

2024

**REMUNERATION  
REPORT**

Company name: **SID – Slovenska izvozna in razvojna banka, d.d., Ljubljana**  
Abbreviated company name: SID banka d.d., Ljubljana  
Registered office: Ulica Josipine Turnograjske 6, 1000 Ljubljana  
Registration number: 5665493  
Tax number: 82155135  
VAT ID number: SI82155135  
IBAN: SI56 3800 0380 0000 039  
SWIFT: SIDRSI22  
GIIN: 66SI1E.99999.SL.705  
LEI: 549300BZ3GKOJ13V6F87  
Website: [www.sid.si](http://www.sid.si)  
Email: [info@sid.si](mailto:info@sid.si)  
Secure electronic mailbox: [sid@vep.si](mailto:sid@vep.si)  
Telephone: +386 (1) 200 75 00  
Facebook: [www.facebook.com/sid.bank/](https://www.facebook.com/sid.bank/)  
LinkedIn: [www.linkedin.com/company/sid---slovenska-izvozna-in-razvojna-banka-d.d.-ljubljan/](https://www.linkedin.com/company/sid---slovenska-izvozna-in-razvojna-banka-d.d.-ljubljan/)  
YouTube: [www.youtube.com/channel/UCK\\_2pY\\_T0EiC4PGF36sZJqA](https://www.youtube.com/channel/UCK_2pY_T0EiC4PGF36sZJqA)

# Introduction

*SID Bank draws up the remuneration report in accordance with Article 294b of the Companies Act (ZGD-1), which requires an undertaking whose securities are traded on a regulated market to draw up a clear and understandable remuneration report, providing a comprehensive overview of the remuneration, including all benefits in whatever form, awarded or owed during the most recent financial year to individual members of the management and supervisory bodies, in accordance with the remuneration policy.*

Where information about remuneration is cited within the framework of the annual report or the disclosures under Pillar 3 of the Basel framework, the remuneration report makes reference to that source.

The report clarifies how the total remuneration complies with the adopted remuneration policy, including how it contributes to the long-term performance of the undertaking, and provides information on the how the performance criteria were applied to the awarding of benefits in whatever form.

The remuneration policy and practices are consistently aimed at fulfilling the objectives of the Bank's business strategy, and are aligned with its risk profile and risk capacity. The key internal bylaws in that respect are the remuneration policy for members of the management body, which in accordance with Article 294a of the ZGD-1 is published on the website, and the remuneration policy applying to all other employees (hereinafter the two bylaws are referred to as the remuneration policy).



## Management and supervisory bodies – composition and number of sessions

*The implementation of the remuneration policy is managed and supervised within the framework of the management body by the management board, the nomination and remuneration committee, and the supervisory board.*

Composition of the supervisory board in 2024:

- until 3 April 2024: **Janez Tomšič** (chair), **Leo Knez** (deputy-chair), **Marjan Divjak**, **Matija Šenk**, **Marko Tišma**
- from 4 April 2024: **Janez Tomšič** (chair), **Leo Knez** (deputy-chair), **Marjan Divjak**, **Dr Katja Lautar**, **Matija Šenk**, **Marko Tišma**

The supervisory board met at eight ordinary sessions and three correspondence sessions in 2024.

Composition of the nomination and remuneration committee in 2024:

- **Marko Tišma** (chair)
- **Matija Šenk** (deputy-chair)
- **Janez Tomšič**

The nomination and remuneration committee met at seven sessions in 2024.

Composition of the management board in 2024:

- **Borut Jamnik** (president of the management board) and **Stanka Šarc Majdič** (member of the management board)



Management Board - Borut Jamnik (president of the management board) and Stanka Šarc Majdič (member of the management board)

## Remuneration policy in 2024

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*The Bank performed well in 2024. The annual report for 2024 analyses its performance during the year, and highlights the achievement of key business and financial performance indicators.*

In addition to SID Bank, the SID Bank Group includes the Centre for International Cooperation and Development or CMSR (an institution), the Prvi Faktor Group (a joint venture), and SID Svetovanje (a subsidiary). SID Bank is a co-founder of the CMSR, in which it does not have any financial stake, but holds 33% of the voting rights. Based on the principle of immateriality, SID Bank does not include any of the aforementioned legal entities in consolidation, as their combined total assets amount to less than 1% of SID Bank's balance sheet total, and thus SID Bank only compiled separate financial statements for 2024. The remuneration at the aforementioned legal entities is also excluded from this report due to immateriality.

