

REPORT

**On Disclosure of Data and Information of
Komercijalna banka A.D. Beograd as of June 30, 2017**

Report Number

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1. INTRODUCTION

- Komercijalna banka AD Beograd (hereinafter: the Bank) in accordance with the Law on Banks and the Decision on Disclosure of Data and Information by Banks, further below publishes the Report as of June 30, 2017, which in accordance with the above mentioned regulation contains quantitative information regarding the Bank's:
 - Capital;
 - Capital requirements and capital adequacy;
 - Credit risk mitigation techniques;
 - Leverage ratio.
- The Report shall be publicized on the Bank's Internet domain (www.kombank.com).

THE EXECUTIVE BOARD OF THE BANK

Miroslav Perić

Executive Board member

Sladana Jelić

Deputy Chief Executive Officer

2. THE BANK'S CAPITAL

- Quantitative data and information regarding the Bank's capital include the following:
 - Amount of Tier 1 and Tier 2 capital;
 - Preview of individual elements of capital;
 - Deductibles;
 - Amount of total capital.

Capital structure

in RSD 000

Item	30.06.2017.
TIER 1 CAPITAL	43,733,203
COMMON EQUITY TIER 1 CAPITAL	43,359,693
Paid-up amount of CET1 instruments	16,817,956
Share premium with CET1 Capital instruments	22,843,084
Reserves from profit, other reserves and reserves for general banking risks	11,061,535
Revaluation reserves and other unrealized gains/losses	(3,776)
Revaluation reserves and other unrealized gains	-
(-) Unrealized losses	(3,776)
Non-controlling interests (minority interest) given recognition in CET1 Capital	-
(-) Adjustments to CET1 due to prudential filters, except for unrealized losses on AFS securities	(7,359,106)
(-) Loss (previous years losses + current period loss)	-
(-) Other intangible assets net of associated deferred tax liabilities	(323,055)
(-) Deferred tax assets that rely on future profitability and do not arise from temporary differences net of associated deferred tax liabilities	(1,235,813)
(-) Excess of deduction from Additional tier 1 (AT1) items over AT1 Capital	-
(-) Amount of required reserve for estimated losses under balance sheet assets and off-balance sheet items deducted from CET1 Capital	(5,800,238)
ADDITIONAL TIER 1 CAPITAL	373,510
Paid-up amount of AT1 instruments	373,510
(-) Excess of deduction from AT1 items over AT1 Capital (deducted in CET1)	-
TIER 2 CAPITAL	605,567
Capital instruments and subordinated loans eligible as T2 Capital and share premium	605,567
(-) Direct, indirect and synthetic holdings of T2 instruments and subordinated liabilities of financial sector entities with reciprocal cross holdings in the bank, in which the bank has significant investment	-
Excess of deduction from T2 items over T2 Capital (deducted in AT1)	-
REGULATORY CAPITAL	44,338,770
Item	31.12.2016.
TIER 1 CAPITAL	44,667,035

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Nominal value of paid up shares, except for cumulative preferred shares	17,191,466
Paid up ordinary shares	16,817,956
Paid up non-cumulative preferred shares	373,510
Issue premium	22,843,084
Reserves from the profit	18,791,828
Profit of current year	-
Loss from current year	8,063,183
Deductible items from core capital	6,096,159
Intangible investments	362,507
Amount of bank shares taken in pledge, except for cumulative preferred shares	357,233
Non-realized losses arising from securities available/held for sale	5,985
Required reserves from profit for estimated losses under balance sheet assets and off-balance sheet items of the bank	5,370,434
TIER 2 CAPITAL	4,175,529
Part of revaluation reserves of the bank	4,175,529
Subordinated liabilities	-
DEDUCTIBLE ITEMS	2,611,859
Direct and indirect investment in banks and other entities in the financial sector in an amount higher than 10% of the capital of such banks or other entities	2,611,859
Required reserve from profit for estimated losses under balance sheet assets and off-balance sheet items of the bank	-
TOTAL TIER 1 CAPITAL	43,361,105
TOTAL TIER 2 CAPITAL	2,869,600
TOTAL REGULATORY CAPITAL	46,230,705

3. CAPITAL REQUIREMENTS AND CAPITAL ADEQUACY

- The Bank applies new capital standard regulations in accordance with the Basel III standard in calculation of capital requirements as of June 30, 2017. In line with that, the following is defined:
 - three capital adequacy ratios:
 - CAR of the total capital of the Bank (min 8%)
 - CAR of Tier 1 capital of the Bank (min 6%)
 - CAR of CET 1 capital of the Bank (min 4.5%)
- The most significant changes in calculation of risk weighted exposures in accordance with the new regulations include:
 - the possibility of using commercial real estate (CRE) as an eligible collateral;
 - more favorable treatment of exposures to banks with the original maturity of up to three months;
 - expanded coverage of exposures to retail, including SMEs with the exposure at the level of group of related parties of up to RSD 120 million;
 - inclusion of equity investments in subordinated companies in risk weighted exposures with the risk weight of 250%, instead of previous treatment of those as deductible item of the Bank's capital;
 - abolition of 1.5 multiplier in calculation of general and specific position risk;
 - change in operational risk capital requirement factor (from 8.3 to 12.5).
 - capital requirements are calculated as 8% of risk weighted exposures (instead of previous 12%).
- The Bank calculates capital adequacy ratios (CET 1, Tier 1 and total capital) and capital requirements in accordance with the regulation of National bank of Serbia using the standardized approach for the risk weighted exposures for the

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following risks:

- credit, counterparty and dilution risks and free deliveries;
- settlement/delivery risk (except for free deliveries);
- market risks;
- operational risk;
- credit valuation adjustment risk;
- risk exposure amount related to exposure limit excesses in the trading book.

