



Zavarovalnica Triglav, d.d.

(incorporated as a stock corporation (delniška družba) in the Republic of Slovenia)

€ 50,000,000 Subordinated Fixed to Floating Rate Bonds with scheduled maturity in 2049

ISIN XS1980276858, Common Code 198027685

Issue price: 100 per cent.

Zavarovalnica Triglav, d.d. ("**Triglav**" or the "**Issuer**") will issue on or about 30 April 2019 (the "**Issue Date**") € 50,000,000 subordinated fixed to floating rate bonds with a scheduled maturity in 2049 in the denomination of € 100,000 each (the "**Bonds**").

The Bonds will be governed by the laws of the Federal Republic of Germany ("**Germany**"), except for the status provisions which will be governed by the laws of the Republic of Slovenia ("**Slovenia**").

The Bonds will bear interest from and including 30 April 2019 (the "**Interest Commencement Date**") to but excluding 22 October 2029 (the "**First Call Date**") at a rate of 4.375 per cent. per annum, scheduled to be paid annually in arrear on 22 October in each year, commencing on 22 October 2019 (short first coupon). Thereafter, unless previously redeemed, the Bonds will bear interest at a rate of 4.845 per cent. per annum above the 3-months EURIBOR, being the Euro-zone inter-bank offered rate for three-month Euro deposits, scheduled to be paid quarterly in arrear on 22 January, 22 April, 22 July and 22 October in each year (each a "**Floating Interest Payment Date**"), commencing on 22 January 2030.

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 22 October 2049 (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 in respect of the Bonds (the "**Prospectus**") constitutes a prospectus within the meaning of Article 5.3 of Directive 2003/71/EC of the European Parliament and of the Council of 4 November 2003 (as amended or superseded) (the "**Prospectus Directive**"). This Prospectus will be published in electronic form together with all documents incorporated by reference on the website of the Luxembourg Stock Exchange (www.bourse.lu).

This Prospectus has been approved by the *Commission de Surveillance du Secteur Financier, in Luxembourg* ("CSSF") in its capacity as competent authority under the Luxembourg Act dated 10 July 2005 relating to prospectuses for securities (*Loi du 10 juillet 2005 relative aux prospectus pour valeurs mobilières*, the "**Luxembourg Prospectus Law**"). By approving this Prospectus, the CSSF gives no undertaking as to the economic and financial opportuneness of the transaction and the quality or solvency of the Issuer in line with the provisions of Article 7 (7) of the Luxembourg Prospectus Law. The Issuer may request CSSF to provide competent authorities in other host Member States within the European Economic Area ("**EEA**") with a certificate of approval attesting that the Prospectus has been drawn up in accordance with the Luxembourg Prospectus Law.

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 "Bourse de Luxembourg", appearing on the list of regulated markets issued by the European Commission. The Luxembourg Stock Exchange's regulated market is a regulated market for the purposes of Directive 2014/65/EU (as amended, "**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 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 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 "**Insurance Distribution Directive**"), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or (iii) not a qualified investor as defined in the Prospectus Directive. 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.

Following the First Call Date, amounts payable under the Bonds are calculated by reference to the 3-months EURIBOR ("**EURIBOR**"), which is provided by the European Money Market Institute ("**EMMI**"). As at the date of this Prospectus, EMMI does not appear on the register of administrators and benchmarks established and maintained by the European Securities and Markets Authority ("**ESMA**") pursuant to Article 36 of the Benchmark Regulation (Regulation (EU) 2016/1011) (the "**Benchmark Regulation**"). As far as the Issuer is aware, the transitional provisions in Article 51 of the Benchmark Regulation apply, such that EMMI is not currently required to obtain authorisation or registration (or, if located outside the European Union, recognition, endorsement or equivalence).

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 5 of this Prospectus.

Structuring Advisor

Erste Group Bank AG

Sole Lead Manager and Sole Bookrunner

Erste Group Bank AG

RESPONSIBILITY STATEMENT

The Issuer with its registered office in 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 contains no omission likely to affect its import.

The Issuer further confirms that (i) this Prospectus contains all relevant information with respect to the Issuer and its consolidated subsidiaries taken as a whole (the "**Triglav Group**") and to the Bonds which is material in the context of the issue and the offering of the Bonds, including all relevant 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, Triglav Group and of the rights attached to the Bonds; (ii) the statements contained in this Prospectus relating to the Issuer, Triglav Group and the Bonds are in every material respect true and accurate and not misleading; (iii) there are no other facts in relation to the Issuer, Triglav Group or the Bonds the omission of which would, in the context of the issue and offering of the Bonds, make any statement in the 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 authorized 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 authorized by or on behalf of the Issuer or Erste Group Bank AG (the "**Sole Lead Manager**").

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

The legally binding language of this Prospectus is English.

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 at its date. The offering, sale and delivery of the Bonds and the distribution of the 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 respective affiliates nor any other person mentioned in the Prospectus, except for the Issuer, accepts responsibility for the accuracy and completeness of the information contained in this Prospectus or any other documents 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 authorized 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 the section "*Subscription and Sale of the Bonds – Selling Restrictions*" below. In particular, the Bonds have not been and will not be registered under the Securities Act and are subject to United States tax law requirements. Subject to certain exceptions, the Bonds may not be offered, sold or delivered within the United States of America or to U.S. persons as defined in Regulation S under the Securities Act ("**Regulation S**").

The Bonds issued pursuant to this 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.

MIFID II product governance / Professional investors and ECPs are only target market

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 / Prospectus Directive / Prohibition of sales to EEA retail investors

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 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 the Insurance Distribution Directive, where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or (iii) not a qualified investor as defined in the Prospectus Directive. Consequently, no key information document required by 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.

Where acting as agent on behalf of a disclosed or undisclosed client when purchasing, or making or accepting an offer to purchase, any Bonds (or any beneficial interests therein) from the Issuer and/or the Sole Lead Manager the foregoing representations, warranties, agreements and undertakings will be given by and be binding upon both the agent and its underlying client.

Benchmark Regulation: Statement on registration of benchmark administrator

Following the First Call Date, amounts payable under the Bonds are calculated by reference to the EURIBOR, which is provided by the European Money Market Institute ("**EMMI**"). As at the date of this Prospectus, the EMMI does not appear on the register of administrators and benchmarks established and maintained by ESMA pursuant to Article 36 of the Benchmark Regulation. As far as the Issuer is aware, the transitional provisions in Article 51 of the Benchmark Regulation apply, such that the EMMI is not currently required to obtain authorization or registration (or, if located outside the European Union, recognition, endorsement or equivalence).

Forward-looking Statements

This Prospectus contains certain forward-looking statements, including statements using the words "believes", "anticipates", "intends", "expects" or other similar terms. This applies in particular to statements under the caption "*General Information on the Issuer and the Triglav Group*" and statements elsewhere in this Prospectus relating to, among other things, the future financial performance, plans and expectations regarding developments in the business of the Triglav Group. These forward-looking statements are subject to a number of risks, uncertainties, assumptions and other factors that may cause the actual results, including the financial position and profitability of the Triglav Group, to be materially different from or worse than those expressed or implied by these forward-looking statements. The Issuer does not assume any obligation to update such forward-looking statements and to adapt them to future events or developments.

Presentation of Financial Information

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 of 3 May 1998 on the introduction of the Euro, as amended. References to "US\$", "USD" and "U.S. dollars" are to the currency of the United States of America. All references to "BAM" are to the Bosnia and Herzegovina convertible mark. All references to "RSD" are to the Serbian dinar. 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.

Alternative Performance Measures

Triglav Group uses, throughout its financial publications, alternative performance measures ("APMs") in addition to the figures which are prepared in accordance with IFRS.

This Prospectus contains references to the following alternative performance measures: "Claims Ratio", "Expense Ratio", "Combined Ratio", "Return on Equity" and "Dividend payout Ratio".

The Issuer presents non-IFRS measures because it believes that they and similar measures are widely used by certain investors, securities analysts and other interested parties as supplemental measures of performance and liquidity.

The APMs may not be comparable to similarly titled measures of other companies, have limitations as analytical tools and should not be considered in isolation or as a substitute for an analysis of our operating results as reported under IFRS. These alternative performance measures and ratios are not measurements of the Issuer's performance or liquidity under IFRS or any other generally accepted accounting principles. Other companies in the Issuer's industry may calculate these measures differently and, consequently, the Issuer's presentations in this Prospectus may not be readily comparable to other companies' figures. In particular, Investors should not consider these APMs as an alternative to operating income or premium income for the period (as determined in accordance with IFRS) as a measure of our operating performance, or as an alternative to cash flows from operating, investing and financing activities, as a measure of our ability to meet the Issuer's cash needs or as an alternative to any other measures of performance under generally accepted accounting principles.

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

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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.

Macroeconomic Risks

Triglav's business is largely dependent on global economic conditions, and the global economic outlook remains uncertain.

Triglav's business depends in many ways on global economic conditions, which have shown significant volatility in recent years. Beginning in 2008 with the subprime mortgage crisis and the collapse of the Lehman Brothers investment bank in the United States, global financial markets experienced severe disruptions, resulting in significant negative impacts on the global economy. A global economic downturn affected essentially all regions and all business sectors in 2008 and 2009, while the following years were characterized by signs of a global economic recovery, as well as by increasing concerns about excess levels of debt, especially in Europe and the United States. Significant economic stagnation in certain countries in the Eurozone, in part due to the effects of the sovereign debt crisis and corresponding austerity measures in these markets, has added to these concerns. Although the global economy has seen significant fundamental improvements in economic conditions, such as significantly reduced macroeconomic imbalances, downside risks to the global economic outlook remain considerable, including but are not limited to high sovereign and private sector debt levels, inadequate liquidity, volatility in the capital markets, higher inflation, monetary policy tightening in major economies, sudden interest rate increases political instability, increasing protectionist policies, negative or unstable economic or political developments in certain emerging markets, terrorism natural disasters.

Another global recession or recessions affecting significant parts of the global economy could reduce both demand for Triglav's products and the value of the investments it holds. If a large number of consumers delay purchasing new insurance or terminate existing coverage, for example, due to high unemployment or lower disposable income, demand for primary insurance coverage could decline. Because life insurance is a long-term investment, demand for life insurance is particularly sensitive to changes in overall demand. In addition, consumer mistrust of the financial sector could lead consumers to purchase fewer insurance products through banks or similar institutions, resulting in weaker sales in Triglav's distribution channel. Weaker demand for primary insurance coverage also tends to increase pressure on pricing and competition, adversely affecting profitability.

Demand for Triglav'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.

Because primary insurance markets and reinsurance markets are closely linked, the macroeconomic factors mentioned above similarly affect demand for reinsurance and retrocession coverage. Geographically, Triglav's business has a strong focus on Slovenia and the Adria region, which creates a substantial exposure to the economy in these markets.

Global economic conditions also affect the value of the investment portfolio managed by Triglav. Economic downturns often lead to a decline in value for investments in securities (in particular stocks), real estate and real estate funds. Furthermore, since Triglav has invested a substantial portion of its investment portfolio in fixed income securities, the returns Triglav generates have been adversely affected by the current very low level of interest rates.

The ongoing Brexit negotiations and the political and economic uncertainty related to them may have unpredictable impacts on the financial system as well as the general economic development. Market movements will be highly dependent on the negotiations between United Kingdom of Great Britain and Northern Ireland and the EU whose outcome is uncertain. Due to the complicated negotiations, markets might be confronted with a prolonged period of uncertainty, which can lead to sporadically occurring adverse market developments depending on the status of negotiations. There are several unfavorable outcomes that might trigger or accelerate adverse market movements. For example, the outcome of the negotiations may negatively affect the economy in Britain or that of its European trade partners and may severely impact the rules for the financial industry in London. Conversely, the final result may be seen as an incentive for other European countries to follow the British example, in which case there might be spill-over effects to other countries.

Global protectionism risk

Widespread concerns about the distributional consequences of globalization and the global rise of populist forces in political landscapes has also contributed to an increase in protectionist trade policies, most notably in the US under the "America First" policy of the Trump administration. While the escalation into a full-blown global trade war remains rather a tail risk, its economic implications for the global economy would be substantially negative.

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 Triglav.

The continuing sovereign debt crisis in Europe, the high national debt of the United States and some countries in Europe and the macroeconomic conditions in certain emerging markets could result in economic instability and possible defaults on government debt, with significant adverse effects for Triglav's business and financial position.

In many countries since 2008, Programmes for the recapitalization of distressed financial institutions and economic stimulus have significantly increased expenditures, while slower or negative real economic growth and large increases in unemployment have substantially decreased tax revenues, with the result that national debts in many countries, especially in the United States and in many European countries, have increased substantially. In most member countries of the European Economic and Monetary Union, the level of sovereign debt exceeds the limit (60% of gross domestic product) established by the Treaty of Maastricht, while sovereign debt in some countries (e.g., Greece and Italy) exceeds 100% of gross domestic product.

This sovereign debt crisis has created various risks for Triglav Group. In particular, there could be a default or forced write-down in the value of government bonds. The Triglav Group's investment portfolio is exposed to risks from these issuers as a result of its holdings of local government, covered and financial bonds. There is still considerable uncertainty as to whether risks associated with the sovereign debt crisis could crystallize in future and have a lasting impact on the Triglav Group's net assets, financial position or results of operations. The fact that interest rates have been low for several years and are currently extremely low - due among other things to the economic crisis and sovereign debt crisis in the eurozone and the associated low interest rate policy - increases the interest guarantee risk significantly. If interest rates remain low or fall even further, this will heighten even more the already considerable reinvestment risk for life insurance companies offering traditional guarantee products. If this happens, it will then become increasingly difficult to generate the guaranteed return.

Further, while the economic development in most of the emerging markets had been stable in recent years, at the beginning of 2016, emerging markets had concerns about the Chinese economy and the continued slide in commodities prices. However, the recovery in commodities prices, a stabilization in China and global support through financial policies led to an increasing stabilization there as the year progressed. As the Triglav Group operates in a number of emerging markets and needs to hold corresponding assets in order to cover liabilities in local currencies it is therefore exposed to both general business risk as well as risks stemming from investing assets in the respective markets.

With respect to the Eurozone, indirect consequences of a default by one or more countries, the extent and precise nature of which are impossible to predict, could include the expulsion or voluntary withdrawal of one or more countries from the Eurozone or a disorderly break-up of the Eurozone, either of which could significantly disrupt financial markets and possibly trigger another global recession. The Eurozone sovereign debt crisis could also undermine the capitalization of banks and other financial services providers, including European banks in whose securities Triglav has significant investments. Regulatory measures designed to avoid the undercapitalization of banks (such as mandatory swaps of bank debt into bank common equity) could exacerbate these risks for Triglav, for example by converting relatively liquid bonds into relatively illiquid common equity of a troubled bank. In addition to writing down the value of such investments, Triglav could lose its claims on ongoing interest and participations in profits, for example in the case of profit sharing rights and silent participations.

In addition, yields on Eurozone sovereign bonds could widen, including for issuers that currently have strong credit ratings, leading to losses in the value of the bonds. German government bonds could also lose substantial value in light of the substantial potential liability of the Federal Republic of Germany under existing and future bail-out measures.

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 Triglav.

Triglav 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 Triglav with insufficient funds to pay its insurance liabilities.

Triglav's assets consist primarily of investments made using funds from premiums received under insurance, reinsurance and retrocession contracts. Although Triglav believes its investment strategy in relation to investing 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 lead to increases in the market value of fixed income securities, while increases in prevailing interest rates lead to decreases in market value. Credit-spread risks are another important factor for Triglav'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 - differ from a long-term target figure, this would have an impact on net investment income. Due to the typically asymmetric distribution of gains and losses on policyholders and shareholders in life insurance, high credit losses in particular years can 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. The interest rates included in the premium calculations for the various rate generations range between 4,5% and 0,75% per annum. Due to the limited supply of long-term fixed-income securities on the capital market, it is only possible in some cases 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, considerable rise in interest rates may lead to unrealized losses on fixed-income securities. If insurance contracts were to be terminated prematurely, policyholders would be entitled to the guaranteed surrender values in full but, under the general conditions, would not share in any unrealized losses incurred. Instead, when the investments were sold, the unrealized losses would have to be borne exclusively 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 Triglav generally tend to decline when equity markets in general lose value. Triglav'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, for example long-term vacancies or deteriorations in a building's structure, or through a general market decline. Losses in the value of investments can necessitate write-downs or lead to losses on the sale of investments, either of which would adversely affect investment income. In an extreme case, such losses could affect the capability of Triglav to settle its general insurance liabilities or other liabilities. Furthermore, Triglav is subject to currency exchange risks due to currency fluctuations, especially if there is a currency mismatch between Triglav's investments and its liabilities.

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 Triglav.

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

Interest rate risks generally originate from movements of prevailing interest rates and a mismatch in the duration of assets and liabilities. Interest rates are highly sensitive to many factors beyond the control of Triglav, such as economic developments, inflation rates, monetary and interest rate policies of central banks, government tax and fiscal policies as well as currency exchange rates. The low interest rates that have prevailed in international markets in recent years have made it increasingly difficult for the Triglav life insurance companies to generate the guaranteed interest agreed under life insurance contracts issued in previous years. The obligation to distribute reserves in accordance with Slovene insurance laws can in certain circumstances reinforce this risk of low interest rates. A sustained continuation of the current extremely low interest rate environment could necessitate an increase in technical insurance reserves. In particular, the increase of the additional interest rate reserve in line with regulatory requirements may be necessary. This could have an impact not only on the statutory accounts of the Triglav Group's life insurance subsidiaries, but also on its consolidated IFRS financial statements.

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

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

Significant interest rate fluctuations or increases pose a risk for Triglav. Increases in interest rates can reduce the market value of fixed-income investments and increase Triglav's borrowing costs under certain financing arrangements which provide for variable interest rates. Furthermore, if interest rates increase, rapidly rise or remain high for a significant period, it could make long-term insurance policies less attractive compared to other forms of investment, reducing demand for long-term insurance policies. If a significant proportion of policyholders prematurely terminate their life insurance policies, Triglav's life insurance companies could be forced to sell investments in order to be able to pay the required cash surrender values to withdrawing policyholders. The market value of Triglav's investments is not guaranteed to be sufficient to cover cash surrender values.

The continuation 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 will, taken together,

put a considerable strain on Slovene 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 risks set out above could have a material adverse effect on the business, results of operations and financial condition of Triglav.

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

As part of its investment activities, Triglav regularly acquires large volumes of securities and financial instruments, including participations in investment companies and funds and, to a lesser degree, acts as a lessor of real estate. These activities expose Triglav to the risk that its counterparties might become unable to make payments when due. Although Triglav's investment guidelines are designed to limit undue concentrations of risk, Triglav 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 feared or actual deterioration in the credit 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 schemes could turn out to be insufficient to avoid or compensate for losses of payments. General economic uncertainty and volatility in the capital markets could intensify these risks going forward. If a significant amount of its investments become impaired for any reason, Triglav would be required to write down the value of these investments, which could materially and adversely affect Triglav's business, results of operations and financial condition.

Certain investment assets held by Triglav could prove to be illiquid.

Triglav is subject to the risk that investments or other assets cannot be converted to liquid funds in a timely manner or at reasonable prices in order to service liabilities as they become due, especially general insurance liabilities. Liquidity risks have increased in recent years during the global financial and economic crisis and the sovereign debt crisis. These developments have led to a general reassessment of the risks of loss for certain asset classes previously considered to be secure and have reduced liquidity in markets for certain investments. In addition, various open end real estate funds had to be closed in recent years as they had insufficient liquidity to meet the demands of investors who sought to redeem their investments following the decline in real estate prices in many markets. Furthermore, many asset classes have experienced increased volatility in prices in recent years. This could expose Triglav Group to the risk of the value losses in assets sales (which is particularly serious for product offering a guaranteed minimum return) or increase its funding costs. While Triglav tries to mitigate its liquidity risk by way of a conservative investment strategy focusing on liquid securities, there can be no guarantee that Triglav will not experience difficulties in trying to liquidate assets or to do so on reasonable terms. An inability to sell assets in a timely manner or on reasonable terms could materially and adversely affect Triglav's business, results of operations and financial condition.

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

The Issuer reports the financial results of the Triglav Group in euros. 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 subject to certain currency exchange risks.

Currency transaction risks arise primarily if there is a currency mismatch between liabilities and investments. Although the Triglav Group attempts to minimize these risks by investing capital wherever possible in those currencies in which the obligations under insurance contracts are to be fulfilled and to hedge these risks using currency swaps and currency futures, adverse changes in currency exchange rates could nonetheless materially and adversely affect Triglav's business, results of operations and financial condition.

In addition to currency transaction risks, the Triglav Group is subject 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, the Triglav Group receives dividends, profit transfers and interest payments from its foreign subsidiaries, associated companies, special purpose entities and special funds, partly in currencies other than euro. Adverse changes in the exchange rate between the euro and these currencies can cause adverse

changes in the value (in euro) of corresponding positions on the Triglav Group's financial statements, even where results as measured in the local currency have remained unchanged or have improved.

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 Triglav.

