

Disclosures under Pillar 3
of the Basel standards as at
30 September 2024



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1 Introduction

Disclosures under Pillar 3 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: Commission Implementing 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 the templates prescribed by Commission Implementing Regulation 2021/637. In accordance with Article 432 of the CRR, the Bank does not disclose certain rows or columns in individual templates that are not relevant to 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 submitted to the supervisory authority.

All amounts in the disclosures are in EUR thousand. The data as at 30 September 2024 are not audited.

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

2 Disclosure of key metrics and overview of risk-weighted exposure

2.1 Template EU KM1 – Key metrics template

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

		a	b	c	d	e
		30 Sep 2024	30 June 2024	31 Mar 2024	31 Dec 2023	30 Sep 2023
	Available own funds (amounts)					
1	Common Equity Tier 1 (CET1) capital	492,742	478,319	477,467	467,264	455,403
2	Tier 1 capital	492,742	478,319	477,467	467,264	455,403
3	Total capital	492,742	478,319	477,467	467,264	455,403
	Risk-weighted exposure amounts					
4	Total risk exposure amount	1,609,531	1,652,897	1,666,281	1,709,762	1,644,124
	Capital ratios (as a percentage of risk-weighted exposure amount)					
5	Common Equity Tier 1 ratio (%)	30.61%	28.94%	28.65%	27.33%	27.70%
6	Tier 1 ratio (%)	30.61%	28.94%	28.65%	27.33%	27.70%
7	Total capital ratio (%)	30.61%	28.94%	28.65%	27.33%	27.70%
	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 (%)	0.49%	0.50%	0.49%	0.48%	0.05%
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 (%)	3.24%	3.25%	3.24%	3.23%	2.80%
EU-11a	Overall capital requirements (%)	13.49%	13.50%	13.49%	13.48%	13.05%
12	CET1 available after meeting the total SREP own funds requirements (%)	20.36%	18.69%	18.40%	17.08%	17.45%

		a	b	c	d	e
		30 Sep 2024	30 June 2024	31 Mar 2024	31 Dec 2023	30 Sep 2023
	Leverage ratio					
13	Total exposure measure	2,993,470	2,950,710	2,847,156	2,869,378	2,870,739
14	Leverage ratio (%)	16.46%	16.21%	16.77%	16.28%	15.86%
	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)	600,669	511,180	408,467	402,334	528,264
EU-16a	Cash outflows – total weighted value	19,590	30,928	40,312	46,002	27,991
EU-16b	Cash inflows – total weighted value	10,851	35,562	11,866	8,361	18,021
16	Total net cash outflows (adjusted value)	8,739	7,732	28,446	37,641	9,970
17	LCR (%)	6,874%	6,611%	1,436%	1,069%	5,298%
	Net stable funding ratio (NSFR)					
18	Total available stable funding	2,485,872	2,636,340	2,535,430	2,508,578	2,463,359
19	Total required stable funding	1,527,448	1,595,166	1,613,771	1,652,443	1,555,386
20	NSFR (%)	162.75%	165.27%	157.11%	151.81%	158.38%

The Bank's total capital ratio was 30.61% as at 30 September 2024 (30 June 2024: 28.94%). The higher ratio relative to 30 June 2024 was mainly attributable to an increase in the Bank's available own funds. Retained earnings for 2023 in the amount of EUR 7,428 thousand were included in the calculation of CET1 capital on 30 September 2024, and hence in total capital, having been allocated to other reserves following confirmation at the general meeting.

In addition to meeting the overall capital requirement (OCR), which stands at 13.49%, the Bank must also meet the capital requirement under Pillar 2 guidance (P2G) in the amount of 1.75%. The aggregate capital requirement (OCR + P2G) thus amounted to 15.24% as at 30 September 2024, still well below the Bank's total capital ratio.

The Bank's leverage ratio was 16.46% as at 30 September 2024 (30 June 2024: 16.21%) and is considerably higher than the regulatory requirement of 3% for the leverage ratio. The higher ratio relative to 30 June 2024 is mainly the result of an increase in the Bank's available own funds.

The liquidity coverage ratio (LCR) was 6,874% as at 30 September 2024 (30 June 2024: 6,611%). This ratio is quite volatile over time due to the Bank's specific role as a development institution (see note in section 3.2).

The net stable funding ratio (NSFR) stood at 162.75% as at 30 September 2024 (30 June 2024: 165.27%).