	RSD 000	
Capital requirements	30.06.2017.	31.12.2016.
CAPITAL	44,338,770	46,230,705
Tier 1 Capital	43,733,203	43,361,106
Common Equity Tier 1 (CET 1) Capital	43,359,693	-
Additional Tier 1 (AT1) Capital	373,510	-
Tier 2 Capital	605,567	2,869,600
Credit, counterparty and dilution risks and free deliveries	10,298,445	17,682,647
Central governments and central banks exposure class	6,626	16
Territorial autonomies and local government units exposure class	49,073	145,193
Public administrative bodies exposure class	-	10,841
Multilateral development banks exposure class	-	-
International organisations exposure class	-	-
Banks exposure class	385,247	877,644
Companies exposure class	2,438,557	8,620,929
Retail exposure class	3,121,403	3,644,868
Secured by mortgages on immovable property exposure class	2,344,880	2,917,719
Exposures in default*	443,413	234,152
Items associated with particular high risk exposure class	-	-
Covered bonds exposure class	-	-
Securitised positions exposure class	-	-
Claims on banks and companies with a short-term credit assessment exposure class	-	-
Units in open-ended investment funds exposure class	-	-
Equity investments exposure class	746,041	-
Other items exposure class	763,205	1,231,284
Market risks	307,356	280,636
Capital requirement for position risk for debt securities	19,160	-
Capital requirement for position risk for equity	130,987	116,602
Capital requirement for foreign exchange risk	157,209	164,034
Capital requirement for commodities risk	-	-
Operational risk	2,534,459	2,605,239
Risk exposure amount for operational risk	2,534,459	2,605,239
Total capital requirements	13,140,260	20,568,522
Capital adequacy ratio (minimum 8%) – 31.12.2016. (minimum 12%)	26.99%	26.97%
Tier 1 Capital adequacy ratio (minimum 6%)	26.63%	-
CET 1 Capital adequacy ratio (minimum 4.5%)	26.40%	-

*On December 31, 2016 this exposure class was defined as Unpaid due receivables.

- The Bank calculates capital requirements for position risk since the volume and trading book activities of the Bank are above the regulatory prescribed limits.
- Capital requirement for foreign exchange risk is calculated since the Bank's foreign exchange risk ratio was above 2% of

the Bank's capital.

The structure of operational risk capital requirement calculation

RSD 000

Business line	Exposure indicator			Capital requirement rate	Capital requirement
	2014	2015	2016		
1. Corporate financing	5,666	5,440	3,773	18%	2,534,459
2. Trade and sales	(1,864,071)	(375,418)	923,107	18%	
3. Retail broker-dealer operations	5,722	6,200	3,312	12%	
4. Corporate banking operations	11,356,789	5,499,985	5,378,476	15%	
5. Retail banking operations	6,834,876	11,606,405	10,172,450	12%	
6. Payment transactions	1,837,468	1,868,917	2,017,202	18%	
7. Agency services	39,081	47,716	41,711	15%	
8. Property management	200,436	177,245	(232,992)	12%	

4. CREDIT RISK MITIGATION TECHNIQUES

- The Bank discloses the quantitative data in credit risk mitigation techniques which refer to total amount of exposures secured with:
 - funded credit protection instruments, after the application of volatility adjustments, per exposure classes;
 - unfunded credit protection instruments per exposure classes.

Exposures secured by credit protection instruments per exposure classes

RSD 000

Credit risk exposure	Amount of exposures secured by funded credit protection instruments		Amount of exposures secured by unfunded credit protection instruments	
	30.06.2017.	31.12.2016.	30.06.2017.	31.12.2016.
Central governments and central banks exposures	-	-	-	-
Territorial autonomies and local government units exposures	-	-	-	-
Public administrative bodies exposures	-	-	-	-
Multilateral development banks exposures	-	-	-	-
Banks exposures	-	-	-	-
Companies exposures	88,374	946,475	965,842	2,256,658
Retail exposures	1,512,227	884,888	-	-
Exposures secured by mortgages on immovable property	53,200	53,688	-	-
Exposures in default	73,187	80,702	716,806	-
Exposure on units in open-ended investment funds	-	-	-	-
Equity investments exposures	-	-	-	-
Other exposures	2,228	257	-	-
Total	1,729,216	1,966,010	1,682,648	2,256,658

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

5. LEVERAGE RATIO

- The Bank discloses the leverage ratio, which represents the ratio between the Bank's Tier 1 capital and the amount of total risk weighted exposures as defined for the purposes of calculation of leverage ratio and is being expressed in percentage terms.

No	Position	Amount
I	LEVERAGE RATIO	10.46%

6. ANNEXES

In accordance with the Decision on Disclosure of Data and Information by Banks, the Bank is required to disclose the data and information on capital on the following forms.

