

PUBLISHING DATA AND INFORMATION OF THE BANK FOR THE PERIOD 01.01.–30.06.2024.

 **INTESA SANPAOLO BANKA**
Bosna i Hercegovina

**BRINEMO O SVEMU
ŠTO VAM ZNAČI**

Bank of  **INTESA SANPAOLO**



www.intesasanpaolobanka.ba

Sarajevo, November 2024

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Introduction

Based on the Decision of the Banking Agency of the Federation of Bosnia and Herzegovina (Official Gazette of the Federation of BiH 39/2021) Decision on publishing data and information of the bank (hereinafter the Decision), Instructions for publication data and information (no: 01-2376/21 as of 03.06.2021) and the Law on Banks (Official Gazette of the Federation of BiH 27/2017, Article 111), Intesa Sanpaolo Banka d.d. Bosna i Hercegovina hereby publicly publishes data and information for the period 01.01.2024 – 30.06.2024.

This report contains data and information in accordance with the minimum requirements of the aforementioned decision. Published data represent information that is material, and which is not protected and confidential.

The public publishing as of 30.06.2024. is prepared in accordance with the Manual adopted by the Management Board of the Bank, adopted in accordance with Article 2, paragraph 3, with Article 18 of the Decision, and Instructions for publishing data and information, item 1.4.

The Bank adequately manages its risks and guarantees that its established risk management systems are adequate and appropriate given the profile and strategy of the bank.

On an annual basis, within the Risk Management Strategy defines the desired risk appetite, while ensuring adequate monitoring of the risk profile, which includes integrated and comprehensive management of risks which might affect the risk profile. When determining the risk appetite, the Bank integrates activities related to business planning and budgeting and based on business strategies, budget and assessed risks in environment, it identifies key and significant risks for the upcoming period and defines strategic key limits that ensure the stability of the Bank in future periods.

The Bank has developed an integrated framework for monitoring the Bank's risk profile, which provides a comprehensive overview of risk profiles and risk appetites as additional information with standard reports on exposure to certain risk.

The total risk appetite of Intesa Sanpaolo Banka dd BiH, hereinafter referred to as the Bank, (Risk Management Strategy) is defined by the following structure of the highest level limits, intended to ensure the long-term solvency and liquidity of the Bank:

- The long-term solvency of the Bank is ensured by the capital adequacy framework with limits defined based on regulatory and internal rules (such as capital adequacy ratio, economic capital and leverage),
- The Bank's liquidity is ensured by established policies on liquidity with limits relating to both short-term and structural liquidity. The prescribed policies consider a number of aspects of liquidity risk management, but due to their importance and significance for the Bank, liquidity risk limits (LCR, NSFR) are of strategic importance and therefore form an integral part of the Tier 1 risk appetite limit,
- The Bank's operational risk is limited by defining specific limits for operating losses.

Introduction (continued)

In the first quarter of 2024, a regular annual update of the Risk Management Strategy was carried out, as well as a regular update of the risk management policies, without significant changes that would affect the change in the bank's risk profile. Within first half of the 2024, there were no changes in the Bank's risk exposure profile, while credit risk remains the most significant risk in all segments. The Bank is sufficiently capitalized with an adequate liquidity position and is fully compliant with all crucial internal and external requirements, thus ensuring the stability of the Bank, both in the past and in future periods.

The Report was adopted at the meeting of the Management Board of the Bank held on November 11th 2024 and at the meeting of the Supervisory Board of the Bank held on November 20th, 2024.

The Report is publicly published on Website of Intesa Sanpaolo Banka dd. Bosnia and Herzegovina (www.intesa-sanpaolobanka.ba).

On behalf of the Bank's Management Board



Michele Castoro
President of the Management Board

 **INTESA SANPAOLO BANKA** d.d.
Bosna i Hercegovina



Indira Karamustafić
Member of the Management Board

1. BUSINESS NAME AND SEAT OF THE BANK

1.1. ESTABLISHMENT AND ACTIVITY OF THE BANK

The Bank was established by the Decision of the Supreme Court in Sarajevo, number: UF/I – 3816/90 of 9 January 1991, under the name UPI Banka dd Sarajevo, and in compliance with the new Law, by decision of the Cantonal Court in Sarajevo number UF/I-4091/00 of 20 October 2000 under the same name.

