

# MINUTES

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OF THE REGULAR GENERAL MEETING OF BANK'S SHAREHOLDERS HELD ON  
29 JANUARY 2018

Belgrade, 29 January 2018



## KOMERCIJALNA BANKA AD BEOGRAD

GENERAL MEETING OF BANK'S SHAREHOLDERS

Number: 31312

Belgrade, 29 January 2018

### MINUTES

of the regular General Meeting of Shareholders of Komercijalna banka AD Beograd, held on 29 January 2018 in Belgrade – in the Bank's premises, 14, Svetog Save Street – beginning at 12.00 hours

The regular General Meeting of Shareholders of Komercijalna banka AD Beograd, which was held on 29 January 2018 in the Bank's premises, at 14, Svetog Save Street, was attended by the shareholders holding the ordinary shares that are included in the List of Bank's Shareholders, which was composed on the Cut-off date for identification of shareholders, 19 January 2018, pursuant to the excerpt from the Central Securities Depository and Clearing House, as follows:

1. Republic of Serbia, proxy, Marijana Marković, Chairperson of the General Meeting of Bank's Shareholders
2. EBRD London – proxy, Marko Bikicki
3. IFC CAPITALIZATION FUND – proxy, Vladimir Jelisavčić
4. Jugobanka in bankruptcy, Beograd – proxy, Zvezdana Stojanovski
5. Dunav osiguranje A.D.O. Beograd – proxy, Mila Pavlović
6. EAST CAPITAL – EAST CAPITAL BALKANS – proxy, Andrija Sofijanić
7. BDD M&V INVESTMENTS AD BEOGRAD – SUMMARY ACCOUNT – proxy, Andrija Sofijanić
8. Vojvođanska banka AD Novi Sad – custody RN – KS – proxy, Andrija Sofijanić
9. BDD M&V Investments AD Beograd – proxy, Andrija Sofijanić

The shareholder DEG-DEUTSCHE INVESTITIONS submitted to the Bank the completed and certified form for voting in absentia.

The present representatives of the Bank:

1. Miroslav Perić, member of the Executive Board
2. Dejan Tešić, PhD, member of the Executive Board
3. Dragiša Stanojević, member of the Executive Board
4. Snežana Ristović, Director of Compliance Division
5. Gabrijela Horvat, Director of Legal Affairs Division
6. Vesna Velemir, Corporate Secretary

The General Meeting of Shareholders began at 12:00 hours. The Chairperson of the General Meeting of Shareholders, Marijana Marković, opened the General Meeting of Shareholders, welcomed the present representatives of the shareholders and the Bank's management and informed the General Meeting of Shareholders that in compliance with the Law on Banks and the Company Law, she, in her capacity as the Chairperson of the General Meeting of Shareholders, passed the following:

1. Decision on Appointment of the Voting Commission, whereby the following persons are appointed to the Voting Commission:
  1. Vladimir Jelisavčić, proxy of the shareholders of IFC CAPITALIZATION FUND, Chair
  2. Marko Bikicki, proxy of the shareholders of EBRD London, member and
  3. Mila Pavlović, proxy of the shareholders of Dunav osiguranje A.D.O. Beograd, member
2. Decision on appointment of the Minutes Taker, whereby Vesna Velemir, the employee of the Bank, is appointed as the Minutes Taker.

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The Chair of the Voting Commission, Vladimir Jelisavčić, informed the General Meeting of Shareholders that the Voting Commission established the list of the present shareholders and verified the identity of the proxies of 9 Bank's shareholders and DEG-DEUTSCHE INVESTITIONS that submitted to the Bank the completed and certified form for

voting in absentia, holding thereby 14.520.879 votes, which accounts for 86.33% of total number of Bank's ordinary shares, as follows:

