

**PROGRAM
OF BUSINESS POLICY MEASURES AND ACTIVITIES
AND FINANCIAL PLAN OF
KOMERCIJALNA BANKA AD SKOPJE FOR 2019**



**komercijalna banka
ad skopje**

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POLICY STATEMENT OF KOMERCIJALNA BANKA AD SKOPJE

According to the Policy Statement, Komercijalna Banka AD Skopje shall perform its activities on the basis of firm banking principles and shall undertake the necessary steps to provide a maximum profit for the shareholders in the long run.

The key strategic objectives of Komercijalna Banka AD Skopje are:

1. To develop into a leading, independent, privately owned bank which operates and provides services on the entire territory of the Republic of North Macedonia.
2. Komercijalna Banka shall strive to be a universal bank, by which the Bank will strengthen its significant position in the banking sector.
3. Komercijalna Banka shall strive to achieve the highest standards in providing carefully selected quality products and services to its clients.
4. Komercijalna Banka shall strive to achieve timely compliance for its operational policies and working procedures in line with the best international practices.
5. Komercijalna Banka is committed to the basic principle of equal treatment of clients that are shareholders and those that are not shareholders of the Bank.



I. MACRO-ECONOMIC CONDITIONS IN WHICH THE BANK IS GOING TO PERFORM ITS ACTIVITIES IN 2019

The macro-economic conditions¹ in which the Bank will realize its activities in 2019 are based on expectations for moderate acceleration of the economic growth compared to 2018, stimulated by the improved political climate and expressed optimism in legal entities. Still, the risks related to realization of the Prespa Agreement, which is expected to bring resolution to the two decade name issue dispute with Greece and revitalization of the NATO and EU integration processes, remain present. In addition, the presence of external risks related to the level of external demand (especially Germany, our main trading partner), the possible tightening of developing markets' financing conditions by the EU countries, as well as the regional political situation, is immanent.

The improved political climate in the course of 2018 is expected to give a positive impulse to the growth of investments and personal consumption. The growth in investments is expected to be supported by the realization of capital projects announced by the Government and resolution of technical issues related to the initialized infrastructural projects in the past period, which will contribute to growth of the construction sector. Industrial production is expected to grow supported by the external demand growth. The growth prediction of personal consumption is based on expectations for increase of wages, employment and raised growth of the retail loans. Increased social transfers, according to the adopted state budget for 2019, will have additional positive contribution to personal consumption growth. Based on these assumptions and according to the expected 2018 GDP growth of 2.3%, it is expected that in 2019 the growth of GDP will accelerate to 3.5%.

Stable macroeconomic conditions will rely on the stable and predictable inflation and stable nominal FX rate of the denar to the euro. It is expected that the average annual rate of inflation measured by the costs of living index will be around 2.0% in 2019. It means certain acceleration of the inflation relative to 2018 (estimated at around 1.6%), mainly due to the influence of import prices and the expected increase of the public sector wages as well as the influence of social transfers. The price stability shall be supported by further appliance of monetary strategy for targeting the nominal denar to euro exchange rate by NBRNM.

Recent reforms on increasing transparency and accountability in the running of fiscal policy will allow better public finances management, their sustainability in the long run and continuity of the macro-economic stability. The projected budget deficit for 2019 will note a temporary growth to 3% of the GDP as a result of the announced social measures, but is expected to decrease in middle term.

As a result of the moderate economic activity, low inflation and favorable conditions on the FX market during 2018, NBRNM has decreased the interest rate of the treasury bills three times. The current situation doesn't give indications on monetary policy changes, but it is

¹ Sources: NBRNM – Macroeconomic projections revision, November, 1 2018; World Bank – Western Balkans Regular Economic Report No. 14, autumn 2018; IMF – Staff Concluding Statement of the 2018 Article IV Mission, 19.11.2018.



expected that the NBRNM is prepared to intervene if there is worsening of the external influences in 2019, as it was case in the past.

According to IMF recommendations, in the next period NBRNM is expected to intensify supervision of the systemically important banks, strengthen capacities for systematic risks observation and provide a comprehensible legal and regulatory framework for consumer protection especially in regards to lending to small and medium enterprises, which will increase their confidence when utilizing financial services. This last measure is expected to have positive contribution to lending growth, especially to corporate loans.

On the basis of the foregoing, the annual growth of total loans in the banking system in 2019 is expected to rise up to 8.5%. The primary source of their financing would be from the growth of the banks' deposit base, whereas the growth of total deposits of the non-financial sector is expected to reach 7.7% in 2019.

II. AIMS AND OBJECTIVES OF THE BANK'S BUSINESS POLICY

The priority aims and objectives of Komercijalna Banka AD Skopje are based on the Policy Statement of the Bank, realized results from operation and the level of realization of its strategic goals.

The priority aims and objectives of the Bank's Business Policy for 2019 are as follows:

1. Maintenance of the capital value and its increase through a policy of further allocation of significant part of the net profit into reserves, thus providing capital adequacy ratio that would correspond to the planned activities;
2. Profit maximization by undertaking acceptable risks;
3. Maintenance and eventual increase of the Bank's share on the banking market of the Republic of North Macedonia, in conditions of increased competition;
4. Successful compliance with the legal framework on financial reporting and managing the operational risks;
5. Permanent development and improvement of the information technology in all segments;
6. Continuous improvement of organization of the Bank's operation and human resources management providing higher quality of services;
7. Exercising bank marketing for proper target groups informing and in accordance with the Strategy for corporate social responsibility;
8. In 2019, the commitment of the Bank remains that, if the Bank's shareholders provide a control package of shares and set proper parameters, the Bank's management shall take proper measures and activities for possible attraction of potential strategic foreign investor that should fulfil the conditions defined by the consortium of shareholders of the Bank, as follows: to be a bank whose name is a renowned international brand; the offer should reflect the real value of shares of Komercijalna Banka and to submit a strategic plan for future development of the Bank.



