Erste Bank a.d. Novi Sad

Basel 3 Pillar III disclosure of data and information as at 30 June 2017







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1. INTRODUCTION

Erste Bank a.d. Novi Sad (hereinafter referred as: the Bank), member of Erste Bank Group (hereinafter referred as: Erste Group), prepares Disclosure Report on data and information (hereinafter referred as: Disclosure Report or Report) as at 30th June 2017. The Report is available at the Bank's website (https://www.erstebank.rs/sr/o-nama/finansijski-izvestaji/objavljivanje-podataka-informacija). The data and/or information in this Report are presented in Republic of Serbia Dinars (hereinafter: RSD) currency and all values are rounded to the nearest thousand (RSD '000), except when otherwise indicated.

The Report fulfils the disclosure requirements according to article 51a of the Law on banks ('Official Gazette of the Republic of Serbia', no. 107/2005, 91/2010 and 14/2015) and according to National Bank of Serbia Decision on Disclosure of Data and Information by Banks ('Official Gazette of the Republic of Serbia', no. 103/2016).

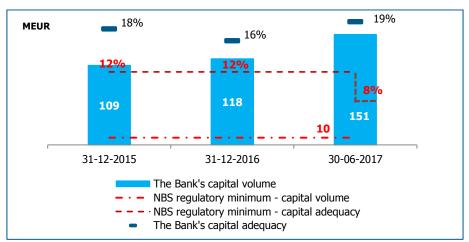
Activities that ensure correctness and adequacy of data and/or information published within the scope of the Disclosure Report are subject to an independent audit.

2. CAPITAL AND CAPITAL ADEQUACY

The Bank complied with the articles of the Decision on Capital Adequacy of Banks (Official Gazette of the Republic of Serbia No. 103/2016) on calculating the regulatory capital. During the reporting period, the Bank's capital has been above the required regulatory minimum.

Additionally, the minimum capital requirements pursuant to the Decision on Capital Adequacy of Banks were complied with at all times during the reporting period (from 30/06/2017 minimum capital requirement was changed from 12% to 8% in accordance with new Basel 3 local regulation).

Abovementioned compliance with regulatory limits is illustrated in the following graph.



Graph 1: The Bank's regulatory capital and capital adequacy

In accordance with the Decision on Disclosure of Data and Information, information on the Bank's capital is further provided in the following insets:

- Form PI-KAP (Inset 1)- the detailed structure of the regulatory capital of the Bank as at 30 June 2017 (with references to the position of the balance sheet assets set out in Inset 3 provided);
- Form PI-FIKAP (Inset 2) data on main features of financial instruments included in calculation of Bank's capital;
- Form PI-UPK (Inset 3)- the balance sheet of the Bank, prepared in accordance with IAS / IFRS standards with breakdown and references to items enabling link to the positions included in Capital reports (except Prudent Valuation Adjustments PVA which cannot be directly linked with position from Balance Sheet) prepared in accordance with the decision on reporting on capital adequacy of banks (Inset 1 form PI-KAP).
- Form PI-AKB (Inset 4)- overview of capital requirements calculated as at 30 June 2017.

Inset 1 - Form PI-KAP - 1/2

Data on Bank's Capital Position (in thousand RSD)

Data On	Bank's Capital Position	(in thousand RSD)		Defense to be et
No	ltem	Amount	DCA reference*	Reference to Inset 3
	Common Equity Tier 1: elements			
1	CET1 capital instruments and the related share premium accounts	10.164.475		
1.1.	of which: shares and other capital instruments which fulfil the requirements as laid out in Section 8 of the DCA	10.040.000	Section 7, paragraph 1, item 1) and Section 8	a
1.2.	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	124.475	Section 7, paragraph 1, item 2)	b
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	0	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	0	Section 10, paras 2 and 3	
4	Revaluation reserves and other unrealised losses	-55.137	Section 7, paragraph 1, item 4)	v
5	Reserves from profit and other bank reserves, except for reserves for general banking risks	7.679.825	Section 7, paragraph 1, item 5)	g
6	Reserves for general banking risks	0	Section 7, paragraph 1, paragraph 6)	
7	Non-controlling participations (minority interests) allowed in CET1**	0		
8	Common Equity Tier 1 capital before regulatory adjustments and deductibles (sum of rows from 1 to 7)	17.789.163		
	Common Equity Tier 1 capital: regulatory adjustments and deductibles	17.17 00.17 00		
9	Additional value adjustments (-)	-21.563	Section 12, paragraph 5	PVA (Prudent Valuation Adjustments) is not part of BS
10	Intangible assets, including goodwill (net of deferred tax liabilities) (-)	-227.481	Section 13, paragraph 1, item 2)	d
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)	0	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	0	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 (-)	0	Section 13, paragraph 1, item 4)	
14	Any increase in equity that results from securitisation exposures (-)	0	Section 11	
15	Gains or losses on bank's liabilities valued at fair value resulting from changes in own credit standing	0	Section 12, paragraph 1, item 2)	
16	Defined benefit pension fund assets on the balance sheet of the bank(-)	0	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 (-)	0	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 (-)	0	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 (-)	0	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 (-)	0	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%	0	Section 13, paragraph 1, item 11)	
21.1.	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 (-)	0	Section 13, paragraph 1, item 11), indent one	
21.2.	of which: securitisation positions (-)	0	Section 13, paragraph 1, item 11), indent two	
21.3.	of which: free deliveries (-)	0	Section 13, paragraph 1, item 11), indent three	
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 (-)	0	Section 21, paragraph 1, item 1)	
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(-)	0	Section 21, paragraph 1	
23.1.	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	0	Section 21, paragraph 1, item 2)	
23.2.	of which: Deferred tax assets arising from temporary differences	0	Section 21, paragraph 1, item 1)	
24	Losses for the current and previous years, and unrealised losses (-)	0	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 (-)	0	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 (-)	0	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	0	Section 13, paragraph 1, item 13)	
28	Total regulatory adjustments and deductibles from CET1 capital (sum of rows from 9 to 27)	-249.044		
29	Common Equity Tier 1 capital (difference between 8 and 28)	17.540.119		

Inset 1 - Form PI-KAP - 2/2

	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 pre		Section 22, paragraph 1, items 1) and 2)	
31	Capital instruments issued by subsidiaries, which are recognised as Additional Tier 1 capital**		10.110 17 4114 27	
32	Additional Tier 1 capital before deductibles (30+31)	0		
	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 (-)	0	Section 26, paragraph 1, item 1)	
34	Is business to purchase as a result or existing contraction objects, 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 (-)	0	Section 26, paragraph 1, item 5)	
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)	0		
40	Tier 1 capital (sum of rows 29 and 39)	0		
	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	735.945	Section 27, paragraph 1, items 1) and 2)	đ
42	Capital instruments issued by subsidiaries, which are recognised as Tier 2 capital**	0		
43	Credit risk adjustments that meet the requirements for the inclusion in Tier 2 capital	0	Section 27, paragraph 1, items 3) and 4)	
44	Tier 2 capital before deductibles (sum of rows from 41 to 43)	735.945		
	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 (-)	0	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 (-)	0	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 (-)	0	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 (-)	0	Section 30, paragraph 1, item 4)	
49	Total deductibles from Tier 2 capital (sum of rows from 45 to 48)	0		
50	Tier 2 capital (difference between 44 and 49)	735.945		
51	Total capital (sum of rows 40 and 50)	18.276.064		
52	Total risk-weighted assets	96.851.812	Section 3, paragraph 2,	
	Capital adequacy ratios and capital buffers			
53	Common Equity Tier 1 capital ratio (%)	18,11	Section 3, paragraph 1, item 1)	
54	Tier 1 capital ratio (%)	18,11	Section 3, paragraph 1, item 2)	
55	Total capital ratio (%)	18,87	Section 3, paragraph 1, item 3)	
56	Total requirements for capital buffers (%)***	5,74	Section 433	
57	Common Equity Tier 1 capital available for capital buffers coverage (%)****	13,61		

