

THIS TEXT IS UNOFFICIAL TRANSLATION AND MAY NOT BE USED AS A BASIS FOR
SOLVING ANY DISPUTE

Unofficial translation of Regulation on the books of account and annual reports of banks and savings banks contains the following:

- Regulation on the books of account and annual reports of banks and savings banks (Official Gazette of the Republic of Slovenia, No. 69/17 of 8 December 2017)
- Regulation on changes and amendments of Regulation on the books of account and annual reports of banks and savings banks (Official Gazette of the Republic of Slovenia, No. 73/19 of 6 December 2019)

Pursuant to the first paragraph of Article 93 of the Banking Act (Official Gazette of the Republic of Slovenia, No. 25/15, 44/16 – ZRPPB, 77/16 – ZCKR and 41/17, hereinafter: the ZBan-2) and the first paragraph of Article 31 of the Bank of Slovenia Act (Official Gazette of the Republic of Slovenia, Nos. 72/06 [official consolidated version], 59/11 and 55/17), the Governing Board of the Bank of Slovenia hereby issues the following

REGULATION

ON THE BOOKS OF ACCOUNT AND ANNUAL REPORTS OF BANKS AND SAVINGS BANKS

1. GENERAL PROVISIONS

Article 1 (content of regulation)

- (1) This regulation sets out in detail:
- (a) the content of the general ledger as it relates to the keeping of the books of account;
 - (b) the types and templates of the financial statements and consolidated financial statements of banks and savings banks (hereinafter: banks);
 - (c) the detailed content of the annual report and consolidated annual report of banks;
 - (d) the detailed content, form, method and frequency of and deadlines for the submission of financial information on an individual basis.

(2) Wherever this regulation makes reference to the provisions of other regulations, these provisions shall apply in their wording applicable at the time in question.

(3) The provisions of this regulation shall apply *mutatis mutandis* to branches of third-country banks.

Article 2 (definition of terms)

- (1) In this regulation the following abbreviated titles are used for European Union acts:
- (a) the IFRS are the International Financial Reporting Standards as adopted by the European Commission on the basis of Regulation (EC) No 1606/2002 of the European Parliament and of the Council of 19 July 2002 on the application of international accounting standards (OJ L 243/2002) and Commission Regulation (EC) No 1126/2008 of 3 November 2008 adopting certain international accounting standards in accordance with Regulation (EC) No 1606/2002 (OJ L 320/2008), last amended by Commission Regulation (EC) No 2016/2067 of 22 November 2016 (OJ L 323/2016);

THIS TEXT IS UNOFFICIAL TRANSLATION AND MAY NOT BE USED AS A BASIS FOR
SOLVING ANY DISPUTE

(b) Regulation (EU) No 575/2013 is 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 176/2013);

(c) Directive 2013/36/EU is Directive 2013/36/EU of the European Parliament and of the Council of 26 June 2013 on access to the activity of credit institutions and the prudential supervision of credit institutions and investment firms, amending Directive 2002/87/EC and repealing Directives 2006/48/EC and 2006/49/EC (OJ L 176/2013);

(d) Regulation (EU) No 1024/2013 is Council Regulation (EU) No 1024/2013 of 15 October 2013 conferring specific tasks on the European Central Bank concerning policies relating to the prudential supervision of credit institutions (OJ L 287/2013);

(e) Commission Implementing Regulation (EU) No 680/2014 is Commission Implementing Regulation (EU) No 680/2014 of 16 April 2014 laying down implementing technical standards with regard to supervisory reporting of institutions according to Regulation (EU) No 575/2013 of the European Parliament and of the Council (OJ L 191/2014), last amended by Commission Implementing Regulation (EU) 2017/1443 of 29 June 2017 (OJ L 213/2017);

(f) Regulation (EU) No 468/2014 (ECB/2014/17) is Regulation (EU) No 468/2014 of the European Central Bank of 16 April 2014 establishing a framework for cooperation within the Single Supervisory Mechanism between the European Central Bank and national competent authorities and with national designated authorities (SSM Framework Regulation; ECB/2014/17; OJ L 141/2014).

(2) The terms used in this regulation shall have the same meanings as in the ZBan-2, Regulation (EU) No 575/2013, Regulation (EU) No 1024/2013 and Regulation (EU) No 468/2014 (ECB/2014/17), and in regulations issued on their basis.

Article 3

(transposition of EU directives and application of ZGD-1, IFRS and other regulations)

(1) This regulation transposes Articles 89 and 90 of Directive 2013/36/EU into the legislation of the Republic of Slovenia.

(2) The bank shall administer books of account and compile an annual report and a consolidated annual report in accordance with the Companies Act (Official Gazette of the Republic of Slovenia, Nos. 65/09 [official consolidated version], 33/11, 91/11, 31/12, 57/12, 44/13 [Const. Court dec.], 82/13, 55/15 and 15/17; hereinafter: the ZGD-1), the IFRS and other regulations, and this regulation.