2.2 Template EU OV1 – Overview of total risk exposure amounts

(Article 438(d) of the CRR)

		Total risk exposure amounts (TREA)		Total own funds requirements
		a	b	c
		30 Sep 2024	30 June 2024	30 Sep 2024
1	Credit risk (excluding CCR)	1,502,094	1,564,853	120,168
2	of which standardised approach	1,502,094	1,564,853	120,168
6	Counterparty credit risk – CCR	42,665	23,273	3,413
EU-8b	of which credit valuation adjustment – CVA	36,373	19,807	2,910
9	of which other CCR	6,292	3,466	503
23	Operational risk	64,771	64,771	5,182
EU-23a	of which basic indicator approach	64,771	64,771	5,182
24	Amounts below the thresholds for deduction (subject to 250% risk weight)	18,653	23,974	1,492
29	Total (1+6+23)	1,609,531	1,652,897	128,762

3 Disclosure of liquidity requirement

3.1 Template EU LIQ1 – Quantitative information of LCR

(Article 451a(2) of the CRR)

		a	b	c	d	e	f	g	h
		Total unweighted value (average)				Total weighted value (average)			
EU-1a	Quarter ending on	30 Sep 2024	30 June 2024	31 Mar 2024	31 Dec 2023	30 Sep 2024	30 June 2024	31 Mar 2024	31 Dec 2023
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)					471,775	454,203	488,528	505,890
CASH OUTFLOWS									
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	25,907	25,579	19,334	18,321	25,907	25,579	19,334	18,321
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)	18,904	18,576	12,331	11,788	18,904	18,576	12,331	11,788
8	Unsecured debt	7,003	7,003	7,003	6,533	7,003	7,003	7,003	6,533
9	Secured wholesale funding					0	0	0	0
10	Additional requirements	99,213	107,554	122,264	142,795	15,342	17,353	19,144	25,583
11	Outflows related to derivative exposures and other collateral requirements	854	828	747	785	854	828	747	785
12	Outflows related to loss of funding on debt products	0	0	0	0	0	0	0	0
13	Credit and liquidity facilities	98,360	106,726	121,517	142,010	14,489	16,525	18,397	24,797
14	Other contractual funding obligations	3,625	3,566	3,530	1,617	2,166	2,126	2,076	217
15	Other contingent funding obligations	99,424	98,412	96,734	93,687	5,672	5,466	5,461	5,308
16	TOTAL CASH OUTFLOWS					49,088	50,524	46,014	49,428
CASH INFLOWS									
17	Secured lending (e.g. reverse repos)	0	0	0	0	0	0	0	0
18	Inflows from fully performing exposures	18,284	19,893	20,340	20,896	13,157	14,668	15,342	16,172
19	Other cash inflows	3,847	3,675	1,887	1,900	3,847	3,675	1,887	1,900

		a	b	c	d	e	f	g	h
		Total unweighted value (average)				Total weighted value (average)			
EU-1a	Quarter ending on	30 Sep 2024	30 June 2024	31 Mar 2024	31 Dec 2023	30 Sep 2024	30 June 2024	31 Mar 2024	31 Dec 2023
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	22,132	23,567	22,227	20,960	17,004	18,343	17,229	18,072
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	22,132	23,567	22,227	20,960	17,004	18,343	17,229	18,072
TOTAL ADJUSTED VALUE									
EU-21	LIQUIDITY BUFFER					471,775	454,203	488,528	505,890
22	TOTAL NET CASH OUTFLOWS					33,238	33,453	29,181	32,432
23	LIQUIDITY COVERAGE RATIO					3,546%	3,255%	3,444%	3,196%

3.2 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 as required, and the fact that SID Bank does not accept deposits from the public but rather acquires long-term funding in the main supported by a Slovenian government guarantee. The Bank obtains funding primarily on international financial markets and at related financial institutions. Consequently the Bank does not have major outflows over the period of 30 days taken into account in the calculation of the ratio, except for maturing long-term funding.
(b)	Explanations on the changes in the LCR over time.	
(c)	Explanations on the actual concentration of funding sources.	
(d)	High-level description of the composition of the institution's liquidity buffer.	The liquidity buffer consists of extremely high-quality liquid assets and high-quality liquid assets.
(e)	Derivative exposures and potential collateral calls.	The Bank concludes swap transactions to manage interest rate risk. The Bank calculates exposure to counterparty credit risk in accordance with Article 282 of the CRR. The Bank holds collateral for its transactions in derivatives in the form of a cash deposit in domestic currency.
(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 items not included in the table of LCR disclosures in the calculation of LCR.

4 List of templates for quarterly reporting from Commission Implementing Regulation 2021/637

Article and Annex in Regulation 2021/637	Article in CRR	Template	Reporting frequency	Chapter in disclosures
Annex I: Disclosure of key metrics and overview of risk-weighted exposure amounts				
1.1	article 447(a) to (g) and article 438(b)	EU KM1	Quarterly	2.1
1.2	article 438(d)	EU OV1	Quarterly	2.2
Annex XIII: Disclosure of liquidity requirements				
7(b)	article 451a(2)	EU LIQ1	Quarterly	3.1
7(b)	article 451a(2)	EU LIQB	Quarterly	3.2
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 of exposures to counterparty credit risk				
13(g)	article 438(h)	EU CCR7	Quarterly	Not relevant – the bank does not use internal models for calculating CCR
Annex XXIX: Disclosure of the use of standardised approach and internal 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
P2G	Pillar 2 guidance
SREP	Supervisory Review and Evaluation Process