Inset 2 - Form PI-FIKAP

Main features of financial instruments included in calculation of Bank's capital

ani icatui	res of financial instruments included in calculation of Bai	ік s сарітаі	T
No	Instrument features	The share capital of the Bank	The subordinated loan granted by Erste Group Bank AG, Vienna
1.	Issuer		
1.1.	Unique identifier (e.g. CUSIP, ISIN or Bloomberg identifier	ISIN: RSNOVBE23514, CFI ESVUFR	
	for private placement) Regulatory treatment	CIT ESVOIR	
	Treatment in accordance with the Decision on Capital	Core capital instrument	Supplementary capital instrument
2.	Adequacy of Banks		
3.	Eligible at solo/(sub-)consolidated/ solo&(sub-) consolidated	Individual and group	Individual and group
4.	Instrument type	Ordinary shares	Subordinated debt issued in the form of financial instrument
5.	Amount recognised in regulatory capital (in RSD thousand, as of most recent reporting date)	Amount of 10,164,474 thousand RSD is recognized for the purposes of calculating regulatory capital (nominal value plus share premium in the amount of 124,474 thousand RSD).	Amount of 735,945 thousand RSD recognised as suplementary capital which fulfill requirements in accordance with Decision on Capita Adequacy.
6.	Nominal amount of instrument	10,040,000 thousand RSD	EUR 15,000,000
6.1.	Issue price	RSD counter value of EUR 218.92	
6.2.	Redemption price		
7.	Accounting classification	Share capital	Liability – depreciated amount
8.	Original date of issuance	/st issue: 4.012.090 thousand RSD 23/11/2004 2nd issue: 1.369.980 thousand RSD 15/06/2006 3rd issue: 1.735.310 thousand RSD 28/12/2006 4th issue: 2.922.620 thousand RSD 19/12/2007	27.12.2011
9.	Perpetual or dated	No maturity date	With maturity date
9.1.	Original maturity date	No maturity date	27.12.2021
		No	No No
10.	Issuer call subject to prior supervisory approval		
10.1.	Optional call date, contingent call dates and redemption amount		
10.2.	Subsequent call dates, if applicable		
	Coupons / dividends		
11.	Fixed or floating dividend/coupon	Variable	Variable
12.	Coupon rate and any related index		Refering to interest on subordinated
13.	Existence of a dividend stopper		loan
14.1.	Fully discretionary, partially discretionary or mandatory (in terms of timing)	Full discretion	No discretion
14.2.	Fully discretionary, partially discretionary or mandatory (in terms of amount)	Full discretion	No discretion
15.	Existence of step up or other incentive to redeem	No	No
16.	Noncumulative or cumulative divident/coupon	Non-cumulative	Non-cumulative
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		
		1	i
21.	If convertible, mandatory or optional conversion		
22.	If convertible, specify instrument type convertible into		
22. 23.	If convertible, specify instrument type convertible into If convertible, specify issuer of instrument it converts into		
22. 23. 24.	If convertible, specify instrument type convertible into If convertible, specify issuer of instrument it converts into Write-down features	No	No
22. 23. 24. 25.	If convertible, specify instrument type convertible into If convertible, specify issuer of instrument it converts into Write-down features If write-down, write-down trigger(s)	No	No
22. 23. 24. 25. 26.	If convertible, specify instrument type convertible into If convertible, specify issuer of instrument it converts into Write-down features If write-down, write-down trigger(s) If write-down, full or partial	No	No
22. 23. 24. 25. 26. 27.	If convertible, specify instrument type convertible into If convertible, specify issuer of instrument it converts into Write-down features If write-down, write-down trigger(s) If write-down, full or partial If write-down, permanent or temporary	No	No
22. 23. 24. 25. 26.	If convertible, specify instrument type convertible into If convertible, specify issuer of instrument it converts into Write-down features If write-down, write-down trigger(s) If write-down, full or partial If write-down, permanent or temporary If temporary write-down, description of write-up mechanism Position in subordination hierarchy in liquidation (specify	Subordinated debt issued in the form of financial	No Other
22. 23. 24. 25. 26. 27. 28.	If convertible, specify instrument type convertible into If convertible, specify issuer of instrument it converts into Write-down features If write-down, write-down trigger(s) If write-down, full or partial If write-down, permanent or temporary If temporary write-down, description of write-up mechanism	Subordinated debt issued in	

