

Business name: SID – Slovenska izvozna in razvojna banka, d.d., Ljubljana

Abbreviated business name: SID banka d.d., Ljubljana

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1 INTRODUCTION

Disclosures under the third pillar of the Basel standards have been prepared in accordance with the provisions of Part Eight of Regulation (EU) No 575/2013 of the European Parliament and of the Council of 26 June 2013 on prudential requirements for credit institutions and investments firms, including all amendments (CRR), and Commission Implementing Regulation (EU) No 2021/637 laying down implementing technical standards with regard to public disclosures by institutions of the information referred to in Titles II and III of Part Eight of Regulation (EU) No 575/2013 of the European Parliament and of the Council (hereinafter: Regulation 2021/637).

SID Bank has the status of other systemically important institution (O-SII), which means that it is treated as a large institution in accordance with Article 4(146)(b) of the CRR. SID Bank has issued bonds that have been admitted for trading on a regulated market. Accordingly, the Bank is bound

to the frequency and scope of disclosures set out in Article 433(a) of the CRR.

The disclosures are drawn up for SID Bank on an individual basis, as the Bank is not required to meet its prudential requirements under the CRR on a consolidated basis.

The Bank discloses the required data and information in this section in the templates prescribed by Regulation (EU) No 2021/637. In accordance with Article 432 of the CRR, a specific template only displays the rows or columns that are relevant for SID Bank. The Bank did not omit any information regarded as proprietary or confidential. The quantitative disclosures in specific templates are in line with the information in the reports sent to the regulator.

All amounts in the disclosures are in EUR thousand. The data as at 30 September 2023 are not audited.

All disclosures for previous periods are published on SID Bank's website (www.sid.si).

2 STATEMENT ON THE APPROPRIATENESS OF INTERNAL PROCEDURES AND CONTROLS

In accordance with Article 431(3) of Regulation (EU) No 575/2013 of the European Parliament and of the Council on prudential requirements for credit institutions and investment firms (CRR), the management board, represented by

Borut Jamnik, President of the Management Board and Stanka Šarc Majdič, Member of the Management Board;

by signing this statement confirms that SID Bank has the appropriate formal policies and internal procedures and controls in place, which ensures that the data from the disclosures are appropriate.

Ljubljana, 7 November 2023

Management Board of SID Bank

Stanka Šárc Majdič

Borytt Jamnik

President

3 DISCLOSURE OF KEY METRICS AND OVERVIEW OF RISK-WEIGHTED EXPOSURE AMOUNTS

3.1 Template EU KM1 – Key metrics template

(Article 447(a) to (g) and Article 438(b) of the CRR)

		a	b	С	d	е
		30 Sep 2023	30 June 2023	31 Mar 2023	31 Dec 2022	30 Sep 2022
	Available own funds (amounts)					
1	Common Equity Tier 1 (CET1) capital	455,403	454,645	450,464	441,040	440,770
2	Tier 1 capital	455,403	454,645	450,464	441,040	440,770
3	Total capital	455,403	454,645	450,464	441,040	440,770
	Risk-weighted exposure amounts					
4	Total risk exposure amount	1,644,124	1,660,980	1,686,125	1,735,801	1,683,297
	Capital ratios (as a percentage of risk-weighted exposure amount)					
5	Common Equity Tier 1 ratio (%)	27.70%	27.37%	26.72%	25.41%	26.18%
6	Tier 1 ratio (%)	27.70%	27.37%	26.72%	25.41%	26.18%
7	Total capital ratio (%)	27.70%	27.37%	26.72%	25.41%	26.18%
	Additional own funds requirements to address risks other than the risk of excessive leverage (as a percentage of risk-weighted exposure amount)					
EU-7a	Additional own funds requirements to address risks other than the risk of excessive leverage (%)	2.25%	2.25%	2.25%	2.25%	2.25%
EU-7b	of which: to be made up of CET1 capital (percentage points)	1.27%	1.27%	1.27%	1.27%	1.27%
EU-7c	of which: to be made up of Tier 1 capital (percentage points)	1.69%	1.69%	1.69%	1.69%	1.69%
EU-7d	Total SREP own funds requirements (%)	10.25%	10.25%	10.25%	10.25%	10.25%
	Combined buffer and overall capital requirement (as a percentage of risk -weighted exposure amount)					
8	Capital conservation buffer (%)	2.50%	2.50%	2.50%	2.50%	2.50%
EU-8a	Conservation buffer due to macro-prudential or systemic risk identified at the level of a Member State (%)	0.00%	0.00%	0.00%	0.00%	0.00%
9	Institution specific countercyclical capital buffer (%)	0.05%	0.05%	0.03%	0.02%	0.02%
EU-9a	Systemic risk buffer (%)	0.00%	0.00%	0.00%	0.00%	0.00%
10	Global Systemically Important Institution buffer (%)	0.00%	0.00%	0.00%	0.00%	0.00%
EU-10a	Other Systemically Important Institution buffer (%)	0.25%	0.25%	0.25%	0.25%	0.25%
11	Combined buffer requirement (%)	2.80%	2.80%	2.78%	2.77%	2.77%
EU-11a	Overall capital requirements (%)	13.05%	13.05%	13.03%	13.02%	13.02%
12	CET1 available after meeting the total SREP own funds requirements (%)	17.45%	17.12%	16.47%	15.16%	15.93%