Komercijalna Banka AD Skopje predicts the following **additional aims and objectives**:

1. Introducing new or modified banking products and services according to customers' demands, development of new non-traditional banking functions, conquering new market segments;
2. Further improvement of the e-banking and mobile banking and promoting the possibilities that they offer;
3. Improvement of the whole process of risk management and improvement of the process of determining the internal capital of the Bank;
4. Undertaking activities and measurements for providing financial stability of the Bank and maintaining buffer capital layers;
5. Undertaking more intensive activities for sale of the foreclosed assets etc.

III. THE BANK'S BUSINESS MODEL²

From the business model aspect, Komercijalna Banka AD Skopje is classified in the group of **commercial banks financed with deposits from the non-financial sector (mainly from the household sector)**, having fulfilled the following coefficients: dominant participation of total loans in the structure of total assets (12.2018: 40.4%), minimal participation in the trading portfolio in the total assets (12.2018: 0.03%), participation of total deposits with more than 2/3 in total liabilities (12.2018: 86.8%) and small participation of the long-term borrowings in total liabilities (12.2018: 0.8%). The structure of total loans (on a gross basis) has a ratio of 74% of loans to non-financial legal entities and 26% loans to households, whereas the structure of total deposits has a ratio of 73% deposits of households and 22% deposits of non-financial legal entities. Such a structure determines the dominant income and expenses that are generated by the Bank and which affect the operation results and the realization of the planned growth.

The business model of the Bank is consisted of the following key and auxiliary (supportive) business processes:

1. **Key business processes:**
 - 1.1. Corporate lending
 - 1.2. International payment operations for legal entities
 - 1.3. Collection of problematic loans
 - 1.4. Liquidity and financial market
 - 1.5. Domestic payment operations for legal entities
 - 1.6. Retail operations
 - 1.7. Branch network management
 - 1.8. Vault operations
2. **Auxiliary (supportive) business processes:**
 - 2.1. HR and general affairs
 - 2.2. Legal affairs
 - 2.3. IT
 - 2.4. Marketing
 - 2.5. Finance

² The business model of the Bank is defined on the basis of researches made by the Bank for International Settlements: https://www.bis.org/publ/qtrpdf/r_qt1412g.pdf and the definition from the Decision on the Rules of good corporate bank management (Official Gazette of RM no.24/2018).



- 2.6. Risk management and planning
- 2.7. Compliance and ALM
- 2.8. Internal Audit

No changes in the business model of the Bank are planned to be made in the course of 2019.

IV. GENERAL APPROACH IN THE RISK MANAGEMENT

In realization of the priority aims and objectives for 2019, Komercijalna Banka AD Skopje will continue with risk management through identifying, measuring and grading, control and monitoring thereof, in order to eliminate or minimize their impact on the Bank's operation. The risk management shall be based on the Strategy for managing the risks and the defined policies for managing respective risks, through strict adherence to the risk exposure limits, pursuant to the legal framework and internal risk exposure limits.

V. QUANTIFICATION OF THE KEY INDEXES

Realization of the aims and objectives of the Business Policy of the Bank for 2019 presumes realization of specific financial effects expressed in quantified indexes.

1. Basic assumptions when outlining the indexes

1.1. Macroeconomic assumptions for 2019:

- stable denar exchange rate,
- inflation rate around 2.0% (measured by the costs of living index),
- real GDP growth around 3.5%,
- growth of private sector loans of around 8.5%,
- growth of deposits of around 7.7%,
- budget deficit of the central government around 3% of the GDP and
- Deficit of the current account of the balance of payments of around 1.5% of the GDP.

1.2. Internal banking principles for 2019:

- Planned profitability: ROE of minimum 10% and ROA of minimum 1%,
- Targeted net interest margin (NIM) of around 2.5% per annum,
- Growth of deposits to a level that will enable a share of over 85% in the total liabilities of the Bank,
- Increase of the interest bearing placements in accordance with the movement of the open f/x position and by taking into consideration the ratio between denar and f/x component of the Bank's assets, as well as maintaining the Bank's exposure to foreign currency risk within the legally set limitations,
- Allocation of part of the net profit into reserves in order to keep the capital value stable and to increase the capital adequacy rate,
- Liquidity that will ensure minimum liquidity prescribed by NBRNM and creating an appropriate securities portfolio, as an instrument for security of the secondary liquidity,
- Planned expenses ratio calculated as a ratio between operating expenses and total income that would range between 45% and 55%.



2. Quantification of the Balance Sheet and Income statement indexes

2.1. Balance sheet

Table No. 1: Forecast of the Balance Sheet of Komercijalna Banka AD Skopje for 2019

(in MKD million)

	LIABILITIES	31.12.2018		Plan 31.12.2019		Increase	Index
		Amount	%	Amount	%	(5-3)	5:3
1	2	3	4	5	6	7	8
1	Short-term and long-term borrowings	926	0.8%	712	0.6%	-214	76.9
2	Deposits from customers	99,240	86.8%	103,031	86.7%	3,791	103.8
3	Other liabilities	1,819	1.6%	1,830	1.5%	11	100.6
4	Share capital	3,051	2.7%	3,051	2.6%	0	100.0
5	Reserves	7,574	6.6%	8,074	6.8%	500	106.6
6	Retained earnings	0	0.0%	323	0.3%	323	0.0
7	Unallocated profit	1,780	1.6%	0	0.0%	-1,780	0.0
8	Gross profit	0	0.0%	1,792	1.5%	1,792	0.0
	Total liabilities and capital:	114,390	100.0%	118,813	100.0%	4,423	103.9