Inset 3 - Form PI-UPK

Designatio	wn of elements in the Bank's Balance Sheet and references to positions included in re- Item	Balance sheet	References
n of item	ASSETS	Balance sneet	References
A.I	Cash and assets with the central bank	18.641.847	
A.II	Pledged financial assets	0	
A.III A.IV	Financial assets recognised at fair value through income statement and held for trading Financial assets initially recognised at fair value through income statement	11.955.999	
A.V	Financial assets available for sale	9.051.577	
A.VI	Financial assets held to maturity	7.899.357	
A.VII A.VIII	Loans and receivables from banks and other financial organisations Loans and receivables from clients	963.786 92.826.968	
A.IX	Change in fair value of hedged items	0	
A.X	Receivables arising from hedging derivatives	0	
A.XI	Investments in associated companies and joint ventures	0	
A.XII	Of which direct or indirect investments in banks and other financial sector person persons Investments into subsidiaries	93.560	
7 117 122	Of which direct or indirect investments in banks and other financial sector persons	93.560	
A.XIII	Intangible assets	227.481	d
A.XIV A.XV	Property, plant and equipment Investment property	821.186 12.963	
A.XVI	Current tax assets	0	
A.XVII	Deferred tax assets	14.521	
A.XVIII	Non-current assets held for sale and discontinued operations	68.294	
A.XIX	Other assets Of which direct or indirect investment in banks and other financial sector entities that exceed 10% of	899.895	
	the capital of such banks and/or other financial sector entity	0	
A.XX P	TOTAL ASSETS (AOP items from 0001 to 0019 in the balance sheet) LIABILITIES	143.477.434	
PO	LIABILITIES	0	
PO.I	Financial liabilities recognised at fair value through income statement and held for trading	38.019	
PO.II	Financial liabilities initially recognised at fair value through income statement	0	
PO.III PO.IV	Liabilities arising from hedging derivatives Deposits and other liabilities to banks, other financial organisations and central bank	0 42.588.926	
PO.V	Deposits and other liabilities to other clients	78.064.775	
PO.VI	Change in fair value of hedged items	0	
PO.VII	Own securities issued and other borrowings	0	
	Of which liabilities arising from hybrid instruments	0	
PO.VIII	Subordinated liabilities	1.554.239	
PO.IX	Of which subordinated liabilities included in bank's supplementary capital Provisions	735.945 702.702	đ
PO.IX	Liabilities under assets held for sale and discontinued operations	702.702	
PO.XI	Current tax liabilities	54.308	
PO.XII	Deferred tax liabilities	0	
PO.XIII	Other liabilities	815.125	
PO.XIV	TOTAL LIABILITIES (AOP items from 0401 to 0413 in the balance sheet) CAPITAL	123.818.094 0	
PO.XV	Share capital	10.164.475	
	Of which nominal value of paid-in shares, except cumulative preferential shares	10.040.000	а
	Of which share premium on share capital, except cummulative preferential shares	124.475	b
	Of which nominal value of cumulative preferential shares	0	
	Of which share premium on cumulative preferential shares	0	
	Own shares	_	
PO.XVI		0	
PO.XVI	Of which acquired own shares, except cumulative preferential shares	0	
PO.XVII	Of which acquired own shares, except cumulative preferential shares Of which acquired own cumulative preferential shares		
	Of which acquired own shares, except cumulative preferential shares Of which acquired own cumulative preferential shares	0	
	Of which acquired own shares, except cumulative preferential shares Of which acquired own cumulative preferential shares Profit Of which retained earnings from previous years Of which profit of the current year	0 0 1.485.619	
	Of which acquired own shares, except cumulative preferential shares Of which acquired own cumulative preferential shares Profit Of which retained earnings from previous years Of which profit of the current year Of which profit of the current year for which the General Assembly of the Bank adopted a decision on allocation to	0 0 1.485.619	
	Of which acquired own shares, except cumulative preferential shares Of which acquired own cumulative preferential shares Profit Of which retained earnings from previous years Of which profit of the current year Of which profit of the current year for which the General Assembly of the Bank adopted a decision on allocation to the core capital	0 0 1.485.619 0 1.485.619	
PO.XVII	Of which acquired own shares, except cumulative preferential shares Of which acquired own cumulative preferential shares Profit Of which retained earnings from previous years Of which profit of the current year Of which profit of the current year for which the General Assembly of the Bank adopted a decision on allocation to the core capital	0 0 1.485.619 0 1.485.619	
PO.XVIII	Of which acquired own shares, except cumulative preferential shares Of which acquired own cumulative preferential shares Profit Of which retained earnings from previous years Of which profit of the current year Of which profit of the current year for which the General Assembly of the Bank adopted a decision on allocation to the core capital Loss	0 0 1.485.619 0 1.485.619	
PO.XVII	Of which acquired own shares, except cumulative preferential shares Of which acquired own cumulative preferential shares Profit Of which retained earnings from previous years Of which profit of the current year Of which profit of the current year for which the General Assembly of the Bank adopted a decision on allocation to the core capital Loss Of which bases from previous years Of which base in the current year Reserves	0 0 1.485.619 0 1.485.619 0 0 0 0 8.009.246	
PO.XVIII	Of which acquired own shares, except cumulative preferential shares Of which acquired own cumulative preferential shares Profit Of which retained earnings from previous years Of which profit of the current year Of which profit of the current year for which the General Assembly of the Bank adopted a decision on allocation to the core capital Loss Of which bases from previous years Of which bases from previous years Of which base in the current year Reserves Of which reserves from profit which represent element of core capital	0 0 1.485.619 0 1.485.619 0 0 0 0 8.009.246 7.679.825	g
PO.XVIII	Of which acquired own shares, except cumulative preferential shares Of which acquired own cumulative preferential shares Profit Of which retained earnings from previous years Of which profit of the current year Of which profit of the current year for which the General Assembly of the Bank adopted a decision on allocation to the core capital Loss Of which bases from previous years Of which bases from previous years Of which base in the current year Reserves Of which reserves from profit which represent element of core capital Of which other positive consolidated reserves	0 0 1.485.619 0 1.485.619 0 0 0 0 8.009.246 7.679.825	g
PO.XVIII	Of which acquired own shares, except cumulative preferential shares Of which acquired own cumulative preferential shares Profit Of which retained earnings from previous years Of which profit of the current year Of which profit of the current year for which the General Assembly of the Bank adopted a decision on allocation to the core capital Loss Of which bases from previous years Of which bases from previous years Of which base in the current year Reserves Of which reserves from profit which represent element of core capital Of which other positive consolidated reserves Of which other negative consolidated reserves	0 0 1.485.619 0 1.485.619 0 0 0 0 8.009.246 7.679.825	9
PO.XVIII	Of which acquired own shares, except cumulative preferential shares Of which acquired own cumulative preferential shares Profit Of which retained earnings from previous years Of which profit of the current year Of which profit of the current year for which the General Assembly of the Bank adopted a decision on allocation to the core capital Loss Of which bases from previous years Of which bases from previous years Of which loss in the current year Reserves Of which reserves from profit which represent element of core capital Of which other positive consolidated reserves Of which other negative consolidated reserves Of which other net negative revaluation reserves	0 0 1.485.619 0 1.485.619 0 0 0 0 8.009.246 7.679.825 0 0	g
PO.XVIII	Of which acquired own shares, except cumulative preferential shares Of which acquired own cumulative preferential shares Profit Of which retained earnings from previous years Of which profit of the current year Of which profit of the current year for which the General Assembly of the Bank adopted a decision on allocation to the core capital Loss Of which bases from previous years Of which bases from previous years Of which loss in the current year Reserves Of which reserves from profit which represent element of core capital Of which other positive consolidated reserves Of which other negative consolidated reserves Of which other net negative revaluation reserves Of which other net negative revaluation reserves Of which gains on bank labilities measured at fair value due to the change in bank's credit rating	0 0 1.485.619 0 1.485.619 0 0 0 0 8.009.246 7.679.825 0	g
PO.XVIII	Of which acquired own shares, except cumulative preferential shares Of which acquired own cumulative preferential shares Profit Of which retained earnings from previous years Of which profit of the current year Of which profit of the current year for which the General Assembly of the Bank adopted a decision on allocation to the core capital Loss Of which bases from previous years Of which bases from previous years Of which loss in the current year Reserves Of which reserves from profit which represent element of core capital Of which other positive consolidated reserves Of which other negative consolidated reserves Of which other net negative revaluation reserves	0 0 1.485.619 0 1.485.619 0 0 0 0 8.009.246 7.679.825 0 0	g
PO.XVIII	Of which acquired own shares, except cumulative preferential shares Of which acquired own cumulative preferential shares Profit Of which retained earnings from previous years Of which profit of the current year Of which profit of the current year for which the General Assembly of the Bank adopted a decision on allocation to the core capital Loss Of which bases from previous years Of which bases from previous years Of which base in the current year Reserves Of which reserves from profit which represent element of core capital Of which other positive consolidated reserves Of which other negative consolidated reserves Of which other net negative consolidated reserves Of which other net negative revaluation reserves Of which gains on bank labilities measured at fair value due to the change in bank's credit rating Of which positive revaluation reserves created on the basis of effects of changes in fair value of fixed assets,	0 0 1.485.619 0 1.485.619 0 0 0 0 8.009.246 7.679.825 0 0	g
PO.XVIII	Of which acquired own shares, except cumulative preferential shares Profit Of which acquired own cumulative preferential shares Profit Of which retained earnings from previous years Of which profit of the current year Of which profit of the current year for which the General Assembly of the Bank adopted a decision on allocation to the core capital Loss Of which losses from previous years Of which loss in the current year Reserves Of which reserves from profit which represent element of core capital Of which other positive consolidated reserves Of which other negative consolidated reserves Of which other net negative consolidated reserves Of which other net negative revaluation reserves Of which gains on bank labilities measured at fair value due to the change in bank's credit rating Of which positive revaluation reserves created on the basis of effects of changes in fair value of fixed assets, securities and other assets which are, in accordance with IFRS/IAS, credited to these reserves.	0 0 1.485.619 0 1.485.619 0 0 0 0 8.009.246 7.679.825 0 0 0	
PO.XVIII	Of which acquired own shares, except cumulative preferential shares Profit Of which acquired own cumulative preferential shares Profit Of which retained earnings from previous years Of which profit of the current year Of which profit of the current year for which the General Assembly of the Bank adopted a decision on allocation to the core capital Loss Of which bases from previous years Of which bases from previous years Of which base in the current year Reserves Of which reserves from profit which represent element of core capital Of which other positive consolidated reserves Of which other negative consolidated reserves Of which other net negative revaluation reserves Of which gains on bank labilities measured at fair value due to the change in bank's credit rating Of which positive revaluation reserves created on the basis of effects of changes in fair value of fixed assets, securities and other assets which are, in accordance with IFRS/IAS, credited to these reserves. Of which unrealised bases on securities available for sale	0 0 1.485.619 0 1.485.619 0 0 0 0 8.009.246 7.679.825 0 0 0	
PO.XVIII PO.XIX	Of which acquired own shares, except cumulative preferential shares Profit Of which acquired own cumulative preferential shares Profit Of which retained earnings from previous years Of which profit of the current year Of which profit of the current year for which the General Assembly of the Bank adopted a decision on allocation to the core capital Loss Of which losses from previous years Of which losses from previous years Of which loss in the current year Reserves Of which reserves from profit which represent element of core capital Of which other positive consolidated reserves Of which other negative consolidated reserves Of which other net negative revaluation reserves Of which other net negative revaluation reserves Of which gains on bank labilities measured at fair value due to the change in bank's credit rating Of which positive revaluation reserves created on the basis of effects of changes in fair value of fixed assets, securities and other assets which are, in accordance with IFRS/IAS, credited to these reserves. Of which unrealised losses on securities available for sale Of which tax liabilities Unrealised losses	0 0 1.485.619 0 1.485.619 0 0 0 8.009.246 7.679.825 0 0 0 358.748 55.137 25.810 0	
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PO.XVIII PO.XIX PO.XXI PO.XXII PO.XXIII PO.XXIII PO.XXIII	Of which acquired own shares, except cumulative preferential shares Profit Of which retained earnings from previous years Of which retained earnings from previous years Of which profit of the current year Of which profit of the current year for which the General Assembly of the Bank adopted a decision on allocation to the core capital Loss Of which basses from previous years Of which basses from previous years Of which bas in the current year Reserves Of which other positive consolidated reserves Of which other negative consolidated reserves Of which other net negative revaluation reserves Of which gains on bank labilities measured at fair value due to the change in bank's credit rating Of which positive revaluation reserves created on the basis of effects of changes in fair value of fixed assets, securities and other assets which are, in accordance with IFRS/IAS, credited to these reserves. Of which actuarial gains Of which tax labilities Unrealised losses Non-controlling participation Of which minority participation in subordinated companies TOTAL CAPITAL (result of adding up and/or subtracting the following balance sheet items: 0415-0416+0417-0418+0419+0420) ≥ 0 TOTAL LIABILITIES (result of adding up and/or subtracting the following balance sheet items: 0415-0416+0417-0418+0419+0420) < 0 TOTAL LIABILITIES (result of adding up and/or subtracting the following balance sheet items: 0415-0416+0417-0418+0419+0420) < 0 TOTAL LIABILITIES (result of adding up and/or subtracting the following balance sheet items: 0414+0421-0422) OFF-BALANCE SHEET ITEMS	0 0 1.485.619 0 0 1.485.619 0 0 1.485.619 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0	
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PO.XVIII PO.XIX PO.XXI PO.XXII PO.XXIII PO.XXIII PO.XXIII	Of which acquired own shares, except cumulative preferential shares Profit Of which retained earnings from previous years Of which retained earnings from previous years Of which profit of the current year Of which profit of the current year for which the General Assembly of the Bank adopted a decision on allocation to the core capital Loss Of which basses from previous years Of which basses from previous years Of which bas in the current year Reserves Of which other positive consolidated reserves Of which other negative consolidated reserves Of which other net negative revaluation reserves Of which gains on bank labilities measured at fair value due to the change in bank's credit rating Of which positive revaluation reserves created on the basis of effects of changes in fair value of fixed assets, securities and other assets which are, in accordance with IFRS/IAS, credited to these reserves. Of which actuarial gains Of which tax labilities Unrealised losses Non-controlling participation Of which minority participation in subordinated companies TOTAL CAPITAL (result of adding up and/or subtracting the following balance sheet items: 0415-0416+0417-0418+0419+0420) ≥ 0 TOTAL LIABILITIES (result of adding up and/or subtracting the following balance sheet items: 0415-0416+0417-0418+0419+0420) < 0 TOTAL LIABILITIES (result of adding up and/or subtracting the following balance sheet items: 0415-0416+0417-0418+0419+0420) < 0 TOTAL LIABILITIES (result of adding up and/or subtracting the following balance sheet items: 0414+0421-0422) OFF-BALANCE SHEET ITEMS	0 0 1.485.619 0 0 1.485.619 0 0 1.485.619 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0	