6.1. Annex 1 – Data on Bank Capital (PI-KAP)

		000 RSD
No	Item	Amount
Common Equity Tier 1: elements		
1	CET1 capital instruments and the related share premium accounts	39,661,040
1.1.	<i>of which: shares and other capital instruments which fulfil the requirements as laid out in Section 8 of the DCA*</i>	16,817,956
1.2.	<i>of which: relevant share premium with the instruments referred to in item 1.1, i.e. the amount paid above par value of those instruments</i>	22,843,084
2	Profit from preceding years free of any future liabilities, to be allocated to CET 1 capital according to the decision of the bank's assembly	-
3	Profit of the current year or profit from the preceding year which the bank's assembly still has not decided to allocate in CET 1 capital which fulfil the requirements as laid out in Section 10, paras 2 and 3 on inclusion into CET 1 capital	-
4	Revaluation reserves and other unrealised losses	-
5	Reserves from profit and other bank reserves, except for reserves for general banking risks	11,061,535
6	Reserves for general banking risks	-
7	Non-controlling participations (minority interests) allowed in CET1**	-
8	Common Equity Tier 1 capital before regulatory adjustments and deductibles (sum of rows from 1 to 7)	50,722,575
Common Equity Tier 1 capital: regulatory adjustments and deductibles		
9	Additional value adjustments (-)	-
10	Intangible assets, including goodwill (net of deferred tax liabilities) (-)	(323,055)
11	Deferred tax assets that rely on future profitability of the bank, excluding those arising from temporary differences (net of related deferred tax liability where the conditions referred to in Section 14, paragraph 1 of the DCA are met)	(1,235,813)
12	Fair value reserves related to gains or losses on cash flow hedges of financial instruments that are not valued at fair value, including projected cash flows	-
13	IRB Approach: Negative amount of difference resulting from the calculation in accordance with Section 134 of the DCA (-)	-
14	Any increase in equity that results from securitisation exposures (-)	-
15	Gains or losses on bank's liabilities valued at fair value resulting from changes in own credit standing	-
16	Defined benefit pension fund assets on the balance sheet of the bank(-)	-
17	Direct, indirect and synthetic holdings by a bank of own Common Equity Tier 1 instruments, including own CET 1 instruments that a bank is under an actual or contingent obligation to purchase by virtue of an existing contractual obligation (-)	-
18	Direct, indirect and synthetic holdings of the CET 1 instruments of financial sector entities where those entities have a reciprocal cross holding with the bank, designed to inflate artificially the capital of the bank (-)	-
19	Applicable amount of direct, indirect and synthetic holdings by the bank of the CET1 instruments of financial sector entities where the bank does not have a significant investment in those entities (-)	-
20	Applicable amount of direct, indirect and synthetic holdings of the CET1 instruments of financial sector entities where the bank has a significant investment in those entities (-)	-
21	Exposure amount of the following items which qualify for a risk weight of 1.250%, where the bank deducts that exposure amount from the amount of CET1 items as an alternative to applying a risk weight of 1.250%	-
21.1.	<i>of which: holdings in entities outside the financial sector in the amount of over 10% of capital of those entities, i.e. holdings that allow exerting a significant impact on managing of a legal entity or on the business policy of that legal entity (-)</i>	-
21.2.	<i>of which: securitisation positions (-)</i>	-
21.3.	<i>of which: free deliveries (-)</i>	-

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22	Deferred tax assets that rely on the bank's future profitability arising from temporary differences (amount above 10% of bank's CET1 capital referred to in Section 21, paragraph 2, reduced by the amount of related tax liabilities where the requirements referred to in Section 14, paragraph 1 of the DCA are met (-)	-
23	Sum of deferred tax assets and holdings of financial sector entities where the bank has a significant investment referred to in Section 21, paragraph 1 of the DCA in such entities, which exceeds the threshold referred to in Section 21, paragraph 3 of the DCA (-)	-
23.1.	<i>of which: Direct, indirect and synthetic holdings of the CET1 instruments of financial sector entities where the bank has a significant investment in those entities</i>	-
23.2.	<i>of which: Deferred tax assets arising from temporary differences</i>	-
24	Losses for the current and previous years, and unrealised losses (-)	(3,776)
25	Any tax charge relating to CET1 elements foreseeable at the moment of its calculation, except where the bank suitably adjusts the amount of CET1 elements insofar as such tax charges reduce the amount up to which those items may be used to cover risks or losses (-)	-
26	Amount of items required to be deducted from the bank's Additional Tier 1 items that exceeds Additional Tier 1 capital of the bank (-)	-
27	Amount of required reserve for estimated losses on balance-sheet assets and off-balance sheet items of the bank	(5,800,238)
28	Total regulatory adjustments and deductibles from CET1 capital (sum of rows from 9 to 27)	(7,362,882)
29	Common Equity Tier 1 capital (difference between 8 and 28)	43,359,693
Additional Tier 1 capital: elements		
30	Shares and other capital instruments which fulfil the requirements as laid out in Section 23 of the DCA and related share premium	373,510
31	Capital instruments issued by subsidiaries, which are recognised as Additional Tier 1 capital**	-
32	Additional Tier 1 capital before deductibles (30+31)	373,510
Additional Tier 1 capital: deductibles		
33	Direct, indirect and synthetic holdings by a bank of own Additional Tier 1 instruments, including the instruments that a bank is obliged to purchase as a result of existing contractual obligations (-)	-
34	Direct, indirect and synthetic holdings by a bank of the Additional Tier 1 instruments of financial sector entities with which the bank has reciprocal cross holdings, designed to inflate artificially the capital of the bank (-)	-
35	Applicable amount of direct, indirect and synthetic holdings by a bank of the Additional Tier 1 instruments of financial sector entities where the bank does not have a significant investment in those entities (-)	-
36	Direct, indirect and synthetic holdings by a bank of the Additional Tier 1 instruments of financial sector entities where the bank has a significant investment in those entities, excluding underwriting positions held for five working days or fewer (-)	-
37	Amount of items required to be deducted from Tier 2 items that exceed the Tier 2 capital of the bank (-)	-
38	Total deductibles from Additional Tier 1 capital (sum of rows from 33 to 37)	0
39	Additional Tier 1 capital (difference between 32 and 38)	373,510
40	Tier 1 capital (sum of rows 29 and 39)	43,733,203
Tier 2: elements		
41	Shares and other Tier 2 capital instruments and subordinated liabilities which fulfil the requirements as laid out in Section 28 of the DCA and related share premium accounts related to instruments	605,567
42	Capital instruments issued by subsidiaries, which are recognised as Tier 2 capital**	-
43	Credit risk adjustments that meet the requirements for the inclusion in Tier 2 capital	-
44	Tier 2 capital before deductibles (sum of rows from 41 to 43)	605,567
Tier 2 capital: deductibles		
45	Direct, indirect and synthetic holdings by a bank of own Tier 2 instruments and subordinated liabilities, including instruments that the bank is obliged to purchase as a result of existing contractual obligations (-)	-
46	Direct, indirect and synthetic holdings of the Tier 2 instruments and subordinated liabilities of financial sector entities with which the bank has reciprocal cross holdings, designed to inflate artificially the capital of the bank (-)	-

