UniCredit Bank

Disclosures of UniCredit Group Slovenia for the year 2019

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Disclosures of UniCredit Group Slovenia for the year 2019 are prepared in accordance with the requirements of Capital Requirements Regulation – CRR (Regulation (EU) no 575/2013 of the European Parliament and of the Council of 26th June 2013 on prudential requirements for credit institutions and investment firms and amending regulation (EU) no 648/2012) and CRR2 (Regulation (EU) 2019/876 of the European Parliament and of the Council of 20th May 2019).

Disclosures are based on Consolidated level which consists of UniCredit Banka Slovenija d.d. and UniCredit Leasing, leasing, d.o.o.

Disclosures were approved by the Management Board of the Bank.

All amounts are in thousands of EUR, unless stated otherwise. Zero values refers to amounts lower than 500 euros.

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Capital Instruments and Common Equity Tier 1 (According to Article 437)

Capital Instruments

Main Features of Capital Instruments		
1	Issuer	UniCredit Banka Slovenija d.d.
2	Unique identifier	SI0021108749
3	Governing law(s) of the instrument	Slovenian Law
	Regulatory treatment	
4	Transitional CRR rules	Common Equity Tier 1
5	Post-transitional CRR rules	Common Equity Tier 1
6	Eligible at solo/(sub-)consolidated / solo & (sub-)consolidated	Solo (sub)consolidated
7	Instrument type	Common shares - Art. 26 CRR
8	Amount recognised in regulatory capital (currency in million)	128,143
9	Nominal amount of instrument	20,384
9a	Issue price	0,00417 EUR/per share
9b	Redemption price	N/A
10	Accounting classification	Shareholders' equity
11	Original date of issuance	28.12.1999 28.02.2006 21.09.2007
12	Perpetual or dated	Perpetual
13	Original maturity date	No maturity
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/A
	Coupons / dividends	
17	Fix or floating dividend/coupon	N/A
18	Coupon rate and any related index	N/A
19	Existence of a dividend stopper	No
20a	Full discretionary, partially discretionary or mandatory (in terms of timing)	Fully discretionary
20b	Full discretionary, partially discretionary or mandatory (in terms of amount)	Fully discretionary
21	Existance of step up or other incentive to redeem	No
22	Noncumulative or cumulative	Noncumulative
23	Convertible or non-convertible	Non-convertible
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	No
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
35	Position in subordination hiearchy in liquidation (specify instrument type immediately senior to instument)	N/A
36	Non-compliant transitioned features	No
37	If yes, specifiy non-compliant features	N/A
where question was not applicable, N/A was inserted		

Capital Instruments and Common Equity Tier 1 (According to Article 437)

Common Equity Tier 1

Common Equity Tier 1 capital: instruments and reserves		
1	Capital instruments and the related share premium accounts	128.143
	of which: common shares	20.384
2	Retained earnings	39.431
3	Accumulated other comprehensive income (and other reserves)	92.348
3a	Funds for general banking risk	-
4	Amount of qualifying items referred to in Article 484 (3) and the related share premium accounts subject to phase out from CET1	-
5	Minority interests (amount allowed in consolidated CET1)	-
5a	Independently reviewed interim profits net of any foreseeable charge or dividend	-
6	**Common Equity Tier 1 (CET1) capital before regulatory adjustments**	**259.922**
Common Equity Tier 1 (CET1) capital: regulatory adjustments		
7	Additional value adjustments (negative amount)	- 2.020
8	Intangible assets (net of related tax liability) (negative amount)	- 14.388
9	Empty set in the EU	
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) are met) (negative amount)	-
11	Fair value reserves related to gains or losses on cash flow hedges	-
12	Negative amounts resulting from the calculation of expected loss amounts	- 19
13	Any increase in equity that results from securitised assets (negative amount)	-
14	Gains or losses on liabilities valued at fair value resulting from changes in own credit standing	-
15	Defined-benefit pension fund assets (negative amount)	-
16	Direct and indirect holdings by an institution of own CET1 instruments (negative amount)	-
17	Direct, indirect and synthetic holdings of the CET1 instruments of financial sector entities where those entities have reciprocal cross holdings with the institution designed to inflate artificially the own finds of the institution (negative amount)	-
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 the 10% threshold and net of eligible short positions) (negative amount)	-
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 the 10% threshold and net of eligible short positions) (negative amount)	-
20	Empty set in the EU	
20a	Exposure amount of the following items which qualify for a RW of 1250%, where the institution opts for the deduction alternative	-
20b	of which: qualifying holdings outside the financial sector (negative amount)	-
20c	of which: securitisation positions (negative amount)	-
20d	of which: free deliveries (negative amount)	-
21	Deferred tax assets arising from temporary differences (amount above the 10% threshold, net of related tax liability where the conditions in 38(3) are met) (negative amount)	-
22	Amount exceeding the 15% threshold (negative amount)	-
23	of which: direct and indirect holdings by the institution of the CET1 instruments of financial sector entities where the institution has significant investment in those entities	-
24	Empty set in the EU	-
25	of which: deferred tax assets arising from temporary differences	-
25a	Losses for the current financial year (negative amount)	-
25b	Foreseeable tax charges relating to CET1 items (negative amount)	-
26	Regulatory adjustments applied to Common Equity Tier 1 in respect of amounts subject to pre-CRR treatment	-
26a	Regulatory adjustments relating to unrealised gains and losses pursuant to Articles 467 and 468	-
	Of which: ... filter of unrealised loss 1	-
	Of which: ... filter of unrealised loss 2	-
	Of which: ... filter for unrealised gain 1	-
	Of which: ... filter for unrealised gain 2	-
26b	Amount to be deducted from or added to Common Equity Tier 1 capital with regard to additional filters and deductions required pre CRR	-
	of which: ...	-
27	Qualifying AT1 deductions that exceed the AT1 capital of the institution (negative amount)	-
28	**Total regulatory adjustments to Common equity Tier 1 (CET1)**	**- 16.426**
29	**Common Equity Tier 1 (CET1) capital**	**243.496**

Additional Tier 1 (AT1) capital: instruments		
30	Capital instruments and the related share premium accounts	-
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 (5) and the related share premium accounts subject to phase out from AT1	-
	Public sector capital injections grandfathered until 1 January 2018	-
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	-
36	**Additional Tier 1 (AT1) capital: regulatory adjustments**	**-**
Additional Tier 1 (AT1) capital: regulatory adjustments		
37	Direct and indirect holdings by an institution of own AT1 instruments (negative amount)	-
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 finds of the institution (negative amount)	-
39	Direct, indirect and synthetic holdings by the institution of the AT1 instruments of financial sector entities where the institution does not have a significant investment in those entities (amount above the 10% threshold and net of eligible short positions) (negative amount)	-
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 (amount above the 10% threshold and net of eligible short positions) (negative amount)	-
41	Empty set in the EU	
41	Regulatory adjustments applied to the additional tier 1 in respect of amounts subject to pre-CRR treatment and transitional subject to phase out as prescribed in Regulation (EU) No 575/2013 (i.e. CRR residual amounts)	-
41a	Residual amounts deducted from additional Tier 1 capital with regard to deduction from Common Equity Tier 1 capital during the transitional period pursuant to the article 472 of Regulation (EU) No 575/2013	-
	Of which items to be detailed line by line, e.g. material net interim losses, intangibles, shortfall of provisions to expected losses etc.	-
41b	Residual amounts deducted from Additional Tier 1 capital with regard to deduction from Tier 2 capital during the transitional period pursuant to the article 472 of Regulation (EU) No 575/2013	-
	Of which items to be detailed line by line, e.g. reciprocal cross holdings in Tier 2 instruments, direct holdings of non significant investments in the capital of other financial sector entities, etc.	-
41c	Amount to be deducted from or added to the Additional Tier 1 capital with regard to additional filters and deductions required pre-CRR	-
	Of which: … possible filter for unrealised losses	-
	Of which: … possible filter for unrealised losses	-
	Of which: …	-
42	Qualifying T2 deductions that exceed the T2 capital of the institution (negative amount)	-
43	**Total regulatory adjustments to Additional Tier 1 (AT1) capital**	**-**
44	**Additional Tier (AT1) capital**	**-**
45	**Tier 1 capital (AT1 = CET1 + AT1)**	**243.496**
Tier 2 (T2) capital: instruments and provisions		
46	Capital instruments and the related share premium accounts	-
47	Amount of qualifying items referred to in Article 484 (5) and the related share premium accounts subject to phase out from T2	-
	Public sector capital injections grandfathered until 1 January 2018	-
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	3.344
51	**Tier 2 (T2) capital before regulatory adjustments**	**3.344**

Tier 2 (T2) capital: regulatory adjustments		
52	Direct and indirect holdings by an institution of own T2 instruments and subordinated loans (negative amount)	-
53	Holdings of 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 finds of the institution (negative amount)	-
54	Direct and indirect 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 the 10% threshold and net of eligible short positions) (negative amount)	-
54a	Of which new holdings not subject to transitional arrangements	-
54b	Of which holdings existing before 1 January 2013 and subject to transitional arrangements	-
55	Direct and indirect holdings by the institution of the T2 instruments of financial sector entities where the institution has a significant investment in those entities (net of eligible short positions) (negative amount)	-
56	Empty set in the EU	
56	Regulatory adjustments applied to Tier 2 in respect of amounts subject to pre-CRR treatment and transitional treatments subject to phase out as prescribed in Regulation (EU) No 575/2013 (i.e. CRR residual amounts)	-
56a	Residual amounts deducted from Tier 2 capital with regard to deduction from Common Equity Tier 1 capital during the transitional period pursuant to article 472 of Regulation (EU) No 575/2013	-
	Of which items to be detailed line by line, e.g. material net interim losses, intangibles, shortfall of provisions to expected losses etc.	-
56b	Residual amounts deducted from Tier 2 capital with regard to deduction from Additional Tier 1 capital during the transitional period pursuant to article 475 of Regulation (EU) No 575/2013	-
	Of which items to be detailed line by line, e.g. reciprocal cross holdings in AT1 instruments, direct holdings of non significant investments in the capital of other financial sector entities, etc.	-
56c	Amount to be deducted from or added to Tier 2 capital with regard to additional filters and deductions required pre-CRR	-
	of which: ... a possible filter for unrealized losses	
	of which: ... a possible filter for unrealized losses	
	of which: ...	
57	**Total regulatory adjustments to Tier 2 (T2) capital**	**-**
58	**Tier 2 (T2) capital**	**3.344**
59	**Total capital (TC = T1 + T2)**	**246.840**
59a	Risk weighted assets in respects of amounts subject to pre-CRR treatment and transitional treatments subject to phase out as prescribed in Regulation (EU) No 575/2013 (i.e. CRR residual amounts)	1.493.257
	Of which: ... items not deducted from CET1 (Regulation (EU) No 575/2013 residual amounts) (items to be detailed line by line, e.g. deferred tax assets that rely on future profitability net of related tax liability, indirect holdings of own CET1, etc.)	7.198
	Of which: ... items not deducted from AT1 (Regulation (EU) No 575/2013 residual amounts) (items to be detailed line by line, e.g. deferred tax assets that rely on future profitability net of related tax liability, indirect holdings of own CET1, etc.)	-
	Items not deducted from T2 items (Regulation (EU) No 575/2013 residual amounts) (items to be detailed line by line e.g. indirect holdings of own T2 instruments, indirect holdings of non-significant investments in the capital of other financial sector entities, indirect holdings of significant investments in the capital of other financial sector entities etc.)	-
60	**Total risk weighted assets**	**1.493.257**

Capital ratios and buffers		
61	**Common Equity Tier 1 (as a percentage of risk exposure amount)**	**16,31%**
62	**Tier 1 (as a percentage of risk exposure amount)**	**16,31%**
63	**Total capital (as a percentage of risk exposure amount)**	**16,53%**
64	Institution specific buffer requirement (CET1 requirement in accordance with article 92 (1) (a) plus capital conservation and countercyclical buffer requirements, plus systemic risk buffer, plus the systemically important institution buffer (G-SII or O-SII buffer), expressed as a percentage of risk exposure amount)	2,7548%
65	of which: capital conservation buffer requirement	2,50%
66	of which: countercyclical buffer requirement	0,0048%
67	of which: systemic risk buffer requirement	0,0%
67a	of which: Globally Systemically Important Instution (G-SII) or Other Systemically Important Institution(O-SII) buffer	0,25%
68	Common Equity Tier 1 available to meet buffers (as a percentage of risk exposure amount)	11,81%
69	[not relevant for EU legislation]	
70	[not relevant for EU legislation]	
71	[not relevant for EU legislation]	
Amounts below the thresholds for deduction (before risk weighting)		
72	Direct and indirect holdings of the capital of the financial sector entities where the institution does not have a significant investment in those entities (amount above the 10% threshold and net of eligible short positions)	-
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 10% threshold and the net of eligible short positions)	-
74	Empty set in the EU	
75	Deferred tax assets arising from temporary differences (amount below 10% threshold, net of related tax liability where the conditions in Article 38(3) are met)	-
Applicable caps on the inclusion of the 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)	-
77	Cap on inclusion of credit risk adjustment in T2 under standardised approach	-
78	Credit risk adjustments included in T2 in respect of exposures subject to internal ratings-based approach (prior to the application of the cap)	-
79	Cap on inclusion of credit risk adjustment in T2 under internal ratings-based approach	-
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	-
81	Amount excluded from CET1 due to cap (excess over cap after redemptions and maturities)	-
82	Current cap on AT1 instruments subject to phase out arrangements	-
83	Amount excluded from AT1 due to cap (excess over cap after redemptions and maturities)	-
84	Current cap on T2 instruments subject to phase out arrangements	-
85	Amount excluded from T2 due to cap (excess over cap after redemptions and maturities)	-

Template 4: EU OV1 – Overview of RWAs

CAPITAL REQUIREMENTS (Article 438)

Purpose: Provide an overview of total RWA forming the denominator of the risk-based capital requirements calculated in accordance with Article 92 of the CRR. Further breakdowns of RWAs are presented in subsequent parts of these guidelines.

