



# **Expobank**

**Report in accordance with the Decision on disclosure of data and bank's information and Guidelines for disclosure of data and information of the bank related to the quality of assets**

**Expobank a.d. Beograd**

**as of December 31, 2022**

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## 1. GENERAL INFORMATION

This Report has been prepared in accordance with the Decision on publishing data and information of the bank published in the Official Gazette No. 125/2014 and 4/2015 and 103/2016. and Guidelines for Disclosure of Bank Data and Information Related to Asset Quality.

The bank operates under the name Expobank a.d. Belgrade (hereinafter: the Bank). The Bank 's registered office is in Belgrade, Dalmatinska 22.

The document is mostly complementary to the Notes to the financial statements for 2022.

Responsible persons:

Borislav Strugarevic – Chairman of the executive Board

Aleksandr Kashtalap – Deputy Chairman of the Executive Board

## 2. BANK'S RISK MANAGEMENT STRATEGY AND POLICIES

The Risk Management Strategy and Policy of Expobank a.d. (hereinafter: the Bank), the Bank defines a unique system for managing the risks to which it is exposed in its operations.

The Bank's business strategy is to develop its market share in Serbia, placing its products with clients, legal entities and individuals, without deviating from the adopted appetites for risks.

The main risks to which the Bank is exposed in its operations are:

- Credit risk
- Risk of exposure (concentration)
- Country risk
- Investment risk
- Market risks
- Liquidity risk
- Interest rate risk
- Operational risks
- Other risks (settlement / delivery risk, counterparty risk, legal risk, business compliance risk, reputation risk, strategic risk, residual risk, information system risk, CVA risk and money laundering and terrorist financing risk, etc.)

The subject of the Risk Management Policy are risks for the independent assessment of which the Risk Management Department is responsible, as well as the management of bad assets, which is under the jurisdiction of the Receivables Collection Department, and the details are regulated by special acts of the Bank.

Management of compliance risk, money laundering and terrorist financing risk, reputational risk, strategic risk and other risks are defined by special acts of the Bank.

Information system risk management is also regulated by special acts of the Bank in accordance with the Decision on minimum standards for information system management of a financial institution.

Credit risk is the possibility of negative effects on the financial result and capital of the bank due to non-fulfillment of the debtor's obligations to the bank.

Residual risk is the possibility of negative effects on the bank's financial result and capital due to the fact that credit risk mitigation techniques are less effective than expected or their application does not sufficiently reduce the risks to which the bank is exposed.

Dilution risk is the possibility of negative effects on the financial result and capital of the bank based on the reduction of the value of purchased receivables due to cash or non-cash liabilities of the previous creditor to the debtor.

Concentration risk is a risk that directly or indirectly arises from the bank's exposure to the same or similar source of risk or the same or similar type of risk.

Concentration risk relates to:

- large exposures (exposure of the bank to one person or group of related parties amounting to at least 10% of the bank's capital);
- groups of exposures with the same or similar risk factors, such as economic sectors, geographical areas, types of products, etc.;
- credit protection instruments, including maturity and currency mismatches between large exposures and credit protection instruments of those exposures.

The bank's exposure to one person is the total amount of receivables and off-balance sheet items related to that person or group of related parties (loans, investments in debt securities, equity investments and participations, issued guarantees and avals, etc.).

The investment risks of a bank include the risks of its investments in other legal entities and in fixed assets and investment property.

Country risk is the risk related to the country of origin of the person to whom the bank is exposed, ie the risk of possible negative effects on the bank's financial result and capital due to the bank's inability to collect receivables from this person due to political, economic or social circumstances, the country of origin of that person.

Country risk includes the following risks:

- political and economic risk, which means the possibility of incurring a loss due to the bank's inability to collect receivables due to restrictions set by acts of state and other authorities of the debtor's country of origin, as well as general and systemic circumstances in the country;
- transfer risk, which implies the possibility of incurring a loss due to the bank's inability to collect receivables denominated in a currency other than the official currency of the debtor's country of origin, due to restrictions on payment of obligations to creditors from other countries in certain currencies. countries of origin.

Settlement / delivery risk is the possibility of negative effects on the bank's financial result and capital based on outstanding transactions related to debt or equity securities (excluding repo and reverse repo agreements and securities lending and borrowing agreements) where there is a mismatch between the moment of payment and delivery or due to non-fulfillment of the obligation of the other contracting party for free delivery transactions on the agreed due date / delivery date.

Counterparty credit risk is the possibility of negative effects on the Bank's financial result and capital due to non-settlement of the counterparty's obligation in the transaction before the final settlement of the cash flows of the transaction, ie settlement of monetary obligations under that transaction.

Foreign exchange credit risk represents the probability that the Bank will suffer a loss due to non-performance of the debtor's obligations within the agreed deadlines, which arises due to the negative impact of the depreciation of the dinar exchange rate on the debtor's financial condition.

Operational risk is the risk of possible negative effects on the bank's financial result and capital due to unintentional and intentional omissions in the work of employees, inadequate internal procedures and processes, inadequate management of information and other systems in the bank, as well as unforeseen external events. Operational risk includes legal risk and does not include reputational and strategic.

Legal risk is the risk of possible negative effects on the financial result and capital of the Bank due to penalties and sanctions of the competent regulatory body or arising from litigation based on non-compliance with contractual and legal obligations.

Market risks are the possibility of negative effects on the financial result and capital of the bank based on changes in the value of balance sheet items and off-balance sheet items of the bank that occur due to market price movements.

Foreign exchange risk is the risk of negative effects on the financial result and capital of the Bank due to changes in the exchange rate, and the Bank is exposed to it due to items kept in the banking book and trading book.

Commodity risk is the risk of the possibility of negative effects on the financial result and capital of the bank based on losses within positions in commodities due to movements in commodity prices on the market.

Price risk represents the risk of the possibility of negative effects on the financial result and capital of the bank based on changes in the prices of securities that are allocated to the trading book.

Liquidity risk is the possibility of negative effects on the financial result and capital of the bank due to the inability of the bank to meet its due obligations, due to:

- withdrawal of existing sources of financing, ie inability to obtain new sources of financing (liquidity risk of sources of funds), or
- difficult conversion of assets into liquid assets due to market disturbances (market liquidity risk).

Interest rate risk is the risk of possible negative effects on the financial result and capital of the Bank based on positions in the banking book due to changes in interest rates.

The risk of compliance of the bank's operations is the possibility of negative effects on the financial result and capital of the bank due to failure to comply with the law and other regulations, business standards, procedures to prevent money laundering and terrorist financing and other procedures, as well as other acts governing banks, in particular, it covers the risk of regulatory sanctions, the risk of financial loss and reputational risk.

Money laundering and terrorist financing risk is the risk of possible negative effects on the bank's financial result, capital or reputation due to the bank's use (direct or indirect use of the bank's business relationship, transactions, services or products) for money laundering and / or terrorist financing. The risk of money laundering and terrorist financing arises especially as a consequence of failing to harmonize the bank's operations with the law, regulations and internal acts of the bank which regulate the prevention of money laundering and terrorist financing, ie as a consequence of mutual inconsistency of its internal acts.

Reputational risk is the possibility of negative effects on the bank's financial result and capital due to the loss of public confidence, ie the unfavorable public attitude towards the bank's operations, regardless of whether there is a basis for it or not.

Strategic risk is the possibility of negative effects on the financial result or capital of the bank due to the lack of appropriate policies and strategies, and their inadequate implementation, as well as due to changes in the environment in which the bank operates or lack of appropriate response to these changes.

Legal risk is the risk of negative effects on the bank's financial result and capital based on court or out-of-court proceedings related to the bank's operations.

The Bank defines its risk appetite through the following steps:

selection of key performance indicators (KPIs) that best reflect the current and future risk profile of the Bank; defining preferences (target values) and tolerance (highest acceptable level).

The target value (appetite) represents the intended / desired level of risk. The bank actually believes that this level is the optimal level that should be in order to achieve specific business goals.

Risk Tolerance is defined as the most acceptable level of risk (limit) that the Bank is willing to take in order to achieve and implement its strategies and policies. In other words, the level of tolerance shows how much the Bank is ready to deviate from the defined risk appetite, in order to achieve the goals defined by the strategy and policies.

Exceeding the tolerance level, as a rule, means:

corrective activities at the level of the Bank's Executive Board;

simultaneous notification of the Board of Directors of the Bank and (if necessary, the NBS if it is a regulatory requirement);

a comprehensive analysis of why there has been an increase in risk beyond tolerance levels;

determining how to return the risk to the target value or at least within the defined tolerance.

The Bank adopts the RAS taking into account the best practices and recommendations for the given area, as well as the currently valid regulatory framework in the Republic of Serbia. The regulatory framework in particular includes the Bank's Risk Management Decision and other relevant NBS decisions.

The Executive Board of the Bank proposes to the Board of Directors of the Bank amendments to the RAS which is considered and adopted.

An overview of the risk appetite statement (RAS) is shown in the following table:

Type of risk	Risk appetite	Tolerance /upper level	31.12.2022
Common Equity Tier 1 capital ratio	<b>20.00%</b>	<b>12.97%</b>	32.28%
Tier 1 capital ratio	<b>20.00%</b>	<b>15.39%</b>	32.28%
Regulatory Capital adequacy ratio	<b>25.00%</b>	<b>18.60%</b>	32.28%
Absolute level of capital in EUR mil	<b>EUR 20 mil</b>	<b>EUR 12 mil</b>	EUR 22.54 mil
LCR	<b>150%</b>	<b>110%</b>	383.34%
Coverage of capital requirements for OpR from the Bank's capital	<b>5%</b>	<b>8%</b>	3.27%

## 2.1 ORGANIZATION OF THE RISK MANAGEMENT FUNCTION

The implementation of the Risk Management Strategy is the responsibility of the competent bodies of the Bank and the organizational units that implement and participate in the risk management system as well as the organizational units that manage the Bank's bad assets.

The competencies of individual organizational units are regulated by the Rulebook on the organization and systematization of the Bank's operations. The Bank's Assembly, the Board of Directors, the Executive Board, the Bank's Business Monitoring Committee (Audit Committee), the Assets and Liabilities Management Committee (ALCO Committee) and the competent committees of the Bank that make decisions on approving the Bank's placements have competencies. Bank of Serbia, the Bank's Articles of Association and decisions of the Bank's Board of Directors.

### *Assembly*

- adopts the business policy and strategy of the Bank which define the business goals of the Bank for a period of at least three years;
- adopts the Bank's Articles of Association and adopts amendments to the Bank's Articles of Association and Articles of Association;
- adopts the financial report of the Bank and decides on the use and distribution of the realized profit, ie coverage of the loss;
- decides on the capital increase, ie on capital investments in another bank or other legal entities, as well as on the amount of investments in the Bank's fixed assets and investment property;
- appoints and dismisses the President and members of the Board of Directors of the Bank;
- decides on status changes and termination of the Bank;
- decides on the acquisition and disposal of high value assets, ie assets whose market value at the time of the decision represents at least 30% of the book value of assets stated in the last annual balance sheet;
- adopts the rules of procedure and decides on other issues, in accordance with the law and the Bank's Articles of Association.

### *Board of directors*

- convenes sessions of the Bank's Assembly;
  - prepares draft decisions for the Bank's Assembly and is responsible for the implementation of those decisions;
  - adopts the proposal of the Bank's business policy and strategy and submits them to the Bank's Assembly for adoption;
  - adopts the risk management strategy and policy, as well as the bank's capital management strategy;
  - determines the general business conditions of the Bank, as well as their amendments;
  - elects and dismisses the President and members of the Executive Board of the Bank;
  - elects and dismisses members of the Audit Committee, the Credit Committee and the Assets and Liabilities Management Committee;
  - determines the amounts up to which the Executive Board of the Bank may decide on placements and borrowings of the Bank and decides on placements and borrowings of the Bank through those amounts;
  - gives prior consent for the Bank's exposure to each individual or group of related parties exceeding 10% of the Bank's capital, or for increasing this exposure over 20% of the Bank's capital;
  - supervises the work of the Executive Board of the Bank;
- establishes a system of internal controls and monitors its efficiency;
- adopts the Bank's internal audit program and plan and methodology of its work;
  - reviews external and internal audit reports on the results of the performed audit, as well as reports on the activities and work of internal audit, and approves the annual report on the adequacy of risk management and internal control of the Bank;
  - adopts quarterly and annual reports of the Bank's Executive Board on the Bank's operations, including quarterly reports on risk management and submits the adopted financial report to the General Meeting for final approval;
  - approves the annual Report on the process of internal assessment of the Bank's capital adequacy to be submitted to the National Bank of Serbia;

- adopts the rules of procedure on its work and on the work of the Audit Committee, the Credit Committee and the Assets and Liabilities Management Committee;
- adopts the Bank's recovery plan and monitors the implementation of the Recovery Plan in case of its activation;
- notifies the National Bank of Serbia and other competent authorities of identified irregularities;
- determines the internal organization, ie the organizational structure of the Bank that ensures the division of duties, competencies and responsibilities of employees in a way that prevents conflicts of interest and provides a transparent and documented decision-making and implementation process;
- adopts the policy of salaries and other incomes of the bank's employees;
- proposes to the General Meeting of the Bank decisions on the acquisition of own shares, on the sale of shares, ie shares in a related party;
- makes proposals for the distribution of net profit and submits them for adoption to the Bank's Assembly;
- makes, on the proposal of the Executive Board of the Bank, decisions on write-off of fixed assets, write-off of suspicious and disputable receivables, provided that the Board of Directors may transfer part of its powers to the Executive Board, up to the limit determined by a special Decision of the Board;
- proposes to the Assembly the amount of investments in fixed assets and investment real estate, as well as the sale of fixed assets of higher, significant value (real estate owned by the Bank);
- upon the proposal of the Executive Board, decides on the purchase and sale of fixed assets and investment property, within the amount of funds determined by the Assembly of the Bank, which by their value do not fall within the competence of the Assembly;
- makes decisions on the transfer and / or sale of the Bank's receivables, with the possibility to transfer part of these powers to the Executive Board by a special Decision;
- adopts the business continuity plan as well as the disaster recovery plan, which enable the smooth and continuous functioning of all significant systems and processes of the Bank, as well as the limitation of losses in emergency situations;
- performs other tasks in accordance with the Bank's Articles of Association.

Members of the Bank's Board of Directors are responsible for the above activities as well as decisions made in risk management, as well as for the accuracy of all reports on operations, financial condition and results of operations of the Bank sent to the Bank's shareholders, the public and the National Bank of Serbia.

#### *Executive Board*

- executes the decisions of the Bank's Assembly and the Bank's Board of Directors;
- proposes to the Board of Directors the business policy and strategy of the Bank, as well as the strategy and policy for risk management and capital management strategy of the Bank;
- implements the business policy and strategy of the Bank by making appropriate business decisions;
- implements the risk management strategy and policies, as well as the Bank's capital management strategy by adopting risk management procedures, ie for identifying, measuring and assessing risks, and ensuring their implementation and reports to the Board of Directors on these activities;
- analyzes the Bank's total loan portfolio from the point of view of the Bank's exposure to credit risk;
- approves and proposes to the Board of Directors the Bank's Recovery Plan;
- activates and implements the Bank's Recovery Plan based on consideration of early warning indicators, market situation and financial position of the Bank;
- analyzes the risk management system and reports at least quarterly to the Bank's Board of Directors on the level of risk exposure and risk management;
- decides on facilities and borrowings of the Bank up to the amount determined by the Board of Directors of the Bank and approves the amount of calculated value adjustments on a monthly basis;
- decides, with the prior approval of the Bank's Board of Directors, on any increase in the Bank's exposure to a person related to the Bank and notifies the Bank's Board of Directors;
- ensures the security and regular monitoring of the Bank's information technology system and the Bank's treasury operations;
- informs the Board of Directors of the Bank on all actions that are not in accordance with the regulations and other acts of the Bank;
- submits an overview of business activities, balance sheet and income statement of the bank to the Bank's Board of Directors at least once during the business quarter;
- without delay informs the Board of Directors of the Bank and the National Bank of Serbia of any deterioration in the financial condition of the Bank or the existence of a risk of such deterioration, as well as other facts that may significantly affect the financial condition of the Bank;



- ensures that all employees are acquainted with the regulations and other acts of the Bank which regulate their work obligations;
- adopts rules of procedure for its work;
- decides on all issues that are not within the competence of the Assembly and the Board of Directors of the Bank;
- decides on the Bank's participation in reorganization proceedings and other proceedings against companies that are debtors of the Bank;
- makes a decision on the establishment, merger, acquisition and termination of the organizational parts of the Bank, in accordance with the acts on the internal organization of the Bank;
- organizes the work and manages the work of employees in the bank and adopts acts on the systematization of jobs and the schedule of direct executors;
- appoints and dismisses employees in jobs with special powers and responsibilities and determines their salaries;
- proposes to the Management Board to make a decision on the procurement, ie purchase and sale of fixed assets and investment real estate whose value at the time of purchase and / or sale does not fall within the competence and decision-making of the Assembly;
- makes a decision on interest rates as well as all decisions on changes to the same;
- within the limit determined by the Decision of the Board of Directors, makes decisions on write-off of fixed assets, write-off of suspicious and disputable receivables proposed by the Bank's bodies responsible for making such proposals, including proposals of the Commission for inventory and assessment of fixed assets and receivables;
- in accordance with the Decision of the Board of Directors, makes decisions on the transfer and / or sale of the Bank's receivables;
- is responsible for the implementation of the business continuity plan as well as the disaster recovery plan, as well as for the training and acquaintance of employees with their role and responsibilities in the event of emergencies;
- is responsible for changes to the business continuity plan as well as the disaster recovery plan in line with business changes, including changes in products, activities, processes and systems, changes in the environment, as well as the Bank's business policy and strategy;
- is responsible for regular testing of the business continuity plan as well as the disaster recovery plan, with adequate documentation of test results and their inclusion in the reporting of the Bank's Board of Directors;
- ensures the implementation of the process of internal capital adequacy assessment and its compliance with the Bank's business policy and strategy.