	ASSETS	31.12.2018		Plan 31.12.2019		Increase	Index
		Amount	%	Amount	%	(5-3)	5:3
1	2	3	4	5	6	7	8
1	Cash and cash equivalents with NBRNM	48,783	42.6%	50,048	42.1%	1,265	102.6
2	Assets held for trading	29	0.03%	31	0.03%	2	106.9
3	Placements with and short-term loans to other banks	2,516	2.2%	2,519	2.1%	3	100.1
4	Loans to customers	46,252	40.4%	49,138	41.4%	2,886	106.2
5	Investments	12,907	11.3%	13,060	11.0%	153	101.2
6	Fixed assets	2,845	2.5%	3,133	2.6%	288	110.1
7	Other assets	1,058	0.9%	884	0.7%	-174	83.6
	Total assets:	114,390	100.0%	118,813	100.0%	4,423	103.9



The planned growth of the Bank's liabilities is a result of the following trends:

- **Short-term and long-term borrowings** are planned with a net decrease. The short-term liabilities are decreased because of their maturity expected by the end of 2019. Within the long-term liabilities, a decrease is planned on the basis of a bigger amount of paid due instalments for credit lines used by the Bank, relative to the funds which are planned to be withdrawn from the credit lines from EIB through MBDP. In 2019, withdrawal of funds from the new IPA grant through EBRD is also planned.
- Total **deposits from customers** are planned to increase by 3.8%, and in the course of 2019 changes of the maturity and currency structure of the total deposits are not planned. The total deposits have been planned in a way, so that their share will not fall below 85% of the total liabilities.
- The Bank's **share capital** is at the level of the previous year, whereas the **reserves** of the Bank are planned to increase by MKD 500 million as a result of partial allocation of the net-profit for 2018. Additionally, the Bank plans to allocate MKD 323 million as retained earnings. The growth of the reserves will additionally strengthen the Bank's capital, while simultaneously fulfilling the NBRNM capital requirements and the buffer layers of capital. When planning this position, maintaining a capital adequacy ratio of minimum 16.5% in relation to the total risk weighted assets is taken into account.

The total assets of the Bank in 2019 are planned to increase by 3.9%.

The dynamics of certain items of the Bank's assets is projected as follows:

- **Cash and cash equivalents with NBRNM** are planned with an increase, as a result of expected increase of the MKD and f/x mandatory reserve of the Bank in accordance with the forecasted growth of deposits, with simultaneously planned investment in treasury bills held to maturity, as well as holding of the f/x assets in foreign and domestic banks depending on surplus of liquid assets during the year and in accordance with the movement of interest rates of assets placed on a short-term basis, up to 3 months.
- Within the position **assets held for trading**, the shares held for trading that the Bank intends to keep have only been recorded. The planned increase of 6.9% comes from the projected movement of the stock price in 2019.
- **Placements with and short-term loans to other banks** are planned to increase minimally, for 0.1%. The term deposits in foreign banks with a maturity of 3 months up to 1 year have the largest share in this position and are the ones that the Bank is planning to keep.
- Total **net-loans to customers** are planned to increase about 6.2% including the effect from additional impairment provision in accordance with the regulation. Gross loans to legal entities are planned with a growth of around 10.4%, whereas the growth of gross loans to individuals of 4.7%. There are no planned changes in the currency and term structure of the gross loans to clients.
- **Investments** of the Bank refer to investments in securities available for sale, securities held to maturity, investments in securities at fair value through the Income Statements determined as such at initial recognition and investments in associates.
 - The investments in securities available for sale are planned to increase as a result of projected higher amount of subscribed than mature treasury bills in



- MKD available for sale over 3 months which have the largest share in this position.
- The investments in securities held to maturity are also projected to be at the same level as in 2018 as a result of planned subscription of securities held to maturity.
 - The investments in associate companies are planned to increase based on included net-effect from the planned profit and planned dividend of the associate company recorded by the method of the principal amount.
 - As for the investments in securities at fair value through the Income Statement that includes the stakes in KB Publikum Invest-Open investment fund Balanced and KB Publikum Invest-Open investment fund-cash, their market value has been taken into account.
- **Fixed assets** are planned to increase due to the procurement of operating assets according to the needs of the organizational units and parts of the Bank. The planned amounts do not exceed the legally prescribed limit multiplier for fixed assets.
 - **Other assets**, which, as the largest position include foreclosures, are planned to realize more significant decrease, as a result of planned sale of the foreclosures in 2019 and 20% planned impairment of the newly foreclosed assets in accordance with the law.

2.2. Income statement

Table No. 2: Projections of the Income Statement of Komercijalna Banka AD Skopje for 2019

(in MKD million)

		01.01. - 31.12.2018	Plan 2019	Index(4:3)
1	2	3	4	5
1	NET INTEREST INCOME	2,397	2,472	103.1
2	OTHER INCOME	2,196	1,720	78.3
3	COLLECTED WRITTEN – OFF CLAIMS	429	332	77.4
4	OTHER EXPENSES	1,788	1,615	90.3
5	PROFIT BEFORE IMPAIRMENT (1+2+3-4)	3,234	2,909	90.0
6	IMPAIRMENT PROVISION OF CLAIMS	3,175	3,515	110.7
7	RELEASE OF IMPAIRMENT PROVISION	2,347	2,400	102.3
8	NET IMPAIRMENT PROVISION OF CLAIMS (6-7)	828	1,115	134.7
9	IMPAIRMENT PROVISION OF FORECLOSURES (NET)	413	2	0.5
10	GROSS PROFIT BEFORE TAX /LOSS (5-8-9)	1,993	1,792	89.9

- **Gross profit before taxation** is planned to reach MKD 1,792 million in conditions of planned increase of the net impairment of financial assets by 34.7% compared to 2018.
- **Net-interest income** is planned to increase by 3.1% compared to 2018, with planned moderate growth of loans and deposits and existing interest rates, whereas the Net Interest Margin (NIM) is projected on a level of about 2.5% on annual basis.