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

As a result of the economic, financial and sovereign debt crisis and the related monetary policies of the central banks in the Eurozone, the United States, the United Kingdom, Japan and Switzerland, there is currently great uncertainty about inflation. There is a risk that the European Central Bank could target higher inflation in the Eurozone to enable financially distressed Member States to reduce their sovereign debt burdens. Higher energy and raw material prices could also drive higher inflation, in addition to limiting economic growth. If inflation increases, market values of Triglav's fixed income securities would likely decline as higher inflation would normally raise nominal interest rates. Furthermore, claims costs in Triglav's property/casualty insurance business could increase as a result of inflation (agreed premiums generally can only be adjusted to inflation in the context of contract renewals and cannot be adjusted under running contracts). Therefore, if Triglav makes incorrect assumptions about future inflation, its premiums and reserves for payment of claims on existing policies could prove inadequate.

Higher inflation can also lead to lower demand for life insurance and an increased lapse rate, because increasing inflation tends to decrease demand for long-term financial investments.

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 Triglav.

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

Triglav uses derivative financial instruments to hedge against various risks, especially risks involving 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 Triglav against such risks. Furthermore, 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 Triglav being unable to purchase derivatives in the future to a sufficient degree or at reasonable terms. 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 Triglav.

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

The markets in which Triglav operates are characterized by intense domestic and foreign competition by 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. Triglav'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 the 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 hold far-reaching financial, technical and operational resources and offer alternative products to those of Triglav or do so at more competitive prices. Furthermore, in the industrial insurance market Triglav Group competes with risk transfer solutions other than traditional insurance, including risk assignment solutions and self-insurance. Additionally, competition could be intensified with the development of alternative distribution channels for certain types of insurance products. Although Triglav Group aims to maintain a technically appropriate pricing policy,

should its product range not be competitive with the variety and prices offered by its competitors, its business, revenues, operating results and financial position, as well as its reputation, could be negatively affected.

Changes in law, the social environment or market conditions can influence demand for Triglav'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 has increased in recent years in the primary insurance and reinsurance markets, especially as a result of market entry by 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 are finding it difficult to compete against direct insurance companies because the latter often operate with lower distribution costs and can offer lower premiums. In certain markets or market segments, the pressure on prices has made it difficult for Triglav to underwrite policies on a profitable basis. In those market segments where Triglav can write business profitably, it faces competition from competitors attracted by the higher margins. Triglav's credit protection insurance business is also subject to the risk that banks might reduce lending, reducing the potential volume of new credit protection insurance policies.

If increased competition causes Triglav to lose market share, Triglav could face disadvantages in terms of cost, especially fixed costs. Since a substantial portion of Triglav's total costs constitute fixed costs (including general administrative costs), such losses would also adversely affect margins in the remaining business.

If competitive pressures continue to increase or if Triglav fails to respond to these changes or otherwise adapt to new developments in the market, Triglav could suffer a material adverse effect on its business, results of operations and financial condition.

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

Triglav has financed its operations in the past to a significant extent by issuing various bonds and other financial instruments, including equity. The success of such transactions depends on a large number of factors, especially general market conditions, the general availability of capital and liquidity, perceptions 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 the general view by market participants of the economic prospects of Triglav as well as the insurance industry in general. These factors have become increasingly volatile and hard to predict. There is no guarantee that Triglav will be able to raise additional funds on a timely basis, on attractive terms or at all. If Triglav is unable to raise such funds, it could suffer a material adverse effect on its business, results of operations and financial condition.

Risk relating to the Market and the Business

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

As part of its business, Triglav acquires a large number of receivables against counterparties, especially 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 obligors of Triglav experience financial difficulty and cannot or do not pay the full amounts owed to Triglav, Triglav would be exposed to risks of financial losses and a possible downgrading of its credit rating, and might be required to write down or write off certain assets. This risk is particularly high for reinsurers and retrocessionaires because they often secure a high volume of insurance risks. If Triglav's internal guidelines on concentration of credit and counterparty risks (especially in relation to reinsurers and retrocessionaires) are not followed or turn out to be inadequate, this could result in significant losses. In addition, Triglav is exposed to systemic risk, which means that as a result of 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), the solvency of other companies

that have contracted with such market participants and acquired receivables against them could also be detrimentally affected. In view of the uncertain development of the capital markets and the general global economic development, the decline in value in certain asset classes (such as real estate) and similar factors, counterparty risks could increase in the future if such factors simultaneously impact the solvency of a multitude of market participants. 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 Triglav.

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

The revenues of Triglav depend to a substantial 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, Triglav must estimate the amount of potential claims on the policy in order to determine the appropriate amount of premiums to be paid on that policy. These actuarial calculations are based on past experience with similar policies, forecasts regarding the future, and actuarial models (for example, mortality, longevity and morbidity models used to calculate premiums and reserves in respect of life insurance coverage). Over time, these assumptions could prove to be inaccurate and might therefore necessitate additional expenditures. Despite efforts to minimize such risk, deviations can occur if data is interpreted incorrectly or external factors outside the influence of Triglav change. A price determination commensurate with the risk is also complicated in the property/casualty business due to the increasing complexity and long-term nature of the run-off. 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 calculated premiums are insufficient to cover claims arising from insured events, it could materially and adversely affect Triglav's business, results of operations and financial condition.

Triglav'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 continuously made to take into account the most current market information available to the Triglav Group. Nonetheless, the reserves established in this manner can turn out to be inadequate if the calculations of future insured events differ from actual claims experience. Even a conservative assessment of the reserves as well as a regular actuarial examination cannot completely overcome this risk. In life (re-)insurance, changes can result from certain external factors, such as an increase in the general life expectancy, increased 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 are not sufficient to anticipate damage from risks which are not yet fully known or appreciated. Incorrect estimates have in the past resulted, for example, from insured events in connection with asbestos and claims from the attack on the World Trade Center on 11 September 2001. Inadequate technical insurance reserves and the resulting need for additional reserves could have a material adverse effect on the business, results of operations and financial condition of Triglav.

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

The Triglav Group's insurance business covers certain losses arising out of natural catastrophes and manmade disasters. Events such as earthquakes, floods, major storms, winter storms, large fires and civil unrest can lead to substantial losses for Triglav's property/casualty lines. Similarly, epidemics and pandemics can claim a large number of victims and, thus, lead to substantial claims under life insurance products. Disasters 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 are materially different from actual results, exposing Triglav to extraordinary high losses.

After a series of severe earthquakes, storms, floods and forest fires, the volume of claims due to natural catastrophes can become far higher than in the previous years. The incidence and severity of such natural disasters are inherently unpredictable, and it is possible that both the frequency and severity of natural and man-made catastrophe events could increase. The increases in frequency and severity observed in the recent past might be part of a general upward trend which could expose Triglav to substantial losses, especially in its reinsurance business. For example, there are indications that the Atlantic basin is presently in an active phase in a cycle covering several decades in which the oceanic and atmospheric conditions lead to increased frequency or intensity of tropical storms. Furthermore, many scientists suspect that the increase in global emissions of greenhouse gases, especially carbon dioxide, is increasing average worldwide surface temperatures, which could lead to an increased frequency of natural disasters. More frequent natural disasters could also lead to a reduction of underwriting capacity in the reinsurance market because some reinsurance companies might exhaust their capacities. This tightening of supply could lead to increasing premiums in the reinsurance market and, thus, to higher retention ratios or lower revenues in the primary insurance market.

Another potentially catastrophic loss occurrence could arise from the nuclear peril, which Triglav has assumed from the Slovenian Nuclear Pool. The Slovenian Nuclear Pool is a member of a world-wide network of nuclear pools which 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 risks 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 capacities offered by pool members to the pool. Surplus of risks accepted by each pool but exceeding the pool's capacity is offered to other pools.

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 Triglav.

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 crucially relies on a number of distribution channels for the marketing and offering of its products and services. One of the distribution channels used by the Triglav Group is distribution through intermediaries (for example banks). The intermediaries through whom the Triglav Group sells and distributes its products and services are independent of Triglav Group. The Triglav Group does not have in all cases 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 favor the products of the Triglav Group.

The successful distribution of the Triglav Group's products and services through such distribution channel therefore depends on the choices 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 as to an insurer on the basis of 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 commission 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 others, product features and price. An unfavorable assessment by an intermediary of the Triglav Group and its products based on any of these factors could result in the Triglav Group generally, or in particular certain of its products, not being actively marketed by intermediaries to their customers, which could have a material adverse effect on its business, operating results and financial position, as well as its reputation.

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. The international rating agencies A.M. Best and Standard & Poor's awarded the Triglav Group financial strength ratings.¹ Rating agencies review their ratings and assessment methods continuously and could downgrade Triglav's ratings, whether on the basis of changes in the results of operations and financial condition of the Triglav Group or as a result of changes in the assessment of the insurance industry.

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

Rating agencies may lower the ratings for the Triglav Group if consolidated capital and earnings sustainably weaken to a level below their current position. This *inter alia* may occur if the Triglav Group:

- pursues a very aggressive dividend payout policy; or
- performs multiple sizable acquisitions, which would dilute the Triglav Group's capital and earnings profile; or
- incurs very large investment losses due to severe combined global and domestic financial market stress; or
- considerably changes its business strategy, which would lead to steep growth in premiums written and substantially weakens the group's operating performance,
- incurs prolonged weakening of operating performance, particularly in relation to its expansion outside of Slovenia.

A downgrade in one or more of the Triglav Group's ratings could negatively affect the Triglav Group's business volumes 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, the Triglav Group might find it more difficult to access the capital markets and could incur higher borrowing costs. Furthermore, a rating downgrade could lead to new liabilities or increase existing liabilities, to the extent that they depend on the Triglav Group maintaining a certain credit rating. A rating downgrade could therefore have a material adverse effect on the business, results of operations and financial condition of the Triglav Group.

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

The risks insured by Triglav are partly transferred to other insurance and reinsurance companies by means of reinsurance or retrocession. Decisions about which insured risks are transferred and which risks are retained by Triglav are made by Triglav on the basis of a various number of 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 assessment, assumptions and forecasts used as a basis for this decision differ from the actual circumstances and developments, there is a risk of an inadequate protection through reinsurance, retrocession or financial instruments.

¹ The offices issuing and elaborating the rating were A.M. Best Europe - Rating Services Limited and a registered branch of Standard & Poor's Credit Market Services Europe Limited (which which was merged into Standard & Poor's Global Ratings Europe Limited on 1 July 2018) both of which are 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 (see "*List of registered and certified credit rating agencies*" which can be accessed on ESMA's homepage under www.esma.europa.eu/page/List-registered-and-certified-CRAs).

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

For its reinsurance business, Triglav 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 business, results of operations and financial condition of Triglav could be adversely affected if the availability of certain retrocession coverage is substantially 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 business, results of operations and financial condition of Triglav.

Triglav could lose important customers.

Triglav works with major customers which generate a high volume of premiums, especially in the reinsurance and industrial insurance businesses. If Triglav loses a certain number of important customers, for example because competing insurance companies or new competing market entrants 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 materially and adversely affect Triglav'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 Triglav's non-life reinsurance business, uncertain and unforeseeable events have in the past caused Triglav to experience substantial fluctuations in operating income. The cycles in the reinsurance business are periods characterized by intense price competition and less restrictive underwriting standards followed by periods of higher premium rates and more selective underwriting standards. As a result, Triglav's business volume can 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 disasters, 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 Triglav's costs of capital and, thus, could materially and adversely affect Triglav's business, results of operations and financial condition.

Poor performance of Triglav'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 financial markets affect consumer behavior, thereby negatively impacting the life insurance and asset management business of Triglav's subsidiaries. The demand for products benchmarked to fixed income securities, such as pension funds which invest in this type of assets may decrease if markets perform favorably 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 assets may decrease when markets show a downward trend.

Triglav invests the premiums it collects in various asset classes. It attempts to follow a conservative investment policy set out in Triglav Group guidelines, which emphasize highly liquid investments by issuers with excellent credit ratings

reflecting its liabilities. However, Triglav's investments might perform poorly, also in respect of matching of assets and liabilities, or Triglav's investment professionals could make poor investment decisions or other mistakes (including intentional violations of statutory provisions, standards of care or the Triglav Group's investment guidelines). Such occurrences could cause the value of Triglav's investment portfolio to decline and could lead to a mismatch between assets and liabilities in Triglav's insurance business. Furthermore, Triglav could lose current or potential customers and its reputation could be damaged as a result of poor investment performance. This reputational risk applies especially to Triglav's asset management and fund provider business, which competes with other financial services providers for customers in part on the basis of investment performance. If Triglav's investments perform worse than those of competitors, customers may withdraw their assets under management with Triglav. 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 Triglav.

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

In the reinsurance business, Triglav 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, Triglav must receive accurate and sufficient risk information from the respective cedant or retrocedant. If Triglav incorrectly assesses the scope of the risks covered by reinsurance and retrocession contracts as a result of incorrect or inadequate risk information, Triglav might fail to establish adequate reserves. Even if Triglav has a claim for recourse against a cedant or retrocedant as a result of incorrect or inadequate risk information, Triglav might 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 it occurs on a significant scale, could materially and adversely affect Triglav's business, results of operations and financial condition.

Triglav's risk management systems could fail to identify or control for material risks.

Triglav relies on complex and comprehensive systems for assessing and controlling risks. Despite detailed Group risk management guidelines, mistakes and disruptions in these systems cannot always be prevented. For example, human error or disregard of applicable standards in the identification, assessment and handling of relevant risk information and the disclosure of this information to the relevant decision makers, can result in a failure to recognise, assess or address material risks in a timely manner.

Furthermore, Triglav relies on risk quantification models based on simplified assumptions that cannot fully reflect actual circumstances. For example, market risks in the investment portfolio are quantified using a "value-at-risk" model that is based on historical data and experience, for example, with regard to the volatility of market values for different financial instruments and the correlation of risks. There is no guarantee that the underlying data, or the assumptions with respect to future developments in financial markets and the resultant risks for the business and the capital investment portfolio of Triglav, will prove accurate.

If the risk monitoring and risk management systems used by Triglav inadequately reflect material risks or otherwise turn out to be inadequate in any material respect, this could materially and adversely affect Triglav's business, results of operations and financial condition.

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

Triglav depends on the reliable and efficient functioning of computer and data processing systems and telecommunication systems to conduct its operations. Since these systems are susceptible to failures and problems (for example as a result of power failures, computer viruses, harmful software, hacker attacks, 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. Furthermore, 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 Triglav or third-party IT providers could disrupt Triglav'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 Triglav's business, results of operations and financial condition.

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

Triglav is subject 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.

Internal operational risks can include the risk of employee misconduct, including violations of Triglav'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 relating to on-the-job safety and security (including fraudulent behavior and embezzlement). Operational risks can also result from authorized, legal conduct by employees, for example, strikes and labor 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 Triglav.

Third parties can create operational risks for Triglav through poor performance of contracted services or criminal or other intentional misconduct, including theft, misappropriation, 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.

If any of the operational risks above materializes, it could have a material adverse effect on the business, results of operations and financial condition of Triglav.

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

There is substantial competitive pressure in all markets in which Triglav operates. Some competing insurance and financial companies have cost advantages as a result of their larger corporate size (economies of scale) or their distribution strategy. Managing expenses is therefore of critical importance for Triglav's profitability, especially in mature markets. Therefore, premiums at current levels are not always sufficient to generate positive margins. Triglav has implemented various cost reduction and efficiency enhancement programmes and will continue to do so in the future. 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 enhancement measures as well as employees' or trade unions' actions could materially and adversely affect Triglav's business, results of operations and financial condition.

Financing arrangements impose restrictions on Triglav's business.

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

Triglav is subject to risks in connection with acquisitions, joint ventures and minority investments. In particular, the integration of acquired companies can completely or partially fail or the assessment of the value or the potential for synergies can turn out to be wrong.

Over the last few years, the Triglav Group has acquired minority or controlling stakes in various companies. New acquisitions or strategic agreements may also be executed in the future. Although the Triglav Group executes caution and applies professional criteria when selecting and analyzing opportunities, success in this acquisition and alliance policy cannot be guaranteed. An unsuccessful or incomplete integration of the acquired businesses or any current/future alliances, or under-performance 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. Key challenges in acquisitions include integrating the IT systems and harmonizing the corporate cultures. For investments in foreign countries, important factors to take into account additionally include market conditions and the legal, political and cultural circumstances. The process of integrating an acquired company or business can be complex and costly and can create unforeseen operating difficulties and expenditures. For example, acquisitions can present significant risks, including the diversion of management time and resources to acquisition integration challenges and the impact of an acquisition on Triglav's financial position. Acquisitions also carry legal risks, for example if the warranties agreed with a seller are not sufficient to cover all acquisition risks. Furthermore, there is a risk in all investment decisions that the financial assumptions upon which an investment decision was based turn out to be incorrect, for example because the expected synergies cannot be realized; and where synergies are not realized, there is a risk the goodwill resulting from these acquisitions has to be written down. If goodwill has to be substantially written down, it could adversely affect the Triglav Group's financial condition and reduce its own capital.

If any of the risks above is realized, this could have a material adverse effect on the business, results of operations and financial condition of Triglav.

Triglav's operations expose it to political, economic and other risks in various countries.

Triglav operates in many countries in the Adria region, and its foreign operations have become increasingly important in recent years as a result of a number of acquisitions. Triglav is subject to the economic, legal and political environments in these countries and partly has to rely on the cooperation and reliability of government agencies (for example insurance regulatory authorities) and local business partners (for example distribution partners). Furthermore, in some of these countries, there is significant political or economic instability, as well as an unpredictable or unfavorable regulatory or legal climate. Embargoes and international sanctions against certain countries also pose risks for Triglav's international activities. Triglav has addressed these risks by issuing a code of conduct and implementing a compliance policy which is being rolled-out within the Triglav Group. In the event of violations of embargoes or international sanctions, Triglav could face legal consequences (for example, fines) or reputational damage. If any of the above risks occurs, it could have a material adverse effect on Triglav's business, results of operations and financial condition.

Increased geopolitical risks could materially and adversely affect Triglav's business, results of operations and financial condition.

Geopolitical risks have increased worldwide since the terror attacks on the United States on 11 September 2001, especially the risks of terrorist attacks and potential military responses to them, as well as risks created by political tensions between countries. Like many other insurance companies, the companies in the Triglav Group have tried either to generally exclude the risks relating to terrorism in their insurance terms and conditions or to greatly increase the premiums for insuring against these risks. However, such exclusions of liability have not been possible in all insurance contracts. Furthermore, even if risks of terrorism as such are excluded in the terms and conditions of insurance, consequential damages from terror attacks could lead to claims by insured parties against the companies in the Triglav Group. Triglav could also be adversely affected by claims stemming from future incidents which cannot be clearly identified or proven to be terrorist attacks. If the limits or exclusions contemplated in insurance contracts turn out to be unenforceable, the potential liability of Triglav will increase. If any of the above risks materializes, it could have a material adverse effect on Triglav's business, results of operations and financial condition.

Previously unknown risks, so-called "emerging risks", which cannot be reliably assessed, could lead to unforeseeable damages.

The term "emerging risks" is used in the insurance industry to refer to previously unknown risks that could cause substantial future losses and, therefore, are 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. Presently, the consequences of potential, worldwide climate change is considered an emerging risk. There is a wide scientific consensus and a growing public concern that globally increasing emissions of greenhouse gases, especially carbon dioxide, are causing an increase in the average worldwide surface temperatures. This increase in average temperatures could increase the frequency of hurricanes, floods, droughts, forest fires, and could cause sea levels to rise due to the melting of the polar ice caps. Other examples of emerging risks are epidemics and pandemics, as well as risks stemming from the development of nanotechnology or genetic engineering.

Despite its efforts at early identification and continuous monitoring of emerging risks, Triglav cannot guarantee that it will be able to identify all emerging risks and implement measures to avoid or minimize claims exposure to them. Defects and inadequacies in the identification and response to emerging risks could lead to unforeseen damages and could materially and adversely affect Triglav's business, results of operations and financial condition.

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

The Triglav Group depends on the availability of highly qualified staff in order to be able to carry out their activities appropriately and 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 their business, operating results and financial position, as well as their reputation.

Legal and Tax Related Risks

Triglav is required by law to comply with capital requirements and a large number of other regulatory requirements. Any changes of existing requirements and the regulatory framework for insurance companies (including own funds and governance) in accordance with Solvency II, can have material adverse effects on Triglav's business, results of operations and financial condition.

The insurance business is subject to extensive regulation and supervision. Regulatory authorities in the countries in which Triglav operates have wide-ranging authority and the ability to enforce such authority. Triglav 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. National and international efforts to prevent another financial crisis have led to extensive regulatory changes, which affect Triglav's business. Since the 2008 financial crisis, insurance and banking regulators have increased regulation and supervision of financial institutions in many countries. Systemically important companies in the financial and insurance industry are a particular point of focus for regulators in the United States and the EU. Entities whose collapse would likely have widespread and unforeseen consequences for the global financial system can expect substantially tighter requirements under regulations, especially with regard to their level of capitalization. In November 2011 the Financial Stability Board ("**FSB**") published an integrated set of policy measures to address the systemic and moral hazard risks associated with systemically important financial institutions ("**SIFIs**"). In July 2013, the FSB, in consultation with the International Association of Insurance Supervisors ("**IAIS**") and national authorities identified an initial list of nine global systemically important insurers ("**G-SIIs**") using an assessment methodology developed by the IAIS and the policy measures that should apply to them. That report noted that the list of G-SIIs would be updated annually and published by the FSB each November based on new data. The FSB, in consultation with the IAIS and national authorities, has identified in 2016 nine insurers as G-SIIs as part of its annual identification process of global SIFIs. The 2017 G-SII list does not include Triglav. If Triglav was included in the list of G-SIIs, it could have adverse consequences for Triglav.

