



Disclosures of UniCredit Bank Slovenia d.d. for the 3Q 2022

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Disclosures of UniCredit Bank Slovenia d.d. for the 3Q 2022 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 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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EU LIQ1
EU LIQB

Template EU OV1 – Overview of total risk exposure amounts

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.

On a consolidated level, the UniCredit Slovenia Group uses the following approaches in calculating capital requirements under the Pillar I:

- credit risk - standardized and foundation IRB approach
- market risk - standardized approach
- operational risk - standardized and advanced approach.

In calculating capital ratios, risk is expressed as a risk-weighted exposure or capital requirement. The minimum capital requirement for an individual risk is 8% of the total exposure to an individual risk

| | | RWAs | | Minimum capital requirements |
|--------|--|------------------|------------------|------------------------------|
| | | 30.09.2022 | 30.06.2022 | 30.09.2022 |
| 1 | Credit risk (excluding CCR) | 1,336,943 | 1,370,137 | 106,955 |
| 2 | Of which the standardised approach | 1,086,856 | 1,113,052 | 86,948 |
| 3 | Of which the Foundation IRB (F-IRB) approach | 242,679 | 249,296 | 19,414 |
| 4 | Of which slotting approach | | | |
| EU 4a | Of which equities under the simple riskweighted approach | 7,409 | 7,789 | 593 |
| 5 | Of which the Advanced IRB (A-IRB) approach | - | - | - |
| 6 | Counterparty credit risk - CCR | 11,710 | 12,664 | 937 |
| 7 | Of which the standardised approach | 11,710 | 12,664 | 937 |
| 8 | Of which internal model method (IMM) | - | - | - |
| EU 8a | Of which exposures to a CCP | - | - | - |
| EU 8b | Of which credit valuation adjustment - CVA | - | - | - |
| 9 | Of which other CCR | - | - | - |
| 15 | Settlement risk | - | - | - |
| 16 | Securitisation exposures in the non-trading book (after the cap) | - | - | - |
| 17 | Of which SEC-IRBA approach | - | - | - |
| 18 | Of which SEC-ERBA (including IAA) | - | - | - |
| 19 | Of which SEC-SA approach | - | - | - |
| EU 19a | Of which 1250% / deduction | - | - | - |
| 20 | Position, foreign exchange and commodities risks (Market risk) | 2,089 | 19 | 167 |
| 21 | Of which the standardised approach | 2,089 | 19 | 167 |
| 22 | Of which IMA | - | - | - |
| EU 22a | Large exposures | - | - | - |
| 23 | Operational risk | 93,101 | 110,121 | 7,448 |
| EU 23a | Of which basic indicator approach | - | - | - |
| EU 23b | Of which standardised approach | - | 10,205 | - |
| EU 23c | Of which advanced measurement approach | 93,101 | 99,916 | 7,448 |
| 24 | Amounts below the thresholds for deduction (subject to 250% risk weight) | - | - | - |
| 25 | Other calculation elements | 3,729 | 2,905 | 298 |
| 26 | Total | 1,447,571 | 1,495,846 | 115,806 |

Credit risk RWA decreased compared to the previous quarter mainly due to lower RWA on STA approach end of September 2022. The decrease was driven by the RWA optimization process related to the real estate collaterals and sell of Leasing entity in 3Q22. The sell of Leasing was the main reason also for lower operational risk RWA in 3Q22, while higher trading bond exposure was the main reason for higher Market risk RWA. All these changes results to a final decrease of total RWAs by EUR -48m.