		RWAs		Minimum capital requirements
		31.12.2019	30.09.2019	31.12.2019
1	Credit risk (excluding CCR)	1.306.618	1.306.083	104.529
2	Of which the standardised approach	759.113	735.730	60.729
3	Of which the foundation IRB (FIRB) approach	504.838	518.737	40.387
4	Of which the advanced IRB (AIRB) approach	36.407	45.572	2.913
5	Of which equity IRB under the simple risk-weighted approach or the IMA	6.261	6.044	501
6	CCR	11.070	10.061	886
7	Of which mark to market	11.070	10.061	886
8	Of which original exposure	-	-	-
9	Of which the standardised approach	-	-	-
10	Of which internal model method (IMM)	-	-	-
11	Of which: Financial collateral simple method (for SFTs)	-	-	-
12	Of which: Financial collateral comprehensive method (for SFTs)	-	-	-
13	Of which: VaR for SFTs	-	-	-
14	Of which risk exposure amount for contributions to the default fund of a CCP	-	-	-
15	Of which CVA	-	-	-
16	Settlement risk	-	-	-
17	Securitisation exposures in the banking book (after the cap)	-	-	-
18	Of which IRB approach	-	-	-
19	Of which IRB supervisory formula approach (SFA)	-	-	-
20	Of which internal assessment approach (IAA)	-	-	-
21	Of which standardised approach	-	-	-
22	Market risk	1.008	5,241 *	81
23	Of which the standardised approach	1.008	5.241	81
24	Of which IMA	-	-	-
25	Large exposures	-	-	-
26	Operational risk	97.362	99.085	7.789
27	Of which basic indicator approach	-	-	-
28	Of which standardised approach	12.666	13.312	1.013
29	Of which advanced measurement approach	84.696	85.773	6.776
30	Amounts below the thresholds for deduction (subject to 250% risk weight)	7.198	9.076	576
31	Floor adjustment	-	-	-
32	Other calculation elements	70.000	-	5.600
33	**Total**	**1.493.257**	**1.429.547**	**119.461**

* Note: Adjusted subsequent to the date of disclosure.

Credit risk RWA did not change significantly compared to the previous quarter, while market risk RWA decreased in 4Q 2019 because of lower trading bond position. "Other calculation elements" is due to PD Mid Corporate model update, which was booked in December 2019.

Template 5: EU CR10 – IRB (specialised lending and equities)

CAPITAL REQUIREMENTS (Article 438)

Purpose: Provide quantitative disclosures of institutions' specialised lending and equity exposures using the simple riskweighted approach.

Specialised lending							
Regulatory categories	**Remaining maturity**	**On-balancesheet amount**	**Off-balancesheet amount**	**Risk weight**	**Exposure amount**	**RWAs**	**Expected losses**
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						
Equities under the simple risk-weighted approach							
Categories		On-balancesheet amount	Off-balancesheet amount	Risk weight	Exposure amount	RWAs	Capital requirements
Private equity exposures		-	-	190%	-	-	-
Exchange-traded equity exposures		2.042	-	290%	2.042	5.920	474
Other equity exposures		92	-	370%	92	341	27
Total		**2.134**	**-**		**2.134**	**6.261**	**501**

Template 23: EU CR8 – RWA flow statements of credit risk exposures under the IRB approach
CAPITAL REQUIREMENTS (Article 438)
Purpose: Present a flow statement explaining variations in the credit RWAs of exposures for which the riskweighted amount is determined in accordance with Part Three, Title II, Chapter 3 of the CRR and the corresponding capital requirement as specified in Article 92(3)(a).

		a	b
		RWA amounts	Capital requirements
1	**RWAs as at the end of the previous reporting period (30.9.2019)**	**570.353**	**45.628**
2	Asset size	- 12.498	- 1.000
3	Asset quality	- 10.349	- 828
4	Model updates		
5	Methodology and policy		
6	Acquisitions and disposals		
7	Foreign exchange movements		
8	Other		
9	**RWAs as at the end of the reporting period (31.12.2019)**	**547.506**	**43.800**

Geographical distribution of credit exposures relevant for the calculation of the countercyclical capital buffer

CAPITAL BUFFERS (Article 440)

Row		General credit exposures		Trading book exposure		Securitisation exposure		Own funds requirements					
		Exposure value for SA	Exposure value IRB	Sum of long and short position of trading book	Value of trading book exposure for internal models	Exposure value for SA	Exposure value for IRB	Of which: General credit exposures	Of which: Trading book exposures	Of which: Securitisation exposures	Total	Own funds requirement weights	Countercyclical capital buffer rate
		010	020	030	040	050	060	070	080	090	100	110	120
010	Breakdown by country												
	United Arab Emirates	628	-	-	-	-	-	33	-	-	33	0,04%	0,00%
	Austria	1.197	8	-	-	-	-	62	-	-	62	0,07%	0,00%
	Bosnia and Herzegowina	4	100	-	-	-	-	10	-	-	10	0,01%	0,00%
	Belgium	-	32	-	-	-	-	10	-	-	10	0,01%	0,00%
	Bulgaria	24	-	-	-	-	-	1	-	-	1	0,00%	0,50%
	Brazil	1	-	-	-	-	-	0	-	-	0	0,00%	0,00%
	Canada	0	-	-	-	-	-	0	-	-	0	0,00%	0,00%
	Switzerland	538	4	-	-	-	-	29	-	-	29	0,03%	0,00%
	Cape verde	4	-	-	-	-	-	0	-	-	0	0,00%	0,00%
	Cyprus	1	-	-	-	-	-	0	-	-	0	0,00%	0,00%
	Czech Republic	98	1	-	-	-	-	3	-	-	3	0,00%	1,50%
	Germany	690	1	-	-	-	-	35	-	-	35	0,04%	0,00%
	Denmark	-	-	-	-	-	-	-	-	-	-	0,00%	1,00%
	Dominican Republic	1	-	-	-	-	-	0	-	-	0	0,00%	0,00%
	Algeria	0	-	-	-	-	-	0	-	-	0	0,00%	0,00%
	Spain	0	105	-	-	-	-	8	-	-	8	0,01%	0,00%
	Finland	0	-	-	-	-	-	0	-	-	0	0,00%	0,00%
	France	80	-	-	-	-	-	5	-	-	5	0,01%	0,25%
	United Kingdom	304	5.605	-	-	-	-	403	-	-	403	0,43%	1,00%
	Gibraltar	0	-	-	-	-	-	0	-	-	0	0,00%	0,00%
	Greece	0	-	-	-	-	-	-	-	-	-	0,00%	0,00%
	Hong Kong	-	-	-	-	-	-	-	-	-	-	0,00%	2,00%
	Croatia	129	23.941	-	-	-	-	695	-	-	695	0,75%	0,00%
	Hungary	2	39	-	-	-	-	2	-	-	2	0,00%	0,00%
	Ireland	-	-	-	-	-	-	-	-	-	-	0,00%	1,00%
	Israel	0	-	-	-	-	-	0	-	-	0	0,00%	0,00%
	India	2	-	-	-	-	-	0	-	-	0	0,00%	0,00%
	Iceland	-	-	-	-	-	-	-	-	-	-	0,00%	1,75%
	Italy	547	-	-	-	-	-	31	-	-	31	0,03%	0,00%
	Japan	1	-	-	-	-	-	0	-	-	0	0,00%	0,00%
	Kuwait	115	-	-	-	-	-	7	-	-	7	0,01%	0,00%
	Kazakhstan	0	-	-	-	-	-	0	-	-	0	0,00%	0,00%
	Lithuania	0	-	-	-	-	-	0	-	-	0	0,00%	1,00%
	Luxembourg	294	-	-	-	-	-	9	-	-	9	0,01%	0,00%
	Montenegro	0	-	-	-	-	-	0	-	-	0	0,00%	0,00%
	Macedonia	0	-	-	-	-	-	0	-	-	0	0,00%	0,00%
	Malta	1	8	-	-	-	-	1	-	-	1	0,00%	0,00%
	Netherlands	10.028	4.793	-	-	-	-	1.287	-	-	1.287	1,39%	0,00%
	Norway	-	-	-	-	-	-	-	-	-	-	0,00%	2,50%
	New Zealand	0	-	-	-	-	-	0	-	-	0	0,00%	0,00%
	Pakistan	1	-	-	-	-	-	0	-	-	0	0,00%	0,00%
	Poland	0	-	-	-	-	-	0	-	-	0	0,00%	0,00%
	Portugal	0	-	-	-	-	-	0	-	-	0	0,00%	0,00%
	Qatar	1	-	-	-	-	-	0	-	-	0	0,00%	0,00%
	Romania	0	-	-	-	-	-	0	-	-	0	0,00%	0,00%
	Serbia	27	142	-	-	-	-	13	-	-	13	0,01%	0,00%
	Russian Federation	1	1	-	-	-	-	0	-	-	0	0,00%	0,00%
	Sweden	207	-	-	-	-	-	16	-	-	16	0,02%	2,50%
	Slovenia	1.215.117	759.918	-	-	-	-	89.660	-	-	89.660	96,62%	0,00%
	Slovakia	-	-	-	-	-	-	-	-	-	-	0,00%	1,50%
	Thailand	0	-	-	-	-	-	0	-	-	0	0,00%	0,00%
	Turkey	0	-	-	-	-	-	0	-	-	0	0,00%	0,00%
	Ukraine	2	-	-	-	-	-	0	-	-	0	0,00%	0,00%
	United States	42	2.042	-	-	-	-	476	-	-	476	0,51%	0,00%
020	**Total**	**1.230.088**	**796.738**	**-**	**-**	**-**	**-**	**92.795**	**-**	**-**	**92.795**	**100%**	**16,50%**

Amount of institution-specific countercyclical capital buffer

CAPITAL BUFFERS (Article 440)

Row		Column
		010
010	Total risk exposure amount	1.493.257
020	Institution specific countercyclical buffer rate	0,0048%
030	Institution specific countercyclical buffer requirement	72

Table 6: EU CRB-A – Additional disclosure related to the credit quality of assets

CREDIT RISK ADJUSTMENTS (Article 442)

Purpose: Supplement the quantitative templates with information on the credit quality of an institution's assets.

Qualitative disclosures

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 (Article 442 a)

Loans and debt securities classified as financial assets at amortised cost, financial assets at fair value through comprehensive income and relevant off-balance sheet exposures are impaired in line with IFRS 9 and classified in stage 1, stage 2 or stage 3 according to their absolute or relative credit quality with respect to initial disbursement.

Specifically:

- Stage 1: includes (i) newly issued or acquired credit exposures, (ii) exposures for which credit risk has not significantly deteriorated since initial recognition, (iii) exposures having low credit risk (low credit risk exemption);
- Stage 2: includes credit exposures that, although performing, have seen their credit risk significantly deteriorating since initial recognition;
- Stage 3: includes impaired credit exposures.

