

In accordance with the Decision of the National Bank of the Republic of Macedonia on reports and data disclosure by the Bank (Official Gazette of the RM, no. 134/2007), Silk Road Bank AD Skopje discloses the following:

**REPORTS AND DATA**  
**as of 30.06.2018**  
 published on 20.07.2018

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| 1. DATA ON THE BANK   |   |
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| - Name<br>- Legal entity number<br>- Head Office  | - Silk Road Bank AD Skopje<br>- 4633148<br>- Dame Gruev 1, P.O. Box 564, MK-1000 Skopje   |
| - Organisational structure<br>- Number of employees as at 30.06.2018  | <a href="#">Organizational structure of the Bank</a><br>156   |
| Review of the financial activities that may be performed in accordance with the license for establishing and operating issued by the Governor of the NBRM (Decision no: 15805 dated 30.04.2013) | <ul style="list-style-type: none"> <li>• Accepting deposits and other repayable sources of funds</li> <li>• Lending in the country, including factoring and financing commercial transactions</li> <li>• Lending abroad, including factoring and financing commercial transactions</li> <li>• Issuance and administration of means of payment (payment cards, checks, Traveller's checks, bills of exchange)</li> <li>• Financial leasing</li> <li>• Currency exchange operations</li> <li>• Domestic and international payment operations, including purchase and sale of foreign currency</li> <li>• Fast money transfer</li> <li>• Issuing payment guarantees, backing guarantees and other forms of collateral</li> <li>• Lease of safe deposit boxes, depositories and depots</li> <li>• Trade in instruments on the money market</li> <li>• Trade in foreign assets, including trade in precious metals</li> <li>• Trade in securities</li> <li>• Holding securities for clients</li> <li>• Counselling for legal entities about structure of capital, business strategy or other related issues or providing merger or acquisition services to legal entities</li> <li>• Buying and selling, guaranteeing and placement of issue of securities</li> <li>• Sale of insurance policies</li> <li>• Intermediation in concluding credit and loan agreements</li> <li>• Processing and analysis of information for the creditworthiness of legal entities and</li> <li>• Economic-financial consulting</li> </ul> |
| Review of financial activities being performed at the moment  | <ul style="list-style-type: none"> <li>• Accepting deposits and other repayable sources of funds</li> <li>• Lending in the country, including factoring and financing commercial transactions</li> <li>• Lending abroad, including factoring and financing commercial transactions</li> <li>• Issuance and administration of means of payment (payment cards, checks, Traveller's checks, bills of exchange)</li> <li>• Financial leasing</li> </ul>  |

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|  | <ul style="list-style-type: none"> <li>• Currency exchange operations</li> <li>• Domestic and international payment operations, including purchase and sale of foreign currency</li> <li>• Fast money transfer</li> <li>• Issuing payment guarantees, backing guarantees and other forms of collateral</li> <li>• Lease of safe deposit boxes, depositories and depots</li> <li>• Trade in instruments on the money market</li> <li>• Trade in foreign assets, including trade in precious metals</li> <li>• Trade in securities</li> <li>• Holding securities for clients</li> <li>• Counselling for legal entities about structure of capital, business strategy or other related issues or providing merger or acquisition services to legal entities</li> <li>• Buying and selling, guaranteeing and placement of issue of securities</li> <li>• Sale of insurance policies</li> <li>• Intermediation in concluding credit and loan agreements</li> <li>• Processing and analysis of information for the creditworthiness of legal entities and</li> <li>• Economic-financial consulting</li> </ul> |
| Review of financial activities for which the Governor of the NBRM has imposed a ban or restrictions for their performance i.e. the consent has been revoked  | NONE  |
| <b>2. DATA ON THE BANK'S SHAREHOLDERS STRUCTURE – SHAREHOLDERS WITH QUALIFIED PARTICIPATION</b>  |   |
| Name of shareholder, head office, legal form, main activity and percentage of participation in the total number of shares and the total number of issued shares with voting right at the Bank, as of 30.06.2018              | <p>SILK ROAD CAPITAL AG Dorfstrasse 38, 6340 Baar. Switzerland</p> <p>Investments in banks and financial companies at home and abroad, management of assets and real estate and offering related services; may acquire patents and licenses and trade with goods of all kinds, shops finance, acquire land and to participate in activities.</p> <p>Percentage of participation in the total number of shares at the Bank<br/>100%</p> <p>Percentage of participation in the total number of issued shares with voting right at the Bank<br/>100%</p>   |
| For physical persons – the name and surname, address and percentage of participation in the total number of shares and the total number of issued shares with voting right at the Bank.                                      | NONE  |
| Total number of shareholders who do not have qualified participation at the Bank and their participation in the total number of shares and the total number of issued shares with voting right at the Bank, as at 30.06.2018 | NONE  |
| <b>3. DATA ON THE BANK'S OWN FUNDS AND ON THE BANK'S CAPITAL ADEQUACY</b>  |   |
| The amount of the initial capital recorded at the Central Registry   | MKD 372.123.855   |
| The number of shares of each type and class as well as the nominal value of the shares   | 10.305 ordinary shares with voting right<br>MKD 36,111 per share  |
| Description of own funds basic components characteristics  | <p>Banks' own funds are the sum of Common Equity Tier I capital (CET1), Additional Tier 1 capital (AT1) and the Tier II capital (T2)</p> <p>In determining the amount of own funds, the Bank complies with the following rates:<br/>- Common Equity Tier I capital must not be lower than 4.5% of the risk -weighted assets (</p>   |

