

DISCLOSURE OF INFORMATION 2018



THE FUTURE
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SOCIETE GENERALE GROUP

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1. INTRODUCTION

In accordance with Regulation (EU) No. 575/2013 of the of the European Parliament and of the Council on the prudential requirements for credit institutions and investment firms (Regulation (EU) No. 575/2013 (CRR)) the Bank is obliged to disclose to the public all relevant information regarded as material, since any omission could influence the assessment of a user relying on that information for the purpose of making economic decisions. Number and completeness of disclosed information related to capital adequacy, exposure towards risks and adequacy of governance and control mechanisms, have the impact to a higher transparency of the bank's operations.

SKB banka d.d. publishes disclosures in a standalone document in the structure compliant to EBA Guidelines on disclosure requirements under Part 8 of Regulation (EU) No. 575/2013. For the disclosures, which are an integral part of the Annual Report 2018, there is a reference to the respective chapter in the Annual Report.

The bank as a member of the international banking group Société Générale designed risk policies on the level of a particular risk as well as comprehensive risk management rules. Risk culture is well evolved, the rules and risk management systems are compliant to the local/national legislation and with the guidelines of the parent bank.

2. RISK MANAGEMENT, OBJECTIVES AND POLICIES

2.1 GENERAL INFORMATION ON RISK MANAGEMENT, OBJECTIVES AND POLICIES

2.2 INFORMATION ON RISK MANAGEMENT, OBJECTIVES AND POLICIES BY RISK CATEGORY

2.3 QUALITATIVE DISCLOSURE REQUIREMENTS RELATED TO CCR

2.4 INFORMATION ON MANAGEMENT ARRANGEMENTS

3. INFORMATION ON THE SCOPE OF APPLICATION OF THE REGULATORY FRAMEWORK

4. OWN FUNDS

- Capital disclosures as prescribed in the Capital Requirements Regulation (EU) nr. 575 / 2013 and Commission Implementing Regulation (EU) nr. 1423 / 2013
- Reconciliation of capital items, filters and deductions from capital to the Statement of financial position
- Disclosure of the nature and amounts of prudential filters, deductions from capital and a description of all restrictions applied to the calculation of own funds in accordance with the regulation CRR and the instruments, prudential filters and deductions to which those restrictions apply
- A description of the main features of the capital categories issued by the Bank

5. CAPITAL REQUIREMENTS

- Capital solvency structure – SKB Group
- Solvency ratio

6. MACRO-PRUDENTIAL SUPERVISORY MEASURES

7. CREDIT RISK AND GENERAL INFORMATION

7.1 GENERAL QUALITATIVE INFORMATION ON CREDIT RISK

7.2 GENERAL QUANTITATIVE INFORMATION ON CREDIT RISK

- Total and average net amount of exposures
- Geographical breakdown of exposures
- Concentration of exposures by industry or counterparty types
- Maturity of exposures
- Credit quality of exposures by exposure class and instrument
- Credit quality of exposures by industry or counterparty types
- Credit quality of exposures by geography
- Ageing of past-due exposures
- Non-performing and forborne exposures
- Changes in the stock of general and specific credit risk adjustments
- Changes in the stock of defaulted and impaired loans and debt securities

7.3 GENERAL QUALITATIVE INFORMATION ON CRM

7.4 GENERAL QUANTITATIVE INFORMATION ON CRM

8. CREDIT RISK AND CRM IN A STANDARDIZED APPROACH

8.1 QUALITATIVE INFORMATION ON THE USE OF A STANDARDIZED APPROACH

8.2 QUANTITATIVE INFORMATION ON THE USE OF A STANDARDIZED APPROACH

- ICredit risk exposure and CRM effects
- Breakdown of exposures under the standardised approach by asset class and risk weight

9. COUNTERPARTY CREDIT RISK (CCR)

9.1 INFORMATION ON REGULATORY MEASURES

- Analysis of CCR exposure by approach
- CVA capital charge

9.2 INFORMATION BY REGULATORY RISK-WEIGHTING APPROACH

- CCR exposures by regulatory portfolio and risk

9.3 OTHER INFORMATION ON COUNTERPARTY CREDIT RISK

- Contractual expiry by maturity of the Group's contingent financial liabilities and commitments-performing and forborne exposures
- Maturity analysis of contractual cash flows of assets and liabilities
- Maturity analysis of assets and liabilities according to expected cash flows

10. LIQUIDITY RISK

- Contractual expiry by maturity of the Group's contingent financial liabilities and commitments
- Maturity analysis of contractual cash flows of assets and liabilities
- Maturity analysis of assets and liabilities according to expected cash flows

11. ENCUMBERED ASSETS

- Assets
- Collateral received
- Sources of encumbrance

12. MARKET RISK

- Group's foreign exchange risk exposure by currency as of the end of the year.

13. STRUCTURAL INTEREST RATE RISK

- Realized interest rates (in %) by currency for SKB bank
- Interest rate risk

14. EQUITY INSTRUMENTS NOT INCLUDED IN THE TRADING BOOK

15. OPERATIONAL RISK

15.1 Advanced Measurement Approach of operational risk (AMA)

16. LEVERAGE RATIO

- Management of the risk of excessive leverage ratio
- Leverage ratio according to Commission Delegated Regulation (EU) 2015/62

17. REMUNERATION POLICY

18. DISSEMINATION OF INFORMATION

SKB d.d. has presented all disclosures in accordance with the Guidelines on disclosure requirements under Part 8 of Regulation (EU) No. 575/2013 in documents Disclosures and Annual Report published on the website of the bank www.skb.si in pdf format.