



Disclosures for SKB Group for 2022

April 2023

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Disclosures for SKB Group for 2022

1. Disclosures of key matrix

1.1. Capital requirements

(Article 438(a)(b)(c)(d)(f)(g) CRR)

The SKB Group measures its credit, market and operational risks under Basel II Pillar I rules. Capital requirements for credit risk, counterparty credit risk and operational risk are calculated using the standardized approach.

Capital adequacy

The SKB Group monitors the adequacy of its capital using ratios defined by the requirements of the Bank of Slovenia. These ratios measure capital adequacy by comparing the SKB Group's capital with risk-weighted assets.

While the minimum amount of capital required is 8 % of risk weighted assets under pillar I requirement and the total capital requirement is set to 13.76 % on a consolidated basis, the SKB Group sets its internal limit for capital adequacy to 14.25 % of total capital. This internal limit serves also as an alert level for capital adequacy management with the regulation of the level of regulatory capital and/or optimization of capital usage. The SKB Group defines the limit within Risk Appetite Statement and monitors it on a quarterly basis on the Board of Directors committee.

In 2022 the capital adequacy of the SKB Group has increased and remains well above internally set limit. The primary reason of the increase is in the increase of the total capital by 96 million EUR, of which 80 million derives from the increase of Tier 2 capital.

Table 1 Template EU OV1 – Overview of total risk exposure amounts

		Total risk exposure amounts (TREA)		Total own funds requirements
EUR 000		a	b	c
		2022	2021	2022
1	Credit risk (excluding CCR)	2,662,325	2,387,961	212,986
2	Of which the standardised approach	2,662,325	2,387,961	212,986
3	Of which the Foundation IRB (F-IRB) approach	0	0	0
4	Of which slotting approach	0	0	0
EU 4a	Of which equities under the simple riskweighted approach	0	0	0
5	Of which the Advanced IRB (A-IRB) approach		0	0
6	Counterparty credit risk - CCR	23,826	24,145	1,906
7	Of which the standardised approach	23,826	24,145	1,906
8	Of which internal model method (IMM)	0	0	0
EU 8a	Of which exposures to a CCP		0	0
EU 8b	Of which credit valuation adjustment - CVA	4,770	1,175	382
9	Of which other CCR	0	0	0
10	Not applicable			0
11	Not applicable			0
12	Not applicable			0
13	Not applicable			0
14	Not applicable			0
15	Settlement risk	0	0	0
16	Securitisation exposures in the non-trading book (after the cap)	0	0	0
17	Of which SEC-IRBA approach	0	0	0
18	Of which SEC-ERBA (including IAA)	0	0	0
19	Of which SEC-SA approach	0	0	0
EU 19a	Of which 1250 % / deduction	0	0	0
20	Position, foreign exchange and commodities risks (Market risk)	0	0	0
21	Of which the standardised approach	0	0	0
22	Of which IMA	0	0	0
EU 22a	Large exposures	0	0	0
23	Operational risk	197,289	194,696	15,783
EU 23a	Of which basic indicator approach	0	0	0
EU 23b	Of which standardised approach	197,289	194,696	15,783
EU 23c	Of which advanced measurement approach	0	0	0
24	Amounts below the thresholds for deduction (subject to 250 % risk weight)	0	0	0
25	Not applicable			0
26	Not applicable			0
27	Not applicable			0
28	Not applicable			0
29	Total	2,883,441	2,606,802	230,675

Table 2 Template EU KM1 – Key metrics template

EUR 000		a	b	c	d	e
		12.2022	09.2022	06.2022	03.2022	12.2021
Available own funds (amounts)						
1	Common Equity Tier 1 (CET1) capital	407,829	406,278	396,189	417,070	391,807
2	Tier 1 capital	407,829	406,278	396,189	417,070	391,807
3	Total capital	487,829	436,278	396,189	417,070	391,807
Risk-weighted exposure amounts						
4	Total risk exposure amount	2,883,441	2,837,187	2,729,248	2,687,374	2,606,802
Capital ratios (as a percentage of risk-weighted exposure amount)						
5	Common Equity Tier 1 ratio (%)	14.14 %	14.32 %	14.52 %	15.52 %	15.03 %
6	Tier 1 ratio (%)	14.14 %	14.32 %	14.52 %	15.52 %	15.03 %
7	Total capital ratio (%)	16.92 %	15.38 %	14.52 %	15.52 %	15.03 %
Additional own funds requirements to address risks other than the risk of excessive leverage (as a percentage of risk-weighted exposure amount)						
EU 7a	Additional own funds requirements to address risks other than the risk of excessive leverage (%)	2 %	2 %	2 %	2 %	2 %
EU 7b	of which: to be made up of CET1 capital (percentage points)	1.13	1.13	1.13	1.13	1.13
EU 7c	of which: to be made up of Tier 1 capital (percentage points)	1.50	1.50	1.50	1.50	1.50
EU 7d	Total SREP own funds requirements (%)	10 %	10 %	10 %	10 %	10 %
Combined buffer and overall capital requirement (as a percentage of risk-weighted exposure amount)						
8	Capital conservation buffer (%)	2.50 %	2.50 %	2.50 %	2.50 %	2.50 %
EU 8a	Conservation buffer due to macro-prudential or systemic risk identified at the level of a Member State (%)					
9	Institution specific countercyclical capital buffer (%)	0.01 %				
EU 9a	Systemic risk buffer (%)					
10	Global Systemically Important Institution buffer (%)					
EU 10a	Other Systemically Important Institution buffer (%)	0.25 %	0.25 %	0.25 %	0.25 %	0.25 %
11	Combined buffer requirement (%)	2.76 %	2.75 %	2.75 %	2.75 %	2.75 %
EU 11a	Overall capital requirements (%)	12.76 %	12.75 %	12.75 %	12.75 %	12.75 %
12	CET1 available after meeting the total SREP own funds requirements (%)	6.92 %	5.38 %	4.52 %	5.52 %	5.03 %
Leverage ratio						
13	Total exposure measure	4,932,924	4,545,634	4,368,551	4,280,101	4,246,038
14	Leverage ratio (%)	8.27 %	8.94 %	9.07 %	9.74 %	9.23 %

EUR 000		a	b	c	d	e
		12.2022	09.2022	06.2022	03.2022	12.2021
Additional own funds requirements to address the risk of excessive leverage (as a percentage of total exposure measure)						
EU 14a	Additional own funds requirements to address the risk of excessive leverage (%)					
EU 14b	of which: to be made up of CET1 capital (percentage points)					
EU 14c	Total SREP leverage ratio requirements (%)	3 %	3 %	3 %	3 %	3 %
Leverage ratio buffer and overall leverage ratio requirement (as a percentage of total exposure measure)						
EU 14d	Leverage ratio buffer requirement (%)					
EU 14e	Overall leverage ratio requirement (%)					
Liquidity Coverage Ratio						
15	Total high-quality liquid assets (HQLA) (Weighted value -average)	985,162	785,360	745,649	876,055	1,042,691
EU 16a	Cash outflows - Total weighted value	511,212	881,906	724,511	781,843	571,697
EU 16b	Cash inflows - Total weighted value	43,769	461,853	311,601	376,169	93,250
16	Total net cash outflows (adjusted value)	467,443	420,053	412,910	405,673	478,447
17	Liquidity coverage ratio (%)	211 %	187 %	181 %	216 %	218 %
Net Stable Funding Ratio						
18	Total available stable funding	3,757,594	3,481,681	3,312,821	3,247,548	3,222,122
19	Total required stable funding	2,392,083	2,408,126	2,238,711	2,166,567	2,110,294
20	NSFR ratio (%)	157 %	145 %	148 %	150 %	153 %

Table 3 Table EU OVC – ICAAP information

Legal basis	Row number	Free format
Article 438(a) CRR	(a)	Approach to assessing the adequacy of the internal capital
Article 438(c) CRR	(b)	Upon demand from the relevant competent authority, the result of the institution's internal capital adequacy assessment process

(a) Article 438(a) CRR Approach to assessing the adequacy of the internal capital

The SKB Group implemented Internal Capital Adequacy Assessment Process (ICAAP) to be able to assess capital needs in accordance with risk profile and risk strategy.

The process consists of a qualitative and quantitative assessment. The qualitative part represents the assessment of SKB Group's risk exposure and assessment of its control system, which is performed on an annual basis. The quantitative calculation of the internal estimate of capital needs is performed at SKB Group level on a quarterly basis and reported to the SKB Group's General Management through the ALCO Committee. Internal estimates of capital needs are calculated for all important risks from normative¹ and economic² perspective. The sum of all internal capital needs represents the internal estimate of capital needs for the SKB Group. The internal estimate of capital needs shows whether the level of the capital is sufficient to absorb all types of risks the SKB Group is exposed.

¹ The normative perspective is a multi-year assessment of the institution's ability to fulfil all of its capital-related quantitative regulatory and supervisory requirements and demands, and to cope with other external financial constraints.

² Economic internal perspective is perspective under which the institution manages its economic capital adequacy by ensuring that its economic risks are sufficiently covered by available internal capital.

The ICAAP process is intertwined with the ILAAP process (Internal Liquidity Adequacy Assessment process) by which the SKB Group analysing liquidity position from qualitative and quantitative perspective, including liquidity metrics which are not specifically defined within liquidity risk section of ICAAP report.

The ICAAP and ILAAP process are intertwined with the SKB Group's main strategic processes, such as Risk Appetite Framework, Risk Appetite Statement and Recovery and resolution plan.

(b) Article 438(c) CRR Upon demand from the relevant competent authority, the result of the institution's internal capital adequacy assessment process

SKB Group	Economic perspective	Normative perspective - base scenario			Normative perspective - adverse scenario		
CAPITAL ADEQUACY (in %)	31. 12. 22	31. 12. 23	31. 12. 24	31. 12. 25	31. 12. 23	31. 12. 24	31. 12. 25
CET 1 capital ratio	14.14 %	13.47 %	15.03 %	16.20 %	12.51 %	13.47 %	14.02 %
Tier 1 capital ratio	14.14 %	13.47 %	15.03 %	16.20 %	12.51 %	13.47 %	14.02 %
Total capital ratio	16.92 %	15.95 %	17.27 %	17.86 %	15.05 %	15.81 %	15.80 %
CAPITAL in MEUR	31. 12. 22	31. 12. 23	31. 12. 24	31. 12. 25	31. 12. 23	31. 12. 24	31. 12. 25
Capital (own funds) of the group:	487.8	514.4	574.4	629.6	475.1	502.5	517.9
Tier 1 capital of which	407.8	434.4	499.9	571.1	395.1	428.0	459.4
• Common equity tier 1 capital	407.8	434.4	499.9	571.1	395.1	428.0	459.4
• Additional tier 1 capital	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Tier 2 capital	80.0	80.0	74.5	58.5	80.0	74.5	58.5
INTERNAL ESTIMATE OF CAPITAL NEEDS in MEUR	31. 12. 22	31. 12. 23	31. 12. 24	31. 12. 25	31. 12. 23	31. 12. 24	31. 12. 25
Material risks	290.2	288.8	302.5	327.9	282.2	287.4	304.5
Credit risk	214.9	240.0	245.5	259.0	235.6	236.3	243.8
Operational risk	15.8	17.0	17.9	18.3	16.9	17.7	17.8
Concentration risk	12.9	9.6	9.8	10.4	9.4	9.5	9.8
Counterparty risk	16.9	17.2	17.6	18.5	16.9	16.9	16.9
Interest rate risk	28.8	3.2	9.9	20.0	0.8	4.4	13.5
Strategic risk	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Model risk	0.9	1.83	1.8	1.8	2.7	2.7	2.7
Stress tests	62.2	80.6	119.6	156.7	35.2	48.7	56.6
Capital requirements for material risks / internal estimate of capital needs	290.2	288.8	302.5	327.9	282.2	287.4	304.5
Overall capital requirements / internal estimate of capital needs	352.4	369.4	422.1	484.7	317.4	336.2	361.1
Capital buffer	197.7	225.6	271.9	301.7	192.9	215.1	213.4

Table 4 Template EU INS1 – Insurance participation

		a	b
		Exposure value	Risk exposure amount
1	Own fund instruments held in insurance or re-insurance undertakings or insurance holding company not deducted from own funds		

The template is for the SKB Group non-applicable, as the SKB Group does not hold own funds instruments in insurance or re-insurance undertakings or insurance holding company as of 31. 12. 2022.

Table 5 Template EU INS2 – Financial conglomerates information on own funds and capital adequacy ratio

		a
		2022
1	Supplementary own fund requirements of the financial conglomerate (amount)	
2	Capital adequacy ratio of the financial conglomerate (%)	

The template is for the SKB Group non-applicable, as the SKB Group does not hold own funds in financial conglomerates as of 31. 12. 2022.

2. Capital management

2.1. Regulatory own funds

(Article 437(a)(d)(e)(f) CRR)

Table 6 Template EU CC1 – Composition of regulatory own funds

		EUR 000	a	b
			Amounts	Source based on reference numbers/letters of the balance sheet under the regulatory scope of consolidation
Common Equity Tier 1 (CET1) capital: instruments and reserves				
1	Capital instruments and the related share premium accounts		156,845	(h) 26(1)(a) and (b), 27, 28, 29 CRR EBA list Article 26(3) CRR
	• of which: Instrument type 1		156,845	26(3) – EBA list
	• of which: Instrument type 2			26(3) – EBA list
	• of which: Instrument type 3			26(3) – EBA list
2	Retained earnings		241,324	26(1)(c) CRR
3	Accumulated other comprehensive income (and other reserves)		(10,224)	26(1)(d) in (e) CRR
EU-3a	Funds for general banking risk			26(1)(f) CRR
4	Amount of qualifying items referred to in Article 484 (3) CRR and the related share premium accounts subject to phase out from CET1			486(2) CRR
5	Minority interests (amount allowed in consolidated CET1)			84 CRR
EU-5a	Independently reviewed interim profits net of any foreseeable charge or dividend		25,132	26(2) CRR
6	Common Equity Tier 1 (CET1) capital before regulatory adjustments		413,077	
Common Equity Tier 1 (CET1) capital: regulatory adjustments				
7	Additional value adjustments (negative amount)		(383)	34, 105 CRR
8	Intangible assets (net of related tax liability) (negative amount)		(4.843)	(a) minus (d) 36(1)(b), 37 CRR
9	Not applicable			
10	Deferred tax assets that rely on future profitability excluding those arising from temporary differences (net of related tax liability where the conditions in Article 38 (3) CRR are met) (negative amount)			36(1)(c), 38 CRR
11	Fair value reserves related to gains or losses on cash flow hedges of financial instruments that are not valued at fair value			33(1)(a) CRR
12	Negative amounts resulting from the calculation of expected loss amounts			36(1)(d), 40 CRR
13	Any increase in equity that results from securitised assets (negative amount)			32(1) CRR
14	Gains or losses on liabilities valued at fair value resulting from changes in own credit standing			33(1)(b) CRR
15	Defined-benefit pension fund assets (negative amount)			36(1)(e), 41 CRR
16	Direct, indirect and synthetic holdings by an institution of own CET1 instruments (negative amount)			36(1)(f), 42 CRR
17	Direct, indirect and synthetic holdings of the CET 1 instruments of financial sector entities where those entities have reciprocal cross holdings with the institution designed to inflate artificially the own funds of the institution (negative amount)			36(1)(g), 44 CRR

EUR 000		a	b
		Amounts	Source based on reference numbers/letters of the balance sheet under the regulatory scope of consolidation
18	Direct, indirect and synthetic holdings by the institution of the CET1 instruments of financial sector entities where the institution does not have a significant investment in those entities (amount above 10 % threshold and net of eligible short positions) (negative amount)		36(1)(h), 43, 45, 46, 49(2) in (3), 79 CRR
19	Direct, indirect and synthetic holdings by the institution of the CET1 instruments of financial sector entities where the institution has a significant investment in those entities (amount above 10 % threshold and net of eligible short positions) (negative amount)		36(1)(i), 43, 45, 47, 48(1)(b), 49(1) do (3) CRR
20	Not applicable		
EU-20a	Exposure amount of the following items which qualify for a RW of 1250 %, where the institution opts for the deduction alternative		36(1)(k) CRR
EU-20b	• of which: qualifying holdings outside the financial sector (negative amount)		36(1)(k)(i), 89 do 91 CRR
EU-20c	• of which: securitisation positions (negative amount)		36(1)(k)(ii), 243(1)(b), 244(1)(b), 258 CRR
EU-20d	• of which: free deliveries (negative amount)		36(1)(k)(iii), 379(3) CRR
21	Deferred tax assets arising from temporary differences (amount above 10 % threshold, net of related tax liability where the conditions in Article 38(3) CRR are met) (negative amount)		36(1)(c), 38, 48(1)(a) CRR
22	Amount exceeding the 17,65 % threshold (negative amount)		48(1) CRR
23	• of which: direct, indirect and synthetic holdings by the institution of the CET1 instruments of financial sector entities where the institution has a significant investment in those entities		36(1)(i), 48(1)(b) CRR
24	Not applicable		
25	• of which: deferred tax assets arising from temporary differences		36(1)(c), 38, 48(1)(a) CRR
EU-25a	Losses for the current financial year (negative amount)		36(1)(a) CRR
EU-25b	Foreseeable tax charges relating to CET1 items except where the institution suitably adjusts the amount of CET1 items insofar as such tax charges reduce the amount up to which those items may be used to cover risks or losses (negative amount)		36(1)(l) CRR
26	Not applicable		
27	Qualifying AT1 deductions that exceed the AT1 items of the institution (negative amount)		36(1)(j) CRR
27a	Other regulatory adjustments	(23)	
28	Total regulatory adjustments to Common Equity Tier 1 (CET1)	(5,249)	
29	Common Equity Tier 1 (CET1) capital	407,828	
Additional Tier 1 (AT1) capital: instruments			
30	Capital instruments and the related share premium accounts		(i) 51, 52 CRR
31	• of which: classified as equity under applicable accounting standards		
32	• of which: classified as liabilities under applicable accounting standards		
33	Amount of qualifying items referred to in Article 484 (4) CRR and the related share premium accounts subject to phase out from AT1		486(3) CRR
EU-33a	Amount of qualifying items referred to in Article 494a(1) CRR subject to phase out from AT1		494a(1) CRR