Inset 4 - Form PI-AKB

	equirements and capital adequacy ratio	Amount
No	Name	1
1	CAPITAL	18.276.06
1.	TOTAL COMMON EQUITY TIER 1 CAPITAL	17.540.11
2.	TOTAL ADDITIONAL TIER 1 CAPITAL	
3.	TOTAL TIER 2 CAPITAL	705.04
		735.94
II	CAPITAL REQUIREMENTS	7.748.14 6.443.56
1.	CAPITAL REQUIREMENT FOR CREDIT RISK, COUNTERPARTY RISK, DILUTION RISK AND SETTLEMENT/DELIVERY RISK TO FREE DELIVERIES	0.443.30
1.1.	Standardised Approach (SA)	80.544.61
1.1.1.	Exposures to central governments and central banks	
1.1.2.	Exposures to territorial autonomies or local government units	2.295.96
1.1.3.	Exposures to public administrative bodies	431.51
1.1.4.	Exposures to multilateral development banks	
1.1.5.	Exposures to international organisations	
1.1.6.	Exposures to banks	1.229.96
1.1.7.	Exposures to companies	34.771.60
1.1.8.	Retail exposures	22.139.11
1.1.9.	Exposures secured by mortgages on immovable property	16.700.26
1.1.10.	Exposures in default	1.445.78
1.1.11.	Exposures associated with particularly high risk	
1.1.12.	Exposures in the form of covered bonds	
1.1.13.	Exposures in the form of securitisation positions	
1.1.14.	Exposures to banks and companies with a short-term credit assessment	
1.1.15.	Exposures in the form of units in open-ended investment funds	
1.1.16.	Equity exposures	313.38
1.1.17.	Other items	1.216.99
1.2.	Internal Ratings Based Approach (IRB)	
1.2.1.	Exposures to central governments and central banks	
1.2.2.	Exposures to banks	
1.2.3.	Exposures to companies	
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. 1.2.5.2.	Internal models approach	
1.2.5.2.1.	Types of equity exposures 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	211.08
3	CAPITAL REQUIREMENT FOR MARKET RISKS Capital requirements for position, foreign exchange risk and commodities risk calculated	
3.1.	under the Standardised Approach	211.08
3.1.1.	Capital requirement for position risk of debt securities	176.8
	of which capital requirement for position risk in respect of securitisation items	
3.1.2.	Capital requirements for position risk arising from equity securities	
3.1.3.	Additional capital requirement for large exposures from the trading book	
3.1.4.	Capital requirement for foreign exchange risk	34.2
3.1.5.	Capital requirement for commodities risk	
	Capital requirements for position, foreign exchange and commodities risk calculated under	
3.2.	the internal models approach	
4	CAPITAL REQUIREMENTS FOR OPERATIONAL RISK	1.084.68
4.1.	Capital requirement for operational risk calculated under the Basic Indicator Approach	1.084.68
4.2.	Capital requirement for operational risk calculated under the Standardised	
	Approach/Alternative Standardised Approach	
4.3.	Capital requirement for operational risk calculated under the Advanced Approach	
5	CAPITAL REQUIREMENTS FOR CREDIT VALUATION ADJUSTMENT RISK	8.80
III	COMMON EQUITY TIER 1 CAPITAL RATIO (%)	18,1
IV	TIER 1 CAPITAL RATIO (%)	18,1
		18,8
V	TOTAL CAPITAL RATIO (%)	10,0

The table below lists separately regulatory adjustments and deductions from the Bank's capital by type and amount:

	RSD '000
Common Equity Tier 1	
Common Equity Tier 1 capital: regulatory adjustments	-21.563
(-) Additional value adjustments	-21.563
Common Equity Tier 1 capital: deductibles	-282.618
(-) Revaluation reserves and other unrealised losses	-55.137
(-) Intangible assets, including goodwill (net of deferred tax liabilities)	-227.481
Additional Tier 1 capital	
Additional Tier 1 capital: deductibles	-
Tier 2 capital	
Tier 2 capital: deductibles	-

Table 1: Regulatory adjustments and deductibles from the Bank's capital

In accordance with article no.21, paragraph no.1 of the Decision on capital adequacy ("Official Gazette of the Republic of Serbia", No. 103/2016), the Bank does not deduct from the CET 1 following items: 1) deferred tax assets that rely on future profitability and arise from temporary differences, and in aggregate are equal to or less than 10% of the bank's Common Equity Tier 1 capital referred to in paragraph 2 of this Section; and 2) where a bank has a significant investment in a financial sector entity, the direct, indirect and synthetic investments of that bank in the Common Equity Tier 1 instruments of those entities that in aggregate are equal to or less than 10% of the bank's Common Equity Tier 1 capital referred to in paragraph 2 of this Section, which are in the sum less than the amount of the limit referred to in paragraph 3 of this item. The Bank has significant investments in S-Leasing d.o.o. Belgrade (entity in financial sector) in the amount of RSD 93.6 mln, however, the amount does not exceed the limit of 10% of the Common Equity Tier 1 of the Bank calculated in accordance with point 21, paragraph 2 of the Decision on capital adequacy of the bank, and accordingly does not represent a deductible item from the capital of the Bank.

The table below lists limits for applying exceptions to deductible items from the Bank's CET 1:

RSD '000

LIMITS FOR APPLYING EXCEPTIONS TO DEDUCTIBLE ITEMS FROM THE BANK'S CET 1	
Limit to which investments in financial sector entity in which the Bank does not have a significant	
investment are not deducted from the capital	1.754.012
Limit calculated as 10% of CET 1 in accordance with article no.21, paragraph no.2 of the Decision	
on capital adequacy of Banks	1.754.012
Limit calculated as 17.65% of CET 1 in accordance with article no.21, paragraph no.3 of the	
Decision on capital adequacy of Banks	3.094.077
Eligible capital in accordance with article no.13, paragraph no.8 of the Decision on capital adequacy	
of Banks	18.276.064

Table 2: Limits for applying exceptions to deductible items from the Bank's CET 1

The leverage indicator of the Bank, which represents the ratio of the equity capital, which is calculated as the sum of the CET 1 and additional equity capital in accordance with the Decision regulating the capital adequacy of the Bank, and the amount of the Bank's exposure, amounted to 10.48% as of 30/06/2017.

3. CREDIT RISK MITIGATION QUANTITATIVE DISLOSURES

The table below presents net exposure before and after the use of credit protection, i.e. adjustment for effects of CRM techniques, by risk weight band.

Exposure* Risk weight **Net Exposure*** band **Exposure class** after CRM Central Governments and Central Banks 33.303.669 0% 35.239.309 Local Governments and Local Authorities 20% 10.964 10.964 100% 2.394.411 2.394.411 **Public Administrative Bodies** 20% 86.279 86.279 100% 441.189 441.189 Multilateral development banks 60.352 0% 60.352 Institutions 20% 1.289.047 1.288.800 100% 1.443.391 1.443.391 Corporates 100% 43.400.087 39.542.987 75% 33.137.819 32.590.734 35% Exposures secured by mortage 12.929.821 12.929.821 50% 9.112.004 9.112.004 100% 8.035.975 8.035.975 Past due exposures 100% 1.303.037 1.302.439 150% 111.397 100.135 Other items 0% 2.772.560 2.772.560 20% 61.300 61.300 1.276.420 100% 1.264.655 250% 14.521 14.521 Equity investments 100% 79.489 79.489 250% 93.560 93.560 Total 151.357.290 148.864.875

Table 3: Net exposure before and after CRM per exposure class

Net exposure per exposure class is secured by the following amount of collateral type recognised credit risk mitigation as at 30 June 2017:

RSD '000

Exposure class	Net Exposure*	Guarantees*	Cash deposit
Central Governments and Central Banks	33.303.669	-	-
Local Governments and Local Authorities	2.405.374	=	=
Public Administrative Bodies	527.468	-	-
Multilateral development banks	60.352	-	-
Institutions	2.732.438	-	247
Shares in Investment Funds	-	-	-
Corporates	43.400.087	1.935.640	1.921.460
Retail	33.137.819	-	547.085
Exposures secured by residential property	30.077.800	-	-
Past due exposures	1.414.433	-	11.860
Other items	4.124.801	-	11.764
Equity investments	173.049	-	-
Total	151.357.290	1.935.640	2.492.415

^{*} Without items for which there can be no payments

Table 4: Net exposure and CRM by type of CRM instrument

^{*} Without items for which there can be no payments

4. BANKING GROUP

The Banking Group prepares consolidated reports in accordance with International Financial Reporting Standards. The Banking Group also prepares consolidated reports in accordance with the Decision on Consolidated Supervision of Banking Group (RS Official Gazette, no. 45/2011 and 58/2017).

