



EXECUTIVE BOARD

No: 241/16

**PUBLISHING DATA AND INFORMATION OF THE  
MARFIN BANK JSC Belgrade**

As at 30 June 2016 and 31 July 2016

## 1. Introduction

Marfin Bank JSC Belgrade (hereinafter: Bank) in accordance with the Decision on publishing data and information of the bank, is publishing the report as at 30 June 2016, which contains the information and data about:

1. Capital;
2. Capital requirement amounts;
3. Capital adequacy ratio and
4. Credit risk mitigation techniques.

The report is published at the internet domain of the Bank ([www.marfinbank.rs](http://www.marfinbank.rs)).

The publication refers solely to the Bank's data, as Marfin bank JSC is not preparing consolidated financial statements.

## 2. Capital of the Bank

Regulatory capital of the Bank as at 30.06.2016 amounts to RSD 686.051 thousands, and consists of core capital of RSD 343.025 thousands and supplementary capital of RSD 343.025 thousands.

Core capital consists of paid-in shares at nominal value, issuing premium and profit reserves. Deductible items from core capital are losses from the previous years, loss of the current year, investments in intangibles and reserve requirements for the estimated losses in the balance sheet assets and off-balance sheet items of the Bank.

Supplementary capital consists of parts of the revaluation reserves of the Bank and subordinated liabilities.

**Table 1 – Structure of the Bank's capital as at 30 June 2016**

CAPITAL STRUCTURE	Amount (in RSD thousands)
<b>CORE CAPITAL</b>	<b>343.025</b>
Nominal value paid-In shares, except for preferred cumulative shares	5.671.609
Issuing premium	2.877.487
Profit reserves	151.673
Losses from the previous years	5.884.782
Loss from the current year	163.891
Non-material investments	108.128
Unrealized losses based on securities available for sale	0
Reserve requirements from the profit for the estimated losses in the balance sheet assets and off-balance items of the bank	2.198.618
Other net negative revaluation reserves	2.324
<b>SUPPLEMENTARY CAPITAL</b>	<b>343.025</b>
Parts of the revaluating bank reserves	227.901
Subordinated liabilities	171.513
The amount of capital that exceed the limits for additional capital	56.388
<b>TOTAL CAPITAL</b>	<b>686.051</b>

Description of the main features of all elements included in the calculation of capital is shown in Appendix no. 1 (form PI-FIKAP).

Data and information on matching capital items in the balance sheet with capital items in the report on capital compiled pursuant to the decision governing the reporting on bank capital adequacy are shown in Appendix no. 2 (form PI-UPK).

In order to ensure and improve its financial position, as of 11.07.2016. the Bank sold its problematic receivables for the amount of 10 million euros, or 1.233.418 thousand dinars (applying the official middle rate as of 11.07.2016.).

Based on data as of 30.06.2016. the positive effect on regulatory capital amounts to 1.672.074 thousand dinars (1.170.641 thousand dinars increase in core capital and 501.433 thousand dinars increase in supplementary capital).

Risk-weighted assets decreased for 62.777 thousand dinars, while capital adequacy ratio of the Bank is improved for 15,19 p.p. to 21,37 p.p.

Regulatory capital of the Bank as at 31.07.2016 amounts to RSD 2.324.569 thousands, and consists of core capital of RSD 1.480.345 thousands and supplementary capital of RSD 844.224 thousands.

**Table 1a – Structure of the Bank’s capital as at 31 July 2016**

CAPITAL STRUCTURE	Amount (in RSD thousands)
<b>CORE CAPITAL</b>	<b>1.480.345</b>
Nominal value paid-in shares, except for preferred cumulative shares	5.671.609
Issuing premium	2.877.487
Profit reserves	151.673
Losses from the previous years	5.884.782
Loss from the current year	728.613
Non-material investments	104.793
Unrealized losses based on securities available for sale	0
Reserve requirements from the profit for the estimated losses in the balance sheet assets and off-balance items of the bank	499.912
Other net negative revaluation reserves	2.324
<b>SUPPLEMENTARY CAPITAL</b>	<b>844.224</b>
Parts of the revaluating bank reserves	227.901
Subordinated liabilities	616.324
The amount of capital that exceed the limits for additional capital	0
<b>TOTAL CAPITAL</b>	<b>2.324.569</b>

### 3. Capital requirements and capital adequacy ratio

In accordance with the Decision on Capital Adequacy, the Bank calculates capital requirements for the following risks:

1. Credit risk – implementing a standardized approach;
2. Market risks – implementing a standardized approach and
3. Operational risk – implementing a basic indicator approach.

As at 30 June 2016, capital requirements coverage amounts to RSD 1.331.196 thousands, out of which for the credit and counterparty risk related RSD 1.163.135 thousands, market risks RSD 6.856 thousands and the operational risk RSD 161.205 thousands.

As at 30 July 2016, capital requirements coverage amounts to RSD 1.309.804 thousands, out of which for the credit and counterparty risk related RSD 1.148.599 thousands, and the operational risk RSD 161.205 thousands.

The capital adequacy ratio in line with the Decision on capital adequacy as at 30 June 2016 amounts to 6,18 % and as at 31 July 2016 amounts to 21,30%.