EUR 000		a	b
		Amounts	Source based on reference numbers/letters of the balance sheet under the regulatory scope of consolidation
EU-33b	Amount of qualifying items referred to in Article 494b(1) CRR subject to phase out from AT1		494b(1) CRR
34	Qualifying Tier 1 capital included in consolidated AT1 capital (including minority interests not included in row 5) issued by subsidiaries and held by third parties		
35	• of which: instruments issued by subsidiaries subject to phase out		486(3) CRR
36	Additional Tier 1 (AT1) capital before regulatory adjustments		
Additional Tier 1 (AT1) capital: regulatory adjustments			
37	Direct, indirect and synthetic holdings by an institution of own AT1 instruments (negative amount)		52(1)(b), 56(a), 57 CRR
38	Direct, indirect and synthetic holdings of the AT1 instruments of financial sector entities where those entities have reciprocal cross holdings with the institution designed to inflate artificially the own funds of the institution (negative amount)		56(b), 58 CRR
39	Direct, indirect and synthetic holdings of the AT1 instruments of financial sector entities where the institution does not have a significant investment in those entities (amount above 10 % threshold and net of eligible short positions) (negative amount)		56(c), 59, 60, 79 CRR
40	Direct, indirect and synthetic holdings by the institution of the AT1 instruments of financial sector entities where the institution has a significant investment in those entities (net of eligible short positions) (negative amount)		56(d), 59, 79 CRR
41	Not applicable		
42	Qualifying T2 deductions that exceed the T2 items of the institution (negative amount)		56(e) CRR
42a	Other regulatory adjustments to AT1 capital		
43	Total regulatory adjustments to Additional Tier 1 (AT1) capital		
44	Additional Tier 1 (AT1) capital		
45	Tier 1 capital (T1 = CET1 + AT1)		
Tier 2 (T2) capital: instruments			
46	Capital instruments and the related share premium accounts	80,000	62, 63 CRR
47	Amount of qualifying items referred to in Article 484(5) CRR and the related share premium accounts subject to phase out from T2 as described in Article 486(4) CRR		
EU-47a	Amount of qualifying items referred to in Article 494a(2) CRR subject to phase out from T2		
EU-47b	Amount of qualifying items referred to in Article 494b(2) CRR subject to phase out from T2		
48	Qualifying own funds instruments included in consolidated T2 capital (including minority interests and AT1 instruments not included in rows 5 or 34) issued by subsidiaries and held by third parties		
49	• of which: instruments issued by subsidiaries subject to phase out		
50	Credit risk adjustments		62(c) in (d) CRR
51	Tier 2 (T2) capital before regulatory adjustments	80,000	

		EUR 000	a	b
			Amounts	Source based on reference numbers/letters of the balance sheet under the regulatory scope of consolidation
Tier 2 (T2) capital: regulatory adjustments				
52	Direct, indirect and synthetic holdings by an institution of own T2 instruments and subordinated loans (negative amount)			63(b)(i), 66(a), 67 CRR
53	Direct, indirect and synthetic holdings of the T2 instruments and subordinated loans of financial sector entities where those entities have reciprocal cross holdings with the institution designed to inflate artificially the own funds of the institution (negative amount)			66(b), 68 CRR
54	Direct, indirect and synthetic holdings of the T2 instruments and subordinated loans of financial sector entities where the institution does not have a significant investment in those entities (amount above 10 % threshold and net of eligible short positions) (negative amount)			66(c), 69, 70, 79 CRR
54a	Not applicable			
55	Direct, indirect and synthetic holdings by the institution of the T2 instruments and subordinated loans of financial sector entities where the institution has a significant investment in those entities (net of eligible short positions) (negative amount)			66(d), 69, 79 CRR
56	Not applicable			
EU-56a	Qualifying eligible liabilities deductions that exceed the eligible liabilities items of the institution (negative amount)			66(e) CRR
EU-56b	Other regulatory adjustments to T2 capital			
57	Total regulatory adjustments to Tier 2 (T2) capital			
58	Tier 2 (T2) capital	80,000		
59	Total capital (TC = T1 + T2)	487,828		
60	Total Risk exposure amount	2,883,441		
Capital ratios and requirements including buffers				
61	Common Equity Tier 1 capital	14.14 %		92(2)(a) CRR
62	Tier 1 capital	14.14 %		92(2)(b) CRR
63	Total capital	16.92 %		92(2)(c) CRR
64	Institution CET1 overall capital requirements			128, 129, 130, 131, 133 CRD
65	• of which: capital conservation buffer requirement			129 CRD
66	• of which: countercyclical capital buffer requirement			130 CRD
67	• of which: systemic risk buffer requirement			133 CRD
EU-67a	• of which: Global Systemically Important Institution (G-SII) or Other Systemically Important Institution (O-SII) buffer requirement			131 CRD
EU-67b	• of which: additional own funds requirements to address the risks other than the risk of excessive leverage			104(1)(a) Directive 2013/36/EU
68	Common Equity Tier 1 capital (as a percentage of risk exposure amount) available after meeting the minimum capital requirements			
National minima (if different from Basel III)				
69	Not applicable			
70	Not applicable			
71	Not applicable			

EUR 000		a	b
		Amounts	Source based on reference numbers/letters of the balance sheet under the regulatory scope of consolidation

Applicable caps on the inclusion of provisions in Tier 2

72	Direct and indirect holdings of own funds and eligible liabilities of financial sector entities where the institution does not have a significant investment in those entities (amount below 10 % threshold and net of eligible short positions)	7,944	36(1)(h), 45, 46, 56(c), 59, 60, 66(c), 69, 70, 72i CRR
73	Direct and indirect holdings by the institution of the CET1 instruments of financial sector entities where the institution has a significant investment in those entities (amount below 17.65 % thresholds and net of eligible short positions)		36(1)(i), 43, 45, 47, 48(l) (b), 49(L) do (3) CRR
74	Not applicable		
75	Deferred tax assets arising from temporary differences (amount below 17,65 % threshold, net of related tax liability where the conditions in Article 38 (3) CRR are met)		36(1)(c), 38, 48 CRR

Applicable caps on the inclusion of provisions in Tier 2

76	Credit risk adjustments included in T2 in respect of exposures subject to standardised approach (prior to the application of the cap)		62(c) CRR
77	Cap on inclusion of credit risk adjustments in T2 under standardised approach		62(c) CRR
78	Credit risk adjustments included in T2 in respect of exposures subject to internal ratings-based approach (prior to the application of the cap)		62(d) CRR
79	Cap for inclusion of credit risk adjustments in T2 under internal ratings-based approach		62(d) CRR

Capital instruments subject to phase-out arrangements (only applicable between 1 Jan 2014 and 1 Jan 2022)

80	Current cap on CET1 instruments subject to phase out arrangements		484(3), 486(2) in (5) CRR
81	Amount excluded from CET1 due to cap (excess over cap after redemptions and maturities)		484(3), 486(2) in (5) CRR
82	Current cap on AT1 instruments subject to phase out arrangements		484(4), 486(3) in (5) CRR
83	Amount excluded from AT1 due to cap (excess over cap after redemptions and maturities)		484(4), 486(3) in (5) CRR
84	Current cap on T2 instruments subject to phase out arrangements		484(5), 486(4) in (5) CRR
85	Amount excluded from T2 due to cap (excess over cap after redemptions and maturities)		484(5), 486(4) in (5) CRR

Table 7 Template EU CC2 - reconciliation of regulatory own funds to balance sheet in the audited financial statements

		a	b	c
		Balance sheet as in published financial statements	Under regulatory scope of consolidation	Reference
EUR 000		As at period end	As at period end	
Assets - Breakdown by asset classes according to the balance sheet in the published financial statements				
1	Cash, cash balances at central banks and other demand deposits at banks	553,930	0	
2	Financial assets held for trading	11,203	0	
3	Non trading financial assets mandatorily at fair value through profit or loss	20,287	0	
4	Financial assets designated at fair value through profit or loss	0	0	
5	Financial assets at fair value through other comprehensive income	361,715	(383)	
6	Financial assets at amortised cost	3,396,479	(23)	
7	Derivatives - hedge accounting	0	0	
8	Non-current assets and disposal groups classified as held for sale	0	0	
9	Property, plant and equipment	38,513	0	
10	Investment property	1,183	0	
11	Intangible assets	14,714	(4,843)	36(1)(b), 37, 472(4)
12	• goodwill	1,290	(1,290)	36(1)(b), 37, 472(4)
13	• other intangible assets	13,424	(3,553)	36(1)(b), 37, 472(4)
14	Investments in subsidiaries, associates and joint ventures	0	0	
15	Tax assets	11,829	0	
16	• - current tax assets	0	0	
17	• - deferred tax assets	11,829	0	
18	Other assets	26,939	0	
xxx	Total assets	4,436,792	(5,249)	
Liabilities - Breakdown by liability classes according to the balance sheet in the published financial statements				
1	Financial liabilities held for trading	11,118	0	
2	Financial liabilities designated at fair value through profit or loss	0	0	
3	Financial liabilities measured at amortised cost	3,952,976	80,000	
4	Fair value changes of the hedged items in portfolio hedge of interest rate risk	607	0	
5	Provisions	9,044	0	
6	Tax liabilities	3,512	0	
7	• - current tax liabilities	3,512	0	
8	• - deferred tax liabilities	0	0	
9	Other liabilities	10,427	0	
xxx	Total liabilities	3,987,684	80,000	
Shareholders' Equity				
1	Capital	52,784	52,784	26(1), 27, 28, 29, 26(3), EBA list
2	Share premium	104,061	104,061	26(1), 27, 28, 29, 26(3), EBA list
3	Accumulated other comprehensive income	(39,330)	(39,330)	26(1)
4	Reserves from profit	29,106	29,106	26(1)
5	Retained earnings (including income from current year)	302,487	266,456	26(1)(c)
xxx	Total shareholders' equity	449,108	413,077	

2.2. Main features of regulatory own funds instruments and eligible liabilities instruments

(Article 437(b)(c) CRR)

Table 8 Template EU CCA - Main features of regulatory own funds instruments and eligible liabilities instruments

		a
		Qualitative or quantitative information - Free format
1	Issuer	SKB BANKA D.D. LJUBLJANA
2	Unique identifier (eg CUSIP, ISIN or Bloomberg identifier for private placement)	SKBB, ISIN SI0021103013
2a	Public or private placement	N/A
3	Governing law(s) of the instrument	Act on dematerialised securities Banking act Companies act
3a	Contractual recognition of write down and conversion powers of resolution authorities	N/A
	Regulatory treatment	N/A
4	Current treatment taking into account, where applicable, transitional CRR rules	N/A
5	Post-transitional CRR rules	N/A
6	Eligible at solo/(sub-)consolidated/ solo&(sub-)consolidated	N/A
7	Instrument type (types to be specified by each jurisdiction)	Ordinary shares
8	Amount recognised in regulatory capital or eligible liabilities (Currency in million, as of most recent reporting date)	N/A
9	Nominal amount of instrument	No nominal amount - par value share
EU-9a	Issue price	No nominal amount of the issue - par value shares
EU-9b	Redemption price	N/A
10	Accounting classification	N/A
11	Original date of issuance	June 30, 1997
12	Perpetual or dated	N/A
13	Original maturity date	N/A
14	Issuer call subject to prior supervisory approval	N/A
15	Optional call date, contingent call dates and redemption amount	N/A
16	Subsequent call dates, if applicable	N.R.
	Coupons / dividends	N/A
17	Fixed or floating dividend/coupon	Variable dividend
18	Coupon rate and any related index	N/A
19	Existence of a dividend stopper	N/A
EU-20a	Fully discretionary, partially discretionary or mandatory (in terms of timing)	N/A
EU-20b	Fully discretionary, partially discretionary or mandatory (in terms of amount)	N/A
21	Existence of step up or other incentive to redeem	N/A
22	Noncumulative or cumulative	N/A
23	Convertible or non-convertible	N/A
24	If convertible, conversion trigger(s)	N/A
25	If convertible, fully or partially	N/A
26	If convertible, conversion rate	N/A
27	If convertible, mandatory or optional conversion	N/A
28	If convertible, specify instrument type convertible into	N/A
29	If convertible, specify issuer of instrument it converts into	N/A
30	Write-down features	N/A

		a
		Qualitative or quantitative information - Free format
31	If write-down, write-down trigger(s)	N/A
32	If write-down, full or partial	N/A
33	If write-down, permanent or temporary	N/A
34	If temporary write-down, description of write-up mechanism	N/A
34a	Type of subordination (only for eligible liabilities)	N/A
EU-34b	Ranking of the instrument in normal insolvency proceedings	N/A
35	Position in subordination hierarchy in liquidation (specify instrument type immediately senior to instrument)	N/A
36	Non-compliant transitioned features	N/A
37	If yes, specify non-compliant features	N/A
37a	Link to the full term and conditions of the instrument (signposting)	N/A
(1) Insert 'N/A' if the question is not applicable		

3. Capital buffers

(Article 440(a)(b) CRR)

Table 9 Template EU CCyB1 - Geographical distribution of credit exposures relevant for the calculation of the countercyclical buffer

		a	b	c	d	e	f	g	h	i	j	k	l	m
		General credit exposures		Relevant credit exposures – Market risk		Securitisation exposures Exposure value for non-trading book	Total exposure value	Own fund requirements				Risk-weighted exposure amounts	Own fund requirements weights (%)	Countercyclical buffer rate (%)
EUR 000	Exposure value under the standardised approach	Exposure value under the IRB approach	Sum of long and short positions of trading book exposures for SA	Value of trading book exposures for internal models	Relevant credit risk exposures - Credit risk			Relevant credit exposures – Market risk	Relevant credit exposures – Securitisation positions in the non-trading book	Total				
010 Breakdown by country:														
	Austria	171,740	0	0	0	0	171,740	13,688	0	0	13,688	171,106	0.01 %	0.00 %
	Australia	170,069	0	0	0	0	170,069	6,803	0	0	6,803	85,035	0.00 %	0.00 %
	Bosnia and Herzegovina	13,677	0	0	0	0	13,677	682	0	0	682	8,520	0.00 %	0.00 %
	Belgium	857,146	0	0	0	0	857,146	68,570	0	0	68,570	857,126	0.03 %	0.00 %
	Bulgaria	2,047	0	0	0	0	2,047	95	0	0	95	1,188	0.00 %	1.00 %
	Benin	629	0	0	0	0	629	29	0	0	29	359	0.00 %	0.00 %
	Brazil	252	0	0	0	0	252	0	0	0	0	0	0.00 %	0.00 %
	Belarus	2	0	0	0	0	2	0	0	0	0	2	0.00 %	0.00 %
	Canada	1,184,494	0	0	0	0	1,184,494	47,380	0	0	47,380	592,247	0.02 %	0.00 %
	Switzerland	2,299,125	0	0	0	0	2,299,125	91,997	0	0	91,997	1,149,958	0.04 %	0.00 %
	Colombia	1,087	0	0	0	0	1,087	50	0	0	50	621	0.00 %	0.00 %
	Czech Republic	263,796	0	0	0	0	263,796	10,676	0	0	10,676	133,447	0.00 %	1.50 %
	Germany	4,599,551	0	0	0	0	4,599,551	187,435	0	0	187,435	2,342,941	0.09 %	0.00 %
	Denmark	278,780	0	0	0	0	278,780	11,151	0	0	11,151	139,390	0.01 %	2.00 %
	Spain	338	0	0	0	0	338	27	0	0	27	338	0.00 %	0.00 %
	Finland	54	0	0	0	0	54	4	0	0	4	54	0.00 %	0.00 %
	France	96,652,539	0	0	0	0	96,652,539	665,518	0	0	665,518	8,318,972	0.31 %	0.00 %
	United Kingdom	10,892,216	0	0	0	0	10,892,216	837,517	0	0	837,517	10,468,960	0.39 %	1.00 %
	Greece	24	0	0	0	0	24	2	0	0	2	24	0.00 %	0.00 %
	Croatia	30,640,056	0	0	0	0	30,640,056	213,962	0	0	213,962	2,674,527	0.10 %	0.00 %
	Hungary	360,336,200	0	0	0	0	360,336,200	4,857,994	0	0	4,857,994	60,724,927	2.26 %	0.00 %
	Ireland	124,888	0	0	0	0	124,888	9,991	0	0	9,991	124,888	0.00 %	0.00 %
	Israel	13,761	0	0	0	0	13,761	1,101	0	0	1,101	13,761	0.00 %	0.00 %
	India	1	0	0	0	0	1	0	0	0	0	1	0.00 %	0.00 %
	Italy	639,178	0	0	0	0	639,178	25,590	0	0	25,590	319,871	0.01 %	0.00 %
	Japan	1,967,635	0	0	0	0	1,967,635	78,705	0	0	78,705	983,818	0.04 %	0.00 %
	Luxemburg	1,477,200	0	0	0	0	1,477,200	59,930	0	0	59,930	749,127	0.03 %	0.50 %
	Moldova	66	0	0	0	0	66	3	0	0	3	42	0.00 %	0.00 %
	Montenegro	92	0	0	0	0	92	6	0	0	6	76	0.00 %	0.00 %
	Republic of North Macedonia	1,208	0	0	0	0	1,208	57	0	0	57	717	0.00 %	0.00 %
	Malta	3	0	0	0	0	3	0	0	0	0	2	0.00 %	0.00 %
	Malawi	7	0	0	0	0	7	0	0	0	0	5	0.00 %	0.00 %
	Netherlands	157,187	0	0	0	0	157,187	12,480	0	0	12,480	155,997	0.01 %	0.00 %
	Norway	516,042	0	0	0	0	516,042	20,642	0	0	20,642	258,021	0.01 %	2.00 %
	New Zealand	1	0	0	0	0	1	0	0	0	0	1	0.00 %	0.00 %
	Pakistan	5	0	0	0	0	5	0	0	0	0	3	0.00 %	0.00 %
	Poland	476,243	0	0	0	0	476,243	19,050	0	0	19,050	238,123	0.01 %	0.00 %
	Portugal	27	0	0	0	0	27	2	0	0	2	27	0.00 %	0.00 %
	Romania	46,742,738	0	0	0	0	46,742,738	2,194	0	0	2,194	27,422	0.00 %	0.50 %
	Serbia	31,486,560	0	0	0	0	31,486,560	2,406,657	0	0	2,406,657	30,083,207	1.12 %	0.00 %
	Russia	258,101	0	0	0	0	258,101	10,325	0	0	10,325	129,068	0.00 %	0.00 %
	Saudi Arabia	20	0	0	0	0	20	1	0	0	1	15	0.00 %	0.00 %
	Sweden	590,778	0	0	0	0	590,778	23,631	0	0	23,631	295,389	0.01 %	1.00 %
	Slovenia	4,323,468,786	0	0	0	0	4,323,468,786	204,696,843	0	0	204,696,843	2,558,710,541	95.43 %	0.00 %
	Suriname	501	0	0	0	0	501	23	0	0	23	286	0.00 %	0.00 %
	Thailand	10	0	0	0	0	10	1	0	0	1	7	0.00 %	0.00 %
	Turkey	3,805	0	0	0	0	3,805	152	0	0	152	1,903	0.00 %	0.00 %
	Ukraine	43	0	0	0	0	43	2	0	0	2	27	0.00 %	0.00 %
	United States of America	3,108,901	0	0	0	0	3,108,901	129,483	0	0	129,483	1,618,543	0.06 %	0.00 %
	Kosovo	607	0	0	0	0	607	29	0	0	29	362	0.00 %	0.00 %
020	Total	4,919,398,213	0	0	0	0	4,919,398,213	214,510,479	0	0	214,510,479	2,681,380,989	100 %	