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|  | <p>Common Equity Tier I rate)</p> <p>-Tier I capital must not be lower than 6% of the risk - weighted assets ( Tier I capital rate)</p> <p>.</p> <p><b>1. Tier I Capital.</b></p> <p>Tier I Capital is the sum of Common Equity Tier I capital (CET1) and Additional Tier 1 capital (AT1)</p> <p><b>Common Equity Tier I capital (CET1)</b></p> <p>CET1 consists entirely of capital instruments.</p> <p>The capital instruments that form CET1 meet the following requirements:</p> <ol style="list-style-type: none"> <li>1.Are issued by the bank on the basis of a decision of the General Meeting of Shareholders</li> <li>2.are fully paid in, without their purchase being financed, directly or indirectly, by the bank</li> <li>3. are treated as equity according to the accounting regulations and standards applicable to banks and to be completely and unlimitedly available to cover losses</li> <li>4.are clearly and separately recognized in the bank's balance sheet</li> <li>5.are unconditionally irreversible, without maturity date and irredeemable, unredeemable or irreducible in value, except in the case of bankruptcy or liquidation of the bank or upon approval of the National Bank</li> <li>6. do not contain clauses or other provisions that allow for their redemption, repayment or reduction of their value, except in the case of bankruptcy or liquidation of the bank</li> <li>7.are of the highest quality compared to other capital instruments of the bank</li> <li>8. in the case of bank's bankruptcy or liquidation ,these Instruments will be paid after all other liabilities of the bank to other creditor</li> <li>9.in the case of bankruptcy or liquidation of the bank, holders of these instruments to have the right to collect the rest of the bank's assets that remains after payment of other liabilities</li> <li>10.are not collateralized or backed by any guarantee of the bank or connected entity</li> <li>11. are not subject to any agreement that reduces the subordination of the instrument</li> </ol> <p><b>2.Tier II Capital</b></p> <p>Tier II Capital consists of capital instruments that meet the following requirements:</p> <ol style="list-style-type: none"> <li>1.are issued by or credited to the bank and are fully paid – in</li> <li>2. are not purchased or approved by the bank, its subsidiary or entity in which the Bank has participation in the form of ownership</li> <li>3.the purchase or approval of these positions is not funded directly or indirectly by the bank</li> <li>4. liabilities based on these positions are fully subject to the liabilities to depositors and other creditors of the bank</li> <li>5. are not collateralized or backed by any guarantee by the bank or any connected person / entity, which would reduce the level of subordination of these instruments</li> <li>6. are not subject to any agreement that reduces the subordination level</li> <li>7. have a maturity of at least five years</li> <li>8. in the case of one or more options for redemption or prepayment, the utilization of redemption /prepayment option is at the discretion only of the issuer</li> <li>9. are redeemable or prematurely payable only upon approval of the National Bank</li> <li>10. do not contain clauses or other type of provisions, and the bank does not encourage expectations that the instruments will be redeemed or prepaid, except in case of bankruptcy or liquidation of the bank</li> <li>11. do not contain clauses or other type of provisions that entitle the holders of these Instruments to require accelerated repayment of future claims based on interest or principal amount, except in case of bankruptcy or liquidation</li> <li>12. the level of interest or dividends is not changed depending on the credit standing of the bank or the credit standing of its parent entity</li> <li>13. are not treated as deposits (savings) and not insured by the Deposit Insurance Fund</li> </ol> |
| <p>Amounts and components of the share capital, established in accordance with the Decision on the methodology for</p> | <p>The CET1 of the Bank is <b>MKD 419.122</b> thousands and comprises the following:</p> <ul style="list-style-type: none"> <li>• Paid-in and subscribed ordinary and non-cumulative preferred shares as well as premiums for these shares in the amount of <b>MKD 372.124</b> thousand</li> <li>• Withheld undistributed profit in amount of <b>MKD 46.998</b> thousand.</li> </ul>   |