For exposures in stage 1, impairment is equal to the expected loss calculated over a time horizon of up to one year. For exposures in stages 2 or 3, impairment is equal to the expected loss calculated over a time horizon corresponding to the entire life of the exposure.

The allocation of credit exposures in one of the abovementioned stages is done at initial recognition, when the exposures is classified at stage 1 and it is periodically reviewed.

With reference to stage 3, it should be noted that it includes impaired exposures corresponding to the aggregate Non-Performing Exposures as ITS EBA (EBA/ITS /2013/03/rev1 7/24/2014), in accordance with Banca d'Italia rules, defined in Circular No.272 of 30 July 2008 and subsequent updates.

In particular EBA has defined as "Non-Performing" the exposures that meet one or both of the following criteria:

- material exposures with more than 90 days past due;
- exposures for which the bank values that is unlikely that the debtor would pay in full his credit obligations without recurring to enforcement and realisation of collaterals, regardless of past due exposures and the number of days the exposure is past due.

In addition, the abovementioned Circular No.272 establishes that the aggregate of impaired assets is divided into the following categories:

- Non-performing (Bank of Italy class Bad) – formally impaired loans, being exposed to insolvent borrowers, even if the insolvency has not been recognized in a court of law, or borrowers in a similar situation. The measurement is performed on a loan-by-loan or portfolio basis.
- Doubtful (Bank of Italy class Unlikely to pay other than Bad (UTP)) – exposure to borrowers experiencing temporary difficulties, which the Group believes may be overcome within a reasonable period. Doubtful loans are valued on a loan-by-loan basis or portfolio basis.
- Past-due (Bank of Italy Past Due) – total exposure to any borrower not included in other categories, which at the balance-sheet date has expired facilities or unauthorized overdrafts that are more than 90 days and less than 180 days past due. Doubtful loans are valued on a loan-by-loan basis or portfolio basis.

Description of methods used for determining general and specific credit risk adjustments (Article 442, line b)

Methods adopted for determining general and specific credit risk adjustments are described in the Bank's Annual Report, chapter Summary of Accounting Policies, subchapter ***Impairments and provisions*** and in the chapter ***Impairment and provisioning policies*** .

Template 7: EU CRB-B – Total and average net amount of exposures			
CREDIT RISK ADJUSTMENTS (Article 442)			
		a	b
		Net value of exposures at the end of the period (31.12.2019)	Average net exposures over the period (year 2019)
1	Central governments or central banks	-	-
2	Institutions	468.769	424.071
3	Corporates	1.404.040	1.388.020
4	*Of which: Specialised lending*	-	-
5	*Of which: SMEs*	380.628	389.416
6	Retail	-	-
7	*Secured by real estate property*	-	-
8	*SMEs*	-	-
9	*Non-SMEs*	-	-
10	*Qualifying revolving*	-	-
11	*Other retail*	-	-
12	*SMEs*	-	-
13	*Non-SMEs*	-	-
14	Equity	2.134	1.995
15	***Total IRB approach***	**1.874.942**	**1.814.086**
16	Central governments or central banks	605.243	616.735
17	Regional governments or local authorities	106.579	106.428
18	Public sector entities	58.440	59.426
19	Multilateral development banks	-	-
20	International organisations	-	-
21	Institutions	686	985
22	Corporates	154.945	150.608
23	*Of which: SMEs*	49.478	50.740
24	Retail	539.800	513.914
25	*Of which: SMEs*	69.554	72.837
26	Secured by mortgages on immovable property	380.270	405.603
27	*Of which: SMEs*	23.958	26.882
28	Exposures in default	20.856	21.993
29	Items associated with particularly high risk	6.240	9.554
30	Covered bonds	-	-
31	Claims on institutions and corporates with a short-term credit assessment	0	299
32	Collective investments undertakings	22.965	22.974
33	Equity exposures	-	-
34	Other exposures	7.089	7.942
35	***Total standardised approach***	**1.903.113**	**1.916.461**
36	***Total***	**3.778.055**	**3.730.547**

Template 8: EU CRB-C – Geographical breakdown of exposures

CREDIT RISK ADJUSTMENTS (Article 442)

Purpose: Provide a breakdown of exposures by geographical areas and exposure classes.

		a	b	c	d	e	f	g	h	i	j	k	l	m	n	o	p	q	r	s	t	u
												Net value										
		EUROPE	OF WHICH: AUSTRIA	OF WHICH: ITALY	OF WHICH: GERMANY	OF WHICH: CZECH REPUBLIC	OF WHICH: SPAIN	OF WHICH: FRANCE	OF WHICH: CROATIA	OF WHICH: UNITED KINGDOM	OF WHICH: ROMANIA	OF WHICH: BULGARIA	OF WHICH: HUNGARY	OF WHICH: SWITZERLAND	OF WHICH: OTHER EUROPEAN COUNTRIES	**AMERICA**	OF WHICH: USA	**ASIA**	OF WHICH: TURKEY	**REST OF THE WORLD**	OF WHICH: RUSSIA	**TOTAL**
1	Central governments or central banks	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2	Institutions	457.183	35.504	52.565	194.192	123	0	15.320	3.460	200	90	-	4.499	139.940	11.289	11.428	11.428	5	-	152	-	468.769
3	Corporates	1.403.797	10	-	1	1	105	-	62.078	5.605	-	-	50	2.088	1.333.859	0	0	-	-	243	1	1.404.040
4	Retail	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
5	Equity	92	-	-	-	-	-	-	-	-	-	-	-	-	92	2.042	2.042	-	-	-	-	2.134
6	***Total IRB approach***	**1.861.072**	**35.514**	**52.565**	**194.193**	**124**	**105**	**15.320**	**65.539**	**5.805**	**90**	**-**	**4.549**	**142.028**	**1.345.240**	**13.470**	**13.470**	**5**	**-**	**395**	**1**	**1.874.942**
7	Central governments or central banks	605.243	5	49.782	-	-	-	-	-	-	-	-	-	-	555.456	-	-	-	-	-	-	605.243
8	Regional governments or local authorities	106.579	-	-	-	-	-	-	-	-	-	-	-	-	106.579	-	-	-	-	-	-	106.579
9	Public sector entities	58.440	-	-	-	-	-	-	-	-	-	-	-	-	58.440	-	-	-	-	-	-	58.440
10	Multilateral development banks	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
11	International organisations	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
12	Institutions	686	1	-	-	-	-	227	-	-	-	-	458	-	1	-	-	-	-	-	-	686
13	Corporates	154.939	7	-	-	0	-	-	-	136	-	-	12	4	154.780	0	0	-	-	6	-	154.945
14	Retail	539.029	868	303	426	2	0	82	68	172	30	24	6	416	536.633	53	43	641	0	78	12	539.800
15	Secured by mortgages on immovable property	380.139	343	204	220	97	-	-	69	-	-	-	-	123	379.082	-	-	131	-	-	-	380.270
16	Exposures in default	20.855	11	77	52	-	-	-	0	-	-	-	-	-	20.715	-	-	0	-	0	-	20.856
17	Items associated with particularly high risk	6.240	-	-	-	-	-	-	-	-	-	-	-	-	6.240	-	-	-	-	-	-	6.240
18	Covered bonds	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
19	Claims on institutions and corporates with a shortterm credit assessment	0	-	-	-	-	-	-	-	-	-	-	-	-	0	-	-	-	-	-	-	0
20	Collective investments undertakings	22.965	-	-	-	-	-	-	-	-	-	-	-	-	22.965	-	-	-	-	-	-	22.965
21	Equity exposures	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
22	Other exposures	7.089	-	-	-	-	-	-	-	-	-	-	-	-	7.089	-	-	-	-	-	-	7.089
23	***Total standardised approach***	**1.902.204**	**1.235**	**50.366**	**698**	**100**	**0**	**309**	**137**	**308**	**30**	**24**	**475**	**544**	**1.847.980**	**53**	**43**	**772**	**0**	**84**	**12**	**1.903.113**
24	***Total***	**3.763.276**	**36.749**	**102.931**	**194.891**	**224**	**105**	**15.629**	**65.675**	**6.113**	**120**	**24**	**5.024**	**142.572**	**3.193.220**	**13.523**	**13.513**	**777**	**0**	**479**	**12**	**3.778.055**

Template 9: EU CRB-D – Concentration of exposures by industry or counterparty types

CREDIT RISK ADJUSTMENTS (Article 442)

Purpose: Provide a breakdown of exposures by industry or counterparty types and exposure classes.

		a	b	c	d	e	f	g	h	i	j	k	l	m	n	o	p	q	r	s	t	u
		Agriculture, forestry and fishing	Mining and quarrying	Manufacturing	Electricity, gas, steam and air conditioning supply	Water supply	Construction	Wholesale and retail trade	Transport and storage	Accommodation and food service activities	Information and communication	Financial and insurance activities	Real estate activities	Professional, scientific and technical activities	Administrative and support service activities	Public administration and defence, compulsory social security	Education	Human health services and social work activities	Arts, entertainment and recreation	Other services	Activities of households as employers; undifferent goods- and services-producing activities of households for own use	Total
1	Central governments or central banks	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2	Institutions	-	-	-	-	-	-	-	-	-	-	468.769	-	-	-	-	-	-	-	-	-	468.769
3	Corporates	2.467	114	331.839	163.508	11.580	62.953	367.991	133.414	4.395	101.921	31.580	39.951	83.491	66.446	-	28	147	581	1.068	567	1.404.040
4	Retail	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
5	Equity	-	-	-	-	-	-	-	-	-	92	2.042	-	-	-	-	-	-	-	-	-	2.134
6	***Total IRB approach***	**2.467**	**114**	**331.839**	**163.508**	**11.580**	**62.953**	**367.991**	**133.414**	**4.395**	**102.014**	**502.390**	**39.951**	**83.491**	**66.446**	**-**	**28**	**147**	**581**	**1.068**	**567**	**1.874.942**
7	Central governments or central banks	-	-	-	-	-	-	-	-	-	-	282.641	-	-	-	319.722	-	-	-	2.879	-	605.243
8	Regional governments or local authorities	-	-	-	-	-	-	-	-	-	-	-	-	-	-	106.579	-	-	-	-	-	106.579
9	Public sector entities	-	-	-	28.255	-	-	-	20.338	-	-	-	-	-	-	70	7.396	2.381	-	-	-	58.440
10	Multilateral development banks	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
11	International organisations	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
12	Institutions	-	-	-	-	-	-	-	-	-	-	686	-	-	-	-	-	-	-	-	-	686
13	Corporates	5.531	824	23.976	182	4.056	10.863	15.229	66.125	2.954	1.106	10.316	611	4.439	3.346	388	134	2.081	151	329	2.305	154.945
14	Retail	1.563	101	8.980	139	503	6.478	9.324	19.934	1.333	1.199	20	414	3.711	1.997	-	1.340	1.330	199	557	480.678	539.800
15	Secured by mortgages on immovable property	-	-	1.606	-	-	1.834	3.359	4.404	2.865	2.603	190	1.997	1.662	658	-	405	1.503	359	70	356.754	380.270
16	Exposures in default	2	-	364	0	0	127	9.201	1.139	39	3	3	2	55	1	0	0	24	0	3	9.893	20.856
17	Items associated with particularly high risk	-	-	-	357	-	5.567	-	-	-	-	-	317	-	-	-	-	-	-	-	-	6.240
18	Covered bonds	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
19	Claims on institutions and corporates with a shortterm credit assessment	-	-	-	-	-	-	-	-	-	-	0	-	-	-	-	-	-	-	-	-	0
20	Collective investments undertakings	-	-	-	-	-	-	-	-	-	-	22.965	-	-	-	-	-	-	-	-	-	22.965
21	Equity exposures	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
22	Other exposures	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	7.089	-	7.089
23	***Total standardised approach***	**7.096**	**924**	**34.926**	**28.932**	**4.559**	**24.868**	**37.113**	**111.941**	**7.190**	**4.911**	**316.821**	**3.341**	**9.867**	**6.003**	**426.759**	**9.275**	**7.320**	**709**	**10.927**	**849.630**	**1.903.113**
24	***Total***	**9.563**	**1.038**	**366.765**	**192.440**	**16.139**	**87.821**	**405.104**	**245.355**	**11.586**	**106.925**	**819.211**	**43.291**	**93.359**	**72.449**	**426.759**	**9.303**	**7.466**	**1.289**	**11.995**	**850.197**	**3.778.055**