SID Bank's remuneration policy applies to the Bank alone and exclusively in Slovenia, and is not implemented at subsidiaries.

The upper limit on the basic salary for performance of the function and the session fees for members of the supervisory board is set out in the remuneration policy for members of the management body. The implementation of the remuneration policy is set out by a resolution of the general meeting. The various categories of remuneration of supervisory board members complied with this resolution in 2024. Information about the remuneration of the supervisory board members is provided in the table below.

The remuneration of members of the management board is set out by the remuneration policy for members of the management body, which takes account of the law governing the remuneration of managers of undertakings with majority ownership held by the state (the ZPPOGD). The various categories of remuneration of management board members complied with the aforementioned regulations in 2024.

The Bank did not issue any shares or share options in 2024 for the purpose of implementing the remuneration policy. The Bank did not enforce clawback provisions, and neither did it engage any external advisors in the area of implementing the remuneration policy in 2024.

# Total remuneration awarded/paid to the members of the management and supervisory bodies in the 2024 financial year

## Remuneration of supervisory board members

v EUR						
Name	Function	Gross payment for performance of function	Gross session fees	Gross total	Gross reimbursement of expenses	Other benefits (liability insurance)
Janez Tomšič	chair of supervisory board	27,782	5,225	33,007	0	1,042
	member of nomination and remuneration committee					
	member of audit committee until 28 May 2024					
mag. Leo Knez	deputy-chair of supervisory board	25,875	7,260	33,135	0	1,042
	chair of audit committee					
	member of risk committee					
Marko Tišma	member of supervisory board	24,375	6,820	31,195	1,087	1,042
	chair of nomination and remuneration committee					
	deputy-chair of audit committee					
mag. Marjan Divjak	member of supervisory board	20,625	4,840	25,465	0	1,042
	chair of risk committee					
Matija Šenk	member of supervisory board	22,500	6,380	28,880	0	1,042
	deputy-chair of risk committee					
	deputy-chair of nomination and remuneration committee					
dr. Katja Lautar	member of supervisory board since 4 Apr 2024	13,343	2,970	16,313	0	0
	member of the Audit Committee since 29 May 2024					
<b>Skupaj</b>		<b>134,500</b>	<b>33,495</b>	<b>167,995</b>	<b>1,087</b>	<b>5,211</b>

Members of the supervisory board received fixed remuneration only, and the share of the total remuneration of members of the supervisory board that is fixed is therefore 100%

## Remuneration of management board members

v EUR

		Name	mag. Sibil Svilan	Borut Jamnik	mag. Stanka Šarc Majdič
		Function	president of management board until scheduled end of term of office on 31 Dec 2021	president of management board since 17 Apr 2023	member of management board since 1 Jan 2022
1	Fixed remuneration	Gross salary	0	240,351	215,534
2		Annual leave allowance	0	2,427	2,427
3		Allowances	0	1,451	1,570
4		Fringe benefits and insurance	0	3,987	4,602
5	Variable remuneration	Paid currently	0	22,587	28,806
6		Paid for previous years	4,487	0	0
7		Current deferrals	0	22,587	28,806
8		Termination benefit	0	0	0
9		Clawback	0	0	0
10		Total payment (1+2+3+4+5+6+8-9+12)	4,487	270,803	252,939
11		Ratio of variable remuneration (5+7) to gross salary in previous year	n.a.	28.2 %	28.2 %
12		Remuneration from undertakings in group	0	0	0

## Comparison of the increase in remuneration of the members of the management and supervisory bodies in relation to the increase in remuneration of the Bank's employees and the Bank's performance