#### *Bank Monitoring Committee (Audit Committee)*

- analyzes the annual reports and other financial reports of the Bank that are submitted to the Board of Directors of the Bank for consideration and adoption;
- analyzes and adopts proposals of strategies and policies of the Bank related to risk management and the system of internal controls, which are submitted to the Board of Directors of the Bank for consideration and adoption;
- analyzes and monitors the implementation and adequate implementation of adopted strategies and policies for risk management and implementation of internal control systems;
- report at least once a month to the Board of Directors on its activities and identified irregularities, as well as to propose ways to eliminate these irregularities, ie improve policies and procedures for risk management and implementation of internal control systems;
- at the proposal of the Board of Directors or the Executive Board of the Bank or the external auditor of the Bank, evaluates the investments and activities of the Bank.

#### *Assets and Liabilities Management Committee*

- analyzes and monitors the Bank's balance sheet on a monthly basis from the point of view of security:
- maturity matching of assets and liabilities,
- liquidity and solvency,
- business security and profitability and
- monitors monthly developments in the Bank's balance sheet and income statement and proposes measures to increase the Bank's profitability:
- interest rate, commission and fee policies of the Bank,

- protection of the Bank from market risks (interest rate and currency risk);
- analyzes the quality of the Bank's assets from the point of view of collectability of loans and interest and proposes to the Executive Board of the Bank solutions and necessary measures to improve the quality of assets;
- analyzes changes in the liabilities of the Bank's balance sheet and proposes to the Executive Board of the Bank solutions and necessary measures to improve the quality of liabilities, from the point of view of:
  - volume of deposits,
  - the need for recapitalization, i.e. issue of the Bank's shares,
  - justification of the issue of long-term and short-term securities of the Bank;
- monitors the indicators of early warning of the threat to the activities and financial position of the Bank and in accordance with the defined steps in the Recovery Plan, reports the Executive Board of the Bank
- considers the new development plans of the Bank and their impact on the balance sheet, ie assets and liabilities of the Bank;
- considers the implementation of the Bank's annual plans;
- submits to the Executive Board of the Bank reports on the balance and changes in assets and liabilities and proposes measures and activities for adjusting the maturity structure, maintaining liquidity, risk management, increasing profitability and other reports.

#### *Credit Committee*

- responsible for making decisions on approving all types of dinar and foreign currency loans, guarantees, letters of credit and other forms of collateral, based on the Bank's internal acts, within the prescribed decision limits, and in accordance with the Law on Banks and decisions of the National Bank of Serbia;
- submits monthly reports to the Executive Board on:
  - volume of approved loans,
  - the amount of approved loans,
  - other reports related to the work of the Credit Committee.
- performs other tasks as ordered by the Executive Board of the Bank.

*Risk management function*, an independent business function responsible for risk management, which:

- proposes to the Executive and Management Boards a risk management strategy and policy;
- proposes to the Executive Board risk management procedures;
- develops models and methodologies for identifying, measuring, mitigating, monitoring and controlling risks;
- monitors, identifies, measures, assesses the Bank's exposure to risks in accordance with regulatory requirements and internal acts, including monitoring of bad assets and limits defined by the Recovery Plan;
- reports to the competent bodies of the Bank on risk management, in accordance with the procedures for regular reporting of the Bank's bodies on risk management.

The function of controlling the compliance of business and the risk of money laundering and terrorist financing is in charge of:

- identification and monitoring of the bank's compliance risk and for the management of that risk, which in particular includes the risk of regulatory sanctions and financial losses, as well as reputational risk;
- at least once a year identifies and assesses the main compliance risks of the Bank's operations and proposes plans for managing those risks, on which it prepares a Report which is submitted to the Executive Board and the Bank's Monitoring Committee;
- identification and monitoring of money laundering and terrorist financing risks in order to minimize negative effects on the bank's financial result, capital or reputation. It shall assess the Bank's exposure to this risk at least once a year and, if necessary, more frequently, and shall inform the Bank's Executive Board thereof.

#### *Internal audit function*

- provides the Board of Directors of the Bank with an independent and objective opinion on matters subject to audit;

- performs advisory activities aimed at improving the existing system of internal controls and operations of the Bank;
- applying a systematic, disciplined and documented approach to evaluating and improving the existing way of risk management, control and process management, assists the Bank's Board of Directors in achieving its goals;
- assesses the adequacy and reliability of the Bank's internal control system and the Bank's compliance function;
- ensures that risks are appropriately identified and controlled;
- identifies weaknesses in the operations of the Bank and its employees, as well as cases of non-fulfillment of obligations and exceeding of authority and prepares proposals for eliminating these weaknesses, as well as recommendations for their prevention;
- regularly prepares reports on internal audit activities and submits them to the Bank's Board of Directors, as well as to the Bank's Business Monitoring Committee.

#### *Bad asset management function*

- proposes to the Executive Board procedures for managing bad assets;
- implements activities, authorities and responsibilities related to early identification of potential problematic facilities
- precisely defines the activities, powers and responsibilities related to communication with debtors belonging to the portfolio of problem claims;
- undertakes activities and measures, and harmonizes the dynamics of their implementation, depending on the assessment of the debtor's capacity to settle liabilities to the bank, ie the assessment of the financial condition / creditworthiness of the debtor / credit protection provider and the number of days late in settling the debtor's liabilities;
- reports to the competent body of the bank (Commission for monitoring the collection of receivables) on the efficiency and effectiveness of the implementation of collection activities and measures for the management of bad assets (including the explanation of the choice of certain measures).
- This function is divided into an organizational part whose responsibility is to take risks when it comes to early detection of potential problematic facilities and an organizational part whose responsibility is to monitor and collect problematic receivables or manage bad assets.

#### Objectives of the Bank's risk management system:

- maintaining the Bank's risk profile at the level of the Bank's predetermined risk appetite;
- ensuring the stability of the Bank and maximizing the return / risk ratio for the Bank;
- ensuring a sufficient level of regulatory capital in accordance with the Bank's risk appetite, and redistribution of residual capital in accordance with the risks assumed by the Bank;
- adequate reporting to the competent bodies of the Bank on risk management in the Bank;
- developing the necessary systems / infrastructure / methodologies for risk identification.

#### The basic principles of risk management are as follows:

- the existence of specially defined processes for managing all types of risks to which the Bank is exposed in its operations;
- clearly defining the competencies and responsibilities of all organizational units involved in the risk management system;
- clear organizational separation of basic functions within the risk management system: risk-taking functions, independent risk assessment functions, decision-making functions, support functions, collection functions, reporting functions and independent control and supervision functions;
- parallel and synchronized application of regulatory and internally defined risk management limits;
- implementation of adequate procedures for identification, assessment, monitoring, mitigation and control of risks, as well as setting up an adequate system for reporting on risk management.

#### The following subsystems are regulated within the Bank's comprehensive risk management system:

- credit risk management
- market risk management (trading book risks and foreign exchange risk),
- liquidity risk management,
- interest rate risk management,
- operational risk management,
- risk management in the process of introducing new products and services,

- risk management arising from the engagement of external associates (outsourcing)
- calculation of capital adequacy,
- internal controls of the risk management system
- management of the Bank's non-performing assets

Through specially adopted documents, the Bank's organizational structure, the Rulebook on systematization and organization of jobs, the categorization of the Bank's business, the List of managerial positions, etc. established an appropriate organizational structure adapted to the needs of the risk management system, ie the needs of managing all risks to which the Bank is exposed in its operations.

## 2.2 COVERAGE AND CHARACTERISTICS OF THE RISK REPORTING SYSTEM, AND METHOD OF MEASUREMENT AND RISK MITIGATION TECHNIQUES

The Bank reports on all types of risks: credit risk, including residual risk, impairment risk, settlement / delivery risk, as well as counterparty risk, concentration risk, which includes the risk of the Bank's exposure to one person or group of related parties, investment risk, country risk, market risks, which include interest rate, foreign exchange and other market risks, operational risk, liquidity risk, compliance risk of the Bank, strategic risk and other risks, in accordance with NBS decisions, internal policies and procedures, etc.

### 2.2.1. CREDIT RISK MANAGEMENT

Credit risk management is based on the application of NBS regulations in the field of credit risk management: Decision on risk management, Decision on classification of on-balance sheet assets and off-balance sheet items and Decision on capital adequacy.

The credit risk management process defines the organizational parts and bodies of the Bank that are responsible for taking over, independent assessment, decision-making, support, collection, and independent control and supervision within the credit risk management process at the level of individual placements.

Organizational parts of the Bank responsible for taking credit risk at the level of individual placements:

- Legal and natural persons - Business sector with a network of branches,
- Banks and other financial institutions - Asset Management Division.

The organizational part of the Bank responsible for independent credit risk assessment at the level of individual placements is:

- Credit Applications Assessment Unit

The organizational part of the Bank responsible for independent assessment and credit risk management at the portfolio level is:

- Risk Management Department

The bodies of the Bank responsible for deciding on the approval of placements and the limits for deciding on the approval of placements are defined by a special decision of the Board of Directors of the Bank.

Organizational parts of the Bank in the function of supporting the credit risk management process of individual placements:

- Sector for Human Resources and Legal Affairs,
- Support Affairs Sector,
- Sector for Information Systems and Infrastructure,
- Financial control sector

Monitoring and collection of problematic receivables, ie management of bad assets is organized within the Sector for collection of receivables, which consists of two departments, namely the Department for collection of receivables of private individuals and the Department for collection of receivables of legal entities and monitoring of collateral and sales.

Organizational parts of the Bank in the function of independent control and supervision over the risk management system:

- Internal Audit Sector,
- Sector for control of compliance of the Bank's operations and prevention of money laundering.

The following participate in credit risk management at the level of the Bank's portfolio:

- Executive and Management Board of the Bank
- Risk Management Department
- all organizational units of the Bank in whose competence are tasks related to approval and monitoring facilities

By monitoring and identifying credit risks at the portfolio level, the Bank, by analyzing the structure and characteristics of the portfolio, timely identifies factors that may lead to an increase in credit risk.

Identification of credit risk at the level of the Bank's portfolio is performed for legal entities through the internal rating system on a scale from 1 to 9; for individuals based on arrears and product type; for banks based on an external credit rating or the rating of the country in which the parent bank has its registered office.

Internal reporting and external reporting according to the regulatory approach are carried out in the Financial Control Sector and in the Risk Management Sector.

Credit risk monitoring, a group of placements with similar characteristics in terms of credit risk, is conducted by monitoring the portfolio as a whole and by individual segments. Monitoring at the Bank level is carried out in the Risk Management Department with the participation of other competent organizational units of the Bank.

Internal reporting related to credit risks covers the following areas:

- portfolio quality - portfolio quality reports contain a detailed opinion on the portfolio structure and focus on concentration indicators
- credit classification - credit classification by risk categories and rating is done at least quarterly. A breakdown by portfolio segment is needed to provide valuable insight in terms of risk sources
- loan impairment - loan impairment analysis is considered important as an indicator of portfolio quality and a means of identifying sources of loan deterioration
- Large Debtors - The analysis of large engagements focuses on significant concentrations towards specific clients, as well as regulatory compliance.

The Risk Management Department informs the Executive Board and the Management Board on a monthly basis on the quality of the portfolio, proposing measures for protection against increased credit risk.

As of December 31, 2022, the bank's portfolio has the following structure:

**Table: Structure of the distribution of exposures based on the remaining maturity**

in 000RSD

Exposure class	up to a month	up to three months	up to a year	up to five years	over five years
1. State and central bank	3,183,089	0	319,293	2,206,142	5,900,865
2. Banks	413,136	0	0	0	0
3. Equity investments	476	0	0	0	0
4. Public administrative bodies	11,138	0	0	0	0
5. Exposures secured by mortgages on rea	118,505	225,299	695,105	1,605,406	1,391,349
6. Companies	991,012	244,356	2,156,120	2,018,835	15,357
7. Overdue receivables	154,195	10,858	96,309	426,579	30,751
8. Individuals	1,250,621	4,500	45,680	205,329	25,563
9. Other exposures	428,988	31,663	157,037	13,622,645	1,090,035
<b>Total</b>	<b>6,551,161</b>	<b>516,676</b>	<b>3,469,544</b>	<b>20,084,935</b>	<b>8,453,920</b>

**Table: Exposure distribution structure by classification categories**

in 000 RSD

Classification category	Total on-balance sheet assets and off-balance sheet items that are classified	Impairment of balance sheet assets and provisions for off-balance sheet item losses	Total on-balance sheet assets and off-balance sheet items that are not classified	Total book value of on-balance sheet assets and off-balance sheet items *
A	8,973,651	43,736		
B	4,494,004	75,603		
V	1,350,745	23,803		
G	988,848	31,773		
D	1,092,153	127,429		
<b>Ukupno</b>	<b>16,899,401</b>	<b>302,344</b>	<b>22,712,205</b>	<b>39,611,606</b>

\* Total gross book value of on-balance sheet assets and off-balance sheet items

More details on the loan portfolio were presented by the bank in Part 8.

### 2.2.2. CREDIT RISK MITIGATION TECHNIQUES

The Bank adjusts credit risk weighted assets for the effects of the use of collateral in the form of financial assets by applying a simple method if the conditions for recognition of a credit protection instrument are met, in accordance with the provisions of the Decision on Bank Adequacy.

Eligible collateral in the form of financial assets are cash and cash equivalents deposited with a bank, debt securities, shares or convertible bonds, gold, balance sheet netting.

The bank may use guarantees / guarantees as eligible instruments of intangible credit protection, if the provider of intangible credit protection is eligible in accordance with the provisions of the Decision on the capital adequacy of the bank.

Valuation and management of credit protection instruments are defined by the Bank in an internal act - Methodology for calculation of capital requirements for credit risk and other counterparties.

**Table: Structure of exposure distribution before and after the use of credit protection***in 000 RSD*

Exposure class	Gross exposure	Value adjustment, provisions and required reserve	Net exposure	Non- material credit protection instruments	Material credit protection instruments (simple method)	Effects of application of credit protection instruments	Net exposure after application of credit protection instruments
1. State and central bank	11,070,700	9,071	11,061,629			523,827	11,585,456
2. Banks	413,136	1,001	412,135				412,135
3. Equity investments	476	17	459				459
4. Public administrative bodies	11,138	11	11,127				11,127
5. Exposures secured by mortgages on real estate	4,391,996	18,402	4,373,594	92,599	302,197		3,978,798
6. Companies	6,416,944	106,746	6,310,198	364,282	586,733		5,359,183
7. Overdue receivables	775,126	148,684	626,442	40,618	12,616		573,208
8. Individuals	1,585,814	16,169	1,569,645	26,328	26,387		1,516,930
9. Other exposures	14,410,906	554,795	13,856,111			927,933	14,784,044
<b>Total</b>	<b>39,076,236</b>	<b>854,896</b>	<b>38,221,340</b>		<b>927,933</b>	<b>1,451,760</b>	<b>38,221,340</b>

### 2.2.3. LIQUIDITY RISK MANAGEMENT

Liquidity risk implies the risk of negative effects on the bank's financial result and capital due to the bank's inability to meet its due obligations due to withdrawal of existing sources of financing, ie inability to obtain new sources of financing (liquidity risk of sources of funds) and difficult conversion of assets into liquid assets. due to market disturbances (market liquidity risk).

The level of the bank's liquidity is expressed by the liquidity ratio, which represents the ratio of the sum of the Bank's first and second tier liquid receivables, on the one hand, and the sum of the Bank's demand liabilities, without agreed maturity and the Bank's liabilities, on the other hand.

The Bank adopted the act "Liquidity Risk Management" which defines in more detail the liquidity risk management system to which the Bank is exposed in its operations, as well as techniques for measuring / assessing liquidity risk:

- analysis of regulatory liquidity reports,
- GAP liquidity analysis - which monitors the Bank's liquidity by significant currencies (currencies that participate in the Bank's total portfolio with over 5%, namely RSD and EUR), as well as other currencies (USD, CHF and cumulatively other currencies),
- monitoring the liquidity coverage ratio (LCR),
- development of stress tests that monitor the effects of different scenarios on liquidity trends,
- analysis of the impact of the introduction of a new product on liquidity risk,
- preparation of the Bank's Business Plan in case of unforeseen events as well as the Bank's Recovery Plan.

The competent authorities of the Bank have also adopted the Methodology for the development of the GAP liquidity, as well as the appropriate internal limits that are continuously monitored and analyzed. The Risk Management Division monitors regulatory and internally defined indicators on a daily, weekly and monthly basis, which is reported by the Bank's Executive Board, the ALCO Board and the Bank's Assets Management Division.

### 2.2.4. INTEREST RATE RISK MANAGEMENT

The Bank manages interest rate risk in accordance with the act "Interest Rate Risk Management" which defines the system and methodologies of interest rate risk management, competencies and responsibilities of system participants, but also controls that are undertaken in order to operate the system as efficiently as possible.

The subject of interest rate risk management is all positions in the banking book that may cause a negative effect on the Bank's result and capital due to changes in interest rates.

