

DISCLOSURE OF THE REMUNERATION POLICY ACCORDING TO ARTICLE 88 OF THE BANKING ACT (ZBAN-2)

THE INCENTIVE SYSTEM FOR IDENTIFIED STAFF DEFINES THE FOLLOWING:

1. The Method of Setting a Bonus Pool for Variable Remuneration

The bonus pool for variable remuneration is set for each Country/Division separately in the budget phase for each Country/Division as a percentage of the respective net profit of each Country/Division prior to the payment of variable remuneration.

2. Entry Conditions

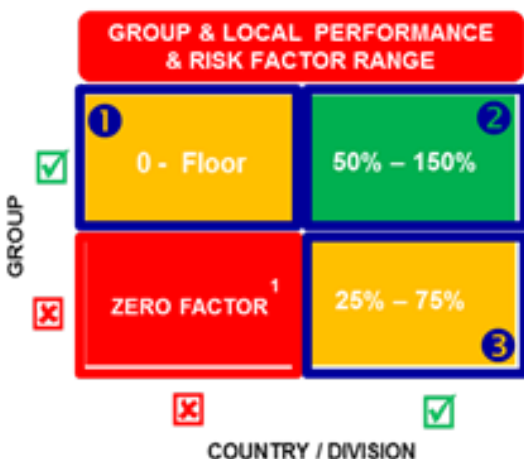
Specific indicators are used at the Group and local (Country/Division) level as “Entry Conditions” (annual profitability, solidity and liquidity). The Entry Conditions are the mechanism that verifies the possible application of the malus condition (Zero Factor).

Group level	Local level
<i>Net Operating Profit adjusted ≥ 0 and</i>	<i>Net Operating Profit adjusted ≥ 0 and</i>
<i>Net Profit ≥ 0 and</i>	<i>Net Profit ≥ 0</i>
<i>Core Tier 1 Capital Ratio, Transitional $\geq 7\%$</i>	
<i>Cash Horizon ≥ 90 days</i>	

In case the “Entry Conditions” are not met at both the Group and Country/Division level, the malus condition is activated, triggering the application of Zero Factor for calculating variable remuneration for Executives/Identified Staff Population.

3. Group and Local Risk & Performance Adjustments

In the event that the Zero Factor is not activated, bonus pool adjustments for variable remuneration will be made, taking into account the pre-set upper and lower limits based on a comprehensive qualitative assessment of risk and performance at the local and Group level, which includes additional performance indicators and risk indicators, in accordance with the Group Risk Appetite Framework, which covers all relevant risks, including capital costs and various risks, such as credit, market and liquidity.



4. Variable Remuneration Payout

In determining the amount of variable remuneration, it should be ensured that it reflects business results and the financial feasibility principle, considering the general performance framework and the Group's results as well as taking into account the performance of individual employees, their behavior and compliance or possible values breach. To this purpose, regulatory or Internal Audit findings and assessments shall be rigorously considered.

Evaluation of work performance and achievement of objectives is carried out using a 5-level descriptive scale.



Variable remuneration shall be paid out on the basis of a deferred payouts scheme in case the variable payment exceed the defined threshold. Such payout is divided into phases and coincides with the corresponding risk time period, in order to ensure appropriate distribution of variable remuneration, which is linked to results, and shall be made in cash and in instruments, immediately or with a deferral, subject to mandatory retention period.

PAYOUT				
Year 0 - upfront payment	Year 1 - deferred payment	Year 2 - deferred payment	Year 3 - deferred payment	Year 4 - deferred payment
30 % cash		10 % instruments	20% cash 20% instruments	20% instruments

AGGREGATE QUANTITATIVE INFORMATION ON REMUNERATION PAID OUT IN 2015

On 31 December 2015, there were 20 employees at UniCredit Banka Slovenija d.d., who are defined as the Identified Staff, in accordance with the criteria set out in the Regulatory Technical Standards that identify the Identified Staff population, based on qualitative and quantitative criteria (the so called EBA criteria).

Provided below are the total amounts of gross remuneration paid out to Identified Staff¹ in the period from January to December 2015²:

(item (h) of Article 450 of the CRR Regulation)

1. The amounts of remuneration for the financial year, split into fixed and variable remuneration, and the number of beneficiaries;

	Fixed remuneration	Variable remuneration - paid in 2015	Variable remuneration – outcome in 2015	Number of beneficiaries
Total sum	1.524.374	286.011	341.091	18

2. The amounts and forms of variable remuneration, split into cash, shares, share-linked instruments and other types;

	Variable remuneration - cash	Variable remuneration - shares share-linked instruments
Total sum	271.091	70.000

¹ Stefan Vavti, M.Sc., CEO and Guenter Friedl, MBA, Head of the Finance Division and Member of the Management Board as of 17 February 2016 as the parent bank's seconded employees in accordance with the rules of the Group receive the remuneration for performing their function within the Bank directly from the parent bank and did not receive any additional payments by the Bank in 2015.

² Considering employees identified as Identified staff as on 31 December 2015

3. The amounts of outstanding deferred remuneration, split into vested and unvested portions;

	Outstanding deferred remuneration (In cash and in shares)
Total sum	156.600

4. The amounts of deferred remuneration awarded during the financial year, paid out and reduced through performance adjustments;

	Paid out deferred remuneration in 2015
Total sum	42.725

5. New contractually prearranged variable remuneration and severance payments made during the financial year, and the number of beneficiaries of such payments; EN Official Journal of the European Union, L 176/261 of 27 June 2013;

In 2015, there were no new prearranged variable remuneration or severance payments.

6. The amounts of severance payments awarded during the financial year, number of beneficiaries and highest such award to a single person;

In 2015, there were no severance payments to employees who are defined as the Identified Staff.

7. The number of individuals being remunerated 1 million EUR or more per financial year, for remuneration between 1 million EUR and 5 million EUR broken down into tranches of 500 000 EUR and for remuneration of 5 million EUR and above broken down into tranches of 1 million EUR;

In 2015, there were no payments made in amounts higher than 1 million EUR.