(vi)) occurs in relation to the Original Benchmark Rate, the relevant Reference Rate and the interest on the Bonds in accordance with § 4(2) will be determined as follows:

- (i) *Independent Adviser*. The Issuer shall, as soon as this is (in the Issuer's view) required following the occurrence of the Benchmark Event and prior to the next Interest Determination Date, endeavour to appoint an Independent Adviser (as defined in § 4(2)(e)(vi)), who will determine in its reasonable discretion a New Benchmark Rate (as defined in § 4(2)(e)(vi)), the Adjustment Spread (as defined in § 4(2)(e)(vi)) and any Benchmark Amendments (as defined in § 4(2)(e)(iv)).
- (ii) *Fallback rate*. If, prior to the 10th Business Day prior to the relevant Interest Determination Date,
 - (A) the Issuer has not appointed an Independent Adviser; or

- (B) the Independent Adviser appointed by it has not determined a New Benchmark Rate, has not determined the Adjustment Spread and/or has not determined any Benchmark Amendments (if required) in accordance with this § 4(2)(e),

then the Reference Rate applicable to the immediately following Floating Interest Period shall be the Reference Rate determined on the last Interest Determination Date immediately preceding the relevant Effective Date.

If this § 4(2)(e)(ii) is to be applied on the Interest Determination Date prior to the commencement of the first Floating Interest Period, the Reference Rate applicable to the first Floating Interest Period shall be 2.607 per cent. *per annum*.

If the fallback rate determined in accordance with this § 4(2)(e)(ii) is to be applied, § 4(2)(e) will be operated again to determine the Reference Rate applicable to the next subsequent Floating Interest Period (and, if required, further subsequent Floating Interest Period(s)).

- (iii) *Determinations by the Independent Adviser.* If the Independent Adviser determines in its reasonable discretion that:

- (A) there is a Successor Benchmark Rate, then such Successor Benchmark Rate shall subsequently be the New Benchmark Rate; or
- (B) there is no Successor Benchmark Rate but that there is an Alternative Benchmark Rate, then such Alternative Benchmark Rate shall subsequently be the New Benchmark Rate.

In either case the Reference Rate for the Floating Interest Period commencing immediately after the Effective Date and all following Floating Interest Periods will then be, subject to § 4(2)(c)(iii) (x) the New Benchmark Rate on the relevant Interest Determination Date plus (y) the Adjustment Spread.

- (iv) *Benchmark Amendments.* If any New Benchmark Rate and the applicable Adjustment Spread are determined in accordance with this § 4(2)(e), and if the Independent Adviser determines in its reasonable discretion that amendments to these Terms and Conditions are necessary to ensure the proper operation of such New Benchmark Rate and the applicable Adjustment Spread (such amendments, the "**Benchmark Amendments**"), then the Independent Adviser will determine the Benchmark Amendments.

The Benchmark Amendments may include, without limitation, the following conditions of these Terms and Conditions:

- (A) the determination of the Reference Rate in accordance with § 4(2)(c) and (e); and/or
 - (B) the definitions of the terms "Business Day", "Floating Interest Payment Date", "Floating Interest Period", "Floating Day Count Fraction", "Interest Determination Date" and/or "Payment Business Day" (including the determination whether the Reference Rate will be determined in advance on or prior to the commencement of the relevant Floating Interest Period or in arrear on or prior to the end of the relevant Floating Interest Period); and/or
 - (C) the business day convention in the definition of the term "Floating Interest Payment Date" and in § 6(2).
- (v) *Notices etc.*
 - (A) The Issuer will notify any New Benchmark Rate, the Adjustment Spread, the Benchmark Amendments (if any) and the relevant Effective Date determined in accordance with this § 4(2)(e) or the fallback rate in accordance with § 4(2)(e)(ii), as the case may be, to the Principal Paying Agent, the Calculation Agent and the Paying Agents in the form of a certificate signed by two authorised signatories of the Issuer as soon as such notification or certification is (in the Issuer's

view) required following the determination thereof, but in any event not later than on the 10th Business Day prior to the relevant Interest Determination Date.

- (B) The Issuer will notify any New Benchmark Rate, the Adjustment Spread and the Benchmark Amendments (if any) determined in accordance with this § 4(2)(e) or the fallback rate in accordance with § 4(2)(e)(ii), as the case may be, to the Bondholders in accordance with § 11 as soon as practicable following the notice in accordance with clause (A). Such notice shall be irrevocable and shall specify the Effective Date.

The New Benchmark Rate, the Adjustment Spread and the Benchmark Amendments (if any) or the fallback rate, as the case may be, and the relevant Effective Date, each as specified in such notice, will (in the absence of manifest error) be binding on the Issuer, the Principal Paying Agent, the Paying Agents, the Calculation Agent and the Bondholders.

- (C) The Terms and Conditions shall be deemed to have been amended by the New Benchmark Rate, the Adjustment Spread and the Benchmark Amendments (if any) with effect from the Effective Date.

- (vi) *Definitions.* As used in this § 4(2)(e):

The "**Adjustment Spread**", which may be positive, negative or zero, will be expressed in basis points and means either (x) the spread or (y) the result of the operation of the formula or methodology for calculating the spread, which

- (A) in the case of a Successor Benchmark Rate, is formally recommended in relation to the replacement of the Original Benchmark Rate with the Successor Benchmark Rate by any Relevant Nominating Body; or
- (B) (if no recommendation pursuant to clause (A) has been made, or in the case of an Alternative Benchmark Rate) is customarily applied to the New Benchmark Rate in the international debt capital markets to produce an industry-accepted replacement benchmark rate for the Original Benchmark Rate, provided that all determinations will be made by the Independent Adviser in its reasonable discretion; or
- (C) (if the Independent Adviser in its reasonable discretion determines that no such spread is customarily applied and that the following would be appropriate for the Bonds) is recognised or acknowledged as being the industry standard for over-the-counter derivative transactions which reference the Original Benchmark Rate, where the Original Benchmark Rate has been replaced by the New Benchmark Rate, provided that all determinations will be made by the Independent Adviser in its reasonable discretion.

"**Alternative Benchmark Rate**" means an alternative benchmark or an alternative screen rate which is customarily applied in the international debt capital markets for the purpose of determining floating rates of interest in Euro, provided that all determinations will be made by the Independent Adviser in its reasonable discretion.

A "**Benchmark Event**" occurs if:

- (A) a public statement or publication of information by or on behalf of the regulatory supervisor of the Original Benchmark Rate administrator is made stating that said administrator has ceased or will cease to provide the Original Benchmark Rate permanently or indefinitely, unless there is a successor administrator that will continue to provide the Original Benchmark Rate; or
- (B) a public statement or publication of information by or on behalf of the Original Benchmark Rate administrator is made, stating that said administrator has ceased or will cease to provide the

Original Benchmark Rate permanently or indefinitely, unless there is a successor administrator that will continue to provide the Original Benchmark Rate; or

- (C) a public statement by the regulatory supervisor of the Original Benchmark Rate administrator is made that, in its view, the Original Benchmark Rate is no longer, or will no longer be, representative of the underlying market it purports to measure and no action to remediate such a situation is taken or expected to be taken as required by the regulatory supervisor of the Original Benchmark Rate administrator; or
- (D) it has become, for any reason, unlawful under any law or regulation applicable to any Paying Agent, the Calculation Agent or the Issuer to use the Original Benchmark Rate; or
- (E) the Original Benchmark Rate is permanently no longer published without a previous official announcement by the regulatory supervisor or the administrator; or
- (F) a material change is made to the Original Benchmark Rate methodology.

"Relevant Nominating Body" means, in respect of the replacement of the Original Benchmark Rate:

- (A) the central bank for the currency to which the benchmark or screen rate (as applicable) relates, or any central bank or other regulatory supervisor which is responsible for supervising the administrator of the benchmark or screen rate (as applicable); or
- (B) any working group or committee sponsored by, chaired or co-chaired by or constituted at the request of (I) the central bank for the currency to which the benchmark or screen rate (as applicable) relates, (II) any central bank or other supervisory authority which is responsible for supervising the administrator of the benchmark or screen rate (as applicable), (III) a group of the aforementioned central banks or other supervisory authorities or (IV) the Financial Stability Board or any part thereof.

"Successor Benchmark Rate" means a successor to or replacement of the Original Benchmark Rate which is formally recommended by the Relevant Nominating Body.

"New Benchmark Rate" means the Successor Benchmark Rate or, as the case may be, the Alternative Benchmark Rate determined in accordance with this § 4(2)(e).

"Independent Adviser" means an independent financial institution of international repute or other independent financial adviser experienced in the international debt capital markets, in each case appointed by the Issuer.

- (vii) *Effective Date*. The effective date for the application of the New Benchmark Rate, the Adjustment Spread and the Benchmark Amendments (if any) determined under this § 4(2)(e) (the "**Effective Date**") will be the Interest Determination Date falling on or after the earliest of the following dates:

- (A) if the Benchmark Event has occurred as a result of clauses (A), (B) or (C) of the definition of the term "Benchmark Event", the date of cessation of publication of the Original Benchmark Rate, the date of the discontinuation of the Original Benchmark Rate or the date as from which the Original Benchmark Rate is no longer, or will no longer be, representative, as the case may be; or
- (B) if the Benchmark Event has occurred as a result of clause (D) of the definition of the term "Benchmark Event", the date from which the prohibition applies; or
- (C) if the Benchmark Event has occurred as a result of clauses (E) or (F) of the definition of the term "Benchmark Event", the date of the occurrence of the Benchmark Event.

- (viii) Any reference in this § 4(2) to the term "Original Benchmark Rate" shall be deemed to include a reference to any component part thereof (if any) in respect of which a Benchmark Event has occurred.

- (ix) If a Benchmark Event occurs in relation to any New Benchmark Rate, this § 4(2)(e) shall apply *mutatis mutandis* to the replacement of such New Benchmark Rate by any new Successor Benchmark Rate or Alternative Benchmark Rate, as the case may be. In this case, any reference in this § 4(2) to the term "Original Benchmark Rate" shall be deemed to be a reference to the New Benchmark Rate that last applied.

(3) End of Interest Accrual and Default Interest.

The Bonds will cease to bear interest from the end of the day immediately preceding the day on which they are due for redemption. If the Issuer fails to make any payment of principal under the Bonds when due, interest shall continue to accrue until the end of the day immediately preceding the day on which such redemption is made. In such case the applicable rate of interest will be determined pursuant to this § 4.

(4) Due Date for Interest Payments; Optional and Mandatory Deferral of Interest Payments.

- (a) Interest which accrues during an Interest Period ending on but excluding a Compulsory Interest Payment Date will be due and payable (*fällig*) on such Compulsory Interest Payment Date, subject to § 4(4)(c).
- (b) Interest which accrues during an Interest Period ending on but excluding an Optional Interest Payment Date will be due and payable (*fällig*) on that Optional Interest Payment Date, subject to § 4(4)(c), unless the Issuer elects to defer the relevant payment of interest in whole or in part.

If the Issuer elects to defer, or to only pay partially, accrued interest on an Optional Interest Payment Date, then it will not have any obligation to pay accrued interest or will only be obliged to pay such part of the accrued interest it elects to pay, respectively, on such Optional Interest Payment Date.

If the Issuer exercises the right to defer interest, it shall endeavour to give notice thereof in accordance with § 11 no later than on the relevant Interest Payment Date. Any failure to give notice to the Bondholders shall not affect the validity of the deferral of interest and shall not constitute a default of the Issuer or any other breach of its obligations under the Bonds or for any other purpose. A notice which has not been given by the relevant Interest Payment Date shall be given without undue delay (*unverzüglich*) thereafter.

- (c) If a Compulsory Deferral Event has occurred in respect of any Interest Payment Date, interest which accrued during the period ending on but excluding such Interest Payment Date will not be due and payable (*fällig*) on that Interest Payment Date.

Any such failure to pay interest will not constitute a default of the Issuer or any other breach of its obligations under the Bonds or for any other purpose.

If a Compulsory Deferral Event has occurred with respect to an Interest Payment Date, the Issuer shall endeavour to give notice thereof to the Bondholders in accordance with § 11 no later than on the relevant Interest Payment Date. Any failure to give notice to the Bondholders shall not affect the validity of the deferral of interest and shall not constitute a default of the Issuer or any other breach of its obligations under the Bonds or for any other purpose. A notice which has not been given by the relevant Interest Payment Date shall be given without undue delay (*unverzüglich*) thereafter.

- (d) Interest accrued for any Interest Period which is not due and payable in accordance with this § 4(4) will constitute arrears of interest ("**Arrears of Interest**").

Arrears of Interest will not bear interest.

(5) Payment of Arrears of Interest.

- (a) Optional Payment of Arrears of Interest.

The Issuer will be entitled to pay outstanding Arrears of Interest (in whole or in part) at any time if the Conditions to Settlement are fulfilled with respect to such payment.

If the Issuer elects to pay outstanding Arrears of Interest (in whole or in part), it will give not less than 10 and not more than 15 Business Days' notice to the Bondholders in accordance with § 11 which notice will specify (i) the amount of Arrears of Interest to be paid and (ii) the date fixed for such payment (the "**Optional Settlement Date**").

Upon such notice being given, the amount of Arrears of Interest specified therein will become due and payable (*fällig*), and the Issuer will be obliged to pay such amount of Arrears of Interest on the specified Optional Settlement Date. However, this obligation will cease to exist if on such date the Conditions to Settlement are not fulfilled with respect to the relevant payment.

(b) **Mandatory Payment of Arrears of Interest.**

The Issuer must pay outstanding Arrears of Interest (in whole but not in part) on the next Mandatory Settlement Date.

(c) **No Default.**

If on an Optional Settlement Date or a Mandatory Settlement Date the Conditions to Settlement are not fulfilled, Arrears of Interest scheduled to be paid on such date will not become due and payable (*fällig*) on the relevant Optional Settlement Date or Mandatory Settlement Date, as the case may be, but will remain outstanding and will continue to be treated as Arrears of Interest. Any such failure to pay will not constitute a default of the Issuer or any other breach of its obligations under the Bonds or for any other purpose.

If the Issuer determines that the Conditions to Settlement are not satisfied, it shall endeavour to give notice to the Bondholders in accordance with § 11 no later than on the relevant Optional Settlement Date or Mandatory Settlement Date. Any failure to give notice to the Bondholders shall not affect the validity of the continuation of the deferral of interest and shall not constitute a default of the Issuer or any other breach of its obligations under the Bonds or for any other purpose. A notice which has not been given by the relevant date shall be given without undue delay (*unverzüglich*) thereafter.

§ 5

Redemption and Repurchase

(1) **Redemption at Maturity.**

To the extent not previously redeemed or repurchased, the Bonds will be redeemed at their Redemption Amount on the Final Maturity Date.

"**Final Maturity Date**" means:

- (i) if, on the Scheduled Maturity Date, the Conditions to Redemption and Repurchase pursuant to § 5(6) are fulfilled, the Scheduled Maturity Date;
- (ii) otherwise, the first Floating Interest Payment Date following the Scheduled Maturity Date on which the Conditions to Redemption and Repurchase are fulfilled.

"**Scheduled Maturity Date**" means the Floating Interest Payment Date falling on or around 16 January 2045.

(2) **Repurchase.**

- (a) Subject to the Conditions to Redemption and Repurchase being fulfilled and applicable laws, the Issuer or any of its subsidiaries may at any time purchase Bonds in the open market or otherwise and at any price. Such acquired Bonds may be cancelled, held or resold.
- (b) The Conditions to Redemption and Repurchase do not have to be fulfilled for purchases made by the Issuer or any of its subsidiaries for the account of a third party or Undertakings for Collective Investment in Transferable Securities (UCITS), unless the Issuer or one of its subsidiaries exercises over the relevant UCITS control or joint control within the meaning of the International Accounting Standard 27 as provided for in the

Commission Regulation (EC) No 1126/2008 of 3 November 2008 adopting certain international accounting standards in accordance with Regulation (EC) No 1606/2002 of the European Parliament and of the Council.

(c) § 5(2)(a) and (b) shall apply *mutatis mutandis* to an acquisition of the Bonds by way of exchange for other securities.

(3) Redemption at the Option of the Issuer.

The Issuer may, subject to the Conditions to Redemption and Repurchase pursuant to § 5(6) being fulfilled, upon giving notice of redemption in accordance with § 5(5), call the Bonds for early redemption (in whole but not in part) with effect as of any Payment Business Day during the period from and including 16 July 2034 to but excluding the First Reset Date, as of the First Reset Date and as of any Floating Interest Payment Date thereafter. If the Issuer exercises its call right in accordance with sentence 1 and the Conditions to Redemption and Repurchase are fulfilled on the redemption date, the Issuer shall redeem the Bonds at the Redemption Amount on the redemption date.

(4) Redemption following a Gross-Up Event, a Tax Event, a Regulatory Event, an Accounting Event or a Rating Event or in case of minimal outstanding aggregate principal amount.

If prior to the First Reset Date a Gross-Up Event, a Tax Event, a Regulatory Event, an Accounting Event or a Rating Event occurs, or if the Issuer or its subsidiaries have repurchased and cancelled or redeemed Bonds equal to or in excess of 80 per cent. of the aggregate principal amount of the Bonds initially issued (including any Bonds additionally issued in accordance with § 10), the Issuer may, subject to the Conditions to Redemption and Repurchase pursuant to § 5(6) being fulfilled, upon giving notice of redemption in accordance with § 5(5), call the Bonds for early redemption (in whole but not in part) at any time with effect as of the redemption date specified in the notice of redemption. If the Issuer exercises its call right in accordance with sentence 1 and the Conditions to Redemption and Repurchase are fulfilled on the specified redemption date, the Issuer shall redeem the Bonds at the Redemption Amount on the redemption date specified in the notice of redemption.

In the case of a Gross-Up Event that results in or would result in the obligation to pay any Additional Amounts, no notice of redemption shall be given earlier than 90 days prior to the date on which the Issuer would be for the first time obliged to pay any Additional Amounts if a payment in respect of the Bonds were then due.

In the case of a Tax Event that results in or would result in the deductibility of the interest expense falling away, no notice of redemption may be given earlier than 90 days prior to the date on which the deductibility of the interest expense would fall away.

(5) Notice of Redemption.

The Issuer will give not less than 30 nor more than 60 days' notice to the Bondholders in accordance with § 11 of any redemption pursuant to § 5(3) and § 5(4). In the case of a redemption in accordance with § 5(4) such notice of redemption will set forth the underlying facts of the Issuer's right to redemption and specify the date fixed for redemption.

Even if such notice of redemption pursuant to this § 5(5) is given, the redemption pursuant to § 5(3) and § 5(4) is subject to the Conditions to Redemption and Repurchase being fulfilled on the date fixed for redemption in the notice of redemption.

(6) Conditions to Redemption and Repurchase.

"Conditions to Redemption and Repurchase" means the requirements that must be satisfied on any day with respect to a scheduled redemption of the Bonds by the Issuer or a planned repurchase of Bonds by the Issuer or its subsidiaries in accordance with the Applicable Supervisory Regulations in order for the Bonds to qualify as Tier 2 own-fund items of the Issuer on an individual and consolidated basis in accordance with the Applicable Supervisory Regulations, regardless of whether the Bonds qualify as Tier 2 own-fund items of the Issuer on an individual and consolidated basis at the relevant time.

