

Draft

Pursuant to article 48 of the Statute of Komercijalna banka AD Skopje, the Assembly of the Bank at its meeting, held on 29.03.2021, passed

**DECISION**  
to  
**redistribute retained earnings to reserves**

**Article 1**

It is proposed to redistribute the retained earnings limited for distribution to shareholders in the Bank's reserves, in the amount of MKD 323.084.028,00.

**Article 2**

The amount stated in Article 1 of this Decision includes the distributed retained earnings in accordance with the Decision on utilization and distribution of the undistributed profit of Komercijalna Banka AD Skopje from 2018.

**Article 3**

This Decision shall be in effect from the date of its adoption.

**BANK'S ASSEMBLY  
CHAIRMAN**

## **EXPLANATION**

to the Decision

The Shareholders Assembly of Komercijalna Banka AD Skopje, at a meeting held in previous years, made a Decision on utilization and distribution of the profit from 2018, by which the shareholders distributed part of the profit from 2018 to retained earnings.

The decision proposes the retained earnings in the amount of MKD 323,084,028 to be redistributed to the Bank's reserves, in accordance with the Decision on the Methodology for recording and valuation of accounting items and preparation of financial statements. The redistribution will strengthen the reserve fund of the Bank, which, in accordance with the Decision on the Methodology for determining the capital adequacy, is included in the regular core capital when calculating the Bank's own funds.

The redistribution above is in order to ensure stability and support of the Bank's business and development goals in the future, as well as to maintain the level of the capital adequacy ratio in accordance with the requirements of the NBRSM.

**Bank's Supervisory Board**