Table 10 Template EU CCyB2 - Amount of institution-specific countercyclical capital buffer

	EUR 000	a
1	Total risk exposure amount	2,883,441
2	Institution specific countercyclical capital buffer rate	0
3	Institution specific countercyclical capital buffer requirement	288.34

4. Leverage ratio

4.1. Leverage ratio

(Article 451(1)(a)(b)(c) CRR)

Table 11 Template EU LR1 - LRSum: Summary reconciliation of accounting assets and leverage ratio exposures

	EUR 000	a
		Applicable amount
1	Total assets as per published financial statements	5,398,915
2	Adjustment for entities which are consolidated for accounting purposes but are outside the scope of prudential consolidation	0
3	(Adjustment for securitised exposures that meet the operational requirements for the recognition of risk transference)	0
4	(Adjustment for temporary exemption of exposures to central banks (if applicable))	0
5	(Adjustment for fiduciary assets recognised on the balance sheet pursuant to the applicable accounting framework but excluded from the total exposure measure in accordance with point (i) of Article 429a(1) CRR)	0
6	Adjustment for regular-way purchases and sales of financial assets subject to trade date accounting	0
7	Adjustment for eligible cash pooling transactions	0
8	Adjustment for derivative financial instruments	0
9	Adjustment for securities financing transactions (SFTs)	0
10	Adjustment for off-balance sheet items (ie conversion to credit equivalent amounts of off-balance sheet exposures)	(460,766)
11	(Adjustment for prudent valuation adjustments and specific and general provisions which have reduced Tier 1 capital)	0
EU-11a	(Adjustment for exposures excluded from the total exposure measure in accordance with point (c) of Article 429a(1) CRR)	0
EU-11b	(Adjustment for exposures excluded from the total exposure measure in accordance with point (j) of Article 429a(1) CRR)	0
12	Other adjustments	(5,225)
13	Total exposure measure	4,932,924

Table 12 Template EU LR2 - LRCom: Leverage ratio common disclosure

		EUR	CRR leverage ratio exposures	
			a	b
			2022	2021
On-balance sheet exposures (excluding derivatives and SFTs)				
1	On-balance sheet items (excluding derivatives, SFTs, but including collateral)	4,447,345	3,836,324	
2	Gross-up for derivatives collateral provided, where deducted from the balance sheet assets pursuant to the applicable accounting framework	0	0	
3	(Deductions of receivables assets for cash variation margin provided in derivatives transactions)	0	0	
4	(Adjustment for securities received under securities financing transactions that are recognised as an asset)	0	0	
5	(General credit risk adjustments to on-balance sheet items)	0	0	
6	(Asset amounts deducted in determining Tier 1 capital)	(5,225)	(4,625)	
7	Total on-balance sheet exposures (excluding derivatives and SFTs)	4,442,120	3,831,698	
Derivative exposures				
8	Replacement cost associated with SA-CCR derivatives transactions (ie net of eligible cash variation margin)	0	0	
EU-8a	Derogation for derivatives: replacement costs contribution under the simplified standardised approach	0	0	
9	Add-on amounts for potential future exposure associated with SA-CCR derivatives transactions	0	0	
EU-9a	Derogation for derivatives: Potential future exposure contribution under the simplified standardised approach	0	0	
EU-9b	Exposure determined under Original Exposure Method	34,753	30,847	
10	(Exempted CCP leg of client-cleared trade exposures) (SA-CCR)	0	0	
EU-10a	(Exempted CCP leg of client-cleared trade exposures) (simplified standardised approach)	0	0	
EU-10b	(Exempted CCP leg of client-cleared trade exposures) (Original Exposure Method)	0	0	
11	Adjusted effective notional amount of written credit derivatives	0	0	
12	(Adjusted effective notional offsets and add-on deductions for written credit derivatives)	0	0	
13	Total derivatives exposures	34,753	30,847	
Securities financing transaction (SFT) exposures				
14	Gross SFT assets (with no recognition of netting), after adjustment for sales accounting transactions	0	0	
15	(Netted amounts of cash payables and cash receivables of gross SFT assets)	0	0	
16	Counterparty credit risk exposure for SFT assets	0	0	
EU-16a	Derogation for SFTs: Counterparty credit risk exposure in accordance with Articles 429e(5) and 222 CRR	0	0	
17	Agent transaction exposures	0	0	
EU-17a	(Exempted CCP leg of client-cleared SFT exposure)	0	0	
18	Total securities financing transaction exposures	0	0	

		EUR 000	CRR leverage ratio exposures	
			a	b
			2022	2021
Other off-balance sheet exposures				
19	Off-balance sheet exposures at gross notional amount		916,816	799,408
20	(Adjustments for conversion to credit equivalent amounts)		(460,766)	(415,915)
21	(General provisions deducted in determining Tier 1 capital and specific provisions associated with off-balance sheet exposures)		0	0
22	Off-balance sheet exposures		456,050	383,493
Excluded exposures				
EU-22a	(Exposures excluded from the total exposure measure in accordance with point (c) of Article 429a(1) CRR)			
EU-22b	(Exposures exempted in accordance with point (j) of Article 429a(1) CRR (on and off balance sheet))			
EU-22c	(Excluded exposures of public development banks (or units) - Public sector investments)			
EU-22d	(Excluded exposures of public development banks (or units) - Promotional loans)			
EU-22e	(Excluded passing-through promotional loan exposures by non-public development banks (or units))			
EU-22f	(Excluded guaranteed parts of exposures arising from export credits)			
EU-22g	(Excluded excess collateral deposited at triparty agents)			
EU-22h	(Excluded CSD related services of CSD/institutions in accordance with point (o) of Article 429a(1) CRR)			
EU-22i	(Excluded CSD related services of designated institutions in accordance with point (p) of Article 429a(1) CRR)			
EU-22j	(Reduction of the exposure value of pre-financing or intermediate loans)			
EU-22k	(Total exempted exposures)			
Capital and total exposure measure				
23	Tier 1 capital		407,829	391,807
24	Total exposure measure		4,932,924	4,246,038
Leverage ratio				
25	Leverage ratio (%)		8.27 %	9.23 %
EU-25	Leverage ratio (excluding the impact of the exemption of public sector investments and promotional loans) (%)			
25a	Leverage ratio (excluding the impact of any applicable temporary exemption of central bank reserves) (%)			
26	Regulatory minimum leverage ratio requirement (%)		3.00 %	3.00 %
EU-26a	Additional own funds requirements to address the risk of excessive leverage (%)			
EU-26b	of which: to be made up of CET1 capital			
27	Leverage ratio buffer requirement (%)			
EU-27a	Overall leverage ratio requirement (%)			
Choice on transitional arrangements and relevant exposures				
EU-27b	Choice on transitional arrangements for the definition of the capital measure			

		EUR 000	CRR leverage ratio exposures	
			a	b
			2022	2021
Disclosure of mean values				
28	Mean of daily values of gross SFT assets, after adjustment for sale accounting transactions and netted of amounts of associated cash payables and cash receivable			
29	Quarter-end value of gross SFT assets, after adjustment for sale accounting transactions and netted of amounts of associated cash payables and cash receivables			
30	Total exposure measure (including the impact of any applicable temporary exemption of central bank reserves) incorporating mean values from row 28 of gross SFT assets (after adjustment for sale accounting transactions and netted of amounts of associated cash payables and cash receivables)			
30a	Total exposure measure (excluding the impact of any applicable temporary exemption of central bank reserves) incorporating mean values from row 28 of gross SFT assets (after adjustment for sale accounting transactions and netted of amounts of associated cash payables and cash receivables)			
31	Leverage ratio (including the impact of any applicable temporary exemption of central bank reserves) incorporating mean values from row 28 of gross SFT assets (after adjustment for sale accounting transactions and netted of amounts of associated cash payables and cash receivables)			
31a	Leverage ratio (excluding the impact of any applicable temporary exemption of central bank reserves) incorporating mean values from row 28 of gross SFT assets (after adjustment for sale accounting transactions and netted of amounts of associated cash payables and cash receivables)			

Table 13 Template EU LR3 - LRSpl: Split-up of on balance sheet exposures (excluding derivatives, SFTs and exempted exposures)

		EUR 000		a
				CRR leverage ratio exposures
EU-1	Total on-balance sheet exposures (excluding derivatives, SFTs, and exempted exposures), of which:			4,447,345
EU-2	Trading book exposures			0
EU-3	Banking book exposures, of which:			4,447,345
EU-4	Covered bonds			0
EU-5	Exposures treated as sovereigns			1,091,721
EU-6	Exposures to regional governments, MDB, international organisations and PSE, not treated as sovereigns			60,956
EU-7	Institutions			293,111
EU-8	Secured by mortgages of immovable properties			244,770
EU-9	Retail exposures			1,447,682
EU-10	Corporates			1,198,483
EU-11	Exposures in default			12,055
EU-12	Other exposures (eg equity, securitisations, and other non-credit obligation assets)			98,567

Table 14 Table EU LRA - Disclosure of LR qualitative information

a		
(a)	Description of the processes used to manage the risk of excessive leverage	<p>The risk of leverage ratio is managed in the bank on regular bases. It is based on the evolution of the solvency capital and the balance sheet, which might trigger the risk of excessive leverage ratio. The Group makes the assessment on a quarterly basis if the risk to leverage ratio has significantly increased so that corrective measures can be taken.</p> <p>Risk is responsible for assessing the stress tests impacts on the leverage ratio in the framework of annual stress test process for ICAAP. In the case the leverage ratio under stress scenario falls under 3 %, additional capital needs under Pillar II is reported.</p>
(b)	Description of the factors that had an impact on the leverage ratio during the period to which the disclosed leverage ratio refers	<p>The bank defines as prudential threshold for leverage ratio not lower than 3.5 %, applicable to the Group.</p> <p>In 2022 there were no special events which would have a significant influence on the leverage ratio. The increase in the leverage ratio corresponds to gradual portfolio growth.</p>

5. Liquidity

5.1. Liquidity risk management

(Article 451(a)(4) CRR)

Table 15 Table EU LIQA - Liquidity risk management

Row number	Qualitative information - Free format	
(a)	Strategies and processes in the management of the liquidity risk, including policies on diversification in the sources and tenor of planned funding,	<p>SKB bank monitors and manages liquidity risk on the Group level, consisting of SKB bank, SKB Leasing and SKB Leasing Select. For the purpose of liquidity risk management, SKB Group continuously monitors future cash flows as well as calculates and analyses short, medium and long term liquidity gaps arising from balance and off balance sheet items.</p> <p>Management of liquidity risk is also integrated in Internal Liquidity Adequacy Assessment Process (ILAAP), Internal Capital Adequacy Assessment Process (ICAAP), Risk Appetite Statement (RAS) and Recovery and Resolution plan.</p>
(b)	Structure and organisation of the liquidity risk management function (authority, statute, other arrangements).	Assets and liabilities management department (ALM) within Finance Division is responsible for overall liquidity of the Group and the Group's structural and regulatory liquidity. ALM cooperates with Global market department (GLM) within Corporate Banking and Financial markets Division, by giving guidelines and instructions for Group's daily and short term liquidity, while for long term liquidity ALM is responsible for raising and execution of funding. SKB bank monitors and manages liquidity risk on the Group level, consisting of SKB bank, SKB Leasing and SKB Leasing Select.
(c)	A description of the degree of centralisation of liquidity management and interaction between the group's units	ALM department is providing ALCO reports regarding the short, medium and long term liquidity gaps, regulatory liquidity ratios such as LCR, NSFR, ALMM, Primary and operative liquidity report, evolution of internally set liquidity indicators, evolution on financial markets and in macroeconomic environment as well as providing periodical analyses on stress test scenarios, updating types of scenarios and reporting the results of analyses.
(d)	Scope and nature of liquidity risk reporting and measurement systems.	SKB Group optimizes liquidity flows and respects regulatory requirements (liquidity ratios, obligatory reserves), which are reported to the Asset and Liability Committee (ALCO) on a monthly basis. In addition to regulatory liquidity ratios, SKB Group monitors and regularly discusses a number of internal liquidity indicators on ALCO committees. Eventual deterioration of liquidity indicators is also used as early warning signals indicating potential liquidity crisis.
(e)	Policies for hedging and mitigating the liquidity risk and strategies and processes for monitoring the continuing effectiveness of hedges and mitigants.	Liquidity management procedures, responsibilities and reporting are defined in the Memorandum on liquidity management, containing also the general principles on liquidity management in the Group, liquidity risk limit system, primary and secondary liquidity sources, stress tests scenarios and contingency funding plan. In year 2022 there were no material changes in the liquidity risk management process.

Row number	Qualitative information - Free format	
(f)	An outline of the bank`s contingency funding plans.	The SKB Group has contingency funding plan evaluating liquidity sources which can be obtained under stress scenarios. Bank regularly monitors assumptions of stress scenarios, which are based on different liquidity indicators indicating various types of crisis scenarios. Contingency funding plan provides a detailed overview of available funding sources that can be gathered in times of stress. Liquidity transactions summarize potential interbank, money market and commercial funding sources which can be used in a contingency liquidity scenario.
(g)	An explanation of how stress testing is used	The SKB Group ensures sufficient liquidity in case of extraordinary liquidity circumstances based on measured effects of liquidity risk, which are based on assumptions of different stress scenarios: idiosyncratic stress scenario, market-based scenario and combined scenario. The scenarios are analysed on a regular basis through different time periods: a short acute phase of stress (up to one week) followed by a longer period of less acute, but more persistent stress (up to one month, up to three months and up to twelve months). The liquidity stress tests are interconnected with a contingency funding plan evaluating liquidity sources which can be obtained under stress scenarios.
(h)	A declaration approved by the management body on the adequacy of liquidity risk management arrangements of the institution providing assurance that the liquidity risk management systems put in place are adequate with regard to the institution's profile and strategy.	
(i)	<p>A concise liquidity risk statement approved by the management body succinctly describing the institution's overall liquidity risk profile associated with the business strategy. This statement shall include key ratios and figures (other than those already covered in the EU LIQ1 template under this ITS) providing external stakeholders with a comprehensive view of the institution's management of liquidity risk, including how the liquidity risk profile of the institution interacts with the risk tolerance set by the management body.</p> <p>These ratios may include:</p> <ul style="list-style-type: none"> • Concentration limits on collateral pools and sources of funding (both products and counterparties) • Customised measurement tools or metrics that assess the structure of the bank's balance sheet or that project cash flows and future liquidity positions, taking into account off-balance sheet risks which are specific to that bank • Liquidity exposures and funding needs at the level of individual legal entities, foreign branches and subsidiaries, taking into account legal, regulatory and operational limitations on the transferability of liquidity • Balance sheet and off-balance sheet items broken down into maturity buckets and the resultant liquidity gaps 	

(h) A declaration approved by the management body on the adequacy of liquidity risk management arrangements of the institution providing assurance that the liquidity risk management systems put in place are adequate with regard to the institution's profile and strategy.

SKB banka d.d. Ljubljana
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A DECLARATION ON THE ADEQUACY OF RISK MANAGEMENT ARRANGEMENTS OF SKB BANKA D.D. LJUBLJANA PROVIDING ASSURANCE THAT THE RISK MANAGEMENT SYSTEMS PUT IN PLACE ARE ADEQUATE WITH REGARDS TO SKB BANKA D.D. LJUBLJANA RISK PROFILE AND STRATEGY ON THE SKB GROUP LEVEL

By signing this statement, we, the undersigned members of the General Management and Board of Directors of the bank, hereby confirm, that SKB banka d.d. Ljubljana has in place a sound risk management system in line with its risk tolerance and limits set within the Risk Appetite Framework, Risk Appetite Statement and in accordance to its business strategy on the SKB Group level and are adequate with regards to the bank's risk profile and business strategy based on the Article 435(1.e) of the Regulation (EU) No.575/2013 on prudential requirements for credit institutions and investment firms. General Management and Board of Directors of the bank acknowledged the path to fulfil the SKB Group's goal for sustainable risk appetite. Risk management in SKB banka d.d. Ljubljana is independent as a function and as such can properly asses and allocate economic capital among the relevant risks. Another part of risk management monitoring system are stress tests, which help risk management function to plan and optimize capital, liquidity and regulatory requirements. Furthermore, the way the Bank monitors its prudential ratios is stated in the Risk Appetite Statement by which SKB banka d.d. Ljubljana monitors and assesses performance in business lines. In relation to macroeconomic and financial environment and by keeping in mind SKB Group's strategic and financial objectives, the prepared Risk Appetite Framework controls and exercises risk appetite according to the determined limits.

The following documentation has been submitted by the SKB bank to the Bank of Slovenia:

- qualitative and quantitative ICAAP analysis with all appendixes,
- qualitative and quantitative ILAAP analysis with all appendixes.

Members of the Board of Directors

Signature

Anna Mitkova Florova



Attila Kovács



Anita Stojčevska



Vojka Ravbar



Imre Bertalan



Draga Cukjati



Place and date: Ljubljana, 28. 3. 2023



Anita Stojčevska
Chief Executive Officer

(i) A concise liquidity risk statement approved by the management body succinctly describing the institution's overall liquidity risk profile associated with the business strategy.

SKB banka d.d. Ljubljana
Ajdovščina 4
SI-1000 Ljubljana

SKB BANKA D.D. LJUBLJANA RISK MANAGEMENT STATEMENT

Management of all material risks of SKB Group (SKB Bank and its subsidiaries SKB Leasing and SKB Leasing Select) is integrated in the overall risk and business strategy and is a part of Internal Capital Adequacy Assessment Process (ICAAP), Risk Appetite Framework (RAF) and Risk Appetite Statement (RAS), Recovery plan and Internal Liquidity Adequacy Assessment Process (ILAAP) for liquidity risk position and management.

Risk profile of SKB Group incorporates and identifies all important risks to which the SKB Group is exposed and it is presented in the SKB Group risk catalogue. The SKB Group risk catalogue is used as a primary source to define all risks in SKB Group and to have the same approach in ICAAP, RAS, Recovery plan and ILAAP.

ICAAP process includes quantitative and qualitative elements of risk management process. The ICAAP process identifies the risks, that have a great impact on the SKB Group's risk exposure. The qualitative part represents the assessment of SKB Group's risk exposure and assessment of its control system, which is performed on a yearly basis.