On the date of issue of the Bonds this requires the following:

- (a) The Conditions to Redemption and Repurchase are satisfied on any date with respect to a scheduled redemption of the Bonds or a planned repurchase of Bonds, if, on such date,
 - (i) no Insolvency Event has occurred and is continuing on such date and the payment of the Redemption Amount or the repurchase would not result in, or accelerate the imminent occurrence of, an Insolvency Event (notwithstanding the above, the claims of the Bondholders under the Bonds in any liquidation proceedings (including compulsory dissolution proceedings) or insolvency proceedings in relation to the Issuer will fall due in accordance with the Applicable Insolvency Regulations); and
 - (ii) no Solvency Capital Event has occurred and is continuing on such date or would be caused by the redemption or the repurchase, unless the conditions under the Applicable Supervisory Regulations for the exceptional permission of the redemption or the repurchase are met on such date; this requires the following:
 - (A) the Competent Supervisory Authority, being aware of the occurrence of a Solvency Capital Event that is continuing, has given, and not withdrawn by such date, its prior consent to the redemption or the repurchase; and
 - (B) the capital paid-in for the Bonds is replaced by or converted into paid-in Tier 1 basic own-fund items, or is replaced by or converted into other paid-in Tier 2 basic own-fund items of at least the same quality; and
 - (C) the applicable Solo MCR and the applicable Group MCR are complied with also after the redemption or the repurchase;

and

- (iii) no Relevant Consolidated Subsidiary Insolvency Event has occurred and is continuing on such date, unless the Competent Supervisory Authority, being aware of the occurrence of a Relevant Consolidated Subsidiary Insolvency Event that is continuing, has not objected to the redemption of the Bonds or the Repurchase; and
- (iv) the Competent Supervisory Authority has given, and not withdrawn by such day, its prior consent to the redemption or to the repurchase as required under the Applicable Supervisory Regulations; and
- (v) in the case of any redemption or any repurchase prior to 16 July 2029 the capital paid-in for the Bonds is replaced by or converted into paid-in Tier 1 basic own-fund items, or is replaced by or converted into other paid-in Tier 2 basic own-fund items of at least the same quality, in each case with the prior consent of the Competent Supervisory Authority, provided that the replacement or conversion requirement in accordance with this § 5(6)(a)(v) applies only subject to § 5(6)(a)(v)(A) and § 5(6)(a)(v)(B).
 - (A) No replacement or conversion requirement in accordance with § 5(6)(a)(v) applies if, in the case of any redemption following the occurrence of a Gross-Up Event or a Tax Event, the following conditions are met:
 - (I) an Appropriate Margin exists; and
 - (II) the Issuer demonstrates to the satisfaction of the Competent Supervisory Authority that the Gross-Up Event or the Tax Event is material and was not reasonably foreseeable on the date of issue of the Bonds.
 - (B) No replacement or conversion requirement in accordance with § 5(6)(a)(v) applies if, in the case of any redemption following the occurrence of a Regulatory Event the following conditions are satisfied:

- (I) an Appropriate Margin exists; and
 - (II) the Competent Supervisory Authority considers it to be sufficiently certain that the relevant change for the Regulatory Event occurs or will occur, and the Issuer demonstrates to the satisfaction of the Competent Supervisory Authority that the exclusion of the Bonds from the Tier 2 basic own funds items of the Issuer or the Triglav Group or the regulatory reclassification of the Bonds was not reasonably foreseeable on the date of issue of the Bonds.
- (b) If, at the time of a scheduled redemption of the Bonds or a planned repurchase of Bonds, one or more alternative or additional pre-conditions to redemption or repurchase must be satisfied under the Applicable Supervisory Regulations, then such other and/or additional pre-conditions shall be deemed to constitute "Conditions to Redemption and Repurchase" instead of, or in addition to, the conditions set forth in this § 5(6) above.
- (c) If the Conditions to Redemption and Repurchase are not satisfied, this will not entitle the Bondholders to require the Issuer to redeem the Bonds, and any failure to redeem the Bonds for such reason shall not constitute a default of the Issuer or any other breach of its obligations under the Bonds or for any other purpose.
- (7) No Put or Acceleration Right of the Bondholders.

The Bondholders shall have neither any put right nor any other right to terminate or otherwise accelerate the redemption of the Bonds.

§ 6 Payments

- (1) Payments.
- (a) The Issuer undertakes to pay, as and when due, principal and interest on the Bonds in euro. Payment of principal and interest on the Bonds will be made through the Principal Paying Agent for on-payment to the Clearing System or to its order for credit to the respective account holders.
- Payment of interest on Bonds represented by a Temporary Global Bond shall be made, upon due certification as provided in § 2(2).
- (b) All payments will be subject in all cases to any applicable fiscal and other laws, directives, regulations or agreements to which the Issuer, the Principal Paying Agent or any Paying Agent, as the case may be, agree to be subject and the Issuer will not be liable for any taxes or duties of whatever nature imposed or levied by such laws, regulations, directives or agreements, but without prejudice to the provisions of § 7. No commission or expenses shall be charged to the Bondholders in respect of such payments.
- (c) The Issuer shall be discharged by payment to, or to the order of, the Clearing System.
- (2) Payment Business Days.
- If the due date for any payment of principal and/or interest and/or Arrears of Interest is not a Payment Business Day, payment will be effected only on the next Payment Business Day (except as provided in relation to a Floating Interest Payment Date). The Bondholders will have no right to claim payment of any interest or other indemnity in respect of such delay in payment.
- (3) References.
- References in these Terms and Conditions to principal and interest on the Bonds include, to the extent applicable, all Additional Amounts payable pursuant to § 7 (as therein defined).

§ 7

Taxation

- (1) All payments of principal and interest in respect of the Bonds will be made free and clear of, and without withholding or deduction for, any taxes, duties, assessments or governmental charges of whatever nature ("**Taxes**") imposed, levied, collected, withheld or assessed by the Issuer's country of domicile for tax purposes or any political subdivision or any authority or any agency of or in the Issuer's country of domicile for tax purposes that has power to tax, unless the Issuer is compelled by law to make such withholding or deduction. If the Issuer is required to make such withholding or deduction, the Issuer will pay such additional amounts (the "**Additional Amounts**") to the Bondholders as the Bondholders would have received if no such withholding or deduction had been required, except that no such Additional Amounts will be payable for any such Taxes in respect of any Bond:
 - (a) which are payable by any person acting as Custodian or collecting agent on behalf of a Bondholder, or otherwise in any manner which does not constitute a deduction or withholding by the Issuer from payments of principal or interest made by it; or
 - (b) which are payable by reason of the Bondholder having, or having had, some personal or business connection with the Issuer's country of domicile for tax purposes and not merely by reason of the fact that payments in respect of the Bonds are, or for purposes of taxation are deemed to be, derived from sources in, or are secured in, the Issuer's country of domicile for tax purposes; or
 - (c) which are to be deducted or withheld pursuant to (i) any European Union directive or regulation concerning the taxation of interest income, or (ii) any international treaty or understanding relating to such taxation and to which the Issuer's country of domicile for tax purposes or the European Union is a party, or (iii) any provision of law implementing, or complying with, or introduced to conform with, such directive, regulation, treaty or understanding; or
 - (d) which are payable by reason of a change in law that becomes effective more than 30 days after the relevant payment becomes due or is duly provided for and notice thereof is published in accordance with § 11, whichever occurs later.
- (2) The Issuer will not have any obligation to pay additional amounts deducted or withheld by the Issuer, the relevant Paying Agent or any other party in relation to any withholding or deduction of any amounts in accordance with the rules of U.S. Internal Revenue Code Sections 1471 through 1474 (as amended, or in accordance with any successor provisions), in accordance with any inter-governmental agreement, or implementing legislation adopted by another jurisdiction in connection with these provisions, or in accordance with any agreement with the U.S. Internal Revenue Service ("**FATCA Withholding**"), or to otherwise indemnify any Bondholder in relation to any FATCA Withholding.

§ 8

Presentation Period, Prescription

The period for presentation of the Bonds will be reduced to 10 years. The period of limitation for claims under the Bonds presented during the period for presentation will be two years calculated from the expiration of the relevant presentation period.

§ 9

Paying Agents and Calculation Agent

- (1) Appointment.

The Issuer has appointed Erste Group Bank AG, Vienna, as principal paying agent (the "**Principal Paying Agent**" and, together with any additional paying agent appointed by the Issuer in accordance with § 9(2), the "**Paying Agents**", and each a "**Paying Agent**") and as Calculation Agent (the "**Calculation Agent**") with respect to the Bonds.

(2) Variation or Termination of Appointment.

The Issuer will procure that there will at all times be a Principal Paying Agent and a Calculation Agent. The Issuer is entitled to appoint other banks of international standing as Paying Agents, or another bank of international standing or a financial adviser with relevant expertise as Calculation Agent. Furthermore, the Issuer is entitled to terminate the appointment of any Paying Agent or Calculation Agent. In the event of such termination or such Paying Agent or Calculation Agent being unable or unwilling to continue to act as Paying Agent or Calculation Agent in the relevant capacity, the Issuer will appoint another bank of international standing as Paying Agent or a bank of international standing or a financial adviser with relevant expertise as Calculation Agent. Such appointment or termination will be published without undue delay in accordance with § 11; if this is not possible, such appointment or termination will be published in another appropriate manner.

(3) Status of the Agents.

The Paying Agents and the Calculation Agent act solely as agents of the Issuer and do not assume any obligations towards or relationship of contract, agency or trust for or with any of the Bondholders. The Paying Agents and the Calculation Agent are exempt from the restrictions of § 181 of the German Civil Code (*Bürgerliches Gesetzbuch*).

(4) Independent Adviser.

If the Issuer appoints an Independent Adviser in accordance with § 4(2)(e)(i), § 9(3) shall apply mutatis mutandis to the Independent Adviser.

§ 10 Further Issues

The Issuer may from time to time, without the consent of the Bondholders, create and issue further bonds having the same terms and conditions as the Bonds in all respects (or in all respects except for the issue date, the interest commencement date and/or the issue price) so as to form a single series with the Bonds. The term "Bonds" shall, in the event of such further issue, also comprise such further bonds.

No increase of these Bonds will be made in accordance with this § 10 if such increase would result in a Regulatory Event entitling the Issuer to redeem the Bonds in accordance with § 5(4).

§ 11 Notices

- (1) All notices regarding the Bonds will be published so long as the Bonds are listed on the regulated market of the Luxembourg Stock Exchange on the website of the Luxembourg Stock Exchange on www.luxse.com. Any notice will become effective for all purposes on the date of such publication.
- (2) In addition, the Issuer will deliver all notices concerning the Bonds to the Clearing System for communication by the Clearing System to the Bondholders. Any such notice shall be deemed to have been given to the Bondholders on the fifth day after the date on which the said notice was given to the Clearing System.

§ 12 Amendments to the Terms and Conditions by resolution of the Bondholders; Joint Representative

- (1) The Issuer may agree with the Bondholders on amendments to the Terms and Conditions or on other matters by virtue of a majority resolution of the Bondholders pursuant to § 5 et seqq. of the German Act on Issues of Debt Securities, as amended (*Gesetz über Schuldverschreibungen aus Gesamtemissionen – "SchVG"*).

The Issuer's right under this § 12(1) is subject to the following restrictions:

- (i) the regulatory restrictions set out in § 3(2), § 3(3), § 3(4) and § 5(6);
- (ii) the compliance with the Applicable Supervisory Regulations at the time of an amendment of the Terms and Conditions for the Bonds to qualify for the inclusion in the determination of the own funds for solvency

purposes of the Issuer and/or for group solvency purposes of the Triglav Group as Tier 2 Capital (or a better category of own funds); and

- (iii) the prior consent of the Competent Supervisory Authority (if under the Applicable Supervisory Regulations such prior consent is required at the time).

There will be no amendment of the Terms and Conditions without the Issuer's consent. In particular, the Bondholders may consent to amendments which materially change the substance of the Terms and Conditions, including such measures as provided for under § 5 paragraph 3 SchVG by resolutions passed by such majority of the votes of the Bondholders as stated under § 12(2) below. A duly passed majority resolution shall be binding equally upon all Bondholders.

The Issuer will notify the Competent Supervisory Authority of the amendments of the Terms and Conditions proposed for resolution prior to the holding of the vote.

- (2) Except as provided by the following sentence and provided that the quorum requirements are being met, the Bondholders may pass resolutions by simple majority of the voting rights participating in the vote. Resolutions which materially change the substance of the Terms and Conditions, in particular in the cases of § 5 paragraph 3 numbers 1 through 9 SchVG, or which relate to material other matters may only be passed by a majority of at least 75 per cent. of the voting rights participating in the vote (a "**Qualified Majority**").
- (3) The Bondholders can pass resolutions in a holders' meeting (*Gläubigerversammlung*) in accordance with § 5 et seqq. SchVG or by means of a vote without a meeting (*Abstimmung ohne Versammlung*) in accordance with § 18 and § 5 et seqq. SchVG.
 - (a) Attendance at the holders' meeting and exercise of voting rights is subject to the Bondholders' registration. The registration must be received at the address stated in the convening notice no later than the third day preceding the holders' meeting. As part of the registration, Bondholders must provide evidence of their eligibility to participate in the vote by means of a special confirmation of the Custodian in text form and by submission of a blocking instruction by the Custodian stating that the relevant Bonds are not transferable from and including the day such registration has been sent until and including the stated end of the holders' meeting.
 - (b) Together with casting their vote, Bondholders must provide evidence of their eligibility to participate in the vote without a meeting by means of a special confirmation of the Custodian in text form and by submission of a blocking instruction by the Custodian stating that the relevant Bonds are not transferable from and including the day such vote has been cast until and including the day the voting period ends.
- (4) If it is ascertained that no quorum exists for the holders' meeting pursuant to § 12(3)(a) or the vote without a meeting pursuant to § 12(3)(b), in case of a holders' meeting the chairperson (*Vorsitzender*) may convene a second meeting in accordance with § 15 paragraph 3 sentence 2 SchVG or in case of a vote without a meeting the scrutineer (*Abstimmungsleiter*) may convene a second meeting within the meaning of § 18 paragraph 4 sentence 2 and § 15 paragraph 3 sentence 3 SchVG. Attendance at the second meeting and exercise of voting rights is subject to the Bondholders' registration. The provisions set out in § 12(3)(a) shall apply *mutatis mutandis* to Bondholders' registration for a second meeting.
- (5) The Bondholders may by majority resolution provide for the appointment or dismissal of a holders' representative (the "**Bondholders' Representative**"), the duties and responsibilities and the powers of such Bondholders' Representative, the transfer of the rights of the Bondholders to the Bondholders' Representative and a limitation of liability of the Bondholders' Representative. Appointment of a Bondholders' Representative may only be passed by a Qualified Majority if such Bondholders' Representative is to be authorised to consent, in accordance with § 12(2) hereof, to a material change in the substance of the Terms and Conditions or other material matters.
- (6) Any notices concerning this § 12 shall be made exclusively pursuant to the provisions of the SchVG.

- (7) In the event of a substitution pursuant to § 13(1), § 12 shall apply *mutatis mutandis* for an amendment of the guarantee pursuant to § 13(1)(d), and the Terms and Conditions and such guarantee may only be amended with the consent of the New Issuer and Triglav as guarantor.

§ 13 Substitution

(1) Substitution.

The Issuer may at any time, without the consent of the Bondholders, substitute for itself any other company (other than an insurance undertaking) which is directly or indirectly controlled by the Issuer, as new issuer (the "**New Issuer**") in respect of all obligations arising under or in connection with the Bonds with the effect of releasing the Issuer of all such obligations, if:

- (a) the New Issuer assumes any and all obligations of the Issuer arising under or in connection with the Bonds and, if service of process vis-à-vis the New Issuer would have to be effected outside the Federal Republic of Germany, appoints a process agent within the Federal Republic of Germany; and
- (b) the Issuer and the New Issuer have obtained all authorisations and approvals necessary for the substitution and the fulfilment of the obligations arising under or in connection with the Bonds, in particular the Competent Supervisory Authority having given its prior consent to the substitution; and
- (c) the New Issuer is in the position to pay to, or to the order of, the Clearing System in euro and without deducting or withholding any taxes or other duties of whatever nature imposed, levied or deducted by the country (or countries) in which the New Issuer has its domicile or tax residence all amounts required for the performance of the payment obligations arising from or in connection with the Bonds; and
- (d) the Issuer irrevocably guarantees on a subordinated basis such obligations of the New Issuer under the Bonds on terms which ensure that each Bondholder will be put in an economic position that is not less favourable than that which would have existed if the substitution had not taken place; and
- (e) the Conditions to Redemption and Repurchase are fulfilled at the time of the substitution; these shall apply *mutatis mutandis* to the substitution.

(2) References.

In the event of a substitution pursuant to § 13(1), any reference in these Terms and Conditions to the Issuer shall be a reference to the New Issuer.

For the avoidance of doubt, this shall only apply to the extent that the meaning and purpose of the relevant condition requires that the relevant reference shall continue to be a reference only to Triglav (i.e. in particular in relation to the solvency applicable to Triglav and the group solvency of the Triglav Group, the Insolvency Event, the Compulsory Interest Payment Event, the Accounting Event, the Rating Event and § 5(2)), or that the reference shall be to the New Issuer and Triglav, in relation to its obligations under the guarantee pursuant to § 13(1)(d), at the same time (Gross-Up Event, Tax Event, Regulatory Event, Accounting Event, Rating Event and Taxation).

In the event of a substitution any reference to the Issuer's country of domicile for tax purposes shall be a reference to the New Issuer's country of domicile for tax purposes, unless sentence 2 provides otherwise.

(3) Notice and Effectiveness of Substitution.

Notice of any substitution of the Issuer shall be given by notice in accordance with § 11. Upon such publication, the substitution shall become effective, and the Issuer and in the event of a repeated application of this § 13, any previous New Issuer shall be discharged from any and all obligations under the Bonds. In the case of such substitution, the stock exchange(s), if any, on which the Bonds are then listed at the initiative of the Issuer will be notified.

§ 14
Final Provisions

(1) Applicable Law.

The form and the content of the Bonds as well as all the rights and duties arising therefrom are governed by, and construed in accordance with, the laws of the Federal Republic of Germany. The status provisions in § 3 shall be governed by, and shall be construed exclusively in accordance with, Slovenian law.

(2) Place of Jurisdiction.

Subject to any exclusive court of venue for specific legal proceedings in connection with the SchVG, non-exclusive place of jurisdiction for all proceedings arising from matters provided for in these Terms and Conditions will be Frankfurt am Main, Federal Republic of Germany. The Issuer irrevocably waives any objection which they might now or hereafter have to the courts of Frankfurt am Main being nominated as the forum to hear and determine any proceedings and to settle any disputes and agrees not to claim that any of those courts is not a convenient or appropriate forum.

(3) Place of Performance.

Place of performance will be Frankfurt am Main, Federal Republic of Germany.

(4) Enforcement of Rights.

Any Bondholder may in any legal proceedings against the Issuer or to which the Bondholder and the Issuer are parties enforce in its own name its rights arising under such Bonds on the basis of:

(a)

- (i) a certificate issued by the Custodian (A) stating the full name and address of the Bondholder, (B) specifying the aggregate principal amount of Bonds credited on the date of such statement to such Bondholder's securities account(s) maintained with such Custodian and (C) confirming that the Custodian has given a written notice to the Clearing System and the Principal Paying Agent containing the information specified in (A) and (B) and bearing acknowledgements of the Clearing System and the relevant account holder in the Clearing System; and
- (ii) a copy of the Global Bond representing the relevant Bonds certified as being a true copy by an authorised officer of Clearing System or the Principal Paying Agent,

without the need for production in such proceedings of the actual records or the Global Bond representing the Bonds; and/or

(b) any other means of evidence permitted in legal proceedings in the country of enforcement.

(5) Agent for Service of Process.

The Issuer irrevocably appoints Erste Group Bank AG, Stuttgart Branch, Friedrichstr. 10, 70174 Stuttgart, Germany its agent in the Federal Republic of Germany to receive service of process in any proceedings in the Federal Republic of Germany based on any of the Bonds. If for any reason the Issuer does not have such an agent in the Federal Republic of Germany, it will promptly appoint a substitute process agent and notify the Bondholders of such appointment. Nothing herein shall affect the right to serve process in any other manner permitted by law.

§ 15
Purpose of the Bonds

The purpose of the Bonds is to furnish the Issuer with Tier 2 own-fund items on an individual and consolidated (solo solvency and group solvency) basis.

§ 16
Language

These Terms and Conditions are written in the English language which will be the only legally binding version.