(3) The bank shall compile a report on financial information on an individual basis in accordance with Commission Implementing Regulation (EU) No 680/2014.

2. KEEPING A GENERAL LEDGER

Article 4

(general)

(1) The bank shall administer a general ledger via the internal subsidiary account framework or bookkeeping items from which they can compile a recapitulation of the statement of financial position and the statement of comprehensive income, which is prepared in accordance with the methodology set out in Appendix 3 of the Guidelines for implementing the Regulation on reporting by monetary financial

THIS TEXT IS UNOFFICIAL TRANSLATION AND MAY NOT BE USED AS A BASIS FOR
SOLVING ANY DISPUTE

institutions of 5 December 2017, published on the Bank of Slovenia website (hereinafter: the guidelines for reporting by MFIs).

(2) The bank shall disclose bookkeeping items referred to in the first paragraph of this article in accordance with their content, and in so doing shall, in addition to the regulations referred to in Article 3 of this regulation, take account *mutatis mutandis* of the substantive definition of items, codes and value data of the report on bookkeeping items with interest rates referred to in the guidelines for reporting by MFIs.

3. ANNUAL REPORT AND CONSOLIDATED ANNUAL REPORT

Article 5 (general)

(1) The bank shall compile an annual report for the financial year consisting of a financial report and a business report. The financial report shall comprise a statement of financial position, a statement of profit or loss, a statement of comprehensive income, a statement of cash flows, a statement of changes in equity, and an appendix with notes to the financial statements.

(2) The bank shall compile a consolidated annual report for the financial year consisting of a consolidated financial report and a consolidated business report of the entities included in consolidation. The consolidated financial report shall comprise a consolidated statement of financial position, a consolidated statement of profit or loss, a consolidated statement of comprehensive income, a consolidated statement of cash flows, a consolidated statement of changes in equity, and an appendix with notes to the consolidated financial statements.

(3) The annual report and the consolidated annual report shall be approved by all members of the management board or the board of directors by means of their signatures. With this signature, members of the management board or the board of directors collectively confirm that annual reports with all parts, including corporate governance statement and non-financial statement, are prepared and published in accordance with the regulations referred to in the second paragraph of Article 3 of this regulation.

(4) The bank shall enclose the following in the annual report or the consolidated annual report:

- (a) an auditor's report,
- (b) information about the adoption of the annual report or consolidated annual report by the bank's governing body,
- (c) a proposal for the use of the distributable profit,
- (d) a report on relations with the controlling entity,
- (e) a statement or a report on non-financial operations, if the bank is obliged for its publication in accordance with the Article 70.c of ZGD-1 and if it is not already included in the Business report of the bank from chapters 3.2 or 3.4 of this regulation.

3.1. Financial report

Article 6 (types and layouts of financial statements)

THIS TEXT IS UNOFFICIAL TRANSLATION AND MAY NOT BE USED AS A BASIS FOR
SOLVING ANY DISPUTE

(1) The financial statements shall be included by the bank in the financial report in the prescribed templates given in the appendix to this regulation, which are an integral part of this regulation. The financial statements comprise a statement of financial position, a statement of profit or loss, a statement of comprehensive income, a statement of cash flows (according to Variant I or Variant II) and a statement of changes in equity.

(2) Items of the income statement may be included by the bank in the financial report in a statement of comprehensive income instead of an income statement.

(3) The content of individual items and the method for compiling the financial statements are defined by the IFRS and this regulation.

Article 7
(compilation of financial statements)

(1) The bank shall compile the statement of financial position on the basis of data from the report on bookkeeping items with interest rates and the methodology prescribed by the Bank of Slovenia via guidelines published on its website.

(2) The bank shall compile the income statement on the basis of accounting data on income and expenses included in profit or loss from the report on bookkeeping items with interest rates and the methodology prescribed by the Bank of Slovenia via guidelines published on its website.

(3) The bank shall compile the statement of comprehensive income itemised into net profit or loss during the accounting period and income and expenses included in other comprehensive income, separately itemised into items that will not be reclassified to profit or loss and items that may subsequently be reclassified to profit or loss, in the manner proceeding from the template of the statement of comprehensive income, on the basis of bookkeeping data on income and expenses included in profit or loss and other comprehensive income from the report on bookkeeping items with interest rates and the methodology prescribed by the Bank of Slovenia via guidelines published on its website. Should a bank include items of profit or loss referred to in the second paragraph of this article in a statement of comprehensive income instead of a statement of profit or loss, it shall enter them before Item 1 NET PROFIT (LOSS) FOR THE FINANCIAL YEAR in the statement of comprehensive income, with the exception of the indicators "Basic earnings per share" and "Diluted earnings per share", which shall be included after Item 5 TOTAL COMPREHENSIVE INCOME FOR THE FINANCIAL YEAR AFTER TAX, the bank renumbering the items in the template as appropriate. In the case referred to in the previous sentence the bank may itemise in greater detail the items of the statement of comprehensive income that relate to individual components of accumulated other comprehensive income (Items 4.1.1, 4.1.2, 4.1.3, 4.1.4, 4.2.1, 4.2.2, 4.2.3, 4.3.1, 4.3.2, 4.3.3, 4.4.1, 4.4.2 and 4.4.3), instead of disclosing them in the notes to statement of comprehensive income.