In order to manage interest rate risk exposure, the Bank uses the GAP interest rate methodology. Internal limits are defined by the Decision of the competent bodies of the Bank, they are regularly monitored and analyzed. The Risk Management Department informs the ALCO Board and the Bank Asset Management Department on a monthly basis.

As an integral part of the interest rate risk assessment, the Bank conducts stress tests of the effects of changes in interest rates. In determining the exposure to interest rate risk in the banking book and the limit of this risk, the Bank assesses the effects of interest rate changes on the financial result of the bank (income statement), as well as on the economic value of the bank, applying the test - standard interest rate shock. is exposed.

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#### 2.2.5. MARKET RISK MANAGEMENT

Market risks represent the possibility of negative effects on the bank's financial result and capital based on changes in the value of balance sheet items and off-balance sheet items of the bank that arise due to market price movements.

Market risks include foreign exchange risk, price risk on the basis of debt securities and on the basis of equity securities and commodity risk:

- The Bank has defined the foreign exchange risk management system through the "Foreign Exchange Risk Management" act. Based on daily reports on the bank's foreign exchange risk indicator, stress tests and analysis of the impact of the introduction of new products on the bank's foreign exchange risk, the exposure to this risk is regularly monitored and assessed.
- Monitoring of price risk based on investments in securities is defined by the act "Risk management of investments in financial instruments" which monitors investments both at the individual level and at the level of the portfolio of financial instruments. The subject act defines the monitoring of settlement / delivery risk, counterparty risk but also price risk.
- The Bank does not invest in commodities so it is not exposed to commodity risk.

The Risk Management Division monitors the regulatory-defined indicator as well as internally defined limits on a daily, weekly and monthly basis, which is reported by the Bank's Executive Board, ALCO Board and the Bank's Assets Management Division.

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#### 2.2.6 OPERATIONAL RISK MANAGEMENT

The Bank's operational risk management structure is based on the "three levels of defense" model, ie:

- The first level of defense includes all organizational units of the Bank, each of which is directly responsible for controlling and minimizing operational risk within its business activities in accordance with the standards and procedures of the Bank.
- The second level of defense includes the Risk Management Division, which develops and provides methodologies, tools and guidelines related to operational risk management, which will be applied at the level of all organizational units for the purposes of operational risk management.
- The third level of defense is Internal Audit, which is responsible for ensuring at an independent level that operational risk management is effective, appropriate and fully implemented.

The subject of operational risk management is aimed at identifying critical processes and types of operational risks arising from these processes, regardless of whether the processes are periodic or frequent, manual or automated, related to products, communication, systems or people.



The Risk Management Department establishes mechanisms for the proper application and implementation of methodologies, calculation of capital requirements for operational risk, measurement and control of risk through the risk self-assessment and control (RCSA) process and monitoring of key risk indicators (KRI), as well as the use of IT applications for operational risk management.

By analyzing the results of these components of operational risk, an attempt is made to define procedures and actions that will achieve the minimization of costs caused by operational risk.

Operational risk management also considers the risks arising from the introduction of new products as well as the risks arising from activities entrusted by the Bank to third parties. The subtypes of operational risk are legal risk and IS risk.

The Risk Management Department informs the Executive Board of the Bank on a weekly, monthly and quarterly basis, and in case of extreme events immediately after their occurrence and National Bank of Serbia as well.

## 3. BANK'S CAPITAL

The Bank adopts the Capital Management Strategy and Plan (hereinafter: the Strategy) in order to provide such a level and structure of capital and available internal capital that can support the expected growth of placements, future sources of funds and their use, dividend policy and any changes in the minimum amount of capital prescribed by the Decision on Capital Adequacy.

The main goal of the Bank is to maintain at all times a strong capital base that will enable it to:

- compliance with regulatory requirements set by the National Bank of Serbia;
- maintaining the ability to continue its business on a going concern basis;
- to support business development and maintain flexibility in order to take advantage of potential business opportunities
- increase market share and ensure financial stability;

The Bank continuously manages capital, especially through:

- 1) Prescribed limits
- 2) Monitoring and reporting
- 3) Capital planning
- 4) ICAAP

### 3.1. LIMITS

The bank sets limits in terms of the absolute amount of capital and relative to the risk assets (where the bank distinguishes between regulatory / binding limits and internal limits or early warning limits). During the monitoring, the bank is obliged to report to the management if the bank approaches the internally prescribed limits.

The bank is not designated as a systemically significant bank, and it is not necessary to calculate the protective layers of capital for a systemically significant bank and a globally systemically significant bank.

### 3.2. MONITORING AND REPORTING

The Financial Control Department reports on a monthly basis to the Assets and Liabilities Management Committee on the amount and changes in the amount of regulatory capital, risk assets and the Bank's capital adequacy ratio.

The Financial Control Sector prepares capital adequacy projections for the remaining months of the current year on a quarterly basis. They are handed over to management in order to ensure that the Bank is in a position to achieve its objectives and regulatory capital adequacy ratio. As a result, the Bank's Capital Plan may be adjusted.

### 3.3. CAPITAL PLANNING

In order to ensure the optimal level of capital in the medium and long term, the Bank conducts capital planning. Capital planning is done within the Financial Control Sector. In capital planning, the Bank should cover a minimum of three years.

Once a year, the Financial Control Sector prepares the Capital Plan on the basis of the appropriate Business Plan, which is approved by the Board of Directors. The Business Plan (usually three years) and the Capital Plan adequately cover the projected volume growth for loans and deposits, results and corresponding ratios, as well as future sources of financing and their use.

### 3.4. ICAAP

The bank is obliged to carry out the process of internal capital adequacy assessment (ICAAP), ie to determine the total internal capital requirements in accordance with its risk profile, as well as to determine the available internal capital and perform its distribution.

The Bank regulates this issue in more detail by an act of the Internal Capital Adequacy Assessment Process, and in accordance with the adopted risk management framework, ie the Risk Management Strategy, ie risk management policies. The process defined by it is based on the process of identification and measurement, ie risk assessment, whereby the Bank analyzes all risks to which it is exposed or may be exposed on the basis of operations. The act defines the manner of determining materially significant risks, as well as the manner of calculating internal capital requirements

The Bank considers ICAAP to be an extremely important process for capital management purposes.

## Podaci koji se odnose na kapital banke

(u hiljadama dinara)

Redni br.	Naziv pozicije	Iznos
	<b>Osnovni akcijski kapital: elementi</b>	
1	Instrumenti osnovnog akcijskog kapitala i pripadajuće emisione premije	8.549.095
1.1.	<i>od čega: akcije i drugi instrumenti kapitala koji ispunjavaju uslove iz tačke 8.OAK</i>	5.671.608
1.2.	<i>od čega: Pripadajuće emisione premije uz instrumente iz tačke 1.1. tj. iznos uplaćen iznad nominalne vrednosti tih instrumenata</i>	2.877.487
2	Dobit iz ranijih godina koja nije opterećena nikakvim budućim obavezama, a za koju je skupština banke donela odluku da će biti raspoređena u osnovni akcijski kapital	
3	Dobit tekuće godine ili dobit iz prethodne godine za koju skupština banke još nije donela odluku da će biti raspoređena u osnovni akcijski kapital koja ispunjava uslove iz tačke 10. st. 2. i 3. za uključivanje u osnovni akcijski kapital	18.133
4	Revalorizacione rezerve i ostali nerealizovani dobitci	319.890
5	Rezerve iz dobiti i ostale rezerve banke, osim rezervi za opšte bankarske rizike	151.672
6	Rezerve za opšte bankarske rizike	
7	Učešća bez prava kontrole (manjinska učešća) koja se priznaju u osnovnom akcijskom kapitalu **	
8	<b>Osnovni akcijski kapital pre regulatornih prilagođavanja i odbitnih stavki (zbir od 1 do 7)</b>	<b>9.020.657</b>
	<b>Osnovni akcijski kapital: regulatorna prilagođavanja i odbitne stavke</b>	
9	Dodatna prilagođavanja vrednosti (-)	-3.782
10	Nematerijalna ulaganja, uključujući gudvil (umanjena za iznos odloženih poreskih obaveza) (-)	-46.764
11	Odložena poreska sredstva koja zavise od buduće profitabilnosti banke, izuzev onih koja proističu iz privremenih razlika, umanjena za povezane odložene poreske obaveze ako su ispunjeni uslovi iz tačke 14. stav 1. OAK	
12	Fer vrednosti rezervi u vezi sa dobitcima ili gubicima po osnovu instrumenata zaštite od rizika novčanog toka za finansijske instrumente koji se ne vrednuju po fer vrednosti, uključujući i projektovane novčane tokove	
13	IRB pristup: negativan iznos razlike dobijen obračunom u skladu s tačkom 134. OAK (-)	
14	Povećanje kapitala koje je rezultat sekjuritizacije izloženosti (-)	
15	Dobici ili gubici po osnovu obaveza banke vrednovanih prema fer vrednosti koji su posledica promene kreditne sposobnosti banke	
16	Imovina u penzijskom fondu sa definisanim naknadama u bilansu stanja banke (-)	
17	Direktna, indirektna i sintetička ulaganja banke u sopstvene instrumente osnovnog akcijskog kapitala, uključujući i sopstvene instrumente osnovnog akcijskog kapitala koje je banka dužna ili može biti dužna da otkupi na osnovu ugovorne obaveze (-)	
18	Direktna, indirektna i sintetička ulaganja u instrumente osnovnog akcijskog kapitala lica u finansijskom sektoru koja imaju uzajamna ulaganja u banci, a koja su izvršena radi prikazivanja većeg iznosa kapitala banke (-)	
19	Primenljivi iznos direktnih, indirektnih i sintetičkih ulaganja banke u instrumente osnovnog akcijskog kapitala lica u finansijskom sektoru u kojem banka nema značajno ulaganje (-)	
20	Primenljivi iznos direktnih, indirektnih i sintetičkih ulaganja banke u instrumente osnovnog akcijskog kapitala lica u finansijskom sektoru u kojem banka ima značajno ulaganje (-)	
21	Iznos izloženosti koje ispunjavaju uslove za primenu pondera rizika od 1.250 %, a koje banka odluči da odbije od osnovnog akcijskog kapitala umesto da primeni taj ponder	
21.1.	<i>od čega: učešća u licima koja nisu lica u finansijskom sektoru u iznosu preko 10% kapitala tih lica, odnosno učešća koja omogućavaju efektivno vršenje znatnog uticaja na upravljanje pravnim licem ili na poslovnu politiku tog pravnog lica (-)</i>	
21.2.	<i>od čega: sekjuritizovane pozicije (-)</i>	
21.3.	<i>od čega: slobodne isporuke (-)</i>	
22	Odložena poreska sredstva koja zavise od buduće profitabilnosti banke i koja proističu iz privremenih razlika (iznos iznad 10% osnovnog akcijskog kapitala banke iz tačke 21. stav 2, umanjeno za iznos povezanih poreskih obaveza ako su ispunjeni uslovi iz tačke 14. stav 1. OAK) (-)	
23	.25	
23.1.	<i>od čega: Direktna, indirektna i sintetička ulaganja u instrumente osnovnog akcijskog kapitala lica u finansijskom sektoru u kojem banka ima značajno ulaganje</i>	
23.2.	<i>od čega: Odložena poreska sredstva koja proističu iz privremenih razlika</i>	
24	Gubitak tekuće i ranijih godina, kao i nerealizovani gubici (-)	-5.828.202

25	Iznos poreza u vezi sa elementima osnovnog akcijskog kapitala koji se može predvideti u vreme obračuna kapitala, osim ako je banka prethodno korigovala iznos elemenata osnovnog akcijskog kapitala u iznosu u kojem ti porezi smanjuju iznos do kojeg se elementi osnovnog akcijskog kapitala mogu koristiti za pokriće rizika ili gubitaka (-)	
26	Iznos za koji odbitne stavke od dodatnog osnovnog kapitala banke premašuju iznos dodatnog osnovnog kapitala banke (-)	
27	Iznos potrebne rezerve za procenjene gubitke po bilansnoj aktivni i vanbilansnim stavkama banke	
28	<b>Ukupna regulatorna prilagođavanja i odbitne stavke od osnovnog akcijskog kapitala (zbir od 9 do 27)</b>	<b>-5.883.389</b>
29	<b>Osnovni akcijski kapital (razlika između 8 i 28)</b>	<b>3.137.267</b>
<b>Dodatni osnovni kapital: elementi</b>		
30	Akcije i drugi instrumenti kapitala koji ispunjavaju uslove iz tačke 23. OAK i pripadajuće emisione premije	
31	Instrumenti osnovnog kapitala izdati od strane podređenih društava koji se priznaju u dodatnom osnovnom kapitalu**	
32	<b>Dodatni osnovni kapital pre odbitnih stavki (30+31)</b>	
<b>Dodatni osnovni kapital: odbitne stavke</b>		
33	Direktna, indirektna i sintetička ulaganja banke u sopstvene instrumente dodatnog osnovnog kapitala, uključujući instrumente koje je banka dužna da otkupi na osnovu postojeće ugovorne obaveze (-)	
34	Direktna, indirektna i sintetička ulaganja u instrumente dodatnog osnovnog kapitala lica u finansijskom sektoru koja imaju uzajamna ulaganja u banci koja su izvršena radi prikazivanja većeg iznosa kapitala banke (-)	
35	Primenljivi iznos direktnih, indirektnih i sintetičkih ulaganja u instrumente dodatnog osnovnog kapitala lica u finansijskom sektoru u kojima banka nema značajno ulaganje (-)	
36	Direktna, indirektna i sintetička ulaganja banke u instrumente dodatnog osnovnog kapitala lica u finansijskom sektoru u kojima banka ima značajno ulaganje, isključujući pozicije po osnovu vršenja pokroviteljstva emisije hartija od vrednosti koje se drže pet radnih dana ili kraće (-)	
37	Iznos za koji odbitne stavke od dopunskog kapitala banke premašuju iznos dopunskog kapitala banke (-)	
38	<b>Ukupne odbitne stavke od dodatnog osnovnog kapitala (zbir od 33 do 37)</b>	
39	<b>Dodatni osnovni kapital (razlika između 32 i 38)</b>	
40	<b>Osnovni kapital (zbir 29 i 39)</b>	<b>3.137.267</b>
<b>Dopunski kapital: elementi</b>		
41	Akcije i drugi instrumenti dopunskog kapitala i subordinirane obaveze, koji ispunjavaju uslove iz tačke 28. OAK i pripadajuće emisione premije uz instrumente	
42	Instrumenti kapitala izdati od strane podređenih društava koji se priznaju u dopunskom kapitalu **	
43	Prilagođavanja za kreditni rizik koja ispunjavaju uslove za uključivanje u dopunski kapital	
44	<b>Dopunski kapital pre odbitnih stavki (zbir od 41 do 43)</b>	
<b>Dopunski kapital: odbitne stavke</b>		
45	Direktna, indirektna i sintetička ulaganja banke u sopstvene instrumente dopunskog kapitala i subordinirane obaveze, uključujući instrumente koje je banka dužna da otkupi na osnovu postojeće ugovorne obaveze (-)	
46	Direktna, indirektna i sintetička ulaganja u instrumente dopunskog kapitala i subordinirane obaveze lica u finansijskom sektoru koja imaju uzajamna ulaganja u banci koja su izvršena radi prikazivanja većeg iznosa kapitala banke (-)	
47	Primenljivi iznos direktnih, indirektnih i sintetičkih ulaganja u instrumente dopunskog kapitala i subordinirane obaveze lica u finansijskom sektoru u kojima banka nema značajno ulaganje (-)	
48	Direktna, indirektna i sintetička ulaganja banke u instrumente dodatnog osnovnog kapitala i subordinirane obaveze lica u finansijskom sektoru u kojima banka ima značajno ulaganje, isključujući pozicije po osnovu vršenja pokroviteljstva emisije hartija od vrednosti koje se drže pet radnih dana ili kraće (-)	
49	<b>Ukupne odbitne stavke od dopunskog kapitala (zbir od 45 do 48)</b>	
50	<b>Dopunski kapital (razlika između 44 i 49)</b>	
51	<b>Ukupni kapital (zbir 40 i 50)</b>	<b>3.137.267</b>
52	<b>Ukupna rizična aktiva</b>	<b>8.266.689</b>
<b>Pokazatelji adekvatnosti kapitala i zaštitni slojevi kapitala</b>		
53	Pokazatelj adekvatnosti osnovnog akcijskog kapitala banke (%)	<b>37,95</b>
54	Pokazatelj adekvatnosti osnovnog kapitala banke (%)	<b>37,95</b>
55	Pokazatelj adekvatnosti kapitala banke (%)	<b>37,95</b>
56	Ukupni zahtevi za zaštitne slojeve kapitala (%)***	<b>4,19</b>
57	Osnovni akcijski kapital raspoloživ za pokriće zaštitnih slojeva (%)****	<b>29,95</b>

\* OAK - Odluka o adekvatnosti kapitala banke

\*\* popunjavanje najviše matično društvo koje je na osnovu podataka iz konsolidovanih finansijskih izveštaja, u skladu sa odlukom kojom se uređuje kontrola bankarske grupe na konsolidovanoj osnovi, dužno da izračunava kapital za bankarsku grupu

\*\*\* kao procenat rizične aktive

\*\*\*\*računa se kao osnovni akcijski kapital banke (izražen kao procenat rizične aktive) umanjen za osnovni akcijski kapital banke koji se koristi za održavanje pokazatelja adekvatnosti osnovnog akcijskog kapitala banke iz tačke 3. stav 3. odredba pod 1) OAK, pokazatelja adekvatnosti osnovnog kapitala banke iz tačke 3. stav 3. odredba pod 2) OAK i pokazatelja adekvatnosti kapitala banke iz tačke 3. stav 3. odredba pod 3) OAK.