Effective 1 January 2016, the EU implemented wide-ranging amendments to the existing regulatory framework applicable to insurance and re-insurance companies. The new framework (commonly referred to as "**Solvency II**") introduces new regulatory requirements as to own funds, the calculation of technical provisions, valuation of assets and liabilities, governance structure, regulatory reporting and disclosure as well as governance of insurance companies. Solvency II is based on Directive 2009/138/EC (as amended).

Directive 2009/138/EC, together with accompanying legal acts such as Commission Delegated Regulation 2015/35 and national legislation implementing these changes, create a stricter and more comprehensive regulatory framework (compared to the previous supervisory and solvency regime) for insurance and reinsurance companies within the EU. In any case, the Solvency II regime leads to higher volatility in solvency ratios compared to Solvency I due to the market value balance sheet approach. In particular, Triglav's solvency ratios may be negatively impacted by adverse capital market conditions. Also, the complexity of the calculations required to determine Triglav's solvency ratios implies that, for any given period in time, solvency ratios can only be determined with some delay and that it is not possible to predict future development of solvency ratios with certainty.

There is a risk that under Solvency II instruments issued by Triglav will not or will cease to be (fully or partly) eligible as own funds and that total own funds will not be sufficient to comply with the increased capital requirements under Solvency II. In such cases, Triglav might have to replace existing instruments and/or issue additional instruments or otherwise raise capital eligible as own funds. There is a risk that refinancing existing debt or raising additional capital would be expensive, difficult or impossible to obtain on adequate terms, which could have a material adverse effect on Triglav and/or Triglav Group, including its business, results of operations and financial condition.

In the event of a failure by Triglav or the Triglav Group to meet regulatory capital requirements, regulators have broad authority to take various regulatory actions including limiting or prohibiting the writing of new business, prohibiting payment of dividends or interest payments, and/or putting a company into insolvency proceedings or administration. A breach of regulatory capital requirements or a reduction of solvency ratios may result in Triglav injecting new capital into its subsidiaries which could in turn adversely affect Triglav's liquidity and financial position. Regulatory restrictions can reduce Triglav's ability to move capital within the Triglav Group which in turn can adversely affect the liquidity and financial position of Triglav and Triglav Group. Under the Solvency II regime the powers of intervention of the supervisory authority with respect to insurance companies like Triglav are extended and, in particular, allow for a restriction on all payments (in particular, payments under the Bonds) at an earlier stage of a potential crisis.

The Solvency II directive generally seeks to tighten quantitative and qualitative supervision of insurers, require greater transparency, increase higher minimum levels of statutory capital, impose more rigorous internal corporate risk control systems and require more extensive reporting and documentation procedures. These requirements are further tightened by implementing additional acts on the EU and the Member State level, which could have adverse effects on Triglav.

The prudential requirements for supervised companies have developed significantly, and are now much more stringent and complex. With the coming into force of the revised Insurance Act (*Zakon o zavarovalništvu (ZZavar-1)*; Official Gazette of the Republic of Slovenia No. 93/15, as amended from time to time; "**Insurance Act**") in Slovenia and the Delegated Regulation of the European Commission on 1 January 2016, this development has now peaked for the time being. As a result of the thus implemented Solvency II directive, a three-pillar approach is now in use. The (quantitative) Pillar I contains detailed regulations about the necessary capital resources of insurance companies. In order to calculate their specific capital requirement, the companies can either use a statutory standard model or else their own internal model. For the Triglav Group and for key insurance companies of the Triglav Group, Triglav uses a standard formula prescribed by the Solvency 2 directive. Pillar II deals with the qualitative risk management system and primarily contains requirements for the business organization of the insurance company. Pillar III regulates the reporting obligations of insurance companies, and in particular reporting obligations to the supervisory authorities and the general public. In addition, the implementation of Solvency II has introduced changes in the area of the supervision of insurance groups, which will also impact the Triglav Group.

In relation to the implementation of Solvency II, The European Insurance and Occupational Pensions Authority ("**EIOPA**") is continuing to publish guidelines and implementing technical standards, as well as corresponding consultation documents. The scope of these publications and their level of detail have lead, industry-wide, to a considerable, and at times almost overwhelming rise in often extremely detailed and binding regulatory framework conditions as well as, increasingly, to contradictions with respect to the published documents of EIOPA itself and the interpretive decisions of the Slovenian Insurance Supervision Agency (*Agencija za zavarovalni nadzor*; "**AZN**").

The obligation of Triglav to comply with, monitor and/or implement these, similar or other additional, stricter and/or new regulatory rules and requirements could materially and adversely affect Triglav's business, results of operations and financial condition.

The IFRS proposals for future accounting of insurance and reinsurance contracts could lead to substantially higher volatility for Triglav's financial results, equity and solvency capital and cause additional costs.

The IFRS standard (IFRS 4) applicable for the accounting of insurance contracts as of the date of this Prospectus is a transitional provision which remains in place until the finalized standard regarding the valuation of insurance contracts (IFRS 17) has to be applied. IFRS 4 currently permits the retention of previously applied accounting rules. The Triglav Group has made use of this option and currently accounts for technical insurance line items in the consolidated financial statements in accordance with IFRS as at time of initial application of IFRS on 1 January 2005 - provided IFRS 4 contains no special provisions to the contrary.

On 18 May 2017 the International Accounting Standards Board ("**IASB**") issued IFRS 17 "Insurance Contracts" which provides for a transition period of three years for application of the new accounting rules. The IASB agreed that an entity would apply IFRS 17 for annual periods beginning on or after 1 January 2022. IFRS 17 supersedes IFRS 4 and so establishes the principles for the recognition, measurement and presentation of disclosures relating to insurance contracts, reinsurance contracts and investment contracts with a discretionary surplus participation within the scope of the standard for the first time. According to the assessment model of the new standard, groups of insurance contracts are assessed on the basis of the expected value of discounted cash flows with an explicit risk adjustment for non-financial risks and a contractual service margin, which leads to a profit recognition corresponding to the provision of services. Instead of premium income in every period, the changes arising from the liability to grant insurance cover are recognized as "insurance turnover", for which the insurance company receives a fee minus incoming and outgoing payments of savings components. Insurance financing earnings and costs result from discounting effects and financial risks. They may be recognized for each portfolio either in the statement of income through profit or loss or in the other comprehensive income. Changes in the assumptions that do not relate to interest or financial risks are booked against the contractual service margin and are distributed over the term of the services that are still due to be provided. If the service margin becomes negative, a corresponding amount must be recognized through profit or loss. IFRS 17 provides a simplified procedure for short-term contracts, which presents the liability to grant insurance cover as was done previously via unearned premiums. Liabilities arising from incurred but not yet processed insurance claims must be discounted under IFRS 17 at the relevant

current interest rates. For large parts of the life insurance business with surplus participation, the standard modifies the general assessment model, in that even changes to the shareholders' portion of the performance of the earnings sources underlying the surplus participation are recognized in the contractual service margin and are distributed over the remaining term of the service provision. Changes in valuation criteria, such as the discount rate, could cause changes in valuation, which on the one hand would be reflected directly in the Triglav Group's statement of other comprehensive income and on the other hand would - regarding other changes - (e.g. risk adjustment for cash flow uncertainties) be reflected directly in the Triglav Group's statement of profit and loss, which could cause the Triglav Group's revenues and equity capital to be substantially more volatile. This increase in volatility could lead to various disadvantages for the Triglav Group, above all an increase in the cost of capital and a corresponding decrease in the share price. It might also be necessary to account for the capital investments used to cover the technical insurance reserves at the fair market value pursuant to IFRS 9 in order to avoid an "accounting mismatch". Adjustments in the structure of the insurance and reinsurance products offered by the Triglav Group and the structuring of the premiums could also be necessary. Changes in the valuation of insurance contracts could also impose substantial new demands on the internal data processing and accounting systems and could lead to significant additional strain on various group functions within the Triglav Group. A change in the accounting rules could also prove challenging to the management of the Issuer, because key numbers in the Triglav Group reporting prior to the change would no longer be completely comparable with the corresponding key numbers after the change is implemented. As these new regulations affect the core business activities of the Triglav Group, it is inevitable to expect material impacts on the consolidated financial statements. Due to the particular significance of the new accounting regulations, the Triglav Group has set up a multi-year project to examine the impact of the standard on the consolidated financial statements and to take the necessary steps towards implementation. The basic accounting principles are currently being developed, so that it will then be possible to begin with implementing the comprehensive requirements in the processes and systems at the Triglav Group.

The IASB has also developed new rules for accounting and valuing financial instruments. IFRS 9 "Financial Instruments", which was published on 24 July 2014, supersedes the existing guidance in IAS 39 "Financial Instruments: Recognition and Measurement". IFRS 9 contains revised guidance for the classification and measurement of financial instruments, including a new model for impairing financial assets that provides for expected credit losses, and the new general hedge accounting requirements. It also takes over the existing guidance on recognizing and derecognizing financial instruments from IAS 39. IFRS 9 is effective for annual periods beginning on or after 1 January 2018. However, the IASB has issued amendments to IFRS 4 "Application of IFRS 9 and IFRS 4" in September 2016. They affect the initial application of IFRS 9 for insurance companies. Without these amendments, the various dates of coming into force for IFRS 9 and the new standard for insurance contracts (IFRS 17) will lead to increased volatility in the results and duplicated conversion expenses for a transitional period. Triglav Group, whose predominant activity is in the insurance business, chooses to apply IAS 39 instead of IFRS 9 for financial years that begin prior to 1 January 2022. Insurance business is deemed to be the "predominant activity" at least if more than 90% of the total liabilities were attributable to the insurance business. The assessment of these prerequisites with regard to the application of this solution was carried out on the basis of the consolidated financial statements where the liabilities in the area of application of IFRS 4 accounted for more than 90% of the total liabilities of the Triglav Group. Furthermore, there has been no change in the business activity that would make a re-assessment necessary. Due to the major significance of IFRS 9, the Triglav Group set up a project to examine the impact of the standard on the consolidated financial statements and to take the necessary steps towards implementation; this also takes into account the elaboration of the disclosure obligations that arise when postponing the initial application of IFRS 9. However, it is already evident that the new classification requirements will affect the accounting for financial assets in the Triglav Group.

As with the IFRS 17 standard discussed above, these changes could lead to an increase in the volatility of the Triglav Group results. In addition, the changes could place additional demands on the existing IT infrastructure and products as well as processes within the Triglav Group. Each material change in the accounting rules applicable to insurance companies could also require products and premium structures in the primary and reinsurance businesses of Triglav to be adapted, and could cause additional costs.

Other developments in legislation and case law in countries in which Triglav operates could materially and adversely affect Triglav's business, results of operations and financial condition.

In addition to financial and insurance regulation, Triglav is affected by many other legal provisions, such as regulations concerning retirement pensions and social insurance systems, labor law, general civil law and insurance contract law, consumer protection provisions, anti-discrimination rules, rules against unfair terms and conditions as well as rules about access to information and data protection. Changes in these rules or their interpretation and application by the courts and public authorities could require Triglav to undergo a cost-intensive restructuring of its business and could have other adverse effects on Triglav.

In some of these areas of law, there has been a trend in recent years to increase requirements on financial services and insurance companies. For example, some courts in 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 EU has also tightened the requirements regarding documentation of insurance policies. In light of these developments, certain contractual stipulations used by Triglav in its insurance policies and its distribution agreements with brokers, agents, partner banks and other intermediaries could be determined to be invalid and unenforceable.

These legal risks and other legal risks, including from other areas of law, could have a material adverse effect on the business, results of operations and financial condition of Triglav.

Triglav is subject to stress tests and similar regulatory analyses which could negatively impact Triglav's reputation and financing costs or trigger enforcement actions by regulatory authorities.

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 (for example a strong downturn in the interest rates). Announcements by regulatory authorities about carrying out such tests can destabilize the insurance sector and lead to a loss of trust with regard to individual companies or the insurance sector as a whole. In the event that Triglav's results in such a calculation or test are worse than those of its competitors and these results become known, this could also have adverse effects on Triglav's financing costs, customer demand for Triglav's insurance and reinsurance products and Triglav's reputation. Furthermore, regulatory authorities could use a poor result by Triglav in such calculations or tests as a basis on which to take regulatory measures, which could have adverse effects for Triglav. If any of the risks above occurs, this could materially and adversely affect Triglav's business, results of operations and financial condition, or ability to pay dividends.

Triglav'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 Triglav's business, results of operations and financial condition.

The insurance and reinsurance businesses in most jurisdictions in which Triglav 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 AZN if they do not already have a corresponding license from an Member State of the EU or another country of the EEA. Before such a license is granted, AZN carefully examines whether the applicant meets Slovene insurance regulatory standards for organizational, financial and legal matters. Slovenian regulators carry out detailed background checks on senior management, the supervisory board members and holders of qualifying shareholdings as well as the professional qualifications of senior management and the supervisory board members. Furthermore, 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 Triglav fails to obtain or maintain these approvals, licenses or permits, Triglav could be forced to discontinue its business operations in the relevant jurisdiction, and this could materially and adversely affect Triglav's business, results of operations and financial condition.

Triglav 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 Triglav products, or as a result of external or tax audits detrimental to Triglav.

Triglav 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 Triglav operates otherwise changes adversely (for example as a result of external tax audits with outcomes detrimental to Triglav), or if Triglav chooses unfavorable tax structures when developing its products or fails to optimize tax arrangements (also in relation to its acquisitions and divestitures), this could materially and adversely affect Triglav's business, results of operations and financial condition.

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 Triglav.

Triglav Group companies are parties to legal, regulatory and other proceedings, negative outcomes in which could materially adversely affect Triglav'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 providers of insurance and financial services, employers, investors and taxpayers.

For a detailed description of selected material legal disputes, please refer to the section "*Description of the Issuer and the Triglav Group - Governmental, Legal and Arbitration Proceedings*".

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 favorable 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 Triglav's business, financial condition and results of operations.

Triglav 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 Triglav's insurance and other financial products as intermediaries for Triglav. Under certain circumstances, Triglav 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 Triglav'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 Triglav's business, results of operations and financial condition.

Subsidiaries of Triglav were occasionally 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. Triglav has taken measures attempting to prevent similar cases in the future. However, it cannot be ruled out that customers may assert claims against Triglav on account of 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 Triglav.

The business and reputation of Triglav could be adversely affected by actual or alleged violations of laws, standards of conduct or accounting rules or by other irregularities at Triglav or other companies in the insurance and financial services industry.

In light of the large number of regulations, provisions and standards of conduct with which Triglav must comply in various countries, there is an inherent risk of liability due to actual or alleged violations of such norms, which may also lead to regulatory bodies investigating Triglav Group's business with potential financial and/or reputational risks being associated therewith. The Triglav Group tries to minimize this risk by means of comprehensive compliance programmes but these compliance programmes may fail to prevent such violations.

For example, Triglav handles within the Triglav Group personal and other sensitive data that is subject to rules about access to information and data protection using data processing systems and may share such data with, *inter alia*, agents, service providers, other insurers or banks and their agents, other intermediaries and with recognized trade, governing, and regulatory bodies for purposes of, *inter alia*, insurance administration (including underwriting, processing, claims handling, reinsurance and fraud prevention). Although Triglav aims to ensure that its access authorization systems to such data are state of the art and that those persons with whom Triglav shares protected data also handle such data responsibly, it cannot be excluded that, for example due to criminal action, protected data is made available to a third party in violation of data protection laws as happened in the past in singular cases.

Triglav may also suffer reputational risks from actual or alleged violations of its various legal duties. For example, insurance companies which provide retail insurance are subject to increased public attention and are often the subject of media reporting (for example in consumer protection shows on television). Such reporting often takes a very critical view of the insurance industry. If such reports present Triglav in a negative light, this could lead to losses of customers and market share. There is a risk that Triglav could suffer by being associated with a generally negative image of the insurance industry.

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 Triglav.

Risks relating to the Bonds

The Bonds may not be a suitable investment for all investors

Each potential investor in the Bonds must determine whether or not the Bonds represent a suitable investment in light of that investor's own circumstances. The Bonds are only suitable for sophisticated investors that:

- 1) have sufficient knowledge and experience to make a meaningful evaluation of the Bonds, the merits and risks of investing in the Bonds and the information contained or incorporated by reference in this Prospectus or any applicable supplement;
- 2) have access to, and knowledge of, appropriate analytical tools to evaluate, in the context of their particular financial situation, an investment in the Bonds and the impact the Bonds will have on their overall investment portfolio;
- 3) have sufficient financial resources and liquidity to bear all of the risks of an investment in the Bonds, including Bonds where the currency for principal or interest payments is different from the potential investor's currency;
- 4) understand thoroughly the terms of the Bonds and are familiar with the behavior of any relevant indices, rates and financial markets; and
- 5) are able to evaluate (either alone or with the help of a financial adviser) possible scenarios for economic and other factors that may affect their investment and their ability to bear the applicable risks.

The Bonds are complex financial instruments. Sophisticated institutional investors generally purchase complex financial instruments as part of a wider portfolio strategy rather than as stand-alone investments. They purchase complex financial instruments as a way to reduce risk or enhance yield with a measured and appropriate addition of risk to their overall portfolios, and only after performing an intensive analysis of all involved risks. A potential investor should not invest in the Bonds unless the potential investor has the expertise (either alone or with a financial adviser) to evaluate how the Bonds will perform under changing conditions, the resulting effects on the value of the Bonds and the impact the respective investment will have on the potential investor's overall investment portfolio.

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 Solvency II 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 Call Date (please see "*Redemption of the Bonds may occur much earlier than expected*" below).

Maturity and postponement:

The Bonds are long-term securities.

The Bonds are scheduled to be redeemed at par on 22 October 2049 (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. Under the Terms and Conditions, the Bondholders have no right to require 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.

Redemption of the Bonds may be delayed beyond the Scheduled Maturity Date for an indefinite period of time.

In any event, the redemption as well as any repurchase of the Bonds are subject to the Conditions to Redemption and Repurchase (as defined in the Terms and Conditions) being fulfilled. Where such conditions are not met, redemption may be delayed beyond the Scheduled Maturity Date for an indefinite period of time. This may be the case, for example, if a Solvency Capital Event (as defined in the Terms and Conditions) occurs. Therefore, Bondholders may receive the amounts due upon redemption at a much later point in time than initially expected.

If the Bonds are not redeemed on the Scheduled Maturity Date due to the reasons set out above, Bondholders will – subject to any compulsory or optional deferral – continue to receive interest but will not receive any additional compensation for the postponement of the redemption. If the Bonds are not redeemed on the Scheduled Maturity Date, or it is perceived likely that this will not occur, this could adversely affect the market value of the Bonds and/or their liquidity.

Redemption of the Bonds may occur much earlier than expected.

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 Call 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 in writing to the Issuer that under the Applicable Supervisory Regulations (as defined in the Terms and Conditions) the Bonds would not be 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 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, or (iii) if as a consequence of a change in, or clarification to, the rating methodology (or the interpretation thereof) of Standard & Poor's Global Ratings Europe Limited, AM Best Europe-Rating Services Ltd. or any respective successor, which change or clarification becomes effective on or after the date of issue of the Bonds, which change in, or clarification to, the rating methodology (or the interpretation thereof) results in a lower equity credit being assigned to the Bonds as of the date of such changes than the equity credit that was or would have been assigned to the Bonds prior to such changes by such rating agency.

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 Call 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.

Market expectations on the timing of the redemption.

Certain market expectations may exist among investors in the Bonds with regard to the timing of the redemption. Should the Issuer's actions diverge from these expectations, or should the Issuer be prevented from meeting these expectations, this may adversely affect the market value of the Bonds and/or their liquidity.

Bondholders may have to return amounts received otherwise than pursuant to the Terms and Conditions of the Bonds.

If the Bonds are redeemed or repurchased otherwise than pursuant to § 5 and in accordance with § 3 of the Terms and Conditions, Bondholders may have to return any amounts so received.

Subordination

The obligations under the Bonds constitute unsecured 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 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 Issuer's obligations under the Bonds or (ii) guaranteed by the Issuer or for which the Issuer has otherwise assumed liability where the Issuer's obligations under the relevant guarantee or other assumption

of liability, pursuant to its terms or mandatory provisions of law, 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 all of the Issuer's (i) unsubordinated obligations, (ii) obligations subordinated pursuant to Art. 21(3) of the Insolvency Act, (iii) subordinated obligations pursuant to Art. 227(4) in connection with Art. 498 (equity replacing shareholder loans (*posojila družbi namesto lastnega kapitala*)) of the Companies Act (*Zakon o gospodarskih družbah (ZGD-1)*); Official Gazette of the Republic of Slovenia No. 65/09, as amended from time to time), (iv) subordinated obligations pursuant to Art. 44 (6) in connection with Art. 44 (8) of the Insolvency Act, (v) subordinated obligations ranking at least *pari passu* with any of the Issuer's subordinated obligations described under (ii), (iii) and (iv) above and (v) subordinated obligations required to be preferred by mandatory provisions of law. In the event of liquidation, dissolution, insolvency, composition or other proceedings for the avoidance of insolvency of the Issuer, 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 accept 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.