(4) The bank shall itemise the statement of cash flows into cash flows from operating activities, cash flows from investing activities and cash flows from financing activities. The bank shall compile the statement of cash flows according to Variant I or Variant II in a manner proceeding from the template of the statement of cash flows appended to this regulation:

(a) in Variant I of the statement of cash flows the bank use the direct method for the disclosure of cash flows from operating activities, such that the relevant items from the statement of profit or loss are supplemented with cash receipts and cash payments or changes in assets and liabilities associated with operating activities in the period for which the statement of cash flows is being compiled;

THIS TEXT IS UNOFFICIAL TRANSLATION AND MAY NOT BE USED AS A BASIS FOR
SOLVING ANY DISPUTE

(b) in Variant II of the statement of cash flows the bank use the indirect method for the disclosure of cash flows from operating activities, such that the pre-tax profit is adjusted for effects not relating to cash flows from operating activities income and for unrealised effects from operating activities, and is supplemented by changes in assets and liabilities associated with operating activities in the period for which the statement of cash flows is being compiled;

(c) the bank use the direct method for disclosing cash flows from investing activities and cash flows from financing activities, irrespective of the chosen variant of the statement of cash flows;

(d) the bank take account of cash equivalents in the statement of cash flows in accordance with their accounting policies. Financial assets whose maturity is no more than three months from the date of purchase are generally classed as cash equivalents.

(5) The bank shall compile the statement of changes in equity by entering the balance of individual components of equity from the previous financial year, the amounts of changes in individual components of equity in the accounting period, including the use of the net profit and the coverage of loss in the accounting period, and the balance of individual components of equity at the end of the accounting period. In an additional row the bank shall also disclose the amounts across individual components of equity from which the distributable profit or distributable loss for the accounting period for which the statement of changes in equity is being compiled is composed, should this not already be included among the notes to the statement of financial position in the notes to the financial statements.

(6) The bank shall enter the data from the audited financial statements of the previous financial year in the columns in the financial statements designated for amounts from the previous year. The bank may add columns for earlier financial years in the financial statements after the column for the previous year, and may add notes for the comparative periods in the notes to the financial statements.

(7) When a bank applies accounting policies retrospectively or restates or reclassifies individual items in the financial statements, it shall also adjust the amounts from the previous year or earlier years as appropriate to make them comparable with the amounts from the financial year in question, unless otherwise determined by IFRS. In the case referred to in the previous sentence the bank shall also add a column for the beginning of the first comparative period to which the change in question relates after the amount from the previous year or an earlier year in the statement of financial position, and notes for this comparative period in the notes to the statement of financial position.

(8) When a bank is using the enclosed templates of financial statements for the purposes of interim reporting, it shall enter data for the following periods:

(a) in the statement of financial position, data as at the end of the interim period (quarter, half-year) in question, and as at the end of the previous financial year;

(b) in the statement of profit or loss and the statement of comprehensive income, data for the interim period in question and cumulative data for the financial year in question until the given date, and data for comparable interim periods of the previous financial year (for example, in quarterly reporting this means data for the last quarter, cumulative data for the period from the beginning of the financial year to the end of the quarter in question, and data for the same period of the previous financial year);

(c) in the statement of cash flows and the statement of changes in equity, cumulative data for the financial year in question until the given date, and data for the comparable period of the previous financial year.

(9) The amounts in the financial statements shall be entered in thousands of euros.

(10) There shall be no need to disclose items in the financial statements where the amount is zero, except where necessary for comparison with the amount in the previous financial year. Items that are not

THIS TEXT IS UNOFFICIAL TRANSLATION AND MAY NOT BE USED AS A BASIS FOR
SOLVING ANY DISPUTE

material to a true and fair view of the bank's financial position, profit or loss and comprehensive income may be combined.

(11) Additional rows may be added to the templates of the financial statements in exceptional cases, for example business combinations, where such presentation of information is set out by the IFRS. In the insertion of additional rows into the templates of the statement of financial position and the statement of profit or loss, the layout set out by the methodology for compiling the statement of financial position and the statement of profit or loss prescribed by the guidelines referred to in the first and second paragraphs of this article shall be taken into account.

Article 8
(valuation of bookkeeping items)

The bank shall value bookkeeping items in accordance with the IFRS and the Regulation on credit risk management in banks and savings banks) (Official Gazette of the Republic of Slovenia, No. 68/17).