## Prilog 2 PI–FIKAP

## Podaci o osnovnim karakteristikama finansijskih instrumenata koji se uključuju u obračun kapitala

Redni br.	Karakteristike instrumenta	Opis
1.	Emitent	1. Centrobanka a.d. Beograd
		2. Centrobanka a.d. Beograd
		3. Centrobanka a.d. Beograd
		4. Centrobanka a.d. Beograd
		5. Laiki banka.d. Beograd
6. Laiki banka.d. Beograd		
7. Marfin bank a.d. Beograd		
8. Marfin bank a.d. Beograd		
9. Marfin bank a.d. Beograd		
10. Expobank a.d. Beograd		
1.1.	Jedinstvena oznaka (npr. CUSIP, ISIN ili oznaka) <i>Tretman u skladu s prapísima</i>	ISIN RSCEBAE 31481
2.	Tretman u skladu sa Odlukom o adekvatnosti kapitala banke	Instrument osnovnog akcijskog kapitala
3.	Individualni/(pot)konsolidovani/individualni i (pot)konsolidovani nivo uključivanja instrumenta u kapital na nivou grupe	
4.	Tip instrumenta	Obične akcije
5.	Iznos koji se priznaje za potrebe izračunavanja regulatornog kapitala (u hiljadama dinara, sa stanjem na dan poslednjeg izveštavanja)	5.671.608
6.	Nominalna vrednost instrumenta	500 dinara
6.1.	Emisiona cena	1. RSD 629.095.500
		2. RSD 140.000.000
		3. RSD 150.000.000
		4. RSD 29.630.000
		5. RSD 316.056.000
6. RSD 768.524.000		
7. RSD 1.110.000.000		
8. RSD 1.163.375.000		
9. RSD 1.241.875.000		
10. RSD 123.052.500		
6.2.	Otkupna cena	NP
7.	Računovodstvena klasifikacija	akcijski kapital
8.	Datum izdavanja instrumenta	1. 11.06.2004.
		2. 18.05.2004.
		3. 06.12.2004.
		4. 26.05.2005.
		5. 27.07.2006.
6. 07.05.2007.		
7. 28.11.2008.		
8. 01.09.2009.		
9. 22.03.2010.		
10. 06.11.2017.		
9.	Instrument s datumom dospeća ili instrument bez datuma dospeća	Bez datuma dospeća
9.1.	Inicijalni datum dospeća	Bez datuma dospeća
10.	Opcija otkupa od strane emitenta uz prethodnu saglasnost nadležnog tela	ne
10.1.	Prvi datum aktiviranja opcije otkupa, uslovni datumi aktiviranja opcije otkupa i otkupna vrednost	NP
10.2.	Naknadni datumi aktiviranja opcije otkupa (ako je primenljivo)	NP
	Kuponi/dividende	
11.	Fiksne ili promenljive dividende/kuponi	NP
12.	Kuponska stopa i povezani indeksi	NP
13.	Postojanje mehanizma obaveznog otkazivanja dividende	NP
14.1.	Potpuno diskreciono pravo, delimično diskreciono pravo ili bez diskrecionog prava u vezi s vremenom isplate dividendi/kupona	NP
14.2.	Potpuno diskreciono pravo, delimično diskreciono pravo ili bez diskrecionog prava u vezi sa iznosom dividendi/kupona	NP
15.	Mogućnost povećanja prinosa (step up) ili drugih podsticaja za otkup	ne
16.	Nekumulativne ili kumulativne dividende/kuponi	NP
17.	Konvertibilan ili nekonvertibilan instrument	Nekonvertibilan
18.	Ako je konvertibilan, uslovi pod kojima može doći do konverzije	NP
19.	Ako je konvertibilan, delimično ili u celosti	NP
20.	Ako je konvertibilan, stopa konverzije	NP
21.	Ako je konvertibilan, obavezna ili dobrovoljna konverzija	NP
22.	Ako je konvertibilan, instrument u koji se konvertuje	NP
23.	Ako je konvertibilan, emitent instrumenta u koji se konvertuje	NP
24.	Mogućnost smanjenja vrednosti	NP
25.	Ako postoji mogućnost smanjenja vrednosti, uslovi pod kojima može doći do smanjenja vrednosti	NP
26.	Ako postoji mogućnost smanjenja vrednosti, delimično ili u celosti	NP
27.	Ako postoji mogućnost smanjenja vrednosti, trajno ili privremeno	NP
28.	Ako je smanjenje vrednosti privremeno, uslovi ponovnog priznavanja	NP
29.	Tip instrumenta koji će se pri stečaju, odnosno likvidaciji naplatiti neposredno pre navedenog instrumenta	NP
30.	Neusklađene karakteristike konvertovanih instrumenata	Ne
31.	Ako postoje navesti neusklađene karakteristike	NP

## Podaci o povezivanju pozicija kapitala iz bilansa stanja s pozicijama iz obrasca PI-KAP

## 1. Raščlanjavanje elemenata u bilansu stanja

Oznaka pozicije	Naziv pozicije	Bilans stanja
A	AKTIVA	15.753.166
A.I	Gotovina i sredstva kod centralne banke	2.156.085
A.II	Založena finansijska sredstva	0
A.III	Potraživanja po osnovu derivata	0
A.IV	Hartije od vrednosti	3.660.279
A.V	Kredit i potraživanja od banaka i drugih finansijskih organizacija	1.542.099
A.VI	Kredit i potraživanja od komitenata	6.960.059
A.VII	Promene fer vrednosti stavki koje su predmet zaštite od rizika	0
A.VIII	Potraživanja po osnovu finansijskih derivata namenjenih zaštiti od rizika	0
A.IX	Investicije u pridružena društva i zajedničke poduhvate	0
	<i>Od čega direktna ili indirektna ulaganja u banke i druga lica u finansijskom sektoru</i>	0
A.X	Investicije u zavisna društva	0
	<i>Od čega direktna ili indirektna ulaganja u banke i druga lica u finansijskom sektoru</i>	0
A.XI	Nematerijalna imovina	46.764
A.XII	<i>Nekretnine, postrojenja i oprema</i>	389.079
A.XIII	Investicione nekretnine	268.786
A.XIV	Tekuća poreska sredstva	0
A.XV	Odložena poreska sredstva	121.164
A.XVI	Stalna sredstva namenjena prodaji i sredstva poslovanja koje se obustavlja	0
A.XVII	Ostala sredstva	608.851
	<i>Od čega direktna ili indirektna ulaganja u banke i druga lica u finansijskom sektoru u iznosu većem od 10% kapitala tih banaka, odnosno tih lica</i>	0
A.XVIII	UKUPNO AKTIVA (pozicije pod AOP oznakama od 0001 do 0019 u konsolidovanom bilansu stanja)	15.753.166
P	PASIVA	
PO	OBAVEZE	12.921.721
PO.I	Obaveze po osnovu osnovu derivata	0
PO.II	Depoziti i ostale obaveze prema bankama, drugim finansijskim organizacijama i centralnoj banci	258.109
PO.III	Depoziti i ostale obaveze prema drugim komitentima	12.316.984
PO.IV	Obaveze po osnovu derivata namenjenih zaštiti od rizika	0
PO.V	Promene fer vrednosti stavki koje su predmet zaštite od rizika	0
	<i>Od čega obaveze po osnovu hibridnih instrumenata</i>	0
PO.VI	Obaveze po osnovu hartija od vrednosti	0
PO.VII	Subordinirane obaveze	0
	<i>Od čega subordinirane obaveze koje se uključuju u dopunski kapital banke</i>	0
PO.VIII	<i>Rezervisanja</i>	158.300
PO.IX	Obaveze po osnovu sredstava namenjenih prodaji i sredstava poslovanja koje se obustavlja	0
PO.X	<i>Tekuća poreske obaveze</i>	0
PO.XI	Odložene poreske obaveze	0
PO.XII	Ostale obaveze	188.328
PO.XIII	UKUPNO OBAVEZE (pozicije pod AOP oznakama od 0401 do 0413 u konsolidovanom bilansu stanja)	12.921.721

	KAPITAL	3.137.267
PO.XIV	Akcijski kapital	8.549.095
	Od čega nominalna vrednost uplaćenih akcija, osim preferencijalnih kumulativnih akcija	5.671.608
	Od čega emisiona premija po osnovu akcijskog kapitala, osim preferencijalnih kumulativnih akcija	2.877.487
	Od čega nominalna vrednost preferencijalnih kumulativnih akcija	0
	Od čega emisiona premija po osnovu preferencijalnih kumulativnih akcija	0
PO.XV	Sopstvene akcije	0
	Od čega stečene sopstvene akcije banke, osim preferencijalnih kumulativnih akcija	0
	Od čega stečene sopstvene apreferencijalne kumulativne akcije	0
PO.XVI	Dobitak	0
	Od čega neraspoređena dobit iz ranijih godina	0
	Od čega dobit iz tekuće godine	18.133
PO.XVII	Gubitak	-5.604.554
	Od čega gubici iz prethodnih godina	-5.604.554
	Od čega gubitak tekuće godine	0
PO.XVIII	Rezerve	0
	Od čega rezerve iz dobiti koje predstavljaju element osnovnog kapitala	151.672
	Od čega ostale pozitivne konsolidovane rezerve	0
	Od čega ostale negativne konsolidovane rezerve	0
	Od čega ostale neto negativne revalorizacione rezerve	-714.491
	Od čega dobit po osnovu obaveza banke vrednovanih prema fer vrednosti koja je ostvarena zbog promene kreditnog rejtinga banke	0
	Od čega pozitivne revalorizacione rezerve nastale po osnovu efekata promene fer vrednosti osnovnih sredstava, hartija od vrednosti i ostalih sredstava koja se, u skladu s MSFI/MRS, iskazuju u korist ovih rezervi	431.590
PO.XIX	Nerealizovani gubici	131.229
	Od čega nerealizovani gubici po osnovu hartija od vrednosti raspoloživih za prodaju	0
PO.XX	Učešća bez prava kontrole	0
	Od čega manjinska učešća u podređenim društvima	0
PO.XXI	UKUPNO KAPITAL	3.137.267
PO.XXII	UKUPAN NEDOSTATAK KAPITALA	0
PO.XXIII	UKUPNO PASIVA	15.753.166
V.P.	VANBILANSNE POZICIJE	
V.P.A.	Vanbilansna aktiva	22.689.389
	Od čega iznos akcija banke uzetih u zalogu, osim preferencijalnih kumulativnih akcija	0
	Od čega iznos preferencijalnih kumulativnih akcija banke uzetih u zalogu	0
V.P.P.	Vanbilansna pasiva	22.689.389
	Od čega iznos akcija banke uzetih u zalogu, osim preferencijalnih kumulativnih akcija	0
	Od čega iznos preferencijalnih kumulativnih akcija banke uzetih u zalogu	0

## 2. Povezivanje pozicija u raščlanjenom bilansu stanja i pozicija u obrascu PI-KAP

Redni br.	Naziv pozicije	Iznos
	Osnovni akcijski kapital: elementi	
1	Instrumenti osnovnog akcijskog kapitala i pripadajuće emisione premije	8.549.095
1.1.	od čega: akcije i drugi instrumenti kapitala koji ispunjavaju uslove iz tačke 8.OAK	5.671.608
1.2.	od čega: Pripadajuće emisione premije uz instrumente iz tačke 1.1. tj. iznos uplaćen iznad nominalne vrednosti tih instrumenata	2.877.487
2	Dobit iz ranijih godina koja nije opterećena nikakvim budućim obavezama, a za koju je skupština banke donela odluku da će biti raspoređena u osnovni akcijski kapital	
3	Dobit tekuće godine ili dobit iz prethodne godine za koju skupština banke još nije donela odluku da će biti raspoređena u osnovni akcijski kapital koja ispunjava uslove iz tačke 10. st. 2. i 3. za uključivanje u osnovni akcijski kapital	18.133
4	Revalorizacione rezerve i ostali nerealizovani dobiti	319.890
5	Rezerve iz dobiti i ostale rezerve banke, osim rezervi za opšte bankarske rizike	151.672
6	Rezerve za opšte bankarske rizike	
7	Učešća bez prava kontrole (manjinska učešća) koja se priznaju u osnovnom akcijskom kapitalu **	
8	Osnovni akcijski kapital pre regulatornih prilagođavanja i odbitnih stavki (zbir od 1 do 7)	9.020.657
	Osnovni akcijski kapital: regulatorna prilagođavanja i odbitne stavke	
9	Dodatna prilagođavanja vrednosti (-)	-3.782
10	Nematerijalna ulaganja, uključujući gudvil (umanjena za iznos odloženih poreskih obaveza) (-)	-46.764
11	Odložena poreska sredstva koja zavise od buduće profitabilnosti banke, izuzev onih koja proističu iz privremenih razlika, umanjena za povezane odložene poreske obaveze ako su ispunjeni uslovi iz tačke 14. stav 1. OAK	
12	Fer vrednosti rezervi u vezi sa dobitima ili gubicima po osnovu instrumenata zaštite od rizika novčanog toka za finansijske instrumente koji se ne vrednuju po fer vrednosti, uključujući i projektovane novčane tokove	
13	IRB pristup: negativan iznos razlike dobijen obračunom u skladu s tačkom 134. OAK (-)	
14	Povećanje kapitala koje je rezultat sekjuritizacije izloženosti (-)	
15	Dobici ili gubici po osnovu obaveza banke vrednovanih prema fer vrednosti koji su posledica promene kreditne sposobnosti banke	
16	Imovina u penzijskom fondu sa definisanim naknadama u bilansu stanja banke (-)	
17	Direktna, indirektna i sintetička ulaganja banke u sopstvene instrumente osnovnog akcijskog kapitala, uključujući i sopstvene instrumente osnovnog akcijskog kapitala koje je banka dužna ili može biti dužna da otkupi na osnovu ugovorne obaveze (-)	
18	Direktna, indirektna i sintetička ulaganja u instrumente osnovnog akcijskog kapitala lica u finansijskom sektoru koja imaju uzajamna ulaganja u banci, a koja su izvršena radi prikazivanja većeg iznosa kapitala banke (-)	
19	Primenljivi iznos direktnih, indirektnih i sintetičkih ulaganja banke u instrumente osnovnog akcijskog kapitala lica u finansijskom sektoru u kojem banka nema značajno ulaganje (-)	
20	Primenljivi iznos direktnih, indirektnih i sintetičkih ulaganja banke u instrumente osnovnog akcijskog kapitala lica u finansijskom sektoru u kojem banka ima značajno ulaganje (-)	
21	Iznos izloženosti koje ispunjavaju uslove za primenu pondera rizika od 1.250 %, a koje banka odluči da odbije od osnovnog akcijskog kapitala umesto da primeni taj ponder	
21.1.	od čega: učešća u licima koja nisu lica u finansijskom sektoru u iznosu preko 10% kapitala tih lica, odnosno učešća koja omogućavaju efektivno vršenje znatnog uticaja na upravljanje pravnim licem ili na poslovnu politiku tog pravnog lica (-)	
21.2.	od čega: sekjuritizovane pozicije (-)	
21.3.	od čega: slobodne isporuke (-)	
22	Odložena poreska sredstva koja zavise od buduće profitabilnosti banke i koja proističu iz privremenih razlika (iznos iznad 10% osnovnog akcijskog kapitala banke iz tačke 21. stav 2, umanjen za iznos povezanih poreskih obaveza ako su ispunjeni uslovi iz tačke 14. stav 1. OAK) (-)	
23	Zbir odloženih poreskih sredstava i ulaganja u lica u finansijskom sektoru u kojima banka ima značajno ulaganje iz tačke 21. stav 1. OAK, koji prelazi limit iz tačke 21. stav 3. OAK (-)	
23.1.	od čega: Direktna, indirektna i sintetička ulaganja u instrumente osnovnog akcijskog kapitala lica u finansijskom sektoru u kojem banka ima značajno ulaganje	
23.2.	od čega: Odložena poreska sredstva koja proističu iz privremenih razlika	
24	Gubitak tekuće i ranijih godina, kao i nerealizovani gubici (-)	-5.828.202