**Table 2 – Capital requirements for credit risk by the exposure classes as at 30 June 2016**

Capital requirements for credit risk	Amount (in RSD thousands)
Central governments and central banks	<b>0</b>
Banks	<b>39.397</b>
Corporates	<b>509.436</b>
<i>out of which past due items</i>	70.641
<i>out of which exposures secured on real-estate collateral</i>	21.493
Retail	<b>408.359</b>
<i>out of which past due items</i>	11.714
<i>out of which exposures secured on real-estate collateral</i>	93.268
Public administrative bodies	<b>0</b>
Other items	<b>205.942</b>
<b>Total capital requirements for credit risk</b>	<b>1.163.135</b>

**Table 2a– Capital requirements for credit risk by the exposure classes as at 31 July 2016**

Capital requirements for credit risk	Amount (in RSD thousands)
Central governments and central banks	<b>0</b>
Banks	<b>46.936</b>
Corporates	<b>500.330</b>
<i>out of which past due items</i>	67.803
<i>out of which exposures secured on real-estate collateral</i>	20.894
Retail	<b>401.505</b>
<i>out of which past due items</i>	107.778
<i>out of which exposures secured on real-estate collateral</i>	93.091
Public administrative bodies	<b>0</b>
Other items	<b>199.828</b>
<b>Total capital requirements for credit risk</b>	<b>1.148.599</b>

**Table 3 – Capital requirements for market risks as at 30 June 2016**

Capital requirements for market risks	Amount (in RSD thousands)
Capital requirements for the price risk based on debtor securities	0
Capital requirements for the price risk based on owner securities	0
Capital requirements for the foreign currency risk	6.856
Capital requirements for the goods risk	0
<b>Total capital requirements for market risks</b>	<b>6.856</b>

**Table 3a – Capital requirements for market risks as at 31 July 2016**

Capital requirements for market risks	Amount (in RSD thousands)
Capital requirements for the price risk based on debtor securities	0
Capital requirements for the price risk based on owner securities	0
Capital requirements for the foreign currency risk	0
Capital requirements for the goods risk	0
<b>Total capital requirements for market risks</b>	<b>0</b>

**Table 4 – Capital requirements for operational risk as at 30 June 2016 and 31 July 2016**

Capital requirements for operational risk	Amount (in RSD thousands)
Exposure indicator in 2013.	1.251.820
Exposure indicator in 2014.	994.860
Exposure indicator in 2015.	977.427
<b>Total capital requirements for operational risk</b>	<b>161.205</b>

**Table 5 – Total capital requirements and capital adequacy ratio as at 30 June 2016**

Capital adequacy	Amount (in RSD thousands)	Coverage by core capital	Coverage by supplementary capital
<b>CAPITAL</b>	<b>686.051</b>		
CORE CAPITAL	343.025		
SUPPLEMENTARY CAPITAL	343.025		
<b>CAPITAL REQUIREMENTS</b>	<b>1.331.196</b>		
Capital requirements for credit risk, counterparty risk and settlement/delivery risk based on free deliveries	1.163.135	343.025	343.025
Capital requirements for the settlement/delivery risk based on unsettled transactions			
Capital requirements for market risks	6.856		
Capital requirements for operational risk	161.205		
<b>CAPITAL REQUIREMENTS COVERAGE</b>	<b>686.051</b>	<b>343.025</b>	<b>343.025</b>
<b>CAPITAL ADEQUACY RATIO (%)</b>	<b>6,18%</b>		

**Table 5a – Total capital requirements and capital adequacy ratio as at 31 July 2016**

Capital adequacy	Amount (in RSD thousands)	Coverage by core capital	Coverage by supplementary capital
<b>CAPITAL</b>	<b>2.324.569</b>		
CORE CAPITAL	1.480.345		
SUPPLEMENTARY CAPITAL	844.224		
<b>CAPITAL REQUIREMENTS</b>	<b>1.309.804</b>		
Capital requirements for credit risk, counterparty risk and settlement/delivery risk based on free deliveries	1.148.599	1.148.599	
Capital requirements for the settlement/delivery risk based on unsettled transactions			
Capital requirements for market risks			
Capital requirements for operational risk	161.205		
<b>CAPITAL REQUIREMENTS COVERAGE</b>	<b>1.309.804</b>	<b>1.309.804</b>	
<b>CAPITAL ADEQUACY RATIO (%)</b>	<b>21,30%</b>		

#### 4. Risk mitigation techniques

The table below presents overview of the used credit risk mitigation techniques per exposure classes, as at 30.06.2015 and as at 31.07.2016.

**Table 6 – Diversification of exposures per risk mitigation techniques (in RSD thousands) 30.06.2016**

Exposure classes	Credit risk mitigation techniques - credit protection by credit risk weight substitutuion	Credit risk mitigation techniques - funded credit protection instruments (comprehensive method)
Central governments and central banks	0	0
Banks	0	0
Corporates	0	933.677
Retail	0	85.595
Public administrative bodies	0	0
Other items	0	0
<b>Total</b>	<b>0</b>	<b>1.019.272</b>

**Table 6a – Diversification of exposures per risk mitigation techniques (in RSD thousands) as at 31 July 2016**

Exposure classes	Credit risk mitigation techniques - credit protection by credit risk weight substitutuion	Credit risk mitigation techniques - funded credit protection instruments (comprehensive method)
Central governments and central banks	0	0
Banks	0	0
Corporates	0	882.613
Retail	0	79.147
Public administrative bodies	0	0
Other items	0	0
<b>Total</b>	<b>0</b>	<b>961.760</b>