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| determining capital adequacy   |   |
| Amount and components of the supplementary capital I and supplementary capital II, as well as their amount which, according to the Methodology for determining capital adequacy, may be a part of the Bank's own funds.  | <p>The Tier II capital of the Bank amounts to MKD <b>307.470</b> thousand and comprises the following:</p> <ul style="list-style-type: none"> <li>- Hybrid instruments in the amount of MKD <b>307.470</b> thousand</li> </ul> <p>Total liabilities of the Bank on the basis of hybrid instruments amount to MKD <b>307.470</b> thousand.</p> <p><b>The Bank does not have Additional tier I capital.</b></p> |
| Type and amount of share capital and supplementary capital deductibles   | /   |
| Total amount of own funds and capital adequacy as at 30.06.2018  | As of 30.06.2018, the own funds amounted MKD <b>726.591</b> thousand<br>Capital adequacy = 17.72%   |
| Capital required for covering credit risk, determined in accordance with the Methodology for determining capital adequacy, shown separately for the balance sheet items and off-balance sheet items  | <p>The total capital required for covering the credit risk is MKD <b>283.110</b> thousand.</p> <p>The capital required for covering the credit risk for balance sheet items is MKD <b>277.166</b> thousand.</p> <p>The capital required for covering the credit risk for off balance sheet items is MKD <b>5.944</b> thousand.</p>  |
| Capital required for covering currency risk, determined in accordance with the Methodology for determining the capital adequacy  | The capital required for covering currency risk is MKD <b>7.589</b> thousand.   |
| Capital required for covering market risk, determined in accordance with the Methodology for determining the capital adequacy, whereby the capital required for covering the general and specific risk from investing in equity securities and debt instruments from the trading portfolio and the capital required for covering settlement/delivery risk and the risk from other contractual party, are separately presented. | /   |
| Capital required for covering price risk   | /   |
| Capital required for covering the override of exposure limits  | /   |
| Capital required for covering operational risk   | The capital required for covering operational risks amounts <b>37.409</b> thousand MKD  |
| Capital required for covering other risks if the Bank itself assessed a need for determining additional amount of capital required for covering such risks, or if the National Bank determined an additional amount of required capital due to the nature, type, and volume of activities performed by the Bank and the risks at which the Bank is exposed as a result of these activities.                                    | /   |
| <b>4. DATA ON RISK MANAGEMENT PROCESS</b>  |   |
| Strategies and processes of  |   |

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| managing each separate risk | <p>The Bank has established a Risk Management and Undertaking Strategy which has been adopted by the Bank's Supervisory Board and is regularly reviewed.</p> <p>The risk management policies of the Bank have been established in order to identify and analyse the risks that the Bank faces, to set appropriate risk limits and controls and follow up risks and limits compliance.</p> <p>The risk management policies and systems are monitored and analysed regularly in order to be determined if they reflect the changes in the market conditions and the offered products and services. The Bank's goal is through trainings, procedures, and policies on management to create a constructive control environment where all employees would be aware of their roles and duties</p> <p><b>Credit risk including the country risk</b></p> <p>Credit risk is the risk to the profit or capital which arises from the inability of the borrower to fulfil the contractual obligations or in any other way to act contrary to what is agreed upon. The credit risk is present in all activities where the profitability depends on the performances of the borrower or the other contractual party.</p> <p>Country risk is the risk of loss arising from the exposure of the Bank to a certain country due to economic, political, and social conditions in the debtor country.</p> <p>The credit risk management procedures comprise the following processes:</p> <ul style="list-style-type: none"> <li>- Credit risk identification</li> <li>- Credit risk assessment</li> <li>- Credit risk monitoring</li> <li>- Credit risk control</li> </ul> <p>The following are retail lending criteria:</p> <ul style="list-style-type: none"> <li>- debt ratio</li> <li>- applicant's available income</li> <li>- application scoring</li> <li>- behaviour scoring</li> </ul> <p>A key criterion for corporate lending is the internal corporate lending rating system.</p> <p><b>Exposure concentration risk</b></p> <p>The exposure concentration risk is every separate exposure or a sum of the exposures which may result in a loss of the Bank's capital.</p> <p>In accordance with its risk management strategy, the Bank observes the regulatory exposure limits.</p> <p>The Bank has prepared procedures on identification, assessing, monitoring, and control of the exposure concentration risk.</p> <p><b>Liquidity risk</b></p> <p>The liquidity risk is the risk to the profit or capital which arises from the inability of the Bank to fulfil its obligations when they fall due without facing unacceptable losses. The liquidity risk includes the inability to deal with unexpected decreases or changes of the sources of financing in case of liquidity risk scenario.</p> <p>The liquidity risk also arises from the inability of the Bank to recognise or to devote itself to the changes of the market terms which affect the ability to liquidate the assets on a short term with minimum losses of value.</p> <p>The liquidity risk management process comprises the following components:</p> <ul style="list-style-type: none"> <li>- Planning and managing cash inflows and outflows</li> <li>- Defining liquidity risk management financial instruments</li> <li>- Determining and follow-up of the remaining contractual term structure</li> <li>- Determining and follow-up of the remaining expected term structure</li> <li>- Providing diversification of gathered deposits and other sources of financing per maturity and per clients</li> <li>- Identifying and follow-up of deposits from the aspect of their stability</li> <li>- Providing a monitoring system for the potential liabilities arising from the off balance sheet</li> </ul> |
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operations of the Bank