For both purposes, consolidation is performed by applying full consolidation method for the subsidiary S-Leasing.

In accordance with the NBS Decision on Disclosure of Data and Information by banks, information on Banking Group consolidated capital as at 30 June 2017, is further provided in the following insets:

- Form PI-KAP (Inset cons. 1)- the detailed structure of the regulatory capital on consolidated basis as at 30 June 2017 (with references to the position of the balance sheet assets set out in Inset cons. 3 provided);
- Form PI-FIKAP (Inset cons. 2) data on main features of financial instruments included in calculation of Banking Group regulatory capital;
- Form PI-UPK (Inset cons. 3) consolidated balance sheet of the Banking group (prepared in accordance with IAS/IFRS standards) with breakdown and references to items enabling link to the positions included in Consolidated Capital report (except Prudent Valuation Adjustments PVA which cannot be directly linked with position from Balance Sheet) prepared in accordance with the Decision on reporting on capital adequacy of banks (Inset cons. 1– form PI-KAP);
- Form PI-AKB (Inset cons. 4) overview of Capital Requirement calculated on consolidated basis.

Inset cons. 1- Form PI-KAP - 1/2

Consolidated Data on capital position of the Banking Group (RSD thousand)

Consolia	ated Data on capital position of the Banking Group	(RSD thousand)		
No	Item	Amount	DCA reference*	Reference to Inset cons 3
	Common Equity Tier 1: elements			
1	CET1 capital instruments and the related share premium accounts	10.164.475		
1.1.	of which: shares and other capital instruments which fulfil the requirements as laid out in Section 8 of the DCA		Section 7, paragraph 1, item 1) and Section 8	a
1.2.	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		Section 7, paragraph 1, item 2)	b
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	0	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	0	Section 10, paras 2 and 3	
4	Revaluation reserves and other unrealised losses	-55.137	Section 7, paragraph 1, item 4)	v
5	Reserves from profit and other bank reserves, except for reserves for general banking risks	7.679.825	paragraph 1, item 5)	g
6	Reserves for general banking risks	0	Section 7, paragraph 1, paragraph 6)	
7	Non-controlling participations (minority interests) allowed in CET1**	16.875		
8	Common Equity Tier 1 capital before regulatory adjustments and deductibles (sum of rows from 1 to 7)	17.806.038		
	Common Equity Tier 1 capital: regulatory adjustments and deductibles			
9	Additional value adjustments (-)	-21.563		PVA (Prudent Valuation Adjustments) is no part of BS
10	Intangible assets, including goodwill (net of deferred tax liabilities) (-)	-229.476	Section 13, paragraph 1, item 2)	đ
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)	0	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	0	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 (-)	0	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	0	Section 12, paragraph 1, item 2)	
16	Defined benefit pension fund assets on the balance sheet of the bank(-)	0	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 (-)	0	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 (-)	0	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 (-)	0	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%		paragraph 1, item	
21.1.	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 (-)	0	Section 13, paragraph 1, item 11), indent one	
21.2.	of which: securitisation positions (-)	0	Section 13, paragraph 1, item	
21.3.	of which: free deliveries (-)		Section 13, paragraph 1, item	
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 (-)		Section 21, paragraph 1, item 1)	
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(-)	0	Section 21, paragraph 1	
23.1.	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	0	Section 21, paragraph 1, item 2) Section 21,	
23.2.	of which: Deferred tax assets arising from temporary differences	0	paragraph 1, item 1) Section 13,	
24	Losses for the current and previous years, and unrealised losses (-)	0	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 (-)	0	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 (-)	0	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	0	Section 13, paragraph 1, item 13)	
28	Total regulatory adjustments and deductibles from CET1 capital (sum of rows from 9 to 27)	-251.039		
29	Common Equity Tier 1 capital (difference between 8 and 28)	17.554.999		