Interest deferral

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.

Compulsory deferral of interest payments

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 particular, the resulting Arrears of Interest will not bear interest.

Optional 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 by giving not less than 10 and not more than 15 Business Days' prior notice to the Bondholders 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. 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 optional deferral of interest payments. In particular, the resulting Arrears of Interest will not bear interest.

Restrictions on payment of Arrears of Interest

The Issuer will only be entitled to pay Arrears of Interest at any time if the Conditions to Settlement, as further described in the Terms and Conditions, are fulfilled with respect to such payment. These restrictions also apply in the case of a mandatory settlement of Arrears of Interest, as further described in the Terms and Conditions.

Market Expectations on interest payments

Certain market expectations may exist among investors in the Bonds with regard to payment of interest. Should the Issuer's actions diverge from these expectations, or should the Issuer be prevented from meeting these expectations, this may adversely affect the market value of the Bonds and/or their liquidity.

There is a significant risk that an investor in the Bonds will lose all or some of its investment should the Issuer become insolvent.

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. This may lead to the partial or total loss of the investor's investment in the Bonds. This risk is aggravated by the fact that the Bonds are unsecured and subordinated (see above, "*Subordination*").

No express Events of Default

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.

No limitation on issuing further debt and guarantees

There is no restriction on the amount of debt or guarantees which the Issuer may issue ranking *pari passu* with or senior to the obligations under or in connection with the Bonds. Such issuance of further debt and/or guarantees may reduce the amount recoverable by the Bondholders upon insolvency or winding-up of the Issuer. Furthermore, the issue of further debt and/or guarantees, whether equal, senior or junior ranking, may increase the likelihood that payments of the principal amount or interest under the Bonds will be mandatorily deferred or may, in the case of interest payments, be deferred at the option of the Issuer.

Liquidity risk

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.

Fixed to Floating Rate Bonds

Fixed interest risks

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

Floating interest risk

If the Bonds are not called on the First Call Date, the Bonds will bear interest at a floating rate from the First Call Date (including) until the Final Maturity Date (excluding).

The floating rate applicable to the Bonds from (and including) the First Call Date is based on two components, namely the Euro-zone inter-bank offered rate for three-month Euro deposits ("**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 is fixed at issuance of the transaction.

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 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 Call 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 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 created and operated. This has resulted in regulatory reform and changes to existing Benchmarks, with further changes anticipated. International proposals for reform of Benchmarks include in particular the European Council's regulation (EU) 2016/1011 of 8 June 2016 on indices used as benchmarks in financial instruments and financial contracts or to measure the performance of investment funds and amending Directives 2008/48/EC and 2014/17/EU and Regulation (EU) No 596/2014 (the "**Benchmark Regulation**") which is fully applicable since 1 January 2018.

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 or linked to such Benchmark such as the Bonds following the First Call Date.

Following the First Call 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.

In the event that EURIBOR is permanently discontinued, the Issuer is authorized under the Terms and Conditions to select a substitute reference rate for determination of the Floating Interest Rate without any requirement for consent or approval of the Bondholders. Such substitute reference rate can either be the officially announced successor rate or, if such an official successor is not available, a benchmark which in the opinion of the Issuer after consultation with an independent financial adviser appointed by it, economically comes as close as possible to the existing reference rate. If the Issuer determines a substitute reference rate, the Issuer may, in its reasonable discretion, after consultation with an independent financial adviser appointed by it, determine (i) necessary changes to certain clauses in the Terms and Conditions (e.g. the

day count fraction, the business day convention or the applicable interest determination date) and (ii) any necessary adjustment factor that is necessary to make the substitute reference rate comparable to the 3-month EURIBOR.

The use of any such substitute reference rate may therefore result in the Bonds performing differently (including paying a lower rate of interest) than they would do if EURIBOR were to continue to apply in its current form.

If no replacement of the discontinued reference rate is made because no suitable substitute reference rate is officially announced as successor to the reference rate or because the Issuer is unable to determine a substitute reference rate prior to the Interest Determination Date relating to the next succeeding Floating Interest Period, the reference rate for the relevant Floating Interest Period shall be equal to the 3-month EURIBOR as displayed on the Screen Page on the last day preceding the relevant Interest Determination Date on which such 3-month EURIBOR was displayed on the Screen Page. No replacement of the reference rate will be made, if such replacement (or any associated changes to the Terms and Conditions) would result in the Bonds cease to qualify, in whole or in part, 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 Triglav Group. This could lead to a situation where the Bonds are effectively transformed into fixed rate instruments until maturity.

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.

Reinvestment risk

In addition, Bondholders are exposed to reinvestment risk with respect to proceeds from coupon payments or early redemptions by the issuer. If the market yield (or market spread respectively) declines, and if Bondholders want to invest such proceeds in comparable transactions, Bondholders will only be able to reinvest such proceeds in comparable transactions at the then prevailing lower market yields (or market spread respectively).

Ratings of the Bonds, if any, may be subject to change at all times

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. Rating agencies may also change their methodologies for rating securities with features similar to the Bonds in the future. If the rating agencies were to change their practices for rating such securities in the future and the ratings of the Bonds were to be subsequently lowered, this may have a negative impact on the trading price of the Bonds. A material change in the rating methodology of the relevant rating agencies could also lead to an early redemption of the Bonds by the Issuer (see "*Redemption of the Bonds may occur much earlier than expected*" above).

In any case, the ratings of the Bonds may not reflect the potential impact of all risks related to structure, market, additional factors discussed above, and other factors that may affect the value of the Bonds.

Currency risk in relation to Bonds

The Bonds are denominated in Euro. If such currency represents a foreign currency to a Bondholder, such Bondholder is particularly exposed to the risk of changes in currency exchange rates which may affect the yield of such Bonds measured in the Bondholder's currency. Changes in currency exchange rates result from various factors such as macroeconomic factors, speculative transactions and interventions by central banks and governments.

In addition, government and monetary authorities may impose (as some have done in the past) exchange controls that could adversely affect an applicable currency exchange rate. As a result, Bondholders may receive less interest or principal than expected, or no interest or principal.

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 Bondholders Meeting or by a vote not requiring a physical meeting (*Abstimmung ohne Versammlung*) as described in Sections 5 et seq. of the German Act on Issues of Debt Securities (*Gesetz über Schuldverschreibungen aus Gesamtemissionen*, "**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.

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. 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.

Market volatility and other factors

The trading market for debt securities may be volatile and may be adversely impacted by many events. The market for debt securities is influenced by economic and market conditions in Germany and, to varying degrees, by market conditions, interest rates, currency exchange rates and inflation rates in other European and other industrialized countries. Events in Germany, Europe or elsewhere may cause market volatility and such volatility may adversely affect the price of Bonds. Bondholders also bear the risk that economic and market conditions will have any other adverse effect on the trading pattern and the market value of the Bonds. There is the risk that the price for the Bonds will be more volatile than the price for debt securities generally and that, as a consequence, general market volatility will have a greater impact on the volatility of the price of the Bonds.

Legal investment considerations may restrict certain investors to acquire the Bonds

The investment activities of certain investors are subject to investment laws and regulations, or review or regulation by certain authorities. Each potential investor should consult its legal advisers to determine whether and to what extent (i) Bonds are legal investments for it, (ii) Bonds can be used as collateral for various types of borrowing and (iii) other restrictions apply to its purchase or pledge of any Bonds. Financial institutions should consult their legal advisors or the appropriate regulators to determine the appropriate treatment of Bonds under any applicable risk-based capital or similar rules.

Transaction costs

Transaction costs reduce the yield a Bondholder will realize on the investment in the Bonds. When Bonds are purchased, several types of incidental costs (including transaction fees and commissions) are incurred and will have to be paid by the buyer in addition to the then prevailing market price. Similarly, when a Bondholder sells any Bonds, such incidental costs will reduce the actual price the Bondholder will receive for each Bond sold. These incidental costs may significantly reduce the potential profit of an investment in the Bonds, or may lead to, or increase, a loss from such an investment. For instance, credit institutions as a rule charge their clients commissions which are either fixed minimum commissions or pro-rata commissions depending on the order value. To the extent that additional – domestic or foreign – parties are involved in the execution of an order, including but not limited to domestic managers or brokers in foreign markets, Bondholders must take into account that they may also be charged for the brokerage fees, commissions and other fees and expenses of such parties (third party costs).

In addition to such costs directly related to the purchase of Bonds (direct costs), Bondholders must also take into account any follow-up costs (such as custody fees). Investors should inform themselves about any additional costs incurred in connection with the purchase, custody or sale of the Bonds before investing in the Bonds.

Bondholders must further take into account that upon sales or purchases of Bonds prior to an interest payment date (depending on their type and features), respectively, no accrued interest might be paid or charged, as the case may be.

Clearing Systems

The Bonds are purchased and sold through different clearing systems, such as Clearstream Banking S.A or Euroclear Bank SA/NV (together, the "**Clearing System**"). The Issuer does not assume any responsibility as to whether the Bonds are actually transferred to the securities portfolio of the relevant investor. Bondholders have to rely on the functionality of the relevant clearing system.

Margin lending

Margin lending, where it is permitted, can materially increase the risk to a Bondholder of incurring losses. If a loan is used to finance the acquisition of the Bonds and the Bonds subsequently go into default, or if the trading price diminishes significantly, the Bondholder not only has to face a potential loss on its investment, but it will also still have to repay the loan and pay interest thereon. This may significantly increase the risk of a loss. Investors should not assume that they will be able to repay the loan or pay interest thereon from the profits of a transaction. Instead, investors should assess their financial situation prior to an investment, as to whether they are able to pay interest on the loan, or to repay the loan on demand, even if they face losses on such investment.

European Initiative on Financial Transaction Tax

On 14 February 2013, the EU Commission adopted a proposal for a Council Directive (the "**Draft Directive**") on a common financial transaction tax ("**FTT**"). According to the Draft Directive, the FTT shall be implemented in certain EU Member States, including Germany and Slovenia. The proposed FTT has a very broad scope and could, if introduced, apply to certain dealings in the Bonds (including secondary market transactions) in certain circumstances. The issuance and subscription of Bonds should, however, be exempt. Whether and to what extent retirement provision products might be exempt from the financial transaction tax remains unclear.

According to the coalition agreement between the German Christ Democratic Party and the German Social Democratic Party and pursuant to an official statement dated 5 July 2018, the current German government still has the intention to introduce a FTT. However, no further plans or details are yet available in this respect.

There are also no further plans or details with respect to introduction of the FTT in Slovenia.

The FTT and its scope therefore remains subject to discussions and it is currently uncertain if and when the proposed FTT will be enacted and when it will take effect with regard to dealings in the Bonds.

Prospective investors should consult their own tax advisers in relation to the consequences of the FTT associated with subscribing for, purchasing, holding and disposing of the Bonds.

Tax impact of the investment

An effective yield on the Bonds may be diminished by the tax impact on an investment in the Bonds. Payments of interest on the Bonds, or profits realized by the Bondholder upon the sale or repayment of the Bonds, may be subject to taxation in its home jurisdiction or in other jurisdictions in which it is required to pay taxes. The typically applicable tax treatment of Bondholders in Luxembourg and Slovenia is broadly described in the section "TAXATION". However, the tax treatment of an individual Bondholder may differ from the typically applicable situation described for Bondholders.

All investors are advised to contact their own tax advisors for advice on the tax impact of an investment in the Bonds. Examples of taxation risks that investors should consider together with their advisors include among others the risk of double taxation (in Slovenia and their home jurisdiction or another country, if applicable).

Change in tax law

Investors should be aware that tax regulations and their application by the relevant taxation authorities are subject to change, possibly with retrospective effect, and that this could negatively affect the value of the Bonds or the after-tax return for any Bondholder. Any such change may cause the tax treatment of the Bonds to change from the tax position at the time of purchase and may render the statements in this Prospectus concerning the relevant tax law and practice to be inaccurate or insufficient to cover the material tax considerations in respect of the Bonds. It is not possible to predict the precise tax treatment which will apply at any given time and changes. In addition, a change in tax law may give the Issuer the right to redeem the Bonds at par, and thus possibly at a price lower than the market price of the Bonds immediately prior to the redemption.

Payments in respect of the Bonds may in certain circumstances be made subject to withholding or deduction of tax

All payments in respect of Bonds will be made free and clear of withholding or deduction of Slovenian taxation, unless the withholding or deduction is required by law. In that event, the Issuer will pay such additional amounts as will result in the Bondholders receiving such amounts as they would have received in respect of such Bonds had no such withholding or deduction been required. The Issuer's obligation to gross up is, however, subject to a number of exceptions as provided in Condition 7 (Taxation) and the right to redeem the Bonds early for such tax reasons (see above "*Redemption of the Bonds may occur much earlier than expected*").

U.S. Foreign Account Tax Compliance Withholding

Pursuant to the foreign account tax compliance provisions of the Hiring Incentives to Restore Employment Act of 2010 ("FATCA"), the Issuer and other non-U.S. financial institutions through which payments on the Bonds are made may be required to withhold U.S. tax at a rate of 30 per cent. on all, or a portion of, payments made after 31 December 2018 in respect of (i) any Bonds issued or materially modified after the date on which the final regulations applicable to "foreign passthru payments" are filed in the Federal Register and (ii) any Bonds which are treated as equity for U.S. federal tax purposes, whenever issued.

Whilst the Bonds are in global form and held within the Clearing Systems, in all but the most remote circumstances, it is not expected that FATCA will affect the amount of any payment received by the Clearing Systems. However, FATCA may affect payments made to custodians or intermediaries in the subsequent payment chain leading to the ultimate investor if any such custodian or intermediary generally is unable to receive payments free of FATCA withholding. It also may affect payment to any ultimate investor that is a financial institution that is not entitled to receive payments free of withholding under FATCA, or an ultimate investor that fails to provide its broker (or other custodian or intermediary from which it receives payment) with any information, forms, other documentation or consents that may be necessary for the payments to be made free of FATCA withholding. Investors should choose the custodians or intermediaries with care (to

ensure each is compliant with FATCA or other laws or agreements related to FATCA), provide each custodian or intermediary with any information, forms, other documentation or consents that may be necessary for such custodian or intermediary to make a payment free of FATCA withholding. The Issuer's obligations under the Bonds are discharged once it has made payment to, or to the order of the Clearing Systems and the Issuer has therefore no responsibility for any amount thereafter transmitted through the Clearing Systems and custodians or intermediaries. Further, foreign financial institutions in a jurisdiction which has entered into an intergovernmental agreement with the United States (an "IGA") are generally not expected to be required to withhold under FATCA or an IGA (or any law implementing an IGA) from payments they make.

If an amount in respect of U.S. withholding tax were to be deducted or withheld from interest, principal or other payments on the Bonds as a result of FATCA, none of the Issuer, any paying agent or any other person would, pursuant to the Terms and Conditions of the Bonds be required to pay additional amounts as a result of the deduction or withholding. As a result, investors may receive less interest or principal than expected.

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

Definitions

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 accounting principles generally accepted which subsequently supersede them as applied by the Issuer at the relevant dates and for the relevant 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 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 (Zakon o zavarovalništvu (ZZavar-1); Official Gazette of the Republic of Slovenia No. 93/15, as amended from time to time), Solvency II or any other future directive(s), as well as any directly applicable provisions of European Community law) and any regulations and rules thereunder (including the 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 of the Triglav Group as applicable from time to time..

"**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) on which (i) the Clearing System is open to settle payments and (ii) which is a TARGET Business Day.

"**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 as insurance regulator competent for the Issuer or the Triglav Group.

A "**Compulsory Deferral Event**" will have occurred with respect to the 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 has occurred on or prior to such date and is continuing on such date or such payment would 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; or
- (iii) either a Solvency Capital Event has occurred on or prior to such date and is continuing on such date or such payment would result in the occurrence of a Solvency Capital Event, unless
 - (A) on or prior to such date the Competent Supervisory Authority has exceptionally given, and not withdrawn by such date, its prior consent to the payment of the relevant interest and/or Arrears of Interest despite the Solvency Capital Event; and
 - (B) the payment of such interest and/or Arrears of Interest on the Bonds does not lead to a further weakening of the solvency position of the Issuer or the Triglav Group; and
 - (C) the applicable minimum capital requirement (MCR) of the Issuer and the minimum consolidated solvency capital requirement for the Triglav Group pursuant to the Applicable Supervisory Regulations are fulfilled also after the payment of such 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;
- (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 Mandatory 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.

"**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.

"**Euro-Zone**" has the meaning set out in § 4(2)(c).

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

"**First Call Date**" means 22 October 2029.

"**Fixed Interest Payment Date**" means 22 October of each year commencing on 22 October 2019 (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 22 January, 22 April, 22 July and 22 October in each year, commencing on 22 January 2030. If any Floating Interest Payment Date would otherwise fall on a day which is not a Business Day, it will be postponed to the next day which is a 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 Business Day.

"**Floating Interest Period**" means each period from and including the First Call 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**" 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.

"**Insolvency Act**" means the Slovenian Financial Operations, Insolvency Proceedings and Compulsory Winding-up Act (*Zakon o finančnem poslovanju, postopkih zaradi insolventnosti in prisilnem prenehanju (ZFPIPP)*); Official Gazette of the Republic of Slovenia No. 13/14, 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 30 April 2019.

"**Interest Determination Date**" has the meaning set out in § 4(2)(c).

"**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**" means Zavarovalnica Triglav, d.d., registered with the Slovenian Court and Commercial Register under No. 5063345000 ("**Triglav**").

"Issuer's Senior Ranking Obligations" means all

- (a) unsubordinated obligations of the Issuer;
- (b) subordinated obligations of the Issuer pursuant to Art. 21(3) of the Insolvency Act;
- (c) subordinated obligations of the Issuer pursuant to Art. 227(4) in connection with Art. 498 (equity replacing shareholder loans (*posojila družbi namesto lastnega kapitala*)) of the Companies Act (*Zakon o gospodarskih družbah (ZGD-1)*); Official Gazette of the Republic of Slovenia No. 65/09, as amended from time to time);
- (d) subordinated obligations of the Issuer pursuant to Art. 44 (6) in connection with Art. 44 (8) of the Insolvency Act;
- (e) subordinated obligations ranking at least *pari passu* with any of the Issuer's subordinated obligations under preceding clauses (b), (c) and (d); and
- (f) subordinated obligations of the Issuer required to be preferred by mandatory provisions of law.

"Junior Obligation" means

- (i) the ordinary shares and preferred shares (if any) of the Issuer;
- (ii) any present or future share of any other class of shares of the Issuer;
- (iii) any other present or future 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) any present or future 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:

- (i) in respect of any Arrears of Interest that existed prior to the occurrence of a Compulsory Interest Payment Event, 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, 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 4.845 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 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 Issuer's obligations under the Bonds; or

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

"**Paying Agents**" has the meaning set out in § 9(1).

"**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 Standard & Poor's Global Ratings Europe Limited, AM Best Europe-Rating Services Ltd. or any respective successor, which change or clarification becomes effective on or after the date of issue of the Bonds, which change in, or clarification to, the rating methodology (or the interpretation thereof) results in a lower equity credit being assigned to the Bonds as of the date of such changes than the equity credit that was or would have been assigned to the Bonds prior to such changes by such rating agency pursuant to the rating methodology.

"**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.

"**Reference Banks**" has the meaning set out in § 4(2)(c).

A "**Regulatory Event**" will occur if the Competent Supervisory Authority states in writing to the Issuer that under the Applicable Supervisory Regulations the Bonds would not be 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 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.

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

"**Screen Page**" has the meaning set out in § 4(2)(c).

"**Solvency II**" means Directive 2009/138/EC of the European Parliament and of the Council of 25 November 2009 as amended from time to time, the further legislative acts of the European Union enacted in relation thereto including Commission Delegated Regulation (EU) 2015/35 of 10 October 2014, and the applicable legislation and measures implementing the same, in each case as amended from time to time.

A "**Solvency Capital Event**" will have occurred if any of the following events has occurred:

- (i) on an unconsolidated basis of the Issuer the own funds are not sufficient to cover the solvency capital requirement (SCR) or the minimum capital requirement (MCR) of the Issuer in accordance with the Applicable Supervisory Regulations;
- (ii) on a consolidated basis of the Triglav Group the own funds are not sufficient to cover the applicable solvency capital requirement (SCR) of, or the minimum consolidated solvency capital requirement for, the Triglav Group in accordance with the Applicable Supervisory Regulations.

"**TARGET Business Day**" means a day on which all relevant parts of the Trans-European Automated Real-time Gross settlement Express Transfer Systems 2 (TARGET) are open to effect payments.

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**" for purposes of these Terms and Conditions means the Tier 2 basic own funds of the Issuer (as stipulated in the Applicable Supervisory Regulations).

