



EXECUTIVE BOARD

No: 123/2020

**PUBLISHING DATA AND INFORMATION OF THE
EXPOBANK JSC Belgrade**

As of June, 30th 2020

1. Introduction

Expobank Belgrade (hereinafter: Bank) in accordance with the Decision on publishing data and information of the bank, is publishing the report as at 30th June 2020, which contains the information and data about:

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

The report is published at the internet domain of the Bank (www.expobank.rs).

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

2. Capital of the Bank

Regulatory capital of the Bank as at 30th June 2020 amounts to RSD 3.487.319 thousands, and consists of core capital of RSD 3.487.319 thousands.

Core capital consists of paid-up amount of CET1 instruments (ordinary shares), share premium with CET1 Capital instruments, current period profit eligible for inclusion in CET1 Capital, Revaluation reserves and other unrealized gains, reserves from profit, other reserves.

Deductible items from core capital are losses from the previous years, unrealized losses, additional value adjustments to CET1 Capital, other intangible assets and amount of required reserve for estimated losses under balance sheet assets and off-balance sheet items deducted from CET1 Capital.

Table 1 – Structure of the Bank’s capital as at 30th June 2020

CAPITAL STRUCTURE	Amount (in RSD thousands)
TIER 1 CAPITAL	3,487,319
Common Equity Tier 1 Capital	3,487,319
Paid-up amount of CET1 instruments (ordinary shares)	5,671,608
Share premium with CET1 Capital instruments	2,877,486
Previous years profit eligible for inclusion in CET1 Capital	-
(-) Previous years losses	-5,376,996
(-) Losses of the current period	-53,981
Revaluation reserves and other unrealized gains	259,238
(-) Unrealized losses	-2,288
Reserves from profit, other reserves and reserves for general banking risks	151,672
(-) Additional value adjustments	-3,363
(-) Other intangible assets before reduction for deferred tax liabilities	-28,742
(-) Gross amount of receivables from the borrower – natural person (other than a farmer or an entrepreneur) arising from extended consumer, cash or other loans, where the level of the borrower’s debt-to-income ratio before loan approval was higher than the percentage defined in accordance with the decision governing the classification of bank balance sheet assets and off-balance sheet items or where this percentage will be higher due to loan approval. This deductible shall be applied regardless of whether following the loan approval the level of the borrower’s debt-to-income ratio has dropped below the said percentage	-5,609
(-) Gross amount of receivables from debtors - natural persons (except farmers and entrepreneurs) on the basis of approved consumer loans, cash loans or other loans, exempted loans shown in item 1.1.1.27 of this form, which are indicated on accounts 102, 107 and 108 in accordance with the decision prescribing the Chart of Accounts and the content of accounts in the Chart of Accounts for banks, which based on the agreed maturity criteria meets the condition for applying a deductible item from the share capital of prescribed decisions governing bank capital adequacy *	-1,706
Additional Tier 1 Capital	-
TIER 2 CAPITAL	-
Paid-up amount of T2 instruments (non-cumulative preferred shares)	-
TOTAL CAPITAL	3,487,319

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

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. 3 (form PI-UPK).

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 30th June 2020, capital requirements coverage amounts to RSD 754.753 thousands, out of which for the credit and counterparty risk related RSD 657.158 thousands, for market risks RSD 0 and the operational risk RSD 97.595 thousands.

The capital adequacy ratio in line with the Decision on capital adequacy as at 30th June 2020 amounts to 36,96%.