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47	Applicable amount of direct, indirect and synthetic holdings of the Tier 2 instruments and subordinated liabilities of financial sector entities where a bank does not have a significant investment in those entities (-)	-
48	Direct, indirect and synthetic holdings by the bank of the Tier 2 instruments and subordinated liabilities of financial sector entities where the bank has a significant investment in those entities, excluding underwriting positions held for fewer than five working days (-)	-
49	Total deductibles from Tier 2 capital (sum of rows from 45 to 48)	-
50	Tier 2 capital (difference between 44 and 49)	605,567
51	Total capital (sum of rows 40 and 50)	44,338,770
52	Total risk-weighted assets	164,253,253
Capital adequacy ratios and capital buffers		
53	Common Equity Tier 1 capital ratio (%)	26.40%
54	Tier 1 capital ratio (%)	26.63%
55	Total capital ratio (%)	26.99%
56	Total requirements for capital buffers (%)***	6.70%
57	Common Equity Tier 1 capital available for capital buffers coverage (%)****	18.40%

* DCA - Decision on Capital Adequacy of Banks.

** To be completed by the ultimate parent company, obliged to calculate the banking group's capital based on the data from the consolidated financial statements, in accordance with the decision on consolidated supervision of a banking group.

*** As a percentage of risk-weighted assets.

**** Calculated as Common Equity Tier 1 capital of the bank (expressed as percentage of risk-weighted assets), less Common Equity Tier 1 capital of the bank used to maintain the Common Equity Tier 1 capital ratio referred to in Section 3, paragraph 3, item 1) of the DCA, the Tier 1 capital ratio referred to in Section 3, paragraph 3, item 2) of the DCA and the total capital ratio referred to in Section 3, paragraph 3, item 3) of the DCA.

In addition to the financial instruments disclosed within the form PI-FIKAP (Annex 2), the capital calculation includes also the following elements:

- **Reserves from profit** – This element of CET 1 Capital comprises all types of reserves that are formed chargeable to profit after its taxation, in line with the Decisions of the General Meeting of Bank's Shareholders and regulation of National bank of Serbia.
- **Current period and previous years losses** – Loss is deductible item from the Bank's CET 1 Capital.
- **Intangible assets** – Investments in licenses, software and similar rights, net of calculated depreciation, represent a deductible item from CET 1 Capital.
- **Unrealized losses on securities available for sale (AFS securities)** – The stated losses represent a deductible from CET 1 Capital and are a result of negative fluctuations of prices of relevant instruments in relation to their initial value.
- **Required reserve from profit for estimated losses on balance-sheet assets and off-balance sheet items of the bank** – This reserve is calculated in accordance with the Decision on Classification of Balance Sheet Assets and Off-Balance Items of Banks and represents a deductible item from CET 1 Capital. The regulatory provision on capital deduction for the amount of required reserve for estimated losses will be in force until December 31, 2018.
- **Revaluation reserves and other unrealized gains** – increase in value of tangible assets and fixed assets, positive effects of changes in fair value of AFS securities and actuarial gains reserved based on defined benefit plans affected the movements in revaluation reserves. These reserves were reduced by the effects of potential tax liabilities and are as such included in the CET 1 Capital of the Bank. Exceptionally, as of June 30, 2017 the Bank didn't include the amount of revaluation reserves in its CET 1 Capital (RSD 3.912.441 thousand). After the fulfillment of regulatory conditions prescribed by the National bank of Serbia (adoption of relevant decision of the Bank's General Assembly), as of August 31, 2017 the revaluation reserves and other unrealized gains are the integral component of the Bank's regulatory capital.
- **Subordinated liabilities** – According to the regulations of the National Bank of Serbia, in December 2011 the Bank strengthened the capital base by taking subordinated loan to the amount of EUR 50.0 million from the International Finance Corporation. Loan maturity is 6 years and in accordance with the Decision of the National Bank of Serbia Rok the Bank included in Tier 2 capital as of June 30, 2017 amount of RSD 605,567 thousand. Subordinated debt matures for payment on December 30, 2017.
- **Direct or indirect investment in banks and other financial sector persons that exceed 10% of the capital of**

such banks and/or other financial sector persons – The Bank has investments in equity in the following subordinated companies: KomBank INVEST a.d. Beograd, Komercijalna Banka a.d. Banja Luka and Komercijalna Banka a.d. Budva. Total investments in dependent companies as of June 30, 2017 amounted to RSD 5,480.9 million, i.e. odnosno RSD 2,611,859 thousand net of impairment on these equity investments. In addition to these investments, the Bank has share in equity in Euroaxis Banka a.d. Moscow, which exceeds 10% of capital of that legal entity, which was fully impaired on the expense side. Aforementioned investments are in accordance with the Decision on Capital Adequacy of Banks included in risk weighted exposures with the risk weight of 250% and beginning from June 30, 2017 they are no longer deductible item from the Bank's capital.

