



# **Disclosures of UniCredit Group Slovenia for the 3Q 2020**

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Disclosures of Unicredit Group Slovenia for the 3Q 2020 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 otherwise stated. Zero values refers to amounts lower than 500 euros.

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## Measures issued in the context of the Covid-19 outbreak, provided by the European regulatory authorities and National Member States

During the first quarter 2020, the Governing Council of the European Central Bank (ECB) has decided a number of measures to ensure that its directly supervised banks can continue to fulfil their role in funding the real economy given the economic effects of the Covid-19.

As well, the European Banking Authority (EBA) issued several statements to explain a number of interpretative aspects on the functioning of the prudential framework in relation to the classification of loans in default, the identification of forbore exposures, and their accounting treatment. These clarifications help ensure consistency and comparability in risk metrics across the whole EU banking sector, which are crucial to monitor the effects of the current crisis.

For Slovenia the following National measures were relevant in presented reporting period and could have potential impact on reported figures:

- Law requiring banks to provide moratorium to retail and corporate customers was passed by end of March 2020.
- The Act applies to:
  - (i) banks and savings banks with seat in Slovenia and Slovenian branches of EU banks, on the lenders' side;
  - (ii) companies, co-operatives, foundations, institutes (all with seat in Slovenia), sole entrepreneurs, farmers, natural persons (all if Slovenian citizens residing in Slovenia), on the borrowers' side.
- Debtors may apply for deferral of instalments during the period of pandemic which officially started as of 12 March 2020. Expiration date for application is 15.11.2020 (6 months after Government Ordinance on the revocation of epidemic of contagious disease SARS-CoV-2 (COVID-19))
- Interests are accrued on delayed payments.
- ECB asked banks not to pay dividends until at least October 2020, and in the following the ECB extended its recommendation not to pay dividends until January 2021, when another decision will be made. Bank of Slovenia also issued measure about dividend payment. The resolution on macro prudential limitation of distribution of banks' profits ("BS Resolution") entered into force in April 2020, and it has (among the others) limited the distribution of banks' profits created in years 2019 and 2020, as well as undistributed profits and reserves from previous years.

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

### Common Equity Tier 1

<b>Common Equity Tier 1 capital: instruments and reserves</b>		
6	Common Equity Tier 1 (CET1) capital before regulatory adjustments	288.653
<b>Common Equity Tier 1 (CET1) capital: regulatory adjustments</b>		
28	Total regulatory adjustments to Common equity Tier 1 (CET1)	- 13.356
29	Common Equity Tier 1 (CET1) capital	275.298
<b>Additional Tier 1 (AT1) capital: instruments</b>		
36	Additional Tier 1 (AT1) capital: regulatory adjustments	-
<b>Additional Tier 1 (AT1) capital: regulatory adjustments</b>		
43	Total regulatory adjustments to Additional Tier 1 (AT1) capital	-
44	Additional Tier (AT1) capital	-
45	Tier 1 capital (AT1 = CET1 + AT1)	275.298
<b>Tier 2 (T2) capital: instruments and provisions</b>		
51	Tier 2 (T2) capital before regulatory adjustments	3.473
<b>Tier 2 (T2) capital: regulatory adjustments</b>		
57	Total regulatory adjustments to Tier 2 (T2) capital	-
58	Tier 2 (T2) capital	3.473
59	Total capital (TC = T1 + T2)	278.770
<b>Capital ratios and buffers</b>		
61	Common Equity Tier 1 (as a percentage of risk exposure amount)	18,41%
62	Tier 1 (as a percentage of risk exposure amount)	18,41%
63	Total capital (as a percentage of risk exposure amount)	18,64%

In September 2020 Unicredit Group Slovenia applied IFRS9 transitional arrangements in the Own funds calculation, which increased capital by EUR +2.7m and RWA by EUR +1m and impact on total capital ratio was +0,16%.

## 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
		30.09.2020	30.06.2020	30.09.2020
1	Credit risk (excluding CCR)	1.355.401	1.332.331	108.432
2	Of which the standardised approach	787.192	738.893	62.975
3	Of which the foundation IRB (FIRB) approach	515.647	541.092	41.252
4	Of which the advanced IRB (AIRB) approach	46.153	46.039	3.692
5	Of which equity IRB under the simple risk-weighted approach or the IMA	6.410	6.306	513
6	CCR	11.776	11.440	942
7	Of which mark to market	11.776	11.440	942
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	95	28	8
23	Of which the standardised approach	95	28	8
24	Of which IMA	-	-	-
25	Large exposures	-	-	-
26	Operational risk	102.332	102.226	8.187
27	Of which basic indicator approach	-	-	-
28	Of which standardised approach	12.666	12.666	1.013
29	Of which advanced measurement approach	89.666	89.560	7.173
30	Amounts below the thresholds for deduction (subject to 250% risk weight)	7.410	7.410	593
31	Floor adjustment	-	-	-
32	Other calculation elements	18.547	35.000	1.484
33	<b>Total</b>	<b>1.495.562</b>	<b>1.488.434</b>	<b>119.645</b>

Credit risk RWA increased compared to 2Q20 mainly due to increase of RWA on STA approach (driven by real estate collateral appraisals), while RWA on IRB approach decreased (lower exposure). Other calculation elements impacted by development of model add-ons and IFRS9 transitional arrangements. Market risk and Operational risk RWA remained stable in 3Q20.

## 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
<b>1</b>	<b>RWAs as at the end of the previous reporting period (30.6.2020)</b>	<b>593.437</b>	<b>47.475</b>
<b>2</b>	Asset size	- 36.943	- 2.955
<b>3</b>	Asset quality	11.715	937
<b>4</b>	Model updates		
<b>5</b>	Methodology and policy		
<b>6</b>	Acquisitions and disposals		
<b>7</b>	Foreign exchange movements		
<b>8</b>	Other		
<b>9</b>	<b>RWAs as at the end of the reporting period (30.9.2020)</b>	<b>568.209</b>	<b>45.457</b>

**Table LRCom: Leverage ratio common disclosure**

**LEVERAGE (Article 451)**

		CRR leverage ratio exposures
<b>Capital and total exposure measure</b>		
20	Tier 1 capital	<b>275.298</b>
21	Leverage ratio total exposure measure (sum of lines 3, 11, 16, 19, EU-19a and EU-19b)	<b>2.687.919</b>
<b>Leverage ratio</b>		
22	Leverage ratio	<b>10,2%</b>
<b>Choice on transitional arrangements and amount of derecognised fiduciary items</b>		
EU-23	Choice on transitional arrangements for the definition of the capital measure	Transitional

In September 2020, exposures to the central bank were excluded from the leverage ratio calculation according to the article 500b of Regulation (EU) 2020/873, which decreased leverage exposure by EUR -478m, and mainly leading to increase of leverage ratio in 3Q 2020 (+1,9pp compared to Q2 2020).