USE OF PROCEEDS

The net proceeds from the issue and sale of the Bonds will amount to approximately EUR 99,425,000.

The Issuer intends to use the net proceeds from the issue and sale of the Bonds for general funding purposes of the Triglav Group and for the Triglav Group's regular capital management activities, which ensure the Triglav Group's optimal capital structure and cost efficiency, while at the same time providing an appropriate basis for growth and development.

DESCRIPTION OF THE ISSUER AND THE TRIGLAV GROUP

Overview

ZAVAROVALNICA TRIGLAV, d.d. ("**Triglav**" or the "**Issuer**") is a joint stock company (*delniška družba*), with its registered office at Miklošičeva 19 in 1000 Ljubljana, Slovenia. The beginnings of its operations go back 123 years. The Issuer is the controlling company of the Triglav Group, which consists of the Issuer and its consolidated subsidiaries (the "**Triglav Group**").

The Triglav Group is a leading insurance-financial group in Slovenia and in Southeastern Europe (*Source: Issuer calculation based on data from national insurance supervisory agencies and insurance associations*). It operates in seven markets in six countries and also in the wider international environment (FOS business and inward reinsurance).

The Issuer is supervised by the Slovenian Insurance Supervision Agency (*Agencija za zavarovalni nadzor*; "**AZN**"), Trg Republike 3, 1000 Ljubljana, Slovenia.

The Issuer

Incorporation, Corporate Seat, Duration, Corporate Purposes and Regulation

The Issuer was incorporated in Slovenia as a joint stock company on 12 December 1990 under Slovenian law for an indefinite period and is registered in the court register (*sodni register*) under identification number (*matična številka*) 5063345000. The Issuer's registered seat is in Ljubljana, its business address at Miklošičeva cesta 19, 1000 Ljubljana, Slovenia, and its telephone number +386 (0)1 47 47 200. Its website is www.triglav.eu. The information on the website does not form part of this Prospectus unless that information is specifically incorporated by reference in this Prospectus. The legal entity identifier (LEI) of the Issuer is 549300KGI78MKHO38N42.

The corporate object of the Issuer, as set out in its articles of association (the "**Issuer Articles of Association**"), is the independent performance of gainful activities on the market as its exclusive activity. Accordingly, the Issuer carries out the following business activities in accordance with and under the conditions as stipulated by the law:

- Life insurance
- Non-life insurance
- Reinsurance
- Pension funding
- Activities of insurance agents and brokers
- Other auxiliary activities in insurance and pension funds

The Issuer may, in addition to the business transactions which fall within its activities referred to in the previous paragraph, also perform business transactions which are directly connected to insurance business transactions and other business transactions for other companies within the Triglav Group, but only if they do not increase the risk for the Triglav Group, and only those types of business transactions which are a part of the Issuer's business operations within its main activity. The Issuer may also perform other business transactions not mentioned above, which are necessary for its existence and do not constitute regular performance of business transactions.

Share Capital, Shares, Major Shareholders and Dividends

Share Capital

The Issuer's issued share capital as at 31 December 2023 amounts to EUR 73,701,391.79 consisting of 22,735,148 registered no-par value ordinary shares. Each share represents an equal part and corresponding amount in the share capital. The proportion of each no-par value share in the share capital shall be set out with regard to the number of issued no-par

value shares. The shares are fully paid up. The shares of the Issuer are listed on the Ljubljana Stock Exchange (the "LJSE") and are traded on the Prime market of the LJSE.

Major Shareholders

As at 31 March 2024, the Issuer had 8,405 shareholders. The following three shareholders have a qualifying holding in the Issuer as defined in the Slovenian Financial Instruments Market Act (*Zakon o trgu vrednostnih papirjev*; Official Gazette of the Republic of Slovenia No. 77/18, as amended):

- *Zavod za pokojninsko in invalidsko zavarovanje Slovenije* (Institute of Pension and Invalidity Insurance of Slovenia; "ZPIZ") was the direct holder of 7,836,628 shares or 34.47% of the share capital of the Issuer. On behalf of and for the account of ZPIZ, the shareholder's rights attached to the shares were managed by *Slovenski državni holding d.d.* (Slovenian Sovereign Holding; "SDH").
- SDH was the direct holder of 6,386,644 shares or 28.09% of the share capital of the Issuer.
- *Erste Group Bank - PBZ Croatia Osiguranje* (fiduciary account) held 1,526,190 shares or 6.71% of the share capital of the Issuer.

As at 31 March 2024, the Issuer had no other shareholders whose shareholdings exceeded 5.00% of the share capital, nor had it issued any securities that would grant their holders special control rights. International investors held 15.4%, retail investors 13.5% and other Slovenian institutional investors 8.5%.

The Issuer is not aware of any agreements which would lead to a change of control in the Issuer. Nor is the Issuer aware of any agreements which would lead to the Issuer being controlled by one or more shareholders either now or in the future.

History and Development of the Triglav Group

The founding meeting of *Vzajemna zavarovalnica* was held in Ljubljana on 5 July 1900. The company opened for business on 1 August 1900 and issued its first policy on 12 July 1900, taking effect on 1 August.

After two world wars and a nationalisation, *Zavarovalnica Sava*, based in Ljubljana, and *Zavarovalnica Maribor*, based in Maribor, merged in 1976 to form *Zavarovalna skupnost Triglav* (Triglav Insurance Community), based in Ljubljana.

In 1990, the Triglav Insurance Community (*Zavarovalna skupnost Triglav*) was transformed into a joint stock company. On 12 December 1990, the Issuer was established and began operations as a joint stock insurance company on 1 January 1991.

In 2000, the Issuer started to expand its business and by 2007, the Issuer was present in all markets / countries where it currently operates; i.e. Slovenia, Croatia, Serbia, Montenegro, Bosnia and Herzegovina and North Macedonia. After the expansion, the Issuer's main focus was on profitability and selective expansion.

In 2008, the Issuer's shares were listed on the LJSE for the first time.

In 2015, shares in SKUPNA POKOJNINSKA DRUŽBA d.d., Ljubljana (now: Triglav, pokojninska družba, d.d.), were acquired, while the subsidiary TRIGLAV NALOŽBE, d.d. was merged with the Issuer. Furthermore, the subsidiary SLOVENIJALES d.d. was merged with the subsidiary Triglav, Upravljanje nepremičnin, d.o.o. and the sale of the Czech insurance company Triglav Pojišt'ovna a.s., Brno, was completed.

In 2017, the Triglav Group established its new life insurance company in North Macedonia - Triglav Osiguruvanje Život a.d., Skopje, and also a regional platform for alternative investments (Triglav d.o.o. ("**Trigal**")) in cooperation with the German partner KGAL Group. In the same year, the Issuer established a pension fund management company in Bosnia and Herzegovina together with the European Bank for Reconstruction and Development (EBRD), the Pension Reserve Fund of Republic of Srpska and the Enterprise Expansion Fund.

In 2018, Triglav Group acquired the Slovenian asset management company ALTA Skladi d.d., which was merged with TRIGLAV SKLADI, d.o.o. ("**Triglav Skladi**") in 2019, and the remaining 28.1% stake in SKUPNA POKOJNINSKA DRUŽBA d.d., Ljubljana (now: Triglav, pokojninska družba, d.d.) on the Slovenian insurance market and became its 100% owner.

In 2019, Triglav Group established its new pension insurance company in North Macedonia - Triglav penzisko društvo a.d., Skopje.

In 2021, Triglav Group acquired a 50% stake in Diagnostični center Bled d.o.o.

Business Overview

Triglav Group's main pillars of business are:

- Insurance
- Asset management

In addition, Triglav Group provides support activities for the above-listed business areas.

In 2023, the Triglav Group recorded gross written premiums of EUR 1,653.7 million (compared to EUR 1,479.6 million in 2022) and generated a net profit of EUR 16.3 million (compared to EUR -7 million in 2022). Net profit of the Issuer in the separate statement of profit or loss was EUR 38.7 million in 2023 (compared to EUR 8.9 million in 2022). Total consolidated assets amounted to EUR 4,099.0 million as at 31 December 2023, compared to EUR 3,802.3 million as at 31 December 2022.

In the three-month period ended 31 March 2024, the Triglav Group recorded gross written premiums of EUR 448.7 million (compared to EUR 454.4 million in the three-month period ended 31 March 2023) and generated a net profit of EUR 36.6 million (compared to EUR 14.1 million in the three-month period ended 31 March 2023). Total consolidated assets amount to EUR 4,190.0 million as at 31 March 2024.

As at 31 December 2023, the Triglav Group employed 5,318 employees and 5,267 as at 31 March 2024.

Insurance

Triglav Group's core business, which accounts for the majority of its operations, is insurance, including non-life, life, health and pension insurance, as well as reinsurance.

The insurance part of the Triglav Group encompasses the following entities as at 31 December 2023:

		Insurance
	-	the Issuer
Slovenia	-	POZAVAROVARNICA TRIGLAV RE d.d.
	-	Triglav, Zdravstvena zavarovalnica, d.d.
	-	Triglav, pokojninska družba d.d., Ljubljana
	-	
Croatia	-	Triglav Osiguranje d.d., Zagreb
Bosnia and Herzegovina	-	Triglav Osiguranje d.d., Sarajevo
	-	Triglav Osiguranje a.d., Banja Luka
Serbia	-	Triglav Osiguranje a.d.o., Belgrade
Montenegro	-	Lovćen Osiguranje a.d., Podgorica
	-	Lovćen životna osiguranja a.d., Podgorica
North Macedonia	-	Triglav Osiguruvanje a.d., Skopje

Insurance

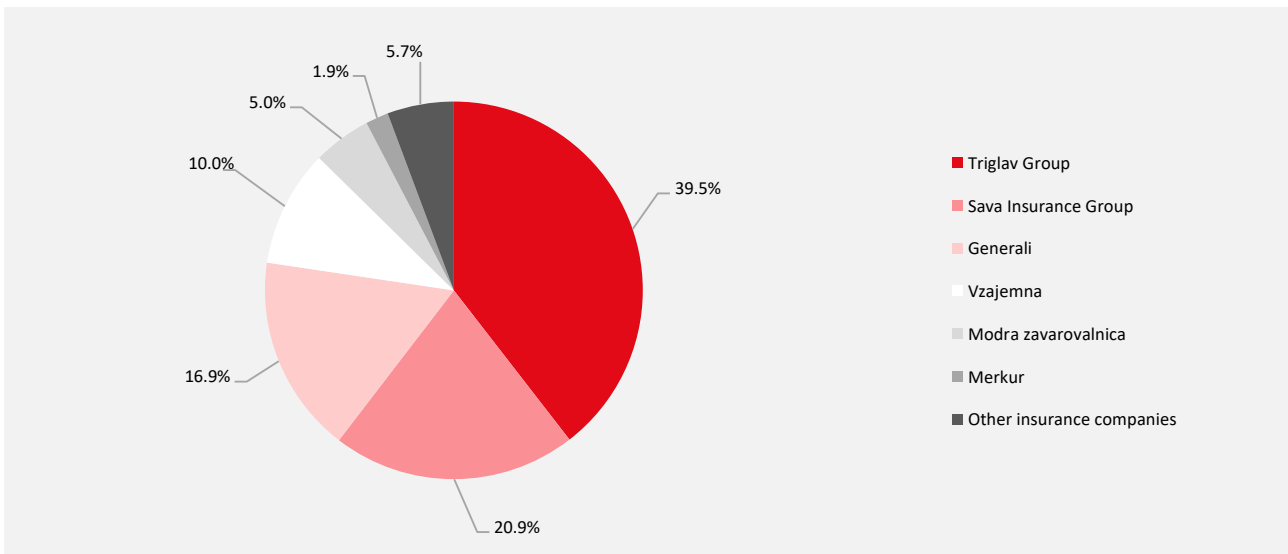
- Triglav Osiguruvanje Život, a.d., Skopje
- Triglav penzisko društvo a.d., Skopje

(Source: Internal Information of the Issuer)

Market Position Insurance

In 2023, Triglav Group had a market share of 39.5% in the Slovenian insurance market: 42.1% in non-life insurance products, 31.8% in life insurance products and 27% in health insurance products (Source: Issuer calculation based on data from national insurance supervisory agencies and insurance associations).

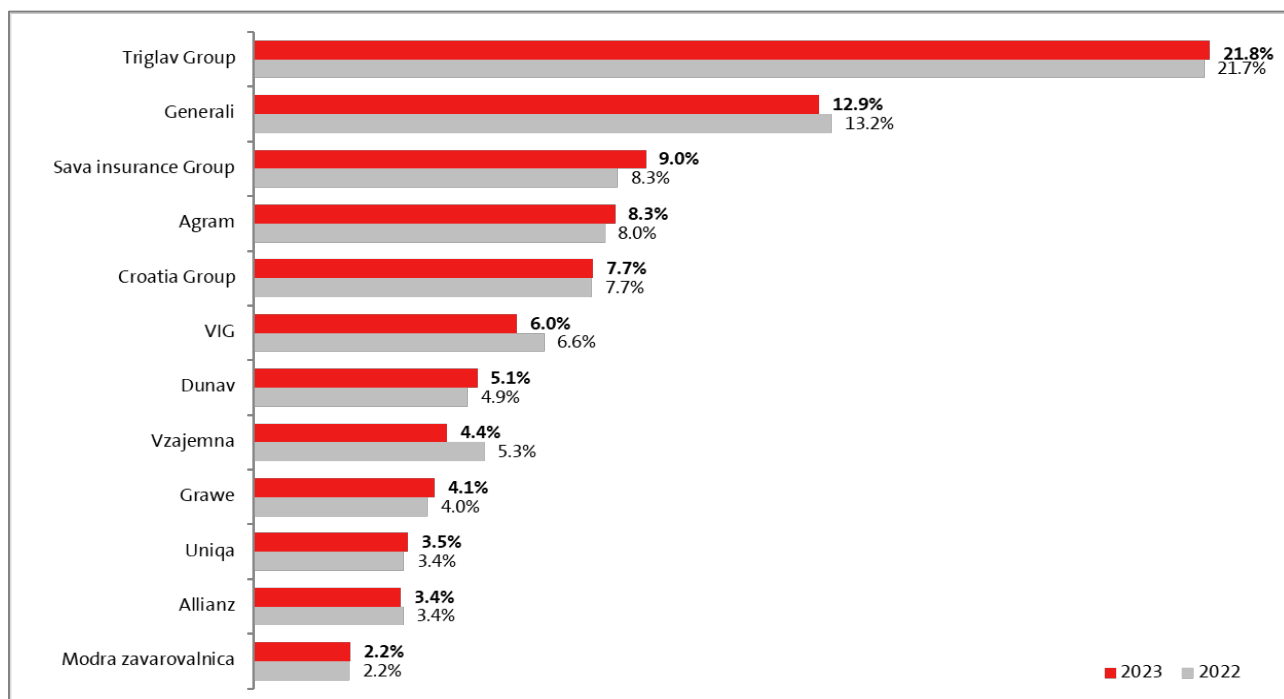
The following chart shows Triglav Group's market share of gross written premiums in Slovenia in 2023 (in %):



(Source: Slovenian Insurance Association (SZZ))

In 2023, Triglav Group had a market share of 21.8% (Source: Issuer calculation based on data from national insurance supervisory agencies and insurance associations) and had a leading position as an insurer in the Adria region, which includes Slovenia, Croatia, Bosnia and Herzegovina, Serbia, Montenegro and North Macedonia.

The following chart shows Triglav Group's market share of gross written premiums in the Adria region in 2023 and 2022 (in %):



(Source: Calculation of the Issuer based on data of national insurance supervisory agencies and insurance associations)

The following table shows the market shares and market position of the Triglav Group in the Adria region in 2023:

Market	Market share	Market share trend	Ranked in 2023	Ranked in 2022
Slovenia	39.5%	↑ + 0.6 percentage point	1	1
Croatia**	5.2%	↓ - 0.3 percentage point	8	7
Serbia*	7.5%	↑ + 0.2 percentage point	5	5
Montenegro	35.0%	↓ - 2.8 percentage point	1	1
Bosnia and Herzegovina	9.3%	↓ - 0.1 percentage point	4	4
- Federation of BiH	10.6%	↓ - 0.2 percentage point	3	3
- Republic of Srpska***	6.6%	↑ + 0.3 percentage point	5	7
North Macedonia	13.4%	↓ - 1.3 percentage point	3	3

* Data for January-September 2023.

** Market share calculations for the Croatian insurance market are based on premium paid.

*** Including the market shares of Triglav Osiguranje, Banja Luka and the branch of Triglav Osiguranje, Sarajevo in Banja Luka.

(Source: Annual report of the Issuer 2023)

Gross written premiums

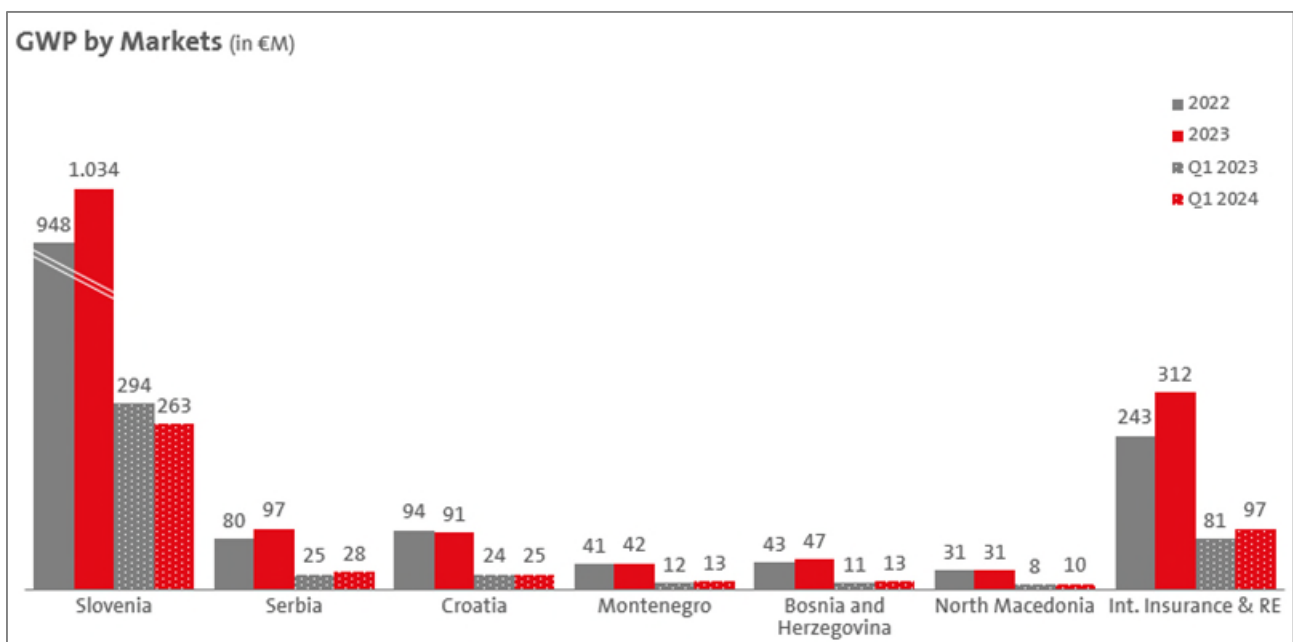
Triglav Group's gross written premiums increased from EUR 1,479.6 million in 2022 by EUR 174.1 million or 12% to EUR 1,653.7 million in 2023. Compared to 2022, non-life insurance premiums increased by EUR 159.2 million or 16%,

health insurance premiums increased by EUR 2.3 million or 1% and life insurance premiums increased by EUR 12.7 million or 5% in 2023.

In 2023, non-life insurance products accounted for 70.7%, life and pension insurance products for 16.9% and health insurance products for 12.5% of the recorded gross written premiums. In 2022, non-life insurance products accounted for 68.2%, life and pension insurance products for 18% and health insurance products for 13.8% of the recorded gross written premiums.