By Decision of the Municipal Court in Sarajevo number 065-0-Reg-08-002471 of 20 August 2008, the Bank changed the name, so that now it operates under the name: "INTESA SANPAOLO BANKA dd BOSNA i HERCEGOVINA".

Seat of the Bank:	Obala Kulina bana 9 A
Phone:	+387 33 49 75 55
Fax:	+387 33 49 75 72
SWIFT:	UPBK BA 22
E-mail:	info@intesasanpaolobanka.ba
Website:	www.intesasanpaolobanka.ba

Registration of the Bank in the Registry of the Sarajevo Municipal Court:

I.D. number:	4200720670007
Registration number:	65-02-0009-11
Tax number:	01071138

The Bank is registered to perform the following activities:

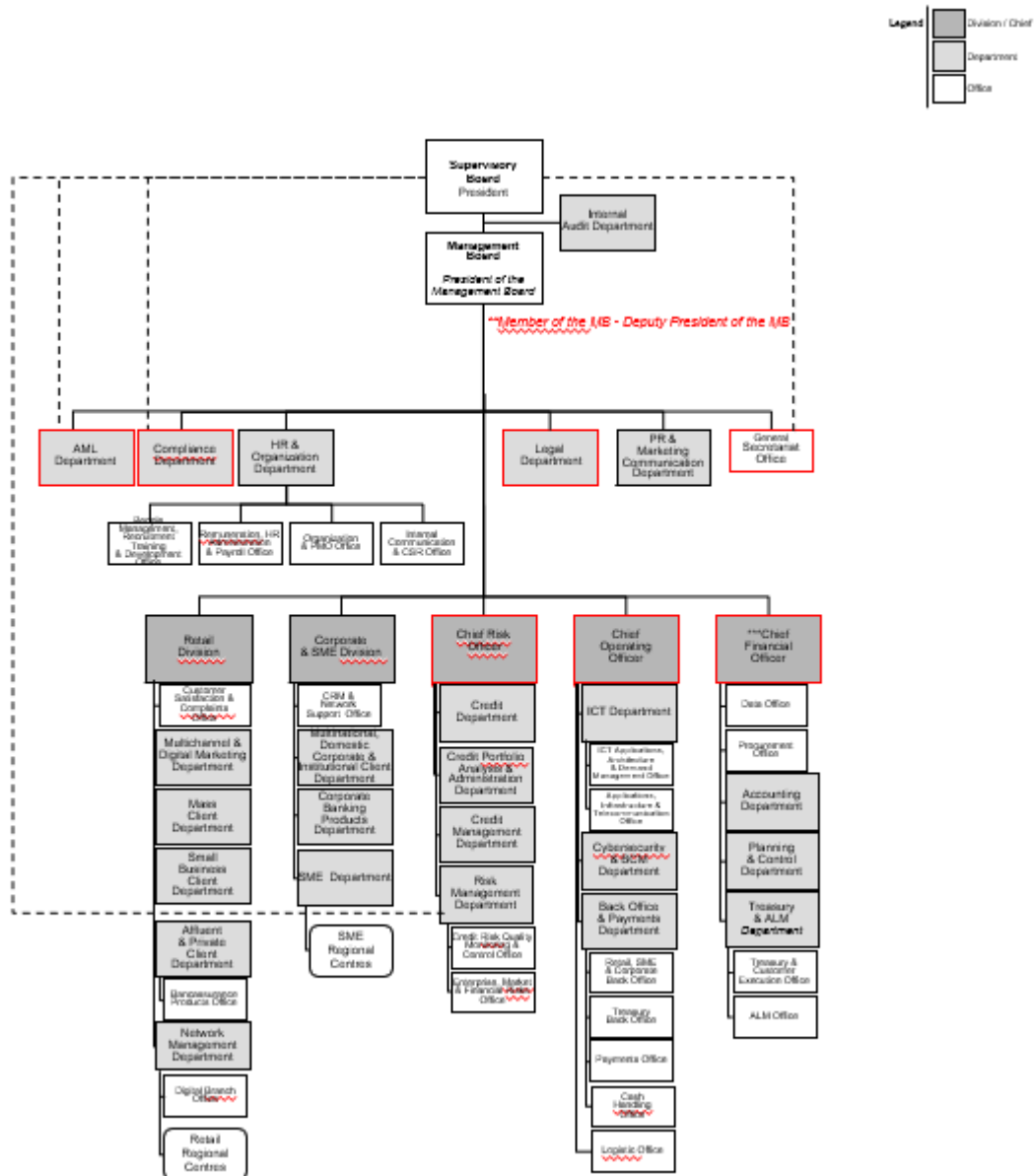
- a) receiving and depositing deposits or other funds with the repayment obligation,
- b) lending and receiving loans,
- c) issuance of guarantees and all forms of guarantee,
- d) domestic and international payment and money transfer services, in accordance with special regulations,
- e) purchase and sale of foreign currency and precious metals,
- f) issuing and managing means of payment (including payment cards, traveler's and banking checks),
- g) financial leasing,
- h) purchase, sale and collection of receivables (factoring, forfeiting, etc.),
- i) participation, purchase and sale of money market instruments for its own or another's account,
- j) purchase and sale of securities (broker and dealer operations),
- k) management of securities portfolio and other values,
- l) support activities for securities market, agent activities and takeover of issues, in accordance with the regulations governing the securities market,
- m) investment consulting and custody activities,
- n) financial management and consulting services,
- o) data collection services, analysis and provision of information on the creditworthiness of legal entities and natural persons who independently perform a registered business activity,
- p) renting safe boxes,
- q) mediation in insurance, in accordance with the regulations governing insurance
- r) other operations that represent support to specific banking operations.