6.2. Annex 2 – Data on Main Features of Financial Instruments Included in Calculation of Bank's Capital (PI- FIKAP)

No	Instrument features	Description	Description
1.	Issuer	Komercijalna banka AD, Beograd	Komercijalna banka AD, Beograd
1.1.	Unique identifier (e.g. CUSIP, ISIN or Bloomberg identifier for private placement)	RSKOBBE16946	RSKOBBE19692
	<i>Regulatory treatment</i>	Ordinary shares	Non-cumulative preferential shares
2.	Treatment in accordance with the Decision on Capital Adequacy of Banks	CET 1 Capital instrument	AT1 Capital instrument
3.	Eligible at solo/(sub-)consolidated/ solo&(sub-) consolidated	Solo	Solo
4.	Instrument type	Ordinary shares	Non-cumulative preferential shares
5.	Amount recognised in regulatory capital (in RSD thousand, as of most recent reporting date)	RSD 39,661,040	RSD 373,510
6.	Nominal amount of instrument	In total 16,817,956 of ordinary shares were issued, whereby nominal value of a single share amounts to RSD 1,000.	In total 373,510 of non-cumulative preferential shares were issued, whereby nominal value of a single share amounts to RSD 1,000.
6.1.	Issue price	Shares issues which had and the issue price were: XIX share issue had the issue price of RSD 28,679.54 Number of issued shares 212.078 regular – common shares with the nominal value of RSD 10,000.00. XX share issue had the issue price of RSD 112,000.00. Number of issued shares 34,679 with the individual nominal value of RSD 10,000.00. XXVII issue of common shares referred to conversion of preferential interchangeable shares into common shares. The total number of issued and converted shares amounted to 8,108,646 shares with individual nominal value of RSD 1,000.00.	Shares issues which had and the issue price were: XXI issue of preferential interchangeable shares had the issue price of RSD 23,759.00. Number of issued preferential interchangeable shares 479,819 with the individual nominal value of RSD 10,000.00. XXVI issue of preferential interchangeable shares had the issue price of RSD 3,495.59. Number of issued preferential interchangeable shares 3,310,456 with the individual nominal value of RSD 1,000.00.
6.2.	Redemption price	Redemption price is determined by the specific decision of the Bank's shareholders.	-
7.	Accounting classification	Share capital	Share capital
8.	Original date of issuance	Original date of issuance of instrument was May 6, 1992. On March 8, 2004 the Bank carried out the homogenization of common shares, which replaced all the previous share issues with the new share issue.	Original date of issuance of instrument was May 6, 1992. On March 8, 2004 the Bank carried out the homogenization of preferential shares, which replaced all the previous share issues with the new share issue.
9.	Perpetual or dated	Instrument with no maturity date	Instrument with no maturity date
9.1.	Original maturity date	No maturity date	No maturity date
10.	Issuer call subject to prior supervisory approval	No	No
10.1.	Optional call date, contingent call dates and redemption amount	-	-
10.2.	Subsequent call dates, if applicable	-	-
	<i>Coupons / dividends</i>	-	-
11.	Fixed or floating dividend/coupon	Floating	Floating
12.	Coupon rate and any related index	-	-
13.	Existence of a dividend stopper	-	-

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14.1.	Fully discretionary, partially discretionary or mandatory (in terms of timing)	Fully discretionary	Fully discretionary
14.2.	Fully discretionary, partially discretionary or mandatory (in terms of amount)	Partially discretionary	Partially discretionary
15.	Existence of step up or other incentive to redeem	No	No
16.	Noncumulative or cumulative dividend/coupon	Noncumulative	Noncumulative
17.	Convertible or non-convertible	Non-convertible	Non-convertible
18.	If convertible, conversion trigger(s)	-	-
19.	If convertible, fully or partially	-	-
20.	If convertible, conversion rate	-	-
21.	If convertible, mandatory or optional conversion	-	-
22.	If convertible, specify instrument type convertible into	-	-
23.	If convertible, specify issuer of instrument it converts into	-	-
24.	Write-down features	-	-
25.	If write-down, write-down trigger(s)	-	-
26.	If write-down, full or partial	-	-
27.	If write-down, permanent or temporary	-	-
28.	If temporary write-down, description of write-up mechanism		
29.	Position in subordination hierarchy in liquidation (specify instrument type immediately senior to instrument)	Non-cumulative preferential shares	Subordinated debt issued in the form of financial instrument
30.	Non-compliant transitioned features	No	No
31.	If yes, specify non-compliant features	-	-

6.3. Annex 3 – Reconciliation of Capital Items in the Balance Sheet with Capital Items referred to in Annex 1 (PI-UPK)

6.3.1. Differences between items in the balance sheet – 30.06.2017

inRSD000

Designation of item	Item	Balance sheet	References
A	ASSETS	-	
A.I	Cash and assets with the central bank	48,163,638	
A.II	Pledged financial assets	-	
A.III	Financial assets recognized at fair value through income statement and held for trading	2,444,835	
A.IV	Financial assets initially recognized at fair value through income statement	-	
A.V	Financial assets available for sale	128,246,890	
A.VI	Financial assets held to maturity	-	
A.VII	Loans and receivables from banks and other financial organizations	34,922,924	
A.VIII	Loans and receivables from clients	141,862,687	
A.IX	Changes in fair value of hedged items	-	
A.X	Receivables arising from financial derivatives intended for hedging	-	
A.XI	Investments in associated companies and joint ventures	-	

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A.XII	Investments in subsidiaries	2,611,859	
	<i>Of which direct or indirect investments in banks and other financial sector persons</i>	121,681	
A.XIII	Intangible assets	323,055	
	Intangible assets, including goodwill (net of associated deferred tax liabilities) (-)	323,055	section 13, paragraph 1, item 2) (No10. PI-KAP)
A.XIV	Property, plant and equipment	5,718,325	
A.XV	Investment property	2,084,645	
A.XVI	Current tax assets	-	
A.XVII	Deferred tax assets	1,768,775	
	Deferred tax assets that rely on future profitability and do not arise from temporary differences net of associated deferred tax liabilities if the conditions from DCA prescribed under Section 14. Paragraph 1. are fulfilled	1,235,813	section 13, paragraph 1, item 3) (No11. PI-KAP)
A.XVIII	Non-current assets held for sale and discontinued operations	181,081	
A.XIX	Other assets	5,669,825	
	<i>of which: direct or indirect investment in banks and other financial sector persons that exceed 10% of the capital of such banks and/or other financial sector persons</i>	-	
A.XX	TOTAL ASSETS (ADP items from 0001 to 0019 in the consolidated balance sheet)	373,998,539	
P	LIABILITIES	-	
PO	LIABILITIES	-	
PO.I	Financial liabilities recognized at fair value through income statement and held for trading	-	
PO.II	Financial liabilities initially recognized at fair value through income statement	-	
PO.III	Liabilities arising from financial derivatives intended for hedging	-	
PO.IV	Deposits and other liabilities to banks, other financial organizations and central bank	5,655,581	
PO.V	Deposits and other liabilities to other clients	294,511,663	
PO.VI	Changes in fair value of hedged items	-	
PO.VII	Own securities issued and other borrowings	-	
PO.VIII	Subordinated liabilities	6,050,242	
	<i>Shares and other Tier 2 capital instruments and subordinated liabilities which fulfil the requirements as laid out in Section 28 of the DCA and related share premium accounts related to instruments</i>	605,567	section 27, paragraph 1, items 1) and 2) (No 41.)
	<i>of which: subordinated liabilities included in the Bank's Tier 2 Capital</i>	-	
PO.IX	Provisions	1,241,184	
PO.X	Liabilities under assets held for sale and discontinued operations	-	
PO.XI	Current tax liabilities	-	
PO.XII	Deferred tax liabilities	576,374	
PO.XIII	Other liabilities	5,294,225	
PO.XIV	TOTAL LIABILITIES (ADP items from 0401 to 0413 in the consolidated balance sheet)	313,329,269	
	CAPITAL	-	
PO.XV	Share capital	40,034,550	

