



EXECUTIVE BOARD

No: 238/2018

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

As at 30 June 2018

1. Introduction

Expobank 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 2018, 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 Marfin bank JSC is not preparing consolidated financial statements.

2. Capital of the Bank

Regulatory capital of the Bank as at 30.06.2018 amounts to RSD 2.881.045 thousands, and consists of core capital of RSD 2.881.045 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 30 June 2018

CAPITAL STRUCTURE	Amount (in RSD thousands)
TIER 1 CAPITAL	2.881.045
Common Equity Tier 1 Capital	2.881.045
Paid-up amount of CET1 instruments (ordinary shares)	5.671.609
Share premium with CET1 Capital instruments	2.877.486
Previous years profit eligible for inclusion in CET1 Capital	0
(-) Previous years losses	-5.254.588
Revaluation reserves and other unrealized gains	263.587
(-) Unrealized losses	-2.455
Reserves from profit, other reserves and reserves for general banking risks	151.672
(-) Additional value adjustments	-2.484
(-) Other intangible assets before reduction for deferred tax liabilities	-65.779
(-) The amount of required reserves for estimated losses on the balance sheet assets and off-balance sheet items of the bank	-758.003
Additional Tier 1 Capital	0
TIER 2 CAPITAL	0
Paid-up amount of T2 instruments (non-cumulative preferred shares)	0
TOTAL CAPITAL	2.881.045

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 30 June 2018, capital requirements coverage amounts to RSD 796.269 thousands, out of which for the credit and counterparty risk related RSD 670.768 thousands, for market risks RSD 6.547 and the operational risk RSD 118.954 thousands.

The capital adequacy ratio in line with the Decision on capital adequacy as at 30 June 2018 amounts to 28,95%.

Table 2 – Capital requirements for credit risk by the exposure classes as at 30 June 2018

Capital requirements for credit risk	Amount (in RSD thousands)
Central governments and central banks	0
Banks	35.601
Corporates	130.673
<i>out of which past due items</i>	0
<i>out of which exposures secured on real-estate collateral</i>	3.701
Retail	64.930
<i>out of which past due items</i>	0
<i>out of which exposures secured on real-estate collateral</i>	154
Public administrative bodies	0
Other items	42.154
Unpaid receivables	17.794
Exposures secured by mortgages on real estate	379.249
Report on Equity Exposures	365
Report on Exposures to Territorial Autonomies and Local Self-Government Units	3
Total capital requirements for credit risk	670.768

Table 3 – Capital requirements for market risks as at 30 June 2018

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	6.547
Capital requirements for the goods risk	0
Total capital requirements for market risks	6.547

Table 4 – Capital requirements for operational risk as at 30 June 2018

Capital requirements for operational risk	Amount (in RSD thousands)
Exposure indicator in 2015.	977.427
Exposure indicator in 2016.	741.840
Exposure indicator in 2017.	659.817
Total capital requirements for operational risk	118.954

Table 5 – Total capital requirements and capital adequacy ratio as at 30 June 2018

Capital adequacy	Amount (in RSD thousands)	Coverage by core capital	Coverage by supplementary capital
CAPITAL	2.881.045		
CORE CAPITAL	2.881.045		
SUPPLEMENTARY CAPITAL	0		
CAPITAL REQUIREMENTS	796.269		
Capital requirements for credit risk, counterparty risk and settlement/delivery risk based on free deliveries	670.768	2.881.045	0
Capital requirements for the settlement/delivery risk based on unsettled transactions			
Capital requirements for market risks	6.547		
Capital requirements for operational risk	118.954		
CAPITAL REQUIREMENTS COVERAGE	2.993.694	2.881.045	0
CAPITAL ADEQUACY RATIO (%)	28,95%		

4. Risk mitigation techniques

The table below presents overview of the used credit risk mitigation techniques per exposure classes, as at 30.06.2018.

Table 6 – Diversification of exposures per risk mitigation techniques (in RSD thousands) 30.06.2018

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	9.132.415	5.512	9.126.903	0	0	0	9.126.903
Banks	1.267.758	1.334	1.266.424	0	0	0	1.266.424
Corporates	3.160.922	375.846	2.785.075	0	172.822	172.822	2.612.254
Retail	2.973.989	116.740	2.857.249	0	39.961	39.961	2.817.288
Public administrative bodies	11.170	0	11.170	0	0	0	11.170
Other items	30.882.809	1.048.755	29.834.055	0	135.027	135.027	30.046.837
Total	47.429.063	1.548.187	45.880.876	0	347.810	347.810	45.880.876

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 30.06.2018 was 11,76%.

The table below presents Leverage ratio:

Table 7 – Leverage ratio as at 30.06.2018 (in RSD thousands)

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%)	2.296.615
Off-balance exposures are classified as moderate risk (with a factor conversion of 20%)	100.908
Off-balance exposures to medium risk category (with a factor conversion of 50%)	330.466
Off-balance distribution exposures in the category of high risk (with a factor conversion of 100%)	4.872.774
Other items	16.956.950
(-) 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	-65.780
Total amount of exposure according to the rule for calculation of leverage indicators	24.491.934
Share capital in accordance with the decision regulating the capital adequacy of the bank	2.881.045
Indicator Leveridza	11,76%