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Additional Tier Couplies elements 30 Sines and other capital instruments which fulf the requirements as laid out in Section 22 of the DCA and related sh 20 partial instruments issued by subsidiaries, which are recognised as Additional Tier 1 capital instruments issued by subsidiaries, which are recognised as Additional Tier 1 capital before deductibles 31 Additional Tier 1 capital before deductibles 32 Direct, Indicate and synthetic holdings by a bark of no Additional Tier 1 instruments, including the instruments that a bank to obliged to purchase an execut of existing contractual deligations (-) 33 Direct, Indicate and synthetic holdings by a bank of no Additional Tier 1 instruments of financial sector entities with which the bank has recipional departments of instruments of financial sector entities with which the bank has recipional to the contract of instruments and synthetic holdings by a bank of the Additional Tier 1 instruments of financial sector entities with which the bank has recipional to the deduction Tier instruments of financial sector entities with a significant investment in those entities (-) 34 Direct, Indicate and synthetic holdings by bank of the Additional Tier 1 instruments of financial sector entities when the bank does not have a significant investment in those entities (-) 35 Contract of the standard of the deduction of the standard of the standard of the bank (-) 36 Contract of the standard of the deduction of the standard of t					
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a bank is obliged to purchase as a result of existing contractual obligations () Direct, indicest and synthetic holdings by a bank of the Additional Ter 1 instruments of financial sector entities with which the bank has reciprocal cross holdings, designed to inflate artificially the capital of the bank () Applicable amount of direct, indirect and synthetic holdings by a bank of the Additional Ter 1 instruments of financial sector entities with the bank has a significant investment in those entities () paragraph 1, item 2) Direct, indirect and synthetic holdings by a bank of the Additional Ter 1 instruments of financial sector entities where the bank can not have a significant investment in those entities, excluding underwriting positions held for five working days or fewer (-) Amount of items required to be deducted from Ter 2 Bens that exceed the Tier 2 capital of the bank (-) Ter 1 capital (difference between 32 and 38) Ter 1 capital (difference between 32 and 38) Ter 2 celements A construction of the Contract of the section 25, and 38 and		Additional Tier 1 capital: deductibles	0		
Applicable amount of direct, indirect and synthetic holdings by abank of the Additional Tier 1 instruments of financial sector entities where the bank does not have a significant investment in those entities () paragraph 1, item 3) paragraph 1, item 3) process of the control of the Additional Tier 1 instruments of financial sector entities where the bank does not have a significant investment in those entities () paragraph 1, item 3) paragraph 1,	33		0	'	
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shere the bank has a significant investment in those entities, excluding underwriting positions held for five working days or fewer () Amount of Items required to be deducted from Tier 2 tens that exceed the Tier 2 capital of the bank () Section 28, John Additional Tier 1 capital (clifference between 32 and 38) O Additional Tier 1 capital (clifference between 32 and 38) O Tier 1 capital (sum of rows 29 and 38) O Tier 2 elements Shares and other Tier 2 capital instruments and subordinated liabilities which fulfil the requirements as laid out in Section 27, Section 27 to 20 of the DCA and related share premium accounts related to instruments 735.945 Tier 2 capital instruments issued by subsidiaries, which are recognised as Tier 2 capital 41 Credit risk adjustments that meet the requirements for the inclusion in Tier 2 capital 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) Tier 2 capital before deductibles (sum of rows from 41 to 43) Tier 2 capital before deductibles (sum of rows from 41 to 43) Tier 2 capital instruments that the bank is obliged to purchase as a result of existing contractual obligations () O pract, 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 () O pract, 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 () O paragraph 1, Item 1) 5 Contract and synthetic holdings of the Tier 2 instruments and subordinated liabilities of financial sector entities when has has a significant investment in those entities () O paragraph 1, Item 3) Forat dequated assets Total de	35		0		
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Tier 1 capital (sum of rows 29 and 39) Tier 2: elements Tier 3: elements Tier 2: elements Tier 2: elements Tier 2: elements Tier 3: elements Tier 2: elements Tier 3: elements Tier 2: elements Tier 2: elements Tier 2: elements Elements issued by subsidiaries, which are recognised as Tier 2 capital** Credit risk adjustments issued by subsidiaries, which are recognised as Tier 2 capital Tier 2: eapital before deductibles (sum of rows from 41 to 43) Tier 2: eapital: edeuctibles Tier 2: eapital: edeuctibles Tier 2: eapital: edeuctibles 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 (-) Direct, indirect and synthetic holdings of the Tier 2 instruments and subordinated liabilities of entities with which the bank has reciprocal cross holdings, designed to inflate artificially the capital of the bank (-) aparagraph 1, item 1) Tier 2: eapital: edeuctibles Tier 3: eapital: edeuctibles Tier 4: eapital: edeuctibles (sum of rows from 41 to 43) Tier 5: eapital: edeuctibles (sum of rows from 41 to 43) Tier 6: entities with which the bank has reciprocal cross holdings, designed to inflate artificially the capital of the bank (-) entities with which the bank has reciprocal cross holdings, designed to inflate artificially the capital of the bank (-) paragraph 1, item 3) Tier 6: entities where a bank does not have a significant investment in those entities (-) Direct, indirect and synthetic holdings by the bank of the Tier 2 instruments and subordinated liabilities of financial sector entities where a bank does not have a significant investment in those entities (-) Direct, indirect and synthetic holdings by the bank of the Tier 2 instruments and subordinated liabilities of financial sector entities where a bank does not have a significant investment in those entities	38	Total deductibles from Additional Tier 1 capital (sum of rows from 33 to 37)	0		
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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 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) 45 Tier 2 capital deductibles 56 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 () 60 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 initiate artificially the capital of the bank () 61 Applicable amount of direct, indirect and synthetic holdings of the Tier 2 instruments and subordinated liabilities of financial sector entities where he bank adoes not have a significant investment in those entities () 61 Section 30, paragraph 1, item 3) 62 Direct, indirect and synthetic holdings by the bank of the Tier 2 instruments and subordinated liabilities of financial sector entities where he bank adoes not have a significant investment in those entities () 63 Section 30, paragraph 1, item 3) 64 Direct, indirect and synthetic holdings by the bank of the Tier 2 instruments and subordinated liabilities of financial sector entities where he bank has a significant investment in those entities () 65 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 () 65 Direct indirect and synthetic holdings by the bank of the Tier 2 instruments and subordinated liabilities of financial sector entities where bank has a significant investment in those en	40	Tier 1 capital (sum of rows 29 and 39)	0		
Scriefs and other 1 fer 2 capital instruments and subordinated liabilities of financial sector entities where the bank has reliprocal cross holdings 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 forewish for fire 2 tapital dequectibles from Tier 2 capital (sum of rows from 45 to 48) Total deductibles from Tier 2 capital intition (%) Total capital (sum of rows 40 and 50) Total capital ciguro from 5 (%) Total capital ratio (%) Total capital ratio (%) Total requirements for capital buffers (%)*** **Section 3, paragraph 1, item 3) **Section 3, paragraph 2, item 3) **Section 3, paragraph 3, item 3) **Section 3, paragraph 4, item 3) **Section 3, paragraph 4, item 3) **Section 3, paragraph 1, item 4) **Section 3, paragraph 1, item 1) **Section 3, paragraph 1, item 1) **Section 3, paragraph 1, item 3) **Section 3, paragraph 1, item 1) **Section 3, paragraph 1, item 3) **Section 3, paragraph 1, item 3		Tier 2: elements			
Credit risk adjustments that meet the requirements for the inclusion in Tier 2 capital Credit risk adjustments that meet the requirements for the inclusion in Tier 2 capital Tier 2 capital before deductibles (sum of rows from 41 to 43) Tier 2 capital deductibles Tier 2 capital deductibles 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 (-) 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 (-) 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 (-) 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 (-) Direct, indirect and synthetic holdings of the Tier 2 instruments and subordinated liabilities of financial sector entities where the bank has a significant investment in those entities (-) 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 (-) 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 (-) Direct, indirect and synthetic holdings of the Tier 2 instruments and subordinated liabilities of financial sector entities where the bank has a significant investment in those entities (-) Direct, indirect and synthetic holdings of the Tier 2 instruments and subordinated liabil	41		735.945	paragraph 1, items	e
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) 735.945 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 (-) 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 Section 30, paragraph 1, item 3) 48 Section 30, paragraph 1, item 3) 49 Total deductibles from Tier 2 capital (sum of rows from 45 to 48) 50 Total capital (sum of rows 40 and 50) 70 Total capital (sum of rows 40 and 50) 71 Total capital (sum of rows 40 and 50) 72 Total risk-weighted assets 73 Section 3, paragraph 1, item 4) 74 Total capital ratio (%) 75 Total capital ratio (%) 75 Total capital ratio (%) 76 Total capital ratio (%) 77 Total capital suffers 78 Section 3, paragraph 1, item 3)	42	Capital instruments issued by subsidiaries, which are recognised as Tier 2 capital**			
Tier 2 capital: deductibles Tier 2 capital: deductibles 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 (·) 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 (·) 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 (·) 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 (·) 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 (·) 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 (·) 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 (·) Direct, indirect and synthetic holdings by the bank of the Tier 2 instruments and subordinated liabilities of financial sector on paragraph 1, item 3) Section 30, paragraph 1, item 3) Total capital (difference between 44 and 49) Total requirements for capital buffers Section 30, paragraph 1, item 4) Total capital ratio (%) Total capital ratio	43	Credit risk adjustments that meet the requirements for the inclusion in Tier 2 capital	0	paragraph 1, items	
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 (-) 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 (-) 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 (-) Direct, indirect and synthetic holdings of the Tier 2 instruments and subordinated liabilities of financial sector entities where a bank has a significant investment in those entities (-) 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 (-) 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 (-) 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 (-) Direct, indirect and synthetic holdings, designed to inflate artificially the capital of the bank (-) Direct, indirect and synthetic holdings of the Tier 2 instruments and subordinated liabilities of financial sector entities (-) Direct, indirect and synthetic holdings of the Tier 2 instruments and subordinated liabilities of financial sector entities (-) Direct, indirect and synthetic holdings of the Tier 2 instruments and subordinated liabilities of financial sector entities (-) Direct, indirect and synthetic holdings of the Tier 2 instruments and subordinated	44	Tier 2 capital before deductibles (sum of rows from 41 to 43)	735.945		
instruments that the bank is obliged to purchase as a result of existing contractual obligations (·) 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 (·) 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 (·) 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 (·) 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 (·) 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 (·) 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 (·) Section 3.0, paragraph 1, item 3) Section 3.0, paragraph 1, item 4) Tier 2 capital (difference between 44 and 49) 735.945 Total risk-weighted assets Section 3, paragraph 1, item 4) Section 3, paragraph 1, item 4) Tier 1 capital ratio (%) Tier 1 capital ratio (%) Section 3, paragraph 1, item 2) Section 3, paragraph 1, item 2) Section 3, paragraph 1, item 2) Section 3, paragraph 1, item 3) Total capital ratio (%) Total requirements for capital buffers (%)*** Section 3, paragraph 1, item 3)		Tier 2 capital: deductibles			
entities with which the bank has reciprocal cross holdings, designed to inflate artificially the capital of the bank (-) 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 (-) 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 (-) 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 (-) Total deductibles from Tier 2 capital (sum of rows from 45 to 48) Tier 2 capital (difference between 44 and 49) Total capital (sum of rows 40 and 50) Total risk-weighted assets Capital adequacy ratios and capital buffers Common Equity Tier 1 capital ratio (%) Total capital ratio (%) Total capital ratio (%) Total capital ratio (%) Section 3, paragraph 1, item 2) Section 3, paragraph 1, item 3)	45		0		
financial sector entities where a bank does not have a significant investment in those entities (-) 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 (-) Total deductibles from Tier 2 capital (sum of rows from 45 to 48) Total capital (difference between 44 and 49) Total risk-weighted assets Total risk-weighted assets Capital adequacy ratios and capital buffers Common Equity Tier 1 capital ratio (%) Tier 1 capital ratio (%) Total capital ratio (%) Total capital ratio (%) Total capital ratio (%) Total requirements for capital buffers (%)*** Section 3, paragraph 17,18 1, item 1) Section 3, paragraph 17,18 1, item 2) Section 3, paragraph 17,18 1, item 2) Section 3, paragraph 17,18 1, item 2) Section 3, paragraph 17,18 1, item 3)	46		0	Section 30, paragraph 1, item 2)	
sector entities where the bank has a significant investment in those entities, excluding underwriting positions held for fewer than five working days (-) Total deductibles from Tier 2 capital (sum of rows from 45 to 48) Total capital (difference between 44 and 49) Total capital (sum of rows 40 and 50) Total risk-weighted assets Capital adequacy ratios and capital buffers Common Equity Tier 1 capital ratio (%) Total capital ratio (%) Section 3, paragraph 1, item 1) Section 3, paragraph 1, item 2) Section 3, paragraph 1, item 2) Section 3, paragraph 1, item 3) Section 3, paragraph 1, item 3)	47		0		
50 Tier 2 capital (difference between 44 and 49) 735,945 51 Total capital (sum of rows 40 and 50) 18,290,945 52 Total risk-weighted assets Section 3, paragraph 53 Common Equity Tier 1 capital ratio (%) Section 3, paragraph 1, item 1) 54 Tier 1 capital ratio (%) Section 3, paragraph 1, item 2) 55 Total capital ratio (%) Section 3, paragraph 1, item 2) 56 Total requirements for capital buffers (%)*** 5,81	48	sector entities where the bank has a significant investment in those entities, excluding underwriting positions held	0		
51 Total capital (sum of rows 40 and 50) 52 Total risk-weighted assets Capital adequacy ratios and capital buffers 53 Common Equity Tier 1 capital ratio (%) 54 Tier 1 capital ratio (%) 55 Total capital ratio (%) 56 Total requirements for capital buffers (%)*** 57 Total requirements for capital buffers (%)*** 58 Section 3, paragraph 1, item 2) Section 3, paragraph 1, item 3) Section 3, paragraph 1, item 3) Section 3, paragraph 1, item 3)	49	Total deductibles from Tier 2 capital (sum of rows from 45 to 48)	0		
Total risk-weighted assets Capital adequacy ratios and capital buffers Common Equity Tier 1 capital ratio (%) Tier 1 capital ratio (%) Total capital ratio (%) Total capital ratio (%) Section 3, paragraph 1, item 1) Section 3, paragraph 1, item 2) Section 3, paragraph 1, item 3) Section 433	50	Tier 2 capital (difference between 44 and 49)	735.945		
1012 1012	51	Total capital (sum of rows 40 and 50)	18.290.945		
Section 3, paragraph 17,18 1, item 1	52	Total risk-weighted assets	102.204.606		
17,18 1, item 1 1, item 1 1, item 1 1, item 1 1, item 2 1, item 2 1, item 3 1, item 4 1, item		Capital adequacy ratios and capital buffers			
54 Tier 1 capital ratio (%) Section 3, paragraph 1, item 2) 55 Total capital ratio (%) Section 3, paragraph 1, item 2) 56 Total requirements for capital buffers (%)*** 5,81	53	Common Equity Tier 1 capital ratio (%)	17,18		
56 Total requirements for capital buffers (%)*** 58 Total requirements for capital buffers (%)*** 58 Section 433	54	Tier 1 capital ratio (%)		Section 3, paragraph	
3,01	55	Total capital ratio (%)	17,90		
57 Common Equity Tier 1 capital available for capital buffers coverage (%)**** 12,68	56	Total requirements for capital buffers (%)***	5,81	Section 433	
	57	Common Equity Tier 1 capital available for capital buffers coverage (%)****	12,68		