25	Iznos poreza u vezi sa elementima osnovnog akcijskog kapitala koji se može predvideti u vreme obračuna kapitala, osim ako je banka prethodno korigovala iznos elemenata osnovnog akcijskog kapitala u iznosu u kojem ti porezi smanjuju iznos do kojeg se elementi osnovnog akcijskog kapitala mogu koristiti za pokriće rizika ili gubitaka (-)	
26	Iznos za koji odbitne stavke od dodatnog osnovnog kapitala banke premašuju iznos dodatnog osnovnog kapitala banke (-)	
27	Iznos potrebne rezerve za procenjene gubitke po bilansnoj aktivi i vanbilansnim stavkama banke	
28	Ukupna regulatorna prilagođavanja i odbitne stavke od osnovnog akcijskog kapitala (zbir od 9 do 27)	-5.883.389
29	Osnovni akcijski kapital (razlika između 8 i 28)	3.137.267
<b>Dodatni osnovni kapital: elementi</b>		
30	Akcije i drugi instrumenti kapitala koji ispunjavaju uslove iz tačke 23. OAK i pripadajuće emisione premije	
31	Instrumenti osnovnog kapitala izdati od strane podređenih društava koji se priznaju u dodatnom osnovnom kapitalu**	
32	<b>Dodatni osnovni kapital pre odbitnih stavki (30+31)</b>	
<b>Dodatni osnovni kapital: odbitne stavke</b>		
33	Direktna, indirektna i sintetička ulaganja banke u sopstvene instrumente dodatnog osnovnog kapitala, uključujući instrumente koje je banka dužna da otkupi na osnovu postojeće ugovorne obaveze (-)	
34	Direktna, indirektna i sintetička ulaganja u instrumente dodatnog osnovnog kapitala lica u finansijskom sektoru koja imaju uzajamna ulaganja u banci koja su izvršena radi prikazivanja većeg iznosa kapitala banke (-)	
35	Primenljivi iznos direktnih, indirektnih i sintetičkih ulaganja u instrumente dodatnog osnovnog kapitala lica u finansijskom sektoru u kojima banka nema značajno ulaganje (-)	
36	Direktna, indirektna i sintetička ulaganja banke u instrumente dodatnog osnovnog kapitala lica u finansijskom sektoru u kojima banka ima značajno ulaganje, isključujući pozicije po osnovu vršenja pokroviteljstva emisije hartija od vrednosti koje se drže pet radnih dana ili kraće (-)	
37	Iznos za koji odbitne stavke od dopunskog kapitala banke premašuju iznos dopunskog kapitala banke (-)	
38	<b>Ukupne odbitne stavke od dodatnog osnovnog kapitala (zbir od 33 do 37)</b>	
39	<b>Dodatni osnovni kapital (razlika između 32 i 38)</b>	
40	<b>Osnovni kapital (zbir 29 i 39)</b>	3.137.267
<b>Dopunski kapital: elementi</b>		
41	Akcije i drugi instrumenti dopunskog kapitala i subordinirane obaveze, koji ispunjavaju uslove iz tačke 28. OAK i pripadajuće emisione premije uz instrumente	
42	Instrumenti kapitala izdati od strane podređenih društava koji se priznaju u dopunskom kapitalu	
43	Prilagođavanja za kreditni rizik koja ispunjavaju uslove za uključivanje u dopunski kapital	
44	<b>Dopunski kapital pre odbitnih stavki (zbir od 41 do 43)</b>	
<b>Dopunski kapital: odbitne stavke</b>		
45	Direktna, indirektna i sintetička ulaganja banke u sopstvene instrumente dopunskog kapitala i subordinirane obaveze, uključujući instrumente koje je banka dužna da otkupi na osnovu postojeće ugovorne obaveze (-)	
46	Direktna, indirektna i sintetička ulaganja u instrumente dopunskog kapitala i subordinirane obaveze lica u finansijskom sektoru koja imaju uzajamna ulaganja u banci koja su izvršena radi prikazivanja većeg iznosa kapitala banke (-)	
47	Primenljivi iznos direktnih, indirektnih i sintetičkih ulaganja u instrumente dopunskog kapitala i subordinirane obaveze lica u finansijskom sektoru u kojima banka nema značajno ulaganje (-)	
48	Direktna, indirektna i sintetička ulaganja banke u instrumente dodatnog osnovnog kapitala i subordinirane obaveze lica u finansijskom sektoru u kojima banka ima značajno ulaganje, isključujući pozicije po osnovu vršenja pokroviteljstva emisije hartija od vrednosti koje se drže pet radnih dana ili kraće	
49	<b>Ukupne odbitne stavke od dopunskog kapitala (zbir od 45 do 48)</b>	
50	<b>Dopunski kapital (razlika između 44 i 49)</b>	
51	<b>Ukupni kapital (zbir 40 i 50)</b>	3.137.267
52	<b>Ukupna rizična aktiva</b>	8.266.689
<b>Pokazatelji adekvatnosti kapitala i zaštitni slojevi kapitala</b>		
53	Pokazatelj adekvatnosti osnovnog akcijskog kapitala banke (%)	37,95
54	Pokazatelj adekvatnosti osnovnog kapitala banke (%)	37,95
55	Pokazatelj adekvatnosti kapitala banke (%)	37,95
56	Ukupni zahtevi za zaštitne slojeve kapitala (%)***	4,19
57	Osnovni akcijski kapital raspoloživ za pokriće zaštitnih slojeva (%)****	29,95

## 4. CAPITAL REQUIREMENTS AND CAPITAL ADEQUACY

The bank's capital adequacy ratio is equal to the ratio of capital and risk assets of the bank. The supervisory requirement for maintaining the capital adequacy of the Bank is: 7.22% - core share capital adequacy ratio; 9.64% - core capital adequacy ratio; 12.85% - capital adequacy indicator and has been in use since January 2022. The bank is obliged to ensure in its operations that the amount of its capital is never less than the dinar equivalent of EUR 10,000,000, according to the official exchange rate of the National Bank of Serbia.

The Bank shall at all times maintain the capital at the level necessary to cover all risks to which it is or may be exposed in its operations, and at least in the amount of the sum of the following capital requirements:

- Capital requirement for credit risk and counterparty risk for all business activities of the bank and capital requirement for settlement / delivery risk for activities from the trading book - capital requirement for credit risk;
- Capital requirement for market risks;
- Capital requirement for operational risk for all business activities.

### 4.1. CAPITAL REQUIREMENT FOR CREDIT RISK AND COUNTERPARTY RISK

When calculating capital requirements for credit risk and counterparty risk, the Bank shall use a standardized approach, in the manner prescribed by the Decision on Capital Adequacy of the National Bank of Serbia.

The Bank uses a simple method to apply credit risk mitigation techniques.

The amount of exposure for balance sheet asset items is equal to the amount of the gross book value of these positions less specific credit risk adjustments, additional adjustments in accordance with item 12, paragraph 5 (Prudent valuation for FV) and item 36 of the Capital Adequacy Decision, the amount required provisions for estimated losses and other impairments in respect of that position.

The exposure amount for off-balance sheet items is equal to the amount of the gross carrying amount of those items less specific credit risk adjustments and the amount of the required allowance for estimated losses and multiplied by the conversion factors.

Exposures subject to the calculation of capital requirements for credit risk are reduced by deductions from:

1. share capital,
2. additional share capital and
3. additional capital

Within the exposures that are subject to the calculation of capital requirements for credit risks, the exposures to which the capital requirements for the risk of the other counterparty are calculated are singled out. Further, it is necessary to break down the exposures into those that represent exposures from the trading book and exposures that belong to the banking book.

The capital requirement for credit risk using a standardized approach applies to:

1. exposures from the banking book and exposures from the trading book (if the trading book is materially less significant),
2. exposures from the banking book if the trading book is materially significant (namely in that case it applies the capital requirement for price risk to the exposures from the trading book).

Calculated capital requirement for credit risk and counterparty risk in accordance with the Decision on capital adequacy on 31.12.2022. amounts to **RSD 547,974 thousand**.

## 4.2. CAPITAL REQUIREMENT FOR MARKET RISKS

**Capital requirement for market risks** - is the sum of capital requirements:

- for price risk for business activities from the trading book,
- for foreign exchange risk for all business activities,
- for commodity risk for all business activities.

The Bank does not have a position within the trading book so it is not exposed to price risk. Also, the Bank does not invest in goods and is not exposed to commodity risk. In its operations, the Bank is exposed only to foreign exchange risk, therefore the capital requirement is calculated only for this type of risk.

### 4.1.2. CAPITAL REQUIREMENT FOR FOREIGN EXCHANGE RISK

For the calculation of the capital requirement for foreign exchange risk, the Bank applies the approach in accordance with the Decision on the capital adequacy of the bank.

All positions of foreign currency assets and foreign currency liabilities of the bank are subject to the capital requirement for foreign exchange risk, and which include:

- assets and liabilities denominated in foreign currencies,
- assets and liabilities denominated in dinars indexed by a currency clause.

Based on the review of foreign currency assets and foreign currency liabilities, the Bank calculates the net open foreign exchange position, which is the input for calculating the capital requirement for foreign exchange risk.

All positions of the Bank are divided into categories Euro (EUR), US Dollar (USD), Swiss Franc (CHF), Other Currencies and Gold. For each category, the open position is determined as the sum of the net spot position, the net forward position and the option position. If for a certain currency the sum of the above items is greater than zero, the net position in that currency is long; otherwise the position is short.

The Bank's total long foreign exchange position represents the sum of all its net long positions in individual currencies, while the Bank's total short foreign exchange position represents the sum of all its net short positions in individual currencies.

The total net open foreign exchange position of the bank represents the absolute value of the total long, ie total short foreign exchange position, depending on which absolute value is higher.

The minimum capital requirement for foreign exchange risk is calculated by the Bank if the sum of the total net open position and the absolute value of the net open position in gold is greater than 2% of the Bank's capital. Since the Bank does not have positions in gold, they are not considered. By multiplying the total net open foreign exchange position by 8%, we get the amount of capital necessary to cover foreign exchange risk.

Calculated capital requirement for foreign exchange risk in accordance with the Decision on capital adequacy on 31.12.2022. is **RSD 26,961 thousands**.

## 4.3. CAPITAL REQUIREMENT FOR OPERATIONAL RISK

**Capital requirement for operational risk** - the Bank uses the Basic Indicator (BIA) approach to calculate the capital requirement for operational risk. The minimum capital requirement for operational risk calculated using the Basic Indicator approach is equal to the amount of the three-year average of the exposure indicator multiplied by the capital requirement rate of 15%. The three-year average of the exposure indicator represents the arithmetic mean of the values of that indicator for the previous three years.

If for any of the previous three years, the exposure indicator was negative or equal to zero, this amount is not included in the calculation of the three-year average, but the average is calculated as the ratio of the sum of positive values of the exposure indicator and the number of years of positive values. .

Calculated capital requirement for operational risk in accordance with the Decision on capital adequacy on 31.12.2022. amounts to **RSD 86,400thousand**.

#### Prilog 4 ПИ-АКБ

#### Podaci o ukupnim kapitalnim zahtevima i pokazatelju adekvatnosti kapitala

(u hiljadama dinara)

Red. br.	Naziv	Iznos
I	KAPITAL	3.137.267
1.	UKUPAN OSNOVNI AKCIJSKI KAPITAL	3.137.267
2.	UKUPAN DODATNI OSNOVNI KAPITAL	0
3.	UKUPAN DOPUNSKI KAPITAL	0
II	KAPITALNI ZAHTEVI	661.335
1.	KAPITALNI ZAHTEV ZA KREDITNI RIZIK, RIZIK DRUGE UGOVORNE STRANE, RIZIK SMANJENJA VREDNOSTI KUPljenih POTRAŽIVANJA I RIZIK IZMIRENJA/ISPORUKE PO OSNOVU SLOBODNIH ISPORUKA	547.974
1.1.	Standardizovani pristup (SP)	6.849.672
1.1.1.	Izloženosti prema državama i centralnim bankama	0
1.1.2.	Izloženosti prema teritorijalnim autonomijama i jedinicama lokalne samouprave	0
1.1.3.	Izloženosti prema javnim administrativnim telima	2
1.1.4.	Izloženosti prema međunarodnim razvojnim bankama	0
1.1.5.	Izloženosti prema međunarodnim organizacijama	0
1.1.6.	Izloženosti prema bankama	81.749
1.1.7.	Izloženosti prema privrednim društvima	2.825.636
1.1.8.	Izloženosti prema fizičkim licima	188.380
1.1.9.	Izloženosti obezbeđene hipotekama na nepokretnostima	1.941.417
1.1.10.	Izloženosti u statusu neizmirenja obaveza	675.516
1.1.11.	Visokorizične izloženosti	0
1.1.12.	Izloženosti po osnovu pokrivenih obveznica	0
1.1.13.	Izloženosti po osnovu sekjuritizovanih pozicija	0
1.1.14.	Izloženosti prema bankama i privrednim društvima sa kratkoročnim kreditnim rejtingom	0
1.1.15.	Izloženosti po osnovu ulaganja u otvorene investicione fondove	0
1.1.16.	Izloženosti po osnovu vlasničkih ulaganja	459
1.1.17.	Ostale izloženosti	1.136.513
1.2.	Pristup zasnovan na internom rejtingu (IRB)	-
1.2.1.	Izloženosti prema državama i centralnim bankama	-
1.2.2.	Izloženosti prema bankama	-
1.2.3.	Izloženosti prema privrednim društvima	-
1.2.4.	Izloženosti prema fizičkim licima	-
1.2.4.1.	od čega: Izloženosti prema fizičkim licima obezbeđene hipotekama na nepokretnostima	-
1.2.4.2.	od čega: Kvalifikovane revolving izloženosti prema fizičkim licima	-
1.2.4.3.	od čega: Izloženosti prema malim i srednjim preduzećima koje su razvrstane u ovu klasu izloženosti	-

1.2.5.	Izloženosti po osnovu vlasničkih ulaganja	-
1.2.5.1.	Primenjeni pristup:	-
1.2.5.1.1.	Pristup jednostavnih pondera rizika	-
1.		
1.2.5.1.2.	PD/LGD pristupa	-
2.		
1.2.5.1.3.	Pristup internih modela	-
3.		
1.2.5.2.	Vrste izloženosti po osnovu vlasničkih ulaganja	-
1.2.5.2.1.	Vlasnička ulaganja kojima se trguje na berzi	-
1.		
1.2.5.2.2.	Vlasnička ulaganja kojima se ne trguje na berzi ali su u dovoljno diversifikovanim portfolijima	-
2.		
1.2.5.2.3.	Ostala vlasnička ulaganja	-
3.		
1.2.5.2.4.	Vlasnička ulaganja na koje banka primenjuje standardizovani pristup kreditnom riziku	-
4.		
1.2.6.	Izloženosti po osnovu sekjuritizovanih pozicija	-
1.2.7.	Izloženosti po osnovu ostale imovine	-
2	KAPITALNI ZAHTEV ZA RIZIK IZMIRENJA/ISPORUKE PO OSNOVU NEIZMIRENIH TRANSAKCIJA	0
3	KAPITALNI ZAHTEV ZA TRŽIŠNE RIZIKE	26.961
3.1.	Kapitalni zahtevi za cenovni, devizni i robni rizik izračunat primenom standardizovanih pristupa	26.961
3.1.1.	Kapitalni zahtev za cenovni rizik po osnovu dužničkih hartija od vrednosti	0
	od čega kapitalni zahtev za cenovni rizik po osnovu sekjuritizovanih pozicija	0
3.1.2.	Kapitalni zahtev za cenovni rizik po osnovu vlasničkih hartija od vrednosti	0
3.1.3.	Dodatni kapitalni zahtev za velike izloženosti iz knjige trgovanja	0
3.1.4.	Kapitalni zahtev za devizni rizik	26.961
3.1.5.	Kapitalni zahtev za robni rizik	0
3.2.	Kapitalni zahtevi za cenovni, devizni i robni rizik izračunati primenom pristupa internih modela	-
4	KAPITALNI ZAHTEV ZA OPERATIVNI RIZIK	86.400
4.1.	Kapitalni zahtev za operativni rizik izračunat primenom pristupa osnovnog indikatora	86.400
4.2.	Kapitalni zahtev za operativni rizik izračunat primenom standardizovanog/alternativnog standardizovanog pristupa	-
4.3.	Kapitalni zahtev za operativni rizik izračunat primenom naprednog pristupa	-
III	POKAZATELJ ADEKVATNOSTI OSNOVNOG AKCIJSKOG KAPITALA (%)	37,95
IV	POKAZATELJ ADEKVATNOSTI OSNOVNOG KAPITALA (%)	37,95
V	POKAZATELJ ADEKVATNOSTI KAPITALA (%)	37,95

## 5. INTERNAL CAPITAL ADEQUACY ASSESSMENT PROCESS

The internal capital adequacy assessment process (ICAAP) is based on the Bank's methodology and is in line with the requirements of the Bank's Risk Management Decision.

ICAAP is a documented process through which the Bank determines total internal capital requirements in accordance with its risk profile and determines available internal capital and performs its distribution.

This process includes the Bank's procedures and measures to ensure adequate identification, measurement, control and management of risks, as well as an adequate level of internal capital in relation to the risk profile of the bank, as well as the implementation and further development of risk management systems.

The Bank will perform a documented process of internal capital assessment in accordance with the regulatory framework - the Decision on Risk Management and the Decision on Capital Adequacy on a continuous basis and report to the National Bank of Serbia on an annual basis within the prescribed deadlines.

ICAAP takes place in a way that ensures that the following conditions are met:

- is based on the process of risk identification and measurement / assessment;
- provides a comprehensive risk assessment, as well as monitoring of all significant risks to which the Bank is exposed or may be exposed in its operations;
- provides an adequate level of available internal capital in accordance with the risk profile of the Bank;
- is embedded in the Bank's management process and decision-making process;
- is subject to regular analysis, monitoring and verification.

The ICAAP is designed and implemented in the following steps:

- identification of the risks to which the Bank is exposed;
- identification of material risks;
- calculation of internal capital requirements for individual material risks;
- determination of total internal capital requirements
- comparison of the following elements:
  - ✓ minimum capital requirements calculated in accordance with the Decision on capital adequacy and internal capital requirements for individual risks, and
  - ✓ sum of minimum capital requirements calculated in accordance with the Decision on capital adequacy and total internal capital requirements;
- stress testing of all material risks and their inclusion in internal capital requirements.

### 5.1. ROLES AND RESPONSIBILITIES

The following are the bodies and organizational units of the Bank, which have been assigned certain responsibilities in the process of internal capital adequacy assessment.

