

INTRODUCTION OF FEES FOR ACCOUNT BALANCE FOR INDIVIDUAL CLIENTS AND CHANGES IN CHARGING THE FEES FOR LEGAL ENTITIES AND ENTREPRENEURS

PRESS RELEASE

Ljubljana, 2 February 2021

As of 1 April 2021, SKB Bank will introduce the charging of fees for account balance in personal accounts, savings accounts and deposits also in the segment of individual clients for average balance above 200 thousand EUR, with the clients' account balances and deposits being summed up. The monthly fee will be 0.04 per cent per month. The measure is a standard banking practice present in the entire euro area where countries are facing extraordinarily low interest rates and high liquidity of the banking system.

Since 2016, SKB Bank has been charging a fee for the keeping of assets in transaction account with euro currency for legal entities and entrepreneurs. As of 1 April 2021, we are moving to a monthly fee of 0.04 per cent and lowering the threshold from 250 thousand EUR to 100 thousand EUR. The fee will be calculated based on average account balances in transaction accounts, deposits and agreements on mutual financial cooperation in the euro currency.

In Appendix to the Press release, we are adding clarifications for frequently asked questions by clients upon the introduction of fees for account balances for individual clients.

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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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APPENDIX: FREQUENTLY ASKED QUESTIONS AND ANSWERS UPON THE INTRODUCTION OF FEES FOR ACCOUNT BALANCES FOR INDIVIDUAL CLIENTS AND CHANGES IN CHARGING FEES FOR LEGAL ENTITIES AND ENTREPRENEURS

What is a demurrage?

A demurrage means charging fees for account/asset balances in personal and transaction accounts, savings accounts and deposits in euro currency which exceeds the determined threshold value. The measure is a standard banking practice present in the entire euro area where countries are facing extraordinary low interest rates and high liquidity of the banking system.

SKB is introducing demurrages. When, for which sums and what will be the monthly fee?

As of 1 April 2021, SKB Bank is introducing demurrages also for the segment of individual clients for the average monthly account/asset balance of over 200 thousand EUR summed up from balances of all the client's accounts. The monthly fee will be 0.04 per cent. For legal entities and entrepreneurs, SKB Bank has already been charging a fee for asset keeping in the transaction account in euro currency since 2016. However, as of 1 April 2021 we are moving to a monthly fee of 0.04 per cent in this segment as well and we are lowering the threshold from 250 thousand euro to 100 thousand euro. The fee for legal entities and entrepreneurs will be calculated based on average asset balances in transaction accounts, deposits, and agreements on mutual financial cooperation in the euro currency.

Can you explain the charging of demurrages on an example?

Charging demurrages in the amount of 0.04 per cent for average monthly balances above 200 thousand euro means that if a client has 50 thousand euro above the 200-thousand-euro threshold for the whole month, they pay 20 euros a month.

How will you be handling the clients?

We will handle the clients individually and offer them alternative investment possibilities since our offer includes a broad range of various investment products.

Does SKB charge demurrages also for legal entities?

For legal entities and entrepreneurs, SKB Bank has been charging a fee for asset keeping in the transaction account in euro currency since 2016. As of 1 April 2021, we are moving to a monthly fee of 0.04 per cent and we are lowering the threshold from 250 thousand euro to 100 thousand euro. The fee will be calculated based on average asset balances in transaction accounts, deposits and agreements on mutual financial cooperation in the euro currency.

Which other forms of saving and investment products does SKB Bank offer?

At SKB Bank, we try to ensure our clients with the widest possible offer of saving and investment products. In the current offer there are Amundi investment funds, which won several awards in 2020 by the Moje finance magazine and were also recognised as the Best Mutual Funds of 2020 in as much as five categories. Beside the Amundi funds, SKB Bank also offers Moorea funds with the possibility of monthly pay-ins which presents a good alternative to savings and long-term investments for our clients and the funds can be reached with no entry or exit costs! The clients can decide on diversification of their investments at any given time and can exit the system any time as well. At SKB Bank, we offer our clients the purchasing and sale of domestic and foreign securities and investing into different forms of life insurances. To more demanding investors within the Private Banking segment, we offer access to the investment advice service and as the only ones in the market to special editions of the structured products.

Is the charging of demurrages a consequence of the COVID-19 epidemic outbreak crisis?

The introduction of demurrages is a consequence of a longer period and a wider scope of activities in the banking sector that has been taking place since 2014. For the excess liquidity deposited in the national bank the banks pay interests in the amount of 0.50 per cent per annum. In the last year, we have also noticed a decline in the scope of company investments, less consumer spending and consequently a decrease in demand for loans and accumulation of money in the banks. The growth of the deposits volume during the public life lockdown caused by the epidemic is by all means even bigger as people are not able to spend their money, so the latter is saved in the banks in even larger quantities.