In the present version of the Clarification letter, the SRB, following consultation with Sberbank banka d.d, has redacted certain information, pursuant to Articles 88 and 89 of Regulation (EU) No 806/2014, in order to protect confidential information covered by professional secrecy and personal data.

RSM Ebner Stolz GmbH & Co. KG
Wirtschaftsprüfungsgesellschaft
Steuerberatungsgesellschaft

Holzmarkt 1
50676 Köln Germany
www.ebnerstolz.de

[redacted]

Single Resolution Board
Treurenberg 22
B-1049 Brussels
Belgium

18 November 2024

Clarification letter - Valuation of difference in treatment - Sberbank banka d.d.

Dear Board members,

on 1 March 2022, following a failing or likely to fail (***FOLTF***) assessment by the European Central Bank (**ECB**) and the Bank of Slovenia's (**BS**) moratorium decision (27 February 2022; refer to sec- tion 3 (37) of the Resolution Decision[1]), the SRB took resolution action in respect of Sber- bank banka d.d. (the **Bank**), resulting in transferring all shares issued by the Bank (section 4. of the Res- olution Decision) to Nova Ljubljanska Banka d.d. (NLB d.d., hereinafter the "**Pur- chaser**").

According to Article 20(17) of Regulation (EU) No 806/2014 (SRMR), for the purposes of the valua- tion referred in Article 20(16) SRMR, an independent valuer shall determine (a) the treatment that shareholders and creditors would have received if the entity placed under resolution had entered normal insolvency proceedings ("NIP") at the time when the decision on the resolution action was taken; (b) the actual treatment that shareholders and creditors have received in resolution; and (c) whether there is any difference between the treatment referred to in points (a) and (b) above.[1]

[1] Decision of the Single Resolution Board: "Adoption of a resolution scheme in respect of Sberbank banka d.d.", 1 March 2022

[2] See also Article 3 of Commission Delegated Regulation (EU) 2018/344.

Under the specific contract concluded under the Framework Contract (**FWC**) between RSM Ebner Stolz (formerly "Ebner Stolz") and the SRB RSM Ebner Stolz was mandated by the SRB to perform the independent valuation according to Article 20(16)-(18) SRMR and CDR 2018/344.

In preparing the Report and this clarification letter, RSM Ebner Stolz has acted as an independent valuer pursuant to Articles 37 et seq. of CDR 2016/1075.

We have provided our valuation report with respect to the Bank (the "**Report**") as of 11 April 2024 to the SRB.

According to the results of our valuation it is reasonable to conclude that under the resolution the shareholders of the Bank in respect of which the resolution action has been effected ("**Affected Shareholders**") have not incurred greater losses than theyt would have incurred if the Bank had been wound up under NIP.

Subsequently, the SRB commenced a Right to be Heard process for Affected Shareholders regarding the SRB's preliminary decision determining whether compensation needs to be granted to the shareholders affected by the resolution of Sberbank banka d.d., and its underlying reasoning.

We have not had any interaction with the Affected Shareholders during the Right to be Heard process.

During the Right to be Heard process, one of the respondents submitted the following comment on the substance of the report:

"[*i*]*t is obviously not true that in an insolvency situation every asset needs to be sold separately or in a value destructive manner.*"

The purpose of this Clarification Letter is to analyse the comment above and independently assess whether said comment has any impact on the content or the conclusions of the Report.

As an independent valuer we do not provide any advice to the SRB as to the content of its decision under Article 76(1)(e) of SRMR. This decision remains a matter for the SRB.

We have analysed the impact of the comment referred above on our valuation as an independent valuer. The result of our analysis is as follows:

Initially, it must be noted that no such statement is contained in the Report.

Instead, the Report describes our considerations for a valuation to be applied in the context of a hypothetical insolvency scenario under local law and regulations, as prescribed by the Resolution framework, taking into account evidence from historical bank insolvency cases, where relevant.

We have considered the insolvency scenario of the Bank on a legal entity basis, reflecting the winding-up process, which would apply under the Slovenian Insolvency Law. In doing so, we have considered the potential options of a sale of business as well as a sale of portfolios or single assets.