The responsibilities of the Board of Directors are:

- approves the annual Report on the process of internal assessment of the Bank's capital adequacy to be submitted to the National Bank of Serbia;

The responsibilities of the Executive Board are:

- ensures the implementation of the process of internal capital adequacy assessment and its compliance with the Bank's business policy and strategy;
- analyzes the risk management system and reports at least quarterly to the Bank's Board of Directors on the level of risk exposure and risk management;

- ensures that all employees are familiar with the regulations and other acts of the Bank governing their work obligations.

The responsibilities of the Risk Management Division are:

- defining quantitative and qualitative criteria, on the basis of which they will identify material risks for the needs of the process of internal capital adequacy assessment;
- defining methodologies / approaches for measuring and assessing individual risks in order to implement the process of internal capital adequacy assessment;
- conducting stress tests for all material risks and for internal capital requirements at least once a year, and more often if necessary;
- managing and updating the process of internal capital adequacy assessment, at least once a year, ie whenever the Bank is exposed to new risks and significant changes, and notifies the Executive Board thereof;
- proposes to the Executive Board all changes / amendments to the document regulating the process of internal capital adequacy assessment;
- analyzes and documents the differences between the internal capital requirements thus determined and the minimum capital requirements determined in accordance with the Decision on Capital Adequacy;
- informs the Executive Board of the Bank on the results of the process of internal capital adequacy assessment;
- in cooperation with the Finance Sector, prepares and submits to the NBS a report on ICAAP within the prescribed deadlines.

The responsibilities of the NBS Reporting Department are:

- calculates the Bank's capital, minimum capital requirements and capital adequacy ratio on a monthly basis in accordance with the Decision on the Bank's Capital Adequacy;
- informs the Assets and Liabilities Management Committee on the amount and changes in the amount of regulatory capital, risk assets and the capital adequacy ratio of the Bank.

Internal Audit reviews the internal capital adequacy process within its independent function and submits its findings to the Board of Directors and the Audit Committee.

## 5.2. MEASUREMENT AND RISK ASSESMENT WITHIN ICAAP

An important prerequisite for analyzing the Bank's ability to bear risks is to assess all material risks to which the Bank is exposed or may be exposed in its operations. The purpose of risk assessment is to show the significance and effects of the risks taken. To ensure that risks are conscientiously and systematically managed in accordance with the ICAAP, it is particularly important to distinguish between relevant risk categories.

In the process of material significance assessment, the above risks are divided into two groups:

### 1. Quantifiable risks in terms of exposure and potential loss (quantifiable risks):

- Credit risk (which includes settlement / delivery risk and counterparty risk)
- Credit and foreign exchange risk
- Credit risk induced by interest rate risk
- Operational risk
- Foreign exchange risk and other market risks
- Residual risk
- Liquidity risk
- Interest rate risk
- Concentration risk
- Investment risks
- Country risk
- Risk of impairment of receivables

2. Risks that cannot be quantified from the point of view of exposure and possible loss, more precisely their losses can potentially be quantified, but not the possible exposure:

- Business compliance risk
- Strategic risk
- Reputation risk

Risks for which the Bank calculates minimum capital requirements in accordance with the Decision on capital adequacy (credit risk, including counterparty risk and settlement / delivery risk, market risk and operational risk) are considered materially significant without additional assessment, given that the Bank for they already determine the capital requirements as well as the available capital and distribute it.

For quantifiable risks, the assessment of material significance is based on quantitative criteria, which will be listed under certain risks.

For risks that cannot be quantified (business compliance risk, strategic, reputational), the Bank calculates the reserve in the form of additional internal capital requirements. The reserve is set as a fixed percentage of total internal capital requirements for risks that are material and can be quantified.

## 5.3. INTERNAL CAPITAL AND CAPITAL DISTRIBUTION

### 5.3.1. INTERNAL CAPITAL REQUIREMENT FOR CREDIT RISK

To calculate the internal capital requirement for credit risk, the Bank has chosen a standardized approach within the first pillar of the Basel III standard for calculating the minimum capital requirement for credit risk.

The amount of the assessment of possible underestimation of the internal capital requirement for credit risk due to the application of the standardized approach is determined by the Bank by applying the modified standardized approach in accordance with the Decision on the capital adequacy of the bank. Modification of the standardized approach implies the application of more conservative credit risk weights for individual items of on-balance sheet assets and off-balance sheet items and conversion factors in relation to those defined by the Decision.

### 5.3.2. INTERNAL CAPITAL REQUIREMENT FOR FOREIGN EXCHANGE RISK

For the calculation of internal capital requirements for foreign exchange risk, the Bank applies a standardized approach in accordance with the Decision on the capital adequacy of the bank, taking into account the current currency structure of the balance sheet.

The amount of the possible underestimation of the internal capital requirement for foreign exchange risk due to the application of the standardized approach is determined by the Bank using the modified standardized approach.

### 5.3.3. INTERNAL CAPITAL REQUIREMENT FOR OPERATIONAL RISK

To calculate the internal capital requirement for operational risk, the Bank applies the Basic Indicator (BIA) approach, which is also used to calculate the minimum capital requirement in accordance with the Bank's Capital Adequacy Decision and the Methodology for calculating the capital requirement for operational risk.

The minimum capital requirement for operational risk calculated using the BASIC INDICATOR approach is equal to the amount of the three-year average of the exposure indicator multiplied by the capital requirement rate of 15%.

The Bank evaluates the possible underestimation of the internal capital requirement for operational risk due to the application of the basic indicator approach by calculating the internal capital requirement as an amount of 15% in relation to the calculated regulatory capital requirement for credit risk. Calculated internal capital



requirements for operational risk as of 31.12.2022. is equal to the regulatory one and amounts to 158,432 thousand dinars.

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#### 5.3.4. INTERNAL CAPITAL REQUIREMENT FOR CREDIT-FOREIGN EXCHANGE RISK

For the purposes of measuring / estimating internal capital for credit and foreign exchange risk, the Bank applies the FXAOF factor (FX add-on factor) which adjusts the internal capital requirement for credit risk.

6.

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#### 5.3.5. INTERNAL CAPITAL REQUIREMENTS FOR INTEREST RATE RISK

The Bank determines the material significance of interest rate risk in the banking book based on the share of the absolute marginal gap by time zones in total balance sheet assets.

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#### 5.3.6. INTERNAL CAPITAL REQUIREMENT FOR LIQUIDITY RISK

The internal capital requirement for liquidity risk is calculated if in the previous period of one year, the Bank's liquidity ratio (calculated in the manner defined by the Risk Management Decision) was less than 1.2 for one business day.

## 6. PROTECTIVE LAYERS OF CAPITAL

The Bank has no significant exposures in order to calculate the countercyclical capital buffer.

## 7. INFORMATION RELATED TO THE BANK'S EXPOSURE TO RISKS AND MEASUREMENT APPROACHES, OR RISK ASSESMENT

### 7.1. EXPOSURE TO CREDIT RISK AND COUNTERPARTY RISK

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#### 7.1.1. DEFAULT STATUS

The main criteria for determining the bad assets of the Bank of troubled receivables from debtors are:

- the debtor is in continuous arrears for more than 90 days after any material obligation to the bank
- Account blockade for more than 60 days in a row
- Reduction of repayment capacity which can be reflected in:
  - 50% reduction in operating income
  - Capital reduction of more than 50%
- For natural persons, receivables that have the status of defendants in the bank system
- For legal entities and entrepreneurs, the client has the status of defendant, bankruptcy, UPPR
- The client did not submit the last financial report to the register of business entities
- For legal entities, entrepreneurs and individuals if they are in the debt collection sector (WOD);
- Other information that indicates business problems or may affect the inability to service debt, such as:
  - frequent admonition of the client on settlement of obligations, difficult negotiations, hint that client have or will have business problems and

-other type of information noticed during the monitoring by the credit officer regarding negative changes in the client's business, in relation to the circumstances that existed during the approval of the placement

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### 7.1.2. ASSESSMENT OF IMPAIRMENT OF FINANCIAL ASSETS

At each reporting date, the Bank identifies financial assets for which the allowance will be calculated on an individual basis (individual assessment - individually significant exposures).

The criteria for identifying receivables that must be assessed on an individual basis are:

1. The identified status of non-payment of obligations, ie. default status;
2. All financial instruments that meet the definition of POCI in accordance with IFRS 9;
3. Exposure to banks classified in V, G and D;
4. Exposures with FB / NPE status;
5. Amount of receivables per debtor.

In accordance with these criteria, receivables that must be assessed on an individual basis are receivables from the following debtors:

- Legal entities and entrepreneurs - the total exposure in the bank is greater than 0.05% of the share in the total portfolio and
  - Individuals - total exposure in the bank is greater than 0.2% of the share in the total portfolio
- Individually significant exposures - The Bank assesses at each reporting date whether there is objective evidence that a financial asset is impaired (impaired). A financial asset is impaired and an impairment loss is recognized only if there is objective evidence that it is impaired as a result of one or more events that occurred after the initial measurement of the asset.

**The criteria** used by the Bank to determine whether there is objective evidence of impairment include:

1. the financial condition of the debtor indicates significant problems in its operations such as a change in the classification of the debtor; the debtor is late in settling obligations to the state, other creditors or to employees or irregularly fulfills obligations based on taxes and social security contributions of employees, in a significant amount, at the discretion of the bank; significant and continuous reduction of operating revenues in the previous two years; the debtor's capital was significantly reduced (more than 50%) due to losses during the previous two reporting periods; there is a materially significant decrease (more than 50%) in operating income;
2. there are data on non-payment of obligations, frequent delays in repayment of interest and / or principal or non-compliance with other contractual provisions; at the latest when the debtor is 90 days late on the basis of any placement; placement is problematic in accordance with the Decision on the classification of balance sheet assets and off-balance sheet items of the bank;
3. The bank has significantly changed the terms of repayment of placements due to financial difficulties of the debtor in relation to the originally agreed. that is, clients who are in the status of NPE / RES, in accordance with items 35a to 35d of the Decision on the classification of balance sheet assets and off-balance sheet items of the bank for problematic claims of the bank;
4. It is certain to initiate bankruptcy proceedings against the debtor or initiate another type of financial reorganization, which can be identified on the basis of: the debtor is blocked for more than 60 days on the day of assessment; the debtor is in the process of liquidation; a court proceeding (lawsuit) has been initiated against the debtor; pre-bankruptcy proceedings have been initiated against the debtor or bankruptcy proceedings are underway against any strategically important member of the economic

entity to which the debtor belongs; the reasons for initiating bankruptcy proceedings against the debtor, which are defined by the law governing bankruptcy, have been met; the debtor is in the process of preparing the reorganization plan / the creditors have accepted the proposed reorganization plan / the debtor is operating according to the adopted reorganization plan; or the debtor is in the process of consensual financial restructuring in accordance with the relevant regulation;

5. other objective evidence of impairment which classifies receivables from the client in the category of doubtful and disputable receivables.

If the Bank determines that there is objective evidence that a financial asset is impaired, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows.

The Bank recognizes the existence of several possible collection scenarios when estimating expected future cash flows.

On this occasion, the scenarios that are taken into account are:

- realization of collateral (then separately judicial and extrajudicial),
- restructuring and reprogramming,
- bankruptcy,
- sale of receivables,
- anything else it deems relevant

When determining the probability estimates of certain scenarios, the Bank is guided by the history of realization and collection of problem receivables, but also by the specifics of individual financial instruments and accordingly assigns them appropriate weights, which must be 100% of all scenarios.

In this way, the final accrued credit losses meet the definition of the standard in a way that represents the probability of a weighted estimate of credit losses.

Depending on the type of real estate over which the mortgage has been established, the location where it is located and the date of the last appraisal, the Bank uses the reduced market value of the real estate in the process of calculating the value adjustment, as follows:

**Residential Real Estate and garages**

Teritorija	Haircuts
Beograd i Novi Sad	20%
Ostalo	42.5%

**Commerciale property and garages**

Teritorija	Haircuts
Beograd i Novi Sad	20%
Ostalo	42.5%

**Industrial property**

Vrsta	Haircuts
Fabrike	35%
Skladišta	50%

**Lend**

Vrsta	Haircuts
Zemljište Vojvodina	25%
Zemljište ostalo	40%

**Rest**

Vrsta	Haircuts
Garantni depozit	0%
Državne obveznice, Hov koje država garantuje	0%
Državne garancije	0%
Prvoklasne garancije	0%

### **Assessment on a group basis-level 1,2,3**

The Bank considers the following receivables on a group basis:

- receivables for which an individual review has shown that there is no objective evidence of impairment;
- receivables that belong to the group of small receivables and which are not considered on an individual basis.

For the purposes of calculation on a group basis, receivables in the Bank's loan portfolio are grouped on the basis of similar characteristics from the aspect of credit risk.

#### *Level 1 - expected credit losses*

The calculation of the allowance under Level 1 is performed if at the reporting date the credit risk of the financial instrument has not increased significantly since initial recognition. The Bank measures the loss provision for this financial instrument at an amount equal to the most expected twelve-month credit loss.

The expected credit loss recognized for Level 1 financial instruments is accounted for as a one-year portion of accrued credit losses as follows:

$$ECL = EAD * MPD * LGD * DF$$

ECL	Expected credit loss
EAD	Exposure at default
MPD	Marginal Probability of default
LGD	Loss given default
DF	EIR based discount factor

Thus calculated, expected 12-month credit losses are part of expected credit losses over the life and represent cash deficits over the life that will result if default occurs within 12 months after the reporting date (or a shorter period if the expected life of the financial instrument shorter than 12 months), weighted by the probability of such default.

#### *Level 2 - expected credit losses*

At the reporting date, the Bank measures the impairment of a financial instrument at an amount equal to the expected credit losses over its life, if the credit risk for that financial instrument has increased significantly since initial recognition.

The Bank's general approach to calculating expected credit losses for the entire life of a financial instrument is presented by the formula:

$$ECL = \sum_{t=1}^T (EAD_t * MPD_t * LGD_t * DF_t)$$

ECL	Expected credit loss
EAD	Exposure at default
MPD	Marginal Probability of default
LGD	Loss given default

DF EIR based discount factor

The expected credit losses calculated in this way for the entire period of the financial instrument represent the losses that the Bank recognizes for the purposes of calculating the allowance for level 2.

#### *Level 3 - expected credit losses*

The calculation of impairment under Level 3 is performed if the criteria for identification of receivables are recognized, which must be assessed on an individual basis but are below the defined materiality threshold.

For Level 3 Group Debtors, the calculation of expected credit losses is calculated as the difference between the gross carrying amount of the placement and the value obtained by discounting all available collateral at the initial effective interest rate, as well as taking into account out-of-collateral collection (1-LGD unsecured).

The value of the collateral that is discounted is 90% of the allocated value after applying the haircut. An average COLLECTION OF 36 MONTHS IS TAKEN AS THE DISCOUNT PERIOD.

When assessing the value correction and risk of default exposure based on the financial instruments of the state, its authorities as well as financial institutions, it relies on research and data from renowned external rating agencies (Fitch, Moody's, S&P).

## 7.2. EXPOSURE TO MARKET RISKS

The Bank does not apply the approach of internal models for calculating capital requirements for market risks, so all information on market risks relevant to disclosure is covered through the previous segments of this instruction.

## 7.3. EXPOSURE TO OPERATIONAL RISKS

The Bank does not apply an advanced approach to calculating capital requirements for operational risks, so all information on operational risks relevant to disclosure is covered through the previous segments of this document.

## 7.4. EXPOSURE TO INTEREST RATE RISK

Interest rate risk management is based on a regulatory approach, that is, on the application of requirements defined by the NBS.

In order to manage exposure to interest rate risk, the Bank uses the GAP interest rate methodology, which represents the difference between interest-bearing sensitive assets and interest-bearing sensitive liabilities within defined time zones, which shows how the two sides of the balance sheet react to changes in interest rates.

Positions are allocated according to:

- maturity (for positions with a fixed interest rate) or
- the time remaining until the next interest rate change (for positions with variable interest rates).

Exposure to interest rate risk is monitored on a monthly basis, in the domestic currency and in the currencies of EUR, CHF, USD, cumulatively for other currencies, but also on a consolidated level (combined for all currencies at the level of the Bank).

The limits for GAP interest rates are defined by the Decision of the competent authorities of the Bank, they are regularly monitored and analyzed. The Interest Rate Gap Report is presented to the ALCO Board..