Prejemki		2020/2019	2021/2020	2022/2021	2023/2022	2024/2023
Rast povprečne plače zaposlenih v banki glede na preteklo leto		2,3 %	2,8 %	5,1 %	11,2 %	3,5 %
Rast fiksnega dela plače uprave glede na preteklo leto		13,6 %	2,3 %	2,8 %	−6,4 %	3,9 %
Rast osnovnega plačila in sejnine članov NS glede na preteklo leto		0,0 %	0,0 %	0,0 %	0,0 %	0,0 %
Zunanje primerjave		2020/2019	2021/2020	2022/2021	2023/2022	2024/2023
Rast povprečne plače zaposlenih v finančni in zavarovalniški dejavnosti		2,5 %	5,0 %	6,3 %	8,6 %	6,3 %
Letna stopnja inflacije		−1,1 %	4,9 %	10,3 %	4,2 %	1,9 %
Kazalniki poslovanja	2019	2020	2021	2022	2023	2024
Bilančna vsota (v tisoč EUR)	2.406.164	2.907.358	2.834.032	2.799.708	2.685.877	2.726.743
Skupni znesek kreditov nebančnemu sektorju (v tisoč EUR)	816.550	1.091.560	1.199.698	1.382.527	1.428.171	1.328.427
Knjigovodska vrednost delnice (v EUR)	149,47	153,42	158,47	145,29	156,18	163,13
Čiste obresti (v tisoč EUR)	23.932	23.193	28.006	24.214	30.170	34.846
Čisti dobiček (v tisoč EUR)	32.040	8.490	24.030	8.251	15.638	9.027
Donos na kapital po obdavčitvi	7,2 %	1,8 %	5,0 %	1,8 %	3,4 %	1,8 %
Dolgoročna bonitetna ocena (Standard & Poor's)	AA−	AA−	AA−	AA−	AA−	AA−

The basic salary of the management board is determined in accordance with the ZPPOGD, having regard for the recommendations and expectations of SDH. The average growth in the remuneration of the management board over the last five years remains behind the average growth in employee remuneration, while the remuneration of the members of the supervisory board saw zero growth over this period. The growth in the average salary is largely a reflection of the rise in annual inflation rates, and is supported by stable performance indicators, including fulfilment of the mandate under the ZSIRB and the realised profit.



## Information about other financial bonuses, benefits or services (third paragraph of Article 294b of the ZGD-1)

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There were no additional financial bonuses, benefits or services awarded or provided by a third party to the members of the management board in connection with their activity as members of the management board.

The members of the management board were not granted other benefits in the event of early termination of office or scheduled termination of office, including changes agreed in the last financial year, or set aside in advance.



# Design and structure of the remuneration system, key characteristics and goals of the remuneration policy

The remuneration policy and practices were consistently aimed at fulfilling the objectives of the Bank's business strategy, and were aligned with its risk profile and risk-bearing capacity. Another purpose of the remuneration policy is to promote adequate risk management in the future. The Bank took into account the fundamental principles set out in Article 190 of the ZBan-3 in a manner and to an extent appropriate to its size and internal organisational structure, and the nature, scale and complexity of the activities that it pursues, also taking into account that:

- the governance system at the Bank is comprehensive, as it is set up for all important business processes (activities) and the decision-making at the Bank is organised centrally at the management board and/or its committees, with decisions on individual transactions made on the basis of predetermined general authorisations, as derived from the applicable rules on authorisations, and all decisions being adopted at the Bank's registered office, given that it has no dislocated units;
- in accordance with the ZSIRB, the Bank's objective is not maximising profit, but conserving capital and achieving the effects of its mission, whereby all the Bank's transactions are subject to the assessment of economic quality on the basis of international criteria;
- unlike other commercial banks, the Bank provides only specific services and transactions (financing of corporates and banks), i.e. it does not provide the majority of services provided by other banks (e.g. the Bank does not take deposits from the public, does not provide retail services, does not manage current accounts for customers, does not provide payment services for customers, and does not provide investment services for customers); and

- a large portion of the Bank's portfolio is accounted for by less-risky direct investments (e.g. within the framework of loan funds and in entities of public law) and exposure to domestic banks.