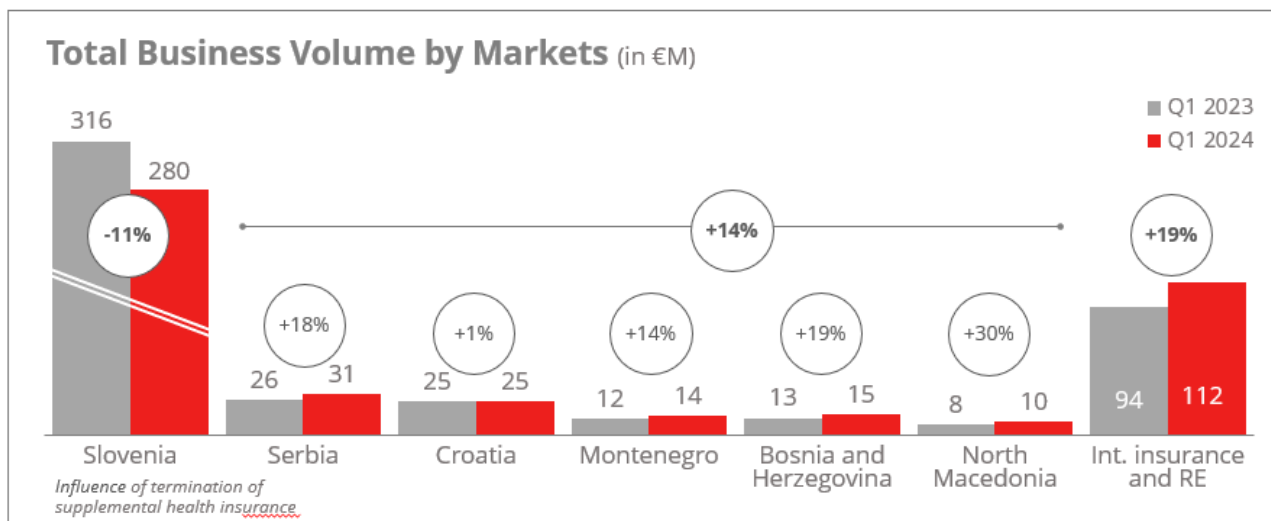
In the Slovenian market, premiums grew by 9%, in the international market by 28% and in the other markets of the Adria region by 7%. In total, 62.5% of premiums were earned in the Slovenian insurance market (2022: 64.0%) and 18.6% in the remaining markets of the Adria region (2022: 19.5%), while the share of international insurance and reinsurance increased by 2.4 % to 18.8%.

The following chart shows Triglav Group's consolidated gross written premiums by market in 2023 and 2022 and three-month periods ended 31 March 2024 and 31 March 2023:



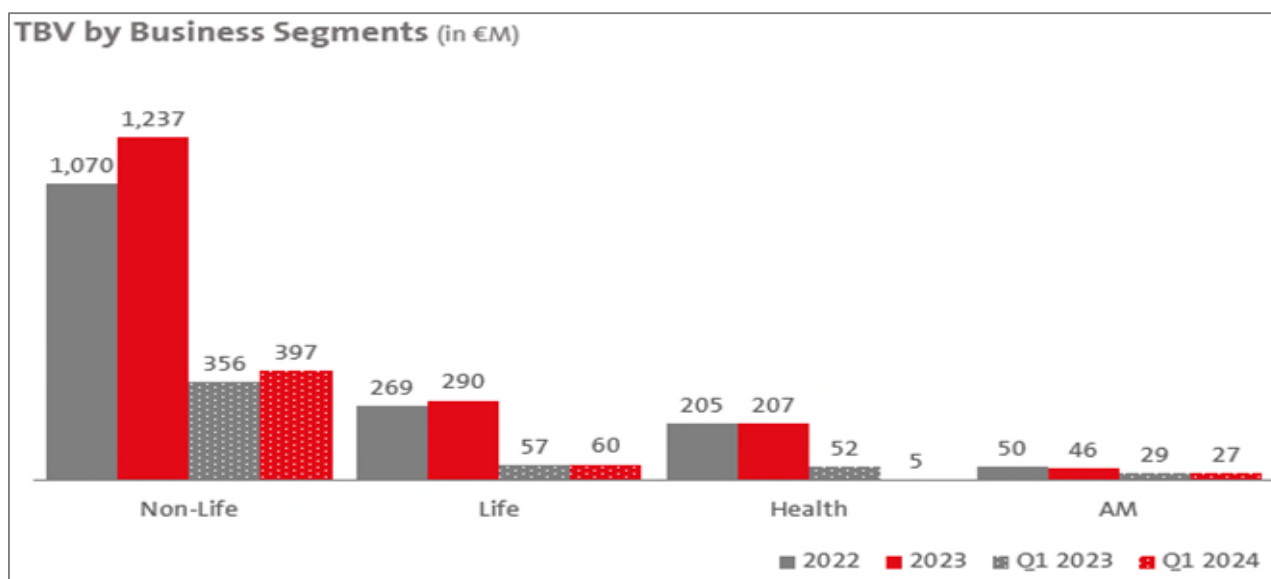
(Source: Annual report of the Issuer 2023 for the annual data and internal information of the Issuer for the quarterly data)

The following chart shows Triglav Group's Total Business Volume by Market in the three-month period ended 31 March 2024 and the three-month period ended 31 March 2023:



(Source: Internal Information of the Issuer)

The following chart shows Triglav Group's total business volume by business segments for the years 2022 and 2023 and the three-month period ended 31 March 2024 and the three-month period ended 31 March 2023:



Asset Management

Asset management in the Group is carried out by insurance and pension companies, as well as investment fund and investor asset management companies. It comprises the management of own insurance portfolios (assets backing liabilities and guarantee funds), savings of clients through the Group's life and pension insurance companies, the management of alternative investments by Triglav and the management of clients' assets in mutual funds and discretionary mandates via asset management companies.

Market Position Asset Management

Triglav Skladi held a 31.2% market share (compared to 31.3% in 2022), and is in the view of the Triglav Group, one of the leading managers of assets in investment funds in Slovenia's market. With respect to mutual funds, the company offers 18 different investment policies: conservative investments (two bond funds and a money market fund), moderately risky investments (flexible, mixed and defensive funds) and dynamic equity investments (equity funds). As at 31 December

2023, the company managed the portfolio of 110,000 investors worth EUR 1.5 billion in mutual funds. In comparison to 31 December 2022, the value of net assets under management increased by 21% due to net inflows of EUR 110.4 million and favourable trends in the capital markets (by EUR 145.6 million).

In Slovenia, five asset management companies are currently operating, which managed a total net asset value of mutual funds of EUR 4.8 billion as at the 2023 year-end (*Source: Issuer internal market data*). Mutual fund assets increased by 21% compared to the same period of the previous year.

Selected Consolidated Financial Information and Key Performance Indicators

The following table shows selected consolidated financial information and key performance indicators of Triglav Group for the financial years ended 31 December 2023 and 31 December 2022 and for the three-month period ended 31 March 2024 and the three-month period ended 31 March 2023:

	Financial Year ended 31 December		Three Month Period ended 31 March	
	(unaudited, unless marked with "*")		(unaudited)	
	2023	2022	2024	2023
in EUR millions (unless otherwise specified)				
Total business volume	1,780.2	1,594.3	488.7	494.5⁽⁵⁾
Gross written premium	1,653.7	1,479.6	448.7	454.4
Other income	126.5	114.8	40	40.1
Total revenue	1,425.2	1,279.3	306.8	325.6
Insurance operating result	-9.4	-12.6	38.3	7.4
Insurance income	1,351.2*	1,206.6*	288.3	304.0
Claims incurred	1,021.20	767.7	130.5	186.2 ⁽⁴⁾
Acquisition and administrative costs incl. non-att. costs	363.0	325.1	76.5	77.6
Net reinsurance service result	31.6	-104.5	-42.0	-30.8
Net other insurance revenue and expenses	-7.9	-21.9	-0.9	-2.0
Net investment result	22.0	-14.3	5.2	11.3
Investment result	83.6	-88.6*	60.8	26.0
Financial result from insurance contracts	-69.7*	82.2*	-56.8	-21.0
Change in provisions for not achieving the guaranteed yield	8.1	-9.8	0.4	5.5
Gains/losses and impairments of investments in associates	0.0	1.8	0.8	0.8
Result from non-insurance operations	8.4	16.9	-0.1	-1.5
Profit before tax	21.1*	-10.0*	43.3	17.1⁽¹⁾
Net profit or loss for the period	16.3*	-7.0*	36.6	14.4⁽²⁾
Other comprehensive income after tax	34.7*	-50.9*	2.1	7.6 ⁽³⁾
CoR Non-Life & Health	101.60%	99.70%	87.90%	98.90% ⁽⁶⁾
Claims ratio Non-Life & Health	76.30%	74.60%	62.40%	74.10%
Expense ratio Non-Life & Health	25.30%	25.10%	25.50%	24.90%

	Financial Year ended 31 December		Three Month Period ended 31 March	
	(unaudited, unless marked with "*")		(unaudited)	
	2023	2022	2024	2023
	in EUR millions (unless otherwise specified)			
Annualised return on equity	1.80%	-0.70%	17.10%	6.60%
Return on financial investments	1.80%	-0.40%	2.00%	2.00%

(Source: Annual report of the Triglav Group 2023 for the annual data, internal information of the Issuer for the quarterly data)

* Note regarding the comparison of the three-month period ended 31 March 2023: In last year's publication of the Triglav Group's Q1 2023 results, the data were presented for the first time in accordance with IFRS 17 but on a non-consolidated basis (excluding the elimination of intercompany transactions). The figures presented here for the three-month period ended 31 March 2023 are consolidated and also take into account certain improvements to the IFRS 17 calculations made throughout the financial year 2023. The figures for the three-month period ended 31 March 2023 are not materially different from the figures for the same period calculated this year in terms of the Group's performance. In order to ensure appropriate data transparency, the main differences between them are as follows:

¹ Earnings before tax for the three-month period ended 31 March 2023 of EUR 18.5 million are adjusted to EUR 17.1 million.

² Net earnings for the three-month period ended 31 March 2023 of EUR 16.1 million are adjusted to EUR 14.4 million.

³ Other comprehensive income for the three-month period ended 31 March 2023 of EUR 8.1 million is adjusted to EUR 7.6 million.

⁴ Claims incurred for the three-month period ended 31 March 2023 of EUR 252.3 million (calculated according to IFRS 4) are adjusted to EUR 186.2 million.

⁵ Total business volume for the three-month period ended 31 March 2023 of EUR 484.6 million is adjusted to EUR 494.5 million.

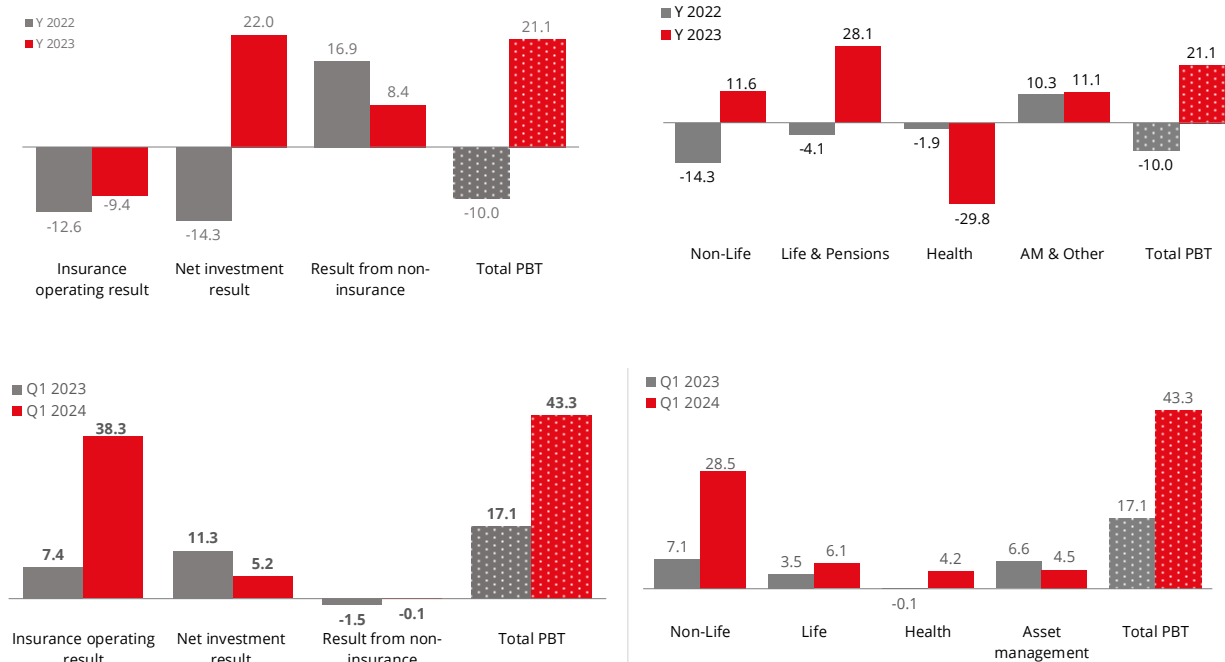
⁶ The combined ratio of Non-Life & Health for the three-month period ended 31 March 2023 of 94.7% is adjusted to 98.9%.

The following table shows consolidated Balance sheet data as at 31 December 2023, 31 December 2022 and 31 March 2024:

	As at 31 December		As at 31 March
	2023	2022 (as restated)	2024
	in EUR millions (unless otherwise specified); (unaudited, unless marked with "*")		
Balance sheet total	4,099.0*	3,802.3*	4,190.10
Equity	891.1*	897.0*	929.8
Contractual service margin (CSM)	238.4*	186.4*	241.6
Assets under management (AUM)	4,851.40	4,379.80	5,162.70
Number of employees	5,318	5,306	5,267
Number of employees (full-time equivalent)	5,190	5,177	5,141

(Source: Annual report of the Triglav Group 2023 for the annual data, internal information of the Issuer for the quarterly data)

The following charts show Profit before tax of the Triglav Group by business lines and business segments for the years 2022 and 2023 and three-month period ended 31 March 2024 and 31 March 2023:



(Source : Annual report of the Issuer 2023 for the annual data, internal information of the Issuer for the quarterly data)

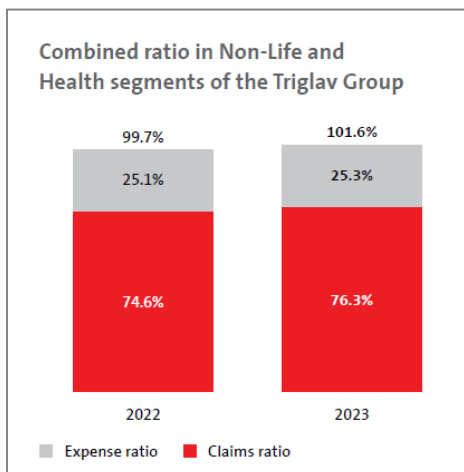
Description of Key Performance Indicators

In its financial publications, the Issuer uses alternative performance measures ("APMs") in addition to the figures which are prepared in accordance with IFRS. From the Issuer's perspective, these measures provide useful information to investors and enhance their understanding of Triglav Group's results. The APMs should be considered in addition to, and not as a substitute for, figures prepared in accordance with IFRS.

Combined Ratio

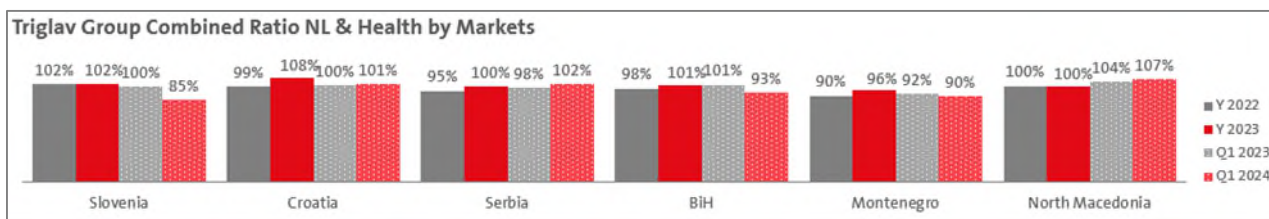
The "**Combined Ratio**" is calculated as the sum of the expense ratio and claims ratio. A value of less than 100% indicates profit from a particular segment, excluding return on investment. It shows the profitability of the non-life segment, the health segment, or both together. "**Claims Ratio**" is calculated as the ratio of the sum of claims, change in future cash flows, change in experience correction, change in onerous contracts and the reinsurance result to insurance revenue. "**Expense Ratio**" is calculated as the sum of attributable and non-attributable costs, net other insurance expenses less other insurance income to insurance revenue.

The following chart shows Combined Ratio for the Non-Life and Health segments of Triglav Group in the financial years ended 31 December 2022 and 2023:



(Source: Annual report of the Issuer 2023)

The following chart shows the Combined Ratio for the Non-Life and Health segments by market:



(Source: Annual report of the Issuer 2023 for the annual data, internal information of the Issuer for the quarterly data)

Return on Equity

Definition and usefulness:

"**Return on Equity**" (ROE) is calculated by dividing net profit by average shareholder's equity. Return on Equity is considered a measure of how effectively management is using the Issuer's assets to create profits.

Limitations on use:

ROE is limited in its use, considering that it is a ratio and as such it does not give any information regarding the absolute quantities used in its calculation.

Dividend Payout Ratio

Definition and usefulness:

"**Dividend Payout Ratio**" is the ratio of the total amount of dividends paid out to shareholders relative to the net income of the company. It is the percentage of earnings paid to shareholders in dividends. It is used for comparisons between companies and time periods, particularly by investors.

Dividend Payout Ratio is limited in its use, considering that it is a ratio and as such it does not give any information regarding the absolute quantities used in its calculation.

Gross written premium

Definition and usefulness:

The sum of all premiums that the insurance company charges to policyholders following the underwriting or renewal of policies in the accounting period. Gross written premium is predominantly useful as a measure of growth of the business for comparisons between various region and segments.

Limitations on use:

Gross written premium does not provide any information regarding the profitability of the Triglav Group. Therefore, gross written premium should always be viewed in conjunction with IFRS measures of revenue and profitability (for example: Net profit or loss for the period).

Total business volume

Definition and usefulness:

Comprises gross written premium and all other income in the specified reporting period. Compared to the gross written premium, it is a wider measure and is scheduled replace it in the future. It is useful for comparability across product segments, regions and in a limited way between companies.

Limitations on use:

Total business volume does not provide any information regarding the profitability of the Triglav Group. It also does not provide information about the timing of the services connected to the business. Therefore, total business volume should always be viewed together with IFRS data, Furthermore, total business volume is subject to fluctuations which do not derive from the performance of the Triglav Group. These fluctuations result from effects of price changes, foreign currency translation as well as acquisitions, disposals, and transfers.

Insurance operating result

Definition and usefulness:

Comprises insurance revenue less claims incurred and acquisition and administrative costs, including non-attributable costs, net reinsurance service result and net other insurance income/expenses. Insurance operating result is useful to investors and analysts in analysing the performance of business operations of the group. It enhances the comparability of operating performance over time. Insurance operating result should not be viewed independently but always together with IFRS figures, such as profit before tax.

Limitations on use:

Insurance operating result is subject to fluctuations which are not entirely dependent on the operating performance of the Triglav Group such as foreign currency changes.

Net investment result

Definition and usefulness:

Comprises the investment result, the financial result from insurance contracts, gains and losses on investments in associates and the change in the provisions for not achieving the guaranteed yield on supplemental voluntary pension insurance. It should be viewed together with the IFRS figure investment result. It is useful to gain a broader picture of the financial market variables on the combined IFRS performance of the Triglav Group.

Limitations on use:

Net investment result should not be used for predictions regarding future performance of the business. It is also more difficult to use net investment result for comparison between companies, as calculation method could differ significantly.