The purpose of the risk assessment is to assess the residual risk among the relevant risks:

- credit risk including concentration risk, counterparty risk, country risk and residual value risk,
- operational risk including reputation risk, non-compliance risk, model risk, fraud risk, tax risk, legal risk, physical security risk, conduct risk, risk of new products and services, risk related to outsourcing, ICT and security risk, risks related to data protection, AMLFT related risk and HR risk,
- strategic and profitability risk,
- interest rate risk including Credit spread risk from the banking book (CSRBB),
- liquidity risk,
- market risk and
- capital risk.

As all the relevant risks were identified and assessed, the SKB Group is able to predict and establish additional controls to minimize the negative impact from above mentioned risks.

The total risk evaluation for SKB Group increased from 1,547 in 2021 to 1,589 in 2022. Increased risk was mainly a result of higher level of risk assessed for interest rate and operational risk.

SKB GROUP'S RISK ASSESSMENT in year 2022	81.00 %	5.50 %	1.00 %	9.50 %	1.00 %	1.00 %	1.00 %
RISK AREA	CREDIT RISK	OPERA-TIONAL RISK	STRATEGIC RISK	INTEREST RISK	LIQUIDITY RISK	MARKET RISK	CAPITAL RISK
BUSINESS ACTIVITY							
Retail business (RETAIL)	1.39	2.98					
Corporate business - facilities and treasury (CORP)	1.79	2.82					
Joint functions - finance (FIN)		2.63	2.53	2.10	1.45		2.03
Joint functions - central back offices and payment system (CBS)		2.76					
Joint functions - Secretariat General (SEGL)		3.16					
Joint functions - risks (RISK)	1.20	1.62				1.12	
Debt management (DMD)	1.15	2.63					
Joint functions - informatics, technology, organization (GMS)		2.80					
Subsidiaries - SKB Leasing	1.80	1.79					
Subsidiaries - SKB Leasing Select	1.80	1.79					
Average assessment by type of risk	1.46	2.50	2.53	2.10	1.45	1.12	2.03

Total weighted assessment by the type of risk	1.589	Calculated residual risk for 2022 (acceptable)
	1.547	Calculated residual risk for 2021 (acceptable)

The quantitative calculation of the internal estimate of capital needs is performed at SKB Group level on a quarterly basis and reported to the SKB Group's General Management through the ALCO Committee. The ICAAP is reported to the Board of Directors on a yearly basis. Internal estimates of capital needs are calculated for all relevant risks (credit risk, operational risk, concentration risk, counterparty risk, interest rate risk, strategic risk and model risk) from economic³ and normative⁴ perspective with 3 year horizon, taking into account base budget and stress budget scenarios. The sum of all internal capital needs represents the internal estimate of capital needs for the SKB Group. The internal estimate of capital needs shows whether the level of the regulatory capital is sufficient to absorb all types of risks the SKB Group is exposed to, including stress test scenarios.

The table below shows the internal assessment of capital needs for all important risks from the economic and normative perspective and the capital buffer, which shows that the level of regulatory capital is sufficient to absorb all types of risks to which the SKB Group is exposed, including stress test scenarios.

SKB Group	Economic perspective	Normative perspective – base scenario			Normative perspective – adverse scenario		
CAPITAL ADEQUACY (in %)	31. 12. 22	31. 12. 23	31. 12. 24	31. 12. 25	31. 12. 23	31. 12. 24	31. 12. 25
CET 1 capital ratio	14.14 %	13.47 %	15.03 %	16.20 %	12.51 %	13.47 %	14.02 %
Tier 1 capital ratio	14.14 %	13.47 %	15.03 %	16.20 %	12.51 %	13.47 %	14.02 %
Total capital ratio	16.92 %	15.95 %	17.27 %	17.86 %	15.05 %	15.81 %	15.80 %
CAPITAL in MEUR	31.12.22	31.12.23	31.12.24	31.12.25	31.12.23	31.12.24	31.12.25
Kapital skupine:	391,8	440,1	483,7	529,7	420,8	438,8	460,2
Tier 1 capital of which	407.8	434.4	499.9	571.1	395.1	428.0	459.4
• Common equity tier 1 capital	407.8	434.4	499.9	571.1	395.1	428.0	459.4
• Additional tier 1 capital	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Tier 2 capital	80.0	80.0	74.5	58.5	80.0	74.5	58.5
INTERNAL ESTIMATE OF CAPITAL NEEDS in MEUR	31.12.22	31.12.23	31.12.24	31.12.25	31.12.23	31.12.24	31.12.25
Material risks	290.2	288.8	302.5	327.9	282.2	287.4	304.5
Credit risk	214.9	240	245.5	259	235.6	236.3	243.8
Operational risk	15.8	17	17.9	18.3	16.9	17.7	17.8
Concentration risk	12.9	9.6	9.8	10.4	9.4	9.5	9.8
Counterparty risk	16.9	17.2	17.6	18.5	16.9	16.9	16.9
Interest rate risk	28.8	3.2	9.9	20	0.8	4.4	13.5
Strategic risk	0	0	0	0	0	0	0
Model risk	0.9	1.8	1.8	1.8	2.7	2.7	2.7
Stress tests	62.2	80.6	119.6	156.7	35.2	48.7	56.6
Capital requirements for material risks / internal estimate of capital needs	290.2	288.8	302.5	327.9	282.2	287.4	304.5
Overall capital requirements / internal estimate of capital needs	352.4	369.4	422.1	484.7	317.4	336.2	361.1
Capital buffer	197.7	225.6	271.9	301.7	192.9	215.1	213.4

The ICAAP process is intertwined with the ILAAP process (Internal Liquidity Adequacy Assessment process) by which the Group analyses liquidity position from qualitative and quantitative perspective, taking into account the overall liquidity risk management and measurement. ILAAP outcomes were presented within the Self-assessment documentation and evaluated in line with the bank's overall liquidity risk management framework considering liquidity risk tolerance limits in accordance to the Risk Appetite Framework and Risk Appetite Statement.

³Economic internal perspective is perspective under which the institution manages its economic capital adequacy by ensuring that its economic risks are sufficiently covered by available internal capital.

⁴The normative perspective is a multi-year assessment of the institution's ability to fulfil all of its capital-related quantitative regulatory and supervisory requirements and demands, and to cope with other external financial constraints.

As seen from the table below, the Liquidity coverage ratio (LCR) and Net stable funding ratio (NSFR) were and will be in line with the regulatory required limits under economic and normative perspective:

LIQUIDITY RATIOS for SKB bank standalone	Base budget				Stress budget			
(in %)	R 2022	B 2023	B 2024	B 2025	R 2022	B 2023	B 2024	B 2025
LCR	211 %	243 %	259 %	269 %	211 %	221 %	222 %	230 %
NSFR	157 %	164 %	166 %	164 %	157 %	157 %	158 %	158 %

By signing this statement, we, the undersigned members of the General Management and Board of Directors of the bank, hereby confirm, that SKB banka d.d. Ljubljana has in place a sound risk management system in line with its risk tolerance and limits set within the Risk Appetite Framework, Risk Appetite Statement and in accordance to its business strategy on the Group level.

Members of the Board of Directors

Signature

Anna Mitkova Florova



Attila Kovács



Anita Stojčevska



Vojka Ravbar



Imre Bertalan



Draga Cukjati



Place and date: Ljubljana, 28.3.2023



Anita Stojčevska
glavna izvršna direktorica

- Liquidity indicators by products

Group - liquidity indicators in %		
	As of 31 December 2022	As of 31 December 2021
Customer loans - Customer deposits	81 %	80 %
Liquid assets - Total assets	28 %	27 %
Sight deposits - Total deposits	67 %	66 %
Short term deposits - Total deposits	32 %	33 %
Long term - Total deposits	1 %	1 %

- Assets and liabilities at carrying amounts, categorized by contractual maturity dates.

SKB Group - As of 31 December 2022							
EUR 000	Demand	Up to 1 month	1 month to 3 months	3 months to 1 year	1 year to 5 years	Over 5 years	Total
ASSETS							
Cash, cash balances at central banks and other demand deposits at banks	45,615	508,315	-	-	-	-	553,930
Financial assets held for trading	-	11,203	-	-	-	-	11,203
Non-trading financial assets mandatorily at fair value through profit or loss	-	-	-	736	15,873	3,678	20,287
Financial assets designated at fair value through profit or loss	-	-	-	-	-	-	-
Financial assets at fair value through other comprehensive income	-	(43,389)	-	-	238,488	166,616	361,715
Financial assets at amortised cost	48,353	258,184	194,170	605,287	1,355,346	935,139	3,396,479
Derivatives - hedge accounting	-	-	-	-	-	-	-
Investments in subsidiaries, associates and joint ventures	-	-	-	-	-	-	-
Other assets	-	26,939	-	-	-	-	26,939
Total financial assets	93,968	761,252	194,170	606,023	1,609,707	1,105,433	4,370,553
LIABILITIES							
Financial liabilities held for trading	-	11,118	-	-	-	-	11,118
Financial liabilities designated at fair value through profit or loss	-	-	-	-	-	-	-
Financial liabilities measured at amortised cost	2,548,535	126,526	130,700	228,751	518,176	400,288	3,952,976
Derivatives - hedge accounting	-	-	-	-	-	-	-
Fair value changes of the hedged items in portfolio hedge of interest rate risk	-	607	-	-	-	-	607
Other liabilities	-	10,427	-	-	-	-	10,427
Total financial liabilities	2,548,535	148,678	130,700	228,751	518,176	400,288	3,975,128
Net balance sheet position	(2,454,567)	612,574	63,470	377,272	1,091,531	705,145	395,425

SKB Group - As of 31 December 2021							
EUR 000	Demand	Up to 1 month	1 month to 3 months	3 months to 1 year	1 year to 5 years	Over 5 years	Total
ASSETS							
Cash, cash balances at central banks and other demand deposits at banks	39,833	408,602	-	-	-	-	448,435
Financial assets held for trading	-	5,707	-	-	-	-	5,707
Non-trading financial assets mandatorily at fair value through profit or loss	-	-	-	796	16,114	3,980	20,890
Financial assets designated at fair value through profit or loss	-	-	-	-	-	-	-
Financial assets at fair value through other comprehensive income	-	25,762	30,092	-	188,135	220,807	464,796
Financial assets at amortised cost	43,138	52,070	83,817	447,394	1,329,569	871,056	2,827,044
Derivatives - hedge accounting	-	-	-	-	-	-	-
Investments in subsidiaries, associates and joint ventures	-	-	-	-	-	-	-
Other assets	-	19,325	-	-	-	-	19,325
Total financial assets	82,971	511,466	113,909	448,190	1,533,818	1,095,843	3,786,197
LIABILITIES							
Financial liabilities held for trading	-	5,677	-	-	-	-	5,677
Financial liabilities designated at fair value through profit or loss	-	-	-	-	-	-	-
Financial liabilities measured at amortised cost	2,318,658	318,335	68,668	170,235	329,843	153,354	3,359,093
Derivatives - hedge accounting	-	-	-	-	-	-	-
Fair value changes of the hedged items in portfolio hedge of interest rate risk	-	1,165	-	-	-	-	1,165
Other liabilities	-	9,021	-	-	-	-	9,021
Total financial liabilities	2,318,658	334,198	68,668	170,235	329,843	153,354	3,374,956
Net balance sheet position	(2,235,687)	177,268	45,241	277,955	1,203,975	942,489	411,241

- Assets' and liabilities' expected cash flows as of the end of the year (taking into account the client's behavioural options and bank's funding assumptions).

SKB Group - As of 31 December 2022				
	EUR 000	Within 12 months	After 12 months	Total
ASSETS				
Cash, cash balances at central banks and other demand deposits at banks		553,930	-	553,930
Financial assets held for trading		11,203	-	11,203
Non-trading financial assets mandatorily at fair value through profit or loss		736	19,551	20,287
Financial assets designated at fair value through profit or loss		-	-	-
Financial assets at fair value through other comprehensive income		(43,389)	405,104	361,715
Financial assets at amortised cost		1,167,497	2,228,982	3,396,479
Derivatives - hedge accounting		-	-	-
Fair value changes of the hedged items in portfolio hedge of interest rate risk		-	-	-
Investments in subsidiaries, associates and joint ventures		-	-	-
Tangible assets		1,295	38,401	39,696
Intangible assets		129	14,585	14,714
Tax assets		5,915	5,914	11,829
Other assets		26,939	-	26,939
Non-current assets and disposal groups classified as held for sale		-	-	-
Total financial assets		1,724,255	2,712,537	4,436,792
LIABILITIES				
Financial liabilities held for trading		11,118	-	11,118
Financial liabilities designated at fair value through profit or loss		-	-	-
Financial liabilities measured at amortised cost		264,596	3,688,380	3,952,976
Derivatives - hedge accounting		-	-	-
Fair value changes of the hedged items in portfolio hedge of interest rate risk		607	-	607
Provisions		2,984	6,060	9,044
Tax liabilities		3,512	-	3,512
Other liabilities		10,427	-	10,427
Total financial liabilities		293,244	3,694,440	3,987,684
Net balance sheet position		1,431,011	(981,903)	449,108

SKB Group - As of 31 December 2021

	EUR 000	Within 12 months	After 12 months	Total
ASSETS				
Cash, cash balances at central banks and other demand deposits at banks		448,435	-	448,435
Financial assets held for trading		5,707	-	5,707
Non-trading financial assets mandatorily at fair value through profit or loss		796	20,094	20,890
Financial assets designated at fair value through profit or loss		-	-	-
Financial assets at fair value through other comprehensive income		55,854	408,942	464,796
Financial assets at amortised cost		666,446	2,160,598	2,827,044
Derivatives - hedge accounting		-	-	-
Fair value changes of the hedged items in portfolio hedge of interest rate risk		-	-	-
Investments in subsidiaries, associates and joint ventures		-	-	-
Tangible assets		1,466	37,182	38,648
Intangible assets		129	12,336	12,465
Tax assets		313	313	626
Other assets		19,325	-	19,325
Non-current assets and disposal groups classified as held for sale		4	-	4
Total financial assets		1,198,475	2,639,465	3,837,940
LIABILITIES				
Financial liabilities held for trading		5,677	-	5,677
Financial liabilities designated at fair value through profit or loss		-	-	-
Financial liabilities measured at amortised cost		183,982	3,175,111	3,359,093
Derivatives - hedge accounting		-	-	-
Fair value changes of the hedged items in portfolio hedge of interest rate risk		1,165	-	1,165
Provisions		5,960	9,656	15,616
Tax liabilities		4,782	-	4,782
Other liabilities		9,021	-	9,021
Total financial liabilities		210,587	3,184,767	3,395,354
Net balance sheet position		987,888	(545,302)	442,586

- Contractual expiry by maturity of the SKB Group's contingent financial liabilities and commitments

SKB Group - 2022							
	EUR 000	On demand	Less than 3 months	3 to 12 months	1 to 5 years	Over 5 years	Total
Contingent financial liabilities and commitments		628,233	38,730	101,084	114,400	34,477	916,924

SKB Group - 2021						
EUR 000	On demand	Less than 3 months	3 to 12 months	1 to 5 years	Over 5 years	Total
Contingent financial liabilities and commitments	551,329	27,492	80,797	108,590	31,290	799,498

5.2. Quantitative information of LCR

(Article 451a(2) CRR)

In accordance with the requirements of the Capital Requirements Regulation (CRR) and Delegated Act 2015-61, SKB Bank implemented the reporting of the Liquidity Coverage Ratio (LCR) and the Stable Funding Ratio (NSFR).

Table 16 EU LIQB on Qualitive information on LCR, which complements template EU LIQ1

Row number	Qualitative information - Free format	
(a)	Explanations on the main drivers of LCR results and the evolution of the contribution of inputs to the LCR's calculation over time	SKB bank regularly reports and monitors LCR, which requires that the bank maintains an adequate level of unencumbered, high-quality liquid assets to survive a significant stress scenario lasting 30 calendar days. LCR is calculated daily and monthly as high-quality liquid assets compared to total net cash outflows within the next 30 days under a financial stress scenario. From 1st of January 2019 LCR ratio must be above 100 %, while the internal threshold in 2023 for LCR ratio is set above 150 %. As at 31.12.2022 SKB bank's liquidity buffer amounted to EUR 985 million, while the net cash outflows amounted to EUR 467 million resulting in LCR of 211 %.
(b)	Explanations on the changes in the LCR over time	The largest impact on the decrease in the LCR ratio in 2022 was the decrease in liquidity buffer (decrease of government bonds portfolio value).
(c)	Explanations on the actual concentration of funding sources	SKB Group's funding is comprised of a mix of customer deposits and interbank funding with the aim to ensure suitable funding of its asset base and to adapt and respond to changing market conditions and regulatory requirements. SKB Group's funding amounted to EUR 3,914 million as at 31 December 2022, which represents 88 % of the Group's total liabilities, consisting mainly of customer deposits. In 2022 the Group has raised EUR 80 million of subordinated loan and EUR 170 million MREL loan in order to improve Group's capital position. SKB Group has 40 % of corporate clients deposits compared to total deposits and the share of 20 largest corporate clients depositors is 15 %. On the other hand the share of non-guaranteed individual deposits amounts to 16 %.
(d)	High-level description of the composition of the institution's liquidity buffer.	The SKB Group reports as high-quality liquid assets the amount of available money, exposures to central banks and the unencumbered part of government bonds. As at 31 December 2022, the value of liquid assets amounted to EUR 985 million, of which the exposure to the central bank amounted to EUR 496 million. SKB bank maintained a high level of liquid assets suitable for pledging Euro system claims in the amount of EUR 466 million as at 31 December 2022. SKB Bank uses marketable financial assets (securities) and non-marketable financial assets as collateral for the lease of central bank financing sources (loans to the state, state-owned enterprises, state-guaranteed loans and loans that meet the Bank of Slovenia's ICAS criteria).
(e)	Derivative exposures and potential collateral calls	SKB bank does not have an exposure for its own portfolio from derivatives and no potential to realize collateral from them.
(f)	Currency mismatch in the LCR	As requested by the regulator, the bank provides their liquidity reporting in a single currency, regardless of the actual denomination of the items reported. If aggregate liabilities in a currency would exceed 5 % of total liabilities, then the bank would have to report LCR separately also in this currency. As balance sheet in foreign currencies represent minor part of total balance sheet, SKB reports LCR in total and euro currency only.
(g)	Other items in the LCR calculation that are not captured in the LCR disclosure template but that the institution considers relevant for its liquidity profile	SKB bank presented all important items for the calculation of LCR.