		a	b	С	d	e
		30 Sep 2023	30 June 2023	31 Mar 2023	31 Dec 2022	30 Sep 2022
	Leverage ratio			,		
13	Total exposure measure	2,870,739	2,834,926	3,037,976	3,010,264	2,973,693
14	Leverage ratio (%)	15.86%	16.04%	14.83%	14.65%	14.82%
	Additional own funds requirements to address the risk of excessive leverage (as a percentage of total exposure measure)					
EU-14a	Additional own funds requirements to address the risk of excessive leverage (%)	0.00%	0.00%	0.00%	0.00%	0.00%
EU-14b	of which: to be made up of CET1 capital (percentage points)	0.00%	0.00%	0.00%	0.00%	0.00%
EU-14c	Total SREP leverage ratio requirements (%)	3.00%	3.00%	3.00%	3.00%	3.00%
	Leverage ratio buffer and overall leverage ratio requirement (as a percentage of total exposure measure)					
EU-14d	Leverage ratio buffer requirement (%)	0.00%	0.00%	0.00%	0.00%	0.00%
EU-14e	Overall leverage ratio requirement (%)	3.00%	3.00%	3.00%	3.00%	3.00%
	Liquidity coverage ratio (LCR)					
15	Total high-quality liquid assets (HQLA) (weighted value-average)	528,264	446,755	575,078	400,309	440,702
EU-16a	Cash outflows – total weighted value	27,991	25,274	33,463	27,723	18,104
EU-16b	Cash inflows – total weighted value	18,021	8,612	33,262	5,661	25,886
16	Total net cash outflows (adjusted value)	9,970	16,662	8,366	22,062	3,017
17	LCR (%)	5,298%	2,681%	6,874%	1,814%	14,606%
	Net stable funding ratio (NSFR)					
18	Total available stable funding	2,463,359	2,457,004	2,490,135	2,356,416	2,563,441
19	Total required stable funding	1,555,386	1,581,984	1,587,275	1,625,973	1,655,539
20	NSFR (%)	158.38%	155.31%	156.88%	144.92%	154.84%

The Bank's total capital ratio stood at 27.70% as at 30 September 2023 (30 June 2023: 27.37%). The rise in the ratio compared with 30 June 2023 was primarily attributable to an increase in the stock of the Bank's available own funds due to higher value of debt securities measured at fair value through other comprehensive income and lower total exposure risk amount. In addition to meeting the overall capital requirement (OCR), which is 13.05%, the Bank must also meet the capital requirement under Pillar 2 guidance (P2G) in the amount of 1.50%. The aggregate capital requirement (OCR + P2G) thus amounted to 14.55% as at 30 September 2023, still well below the Bank's total capital ratio.

The leverage ratio stood at 15.86% (30 June 2023: 16.04%), still well above the regulatory requirement of 3%.

The liquidity coverage ratio (LCR) stood at 5,298% (30 June 2023: 2,681%). This ratio is quite volatile over time, due to the Bank's specific role as a development institution (see note 4.2).

The net stable funding ratio (NSFR) stood at 158.38% (30 June 2023: 155.31%).