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	<i>of which: shares and other capital instruments which fulfil the requirements as laid out in Section 8 of the DCA</i>	16,817,956	section 7, paragraph 1, item 1) and section 8 (No 1.1. PI-KAP)
	<i>of which: relevant share premium with the instruments referred to in item 1.1, i.e. the amount paid above par value of those instruments</i>	22,843,084	section 7, paragraph 1, item 1) and section 8 (No 1.2. PI-KAP)
	<i>Shares and other capital instruments which fulfill the conditions stated under section 23. DCA and associated share premium</i>	373,510	section 22, paragraph 1, items 1) and 2) (No 30. PI-KAP)
PO.XVI	Own shares	-	
PO.XVII	Profit	5,655,975	
	<i>of which: undistributed gains from previous years</i>	-	
	<i>of which: current period gain</i>	5,655,975	
PO.XVIII	Loss	-	
	<i>of which: previous years losses</i>	-	
	<i>of which: current year loss</i>	-	
PO.XIX	Reserves	14,978,745	
	<i>Revaluation reserves and other unrealized gains</i>	3,912,441	section 7, paragraph 1, item 4) (No 4. PI-KAP)
	<i>Current period and previous period losses, and unrealized losses (-)</i>	3,776	section 13, paragraph 1, item 1) (No 24 PI-KAP)
	<i>Reserves from profit and other reserves, except for reserves for general banking risks</i>	11,061,535	section 7, paragraph 1, item 5) (No 5. PI-KAP)
PO.XX	Unrealized losses	-	
PO.XXI	Non-controlling interests	-	
	<i>Non-controlling interests (minority interest) given recognition in CET1 Capital</i>	-	No 7. PI-KAP
PO.XXII	TOTAL CAPITAL <i>(the result of addition/deduction of the following AOP items in consolidated balance sheet: 0415 – 0416 + 0417 – 0418 + 0419 – 0420 + 0421) ≥ 0</i>	60,669,270	
PO.XXIII	TOTAL CAPITAL SHORTFALL <i>(the result of addition/deduction of the following AOP items in consolidated balance sheet: 0415 – 0416 + 0417 – 0418 + 0419 – 0420 + 0421) < 0</i>	-	
PO.XXIV	TOTAL LIABILITIES <i>(the result of addition/deduction of the following AOP items in consolidated balance sheet: 0414 + 0422 – 0423)</i>	373,998,539	
V.P.	OFF-BALANCE SHEET ITEMS	-	
V.P.A.	Off-balance sheet assets	473,894,417	
V.P.P.	Off-balance sheet liabilities	473,894,417	

6.3.2. Reconciliation of items resulting from the expanding of the balance sheet and the Bank's capital items referred to in Annex 1 – 30.06.2017

in RSD000			
No	Item	Amount	Reconciliation with BS
	Common Equity Tier 1: elements		
1	CET1 capital instruments and the related share premium accounts	39,661,040	
1.1.	<i>of which: shares and other capital instruments which fulfil the requirements as laid out in Section 8 of the DCA</i>	16,817,956	section 7, paragraph 1, item 1) and section 8
1.2.	<i>of which: relevant share premium with the instruments referred to in item 1.1, i.e. the amount paid above par value of those instruments</i>	22,843,084	section 7, paragraph 1, item 2)