- Determining liquidity indicators
- Procedures on defining overrides referring to the defined liquidity risk management limits and for delegating responsibility for deciding upon the application of such overrides
- Liquidity testing through preparation of stress tests
- Liquidity risk management contingency plan
- Reporting to the managerial bodies of the Bank and undertaking possible measures for overcoming the defined problems
- Defining the competences and responsibilities of the managerial bodies and managing the liquidity risk.

**Market risks (price risk, FX risk, interest rate risk)**

Market risk includes the interest rate risk, the exchange risk, and the price risk. The Bank maintains the market risks within the limits and in accordance with the Silk Road Bank risk appetite. The limits system of the Silk Road Bank comprises the following elements:

- o Limit categories: specific limits are set for managing the market risk on various organisational levels
- o Limits setting approach: the volume limits and the stop-loss limits will be taken into consideration
- o Monitoring and compliance with the set limits: an intensive process of limit monitoring has been introduced in order to allow ongoing compliance and taking appropriate measures.

**Interest rate risk**

The interest rate risk is an ongoing or future risk to the profit and capital which arises from the unfavourable changes of the interest rates. This risk affects the Bank's profit as well as the economic value of the instruments of the assets, liabilities, and off balance sheet instruments. The following are the main types of interest rate risks to which the Bank is exposed: (1) *re-pricing risk* which arises from the maturity time differences (for fixed rates) and re-pricing (for variable rates) of the assets, liabilities, and off balance sheet positions; (2) *yield curve risk* which arises from the changes of the tilt and form of the yield curve; (3) risk of differences in the reference interest rates of instruments with similar characteristics which arises from the imperfect correlation of the adjustment of earned and paid rates of different instruments which otherwise have similar re-pricing characteristics; and (4) *option interest rate risk*.

The effective monitoring of the interest rate risk of the Bank by the Supervisory Board and the senior management is the cornerstone of the effective risk management process. The Supervisory Board and the senior management are responsible for the nature and level of interest rate risk undertaken by the Bank and the way in which this risk fits in the overall business strategy of the Bank as well as the mechanisms applied for managing those risks.

The following are interest rate risk management processes:

- Identifying interest rate risk
- Measuring interest rate risk
- Monitoring interest rate risk.

**FX risk**

The FX risk is a risk to the profit or capital which arises from unfavourable trends of the foreign exchange rates.

The following are FX risk management processes:

- Identifying FX risk
- Measuring FX risk
- Monitoring FX risk
- Controlling FX risk

The Bank follows the stipulated open FX position limits set by the National Bank.  
The Bank also follows the limits for FX operations for all open FX positions set by the Silk Road Bank.

**Price risk**

The price risk is the risk to the profit or capital which arises from the adverse trends in the prices of securities and commodities. This risk is focused on the changes of the market factors (interest rates, market liquidity and volatility).

The Bank's securities portfolio is comprised of securities with no or, in the worst case, minimal degree of risk.

**Strategic risk**

Strategic risk arises from improper business decisions or improper implementation of business decisions.

The Bank actively monitors its business strategy in terms of changes in competition and changes in political, regulatory and economic environment. The Bank actively manages the changes. Strategic decisions are subject to quality controls.

**Legal risk**

The Bank, on continuous basis, aligns its operations with the overall legal regulations.  
The Bank gives priority to the security of the contracts prior to taking risks formally.  
The Bank has zero appetite for legal actions against the bank.

