



Disclosure of information 2019

Contents - disclosure of information**Annual report / page**

1. Introduction	142
2. Risk management, objectives and policies (CRR, article 435)	142
3. Information on the scope of application of the regulatory framework (CRR, article 436)	144
4. Own funds (CRR, article 437)	147
5. Capital requirements (CRR, article 438)	151
6. Counterparty credit risk (CRR, article 439, 444, 452)	155
7. Macro-prudential supervisory measures (CRR, article 440, 441)	160
8. Credit risk and general information (CRR, article 442, 453)	161
9. Encumbered assets (CRR, article 443)	193
10. Credit risk and crm in a standardized approach (CRR, article 444, 453)	195
11. Market risk (CRR, article 445, 455)	200
12. Operational risk (CRR, article 446)	205
13. Liquidity risk	208
14. Equity instruments not included in the trading book (CRR, article 447)	221
15. Structural interest rate risk (CRR, article 448)	222
16. Remuneration policy (CRR, article 450)	229
17. Leverage ratio (CRR, article 451)	231
18. Statements	234

1. Introduction

In accordance with Regulation (EU) No. 575/2013 of the of the European Parliament and of the Council on the prudential requirements for credit institutions and investment firms (Regulation (EU) No. 575/2013 (CRR)) the Bank is obliged to disclose to the public all relevant information regarded as material, since any omission could influence the assessment of a user relying on that information for the purpose of making economic decisions. Number and completeness of disclosed information related to capital adequacy, exposure towards risks and adequacy of governance and control mechanisms, have the impact to a higher transparency of the bank's operations.

SKB banka d.d. publishes disclosures in Annual Report in the structure compliant to EBA Guidelines on disclosure requirements under Part 8 of Regulation (EU) No. 575/2013. A reference in the Disclosures Index has been added for the disclosures described in the Annual Report. SKB d.d. as a member of the international banking group OTP designed risk policies on the level of a particular risk as well as comprehensive risk management rules. Risk culture is well evolved, the rules and risk management systems are compliant to the local/national legislation and with the guidelines of the parent bank.

2. Risk management, objectives and policies (CRR, Article 435)

2.1 General information on risk management, objectives and policies

2.2. Information on risk management, objectives and policies by risk category

2.3 Qualitative disclosure requirements related to CCR

2.4 Information on governance arrangements

3. Information on the scope of application of the regulatory framework (CRR, Article 436)

4. Own funds (CRR, Article 437)

Capital disclosures as prescribed in the Capital Requirements Regulation (EU) nr. 575 / 2013 and Commission Implementing Regulation (EU) nr. 1423 / 2013

- Reconciliation of capital items, filters and deductions from capital to the Statement of financial position
- Disclosure of the nature and amounts of prudential filters, deductions from capital and a description of all restrictions applied to the calculation of own funds in accordance with the regulation CRR and the instruments, prudential filters and deductions to which those restrictions apply
- A description of the main features of the capital categories issued by the Bank

5. Capital requirements (CRR, Article 438)

- Capital solvency structure – SKB Group
- Overview of RWAs
- Solvency ratio
- Internal capital adequacy assessment process

6. Counterparty credit risk (CCR, Article 439, 444, 452)

6.1 Information on regulatory measures

- Analysis of CCR exposure by approach
- CVA capital charge

6.2 Information by regulatory risk-weighting approach

- CCR exposures by regulatory portfolio and risk

6.3 Other information on counterparty credit risk

7. Macro-prudential supervisory measures (CRR, Article 440, 441)

8. Credit risk and general information (CRR, Article 442, 453)

8.1 General qualitative information on credit risk

8.2 General quantitative information on credit risk

- Total and average net amount of exposures
- Geographical breakdown of exposures
- Concentration of exposures by industry or counterparty types
- Maturity of exposures
- Credit quality of exposures by exposure class and instrument
- Credit quality of exposures by industry or counterparty types
- Credit quality of exposures by geography
- Credit quality of exposures by rating buckets
- Exposures by exposure categories and by stage
- Ageing of past-due exposures
- Non-performing and forborne exposures
- Changes in the stock of general and specific credit risk adjustments
- Changes in the stock of defaulted and impaired loans and debt securities
- Changes in stock between stages
- Financial instruments at amortized cost

8.3 General qualitative information on CRM

8.4 General quantitative information on CRM

9. Encumbered Assets (CRR, Article 443)

- Assets
- Collateral received
- Sources of encumbrance

10. Credit risk and crm in a standardized approach (CCR, Article 444, 453)

10.1 Qualitative information on the use of a standardized approach

10.2 Quantitative information on the use of a standardized approach

- Credit risk exposure and CRM effects
- Breakdown of exposures under the standardised approach by asset class and risk weight

11. Market risk (CRR, Article 445, 455)

- Foreign exchange sensitivity analysis
- Group's foreign exchange risk exposure by currency as of the end of the year.

12. Operational risk (CRR, Article 446)

13. Liquidity risk

- Contractual expiry by maturity of the Group's contingent financial liabilities and commitments
- Maturity analysis of contractual cash flows of assets and liabilities
- Maturity analysis of assets and liabilities according to expected cash flows

14. Equity instruments not included in the trading book (CRR, Article 447)

15. Structural interest rate risk (CRR, člen 448)

- Realized interest rates (in %) by currency for SKB bank
- Interest rate risk

16. Remuneration policy (CRR, Article 450)

- Information on the decision – making process used in determining remuneration policy
- Information on the link between remuneration and performance
- The most important features of the design of the remuneration system
- Ration between fixed and variable remuneration
- Consolidated quantitative information on remuneration

17. Leverage ratio (CRR, Article 451)

- Management of the risk of excessive leverage ratio
- Leverage ratio according to Commission Delegated Regulation (EU) 2015/62

18. Statements