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2	Profit from preceding years free of any future liabilities, to be allocated to CET 1 capital according to the decision of the bank's assembly	-	section 10, paragraph 1
3	Profit of the current year or profit from the preceding year which the bank's assembly still has not decided to allocate in CET 1 capital which fulfil the requirements as laid out in Section 10, paras 2 and 3 on inclusion into CET 1 capital	-	section 10, paras 2 and 3
4	Revaluation reserves and other unrealised gains		section 7, paragraph 1, item 4)
5	Reserves from profit and other bank reserves, except for reserves for general banking risks	11,061,535	section 7, paragraph 1, item 5)
6	Reserves for general banking risks	-	section 7, paragraph 1, item 6)
7	Non-controlling participations (minority interests) allowed in CET1**	-	
8	Common Equity Tier 1 capital before regulatory adjustments and deductibles (sum of rows from 1 to 7)	50,722,575	
Common Equity Tier 1 capital: regulatory adjustments and deductibles			
9	Additional value adjustments (-)	-	section 12, paragraph 5
10	Intangible assets, including goodwill (net of deferred tax liabilities) (-)	(323,055)	section 13, paragraph 1, item 2)
11	Deferred tax assets that rely on future profitability of the bank, excluding those arising from temporary differences (net of related deferred tax liability where the conditions referred to in Section 14, paragraph 1 of the DCA are met)	(1,235,813)	section 13, paragraph 1, item 3)
12	Fair value reserves related to gains or losses on cash flow hedges of financial instruments that are not valued at fair value, including projected cash flows	-	section 12, paragraph 1, item 1)
13	IRB Approach: Negative amount of difference resulting from the calculation in accordance with Section 134 of the DCA (-)	-	section 13, paragraph 1, item 4)
14	Any increase in equity that results from securitisation exposures (-)	-	section 11
15	Gains or losses on bank's liabilities valued at fair value resulting from changes in own credit standing	-	section 12, paragraph 1, item 2)
16	Defined benefit pension fund assets on the balance sheet of the bank(-)	-	section 13, paragraph 1, item 5)
17	Direct, indirect and synthetic holdings by a bank of own Common Equity Tier 1 instruments, including own CET 1 instruments that a bank is under an actual or contingent obligation to purchase by virtue of an existing contractual obligation (-)	-	section 13, paragraph 1, item 6)
18	Direct, indirect and synthetic holdings of the CET 1 instruments of financial sector entities where those entities have a reciprocal cross holding with the bank, designed to inflate artificially the capital of the bank (-)	-	section 13, paragraph 1, item 7)
19	Applicable amount of direct, indirect and synthetic holdings by the bank of the CET1 instruments of financial sector entities where the bank does not have a significant investment in those entities (-)	-	section 13, paragraph 1, item 8)
20	Applicable amount of direct, indirect and synthetic holdings of the CET1 instruments of financial sector entities where the bank has a significant investment in those entities (-)	-	section 13, paragraph 1, item 9)
21	Exposure amount of the following items which qualify for a risk weight of 1.250%, where the bank deducts that exposure amount from the amount of CET1 items as an alternative to applying a risk weight of 1.250%	-	section 13, paragraph 1, item 11)
21.1.	<i>of which: holdings in entities outside the financial sector in the amount of over 10% of capital of those entities, i.e. holdings that allow exerting a significant impact on managing of a legal entity or on the business policy of that legal entity (-)</i>	-	section 13, paragraph 1, item 11), line one
21.2.	<i>of which: securitisation positions (-)</i>	-	section 13, paragraph 1, item 11), line second
21.3.	<i>of which: free deliveries (-)</i>	-	section 13, paragraph 1, item 11), line third
22	Deferred tax assets that rely on the bank's future profitability arising from temporary differences (amount above 10% of bank's CET1 capital referred to in Section 21, paragraph 2, reduced by the amount of	-	section 21, paragraph 1, item 1)

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	related tax liabilities where the requirements referred to in Section 14, paragraph 1 of the DCA are met (-)		
23	Sum of deferred tax assets and holdings of financial sector entities where the bank has a significant investment referred to in Section 21, paragraph 1 of the DCA in such entities, which exceeds the threshold referred to in Section 21, paragraph 3 of the DCA (-)	-	section 21, paragraph 1
23.1.	<i>of which: Direct, indirect and synthetic holdings of the CET1 instruments of financial sector entities where the bank has a significant investment in those entities</i>	-	section 21, paragraph 1, item 2)
23.2.	<i>of which: Deferred tax assets arising from temporary differences</i>	-	section 21, paragraph 1, item 1)
24	Losses for the current and previous years, and unrealised losses (-)	(3,776)	section 13, paragraph 1, item 1)
25	Any tax charge relating to CET1 elements foreseeable at the moment of its calculation, except where the bank suitably adjusts the amount of CET1 elements insofar as such tax charges reduce the amount up to which those items may be used to cover risks or losses (-)	-	section 13, paragraph 1, item 12)
26	Amount of items required to be deducted from the bank's Additional Tier 1 items that exceeds Additional Tier 1 capital of the bank (-)	-	section 13, paragraph 1, item 10)
27	Amount of required reserve for estimated losses on balance-sheet assets and off-balance sheet items of the bank	(5,800,238)	section 13, paragraph 1, item 13)
28	Total regulatory adjustments and deductibles from CET1 capital (sum of rows from 9 to 27)	(7,362,882)	
29	Common Equity Tier 1 capital (difference between 8 and 28)	43,359,693	
Additional Tier 1 capital: elements			
30	Shares and other capital instruments which fulfil the requirements as laid out in Section 23 of the DCA and related share premium	373,510	section 22, paragraph 1, items 1) and 2)
31	Capital instruments issued by subsidiaries, which are recognised as Additional Tier 1 capital**	-	
32	Additional Tier 1 capital before deductibles (30+31)	373,510	
Additional Tier 1 capital: deductibles			
33	Direct, indirect and synthetic holdings by a bank of own Additional Tier 1 instruments, including the instruments that a bank is obliged to purchase as a result of existing contractual obligations (-)	-	section 26, paragraph 1, item 1)
34	Direct, indirect and synthetic holdings by a bank of the Additional Tier 1 instruments of financial sector entities with which the bank has reciprocal cross holdings, designed to inflate artificially the capital of the bank (-)	-	section 26, paragraph 1, item 2)
35	Applicable amount of direct, indirect and synthetic holdings by a bank of the Additional Tier 1 instruments of financial sector entities where the bank does not have a significant investment in those entities (-)	-	section 26, paragraph 1, item 3)
36	Direct, indirect and synthetic holdings by a bank of the Additional Tier 1 instruments of financial sector entities where the bank has a significant investment in those entities, excluding underwriting positions held for five working days or fewer (-)	-	section 26, paragraph 1, item 4)
37	Amount of items required to be deducted from Tier 2 items that exceed the Tier 2 capital of the bank (-)	-	section 26, paragraph 1, item 5)
38	Total deductibles from Additional Tier 1 capital (sum of rows from 33 to 37)	-	
39	Additional Tier 1 capital (difference between 32 and 38)	373,510	
40	Tier 1 capital (sum of rows 29 and 39)	43,733,203	
Tier 2: elements			
41	Shares and other Tier 2 capital instruments and subordinated liabilities which fulfil the requirements as laid out in Section 28 of the DCA and related share premium accounts related to instruments	605,567	section 27, paragraph 1, items 1) and 2)
42	Capital instruments issued by subsidiaries, which are recognised as Tier 2 capital**	-	
43	Credit risk adjustments that meet the requirements for the inclusion in Tier 2 capital	-	section 27, paragraph 1, items 3) and 4)
44	Tier 2 capital before deductibles (sum of rows from 41 to 43)	605,567	