- **Other income** (comprised of net fee and commission income, net f/x gains, net gains from operation with securities, income upon capital investments and capital gain, income from previous years, income upon f/x operations, other and extraordinary income) are planned to decrease for around 21.7%, mostly due to a decreased amount of planned capital gains from foreclosure sales.
- **Other expenses**, which are comprised of salaries and other personnel costs, deposit insurance premiums, material expenses, business trips, representations, advertising, amortization and other expenses are planned with a decrease of 9.7% compared to 2018, mainly as a result of decreased other expenses and reduced salary costs due to the decreased number of employees.
- **Impairment provision of claims** (gross) is planned to increase by approximately 10.7% as a result of the greater amount of additional allocation of impairment of the loan portfolio compared to 2018. The planned net growth of the total impairment provision (for balance and off-balance exposure) amounts to MKD 1,115 million.
- **Impairment provision of foreclosures** is planned in accordance with regulations in the amount of MKD 2 million and includes a 20% impairment of the property taken after the new Decision was enforced. Impairment provision on the basis of reappraisals of foreclosures has not been planned.

VI. MEASURES AND ACTIVITIES FOR ACHIEVING THE AIMS AND OBJECTIVES OF THE BANK'S BUSINESS POLICY

In order to achieve successful realization of the priority aims and objectives and positive effects from the operation in 2019, the Bank shall undertake specific measures and activities within all segments of its operation, which cover all business processes of the Bank (main and auxiliary) and are in accordance with the adopted Strategy for Corporate Social Responsibility of Komercijalna Banka AD Skopje for the period 2017-2021.

VI.1 Main business processes:

VI.1.1. CORPORATE LENDING

The projected growth of the gross loans with the legal entities is expected to be around 10%.

The activities and measures that are going to be undertaken in 2019 shall be directed towards:

- Follow up and analysis of the movements on global markets, situation in the EU, external political relations of the EU with other countries, internal political and economic circumstances in the country as well as current trends in separate economic sectors and activities, for proper diversification of loans by industries;
- decrease of concentration of large loan exposures through appliance of conservative and more restricted access when increasing the credit exposure with permanent clients whose exposure exceeds EUR 1 million;
- increase of lending to small and medium-sized companies which operate in stable sectors and have acceptable credit risk;
- increase of short and medium-term loans versus long term lending, due to the recognized need of companies for working capital;



- the Bank will continue to approve long-term loans with favorable conditions to clients that are interested in purchasing property that the Bank has foreclosed or property that is in the process of being foreclosed;
- attracting new good standing and creditworthy clients, with focus on more significant rise of the loan portfolio of small and medium-sized companies;
- continuation of the support to investment projects aimed for companies from the tourism, education, renewable resources, energy efficiency, ecology and services sector;
- continuing the realization of the credit line from EBRD for financing infrastructural projects in municipalities;
- active involvement in the Small and Medium-sized Enterprises Competitiveness Support Program supported by EBRD in collaboration with EU (EU-IPA funds);
- upgrade to the program solution for the process of approving and administrating loans, while simultaneously introducing additional controlling and protective mechanisms to minimize the operational and credit risk;
- permanent assessment of the loan interest rates and proposing amendments and supplements to the Bank's Interest Rates Policy, first all for the purpose of lowering the loan interest rates, especially for the best low risk clients etc.

VI.1.2. INTERNATIONAL BANKING

Regular activities of this segment of the Bank's operation in 2019 shall continue in the domain of: international payment operations, opening L/Cs and issuing L/Gs, administering claims under FX loans to legal entities, activities related to the Bank's liabilities under domestic and foreign credit lines, activities related to providing limits with foreign banks for confirmation of guarantees and letters of credit issued by the Bank, regular contacts and visits to clients for the purpose of meeting their needs and informing them on the novelties regarding products and services, as well as continuous follow up of the competition in this field.

The following aspects will be in the focus of operations in this field for 2019:

- attracting new clients and retaining the existing ones through individual price approach, having in mind the Bank's profitability on a client base and actual market conditions;
- continuous increase of the workload in the international payment operations on the basis of factoring and forfeiting in accordance with the actual economic movements in the country and abroad;
- improvement of the international payment operations by introducing Mbanka for fx payment operations for legal entities;
- introducing the new service FileAct available through SWIFT communication platform to clients using SWIFT services, by means of which they will be enabled to transfer various data and remittances;
- additional improvement of internet bank in the area of international payment operations, as well as promotion of the service for access to electronic 743 and 1450 payment orders and SWIFT payment notifications;
- organizing thematic lectures short seminars for the transfer of knowledge and experience to the clients;
- improvement of the processes and technologies for operating in this domain for more efficient service and product delivery to clients as well as continuation of active customer care approach.



VI.1.3. MANAGEMENT OF PROBLEM LOANS

In the course of 2019, in this segment of operation, as per projections, it is planned to realize collection of problematic loans from 56 debtors in the amount of MKD 918 million (cash payment and foreclosure). For that purpose, the main activities will be aimed to:

- improvement of techniques and analysis for early detection of clients with financial difficulties and taking measures for overcoming these conditions through restructuring of the claims or initiating procedure for forced collection as a last resort;
- full detailed analysis of the portfolio of the Intensive Client Treatment Department, as well as of the complete portfolio of non-performing clients in order to get a picture of the reasons leading to deterioration of the clients' creditworthiness, and
- finding out solutions for collection of claims which have small probability to be covered through regular collection and for which a procedure for forced collection is initiated before the competent authority (consideration of client's conditions, preparation of draft plans, measures and activities for extrajudicial settlement, sale of foreclosed assets, etc.).