Article 9
(appendix with notes to the financial statements)

(1) In the appendix with notes to the financial statements the bank shall disclose the significant accounting policies on which their financial statements are based. The disclosure of accounting policies shall *inter alia* clarify any changes in accounting policy, the methods used for the valuation of individual items in the statement of financial position, the methods for calculating impairments of assets and any write-offs, the provisioning policy, the policy for the recognition of income and expenses, the bank's tax liabilities and the exchange rates at which sums in foreign currencies have been translated into sums in the domestic currency.

(2) The notes to the financial statements shall *mutatis mutandis* contain all the data and information prescribed by the ZGD-1, and the other disclosures required by the IFRS and other regulations.

(3) The bank shall additionally disclose the following in the notes to the statement of financial position:

- (a) the proportion of financial assets that constitutes subordinated liabilities at the issuer;
- (b) a review of commitments given and derivatives outstanding as at the balance sheet date that are administered in off-balance-sheet records, with the amount broken down by type of instrument. The bank separately cite instruments used for hedging against interest rate risk, currency risk and other market risks, and those held for trading purposes;
- (c) total amount of subordinated liabilities and for each new borrowing in the financial year that exceeds 10% of the total amount of subordinated liabilities, the amount of borrowing, the nominal currency, the interest rate, the maturity date, the conditions of subordination and the existence of any provisions for the conversion of the subordinated liabilities into equity or into any other liabilities;
- (d) detailed data on the assets pledged by the bank as collateral for its liabilities or for the liabilities of third parties;
- (e) data on movements in allowances and provisions for credit losses;
- (f) data on the total amounts of assets and liabilities denominated in foreign currencies translated into thousand euros;
- (g) when the bank provides investment services and products, data on brokerage operations with clients for which it provides services pursuant to the Financial Instruments Market Act (Official Gazette of

THIS TEXT IS UNOFFICIAL TRANSLATION AND MAY NOT BE USED AS A BASIS FOR
SOLVING ANY DISPUTE

the Republic of Slovenia, Nos. 108/10 [official consolidated version], 78/11, 55/12, 105/12 [ZBan-1J], 63/13 [ZS-K], 30/16 and 9/17; hereinafter: the ZTFI), namely services for clients from the reception and transmission of orders, the execution of orders, and the management and custody of financial instruments. Data on claims and liabilities of accounts in which the bank administers the cash of clients from brokerage transactions at the end of the financial year in question and the previous financial year should be itemised into the items cited in the appendix to this regulation (Brokerage operations);

(h) data on significant transactions that the bank provides for the account of clients (on syndicated and other loans, commission transactions in coins and cheques, and other transactions for the account of clients) should they not be included in the data under point (g) of this article.

(4) The bank shall additionally disclose the following in the notes to the statement of profit or loss:

(a) data on income and expenses that the bank generates on foreign markets, when these account for a significant proportion of total income and expenses;

(b) data on income from the provision of managerial and representative services to third parties. When the bank provides investment services and products, separate data on income and expenses from fees and commission deriving from the provision of investment services and products for the financial year in question and the previous financial year, which should be itemised into the items cited in the appendix to this regulation (Income and expenses from fees and commission in connection with investment services and products);

(c) data on expenses paid by the bank that derive from subordinated liabilities.

3.2 Business report

Article 10

(components of the business report)

The business report of a bank shall also encompass:

- (a) a report on the bank's performance in the financial year,
- (b) the bank's governance,
- (c) the business network,
- (d) the bank's organisational scheme,
- (e) the organisational scheme of the group of related entities.

3.2.1 Report on the bank's performance in the financial year

Article 11

(components of report on bank's performance)

(1) The report on the bank's performance in the financial year shall encompass:

- (a) a description of the general economic environment,
- (b) the business policies,
- (c) material data and performance indicators,
- (d) the share capital and shareholders,
- (e) a description of the bank's development,
- (f) basic data on the group of related entities.

(2) The bank shall not include data and information that has already been captured in the financial report in the report referred to in the first paragraph of this article.

THIS TEXT IS UNOFFICIAL TRANSLATION AND MAY NOT BE USED AS A BASIS FOR
SOLVING ANY DISPUTE

Article 12
(description of general economic environment)

Within the framework of the general economic environment, the bank shall describe the main factors directly or indirectly impacting its operations. When the bank generates significant turnover on foreign markets, in this section it shall also present the characteristics of economic developments in the countries in question and their impact on its operations.

Article 13
(business policies)

Under business policies, the bank shall present the long-term objectives of its business policies and shall cite the activities planned for meeting the objectives in the upcoming year. When planning the activities the bank shall devote particular attention to risk management measures.

Article 14
(material data and performance indicators)

(1) The bank shall describe the individual types of service and product, broken down by groups of clients with regard to institutional sector (non-financial corporations, banks, households), and broken down into services and products provided in the country and provided in the rest of the world. The bank shall cite all the types of financial service that it provided in accordance with a Bank of Slovenia authorisation in the period for which the business report is being compiled.