**Reputation risk**

Reputation risk is the risk to profits or capital arising from negative public opinion.

The Bank has a very low risk appetite for reputation risk exposure. It takes immediate action to resolve customers' complaints.

High priority is given to issues identified as critical by the Central Bank and mother bank. High priority is also given to the findings of the internal and the external audit.

**Operational risk**

Operational risk is the risk of loss resulting from inadequate or unsuccessful internal processes, people and systems or external events including legal risk.

The Bank has a low tolerance for operational risk. Revealed exposures to operational risk are streamlined and controlled, until the cost of controlling the risk does not outweigh the benefits of lower levels of risk. In addition, crisis plans and arrangements are established, maintained and periodically tested.

Exposure to operational risk is identified through the following processes:

1. Collection and monitoring of risk events
2. Implementation of key indicators of risk
3. Operational risk assessment through self-evaluation sessions

Once identified, high risks are classified within or outside the tolerance framework and afterwards the recommendations are streamlined.

The Bank has established seven major risk categories which are individually valued as central functions - internal fraud, external fraud, employees' practices and workplace safety, products for customers and business practices, shortcomings of the system, assets damage and management of processes and supply execution.

The Bank has zero tolerance for internal fraud.

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| <p>The structure and organization of the risk management function</p>           | <p>Organization of the risk management system consists of the following levels of hierarchy:</p> <ul style="list-style-type: none"> <li>- Strategic level- risk management function is performed by the Supervisory Board, Board of Directors, Risk management committee and Audit committee of the Bank.</li> <li>- Macro level- risk management function is performed at the level of Business Unit or Business line and implemented by other persons with special rights and responsibilities, as well as by separate organizational units responsible for risk management monitoring.</li> <li>- Micro level- activities related to risk management are carried out by people who take risks in their day-to day activities in accordance with the work procedures and systems of internal control.</li> </ul> <p>The Supervisory Board ("Board") has full responsibility over the establishment and monitoring of risk policy management. The Board of Directors established a Risk management committee, Assets and liabilities committee ("ALCO"), Outstanding claims committee and Credit committees, responsible for developing and monitoring risk management policies of the Bank in their respective areas.</p> <p>The Risk management committee of the Bank is responsible for monitoring the risk management policies and procedures and the adequacy of the risk management policy in relation to the risks facing the Bank. In performing these functions, the Risk management committee is supported by the Risk management department.</p> <p>The Internal audit performs regular and periodic audits of controls and risk management procedures, and the results of the audits are presented to the Board for review.</p> |
| <p>The structure of the risk measuring system and internal reporting system</p> | <p>The Bank follows the approach of Silk Road Bank's risk management, with an analogous attention to compliance with the requirements of the National Bank. In measuring risk, the Bank uses static instruments (such as gap reports) and advanced dynamic instruments (stress testing, scenario analysis, etc.).</p> <p>The Bank has developed an internal reporting system for individual types of risks for its relevant bodies: the Board of Directors, the Risk management committee, Operational risk committee, Assets and liabilities committee, Credit committees and Supervisory Board.</p> <p>Through the system of internal reporting for individual types of risks the Bank provides information about:</p> <ul style="list-style-type: none"> <li>- The level of underwriting</li> <li>- Monitoring compliance with statutory and internal limits of exposure in certain types of risks.</li> </ul>  |



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| <p>Policy for protection and reduction of risk, as well as procedures for monitoring the performance efficiency of these policies</p> | <p>In risk management, ABS uses a comprehensive risk framework which combines the best that technology can offer combined with expert human reasoning. This approach helps in dealing with the current exposure to credit risk, liquidity risk, market risk and operational risk, reduces the extent of exposure and can even prevent a greater exposure to these risks.</p> <p>The Bank is protected against credit risk by establishing collateral for the claims, policies for collection of claims and by using a system of early warning signals.</p> <p>The Bank is protected against liquidity risk by using the instruments for managing liquidity, such as treasury bills, government bills, FX swap transactions, FX spot trading, deposits from the mother bank, deposits from other banks and loans from the National Bank as a last resort.</p> <p>The Bank is protected against market risk by investing in low risk securities, monitoring market cycles, monitoring the portfolio in terms of economic changes and the like.</p> <p>The Bank is protected against the risk of changes in the interest rates by maintaining proper maturity reconciliation on interest rate sensitivity in assets and liabilities.</p> <p>The Bank is protected against operational risk by the determined low levels of tolerance for the operational risk losses and zero tolerance for fraud. In case of operational risk losses the Bank takes actions to reconcile the risk within the acceptable levels.</p> <p>The Bank is protected against reputation risk in a way that it fully complies with the provisions for managing the risk as defined in its Policy for managing reputation risk.</p> <p>The Bank is protected against strategic risk by regular monitoring of the business plan realization and taking measures and activities for achieving the goals.</p> |
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**4.1 DATA ON CREDIT RISK MANAGEMENT**