Template EU CR8 – RWEA 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 risk weighted 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 (30.6.2022) | 257,085 | 20,567 |
| 2 | Asset size | - 5,537 | - 443 |
| 3 | Asset quality | - 1,461 | - 117 |
| 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 (30.9.2022) | 250,087 | 20,007 |

Template EU LIQ1 - Quantitative information of LCR

LIQUIDITY REQUIREMENTS (Article 451a)

Purpose: Quantitative information of LCR, scope of consolidation: solo

| | | a | b | c | d | e | f | g | h |
|-----------------------------------|---|----------------------------------|------------|------------|------------|--------------------------------|----------------|----------------|----------------|
| | | Total unweighted value (average) | | | | Total weighted value (average) | | | |
| EU 1a | Quarter ending on | 30.09.2022 | 30.06.2022 | 31.03.2022 | 31.12.2021 | 30.09.2022 | 30.06.2022 | 31.03.2022 | 31.12.2021 |
| EU 1b | Number of data points used in the calculation of averages | | | | | | | | |
| HIGH-QUALITY LIQUID ASSETS | | | | | | | | | |
| 1 | Total high-quality liquid assets (HQLA) | | | | | 766,948 | 458,111 | 649,261 | 752,654 |
| CASH - OUTFLOWS | | | | | | | | | |
| 2 | Retail deposits and deposits from small business customers, of which: | 1,324,620 | 1,331,436 | 1,352,436 | 1,380,792 | 102,919 | 102,299 | 91,743 | 93,493 |
| 3 | Stable deposits | 619,626 | 630,882 | 822,018 | 785,321 | 30,981 | 31,544 | 41,101 | 39,266 |
| 4 | Less stable deposits | 651,849 | 637,783 | 436,000 | 464,181 | 71,937 | 70,755 | 50,642 | 54,227 |
| 5 | Unsecured wholesale funding | 893,030 | 627,010 | 713,978 | 700,607 | 467,969 | 324,406 | 355,657 | 320,612 |
| 6 | Operational deposits (all counterparties) and deposits in networks of cooperative banks | 89,891 | 54,574 | 63,272 | 73,554 | 35,481 | 18,312 | 18,334 | 23,045 |
| 7 | Non-operational deposits (all counterparties) | 803,139 | 572,436 | 650,707 | 627,053 | 432,487 | 306,094 | 337,322 | 297,568 |
| 8 | Unsecured debt | - | - | - | - | - | - | - | - |
| 9 | Secured wholesale funding | | | | | | | | |
| 10 | Additional requirements | 257,404 | 286,556 | 249,596 | 190,788 | 115,688 | 147,059 | 92,012 | 26,798 |
| 11 | Outflows related to derivative exposures and other collateral requirements | 98,088 | 124,871 | 79,254 | 13,111 | 98,088 | 124,871 | 79,254 | 13,111 |
| 12 | Outflows related to loss of funding on debt products | - | - | - | - | - | - | - | - |
| 13 | Credit and liquidity facilities | 159,317 | 161,686 | 170,341 | 177,677 | 17,600 | 22,188 | 12,758 | 13,688 |
| 14 | Other contractual funding obligations | 21,570 | 18,577 | 15,761 | 3,657 | 18,427 | 14,236 | 12,365 | 563 |
| 15 | Other contingent funding obligations | 645,981 | 781,977 | 729,862 | 804,978 | 50,375 | 57,511 | 53,092 | 56,603 |
| 16 | TOTAL CASH OUTFLOWS | | | | | 737,776 | 623,323 | 592,111 | 484,382 |
| CASH - INFLOWS | | | | | | | | | |
| 17 | Secured lending (e.g. reverse repos) | - | - | - | - | - | - | - | - |
| 18 | Inflows from fully performing exposures | 282,774 | 244,945 | 219,712 | 111,941 | 252,983 | 232,950 | 195,370 | 108,903 |
| 19 | Other cash inflows | 130,997 | 158,381 | 107,734 | 44,983 | 102,705 | 130,033 | 82,508 | 19,440 |
| EU-19a | (Difference between total weighted inflows and total weighted outflows arising from transactions in third countries where there are transfer restrictions or which are denominated in non-convertible currencies) | | | | | - | - | - | - |
| EU-19b | (Excess inflows from a related specialised credit institution) | | | | | - | - | - | - |
| 20 | TOTAL CASH INFLOWS | | | | | 355,688 | 362,983 | 277,878 | 128,343 |
| EU-20a | Fully exempt inflows | - | - | - | - | - | - | - | - |
| EU-20b | Inflows subject to 90% cap | - | - | - | - | - | - | - | - |
| EU-20c | Inflows subject to 75% cap | 413,771 | 403,326 | 327,445 | 156,925 | 355,688 | 362,983 | 277,878 | 128,343 |
| TOTAL ADJUSTED VALUE | | | | | | | | | |
| EU-21 | LIQUIDITY BUFFER | | | | | 766,948 | 458,111 | 649,261 | 752,654 |
| 22 | TOTAL NET CASH OUTFLOWS | | | | | 399,689 | 282,528 | 326,990 | 369,727 |
| 23 | LIQUIDITY COVERAGE RATIO | | | | | 191.89% | 162.15% | 198.56% | 203.57% |