(2) The bank shall disclose the breakdown of assets, liabilities and equity, and off-balance-sheet commitments given, and shall explain changes in individual items compared with the previous financial year(s). The bank shall describe its exposures to credit risk, to market risks including currency risk, to interest rate risk, to operational risk and to liquidity risk, defining its approach to the take-up of risks and explaining its strategy for the take-up and management of risks. In disclosing exposures to individual types of risk, the bank shall provide sufficient data and comparative data for the previous financial year(s). It shall also cite data on impairment of assets and provisions created for losses from exposure to various risks, and the methodology for determining them.

(3) The bank shall present the net profit or loss for the financial year or the comprehensive income for the financial year after tax, itemising the income and expenses by basic type. In this section, the bank shall disclose the impact that individual types of transaction have on performance, and the impact that transactions with significant risk and transactions executed by the bank in high-risk geographical regions have on performance.

(4) The bank shall also disclose the following under material data and performance indicators:

1. From the statement of financial position:
 - balance sheet total (total assets),
 - total deposits by the non-banking sector measured at amortised cost:
 - of legal person and other persons pursuing business activities,
 - of natural persons,

THIS TEXT IS UNOFFICIAL TRANSLATION AND MAY NOT BE USED AS A BASIS FOR
SOLVING ANY DISPUTE

- total loans to the non-banking sector:
 - to legal person and other persons pursuing business activities,
 - to natural persons,
- total equity,
- allowances, value adjustments and provisions for credit losses,
- off-balance-sheet operations (B.1 to B.4).
- 2. From the statement of profit or loss:
 - net interest,
 - net non-interest income,
 - staff expenses, general and administrative costs,
 - depreciation,
 - impairments and provisions (for credit losses),
 - profit or loss before tax from continuing and discontinued operations,
 - corporate income tax on profit from continuing and discontinued operations.
- 3. From the statement of comprehensive income:
 - other comprehensive income before tax,
 - corporate income tax on other comprehensive income.
- 4. The number of employees (as at the end of the financial year).
- 5. Shares:
 - number of shareholders,
 - number of shares,
 - nominal (par) value of one share or corresponding amount of share capital of one no-par-value share,
 - carrying amount of one share.
- 6. Selected indicators:
 - (a) capital:
 - common equity Tier 1 capital ratio,
 - Tier 1 capital ratio,
 - total capital ratio.
 - (b) quality of assets and commitments given:
 - non-performing (on-balance sheet and off-balance sheet) exposures / classified on-balance-sheet and off-balance-sheet asset items,
 - non-performing loans and advances / classified loans and advances,
 - allowances and value adjustments for credit losses / non-performing loans and advances,
 - collaterals received / non-performing loans and advances.
 - ~~(b) quality of assets and commitments given:
 - non-performing (on-balance sheet and off-balance sheet) exposures — / classified on-balance-sheet and off-balance-sheet asset items,
 - non-performing loans and advances / classified loans and advances,
 - allowances, value adjustments and provisions for credit losses / non-performing exposures,
 - collaterals received / non-performing exposures~~
 - (c) profitability:
 - interest margin,
 - financial intermediation margin,
 - return on assets after tax,
 - return on equity before tax,
 - return on equity after tax.
 - (d) operating costs:
 - operating costs / average assets.

THIS TEXT IS UNOFFICIAL TRANSLATION AND MAY NOT BE USED AS A BASIS FOR
SOLVING ANY DISPUTE

- (e) liquidity:
- liquidity coverage ratio,
 - liquidity buffer,
 - total net cash outflows.

(5) The bank shall disclose the data and indicators set out in the fourth paragraph of this article in the report for a period of three years, including the data for the financial year. Notwithstanding the previous sentence, the bank shall present the data referred to in point 6 (e) of the fourth paragraph of this article for the four quarters of the previous financial year (January-March, April-June, July-September, October-December), calculated as a simple average of data as at the end of each month in 12 months period before each of the relevant quarter.

(6) The Bank of Slovenia shall prescribe the methodology for calculating the selected indicators set out in the fourth paragraph of this article via guidelines published on its website.

(7) The bank shall also disclose other data and indicators that it assesses as being material to the presentation of the bank.

Article 15
(bank's share capital and shareholders)

The bank shall disclose data on its share capital and the components thereof. The bank shall cite data on changes in share capital and the reasons for the change, including the impact of comprehensive income for the financial year after tax and dividend payments, and data on the issue of new shares. The bank shall cite the number of share issues, the classes of shares issued, the total number of shares and the nominal value of one share or corresponding amount of share capital of one no-par-value share, and the emission value of individual issues. The bank shall disclose the breakdown of shareholders (domestic/foreign) as at the final day of the financial year, and shall cite the ten largest shareholders and their holdings of the bank's share capital.

Article 16
(description of bank's development)

The bank shall describe its development and shall disclose material data relating to its operation, such as data about the business network, data about investments, data about employees and data about information technology support, and other data that it assesses as contributing to a better presentation of the bank.

3.2.2 Bank's governance

Article 17
(bank's governance)

In the report the bank shall disclose data on the structure of the management or supervisory bodies and on the senior management.