Significant changes in the accounting policy affecting the net profits

By transitioning to the new accounting standards (See "*Risks relating to the Issuer and the Triglav Group – Legal, Regulatory, Accounting and Tax Related Risks - The Issuer is exposed to risks in changes in accounting standards.*"), differences in the net profit for 2022 of both the Triglav Group and the Issuer were recognised compared to the 2022 financial statements that were published in accordance with the previous accounting standards, IFRS 4 and IAS 39. The Issuer generated a lower net profit compared to the published financial statements as a result of the transition to the new accounting standards. The Issuer's net profit for 2022 under the previous standards amounted to EUR 120,472,078, while the net profit restated under the new accounting policies was EUR 8,925,410. In total, the transition to the new accounting policies resulted in a net profit lower by EUR 111,546,668 than that published for 2022 in accordance with the previously valid standards. The Triglav Group's net profit for 2022 under the previous standards amounted to EUR 110,216,676, while the application of the new accounting policies resulted in a loss of EUR 6,972,434. In total, the transition to the new accounting policies resulted in a net profit lower by EUR 117,189,110.

Dividend

For the distribution of accumulated profit as at 31 December 2022, the gross dividend was EUR 2.5 per share and the Dividend Payout Ratio was 51%.

For the distribution of accumulated profit as at 31 December 2023, the Issuer's management board (*uprava*, the "**Management Board**") proposed a dividend of EUR 1.75 per share and the Dividend Payout Ratio was 247%. The Management Board proposal was confirmed by the Issuer's general meeting of shareholders of the Issuer (the "**General Meeting**") in June 2024.

The Issuer's dividend policy provides as follows: The Issuer pursues an attractive and sustainable dividend policy. The part of consolidated net profit of the preceding year which is to be allocated to dividend payment accounts for at least 50%. The Issuer will strive to pay out a dividend no lower than the dividend paid out in the preceding year. As thus far, the future implementation of the dividend policy will be subordinated to achieving the medium-term sustainable target capital adequacy of the Triglav Group. The proposal of the Management Board and the supervisory board of the Issuer (*nadzorni svet*, the "**Supervisory Board**") as regards the annual distribution of accumulated profit of the Issuer will therefore take into account the following three objectives in a balanced manner: to ensure prudent capital management of the Triglav Group and its financial stability, to reinvest net profit in the implementation of the strategy of growth and development of the Triglav Group and to pay out attractive dividends to its shareholders.

Strategy and Vision

In order to achieve its vision, the Triglav Group has defined the following strategic guidelines:

- Operating safely and profitably: The Triglav Group is an independent insurance and financial group. Its strategic guidelines are aimed at achieving a high profit and profitable growth.
- Profit and profitable growth and an outstanding client experience:
 - Creating a unique client experience across all channels, processes and products.
 - A client-tailored range of insurance and financial products and services.
 - Focusing on assistance and related services aimed at developing interrelated ecosystems.
- Digital transformation: The Triglav Group continues with its digital transformation process with the aim of becoming the leading digitalised insurance and financial group in the Adria region. By developing digital services, automating processes and implementing advanced digital technologies, it aims to ensure the best digital user experience to its clients.

- The development of service-oriented business models: The Triglav Group is gradually transitioning from an insurance-oriented business model to a mostly service-oriented business model and ecosystem, which address many interrelated client needs in terms of insurance products and assistance and related services.
- Development of organisational culture: The Triglav Group aims to create an effective and service-oriented organisational culture, which supports strategic business guidelines, and an organisational environment, which enables the Group to attract, develop and retain competent, engaged, healthy and satisfied employees.

The Triglav Group's strategy for 2022–2025 aims to achieve a net Return on Equity (ROE) of 10% and total revenues of more than EUR 1.6 billion annually (the figures are set in accordance with the previous IFRS 4 reporting framework).

Sustainable development of the Triglav Group

The Triglav Group's strategic ambitions for sustainable development (ESG) for the period 2021–2025 state that by pursuing sustainability goal the Triglav Group shall create a long-term stable basis for its profitable and safe operations, promote the transition to a sustainable society and reduce its impact on climate change. This approach is pursued across all four key areas: insurance and asset management, own business processes, responsible stakeholder engagement and effective corporate governance. In 2023, the Triglav Group's strategic ambitions were further developed with the adoption of its sustainable development policy.

Structure and Governance of Triglav Group

Corporate governance of Triglav Group's subsidiaries is conducted by exercising the management rights of Triglav as the parent company of Triglav Group under the law applicable to each individual company, taking into account the internal rules of the subsidiaries. Effective monitoring and supervision of the operations of the subsidiaries is ensured within the framework of corporate governance at the Triglav Group level. Such governance enables efficient and coordinated operations and the achievement of synergies, in particular through activities that promote cooperation in various areas and facilitate the exchange of information and knowledge within the Triglav Group.

The corporate governance system is structured so as to enable the parent company (i.e., the Issuer), which acts as the controlling entity at Triglav Group level, to conduct management activities within its direct subsidiaries. In turn, these subsidiaries are responsible for implementing the governance system and carrying out governance activities within their own subsidiaries.

At the Issuer as the parent company, the Triglav Group's governance system is implemented through the general meetings of shareholders, the supervisory and management bodies of individual subsidiaries, as well as through standardisation and unification of key rules and procedures in the areas of expertise of the subsidiaries by establishing uniform minimum standards for effective management, reporting and control at the level of Triglav Group. The Triglav Group Subsidiary Management Division, key functions, relevant departments and business segments of the Issuer are responsible and competent for ensuring the effective implementation of the Triglav Group governance system. Through mutual cooperation, they establish and maintain an efficient and transparent group governance system.

In addition to the management bodies, the governance system of the Issuer and each subsidiary includes key functions. Depending on the specifics of its activities, each subsidiary may have one or more key functions: the risk management function, the non-life and life insurance actuarial functions, the compliance function and the internal audit function. In the parent company and in each of its subsidiaries, the key functions carry out their tasks and responsibilities independently of each other.

Corporate governance also includes the coordination and preparation of strategy and the design of the risk management system at the Triglav Group level. In the context of the strategic guidelines, each subsidiary implementing the Triglav Group's strategic activities has a defined strategy, usually for a five-year period, on the basis of which long-term and strategic activities are carried out. The principle of monitoring the implementation of the strategy using balanced performance indicators, which is adopted within the framework of the strategy, enables the supervisory authorities to monitor the performance of the business on an ongoing basis and to take appropriate action in the event of deviations

from the plan. The Issuer, as the controlling company, actively manages its direct subsidiaries, while the subsidiaries are responsible for transferring the governance system and actively managing their subsidiaries. The methods of transferring the system and carrying out the activities are defined in the minimum standards for individual business segments, which were thoroughly revised in 2022. Their implementation of the operations and business practices in the Triglav Group companies was continued and monitored throughout 2023. In the subsidiaries, this was performed by the competent business segments of the Issuer, which linked the business functions of the subsidiaries with the business units of the Issuer and provided a comprehensive overview at the group level.

In 2023, activities of the Issuer focused on reviewing and upgrading the governance and internal control systems within the Group. The systems of delegation of responsibilities, the reporting lines, the allocation of functions within the Triglav Group, the remuneration policy, and the fit and proper requirements were revised. The review of the governance and internal control systems focused in particular on the risk management and internal control systems and, in this context, on the roles and responsibilities of key functions. A number of measures and possible upgrades to the governance system were identified, translated into implementation and were reasonably summarized in the revised Governance Policy of the Triglav Group's subsidiaries.

The Issuer has in place and is implementing a robust and reliable governance system for the Triglav Group that is both appropriate and in compliance with statutory requirements and comparable to other insurance groups.

The following is a list of the companies of Triglav Group, which along with the Issuer operate in the insurance business (as at 31 December 2023):

- Slovenia: POZAVAROVALNICA TRIGLAV RE d.d., Triglav, Zdravstvena zavarovalnica, d.d. and Triglav, pokojninska družba, d.d., Ljubljana,
- Croatia: Triglav Osiguranje d.d., Zagreb with 8 branch offices,
- Serbia: Triglav Osiguranje a.d.o., Beograd with 26 branch offices and representative offices,
- Montenegro: Lovćen osiguranje, a.d. Podgorica and Lovćen životna osiguranja a.d., Podgorica with 18 branch offices,
- Bosnia and Herzegovina: Triglav Osiguranje d.d., Sarajevo with 33 branch offices, Triglav Osiguranje a.d., Banja Luka with 6 branch offices, and
- North Macedonia: Triglav Osiguruvanje a.d., Skopje with 16 branch offices, Triglav Osiguruvanje Život a.d., Skopje.

Investment Portfolio

Triglav Group manages its investment portfolio conservatively in order to ensure an adequate investment yield, safety and liquidity, with the aim of achieving a high credit rating for the entire portfolio. In accordance with its sustainable development policy, the share of environmental, social and governance (ESG) aspects is being increased.

The following table shows information on the Triglav Group's investment portfolio as at 31 December 2023 and as at 31 December 2022:

	Investments		Share	
	As at 31 December		As at 31 December	
	2023	2022 (as restated)	2023	2022
	in EUR; (unaudited, unless marked with "*")			
Investment property	67,953,773*	68,325,487*	2.0%	2.1%
Investments in associates and joint ventures	37,708,062*	37,810,184*	1.1%	1.2%

	Investments		Share	
	As at 31 December		As at 31 December	
	2023	2022 (as restated)	2023	2022
in EUR; (unaudited, unless marked with "**")				
Shares and other variable-income securities	168,680,198	199,820,678	5.0%	6.1%
Debt and other fixed-income securities	1,860,044,900*	1,801,656,173*	54.7%	55.4%
Loans given	6,557,904*	5,784,491*	0.2%	0.2%
Bank deposits	65,794,876*	79,458,018*	1.9%	2.4%
Other financial instruments	872,414*	934,751*	0.0%	0.0%
Total (1)	2,207,612,127	2,193,789,782	65.0%	67.5%
Unit-linked life insurance assets (2)	540,890,478*	469,528,905*	15.9%	14.4%
Financial investments from financial contracts (without bank accounts) (3)	650,042,171	589,033,089	19.1%	18.1%
Total (1 + 2 + 3)	3,398,544,776	3,252,351,776	100.0%	100.0%

(Source: Annual report of the Issuer 2023)

The following table shows information on the Triglav Group's investment portfolio as at 31 March 2024 and as at 31 December 2023:

	Investments		Share	
	As at 31 March 2024	As at 31 December 2023	As at 31 March 2024	As at 31 December 2023
in EUR; (unaudited, unless marked with "**")				
Investment property	68,616,711	67,953,773*	2.0%	2.0%
Investments in associates and joint ventures	38,490,308	37,708,062*	1.1%	1.1%
Shares and other variable-income securities	182,037,958	168,680,198	5.2%	5.0%
Debt and other fixed-income securities	1,851,314,977	1,860,044,900*	52.8%	54.7%
Loans given	6,553,412	6,557,904*	0.2%	0.2%
Bank deposits	66,033,410	65,794,876*	1.9%	1.9%
Other financial instruments	872,310	872,414*	0.0%	0.0%
Total (1)	2,213,919,086	2,207,612,127	63.1%	65.0%
Unit-linked life insurance assets (2)	604,211,036	540,890,478*	17.2%	15.9%
Financial investments from financial contracts (without bank accounts) (3)	690,687,829	650,042,171	19.7%	19.1%
Total (1 + 2 + 3)	3,508,817,951	3,398,544,776	100.0%	100.0%

(Source: Annual report of the Issuer 2023 for 2023 data; internal information of the Issuer for 2024 data, unaudited)

The majority of unit-linked insurance assets is accounted for by assets invested in mutual funds of the policyholders' choice, mainly in funds managed by Triglav Skladi. As at 31 December 2023, these assets amounted to EUR 540.9 million.

Triglav Group's financial investments from financial contracts include individual and group supplemental voluntary pension insurance contracts of the Issuer and Triglav, pokojninska družba, d.d., and totalled EUR 650.0 million as at 31 December 2023.

The following tables provide additional information on structure of the debt portfolio of the Triglav Group (debt securities by rating and sector):

in EUR

Triglav Group		
As at 31 December (audited)		
	2023	2022
Government debt securities	1,199,254,862	1,135,125,961
AAA	406,759,440	412,917,252
AA	237,082,341	191,704,530
A	216,807,741	139,143,616
BBB	201,076,501	261,977,218
Below BBB	133,216,091	126,462,964
Not rated	4,312,748	2,920,381
Corporate debt securities	660,790,040	666,530,213
AAA	11,430,045	12,608,849
AA	70,457,675	69,974,852
A	269,934,941	262,244,076
BBB	265,202,398	265,377,264
Below BBB	18,922,792	28,172,596
Not rated	24,842,189	28,152,576
Total debt securities and other fixed-income securities	1,860,044,901	1,801,656,173

(Source: Annual report of the Issuer 2023)

Structure of the debt portfolio of the Triglav Group by sector:

in EUR

Triglav Group		
As at 31 December (unaudited)		
	2023	2022
Government bonds	1,199,254,862	1,135,125,961
Corporate bonds - Financial	375,717,287	384,701,986
Corporate bonds - Non-financial	284,037,275	280,857,627
Corporate bonds - Structured	1,035,478	970,601
Total debt securities and other fixed-income securities	1,860,044,901	1,801,656,173

(Source: Annual report of the Issuer 2023)

In 2023, the exposure to bonds issued by the Republic of Slovenia was 5.6% of the total bond portfolio and in 2022 it was 5.9%. In 2023, the amount of Slovenian bonds in the Issuer's portfolio was EUR 105 million.

The following table provides the information on the geographical concentration of investments in government debt securities:

in EUR

Triglav Group		
As at 31 December (unaudited)		
	2023	2022
Germany	252,626,510	225,051,224
Transnational organisations	139,831,347	178,181,659
Slovenia	104,591,751	106,569,327
Croatia	88,586,259	98,003,629
Italy	62,834,327	60,146,452
Other countries	550,784,668	467,173,669
Total Government Debt Securities	1,199,254,862	1,135,125,961

(Source: Annual report of the Issuer 2023)

The following table provides the information on the exposure and sectoral diversification of assets for which the Triglav Group assumes equity risk:

in EUR

Triglav Group		
As at 31 December (audited)		
	2023	2022
Equity investments	9,854,613	23,289,583
Communications	33,366	438,154
Cyclical sectors	2,207,134	1,966,016
Non-cyclical sectors	961,770	12,644,238
Finance	2,839,773	4,049,358
Industry	1,016,750	1,017,537
Technology	93,250	62,615
Public goods	2,641,391	3,102,229
Other	61,181	9,436
Public collective investment undertakings	46,177,391	85,607,611
Equity funds	3,767,867	40,801,101
Bond funds	39,142,674	41,606,930
Money market funds	3,150,687	2,833,327
Asset allocation funds	116,162	366,253
Private collective investment undertakings	112,648,193	90,923,485
Equity funds	24,595,393	24,341,114
Bond funds	28,830,644	11,284,728
Infrastructure funds	34,878,186	31,939,682

Triglav Group

As at 31 December (audited)

	2023	2022
Real estate funds	17,641,074	17,051,263
Other	6,702,896	6,306,697
Total assets exposed to equity risk	168,680,196	199,820,678

(Source: Annual report of the Issuer 2023)

Regulatory Capital

Solvency II Directive

The capital requirements, as well as the definition and calculation of eligible capital, are governed by the Solvency II rules that came into force on 1 January 2016 pursuant to Directive 2009/138/EC of the European Parliament and of the Council of the European Union of 25 November 2009 on the taking-up and pursuit of the business of insurance and reinsurance (as amended, including by Directive 2014/51/EU - the Omnibus II Directive) and a number of delegated acts, regulatory technical standards and guidelines (together the "**Solvency II Directive**"). The directive was implemented in Slovenia by the Slovenian Insurance Act (*Zakon o zavarovalništvu (ZZavar-1)*); Official Gazette of the Republic of Slovenia No. 93/15, as amended; the "**Insurance Act**").

Solvency II is divided into three pillars:

- "Pillar 1" sets out quantitative requirements, including the rules to value assets and liabilities (in particular, technical provisions), to calculate capital requirements and to identify eligible own fund to cover those requirements.
- "Pillar 2" sets out requirements for risk management, governance, as well as the details of the supervisory process with competent authorities; this is intended to ensure that the regulatory framework is combined with each undertaking's own risk-management system and informs business decisions.
- "Pillar 3" addresses transparency, reporting to supervisory authorities and disclosure to the public, thereby enhancing market discipline and increasing comparability, intending to lead to more competition.

Capital Requirements

Capital requirements under Solvency II Directive are forward-looking and economic (i.e., they are tailored to the specific risks borne by each issuer), and are defined along a two-step ladder:

1. The solvency capital ratio ("**SCR**"), which corresponds to the value-at-risk of the eligible basic own funds of an insurance or reinsurance undertaking subject to a confidence level of 99.5% over a one-year period. The SCR is a level of financial resources that enables insurance and reinsurance undertakings to absorb significant losses; it can be considered as the prudent amount of assets to be held in excess of liabilities and it is an early warning mechanism if breached.

The SCR is to be calculated at least once a year, monitored on a continuous basis, and recalculated as soon as the risk profile of the undertaking deviates significantly, and is calculated using either a standard formula or, with regulatory approval, an internal model (Triglav Group does not use an internal model). If the level of eligible own funds is not sufficient to cover the SCR, the supervisory authority may require the insurance or reinsurance undertaking to take appropriate measures to restore the level of capital (e.g., raising own funds through capital increase or reduction of risk profile through sale of riskier assets).

2. The minimum capital ratio ("**MCR**"), which corresponds to an amount of eligible basic own funds below which policy holders and beneficiaries would be exposed to an unacceptable level of risk if the insurance and reinsurance undertakings were allowed to continue their operations. The MCR is a lower, minimum level of eligible basic own funds below which the amount of insurance and reinsurance undertakings' financial resources should not fall, otherwise supervisory authorities may withdraw authorisation (if those undertakings are unable to re-establish the amount of eligible basic own funds at the level of the MCR within a short period of time).

The MCR is calculated as a linear function of specified variables (calibrated to the value-at-risk of the basic own funds of an insurance or reinsurance undertaking subject to a confidence level of 85% over a one-year period), it cannot fall below 25%, or exceed 45%, of an insurance and reinsurance undertaking's SCR and it is subject to an absolute floor (as provided for under Article 233 of the Insurance Act).

For the purposes of Solvency II Directive, own funds of insurance and reinsurance undertakings are divided into three Tiers (1-3), reflecting permanence and the ability to absorb losses. The list of own funds and the features determining their classification are contained in the Commission Delegated Regulation (EU) No. 2015/35, as amended, supplementing the Solvency II Directive.

Own Risk and Solvency Assessment

Insurance and reinsurance undertakings are required to regularly conduct an Own Risk and Solvency Assessment ("**ORSA**") through which they review their overall solvency needs, risk tolerance limits, business strategy, compliance with capital requirements and the significance with which the risk profile of the undertaking concerned deviates from the assumptions underlying the SCR. The ORSA is also a supervisory tool for the supervisory authorities, who must be informed about its results. The ORSA does not require an undertaking to develop or apply a full or partial internal model.

Slovenian insurance and reinsurance undertakings shall immediately inform the AZN as soon as they observe that the SCR is no longer complied with, or where there is a risk of non-compliance in the following three months.

Within two months from the observation of non-compliance with the SCR (or the risk of non-compliance in the following three months), the relevant insurance or reinsurance undertaking shall submit a recovery plan for approval by the AZN. The AZN shall require the relevant insurance or reinsurance undertaking to take the necessary measures to achieve, within six months from the observation of non-compliance with the SCR (or the risk of non-compliance), the re-establishment of the level of eligible own funds covering the SCR or the reduction of its risk profile to ensure compliance with the SCR. The AZN may, if appropriate, extend that period by three months.

Within one month from the observation of non-compliance with the MCR (or the risk of non-compliance in the following three months), the relevant insurance or reinsurance undertaking shall submit, for approval by the AZN, a short-term realistic finance scheme to restore, within three months of that observation, the eligible basic own funds, at least to the level of the MCR or to reduce its risk profile to ensure compliance with the MCR.