|  |  |  |                               |            |                             |                                       |                               |
|--|--|--|-------------------------------|------------|-----------------------------|---------------------------------------|-------------------------------|
| <p>Description of the Policy on determining impairment and allocating special reserve</p>                  | <p>According to the Bank's internal methodology on the process of determining impairment loss, credit exposure may be classified as follows:</p> <p><b>a) on individual basis</b></p> <p>The amount of impairment on balance sheet receivables on individual basis is verifying as a difference between the carrying value of the balance sheet receivables and their present value.</p> <p>The present value of the expected cash flows are verifying as a total of the discounted expected cash flows of the specific loan account. The verified amount of the present value of the discounted cash flows on such manner is deducting from the carrying value of the loan account and this is giving as result the amount of impairment of the loan account.</p> <p><b>b) on group basis</b></p> <p>For the exposures that are impairing on group basis, the amount of impairment is calculating by applying the rates of expected loss, that the Bank is verifying by using of internal statistical model. The impairment on group basis is performing in accordance with the Bank's internal procedure in compliance with the effective regulations.</p> |  |                               |            |                             |                                       |                               |
| <p>Amount of credit risk exposure before and after impairment i.e. after the allocated special reserve</p> | <table> <tr> <td>Credit risk exposure before impairment</td> <td style="text-align: right;"><b>MKD 6.498.210 thousand</b></td> </tr> <tr> <td>Impairment</td> <td style="text-align: right;"><b>MKD 301.652 thousand</b></td> </tr> <tr> <td>Credit risk exposure after impairment</td> <td style="text-align: right;"><b>MKD 6.196.558 thousand</b></td> </tr> </table>   | Credit risk exposure before impairment | <b>MKD 6.498.210 thousand</b> | Impairment | <b>MKD 301.652 thousand</b> | Credit risk exposure after impairment | <b>MKD 6.196.558 thousand</b> |
| Credit risk exposure before impairment   | <b>MKD 6.498.210 thousand</b>  |  |                               |            |                             |                                       |                               |
| Impairment   | <b>MKD 301.652 thousand</b>  |  |                               |            |                             |                                       |                               |
| Credit risk exposure after impairment  | <b>MKD 6.196.558 thousand</b>  |  |                               |            |                             |                                       |                               |
| <p>Average credit risk exposure in the reported period and exposure per separate risk</p>                  | <table> <tr> <td>Average credit risk exposure</td> <td style="text-align: right;">MKD 6.283.979 thousand</td> </tr> </table>   | Average credit risk exposure           | MKD 6.283.979 thousand        |            |                             |                                       |                               |
| Average credit risk exposure   | MKD 6.283.979 thousand   |  |                               |            |                             |                                       |                               |

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| categories  | Exposure per separate risk categories:<br>A Risk Category MKD 5.632.386 thousand<br>B Risk Category MKD 229.333 thousand<br>C Risk Category MKD 104.019 thousand<br>D Risk Category MKD 68.469 thousand<br>E Risk Category MKD 249.772 thousand   |
| Amount of matured loans   | MKD 296.762 thousand (this amount includes NPLs)  |
| Amount of credit risk exposures for which impairment i.e. special reserve has been allocated  | MKD 3.966.085 thousand  |
| Geographic distribution of credit risk exposure – Republic of Macedonia, EU member-states, other European countries, OECD member-states (except European countries), other countries                              | Republic of Macedonia = MKD 6.138.192 thousand<br>EU member-states = MKD 107.999 thousand<br>OECD member-states (except European countries) = MKD 252.019 thousand  |
| Distribution of credit risk exposure per sectors – exposure to banks, other financial institutions, non-financial institutions, households, the state, non-profits serving the households, non-residents          | All amounts are in thousands MKD:<br>Agriculture, forestry and fishing 174.060<br>Mining and quarrying 3.892<br>Food industry (processing industry) 10.213<br>Textile industry and production of clothing and footwear 19.500<br>Chemical industry, production of building materials, production and processing 1.410<br>Production of metals, machinery 207.891<br>Other manufacturing 18.793<br>Electricity, gas, steam and air conditioning supply 26.213<br>Water supply, sewage disposal 363<br>Construction 289.486<br>wholesale and retail trade; repair of motor vehicles, motorcycles and personal and household goods 327.126<br>Transportation and warehousing 30.399<br>Accommodation and food service activities 245.781<br>Information and communication 402<br>financial activities and insurance activities (financial intermediation) 20.588<br>Activities related to real estate 1.110<br>Professional, scientific and technical activities 94.654<br>Administrative and support service activities 34.588<br>public administration and defense; mandatory social protection 0<br>Education 133<br>activities of health and social work 3.564<br>art entertainment and recreation 36.501<br>Other service activities 8.874<br>Individuals 2.556.791<br>sole traders and individuals who are not considered merchants 0<br>Consumer loans 1.264.106<br>Loans for the purchase and renovation of residential property 881.993<br>Loans based on issued credit cards 354.000<br>Other loans 56.692 |
| Residual contractual maturity structure of credit risk exposure (up to and over one-year maturity)  | Credit risk exposure up to one year MKD 3.831.689 thousand<br>Credit risk exposure over one year MKD 2.666.521 thousand   |
| Structure of credit risk exposure per activities:<br>Regarding the biggest exposure to a single activity, the following data are also announced:<br>1. Amount of matured loans<br>2. Amount of exposure for which | The largest exposure to a single activity: wholesale and retail<br>Exposure in MKD 000<br>327.126<br>Matured loans in MKD 000<br>72.340   |