No.	Shareholder	Number of ordinary shares	% STAKE
1	2	3	4
1.	REPUBLIC OF SERBIA, Nemanjina 11, Belgrade	7.020.346	41,74%
2.	EBRD One Exchange Square, London EC2A, 2JN, UNIT, UNITED KINGDOM	4.109.440	24,43%
3.	IFC CAPITALIZATION (EQ) FUND LP, 2711 CENTERVILLE ROAD, SUITE 400, DELAWARE, WILMINGTON, USA	1.706.810	10,15%
4.	DEG-DEUTSCHE INVESTITIONS, KAEMMERGASSE 22, 50676 KOELN, GERMANY	772.850	4,60%
5.	JUGOBANKA IN BANKRUPTCY, K. PETRA 19, BELGRADE	321.600	1,91%
6.	EAST CAPITAL (LUX) BALKAN FUND, LUXEMBOURG	310.106	1,84%
7.	COMPANY DUNAV OSIGURANJE ADO, MAKEDONSKA 4, BELGRADE	171.380	1,02%
8.	BDD M&V INVESTMENTS AD BELGRADE – SUMMARY ACCOUNT	71.432	0,42%
9.	VOJVOĐANSKA BANKA AD NOVI SAD – CUSTODY RN-KS (ID IN CSD and CH 001K39311)	35.324	0,21%
10.	BDD M&V INVESTMENTS AD BELGRADE	1.588	0,01%
	<b>TOTAL:</b>	<b>14.520.879</b>	<b>86,33%</b>

Source of data: Central Securities Depository and Clearing House, Cut-off date for identification of shareholders, 19 January 2018

NOTE: The shareholder DEG-DEUTSCHE INVESTITIONS submitted to the Bank the written statement (voting statement) for this General Meeting of Shareholders in a form of shareholder's completed and certified form for voting in absentia.

It was affirmed that the quorum was present, thus enabling the General Meeting of Bank's Shareholders to pass the legally effective decisions as per proposed items of the Agenda, as follows:

1. DECISION ON RELEASE FROM DUTY AND APPOINTMENT OF THE MEMBERS OF THE BOARD OF DIRECTORS OF KOMERCIJALNA BANKA AD BEOGRAD – with a majority of total number of votes attached to ordinary shares
2. DECISION ON RELEASE FROM DUTY AND APPOINTMENT OF THE CHAIRPERSON OF THE BOARD OF DIRECTORS OF KOMERCIJALNA BANKA AD BEOGRAD – with a majority of total number of votes attached to ordinary shares
3. DECISION ON ADOPTION OF THE STRATEGY AND THE BUSINESS PLAN OF THE BANK FOR THE PERIOD 2018-2020 – with a majority of total number of votes attached to ordinary shares

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The Chairperson of the General Meeting of Bank's Shareholders, Marijana Marković, proposed that the General Meeting of Shareholders adopt the agenda, which for this General Meeting of Shareholders was determined and proposed by the Bank' Board of Directors at its 38<sup>th</sup> session held on 21 December 2017, and thus the General Meeting of Bank's Shareholders, unanimously, after conclusion has been reached that all the assumptions for further proceedings of the General Meeting of Shareholders have been fulfilled, continued its work as per established items of the Agenda:

1. Decision on Release from Duty and Appointment of the members of the Board of Directors of Komercijalna banka AD Beograd
2. Decision on Release from Duty and Appointment of the Chairperson of the Board of Directors of Komercijalna banka AD Beograd
3. Decision on Adoption of the Strategy and the Business Plan of the Bank for the period 2018-2020.

## 1. Decision on Release from Duty and Appointment of the Members of the Board of Directors of Komercijalna banka AD Beograd

In regard to the first item of the Agenda, the Chairperson of the General Meeting of Bank's Shareholders, Marijana Marković informed the Bank's GMS, that upon adoption of the Draft Decision on Release from Duty and Appointment of the Members of the Board of Directors, by the Board of Directors, the Bank was delivered the Conclusion of the Government of the Republic of Serbia 24, Number: 119-228/2018 dated 11 January 2018, which repeals and supersedes the Conclusion of the Government of the Republic of Serbia 24, Number: 119-9612 dated 12 October 2017. Taking into consideration the submitted Conclusion of the Government of the Republic of Serbia, the proposal is that the General Meeting of Bank's Shareholders passes the Decision on Release from Duty and Appointment of one Member of the Board of Directors (instead of two members as was proposed in the Draft Decision forwarded to the General Meeting of Bank's Shareholders by the Board of Directors). She highlighted that the competent units of the Bank submitted to the representatives of Bank's shareholders, within the delivered material, the above mentioned Conclusion of the Government of the Republic of Serbia, along with the Draft Decision on Release from Duty and Appointment of the member of the Bank's Board of Directors, by which it was proposed to release Mr. Mats Kjaer from his duty as the member of the Board of Directors – member independent of the Bank and to appoint Javed Hamid as the member of the Board of Directors – member independent of the Bank.