In addition to the above, the AZN has the power to take special control measures over the insurance or reinsurance undertaking.

Triglav Group's Position

Capital management is centralized at the Triglav Group level. The amount of available capital for meeting the regulatory solvency capital requirements at the level of individual subsidiaries and the Triglav Group level is regularly calculated in a reporting year.

	Triglav Group	
	As at 31 December (unaudited)	
	2023	2022
Available own funds (in million EUR)	943	933
SCR (in million EUR)	472	467

Triglav Group

As at 31 December (unaudited)

	2023	2022
Solvency ratio (in %)	200	200

(Source: Solvency and financial condition report of the Triglav Group for 2023)

In 2023, the level of available own funds at the Triglav Group level was within the set strategic objectives and exceeded the regulatory capital level required to cover the accepted risks.

The minimum consolidated capital requirement as at 31 December 2023 is EUR 197 million (EUR 181 million as at 31 December 2022). The amount of the Triglav Group's eligible own funds to meet the minimum consolidated capital requirement as at 31 December 2023 amounted to EUR 857 million (EUR 832 million as at 31 December 2022).

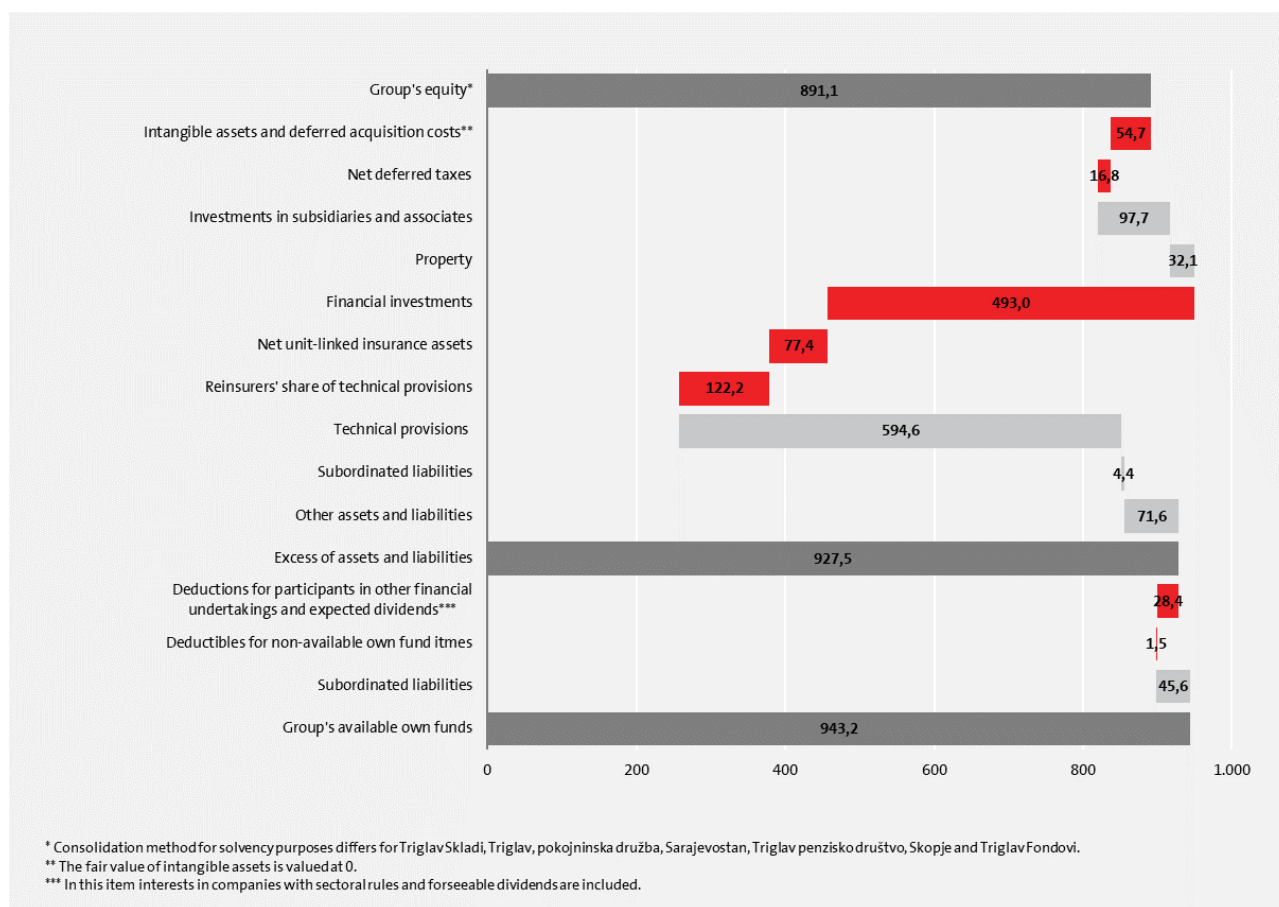
Composition of Own Funds

The solvency balance sheet prepared in accordance with Solvency II Directive is used to determine the excess of Triglav Group's assets over its liabilities, with both assets and liabilities largely being measured at fair value. This surplus is the key element of eligible own funds. Other components mainly comprise eligible subordinated liabilities, which need to be added to the calculation, and foreseeable dividends, distributions and own shares, which need to be deducted. Own funds items leading to restrictions in eligibility, such as surplus funds, must also be deducted.

As at 31 December 2023, the Triglav Group only had basic own funds. These amounted to EUR 943 million (EUR 933 million as at 31 December 2022) and were composed of the share capital of EUR 73.7 million (EUR 73.7 million as at 31 December 2022), subordinated liabilities of EUR 45.6 million (EUR 43.4 million as at 31 December 2022), and the reconciliation reserve of EUR 825 million (EUR 817 million as at 31 December 2022). The reconciliation reserve consists of the excess of assets over liabilities in the amount of EUR 927.5 million (EUR 939.4 million as at 31 December 2022) less the value of the share capital (EUR 73.7 million) and other unavailable funds of EUR 28.3 million (EUR 48.8 million as at 31 December 2022). Other unavailable funds represent deductible items: expected dividends for the financial year 2023 (assumption used in the solvency ratio calculation was a dividend payout in the amount of EUR 8.1 million; the actual distribution was EUR 39.8 million) and the difference between the market values of Triglav Skladi and Triglav, pokojninska družba, d.d. and the sectoral value of available eligible own funds to meet the sectoral capital requirement of the company and minority stakes of Triglav Group members.

The Triglav Group did not have any ancillary own funds as at 31 December 2023.

The following charts provides for a reconciliation of eligible own funds as at 31 December 2023:



(Source: Solvency and financial condition report of the Triglav Group for 2023)

Composition of Solvency Capital Requirement

The following table shows the solvency capital requirement for Triglav Group and its risk categories as at 31 December 2023 and 2022:

In EUR thousands

Triglav Group

As at 31 December (unaudited)

Group's capital requirement	2023	2022
Underwriting risks	363,837	347,043
Market risk	165,342	188,737
Credit risk	48,327	47,110
Diversification	-191,940	-203,582
Basic solvency capital requirement	385,565	379,308
Operational risk	51,904	47,227
Loss-absorbing capacity of technical provisions	0	-276
Loss-absorbing capacity of deferred taxes	-10,588	-9,744
Adjustment for ring-fenced fund risk diversification	9,500	8,433
Consolidated SCR	436,382	424,949

In EUR thousands

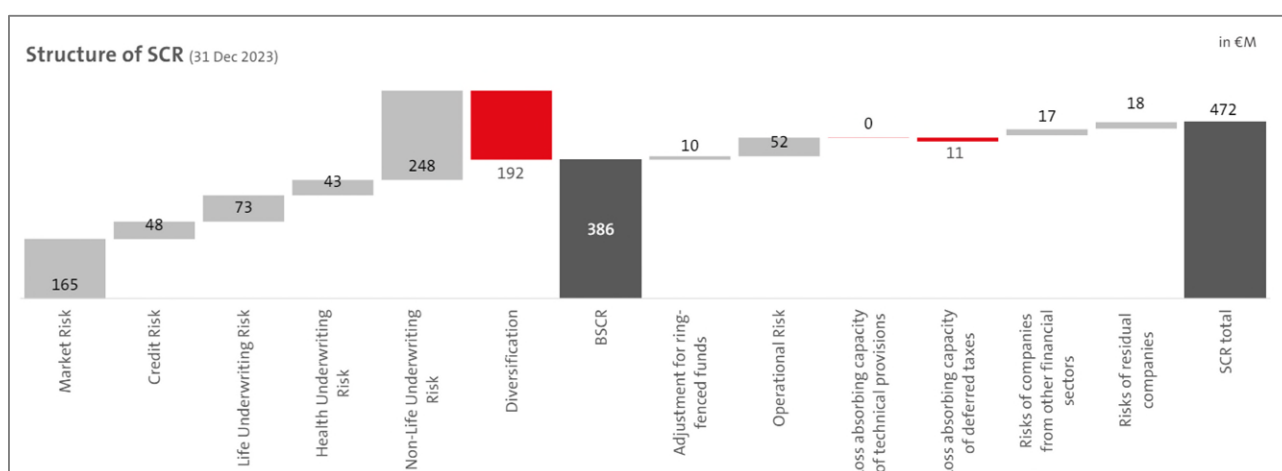
Triglav Group

As at 31 December (unaudited)

Group's capital requirement	2023	2022
Capital requirement for Triglav Skladi	2,865	11,844
Capital requirement for Triglav, pokojninska družba, d.d.	13,940	13,230
Capital requirement for other companies (non-ancillary activity, associates)	18,317	16,445
SCR	471,504	466,468

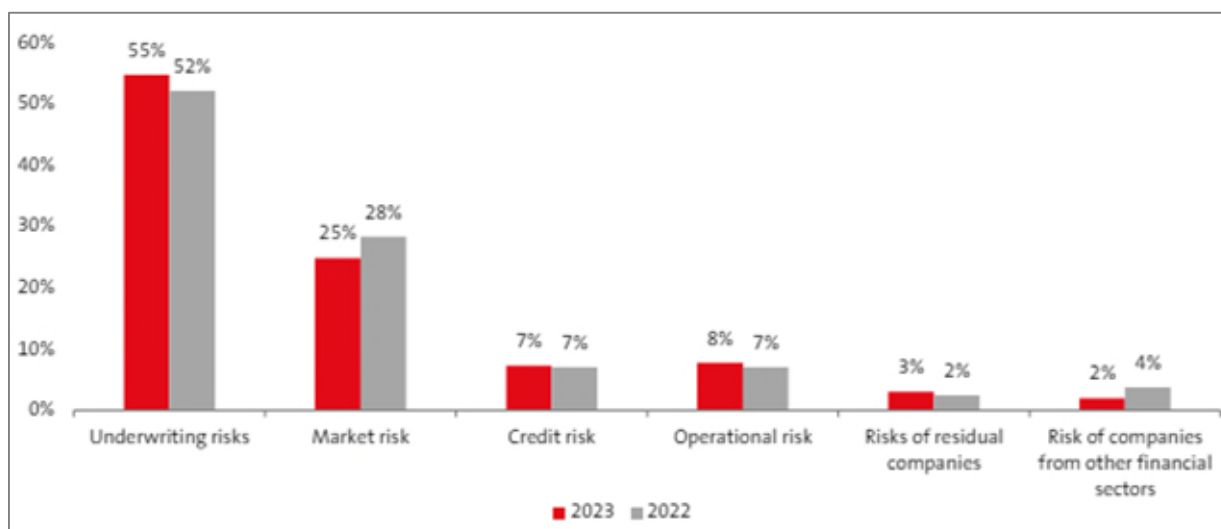
(Source: Solvency and financial condition report of the Triglav Group for 2023)

The following chart sets out the detailed composition of solvency capital requirement of the Triglav Group as at 31 December 2023:



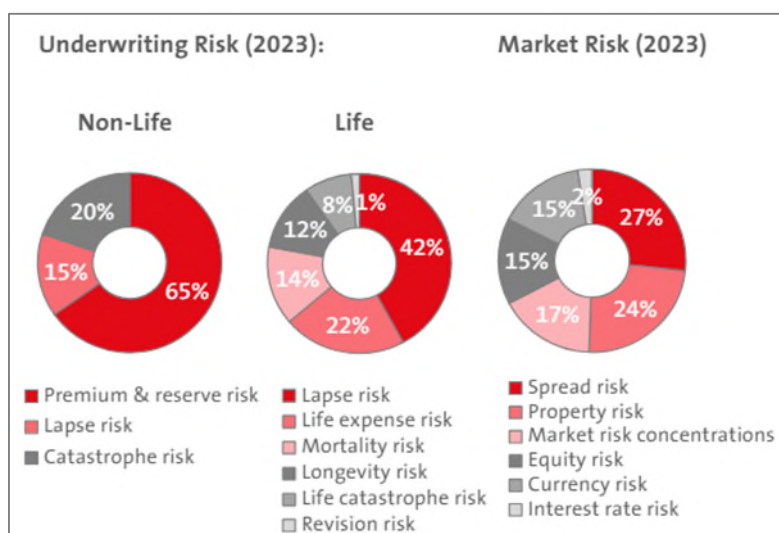
(Source: Solvency and financial condition report of the Triglav Group for 2023)

The following chart shows Triglav Group's risk profile as at 31 December 2023 and 31 December 2022:



(Source: Solvency and financial condition report of the Triglav Group for 2023)

The following chart shows a further breakdown of underwriting risk and market risk as at 31 December 2023:



(Source: Internal information of the Issuer-unaudited)

Quality of Eligible Own Funds to meet Solvency Capital Requirement

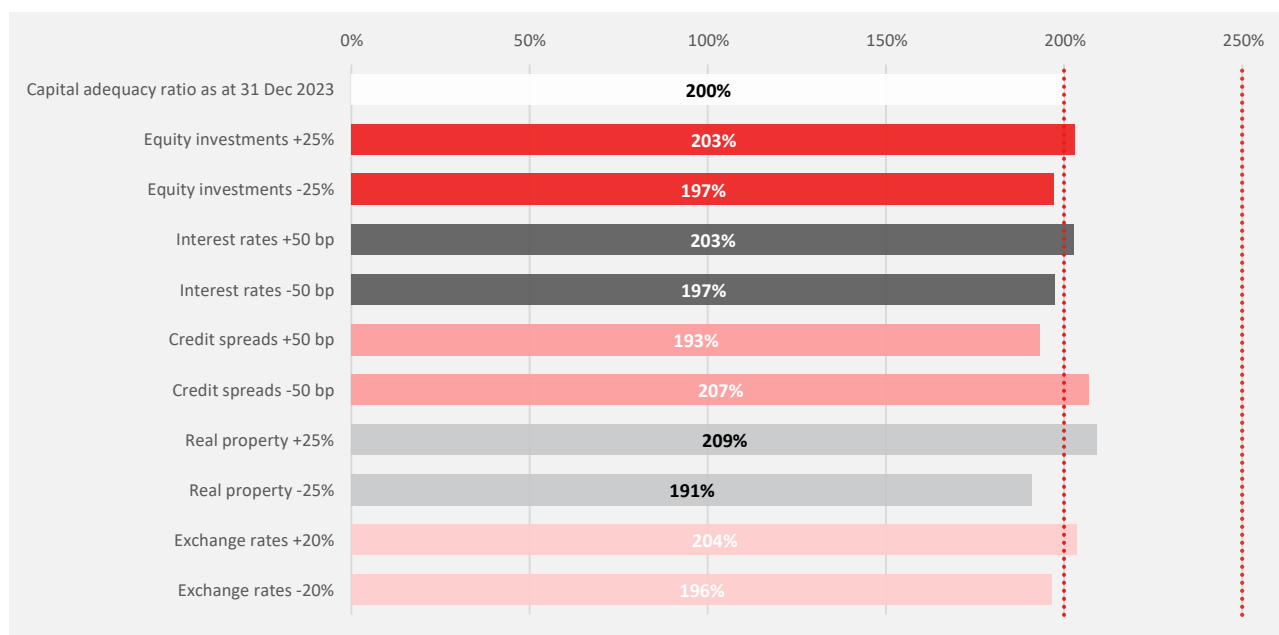
The following table shows the quality of Triglav Group's eligible own funds to meet the solvency capital requirements:

	As at 31 December (unaudited)	
	2023	2022
<i>(in EUR millions)</i>		
Total:	943	933
Tier 1 (without restrictions)	898	890
Tier 2	45	43
Tier 3	0	0

(Source: Solvency and financial condition report of the Triglav Group for 2023)

Sensitivity of Solvency Ratio

The following chart below shows the sensitivity of the solvency ratio of the Triglav Group as at 31 December 2023:



(Source: Annual report of the Issuer 2023)

Material Contracts

The Issuer has not entered into any material contracts, other than in the ordinary course of business, which could result in the Issuer having an obligation or entitlement that is material to the Issuer's ability to meet its obligations.

Governmental, Legal and Arbitration Proceedings

The companies of the Triglav Group are involved in judicial and extra-judicial proceedings in Slovenia and abroad, both as plaintiffs or petitioners and as defendants or respondents. There is an element of uncertainty as to the outcome of these proceedings.

Disputes relating to insurance contracts written by the companies of the Triglav Group in the ordinary course of business have not been included in this Prospectus as they are not deemed to be of material interest in the context of the issue of the Bonds.

Subject to the preceding paragraph, the Issuer is not as at the date of this Prospectus involved in, nor has not been involved in the last 12 months from the date of this Prospectus, in any governmental, legal or arbitration proceedings which, in the Issuer's opinion, are reasonably likely to materially affect the financial position or profitability of the Issuer or the Triglav Group. As at the date of this Prospectus, the Issuer is not aware of any threatened material governmental, legal or arbitration proceedings which, in the Issuer's opinion, are reasonably likely to have a material effect on the financial position or profitability of the Issuer or the Triglav Group.

As at the date of the Prospectus, neither the Triglav Group nor the Issuer was a party to any legal dispute that could give rise to any material actual or contingent liability.

Notification of the appointment of the new members of the Supervisory Board, employees' representatives, of the Issuer

At its session on 10 July 2023, the works council of the Issuer, held elections and appointed Aleš Košiček, Janja Strmljan Čevnja and Vinko Letnar to Supervisory Board as employee representatives for a term of office of four years from 11 July 2023.

Subsequently, in accordance with the legislation and the existing internal document, the Supervisory Board carried out a fit and proper assessment of the appointed representatives and assessed that only Aleš Košiček and Janja Strmljan Čevnja were fit and proper to serve as members of the Supervisory Board. Vinko Letnar was assessed as not fulfilling the mandatory legal requirements to be a member of the Supervisory Board. On 10 January 2024, the AZN issued a decision *ex officio*, prohibiting Vinko Letnar from performing the function of a member of the Supervisory Board, due to his failure to meet the statutory conditions, i.e., he does not meet the conditions both in terms of fitness and propriety. AZN thus endorsed the position and conduct of the Supervisory Board. The decision of AZN is final and enforceable.

Statements on the independence of the members of the Supervisory Board - employee representatives Aleš Košiček and Janja Strmljan Čevnja are published on www.triglav.eu.

Description of the Governing Bodies of the Issuer

Management Board

The Management Board as at the date of this Prospectus consists of five members. As at the date of this Prospectus, the members and their areas of work are as follows:

First and last name	Function	Area of work in the Management Board (as at 31 December 2023)	Membership in the supervisory and/or management bodies of other companies
Andrej Slapar	President	<p>Manages and directs the work of the Management Board and head office support departments (Internal Audit Department, Corporate Communication Department and Compliance Office).</p> <p>In charge of</p> <ul style="list-style-type: none">the Corporate Accounts Division,the Non-Life Insurance Division,the Triglav Group Subsidiary Management Division (excluding the subsidiaries outside Slovenia) andthe Corporate and Legal Affairs Division. <p>Also responsible for</p> <ul style="list-style-type: none">human resources (HR) matters related to the employees with special powers,arbitration,the Nuclear Pool, as well asfor the drawing up and implementation of the strategy of the Issuer and the Triglav Group.	

