

**Disclosure of information on measure imposed on credit institution on 17 September 2019**

<b>Information on person responsible for breach</b>	
<b>Business name and registered office of legal person</b>	Primorska hranilnica Vipava d.d., Glavni trg 15, 5271 Vipava
<b>Information on breach</b>	
<b>Description of circumstances and conduct entailing breach of ZBan-2 or Regulation (EU) No 575/2013</b>	By concluding an agreement to acquire financial assets over the next four years, the savings bank significantly increased its exposure to interest rate risk, thereby exceeding the regulatory limit referred to in the second paragraph of Article 176 of the ZBan-2.
<b>Nature of identified breaches</b>	Breaches in the area of interest rate risk management.
<b>Operational part of the decision by which the relevant proceedings are completed</b>	
<ol style="list-style-type: none"><li>1. Primorska hranilnica Vipava d.d., of Glavni trg 15, 5271 Vipava, Slovenia, reference number 5214246000 (hereinafter: the savings bank), has breached Article 157 of the ZBan-2 in connection with the second paragraph of Article 176 of the ZBan-2, by failing to ensure the appropriate changes to its management of interest rate risk inherent in non-trading activities to reduce the exposure to interest rate risk to an acceptable level, whereby the loss that the savings bank discloses when applying the standard supervisory shock caused by a sudden and unexpected change in interest rates of 200 basis points should not exceed 20% of the capital taken into account in the fulfilment of capital requirements.</li><li>2. To rectify the breaches referred to in point 1 of this order, by 4 November 2019 the savings bank must take appropriate measures to ensure the reduction of the excessive exposure to interest rate risk, such that it does not exceed the regulatory limit referred to in the second paragraph of Article 176 of the ZBan-2.</li><li>3. A detailed action plan must be submitted to the Bank of Slovenia by the management board of the savings bank by 4 October 2019, specifying the measures selected to reduce the excessive exposure to interest rate risk in accordance with point 2 of this order and demonstrating how it will ensure that the regulatory limit defined in the second paragraph of Article 176 of the ZBan-2 is met. In the action plan the management board of the savings bank must define the timetable for the implementation of individual measures, and the persons responsible for the implementation of individual measures and activities in accordance with the internal organisational structure of the savings bank, and must report the name of the member of the management board responsible for the implementation of the action plan. The savings bank must report to the Bank of Slovenia by 11 November 2019 on the implementation of measures in accordance with the action plan.</li><li>4. In accordance with Article 277 of the ZBan-2, the following information in connection with this supervisory measure shall be published on the Bank of Slovenia website after these proceedings have been completed:<ul style="list-style-type: none"><li>- information on the person responsible for the breach:<ul style="list-style-type: none"><li>≈ the business name and registered office of the legal person;</li></ul></li><li>- information on the breach:<ul style="list-style-type: none"><li>≈ a description of the circumstances and conduct constituting the breach,</li><li>≈ the nature of the identified breaches;</li></ul></li><li>- the operational part of the decision by which the relevant proceedings are completed; and</li><li>- information as to whether judicial review proceedings have been initiated against the decision in accordance with the ZBan-2.</li></ul></li></ol>	
<b>Information as to whether judicial review proceedings have been initiated against the decision in accordance with the ZBan-2</b>	

No objection was lodged against the order.

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

The credit institution has eliminated the breaches within the set deadline. On 3 March 2020, Banka Slovenije issued a decision stating that the breaches have been remedied.