"**Triglav Group**" means the Issuer and its subsidiaries pursuant to the Applicable Supervisory Regulations regarding the supervision of the group solvency.

§ 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 € 50,000,000.

- (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) 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 dissolution, liquidation, insolvency or any proceeding to avoid insolvency of the Issuer,

- (a) the obligations under the Bonds rank *pari passu* among themselves and *pari passu* with all Parity Obligations of the Issuer;
- (b) the obligations of the Issuer under the Bonds will 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 rights 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 insolvency or liquidation 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 and any repurchase of the Bonds will be subject to the Conditions to Redemption and Repurchase set forth in § 5(6) being fulfilled.

These payment conditions constitute a prohibition to pay in 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 Period.

- (a) In the period from and including the Interest Commencement Date to but excluding the First Call Date the Bonds bear interest on their Principal Amount at the rate of 4.375 per cent. per annum. The first payment of interest will amount to EUR 2,097.60 per Principal Amount. During such period, interest 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 (from and including the first day of such period to but excluding the last day of such period) (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 the period from and including 22 October in any year to but excluding the next 22 October.

(2) Floating Rate Interest Period.

(a) Floating Rate Interest.

In the period from and including the First Call 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 Rate Interest.

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

"Reference Rate" means, subject to § 4(2)(e), the 3-month Euro Interbank Offered Rate (expressed as a percentage rate per annum) which appears on the Screen Page as of 11:00 a. m. (Brussels time) on the Interest Determination Date (as defined below).

If the Screen Page is not available or if no 3-month Euro Interbank Offered Rate appears as at such time, the Calculation Agent shall request each of the Reference Banks to provide the Calculation Agent with its offered quotation (expressed as a percentage rate *per annum*) for deposits in Euro for the relevant Floating Interest Period and in a Representative Amount (on an Actual/360 day count basis) to prime banks in the Euro-Zone interbank market at approximately 11:00 a.m. (Brussels time) on the relevant Interest Determination Date. If two or more of the Reference Banks provide the Calculation Agent with such offered quotations, the Reference Rate for such Floating Interest Period shall be the arithmetic mean (rounded if necessary to the nearest one thousandth of a percentage point, with 0.0005 being rounded upwards) of such offered quotations, all as determined by the Calculation Agent.

If on the relevant Interest Determination Date only one or none of the selected Reference Banks provides the Calculation Agent with such offered quotations as provided in the preceding paragraph, the Reference Rate for the relevant Floating Interest Period shall be the rate *per annum* which the Calculation Agent determines as being the arithmetic mean (rounded if necessary to the nearest one thousandth of a percentage point, with 0.0005 being rounded upwards) of the rates, as communicated at approximately 11:00 a.m. (Brussels time) to (and at the request of) the Calculation Agent by major banks in the Euro-Zone interbank

market, selected by the Calculation Agent acting in good faith, at which such banks offer, on the relevant Interest Determination Date, loans in Euro for the relevant Floating Interest Period and in a Representative Amount to leading European banks.

If the Reference Rate cannot be determined in accordance with the foregoing provisions, the Reference Rate for the relevant Floating Interest Period shall be, subject to § 4(2)(e), the 3-month Euro Interbank Offered Rate as displayed on the Screen Page on the last day preceding the Interest Determination Date on which such 3-month Euro Interbank Offered Rate was displayed on the Screen Page.

(c) In these Terms and Conditions:

"Euro-Zone" means the region comprised of those member states of the European Union that have adopted, or will have adopted from time to time, the single currency in accordance with the Treaty establishing the European Community (signed in Rome on 25 March 1957), as amended by the Treaty on European Union (signed in Maastricht on 7 February 1992) and the Amsterdam Treaty of 2 October 1997, as further amended from time to time.

"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.

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

"Reference Banks" means the principal Euro-Zone offices of four major banks in the Euro-Zone inter-bank market, in each case selected by the Issuer;

"Representative Amount" means an amount that is representative for a single transaction in the relevant market at the relevant time;

"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 on the first day of the relevant Floating Interest Period. 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.

(e) Replacement of the Reference Rate in the event of a discontinuation of the EURIBOR.

If the Reference Rate for the relevant Floating Interest Period is not displayed on the Screen Page as a result of the Reference Rate ceasing to be calculated or administered, the following shall apply:

(i) If a suitable substitute reference rate is available which either is officially announced as successor to the Reference Rate or, failing that, which in the opinion of the Issuer after consultation with an independent financial adviser appointed by it, economically comes as close as possible to the existing Reference Rate, the Reference Rate for the relevant Floating Interest Period shall be, subject to the subsequent operation of this § 4(2)(e), such substitute reference rate. Notice of any such substitution shall be published in accordance with § 11. The replacement of the Reference Rate by the substitute reference rate is subject to the following preconditions:

(A) In accordance with Article 29(1) of the Regulation (EU) 2016/1011 of the European Parliament and of the Council of 8 June 2016 on indices used as benchmarks in financial instruments and financial contracts or to measure the performance of investment funds (the "**Benchmark Regulation**"), the substitute reference rate, (I) will be provided by an administrator located in the European Union and will be included in the register as referred to Article 36 of the Benchmark Regulation or (II) will be provided by an administrator located in a third country for use in the European Union; and

(B) the substitute reference rate as well as the administrator will be included in the register as referred to Article 36 of the Benchmark Regulation; and

(C) such replacement must not result in a Regulatory Event entitling the Issuer to redeem the Bonds in accordance with § 5(4).

(ii) If the Issuer in accordance with § 4(2)(e)(i) determines a substitute reference rate, the Issuer may, in its reasonable discretion, after consultation with an independent financial adviser appointed by it, determine

(A) any necessary changes, in order to follow the then customary market usage in relation to the substitute reference rate, which changes may relate to the Reference Rate, the day count fraction, the business day convention, the definition of the term "Business Days" and/or the definition of the term "Interest Determination Date" applicable to the Bonds and/or the method for determining the fallback rate in relation to the Reference Rate; and/or

(B) any necessary adjustment factor that is necessary to make the substitute reference rate comparable to the 3-month Euro Interbank Offered Rate,

in each case (A) and (B) in a manner that is consistent with industry-accepted practices for such substitute reference rate and any published guidance from relevant associations involved in the establishment of market standards and/or protocols in international debt capital markets. Any such changes will be deemed to apply to the Bonds for all future Floating Interest Periods (subject to the subsequent operation of this § 4(2)(e)). Any change in accordance with § 4(2)(e)(ii)(A) and/or any determination of an adjustment factor in accordance with § 4(2)(e)(ii)(B) is subject to the precondition that such change or determination of an adjustment factor must not result in a Regulatory Event entitling the Issuer to redeem the Bonds in accordance with § 5(4).

(iii) If, prior to the Interest Determination Date relating to the next succeeding Floating Interest Period, (A) no suitable substitute reference rate is officially announced as successor to the Reference Rate or (B) the Issuer is, or considers itself to be, unable to determine a substitute reference rate or (C) pursuant to § 4(2)(e)(i) a replacement of the Reference Rate must not be made, the Reference Rate for the relevant Floating Interest Period shall be equal to the 3-month Euro Interbank Offered

Rate as displayed on the Screen Page on the last day preceding the relevant Interest Determination Date on which such 3-month Euro Interbank Offered Rate was displayed on the Screen Page.

- (iv) If, prior to the Interest Determination Date relating to the next succeeding Floating Interest Period, (A) the Issuer is unable to determine a change in accordance with § 4(2)(e)(ii)(A) and/or an adjustment factor in accordance with § 4(2)(e)(ii)(B), or (B) pursuant to § 4(2)(e)(ii) a change in accordance with § 4(2)(e)(ii)(A) must not be made and/or an adjustment factor in accordance with § 4(2)(e)(ii)(B) must not be applied, then in the case of § 4(2)(e)(ii)(A) such change shall not be made and in the case of § 4(2)(e)(ii)(B) such adjustment factor shall not be 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 suspension 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, by giving not less than 10 and not more than 15 Business Days' notice to the Bondholders prior to the relevant Interest Payment Date in accordance with § 11, to defer the relevant payment of interest in whole or in part.

If the Issuer elects to defer, or to only partially pay, accrued interest on an Optional Interest Payment Date, then it will not have any obligation to pay accrued interest on such Optional Interest Payment Date or will only be obliged to pay such part of the accrued interest it elects to pay, respectively. Any such non-payment of accrued interest will not constitute a default of the Issuer or any other breach of its obligations under the Bonds or for any other purpose.

- (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. The Issuer will give notice to the Bondholders of the occurrence of the Compulsory Deferral Event in accordance with § 11 as soon as possible after its determination but in no event later than on the fourth Business Day following the relevant 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.
- (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. The Issuer will give notice to the Bondholders regarding the non-fulfilment of the Conditions to Settlement in accordance with § 11 as soon as possible after its determination but in no event later than on the fourth Business Day following the relevant Optional Settlement Date or Mandatory Settlement Date.

§ 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 22 October 2049.

- (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 the First Call 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.

If prior to the First Call Date a Gross-Up Event, a Tax Event, a Regulatory Event, an Accounting Event or a Rating Event occurs, 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, no such notice of redemption may be given earlier than 90 days prior to the earliest date on which the Issuer would be for the first time obliged to pay the Additional Amounts pursuant to § 7(1) if a payment in respect of the Bonds were then due.

In the case of a Tax Event, no such notice of redemption may be given earlier than 90 days prior to the date, on which the deductibility of interest 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.

The "**Conditions to Redemption and Repurchase**" are fulfilled on any date with respect to a scheduled redemption or a planned repurchase of the Bonds, if

- (i) no Insolvency Event has occurred and is continuing on such date and the payment of the Redemption Amount or the purchase would not result in, or accelerate, the occurrence of an Insolvency Event; and
- (ii) no Solvency Capital Event has occurred and is continuing or would be caused by the redemption by the Issuer or the repurchase of the Bonds, unless
 - (A) the Competent Supervisory Authority has exceptionally given, and not withdrawn by such date, its prior consent to the redemption of the Bonds and the payment of the Redemption Amount or to the repurchase of the Bonds despite the Solvency Capital Event;
 - (B) the capital has been replaced by other at least equivalent own funds; and

- (C) the applicable minimum capital requirement (MCR) of the Issuer and the minimum consolidated solvency capital requirement for the Triglav Group in accordance with Solvency II are fulfilled also after payment of the Redemption Amount or the repurchase amount; and
- (iii) the Competent Supervisory Authority has given, and not withdrawn by such day, its prior consent to the redemption of the Bonds or to the repurchase of the Bonds.

In addition, any redemption of the Bonds pursuant to § 5(4), any repurchase of the Bonds pursuant to § 5(2)(a) and any substitution of the Issuer pursuant to § 13 prior to 22 October 2024 is, to the extent and as long as this is required for the recognition of the Bonds as Tier 2 Capital, subject to the precondition that the capital has been replaced by other at least equivalent own funds.

If, at the time of a scheduled redemption or a planned repurchase of the Bonds, the Applicable Supervisory Regulations permit the repayment or repurchase only after compliance with one or more alternative or additional pre-conditions, 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.

- (7) The Bondholders have no right to put the Bonds for redemption.

§ 6 Payments

- (1) (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) If the due date for any payment of principal and/or interest and/or Arrears of Interest is not a Business Day, payment will be effected only on the next 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 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 bank 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 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) In any event, the Issuer will have no obligation to pay additional amounts deducted or withheld by the Issuer, the relevant Paying Agent or any other party ("**FATCA Withholding**") in relation to any withholding or deduction of any amounts required by the rules of U.S. Internal Revenue Code Sections 1471 through 1474 (or any amended or successor provisions), pursuant to any inter-governmental agreement, or implementing legislation adopted by another jurisdiction in connection with these provisions, or pursuant to any agreement with the U.S. Internal Revenue Service or indemnify any investor 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 and Calculation Agents

- (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, or, should this not be possible, 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*).

§ 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.bourse.lu. Any notice will become effective for all purposes on the date of the such publication.
- (2) In addition, the Issuer will be entitled to 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 (*Gesetz über Schuldverschreibungen aus Gesamtemissionen – "SchVG"*), as amended from time to time.

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.

- (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 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 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 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 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 meeting pursuant to § 12(3)(a) or the vote without a meeting pursuant to § 12(3)(b), in case of a meeting the chairman (*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 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 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 at least as favourable as 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 apply only 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 Federal Republic of Germany (except in § 13(1)(a) and § 14) 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(1) 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 proceedings against the Issuer or to which the Bondholder and the Issuer are parties protect and enforce in his own name his rights arising under his Bonds based on:

- (i) a certificate issued by his Custodian (A) stating the full name and address of the Bondholder, (B) specifying an aggregate principal amount of Bonds credited on the date of such statement to such Bondholder's securities account(s) maintained with his Custodian and (C) confirming that his 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 relating to the Bonds, certified as being a true copy by a duly authorised officer of the Clearing System or the Principal Paying Agent; or
- (iii) 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

Language

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

USE OF PROCEEDS

In connection with the offering of the Bonds, the Issuer will receive net proceeds of approximately EUR 49,770,000. The Issuer intends to use the net proceeds for general corporate purposes of Triglav Group.

DESCRIPTION OF THE ISSUER AND THE TRIGLAV GROUP

Overview

Zavarovalnica Triglav d.d. (hereinafter: "**Triglav**" or the "**Issuer**") is a joint stock company, with its registered office at Miklošičeva 19 in 1000 Ljubljana, Slovenia. The beginnings of its operations go back for 118 years. Triglav is the controlling company of the Triglav Group which consists of Triglav and its consolidated subsidiaries (the "**Triglav Group**").

The Triglav Group is a leading insurance-financial group in Slovenia and in Southeastern Europe (*source: Triglav calculation based on data of national insurance supervisory agencies and insurance associations*). It operates in seven markets in six countries.

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

Zavarovalnica Triglav d.d. (the Issuer)

Incorporation, Corporate Seat, Duration, Corporate Purposes and Regulation

The Issuer was incorporated as a stock corporation on 12 December 1990 in Slovenia under Slovenian law. It has its business address at Miklošičeva cesta 19, 1000 Ljubljana, Slovenia, telephone number +386 (0)1 47 47 200. The Issuer is registered with the District Court in Ljubljana, entry no. 1/10687/00. It operates under Slovenian law.

The Legal Entity Identifier ("**LEI**") of the Issuer is 549300KGI78MKHO38N42.

The duration of the Issuer is unlimited.

The corporate object of the Issuer, as laid out in the articles of association, is the independent performance of gainful activities on the market as its exclusive activity. Accordingly, the Issuer performs the following activities in compliance 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
- Other activities auxiliary to insurance and pension funding

The Issuer may, in addition to 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, however, only if they do not increase risk for the Triglav Group, and only those types of business transactions which are a part of the business operations of the Issuer in the context of its primary activity. The Issuer may also perform other business transactions not mentioned above, but 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 issued share capital of the Issuer as of 31 December 2018 amounts to EUR 73,701,391.79 consisting of 22,735,148 ordinary registered no-par value shares. Each share holds 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 in the Prime market of the LJSE.

Major Shareholders

As of 31 December 2018, Triglav had 14,153 shareholders. The following three shareholders own in Triglav a qualifying holding as defined in the Slovenian Financial Instruments Market Act (*Zakon o trgu vrednostnih papirjev ("ZTFI-1")*); 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 Triglav. 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 Triglav.
- *Addiko Bank d.d., Zagreb* (fiduciary account) held 1,488,809 shares or 6.55% of the share capital of Triglav.

As of 31 December 2018, Triglav had no other shareholders whose holdings exceeded 5.00% of the share capital, nor any issued securities that would grant their holders special control rights.

History and Development of the Triglav Group

The founding meeting of *Vzajemna zavarovalnica ("Vzajemna")* took place on 5 July 1900 in Ljubljana. 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, in 1976, Zavarovalnica Sava, based in Ljubljana, and Zavarovalnica Maribor, based in Maribor merged into *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, Zavarovalnica Triglav d.d. was founded and began operating as an insurance joint stock company on 1 January 1991.

In 2000 Triglav began a business expansion and by 2007, Triglav was present in all markets / countries in which it currently operates; i.e. Slovenia, Croatia, Serbia, Montenegro, Bosnia and Herzegovina and North Macedonia. After the expansion, Triglav's main focus was on profitability and selective expansion.

In 2008 the shares of Triglav were first quoted on the LJSE.

In 2014, the governance and management of the Triglav Group's subsidiaries was reorganized, assigning a central role to Triglav INT, d.d. ("TINT"). From the establishment of the holding company TINT in 2010 to the beginning of February 2012, Triglav transferred its ownership shares in Triglav Group insurance subsidiaries outside Slovenia to TINT. Until 2014, TINT was the legal owner of insurance subsidiaries, which were, however, actually managed by the parent company. After the governance of the Triglav Group was reorganized, TINT, as the holding company, took over all aspects of corporate management of insurance subsidiaries outside Slovenia.

In 2015, the acquisition of Skupna pokojninska družba d.d., Ljubljana took place, whilst the subsidiary Triglav Naložbe d.d. was merged to the parent company. Furthermore, the subsidiary Slovenijales d.d. was merged to the subsidiary

Triglav, Upravljanje nepremičnin and the sale of the Czech insurance company Triglav Pojišť'ovna a.s., Brno was completed.

In 2017, 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 (TRIGAL) in cooperation with German partner KGAL Group. The same year Triglav together with the EBRD, the Pension Reserve Fund of Republic of Srpska and the Enterprise Expansion Fund established a pension fund management company in Bosnia and Herzegovina.

Triglav Group signed agreements to acquire the Croatian pension insurer Raiffeisen Mirovinsko osiguravajuće društvo ("RMOD") on 24 April 2018 and the Slovene asset management company ALTA Skladi on 21 September 2018. As of the date of this Prospectus, the takeover of RMOD is still subject to regulatory approval. On 14 September 2018 Triglav Group also acquired the remaining equity stake of 28.1% of Skupna pokojninska družba d.d., Ljubljana on the Slovene insurance market and became its 100% owner.

Business Overview

Triglav Group's main pillars of business are:

- Insurance
- Asset management

In addition, Triglav Group provides support activities for the above business lines.

In 2018, the Triglav Group recorded gross written premiums of EUR 1,068,4 million (compared with EUR 999.9 million in 2017) and generated net profits of EUR 80.8 million (compared with EUR 69.7 million in 2017). Group net income attributable to the controlling company was EUR 80,7 million in 2018 (compared with EUR 69.3 million in 2017). Total consolidated assets stood at EUR 3,645.3 million as of 31 December 2018, up from EUR 3,674.7 million as of 31 December 2017.

As of 31 December 2018, the Triglav Group employed 5,166 employees.

Insurance

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

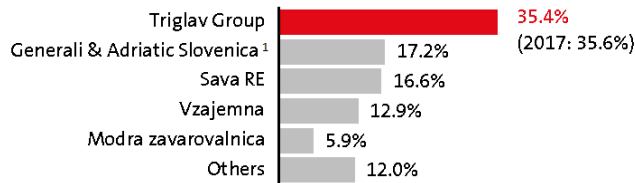
The insurance part of the Triglav Group encompasses the following entities as of 31 December 2018:

	Insurance
Slovenia	- Zavarovalnica Triglav d.d.
	- Pozavarovalnica Triglav Re d.d.
	- Triglav, Zdravstvena zavarovalnica d.d.
	- Skupna 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
	- Društvo za upravljanje Evropskim dobrovoljnim penzijskim fondom 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
	- Triglav Osiguruvanje Život, a.d., Skopje

Market Position Insurance

In 2018, the Triglav Group had a market share of 35.4% in the Slovenian insurance market: 44% for non-life insurance products, 29% in life insurance products and 27% in health insurance products (source: Triglav calculation based on data of national insurance supervisory agencies and insurance associations).