Table 17 Template EU LIQ1 - Quantitative information of LCR

Scope of consolidation: (solo in MEUR)		a	b	c	d	e	f	g	h
		Total unweighted value (average)				Total weighted value (average)			
EU 1a	Quarter ending on (DD Month YY)	31.3.22	30.6.22	30.9.22	31.12.22	31.3.22	30.6.22	30.9.22	31.12.22
EU 1b	Number of data points used in the calculation of averages	12	12	12	12	12	12	12	12
HIGH-QUALITY LIQUID ASSETS									
1	Total high-quality liquid assets (HQLA)					876	862	820	766
CASH - OUTFLOWS									
2	Retail deposits and deposits from small business customers, of which:	2,662	2,692	2,732	2,777	178	180	184	188
3	Stable deposits	2,021	2,058	2,089	2,114	101	103	104	106
4	Less stable deposits	641	634	643	663	77	77	80	82
5	Unsecured wholesale funding	544	577	588	599	244	255	256	257
6	Operational deposits (all counterparties) and deposits in networks of cooperative banks	-	-	-	-	-	-	-	-
7	Non-operational deposits (all counterparties)	544	577	588	599	244	255	256	257
8	Unsecured debt	-	-	-	-	-	-	-	-
9	Secured wholesale funding					-	-	-	-
10	Additional requirements	623	652	688	695	144	160	191	186
11	Outflows related to derivative exposures and other collateral requirements	103	118	150	143	103	118	150	143
12	Outflows related to loss of funding on debt products	-	-	-	-	-	-	-	-
13	Credit and liquidity facilities	520	534	538	552	41	42	41	43
14	Other contractual funding obligations	21	27	32	46	-	-	-	-
15	Other contingent funding obligations	256	266	276	285	12	13	15	14
16	TOTAL CASH OUTFLOWS					578	608	646	645
	CASH - INFLOWS								
17	Secured lending (e.g. reverse repos)	-	-	-	-	-	-	-	-
18	Inflows from fully performing exposures	162	148	142	173	136	120	114	140
19	Other cash inflows	107	121	153	146	103	118	150	144
EU-19a	(Difference between total weighted inflows and total weighted outflows arising from transactions in third countries where there are transfer restrictions or which are denominated in non-convertible currencies)						-	-	-
EU-19b	(Excess inflows from a related specialised credit institution)						-	-	-
20	TOTAL CASH INFLOWS	269	269	295	319	239	238	264	284
EU-20a	Fully exempt inflows	-	-	-	-	-	-	-	-
EU-20b	Inflows subject to 90% cap	-	-	-	-	-	-	-	-
EU-20c	Inflows subject to 75% cap	269	269	295	319	239	238	264	284
TOTAL ADJUSTED VALUE									
EU-21	LIQUIDITY BUFFER					876	862	820	766
22	TOTAL NET CASH OUTFLOWS					339	370	382	361
23	LIQUIDITY COVERAGE RATIO					280 %	244 %	220 %	219 %

Scope of consolidation: (solo in MEUR)		a	b	c	d	e	f	g	h
		Total unweighted value (average)				Total weighted value (average)			
EU 1a	Quarter ending on (DD Month YY)	31. 3. 21	30. 6. 21	30. 9. 21	31. 12. 21	31. 3. 21	30. 6. 21	30. 9. 21	31. 12. 21
EU 1b	Number of data points used in the calculation of averages	12	12	12	12	12	12	12	12
HIGH-QUALITY LIQUID ASSETS									
1	Total high-quality liquid assets (HQLA)					922	939	933	907
CASH - OUTFLOWS									
2	Retail deposits and deposits from small business customers, of which:	2,508	2,569	2,615	2,644	172	176	177	178
3	Stable deposits	1,783	1,848	1,915	1,974	89	92	96	99
4	Less stable deposits	725	721	700	670	83	84	81	79
5	Unsecured wholesale funding	488	498	514	523	223	229	237	233
6	Operational deposits (all counterparties) and deposits in networks of cooperative banks	-	-	-	-	-	-	-	-
7	Non-operational deposits (all counterparties)	488	498	514	523	223	229	237	233
8	Unsecured debt	-	-	-	-	-	-	-	-
9	Secured wholesale funding					-	-	-	-
10	Additional requirements	554	577	596	607	86	103	118	123
11	Outflows related to derivative exposures and other collateral requirements	46	62	77	81	46	62	77	81
12	Outflows related to loss of funding on debt products	-	-	-	-	-	-	-	-
13	Credit and liquidity facilities	508	515	519	526	40	41	41	42
14	Other contractual funding obligations	11	11	12	14	-	-	-	-
15	Other contingent funding obligations	219	225	233	242	13	11	12	12
16	TOTAL CASH OUTFLOWS					494	519	544	546
	CASH - INFLOWS								
17	Secured lending (e.g. reverse repos)	-	-	-	-	-	-	-	-
18	Inflows from fully performing exposures	110	126	161	167	86	100	135	141
19	Other cash inflows	240	184	128	86	46	63	76	80
EU-19a	(Difference between total weighted inflows and total weighted outflows arising from transactions in third countries where there are transfer restrictions or which are denominated in non-convertible currencies)					-	-	-	-
EU-19b	(Excess inflows from a related specialised credit institution)					-	-	-	-
20	TOTAL CASH INFLOWS	350	310	289	253	132	163	211	221
EU-20a	Fully exempt inflows	-	-	-	-	-	-	-	-
EU-20b	Inflows subject to 90% cap	-	-	-	-	-	-	-	-
EU-20c	Inflows subject to 75% cap	350	310	289	253	132	163	211	221
TOTAL ADJUSTED VALUE									
EU-21	LIQUIDITY BUFFER					922	939	933	907
22	TOTAL NET CASH OUTFLOWS					362	356	333	325
23	LIQUIDITY COVERAGE RATIO					265 %	285 %	308 %	306 %

5.3. Net Stable Funding Ratio (NSFR)

(Člen 451a(3) CRR)

NSFR requires that the bank maintains a minimum amount of stable funding in relation to the amount of required stable funding to at least 100 % over one-year horizon. NSFR internal threshold for SKB Bank is set above 115 %. SKB reports and analyses NSFR on a quarterly basis.

As at 31. 12. 2022 NSFR ratio amounted of 157 %, of which available amount of stable funding 3,757 million and required amount of stable funding 2,391 million

Table 18 Template EU LIQ2 - Net Stable Funding Ratio

		a	b	c	d	e
		Unweighted value by residual maturity				Weighted value
Solo in MEUR		No maturity	< 6 months	6 months to < 1yr	≥ 1yr	
Available stable funding (ASF) Items						
1	Capital items and instruments	480	-	-	-	480
2	Own funds	480	-	-	-	480
3	Other capital instruments		-	-	-	-
4	Retail deposits		2,901	6	5	2,730
5	Stable deposits		2,153	5	5	2,056
6	Less stable deposits		748	1	-	674
7	Wholesale funding:		731	14	185	547
8	Operational deposits		-	-	-	-
9	Other wholesale funding		731	14	185	547
10	Interdependent liabilities		-	-	-	-
11	Other liabilities:		-	-	-	-
12	NSFR derivative liabilities					
13	All other liabilities and capital instruments not included in the above categories		-	-	-	-
14	Total available stable funding (ASF)					3,757
Required stable funding (RSF) Items						
15	Total high-quality liquid assets (HQLA)				1,012	1,012
EU-15a	Assets encumbered for a residual maturity of one year or more in a cover pool	-	-	-	1	2
16	Deposits held at other financial institutions for operational purposes	-	-	-	-	-
17	Performing loans and securities:	657	382	2,220	2,314	2,045
18	Performing securities financing transactions with financial customers collateralised by Level 1 HQLA subject to 0% haircut	-	-	-	14	15
19	Performing securities financing transactions with financial customer collateralised by other assets and loans and advances to financial institutions	-	-	-	-	-
20	Performing loans to non- financial corporate clients, loans to retail and small business customers, and loans to sovereigns, and PSEs, of which:	284	305	1,080	1,839	1,044
21	With a risk weight of less than or equal to 35% under the Basel II Standardised Approach for credit risk	9	56	139	123	114
22	Performing residential mortgages, of which:	27	24	740	-	585
23	With a risk weight of less than or equal to 35% under the Basel II Standardised Approach for credit risk	-	-	-	-	-
24	Other loans and securities that are not in default and do not qualify as HQLA, including exchange-traded equities and trade finance on-balance sheet products		346	53	400	461
25	Interdependent assets		-	-	-	-
26	Other assets:	533	101	-	-	54
27	Physical traded commodities					
28	Assets posted as initial margin for derivative contracts and contributions to default funds of CCPs		-		-	-
29	NSFR derivative assets		-		-	-
30	NSFR derivative liabilities before deduction of variation margin posted		-		-	-
31	All other assets not included in the above categories		101	-	-	54
32	Off-balance sheet items		530	56	149	22
33	Total RSF					2,391
34	Net Stable Funding Ratio (%)					157 %

6. Credit risk adjustment

(Article 442 CRR)

6.1. Additional disclosure related to the credit quality of assets

(Article 442(a)(b) CRR)

Table 19 Table EU CRB - Additional disclosure related to the credit quality of assets

Qualitative disclosures	
(a)	The scope and definitions of 'past-due' and 'impaired' exposures used for accounting purposes and the differences, if any, between the definitions of past due and default for accounting and regulatory purposes as specified by the EBA Guidelines on the application of the definition of default in accordance with Article 178 CRR.
(b)	The extent of past-due exposures (more than 90 days) that are not considered to be impaired and the reasons for this.
(c)	Description of methods used for determining general and specific credit risk adjustments.
(d)	The institution's own definition of a restructured exposure used for the implementation of point (d) of Article 178(3) CRR specified by the EBA Guidelines on default in accordance with Article 178 CRR when different from the definition of forbore exposure defined in Annex V to Commission Implementing Regulation (EU) 680/2014.

Definitions of "past-due" and "impaired" for accounting purposes

The SKB Group follows the overdue exposures from the due date when the client fails to fulfil his payment obligation specified in the contract. Any amount of principal, interest or fee that has not been paid is considered as a past due obligation.

Default rules

The SKB Group is applying the regulatory default definition and is performing the monitoring of the default marking process. In line with EBA requirements defaulted exposures are classified as non-performing assets and are all either individually impaired or impaired by using statistical methods.

Contrary to the regular follow-up of overdue exposures, the starting date of the calculation of the delay for default identification is the date on which the client's past due credit obligation is considered significant, namely the overdue credit obligation arising from the credit contract has exceeded the materiality threshold for 90 consecutive days.

Forborne classification

In case of financial difficulties of the debtor and subject to still viable underlying business of such debtor, the SKB Group primarily seeks to implement restructuring of the financial obligations instead of insolvency procedures. In accordance with SKB Group standards, which encompass EBA – regulatory rules and IFRS 9 standards, such assets – as a rule – trigger the classification in default. As such they are treated as non-performing loans. The decision to maintain the counterparty as performing is taken only with consideration of a non-material NPV loss after restructuring. In accordance with EBA guidelines, the SKB Group treated as performing also the loans, that were under moratorium due to COVID-19.

Following internal rules the SKB Group keeps forborne assets / obligors in non-performing classification at least one year.

The performing forborne assets / obligors can exit forbearance classification in case of becoming performing assets / obligors. That can take place under two conditions:

- successfully passing the probation period of two years, starting from the date of upgrade from non-performing (defaulted) assets / obligors or two years after applying a performing forborn status
- all required credit quality conditions for facility / debtor are fulfilled.

Description of the approaches and methods adopted for determining specific and general credit risk adjustments

Retail

The SKB Group performs regular monitoring of credit risk quality for individual client. The net cost of risk is monitored monthly for each product, which enables the SKB Group to quickly react on risk profile changes, product by product, if necessary. Specific risk indicators have been introduced to follow up the quality of the portfolio and evolution of overdue facilities. These indicators enable us to measure the quality of monthly production, the effectiveness of soft collection techniques and the management of doubtful loans.

Collective and individual provisioning

The SKB Group regularly monitors its credit portfolio to assess the quality of its assets and impairs its assets in accordance with IFRS 9 rules.

Non-retail assets with significant exposure are impaired based on individual assessment of present value of estimated future cash flows to the SKB Group after considering all available information on the expected recovery duration and estimated value of the collateral.

For the remaining non performing non-significant assets, the recovery assumptions are based on homogeneous groups. Each homogeneous group represents group assets with similar risk profiles. The level of impairment is set-up by using statistical models and depends on client segmentation, product type and progressively increases in dependence of time in default.

6.2. An ageing analysis of accounting past due exposures

(Article 442(d) CRR)

Table 20 Template EU CQ3 - Credit quality of performing and non-performing exposures by past due days

		a	b	c	d	e	f	g	h	i	j	k	l
EUR 000		Gross carrying amount/nominal amount											
		Performing exposures				Non-performing exposures							
			Not past due or past due ≤ 30 days	Past due > 30 days ≤ 90 days		Unlikely to pay that are not past due or are past due ≤ 90 days	Past due > 90 days ≤ 180 day	Past due > 180 days ≤ 1 year	Past due > 1 year ≤ 2 years	Past due > 2 years ≤ 5 years	Past due > 5 years ≤ 7 years	Past due > 7 years	Of which defaulted
005	Cash balances at central banks and other demand deposits	528,087	528,087		0								0
010	Loans and advances	3,258,254	3,251,751	6,503	53,034	24,666	3,487	2,501	4,154	7,099	2,974	8,153	53,034
020	Central banks	0	0	0	0	0	0	0	0	0	0	0	0
030	General governments	120,598	120,598	0	0	0	0	0	0	0	0	0	0
040	Credit institutions	280,013	280,013	0	0	0	0	0	0	0	0	0	0
050	Other financial corporations	8,528	8,519	9	3	0	0	1	0	2	0	0	3
060	Non-financial corporations	1,210,222	1,209,381	841	23,709	10,564	2,381	1,251	2,181	3,302	1,127	2,903	23,709
070	Of which SMEs	572,689	571,848	841	22,857	10,564	2,381	1,251	2,180	2,625	1,127	2,729	22,857
080	Households	1,638,893	1,633,240	5,653	29,322	14,102	1,106	1,249	1,973	3,795	1,847	5,250	29,322
090	Debt securities	504,707	504,707	0	0	0	0	0	0	0	0	0	0
100	Central banks	0											
110	General governments	504,707	504,707										
120	Credit institutions	0											
130	Other financial corporations	0											
140	Non-financial corporations	0											
150	Off-balance-sheet exposures	911,455			5,469								5,469
160	Central banks	0			0								0
170	General governments	3,360			0								0
180	Credit institutions	12,872			0								0
190	Other financial corporations	661			0								0
200	Non-financial corporations	781,004			5,410								5,410
210	Households	113,558			59								59
220	Total	5.202.503	4.284.545	6.503	58.503	24.666	3.487	2.501	4.154	7.099	2.974	8.153	58.503

An ageing analyses of past due exposures as per end of 2022 shows the same picture as in 2021. More than 84 % of total performing portfolio demonstrates 0 past dues, or past dues less than 30 days.

6.3. The breakdown of loans and debt securities by residual maturity

(Article 442(g) CRR)

Table 21 Template EU CR1 -A - Maturity of exposures

		a	b	c	d	e	
		Net exposure value					
	EUR 000	On demand	<= 1 year	> 1 year <= 5 years	> 5 years	No stated maturity	Total
1	Loans and advances	48,353	1,053,907	1,217,317	935,146	-	3,254,723
2	Debt securities	-	-	138,077	-	3,680	141,757
3	Total	48,353	1,053,907	1,355,394	935,146	3,680	3,396,480

Presented in the table above is the maturity of exposures of particular items of the balance sheet of the SKB Group. The maturity of exposures considered in this report is as defined for liquidity purposes.

At the end of 2021 the exposures that mature from one to five years represented 37 % of total exposure. Exposures with maturity less than 1 year represented 32 % of total exposure, whereas the exposures with maturity over 5 years represented 29 % of total exposure of the SKB Group. Maturity wise, the structure of the portfolio when compared to previous year demonstrates partial increase of exposure with maturity shorter than 1 year.

6.4. Any changes in the gross amount of defaulted on- and off-balance sheet exposures

(Article 442(f) CRR)

Table 22 Template EU CR2 - Changes in the stock of non-performing loans and advances

	EUR 000	a
		Gross carrying amount
010	Initial stock of non-performing loans and advances	64,370
020	Inflows to non-performing portfolios	24,930
030	Outflows from non-performing portfolios	(36,268)
040	Outflows due to write-offs	(6,459)
050	Outflow due to other situations	
060	Final stock of non-performing loans and advances	53,032

At the end of 2022 the SKB Group the stock of non-performing loans and advances was 17 % lower in comparison to the year before. The majority of outflows result from successful recovery process and repayments.

Table 23 Template EU CR2a - Changes in the stock of non-performing loans and advances and related net accumulated recoveries

		a	b
		Gross carrying amount	Related net accumulated recoveries
010	Initial stock of non-performing loans and advances	64,370	
020	Inflows to non-performing portfolios	24,930	
030	Outflows from non-performing portfolios	(36,268)	
040	Outflow to performing portfolio	(3,489)	
050	Outflow due to loan repayment, partial or total	(22,493)	
060	Outflow due to collateral liquidations		
070	Outflow due to taking possession of collateral		
080	Outflow due to sale of instruments		
090	Outflow due to risk transfers		
100	Outflows due to write-offs	(6,459)	
110	Outflow due to other situations	(3,828)	
120	Outflow due to reclassification as held for sale		
130	Final stock of non-performing loans and advances	53,032	

6.5. Information on the amount and quality of performing, non-performing and forborne exposures for loans, debt securities and off-balance-sheet exposures

(Article 442(c) CRR)

Table 24 Template EU CQ1 - Credit quality of forborne exposures

		a	b	c	d	e	f	g	h
		Gross carrying amount/nominal amount of exposures with forbearance measures				Accumulated impairment, accumulated negative changes in fair value due to credit risk and provisions		Collateral received and financial guarantees received on forborne exposures	
EUR 000	Performing forborne	Non-performing forborne			On performing forborne exposures	On non-performing forborne exposures			Of which collateral and financial guarantees received on non-performing exposures with forbearance measures
			Of which defaulted	Of which impaired					
005	Cash balances at central banks and other demand deposits								
010	Loans and advances	6,209	15,583	15,583	15,583	(203)	(13,192)	6,190	1,867
020	Central banks	0	0	0	0	0	0	0	0
030	General governments	0	0	0	0	0	0	0	0
040	Credit institutions	0	0	0	0	0	0	0	0
050	Other financial corporations	0	0	0	0	0	0	0	0
060	Non-financial corporations	2,969	8,836	8,836	8,836	(121)	(7,250)	3,675	1,424
070	Households	3,240	6,747	6,747	6,747	(82)	(5,942)	2,515	443
080	Debt Securities								
090	Loan commitments given								
100	Total	6,209	15,583	15,583	15,583	(203)	(13,192)	6,190	1,867

Comparing to 2021 the exposure on accounts with forbearance measures has decreased on performing and non-performing portfolio. The decrease of non-performing side results from improved macroeconomic conditions and repayments.