3.2 Template EU OV1 – Overview of total risk exposure amounts

(Article 438(d) of the CRR)

		Total risk exposure	Total own funds requirements	
		a	b	С
		30 S ep 2023	30 June 2023	30 S ep 2023
1	Credit risk (excluding CCR)	1,550,190	1,565,597	124,015
2	of which standardised approach	1,550,190	1,565,597	124,015
6	Counterparty credit risk – CCR	20,077	21,527	1,606
EU-8b	of which credit valuation adjustment – CVA	16,476	17,707	1,318
9	of which other CCR	3,601	3,820	288
23	Operational risk	73,856	73,856	5,909
EU-23a	of which basic indicator approach	73,856	73,856	5,909
24	Amounts below the thresholds for deduction (subject to 250% risk weight)	29,085	29,549	2,327
29	Total (1+6+23)	1,644,124	1,660,980	131,530

4 DISCLOSURE OF LIQUIDITY REQUIREMENTS

4.1 Template EU LIQ1 – Quantitative information of LCR

(Article 451a(2) of the CRR)

		а	b	С	d	е	f	g	h
		Т	Total unweighted value (average)				Total weighted	value (average	e)
EU-1a	Quarter ending on	30 Sep 2023	30 June 2023	31 Mar 2023	31 Dec 2022	30 Sep 2023	30 June 2023	31 Mar 2023	31 Dec 2022
EU-1b	Number of data points used in the calculation of averages	12	12	12	12	12	12	12	12
HIGH-QUALITY	LIQUID ASSETS								
1	Total high-quality liquid assets (HQLA)					488,987	461,019	403,094	362,393
CASH OUTFLOW	NS .								
2	Retail deposits and deposits from small business customers, of which:	0	0	0	0	0	0	0	0
3	Stable deposits	0	0	0	0	0	0	0	0
4	Less stable deposits	0	0	0	0	0	0	0	0
5	Unsecured wholesale funding	4,782	4,300	3,972	3,969	4,782	4,300	3,972	3,969
6	Operational deposits (all counterparties) and deposits in networks of cooperative banks	0	0	0	0	0	0	0	0
7	Non-operational deposits (all counterparties)	4,507	4,025	3,699	3,697	4,507	4,025	3,699	3,697
8	Unsecured debt	275	275	272	272	275	275	272	272
9	Secured wholesale funding					0	0	0	0
10	Additional requirements	146,505	133,080	114,314	95,291	24,426	22,724	20,951	15,765
11	Outflows related to derivative exposures and other collateral requirements	514	315	72	44	514	315	72	44
12	Outflows related to loss of funding on debt products	0	0	0	0	0	0	0	0
13	Credit and liquidity facilities	145,991	132,765	114,242	95,247	23,912	22,409	20,879	15,721
14	Other contractual funding obligations	1,661	1,732	2,140	2,061	292	359	807	751
15	Other contingent funding obligations	92,468	91,994	90,558	87,910	5,033	5,340	5,297	5,203
16	TOTAL CASH OUTFLOWS					34,533	32,722	31,027	25,688

			b		М		£	~	h	
		а	Total unweighted value (average)			е	Total weighted	yalue (average	• • • • • • • • • • • • • • • • • • • •	
EU-1a	Quarter ending on	30 Sep 2023	30 June 2023	31 Mar 2023	31 Dec 2022	30 Sep 2023	30 June 2023	31 Mar 2023	31 Dec 2022	
EU-1b	Number of data points used in the calculation of averages	12	12	12	12	12	12	12	12	
CASH INFLOWS	S	•			•					
17	Secured lending (e.g. reverse repos)	0	0	0	0	0	0	0	0	
18	Inflows from fully performing exposures	19,260	19,416	28,544	29,816	15,171	16,110	24,228	25,075	
19	Other cash inflows	1,700	2,425	2,763	3,513	1,700	2,425	2,763	3,513	
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)					0	0	0	0	
EU-19b	(Excess inflows from a related specialised credit institution)					0	0	0	0	
20	TOTAL CASH INFLOWS	20,960	21,841	31,308	33,329	16,870	18,535	26,991	28,588	
EU-20a	Fully exempt inflows	0	0	0	0	0	0	0	0	
EU-20b	Inflows subject to 90% cap	0	0	0	0	0	0	0	0	
EU-20c	Inflows subject to 75% cap	20,960	21,841	31,308	33,329	16,870	18,535	26,991	28,588	
TOTAL ADJUST	ED VALUE	•								
EU-21	LIQUIDITY BUFFER					488,987	461,019	403,094	362,393	
22	TOTAL NET CASH OUTFLOWS					18,738	17,724	14,837	8,937	
23	LIQUIDITY COVERAGE RATIO					3,229%	3,820%	4,902%	6,123%	