First and last name	Function	Area of work in the Management Board (as at 31 December 2023)	Membership in the supervisory and/or management bodies of other companies
Uroš Ivanc	Member	<p>In charge of</p> <ul style="list-style-type: none"> the Non-Life Insurance Actuarial Department, the Life Insurance Actuarial Department, the Accounting Division, the Finance and Controlling Division, excluding the Investment Department, the Triglav Group Subsidiary Management Division (the subsidiaries outside Slovenia and two head office support departments), the Investment Department and the Outward Reinsurance Department. <p>Also responsible for</p> <ul style="list-style-type: none"> mergers and acquisitions (M&A), investor relations (IR), relations with credit rating agencies, as well as for environmental, social and corporate sustainable development (ESG) activities. 	<ul style="list-style-type: none"> TRIGAL, d.o.o., Triglav, Zdravstvena zavarovalnica, d.d., Triglav INT, d.o.o. and Triglav Osiguranje, Zagreb d.d.
Tadej Čoroli	Member	<p>In charge of</p> <ul style="list-style-type: none"> the Marketing Department (a head office support department), the Non-Life Insurance Claims Division, the Insurance Sales Division and the Digital Operations and Client Experience Division. 	<ul style="list-style-type: none"> POZAVAROVALNICA TRIGLAV RE d.d.
Marica Makoter	Member and Worker Director	<p>Represents the workers' interests as set out in the Worker Participation in Management Act.</p> <p>In charge of</p> <ul style="list-style-type: none"> the Fraud Prevention, the Detection and Investigation Department and the Change and Project Portfolio Management Department. <p>Also responsible for</p> <ul style="list-style-type: none"> human resource management (excluding human resources (HR) matters related to the employees with special powers) and for the Strategic Sourcing Department (a head office support department). 	<ul style="list-style-type: none"> TRIGLAV SKLADI, d.o.o. and Triglav, Upravljanje nepremičnin, d.o.o. (from 8 March 2023)

First and last name	Function	Area of work in the Management Board (as at 31 December 2023)	Membership in the supervisory and/or management bodies of other companies
Blaž Jakič	Member	In charge of <ul style="list-style-type: none"> the Life Insurance Division, the IT Division, the Back Office Division, the Digital Platform and Business Intelligence Division and two head office support departments – the Risk Management Department and the Bancassurance Section. Also responsible for money laundering prevention.	<ul style="list-style-type: none"> Triglav, pokojninska družba, d.d. (from 18 February 2023), TRIGLAV SKLADI, d.o.o. (from 21 March 2023) and Diagnostični center Bled d.o.o.

(Source: Internal information of the Issuer)

The Management Board is appointed by the Supervisory Board. The term of office of an individual member of the Management Board is up to five years, with the possibility of reappointment. In the case of the Issuer, the employee representative is a member of the Management Board.

The Issuer has not been notified and has not otherwise been informed by any of the members of the Management Board listed above of any potential conflicts of interest between the obligations of such persons towards the Issuer and their own interests or other obligations. The business address of the members of the Management Board is Miklošičeva cesta 19, 1000 Ljubljana, Slovenia.

Supervisory Board

The Supervisory Board is composed of six shareholder representatives and three employee representatives. As at the date of this Prospectus, it is composed as follows:

First and last name	Function	Membership in the supervisory and/or management bodies of other companies while serving on the Supervisory Board
Andrej Andoljšek	Chairman	SAVA, d.d.
Barbara Nose	Member	POŠTA SLOVENIJE d.o.o., LUKA KOPER, d.d.
Tomaž Benčina	Member	LUKA KOPER, d.d.
Jure Valjavec	Member	/
Tim Umberger	Member	GORENJSKA BANKA D.D., KRANJ
Monica Madeleine Crámer Manhem	Member	CCR Re, France; Sompo Int'l Lux
Aleš Košiček	Member	/
Janja Strmljan Čevnja	Member	/

(Source: Internal information of the Issuer)

The Issuer has not been notified and has otherwise not been informed by any of the above listed members of the Supervisory Board of any potential conflicts of interest between their obligations of the persons towards the Issuer and their own interests or other obligations. The business address of the members of the Supervisory Board is Miklošičeva cesta 19, 1000 Ljubljana, Slovenia.

Board Practices

Audit Committee

The duties and competences of the Audit Committee are set out in the Slovenian Companies Act (*Zakon o gospodarskih družbah (ZGD-1)*); Official Gazette of the Republic of Slovenia No. 65/09, as amended, the "**Companies Act**"), the rules of procedure of the Supervisory Board and the Supervisory Board resolutions. The most important tasks include:

- monitoring the accounting reporting process, creating reports and drafting proposals for ensuring its comprehensiveness;
- monitoring the efficiency and effectiveness of internal controls, internal audit and risk management systems;
- monitoring the mandatory audit of annual and consolidated accounting statements and reporting on the audit findings to the Supervisory Board;
- being in charge of the auditor selection procedure and proposing a candidate to the Supervisory Board to audit the Issuer's annual report and participating in the drafting of an agreement between the auditor and the Issuer;
- monitoring the quality of the auditor's audit in accordance with the Guidelines for audit committees for monitoring the quality of external auditing adopted by the Agency for Public Oversight of Auditing and the Slovenian Directors' Association;
- supervising the integrity of financial information provided by the Issuer; evaluating the drafting of the annual report, including a draft proposal for the Supervisory Board;
- cooperation with the internal audit department, monitoring their interim reports, examination of the internal documents of the internal audit department, the rules of operation of the internal audit department and the annual plan of the internal audit department; and
- examination of decisions on the appointment, dismissal and remuneration of the head of the internal audit department.

The Audit Committee consists of the following members: Tim Umberger, Aleš Košiček and Luka Kumer who acts as an external independent expert.

Other Committees

In 2023, the Supervisory Board had three other committees: the Appointment and Remuneration Committee, the Strategy Committee and the Nomination Committee (an ad hoc committee established to carry out a nomination procedure for shareholder representatives).

Corporate Governance Code

In its operations, the Issuer complies with the Slovenian Corporate Governance Code (*Slovenski kodeks upravljanja javnih delniških družb*; the "**Code**"), which was adopted on 9 December 2021. The Code is available on the LJSE's website in Slovenian and English. The Issuer's statement of compliance with the Code for the period from 1 January 2023 to the day of its publication in 2024 is available on SEOnet and on the Issuer's official website.

The Issuer, for sound reasons, deviated from or did not comply with the following provisions of the Code:

- **Points 4.1 to 4.3**, which refer to the Diversity Policy:

The Issuer and its management and supervisory bodies are subject to the Insurance Act and the Companies Act, which require that the members of the management and supervisory bodies and the bodies as a whole meet the fit and proper criteria for insurance companies. When the Issuer's Management Board and Supervisory Board members are appointed, efforts are made to achieve as much diversity as possible. The Issuer's Diversity Policy sets out that if several candidates meet the fit and proper criterion, the candidate who will contribute more to

greater diversity of the Management Board will have priority. The diversity of expertise and experiences is set out in greater detail in the fit and proper policy for the Management and Supervisory Board Members of the Issuer. (the "**Fit and Proper Policy**"). The Diversity Policy requires that both genders are represented in the management and supervisory bodies. The ratio between the two genders, appropriate to the size of the company and its objectives and procedures, is not predetermined, as it is first necessary to ensure the fitness and propriety of the bodies as a whole, in accordance with the strict requirements of the law. These require that both individual members and bodies as a whole meet specific fit and proper criteria for insurance undertakings. The Diversity Policy does not set goals for each aspect of diversity and for each body separately, but it does determine the method to ensure diversity as described above and therefore has a direct impact on personnel procedures and other processes within the Issuer.

- **Point 5.6**, which refers to an external assessment of the appropriateness of the Code by an independent institution:

The Corporate Governance Statement, which forms part of the annual report, is reviewed annually by an independent external auditor. The Issuer is a regulated company, whose operations are supervised by AZN. One of the key functions at the Company is internal audit, which not only performs continuous and comprehensive supervision of the Issuer's operations but also verifies and assesses whether the processes of risk management, control procedures and management of the Issuer are appropriate.

- **Point 16.4**, which stipulates that at least once in every three years the supervisory board should ensure an external assessment in which it cooperates with an independent institution or external experts:

Each year, the Supervisory Board, with the assistance of competent departments, carries out a self-assessment of its own work and the work of its committees and draws up a report, which it considers carefully and adopts an action plan of measures to improve its performance. At its discretion, the Supervisory Board also performs external assessment by cooperating with relevant external experts. The last such assessment was performed in February 2023.

- **Point 21.6**, which refers to the prior approval of the Supervisory Board before the appointment of the members of the Management Board to the management or supervisory bodies in other companies:

Pursuant to the resolution of the Supervisory Board, the Management Board members do not require the prior approval of the Supervisory Board for their appointment to the management or supervisory bodies of the Issuer's direct and indirect subsidiaries and associates. However, the Management Board members shall immediately inform the Supervisory Board in writing of their appointment in accordance with point 1 of paragraph two of Article 62 of the Insurance Act.

- **Point 25**, which stipulates that all supervisory board and committee members are independent:

Two members of the Supervisory Board, both employee representatives, whose term of office ended on 1 June 2023, are not considered to be independent in accordance with point g) of Appendix B of the Code, as they have served on the Supervisory Board for more than three terms. After 1 June 2023, all members of the Supervisory Board were independent.

In its operations, the Issuer abides by the principles of the Insurance Code, available on the website of the Slovenian Insurance Association (www.zav-zdruzenje.si).

The Issuer also has its own code, which defines its fundamental values and business principles in order to achieve its business objectives, strategic guidelines and competitive advantages in a fair and transparent manner and in compliance with the law and ethics. It is published on the Issuer's official website.

Financial Year and Annual General Meeting

The financial year of the Issuer is the calendar year.

In accordance with the Issuer Articles of Association, the annual General Meeting is held within the first eight months following the end of each financial year.

Independent Auditors

The consolidated annual financial statements of the Issuer as at 31 December 2023 and 31 December 2022 were audited by DELOITTE REVIZIJA d.o.o., Dunajska cesta 165, 1000 Ljubljana, Slovenia ("**Deloitte**") and Deloitte has issued in each case an unqualified auditor's opinion. Deloitte is a registered audit company at the Slovenian Agency for Public Oversight of Auditing (*Agencija za javni nadzor nad revidiranjem*).

Historical Financial Information

The audited consolidated annual financial statements of the Issuer as at 31 December 2022 and 31 December 2023 are incorporated by reference in this Prospectus.

Significant Change

There has been no significant change in the financial position of the Issuer or the Triglav Group since 31 March 2024.

There has been no significant change in the financial performance of the Issuer or the Triglav Group since 31 March 2024.

Trend Information

There has been no material adverse change in the prospects of the Issuer since 31 December 2023.

Recent Events

Since 31 March 2024, there have been the following recent event with regard to the Issuer:

The merger process of Triglav, Zdravstvena zavarovalnica, d.d., with the Issuer, the Triglav Group's parent company, is underway. The merger will simplify and optimise the Group's operations in the health segment within the Slovenian market following the termination of supplemental health insurance.

The Issuer, as a member of the Triglav Group, has submitted a claim for reimbursement to the Ministry of Health of the Republic of Slovenia (*Ministrstvo za zdravje Republike Slovenije*, the "**Ministry of Health**") under the Decree on the maximum price of supplementary health insurance premiums (*Uredba o določitvi najvišje cene premije dopolnilnega zdravstvenega zavarovanja*, the "**Decree Maximum Price**"). According to the Decree Maximum Price, the claim must relate to the reimbursement of the difference between the costs paid by the company to healthcare service providers (taking into account the compensation schemes) and the insurance income from supplementary health insurance during the reference period from June 2023 to December 2023. The Ministry of Health offered to pay the Triglav Group compensation in the amount of EUR 10,996,354.91. The Triglav Group considers the agreement to be in the best interest of its stakeholders and has therefore accepted the offer made in accordance with the Decree Maximum Price.

Issuer Credit Ratings

The credit ratings of the Triglav Group – involving the Issuer and POZAVAROVANICA TRIGLAV RE d.d. – were assigned by the independent credit rating agencies¹: S&P Global Ratings Europe Ltd., A.M. ("**S&P Global Ratings**")²

¹ The European Securities and Markets Authority publishes on its website (www.esma.europa.eu) a list of credit rating agencies registered in accordance with Regulation (EC) No. 1060/2009 of the European Parliament and of the Council of 16 September 2009 on credit rating agencies, as amended (the "**CRA Regulation**"). That list is updated within five working days following the adoption of a decision under Article 16, 17 or 20 CRA Regulation. The European Commission shall publish that updated list in the Official Journal of the European Union within 30 days following such update

² Standard & Poor's is established in the European Union and is registered under the CRA Regulation.

and A.M. Best (EU) Rating Services B.V.³ ("**AM Best**", prior to 31 December 2020 AM Best Europe-Rating Services Ltd⁴). In 2023, the Triglav Group was assigned an "A" stand-alone credit rating with a stable medium-term outlook by both agencies.⁵ All individual elements of the overall credit rating were rated as high as in the previous year before and substantiated in a similar way.

The following standalone credit profile of Triglav Group is taken from the Standard & Poor's GR Rating Report dated 11 September 2023:

- Business risk profile – strong.
- Financial risk profile – very strong.
- Capital adequacy – at least very strong.
- Group has sound reinsurance protection.

The following table shows the Triglav Group's credit ratings since 2008:

Year	Credit rating	Medium-term outlook	Rating agency
2023	A	Stable	AM Best
			S&P Global Ratings
2022	A	Stable	AM Best
			S&P Global Ratings
2021	A	Stable	AM Best
			S&P Global Ratings
2020	A	Stable	AM Best
			S&P Global Ratings
2019	A	Stable	AM Best
			S&P Global Ratings
2018	A	Stable	AM Best
			S&P Global Ratings
2017	A	Stable	AM Best
			S&P Global Ratings
2016	A	Stable	AM Best
			S&P Global Ratings
2015		Positive	AM Best

³ AM Best is established in the European Union and is registered under the CRA Regulation.

⁴ AM Best Europe-Rating Services Ltd is established in the United Kingdom and is registered to provide credit rating services within the United Kingdom under the Credit Rating Agencies (Amendment etc.) (EU Exit) Regulations 2019. Prior to 31 December 2020, AM Best was registered with the European Securities and Markets Authority to provide credit rating services under the CRA Regulation.

⁵ S&P Global Ratings defines "A" as follows: "Strong capacity to meet financial commitments, but somewhat susceptible to economic conditions and changes in circumstances". The ratings from 'AA' to 'CCC' may be modified by the addition of a plus (+) or minus (-) sign to show relative standing within the major rating categories.

AM Best defines "A" as follows: "Assigned to insurance companies that have, in our opinion, an excellent ability to meet their ongoing insurance obligations". Each rating category from 'A+' to 'C' includes a rating notch to reflect a gradation of financial strength within the category. A rating notch is expressed with either a second plus '+' or a minus '-'.

Year	Credit rating	Medium-term outlook	Rating agency
	A ⁻⁶		S&P Global Ratings
2014	A-	Positive	AM Best
	A-	Stable	S&P Global Ratings
2013	A-	Stable	S&P Global Ratings
	A-	Stable	AM Best
	BBB ⁺⁷	Positive	S&P Global Ratings
2012	A-	Negative	S&P Global Ratings
2011	A	Negative	S&P Global Ratings
2010	A	Stable	S&P Global Ratings
2009	A	Stable	S&P Global Ratings
2008	A	Stable	S&P Global Ratings

(Source: Internal information of the Issuer)

A credit rating or credit report assesses the creditworthiness of an entity and therefore informs an investor of the probability that the entity will be able to repay the capital invested. However, the ratings may not reflect all risks. The ratings may not reflect the potential impact of all risks relating to structure, market, additional factors discussed in this section and other factors that may affect the value of the securities or the standing of the Triglav Group / Issuer. A credit rating is not a recommendation to buy, sell or hold securities and may be revised or withdrawn by the rating agency at any time.

⁶ AM Best defines "A-" as follows: "Assigned to insurance companies that have, in our opinion, an excellent ability to meet their ongoing insurance obligations". Each rating category from 'A+' to 'C' includes a rating notch to reflect a gradation of financial strength within the category. A rating notch is expressed with either a second plus '+' or a minus '-'.

⁷ S&P Global Ratings defines "BBB" as follows: "Adequate capacity to meet financial commitments, but more subject to adverse economic conditions". The ratings from 'AA' to 'CCC' may be modified by the addition of a plus (+) or minus (-) sign to show relative standing within the major rating categories.

TAXATION

The tax legislation applicable to prospective investors in the Bonds and the Issuer's country of incorporation may have an impact on the income received from the Bonds.

Prospective holders of Bonds (the "Holders" and each a "Holder") should consult their own tax advisers as to the particular tax consequences of subscribing, purchasing, holding and disposing the Bonds, including the application and effect of any federal, state or local taxes, under the tax laws of each country of which they are residents or citizens or subject to tax for other reasons.

The following is a general overview of certain tax considerations relating to the purchasing, holding, and disposing of Bonds. It does not purport to be a complete analysis of all tax considerations relating to the Bonds. In particular, this discussion does not consider any specific facts or circumstances that may apply to a particular Holder. The discussions that follow for each jurisdiction are based upon the applicable laws in force and their interpretation on the date of this Prospectus. These tax laws and interpretations are subject to change that may occur after such date, even with retroactive effect.

The information contained in this section is limited to taxation issues and prospective investors should not apply any information set out below to other areas, including (but not limited to) the legality of transactions involving the Bonds.

Republic of Slovenia

Taxation of interest income

Withholding tax

Taxation of interest income derived from the Bonds will differ depending on whether, at the time when the Issuer will make payments of interest under the Bonds, the Bonds will be admitted to trading on a regulated market or traded on a multilateral trading facility ("**MTF**") within an EU member state or OECD (the Bonds, while so admitted to trading on a regulated market or traded on an MTF, hereinafter referred as "**Listed Securities**").

If, and for as long as the Bonds qualify as Listed Securities, the Issuer will be entitled to make all payments of interest under the Bonds free and clear of any withholding or deduction for or on account of taxes pursuant to applicable Slovenian law.

If, however, at the time when the Issuer will make a payment of interest under the Bonds, the Bonds do not qualify as Listed Securities, then such payment will be subject to withholding tax payable by the Issuer at the maximum rate applicable under Slovenian taxation law (currently being 25 per cent.), whereupon:

- (a) in the event that the beneficial owner of such interest is:
 - i) a natural person resident for taxation purposes in the Republic of Slovenia; or
 - ii) a natural person resident for taxation purposes outside the Republic of Slovenia who does not benefit from a reduced tax rate under applicable law or double taxation treaty;
- (b) in any other case, the beneficial owner of such interest will be entitled to claim from the Slovenian tax administration a refund of the amount by which the amount actually withheld exceeds the amount calculated at the rate applicable to such beneficial owner, whereas the rate applicable to such beneficial owner being:
 - i) 0 per cent. in the case where the beneficial owner of such interest is a legal person, other than a legal person resident for taxation purposes in (a) a non-EU jurisdiction where the general or average nominal income tax rate is lower than 12.5 per cent. and which is included in the list of "tax havens" published from time to time by the Ministry of Finance of the Republic of Slovenia, or (b) a jurisdiction included on the EU list of non-cooperative jurisdictions for tax purposes, published in the official journal of the EU;

- ii) the reduced rate applicable under the applicable law or double taxation treaty, where the beneficial owner of such interest is a natural person entitled to benefit from such reduced tax rate; or
- iii) 15 per cent. where the beneficial owner of such interest is a legal person resident for taxation purposes in (a) a non-EU jurisdiction where the general or average nominal income tax rate is lower than 12.5 per cent. and which is included in the list of "tax havens" published from time to time by the Ministry of Finance of the Republic of Slovenia or (b) a jurisdiction included on the EU list of non-cooperative jurisdictions for tax purposes, published in the official journal of the EU.

