

## Disclosure of information on supervisory measure of 20 June 2025 imposed on credit institution

<b>Information on perpetrator</b>	
<b>Business name and registered office of legal person</b>	Deželna banka Slovenije d.d., Kolodvorska ulica 9, 1000 Ljubljana, Slovenia, registration number: 5349907000
<b>Information on breach</b>	
<b>Description of circumstances and conduct entailing breach of ZBan-3 or Regulation (EU) No 575/2013</b>	Breaches of the ZBan-3 (cited in detail in the operative part of the order below) were identified on the basis of an inspection, as a result of which Banka Slovenije issued the bank with the order on the rectification of breaches referenced PBH-24.60-003/25-003 of 20 June 2025
<b>Nature of identified breaches</b>	Breaches in the area of credit risk management
<p>1. Deželna banka Slovenije d.d., of Kolodvorska ulica 9, 1000 Ljubljana, Slovenia, registration number:5349907 (hereinafter: the bank), has breached the first paragraph of Article 171 of the ZBan-3 in connection with paragraphs 58, 64, 109, 110 and 112 of the Guidelines on the application of the definition of default<sup>1</sup> in that the bank fails to define sufficient events of unlikeliness to pay (hereinafter: UTP<sup>2</sup>), and embark on their assessment</p> <p>The bank must ensure compliance with the first paragraph of Article 171 of the ZBan-3 and the requirements of paragraphs 58, 64, 109, 110 and 112 of the Guidelines on the application of the definition of default, and must clearly define and document the UTP identification process and the responsible persons in the UTP identification process. In addition an individual UTP event should automatically cause reclassification to exposures in default in the case of objective UTP events, or trigger an assessment on a case-by-case basis, whereby the bank must ensure that its risk management analysts take the most uniform possible approach in their assessment.</p> <p>To rectify the identified breaches, the bank must update its bylaws to cover a concrete UTP identification process, put in place an adequate UTP identification process with designation of the responsible persons, and set out detailed UTP criteria.</p> <p>2. The bank's management board must submit a detailed action plan stating the measures selected to rectify the breaches referred to in point 1 of this order to Banka Slovenije by <b>18 July 2025</b>. By the same date the bank must also report the name of the responsible member of the management board and the names of the responsible persons designated in accordance with the bank's internal organisational structure, or the names of the bank's external contractors who will be responsible for implementing individual activities to rectify breaches and for preparing and implementing selected measures under the action plan.</p> <p>In the action plan the bank's management board must set out the timetable and deadlines for the implementation of the individual measures, and must designate the persons responsible for the implementation of specific measures and/or activities in accordance with the bank's internal</p>	

<sup>1</sup> Guidelines on the application of the definition of default under Article 178 of Regulation (EU) No 575/2013 (EBA/GL/2016/07 of 18 January 2017) (hereinafter: Guidelines on the application of the definition of default) The Guidelines on the application of the definition of default are binding on the bank in accordance with the first paragraph of Article 2 of the Regulation on the application of the Guidelines on the application of the definition of default under Article 178 of Regulation (EU) No 575/2013 (Official Gazette of the Republic of Slovenia, Nos. 75/17 and 81/18).

<sup>2</sup> *Unlikely-to-pay*

organisational structure.

The bank must rectify the breach referred to in point 1 of this order by **31 December 2025**, and must deliver a report to Banka Slovenije by **15 January 2026**, attaching documents and other evidence from which it is evident that the breaches have been rectified.

3. In accordance with Article 310 of the ZBan-3, the following information in connection with this supervisory measure is published on the Banka Slovenije website after this supervisory measure is final:
  1. information about the perpetrator (business name and registered office of legal person);
  2. information about the breach:
    - a description of the circumstances and conduct entailing a breach of the ZBan-3 or Regulation (EU) No 575/2013,<sup>3</sup>
    - the nature of the identified breaches;
  3. the operative part of the decision by which the relevant proceedings are completed;
  4. information as to whether judicial review proceedings have been initiated against the decision in accordance with the ZBan-3.

**Information as to whether judicial review proceedings have been initiated against order on rectification of breaches in accordance with the ZBan-3**

The bank has not initiated judicial review proceedings against the order on the rectification of breaches.

**Information on any rectification of breaches or implementation of ordered measures**

The bank has eliminated the breaches within the set deadline. On 10 March 2026, Banka Slovenije issued a decision stating that the breaches have been remedied.

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<sup>3</sup> 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 (OJ L 176 of 27 June 2013, p. 1), last amended by Regulation (EU) 2024/1623 of the European Parliament and of the Council of 31 May 2024 amending Regulation (EU) No 575/2013 as regards requirements for credit risk, credit valuation adjustment risk, operational risk, market risk and the output floor (OJ L 2024/1623 of 19 June 2024) (OJ L 2025/90328 of 16 April 2025).