Template 10: EU CRB-E – Maturity of exposures

CREDIT RISK ADJUSTMENTS (Article 442)

Purpose: Provide a breakdown of on-balance net exposures by residual maturity and exposure classes.

		a	b	c	d	e	f
		Net exposure value					
		On demand	<= 1 year	> 1 year <= 5 years	> 5 years	No stated maturity	Total
1	Central governments or central banks	-	-	-	-	-	-
2	Institutions	56.960	21.619	1	0	-	78.579
3	Corporates	3.048	134.884	395.493	238.047	-	771.472
4	Retail	-	-	-	-	-	-
5	Equity	-	-	-	-	2.134	2.134
6	***Total IRB approach***	**60.007**	**156.503**	**395.494**	**238.047**	**2.134**	**852.185**
7	Central governments or central banks	282.644	31.908	180.213	107.591	2.879	605.235
8	Regional governments or local authorities	1.272	384	12.114	92.608	-	106.379
9	Public sector entities	-	7.665	13.130	34.505	-	55.299
10	Multilateral development banks	-	-	-	-	-	-
11	International organisations	-	-	-	-	-	-
12	Institutions	2	458	-	-	-	459
13	Corporates	114	19.434	118.650	14.381	-	152.579
14	Retail	15.240	20.797	88.053	367.446	-	491.537
15	Secured by mortgages on immovable property	-	1.420	20.980	356.841	-	379.241
16	Exposures in default	954	480	5.162	14.249	-	20.844
17	Items associated with particularly high risk	7	964	3.752	1.517	-	6.240
18	Covered bonds	-	-	-	-	-	-
19	Claims on institutions and corporates with a shortterm credit assessment	0	-	-	-	-	0
20	Collective investments undertakings	22.965	-	-	-	-	22.965
21	Equity exposures	-	-	-	-	-	-
22	Other exposures	7.089	-	-	-	-	7.089
23	***Total standardised approach***	**330.287**	**83.510**	**442.055**	**989.138**	**2.879**	**1.847.869**
24	***Total***	**390.295**	**240.013**	**837.548**	**1.227.184**	**5.013**	**2.700.054**

Template 11: EU CR1-A – Credit quality of exposures by exposure class and instrument

CREDIT RISK ADJUSTMENTS (Article 442)

Purpose: Provide a comprehensive picture of the credit quality of an institution's on-balance-sheet and off-balance-sheet exposures.

		a	b	c	d	e	f	g
		Gross carrying values of		Specific credit risk adjustment	General credit risk adjustment	Accumulated write-offs	Credit risk adjustment charges of the period	Net values
		Defaulted exposures	Non-defaulted exposures					(a+b-c-d)
1	Central governments or central banks	-	-	-	-	-	-	-
2	Institutions	-	468.841	73	-	-	1	468.769
3	Corporates	36.031	1.400.911	32.902	-	2.982	5.700	1.404.040
4	Of which: Specialised lending	-	-	-	-	-	-	-
5	Of which: SMEs	24.234	378.896	22.502	-	4	3.948	380.628
6	Retail	-	-	-	-	-	-	-
7	*Secured by real estate property*	-	-	-	-	-	-	-
8	*SMEs*	-	-	-	-	-	-	-
9	*Non-SMEs*	-	-	-	-	-	-	-
10	*Qualifying revolving*	-	-	-	-	-	-	-
11	*Other retail*	-	-	-	-	-	-	-
12	*SMEs*	-	-	-	-	-	-	-
13	*Non-SMEs*	-	-	-	-	-	-	-
14	Equity	-	2.134	-	-	-	-	2.134
15	***Total IRB approach***	**36.031**	**1.871.886**	**32.975**	**-**	**2.982**	**5.701**	**1.874.942**
16	Central governments or central banks	-	605.271	29	-	-	0	605.243
17	Regional governments or local authorities	-	106.607	28	-	-	0	106.579
18	Public sector entities	-	58.510	71	-	-	45	58.440
19	Multilateral development banks	-	-	-	-	-	-	-
20	International organisations	-	-	-	-	-	-	-
21	Institutions	-	686	0	-	-	0	686
22	Corporates	16.495	157.150	10.841	-	1	797	162.804
23	*Of which: SMEs*	1.347	49.948	1.316	-	-	4	49.979
24	Retail	27.237	543.143	22.075	-	28	816	548.306
25	*Of which: SMEs*	6.212	70.303	6.215	-	1	324	70.300
26	Secured by mortgages on immovable property	4.587	380.978	805	-	0	143	384.760
27	*Of which: SMEs*	398	24.046	107	-	0	9	24.337
28	Exposures in default	48.320	-	27.464	-	1.424	3.973	20.856
29	Items associated with particularly high risk	2.345	6.271	2.376	-	3	11	6.240
30	Covered bonds	-	-	-	-	-	-	-
31	Claims on institutions and corporates with a shortterm credit assessment	-	0	0	-	-	-	0
32	Collective investments undertakings	-	22.965	-	-	-	-	22.965
33	Equity exposures	-	-	-	-	-	-	-
34	Other exposures	-	7.089	-	-	-	-	7.089
35	***Total standardised approach***	**50.664**	**1.888.672**	**36.224**	**-**	**1.456**	**5.786**	**1.903.113**
36	***Total***	**86.695**	**3.760.558**	**69.198**	**-**	**4.438**	**11.487**	**3.778.055**
37	Of which: Loans	78.281	2.331.956	60.125	-	4.438	9.989	2.350.112
38	Of which: Debt securities	-	314.907	32	-	-	-	314.875
39	Of which: Off-balance-sheet exposures	8.414	1.078.628	9.041	-	-	1.498	1.078.001

Template 12: EU CR1-B – Credit quality of exposures by industry or counterparty types

CREDIT RISK ADJUSTMENTS (Article 442)

Purpose: Provide a comprehensive picture of the credit quality of an institution's on-balance-sheet and off-balance0sheet exposures by industry or counterparty types.

		a	b	c	d	e	f	g
		Gross carrying values of		Specific credit risk adjustment	General credit risk adjustment	Accumulated write-offs	Credit risk adjustment charges	Net values
		Defaulted exposures	Non-defaulted exposures					(a +b-c-d)
1	Agriculture, forestry and fishing	6	9.789	232	-	-	39	9.563
2	Mining and quarrying	-	1.087	49	-	-	-	1.038
3	Manufacturing	7.461	367.652	8.348	-	2.977	1.838	366.765
4	Electricity, gas, steam and air conditioning supply	936	192.710	1.205	-	-	85	192.440
5	Water supply	1	16.180	43	-	0	-	16.139
6	Construction	5.705	88.176	6.060	-	0	143	87.821
7	Wholesale and retail trade	32.436	393.060	20.392	-	2	1.606	405.104
8	Transport and storage	7.244	243.068	4.957	-	2	1.893	245.355
9	Accommodation and food service activities	125	11.678	217	-	0	-	11.586
10	Information and communication	164	107.111	350	-	0	-	106.925
11	Financial and insurance activities	299	819.812	900	-	0	581	819.211
12	Real estate activities	1.590	43.618	1.916	-	277	1.614	43.291
13	Professional, scientific and technical activities	6.204	93.278	6.124	-	-	445	93.359
14	Administrative and support service activities	606	72.595	752	-	0	36	72.449
15	Public administration and defence, compulsory social security	0	426.819	60	-	-	0	426.759
16	Education	41	9.324	62	-	0	-	9.303
17	Human health services and social work activities	68	7.546	148	-	-	-	7.466
18	Arts, entertainment and recreation	88	1.368	167	-	-	-	1.289
19	Other services	46	12.000	51	-	-	-	11.995
20	Activities of households as employers; undifferentiated goods- and services-producing activities of households for own use	23.677	843.687	17.167	-	1.178	3.206	850.197
21	**Total**	**86.695**	**3.760.558**	**69.198**	**-**	**4.438**	**11.487**	**3.778.055**

Template 13: EU CR1-C – Credit quality of exposures by geography

CREDIT RISK ADJUSTMENTS (Article 442)

Purpose: Provide a comprehensive picture of the credit quality of an institution's on-balance-sheet and off-balance-sheet exposures by geography.

		a	b	c	d	e	f	g
		Gross carrying values of		Specific credit risk adjustment	General credit risk adjustment	Accumulated write-offs	Credit risk adjustment charges	Net values
		Defaulted exposures	Non-defaulted exposures					(a+b-c-d)
1	EUROPE	86.664	3.745.762	69.150	-	4.438	11.487	3.763.276
2	*OF WHICH: AUSTRIA*	60	36.748	59	-	0	4	36.749
3	*OF WHICH: ITALY*	93	102.872	34	-	1	20	102.931
4	*OF WHICH: GERMANY*	65	194.869	43	-	0	22	194.891
5	*OF WHICH: CZECH REPUBLIC*	-	224	0	-	-	-	224
6	*OF WHICH: SPAIN*	-	105	1	-	-	-	105
7	*OF WHICH: FRANCE*	-	15.629	0	-	0	-	15.629
8	OF WHICH: CROATIA	3.614	63.612	1.550	-	0	182	65.675
9	OF WHICH: UNITED KINGDOM	-	6.113	1	-	0	-	6.113
10	OF WHICH: ROMANIA	-	120	0	-	-	-	120
11	*OF WHICH: BULGARIA*	-	24	0	-	0	-	24
12	*OF WHICH: HUNGARY*	-	5.025	0	-	0	-	5.024
13	*OF WHICH: SWITZERLAND*	-	142.630	59	-	-	3	142.572
14	OF WHICH: OTHER EUROPEAN COUNTRIES	82.833	3.177.791	67.403	-	4.436	11.256	3.193.220
15	AMERICA	-	13.523	0	-	0	-	13.523
16	OF WHICH: USA	-	13.513	0	-	-	-	13.513
17	*ASIA*	5	794	22	-	0	-	777
18	OF WHICH: TURKEY	-	0	0	-	-	-	0
19	REST OF THE WORLD	26	479	26	-	0	-	479
20	*OF WHICH: RUSSIA*	-	13	0	-	-	-	12
21	**TOTAL**	**86.695**	**3.760.558**	**69.198**	**-**	**4.438**	**11.487**	**3.778.055**

Template 1: Credit quality of forborne exposures

Purpose: Provide an overview of the quality of forborne exposures as per Commission Implementing Regulation (EU) No 680/2014.

		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	
		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				
1	Loans and advances	2.252	16.288	16.288	14.610	60	10.287	4.133	2.908
2	Central banks	-	-	-	-	-	-	-	-
3	General governments	-	-	-	-	-	-	-	-
4	Credit institutions	-	-	-	-	-	-	-	-
5	Other financial corporations	-	-	-	-	-	-	-	-
6	Non-financial corporations	877	13.170	13.170	11.492	49	10.090	1.583	1.394
7	Households	1.376	3.119	3.119	3.119	11	197	2.550	1.514
8	Debt Securities	-	-	-	-	-	-	-	-
9	Loan commitments given	25	2.076	2.076	2.076	0	1.680	-	-
10	**Total**	**2.277**	**18.365**	**18.365**	**16.687**	**60**	**11.966**	**4.133**	**2.908**

Template 3: Credit quality of performing and non-performing exposures by past due days

Purpose: Provide an overview of credit quality of non-performing exposures, as per Commission Implementing Regulation (EU) No 680/2014.

		a	b	c	d	e	f	g	h	i	j	k	l
		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 days	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
1	**Loans and advances**	**2.333.921**	**2.333.446**	**476**	**82.194**	**38.850**	**1.556**	**3.130**	**6.185**	**10.901**	**6.664**	**14.908**	**82.194**
2	Central banks	282.591	282.591	-	-	-	-	-	-	-	-	-	-
3	General governments	213.843	213.843	-	-	-	-	-	-	-	-	-	-
4	Credit institutions	80.390	80.390	-	-	-	-	-	-	-	-	-	-
5	Other financial corporations	21.012	21.012	-	297	43	-	80	0	0	-	173	297
6	Non-financial corporations	887.545	887.417	128	57.053	32.040	848	1.700	2.355	5.549	5.586	8.975	57.053
7	Of which SMEs	411.553	411.425	128	46.529	22.497	846	1.700	2.248	5.549	5.586	8.103	46.529
8	Households	848.542	848.195	348	24.844	6.768	708	1.350	3.829	5.351	1.078	5.760	24.844
9	**Debt securities**	**314.907**	**314.907**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
10	Central banks	-	-	-	-	-	-	-	-	-	-	-	-
11	General governments	302.649	302.649	-	-	-	-	-	-	-	-	-	-
12	Credit institutions	-	-	-	-	-	-	-	-	-	-	-	-
13	Other financial corporations	-	-	-	-	-	-	-	-	-	-	-	-
14	Non-financial corporations	12.258	12.258	-	-	-	-	-	-	-	-	-	-
15	**Off-balance-sheet exposures**	**1.078.586**			**8.456**								**8.456**
16	Central banks	-			-								-
17	General governments	3.369			-								-
18	Credit institutions	390.485			-								-
19	Other financial corporations	15.669			-								-
20	Non-financial corporations	629.699			8.371								8.371
21	Households	39.363			85								85
22	**Total**	**3.727.414**	**2.648.352**	**476**	**90.650**	**38.850**	**1.556**	**3.130**	**6.185**	**10.901**	**6.664**	**14.908**	**90.650**

Template 4: Performing and non-performing exposures and related provisions.