VI.1.4. LIQUIDITY AND FINANCIAL MARKETS

In terms of liquidity and financial markets management, besides regular activities for management of MKD and f/x liquidity, share in the f/x market and financial instrument trading, providing services with securities and custodian bank for securities, in 2019, the Bank will undertake the following activities:

- realization and promotion of KomBanker - an electronic platform for client communication aimed at performing purchase and sale on the fx market, i.e. concluding confirmed transactions in real time;
- activities for creation of matrices to measure the influence of objective factors on changes in the Bank's interest rates, which will complete the process of reform of the interest rates regime;
- increase of the offer for investment banking services, such as: research of the conditions on the capital market, client advising when issuing of and trading with long-term securities, portfolio management, management of long-term securities portfolio of the Bank, advice giving and organization of procedures for takeover of joint-stock companies, preparation of the necessary documentation for issuing securities, taking risk at realization of a new issue of securities, financing projects and special transactions etc.;
- intensifying the efforts for establishing contacts with foreign investment funds as potential investors on the capital market in the Republic of North Macedonia;
- establishing contacts and distribution of offers to new potential clients of the custodial services through presentation of the conditions and possibilities offered by the Bank;
- finalization of the process automation project from receiving client instructions, through processing, creation and realization of the payment order and authentic MT5xx SWIFT notification to final creation and delivery of feedback/report to the client, etc.



VI.1.5. DOMESTIC PAYMENT OPERATIONS

In order to comply with the amendments to the legislation regarding regulation of payment services and payment systems in the Republic of North Macedonia (harmonized with European legislation), the main activities in 2019 will be directed towards:

- unification of the documentation required for opening of accounts and definition of a framework agreement for payment services, covering all the segments for performance of payment services;
- completion of functionality of the "Service 500" through a systemic data updating for main activity, size of the legal entity and contact e-mail address, having in mind the significance of these data in further reporting data generated in the Bank on different bases;
- in accordance with the legislation for SPPFT, a solution will be developed for monitoring the business relationships with the clients - legal entities according to the risk level and undertaking appropriate activities that will ensure updating of the Bank's data, through system connection of the applications in the part of execution of transactions and status changes;
- preparation of software solution for delivering decisions for forced collection in electronic form, electronic archiving of all partial payments based on the decisions for enforced collection;
- improving the execution of decisions for forced collection, with recording of electronically submitted decisions for forced collection, system records of execution of decisions for forced collection, automatic monitoring of the incoming inflow, interest calculation and generating a payment order. It will also work on improving the system for transferring funds from foreign currency accounts, bank cards and due deposits on a transaction account for proper procedure when executing a decision for forced collection;
- development and improvement of the Bank's services that provide systemic execution of decisions for forced collection received in electronic and in paper form in a mass number from competent authorities;
- automation of the process of receiving payment instructions with MT101, data mapping for automatic generation of payment order PP30 / PP50 / PP53 and its automatic forwarding and processing in the payment system;
- harmonization with the European legislation and use of new xml formats for delivering payment orders with the prescribed ISO standardization for payment transactions;
- improvement and advancement of functionality of the Internet bank (providing a possibility to change the procedures in cases of rejected payment orders, without any disturbances to the integrity and security of the digitally signed payment orders, additional functionalities - setting out limits by the clients for individual orders to another client, monthly limits to certain clients etc.;
- implementation of the Instant payment service that will enable 24/7/365 realization of external payments - guaranteed small payments up to 1 million denars, where the settlement is delayed, but the payment is realized at a higher speed and at a time at which the final beneficiary will receive the available funds immediately, with a high level of security and acceptable settlement costs;
- automation of the process of write-off of other claims arising from claims from payment operations as well as write-off of outstanding invoices for performing services on the basis of concluded cooperation agreements;



- automation of the accounting statements for recording the income on the basis of generated invoices within the scope of the payment operation processes in the country;
- starting with the insurance advocacy activity, developing software solutions for the sale of standard insurance products, appropriate background recording and support for the sale, preparation and submission of necessary reports in accordance with the regulation; and
- complete analysis of the existing Terms and Conditions Applicable to Customers in order to accurately determine the actual costs for each individual activity, etc.

VI.1.6. RETAIL BANKING

In the domain of retail segment, the following aims and objectives are planned to be achieved in 2019:

- increase of gross loans to individuals for around 4.7%,
- increase of total deposits of individuals for around 3.4%,
- increase of the number of active bank cards,
- increase of turnover with cards,
- expansion and modernization of the network of POS terminals and ATMs,
- introduction of new products and services and modification of the existing ones,
- gaining new customers,
- improving the collection of claims under loans, bank cards and transaction accounts,
- increase of the market share.

