

REPORT

**on Disclosure of Data and Information of
Komercijalna banka A.D. Beograd as of June 30th 2014**

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1. INTRODUCTION

- Komercijalna banka Banking Group (hereinafter: Group) in accordance with the Law on Banks and the Decision on Disclosure of Data and Information by Banks, further below publishes the Report with balance as of June 30th, 2014, which, pursuant to the relevant regulations, contains the quantitative data about:
 - Capital;
 - Capital Adequacy;
 - Mitigation Techniques.
- The Report shall be publicized on the Parent Bank's internet domain (www.kombank.com).

THE EXECUTIVE BOARD OF THE BANK

Andrijana Milanović

Member of the Executive Board

Ivica Smolić

President of the Executive Board

2. BANK'S CAPITAL

- Quantitative data on the Bank capital include:
 - Amount of core capital and supplementary capital;
 - Overview of individual elements of capital;
 - Capital deductibles;
 - Amount of total capital.

Capital structure

RSD 000

Name	30.06.2014.	31.12.2013.
CORE CAPITAL	32.622.495	45.134.001
Nominal value of paid up shares, except for cumulative preferred shares,	17.191.466	17.191.466
Paid up ordinary shares	8.709.310	8.709.310
Paid up non-cumulative preferred shares	373.510	373.510
Paid up convertible preferred bank shares	8.108.646	8.108.646
Issue premium	22.843.084	22.843.084
Reserves from the profit	16.635.440	16.635.440
Profit of current year	-	-
Deductible items from core capital	24.047.495	11.535.990
Intangible investments	525.090	537.445
Amount of bank shares taken in pledge, except for cumulative preferred shares	290.274	290.274
Non-realized losses arising from securities available/held for sale	48.136	187.011
Required reserves from profit for estimated losses under balance sheet assets and off-balance sheet items of the bank	23.183.995	10.521.260
SUPPLEMENTARY CAPITAL	5.398.284	4.961.842
Part of revaluation reserves of the bank	1.924.725	1.522.579
Subordinated liabilities	3.473.559	3.439.263
DEDUCTIONS FROM CAPITAL	5.555.355	16.076.615
Direct and indirect investment in banks and other entities in the financial sector in an amount higher than 10% of the capital of such	5.555.355	5.555.355
Required reserve from profit for estimated losses under balance sheet assets and off-balance sheet items of the bank	-	10.521.260
TOTAL CORE CAPITAL	29.844.818	34.019.228
TOTAL SUPPLEMENTARY CAPITAL	2.620.607	-
TOTAL REGULATORY CAPITAL	32.465.424	34.019.228

3. CAPITAL ADEQUACY

- The Bank calculates capital adequacy ratio and capital requirements in accordance with the regulations from the National Bank of Serbia, using standardized approach for the following risks:
 - Credit risk;
 - Market risk;
 - Operational risk.

	RSD 000	
Capital Requirements	30.06.2014.	31.12.2013.
Credit risk, counterparty risk and settlement/ delivery risk based on free deliveries	18.370.052	19.381.177
Exposures to states and central banks	-	-
Exposures to territorial autonomies and local government units	95.854	74.147
Exposures to public administrative bodies	245.279	-
Exposures to banks	1.880	2.168
Exposures to companies	854.983	924.298
Exposures to private individuals	9.770.491	10.504.556
Exposures secured by mortgages on real property	3.161.460	3.037.644
Due outstanding receivables	2.431.030	2.525.787
Other exposures	263.891	659.480
Exposures to banks	1.545.185	1.653.095
Market Risks	-	86.496
Capital requirement for price risk based on debt securities	-	-
Capital requirement for price risk based on equity securities	-	-
Capital requirement for foreign exchange risk	-	86.496
Capital requirement for commodity risk	-	-
Operational Risks	2.291.166	2.000.237
Exposure to operational risk	2.291.166	2.000.237
Total capital requirements	20.661.218	21.467.910
Capital adequacy ratio (minimum 12%)	18,86%	19,02%

- The Bank includes items from the trading book into calculation of capital requirement for credit risk, given that the value and the share of the trading book in total operations do not oblige the Bank to allocate special capital requirement for market risk.
- Bank does not have capital requirement for fx risk. According the decision of National Bank of Serbia banks do not have obligation to calculate capital requirement for fx risk if the fx risk ratio is lower than 2%.

Structure of allocated funds for capital requirement for operational risk

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Business Line	Exposure ratio			Capital requirement rate	Capital requirement
	2013.	2012.	2011.		
1. Lending to economic entities	5.810	7.532	6.144	18%	2.291.166
2. Trade and sale	(1.428.986)	(5.389.994)	1.020.003	18%	
3. Brokerage operations with physical persons	5.047	3.655	5.032	12%	
4. Banking operations with legal entities	8.759.726	17.004.123	9.662.860	15%	
5. Banking operations with physical persons	5.408.320	2.322.993	5.843.080	12%	
6. Payment transactions	1.528.060	1.703.366	1.782.950	18%	
7. Agency services	24.426	30.568	29.231	15%	
8. Asset management	161.800	213.069	75.166	12%	

4. MITIGATION TECHNIQUES

- The Bank discloses quantitative data about mitigation techniques that cover the total amount of exposure secured by:
 - Material credit protection instruments, after applying the volatility factor by class of exposure;
 - Non-material credit protection instruments by class of exposure.

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Exposure to credit risk	Amount of exposures secured by material credit protection instruments		Amount of exposures secured by non-material credit protection instruments	
	30.06.2014.	31.12.2013.	30.06.2014.	31.12.2013.
States and central banks	-	-	-	-
Territorial autonomies and local government	-	-	-	-
International development banks	-	-	-	-
Banks	-	-	-	-
Companies	1.444.685	825.671	7.840.522	8.066.889
Private individuals	637.070	644.424	-	3.051
Exposures secured by mortgages on real	36.569	20.821	-	-
Due outstanding receivables	-	-	-	-
Other exposures	-	19.109	-	-
Total	2.118.324	1.510.026	7.840.522	8.069.940

**Note: exposure presented after application of the conversion factor and volatility factor*