



EXECUTIVE BOARD

No: 189/2024

PUBLISHING DATA AND INFORMATION OF THE

Adriatic Banka a.d. Belgrade

As of June, 30th 2024

1. Introduction

Adriatic Banka a.d.Belgrade (hereinafter: Bank) in accordance with the Decision on publishing data and information of the bank, is publishing the report as at 30th June 2024, 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.adriaticbank.rs).

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

2. Capital of the Bank

Regulatory capital of the Bank as at 30th June 2024 amounts to RSD 3.119.683 thousands, and consists of core capital of RSD 3.119.683 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 of 30th June 2024

CAPITAL STRUCTURE	Amount (in RSD thousands)
TIER 1 CAPITAL	3,119,683
Common Equity Tier 1 Capital	3,119,683
Paid-up amount of CET1 instruments (ordinary shares)	3,065,958
Share premium with CET1 Capital instruments	-
Current year profit non-eligible for inclusion in CET1 Capital	570,799
(-) Previous years losses	-
(-) Losses of the current period	-
Revaluation reserves and other unrealized gains	313,748
(-) Unrealized losses	-189,692
Reserves from profit, other reserves and reserves for general banking risks	48,445
(-) Additional value adjustments	-4,763
(-) Other intangible assets before reduction for deferred tax liabilities	-105,412
(-) 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	-4,087
(-) 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 *	-4,514
Additional Tier 1 Capital	-
TIER 2 CAPITAL	-
Paid-up amount of T2 instruments (non-cumulative preferred shares)	-
TOTAL CAPITAL	3,119,683

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 2024, capital requirements coverage amounts to RSD 1.000.179 thousands, out of which for the credit and counterparty risk related -RSD 805.950 thousands, for market risks -RSD 20.722 thousands and for the operational risk -RSD 173.507 thousands.

The capital adequacy ratio in line with the Decision on capital adequacy as at 30th June 2024 amounts to 24.95%.

Table 2 – Capital requirements for credit risk by the exposure classes as of 30th June 2024

Capital requirements for credit risk	Amount (in RSD thousands)
Central governments and central banks	-
Banks	79,072
Corporates	423,845
<i>out of which past due items</i>	-
<i>out of which exposures secured on real-estate collateral</i>	-
Retail	10,016
<i>out of which past due items</i>	-
<i>out of which exposures secured on real-estate collateral</i>	-
Public administrative bodies	-
Other items	107,463
Unpaid receivables	10,646
Exposures secured by mortgages on real estate	174,877
Report on Equity Exposures	30
Report on Exposures to Territorial Autonomies and Local Self-Government Units	-
Total capital requirements for credit risk	805,950

Table 3 – Capital requirements for market risks as of 30th June 2024

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	20,722
Capital requirements for the goods risk	0
Total capital requirements for market risks	20,722

Table 4 – Capital requirements for operational risk as at 30th June 2024

Capital requirements for operational risk	Amount (in RSD thousands)
Exposure indicator in 2021	618,785
Exposure indicator in 2022	1,004,218
Exposure indicator in 2023	1,847,133
Total capital requirements for operational risk	173,507

Table 5 – Total capital requirements and capital adequacy ratio as at 30th June 2024

Capital adequacy	Amount (in RSD thousands)	Coverage by core capital	Coverage by supplementary capital
CAPITAL	3,119,683		
CORE CAPITAL	3,119,683		
SUPPLEMENTARY CAPITAL	-		
CAPITAL REQUIREMENTS	1,000,179	3,119,683	
Capital requirements for credit risk, counterparty risk and settlement/delivery risk based on free deliveries	805,950		-
Capital requirements for the settlement/delivery risk based on unsettled transactions			
Capital requirements for market risks	20,722		
Capital requirements for operational risk	173,507		
CAPITAL REQUIREMENTS COVERAGE	3,119,683	3,119,683	-
CAPITAL ADEQUACY RATIO (%)	24.95%		

4. Risk mitigation techniques

The table below presents overview of the used credit risk mitigation techniques per exposure classes, as at 30th June 2024.

Table 6 – Diversification of exposures per risk mitigation techniques (in RSD 000) 30th June 2024

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	16,595,190	8,010	16,587,180	0	0	27,453	16,614,633
Banks	4,835,130	74,519	4,760,611	0	0	0	4,760,611
Corporates	9,215,086	173,230	9,041,856	13,544	714,975	728,519	8,313,337
Retail	1,259,124	8,573	1,250,551	1,605	16,875	18,480	1,232,071
Exposures secured by mortgages on real estate	4,189,371	87,377	4,101,994	11,416	141,319	152,735	3,949,259
Unpaid receivables	260,362	88,544	171,818	889	0	889	170,929
Equity exposures	374	1	373	0	0	0	373
Public administrative bodies	11,129	28	11,101	0	0	0	11,101
Other items	12,498,699	634,982	11,863,717	0	0	873,169	12,736,886
Total	48,864,465	1,075,264	47,789,201	27,454	873,169	1,801,245	47,789,200

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 2024 was 9.39%.

The table below presents Leverage ratio:

Table 7 – Leverage ratio as at 30th June 2024 (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	3,201,878
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%)	375,373
Off-balance exposures to medium risk category (with a factor conversion of 50%)	1,135,375
Off-balance distribution exposures in the category of high risk (with a factor conversion of 100%)	5,458,268
Other items	23,152,785
(-) 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	-114,015
Total amount of exposure according to the rule for calculation of leverage indicators	33,209,663
Share capital in accordance with the decision regulating the capital adequacy of the bank	3,119,683
Indicator leverage ratio	9.39%