In Slovenia, NIP of a banking institution is governed by the RCWBA as main legal act which entered into force in 2016 and has been updated on 23 June 2021.

The procedures for the forced liquidation of a bank are according to Article 168 (1) RCWBA the compulsory liquidation procedure and bankruptcy proceedings.

Articles 206-210 of the RCWBA provide for the sale of business instrument, i.e. that all or individual assets, rights or obligations of the Bank in compulsory liquidation are transferred to the transferee, including contractual relationships regarding the performance of the Bank's services, and the transferee provides the Bank with appropriate consideration in connection with the transfer. The business sale instrument can be used multiple times to ensure additional transfers to the same or different transferees. In such a scenario the transferee needs to have the relevant licenses (incl. a banking license) for the purchase of the Bank as a whole.

During the winding-up process, the Bank is expected not be able to provide customers with the same level of service, reliability, or access to products and services that they are accustomed to experiencing. This can lead to customer dissatisfaction and a lower degree of trust in the Bank by both, the customers as well as third parties. Historically, winding-ups of similar banks have revealed that customers often transfer their business to more reliable, financially stable banks in order to ensure that their needs are met.

At the same time, it is important to realise that NIP involves the liquidation of all assets, termination of accounts and the closure of operations, meaning that the Banks' business is often too complex to be sold as a whole. It may be challenged by legal, financial, and regulatory issues that need to be addressed before the transaction can be successful, mak- ing an orderly sale of single assets or asset portfolios a probable approach.

At best, it is thinkable that particular business units of the Bank could be sold. However, from our valuer's perspective it is not feasible to identify particular business units and assess their potential values. This would require a large number of assumptions to be made, particularly regarding which assets, (outstanding) liabilities, contracts, rights and obligations, as well as employees, corporate functions and processes would need to be allocated to the business unit being sold or separated from the other business units. In addition, there are various operational dependencies on other business units and it is not foreseeable for us as the valuer how the elimination of these opera- tional connections with the overall company could affect the value of the business unit.

In addition, hardly surmountable difficulties would arise in regard to the valuation of the business unit. These difficulties in valuation arise both for the sale of individual business units and for the valuation in the event of a sale of a bank as a whole.

Based on the above considerations we consider a scenario of a sale of business or business units highly unlikely.

Hence, we have assumed that the procedure would provide for the disposal of assets on a portfolio basis or piecemeal. This assumption takes a balanced perspective with neither advantage nor disadvantage to the shareholders. The reason being that our approach, relies the most on available facts and values (especially book values or fair values according to the Notes to the Financial Statements) and the least on future speculative assumptions. The approach used for specific

assets is described in our report (e.g. the application of a portfolios approach is described in section 5.5.2 (loans to customers)).

Our report shows that a significant number of assets has been valued at least at their accounting value and, in some instances, undisclosed reserves have been identified leading to a value in excess of the value stated in the financial statements of the Bank (e.g. debt securities (section 5.5.3)).

In instances where the valuation has led to a value below the accounting value, we have described the underlying assumptions and considerations in the respective section of our report. (e.g. loans to banks (section 5.5.4), intangible assets (section 5.8) and deferred tax assets (section 5.8). Further, costs of the insolvency process and the realization of contingent liabilities have a negative value effect.

The results of the valuation of the specific assets are summarized in section 6 of the report.

According to our assessment, the comment stated above does not change the result of our valuation as an independent valuer. The conclusions of the Report remain unaffected.

Furthermore,

- this Clarification Letter is exclusively addressed to our client, the SRB,
- this Clarification Letter and the information contained herein, does not constitute, and cannot be understood or construed as, any recommendation or advice as to whether any kind of action or process should be initiated by any party,
- this Clarification Letter does not amend or affect in any way the valuation report. RSM Ebner Stolz has not analysed any new additional documentation other than the documents used for the purpose of issuing the Report, and
- this Clarification Letter should be read in conjunction with the Report. The limitations set out in the Report (as described in section 2 of the Report) apply also to this letter.

Yours faithfully

[redacted] [redacted]