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| impairment i.e. special reserve is allocated, the amount of impairment i.e. the special reserve allocated for the identified credit losses arising from the exposure to that activity  | Impairment in MKD 000<br>14,917<br><br>Amount of exposure for which impairment is allocated in MKD 000<br>308.937   |
| Amount of restructured claims, according to the Decision on the supervisory standards for regulating Bank's past due claims  | MKD 245.477 thousand  |
| Trends in impairment i.e. allocated special reserve during the reported period (balance in the beginning of the reported period, additional impairment i.e. special reserve allocated, decrease in the impairment i.e. special reserve, write-offs during the reported period and balance in the end of the reported period) | Balance of impairment and allocated special reserve in the beginning, on 01.01.2018 = MKD 365.996 thousand<br><br>Impairment i.e. special reserve allocated on a net basis = MKD 64.344 thousand<br><br>Claims written-off in 2018 = MKD 6.135 thousand<br><br>Balance of written-off claims as at 30.06.2018 = MKD 824.158 thousand  |
| <b>4.2 DATA ON MARKET RISK MANAGEMENT</b>  |   |
| Data on the structure of the portfolio for trading with certain financial instruments and the policies applied for distributing an item in the portfolio for trading or the portfolio of banking activities  | The Bank distributes items only in the portfolio of banking activities.   |
| <b>4.3 DATA ON OPERATIONAL RISK MANAGEMENT</b>   |   |
| General data on the approach used for calculating the capital required for covering the operational risk   | The Bank uses the basic indicator approach.   |
| <b>4.4 DATA ON THE RISK ARISING FROM CAPITAL INVESTMENTS (ACQUIRING CAPITAL SHARES) NOT BEING PART OF THE TRADING PORTFOLIO</b>  |   |
| Brief description of the Bank's strategy for acquiring capital shares of other legal entities  | The Bank meets the directions which foresee to keep the securities in the portfolio of banking activities as securities available for sale and not in the trading portfolio. The Bank's securities portfolio is comprised of risk free securities or securities with minimum risk degree. The Bank invests in securities with high quality and high liquidity, strictly ensuring to minimize the risks which may occur in securities operations.  |
| Brief description of the Bank's policy on accounting valuation of capital investments  | Financial assets available-for-sale are the assets determined as available for sale. These assets comprise central bank bills, government bills and investments in equity instruments.<br><br>Investments available-for-sale are presented according to their fair value except for the financial assets which do not have a listed market price and whose fair value may not be reliably measured i.e. they are measured according to their cost value decreased by the impairment losses.<br><br>Profits or losses from the repeated measurement according to the fair value are due to the difference between the amortized cost value and the fair value of the asset and are directly included in the capital, in the item Revalorization Reserves.<br><br>The dividend income is included when the Bank is given the right to receive the payment. Impairment losses and FX differentials are included in the Income Statement for the current period.<br><br>In the moment of exclusion, the accumulated profits/losses are excluded from the capital, and the net profits/losses are included in the Balance Sheet, item "Other operating income/expense".<br><br>Reclassification of financial assets available-for-sale in the portfolio of financial assets held-to-maturity is allowed if the Bank's intention changes. |