1. BUSINESS NAME AND SEAT OF THE BANK (continued)

1.2. ORGANIZATION UNITS OF THE BANK

Organizational parts and structure of the Bank 30.06.2024. are shown below:

Scheme 1



¹ A member of PBZ Group

1. BUSINESS NAME AND SEAT OF THE BANK (continued)

1.2. Organization units of the Bank (continued)

The Bank performs its operations through a wide network of business units belonging to the following regional centers: Sarajevo, Zenica, Tuzla, Mostar and Banja Luka. As of 30.06.2024, the Bank has five regional centers and 43 branches.

Table 1

Branch Sarajevo	Branch Tuzla
Agency Centar Sarajevo	Agency Bijeljina
Agency Ilidža	Agency Brčko
Agency Alipašina	Agency Gračanica
Agency Dobrinja	Agency Gradačac
Agency Otoka	Agency Srebrenik
Agency Šipad	Agency Slatina
Agency Vogošća	Agency Tuzla
Agency Titova	Agency Živinice
Agency Istočno Sarajevo	
Agency Alipašino Polje	
	Branch Mostar
	Agency Čapljina
Branch Zenica	Agency Livno
Agency Bugojno	Agency Široki Brijeg
Agency Jajce	Agency Tomislavgrad
Agency Kakanj	Agency Drvar
Agency Kiseljak	Agency Posušje
Agency Novi Travnik	Agency Rondo
Agency Park-Zenica	Agency Ljubuški
Agency Travnik	Agency Ero
Agency Jelah	
Agency Visoko	Branch Banja Luka
Agency Vitez	Agency Prijedor
Agency Žepče	Agency Jevrejska
Agency Zenica	Agency Krajina
Agency Breza	

1.3. EMPLOYEES OF THE BANK

As of 30 June 2024, the Bank had 604 employees, out of which 281 employees relates to the business network of the Bank.