In order to achieve these main objectives, the following specific activities are planned:

- In the area of **transaction accounts operation**, it is planned: introduction of the possibility for online application for opening a transaction account and issuing a debit card; modification of the existing youth package for which market research should be previously conducted; introduction of two new packages for retired people stimulated through promotional periods; introduction of the possibility for payment of installments with debit cards issued by the Bank; improving the manner of customer identification; updating the database of personal data, with an emphasis on improving the decision for defining the branches in which the bank cards will be delivered to clients; educating clients about the advantages of alternative ways of non-cash payment, etc.
- In the area of **bank cards operation**, it is planned: migration of certain products i.e. replacement of some of the existing cards with more attractive products, preparation of a package with related services which implies approval of a product with benefits for the next one, launch of a project for digitization of Visa cards and loyalty card, introduction of instant issuance of cards by branches and city branches network, more active promotion of the co-branded cards issued by the Bank, implementation of massive campaigns for activation of cards that are issued, but not used, introduction of additional privileges / benefits for all clients, decentralization of the process of issuing cards from the Bank's headquarters to the city-branches in Skopje, etc.;



- Regarding **the spread of the network for card acquiring** it is planned:
 - procurement and installation of modern wireless and network POS terminals with contactless technology and expansion of mobile phone payment infrastructure; withdrawing most of the existing terminals and replacing them by modern terminals with contactless technology, as well as withdrawal of inactive terminals and their redistribution to new and existing sale places; introduction of mobile POS terminal for legal entities; installing the so-called Unattended POS terminals at gas stations and parking lots and installing additional 3-4 terminals with EVN; massive promotion of card acquiring through a virtual POS terminal; introduction of payment applications with budget users through the Bank's POS terminals; payment of installments and rental of terminals at the Diners Club;
 - purchase of 7 new ATMs for new locations, replacement of the existing and impaired ATMs and dislocation of 2 existing ATMs, introduction of new services and functionalities of ATMs (TCR - Cash recycling, unblocking of PIN, exchange operations, dynamic conversion of currencies, etc.).
- **In the part of deposit operations**, the need for re-introduction of the product Open Savings will be analyzed, adapted to the new method of calculation of interest rates, re-evaluation of existing fees and introduction of new where necessary;
- **In the field of retail loans**, it is planned to introduce two new products - instant loan through traders - Neptun and a new loan product secured by a certain type of insurance policy, as well as reduction of the time period from application of the loan, its approval until disbursement of funds;
- **In the area of customer relationship management**, it is planned to upgrade the concept of Personal Banking and its implementation both in the branches and the city branches network, as well as introducing new ways of informing the clients through the Customer Care Group at the Contact Center;
- **Other activities** (continuous training and education of employees, internal motivation campaigns for the employees, organization of prize giving games and education for legal entities, visit of the 200 best traders where certain gifts will be presented, allocation of 1 denar per each successfully executed POS transaction the Bank's donation terminals for humanitarian purposes, etc.).
- In the part of commissions that are charged from retail banking, it is planned: increase of the commission for running a transaction account on which the inflow arises on the basis of pension, introducing fees for closing the transaction accounts at request of clients, increase in the amount of the commission for non-cash payments that are realized through internal clearing from accounts of clients to accounts of legal entities carried out through the Internet Bank, change of fees for withdrawing cash from cards, change in the calculation of membership fees for bank cards, change in the amount of fees for products and services charged by the Bank, when used individually, as well as a privileged price if the product package is used, re-introduction of a non-linear card commission issued by the Bank and other cards, introduction of monthly payment for a terminal for merchants who realize law trade with the POS terminal etc.

VI.1.7. MANAGEMENT OF BRANCH AND CITY BRANCH NETWORK

In the segment of managing the branches and city branches network the Bank will continuously work on improvement of the organization structure of this network with



defined level of authority, responsibility, control and management of the same. The main activities of this Bank's segment are the following:

- **rationalization of the network of city-branches and branches** through revising the working hours, the number of employees, the geographical position and the closing of certain branch offices in the same;
- **modernization of branches** through full implementation of the system of electronic records for customers waiting in queues, increasing the number of open counters for sale of products and advisory services and branding the branches windows with designed foil with logo of the Bank;
- from the aspect of **human resource management**, it is planned to establish sales projections and targets that the employees will have to achieve, at the same time monitoring and measuring the operations through development and implementation of the Performance Management System and regular control activities;
- Providing immediate and more active contact with clients, their active information and financial education, stimulating active use of digital channels for payment, measuring and analyzing the level of customer satisfaction. Appropriate segmentation of clients using CRM software, etc.

VI.1.8. VAULT OPERATIONS

The vault operation during 2019 will be directed towards cost optimization, efficiency strengthening in the execution of cash operations and the physical security and security of the performance of the cash operational processes on the Bank's level.

The same will be realized through implementation of an additional and more sophisticated identification software, in order to strengthen the security criteria to access the vault, upgrading the ATM procedures, as well as reviewing the possibilities for upgrading software solutions for using ATMs, in order to increase the level of protection whilst operating (opening/closing) the same.

The quality of the safe deposit boxes will be improved in order to maintain the trust gained and expand the customer base. Additionally, the purchase of new locks for the deposit boxes and their installation will continue in the organizational parts where necessary.

The Bank will continue to perform cash transport for the need of the big and key clients.

VI.2. Auxiliary (supportive) business processes:

VI.2.1. HUMAN RESOURCES AND GENERAL AFFAIRS

In the course of 2019, the activities related to human resources and general affairs' management shall be mainly directed towards:

- In **the area of human resources**: selection and implementation of modern standards for human resources management in direction of realization of the Bank's strategic goals and development and maintaining of organizational culture; proposing measures and activities for improving the operational process and engagement of the employees; rationalization and improvement of the operation from HR aspect; selection and recruitment of highly educated and competent personnel, as well as allowing them professional and career development;



application of stimulation awarding policy which will motivate the employees; introducing an electronic file for each employee; calculation of payment of salaries, contributions and other compensations to employees; records of working hours; activities regarding safety at work and health protection.