The following chart depicts the gross written premium market share of the Triglav Group in Slovenia in 2018 (in %):

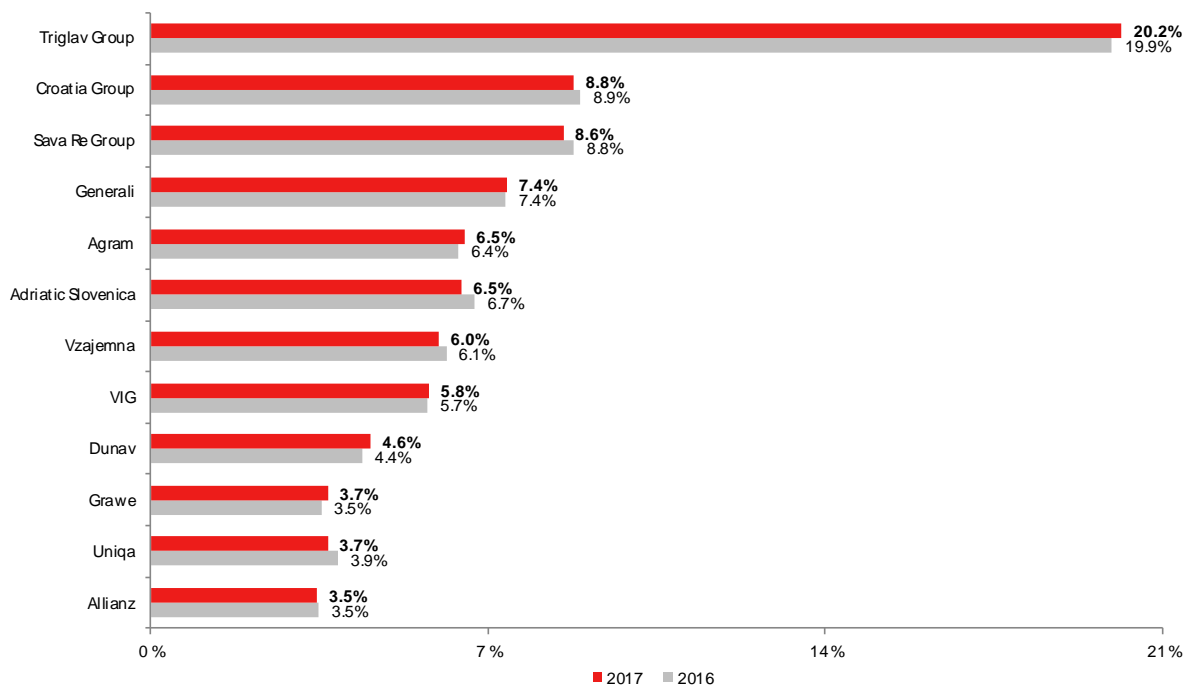


(1) In 2019 Generali acquired Adriatic Slovenica (Market share in 2018 in Slovenia: Generali 4.4%, %, Adriatic Slovenica 12.8%)

(Source: Triglav calculation based on data of national insurance supervisory agencies and insurance associations)

In 2017, the Triglav Group had a market share of 20.2% (source: Triglav calculation based on data of national insurance supervisory agencies and insurance associations) and had a leading position as insurer in the Adria region, which includes Slovenia, Croatia, Bosnia and Herzegovina, Serbia, Montenegro and Macedonia.

The following chart depicts the gross written premium market share of the Triglav Group in the Adria region in 2017 and 2016 (in %):



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

Gross written premiums

Gross written premiums of Triglav Group increased from EUR 999.9 million in 2017 by EUR 68.5 million or 7% to EUR 1,068.4 million in 2018. Compared to 2017, non-life insurance premium increased by EUR 49.9 million or 8%, health insurance premium increased by EUR 14.7 million or 11% and life insurance premium increased by EUR 3.9 million or 2%, in 2018.

In 2018, non-life insurance products accounted for 65.7%, life and pension insurance products for 20.8% and health insurance products for 13.5% of the recorded gross written premiums. In 2017, non-life insurance products accounted for 65.2%, life and pension insurance products for 21.8% and health insurance products for 12.9% of the recorded gross written premiums.

The share of the insurance gross written premium of Triglav Group in the markets outside Slovenia has gradually increased in recent years. Compared to 2017, it went up by 0.2 percentage points in 2018. In 2018, a total of 76.7% of consolidated gross written premium was charged in the Slovene insurance market, 17.9% of premium was booked in the markets outside Slovenia, while international reinsurance premium accounted for 5.4% of gross written premium.

The following table shows the consolidated gross written premiums of Triglav Group by market in 2018, 2017 and 2016 split by relevant markets:

Country	Gross written premium			Index		Structure		
	2018	2017	2016	2018/2017	2017/2016	2018	2017	2016
<i>(unaudited)</i>								
Slovenia	819,436,864	768,106,145	724,385,060	107	106	76.7%	76.8%	77.4%
Croatia	57,876,297	53,548,115	48,937,278	108	109	5.4%	5.4%	5.2%
Serbia	48,979,893	43,730,967	34,407,999	112	127	4.6%	4.4%	3.7%
Montenegro	32,880,893	31,265,239	31,169,916	105	100	3.1%	3.1%	3.3%
Bosnia and Herzegovina	28,032,889	27,181,479	25,483,087	103	107	2.6%	2.7%	2.7%
North Macedonia	23,438,597	21,358,432	21,555,079	110	99	2.2%	2.1%	2.3%
International reinsurance premium	57,748,974	54,726,249	50,065,396	106	109	5.4%	5.5%	5.3%
Total	1,068,394,407	999,916,626	936,003,815	107	107	100.0%	100.0%	100.0%

The following table shows the split by business segments for the consolidated gross written premiums of Triglav Group in 2018:

Total:	Gross written premium
	<i>(unaudited)</i>
	EUR 1,068 million
Motor vehicle insurance	29%
Property insurance	26%
Life & Pensions	21%
Health insurance	14%
General liability insurance	4%
Accident insurance	4%
Credit insurance	3%

Asset Management

The asset management activity of the Triglav Group is primarily performed by Triglav for Triglav Group's own insurance portfolios (assets backing liabilities and guarantee funds) and the subsidiary Triglav Skladi d.o.o ("**Triglav Skladi**") by managing mutual funds and through individual asset management. Apart from that, the Triglav Group is a partner of the alternative investment management platform Triglav d.o.o.

The asset management part of the Triglav Group encompasses the following entities as of 31 December 2018:

	Asset Management
Slovenia	- Triglav Skladi d.o.o. - Triglav, Upravljanje.nepremičnin d.d. - Triglav d.o.o.
Bosnia and Herzegovina	- PROF-IN d.o.o.

Triglav Skladi manages 17 mutual funds and 6 investment combinations and provides individual asset management services. As of 31 December 2018, it managed net assets of EUR 606.1 million in mutual funds, having decreased by 10.9% over the preceding year. Individual asset management amounted to EUR 50.0 million as at the 2018 year-end, rose by 9.8% over 2017.

As of 31 December 2018, Triglav Group managed net assets of EUR 656 million in investment funds.

Market Position Asset Management

As at the 2018 year-end, Triglav Skladi held a 24.6% market share among asset management companies in the mutual fund segment and a 7.0% market share in the individual asset management segment (*source: Triglav internal market data*).

In Slovenia, five asset management companies are currently operating, which managed a total net asset value of mutual funds of EUR 2.5 billion as at the 2018 year-end (*source: Triglav internal market data*). Mutual fund assets went down by 7.1% compared to the prior year period. In the individual asset management ("**IAM**") segment, seven companies are operating in Slovenia, of which three are asset management companies. The value of these assets managed by asset management companies totalled EUR 713 million as at the 2018 year-end (*source: Triglav internal market data*).

Selected Consolidated Financial Information and Key Performance Indicators

The following table provides for selected consolidated financial information and key performance indicators of Triglav Group in the financial years 2018 and 2017.

	31 December 2018	31 December 2017
<i>(in EUR millions unless otherwise specified)</i>	<i>(audited unless otherwise specified)</i>	
Gross written premiums	1,068.4	999.9
Net premium income	951.8	891.2
Gross claims paid	679.6	642.2
Net claims incurred	626.6	620.0
Profit before tax	97.5	84.4
Net profit	80.8	69.7

	31 December 2018	31 December 2017
<i>(in EUR millions unless otherwise specified)</i>	<i>(audited unless otherwise specified)</i>	
Year-end gross insurance technical provisions	2,713.1	2,732.2
Catastrophe (CAT) losses *	18.3	33.5
Expenses Ratio non-life ^{(1)*}	29.3%	29.0%
Claims Ratio non-life ^{(1)*}	62.5%	64.0%
Combined Ratio non-life ^{(1)*}	91.8%	93.1%
Return on Equity (ROE) ^{(1)*}	10.8%	9.3%

* Unaudited

(1) Alternative Performance Measure. Please refer to "Description of Key Performance Indicators" below.

Structure of Profit before Tax

The following table provides for additional information on the structure of the profit before tax ("PBT") of Triglav Group in 2018 and 2017:

	2018				2017			
<i>(in EUR millions)</i>	<i>(audited)</i>							
	Non-life	Life & Pensions	Health	Total	Non-life	Life & Pensions	Health	Total
PBT from underwriting activities (1)	51.2	17.8	2.6	71.6	37.2	14.4	2.6	54.2
PBT from investment activities (2)	24.5	-3.7*	0.7	21.6	25.0	4.5	0.9	30.3
PBT from insurance operations (1+2)	75.7	14.1	3.4	93.2	62.2	18.9	3.5	84.5
PBT from non-insurance operations (3)				4.3				-0.1
Total PBT (1+2+3)				97.5				84.4

Description of Key Performance Indicators

Triglav uses, throughout its financial publications, alternative performance measures ("APMs") in addition to the figures which are prepared in accordance with IFRS. From the Issuer's point of view, these measures provide useful information to investors and enhance the understanding of the results of Triglav Group. The APMs should be viewed as complementary to, rather than a substitute for, the figures determined according to IFRS.

Combined Ratio

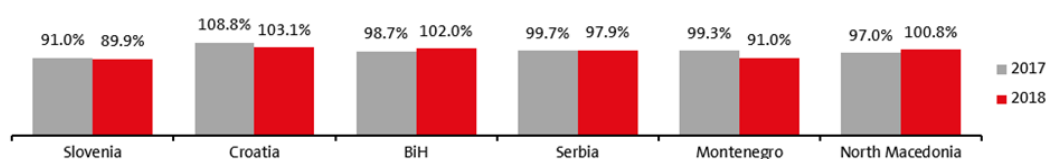
The "**Combined Ratio**" is calculated as the percentage ratio of the sum of non-life net claims incurred, change in other insurance technical provisions, operating expenses, expenses for bonuses and discounts and other net income from insurance operations to net earned premium. The combined ratio is the sum of the "**Claims Ratio**" (which is calculated as net claims incurred and change in other insurance technical provisions divided by net earned premium) and the "**Expenses Ratio**" (which is calculated as operating expenses, expenses for bonuses and discounts, and other net income from insurance operations, divided by net earned premiums). A Combined Ratio of 100% means that premium income was exactly sufficient to cover claims and costs.

Reconciliation Combined Ratio non-life

	31 December 2018	31 December 2017
<i>(in EUR unless otherwise specified)</i>	<i>(audited unless otherwise specified)</i>	
Non-life net claims incurred	456,213,065	429,944,304
Change in other insurance technical provisions	-59,123	929,027
/ Non-life net earned premiums	729,678,224	672,945,241
Claims Ratio non-life *	62.5%	64.0%
Operating expenses	198,924,755	187,382,483
Expenses for bonuses and discounts	11,363,385	9,327,585
Other net income from insurance operations	-3,655,925	1,356,432
/ Non-life net earned premiums	729,678,224	672,945,241
Expenses Ratio non-life *	29.3%	29.0%
Combine Ratio non-life *	91.8%	93.1%

* Unaudited

The following chart depicts the Combined Ratio non-life by markets:



Return on Equity

"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.

Reconciliation Return on Equity

	31 December 2018	31 December 2017
<i>(in EUR millions unless otherwise specified)</i>	<i>(audited unless otherwise specified)</i>	
Net Profit	80.8	69.7
/ Average shareholder's equity	751.8	750.0
Return on Equity *	10.8%	9.3%

* Unaudited

Dividend Payout Ratio

"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.

Dividend

For 2017, the gross dividend per share amounted to EUR 2.5 and the Dividend Payout Ratio amounted to 82%. For 2018, Triglav's Management Board's proposed a dividend per share of EUR 2.5 and a Dividend Payout Ratio of 70 %. As of the date of this Prospectus the final dividend for 2018 is still subject to a decision by the general meeting of shareholders of Triglav.

Strategy and Vision

The strategy of Triglav Group is based on the following vision:

By adopting a client-centric approach, Triglav seeks to dynamically develop new ways of doing business as the foundation of Triglav Group's responsible long-term development, while at the same time operating profitably and safely.

In order to achieve this vision, Triglav Group has defined the following mid-term goals 2022:

- Maintaining a rating of "A" (according to the Standard & Poor rating categories)
- Striving towards a Return on Equity above 10%
- Targeting a Combined Ratio non-life of around 95%
- Increasing the overall volume of business
- Maintaining the position as market lead in the Adria region
- Increasing the percentage of gross written premiums recorded outside of Slovenia.

Structure and Governance of the Triglav Group

Corporate governance of the Triglav Group's subsidiaries is conducted by exercising management rights held by Triglav as the parent company of the Triglav Group pursuant to the law that applies to each individual company whereby the internal rules of the subsidiaries are also taken into account.

Subsidiaries in the Triglav Group operate as independent legal entities in accordance with applicable local legislation, the resolutions adopted by general meetings and the management and supervisory bodies of subsidiaries, business cooperation agreements and other adopted rules and instructions implemented by the individual subsidiaries.

Within the Triglav Group, the subsidiaries do business with the parent company and among themselves on an arm's length basis.

Activities related to subsidiaries encompass governance, strategic, development and operational activities. Governance activities are related to the management and supervision of subsidiaries. Strategic and development activities relate to overall development, the implementation of new products, IT solutions and other development activities. Operational activities relate to the performance of administrative, financial and other services.

On the basis of applicable law, the articles of association and other regulations of the Triglav Group, the members of the management body of a subsidiary are required to report in detail and accurately to the supervisory body of the subsidiary on the progress of transactions, the financial standing of the subsidiary as well as its solvency.

The divisions of subsidiaries are required to report on their activities to the divisions of the parent company in accordance with the adopted minimum standards of operation, whereby the parent company's divisions carry out regular control of the monitoring of the subsidiaries' operations and the supervision of subsidiaries through the prescribed reports.

An important role in Triglav Group's management of insurance undertakings abroad is played by TINT (an insurance holding company), which works with various expert departments of Triglav to ensure the transposition of minimum standards and good practices to the subsidiaries of TINT. The corporate governance system in the TINT group complies with the Triglav Group's objectives.

The following is a list of the companies of the Triglav Group, which along with Triglav operate in the insurance business (as at 31 December 2018):

- Slovenia: Pozavarovalnica Triglav Re d.d., Triglav, Zdravstvena zavarovalnica d.d. and Skupna pokojninska družba d.d., Ljubljana
- Croatia: Triglav Osiguranje d.d., Zagreb with 9 branch offices,
- Serbia: Triglav Osiguranje a.d.o., Beograd with 16 branch offices and 10 outlets and agencies,
- Montenegro: Lovćen osiguranje, a.d. Podgorica and Lovćen životna osiguranja a.d., Podgorica with 8 branch offices and 14 offices and agencies,
- Bosnia and Herzegovina: Triglav Osiguranje d.d., Sarajevo with 14 branch offices, Triglav Osiguranje a.d., Banja Luka with 6 branch offices and 15 outlets,
- North Macedonia: Triglav Osiguruvanje a.d., Skopje with 16 branch offices and 28 agencies, Triglav Osiguruvanje Život a.d., Skopje.

Investment Portfolio

Triglav has implemented a relatively conservative investment policy, focusing on investment security and liquidity governed by adequate profitability.

The following tables provide information on the investment portfolio of Triglav as of 31 December 2018:

	Asset Allocation					
	Non-life & Health ⁽¹⁾		Life & Pensions ⁽¹⁾		Total	
	<i>(in EUR million)</i>	<i>(in %)</i>	<i>(in EUR million)</i>	<i>(in %)</i>	<i>(in EUR million)</i>	<i>(in %)</i>
	<i>(unaudited)</i>					
Investment property	87.5	7%	2.3	0%	89.8	3%
Investment in associates ⁽²⁾	13.5	1%	0.6	0%	14.1	1%
Shares and other floating rate securities	93.2	8%	75.1	5%	168.3	6%
Debt and other fixed return securities	910.0	77%	1,371.7	91%	2,281.6	85%
Loans given	3.6	0%	32.8	2%	36.4	1%
Bank deposits	67.5	6%	18.8	1%	86.4	3%
Other financial investments	5.7	0%	4.2	0%	9.9	0%
Investments	1,181.0	100%	1,505.6	100%	2,686.6	100%
Financial investments of reinsurance companies in reinsurance contracts with cedents	6.3		0.0		6.3	
Unit-linked insurance contract investments	0.0		402.5		402.5	
Group financial investments	1,187.3		1,908.1		3,095.4	

(1) Includes investments in own funds of Triglav Group

(2) Investment in associates are mainly additional real estate exposure

Triglav monitors the duration gap of interest-sensitive items on the basis of market valuation, excluding unit-linked life insurance contract investments and investments from the supplemental voluntary pension insurance segment. The average weighted duration gap of Triglav is low and stands at –0.9 year (the duration of assets is 5.6 years and the duration of liabilities is 9.4 years). The duration gap of assets and liabilities for the life insurance portfolio is –1.8 year and 0.5 year for the non-life insurance portfolio.

With respect to life guarantees for 2018, the largest book at Triglav was the size of EUR 756 million, the effective average rate of guarantees was 2.5 %, and the average IFRS investment yield was 2.9 % (all data with respect to Triglav only).

The following tables provide additional information on structure of the debt portfolio:

	Debt Instruments by Rating	
	31 December 2018	31 December 2017
	<i>(unaudited)</i>	
Total (in EUR million)	EUR 2,282 million	EUR 2,238 million
AAA	9.7%	10.0%
AA	6.6%	6.0%
A	28.4%	27.2%
BBB	36.8%	34.9%
Below BBB	14.2%	17.2%
Not rated	4.3%	4.6%

	Bond portfolio structure by type of Issuer	
	31 December 2018	31 December 2017
	<i>(unaudited)</i>	
Total (in EUR million)	EUR 2,282 million	EUR 2,238 million
Structured	0%	0%
Financial	23%	23%
Corporate	25%	27%
Government	52%	50%

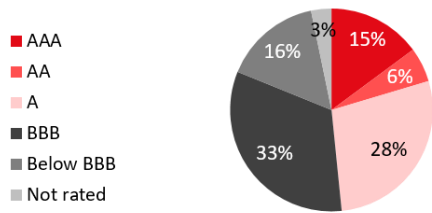
In 2018 the exposure to bonds issued by the Republic of Slovenia as compared to entire bonds portfolio amounted to 16 % and in 2017 to 17 %. In 2018 the amount of Slovenian bonds in Triglav's portfolio was EUR 373 million.

Triglav Group Investment Portfolios: Non-life and Health

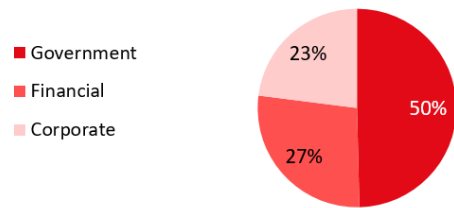
As of 31 December 2018, the investment portfolio for the segment Non-life and Health consisted of a bond portfolio of EUR 910 million and an equity portfolio of EUR 107 million.

The following charts provide further information on the structure of the Non-life and Health bond portfolio:

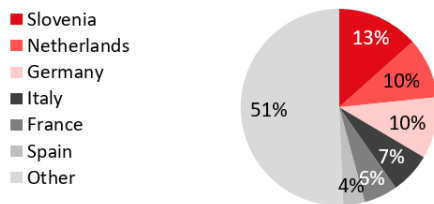
Bonds by rating



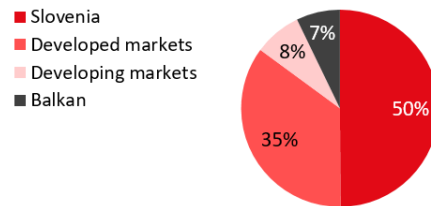
Bonds by type of issuer



Top bond exposures by country



Equity exposures by region

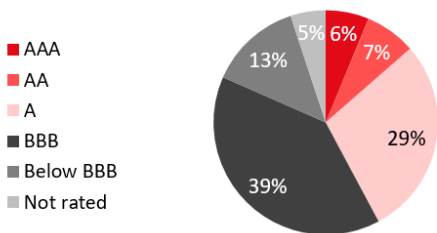


Triglav Group Investment Portfolios: Life and Pensions

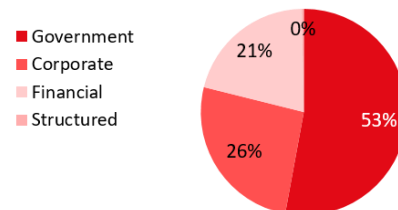
As of 31 December 2018, the investment portfolio for the segment Life and Pensions (excluding unit-linked investments) consisted of a bond portfolio of EUR 1,372 million and an equity portfolio of EUR 76 million.

The following charts provide further information on the structure of the Life and Pensions bond portfolio:

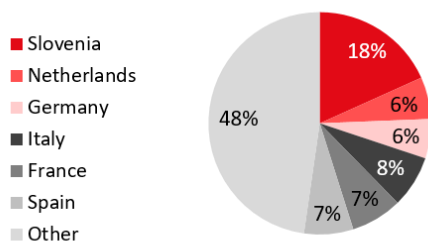
Bonds by rating



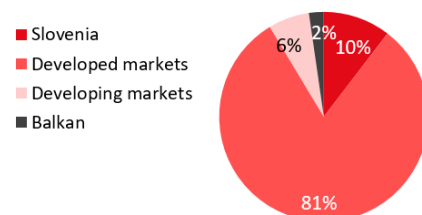
Bonds by type of issuer



Top bond exposures by country



Equity exposures by region



Regulatory Capital

Solvency II

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 "**Solvency II**"). The directive was implemented in Slovenia through 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; 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 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:

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 per cent. 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. 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).