Table 25 Template EU CQ2 - Quality of forbearance

		a
EUR 000		Gross carrying amount of forborne exposures
010	Loans and advances that have been forborne more than twice	1.603
020	Non-performing forborne loans and advances that failed to meet the non-performing exit criteria	18.977

Table 26 Template EU CQ7 - Collateral obtained by taking possession and execution processes

		a	b
		Collateral obtained by taking possession	
EUR		Value at initial recognition	Accumulated negative changes
010	Property, plant and equipment (PP&E)	0	0
020	Other than PP&E	0	0
030	Residential immovable property	0	0
040	Commercial Immovable property	0	0
050	Movable property (auto, shipping, etc.)	0	0
060	Equity and debt instruments	0	0
070	Other collateral	0	0
080	Total	0	0

The template is non-applicable, as the SKB Group did not obtain any collateral by taking possession and execution process in 2022.

Table 27 Template EUCQ8 - Collateral obtained by taking possession and execution processes – vintage breakdown

		a	b	c	d	e	f	g	h	i	j	k	l
EUR 000		Debt balance reduction		Total collateral obtained by taking possession									
						Foreclosed ≤ 2 years		Foreclosed > 2 years ≤ 5 years		Foreclosed > 5 years		Of which non-current assets held-for-sale	
		Gross carrying amount	Accumulated negative changes			Value at initial recognition	Accumulated negative changes	Value at initial recognition	Accumulated negative changes	Value at initial recognition	Accumulated negative changes	Value at initial recognition	Accumulated negative changes
010	Collateral obtained by taking possession classified as PP&E	0	0	0	0								
020	Collateral obtained by taking possession other than that classified as PP&E	0	0	0	0	0	0	0	0	0	0	0	0
030	Residential immovable property	531,284.04	0	0	0	0	0	0	0	0	0	0	0
040	Commercial immovable	654,889.36	0	0	0	0	0	0	0	0	0	0	0
050	Movable property (auto, shipping, etc.)	0	0	0	0	0	0	0	0	0	0	0	0
060	Equity and debt instruments	5.850,04	0	0	0	0	0	0	0	0	0	0	0
070	Other collateral	0	0	0	0	0	0	0	0	0	0	0	0
080	Total	1,192,023.44	0	0	0	0	0	0	0	0	0	0	0

6.6. Credit quality of portfolio exposures

(Article 442(c)(e) CRR)

Table 28 Template EU CR1 - Performing and non-performing exposures and related provisions

EUR 000		a	b	c	d	e	f	g	h	i	j	k	l	m	n	o
		Gross carrying amount/nominal amount						Accumulated impairment, accumulated negative changes in fair value due to credit risk and provisions						Accumulated partial write-off	Collateral and financial guarantees received	
		Performing exposures			Non-performing exposures			Performing exposures – accumulated impairment and provisions			Non-performing exposures – accumulated impairment, accumulated negative changes in fair value due to credit risk and provisions				On performing exposures	On non-performing exposures
		Of which stage 1	Of which stage 2		Of which stage 2	Of which stage 3		Of which stage 1	Of which stage 2		Of which stage 2	Of which stage 3				
005	Cash balances at central banks and other demand deposits	528,087	528,087					(104)	(104)							
010	Loans and advances	3,258,252	2,938,334	319,918	53,032	0	53,032	(14,786)	(6,984)	(7,802)	(41,775)	0	(41,775)	(39,406)	1,660,247	4,657
020	Central banks	0	0	0	0		0	0	0	0	0		0	0	0	0
030	General governments	120,597	120,367	230	0		0	(48)	(48)	0	0		0	(174)	29,080	0
040	Credit institutions	280,013	280,013	0	0		0	(2,417)	(2,417)	0	0		0	0	1	0
050	Other financial corporations	8,528	8,459	69	2		2	(12)	(11)	(1)	(2)		(2)	(391)	5,235	0
060	Non-financial corporations	1,210,222	1,012,132	198,090	23,709		23,709	(6,476)	(1,617)	(4,859)	(18,116)		(18,116)	(34,321)	551,495	2,755
070	Of which SMEs	572,690	443,295	129,395	22,857		22,857	(3,599)	(712)	(2,887)	(17,363)		(17,363)	(11,992)	209,328	2,656
080	Households	1,638,892	1,517,363	121,529	29,321		29,321	(5,833)	(2,891)	(2,942)	(23,657)		(23,657)	(4,520)	1,074,436	1,902
090	Debt securities	504,707	504,707	0	0	0	0	1,237	1,237	0	0	0	0	0	0	0
100	Central banks	0						0								
110	General governments	504,707	504,707	0				1,237	1,237							
120	Credit institutions	0						0								
130	Other financial corporations	0						0								
140	Non-financial corporations	0						0								
150	Off-balance-sheet exposures	911,455	837,432	74,023	5,469	0	5,469	(1,951)	(562)	(1,389)	(2,108)	0	(2,108)		198,495	2,313
160	Central banks	0	0	0	0		0	0	0	0	0		0		0	0
170	General governments	3,360	3,335	25	0		0	(1)	(1)	0	0		0		0	0
180	Credit institutions	12,872	12,362	510	0		0	(51)	(40)	(11)	0		0		12,678	0
190	Other financial corporations	661	642	19	0		0	(1)	(1)	0	0		0		5	0
200	Non-financial corporations	781,004	712,435	68,569	5,410		5,410	(1,676)	(425)	(1,251)	(2,090)		(2,090)		176,301	2,312
210	Households	113,558	108,658	4,900	59		59	(222)	(95)	(127)	(18)		(18)		9,511	1
220	Total	5,202,501	4,808,560	393,941	58,501	0	58,501	(15,604)	(6,413)	(9,191)	(43,883)	0	(43,883)	(39,406)	1,858,742	6,970

Note. The table shows exposures by categories and by stage and include loans at amortized cost, loans mandatorily at fair value through profit or loss, debt securities at amortized cost, debt securities at fair value through other comprehensive income, debt securities designated at fair value through profit or loss and off-balance sheet exposure.

SKB Group regularly follows the development in the macroenvironment and macroeconomic events were the ones, that have mostly influenced the movement of portfolio between stages. Even though the share of exposure in stage 2 decreased on a total portfolio from 9 % in 2021 to 8 % in 2022, there are differences among the segments. The biggest increase of exposure in stage 2 was observed on a non-financial corporations' segment following Russia-Ukrainian war and energy crisis. The exposure in stage 2 decreased on households' portfolio, which can be attributed to the change in methodology. The effect from macroeconomy has not yet been observed on households' portfolio segment.

The decrease of non-performing exposure derives from low default rates and effective recovery process.

Table 29 Template EU CQ6 - Collateral valuation - loans and advances

		a	b	c	d	e	f	g	h	i	j	k	l
EUR		Loans and advances											
			Performing		Non-performing								
				Of which past due > 30 days ≤ 90 days		Unlikely to pay that are not past due or are past due ≤ 90 days		Past due > 90 days					
								Of which past due > 90 days ≤ 180 days	Of which: past due > 180 days ≤ 1 year	Of which: past due > 1 years ≤ 2 years	Of which: past due > 2 years ≤ 5 years	Of which: past due > 5 years ≤ 7 years	Of which: past due > 7 years
010	Gross carrying amount	3,311,286	3,258,253	6,503	53,033	24,666	28,367	3,487	2,500	4,155	7,099	2,974	8,152
020	Of which secured	1,892,495	1,871,356	2,140	21,139	11,995	9,144	842	934	1,058	1,523	720	4,067
030	Of which secured with immovable property	1,160,170	1,145,316	1,348	14,854	7,159	7,695	603	485	729	1,217	698	3,963
040	Of which instruments with LTV higher than 60% and lower or equal to 80%	336,373	334,507		1,866	1,299	567						
050	Of which instruments with LTV higher than 80% and lower or equal to 100%	101,558	100,060		1,498	793	705						
060	Of which instruments with LTV higher than 100%	1,017,435	1,004,395		13,040	7,003	6,037						
070	Accumulated impairment for secured assets	(25,070)	(8,983)	(112)	(16,087)	(8,141)	(7,946)	(573)	(691)	(794)	(1,343)	(682)	(3,863)
080	Collateral												
090	Of which value capped at the value of exposure	1,619,870	1,604,625	2,048	15,245	10,160	5,085	781	430	924	1,341	220	1,389
100	Of which immovable property	962,162	952,077	1,348	10,085	6,168	3,917	603	139	595	1,098	197	1,285
110	Of which value above the cap	272,627	266,732	93	5,895	1,835	4,060	62	504	134	181	501	2,678
120	Of which immovable property	198,009	193,239	0	4,770	991	3,779		347	134	119	501	2,678
130	Financial guarantees received	815,476	806,807	927	8,669	6,320	2,349	170	344	479	367	16	973
140	Accumulated partial write-off	(39,406)			(39,406)								

6.7. Geographic view of exposures

(Article 442(c)(e)(f) CRR)

Table 30 Template EU CQ4 - Quality of non-performing exposures by geography

		a	b	c	d	e	f	g
		Gross carrying/nominal amount				Accumulated impairment	Provisions on off-balance-sheet commitments and financial guarantees given	Accumulated negative changes in fair value due to credit risk on non-performing exposures
			Of which non-performing		Of which subject to impairment			
				Of which defaulted				
010	On-balance-sheet exposures							
020	Country 1							
030	Country 2							
040	Country 3							
050	Country 4							
060	Country N							
070	Other countries							
080	Off-balance-sheet exposures							
090	Country 1							
100	Country 2							
110	Country 3							
120	Country 4							
130	Country N							
140	Other countries							
150	Total							

The template is for the SKB Group non-applicable as the original non-performing exposure in all categories as per 31. 12. 2022 does not exceed the 5 % threshold of non-performing exposure as defined in the regulation.

6.8. Credit quality of exposures by industry

(Article 442(c)(e) CRR)

Table 31 Template EU CQ5 - Credit quality of loans and advances to non-financial corporations by industry

		a	b	c	d	e	f
		Gross carrying amount				Accumulated impairment	Accumulated negative changes in fair value due to credit risk on non-performing exposures
EUR 000			Of which non-performing	Of which loans and advances subject to impairment			
			Of which defaulted				
010	Agriculture, forestry and fishing	7,905	63	63	7,905	(210)	
020	Mining and quarrying	5,379	466	466	5,379	(283)	
030	Manufacturing	366,285	4,093	4,093	366,285	(6,331)	
040	Electricity, gas, steam and air conditioning supply	150,476	0	0	150,476	(383)	
050	Water supply	12,675	24	24	12,675	(98)	
060	Construction	49,605	4,572	4,572	49,605	(4,071)	
070	Wholesale and retail trade	278,818	7,987	7,987	278,818	(7,140)	
080	Transport and storage	175,315	2,569	2,569	175,315	(2,370)	
090	Accommodation and food service activities	14,643	1,105	1,105	14,643	(918)	
100	Information and communication	58,077	238	238	58,077	(270)	
110	Financial and insurance activities	8,023	0	0	8,023	(19)	
120	Real estate activities	31,114	70	70	31,114	(136)	
130	Professional, scientific and technical activities	30,600	978	978	30,600	(969)	
140	Administrative and support service activities	20,373	1,363	1,363	20,373	(1,186)	
150	Public administration and defense, compulsory social security	7	0	0	7	0	
160	Education	347	0	0	347	(5)	
170	Human health services and social work activities	18,125	0	0	18,125	(25)	
180	Arts, entertainment and recreation	5,051	123	123	5,051	(109)	
190	Other services	1,113	58	58	1,113	(69)	
200	Total	1,233,931	23,709	23,709	1,233,931	(24,592)	

Note: counterparties have been allocated to the groups according to Standard industry classification. Presented exposures are gross values of balance and off balance credit risk exposure. Specific credit risk adjustment are the ones that are individually impaired. General credit risk adjustments are the ones, calculated based on statistical model. Credit risk adjustments also include balance and off-balance part.

The highest share of defaulted exposures at the end of 2022 was observed in the commerce industry (17 %). construction and manufacturing industries follow with almost 10 % share of defaulted exposures. Comparing to 2021 the situation is much improved in the traffic, warehousing and communication industry, where the amount of defaulted exposure was reduced by 44 % in comparison to 2021. In the manufacturing industry the amount of defaulted exposure was reduced by 31 %. Defaulted exposures on individuals' portfolio represent a 47 % share of total defaulted portfolio and were reduced by 22 % in one-year horizon.

7. Use of credit risk mitigation techniques

7.1. Qualitative disclosure requirements related to CRM techniques

(Article 453(a)(b)(c)(d)(e) CRR)

Table 32 Table EU CRC – Qualitative disclosure requirements related to CRM techniques

Legal basis	Row number	Free format
Article 453 (a) CRR	(a)	A description of the core features of the policies and processes for on- and off-balance sheet netting and an indication of the extent to which institutions make use of balance sheet netting;
Article 453 (b) CRR	(b)	The core features of policies and processes for eligible collateral evaluation and management;
Article 453 (c) CRR	(c)	A description of the main types of collateral taken by the institution to mitigate credit risk;
Article 453 (d) CRR	(d)	For guarantees and credit derivatives used as credit protection, the main types of guarantor and credit derivative counterparty and their creditworthiness used for the purposes of reducing capital requirements, excluding those used as part of synthetic securitisation structures;
Article 453 (e) CRR	(e)	Information about market or credit risk concentrations within the credit mitigation taken;

The SKB Group uses collaterals and other credit enhancements to optimize the risk on credit assets. In accordance with the collateral policy, the main types of collaterals are:

- cash collateral which are used in full amount or with potential maturity mismatch adjustment for capital adequacy purposes,
- state guarantees; which are used in full amount for capital adequacy purposes,
- real estate.

Real estate is the main type of collateral for housing loans portfolio. The evaluations are done either by internal or external evaluators or taken from official real estate data-base. Starting January 2019 the initial evaluation has always been performed by the internal or external evaluators, which are accordingly licensed and in case of the external ones, their valuation reports are regularly monitored by the internal ones. All values are re-evaluated on yearly basis in case of significant price variation on the market. Real estate collaterals are not taken into account for capital adequacy purposes.

The SKB Group does not use the close-out netting agreements on derivatives for reporting purposes.

The SKB Group does not use any credit derivatives for credit risk mitigation purposes.

The SKB Group doesn't have any significant increase of concentration risk due to CRM techniques. An increase is primarily seen on sovereign exposures (Republic of Slovenia) and some insurance companies for individual loan portfolio.

Unfunded credit protection includes received guarantees and sureties securing bank's exposures towards clients.

The main providers of unfunded credit protection are:

- central government or other regional or local authorities of the state;
- public sector entities;
- banks and other institutions;
- insurance companies;
- natural persons and legal entities

Important providers of unfunded credit protections for credit risk mitigation are the central government, authorities of regional and local levels of the state, subjects of the public sector, banks and other institutions.

The creditworthiness of the provider of unfunded credit protection is determined in the same way as for the principal debtor and should normally be better than the creditworthiness of the main debtor.

SKB Bank treats collaterals as a secondary source of repayment of the debtor's liabilities.

A market or credit risk concentration involves a significant concentration of individual customers or groups of customers, sectors or types of collateral, regions and countries.

SKB Bank manages various concentration risks in the form of setting internal limits and regular monitoring of various concentrations. More than half of the received collaterals is the pledge of residential and commercial real estate. The other most important types of collateral include received guarantees and sureties, the value of which represents almost a quarter of the value of the collateral portfolio. The structure of collateral portfolio is stable over time, in 2022 is a noticeable increase in the share of credit insurance by Insurance Company and received guarantees and sureties, mainly due to sureties by legal entities, sureties by natural persons and bank guarantees.

7.2. The total exposure value covered by eligible collaterals

(Article 453(f) CRR)

Table 33 Template EU CR3 – CRM techniques overview: Disclosure of the use of credit risk mitigation techniques

		Unsecured carrying amount	Secured carrying amount			
EUR 000				Of which secured by collateral	Of which secured by financial guarantees	Of which secured by credit derivatives
		a	b	c	d	e
1	Loans and advances	3,849,471	370,399	10,629	359,770	
2	Debt securities	503,575	-	-	-	
3	Total	4,034,043	370,399	10,629	359,770	
4	Of which non-performing exposures	55,389	3,112	191	2,921	
EU-5	Of which defaulted	55,389	3,112			

The table represents only collaterals eligible for regulatory reporting purposes. Share of secured exposure in total exposure was at the end of 2022 8 % and has slightly increased in comparison to 2021.

8. Standardised approach

(Article 453(g)(h)(i) CRR)

Table 34 Template EU CR4 – standardised approach – Credit risk exposure and CRM effects

		Exposures before CCF and before CRM		Exposures post CCF and post CRM		RWAs and RWAs density	
		On-balance-sheet exposures	Off-balance-sheet exposures	On-balance-sheet exposures	Off-balance-sheet exposures	RWAs	RWAs density (%)
EUR 000		a	b	c	d	e	f
1	Central governments or central banks	1,091,721	2,367	1,169,848	2,914	48,111	4 %
2	Regional government or local authorities	24,817	51	24,817	43	4,972	20 %
3	Public sector entities	36,139	21,033	50,943	5,557	11,300	20 %
4	Multilateral development banks						
5	International organisations						
6	Institutions	293,111	39,273	467,874	78,401	188,627	35 %
7	Corporates	1,198,483	736,341	927,542	368,890	1,191,470	92 %
8	Retail	1,447,682	143,867	1,446,539	20,119	1,073,609	73 %
9	Secured by mortgages on immovable property	244,770	0	244,770	0	85,670	35 %
10	Exposures in default	12,055	3,326	10,488	796	11,463	102 %
11	Exposures associated with particularly high risk	3,157	1,290	3,157	1,290	6,670	150 %
12	Covered bonds						
13	Institutions and corporates with a short-term credit assessment						
14	Collective investment undertakings	12,343		12,343		1,491	12 %
15	Equity	7,944		7,944		7,944	100 %
16	Other items	75,123		75,123		50,054	67 %
17	TOTAL	4,447,345	947,548	4,441,389	478,009	2,681,381	55 %

Comment:

CCF – credit conversion factor

CRM – credit risk mitigation

At the end of 2022 the credit risk mitigation effect amounted to 370 million EUR in total. The mentioned effect resulted in the increase of exposure in the amount of 80 million EUR on central governments and central bank category, 254 million EUR in institutions category. On public sector entities the effect amounted to 16 million EUR. The major part of this increase arrives from corporate segment, where total credit risk mitigation effect amounted to 343 million EUR.