|   |   |
|---|---|
|   | The reclassification is made according to the fair value of these assets on the day of the transfer (fair value is the initial accounting value in the portfolio of financial assets held-to-maturity).             |
| Amount of capital investments and their classification per type i.e. if these are investments in equity securities for which there's active market or investments in equity securities without active market. | As of 30.06.2018, the balance of capital investments without active market is comprised of investments in the following legal entities:<br>- Clearing House – Clearing Inter-bank Systems AD - Skopje MKD 5.480.000 |
| Structure of capital investments per sectors (capital investments in banks, other financial institutions, non-financial institutions, non-residents)  | Capital investments in other financial institutions:<br>- Clearing House – Clearing Inter-bank Systems AD – Skopje  |
| Accumulated amount of profit (loss) made from alienation of investments in the reported period.   | NONE  |
| Total amount of unrealized profit (loss) from capital investments   | NONE  |



**НАРОДНА БАНКА НА РЕПУБЛИКА МАКЕДОНИЈА**

Бр. 15805

Скопје, 30 април 2013 година

Врз основа на член 52 од Законот за изменување и дополнување на Законот за банките („Службен весник на Република Македонија“ бр. 26/13), гувернерот на Народната банка на Република Македонија, донесе

**РЕШЕНИЕ**

1. Точката 5 од Решението на гувернерот на Народната банка на Република Македонија за замена на дозволата за основање и работење на „Алфа банка“ АД Скопје бр. 02-14/650-2003 од 30 декември 2003 година, се менува и гласи:

„Банката може да ги врши следниве активности:

- прибирање на депозити и други повратни извори на средства;
- кредитирање во земјата, вклучувајќи и факторинг и финансирање на комерцијални трансакции;
- кредитирање во странство, вклучувајќи и факторинг и финансирање на комерцијални трансакции;
- издавање и администрирање на платежни средства (парични картички, чекови, патнички чекови, меници);
- финансиски лизинг;
- менувачки работи;
- платен промет во земјата и странство, вклучувајќи купопродажба на девизи;
- издавање на платежни гаранции, авали и други форми на обезбедување;
- изнајмување сефови, остава и депо;
- тргување со инструменти на пазарот на пари;
- тргување со девизни средства, што вклучува и тргување со благородни метали;
- тргување со хартии од вредност;
- чување на хартии од вредност за клиенти;
- советување на правни лица во врска со структурата на капиталот, деловната стратегија или други поврзани прашања или давање услуги поврзани со спојување или припојување на правни лица;
- продажба на полиси за осигурување;
- посредување во склучување договори за кредити и заеми;
- обработка и анализа на информации за кредитна способност на правни лица и
- економско-финансиски консалтинг“.

2. Со донесувањето на ова решение, точката 3 од Решението на гувернерот на Народната банка на Република Македонија бр. 7908 од 9 декември 2008 година престанува да важи.

**Образложение**

Со член 5 од Законот за изменување и дополнување на Законот за банките („Службен весник на Република Македонија“ бр. 26/13) се извршија одредени измени во член 7 став 1 од Законот за банките („Службен весник на Република Македонија“ бр. 67/07, 90/09 и 67/10), во делот на активностите коишто може да ги врши банка. Со измените се менуваат називите на некои од досегашните финансиски активности и се додаваат нови активности.

Согласно со член 52 од Законот за изменување и дополнување на Законот за банките, Народната банка на Република Македонија по службена должност, без поднесување барање од банките, ќе ги усогласи дозволите за основање и работење на банките во делот што се однесува на финансиските активности, во рок од шест месеци од денот на влегувањето во сила на овој закон, односно најдоцна до 28 август 2013 година.

Во точката 5 од Решението за замена на дозволата за основање и работење на „Алфа банка“ АД Скопје се наведени финансиските активности коишто може да ги врши Банката. Со Решението на гувернерот на Народната банка на Република Македонија бр. 7908 од 9 декември 2008 година е изменета точката 5 од Решението за замена на дозволата за основање и работење на „Алфа банка“ АД Скопје, односно направено е усогласување на финансиските активности коишто може да ги врши Банката согласно со Законот за банките.

Имајќи го предвид наведеното, како и најновите законски измени во делот на финансиските активности и обврската за усогласување на дозволите за основање и работење на банките во делот на финансиските активности, се одлучи како во диспозитивот на ова решение.

**ПРАВНА ПОУКА:**

Незадоволната страна може да поднесе тужба до Управниот суд, во рок од 30 дена од денот на приемот на ова решение.

Гувернер  
Димитар Богев

## ORGANIZATIONAL STRUCTURE OF SILK ROAD BANK AD SKOPJE