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 per cent. over a one-year period), it cannot fall below 25 per cent., or exceed 45 per cent., of an insurance and reinsurance undertaking's SCR and it is subject to an absolute floor (as provided for in Article 233 of the Insurance Act).

For the purposes of Solvency II, 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 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, which must be informed about its results. The ORSA does not require an undertaking to develop or apply a full or partial internal model. However, if the undertaking already uses an approved full or partial internal model for the calculation of the SCR, the output of the model should be used in the ORSA.

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	
	31 December 2018	31 December 2017
	<i>(unaudited)</i>	
Available own funds (in million EUR)	843	878
Capital requirements (in million EUR)	391	395
Solvency ratio (in %)	216	222

(Source: Formal announcement of Triglav Group capital adequacy published on 11 April 2019 on the Issuer's website)

In 2018, 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 2018 is EUR 154 million (EUR 149 million as of 31 December 2017). The amount of the Triglav Group's eligible own funds to meet the minimum consolidated capital requirement as at 31 December 2018 amounted to EUR 843 million (EUR 878 million as of 31 December 2017).

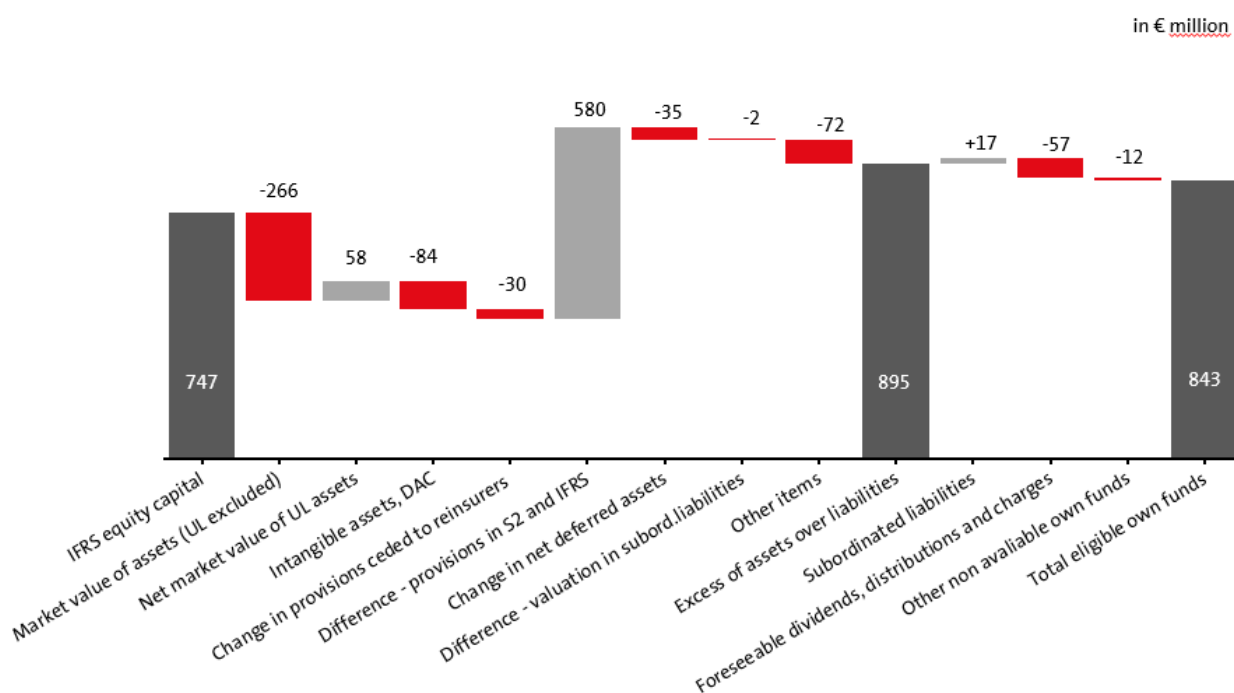
Composition of Own Funds

The solvency balance sheet prepared in accordance with Solvency II 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 of 31 December 2018, the Triglav Group only had basic own funds. These amounted to EUR 843 (EUR 878 million as of 31 December 2017) million and were composed of the share capital of EUR 73,7 million (EUR 73,7 million as of 31 December 2017), subordinated liabilities of EUR 17,4 million (EUR 17,9 million as of 31 December 2017), and the reconciliation reserve of EUR 752 million (EUR 786,4 million as of 31 December 2017). Reconciliation reserve consists of the excess of assets over liabilities in the amount of EUR 895 million (EUR 924,9 million as of 31 December 2017) less the value of share capital (EUR 73,7 million) and other unavailable funds of EUR 69.2 million (EUR 64,8 million as of 31 December 2017). Other unavailable funds represent deductible items: expected dividends for the 2018 financial year and, the difference between the market values of Triglav Skladi and Skupna pokojninska družba d.d., Ljubljana 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 of 31 December 2018.

The following charts provides for a reconciliation of eligible own funds as of 31 December 2018:



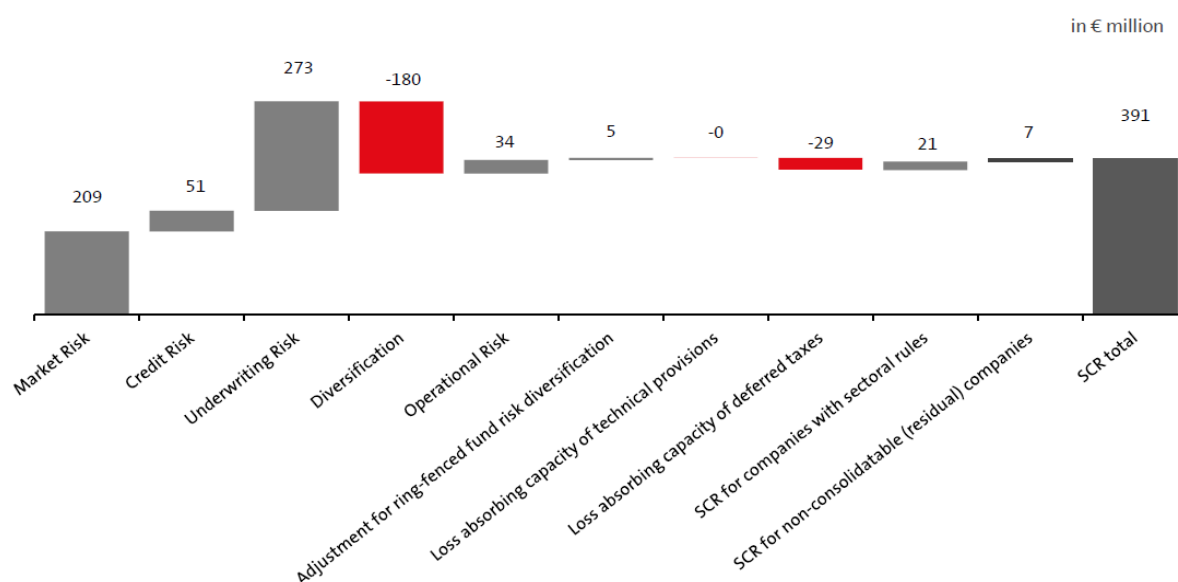
Composition of Solvency Capital Requirement

The following table shows the solvency capital requirement for Triglav Group and its risk categories as at 31 December 2018:

Solvency Capital Requirement (SCR) Split by Risks

	31 December 2018	31 December 2017
<i>(in EUR millions)</i>		<i>(unaudited)</i>
Total:	595	612
Underwriting risk	273	263
Market risk	209	245
Credit risk	51	49
Operational risk	34	32
Risk of companies from other financial sectors	21	16
Risk of residual companies	7	6

The following charts sets out the detailed composition of solvency capital requirement as at 31 December 2018:



Quality of Eligible Own Funds to meet Solvency Capital Requirement

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

	31 December 2018	31 December 2017
<i>(in EUR millions)</i>		<i>(unaudited)</i>
Total:	843	878
Tier 1 (without restrictions) ⁽¹⁾	826	860
Tier 2 ^{(1) (2)}	17	18
Tier 3	0	0

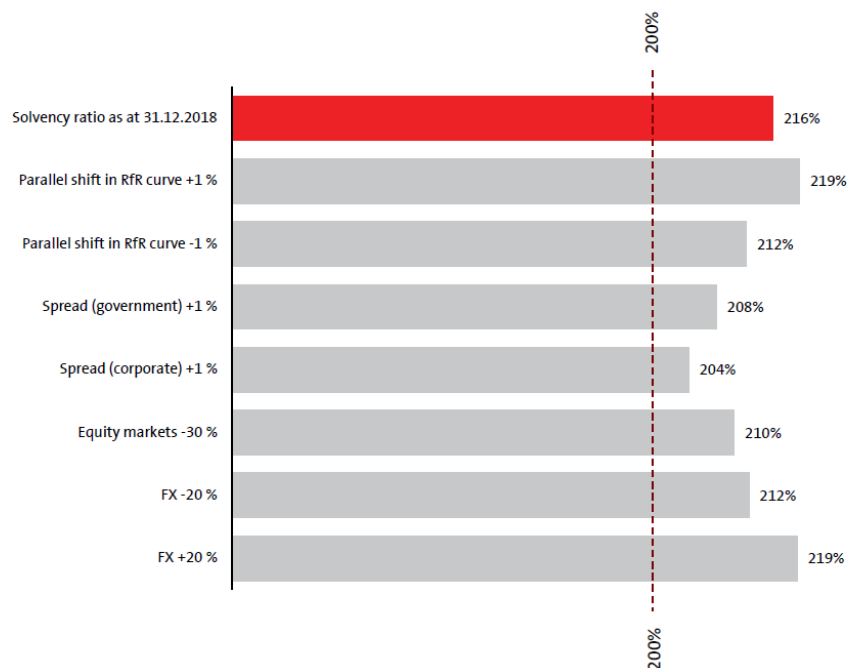
(1) With the prior consent of the Supervisory Board, the Management Board is authorised to increase the share capital by up to 20%

(2) The Issuer has issued a EUR 30 million 5.95% subordinated bond due 2020. As of the date of this Prospectus, Triglav has already repurchased EUR 14.5 million in nominal amount. EUR 15.5 million of the subordinated bond remains outstanding.

Tier 2 own funds are eligible to cover the minimum capital requirement up to 20% of the minimum capital requirement.

Sensitivity of Solvency Ratio

The following chart below sets out the sensitivity of the solvency ratio as at 31 December 2018:



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 being in 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 participate in judicial and extra-judicial proceedings in Slovenia and abroad both as plaintiffs or petitioners and as defendants or respondents. The outcome of these proceedings is more or less uncertain.

The proceedings described below do not include disputes related to insurance contracts written by the companies of the Triglav Group in the ordinary course of business and only those proceedings deemed to be of material interest in the context of the issue of the Bonds are explicitly mentioned herein.

With the exception of the cases described below, the Issuer is not currently involved, and has not been involved in the last 12 months, in any court or arbitration proceedings or proceedings before any administrative authorities which, in the Issuer's opinion, are reasonably likely to substantially affect the financial position or profitability of the Issuer or the Triglav Group. To the best knowledge of the Issuer, no further material proceedings are threatened.

Major legal and arbitration disputes

Claim of Matjaž Rakovec

On 19 August 2013, Mr. Matjaž Rakovec, requested (i) the annulment of the Supervisory Board's resolution from 22 May 2013 with respect to his dismissal from the office of President of the Management Board of the Issuer and the appointment of Andrej Slapar as temporary President of the Management Board, (ii) the annulment of the entry of changes related to

the President of the Management Board into the Court Register, (iii) the payment of damages of EUR 516,399, and (iv) reappointment as the President of the Management Board with all the rights arising from the employment contract for the entire duration of the unlawful dismissal from the office.

The judgment of the District Court in Ljubljana is final with respect to the ruling that (i) the part of the resolution passed by the Supervisory Board referring to the dismissal of Matjaž Rakovec was null and void, (ii) the part of the resolution of the Supervisory Board appointing a temporary President of the Management Board is upheld, (iii) the action seeking the nullity of the change of legal representative (President of the Management Board) entered into the Court Register has been rejected. The claim for payment of material damage, which was initially rejected by the District Court in Ljubljana has been referred to the Labor and Social Court of Ljubljana. The District Court is yet to decide on the claim for the payment of compensation for non-material damage in the amount of EUR 80,000.

In the connected matter, the Labor and Social Court of Ljubljana ruled that the employment agreement remained in force, Triglav owing Mr. Rakovec the compensation for salaries plus interest in the amount of approximately EUR 430,000. Certain portions of this judgment have been annulled at the Higher Labor and Social Court in Ljubljana and in the retrial proceedings, including the said request for compensation for salaries. Currently, the proceedings are back at the Higher Labor and Social Court in Ljubljana deciding on the appeals against the retrial decision as well as the Supreme Court deciding on the appeal against the decision of the Higher Labor and Social Court in Ljubljana

Claims of Triglav against Skupna pokojninska družba, d.d., Ljubljana,

In February 2013, Triglav brought a claim against the company Skupna pokojninska družba d.d., Ljubljana for the payment of dividends in the amount of EUR 750,904 that should have been paid in 2012. The claim was contested by Skupna pokojninska družba d.d. on the account of the amount being already set-off against another claim arising from the contract on the payment of supplementary pensions in the amount of EUR 926,170. Skupna pokojninska družba d.d. also filed for a counterclaim against Triglav for the amount of EUR 926,170.

Similarly, in January 2014 Triglav brought a claim against the company Skupna pokojninska družba d.d., Ljubljana for the payment of dividends in the amount of EUR 360,844 that should have been paid in 2012. Skupna pokojninska družba d.d. also filed for a counterclaim against Triglav for the amount of EUR 642,473 arising from the contract on the payment of supplementary pensions.

On 8 January 2019, the parties finally settled the above matters before the District Court in Ljubljana. In particular it was agreed that the defendant Skupna pokojninska družba, d.d., is obliged to pay Triglav the requested amounts of dividends plus the interest rate recognised between related parties, whereas Triglav is obliged to enable at least one form of accelerated rent payments whereby the same technical interest rate will be used in the calculation of insurance premium as was used in determining the pension assessment factors as stated in the pension plan, and to bear the potential cost of coverage for the necessary additional payments.

Claim of Wall Street Systems Sweden AB ("WSS")

WSS made an arbitration claim in the amount of EUR 598,000 including accrued interest due to alleged breach of Triglav of an agreement with respect to IT support for the investment process. Triglav refused to settle certain invoices at it terminated the agreement, as well as it deemed there were no services provided by WSS. On 21 November 2018, WSS and Triglav signed a settlement on the basis of which Triglav as full and final payment of all claims that were the subject of the dispute, paid EUR 202,305 to WSS.

Claims of D.S.U., d.o.o., Ljubljana, ("DSU"), against Triglav, Upravljanje nepremičnin, d.d.,

The universal legal predecessor of Triglav, Upravljanje nepremičnin d.d., Slovenijales d.d. ("**Slovenijales**"), has concluded a sales contract for the sale of real property in Zrenjanin, Serbia. DSU claims that the said real property was not taken into account in the opening balance sheet of the universal legal predecessor of Slovenijales, LGM Lesnina, d.o.o., and therefore, according to Article 6 of the Act Concluding Ownership Transformation and Privatisation of Legal Entities Owned by the Development Corporation of Slovenia (ZZLPPO) belongs to DSU as the legal successor of the

Development Corporation of Slovenia. In the court proceedings, DSU claimed a compensation in the amount of EUR 450,000 with all dues (enrichment on the account of purchase price for the sale of property in Zrenjanin) and a further payment of EUR 123,900 with all dues (enrichment on the account of received rentals for letting out properties in Zrenjanin). At the first instance, the claim was dismissed in its entirety. DSU has appealed against the first instance decision for an incorrect application of substantive law, but the case is still pending.

Triglav and Triglav Skladi, as plaintiffs against the Securities Commission of the Federation of Bosnia and Herzegovina as the defendant

The Securities Commission of the Federation of Bosnia and Herzegovina (the "**Commission**") issued in the repeated procedure of 6 June 2018 a decision by which Triglav and Triglav Skladi were ordered to publish a takeover bid for the acquisition of the company Energoinvest Dalekovodizgradnja d.d. ("**Energoinvest**") due to alleged coordinated activities of several companies owned by the Republic of Slovenia (ZIF PROF PLUS d.d., DUF PROF IN, d.o.o., Triglav Naložbe, d.d., Triglav, Triglav Skladi, NLB, d.d., and Banka Celje, d.d. (now Abanka d.d.)), acting on the acquisition side. Among the Commission's reasons why Triglav should be obliged to publish the takeover bid for the acquisition of Energoinvest is that Triglav is the entity that connects all the aforementioned companies, being the shareholders of Energoinvest, with their owner, the Republic of Slovenia. Triglav and Triglav Skladi filed for an administrative dispute against the said decision, which has not yet been decided upon.

Claim of Triglav Osiguranje, d.d., Sarajevo against SCT BBM, d.o.o., Sarajevo

Triglav Osiguranje d.d., Sarajevo, a Triglav Group company, filed a lawsuit against SCT BBM d.o.o., Sarajevo and JP Ceste Federacije BiH for the payment of a compensation in the amount of BAM 2,065,759 (approx. EUR 1.57 million) arising out of the performance bond issued by a financial institution, guaranteeing the fulfilment of an underlying contract. The case is still pending in front of the first instance court.

Triglav Osiguranje, a.d.o., Beograd versus Dunav Re

Triglav Osiguranje, a.d.o. filed for enforcement proceeding with respect to collection of receivables under the reinsurance contract concluded with Dunav Re. In the litigation proceedings which followed upon successful appeal of Dunav Re against enforcement, Triglav Osiguranje a.d.o. Beograd claimed RSD 236,690,436 (approx. EUR 2 million) plus default interest. Dunav Re filed a counter-claim for the annulment of the said reinsurance contract. The first instance court granted the claim of Triglav, to which Dunav Re appealed. The appeal proceedings are still pending.

Claim of minority shareholders of Triglav Osiguruvanje, a.d., Skopje

In May 2013, the minority shareholders of Triglav Osiguruvanje, a.d., Skopje brought an action against Triglav Osiguruvanje, a.d. and Triglav, Skopje for compensation of losses arising from violations of a contract establishing a call or put option for the shares in Triglav Osiguruvanje, a.d., Skopje in the amount of approx. EUR 2.5 million. The claim towards Triglav has been dismissed on the grounds of no jurisdiction, whereas the claim towards Triglav Osiguruvanje, a.d., Skopje is currently still pending.

Claim of Stojan Klopčevski

In April 2012, the former general manager of Triglav Osiguruvanje a.d., Skopje, lodged a claim against Triglav Osiguruvanje a.d., Skopje for damages in the amount of EUR 2.6 million, allegedly due to unlawful termination of employment and the resulting loss of the possibility to exercise the put and call options for the shares in Triglav Osiguruvanje, a.d., Skopje arising from the agreement establishing a call or put option concluded with Triglav. After the higher instance court returned the matter back to the first instance court, the latter issued a judgment rejecting the claim of the plaintiff Stojan Klopčevski.

Reviews by supervisory bodies

Order of the AZN relating to two Supervisory Board Members – Employee Representatives

On 11 February 2016, Triglav received an order of AZN, declaring that Ivan Sotošek and Boštjan Molan as Supervisory Board members – Employee Representatives (elected by the Workers Council of Triglav) do not meet the legal requirements to serve on an insurer's Supervisory Board, allegedly due to not having adequate professional qualifications and experience required. The order of AZN became final, and the management board of Triglav proposed to the Workers Council to dismiss the said supervisory board members, however, the Workers Council decided not to follow the request. The order of AZN was also appealed against by the said supervisory board members, however, their appeal was rejected by the Slovenian Administrative Court. The management board repeated its request to the Workers Council to dismiss the supervisory board members, however, the Workers Council again rejected the request, clarifying that it will wait for all the legal remedies available to the supervisory board members to be decided upon.

Inspection by Tax Administration of the Federation of Bosnia and Herzegovina

In 2018, the Tax Administration of the Federation of Bosnia and Herzegovina carried out an inspection of Sarajevostan, d.o.o. Sarajevo, a company affiliated with Triglav Osiguranje, d.d., Sarajevo regarding the calculation, reporting and payment of public revenues in the period from 1 January 2013 to 28 February 2018. The company received a record, which established an additional tax liability of 2,119,159 convertible marks (approx. EUR 1,080,731). The Tax Administration did not observe the objections to the minutes and issued a decision ordering the company to pay 2,333,435 convertible marks (approx. EUR 1,190,008). The company appealed against the decision, the appeal has not yet been decided.