Inset cons. 2 - Form PI-FIKAP consolidated

Main features of financial instruments included in calculation of Bank's capital on consolidated level

Main reature	es of financial instruments included in calculation of Bar	ik's capital on consolidated	ievei	
No	Instrument features	The share capital of the Bank	The subordinated loan granted by Erste Group Bank AG, Vienna	Minority interest in a subsidiary S-Leasing
1.	Issuer			
1.1.	Unique identifier (e.g. CUSIP, ISIN or Bloomberg identifier	ISIN: RSNOVBE23514, CFI ESVUFR		
	for private placement)	CFI ESVORK		
	Regulatory treatment Treatment in accordance with the Decision on Capital	Core capital instrument	Supplementary capital instrument	Core capital instrument
2.	Adequacy of Banks			
3.	Eligible at solo/(sub-)consolidated/ solo&(sub-) consolidated	Individual and group	Individual and group	Group
4.	Instrument type	Ordinary shares	Subordinated debt issued in the form of financial instrument	Minority participations
5.	Amount recognised in regulatory capital (in RSD thousand, as of most recent reporting date)	Amount of 10,164,474 thousand RSD is recognized for the purposes of calculating regulatory capital (nominal value plus share premium in the amount of 124,474 thousand RSD).	Amount of 735,945 thousand RSD recognised as suplementary capital which fulfill requirements in accordance with Decision on Capital Adequacy.	Minority interest in the capital (25% of core capital) is recognised in total amount of 16,875 thousand RSD
6.	Nominal amount of instrument	10,040,000 thousand RSD	EUR 15,000,000	The total paid up capital amounts to 67,500 thousand RSD, of which 25% are in the minority participation.
6.1.	Issue price	RSD counter value of EUR 218.92		, ,
6.2.	Redemption price			
7.	Accounting classification	Share capital	Liability – depreciated amount	Minority participations
8.	Original date of issuance	1 st issue: 4.012.090 thousand RSD 23/11/2004 2 nd issue: 1.369.980 thousand RSD 15/06/2006 3 rd issue: 1.735.310 thousand RSD 28/12/2006 4 th issue: 2.922.620 thousand RSD 19/12/2007	27.12.2011	1st issue: 6.538.920 RSD 17/06/2003 2 nd issue: 33.716.916 RSD 29/06/2009 3 rd issue: 4.076.256 RSD 27/09/2011 4 th issue: 16.122.628 RSD 09/04/2013 5 th issue: 7.045.000 RSD 13/05/2015
9.	Perpetual or dated	No maturity date	With maturity date	No maturity date
9.1.	Original maturity date	No maturity date	27.12.2021	No maturity date
		No	No	No
10.	Issuer call subject to prior supervisory approval Optional call date, contingent call dates and redemption			
	amount			
10.2.	Subsequent call dates, if applicable			
	Coupons / dividends			
11.	Fixed or floating dividend/coupon	Variable	Variable	Variable
12.	Coupon rate and any related index		Refering to interest on subordinated loan	
13.	Existence of a dividend stopper			
14.1.	Fully discretionary, partially discretionary or mandatory (in terms of timing)	Full discretion	No discretion	Full discretion
14.2.	Fully discretionary, partially discretionary or mandatory (in terms of amount)	Full discretion	No discretion	Full discretion
15.	Existence of step up or other incentive to redeem	No	No	No
16.	Noncumulative or cumulative divident/coupon	Non-cumulative Non-convertible	Non-cumulative Non-convertible	Non-cumulative Non-convertible
17.	Convertible or non-convertible	MOII-COTIVEFUDIE	Non-converuble	NON-CONVENUINE
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	No	No	No
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			Subordinated debt issued in the
29.	Position in subordination hierarchy in liquidation (specify instrument type immediately senior to instrument)	Minority participations	Other No	form of financial instrument No
30.	Non-compliant transitioned features			
31.	If yes, specify non-compliant features			