Na dan 31. decembra 2022	do 1 meseca	1-3 meseca	3-12 meseci	1 - 5 godina	preko 5 godina	Kamatno neosetljive pozicije	Ukupno
<b>AKTIVA</b>							
Gotovina i sredstva kod centralne banke	857,185	0	0	0	0	1,298,900	2,156,085
Hartije od vrednosti	0	0	0	942,997	2,717,282	0	3,660,279
Kredit i potraživanja od banaka i drugih finansijskih organizacija	1,401,223	0	0	0	0	140,876	1,542,099
Kredit i potraživanja od konitenata	1,759,487	2,267,204	2,365,439	176,836	3,956	387,136	6,960,059
Potraživanja po os novu derivata namenjenih zaštiti od rizika	0	0	0	0	0	0	0
Ostala sredstva	0	0	0	0	0	608,851	608,851
<b>Ukupno aktiva</b>	<b>4,017,895</b>	<b>2,267,204</b>	<b>2,365,439</b>	<b>1,119,833</b>	<b>2,721,239</b>	<b>2,435,763</b>	<b>14,927,373</b>
<b>OBAVEZE</b>							
Depoziti i ostale obaveze prema bankama, drugim finansijskim organizacijama i centralnoj banci	234,645	0	11,868	1,309	0	10,287	258,109
Depoziti i ostale obaveze prema drugim konitentima	1,823,213	885,397	2,757,575	493,983	0	6,356,815	12,316,984
Obaveze po os novu derivata namenjenih zaštiti od rizika	0	0	0	0	0	0	0
Ostale obaveze	0	0	0	0	0	188,328	188,328
<b>Ukupno obaveze</b>	<b>2,057,858</b>	<b>885,397</b>	<b>2,769,443</b>	<b>495,292</b>	<b>0</b>	<b>6,555,430</b>	<b>12,763,421</b>
<b>GAP (Aktiva - Obaveze):</b>	<b>1,960,036</b>	<b>1,381,806</b>	<b>(404,004)</b>	<b>624,541</b>	<b>2,721,239</b>	<b>(4,119,667)</b>	<b>2,163,952</b>

As an integral part of the interest rate risk assessment, the Bank conducts stress tests of the effects of changes in interest rates. In determining the exposure to interest rate risk in the banking book and the limit of this risk, the Bank assesses the effects of interest rate changes on the financial result of the Bank (income statement), as well as on the economic value of the Bank, applying the standard interest shock test. is exposed.

The standard interest rate shock represents a positive and a negative parallel shift of interest rates by 200 basis points (1bp = 0.01%).

In the existing structure of interest rate GAPs (observed at the consolidated level, which includes significant currencies, ie EUR, RSD, CHF and USD), an increase in the interest rate by 200 bps will cause a change in the economic value of capital on 31.12.2022 by 18.39% or RSD 486,288,64 thousand.

## 7.5. EXPOSURE BASED ON EQUITY INVESTMENTS IN THE BANKING BOOK

Equity investments in the banking book date from the period of the previous owner of the Bank and include investments in financial institutions.

Investment structure:

Naziv	Vrednost u trenutku pribavljanja	Broj akcija	Knjigovodstvena vrednost na dan 31.12.2022. ( u RSD)
Tržište novca	373.853	3	368.101
Beogradska berza	102.000	10	90.724
<b>Ukupno</b>	<b>475.853</b>		<b>458.825</b>

Having in mind that unlisted legal entities do not prepare periodic financial reports, deposits are kept in books according to the book value of the share in accordance with the last annual calculation, based on a certificate issued by the legal entity, the issuer of shares. The securities have the status of free for sale.

## 8. LEVERAGE INDICATOR

In accordance with the Decision on the capital adequacy of the bank, the Bank calculates the Leverage indicator as follows: as the ratio of share capital to the amount of the bank's exposure.

The Leverage indicator in accordance with the Decision on capital adequacy as of 31.12.2022 was 12,32%.

Below is a table showing the Leverage indicator:

Врсте изложености	Износ изложености
Изложености по основу repo и reverse repo трансакција, трансакција кредитирања трговине хартијама од вредности, уговора о узимању и давању у зајам хартија од вредности или робе и трансакција са дугим роком измирења	0
Ванбилансне изложености распоређене у категорију ниског ризика (са фактором конверзије од 10%)	0
Ванбилансне изложености распоређене у категорију умереног ризика (са фактором конверзије од 20%)	436,930
Ванбилансне изложености распоређене у категорију средњег ризика (са фактором конверзије од 50%)	495,601
Ванбилансне изложености распоређене у категорију високог ризика (са фактором конверзије од 100%)	4,858,212
Остале изложености	15,747,177
(-) Изложености које представљају одбитну ставку од основног акцијског капитала или додатног основног капитала у складу са одлуком којом се уређује адекватност капитала банке	-51,405
<b>Укупан износ изложености по основу правила за обрачун леверидж показатеља</b>	<b>21,486,515</b>
<b>Основни капитал у складу са одлуком којом се уређује адекватност капитала банке</b>	<b>2,646,424</b>
<b>ПОКАЗАТЕЉ ЛЕВЕРИџА</b>	<b>12.32</b>

### ПРЕГЛЕД ИЗЛОЖЕНОСТИ БАНКЕ КОЈЕ УЛАЗЕ У ОБРАЧУН LEVERIDŽ POKAZATELJA PO PONDERIMA RIZIKA

Редни број		Износ изложености по основу билансне активе и ванбилансних ставки (Стандардизовани приступ)	Износ изложености по основу билансне активе и ванбилансних ставки (RБ приступ)	Износ изложености по основу ванбилансних ставки пре примене фактора конверзије
1	2	3	4	5
1.	Укупан износ изложености по основу билансне активе и ванбилансних ставки из банкарне књиге, као и изложености из књиге трговања по основу ризика друге уговорне стране (преглед изложености по пондерима ризика):	21,484,806	0	
1.1.	<=0%	12,630,668	0	
1.2.	>0 и ≤ 12%	0	0	
1.3.	>12 и ≤ 20%	486,090	0	
1.4.	>20 и ≤ 50%	2,406,107	0	
1.5.	>50 и ≤ 75%	307,442	0	
1.6.	>75 и ≤ 100%	5,116,945	0	
1.7.	> 100 и ≤ 425%	0	0	
1.8.	> 425 и ≤ 1250%	0	0	
1.9.	Изложености у статусу неизмирења обавеза	517,553	0	
2	Износ изложености за ванбилансне ставке распоређене у категорију ниског ризика (фактор конверзије од 0%)			14,538,022

PREGLED VRSTA IZLOŽENOSTI BANKE KOJE SE UKLJUČUJU U OBRAČUN POKAZATELJA LEVERIDŽA

Редни број	Врста ванбилансне изложености	Износ изложености које улазе у обрачун	Износ ризиком пондерисане активе		
1	2	3	4		
1.	Ванбилансне ставке	5,790,744	900,092		
1.1.	Финансирање трговине	0	0		
1.1.1.	У оквиру званичног аранжмана за осигурање кредитирања извоза	0	0		
2.	Деривати и репо и reverse репо трансакције, трансакције кредитирања трговине хартијама од вредности, уговори о узимању и давању у зајам хартија од вредности или робе и трансакције са дугим роком измирења, који су предмет уговора о нетирању између различитих категорија производа	0	0		
3.	Деривати који нису предмет уговора о нетирању између различитих категорија производа	0	0		
4.	Репо и reverse репо трансакције, трансакције кредитирања трговине хартијама од вредности, уговори о узимању и давању у зајам хартија од вредности или робе и трансакције са дугим роком измирења, које нису предмет уговора о нетирању између различитих категорија производа	0	0		
5.	Износ изложености настао као резултат додатног обрачуна за кредитне деривате (позиција 13. образац ЛР1 - позиција 14. образац ЛР1)	0	0		
6.	Остале изложености из књиге трговања	0	0		
Редни број	Остале изложености из банкарске књиге	Износ изложености које улазе у обрачун показатеља левџе		Износ ризиком пондерисане активе	
		Стандардизовани приступ	IRB приступ	Стандардизовани приступ	IRB приступ
1	2	3	4	5	6
1.	Изложености по основу покривених облигација	0	0	0	0
2.	Изложености према државама и централним банкама и изложености које имају третман као изложености према тим лицима	6,922,537	0	0	0
2.1.	Изложености према државама и централним банкама	6,922,537	0	0	0
2.2.	Изложености према територијалним аутономијама и јединицама локалне самоуправе	0	0	0	0
2.3.	Изложености према јавним административним телима	0	0	0	0
2.4.	Изложености према међународним развојним банкама	0	0	0	0
2.5.	Изложености према међународним организацијама	0	0	0	0
3.	Изложености према територијалним аутономијама, јединицама локалне самоуправе, међународним развојним банкама, међународним организацијама и јавним административним телима које немају третман као изложености према државама	8	0	2	0
3.1.	Изложености према територијалним аутономијама и јединицама локалне самоуправе	0	0	0	0
3.2.	Изложености према јавним административним телима	8	0	2	0
3.3.	Изложености према међународним развојним банкама	0	0	0	0
4.	Изложености према банкама	291,425	0	58,285	0
5.	Изложености обезбеђене хипотекама на непокретностима	3,429,940	0	1,788,450	0
5.1.	Изложености обезбеђене хипотекама на стамбеним непокретностима	1,216,728	0	422,148	0
6.	Изложености према физичким лицима	292,199	0	179,489	0
6.1.	Изложености према малим и средњим предузећима из класе изложености према физичким лицима	99,174	0	39,253	0
7.	Изложености према привредним друштвима	2,856,264	0	2,127,532	0
7.1.	Изложености према лицима у финансијском сектору из класе изложености према привредним друштвима	6,830	0	6,830	0
7.2.	Изложености према лицима које нису лица у финансијском сектору из класе изложености према привредним друштвима	2,849,434	0	2,120,702	0
7.2.1.	Изложеност према малим и средњим предузећима	2,614,953	0	1,899,830	0
7.2.2.	Изложеност према осталим привредним друштвима	234,481	0	220,872	0
8.	Изложености у статусу неизмирења обавеза	553,172	0	664,803	0
9.	Остале изложености	1,350,227	0	1,131,019	0
9.1.	обезбеђене изложености по основу секјуритизованих позиција	0	0	0	0
10.	Изложености по основу финансирања трговине	0	0	0	0
10.1.	У оквиру званичног аранжмана за осигурање кредитирања извоза	0	0	0	0



## 9. ADDITIONAL INFORMATION

In accordance with the Guidelines for publishing data and information of the bank related to the quality of assets of the National Bank of Serbia, within this item it presents the prescribed tables.

### 1. Data on total credit risk exposure

in mln RSD

Balance sheet position	Assets on the basis of which the bank is exposed to credit risk			Assets exposed to credit risk	Value in balance sheet
	Gross value	Acumulated provisions/reserve s	Net value		
	1	2	3(1-2)	4	5(3+4)
Cash and funds with the central bank	0	0	0	2,156	2,156
Pledged financial resources	0	0	0	0	0
Financial assets at fair value through profit or loss intended for trading	0	0	0	0	0
Financial assets that are initially recognized at fair value through profit or loss	0	0	0	0	0
Financial resources available for sale	0	0	0	3,660	3,660
Held-to-maturity financial assets	0	0	0	0	0
Loans and receivables from banks and other financial organizations	1,546	4	1,542	0	1,542
Loans and receivables from customers	7,200	240	6,960	0	6,960
Change in the fair value of items that are subject to hedging	0	0	0	0	0
Receivables from financial derivatives intended for risk protection	0	0	0	0	0
Investments in associates and joint ventures	0	0	0	0	0
Investments in subsidiaries	0	0	0	0	0
Intangible assets	0	0	0	47	47
Property, plant and equipment	0	0	0	389	389
Investment property	0	0	0	269	269
Current tax assets	0	0	0	0	0
Deferred tax assets	0	0	0	121	121
Fixed assets held for sale and assets of discontinued operations	0	0	0	0	0
Other funds	603	6	597	12	609
<b>Balance sheet exposure</b>	<b>9,348</b>	<b>249</b>	<b>9,099</b>	<b>6,654</b>	<b>15,753</b>
Guarantees and warranties provided	1,674	15	1,660	0	1,660
Future commitments	2,093	30	2,063	0	2,063
Other off-balance sheet exposures	119	2	117	18,803	18,921
<b>Off-balance sheet exposure</b>	<b>3,886</b>	<b>47</b>	<b>3,840</b>	<b>18,803</b>	<b>22,643</b>
<b>Total exposure</b>	<b>13,235</b>	<b>296</b>	<b>12,939</b>	<b>25,457</b>	<b>38,396</b>

## 2. Data on gross and net exposure to credit risk by sectors and categories of receivables, by impairment, maturity and value of collateral

u 000 RSD

	Not-impaired receivables		Impaired receivables		Total Gross receivables *	Accumulated value adjustments		Total Net receivables	Value of collateral	
	Non-due obligation	Due obligations	Individual level	Group level		Individual level	Group level		not-impaired receivables	Impaired receivables
<b>By sectors</b>										
Receivables from private individuals										
Housing loans	881,428	6,279	6,014	595,772	1,489,493	1,197	8,421	1,479,875	887,662	568,501
Consumer and cash loans	35,618	123	0	193,171	228,912	0	9,728	219,184	35,715	12,662
Transaction and credit cards	0	0	0	7,993	7,993	0	724	7,269	0	0
Other receivables	0	0	0	0	0	0	0	0	0	0
Receivables from the Legal entities										
Large companies	37,646	2,470	0	208,979	249,095	0	3,826	245,269	40,116	8,782
Small and medium-sized enterprises	965,135	44,196	245,558	2,972,206	4,227,094	113,803	74,920	4,038,371	1,009,330	1,220,170
Micro enterprises and entrepreneurs	495,869	20,227	5,209	353,943	875,248	3,307	23,652	848,289	516,096	97,754
Receivables from other clients	121,802	0	0	0	121,802	0	0	121,802	0	0
<b>Total exposure</b>	<b>2,537,498</b>	<b>73,294</b>	<b>256,781</b>	<b>4,332,062</b>	<b>7,199,636</b>	<b>118,307</b>	<b>121,270</b>	<b>6,960,059</b>	<b>2,488,919</b>	<b>1,907,868</b>
<b>By categories of receivables</b>										
Unproblematic claims	2,276,921	40,471	0	4,184,027	6,501,419	0	92,965	6,408,453	2,195,600	1,564,776
of which restructured	50,236	0	0	1,245	51,481	0	97	51,383	50,236	0
Problematic claims	260,578	32,823	256,781	148,036	698,217	118,307	28,304	551,606	293,319	343,092
of which restructured	0	10	0	1,381	1,391	0	629	762	0	0
<b>Total exposure</b>	<b>2,537,498</b>	<b>73,294</b>	<b>256,781</b>	<b>4,332,062</b>	<b>7,199,636</b>	<b>118,307</b>	<b>121,270</b>	<b>6,960,059</b>	<b>2,488,919</b>	<b>1,907,868</b>

### 3. Data on sector and geographical concentration of exposure

u 000 RSD

	Belgrade region		Region of Vojvodina		Regions of Šumadija and West Serbia		Region South and East Serbia	
	Performing receivables	Non performing receivables	Performing receivables	Non performing receivables	Performing receivables	Non performing receivables	Performing receivables	Non performing receivables
<b>Receivables from private individuals</b>								
Housing loans	981,635	36,685	110,988	4,529	207,667	5,652	139,760	2,577
Consumer and cash loans	74,954	4,424	16,702	760	82,012	5,053	41,918	3,101
Transaction acc. and credit cards	4,552	104	559	16	2,085	10	594	58
Other receivables	0	0	0	0	0	0	0	0
<b>Receivables from the Legal entities *</b>								
Sector A	64,695	81,289	53,105	450	43,298	0	2,140	0
Sectors B, C and E	722,532	14,283	256,536	743	798,908	153,619	59,905	35,433
Sector D	0	0	0	0	0	0	23,299	0
Sector F	433,835	0	51,326	0	66,390	0	25,267	50,206
Sector G	799,164	10	42,792	309	316,087	29,316	193,149	1,030
Sectors H, I and J.	85,944	15,992	15,872	0	95,176	2,859	26,866	0
Sectors L, M and N	284,514	23,758	575	0	15,355	483	25,263	10,370
Receivables from other clients	137,191	9,693	15,764	143,389	147,148	4,176	35,894	57,841
<b>Total exposure</b>	<b>3,589,016</b>	<b>186,237</b>	<b>564,221</b>	<b>150,197</b>	<b>1,774,126</b>	<b>201,168</b>	<b>574,056</b>	<b>160,615</b>

Sector A	Agriculture, forestry, fishing
Sectors B, C and E	Mining and manufacturing, water supply, waste water management, waste disposal operations and similar activities
Sector D	Electricity, gas and steam supply and air conditioning
Sector F	Construction
Sector G	Wholesale and retail trade, repair of motor vehicles and motorcycles
Sectors H, I and J.	Traffic and storage, accommodation and food services, information and communication
Sectors L, M and N	Real estate activities, professional, scientific, innovation and technical activities, administrative and support service activities

#### 4. Data on credit risk exposure by sectors and categories of receivables, by impairment status and number of DPD \*

in 000RSD

	Un impaired receivables					Devalued recievables				
	No delay	up to 30 days	from 31 to 60 days	from 61 and 90 days	over 90 days	No delay	up to 90 days	form 91 to 180 days	from 181 to 360 days	over 360 days
<b>By sectors</b>										
Receivables from private individuals										
Housing loans	812,507	46,839	5,056	1,775	21,529	557,146	25,298	0	10,543	8,800
Consumer and cash loans	34,752	478	0	0	511	161,906	20,850	269	1,707	8,440
Transaction and credit cards	0	0	0	0	0	3,500	4,383	1	42	66
Other receivables	0	0	0	0	0	0	0	0	0	0
Receivables from the Legal entities										
Large companies	0	40,116	0	0	0	208,979	0	0	0	0
Small and medium-sized enterpris	525,574	440,981	23,758	0	19,018	2,261,151	711,030	143,389	0	102,194
Micro enterprises and entrepreneu	451,052	46,859	2,289	0	15,895	312,492	31,458	0	6,170	9,032
Receivables from other clients	121,802	0	0	0	0	0	0	0	0	0
<b>Total exposure</b>	<b>1,945,688</b>	<b>575,274</b>	<b>31,102</b>	<b>1,775</b>	<b>56,954</b>	<b>3,505,173</b>	<b>793,019</b>	<b>143,660</b>	<b>18,461</b>	<b>128,531</b>
By categories of receivables										
Unproblematic claims	1,834,056	475,991	7,345	0	0	3,498,778	685,249	0	0	0
of which restructured	50,236	0	0	0	0	1,245	0	0	0	0
Problematic claims	111,632	99,283	23,758	1,775	56,954	6,396	107,770	143,660	18,461	128,531
of which restructured	0	0	0	0	10	408	205	0	67	702
<b>Total exposure</b>	<b>1,945,688</b>	<b>575,274</b>	<b>31,102</b>	<b>1,775</b>	<b>56,954</b>	<b>3,505,173</b>	<b>793,019</b>	<b>143,660</b>	<b>18,461</b>	<b>128,531</b>