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Tier 2 capital: deductibles			
45	Direct, indirect and synthetic holdings by a bank of own Tier 2 instruments and subordinated liabilities, including instruments that the bank is obliged to purchase as a result of existing contractual obligations (-)	-	section 30, paragraph 1, item 1)
46	Direct, indirect and synthetic holdings of the Tier 2 instruments and subordinated liabilities of financial sector entities with which the bank has reciprocal cross holdings, designed to inflate artificially the capital of the bank (-)	-	section 30, paragraph 1, item 2)
47	Applicable amount of direct, indirect and synthetic holdings of the Tier 2 instruments and subordinated liabilities of financial sector entities where a bank does not have a significant investment in those entities (-)	-	section 30, paragraph 1, item 3)
48	Direct, indirect and synthetic holdings by the bank of the Tier 2 instruments and subordinated liabilities of financial sector entities where the bank has a significant investment in those entities, excluding underwriting positions held for fewer than five working days (-)	-	section 30, paragraph 1, item 4)
49	Total deductibles from Tier 2 capital (sum of rows from 45 to 48)	-	
50	Tier 2 capital (difference between 44 and 49)	605,567	
51	Total capital (sum of rows 40 and 50)	44,338,770	

6.4. Annex 4 – Data on Total Capital Requirements and Capital Adequacy Ratio (PI-AKB)

			in RSD 000
No	Name	Amount	
			1
I	CAPITAL	44,338,770	
1.	TOTAL COMMON EQUITY TIER 1 CAPITAL	43,359,693	
2.	TOTAL ADDITIONAL TIER 1 CAPITAL	373,510	
3.	TOTAL TIER 2 CAPITAL	605,567	
II	CAPITAL REQUIREMENTS		
1.	CAPITAL REQUIREMENT FOR CREDIT RISK, COUNTERPARTY RISK, DILUTION RISK AND SETTLEMENT/DELIVERY RISK TO FREE DELIVERIES	10,298,445	
1.1.	Standardised Approach (SA)	128,730,566	
1.1.1.	<i>Exposures to central governments and central banks</i>	82,824	
1.1.2.	<i>Exposures to territorial autonomies or local government units</i>	613,407	
1.1.3.	<i>Exposures to public administrative bodies</i>	-	
1.1.4.	<i>Exposures to multilateral development banks</i>	-	
1.1.5.	<i>Exposures to international organisations</i>	-	
1.1.6.	<i>Exposures to banks</i>	4,815,587	
1.1.7.	<i>Exposures to companies</i>	30,481,966	
1.1.8.	<i>Retail exposures</i>	39,017,540	
1.1.9.	<i>Exposures secured by mortgages on immovable property</i>	29,311,005	
1.1.10.	<i>Exposures in default</i>	5,542,658	
1.1.11.	<i>Exposures associated with particularly high risk</i>	-	
1.1.12.	<i>Exposures in the form of covered bonds</i>	-	
1.1.13.	<i>Exposures in the form of securitisation positions</i>	-	
1.1.14.	<i>Exposures to banks and companies with a short-term credit assessment</i>	-	
1.1.15.	<i>Exposures in the form of units in open-ended investment funds</i>	-	
1.1.16.	<i>Equity exposures</i>	9,325,517	
1.1.17.	<i>Other items</i>	9,540,062	
1.2.	Internal Ratings Based Approach (IRB)	-	
1.2.1.	<i>Exposures to central governments and central banks</i>	-	
1.2.2.	<i>Exposures to banks</i>	-	
1.2.3.	<i>Exposures to companies</i>	-	

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1.2.4.	Retail exposures	-
1.2.4.1.	of which: Exposures secured by mortgages on immovable property	-
1.2.4.2.	of which: Qualifying revolving retail exposures	-
1.2.4.3.	of which: Exposures to small and medium-sized enterprises classified as retail exposures	-
1.2.5.	Equity exposures	-
1.2.5.1.	Approach applied:	-
1.2.5.1.1.	Simple Risk-Weight Approach	-
1.2.5.1.2.	PD/LGD Approach	-
1.2.5.1.3.	Internal models approach	-
1.2.5.2.	Types of equity exposures	-
1.2.5.2.1.	Exchange traded equity exposures	-
1.2.5.2.2.	Non-exchange traded equity exposures in sufficiently diversified portfolios	-
1.2.5.2.3.	Other equity exposures	-
1.2.5.2.4.	Equity exposures to which a bank applies the Standardised Approach	-
1.2.6.	Exposures in the form of securitisation positions	-
1.2.7.	Exposures arising from other assets	-
2	CAPITAL REQUIREMENT FOR SETTLEMENT/DELIVERY RISK IN RESPECT OF UNSETTLED TRANSACTIONS	-
3	CAPITAL REQUIREMENT FOR MARKET RISKS	307,356
3.1.	Capital requirements for position, foreign exchange risk and commodities risk calculated under the Standardised Approach	307,356
3.1.1.	Capital requirement for position risk of debt securities	19,160
	of which capital requirement for position risk in respect of securitisation items	-
3.1.2.	Capital requirements for position risk arising from equity securities	130,987
3.1.3.	Additional capital requirement for large exposures from the trading book	-
3.1.4.	Capital requirement for foreign exchange risk	157,209
3.1.5.	Capital requirement for commodities risk	-
3.2.	Capital requirements for position, foreign exchange and commodities risk calculated under the internal models approach	-
4	CAPITAL REQUIREMENTS FOR OPERATIONAL RISK	2,534,459
4.1.	Capital requirement for operational risk calculated under the Basic Indicator Approach	-
4.2.	Capital requirement for operational risk calculated under the Standardised Approach/Alternative Standardised Approach	2,534,459
4.3.	Capital requirement for operational risk calculated under the Advanced Approach	-
III	COMMON EQUITY TIER 1 CAPITAL RATIO (%)	26.40%
IV	TIER 1 CAPITAL RATIO (%)	26.63%
V	TOTAL CAPITAL RATIO (%)	26.99%