

Disclosure of information on supervisory measure of 4 March 2025 imposed on credit institution

Information on perpetrator	
Business name and registered office of legal person	Delavska hranilnica d. d., Ljubljana Miklošičeva cesta 5, 1000 Ljubljana registration number: 5448557000
Information on breach	
Description of circumstances and conduct entailing breach of ZBan-3 or Regulation (EU) No 575/2013	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 savings bank with the Order on the rectification of breaches referenced PBH-24.60-015/24-003 of 4 March 2025
Nature of identified breaches	Breaches in the area of credit risk management
1. Delavska hranilnica d. d. Ljubljana, Miklošičeva cesta 5, 1000 Ljubljana, registration number: 5448557000 (hereinafter: the savings bank), has breached the first paragraph of Article 171 of the ZBan-3 in connection with the third paragraph of Article 18 and in connection with the second paragraph of Article 19 of the Regulation on the credit risk management at banks and savings banks,¹ in that it did not have at its disposal the development documentation of the credit assessment model for the legal persons segment. It also failed to demonstrate that the credit assessment model for the legal persons segment that it uses for classifying exposures and calculating expected credit losses has adequate predictive power or is fit for use. 2. The savings bank has breached the first paragraph of Article 171 of the ZBan-3 in connection with Article 27 and in connection with Article 37 of the credit risk management regulation, in that via the EWS² it fails to flag potential difficulties in debt repayment on the part of the obligor, because: a) the criteria for EWS indicators are not properly set, b) the exposure threshold for reclassifying natural persons to the EWS is set too high, c) business units are failing to input manual warning signals, and are failing to comment on all warning signals, d) customers who show signs of increased credit risk were not transferred to the correct credit risk statuses, e) the information support for collecting and storing data is not adequate, in that there is no history of data for customers who are no longer managed in the EWS application for reason of transition to default, or whose exposure has fallen to below the threshold value. 3. The savings bank has breached the first paragraph of Article 171 of the ZBan-3 in connection with Article 178 of Regulation (EU) No 575/2013³ and paragraph 16 of the Guidelines on the application	

¹ Regulation on credit risk management at banks and savings banks (Official Gazette of the Republic of Slovenia, No 115/21; hereinafter: the credit risk management regulation).

² Early warning system.

³ 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); 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) (hereinafter: Regulation (EU) No 575/2013).

of the definition of default under Article 178 of Regulation (EU) No 575/2013 (EBA/GL/2016/07 of 18 January 2017),⁴ by failing to provide for an appropriate approach to the counting of days past due, in that it applies the FIFO⁵ method to the repayment of liabilities, whereby the oldest outstanding past-due receivables are expunged; consequently the data on the occurrence of the first material arrears is incorrect.

4. The savings bank has breached the first paragraph of Article 171 of the ZBan-3 in connection with point (g) of the first paragraph of Article 1 of the credit risk management regulation and in connection with paragraphs 58, 64, 109, 110 and 112 of the Guidelines on the application of the definition of default under Article 178 of Regulation (EU) No 575/2013, by failing to define sufficient UTP⁶ events and the approach to their assessment in its bylaws.
5. The savings bank's management board must submit a detailed action plan to Banka Slovenije by 31 March 2025 stating the measures taken to rectify the breaches referred to in points 1, 2, 3 and 4 of this order and setting deadlines for each. By the same date the savings 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 savings bank's internal organisational structure who will be responsible for implementing individual activities to rectify breaches and for preparing and implementing the action plan referred to in this order. The savings bank must rectify the breaches referred to in points 1 and 2 of this order by 30 June 2026, and must deliver a final report to Banka Slovenije by 15 July 2026, enclosing documents and other evidence from which it is evident that the breaches have been rectified. The savings bank must rectify the breaches referred to in points 3 and 4 of this order by 31 December 2025, and must deliver a final report to Banka Slovenije by 15 January 2026, attaching documents and other evidence from which it is evident that the breaches have been rectified.
6. 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,
 - 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 ZBan-3

The savings 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

⁴ The 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) are binding on banks and savings banks pursuant to the second 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).

⁵ First in, first out.

⁶ Unlikelihood-to-pay.

The savings bank eliminated the breaches referred to in points 3 and 4 of the operative part of the order within the set deadline. On 23 March 2026, Banka Slovenije issued a decision stating that the breaches have been remedied.

The savings bank eliminated the breaches referred to in points 1 and 2 of the operative part of the order within the set deadline. On 15 September 2026, Banka Slovenije issued a decision stating that the breaches have been remedied.