Inset cons. 3 - Form PI-UPK consolidated

Designati	vn of elements in the consolidated Balance Sheet with references to Capital positions in form PI-KAP		
on of	ltem	Balance sheet	Reference
Α	ASSETS		
ΑI	Cash and assets with the central bank	18.641.847	
AII	Pledged financial assets	0	
AIII	Financial assets recognised at fair value through income statement and held for trading	11.955.999	
AIV	Financial assets initially recognised at fair value through income statement	0	
ΑV	Financial assets available for sale	9.051.577	
A.VI	Financial assets held to maturity	7.899.357	
A.VII	Loans and receivables from banks and other financial organisations	961.516	
A.VIII	Loans and receivables from clients	98.616.852	
AIX	Change in fair value of hedged items	0	
A.X	Receivables arising from hedging derivatives	0	
A.XI	Investments in associated companies and joint ventures	118	
AXII	Of which direct or indirect investments in banks and other financial sector person persons Investments into subsidiaries	0	
AAII		0	
A.XIII	Of which direct or indirect investments in banks and other financial sector persons Intangible assets	229.476	đ
AXIV	Property, plant and equipment	825.223	4
AXV	Investment property	12.963	
A.XVI	Current tax assets	6.513	
A.XVII	Deferred tax assets	16.743	
A.XVIII	Non-current assets held for sale and discontinued operations	69.146	
A.XIX	Other assets	927.227	
	Of which direct or indirect investment in banks and other financial sector entities that exceed 10% of the		
	capital of such banks and/or other financial sector entity	0	
A.XX	TOTAL ASSETS (AOP items from 0001 to 0019 in the balance sheet)	149.214.557	
Р	LIABILITIES	0	
PO	LIABILITIES	0	
		38.019	
PO.II	Financial liabilities recognised at fair value through income statement and held for trading Financial liabilities initially recognised at fair value through income statement	38.019	
PO.III	Liabilities arising from hedging derivatives	0	
PO.IV	Deposits and other liabilities to banks, other financial organisations and central bank	48.225.763	
PO.V	Deposits and other liabilities to other clients	78.064.775	
PO.VI	Change in fair value of hedged items	78.064.775	
PO.VII	Own securities issued and other borrowings	0	
	Of which liabilities arising from hybrid instruments	0	
PO.VIII	Subordinated liabilities	1.554.239	
	Of which subordinated liabilities included in bank's supplementary capital	735.945	e
PO.IX	Provisions	720.290	
PO.X	Liabilities under assets held for sale and discontinued operations	0	
PO.XI	Current tax liabilities	54.308	
PO.XII	Deferred tax liabilities	0	
PO.XIII	Other liabilities	750.658	
PO.XIV	TOTAL LIABILITIES (AOP items from 0401 to 0413 in the balance sheet)	129.408.052	
. 0.5	CAPITAL	0	
PO.XV	Share capital	10.164.475	
PU.XV		10.164.475	а
	Of which nominal value of paid-in shares, except cumulative preferential shares Of which share premium on share capital, except cummulative preferential shares	124.475	b
	Of which nominal value of cumulative preferential shares	124.475	Б
	Of which share premium on cumulative preferential shares	0	
PO.XVI	Own shares	0	
. 0.,	Of which acquired own shares, except cumulative preferential shares	0	
	Of which acquired own shares, except cumulative preferential shares Of which acquired own cumulative preferential shares	0	
PO.XVII	Profit	1.572.337	
0.5.	Of which retained earnings from previous years (Erste Bank)	0	
	Of which profit of the current year	1.572.337	
	Of which profit of the current year for which the General Assembly of the Bank adopted a decision on		
	allocation to the core capital	0	
	Of which loss in the current year (75% S-leasing)	0	
	Of which other positive consolidated reserves	0	
PO.XVIII	Loss	0	
	Of which losses from previous years	0	
PO.XIX	Reserves	8.009.512	
	Of which reserves from profit which represent element of core capital	7.679.825	g
	Of which other negative consolidated reserves	0	
	Of which other net negative revaluation reserves	0	
	Of which gains on bank liabilities measured at fair value due to the change in bank's credit rating	0	
	Of which positive revaluation reserves created on the basis of effects of changes in fair value of fixed assets, securities and other assets which are, in accordance with IFRS/IAS, credited to these reserves.	0	
	Of which unrealised losses on securities available for sale	55.137	v
	Of which actuarial gains	0	
	Of which tax liabilities	0	
PO.XX	Unrealised losses	0	
PO.XXI	Non-controlling participation	60.181	
	Of which minority participation in subordinated companies	16.875	d
	Of which minority participation related to profit in current year	0	
	TOTAL CAPITAL		
PO.XXII	(result of adding up and/or subtracting the following balance sheet items: 0415-0416+0417-	19.806.505	
	0418+0419+0420) ≥ 0		
PO.XXIII	TOTAL CAPITAL SHORTFALL (result of adding up and/or subtracting the following balance sheet items: 0415-0416+0417- 0418+0419+0420) < 0	0	
o.xxiv	TOTAL LIABILITIES (result of adding up and/or subtracting the following balance sheet items: 0414+0421-0422)	149.214.557	
В.П.	OFF-BALANCE SHEET ITEMS	0	
в.п.а.	Off-balance sheet assets	179.950.907	
	In the state of th	0	
	Of which amount of shares received in pledge, except cumulative preferential shares	U	
2	Of which amount of shares received in pledge, except cumulative preferential shares Of which amount of cumulative preferential shares received in pledge	0	

Inset cons. 4 - Form PI-AKB consolidated

Data on capital requirements and capital adequacy on consolidated basis (in thousand RSD) Amount CAPITAL ı 18.290.945 TOTAL COMMON EQUITY TIER 1 CAPITAL 1. 17.554.99 TOTAL ADDITIONAL TIER 1 CAPITAL 2. 3. TOTAL TIER 2 CAPITAL 735.945 п CAPITAL REQUIREMENTS 8.176.36 6.833.512 CAPITAL REQUIREMENT FOR CREDIT RISK, COUNTERPARTY RISK, DILUTION RISK AND SETTLEMENT/DELIVERY RISK TO FREE DELIVERIES 85.418.90 1.1. Standardised Approach (SA) 1.1.1 Exposures to central governments and central banks 2.297.413 1.1.2 Exposures to territorial autonomies or local government units 454 08 1.1.3. Exposures to public administrative bodies 1.1.4. Exposures to multilateral development banks 1.1.5 Exposures to international organisations 1.521.900 Exposures to banks 1.1.6 37.022.791 1.1.7. Exposures to companies 24.590.328 1.1.8. Retail exposures 16.700.269 1.1.9 Exposures secured by mortgages on immovable property 1.449.377 1.1.10. Exposures in default 1.1.11. Exposures associated with particularly high risk 1.1.12. Exposures in the form of covered bonds 1.1.13. Exposures in the form of securitisation positions 1.1.14 Exposures to banks and companies with a short-term credit assessment 1.1.15. Exposures in the form of units in open-ended investment funds 79.488 1.1.16. Equity exposures 1.303.250 1.1.17. Other items Internal Ratings Based Approach (IRB) 1.2.1. Exposures to central governments and central banks 1.2.2. Exposures to banks Exposures to companies 1.2.3. Retail exposures of which: Exposures secured by mortgages on immovable property 1.2.4.1 1.2.4.2 of which: Qualifying revolving retail exposures of which: Exposures to small and medium-sized enterprises classified as retail 1243 exposures 1.2.5 Equity exposures Approach applied: 1.2.5.1. Simple Risk-Weight Approach 1.2.5.1.2 PD/LGD Approach Internal models approach 1.2.5.1.3. 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 CAPITAL REQUIREMENT FOR SETTLEMENT/DELIVERY RISK IN RESPECT OF 2 UNSETTLED TRANSACTIONS 3 CAPITAL REQUIREMENT FOR MARKET RISKS Capital requirements for position, foreign exchange risk and commodities risk calculated 3.1. 231.63 under the Standardised Approach 176.85 3.1.1. Capital requirement for position risk of debt securities of which capital requirement for position risk in respect of securitisation items Capital requirements for position risk arising from equity securities 3.1.2 3.1.3 Additional capital requirement for large exposures from the trading book 54.776 Capital requirement for foreign exchange risk 3.1.4 Capital requirement for commodities risk 3.1.5. Capital requirements for position, foreign exchange and commodities risk calculated unde 3.2. the internal models approach 1,102,422 CAPITAL REQUIREMENTS FOR OPERATIONAL RISK 4 Capital requirement for operational risk calculated under the Basic Indicator Approach 1.102.422 4.1. Capital requirement for operational risk calculated under the Standardised 4.2. Approach/Alternative Standardised Approach 4.3. Capital requirement for operational risk calculated under the Advanced Approach CAPITAL REQUIREMENTS FOR CREDIT VALUATION ADJUSTMENT RISK 5 8.80 17.18 COMMON EQUITY TIER 1 CAPITAL RATIO (%) Ш 17.18 ıν TIER 1 CAPITAL RATIO (%) 17.9 v TOTAL CAPITAL RATIO (%)

The table below lists separately regulatory adjustments and deductions from the Bank's capital on consolidated level, by type and amount:

	RSD '000
Common Equity Tier 1	
Common Equity Tier 1 capital: regulatory adjustments	
(-) Additional value adjustments	-21.563
	-
Common Equity Tier 1 capital: deductibles	
(-) Revaluation reserves and other unrealised losses	-55.137
(-) Intangible assets, including goodwill (net of deferred tax liabilities)	-229.476
Additional Tier 1 capital	
Additional Tier 1 capital: deductibles	
Tier 2 capital	
Tier 2 capital: deductibles	-

Table 5: Regulatory adjustments and deductibles from the Bank's capital on consolidated level

The table below lists limits for applying exceptions to deductible items from CET 1 of the Banking Group on consolidated level:

RSD '000

LIMITS FOR APPLYING EXCEPTIONS TO DEDUCTIBLE ITEMS FROM THE BANK'S CET 1	
Limit to which investments in financial sector entity in which the Bank does not have a significant investment are not deducted from the capital	1.755.500
Limit calculated as 10% of CET 1 in accordance with article no.21, paragraph no.2 of the Decision	
on capital adequacy of Banks	1.755.500
Limit calculated as 17.65% of CET 1 in accordance with article no.21, paragraph no.3 of the	
Decision on capital adequacy of Banks	3.098.457
Eligible capital in accordance with article no.13, paragraph no.8 of the Decision on capital adequacy	
of Banks	18.290.945

Table 6: Limits for applying exceptions to deductible items from the Bank's CET 1 on consolidated level

The leverage indicator of the Bank on consolidated level, which represents the ratio of the equity capital, which is calculated as the sum of the CET 1 and additional equity capital in accordance with the Decision regulating the capital adequacy of the Bank, and the amount of the Banking Group exposure, amounted to 10.14% as of 30/06/2017.

Novi Sad, September 2017

Approved by the Executive Committee of Erste Bank a.d., Novi Sad.