- **In the area of investments, the Bank's property and general affairs:** cost optimization when procuring office supplies, stationery and fixed assets; maintenance, adaptation and modernization of the existing business premises of the Bank, management of foreclosed assets and finding manners for their sales; regular insurance of the entire property; purchase and maintenance of business vehicles of the Bank, improvement of the office and archive operations through electronic organization and management.
- **In the area of internal inspection:** regular inspections of operations of the organizational units/parts and employees of the Bank, control inspections of parts of operational activities where in previous inspections irregularities had been identified, extraordinary inspections upon requests from external subjects or by order of the Board of Directors or immediate superior; continuous training of inspectors; development of a new Rulebook for operation of the unit and other activities as necessary.
- **In the area of security,** activities will be undertaken for securing the Bank's property, employees' security, security of clients and guests of the Bank, managing the system for video monitoring and surveillance and alarm alert in the monitoring center of the Bank, implementing connection with digital video recorder on each location of the Bank, as well as submission of recorded video materials at request of the competent institutions (Ministry of internal affairs of RM, Primary Court, Public Prosecution Office etc.).

VI.2.2. LEGAL AFFAIRS

Within the activities related to the legal affairs, in the course of 2019, the Bank is going to undertake the following activities: participating in legal disputes, appraisal of property and equipment accepted as security for loans, legal adjustment of the decisions, contracts, agreements and other by-laws under the competence of the Bank's bodies and its operation with the law regulations and the internal acts, conducting the professional and overall administrative work regarding arranging meetings of the Bank's Assembly, Supervisory Board, Board of Directors, Risk Management Committee, Audit Committee, Credit Committee and other bodies and authorities of the Bank, workout minutes, decisions, conclusions and recommendations from the meetings of the Bank's bodies and authorities, updating of the Bank's Registry of Acts in electronic form and maintaining the electronic register of activities, public relations, following of the reputation risk, announcing information, announcements and other notifications through printed and electronic media, purchase and distribution of representative advertising material, etc. More significant activities planned for compliance with the Decision for corporate management in the Bank are:

- Amendments to the Bank's Statute
- Regular annual training of members of the Bank's bodies (Supervisory Board, Board of Directors, Audit Committee, and Risk Management Committee).



VI.2.3. INFORMATION TECHNOLOGY

In the course of 2019, the following activities will be undertaken in the IT sector:

- Support to the Bank's organizational units;
- Purchase of Microsoft products licenses in accordance with the Microsoft Enterprise Agreement;
- Migration of client work stations on Windows 10 operating system and migration of MS SQL Express 2014 local base;
- Implementation of Privilege Session Management solution;
- Hardware upgrade of the revision trace management system – HP Arc Sight;
- Implementation of the option for table partitioning and transparent data encryption on main MS SQL Server database;
- Upgrade of the Business Intelligence (BI) system with a new version of the operating system and database;
- Upgrade of the Manage Engine system with the Incident/Problem and Change management functionalities;
- Migration of the existing bankWORKS3 card application to a new WEB based version and Service-Oriented Architecture (SOA);
- Upgrade of PIN Management for card production to a new version;
- Introduction of contactless payment on Bank's ATMs;
- Introduction of the PIN unblock/reset option on Bank's ATMs;
- Introduction of new functionalities to the KomPay application (notifications, loyalty cards etc.);
- Implementation of new communication links in the Bank's branches and city-branches;
- Purchasing and installation of corporate network main switches and integration with modules for network virtualization;
- Upgrade of the network equipment in the Bank's city-branches;
- Purchase and installation of IP telephony system in the Bank's city-branches;
- Upgrade of the corporate IP telephony system for video conferences and long distance meetings for the needs of the Supervisory Board and Directors of the Bank's branches;
- Realization of the process of Ethical hacking;
- Purchase and implementation of a system for mobile devices management and security;
- Purchase and implementation of a system for Data Leakage Prevention;
- Upgrade of the software for alarm notifications from branches and city-branches;
- Replacement of existing ATMs and installation of ATMs on new locations;
- Purchase and implementation of a system for long distance charging of ATM and POS encryption keys;
- Migration of the e-mail communication system to an upper version;
- Purchase and implementation of a TestComplete specialized software for testing internally developed applicative solutions prior to their deployment, according to recommendations of the executed audit by NBRNM;
- Project for migration of bank applications executed in the Delphi (5 or 7) program language to Embarcadero XE;
- Project for migration of part of the services made in Delphi or with COM+ components to .NET;



- Apart from activities related to implementing regulatory changes and user controls, additional activities will be undertaken connected to implementation of the GDPR regulation from computer system perspective, data protection and regulating database and shared folders access, as well as managing a personal data encryption solution;
- Reprocessing of the following applications in .NET:
 - Fixed assets by upgrade of functionalities and process automatization through connecting the Inventory and Suppliers and Buyers applications
 - ProfilAccounts;
 - CertImporter and CertWizard – registration office.
- Upgrade of Internet bank and mBanka software solutions with new functionalities:
 - Visual charts for account movement in Internet bank;
 - Adding functionalities that have not yet been implemented in mBanka and mBankaCo, but are available in the Internet bank;
 - Visual improvement of the design of mobile applications and visual charts for account movements.
- Migration of the new BI system, as production BI environment of the server ALEXANDER, redoing the reports on the existing SPRITE portal made by the Bank, to the new BI environment through TezauriManager, etc.

VI.2.4. MARKETING ACTIVITIES

During 2019, the marketing activities of the Bank will be directed towards realization of the primary marketing goals of Komercijalna Bank AD Skopje: to make the Bank be the first choice of the existing and potential clients, maintaining the existing clients base and attracting new ones; offer of financial solutions adjusted to their needs, improvement of the distribution channels of the products and services – first of all digital marketing, as well as improvement of the perception for the brand and precise and accurate information to the general public about the range of products and services it offers.