Credit conversion factors had the biggest effect on the off-balance exposure on Corporates and Retail categories.

The risk weighted assets have increased by 11.2 % in comparison to previous year. The majority of RWA is attributed to retail and corporates exposures.

The highest RWA density (average risk weight) was observed on the following categories: exposures associated with particularly high risk, exposures in default and equity.

Table 35 Template EU CR5 – Standardized approach

EUR 000	Exposure classes	Risk weight															Total	Of which unrated
		0 %	2 %	4 %	10 %	20 %	35 %	50 %	70 %	75 %	100 %	150 %	250 %	370 %	1250 %	Other		
		a	b	c	d	e	f	g	h	i	j	k	l	m	n	o		
1	Central governments or central banks	1,063,721									18,539		11,829				1,094,089	-
2	Regional government or local authorities					24,860											24,860	24,860
3	Public sector entities					40,884											40,884	40,884
4	Multilateral development banks																-	-
5	International organisations																-	-
6	Institutions					281,701		47,186									328,887	-
7	Corporates	76,012				15,297		217,388			1,296,432						1,605,129	1,487,821
8	Retail exposures	1,143								1,466,658							1,467,801	1,467,801
9	Exposures secured by mortgages on immovable property						244,770										244,770	244,770
10	Exposures in default	1,518				319					10,926	358					13,121	13,121
11	Exposures associated with particularly high risk											4,447					4,447	4,447
12	Covered bonds																0	0
13	Exposures to institutions and corporates with a short-term credit assessment																0	0
14	Units or shares in collective investment undertakings															12,343	12,343	12,343
15	Equity exposures										7,944						7,944	7,944
16	Other items	21,556				4,391					49,176						75,123	75,123
17	TOTAL	1,163,950				367,452	244,770	264,574		1,466,658	1,383,017	4,805	11,829			12,343	4,919,398	3,379,115

SKB Group uses the rating grades of external rating agencies (ECAI) for the following exposure classes:

- Central government and
- Central Banks and institutions.

The RWA, rated by ECAI, is 1,540 million EUR on the SKB Group level.

The risk weights are defined based on client’s external ratings and corresponding scale for standardized approach in credit risk regulation.

9. Specialised lending and equity exposure

(Article 438(e) CRR)

Table 36 Template EU CR10 – Specialised lending and equity exposures under the simple risk-weighted approach

Template EU CR10.1

Specialised lending: Project finance (Slotting approach)							
Regulatory categories	Remaining maturity	On-balance sheet exposure	Off-balance sheet exposure	Risk weight	Exposure value	Risk weighted exposure amount	Expected loss amount
		a	b	c	d	e	f
Category 1	Less than 2.5 years			50 %			
	Equal to or more than 2.5 years			70 %			
Category 2	Less than 2.5 years			70 %			
	Equal to or more than 2.5 years			90 %			
Category 3	Less than 2.5 years			115 %			
	Equal to or more than 2.5 years			115 %			
Category 4	Less than 2.5 years			250 %			
	Equal to or more than 2.5 years			250 %			
Category 5	Less than 2.5 years			-			
	Equal to or more than 2.5 years			-			
Total	Less than 2.5 years						
	Equal to or more than 2.5 years						

The template is for the SKB Group non-applicable, as the SKB Group does not hold such products as per 31.12.2022.

Template EU CR10.2

Specialised lending: Income-producing real estate and high volatility commercial real estate (Slotting approach)							
Regulatory categories	Remaining maturity	On-balance sheet exposure	Off-balance sheet exposure	Risk weight	Exposure value	Risk weighted exposure amount	Expected loss amount
		a	b	c	d	e	f
Category 1	Less than 2.5 years			50 %			
	Equal to or more than 2.5 years			70 %			
Category 2	Less than 2.5 years			70 %			
	Equal to or more than 2.5 years			90 %			
Category 3	Less than 2.5 years			115 %			
	Equal to or more than 2.5 years			115 %			
Category 4	Less than 2.5 years			250 %			
	Equal to or more than 2.5 years			250 %			
Category 5	Less than 2.5 years			-			
	Equal to or more than 2.5 years			-			
Total	Less than 2.5 years						
	Equal to or more than 2.5 years						

The template is for the SKB Group non-applicable, as the SKB Group does not hold such products as per 31. 12. 2022.

Template EU CR10.3

Specialised lending: Object finance (Slotting approach)							
Regulatory categories	Remaining maturity	On-balance sheet exposure	Off-balance sheet exposure	Risk weight	Exposure value	Risk weighted exposure amount	Expected loss amount
			b	c	d	e	f
Category 1	Less than 2.5 years			50 %			
	Equal to or more than 2.5 years			70 %			
Category 2	Less than 2.5 years			70 %			
	Equal to or more than 2.5 years			90 %			
Category 3	Less than 2.5 years			115 %			
	Equal to or more than 2.5 years			115 %			
Category 4	Less than 2.5 years			250 %			
	Equal to or more than 2.5 years			250 %			
Category 5	Less than 2.5 years			-			
	Equal to or more than 2.5 years			-			
Total	Less than 2.5 years						
	Equal to or more than 2.5 years						

The template is for the SKB Group non-applicable, as the SKB Group does not hold such products as per 31. 12. 2022.

Template EU CR10.4

Specialised lending: Commodities finance (Slotting approach)							
Regulatory categories	Remaining maturity	On-balance sheet exposure	Off-balance sheet exposure	Risk weight	Exposure value	Risk weighted exposure amount	Expected loss amount
		a	b	c	d	e	f
Category 1	Less than 2.5 years			50 %			
	Equal to or more than 2.5 years			70 %			
Category 2	Less than 2.5 years			70 %			
	Equal to or more than 2.5 years			90 %			
Category 3	Less than 2.5 years			115 %			
	Equal to or more than 2.5 years			115 %			
Category 4	Less than 2.5 years			250 %			
	Equal to or more than 2.5 years			250 %			
Category 5	Less than 2.5 years			-			
	Equal to or more than 2.5 years			-			
Total	Less than 2.5 years						
	Equal to or more than 2.5 years						

The template is for the SKB Group non-applicable, as the SKB Group does not hold such products as per 31. 12. 2022.

Template EU CR10.5

Equity exposures under the simple risk-weighted approach						
Categories	On-balance sheet exposure	Off-balance sheet exposure	Risk weight	Exposure value	Risk weighted exposure amount	Expected loss amount
	a	b	c	d	e	f
Private equity exposures			190 %			
Exchange-traded equity exposures			290 %			
Other equity exposures			370 %			
Total						

The template is for the SKB Group non-applicable, as the SKB Group does not hold such products as per 31. 12. 2022.

10. Exposure to counterparty credit risk

(Article 438(h) CRR)

Table 37 Template EU CCR7 – RWEA flow statements of CCR exposures under the IMM

	a
	RWEA
1 RWEA as at the end of the previous reporting period	
2 Asset size	
3 Credit quality of counterparties	
4 Model updates (IMM only)	
5 Methodology and policy (IMM only)	
6 Acquisitions and disposals	
7 Foreign exchange movements	
8 Other	
9 RWEA as at the end of the current reporting period	

Template EU CCR7 is not relevant for SKB Group because we do not have IMM.

11. Operational risk

(Article 438(d) CRR)

Table 38 Table EU ORA - Qualitative information on operational risk

Legal basis (a), (b), (c) and(d) of Article 435(1) CRR

Disclosure of operational risk management objectives and policies

Strategies and processes

For the purpose of prudent operational risks management SKB Group adopted Risk strategy, Risk Appetite Framework and Statement and Operational risk management policy as umbrella documents for all types of operational risk.

Operational risk management policy defines regular processes such as rules for collection of operational losses and incidents, follow up of key risk indicators, scenario analysis, risk and control self-assessment (RCSA), accounting reconciliation, model inventory, controls testing, new products assessment, outsourced services assessment, follow up if risk appetite indicators, procedure for external and internal fraud reporting, fraud prevention, internal fraud prevention, follow up of corrective measures and action plans to reduce the risk, business continuity management and crisis management procedures.

Structure and organization of the operational risk management function

Operational risk management policy defines roles and responsibilities of all stakeholders in management of operational risk, purpose, goals, methods for identification, measurement, assessment, monitoring and reporting.

Within operational risks management SKB Group addresses and manages also several sub-types of operational risk such as ICT security risk, model risk, legal risk, conduct risk, physical security risk, compliance risk, internal and external fraud risk, reputational risk, outsourced services risk and business continuity risk.

Structure of ORM function consists of Operational risk and Compliance committee that is a main body responsible for overseeing the operational risk policy implementation at the SKB Group level, General management of the bank, Operational Risk manager, Operational Risk Correspondents, Internal Audit and External Audit.

Risk measurement and risk control

SKB Group also defined its risk appetite for operational risks that is followed by specific risk indicators and formalize it in Risk Appetite Statement. The risks to which SKB Group is exposed are identified and covered by Risk Appetite targets, limits and thresholds described in Risk appetite Statement.

SKB Group implemented Policy of internal Governance that also defines the structure of control system for mitigation of operational risks exposure. It consists of day to day controls of correct application of the rules and procedures by all employees and Managerial supervision performed by heads of departments in order to ensure correct application of the rules of day to day controls.

Policies to decrease operational risk

SKB Group has adopted various policies and related internal acts and procedures for protection and mitigation operational risks such as Operational risk management policy, Information security policy, Policy for management of outsourced services, assessment of risks related to new products, security policy, etc.

The operational risk management function is totally independent from any other functions in the bank and leasing subsidiaries organized within Risk Division. In addition to Operational Risk Manager function it includes Head of Permanent Control function, BCM function (business continuity management function), Outsourced services correspondent function, CSR correspondent and New Product correspondent function.

Operational risk reporting

Reporting on operational risk is performed quarterly on Operational Risk and Compliance Committee, Security Committee and Audit Committee of the Board of directors. An efficient reporting system on all operational risk issues enables the Bank's management and the Board of Directors to control and effectively manage these risks.

Table 39 Template EU OR1 - Operational risk own funds requirements and risk-weighted exposure amounts

Banking activities		a	b	c	d	e
		Relevant indicator			Own funds requirements	Risk exposure amount
EUR		2020	2021	2022		
1	Banking activities subject to basic indicator approach (BIA)					
2	Banking activities subject to standardised (TSA) / alternative standardised (ASA) approaches					
3	Subject to TSA:	113,938,703	114,472,887	125,715,982		
4	Subject to ASA:					
5	Banking activities subject to advanced measurement approaches AMA					

* Reported values represent RWA for operational risk.

12. Remuneration policy in SKB Group

12.1. Disclosure of remuneration policy

(Article 450(1)(a)(b)(c)(d)(e)(f)(j)(k) CRR)

Table 40 Table EU REMA - Remuneration policy

Qualitative disclosures	
(a)	Information relating to the bodies that oversee remuneration. Disclosures shall include: <ul style="list-style-type: none">• Name, composition and mandate of the main body (management body or remuneration committee as applicable) overseeing the remuneration policy and the number of meetings held by that main body during the financial year.• External consultants whose advice has been sought, the body by which they were commissioned, and in which areas of the remuneration framework.• A description of the scope of the institution's remuneration policy (e. g. by regions, business lines), including the extent to which it is applicable to subsidiaries and branches located in third countries.• A description of the staff or categories of staff whose professional activities have a material impact on institutions' risk profile.
(b)	Information relating to the design and structure of the remuneration system for identified staff. Disclosures shall include: <ul style="list-style-type: none">• An overview of the key features and objectives of remuneration policy, and information about the decision-making process used for determining the remuneration policy and the role of the relevant stakeholders.• Information on the criteria used for performance measurement and ex ante and ex post risk adjustment.• Whether the management body or the remuneration committee where established reviewed the institution's remuneration policy during the past year, and if so, an overview of any changes that were made, the reasons for those changes and their impact on remuneration.• Information of how the institution ensures that staff in internal control functions are remunerated independently of the businesses they oversee.• Policies and criteria applied for the award of guaranteed variable remuneration and severance payments.
(c)	Description of the ways in which current and future risks are taken into account in the remuneration processes. Disclosures shall include an overview of the key risks, their measurement and how these measures affect remuneration.
(d)	The ratios between fixed and variable remuneration set in accordance with point (g) of Article 94(1) CRD.
(e)	Description of the ways in which the institution seeks to link performance during a performance measurement period with levels of remuneration. Disclosures shall include: <ul style="list-style-type: none">• An overview of main performance criteria and metrics for institution, business lines and individuals.• An overview of how amounts of individual variable remuneration are linked to institution-wide and individual performance.• Information on the criteria used to determine the balance between different types of instruments awarded including shares, equivalent ownership interest, options and other instruments.• Information of the measures the institution will implement to adjust variable remuneration in the event that performance metrics are weak, including the institution's criteria for determining "weak" performance metrics.
(f)	Description of the ways in which the institution seeks to adjust remuneration to take account of long term performance. Disclosures shall include: <ul style="list-style-type: none">• An overview of the institution's policy on deferral, pay-out in instrument, retention periods and vesting of variable remuneration including where it is different among staff or categories of staff.• Information of the institution' criteria for ex post adjustments (malus during deferral and clawback after vesting, if permitted by national law).• Where applicable, shareholding requirements that may be imposed on identified staff.
(g)	The description of the main parameters and rationale for any variable components scheme and any other non-cash benefit in accordance with point (f) of Article 450(1) CRR. Disclosures shall include: <ul style="list-style-type: none">• Information on the specific performance indicators used to determine the variable components of remuneration and the criteria used to determine the balance between different types of instruments awarded, including shares, equivalent ownership interests, share-linked instruments, equivalent non cash-instruments, options and other instruments.
(h)	Upon demand from the relevant Member State or competent authority, the total remuneration for each member of the management body or senior management.
(i)	Information on whether the institution benefits from a derogation laid down in Article 94(3) CRD in accordance with point (k) of Article 450(1) CRR. <ul style="list-style-type: none">• For the purposes of this point, institutions that benefit from such a derogation shall indicate whether this is on the basis of point (a) and/or point (b) of Article 94(3) CRD. They shall also indicate for which of the remuneration principles they apply the derogation(s), the number of staff members that benefit from the derogation(s) and their total remuneration, split into fixed and variable remuneration.
(j)	Large institutions shall disclose the quantitative information on the remuneration of their collective management body, differentiating between executive and non-executive members in accordance with Article 450(2) CRR.

The Remuneration Policy is an integral part of the corporate governance system of SKB Bank and applicable throughout the entire SKB Group. The purpose of the Remuneration Policy is, remaining within the SKB Group's risk-tolerance capacity, to recognize the performance of employees of SKB Bank and SKB Group with special attention on those employees who have a material impact on the risk profile (identified staff members), in contributing to results at the bank and at group level, and to provide an incentive for performance, in such manner as to be consistent with:

- effective and successful risk management, and not to encourage the assumption of risks that exceed the risk-assumption limits of the SKB Group,
- and with the business strategy, objectives, values and long-term interests of the SKB Group and to promote the achievement of these, while ensuring with appropriate measures the avoidance of possible conflicts of interest.

a) Information relating to the bodies oversee remuneration.

The remuneration policy is adopted by Board of Directors on a proposal from the Remuneration Committee. Consistency in remuneration policy and its practice is subject to annual internal audit oversight.

The Remuneration Committee is an advisory body of the Board of Directors which performs the following tasks:

- performs professional and independent evaluations of remuneration policies and practices and forms, on their basis, the initiatives and measures for improvement of the bank's risk management, capital and liquidity,
- prepares the proposals for decisions of the governing body regarding the remunerations, including those having an impact on risk and risk management of the bank,
- supervises the remunerations of senior management which performs the risk management function and compliance function.

When preparing the above-mentioned decisions, the Remuneration Committee takes into consideration the long-term interests of shareholders, investors and other interested parties.

The Remuneration Committee has three (3) members and met four (4) times in 2022. The quorum was met at all sessions. The presence of individual members is evident from the minutes of the Committee sessions. In addition, several direct interviews were held between the members of the Committee and the Bank's General Management.

At its sessions in 2022, the Remuneration Committee discussed above all:

- a report on the work of the Remuneration Committee in 2021;
- work plan of the Remuneration Committee for 2022;
- SKB Group's Remuneration policy;
- information on completed Internal Audit mission on the Remuneration System Rules;
- confirmation of personal scope for 2021;
- confirmation of personal scope for 2022;
- remuneration Policy of SKB Group;
- change in the remuneration of identified staff;
- employment contract for the deputy CEO;
- approval of the KPI library for 2022;
- remuneration for the Chief Operating Officer, Chief Executive Officer, new Head of Security Department and Termination Contract Package for present Head of Security Department;
- settlement of variable part of the remuneration for 2021;
- rules of performance measurement and assessment system.

In its professional work, the Remuneration Committee focused mainly on implementation of all legal obligations of the bank in the field of employment and remuneration of employees. A special attention was paid to management of costs and suitable remuneration of employees, number of employees, ratio between the fixed and variable part of remuneration of the employees, performance of the employees, care for adequate qualifications and trainings for employees as well as their development within SKB Group. All this has a positive impact on stable and secure operations of the bank and SKB Group.

We did not include external consultants in the formulation and regular reviews of the remuneration policy in 2022.

The institutional scope of the SKB Group's Remuneration Policy applies to SKB Bank and its subsidiaries SKB leasing and SKB Leasing Select.

The determination of personal scope (employees whose professional activities significantly affect the bank's risk profile - identified employees) of Remuneration policy is mainly based on Commission Delegated Regulation (EU) 604/2014 (RTS). The provisions also apply the principle of proportionality in determining the personal scope.

The determination of the personal scope of the SKB Group Remuneration Policy falls within the competence of the SKB Board of Directors on the basis of a prior opinion of the SKB Bank Remuneration Committee and the OTP Bank Remuneration Committee.

Members of Board of Directors of SKB Bank, including the executive directors of SKB Bank (Chief Executive Officer, Deputy Chief Executive Officer) are classified as identified employees.

The identified employees are classified in the Personal Scope of the Remuneration Policy which is determined on three levels according to the OTP Group:

- consolidated-level (OTP Group-level) personal scope includes those (identified employees at consolidated level) whose professional activity has a material impact on the risk profile of the entire OTP Group;
- sub-consolidated-level personal scope includes those (staff members identified at sub-consolidated level) whose professional activity has a material impact on the risk profile of the group consisting of the institution owned directly by OTP Bank Plc (credit institution or investment firm) and its subsidiaries;
- local (individual)-level personal scope includes those (staff members identified at local level) whose professional activity has a material impact only on the risk profile of SKB Group.

