



EXECUTIVE BOARD

No: 92/21

**PUBLISHING DATA AND INFORMATION OF THE
EXPOBANK JSC Belgrade
As of June, 30th 2021**

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 2021, 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 2021 amounts to RSD 3.270.095 thousands, and consists of core capital of RSD 3.270.095 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 2021

| CAPITAL STRUCTURE | Amount (in RSD thousands) |
|---|------------------------------|
| TIER 1 CAPITAL | 3,270,095 |
| Common Equity Tier 1 Capital | 3,270,095 |
| 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 | -5,634,130 |
| (-) Losses of the current period | 0 |
| Revaluation reserves and other unrealized gains | 283,903 |
| (-) Unrealized losses | -21,980 |
| Reserves from profit, other reserves and reserves for general banking risks | 151,672 |
| (-) Additional value adjustments | -3,986 |
| (-) Other intangible assets before reduction for deferred tax liabilities | -49,825 |
| (-) 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 | -4,652 |
| (-) 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 * | 0 |
| Additional Tier 1 Capital | - |
| TIER 2 CAPITAL | - |
| Paid-up amount of T2 instruments (non-cumulative preferred shares) | - |
| TOTAL CAPITAL | 3,270,095 |

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 2021, capital requirements coverage amounts to RSD 816.219 thousands, out of which for the credit and counterparty risk related RSD 692.713 thousands, for market risks RSD 34.618 thousands and the operational risk RSD 88.888 thousands.

The capital adequacy ratio in line with the Decision on capital adequacy as at 30th June 2021 amounts to 32,05%.

Table 2 – Capital requirements for credit risk by the exposure classes as of 30th June 2021

| Capital requirements for credit risk | Amount (in RSD thousands) |
|---|------------------------------|
| Central governments and central banks | - |
| Banks | 5,219 |
| Corporates | 251,754 |
| <i>out of which past due items</i> | - |
| <i>out of which exposures secured on real-estate collateral</i> | - |
| Retail | 23,977 |
| <i>out of which past due items</i> | - |
| <i>out of which exposures secured on real-estate collateral</i> | - |
| Public administrative bodies | 0 |
| Other items | 76,854 |
| Unpaid receivables | 46,765 |
| Exposures secured by mortgages on real estate | 288,106 |
| Report on Equity Exposures | 37 |
| Report on Exposures to Territorial Autonomies and Local Self-Government Units | - |
| Total capital requirements for credit risk | 692,713 |

Table 3 – Capital requirements for market risks as of 30th June 2021

| 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 | 34,618 |
| Capital requirements for the goods risk | 0 |
| Total capital requirements for market risks | 34,618 |

Table 4 – Capital requirements for operational risk as at 30th June 2021

| Capital requirements for operational risk | Amount (in RSD thousands) |
|--|------------------------------|
| Exposure indicator in 2018. | 668,535 |
| Exposure indicator in 2019. | 623,544 |
| Exposure indicator in 2020. | 485,674 |
| Total capital requirements for operational risk | 88,888 |

Table 5 – Total capital requirements and capital adequacy ratio as at 30th June 2021

| Capital adequacy | Amount (in RSD thousands) | Coverage by core capital | Coverage by supplementary capital |
|---|---------------------------|--------------------------|-----------------------------------|
| CAPITAL | 3,270,095 | | |
| CORE CAPITAL | 3,270,095 | | |
| SUPPLEMENTARY CAPITAL | - | | |
| CAPITAL REQUIREMENTS | 816,219 | | |
| Capital requirements for credit risk, counterparty risk and settlement/delivery risk based on free deliveries | 692,713 | 3,270,095 | - |
| Capital requirements for the settlement/delivery risk based on unsettled transactions | | | |
| Capital requirements for market risks | 34,618 | | |
| Capital requirements for operational risk | 88,888 | | |
| CAPITAL REQUIREMENTS COVERAGE | 3,270,095 | 3,270,095 | - |
| CAPITAL ADEQUACY RATIO (%) | 32.05% | | |

4. Risk mitigation techniques

The table below presents overview of the used credit risk mitigation techniques per exposure classes, as at 30th June 2021.

Table 6 – Diversification of exposures per risk mitigation techniques (in RSD 000) 30th June 2021

| 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 | 9,928,191 | 7,842 | 9,920,349 | 0 | 0 | 494,806 | 10,415,155 |
| Banks | 330,009 | 423 | 329,586 | 0 | 0 | 0 | 329,586 |
| Corporates | 6,642,311 | 47,719 | 6,594,592 | 405,522 | 695,648 | 1,101,170 | 5,493,422 |
| Retail | 1,842,113 | 20,185 | 1,821,928 | 17,380 | 32,089 | 49,469 | 1,772,459 |
| Exposures secured by mortgages on real estate | 6,332,446 | 16,349 | 6,316,097 | 71,685 | 309,957 | 381,642 | 5,934,455 |
| Unpaid receivables | 842,990 | 226,164 | 616,826 | 220 | 853 | 1,073 | 615,753 |
| Equity exposures | 476 | 7 | 469 | 0 | 0 | 0 | 469 |
| Public administrative bodies | 11,143 | 4 | 11,139 | 0 | 0 | 0 | 11,139 |
| Other items | 17,508,194 | 536,015 | 16,972,179 | 0 | 0 | 1,038,546 | 18,010,725 |
| Total | 43,437,873 | 854,708 | 42,583,165 | 494,807 | 1,038,547 | 3,066,706 | 42,583,163 |

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 2021 was 14,36%.

The table below presents Leverage ratio:

Table 7 – Leverage ratio as at 30th June 2021 (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%) | 297,502 |
| Off-balance exposures to medium risk category (with a factor conversion of 50%) | 735,810 |
| Off-balance distribution exposures in the category of high risk (with a factor conversion of 100%) | 5,120,177 |
| Other items | 16,680,299 |
| (-) 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 | -54,478 |
| Total amount of exposure according to the rule for calculation of leverage indicators | 22,779,310 |
| Share capital in accordance with the decision regulating the capital adequacy of the bank | 3,270,096 |
| Indicator leverage ratio | 14.36% |