2. DATA AND INFORMATION RELATING TO THE OWNERSHIP STRUCTURE AND MEMBERS OF THE BANK'S SUPERVISORY BOARD AND MANAGEMENT

2.1. LIST OF SHAREHOLDERS WITH 5% OR MORE SHARES WITH THE VOTING RIGHTS

Structure of shareholders capital of the Bank as of 30.06.2024. is as follows:

Table 2

Owner structure			
No.	Name and surname / name of shareholders who have 5% or more participation in the capital (order by size of participation)	% participation	
		Ordinary shares	Priority shares
1.	Privredna banka Zagreb d.d.	100,00%	55,00%
2.	Others	0,00%	45,00%

2.2. MEMBERS OF THE SUPERVISORY BOARD AND MANAGEMENT BOARD OF THE BANK

As of 30. June 2024., members of the Supervisory Board of the Bank were the following persons:

- Dario Massimo Grassani, President of the Supervisory Board;
- Petar Sopek, Deputy President;
- Massimo Malagoli, Independent Member;
- Alden Bajgorić, Independent Member;
- Jadranko Grbelja, Member;
- Michela Boiocchi, Member;
- Ivana Jović, Member.

As of 30. June 2024., the Management Board of the Bank is comprised of the President and two members of the Management Board. The following persons performed those functions within the year:

- Marco Trevisan, President of the Management Board;
- Michele Castoro, Member;
- Indira Karamustafić, Member;

Based on the consent of the FBA and the Decision of the Supervisory Board, the previous members of the Management Board (Marco Trevisan, Michele Castoro, Indira Karamustafić) were relieved of their duties on October 18, 2024., while the new members of the Management Board (Michele Castoro, Minja Filipović, Indira Karamustafić) was appointed on October 19, 2024.

2.3. MEMBERS OF THE AUDIT COMMITTEE

As of 30. June 2024., members of the Audit Committee were as follows:

- Tefiku Florion, President;

2. DATA AND INFORMATION RELATING TO THE OWNERSHIP STRUCTURE AND MEMBERS OF THE BANK'S SUPERVISORY BOARD AND MANAGEMENT (continued)

2.3. MEMBERS OF THE AUDIT COMMITTEE (continued)

- Massimiliano Masturzo, Member;
- Ana Jadrešić, Member;
- Davor Vodanović, Regular invitee;
- James Vason, Regular invitee.

2.4. MEMBERS AND FUNCTIONING OF OTHER BOARDS

Members of the boards of Supervisory Board and frequency of the meetings are as follows:

Table 3

Members of the Supervisory Board, if established in the bank		
Nomination Committee		Frequency of meetings
1.	Dario Massimo Grassani	Five meetings
2.	Massimo Malagoli	
3.	Ivana Jović	
Risk Committee		Frequency of meetings
1.	Massimo Malagoli	Eight meetings
2.	Petak Sopek	
3.	Michela Boiocchi	
Remuneration Committee		Frequency of meetings
1.	Alden Bajgorić	Five meetings
2.	Dario Massimo Grassani	
3.	Michela Boiocchi	

3. CAPITAL AND REGULATORY CAPITAL ADEQUACY

The Bank hereby publishes the following information pursuant to item 1.4.2 of the Instruction for publication data and information of the Bank.

All information is indicated in BAM 000, unless stated otherwise.

3.1. BANK'S CAPITAL STRUCTURE

The Bank's regulatory capital is an amount of assets the Bank is under obligation to maintain to ensure secure and stable business operations, i.e. to meet its obligations towards its creditors.

By Decision on calculation of the capital of a bank (Official Gazette of FBiH 98/2023, 13/2024) of the Banking Agency, banks are required to maintain an adequate amount of regulatory capital in accordance with the risks they assume in their operations on an individual and consolidated basis.

The Bank's regulatory capital as of 30 June 2024. amounted to 341,024 thousand BAM. It consists of the most stable and solid sources of funds-paid-in ordinary shares and reserves, increased every year by a decision of the Assembly, thus directing a part of the earned net profit of the current year into the capital.