The Chairperson of the General Meeting of Bank's Shareholders, Marijana Marković, opened the discussion and invited the present representatives of the shareholders to take participation therein.

As none of the present representatives of shareholders has commented on the proposed item of the agenda, the Chairperson of the General Meeting of Shareholders Marijana Marković, put to vote the Decision on Release from Duty and Appointment of the Member of the Board of Directors of Komercijalna banka AD Beograd

It is concluded hereby that the General Meeting of Bank's Shareholders unanimously passed the decision on Release from Duty and Appointment of the Member of the Board of Directors of Komercijalna banka AD Beograd:

**Decision on Release from Duty and Appointment of the Member of the Board of Directors of Komercijalna banka AD Beograd**

- „FOR” 14.520.879 votes or 86.33% of total number of votes attached to ordinary shares.
- „AGAINST” /
- „ABSTAINED” /

## 2. Decision on Release from Duty and Appointment of the Chairperson of the Board of Directors of Komercijalna banka AD Beograd

In regard to the item of the Agenda- Decision on Release from Duty and Appointment of the Chairperson of the Board of Directors of Komercijalna banka AD Beograd, the Chairperson of the General Meeting of Bank's Shareholders, Marijana Marković emphasized that by the proposed decision it is hereby proposed to release Vladimir Krulj, PhD from his duty as the member – Chairperson of the Board of Directors and to appoint Mila Korugić Milošević as the member – Chairperson of the Board of Directors of Komercijalna banka AD Beograd.

As none of the present representatives of shareholders has commented on the afore-stated item of the Agenda, the Chairperson of the General Meeting of Bank's Shareholders, Marijana Marković, put to vote the Decision on Release from Duty and Appointment of the Chairperson of the Board of Directors of Komercijalna banka AD Beograd.

It is concluded hereby that the General Meeting of Bank's Shareholders unanimously passed the Decision on Release from Duty and Appointment of the Chairperson of the Board of Directors of Komercijalna banka AD Beograd.

**Decision on Release from Duty and Appointment of the Chairperson of the Board of Directors of Komercijalna banka AD Beograd**

- „FOR” 14.520.879 votes or 86.33% of total number of votes attached to ordinary shares.
- „AGAINST” /
- „ABSTAINED”

Director of Compliance Division, Snežana Ristović, highlighted that by adopting the proposed decision by the General Meeting of Bank's Shareholders the conditions have been met for the shareholders, who have the right to vote in accordance with the provisions of the Article 24 of the Articles of Association, to propose the appointment of an independent member of the Board of Directors, bearing in mind that the Board of Directors consists of nine (9) members, including the Chairperson, of whom three (3) members are persons independent of the Bank.

### 3. Decision on Adoption of the Strategy and the Business Plan of the Bank for the period 2018-2020

The Chairperson of the General Meeting of Bank's Shareholders Marijana Marković informed the General Meeting of Shareholders that the Bank's Board of Directors proposed to the Bank's GMS to adopt the Decision on Adoption of the Strategy and the Business Plan of the Bank for the period 2018 -2020, at the 38<sup>th</sup> session of the Board of Directors, which was held on 21 December 2017.