Purpose: Provide an overview of the credit quality of non-performing exposures and related impairments, provisions and valuation adjustments by portfolio and exposure class.

		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			
1	**Loans and advances**	**2.333.921**	**1.894.929**	**438.993**	**82.194**	**-**	**82.194**	**9.401**	**3.798**	**5.603**	**50.757**	**-**	**50.757**	**11.282**	**999.519**	**22.236**
2	Central banks	282.591	282.589	1	-	-	-	0	0	-	-	-	-	-	-	-
3	General governments	213.843	206.856	6.987	-	-	-	74	23	51	-	-	-	-	826	-
4	Credit institutions	80.390	79.227	1.162	-	-	-	4	3	1	-	-	-	-	-	-
5	Other financial corporations	21.012	19.960	1.052	297	-	297	13	11	2	297	-	297	-	502	-
6	Non-financial corporations	887.545	726.557	160.988	57.053	-	57.053	6.071	2.841	3.230	35.022	-	35.022	11.282	292.225	15.952
7	Of which SMEs	411.553	328.512	83.041	46.529	-	46.529	4.307	2.064	2.243	31.797	-	31.797	582	165.237	14.679
8	Households	848.542	579.740	268.803	24.844	-	24.844	3.239	919	2.320	15.438	-	15.438	-	705.966	6.284
9	**Debt securities**	**314.907**	**314.907**	**-**	**-**	**-**	**-**	**29**	**29**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
10	Central banks	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
11	General governments	302.649	302.649	-	-	-	-	25	25	-	-	-	-	-	-	-
12	Credit institutions	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
13	Other financial corporations	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
14	Non-financial corporations	12.258	12.258	-	-	-	-	4	4	-	-	-	-	-	-	-
15	**Off-balance-sheet exposures**	**1.078.586**	**870.072**	**208.514**	**8.456**	**-**	**8.456**	**818**	**339**	**480**	**6.546**	**-**	**6.546**		251.011	-
16	Central banks	-	-	-	-	-	-	-	-	-	-	-	-		-	-
17	General governments	3.369	3.366	3	-	-	-	0	0	-	-	-	-		147.611	-
18	Credit institutions	390.485	253.303	137.183	-	-	-	68	19	49	-	-	-		1.635	-
19	Other financial corporations	15.669	15.656	13	-	-	-	10	9	0	-	-	-		50	-
20	Non-financial corporations	629.699	565.615	64.085	8.371	-	8.371	643	235	408	6.464	-	6.464		99.014	79
21	Households	39.363	32.133	7.231	85	-	85	98	76	23	82	-	82		2.701	-
22	**Total**	**3.727.414**	**3.079.907**	**647.507**	**90.650**	**-**	**90.650**	**10.249**	**4.166**	**6.082**	**57.303**	**-**	**57.303**	**11.282**	**1.250.530**	**22.236**

Template 9: Collateral obtained by taking possession and execution processes

Purpose: Provide an overview of foreclosed assets obtained from non-performing exposures.

		a	b
		Collateral obtained by taking possession	
		Value at initial recognition	Accumulated negative changes
1	Property, plant and equipment (PP&E)	0	0
2	Other than PP&E	561	-267
3	Residential immovable property	0	0
4	Commercial Immovable property	0	0
5	Movable property (auto, shipping, etc.)	561	-267
6	Equity and debt instruments	0	0
7	Other	0	0
8	**Total**	**561**	**-267**

Template 16: EU CR2-A – Changes in the stock of general and specific credit risk adjustments

CREDIT RISK ADJUSTMENTS (Article 442)

Purpose: Identify the changes in an institution's stock of general and specific credit risk adjustments held against loans and debt securities that are defaulted or impaired.

		a	b
		Accumulated specific credit risk adjustment	Accumulated general credit risk adjustment
1	**Opening balance**	**48.946**	**26.356**
2	Increases due to amounts set aside for estimated loan losses during the period	0	0
3	Decreases due to amounts reversed for estimated loan losses during the period	0	0
4	Decreases due to amounts taken against accumulated credit risk adjustments	0	0
5	Transfers between credit risk adjustments	0	0
6	Impact of exchange rate differences	0	0
7	Business combinations, including acquisitions and disposals of subsidiaries	0	0
8	Other adjustments	**-14.467**	**-649**
9	**Closing balance**	**34.480**	**25.707**
10	Recoveries on credit risk adjustments recorded directly to the statement of profit or loss	0	-48
11	Specific credit risk adjustments directly recorded to the statement of profit or loss	4.027	441

Template 17: EU CR2-B – Changes in the stock of defaulted and impaired loans and debt securities

CREDIT RISK ADJUSTMENTS (Article 442)

Purpose: Identify the changes in an institution's stock of defaulted loans and debt securities.

		a
		Gross carrying value defaulted exposures
1	**Opening balance**	**109.538**
2	Loans and debt securities that have defaulted or impaired since the last reporting period	28.126
3	Returned to non-defaulted status	- 2.299
4	Amounts written off	- 4.467
5	Other changes	- 48.703
6	**Closing balance**	**82.194**

Disclosure of Remuneration and incentive systems and practices (Article 450 CRR)

QUALITATIVE DISCLOSURE

INFORMATION CONCERNING THE DECISION-MAKING PROCESS USED FOR DETERMINING THE REMUNERATION POLICY

When designing remuneration policies, the Bank acts in the framework of Compensation policy of the UniCredit Group as well as the Rules of the Incentive system of UniCredit Group for Identified staff population.

The Bank has adopted and localized the Rules of the Incentive system of UniCredit Group and these are applicable for Identified staff population. The Bank does not therefore use external consultants or other external persons to participate in the policy definition process. Each year the Rules of Incentive system is updated, if needed, taking into account the latest applicable international standards and regulations.

In the decision-making process on the Rules of incentive system, its changes and potential local adjustment needs, the Compliance and Human Resources, the Bank's Management Board, the Remuneration Committee and the Supervisory Board are actively involved.

Remuneration Committee

The Remuneration Committee serves as an advisory body to the Supervisory board. In accordance with the 52. Article of Slovene Banking Act (ZBan-2) the tasks of the remuneration committee are the following:

(1) The remuneration committee shall serve as an advisory body to the supervisory board and perform the following tasks:

1. carry out technical and independent assessments of remuneration policies and practices, and formulate initiatives for measures on the basis thereof with the aim of improving the management of the risks to which the bank is exposed, its capital and liquidity.
2. draw up proposals for decisions by the governing body regarding the remuneration of employees, including remuneration that impacts the risks to which the bank is exposed and the management thereof; and
3. control the remuneration of members of senior management who perform risk management functions and ensure the compliance of operations.

(2) In drafting the proposals referred to in the previous paragraph, the remuneration committee shall take into account the long-term interests of shareholders, investors and other stakeholders.

In addition The Remuneration Committee reviews and approves annually a list of functions that matches the EBA criteria. The latter is also confirmed in the case of organizational changes that affect the functions corresponding to the EBA criteria.

In 2019 Remuneration Committee consisted of the following members: Mrs. Laura Orlić, Chairwoman of the Remuneration Committee, members Mr. Franco Andreetta and Mr. Pasquale Giamboi from 21st of March 2019 and Mr. Marco Loterri, who was a member till 20th of March 2019. All Remuneration Committee members are/were members of the Supervisory Board.

In 2019 the Remuneration Committee met four times, three times as per rollam session. Key activities of the Remuneration Committee included:

- getting acquainted with the Annual audit report of the Internal Audit on remuneration policies and practices,
- familiarization with the self-assessment process to identify Material Risk takers and to confirm the list (so-called Identified staff),
- monitoring and analyzing the remuneration system & approval of remuneration of Identified Staff,
- updating the Remuneration policies (Group Incentive System for the Identified Staff, Group Compensation policy, Termination payment policy).

Audit department performed the annual audit on Remuneration policies and practices. The audit review was performed to evaluate the compliance of the remuneration process with the internal and external regulation in terms of compensation and benefits proposal, validation, approval and reporting.

INFORMATION ON LINK BETWEEN PAY AND PERFORMANCE

UniCredit Bank Slovenija d.d. conducts every year, in compliance with specific regulation, the self-evaluation process to define Identified Staff population for whom, according to internal/external regulation, specific criteria for remuneration/incentive aspects are adopted. The assessment process for the definition of Identified Staff followed the criteria definded in the European Banking Authority Regulatory Technical Standard (RTS).

The System, approved in 2019 by UniCredit Board of Directors on January 10th 2019 and consequently by UniCredit Bank Slovenija d.d.'s Remuneration Committee and Supervisory Board, provides for a 'bonus pool' approach directly linking bonuses with company results at Group and Country/Division level, and further ensuring the connection between profitability, risk and reward.

The System, implemented within this framework, provides for the allocation of a performance related bonus in cash and/or free ordinary shares and/or phantom shares over a period of 5 years.

Bonus pools sizing

The bonus pool dimension for each of the relevant clusters is related to the actual profitability measures multiplied with the bonus pool funding rate defined in the budgeting phase.

This calculation determines the so called "theoretical bonus pool" for each cluster that is adjusted accordingly to the actual trend of performance of the respective segment.

2019 Entry conditions at Group and local level

In order to align to regulatory requirements, specific indicators measuring annual profitability, capital and liquidity results had been set at both local and Group level as Entry Conditions. In particular, risk metrics and thresholds for the 2019 Group Incentive System as defined within the Entry Conditions that confirms, reduces or cancels upfront and deferred payouts include:

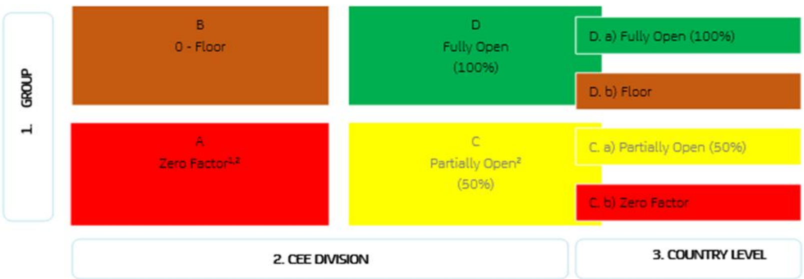
GROUP	CEE DIVISION[5]	COUNTRY (Slovenia)[5]
- Net Operating Profit adjusted[1] ≥ 0	Net Operating Profit adjusted[1] ≥ 0	Net Operating Profit adjusted[1] ≥ 0
- Net Profit[2] ≥ 0	Net Profit[2] ≥ 0	Net Profit[2] ≥ 0
- CET1 ratio Fully Loaded[3] > *11.1%*		
- Liquidity Coverage Ratio[3] > 2019 RAF[4] "limit" (101%)		
- Net Stable Funding Ratio[3] > 2019 RAF[4] "limit" (101%)		

1. NOP excluding income from buy-back of own debt and from the fair value accounting of own liabilities.
2. Net Profit stated in the Balance Sheet, excluding any extraordinary items as considered appropriate by the Board of Directors upon Remuneration Committee proposal
3. In case of issues with capital and/or liquidity requirements at Legal Entity (LE) level, the related Bonus Pool size could be impacted, even if the Entry Conditions at Group level are fully satisfied.
4. Approved by Group BOD in December 2018.
5. In case a Bonus Pool segment has a budget lower than 0, the local entry conditions would refer to this value, provided that all regulatory requirements (included requirements at LE level) are respected.