The Bank's equity capital includes, mostly, paid-in ordinary shares of Privredna Banka Zagreb d.d. and the accompanying share premium, other reserves and other total accumulated profit.

The other total accumulated profit includes unrealised losses/gains based on value adjustments of financial assets allocated to the portfolio of assets measured at a fair value through other total accumulated income.

The share capital is reduced by intangible assets, qualified shares outside the financial sector for which a risk weight of 1250% may apply, and by the amount of deferred tax assets that depends on future profitability and arises from temporary differences in accordance with the Decision on the calculation of the Capital of a Bank.

The Bank's supplementary capital consists of regulatory adjustments as described below.

The Bank has no hybrid, or subordinated instruments and additional equity capital.

3. CAPITAL AND REGULATORY CAPITAL ADEQUACY (continued)

3.1. Bank's capital structure (continued)

The Bank's capital structure as of 30 June 2024. was the following:

Table 4

Capital	Iznos
REGULATORY CAPITAL	341,024
COMMON EQUITY	341,018
COMMON EQUITY TIER 1 (CET1)	341,018
Capital Instruments recognised as CET1	102,191
Paid capital instruments	44,776
Share premium	57,415
Profit or loss belonging to the ultimate shareholder	18,848
(-) Part of the profit for the period generated in the business year or profit for the period generated at the end of the business year, that is not recognised	-18,848
Other accumulated aggregate profit	-1,020
Other reserves	240,029
(-) Other intangible assets	-1,393
(-) Qualified holdings outside the financial sectors for which an alternative risk weight of 1250% may apply	-50
(-) Deferred tax assets that may be deducted and which depend on future profitability and arises from temporary differences	-779
ADDITIONAL TIER 1 CAPITAL (AT1)	6
Capital instruments recognised as AT1	6

Capital instruments included into the regulatory capital calculation are paid in share capital and share premium:

Table 5

Capital Instruments recognised as CET1	102,191
Paid capital instruments	44,776
Share premium	57,415

Calculation of the regulatory capital also includes:

- total accumulated loss amounting to (1,020) thousand BAM related to a fair value of the assets measured through the Other Comprehensive Income;
- other reserves amounting to 240,029 thousand BAM consisting of profit from the previous periods which were allocated by the Bank to its Retained reserves, Other provisions; and
- intangible assets amounting to (1,393) thousand BAM (software and licenses) which, according to the Decision, are a capital deductible item;
- qualified shares outside the financial sector in the amount of (50) thousand KM, for which an alternative risk weight of 1250% may apply and
- deferred tax assets in the amount of (779) thousand KM that may be deducted and which depend on future profitability and arises from temporary differences.

Adjustments to the regulatory capital calculation amount to 6 thousand BAM and refer to paid-in priority shares and forms the position of Additional Capital.

Table 6

ADDITIONAL TIER 1 CAPITAL (AT1)	6
Capital instruments and subordinated debt recognised as AT1	6

3. CAPITAL AND REGULATORY CAPITAL ADEQUACY (continued)

3.2. CAPITAL REQUIREMENTS AND REGULATORY CAPITAL ADEQUACY

The structure of the capital requirements of banks, according to Article 38. of the Decision on calculation of the capital of a bank, defines minimum levels for three capital requirements:

- the ratio of Common Equity Tier 1 of 6.75%
- the ratio of Tier 1 capital of 9%
- the ratio of regulatory capital of 12%

Apart from the minimum adequacy rates set by the regulator, the Bank is also required to ensure the capital conservation buffer in the form of Common Equity T1 in the amount of 2.5% of the total amount of the risk exposure which makes the total regulatory capital rate a minimum of 14.5% (12 % + 2.5%).