Other methods of taxation

Interest on the Bonds received by (a) a legal person resident for taxation purposes in the Republic of Slovenia or (b) a permanent establishment (*poslovna enota*) in the Republic of Slovenia of a legal person not resident for taxation purposes in the Republic of Slovenia will be subject to Slovenian tax as a part of the net annual income of such legal person or permanent establishment, being Slovenian Corporate Income Tax (*davek od dohodkov pravnih oseb*) which is levied at the rate of 19 per cent. (except for the years 2024 to 2028 for which the applicable rate is 22 per cent.).

Any natural person who is liable for Slovenian Personal Income Tax on interest under the Bonds and receives an amount of interest under the Bonds free of any deduction for account of this tax shall (i) declare each amount so received and (ii) pay the amount of tax in accordance with the relevant decision of the tax authorities.

Taxation of capital gains

Legal Persons

Capital gains earned on the sale or disposition of the Bonds by a legal person resident for taxation purposes in the Republic of Slovenia or a permanent establishment (*poslovna enota*) in the Republic of Slovenia of a legal person not resident for taxation purposes in the Republic of Slovenia will be subject to Slovenian Corporate Income Tax as a part of its overall income tax (levied at the rate of 19 per cent. except for the years 2024 to 2028 for which the applicable rate is 22 per cent.).

Capital gains earned by legal persons not resident for taxation purposes in the Republic of Slovenia and having no permanent establishment (*poslovna enota*) in the Republic of Slovenia are not subject to Slovenian taxation.

Natural Persons

Under the Slovenian Personal Income Tax Act (*Zakon o dohodnini - ZDoh-2*), capital gains from the sale or other disposition of debt securities held as non-business assets are in general exempt from taxation, while capital gains earned as business income (*dohodek iz dejavnosti*) of an individual resident for taxation purposes in the Republic of Slovenia may be subject to Slovenian Personal Income Tax as a part of such individual's overall annual business income at the rate applicable in accordance with the progressive tax scale which may reach up to 50 per cent.

Capital gains earned on the sale or disposition of the Bonds by a natural person resident for taxation purposes in the Republic of Slovenia may, in circumstances described in the Act on the Taxation of Profits from the Disposal of Derivatives (*Zakon o davku od dobička od odsvojitve izvedenih finančnih instrumentov – ZDDOIFI*), be subject to tax levied at the rate of up to 40 per cent.

Value Added Tax

Pursuant to Value Added Tax Act (*Zakon o davku na dodano vrednost – ZDDV-1*), transactions with securities are VAT-exempt in the Republic of Slovenia. According to the law, interest on debt securities is not subject to VAT, thus VAT is neither charged nor payable,

Inheritance and gift taxations

Natural persons and private law entities, within the meaning of the Slovenian Inheritance and Gift Tax Act (*Zakon o davku na dediščine in darila – ZDDD*) may be subject to Slovenian inheritance and gift tax in case of the transfer of the Bonds

mortis causa or inter vivos. The value of all transfers by the same person in one year is considered when ascertaining the taxable amount for such purposes.

Inheritance tax and gift tax is assessed by reference to the market value of property subject to taxation at the time of the occurrence of tax liability, decreased by debts, costs and charges relating to this property. In the case of movable property (such as the Bonds), the tax base for inheritances and gifts is decreased by EUR 5,000.

Tax on inheritance and gifts is not paid by the heir or recipient of a gift of a first hereditary order (children and spouse).

Tax rates are progressive and differ depending on the hereditary order. Tax rates for inheritance and gift tax range:

- from 5 per cent. up to 14 per cent. for the second hereditary order (parents, siblings and their descendants);
- from 8 per cent. up to 17 per cent. for the third hereditary order (grandparents); and
- from 12 per cent. up to 39 per cent. for all subsequent hereditary orders (others).

SUBSCRIPTION AND SALE OF THE BONDS

General

Pursuant to a subscription agreement dated 12 July 2024 (the "**Subscription Agreement**") among the Issuer and the Sole Lead Manager, the Issuer has agreed to sell to the Sole Lead Manager, and the Sole Lead Manager has agreed, subject to certain customary closing conditions, to purchase, the Bonds on 16 July 2024. The Issuer has furthermore agreed to pay certain fees to the Sole Lead Manager and to reimburse the Sole Lead Manager for certain expenses incurred in connection with the issue of the Bonds.

The Subscription Agreement provides that the Sole Lead Manager under certain circumstances will be entitled to terminate the Subscription Agreement. In such event, no Bonds will be delivered to investors. Furthermore, the Issuer has agreed to indemnify the Sole Lead Manager against certain liabilities in connection with the offer and sale of the Bonds.

The Sole Lead Manager or their respective affiliates have provided from time to time, and expect to provide in the future, investment services to the Issuer and its affiliates, for which the Sole Lead Manager or its affiliates have received or will receive customary fees and commissions. In addition, the Sole Lead Manager or its affiliates may be involved in financing initiatives relating to the Issuer. Furthermore, in the ordinary course of their business activities, the Sole Lead Manager and its affiliates may make or hold a broad array of investments and actively trade debt and equity securities (or related derivative securities) and financial instruments (including bank loans) for their own account and for the accounts of their customers. Such investments and securities activities may involve securities and/or instruments of the Issuer or its affiliates. The Sole Lead Manager and/or its affiliates may receive allocations of Bonds (subject to customary closing conditions), which could affect future trading of the Bonds. Certain of the Sole Lead Manager or its affiliates that have a lending relationship with the Issuer routinely hedge their credit exposure to the Issuer consistent with their customary risk management policies. Typically, such Sole Lead Managers and its affiliates would hedge such exposure by entering into transactions which consist of either the purchase of credit default swaps or the creation of short positions in the Issuer's securities, including potentially the Bonds offered hereby. Any such short positions could adversely affect future trading prices of the Bonds offered hereby. The Sole Lead Manager and its affiliates may also make investment recommendations and/or publish or express independent research views in respect of such securities or financial instruments and may hold, or recommend to clients that they acquire, long and/or short positions in such securities and instruments.

Selling Restrictions

General

The Sole Lead Manager has acknowledged that other than explicitly mentioned in this Prospectus no action is taken or will be taken by the Issuer in any jurisdiction that would permit a public offering of the Bonds, or possession or distribution of any offering material relating to them, in any jurisdiction where action for that purpose is required.

The Sole Lead Manager has represented and agreed that it will comply with all applicable laws and regulations in each jurisdiction in which it purchases, offers, sells or delivers Bonds or has in its possession or distributes any offering material relating to them.

Prohibition of Sales to EEA Retail Investors

The Sole Lead Manager has represented, warranted and agreed that it has not offered, sold or otherwise made available and will not offer, sell or otherwise make available any Bonds to any retail investor in the European Economic Area. For the purposes of this provision the expression retail investor means a person who is one (or more) of the following:

- (i) a retail client as defined in point (11) of Article 4(1) of MiFID II; or
- (ii) a customer within the meaning of the IDD, where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II.

The expression an "offer" includes the communication in any form and by any means of sufficient information on the terms of the offer and the Bonds to be offered so as to enable an investor to decide to purchase or subscribe for the Bonds.

United States of America and its territories

The Bonds have not been and will not be registered under the Securities Act of 1933 (as amended, the "**Securities Act**"), and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons except in transactions exempt from the registration requirements of the Securities Act. Terms used in this paragraph have the meanings given to them by Regulation S under the Securities Act (the "**Regulation S**").

The Bonds are subject to U.S. tax law requirements and may not be offered, sold or delivered within the United States or its possessions or to a United States person, except in certain transactions permitted by U.S. tax regulations. Terms used in this paragraph have the meanings given to them by the U.S. Internal Revenue Code of 1986 and regulations thereunder.

The Sole Lead Manager has represented and agreed that except as permitted by the Subscription Agreement, it has not offered, sold or delivered and will not offer, sell or deliver any Bonds: (i) as part of its distribution at any time; or (ii) otherwise until 40 days after the later of the commencement of the offering and the Issue Date, within the United States or to, for the account or benefit of, U.S. persons, and will have sent to each dealer to which it sells the Bonds and any related guarantee during the distribution compliance period a confirmation or other notice setting forth the restrictions on offers and sales of the Bonds within the United States or to, or for the account or benefit of, U.S. persons. Terms used in this paragraph have the meanings given to them by Regulation S.

In addition, until 40 days after the commencement of the offering of the Bonds, an offer or sale of the Bonds within the United States by any dealer (whether or not participating in the offering) may violate the registration requirements of the Securities Act.

United Kingdom

Prohibition of Sales to UK Retail Investors

The Sole Lead Manager has represented and agreed that it has not offered, sold, or otherwise made available and will not offer, sell or otherwise make available any Bonds which are the subject of the offering contemplated by this Prospectus in relation thereto to any retail investor in the UK. For the purposes of this provision the expression "retail investor" means a person who is one (or more) of the following:

- (i) a retail client, as defined in point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 ("**EUWA**"); or
- (ii) a customer within the meaning of the provisions of the FSMA and any rules or regulations made under the FSMA to implement the IDD, where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the EUWA.

The expression an "offer" includes the communication in any form and by any means of sufficient information on the terms of the offer and the Bonds to be offered so as to enable an investor to decide to purchase or subscribe for the Bonds.

Other regulatory restrictions

The Sole Lead Manager has represented, warranted and agreed that:

- (i) it has only communicated or caused to be communicated and will only communicate or cause to be communicated an invitation or inducement to engage in investment activity (within the meaning of Section 21 of the FSMA) received by it in connection with the issue or sale of any Bonds in circumstances in which Section 21(1) of the FSMA does not apply to the Issuer, and
- (ii) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to the Bonds in, from or otherwise involving the UK.

Singapore

The Sole Lead Manager has acknowledged that this Prospectus has not been and will not be registered as a prospectus with the Monetary Authority of Singapore (the "MAS"). Accordingly, the Sole Lead Manager has represented, warranted and agreed that it has not offered or sold any Bonds or caused the Bonds to be made the subject of an invitation for subscription or purchase and will not offer or sell any Bonds or cause the Bonds to be made the subject of an invitation for subscription or purchase, and has not circulated or distributed, nor will it circulate or distribute, this Prospectus or any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of the Bonds, whether directly or indirectly, to any person in Singapore other than (i) to an institutional investor (as defined in Section 4A of the Securities and Futures Act 2001 of Singapore, as modified or amended from time to time (the "SFA")) pursuant to Section 274 of the SFA; or (ii) to an accredited investor (as defined in Section 4A of the SFA) pursuant to, and in accordance with the conditions specified in Section 275 of the SFA.

Republic of Italy

The offering of the Bonds has not been cleared by the Commissione Nazionale per le Società e la Borsa ("CONSOB") pursuant to Italian securities legislation.

Without prejudice to the section "*Prohibition of Sales to EEA Retail Investors*", the Sole Lead Manager has represented and agreed that any offer, sale or delivery of the Bonds or distribution of copies of the Prospectus or any other document relating to the Notes in the Republic of Italy must be:

- (i) made by investment firms, banks or financial intermediaries permitted to conduct such activities in the Republic of Italy in accordance with the relevant provisions of the Italian Legislative Decree No. 58 of 24 February 1998, as amended from time to time (the "**Italian Financial Act**"), CONSOB Regulation No. 20307 of 15 February 2018, as amended from time to time, the Italian Legislative Decree No. 385 of 1 September 1993 as amended from time to time (the "**Italian Banking Act**") and any other applicable laws or regulation;
- (ii) in compliance with Article 129 of the Italian Banking Act and the implementing guidelines of the Bank of Italy, as amended, pursuant to which the Bank of Italy may request information on the offering or issue of securities in the Republic of Italy; and
- (iii) in compliance with any other applicable laws and regulations, including any limitation or requirement which may be imposed from time to time, inter alia, by CONSOB or the Bank of Italy or any other competent authority.

Any investor purchasing the Bonds is solely responsible for ensuring that any offer, sale, delivery or resale of the Bonds by such investor occurs in compliance with applicable Italian laws and regulations.

GENERAL INFORMATION

1. **Authorisations:** The creation and issue of the Bonds has been authorized by the resolution of the Management Board on 28 June 2024 and on the basis of a prior consent of the Supervisory Board on 20 May 2024.
2. **Interest of Natural and Legal Persons involved in the Issue:** The Sole Lead Manager and its affiliates may be customers of borrowers from or creditors of the Issuer and/or its affiliates. In addition, the Sole Lead Manager and its affiliates have engaged, and may in the future engage, in investment banking and/or commercial banking transactions with, and may perform services for the Issuer and/or its affiliates in the ordinary course of business.
3. **Legal Entity Identifier:** The legal entity identifier (LEI) of the Issuer is: 549300KGI78MKHO38N42.
4. **Expenses related to Admission to Trading:** The total expenses related to the admission to trading of the Bonds are expected to amount to approximately EUR 15,000.
5. **Clearing Systems:** Payments and transfers of the Bonds will be settled through Euroclear Bank SA/NV, 1 Boulevard du Roi Albert II, 1210 Brussels, Belgium, and Clearstream Banking S.A., 42 Avenue JF Kennedy, 1855 Luxembourg, Luxembourg.

The Bonds have the following securities codes:

ISIN: XS2848005166

Common Code: 284800516

6. **Listing and Admission to Trading:** Application has been made to the Luxembourg Stock Exchange for the Bonds to be admitted to trading on the Luxembourg Stock Exchange's regulated market (which is a regulated market for the purposes of MiFID II) and to be listed on the Official List of the Luxembourg Stock Exchange on or around the Issue Date.
7. **Documents on Display:** Electronic versions of the following documents are available on the Issuer's website (<https://www.triglav.eu/en>):
 - (a) the articles of association of the Issuer are available under on the Issuer's website under: https://www.triglav.eu/wps/wcm/connect/4922dcac-fc68-4467-8f4a-f52decc0edb7/ENG-%C4%8Cistopis+Statuta+ZT+24.8.2021.pdf?MOD=AJPERES&CONVERT_TO=url&CACHEID=ROOTWORKSPACE-4922dcac-fc68-4467-8f4a-f52decc0edb7-nK79Ge1; and
 - (b) the documents incorporated by reference into this Prospectus (accessed by using the hyperlinks set out in the section "*Documents Incorporated by Reference*" below).

This Prospectus and any supplement to this Prospectus will be published on the website of the Luxembourg Stock Exchange (www.luxse.com).

8. **Third Party Information:** With respect to any information included herein and specified to be sourced from a third party: (i) the Issuer confirms that any such information has been accurately reproduced and as far as the Issuer is aware and is able to ascertain from information available to it from such third party, no facts have been omitted the omission of which would render the reproduced information inaccurate or misleading; and (ii) neither the Issuer nor the Sole Lead Manager has independently verified any such information and neither the Issuer nor the Sole Lead Manager accepts any responsibility for the accuracy thereof.

9. **Yield:** For the investors, the yield of the Bonds until the First Reset Date is 6.750 per cent. *per annum*, calculated as of the Issue Date on the basis of the Issue Price. It is not an indication of future yield. Such yield is calculated in accordance with the ICMA (International Capital Markets Association) Method. The ICMA method determines the effective interest rate on Bonds by taking into account accrued interest on a daily basis.

The yield of the Bonds for the period after the First Reset Date cannot be determined as of the date of this Prospectus.

10. **Ratings of the Bonds:**

The Bonds are expected to be rated "BBB+"⁸ by S&P Global Ratings upon issuance.

S&P Global Ratings Europe Ltd., 4th Floor, Styne House, Upper Hatch Street, Dublin 2, D02 DY27, Ireland, is established in the European Union, is registered under Regulation (EC) No 1060/2009 of the European Parliament and of the Council of 16 September 2009 on credit rating agencies (the "**CRA Regulation**") and is included in the list of credit rating agencies registered in accordance with the CRA Regulation published by ESMA on its website (<https://www.esma.europa.eu/supervision/credit-rating-agencies/risk>).

A credit rating is not a recommendation to buy, sell or hold securities and may be revised or withdrawn by the rating agency at any time.

⁸ S&P Global Ratings defines "BBB+" as follows: "An obligor rated 'BBB' has adequate capacity to meet its financial commitments. However, adverse economic conditions or changing circumstances are more likely to weaken the obligor's capacity to meet its financial commitments. The modifiers "+" or "-" may be appended to a rating to denote relative status within major rating categories."

DOCUMENTS INCORPORATED BY REFERENCE

The specified pages of the following documents which have been previously published or are simultaneously published with this Prospectus and which have been filed with the CSSF are incorporated by reference into and form part of this Prospectus: (i) the audited Annual Report of Triglav Group for the fiscal year ended 31 December 2023 ("**Audited Annual Report 2023**"), (ii) the audited Annual Report of Triglav Group for the fiscal year ended 31 December 2022 ("**Audited Annual Report 2022**"), each containing the English language translation of the respective Slovene language consolidated financial statements of the Issuer and of the Slovene language auditor's report in respect thereof and (iii) the unaudited Q1 earnings release of Triglav Group for the three-month period ended 31 March 2024 ("**Q1 Earnings Release 2024**").

Any information not incorporated by reference into this Prospectus but contained in one of the documents mentioned as source documents in the cross-reference list below is either not relevant for the investor or covered in another part of this Prospectus.

(1) Extracted from: Triglav Group – Audited Annual Report 2023

Independent auditor's report	pages 138-142
Statement of financial position	page 143
Statement of profit or loss	page 144
Statement of other comprehensive income.....	page 145
Statement of changes in equity	pages 146-147
Cash flow statement	page 148
Notes to the financial statements	pages 149-220
Notes to specific significant items in the financial statements	pages 221-327

(2) Extracted from: Triglav Group – Audited Annual Report 2022

Independent auditor's report	pages 194-197
Statement of financial position	page 198
Income statement.....	page 199
Other comprehensive income	page 200
Statement of changes in equity	page 201
Cash flow statement	page 203
Notes to the financial statements	pages 204-241
Notes to the statement of financial position	pages 242-277
Notes to the income statement.....	pages 278-295

(3) Extracted from: Triglav Group – Q1 Earnings Release 2024

Financial highlights of the Triglav Group in Q1 2024.....	page 4
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Copies of documents containing the information incorporated by reference in this Prospectus may be obtained (without charge) from the registered office of the Issuer and the website of the Luxembourg Stock Exchange (www.luxse.com).

Electronic versions of the documents containing the information incorporated by reference are also available on the website of the Issuer (<https://www.triglav.eu/en/investors/actual/financial-reports>) and can be accessed by using the following hyperlinks:

(1) Triglav Group – Audited Annual Report 2023:

<https://www.triglav.eu/files/annualreport2023/triglav-group-and-zavarovalnica-triglav-annual-report-2023.pdf>

(2) Triglav Group – Audited Annual Report 2022:

<https://www.triglav.eu/files/annualreport2022/triglav-group-and-zavarovalnica-triglav-annual-report-2022final-64.pdf>

(3) Triglav Group – Q1 Earnings Release 2024:

https://www.triglav.eu/wps/wcm/connect/859cdc65-c038-49b8-8904-2d55dd7dd4b1/Triglav+Group+Q1+2024+results_final.pdf?MOD=AJPERES&CONVERT_TO=url&CACHEID=ROOTWORKSPACE-859cdc65-c038-49b8-8904-2d55dd7dd4b1-o-.2ctT

Issuer

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1000 Ljubljana
Republic of Slovenia

Principal Paying Agent

Erste Group Bank AG

Am Belvedere 1
Vienna 1100
Republic of Austria

Sole Lead Manager and Sole Bookrunner

Erste Group Bank AG

Am Belvedere 1
Vienna 1100
Republic of Austria

Independent Auditors of the Issuer

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Legal Advisers

To the Issuer

WOLF THEISS Attorneys-at-law -

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To the Sole Lead Manager

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