The definitions of the Entry Conditions metrics are as follows:

- **Net Operating Profit** adjusted means the Net Operating Profit (NOP) excluding income from buy-back of own debt and from the fair value accounting of own liabilities.
- **Net Profit** means the Net Profit stated in the balance sheet excluding any extraordinary item as considered appropriate by the Board of Directors upon Remuneration Committee proposal.
- **Common Equity Tier 1 Ratio Fully Loaded:** the level of CET1 Ratio transitional ensure the alignment with the threshold set as the outcome of the SREP process (Supervisory Review and Evaluation Process) coordinated by the European Central Bank.
- **Liquidity Coverage Ratio** (LCR), aims to ensure that banks maintain an adequate level of not restricted "High Quality Liquid Assets" in a sufficient quantity to cover the overall 'Net Cash Outflows', over a period of thirty days, under gravely stressed conditions specified by Supervisors.
- **Net Stable Funding Ratio** (NSFR), is defined as the amount of available stable funding relative to the amount of required stable funding and measures, under a long term perspective, the sustainability terms of maturities between asset and liabilities.

2019 Group & Local Risk Adjustments



(A) In case Entry Conditions are not met at both Group level and CEE Division levels, regardless of the local Country level, the malus condition is activated, triggering the application of Zero Factor for Executives/Identified Staff population. For other employees, a significant reduction will be applied considering the provision of Internal Collective agreement and Collective agreement for banking sector.

(B) In case the Entry Conditions are not met only at CEE Division level, a floor might be defined for retention purposes and in order to maintain the minimum pay levels needed to play in the market, considering the provisions of Internal Collective agreement and Collective agreement for banking sector.

(C) In case the Entry Conditions are met at CEE Division level but are not met at Group level:
   a. If the Entry Conditions at "Local Country" level are met, the gate is "partially open", with the possibility to payout a reduced Bonus Pool.
   b. If the Entry Conditions at "Local Country" level are not met, a floor might be defined for retention purposes and in order to maintain the minimum pay levels needed to play in the market, considering the provisions of Internal Collective agreement and Collective agreement for banking sector.

(D) In case Entry Conditions are met both at Group and CEE Division levels are met:
   a. If the Entry Conditions at "Local Country" level are met, the gate is "fully open" meaning the Bonus Pool may be fully confirmed or even increased (up to max. 144 %), in case of positive performance on Risk and Financial sustainability dashboard.
   b. If the Entry Conditions at "Local Country" level are not met, a floor might be defined for retention purposes and in order to maintain the minimum pay levels needed to play in the market, considering the provisions of Internal Collective agreement and Collective agreement for banking sector

Approval process is performed according to Group and local legal entities governance.

For the company Control Functions, the regulatory requirements state that incentive mechanisms have to be in accordance with the achievement of the objectives linked to their function, independent of the performance of the business areas they control. Therefore, any reduction of the bonus pool for the Control Functions that would be higher than 50%, will follow a specific governance process including the approval by UniCredit Board of Directors, upon Remuneration Committee opinion, as relevant.

Incentive system ensures a balance between fixed and variable remuneration. A maximum limit to the ratio between the variable and the fix component of compensation is set to 1:1. For the staff of the Company Control Functions it is expected that the fixed remuneration is the predominant component of total remuneration and incentive mechanism are consistent with the assigned tasks as well as independent of results from areas under their control.

THE MOST IMPORTANT DESIGN CHARACTERISTICS OF THE REMUNERATION SYSTEM, INCLUDING INFORMATION ON THE CRITERIA USED FOR PERFORMANCE MEASUREMENT AND RISK ADJUSTMENT, DEFERRAL POLICY AND VESTING CRITERIA

Individual performance appraisal is based on specific goals, linked to the UniCredit 5 Fundamentals of Competency Model: “Customers First”, “People Development”, “Cooperation and Synergies”, “Risk Management” and “Execution and Discipline”. Individual performance appraisal was based on 4-6 goals, of which at least half of the goals are related to sustainability, and was assessed within the Executive Development Plan processes. Additional up to 2 targets may have been defined on top of the 4-6 goals, to be taken into consideration within the overall performance assessment.

In any case, the review of results by the Employee's Manager with respect to all of the above performance goals takes into account the individual contribution of the employee to the performance of the goals and the behavior of the employee. Competencies and behaviors considered as relevant were taken into account by the manager for the overall performance appraisal. In 2019 our 5 Fundamentals and principles »Ethics and Respect« have been supplemented with so called »Capabilities« that guide us how to execute our activities the right way. Expected capabilities depends on the complexity of the job.

Moreover, each participant has to complete Compliance mandatory trainings courses and, for impacted roles, the periodic customer due diligence, within a pre-defined threshold in order to be entitled to the possible bonus.

Performance evaluation and achievement of goals is carried out using a 5-level descriptive scale.

Inadequate	Inconsistent	Solid	Strong	Outstanding

For each position of "Identifed staff" , a specific »Reference Value« is defined which consideres internal and / or external benchmarking analysis in similar jobs, seniority, etc. Such value is adjusted according to the actual available bonus pool and represents the starting point for the individual bonus allocation.

The managerial bonus allocation was done on the basis of available bonus pool, individual performance appraisal and above mentioned Reference Value.

Particular attention is dedicated to the level of correlation between bonus proposed and actual performance:

Illustrative

Bonus vs. "Position reference"	Inadequate	Inconsistent	Solid	Strong	Outstanding
> 130%					
110% - 130%					
80% - 110%					
0%[A] - 80%					
0%					

A. A bonus above zero and up to 80% is allowed for exceptional cases, to be justified.
Note: Compensation distribution guidelines should take into account the max variable to fixed cap by role

2019 BONUS PAYOUT ILLUSTRATION

Bonus is paid out on the basis of a deferred payouts scheme in case the bonus exceed the defined threshold. Such payout is divided into phases and coincides with the corresponding risk time period, in order to ensure appropriate distribution of bonus, which is linked to results, and shall be made in cash and in shares / instruments, immediately or with a deferral, subject to mandatory 2 years retention period.

Deferral scheme for Identified Staff

Year 0 - upfront payment	Year 1 - deferred payment	Year 2 - deferred payment	Year 3 - deferred payment	Year 4 - deferred payment
30 % cash			20 % cash	
		30 % upfront UniCredit shares/ upfront instruments	10 % UniCredit shares / deferred instruments	10 % UniCredit shares / deferred instruments

A threshold is used as the minimum level below which deferral scheme will not apply. Deferral scheme applies for bonus higher than 50.000 EUR gross. Bonus lower than 50.000 EUR gross is paid out to employee in cash completely.

In the same way as a variable remuneration also any severance payment in case of termination of the employment is regulated. The rules and conditions are defined in an individual's employment contract and Termination payment policy. Termination payment policy sets out the principles and rules for determining the maximum limits of severance pay, criteria and payout modalities. When severances are paid to employees who are Board members or procura holders, they can be subject to deferred payout mechanisms, in cash and equity, in analogy with and under the same schemes foreseen for the payment of variable remuneration (if it is above threshold).

Furthermore, employees identified as "Identifed staff" are not allowed to engage in any personal hedging or other countermeasures in order to restrict or eliminate the risk orientation of their remuneration.

[1] *CEO and direct reports to the CEO*

THE RATIOS BETWEEN FIXED AND VARIABLE REMUNERATION

The table below shows the distribution of receipts by business area divided into fixed and variable remuneration and the number of beneficiaries (at 31.12.2019).

	Total	MB Management function	Investment banking	Retail banking	Corporate functions	Independent control functions
Total number of staff in FTE	22	7	5	1	3	6
Total remuneration (in EUR)	2.394.558	1.315.247	444.434	30.546	287.247	317.084
Of which: variable remuneration (in EUR)	462.851	316.551	47.000	0	54.300	45.000

In the financial year 2019, the Bank did not have beneficiaries who would be paid more than EUR 1 million.

INFORMATION ON THE PERFORMANCE CRITERIA ON WHICH THE ENTITLEMENT TO SHARES, OPTIONS OR VARIABLE COMPONENTS OF REMUNERATION IS BASED

Taking into account the criteria for determining achievement of goals or performance, the employee can be rewarded in addition to the variable part of the remuneration, also through shares of the UniCredit Group. According to the current Long Term Incentive Plan (LTI plan) , only the Chairman of the Management Board is entitled to this type of payment. The LTI Plan aims to commit Group Top Management to achieving UniCredit Group strategic targets disclosed to the market by linking part of the variable compensation to the Multi year plan success.

The Plan provides for the allocation of UniCredit free ordinary shares, in several instalments and over a multi-year period, subject to the achievement of specific performance conditions linked to the 2016-2019 Multi-Year Plan. Performance indicators of the LTI Plan to be evaluated for the definition of the numbers of shares are Return On Allocated Capital, Cost/Income Ratio and NET Non Performing Exposure.

AGGREGATE QUANTITATIVE INFORMATION ON REMUNERATION PAID OUT IN 2018

In year 2019, there were 28 people identified as Identified staff (of which 6 persons based on the function of the member of the management body in its supervisory function), in accordance with the criteria set out in the Regulatory Technical Standards that identify the Identified Staff population, based on qualitative and quantitative criteria (the so called EBA criteria).

Provided below are the total amounts of gross remuneration paid out to above mentioned Identified Staff population in the period from January to December 2019[2]:

(item (h) of Article 450 of the CRR Regulation)

1. The amounts of remuneration for the financial year, split into fixed and variable remuneration, and the number of beneficiaries;

	Fixed remuneration	Variable remuneration – paid in 2018	Variable remuneration – outcome in 2018	Number of beneficiaries
Total Sum	**1.931.706**	**462.851**	**522.300**	**22**

2. The amounts and forms of variable remuneration, split into cash, shares, share-linked instruments and other types;

	Variable remuneration - cash	Variable remuneration - shares share-linked instruments
Total sum	**374.800**	**147.500**

3. The amounts of outstanding deferred remuneration, split into vested and unvested portions;

	Outstanding deferred remuneration (In cash and in shares)
Total sum	**394.217**

4. The amounts of deferred remuneration awarded during the financial year, paid out and reduced through performance adjustments;

	Paid out deferred remuneration in 2019
Total sum	**147.051**

[2] *Without remuneration of members of the Supervisory Board; Remuneration of members of the Supervisory Board is disclosed in the annual report.*

5. New contractually prearranged variable remuneration and severance payments made during the financial year, and the number of beneficiaries of such payments; EN Official Journal of the European Union, L 176/261 of 27 June 2013;

In 2019, new prearranged variable remuneration during the financial year was allocated to one beneficiary.

6. The amounts of severance payments awarded during the financial year, number of beneficiaries and highest such award to a single person;

In the financial year 2019, one beneficiary received the severance payment. Highest severance was in amount of € 24.868,74 gross.

7. The number of individuals being remunerated 1 million EUR or more per financial year, for remuneration between 1 million EUR and 5 million EUR broken down into tranches of 500 000 EUR and for remuneration of 5 million EUR and above broken down into tranches of 1 million EUR;

In 2019, there were no payments made in amounts higher than 1 million EUR.