The Bank ensures that the variable component of remuneration, including its deferred part, is only paid if payment is justified given the Bank's financial position, and payment is based on the results of the Bank, the individual business unit and the employee in question. In the event of underperformance or an operating loss being recorded, the Bank sharply reduces variable remuneration. The assessment and awarding of variable remuneration are carried out on the basis of models and methodologies put in place at the Bank for the assessment of the job performance and commercial success of employees, organisational units and the Bank. For members of the management board, these models and methodologies are more precisely defined in the remuneration policy for members of the management body, in employment contracts, and in supervisory board resolutions.

Management board members also have the right to remuneration dependent on the level of performance, which is determined with regard to the targets set in the annual business plan and any additional criteria stipulated by the supervisory board. The annual plan must contain various indicators and specific activities with criteria, including special quality criteria for the development of social responsibility.

The criteria for determining the performance-related remuneration of members of the management board are laid down by the supervisory board at the proposal of the nomination and

remuneration committee, following the annual confirmation of the business strategy and the annual business plan. The criteria for awarding variable remuneration are divided into financial and non-financial criteria. The latter include the implementation of measures for the development of social responsibility, the management board's cooperation with the supervisory board, the maintenance of reputation and the Bank's credit ratings, and the various circumstances in which the Bank operated in the previous year.

According to the ZPPOGD, the variable component of the remuneration of a member of the management board may not exceed 30% of the basic salary paid out to the member of the management board in a financial year. The variable component is determined by the supervisory board and its nomination and remuneration committee, and is paid once a year for the previous financial year, as a rule upon the adoption of the audited annual report. The methodology for awarding variable remuneration, the method of assessing the performance of the Bank, organisational units and individual employees, and the approach to the final distribution of the components of variable remuneration are also detailed in the disclosures under Pillar 3 of the Basel framework.

## Linking remuneration to long-term performance

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The realisation of the annual business plan is the basis for awarding variable remuneration to the members of the management board. The realisation of the annual business plan has a significant impact on the long-term performance of the Bank, as it is conducive to the achievement of the Bank's strategic goals, its economic and financial indicators, indicators in the area of risk management, reputation and other targets relevant to the Bank's current and future performance. Having assessed the fulfilment of the framework strategic indicators, indicators of strategic activities and indicators of strategic results in relation to the implementation of the annual business plan, and having regard for the other elements set out in the employment contract, the supervisory board determined that the president of the management board and the member of the management board were entitled to performance-related pay for 2023 in the amount of 28% of the basic salaries paid for the 2023 financial year. The payment of 50% of the performance-related pay was made simultaneously with the performance-related pay for other employees, while the payment of the remaining amount was deferred in line with the remuneration policy and the employment contract.

The remuneration policy put in place ensures that the responsible persons at the Bank take account of the impact of planned payments of the variable component of remuneration, including any deferred component, on the calculation and planning of the Bank's capital and liquidity. Should it be established that the fulfilment of obligations or the achievement of objectives relating to capital or liquidity are jeopardised, the Bank will immediately implement a conservative variable remuneration policy. This was not necessary in 2024. To this end, provisions that facilitate a decrease or return of the variable component of the employee's

remuneration (clawback) intended for the payment and the deferred variable remuneration components from previous periods were included by the Bank in the employment contracts of all employees who in the scope of their powers or work duties and activities may have a material impact on its risk profile.

The Bank did not compensate for the reduced amount of the variable component of remuneration for previous years owing to the adjustment of remuneration to risks by increasing the variable component of remuneration in 2024. The remuneration policy stipulates that if the total variable remuneration of an employee exceeds EUR 50 thousand gross in a particular year, the respective part is deferred in the amount and for the periods specified in the remuneration policy, while a specific part (50%) of the variable remuneration of the members of the management board is also deferred in accordance with the ZPPOGD. Deferred payments to the members of the management board are cited in the disclosures under Pillar 3 of the Basel framework. In 2024 the Bank did not identify any grounds for clawback stipulated by the law governing companies, and thus it did not decide on the return of the variable component of remuneration already paid.