Table EU LIQB on qualitative information on LCR, which complements template EU LIQ1.**LIQUIDITY REQUIREMENTS (Article 451a)****Purpose:** Qualitative information on LCR, which complements template EU LIQ1**Evolution of LCR results**

UniCredit Banka Slovenija d.d. maintains a sound liquidity position, high above the defined risk-taking limits according to Risk Appetite Framework. In the period from December 31st 2021 to September 30th 2022, the LCR of UniCredit Bank fluctuated between 162% and 204% (192% as of September 30th 2022). The value of high-quality liquid assets (HQLA) of UniCredit Banka Slovenija was at a high level and, in the mentioned period, amounted to between 458mio EUR and 767mio EUR (767mio EUR as of September 30th 2022). Regarding net liquidity outflows, these amounted to between 283mio EUR and 400mio EUR (400mio EUR as of September 30th 2022).

The most common reasons of the fluctuations of LCR in the period between December 31st 2021 and September 30th 2022 are: movements of deposits of financial and non-financial customers, changes in the maturity of loans in the period of thirty days, changes in the balance of Loro and Nostro accounts and increase of stock of customer loans.

High-level description of the composition of the institution's liquidity buffer

The liquidity buffer of UniCredit Banka Slovenija d.d. consists of the most liquid and available assets, which can be used in the event of stressful scenarios and conditions, within a short period of time. The liquidity buffer includes cash, balances with the Central Bank (excluding mandatory reserves) and unencumbered high-quality debt securities.

Explanations on the actual concentration of funding sources

The main financing sources of the Bank are customer deposits, providing a very stable and diverse base, where the main contributors are Retail and Corporate clients' deposits, complemented by Targeted longer-term refinancing operations (TLTRO III).

UniCredit Banka Slovenija d.d. is not dependent on financing via interbank market.

The Bank considers the concentration of funding per maturity in its Business strategy, ensuring a balanced portfolio and preventing the side effects of concentration.

Derivative exposures and potential collateral calls

The Bank concludes transactions with derivative financial instruments for the purpose of managing interest rate and foreign exchange risks.

Bank offers such products to its Corporate Customers for the purpose of hedging their financial risk (foreign exchange, interest rate and commodity risk).

The majority of derivative financial instruments in the portfolio consists of financial instruments for hedging interest rate positions of the Banking Book, in order to manage and be compliant with the internal limits and triggers related to interest rate risks in the banking book.

ISDA agreements and Credit Support Annex (CSA) are in place for Financial counterparties.

With regards to Corporate customers, UniCredit Banka concludes derivatives transactions on the basis of Master Agreements for derivatives. For each client there is portfolio coordination in place in compliance with European Market Infrastructure Regulation (EMIR).

From the LCR perspective, the exposure to derivative financial instruments does not have a significant impact on Net Outflows.

Currency mismatch in the LCR

The Bank actively manages its liquidity risk exposure to foreign currencies in accordance with the regulations of the UniCredit Group and the international regulations of the European Central Bank. Given the fact that the Bank's main currency is Euro, the Bank reports the LCR in Euro. Additionally to the reporting in the main currency, the Bank also reports LCR in terms of all currencies on which it has positions.

Other items in the LCR calculation that are not captured in the LCR disclosure template but that the institution considers relevant for its liquidity profile

The LCR calculation does not include any other items that are not already included in the LCR disclosure table. The operations of the Bank are mainly focused on retail and corporate clients; and its balance sheet does not include complex products. Moreover, the liquidity of the Bank is stable and the volume of unencumbered liquidity reserves is adequate.