Table LRSum: Summary reconciliation of accounting assets and leverage ratio exposures

LEVERAGE (Article 451)

		Applicable Amount
1	Total assets as per published financial statements	2.800.273
2	Adjustment for entities which are consolidated for accounting purposes but are outside the scope of regulatory consolidation	
3	(Adjustment for fiduciary assets recognised on the balance sheet pursuant to the applicable accounting framework but excluded from the leverage ratio total exposure measure in accordance with Article 429(13) of Regulation (EU) No 575/2013)	
4	Adjustments for derivative financial instruments	- 1.638
5	Adjustment for securities financing transactions (SFTs)	
6	Adjustment for off-balance sheet items (ie conversion to credit equivalent amounts of off-balance sheet exposures)	252.277
EU-6a	(Adjustment for intragroup exposures excluded from the leverage ratio total exposure measure in accordance with Article 429(7) of Regulation (EU) No 575/2013)	
EU-6b	(Adjustment for exposures excluded from the leverage ratio total exposure measure in accordance with Article 429(14) of Regulation (EU) No 575/2013)	
7	Other adjustments	- 14.407
8	**Leverage ratio total exposure measure**	**3.036.505**

Table LRCom: Leverage ratio common disclosure

LEVERAGE (Article 451)

		CRR leverage ratio exposures
On-balance sheet exposures (excluding derivatives and SFTs)		
1	On-balance sheet items (excluding derivatives, SFTs and fiduciary assets, but including collateral)	2.771.377
2	(Asset amounts deducted in determining Tier 1 capital)	- 14.407
3	**Total on-balance sheet exposures (excluding derivatives, SFTs and fiduciary assets) (sum of lines 1 and 2)**	**2.756.971**
Derivative exposures		
4	Replacement cost associated with all derivatives transactions (ie net of eligible cash variation margin)	11.289
5	Add-on amounts for PFE associated with all derivatives transactions (mark- to-market method)	15.968
EU-5a	Exposure determined under Original Exposure Method	-
6	Gross-up for derivatives collateral provided where deducted from the balance sheet assets pursuant to the applicable accounting framework	-
7	(Deductions of receivables assets for cash variation margin provided in derivatives transactions)	-
8	(Exempted CCP leg of client-cleared trade exposures)	-
9	Adjusted effective notional amount of written credit derivatives	-
10	(Adjusted effective notional offsets and add-on deductions for written credit derivatives)	-
11	**Total derivatives exposures (sum of lines 4 to 10)**	**27.257**
SFT exposures		
12	Gross SFT assets (with no recognition of netting), after adjusting for sales accounting transactions	-
13	(Netted amounts of cash payables and cash receivables of gross SFT assets)	-
14	Counterparty credit risk exposure for SFT assets	-
EU-14a	Derogation for SFTs: Counterparty credit risk exposure in accordance with Articles 429b(4) and 222 of Regulation (EU) No 575/2013	-
15	Agent transaction exposures	-
EU-15a	(Exempted CCP leg of client-cleared SFT exposure)	-
16	**Total securities financing transaction exposures (sum of lines 12 to 15a)**	**-**
Other off-balance sheet exposures		
17	Off-balance sheet exposures at gross notional amount	252.277
18	(Adjustments for conversion to credit equivalent amounts)	-
19	**Other off-balance sheet exposures (sum of lines 17 and 18)**	**252.277**
Exempted exposures in accordance with Article 429(7) and (14) of Regulation (EU) No 575/2013 (on and off balance sheet)		
EU-19a	(Intragroup exposures (solo basis) exempted in accordance with Article 429(7) of Regulation (EU) No 575/2013 (on and off balance sheet))	-
EU-19b	(Exposures exempted in accordance with Article 429 (14) of Regulation (EU) No 575/2013 (on and off balance sheet))	-
Capital and total exposure measure		
20	**Tier 1 capital**	**243.496**
21	**Leverage ratio total exposure measure (sum of lines 3, 11, 16, 19, EU-19a and EU-19b)**	**3.036.505**
Leverage ratio		
22	**Leverage ratio**	**8,0%**
Choice on transitional arrangements and amount of derecognised fiduciary items		
EU-23	Choice on transitional arrangements for the definition of the capital measure	Transitional
EU-24	Amount of derecognised fiduciary items in accordance with Article 429(11) of Regulation (EU) No 575/2013	0

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

LEVERAGE (Article 451)

		CRR leverage ratio exposures
EU-1	Total on-balance sheet exposures (excluding derivatives, SFTs, and exempted exposures), of which:	2.771.377
EU-2	Trading book exposures	3.300
EU-3	Banking book exposures, of which:	2.768.077
EU-4	Covered bonds	-
EU-5	Exposures treated as sovereigns	766.914
EU-6	Exposures to regional governments, MDB, international organisations and PSE not treated as sovereigns	-
EU-7	Institutions	79.039
EU-8	Secured by mortgages of immovable properties	379.241
EU-9	Retail exposures	491.537
EU-10	Corporate	915.930
EU-11	Exposures in default	28.965
EU-12	Other exposures (eg equity, securitisations, and other non-credit obligation assets)	106.452

Table LRQua: Free format text boxes for disclosure on qualitative items

LEVERAGE (Article 451)

1	Description of the processes used to manage the risk of excessive leverage	Group Risk Appetite Framework represents the foundation for risk management within UniCredit Holding. This framework envisages comprehensive governance, processes, tools and procedures for the widespread management of risks. The leverage risk is included in the Group Risk Appetite Framework, therefore, the relevant procedures and resources are applied to this kind of risk. The quantitative tools to assess the leverage risk are coming from Group Risk Appetite KPIs that include also the leverage ratio metric. This KPI has its own targets, triggers and limit levels that are periodically monitored within the regular reporting activity. The monitoring and the periodical reporting is submitted to the Risk Committee (on a quarterly basis) and to the Board of Directors. The Group Risk Appetite process identifies the governance mechanism, managerial involvement and escalation process under normal and stressed operating conditions. The defined escalation process is activated at relevant organizational levels in order to ensure an adequate reaction when triggers or limits are breached.
2	Description of the factors that had an impact on the leverage Ratio during the period to which the disclosed leverage Ratio refers	The main drivers for the changes in the leverage ratio between June 2019 and December 2019 were: - Tier 1 capital remained stable. - The change in leverage ratio exposure is mainly due to decrease of exposures to central governments or central banks which slightly increased leverage ratio.

Table 7: EU CRC – Qualitative disclosure requirements related to CRM techniques
USE OF CREDIT RISK MITIGATION TECHNIQUES (Article 453)
Purpose: Provide qualitative information on the mitigation of credit risk.

Description of CRM policies and procedures regarding on-balance sheet and off-balance sheet netting (Article 453, line a)

The Group makes use of on- and off-balance sheet netting, if the conditions are met in line with the CRR Directive.

In general, netting agreements on on-balance sheet of mutual credit obligations between the Bank and its counterparty are considered eligible if they are legally effective and enforceable in all relevant jurisdictions, including in case of the counterparty's default or bankruptcy and if the following operational conditions are fulfilled:

- Ensuring the netting of profits and losses from transactions whose clearing is carried out based on framework agreement, so that one party owes the other party one single net amount;
- Fulfilment of minimum requirements for recognition of financial collateral (requirements for valuation and monitoring).

In line with the internal act on procedures of review, monitoring and control regarding the on-balance sheet netting of reciprocal credit exposures and obligations for the Parent bank's cash flows, the on-balance sheet netting of mutual credits between the Bank and the debtor, in this case a Parent bank, is considered as suitable form of funded credit protection. The adequacy of on-balance sheet netting is limited to mutual cash balances between the Bank and the debtor, in this case a Parent bank, namely loans and deposits. The Group defines that netting can be used only if the Bank can determine at any time the netting value of a position (assets and liabilities related to one customer that are subject to the netting agreement), controlling and monitoring debts and netting value.

For the recognition of effects of the agreement on on-balance sheet netting on decrease of credit risk, the following minimum requirements must be fulfilled:

a) they must be legally effective and enforceable according to the jurisdiction which applies to them, including in cases of the counterparty's insolvency or bankruptcy;
b) The Bank must have a constant overview of assets and liabilities that are subject of netting agreements;
c) The Bank must monitor and control the risks related to the loss of credit protection;
d) The Bank must monitor and control included exposures on net basis.

In order to perform on-balance sheet netting based on individual netting agreements, analysis and confirmation of the subject agreement on on-balance sheet netting is required by the Legal unit, as an adequate legal foundation pursuant to point a).

Same applies also to off-balance sheet netting (which is actually carried out only in relation to derivatives), where in order to perform off-balance sheet netting based on individual agreements, analysis and confirmation of the subject agreement on off-balance sheet netting is also required by the Legal unit, as an adequate legal foundation.

Also, the Group's policy and process exist also for the off-balance sheet netting, which is carried out in line and in cooperation with the Parent group.

In order to perform off-balance sheet netting based on individual netting agreements, an overview and confirmation of the subject agreement on off-balance sheet netting as an adequate legal foundation. Such overview is carried out the Legal unit.

Policies and processes for collateral valuation and management (Article 453, line b)

The collateral received to support credit lines approved by the Group's legal entities includes primarily real estate, both residential and commercial, and collateral of financial instruments collateral, including debt securities and equies financial instruments. The remaining part includes pledges on other assets (e.g. pledged goods) and other collaterals (e.g. movable property).

The criteria for the eligibility of use of collateral to reduce risks must be in line with supervisory regulations, together with specific requirements for the approach adopted for the calculation of regulatory capital for individual counterparties/exposure (standardized, F – IRB), pursuant to the legal framework of the country in scope.

The UniCredit Group has clearly defined guidelines for the eligibility of use of all types of collateral. Each legal entity thus defines a list of eligible collateral, according to the Group's methods and processes and in line with local legislative and regulatory requirements and specifics.

Based on general guidelines regarding risk mitigation techniques issued by the UniCredit Group, the Group has defined in internal regulations principles, the processes, strategies and procedures for collateral management, with focus on rules regarding collateral eligibility, valuation and monitoring to ensure legal enforceability and timely liquidation of collateral in line with legislation.

According to credit policy, the debtor's ability to meet obligations is the primary source of repayment of investments, while accepted collaterals represent only a secondary source of repayment in case the debtor ceases to repay their contractual obligations. For this reason, in addition to the analysis of the borrower's credit worthiness and repayment capacity, the Group also performs valuation and analysis of collateral.

In line with the legislation, the Parent group UniCredit implemented the system of valuation, monitoring and reporting of the collateral in line with regulatory time frame and internal guidelines. The management of credit risk mitigation techniques is embedded both in the credit approval process and in the credit risk monitoring process.

Controls and related responsibilities are duly formalized and documented in internal rules and job descriptions. Furthermore, the processes have been implemented to control that all the relevant information regarding the identification and evaluation of collateral are correctly registered in the Group's system.

The Bank places additional emphasis on the importance of processes and controls for ensuring legal certainty of collateral and to checking the issuer's credit worthiness in case of personal credit protection.

In line with the internal credit protection policy, collaterals are exposed to a regular reviewing process, which is carried out on portfolio basis at least every three years for residential real estate, while for others it is carried out individually at least once per year. Such approach enables a better view of the current status and actual value of collateral.

In addition to Probability of default (PD), Loss given default (LGD) also determines the Expected loss (EL) for exposure at default (EAD). Loss given default (LGD is the percentage of the exposure that is not expected to be recovered in an event of default.. The main decisive factor for the level of LGD is collateral (funds acquired by a bank with recovery of collateral). The economic loss considers direct loss (e.g. loss of interest, principal), indirect loss (costs of restructuring and recovery) and discounting effects in case of enforcement.

All funded protections represent the enforceable assets, the value of which can be determined taking into consideration the adjustment for collateral volatility (»haircut«), determined based on repayment level of each type of collateral. The decrease of credit risk by using funded protections is thus reflected in the decrease of non-collateralized part of loan. In the process of approving and booking collateral, the Bank uses for individual collateral the adjustments (haircuts) defined with internal rules for individual collateral, which are harmonized with the adjustments (haircuts) determined by the CRM policy by the Parent group. An example of haircut at valuation is described for the purpose of description of collateral by pledging real estate in the next section.

Crucial factors for calculating the level of repayment from collateral include the following:

- Basic assessment of market value for individual type of collateral in case of default (the bank usually uses market value as basis for assessment and confirmation of the value of pledged assets),
- Repayment from achieved collateral,
- Costs of repayment,
- Period of settlement.

Description of types of collateral (Article 453, line c)

In general, the Bank classifies collateral to funded and unfunded credit protection.

Funded credit protection

Funded credit protection is a collateral where a bank has a right, in the event of the debtor's default, bankruptcy or other credit event defined in the documentation on transaction, to quickly liquidate or retain assets for collateral. The level of correlation between the value of assets given as collateral and the debtor's credit quality must not be excessive. Eligible forms of funded collateral credit protection:

1. Framework netting agreements, including transactions of temporary sales / temporary purchase and/or lending/renting of securities or goods and/ or other transactions with capital market instruments (only when using developed method for calculation of effects of collateral with financial assets).

2. Collateralized with assets:

a) Collateral with immovable property;
b) Pledge over receivables;
c) Physical collateral;
d) Cash collateral;
e) Collateral with other assets.

3. Other funded collateral:

a) Cash or cash equivalents invested with the third-party institution,
b) Life insurance policies pledged to the Bank,
c) Institution instruments, redeemable upon request.