# Independent auditor's report

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## INDEPENDENT AUDITOR'S LIMITED ASSURANCE REPORT

To the shareholder of SID banka, d.d., Ljubljana

Pursuant to the contract agreed with SID banka, d.d., Ljubljana ("Company") on 27. November 2023, we have reviewed the accompanying Remuneration Report prepared by the management of the SID banka, d.d., Ljubljana on 26. March 2025 which presents all remuneration payments to Management and Supervisory Board members in the year ended on 31. December 2024, as required by Article 294.b. of the Companies Act-1 (ZGD-1) ("the Remuneration Report").

### *Management board and Supervisory board Responsibilities*

The Company's Management board and Supervisory board is responsible for the preparation of the Remuneration Report in accordance with the Article 294.b of the Companies Act (ZGD-1). In particular, the Company's Management board and Supervisory board is responsible for internal controls being designed and implemented to prevent the Remuneration Report from being materially misstated, whether due to fraud or error.

### *Auditor's Responsibility*

Our responsibility is to express a conclusion on limited assurance of the accompanying Remuneration Report based on the work performed and evidence obtained. Our limited assurance engagement was conducted in accordance with International Standard on Assurance Engagements 3000 (Revised) - Assurance Engagements Other Than Audits or Reviews of Historical Financial Information (ISAE 3000 (Revised)), issued by the International Auditing and Assurance Standards Board (IAASB). The standard requires that we plan and perform the engagement to obtain limited assurance about the fact that nothing has come to our attention that causes us to believe that the Remuneration Report contains material misstatements, among other, in respect of compliance with requirements of Article 294.b of the Companies Act, the accuracy of presented transactions, all in consideration of the criteria identified below.

### *Definition of Criteria*

When performing our procedures, we assessed whether the Remuneration Report, prepared by the management of SID banka, d.d., Ljubljana for the year ended 31. December 2024, contains information required by the Paragraphs 2 and 3 of the Article 294.b of the Companies Act.

### *Our independence and quality management*

We have acted in accordance with the independence requirements and ethical requirements of the International Ethics Standards Board of Accountants' (IESBA) International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code), which is based on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional conduct.

Our firm operates in accordance with International Standards on Quality Management (ISQM) 1 and maintains a comprehensive quality management system, including documented policies and procedures regarding compliance with ethical requirements of professional standards and applicable legal and regulatory requirements.

### *Summary of work performed*

As part of our work we performed, amongst other, the following procedures:

- obtained understanding of the Company's internal controls, processes and systems set up for the preparation of the Remuneration Report
- performed reconciliation, on the sample basis, of input data disclosed in the Remuneration Report with the supporting documentation provided by the Company
- inquired the Management board and Supervisory board members on the accuracy of the information presented in the Remuneration Report
- read the Remuneration Report and confirmed that the representations in the Remuneration Report are done in accordance with the Article 294.b of the Companies Act (ZGD-1)

The nature and scope of our work were determined on the basis of risk assessment and our professional judgement exercised for the purpose of obtaining a limited assurance and do not include an opinion of the appropriateness of the management remuneration policy.



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Procedures aimed at gathering evidence for the purpose of limited assurance engagements are more limited than is the case when issuing a reasonable assurance and accordingly, less assurance is given than in the case of a reasonable assurance or an audit.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion.

**Conclusion**

Based on the work performed and evidence obtained, nothing has come to our attention that causes us to believe that the Remuneration report prepared by the management of SID banka, d.d., Ljubljana for the year end-end 31. December 2024 does not contain data, in all material respects, in accordance with Paragraphs 2 and 3 of the Article 294.b of the Companies Act (ZGD-1).

Ljubljana, 26. March 2025

  
Janez Uranič  
Director, Certified Auditor  
Ernst & Young d.o.o.  
Dunajska cesta 111, Ljubljana

  
Nena Cvetkovska  
Certified Auditor

**ERNST & YOUNG**  
Revizija, poslovno  
svetovanje d.o.o., Ljubljana 3

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• **SDD Banka**

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