\* arrears are calculated according to the bank's methodology

## 5. Information on problematic loans

in 000RSD

Lending sectors	Gross value of total receivables	Accumulated value adjustments of total receivables	Gross value of problematic receivables		Accumulated value adjustments of non performing receivables	% non performing receivables	Collateral value of non-performing receivables *
				of which: restructured receivables			
	1	2	3	4	5	6 (3/1)	7
<b>Receivables from private individuals</b>							
Housing loans	1,489,493	9,618	49,443	0	5,285	3.32%	45,738
Consumer and cash loans	228,925	9,728	13,338	1,391	5,704	5.83%	472
Transaction and credit cards	7,979	724	189	0	166	2.36%	0
Other receivables	0	0	0	0	0	0.00%	0
<b>Receivables from the Legal entities *</b>							
Sector A	244,977	1,771	81,739	0	93	33.37%	81,579
Sectors B, C and E	2,041,958	50,922	204,077	0	15,278	9.99%	175,638
Sector D	23,299	124	0	0	0	0.00%	0
Sector F	627,024	43,436	50,206	0	35,639	8.01%	50,206
Sector G	1,381,858	19,274	30,665	0	1,215	2.22%	29,316
Sectors H, I and J.	242,708	4,417	18,851	0	640	7.77%	17,076
Sectors L, M and N	360,317	5,040	34,611	0	281	9.61%	34,128
Receivables from other clients	551,098	94,524	215,100	0	82,312	39.03%	202,259
<b>Total exposure</b>	<b>7,199,636</b>	<b>239,577</b>	<b>698,217</b>	<b>1,391</b>	<b>146,612</b>	<b>9.70%</b>	<b>636,411</b>

\* Market or fair value, max. up to the gross value of the secured receivable

**Sector A	Agriculture, forestry, fishing
Sectors B, C and E	Mining and manufacturing, water supply, waste water management, waste disposal operations and similar activities
Sector D	Electricity, gas and steam supply and air conditioning
Sector F	Construction
Sector G	Wholesale and retail trade, repair of motor vehicles and motorcycles
Sectors H, I and J.	Traffic and storage, accommodation and food services, information and communication
Sectors L, M and N	Real estate activities, professional, scientific, innovation and technical activities, administrative and support service activities

## 6. Data on changes in problematic receivables

in 000RSD

	Gross value at the beginning of the year	New Non performing receivables		Reduced problematic receivables			Exchange rate effect	Other changes *	Gross value at the end of the year	Net value at the end of the year	
		of which: purchased	of which: charged	of which: sold	of which: written off						
						3					4
	1	2	3	4	5	6	7	8	9	10 (1+2-4+8+9)	11
<b>By sectors</b>											
<b>Receivables from private individuals</b>											
Housing loans	59,876	13,463	0	24,266	10,048	0	14,218	0	370	49,443	44,158
Consumer and cash loans	36,324	8,133	0	31,123	7,478	0	23,646	0	3	13,338	7,634
Transaction and credit cards	258	119	0	211	211	0	0	0	22	189	22
Other receivables	0	0	0	0	0	0	0	0	0	0	0
<b>Receivables from the Legal entities</b>											
Corporate clients	448,196	547,277	0	378,069	94,866	0	283,204	0	60	617,464	485,375
Entrepreneurs	35,237	2,155	0	19,611	13,376	0	6,234	0	2	17,784	14,416
Farmers	0	0	0	0	0	0	0	0	0	0	0
Public companies	0	0	0	0	0	0	0	0	0	0	0
Receivables from other clients	0	0	0	0	0	0	0	0	0	0	0
<b>Total receivables</b>	<b>579,892</b>	<b>571,148</b>	<b>0</b>	<b>453,280</b>	<b>125,979</b>	<b>0</b>	<b>327,302</b>	<b>0</b>	<b>458</b>	<b>698,217</b>	<b>551,606</b>

## 7. Data on the credit quality of performing receivables and the value of collateral with which they are secured

in 000RSD

	Credit quality of performing receivables			Non performing receivables	Value of collateral *	
	High	Medium	Low		Performing receivables	Non- performing receivables
<b>Receivables from private individuals</b>						
Housing loans	533,946	742,196	163,908	49,443	1,410,425	45,738
Consumer and cash loans	92,399	87,566	35,623	13,338	47,906	472
Transaction and credit cards	4,179	2,265	1,347	189	0	0
Other receivables	0	0	0	0	0	0
<b>Receivables from the Legal entities</b>						
Large companies	249,095	0	0	0	48,897	0
Small and medium-sized enterprises	3,224,758	419,111	14,996	568,229	1,691,995	537,505
Micro enterprises and entrepreneurs	659,648	98,768	49,813	67,019	561,153	52,696
Receivables from other clients	121,802	0	0	0	0	0
<b>Total exposure</b>	<b>4,885,826</b>	<b>1,349,905</b>	<b>265,687</b>	<b>698,217</b>	<b>3,760,376</b>	<b>636,411</b>

\* Market or fair value, max. up to the gross value of the secured receivable

## 8. Data on the type and value of collateral and guarantee providers by sector and categories

in 000RSD

	Types of collateral *						Country	Garanties** issued by		
	Deposits	Securities	Residential real estate	Other real estate	Pledges on commodity bills and animals	Other assets ***		Bank	Person related to the debtor	Other person
<b>By sectors</b>										
<b>Receivables from private individuals</b>										
Housing loans	3,774	0	1,347,795	104,595	0	0	0	0	0	0
Consumer and cash loans	15,940	0	16,995	15,442	0	0	0	0	0	0
Transaction and credit cards	0	0	0	0	0	0	0	0	0	0
Other receivables	0	0	0	0	0	0	0	0	0	0
<b>Receivables from the Legal entities</b>										
Large companies	0	0	0	48,897	0	200,197	0	0	0	0
Small and medium-sized enterprises	126,180	0	281,979	1,631,289	0	123,059	190,052	0	0	0
Micro enterprises and entrepreneurs	166,025	0	124,632	289,008	0	5	34,184	0	0	0
Receivables from other clients	0	0	0	0	0	0	0	0	0	0
<b>Total exposure</b>	<b>311,920</b>	<b>0</b>	<b>1,771,400</b>	<b>2,089,232</b>	<b>0</b>	<b>323,261</b>	<b>224,236</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>By categories of receivables</b>										
Unproblematic claims	311,447	0	1,612,302	1,621,929	0	323,261	214,699	0	0	0
of which restructured	0	0	0	50,236	0	0	0	0	0	0
Problematic claims	473	0	159,098	467,303	0	0	9,537	0	0	0
of which restructured	0	0	0	0	0	0	0	0	0	0
<b>Total exposure</b>	<b>311,920</b>	<b>0</b>	<b>1,771,400</b>	<b>2,089,232</b>	<b>0</b>	<b>323,261</b>	<b>224,236</b>	<b>0</b>	<b>0</b>	<b>0</b>

\* Market or fair value, max. up to the gross value of the secured receivable

\*\* The amount of the guarantee up to the gross value of the secured claim

## 9. Receivables secured by a mortgage on real estate per values of LTV indicator

in 000RSD

Value of LTV indicator*	Value of receivables secured mortgage on real estate
Below 50%	2,019,947
From 50% to 70%	1,145,764
From 70% to 90%	481,502
From 90% to 100%	61,779
From 100% to 120%	148,000
From 120% to 150%	80,566
Over 150%	142,019
<b>Total</b>	<b>4,079,578</b>
<b>Average LTV indicator</b>	<b>47.78%</b>

\* LTV indicator represents the ratio of the gross value of the receivable and the market value of the real estate by which the receivable is secured



## 10. Data on changes in assets acquired through collection of receivables

in 000RSD

Types of assets acquired through collection of receivables		Residential real estate	Other real estate	Financial assets	Other assets acquired by collection	Total
Gross value at the beginning of the period *	1	21,929	421,297	0	0	443,226
Acquired during the period	2	0	184,691	0	0	184,691
Sold during the period	3	0	0	0	0	0
Put into operation during the period (e.g. fixed asset or investment property)	4	0	55,164	0	0	55,164
Reclassified as assets held for sale	5	1,011	44,232	0	0	45,243
of which: sold during the period	6	1,011	44,232	0	0	45,243
Impact assessment	7	198	9,315	0	0	9,512
<b>Gross value at the end of the period</b>	<b>8 (1+2+3-4-5-7)</b>	<b>20,720</b>	<b>497,278</b>	<b>0</b>	<b>0</b>	<b>517,998</b>
Accumulated value adjustment	9	0	0	0	0	0
of which: value adjustments over the period	10	0	0	0	0	0
<b>Net value at the end of the period</b>	<b>11 (8-9)</b>	<b>20,720</b>	<b>497,278</b>	<b>0</b>	<b>0</b>	<b>517,998</b>

## 11. Changes in impaired receivables

in 000 RSD

	Gross value at the beginning of the year	Receivables that are impaired during the year of which: impaired on an individual basis	Receivables that stopped being impaired during the year of which: used to be impaired on an individual			Exchange rate effect	Other changes *	Gross value at the end of period	Net value at the end of period
	1	2	3	4	5	6	7	8	9
<b>By sectors</b>									
<b>Receivables from private individuals</b>									
Housing loans	645,686	80,393	0	95,823	18,340	0	-28,471	601,786	592,172
Consumer and cash loans	270,466	54,137	0	73,635	0	0	-57,798	193,171	183,443
Transaction and credit cards	10,494	1,513	0	3,729	0	0	-285	7,993	7,269
Other receivables	0	0	0	0	0	0	0	0	0
<b>Receivables from the Legal entities</b>									
Corporate clients	4,689,413	2,230,899	32,475	2,554,312	191,480	0	-707,958	3,658,042	3,453,755
Entrepreneurs	195,109	73,524	0	82,106	0	0	-58,676	127,852	112,631
Public enterprises	0	0	0	0	0	0	0	0	0
Receivables from other clients	0	0	0	0	0	0	0	0	0
<b>Total exposure</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
* Contains written-off receivables	<b>5,811,169</b>	<b>2,440,467</b>	<b>32,475</b>	<b>2,809,604</b>	<b>209,820</b>	<b>0</b>	<b>-853,188</b>	<b>4,588,843</b>	<b>4,349,270</b>

## 12. Changes in value of impairment

in 000RSD

	Accumulated value of impairment at the beginning of the year	Value of impairment recognized during the period *	Value of impairment released during the period	Accumulated value of impairment at the end of the year
	1	2	3	4 (1+2-3)
<b>By sectors</b>				
<b>Receivables from private individuals</b>				
Housing loans	14,304	4,811	9,501	9,614
Consumer and cash loans	21,304	3,721	15,297	9,728
Transaction and credit cards	550	468	294	724
Other receivables	0	0	0	0
<b>Receivables from the Legal entities</b>				
Corporate clients	159,780	157,599	113,088	204,291
Entrepreneurs	11,355	9,572	5,706	15,221
Farmers	0	0	0	0
Public companies	0	0	0	0
Receivables from other clients	0	0	0	0
<b>Total</b>	<b>207,293</b>	<b>176,171</b>	<b>143,887</b>	<b>239,577</b>
Unproblematic claims	61,827	73,157	37,986	96,998
of which restructured	617	0	400	217
Problematic claims	145,466	103,014	105,901	142,579
of which restructured	2,565	2	1,960	607
<b>Total</b>	<b>207,293</b>	<b>176,171</b>	<b>143,887</b>	<b>239,577</b>

\* Includes both indirect and direct write-offs of receivables

\*\* The Bank may show other changes in separate columns separately if it deems them significant

### 13. Interest booked, interest collected and interest income

in 000RSD

	Interest income	Booked interest	Interest income on impaired receivables	Booked interest on impaired receivables
<b>By sectors</b>				
Receivables from private individuals				
Housing loans	63,522	62,400	22,314	21,892
Consumer and cash loans	24,337	22,832	21,270	19,971
Transaction and credit cards	13,313	13,316	12,390	12,390
Other receivables	0	0	0	0
Receivables from the Legal entities				
Corporate clients	263,264	255,903	176,811	170,417
Entrepreneurs	13,469	13,601	7,285	7,609
Farmers	0	0	0	0
Public companies	0	0	0	0
Receivables from other clients	0	0	0	0
<b>Total exposure</b>	<b>377,905</b>	<b>368,052</b>	<b>240,070</b>	<b>232,279</b>
<b>By categories of receivables</b>				
Unproblematic claims	323,476	320,043	204,378	201,210
of which restructured	88	91	88	91
Problematic claims	54,428	48,009	35,692	31,069
of which restructured	892	604	812	555
<b>Total receivables</b>	<b>377,905</b>	<b>368,052</b>	<b>240,070</b>	<b>232,279</b>

## 14. Data on restructured receivables

in 000RSD

	Gross value of total receivables	Accumulated value of impairment of total receivables	Gross value of restructured receivables of which: non-performing receivables		Accumulated value of impairment of restructured receivables	% restructured receivables	Value of collateral for restructured receivables *
	1	2	3	4	5	6(3/1)	7
<b>Receivables from private individuals</b>							
Housing loans	1,489,493	9,618	0		0	0.00%	0
Consumer and cash loans	228,925	9,728	1,439	1,391	634	0.63%	0
Transaction and credit cards	7,979	724	0	0	0	0.00%	0
Other receivables	0	0	0	0	0	0.00%	0
<b>Receivables from the Legal entities*</b>							
Sector A	244,977	1,771	0	0	0	0.00%	0
Sectors B, C and E	2,041,958	50,922	51,433	0	92	2.52%	50,236
Sector D	23,299	124	0	0	0	0.00%	0
Sector F	627,024	43,436	0	0	0	0.00%	0
Sector G	1,381,858	19,274	0	0	0	0.00%	0
Sectors H, I and J.	242,708	4,417	0	0	0	0.00%	0
Sectors L, M and N	360,317	5,040	0	0	0	0.00%	0
Receivables from other clients	551,098	94,524	0	0	0	0.00%	0
<b>Total exposure</b>	<b>7,199,636</b>	<b>239,577</b>	<b>52,872</b>	<b>1,391</b>	<b>726</b>	<b>0.73%</b>	<b>50,236</b>

\* Market or fair value, max. up to the gross value of the secured receivable

\*\*Sector A

Agriculture, forestry, fishing

Sectors B, C and E

Mining and manufacturing, water supply, waste water management, waste disposal operations and similar activities

Sector D

Electricity, gas and steam supply and air conditioning

Sector F

Construction

Sector G

Wholesale and retail trade, repair of motor vehicles and motorcycles

Sectors H, I and J.

Traffic and storage, accommodation and food services, information and communication

Sectors L, M and N

Real estate activities, professional, scientific, innovation and technical activities, administrative and support service activities

## 15. Data on changes in restructured receivables

in 000RSD

	Gross value at the beginning of the period	Receivables that were restructured during the period	Receivables that ceased to be considered restructured during the period	Other changes *	Gross value at the end of the year	Net value at the end of the year
	1	2	3	4	5 (1+2-3+4)	6
<b>By sectors</b>						
<b>Receivables from private individuals</b>						
Housing loans	239	0	239	0	0	0
Consumer and cash loans	8,363	0	5,853	-1,072	1,439	805
Transaction and credit cards	0	0	0	0	0	0
Other receivables	0	0	0	0	0	0
<b>Receivables from Legal entities</b>						
Corporate clients	20,221	50,236	18,808	-216	51,433	51,341
Entrepreneurs	0	0	0	0	0	0
Farmers	0	0	0	0	0	0
Public enterprises	0	0	0	0	0	0
Receivables from other clients	0	0	0	0	0	0
<b>Total exposure</b>	<b>28,824</b>	<b>50,236</b>	<b>24,901</b>	<b>-1,287</b>	<b>52,872</b>	<b>52,146</b>

## 16. Data on the structure of restructured receivables based on restructuring measures

in 000RSD

	Interest rate decrease	Extension of the repayment period	Moratorium	Capitalization of delay	Refinancing	Partial write-off	Converting debt into capital	Other measures *	Total
<b>By sectors</b>									
<b>Receivables from private individuals</b>									
Housing loans	0	0	0	0	0	0	0	0	0
Consumer and cash loans	0	0	0	0	0	0	0	1,439	1,439
Transaction and credit cards	0	0	0	0	0	0	0	0	0
Other receivables	0	0	0	0	0	0	0	0	0
<b>Receivables from the Legal entities</b>									
Large companies	0	0	0	0	0	0	0	0	0
Small and medium-sized enterprises	0	0	0	0	0	0	0	0	0
Micro enterprises and entrepreneurs	0	0	0	0	0	0	0	51,433	51,433
Farmers	0	0	0	0	0	0	0	0	0
Public enterprises	0	0	0	0	0	0	0	0	0
Receivables from other clients	0	0	0	0	0	0	0	0	0
<b>Total exposure</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>52,872</b>	<b>52,872</b>

\* Restructured receivables in which restructuring measures are a combination of several measures