3.2.3 Schematic illustrations

THIS TEXT IS UNOFFICIAL TRANSLATION AND MAY NOT BE USED AS A BASIS FOR
SOLVING ANY DISPUTE

Article 18
(schematic illustrations)

The bank shall also include a schematic illustration of the business network, the bank's organisational scheme and the organisational scheme of the group of related entities.

3.3 Consolidated financial report

Article 19
(consolidated financial statements)

(1) The consolidated financial statements shall be included by the bank in the consolidated financial report in the prescribed templates given in the appendix to this regulation, which are an integral part of this regulation. The consolidated financial statements comprise a consolidated statement of financial position, a consolidated statement of profit or loss, a consolidated statement of comprehensive income, a consolidated statement of cash flows (according to Variant I or Variant II) and a consolidated statement of changes in equity. Items of the statement of profit or loss may be included by the bank in the consolidated financial report in a consolidated statement of comprehensive income instead of a consolidated statement of profit or loss. The bank shall include the consolidated statement of cash flows in Variant I of the template of the statement of cash flows or Variant II of the template of the statement of cash flows referred to in the fourth paragraph of Article 7 of this regulation.

(2) In compiling the consolidated financial statements the bank shall take account of the IFRS and, *mutatis mutandis*, the provisions of Articles 7 and 8 of this regulation.

Article 20
(appendix with notes to the consolidated financial statements)

(1) In the appendix with notes to the consolidated financial statements the bank shall disclose the significant accounting policies on which their consolidated financial statements are based.

(2) The notes to the consolidated financial statements contain the notes to all the items in the consolidated financial statements. The provisions of Article 9 of this regulation shall apply *mutatis mutandis* to the content and scope of the notes. The bank shall disclose the following in addition to the notes referred to in the previous sentence:

(a) data on the business names and registered offices of the banks and entities included in consolidation, and the equity holdings and nominal amounts of the equity holdings in the banks and entities included in consolidation other than the parent bank;

(b) data on the business names and registered offices of the bank and entities not included in consolidation, and the bank's equity holdings and nominal amounts of the equity holdings in such entities, and the arguments why they are not included in consolidation;

(c) data by individual Member States and third countries in which branches of the bank and/or entities over which the bank exerts a significant influence or controls (subsidiaries, associates and joint ventures) operate:

- name, nature of activities and geographical location,
- turnover from the statement of profit or loss before the execution of consolidated bookings and the methodology,
- number of employees on a full-time equivalent basis,
- pre-tax profit or loss before the execution of consolidated bookings,
- corporate income tax paid,

THIS TEXT IS UNOFFICIAL TRANSLATION AND MAY NOT BE USED AS A BASIS FOR
SOLVING ANY DISPUTE

- public subsidies received.

3.4 Consolidated business report

Article 21 (consolidated business report)

In the consolidated business report the bank shall present the following in particular:

- (a) the group of entities included in consolidation, and their related entities, their business activities, the structure of their management or supervisory bodies, and the bank's direct and indirect holdings in the equity or voting rights of the aforementioned entities with the nominal value of the bank's equity holdings as at the final day of the financial year;
- (b) the expected development and business policies of the bank and the entities included in consolidation as a group;
- (c) other information that must be disclosed pursuant to Articles 10 to 18 of this regulation about the bank's business report, whereby the aforementioned provisions are applied *mutatis mutandis* or in a manner that in addition to the bank takes account of the entities included in consolidation.

4. REPORTING OF FINANCIAL INFORMATION ON AN INDIVIDUAL BASIS

Article 22 (mandatory reporters and extent of reporting)

(1) The bank or the branch of a bank of a non-participating Member State or a third country, subject to prudential requirements in accordance with Regulation (EU) No 575/2013 on an individual basis shall submit a report on financial information on an individual basis to the following extents:

- (a) a bank that does not have the position of a parent bank or a subsidiary and is not part of a supervised group, but is a significant supervised entity: in the extent set out in point d) of the first paragraph of Article 24 of this regulation;
- (b) a branch of a bank of a non-participating Member State or a third country that is a significant supervised entity: in the extent set out in point d) of the first paragraph of Article 24 of this regulation, except financial information in templates 17.1, 17.2, 17.3, 40.1 and 40.2;
- (c) a bank that has the position of an EU parent bank and is a significant supervised entity: in the extent set out in point c) of the first paragraph of Article 24 of this regulation;
- (d) a bank that is a subsidiary of an EU parent bank or an EU parent financial holding company or EU parent mixed financial holding company and is a significant supervised entity or part of a significant supervised group: in the extent set out in point c) of the first paragraph of Article 24 of this regulation;
- (e) a bank or a subsidiary of a bank from non-participating Member State or a third country, which is not captured in points a) to d) of this paragraph: in the extent set out by point a) of Article 24 of this regulation.