Overview of capital requirements and capital adequacy rates are presented below:

Table 7

Capital adequacy			
No.	Item	Risk-weighted exposure amount	Capital requirements
1.	Exposures to central governments and central banks	0	0
2.	Exposures to regional governments and local authorities	38,764	4,652
3.	Exposures to public sector entities	2,075	249
4.	Exposures to multilateral development banks		0
5.	Exposures to international organisations		0
6.	Exposures to institutions	74,647	8,958
7.	Exposures to companies	580,947	69,714
8.	Exposures to retail	467,696	56,124
9.	Exposures to secured with real estate	403,232	48,388
10.	Exposures with default status	10,139	1,217
11.	High risk items	4,139	497
12.	Exposures to covered bonds		0
13.	Exposures to institutions and companies with short-term credit assessment		0
14.	Exposures to units or shares in investment funds		0
15.	Exposures based on equity investments	384	46
16.	Other exposures	22,677	2,721
17.	Total capital requirements for credit risk		192,564
18.	Capital requirements for settlement / delivery amount		0
19.	Capital requirements for market risks		0
19.1	Capital requirements specific and general position risk based on debt and equity instruments		0
19.2	Capital requirements for large exposures arising from trading book items		0
19.3	Capital requirements for foreign exchange risk		0
19.4	Capital requirements for commodity risk		0
20.	Capital requirements for operational risk		13,405
21.	CET1 ratio		19.87%
22.	T1 ratio		19.87%
23.	Regulatory capital ratio		19.87%

3.3. LEVERAGE RATE

All data are indicated in 000 BAM, unless stated otherwise.

In accordance with the Decision on calculation of the capital of a bank (Article 41.), the bank is obliged to calculate the financial leverage rate so that the measure of the bank's capital is divided by the measure of the bank's total exposure, and it is expressed as a percentage.

3. CAPITAL AND REGULATORY CAPITAL ADEQUACY (continued)

3.3. Leverage rate (continued)

The leverage ratio is defined as one of the strategic limits for risk management, and it has to be maintained above a defined minimum, and the compliance with the limit is followed on a quarterly basis.

Pursuant to Article 38. of the Decision on calculation of the capital on a bank, the Bank is obliged to ensure and maintain a financial leverage rate of at least 6%, in support of risk-based capital requirements.

Calculation of the leverage ratio as of 30 June 2024.:

Table 8

Exposure value	Amount
Financial derivatives: current replacement cost	78
Financial derivatives Increase in accordance with the market value methodology	475
Off-balance items with the 10% conversion factor (CCF) in line with Decision on the Bank's Capital Calculation	22,656
Off-balance items with the 20% conversion factor (CCF) in line with Decision on the Bank's Capital Calculation	45,772
Off-balance items with the 50 % conversion factor (CCF) in line with Decision on the Bank's Capital Calculation	84,606
Off-balance items with the 100 % conversion factor (CCF) in line with Decision on the Bank's Capital Calculation	0
Other assets	2,715,068
(-) Amount of the assets deductible items - equity - in line with Decision on the Bank's Capital Calculation	-2,222
Exposure of the financial leverage rate - in line with Decision on the Bank's Capital Calculation	2,866,433
Capital	
Common Equity in line with Decision on the Bank's Capital Calculation	341,018
Leverage ratio	
Financial leverage rate - in line with Decision on the Bank's Capital Calculation	11.90%

4. OTHER INFORMATION

The Bank hereby publishes the following information pursuant to item 1.4.2 of the Instruction.

The Bank publishes, in the form of an audit report, the Statement of Financial Position and the Statement of Profit or Loss as of 30. June 2024.

