

PERFORMANCE OF SKB GROUP IN Q3 OF 2021

PRESS RELEASE

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Revival of economic activity, which began in the spring, continued through the third quarter of 2021. A higher demand for loans on the market reflected in the 5.7 % or 139.6 million EUR higher **credit portfolio** of the SKB Group compared to the portfolio at the end of last year. Higher volume of corporate loans and increased demand from individuals for housing loans contributed the most to growth. In the first nine months of 2021, SKB Bank managed to strengthen its market share in housing and consumer loans, despite strong competition. **The volume of deposits** remains high, the increase is driven mainly by sight deposits. Despite the optimization, excess liquidity still remains high. Compared to the end of 2020, the leasing portfolio remained at the same level.

The **operating profit** of the SKB Group in the first nine months of 2021 amounted to 41.5 million EUR and remained at the same level as in the same period last year. **Net banking income** was 2.8 % higher than in the same period last year, mainly due to higher income from financial instruments. Revived economic activity and, consequently, a larger volume of transactions had a favourable effect on net fee and commission income, as well as positive contribution from fees on deposits. Due to high liquidity in the market and strong competition in the lending segment, interest rates and consequently net interest income continue to decline.

The SKB Group's **operating costs** in the first nine months of this year amounted to 49.8 million EUR and were by 2.5 million EUR higher than in the same period last year, mainly due to higher regulatory and supervisory costs, IT development costs and higher labour costs due to additional employment needs.

In the first nine months of 2021, the SKB Group recorded **income from risk costs** in the amount of 1 million EUR, which had a positive effect on the operating business result. **Profit before tax** amounted to 42.4 million EUR, by 47.9% more than in the same period last year mainly due to income from risk costs, since last year the Group had higher risk costs related to the COVID crisis. **ROE** was 11.2 % or 2.9 percentage points more than in the same period last year.

The **OTP Group** also operated successfully in the first nine months of 2021. It achieved a **consolidated adjusted profit** of 373.6 billion HUF (1.0 billion EUR), which is 61 % higher than in the same period last year. **Adjusted return on equity** increased to 18.8 % compared to 13.2 % in the same period last year.

At SKB bank, we follow the latest trends of simplification and digitalisation of banking operations. We have introduced an additional functionality when paying with **Flik instant payments**, which now also allows payment at the point of sale and using contactless technology or QR code. At SKB, we strive to provide our range of products and services to all segments of the population. That is why we have introduced a special offer on the market, for the **agro segment**. The offer is already live, and the SKB agro team is ready with its knowledge for new and promising opportunities for marketing and sales. We are also actively adjusting our credit offer for **consumer and housing loans**, where there are always special offers for our customers. With the introduction of levying costs, we enable our clients to enrich their assets by investing in funds backed by expertise in investing in global markets. SKB Bank's clients can join **AMUNDI and Moorea mutual funds**, which also enable monthly savings. At SKB, we are continuing with various development projects with the **digitalisation and simplification** of banking processes, which will also affect faster access to customer services and an ever-improving user experience.

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The SKB Group

The SKB Group consists of SKB Bank and its subsidiaries SKB Leasing and SKB Leasing Select. At the SKB Group, more than 900 employees carry out banking and leasing services for more than 200,000 clients in the Slovenian market. SKB Bank is the holder of prestigious titles: Bank of the Year 2020 in Slovenia, presented by The Banker magazine, Best Bank of 2020 in Slovenia, presented by the Global Finance magazine and Superbrands 2021 Slovenia.

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