The member of the Executive Board, Miroslav Perić, with the accompanying presentation explained that the process of preparing the Strategy and Business Plan for the period 2018-2020 commenced back in the month of August, when the timetables were made and in the month of September the strategic initiatives were identified that were a product of the engagement of the wider team of employees from each organizational unit in the Bank. In addition, a forecast of expected results of the Bank's operations for 2017 was made in September, which was again the starting point for planning the Strategy and Business Plan for the period 2018 – 2020. The forecast of the results of Bank's business operations for the end of 2017 is a result of information and estimates available at the end of August and at the beginning of September, and a wish was to use this business forecast for 2017 as the basic assumption for making the planned values for 2018. In continuation of his presentation, he pointed out that the Bank is a national market leader with good prospects for stable and profitable operations. He explained in detail how the market shares in the most important categories of business operations emphasize the strength of the Bank's market position. He stressed that the Bank has an exceptionally strong client base and explained in detail the structure and number of customers when it comes to retail, corporate and treasury operations. The Bank has a stable and strong regulatory capital position as at 30 September 2017. In view of the foregoing, it provides the Bank with a substantially strong basis for the growth in the coming years.

The main pillars of the strategy during the period 2018-2020 are the following: growth of loans to clients, as a key aspect of profitability in conditions marked by falling interest rates; attention to risk control, leading to a low level of impairment provision-related net expenses; enhancement of client structure; higher share of fee and commission income; control of operating expenses; good capital position enable further growth of lending activity, as well as payment of dividend to shareholders based on realized profit.

The proxy of shareholders: EAST CAPITAL – EAST CAPITAL BALKANS; BDD M&V INVESTMENTS AD BEOGRAD – SUMMARY ACCOUNT; Vojvođanska banka AD Novi Sad – custody RN – KS and BDD M&V Investments AD Beograd Andrija Sofijanić asked the question regarding the impairment provisions: taking into consideration the presented information about the amount of the planned profit for 2017, as well as the information about the realized profit for the first three quarters of 2017, what is the amount of impairment provisions in 4Q 2017? He also asked for information, given that the loan portfolio is quite lower than that of the competitors, whether the Bank, for 2018, planned to reduce the number of employees. Additionally, he asked the Bank's management to provide information on the privatization status of the Bank.

Member of the Executive Board, Miroslav Perić, explained that the effect of impairment provisioning for the entire year of 2017 is expected to be positive, and that in 4Q 2017 the Bank had additional allocation for provisions for court settlements and other assessments.

Member of the Executive Board, Dejan Tešić, PhD, explained that when it comes to reducing the number of employees in 2018, it is the commitment of both shareholders and the Bank's management that no program involving redundant employees is planned. Upon the implemented reorganization of the Bank the employees' performance per product has increased by 20%. The goal for the coming period is the improvement of KPIs. There will be minor optimization of the age structure of the employees, due to fulfillment of the conditions for retirement, for a certain number of employees.

Member of the Executive Board, Miroslav Perić, pointed out with regard to Bank's privatization status, that this is a question for the Bank's shareholders and for the privatization advisor.

As none of the present representatives of shareholders has commented on the proposed item of the Agenda, the Chairperson of the General Meeting of Bank's Shareholders, Marijana Marković, put to vote the Decision on Adoption of the Strategy and the Business Plan of the Bank for the period 2018 -2020.

It is concluded hereby that the General Meeting of Bank's Shareholders unanimously passed the Decision on Adoption of the Strategy and the Business Plan of the Bank for the period 2018-2020:

**Decision on Adoption of the Strategy and the Business Plan of the Bank for the period 2018 - 2020**

- „**FOR**“ 14.520.879 votes or **86.33%** of total number of votes attached to ordinary shares.
- „**AGAINST**“ /
- „**ABSTAINED**“

Upon adopting the afore-mentioned decisions, the Chairperson of the General Meeting of Shareholders, Marijana Marković, stated that there were no more items of the Agenda left for discussion, thanked the present representatives of the Bank's shareholders and the present representatives of the Bank's management; following this statement the General Meeting of Bank's Shareholders ended at 12<sup>35</sup> hours.

Minutes Taker  
Vesna Velemir

CHAIRPERSON OF THE GENERAL MEETING OF SHAREHOLDERS  
Marijana Marković

**VOTING COMMISSION:**

1. Vladimir Jelisavčić – Chair, shareholders' proxy of IFC
2. Marko Bikicki – member, shareholders' proxy of EBRD
3. Mila Pavlović – member, shareholders' proxy of Dunav osiguranje A.D.O