4.2 Table EU LIQB on qualitative information on LCR, which complements template EU LIQ1

(Article 451a(2) of the CRR)

	Qualitative information						
(a)	Explanations on the main drivers of LCR results and the evolution of the contribution of inputs to the LCR's calculation over time.	The Bank maintains a high liquidity coverage ratio (LCR), which is quite volatile over time due to the Bank's specific role as a development institution and its readiness to intervene a					
(b)	Explanations on the changes in the LCR over time.	required, and the fact that SID Bank does not accept deposits					
(c)	Explanations on the actual concentration of funding sources.	from the public but rather acquires primarily long-term funding supported by a Slovenian government guarantee. SID Bank					
(d)	High-level description of the composition of the institution's liquidity buffer.	obtains funding primarily on international financial markets and at related financial institutions. As a result, the Bank does not have a high stock of outflows in the period of 30 days, which are taken into account in the calculation of the ratio, except for the maturities of long-term funding. The liquidity buffer comprises extremely liquid assets and highly liquid assets					
(e)	Derivative exposures and potential collateral calls.	The bank uses derivatives in the form of interest rate swaps due to interest risk management. The bank calculates CCR for these transactions using the original exposure method, as set out in Article 282 of the CRR. The bank agreed on cash deposits in local currency as collateral in all derivative transactions.					
(f)	Currency mismatch in the LCR.	The amount of assets that make up the liquidity buffer and the amount of liquidity outflows only comprise items denominated in euros. The proportion of liquidity inflows accounted for by other currencies is negligible.					
(g)	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 bank does not include any other items that are not captured in the LCR disclosure template.					

5 LIST OF TEMPLATES FOR QUARTERLY REPORTING FROM REGULATION 2021/637

Article and Annex in Regulation 2021/637	Article in CRR Template Reporting trequency		Chapter in disclosures	
Annex I: Disclosure of	key metrics and overview of risl	k-weighted expo	sure amounts	
1.1	article 447(a) to (g) and article 438(b)	EU KM1	Quarterly (article 447)	3.1
1.2	article 438(d)	EU OV1	Quarterly	3.2
Annex XIII: Disclosure	of liquidity requirements			
7(b)	article 451a(2)	EU LIQ1	Quarterly	4.1
7(b)	article 451a(2)	EU LIQB	Quarterly	4.2
Annex XXI: Disclosure	of the use of the IRB approach	to credit risk		
11(d)	article 438(h)	EU CR8	Quarterly	Not relevant – the bank does not use the IRB approach for credit risk
Annex XXV: Disclosure	e of exposures to counterparty o	redit risk		
				Not relevant – the bank does
13(g)	article 438(h)	EU CCR7	Quarterly	not use internal models for calculating CCR
Annex XXIX: Disclosur	e of the use of standardised app	oroach and inter	nal model for market risk	
15.2(d)	article 438(h)	EU MR2-B	Quarterly	Not relevant – the bank does not use internal models for calculating market risk

LIST OF ABBREVIATIONS AND TERMS

CCR	Counterparty credit risk
CET1	Common Equity Tier 1 Capital
CRR	Regulation (EU) No 575/2013 of the European Parliament and of the Council of 26 June 2013 on prudential
	requirements for credit institutions and investment firms and amending Regulation (EU) No 648/2012 (with
	amendments)
CVA	Credit Valuation Adjustment
EU	European Union
HQLA	High-quality liquid assets
IRB	Internal Ratings Based Approach
LCR	Liquidity Coverage Ratio
NSFR	Net Stable Funding Ratio
OCR	Overall capital requirement
O-SII	Other systemically important institutions
P2G	Pillar 2 guidance
SREP	Supervisory Review and Evaluation Process
TREA	Total risk exposure amount