4.1. STATEMENT OF FINANCIAL POSITION AS OF 30.06.2024

Table 9

Statement of financial position (000 KM)	31.12.2023	30.06.2024
ASSETS		
1. Cash and cash equivalents	538,330	564,447
2. Financial assets at fair value through profit and loss	270	271
3. Financial assets at fair value through other comprehensive income	120,847	136,501
4. Financial assets at amortized cost	1,922,671	1,981,350
5. Receivables from financial leases	0	0
6. Derivatives financial instruments	4	78
7. Prepaid profit tax	3,402	5,430
8. Deferred tax assets	779	779
9. Tangible assets	21,937	20,302
10. Intangible assets	3,938	3,768
11. Investments in subsidiaries, joint ventures and associated companies	0	0
12. Long-term assets intended for sale and assets that are being discontinued	0	0
13. Other assets and receivables	1,610	2,617
14. TOTAL ASSETS	2,613,788	2,715,543
15. OFF-BALANCE	567,435	624,635
16. TOTAL ASSETS AND OFF-BALANCE	3,181,223	3,340,178
LIABILITIES		
17. Financial liabilities at fair value through profit and loss	0	0
18. Financial liabilities valued at amortized cost	2,263,912	2,345,814
19. Derivative financial instruments	311	0
20. Current tax liabilities	0	0
21. Deferred tax liabilities	76	76
22. Provisions	4,815	4,936
23. Other provisions	1,024	917
24. TOTAL LIABILITIES	2,270,138	2,351,743
EQUITY		
25. Share capital	44,782	44,782
26. Share premium	57,415	57,415
27. Reserves	212,579	240,029
28. Revaluation reserves	1,424	2,726
29. Profit	27,450	18,848
30. Loss	0	0
31. TOTAL EQUITY	343,650	363,800
32. TOTAL LIABILITIES AND EQUITY	2,613,788	2,715,543
33. OFF-BALANCE	567,435	624,635
34. TOTAL LIABILITIES, EQUITY AND OFF-BALANCE	3,181,223	3,340,178

4. OTHER INFORMATION (continued)

4.2. STATEMENT OF PROFIT OR LOSS FOR THE PERIOD 01.01.-30.06.2024.

Table 10

Statement of profit or loss (000 KM)	30.06.2023	30.06.2024
1. Income from interest and similar income at the effective interest rate	36,222	40,796
2. Interest expenses and similar expenses at the effective interest rate	-4,643	-7,520
3. Net income/(expenses) from interest and similar income at the effective interest rate	31,579	33,276
4. Income from fees and commissions	19,640	20,362
5. Expenses from fees and commissions	-4,236	-4,712
6. Net income/(expenses) from fees and commissions	15,404	15,650
7. Impairments and provisions	-3,212	-1,101
8. Other gains and (losses) from financial assets	24	86
9. Net gains/(losses) from derivative financial instruments	254	215
10. Net positive/(negative) exchange rate differences	2,008	2,304
11. Gains and (losses) from long-term non-financial assets	37	0
12. Income from dividends	1	9
13. Other income	1,254	1,061
14. Employee expenses	-12,565	-15,091
15. Depreciation costs	-2,734	-2,843
16. Other costs and expenses	-13,330	-14,718
17. Share in the result of the associated company and joint venture using the equity method	0	0
18. Impairment of goodwill	0	0
19. PROFIT/(LOSS) FROM REGULAR BUSINESS BEFORE TAX	18,720	18,848
20. Current income tax	0	0
21. Deferred income tax	0	0
22. PROFIT TAX	0	0
23. PROFIT/(LOSS) FROM REGULAR BUSINESS	18,720	18,848
24. Profit or loss from discontinued operations	0	0
25. PROFIT/(LOSS)	18,720	18,848
REPORT ON OTHER COMPREHENSIVE RESULTS	0	0
26. Items that can be reclassified to the income statement	708	1,302
27. Items that will not be reclassified to the income statement	0	0
28. OTHER TOTAL RESULT	708	1,302
29. TOTAL RESULT	19,428	20,150

4.3. OTHER INFORMATION

During the first six months of 2024., the Bank did not record significant changes in its operations, nor new equity investments.

5. FINAL PROVISIONS

The Report shall be disclosed on the website of Intesa Sanpaolo Bank dd. Bosnia and Herzegovina (www.intesasnpaolobanka.ba) after its adoption by the Management Board of the Bank and by the Supervisory Board of the Bank.

 **INTESA SANPAOLO BANKA**
Bosna i Hercegovina

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ŠTO VAM ZNAČI**

Bank of **INTESA**  **SANPAOLO**



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