



EXECUTIVE BOARD

No: 243/2019

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

As at 30<sup>th</sup> June 2019

## 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 30<sup>th</sup> June 2019, 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](http://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 30<sup>th</sup> June 2019 amounts to RSD 3.580.425 thousands, and consists of core capital of RSD 3.580.425 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<sup>th</sup> June 2019**

CAPITAL STRUCTURE	Amount (in RSD 000)
<b>TIER 1 CAPITAL</b>	<b>3.580.425</b>
Common Equity Tier 1 Capital	3.580.425
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	0
(-) Previous years losses	-5.110.679
(-) Losses of the current period	-211.233
Revaluation reserves and other unrealized gains	259.238
(-) Unrealized losses	-2.595
Reserves from profit, other reserves and reserves for general banking risks	151.672
(-) Additional value adjustments	-2.788
(-) Other intangible assets before reduction for deferred tax liabilities	-52.283
(-) 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	0
Additional Tier 1 Capital	0
<b>TIER 2 CAPITAL</b>	<b>0</b>
Paid-up amount of T2 instruments (non-cumulative preferred shares)	0
<b>TOTAL CAPITAL</b>	<b>3.580.425</b>

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<sup>th</sup> June 2019, capital requirements coverage amounts to RSD 733.201 thousands, out of which for the credit and counterparty risk related RSD 629.692 thousands, for market risks RSD 0 and the operational risk RSD 103.510 thousands.

The capital adequacy ratio in line with the Decision on capital adequacy as at 30<sup>th</sup> June 2019 amounts to 39,07%.

**Table 2 – Capital requirements for credit risk by the exposure classes as at 30<sup>th</sup> June 2019**

<b>Capital requirements for credit risk</b>	Amount (in RSD 000)
Central governments and central banks	<b>0</b>
Banks	<b>6.013</b>
Corporates	<b>164.493</b>
<i>out of which past due items</i>	0
<i>out of which exposures secured on real-estate collateral</i>	0
Retail	<b>40.146</b>
<i>out of which past due items</i>	0
<i>out of which exposures secured on real-estate collateral</i>	0
Public administrative bodies	<b>0</b>
Other items	<b>35.492</b>
Unpaid receivables	<b>49.182</b>
Exposures secured by mortgages on real estate	<b>333.986</b>
Report on Equity Exposures	<b>378</b>
Report on Exposures to Territorial Autonomies and Local Self-Government Units	<b>0</b>
<b>Total capital requirements for credit risk</b>	<b>629.692</b>

**Table 3 – Capital requirements for market risks as at 30<sup>th</sup> June 2019**

<b>Capital requirements for market risks</b>	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
<b>Total capital requirements for market risks</b>	<b>0</b>

**Table 4 – Capital requirements for operational risk as at 30<sup>th</sup> June 2019**

<b>Capital requirements for operational risk</b>	Amount (in RSD 000)
Exposure indicator in 2016.	741.840
Exposure indicator in 2017.	659.817
Exposure indicator in 2018.	668.535
<b>Total capital requirements for operational risk</b>	<b>103.510</b>

**Table 5 – Total capital requirements and capital adequacy ratio as at 30<sup>th</sup> June 2019**

Capital adequacy	Amount (in RSD 000)	Coverage by core capital	Coverage by supplementary capital
<b>CAPITAL</b>	<b>3.580.425</b>		
CORE CAPITAL	3.580.425		
SUPPLEMENTARY CAPITAL	0		
<b>CAPITAL REQUIREMENTS</b>	<b>733.201</b>		
Capital requirements for credit risk, counterparty risk and settlement/delivery risk based on free deliveries	629.692	3.580.425	0
Capital requirements for the settlement/delivery risk based on unsettled transactions			
Capital requirements for market risks	0		
Capital requirements for operational risk	103.510		
<b>CAPITAL REQUIREMENTS COVERAGE</b>	<b>3.580.425</b>	<b>3.580.425</b>	<b>0</b>
<b>CAPITAL ADEQUACY RATIO (%)</b>	<b>39,07%</b>		

#### 4. Risk mitigation techniques

The table below presents overview of the used credit risk mitigation techniques per exposure classes, as at 30th June 2019.

**Table 6 – Diversification of exposures per risk mitigation techniques (in RSD 000) 30<sup>th</sup> June 2019**

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	7.932.999	6.245	7.926.754	0	0	0	7.926.754
Banks	380.168	975	379.193	0	0	0	379.193
Corporates	3.550.717	13.456	3.537.261	0	354.294	354.294	3.182.967
Retail	2.236.543	14.483	2.222.059	0	30.970	30.970	2.191.090
Public administrative bodies	11.160	0	11.160	0	0	0	11.160
Other items	30.916.651	831.102	30.085.548	0	150.959	150.959	30.470.812
<b>Total</b>	<b>45.028.238</b>	<b>866.261</b>	<b>44.161.975</b>	<b>0</b>	<b>536.223</b>	<b>536.223</b>	<b>44.161.976</b>

## 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 2019 was 17, 44%.

The table below presents Leverage ratio:

**Table 7 – Leverage ratio as at 30th June 2019 (in RSD 000)**

<b>Indicator Leveridz ratio</b>	
Exposure Type	Amount (in RSD 000)
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	<b>0</b>
Off-Balance Exposure Scenarios in the Low Risk Category (with a factor conversion of 10%)	<b>0</b>
Off-balance exposures are classified as moderate risk (with a factor conversion of 20%)	<b>185.711</b>
Off-balance exposures to medium risk category (with a factor conversion of 50%)	<b>362.492</b>
Off-balance distribution exposures in the category of high risk (with a factor conversion of 100%)	<b>3.903.545</b>
Other items	<b>16.131.847</b>
(-) 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	<b>-52.283</b>
Total amount of exposure according to the rule for calculation of leverage indicators	<b>20.531.312</b>
Share capital in accordance with the decision regulating the capital adequacy of the bank	<b>3.580.426</b>
<b>Indicator Leveridza</b>	<b>17,44%</b>