

Supervisory measure against a member of the management board of a credit institution owing to a breach of point 1 of the second paragraph of Article 45 of the ZBan-2 in connection with point (a) of Article 77 of the CRR, dated 24 September 2015

Information on person responsible for breach	
Business name and registered office of legal person	-
Information on breach	
Description of the circumstances and conduct that represent a breach of the ZBan-2 or Regulation (EU) No 575/2013	<p>The Bank of Slovenia established that the credit institution reduced its common equity Tier 1 instruments without obtaining prior permission from the Bank of Slovenia and without submitting evidence to the Bank of Slovenia on the replacement of the reduced part with capital instruments of the same or higher quality and without evidence that after the activities in question the credit institution's capital exceeded the requirements set out in Article 92(1) of the CRR and the combined buffer requirement.</p> <p>Immediately after the finding that it had failed to obtain the appropriate permission from the Bank of Slovenia, the credit institution embarked on the disposal of own shares. It had the own shares at its disposal for a very brief period, whereby the right of disposal did not have any impact on the credit institution's capital adequacy. A member of the management board rectified the breach before an order on the rectification of breaches was issued, for which reason the member of the management board was issued with a decision on the rectification of breaches in accordance with the fourth paragraph of Article 270 of the ZBan-2.</p>
Nature of identified breaches	The member of the management board failed to ensure that the credit institution operated in accordance with the ZBan-2, in accordance with regulations issued on its basis and in accordance with point (a) of Article 77 of the CRR.
Operational part of the decision by which the relevant proceedings are completed	
<p>The Bank of Slovenia finds that the member of the management board:</p> <ul style="list-style-type: none"> breached point 1 of the second paragraph of Article 45 of the ZBan-2 in connection with point (a) of Article 77 of the CRR, by failing as a member of the management board to ensure that prior permission for a reduction in its common equity Tier 1 capital as a result of the repurchase of own shares was obtained by the credit institution under his management from the Bank of Slovenia as the competent authority in accordance with point (a) of Article 77 of the CRR, which has been applied directly in the Republic of Slovenia as of 1 January 2014 pursuant to Article 288 of the Treaty on the Functioning of the European Union (OJ EU C 326/50 of 26 October 2012), as a result of which the credit institution reduced its common equity Tier 1 instruments without obtaining prior permission from the Bank of Slovenia and without submitting evidence to the Bank of Slovenia on the replacement of the reduced part with capital instruments of the same or higher quality and without evidence that after the activities in question the credit institution's capital exceeded the requirements set out in Article 92(1) of the CRR and the combined buffer requirement, and has rectified the identified breach. 	
Information as to whether judicial protection proceedings have been initiated against the decision in accordance with the ZBan-2	
Judicial protection proceedings have not been initiated.	