Description of the Governing Bodies of the Issuer

Management Board

The Management Board of the Issuer currently consists of five members. As of the date of this Prospectus the members and their areas of work are:

Name	Function	Area of work in the Management Board	Functions in other companies
Andrej Slapar	President	As the President of the Management, he manages and directs the work of the Management Board and the head office support departments (the Management Board Office, the Legal Office, the Internal Audit Department, the Corporate Communication Department, the Compliance Office, the Business Intelligence Department) as well as the Non-Life Insurance Development and Actuarial Department and the Investment Department. He is in charge of the Corporate Accounts Division, senior management staffing, arbitration, Nuclear Pool, Commercial Association of Slovenian Insurance Companies, reinsurance and asset management.	Chairman of the Supervisory Board of Pozavarovalnica Triglav Re, d.d., Slovenia Chairman of the Board of Directors of TINT Chairman of the Supervisory Board of Triglav Skladi Chairman and Member of the Supervisory Board of Jedrski pool GIZ, Slovenia Member of the Supervisory Board of Krka, d.d., Slovenia

Name	Function	Area of work in the Management Board	Functions in other companies
Uroš Ivanc	Member	In charge of the following head office support departments: the Strategic Purchasing Department, the Risk Management Department, the Strategic Planning and Controlling Department, the Subsidiary Management Department, Accounting and Finance excluding the Investment Department.	Member of the Board of Directors of TINT Member of the Management Board of Triglav, d.o.o., Slovenia Member of the Supervisory Board of Triglav, Upravljanje nepremičnin, d.d., Slovenia
Tadej Čoroli	Member	In charge of the Innovation and Digitisation Department, the Client Contact Unit, the Marketing Department, the Non-Life Insurance Division, the Non-Life Insurance Claims Division and the Non-Life Insurance Sales Division	Member of the Supervisory Board of Triglav, Zdravstvena zavarovalnica, d.d., Slovenia Member of the Board of Directors of TINT Member of the Supervisory Board of Skupna pokojninska družba d.d., Ljubljana
Barbara Smolnikar	Member	In charge of the Life Insurance Division and the Life Insurance Development and Actuarial Department. Responsible for health insurance, pension insurance and money laundering prevention.	Member of the Supervisory Board of Triglav, Zdravstvena zavarovalnica, d.d. Member of the Supervisory Board of Triglav Svetovanje, d.o.o. Member of the Supervisory Board of Skupna pokojninska družba d.d., Ljubljana Member of the Board of Directors of TINT
Marica Makoter	Member and Worker Director	As the Workers' Director, she represents workers' interests in compliance with the Slovenian Worker Participation in Management Act (<i>Zakon o sodelovanju delavcev pri upravljanju (ZSDU)</i>); Official Gazette of the Republic of Slovenia No. 42/07, as amended from time to time (" Worker Participation in Management Act "). She is in charge of the Organisation Development and Business Process Management Department, the Fraud Prevention, Detection and Investigation Department and the Change and Project Portfolio Management Department. Moreover, she is responsible for the IT Division, the Back Office Division and the Human Resource Management Division, excluding senior management staffing.	Member of the Board of Directors of TINT

On 29 March 2019, the Issuer announced that Mr David Benedek has been appointed as member of the Management Board of the Issuer for a five-year term of office. The appointment of Mr Benedek will become effective upon approval by the regulator AZN.

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

The Issuer has not been notified and has otherwise not been informed by any of the members of the Management Board of Management named above about any potential conflicts of interest between the obligations of the 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. At present, it is composed as follows:

Name	Function	Membership in the supervisory or management bodies of other companies
Igor Stebernak	Chairman	Petrol, d.d., Slovenia - Member of the Management Board
Andrej Andoljšek	Vice Chairman	Addiko bank, d.d., Slovenia - President of the Management Board
Milan Tomažević	Member	/
Žiga Škerjanec	Member	Plinhold, upravljanje plinske infrastrukture, d.o.o., Slovenia - Director
Nataša Damjanovič	Member	/
Mario Gobbo	Member	/
Peter Celar	Member	/
Boštjan Molan	Member	/
Ivan Sotošek	Member	/

The Issuer has not been notified and has otherwise not been informed by any of the members of the Supervisory Board named above about any potential conflicts of interest between the 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 from time to time), 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 Triglav's annual report and participating in the drafting of an agreement between the auditor and Triglav;
- supervising the integrity of financial information provided by Triglav; 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;
- examination of decisions on the appointment, dismissal and remuneration of the head of the internal audit department.

The Audit Committee is composed of the following members: Mario Gobbo as its Chairman, Nataša Damjanovič, Ivan Sotošek and Simon Kolenc as the outsourced independent expert.

Other Committees

In 2018, the Supervisory Board of Triglav had two other committees: the Appointment and Remuneration Committee and the Strategy Committee.

Corporate Governance Code

In its operations, Triglav abides by the Slovene Corporate Governance Code (the "**Code**"), which was adopted on 27 October 2016 and published in Slovene and English on the Ljubljana Stock Exchange website <http://www.ljse.si>.

The Statement of Compliance with the Code is available in electronic form on SEOnet, the Ljubljana Stock Exchange information system, and on the official website of Triglav (www.triglav.eu).

Zavarovalnica Triglav regularly applies the provisions of the Code, except that it has decided to not adhere to the following provisions:

- **Point 15.3:** The Chairman of the Supervisory Board is the Chairman of the Appointment and Remuneration Committee. In order to facilitate coordination and implementation of procedures, the Issuer believes it is reasonable that the Chairman of the Supervisory Board is also the Chairman of the said committee.
- **Point 19.6:** In line with the resolution of the Supervisory Board, the Management Board members are not required to obtain the prior approval of the Supervisory Board before being appointed to the management or supervisory bodies of direct and indirect subsidiaries and associates of Triglav; however, they do promptly inform the Supervisory Board in writing about their appointment in accordance with Article 62(2)(1) of the Insurance Act (ZZavar-1).

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

Moreover, Triglav has its own code, available on the Issuer's official website (<http://www.triglav.eu>). This code presents Triglav's fundamental values and principles of operation 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.

Triglav took a position on the provisions of the Corporate Governance Code for Companies with Capital Assets of the State and the Recommendations and Expectations of the Slovenian Sovereign Holding (both documents are available on the website of the Slovenian Sovereign Holding at <http://www.sdh.si>), which is published on the Issuer's official website (www.triglav.eu).

Financial Year and Annual General Meeting

The financial year of the Issuer is the calendar year.

In accordance with the articles of association of the Issuer, the annual general meeting of the Issuer takes place within the first eight months after the conclusion of each financial year.

Independent Auditors

The consolidated annual financial statements of the Issuer as of 31 December 2018 and 31 December 2017 were audited by ERNST & YOUNG Revizija, poslovno svetovanje, d.o.o. ("EY") and EY has issued in each case an unqualified auditor's opinion. EY is a registered audit company at the Slovenian Agency for Public Oversight Of Auditing (*Agencija za javni nadzor nad revidiranjem*).

The Issuer's Supervisory Board has proposed to the annual general meeting of the Issuer the company Deloitte Revizija d.o.o., Dunajska cesta 165, 1000 Ljubljana, Slovenia ("**Deloitte**") as the independent auditor of the Issuer for the financial years ending on 31 December 2019, 31 December 2020, and 31 December 2021. The proposal is subject to the adoption at the annual general meeting of the Issuer which is to be held in May 2019. 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 of 31 December 2017 and 31 December 2018 are incorporated by reference in this Prospectus.

Significant Changes

There has been no significant change in the financial or trading position of the Issuer since 31 December 2018.

Trend Information and Investments

There has been no material adverse change in the prospects of the Issuer since 31 December 2018.

In 2018 Triglav Group signed agreements to acquire the Croatian pension insurer Raiffeisen Mirovinsko osiguravajuće društvo and the Slovene asset management company ALTA Skladi. Triglav Group also acquired the remaining equity stake of 28.1% of Skupna pokojninska družba d.d., Ljubljana on the Slovene insurance market and became its 100% owner. Please refer to "*History and Development of the Triglav Group*" above for further information.

Recent Events

In 2019, Triglav Group established a pension insurance company in North Macedonia.

Issuer Credit Ratings

Standard & Poor's Credit Market Services Europe Limited (which was merged into Standard & Poor's Global Ratings Europe Limited on 1 July 2018, "**Standard & Poor's**")²³ has assigned the credit rating A (outlook: stable) and AM Best Europe-Rating Services Ltd. ("**AM Best**")⁴ has assigned a credit rating A (outlook: stable) to Triglav Group.

The following standalone credit profile of Triglav Group is set out in the Standard & Poor's GR Rating Report dated 7 September 2018:

- Business risk profile - strong
- Financial risk profile - very strong
- Capital adequacy - extremely strong
- Group has adequate reinsurance protection

A credit rating or credit report assesses the creditworthiness of an entity and informs an investor therefore about the probability of the entity being able to redeem invested capital. It is not a recommendation to buy, sell or hold securities and may be revised or withdrawn by the rating agency at any time.

² 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.

³ Standard & Poor's is established in the European Union and is registered under the CRA Regulation.

⁴ AM Best is established in the European Union and is registered under the CRA Regulation.

TAXATION

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 Bondholder. 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.

Prospective Bondholders 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 the Grand Duchy of Luxembourg, Slovenia and each country of which they are residents or citizens.

Republic of Slovenia

Taxation of interest

Corporate Investors

Interest on the Bonds received 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 (*davek od dohodkov pravnih oseb*) as a part of its overall income tax (currently levied at the rate of 19 per cent.).

If, and for as long as the Bonds qualify as Listed Securities, meaning that the Bonds will be admitted to trading on a regulated market or a multilateral trading facility ("MTF") within an EU member state or OECD (hereinafter referred as "**Listed Securities**") and do not encompass the option for equity swap, no Slovenian tax (including no Slovenian withholding tax) will be levied on payments under the Bonds to legal persons not resident for taxation purposes in the Republic of Slovenia and having no permanent establishment (*poslovna enota*) in the Republic of Slovenia.

Individuals

The amounts of interest on the Bonds received by an individual resident for tax purposes in the Republic of Slovenia will be subject to Slovenian Personal Income Tax (*dohodnina*) assessed on the income so derived at the rate of 25 per cent, which tax is the final tax imposed by the Republic of Slovenia on interest on the Bonds, except where such income qualifies as business income (*dohodek iz dejavnosti*) of such individual, in which case such income will be subject to Slovenian Personal Income Tax as a part of overall annual business income at the rate applicable in accordance with the progressive tax scale which may reach up to 50 per cent. In the event of capital gains earned as business income, where the tax base is determined considering flat rate expenses (*normirani odhodki*), the personal income tax is levied under a 20 per cent tax rate and it is also the final tax.

If, and for as long as the Bonds qualify as Listed Securities and do not encompass the option for equity swap, the amounts of interest on the Bonds received by an individual who is not resident for taxation purposes in the Republic of Slovenia will be fully exempt from Slovenian tax (including from Slovenian withholding tax).

Any individual who is liable for Slovenian Personal Income Tax on interest income under the Bonds as non-business income 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 in a tax return filed by the 15th day of a calendar month for the period of the previous three calendar months; and (ii) pay the amount of tax in accordance with the relevant decision of the tax authorities. The tax is levied at the rate of 25 per cent.

The tax authority shall establish personal income tax on interest on the basis of the taxable person's tax information return if, at the time when the Issuer makes a payment of interest under the Bonds, the Bonds will qualify as Listed Securities and they do not encompass the option for equity swap.

Taxation of Capital Gains

Corporate Investors

Capital gains earned on the sale or disposition of the Bonds by a legal person resident or not 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 (*davek od dohodkov pravnih oseb*) as a part of its overall income tax (currently levied at the rate of 19 per cent.).

Individuals

Under the Slovenian Personal Income Tax Act (*Zakon o dohodnini (ZDoh-2)*, Official Gazette of the Republic of Slovenia No. 117/06, as amended from time to time; "**Slovenian Personal Income Tax**"), 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 are 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. In the event of capital gains earned as business income, where the tax base is determined considering flat rate expenses (*normirani odhodki*), the personal income tax is levied under a 20 per cent tax rate and it is also the final tax.

Capital gains earned on the sale or disposition of the Bonds by an individual 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)*, Official Gazette of the Republic of Slovenia No. 65/08, as amended from time to time), be subject to tax levied at the rate of up to 40 per cent.

Tax relief under the Personal Income Tax

Purchase of the Bonds under the Slovenian Personal Income Tax does not represent a tax relief for the purchaser – individual. The same applies for interest from traded debt instruments, which are not subject to exemption, as prescribed for interest on individuals' cash deposits, achieved at banks, savings bank in the Republic of Slovenia or within the EU area.

Value Added Tax

Pursuant to the provisions of the Slovenian Value Added Tax Act (*Zakon o davku na dodano vrednost (ZDDV-1)*; Official Gazette of the Republic of Slovenia No. 117/06, as amended from time to time), 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.

Luxembourg

The following information is of a general nature only and is based on the laws presently in force in Luxembourg, though it is not intended to be, nor should it be construed to be, legal or tax advice. The information contained within this section is limited to Luxembourg withholding tax issues and prospective investors in the Bonds should therefore consult their own professional advisers as to the effects of state, local or foreign laws, including Luxembourg tax law, to which they may be subject.

Please be aware that the residence concept used under the respective headings below applies for Luxembourg income tax assessment purposes only. Any reference in the present section to a withholding tax or a tax of a similar nature, or to any other concepts, refers to Luxembourg tax law and/or concepts only.

Withholding Tax and self-applied tax

Under Luxembourg tax law currently in effect and subject to the exception below, there is no Luxembourg withholding tax on payments of interest (including accrued but unpaid interest) or repayments of principal.

In accordance with the law of 23 December 2005, as amended, on the introduction of a withholding tax on certain interest payments on savings income, interest on Bonds paid by Luxembourg paying agents to or to the benefit of Luxembourg resident individual beneficial owners are currently subject to a 20 per cent withholding tax. Responsibility for withholding such tax will be assumed by the Luxembourg paying agent.

Furthermore, Luxembourg resident individuals, acting in the framework of their private wealth, can opt to self-declare and pay a 20 per cent. tax on interest payments made by paying agents located in an EU Member State other than Luxembourg or a Member State of the EEA other than an EU Member State.

SUBSCRIPTION AND SALE OF THE BONDS

General

Pursuant to a subscription agreement dated 25 April 2019 (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 30 April 2019. 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 and its affiliates may be customers of, borrowers from or creditors of Triglav Group and 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 Triglav Group and its affiliates in the ordinary course of business. In particular, 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 Triglav Group or its affiliates. The Sole Lead Manager or its affiliates that have a lending relationship with Triglav Group routinely hedge their credit exposure to Triglav Group consistent with their customary risk management policies. Typically, the Sole Lead Manager 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 securities, including potentially the Bonds issued. Any such positions could adversely affect future trading prices of the Bonds. 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.

There are no interests of natural and legal persons involved in the issue, including conflicting ones, that are material to the issue.

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.

European Economic Area

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 (as amended); or
- (ii) a customer within the meaning of Directive 2002/92/EC, where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II.

United States of America and its territories

The Bonds have not been and will not be registered under the Securities Act, and may not be offered or sold into or within the United States or to, or for the account or benefit of, U.S. persons except in certain 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 ("**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 agreed that it will not offer, sell or deliver the Bonds (i) as part of their distribution at any time or (ii) otherwise until 40 days after the later of the commencement of the offering and the Closing Date, within the United States or to, or for the account or benefit of, U.S. persons, and it will send to each distributor, dealer or person receiving a selling concession, fee or other remuneration that purchases Bonds from them 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:

- (i) except to the extent permitted under U.S. Treas. Reg. §1.163-5(c)(2)(i)(D) (the "**D Rules**"), the Sole Lead Manager (i) has represented that it has not offered or sold, and agrees that during a 40 day restricted period it will not offer or sell, Bonds to a person who is within the United States or its possessions or to a United States person, and (ii) represented that it has not delivered and agrees that it will not deliver within the United States or its possessions definitive Bonds that are sold during the restricted period;
- (ii) the Sole Lead Manager has represented that it has and agreed that throughout the restricted period it will have in effect procedures reasonably designed to ensure that its employees or agents who are directly engaged in selling Bonds are aware that such Bonds may not be offered or sold during the restricted period to a person who is within the United States or its possessions or to a United States person, except as permitted by the D Rules;
- (iii) if it is a United States person, the Sole Lead Manager represented that it is acquiring the Bonds for purposes of resale in connection with their original issue and if it retains Bonds for its own account, it will only do so in accordance with the requirements of U.S. Treas. Reg. §1.163-5(c)(2)(i)(D)(6) and;
- (iv) with respect to each affiliate that acquires from it Bonds for the purpose of offering or selling such Bonds during the restricted period, the Sole Lead Manager either (a) repeated and confirmed the representations and agreements contained in paragraphs (i), (ii) and (iii) on its behalf or (b) agreed that it will obtain from such affiliate for the benefit of the Issuer the representations and agreements contained in paragraphs (i), (ii) and (iii).

Terms used in this paragraph have the meanings given to them by the U.S. Internal Revenue Code of 1986 and regulations thereunder, including the D Rules.

United Kingdom

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

- (a) it has only communicated or caused to be communicated and will only communicate or cause to be communicated any invitation or inducement to engage in investment activity (within the meaning of Section 21 of the Financial Services and Markets Act 2000 (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

- (b) 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 United Kingdom.

GENERAL INFORMATION

1. **Authorizations:** The creation and issue of the Bonds has been authorized by the resolution of the managing board of the Issuer on 23 April 2019, the resolution of the ALCO (Assets and Liabilities Committee) on 23 April 2019, and on the basis of a prior consent of the Issuer's supervisory board of 16 August 2018 and 20 December 2018.
2. **Expenses of the Issue:** The total expenses related to the admission to trading of the Bonds are expected to amount to € 10,000.
3. **Clearing Systems:** Payments and transfers of the Bonds will be settled through 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, Belgium.

The Bonds have the following securities codes:

ISIN: XS1980276858

Common Code: 198027685

4. **Luxembourg Listing and Admission to Trading:** Application has been made to the Luxembourg Stock Exchange for the Bonds to be admitted to the Official List and to be admitted to trading on the Luxembourg Stock Exchange's regulated market.
5. **Notices to Bondholders:** For so long as the Bonds are listed on the Luxembourg Stock Exchange, all notices to the Bondholders regarding the Bonds shall be published on the website of the Luxembourg Stock Exchange (www.bourse.lu). The Issuer will be entitled to deliver all notices concerning the Bonds to the Clearing System for communication by the Clearing System to the Bondholders.
6. **Documents on Display:** For so long as any Bond is outstanding, copies of the following documents may be inspected in physical form during normal business hours at the registered office of the Issuer:
 - (a) the articles of association of the Issuer;
 - (b) this Prospectus and any supplement thereto; and
 - (c) the documents specified in the section "*Documents incorporated by Reference*" below.

The Prospectus will be published on the website of the Luxembourg Stock Exchange (www.bourse.lu).

7. **Yield:** For the subscribers, the yield of the Bonds is 4.375% per cent. per annum, calculated on the basis of (i) the issue price and (ii) the assumption that the Bonds will be called on the First Call Date. 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.
8. **Rating:** The Bonds are expected to be rated "BBB+" by S&P Global Ratings Europe Limited ("**Standard & Poor's**") upon issuance.

Standard & Poor's is established in the European Community and are registered under 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**")⁵.

Investors in the Bonds should be aware that 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.

⁵ The European Securities and Markets Authority publishes on its website (<https://www.esma.europa.eu/supervision/credit-rating-agencies/risk>) a list of credit rating agencies registered in accordance with 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.

9. **Legal Entity Identifier:** The LEI of Triglav is 549300KGI78MKHO38N42.

DOCUMENTS INCORPORATED BY REFERENCE

The pages specified below of the following documents which have previously been published or are published simultaneously with this Prospectus and which have been filed with the CSSF are incorporated by reference into this Prospectus: (i) the audited Annual Report of Triglav Group for the fiscal year ended 31 December 2017 (Audited Annual Report 2017) and (ii) the audited Annual Report of Triglav Group for the fiscal year ended 31 December 2018 (Audited Annual Report 2018), 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.

- (1) Extracted from: Triglav Group – Audited Annual Report 2017
 - Independent Auditor's reportpages 170-171
 - Statement of financial positionpage 172
 - Income statementpage 173
 - Comprehensive incomepage 174
 - Statement of changes in equitypage 175
 - Cash flow statementpage 176
 - General Informationpages 177-199
 - Notes to the Statement of Financial Positionpages 200-235
 - Notes to the Income Statementpages 236-262

- (2) Extracted from: Triglav Group – Audited Annual Report 2018
 - Independent Auditor's reportpages 171-172
 - Statement of financial positionpage 173-174
 - Income statementpage 175
 - Comprehensive incomepage 176
 - Statement of changes in equitypage 177
 - Cash flow statementpages 178-179
 - General Informationpages 180-198
 - Notes to the Statement of Financial Positionpages 199-228
 - Notes to the Income Statementpages 229-249

All of these pages shall be deemed to be incorporated in by reference, and to form part of, this Prospectus.

The non-incorporated parts of such documents, i.e. the pages not listed in the table above, are either not relevant for the investor or covered elsewhere in the Prospectus pursuant to Article 28.4 of the Commission Regulation (EC) 809/2004.

Copies of the documents 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.bourse.lu).

Issuer

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Republic of Slovenia

Principal Paying Agent

Erste Group Bank AG

Am Belvedere 1
Vienna 1100
Republic of Austria

Structuring Advisor

Erste Group Bank AG

Am Belvedere 1
Vienna 1100
Republic of Austria

Sole Lead Manager and Sole Bookrunner

Erste Group Bank AG

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Independent Auditors of the Issuer

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