Unfunded credit protection

As opposed to funded credit protection, the Bank assesses the adequacy of personal collateral (e.g. guarantees, credit derivatives, guarantees by insurance institutions) by their providers' credit rating. Eligible providers of personal collateral are the following:

a) a central government or central bank,
b) a regional government or local authority,
c) multilateral development banks,
d) international organisations, to which a 0 % risk weight is assigned under standardized approach,

e) public sector entities, claims on which in the standardized approach are treated as claims to institutions or central government,

f) institutions
g) Other corporate entities, including superior or subordinated entities for a bank, which:

- Have a credit rating assessment by the » External Credit Assessment Institutions (hereinafter referred to as ECAI) «, corresponding to at least credit quality level 2,
- Don't have a credit rating assessment by the recognized ECAI, but the PD is determined in line with minimum requirements for the use of the IRB approach and which corresponds to at least credit quality level 2– in exposure and amounts of expected losses,
- Use the IRB approach without own LGD (and CF) assessments.

Among unfunded credit protection also belong eligible types of credit derivatives or instruments that may be composed of such credit derivatives or that are economically effectively similar, such as:
a) credit default swaps,
b) total return swaps,
c) credit linked notes to the extent of their cash funding.

In order to collateralize investments, the Bank mainly accepts the following collateral:

- collateral with commercial and residential real estate, with movable property, cash claims, financial assets, pledging life insurance policies (the so-called funded credit protection);
- sureties and guarantees by individuals and legal entities, bank guarantees, guarantees by government, insurance companies (the so-called unfunded credit protection).

1. Collateral with immovable property

Real estate for which mortgage is required to collateralize an individual credit transaction are identified in the loan proposal approved by the competent decision-making body in the Bank. The identification of real estate is carried out through a brief description and by stating land register entries of numbers of plots of land where subject real estate is entered. Mortgage collateral is registered at the Bank system as of the day of receipt of notarial agreement which forms basis for the entry of mortgage into the land register.

When obtaining the real estate into collateral, the Bank must obtain its value assessment, prepared by an independent appraiser and subsequently it must monitor the value fluctuation. For commercial and other real estate, the value assessment must be monitored at least once per year, while for residential real estate it must be monitored at least once every three years. More frequent monitoring of the value assessment is necessary in case of significant changes of market conditions. An "independent appraiser" is a person having necessary qualifications, knowledge and experience for conducting a valuation and who is independent from the decision-making process for transactions collateralized with real estate. Valuations of real estate must be conducted entirely in line with the International Valuation Standards adopted by the International Valuation Standards Committee - IVSC. The independent appraiser must assess the value of real estate adopted by the Bank for collateral at market value or at value lower than market value. In Member states which have determined the criteria for assessment of mortgage lending value with regulation, the independent appraiser can value real estate by the mortgage lending value or by the value lower than the mortgage lending value.

The Bank must value a real estate accepted as collateral at its market value. Market value is an estimated amount for which a real estate should be exchanged on the valuation date between a willing buyer and a willing seller in an arm's length transaction, after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion. The value of immovable property collateral is a market value of subject real estate which is adequately reduced so that it reflects the results of monitoring the value of real estate and which takes into consideration any previous claims which burden the real estate. For material valuation of real estate, the Bank defines a minimum haircut and a maximum factor of material coverage according to individual type of real estate.

2. Collateral with financial assets

The following can be recognized as eligible collateral with financial assets:

- Bank deposits or cash equivalents owned by the bank;
- Debt securities (including also credit link notes);
- Investment funds points;
- Equity securities or convertible bonds included into the main index;
- Gold.

The debtor's credit quality and the value of collateral with financial assets must not be in significant positive correlation. Securities issued by the debtor or by any person from the group of persons related in a way as defined in the Companies Act, where the debtor is also present, are not eligible. If the collateral with financial assets is with the third party, the Bank must adopt adequate measures to ensure that a third party separates this collateral from their own funds. The remaining maturity of collateral with financial assets must not be shorter than the remaining maturity of exposure.

The level of invested cash and cash equivalents on deposit account is a foundation for determining the level of material collateral. If all regulatory requirements are fulfilled, the value of material collateral is considered with the collateral factor of 100 %. If the conditions are not fulfilled, the collateral factor is reduced accordingly. In case of currency mismatch or mismatch in terms of maturity (between the collateralized claim and collateral), the material value of collateral must be additionally adequately reduced. The revision of collateral quality in a form of application with the Bank or deposit is carried out in the Risk management department at each loan proposal and at each regular annual revision of a company and its transactions.

3. Collateral with financial instruments (debt securities, investment fund points, equity securities)

Pledge right on financial instruments must be fully established, since a partial pledge right on financial instruments is not allowed. Pledge right on financial instruments must be first-class, without prior burden in favour of third parties.

It applies for lombard loans that pledged securities (stocks, bonds) must be listed on the Slovenian stock exchange (first stock quotation). In the Risk management department, a minimum threshold for collateral coverage is also determined, which should be fulfilled by the borrower throughout the duration of loan transaction.

Number of debt securities, investment funds units, number of equity securities can be considered as eligible collateral with financial assets if their price (stock exchange quotation) is publicly available on a daily basis. For each type of financial instrument, the following must be stated: its code, ISIN code, minimum haircut, maximum collateral factor, and coverage level. Only a first-class pledge of financial instrument is recognized as material collateral. The basis for valuation is a daily market quotation (closing quote) of a financial instrument. The valuation is carried out for each financial instrument separately- ISIN. Special attention is on liquidity of individual financial instrument. The Bank updates and internally publishes the lists of acceptable financial instruments.

4. Pledge over receivables

The following is considered as pledge over receivables: all open and existing commercial claims of the companies toward the buyers, future claims which justify the binding obligation of repayment of a certain amount. In case of future (not yet existing) claims, it must be considered that such claims can become subject of collateral only in case when later transaction is evident from the offer.

Claims related to commercial transaction or transactions with original maturity up to 1 (one) year can be considered as eligible collateral. Longer claim maturities can be approved only based on decision by the competent decision-making body. Also, any change to the already approved list of claims must also be approved by the Risk department.

In this case it would be the agreement on assignment of claims into collateral, the assignement of claims can be signed tripartitely (assignor, bank assignee, debtor) whereby the debtor by signing the agreement confirms that they are informed about the assignment of claims. The agreement precisely defines the guarantees and obligations of the assignor as well as the obligations of the assignee and debtor.

Legal certainty and risk management are the foundation for the recognition of effects of collateral with claims on decrease of credit risk. Claims given as collateral by the borrower must not be in excessive correlation with the borrower. If there is a significant positive correlation, the accompanying risks must be adequately considered when determining the excess of claims given as collateral above the exposure. Claims to persons superior to the debtor, companies subordinated to the debtor and their employees are not recognized as collateral instrument. Also, claims related to securitization, sub-participation (agreements by means of which one bank sells the other credit institution a part of already drawn down loan), credit derivatives also don't count.

Material valuation of claims is not allowed for:

- Claims to related persons,
- Questionable and disputable claims,
- Claims where counter requirements are possible,
- Claims still actually non-existing (future claims based on concluded PO),
- Claims more than 6 months outstanding,

- Claims to persons from foreign countries having a country risk 3- (BA master scale) or lower; an exception applies for countries where the country's political risk is insured with an insurance policy by the eligible insurance institution which is pledged/assigned to the bank's favour,

- Claims where majority of cash flow from pledged/assigned claims is executed via other banks,
- Claims from accounting deferrals or accruals
- Claims where already exists a long-term right of other banks from factoring,
- If a contractual ban exists for assignment of claims.

The requirement for long-term material valuation of claims as collateral can be satisfied only based on due diligence of eligibility of claims offered as collateral. Such review should include:

- level of outstanding receivable (average scope of claims, fluctuations of claims),
- Customer typology (separately at level of person, citizen, public sector, etc.),
- Spread of risk (number and share of debtors of an individual company),
- Payment term and of claims,
- Type of disclosure - Option to inform the debtor about the assignment (according to the agreed upon method of informing in case of silent assignment - closure).

The management of the process of collateral with claims must be organized within a department outside of the loan decision-making process, which should check the following:

- Whether time sending of list of claims is in line with the contractual requirement,
- Whether claims on the list are eligible,
- Whether the value of submitted claims corresponds to the required level of material collateral.

Claims from securitization, sub-participation and credit derivatives are not eligible as collateral instruments.

For claims, the following must be monitored:

- Balance of the amount of assigned claims,
- Maturity of assigned claims,
- Quality of assigned claims.

Credit derivatives (Article 453, line d)

In the year 2019, the Bank didn't have exposures in credit derivatives.

Information about market or credit risk concentrations within the credit mitigation taken (Article 453, line e)

Risk of concentration occurs when a major part of the collateral financial assets in the entire Group (on portfolio level) is concentrated in a small number of types of collateral, collateral instruments or special providers of collateral or sectors or when there is a disproportion in the scope of accepted collateral.

At the Bank, the risk of concentration is controlled/ monitored:

- For personal collateral, where for loan proposals the exposure of a guarantor is added, which is reflected in their comprehensive exposure and this affects the level of approval,
- In case of guarantees by the state or financial institutions, the approval must be requested additionally since the entire exposure to a specific subject is being monitored in a central point (country limit, bank limit).

The concentration due to CRM measures is regularly analysed from the aspect of types of instruments of collateral with assets.

It is evident from the table »Market value of the Group's collateral by type of collateral« in the Annual report (page 335) that the Group has 2.1 billion EUR of collateral by market value, of which 1.9 billion EUR of real estate, representing 85 % of the entire collateral portfolio. Over 99 % of all the Group's real estate is in Slovenia.

The Group classifies as guarantees the irrevocable commitments of the RS which represents a 10-percent share of all the Group's collateral, while minor part is represented by other types of collateral.

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Note:

Within the disclosures the following terms mean

the Group = UniCredit Banka Slovenija d.d. as a parent company and UniCredit Leasing, d.o.o. as a subsidiary

the parent group UniCredit = international UniCredit

Template 18: EU CR3 – CRM techniques – Overview

USE OF CREDIT RISK MITIGATION TECHNIQUES (Article 453)

Purpose: Disclose the extent of the use of CRM techniques.

		a	b	c	d	e
		Exposures unsecured – carrying amount	Exposures secured – carrying amount	Exposures secured by collateral	Exposures secured by financial guarantees	Exposures secured by credit derivatives
1	Total loans	1.095.977	1.257.653	1.064.502	193.151	0
2	Total debt securities	314.877	0	0	0	0
3	**Total exposures**	**1.410.854**	**1.257.653**	**1.064.502**	**193.151**	**0**
4	Of which defaulted	6.677	22.433	22.426	7	0

Template 19: EU CR4 – Standardised approach – Credit risk exposure and CRM effects

USE OF CREDIT RISK MITIGATION TECHNIQUES (Article 453)

Purpose: Illustrate the effect of all CRM techniques applied in accordance with Part Three, Title II, Chapter 4 of the CRR, including the financial collateral simple method and the financial collateral comprehensive method in the application of Article 222 and Article 223 of the same regulation on standardised approach capital requirements' calculations. RWA density provides a synthetic metric on the riskiness of each portfolio.

		a	b	c	d	e	f
		Exposures before CCF and CRM		Exposures post CCF and CRM		RWAs and RWA density	
	Exposure classes	On-balance-sheet amount	Off-balance-sheet amount	On-balance-sheet amount	Off-balance-sheet amount	RWAs	RWA density
1	Central governments or central banks	605.235	7	779.418	3	7.198	0,01
2	Regional government or local authorities	106.379	200	106.379	-	21.276	0,20
3	Public sector entities	55.299	3.140	59.132	90	29.399	0,50
4	Multilateral development banks	-	-	-	-	-	-
5	International organisations	-	-	-	-	-	-
6	Institutions	459	227	459	113	286	0,50
7	Corporates	152.579	2.366	152.509	833	153.326	1,00
8	Retail	491.537	48.263	490.492	11.168	375.426	0,75
9	Secured by mortgages on immovable property	379.241	1.029	379.241	465	135.550	0,36
10	Exposures in default	20.844	12	20.840	2	24.038	1,15
11	Exposures associated with particularly high risk	6.240	-	6.240	-	9.360	1,50
12	Covered bonds	-	-	-	-	-	-
13	Institutions and corporates with a short-term credit assessment	0	-	0	-	0	0,20
14	Collective investment undertakings	22.965	-	22.965	-	3.362	0,15
15	Equity	-	-	-	-	-	-
16	Other items	7.089	-	7.089	-	7.089	1,00
17	**Total**	**1.847.869**	**55.244**	**2.024.764**	**12.675**	**766.311**	**0,38**