Table 2 – Capital requirements for credit risk by the exposure classes as at 30th June 2020

Capital requirements for credit risk	Amount (in RSD thousands)
Central governments and central banks	-
Banks	3,940
Corporates	183,946
<i>out of which past due items</i>	-
<i>out of which exposures secured on real-estate collateral</i>	-
Retail	27,550
<i>out of which past due items</i>	-
<i>out of which exposures secured on real-estate collateral</i>	-
Public administrative bodies	-
Other items	77,493
Unpaid receivables	55,838
Exposures secured by mortgages on real estate	308,011
Report on Equity Exposures	380
Report on Exposures to Territorial Autonomies and Local Self-Government Units	-
Total capital requirements for credit risk	657,158

Table 3 – Capital requirements for market risks as at 30th June 2020

Capital requirements for market risks	Amount (in RSD 000)
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
Total capital requirements for market risks	0

Table 4 – Capital requirements for operational risk as at 30th June 2020

Capital requirements for operational risk	Amount (in RSD thousands)
Exposure indicator in 2017.	659,817
Exposure indicator in 2018.	668,535
Exposure indicator in 2019.	623,544
Total capital requirements for operational risk	97,595

Table 5 – Total capital requirements and capital adequacy ratio as at 30th June 2020

Capital adequacy	Amount (in RSD thousands)	Coverage by core capital	Coverage by supplementary capital
CAPITAL	3,487,319		
CORE CAPITAL	3,487,319		
SUPPLEMENTARY CAPITAL	-		
CAPITAL REQUIREMENTS	754,753		
Capital requirements for credit risk, counterparty risk and settlement/delivery risk based on free deliveries	657,158	3,487,319	-
Capital requirements for the settlement/delivery risk based on unsettled transactions			
Capital requirements for market risks	-		
Capital requirements for operational risk	97,595		
CAPITAL REQUIREMENTS COVERAGE	3,487,319	3,487,319	-
CAPITAL ADEQUACY RATIO (%)	36.96%		

4. Risk mitigation techniques

The table below presents overview of the used credit risk mitigation techniques per exposure classes, as at 30th June 2020.

Table 6 – Diversification of exposures per risk mitigation techniques (in RSD 000) 30th June 2020

Exposure classes	Gross exposure	Specific adjustments for credit risk, additional adjustments, amount of required reserve for estimated losses deducted from CET1 Capital and other deductions	Net exposure	Unfunded credit protection instruments - adjusted values (Ga)	Funded credit protection	Effects of application of credit protection instruments	Net exposure after credit protection with risk weight substitution
Central governments and central banks	7,902,184	7,031	7,895,152	0	0	0	7,895,152
Banks	249,719	63	249,656	0	0	0	249,656
Corporates	4,210,030	25,924	4,184,106	0	368,498	368,498	4,184,106
Retail	1,950,670	27,691	1,922,979	0	42,331	42,331	1,922,979
Public administrative bodies	11,140	2	11,138	0	0	0	11,138
Other items	27,802,215	742,530	27,059,684	0	260,314	260,314	27,059,684
Total	42,125,958	803,241	41,322,715	0	671,143	671,143	41,322,715

5. Leverage ratio

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

The Leverage indicator in accordance with the Decision on capital adequacy as of 30th June 2020 was 17,78%.

The table below presents Leverage ratio:

Table 7 – Leverage ratio as at 30th June 2020 (in RSD 000)

Indicator Leverage ratio	
Exposure Type	Amount (in RSD thousands)
Exposure based on repo and reverse repo transactions, transaction of lending of securities trading, contracts for taking and delivering in value or goods of valuable value and transactions with a long settlement term	0
Off-Balance Exposure Scenarios in the Low Risk Category (with a factor conversion of 10%)	0
Off-balance exposures are classified as moderate risk (with a factor conversion of 20%)	383,874
Off-balance exposures to medium risk category (with a factor conversion of 50%)	390,405
Off-balance distribution exposures in the category of high risk (with a factor conversion of 100%)	3,652,005
Other items	15,220,412
(-) Exposures that represent a deductible item from the basic share capital or additional share capital in accordance with the decision regulating the capital adequacy of the bank	-34,351
Total amount of exposure according to the rule for calculation of leverage indicators	19,612,345
Share capital in accordance with the decision regulating the capital adequacy of the bank	3,487,319
Indicator leverage ratio	17.78%