In 2022 the SKB Group identified 32 functions and 27 persons whose professional activities have a significant impact on the SKB Group's risk profile. The function these employees occupy are:

- Chief Executive Officer
- Deputy Chief Executive Officer
- Director of Retail & Marketing division
- Director of Corporate Banking and Financial Markets division
- Director of SKB Leasing in Leasing Select
- Chief Operational Officer
- Director of Finance division
- Director of Secretariat General division
- Director of Risk division
- Director of Debt Management department
- Director of Internal Audit department
- Director of Human Resources department
- Director of Security department
- CISO
- Director of AMLFT department
- Director of Compliance department
- Director of Legal department
- Director of Credit Risk Assessment department
- Director of Risk portfolio Management
- Director of Retail Risk department
- Director of General Risk department
- Director of Information System Infrastructure
- Director of Information Solutions
- Director of Distribution
- Director of Managing of commercial processes department
- Director of Marketing department
- Director of Key accounts coverage department
- Director of Credit analysis department
- Director of Global markets department
- Director of Small and mid-sized corporations
- Director of GTB department

b) Information relating to the design and structure of the remuneration system for identified staff.

Remuneration policy is designed in a way that it does not encourage employees to take irresponsible disproportionately high risks. The bank assures the appropriate ratio between fixed and variable part of remuneration for all categories of employees. The Remuneration policy contains also the criteria for assessing the impact of identified staff members in line with SKB Group's risk appetite framework, taking into account the OTP Group's (as a parent bank) Remuneration policy, valid legislation as well as more detailed definition in this policy.

The Remuneration Policy does not allow any benefits originating from the pre-agreed variable remuneration, other than the ones defined in applicable legislation.

The most important basic principle of this Remuneration Policy is that it makes the level of performance-based remuneration – subject to the ex-ante and ex-post assessment of the risks with respect to identified staff members– dependent on the extent to which SKB Bank and SKB Group's and individual targets are achieved, with the proviso that the proportion of performance-based remuneration shall not exceed 100 percent of the basic remuneration in the case of any identified staff member.

A fundamental principle of the performance measurement and assessment system is that the extent of remuneration based on the performance assessment – accompanied by an ex ante and ex post assessment of the risks – is linked, in a two-tier performance measurement system namely:

- the level of fulfilment of institutional goals SKB Group / subsidiary;
- the level of fulfilment of individual objectives (numerical indicators, individual targets and competences).

By emphasizing the institutional objectives, the two-tier system contributes to the clear designation and monitoring of priorities, and also improves the ability to monitor individual performance, thereby improving the flexibility of the performance assessment system. The employer determines the institutional and individual objectives, at annual level, reserving the right to change them mid-year in response to changes in market circumstances, and in line with the employer's attendant business interests. The institutional indicators include the key high-level objectives of SKB Bank and SKB Group.

The provisions of the Remuneration Policy, as well as the regulations related to its implementation, and compliance with these, are reviewed at least once a year, by the Internal Audit of the SKB Bank which makes a report on this to the Compensation Committee of SKB Bank and to Supervisory Board and Board of Directors of OTP Bank Plc via the internal auditing unit of OTP Bank Plc. In 2022 the internal Audit performed regular review of the Remuneration Policy according to the timeline.

In SKB Group in 2022 there were no guaranteed variable remuneration, there was a payment of severance pay in the amount of 60,000.00 EUR gross.

c) Description of the ways in which current and future risks are taken into account in the remuneration processes

In respect of employees under the scope of the Remuneration Policy of SKB Group, eligibility for the individual level deferred instalments is determined on the basis of the assessment of the individual risks relating to the activities of the individuals concerned, as detailed below:

- fulfilment of obligations stemming from the employment relationship, compliance with the laws applicable to work, regulatory documents, executive and management instructions and the professional requirements applicable to the position;
- compliance with the employer's expectations towards the Employee's managerial behaviour;
- review of the operation of the persons and functional areas concerned.

The criteria of prudent operation for the SKB Group:

- In the case of credit institutions, fulfilment of the regulatory capital adequacy requirement, disregarding capital raises carried out to supplement capital in the years after the year serving as the basis for payment and the accumulated risk cost, relative to the target, in the years after the year serving as the basis for payment;
- In the case of leasing companies, the Stage 3 rate applicable to the entire portfolio.

The performance serving as a benchmark for performance-based remuneration is determined as the weighted arithmetic average of the institutional and individual targets, with the weight of the indicators at the institutional level decreasing as the management levels decrease. In the case of employees performing the internal control function (internal control, compliance, risk management), this principle applies with the difference that the institutional level indicators are considered with a lower weight - one lower than the given organizational level.

Foreign Bank + Leasing DCEO		Foreign (business and support) * Bank + Leasing DCEO		Foreign additional level managers (business, support**)	
Indicators	Weight	Indicators	Weight	Indicators	Weight
Total group level (entity) indicators:	100 %	Total group level (entity) indicators:	100 %	Total group level (entity) indicators:	100 %
Indicators	Weight	Indicators	Weight	Indicators	Weight
Numerical indicators	90 %	Numerical indicators	80 %	Numerical indicators	80 %
Group MS		Group MS		Group MS	
competence	10 %	competence	20 %	competence	20 %
Total individual level indicators:	100 %	Total individual level indicators:	100 %	Total individual level indicators:	100 %
Performance evaluation		Performance evaluation		Performance evaluation	
Group level targets	50 %	Group level targets	40 %	Group level targets	25 %
Individual targets	50 %	Individual targets	60 %	Individual targets	75 %

* RExcept for Risk Division managers, in which case the weight of SKB Group (entity) level targets are 25 % and the weight of individual level targets are 75 %.

** Except for managers of Compliance, Internal Audit and Risk in which case the weight of SKB Group (entity) level targets are 2 % and the weight of individual level targets are 80 %.

d) The ratios between fixed and variable remuneration set in accordance with point (g) of Article 94(1) CRD.

The most important basic principle of this Remuneration Policy is that it makes the level of performance-based remuneration – subject to the ex-ante and ex-post assessment of the risks with respect to identified staff members– dependent on the extent to which SKB Bank and SKB Group's and individual targets are achieved, with the proviso that the proportion of performance-based remuneration shall not exceed 100 percent of the basic remuneration in the case of any identified staff member.

e) Description of the ways in which the institution seeks to link performance during a performance measurement period with levels of remuneration.

The basic principle of the performance measurement and evaluation system is to link the amount of performance-based remuneration – with ex-ante and ex-post risk assessment – with the level of achievement of the SKB Group's objectives within the two-tier performance measurement system.

A two-tier system, with an emphasis on institutional objectives, contributes to the clear definition and monitoring of priorities and ensures better tracking of individual performance, thus improving the flexibility of the performance appraisal system.

The criteria for assessing performance at institutional level are as follows:

- for SKB Bank RORAC + indicators at the SKB Group level (risk-adjusted ROE / COE), C / I, market share);
- for SKB Leasing and SKB Leasing Select return on assets (ROA).
- The structure of indicators is determined according to the scope of activities or competencies of each business area, which are divided into:
 - Retail banking
 - Corporate functions
 - Independent internal control functions

Institutional indicators should be uniformly assigned to all employees identified at the consolidated level (CEO, DCEO and Directors of Divisions) and other employees covered by the two-tier performance measurement system.

Performance is defined by the arithmetic mean of achieving institutional and individual objectives, provided that the weight of indicators at the institutional level decreases in parallel with the reduction in the management level.

Individual performance cannot be 'increased' by the performance of the SKB Group, or if the performance of the SKB Group is greater than the performance of an individual performance, individual performance assessment prevails.

Objectives at the individual level include operational objectives and competencies. The total weight of the operational objectives is 80 %, for the Chief Executive Officer of SKB Bank and the Chief Executive Officer of the SKB Leasing Group this value is 90 %. While, the weight of competencies represents 20 % of the goals for a given business period. For the Chief Executive Officer of SKB Bank and the Chief Executive Officer of the SKB Leasing Group, this value represents 10 %. All employees who fall into the personal scope of remuneration policy must also have a certain operational goal on the topic of prudent operations in the financial year, with a weight of at least 5 % in the total individual goals; for the Chief Executive Officer, an additional CSR indicator with a weight of at least 5 % in the overall individual targets.

f) Description of the ways in which the institution seeks to adjust remuneration to take account of long-term performance

Variable remuneration is allocated according to the level of the defined employee in accordance with the table below:

Level	Performance Remuneration Rules from 2021						
Consolidated Level	100 %	In Cash	50 %	the cash (20 %) and the non-retained share based parts (10 %) are paid within 60 days of General Meeting, while the retained share based part (10 %) is paid together with the first deferred part	60 % Deferred Payment	15 %	N+1
		In Share Related Instruments	50 %			15 %	N+2
						15 %	N+3
						15 %	N+4
Sub Consolidated Level	100 %	In Cash	50 %	60 % paid within 60 days of General Meeting (50 % cash, 50 % shares)	40 % Deferred Payment	10 %	N+1
		In Share Related Instruments	50 %			10 %	N+2
						10 %	N+3
						10 %	N+4
Local Level	100 %	In Cash	50 %	60 % paid within 60 days of General Meeting (50% cash, 50 % shares)	40 % Deferred Payment	10 %	N+1
		In Share Related Instruments	50 %			10 %	N+2
						10 %	N+3
						10 %	N+4

Variable remuneration is not contractually determined and can therefore be reduced or not granted in the event of a significant financial loss of the bank, insufficient capital adequacy of the bank, collective or individual poor performance; the employee's excessive risks taking or employee's violations, by taking into account the malus system or the return of funds.

The application of the deferral and share-based payment rules can be omitted in case of employees identified on sub-consolidated or local level identified positions, where the established performance-based remuneration on a yearly basis does not exceed EUR 50,000 provided that the ratio of performance-based remuneration to total remuneration does not exceed 33.33 %.

The SKB Group requests from identified employees not to use any personal insurance/hedging, against risks with a purpose to weaken or nullify the effects of adjustments of the variable part of remuneration to risks.

g) Description of other non-cash benefit

Non-cash benefits to employees whose professional activities significantly affect the bank's risk profile are defined the employment contract and by managerial level and are as follows; use of a company car for private purposes, payment of rent and costs related to the use of housing for expatriated employees, school fees for school-age children of the expatriated employee and membership fees.

h) Upon demand from the relevant Member State or competent authority, the total remuneration for each member of the management body

Remuneration of members of the management body is disclosed in the 2022 Annual Report.

i) Information on whether the institution benefits from a derogation laid down in Article 94(3) CRD in accordance with point (k) of Article 450(1) CRR

The SKB Group does not benefit from derogation.

j) The quantitative information on the remuneration of management body, differentiating between executive and non-executive members

The remuneration policy of the SKB Group regulates the payment of remuneration of executive directors, while the remuneration policy of the OTP Group regulates the payment of remuneration of non-executive directors.

12.2. Remunerations awarded for the financial year 2022

(Article 450(1)(h)(i)(ii) CRR)

Table 41 Template EU REM1 - Remuneration awarded for the financial year

			a	b	c	d
EUR			MB Supervisory function	MB Management function	Other senior management	Other identified staff
1	Fixed remuneration	Number of identified staff	4	2	6	19.14
2		Total fixed remuneration	61,507.00	517,356.00	1,221,857.00	1,631,196.42
3		Of which: cash-based	61,507.00	517,356.00	1,221,857.00	1,631,196.42
4		(Not applicable in the EU)				
EU-4a		Of which: shares or equivalent ownership interests	0	0	0	0
5		Of which: share-linked instruments or equivalent non-cash instruments	0	0	0	0
EU-5x		Of which: other instruments	0	0	0	0
6		(Not applicable in the EU)				
7		Of which: other forms	0	0	0	0
8		(Not applicable in the EU)				
9	Variable remuneration	Number of identified staff	0	2	6	18.17
10		Total variable remuneration	0	165,098.00	342,050.00	215,579.00
11		Of which: cash-based	0	82,547.00	188,762.00	215,579.00
12		Of which: deferred	0	49,528.00	91,972.00	0.00
EU-13a		Of which: shares or equivalent ownership interests	0	0	0	0
EU-14a		Of which: deferred	0	0	0	0
EU-13b		Of which: share-linked instruments or equivalent non-cash instruments	0	82,551.00	153,288.00	0
EU-14b		Of which: deferred	0	77,870.00	0	0
EU-14x		Of which: other instruments	0	0	0	0
EU-14y		Of which: deferred	0	0	0	0
15		Of which: other forms	0	0	0	0
16		Of which: deferred	0	0	0	0
17	Total remuneration (2 + 10)		61,507.00	682,454.00	1,563,907.00	1,846,775.42

12.3. Special payments to staff whose professional activities have a material impact on institutions' risk profile

(Article 450(1)(h)(v)(vi)(vii) CRR)

Table 42 Template EU REM2 - Special payments to staff whose professional activities have a material impact on institutions' risk profile (identified staff)

		a	b	c	d
	EUR	MB Supervisory function	MB Management function	Other senior management	Other identified staff
Guaranteed variable remuneration awards					
1	Guaranteed variable remuneration awards - Number of identified staff				
2	Guaranteed variable remuneration awards -Total amount				
3	Of which guaranteed variable remuneration awards paid during the financial year, that are not taken into account in the bonus cap				
Severance payments awarded in previous periods, that have been paid out during the financial year					
4	Severance payments awarded in previous periods, that have been paid out during the financial year - Number of identified staff				
5	Severance payments awarded in previous periods, that have been paid out during the financial year - Total amount				
Severance payments awarded during the financial year					
6	Severance payments awarded during the financial year - Number of identified staff				1
7	Severance payments awarded during the financial year - Total amount				60,000.00
8	Of which paid during the financial year				60,000.00
9	Of which deferred				
10	Of which severance payments paid during the financial year, that are not taken into account in the bonus cap				
11	Of which highest payment that has been awarded to a single person				60,000.00

12.4. Deferred remunerations

(Article 450(1)(h)(iii)(iv) CRR)

Table 43 Template EU REM3 - Deferred remuneration

EUR		a	b	c	d	e	f	EU-g	EU-h
		Total amount of deferred remuneration awarded for previous performance periods	Of which due to vest in the financial year	Of which vesting in subsequent financial years	Amount of performance adjustment made in the financial year to deferred remuneration that was due to vest in the financial year	Amount of performance adjustment made in the financial year to deferred remuneration that was due to vest in future performance years	Total amount of adjustment during the financial year due to ex post implicit adjustments (i.e. changes of value of deferred remuneration due to the changes of prices of instruments)	Total amount of deferred remuneration awarded before the financial year actually paid out in the financial year	Total of amount of deferred remuneration awarded for previous performance period that has vested but is subject to retention periods
1	MB Supervisory function	0	0	0	0	0	0	0	0
2	Cash-based	0	0	0	0	0	0	0	0
3	Shares or equivalent ownership interests	0	0	0	0	0	0	0	0
4	Share-linked instruments or equivalent non-cash instruments	0	0	0	0	0	0	0	0
5	Other instruments	0	0	0	0	0	0	0	0
6	Other forms	0	0	0	0	0	0	0	0
7	MB Management function	292,496	63,573	228,923	0	0	(5,529)	58,044	0
8	Cash-based	132,077	49,529	82,548	0	0	0	49,529	0
9	Shares or equivalent ownership interests	77,868	9,363	68,505	0		(5,446)	3,917	0
10	Share-linked instruments or equivalent non-cash instruments	82,551	4,681	77,870	0		(83)	4,598	0
11	Other instruments	0	0	0	0	0	0	0	0
12	Other forms	0	0	0	0	0	0	0	0
13	Other senior management	441,858	124,868	316,990	0	0	(5,189)	119,679	7,462
14	Cash-based	223,994	108,534	115,460	0	0	0	108,534	0
15	Shares or equivalent ownership interests	12,398	6,199	6,199	0	0	(3,588)	2,611	
16	Share-linked instruments or equivalent non-cash instruments	205,466	10,135	195,331	0	0	(1,601)	8,534	7,462
17	Other instruments	0	0	0	0	0	0	0	0
18	Other forms	0	0	0	0	0	0	0	0
19	Other identified staff	252,765	231,516	21,249	0	0	(6,115)	225,401	0
20	Cash-based	231,515	220,891	10,624	0	0	0	220,891	0
21	Shares or equivalent ownership interests	21,250	10,625	10,625	0		(6,115)	4,510	0
22	Share-linked instruments or equivalent non-cash instruments	0	0	0	0	0	0	0	0
23	Other instruments	0	0	0	0	0	0	0	0
24	Other forms	0	0	0	0	0	0	0	0
25	Total amount	987,119	419,957	567,162	0	0	(16,833)	403,124	7,492

12.5. Aggregate quantitative information on remunerations, broken down by business area

(Article 450(1)(g) CRR)

Table 44 Template EU REM4 - Remuneration of 1 million EUR or more per year

		a
	EUR	Identified staff that are high earners as set out in Article 450(i) CRR
1	1 000 000 to below 1 500 000	0
2	1 500 000 to below 2 000 000	0
3	2 000 000 to below 2 500 000	0
4	2 500 000 to below 3 000 000	0
5	3 000 000 to below 3 500 000	0
6	3 500 000 to below 4 000 000	0
7	4 000 000 to below 4 500 000	0
8	4 500 000 to below 5 000 000	0
9	5 000 000 to below 6 000 000	0
10	6 000 000 to below 7 000 000	0
11	7 000 000 to below 8 000 000	0

Table 45 Template EU REM5 - Information on remuneration of staff whose professional activities have a material impact on institutions' risk profile (identified staff)

		a	b	c	d	e	f	g	h	i	j
		Management body remuneration			Business areas						
EUR		MB Supervisory function	MB Management function	Total MB	Investment banking	Retail banking	Asset management	Corporate functions	Independent internal control functions	All other	Total
1	Total number of identified staff										31
2	Of which: members of the MB	4	2	6							
3	Of which: other senior management				0	3	0	1	1	1	
4	Of which: other identified staff					3		2	7	7	
5	Total remuneration of identified staff	61,507.00	682,454.00	743,961.00	0.00	865,359.43	0.00	624,512.34	960,732.33	960,078.29	
6	Of which: variable remuneration	0,00	165,098.00	165,098.00	0.00	153,578	0.00	99,663.00	157,625.00	146,763.00	
7	Of which: fixed remuneration	61,507.00	517,356.00	578,863.00	0.00	711,781.43	0.00	524,849.34	803,107.33	813,315.29	

Statement on implementation of internal controls

The SKB Bank's Management states that all disclosures have been prepared in accordance with Regulation (EU) 2019/876 of the European Parliament and of the Council of 20 May 2019 amending Regulation (EU) 575/2013 and in accordance with the Commission Implementing Regulation (EU) 2021/637 of 15 March 2021.

The Disclosures were prepared in accordance with internal control process established by the SKB Bank to ensure the accuracy of the information disclosed.

The Disclosures from Part 8 of Regulation 2019/876 were not audited by external auditor.



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