(2) Notwithstanding the first paragraph of this article, the parent bank, that for prudential purposes uses the individual consolidation method in accordance with Article 9 of Regulation (EU) No. 575/2013,

THIS TEXT IS UNOFFICIAL TRANSLATION AND MAY NOT BE USED AS A BASIS FOR
SOLVING ANY DISPUTE

shall submit a report on financial information set out in point (c), (d) or (e) of the first paragraph of this article on an individual basis, using individual consolidation method.

(3) The bank referred to in points c) or d) of the first paragraph of this article shall submit, in addition to financial information for the bank on an individual basis, also financial information on an individual basis in the extent set out in point b) of the first paragraph of Article 24 of this regulation for each of its subsidiary credit institution of a non-participating Member State or third country, that the bank includes in prudential consolidation, provided that the balance sheet total of the subsidiary credit institution exceeds EUR 3 billion. When more than one bank or credit institution within the same supervised group is subject to fulfilment of prudential requirements on a consolidated basis in accordance with Regulation (EU) No. 575/2013, the requirement referred to in the first sentence of this paragraph shall apply only to the banks subject to prudential requirements at the highest level of the consolidation within the EU.

(4) Point e) of the first paragraph of this article notwithstanding, a bank shall be obliged to submit the report on financial information on an individual basis in the extent set out in point c) of the first paragraph of Article 24 of this regulation when its balance sheet total exceeds EUR 1 billion.

Article 23

(start or end of reporting with regard to criterion of balance sheet total)

(1) A bank referred to in points c) or d) of the first paragraph of Article 22 of this regulation shall report financial information for a subsidiary in accordance with provisions of third paragraph of Article 22 of this regulation on the first reference date after the balance sheet total of this subsidiary exceeds EUR 3 billion for the fourth time in a row as at the end of each quarter. The bank shall cease to report financial information for the subsidiary as at the first reference date after the balance sheet total of this subsidiary remains below or is equal to EUR 3 billion for the third time in a row as at the end of each quarter.

(2) A bank referred to in point e) of the first paragraph of Article 22 of this regulation shall for the first time submit the report on financial information in accordance with the fourth paragraph of Article 22 of this regulation on the first reference date after the balance sheet total of the subsidiary exceeds EUR 1 billion for the fourth time in a row as at the end of each quarter. If a bank's balance sheet total no longer exceeds EUR 1 billion for three times in a row as at the end of each quarter, its obligation to submit the reports on financial information set out in point c) of the first paragraph of Article 24 of this regulation shall end on the first following reference date.

Article 24

(content and format of report)

(1) The report on financial information shall include the following content from the forms in Annex III of Commission Implementing Regulation (EU) No 680/2014 on an individual basis, depending on the extent required by Article 22 of this regulation:

(a) Basic information on the following templates:

Statement of financial position (Balance sheet statement):

- 1.1 Assets
- 1.2 Liabilities
- 1.3 Equity

THIS TEXT IS UNOFFICIAL TRANSLATION AND MAY NOT BE USED AS A BASIS FOR
SOLVING ANY DISPUTE

- 2. Statement of profit or loss
- 5.1 Loans and advances other than held for trading and trading assets by products
- Breakdown of financial liabilities:
- 8.1 Breakdown of financial liabilities by product and by counterparty sector
- 8.2 Subordinated financial liabilities
- 10. Derivatives – Trading and economic hedges
- 11.1 Derivatives – Hedge accounting: breakdown by type of risk and type of hedge
- 18.0 Information on performing and non-performing exposures
- 19. Information on forborne exposures

(b) Over-simplified financial reporting on the following templates:

- Templates set out in point a)

Breakdown of financial assets by instrument and by counterparty sector:

- 4.1 Financial assets held for trading
- 4.2.1 Non-trading financial assets mandatorily at fair value through profit or loss
- 4.2.2 Financial assets designated at fair value through profit or loss
- 4.3.1 Financial assets at fair value through other comprehensive income
- 4.4.1 Financial assets at amortized cost
- 4.5 Subordinated financial assets
- 9.1.1 Off-balance sheet exposures: loan commitments, financial guarantees and other commitments given
- 12.1 Movements in allowances and provisions for credit losses
- 14. Fair value hierarchy: financial instruments at fair value

Information on performing and non-performing exposures:

- 18.1 Inflows and outflows of non-performing exposures - loans and advances by counterparty sector
- 18.2 Commercial Real Estate loans and additional information on loans secured by immovable property

(c) simplified financial reporting on the following templates:

- templates set out in points a) and b)
- 6.1 Breakdown of loans and advances other than held for trading to non-financial corporations by NACE codes
- 9.2 Loan commitments, financial guarantees and other commitments received
- Collateral and guarantees received:
- 13.1 Breakdown of collateral and guarantees by loans and advances other than held for trading

THIS TEXT IS UNOFFICIAL TRANSLATION AND MAY NOT BE USED AS A BASIS FOR
SOLVING ANY DISPUTE

- 13.2.1 Collateral obtained by taking possession during the period [held at the reference date]
- 13.3.1 Collateral obtained by taking possession accumulated
- ~~— 13.2 Collateral obtained by taking possession during the period (held at the reporting date)~~
- ~~— 13.3 Collateral obtained by taking possession (tangible assets) accumulated~~

Breakdown of selected statement of profit or loss items:

- 16.1 Interest income and expenses by instrument and counterparty sector
- 16.3 Gains or losses on financial assets and liabilities held for trading and trading financial assets and trading financial liabilities by instrument

Reconciliation between accounting and CRR scope of consolidation: balance sheet:

- 17.1 Assets
- 17.2 Off-balance sheet exposures: loan commitments, financial guarantees and other commitments given
- 17.3 Liabilities and equity

Geographical breakdown:

- 20.4 Geographical breakdown of assets by residence of the counterparty
- 20.5 Geographical breakdown of off-balance-sheet exposures by residence of the counterparty
- 20.6 Geographical breakdown of liabilities by residence of the counterparty

- 40.1 Group structure: entity-by-entity (annual reporting frequency)

(d) full financial reporting on all templates set out in Annex III of Commission Implementing Regulation (EU) No 680/2014.

(2) Financial information on the templates 17.1, 17.2, 17.3 and 40.2 from points (c) and (d) of the first paragraph of this article shall be included in the report stated in the first paragraph of this article only by the banks that prepare the consolidated financial statements in accordance with IFRS and Chapter 3 of this regulation, but are not obliged to fulfil the prudential requirements on a consolidated basis in accordance with Regulation (EU) No. 575/2013.

(3) The provisions on the completion of templates set out in Annex V of Commission Implementing Regulation (EU) No 680/2014 shall apply to the completion of the templates referred to in the first paragraph of this article.

Article 25
(frequency and submission of reports)

(1) The bank shall compile a report in the extent set out in Article 22 and with the content set out in Article 24 of this regulation as at the final day of each quarter, with the exception of Template 40.1 Group structure: entity-by-entity, and other templates on full financial reporting set-out in point d) of the first paragraph of Article 24 of this regulation, which shall be compiled as at the final day of each half-year or as at the final day of the financial year, in accordance with the second paragraph of Article 9 of the Commission Implementing Regulation (EU) No 680/2014.

(2) Bank compiles the report from first paragraph of this article in line with the Technical guidelines for reporting ITS to the Bank of Slovenia, which are published on the Bank of Slovenia website.

THIS TEXT IS UNOFFICIAL TRANSLATION AND MAY NOT BE USED AS A BASIS FOR
SOLVING ANY DISPUTE

Article 26
(deadlines for submitting reports)

The bank shall submit the report in the extent set out by Article 22 and with the content set out in Article 24 of this regulation by the deadlines set out in the first, second, fourth and fifth paragraph of Commission Implementing Regulation (EU) No 680/2014.

Regulation on the books of account and annual reports of banks and savings banks (Official Gazette of the Republic of Slovenia, No. 69/17) contains the following transitional and final provisions:

5. TRANSITIONAL AND FINAL PROVISIONS

Article 27
(cessation of regulation)

(1) On the day that this regulation enters into force, the Regulation on the books of account and annual reports of banks and savings banks (Official Gazette of the Republic of Slovenia, No. 50/15) shall cease to be in force.

(2) Notwithstanding the first paragraph of this article, the banks shall continue to apply the regulation from the first paragraph when preparing the annual and consolidated annual reports and reports on financial information for the reference periods until the end of the financial year 2017, with the exception of calculation of the business performance indicators referred to in point 6 (e) of the fourth paragraph of Article 14 of this regulation.

Article 28
(entry into force and application)

This regulation shall enter into force on the day after its publication in the Official Gazette of the Republic of Slovenia and shall apply from 1 January 2018.

Ljubljana, 5 December 2017

Boštjan Jazbec
President,
Governing Board of the Bank of
Slovenia

Regulation on changes and amendments of Regulation on the books of account and annual reports of banks and savings banks (Official Gazette of the Republic of Slovenia, No. [73/19](#)) contains the following final provision:

»Article 5

(1) This regulation shall enter into force on the day after its publication in the Official Gazette of the Republic of Slovenia and shall apply for the preparation of the annual report and consolidated annual report for the financial year 2019.

(2) Notwithstanding the first paragraph of this article, Article 4 of this regulation enters into force at the latest after the entry into force and application of technical standards of supervisory reporting, as adopted by the European Commission in accordance with Article 99 of Regulation (EU) No 575/2013.

(3) Notwithstanding the first paragraph of this article, Article 3 of this regulation enters into force for the first time after the entry into force and application of technical standards of supervisory reporting, as adopted by the European Commission in accordance with Article 99 of Regulation (EU) No 575/2013.

(4) The Governor publishes in Official Gazette of the Republic of Slovenia notification on entry into force of the regulation from the second and the third paragraph of this Article.«.