For realization of the primary goals the following activities will be undertaken:

- realization of a research study of the banking sector in the Republic of North Macedonia with a detailed review of Komercijalna Banka AD Skopje, which should give a clear picture of the position of the Bank on the market, as well as the attitudes, habits and perceptions of the existing and potential clients for the Bank and its business environment;
- usage of the results from omnibus researches focused on banks in order to estimate the awareness of the clients for the products and services the bank's offers,
- presence of the Bank on social networks (Facebook, Instagram, LinkedIn and YouTube) in accordance with the already adopted Social Networking Strategy of Komercijalna Banka AD Skopje for the period from 2018 to 2022;
- promotional communication via e-mail (e-mail marketing), as well as communication with the users of the mobile application "mBanka" through PUSH notifications;
- regular display of advertising videos and additional information on the menu of ATMs and LCD monitors placed in the Bank's branches and city branches network;
- regular updates of the Bank's website and redesigning it to respond to the modern technology flows and customers' needs;



- regular preparation of printed promotional materials and their distribution to the branches and city-branches;
- in cooperation with a marketing agency, promotional messages other than those of the competition will be created for promotion of certain products and services, i.e. support to introduction of novelties in the area of payment cards, introduction of new product packages for clients, promotion of new or modified credit products, electronic banking, introduction of a mobile application for legal entities, etc.
- Continuous financial support for events and projects in the field of culture and art, humanitarian projects, scientific research and publishing activity and sports.

VI.2.5. FINANCE OPERATIONS

The planned activities in the financial operations for 2019 shall be directed towards monitoring and harmonization with IFRS and IAS, NBRNM regulation, with main focus on the implementation of the new Law on Personal Income Tax and the amendments to the Law on Profit Tax.

The only new international standard that has been applied since January 1, 2019 is IFRS 16: Leases, which has not yet been accepted in the NBRNM regulations and its impact will be reflected only in the reports on international financial reporting standards. This standard introduces changes in the domestic regulations regarding the accounting treatment of leases and their manner of recognition with different effects in the Balance Sheet and the Income Statement.

Accordingly, continuous monitoring of each amendment and addition to the regulations and continuous education of the employees will be carried out in order to respond to all current amendments and additions arising from the IFRS, the NBRNM regulations and the tax regulations (income tax, value added tax and personal income tax). In addition, we will work on introducing and defining more and more control mechanisms in the process of operational working and implementation of software solutions for certain work activities, while at the same time establishing an ever increasing system of automated control and horizontal control.

VI.2.6. RISK MANAGEMENT AND PLANNING

The Bank's Business Policy for 2019 shall continue to be based on the methodology that provides compliance of the assets and resources of the Bank, with the aim to minimize any kind of risk that may occur in case of any unbalance between these two extents. In addition, the equilibrium on the Balance Sheet in terms of volume, dynamics and in terms of currency and maturity structure of assets is a starting point in preparation of the annual financial plan of the Bank and laying down the development priorities in the operation.

In the risk management domain, the Bank shall promote the risk management system aiming at complete and proper implementation of the regulations, with simultaneous advancement of the identification models, monitoring and selection of methods for risk minimization as well as timely reporting to the Board of Directors, Supervisory Board and the Risk Management Committee for the purpose of making qualitative and timely decisions therefore.



- **In the frames of credit risk managing** despite the regular activities which include: classification of the balance and off-balance items of the Bank and determination of the impairment losses and special reserve on monthly level, regular simulations of the impairment of the clients exposures, delivering reports and information on regular basis to Bank's bodies and NBRNM, opinions for clients' creditworthiness with loan exposure over MKD 60 million on regular basis. More significant activities which will be undertaken in 2019 are related to the Decision on the methodology for recording and valuing the accounting items and preparation of the financial reports connected with the accounting standard IFRS 9 (which began to apply from 01.01.2018) and with the new Decision on credit risk management (which will begin to apply as from 01.07.2019). For that purpose the following activities will be performed:
 - changes of the internal acts (policies, methodologies and procedures) in order to apply the impairment principle corresponding to the loan losses,
 - analysis of parameters connected with the appliance of IFRS 9 – calculation of expected loss,
 - software requirements for testing the results and cooperation with IT Division for software implementation of the calculation of expected loan loss in accordance with IFRS 9.
 - software requirements for follow up of the restructured, non-performing and write-off of credit exposures.

- Concerning management of **non-credit risks**, there will be continuing activities for identification, measuring and monitoring, control and reporting on liquidity risk, currency risk, market risk, interest rate risk, operational and reputation risk in accordance with the legal legislature and internal acts of the Bank. The Division continues with realization of its activities: determining the capital required to cover the operating risk in accordance with the regulation; continued activities to fully implement and improve the system that supports the policy and the complaint handling process in accordance with the internal regulation, as well as improvements to the complaint handling process (including other opinions such as suggestions and compliments) acquired in the Bank by clients and other involved parties, participation in revising the procedures for enrolment of new product, service or system in the Bank and analysis of the same from the aspect of the Bank's capacity for risk taking, conducting stress-tests according to the requirements of the law regulation and internal needs. Moreover, in 2019 the following additional activities arising from the Recommendations funder the Action Plan from the Independent Internal Audit Department (having a deadline for implementation by June 30.2019) will be realized.
 - Revision of and supplement to the Outsourcing Policy in order to fully comply with the Decision on risk management, as well as the preparation of appropriate procedures;
 - Annual assessment of a client as an external person by the Division for Non-Credit Risk Management based on the data from reports or questionnaires received from all OEs engaged in contracting and using contractual services based on daily work experience and quality service of the company;
 - Analysis of the contracts with lawyers and law firms whether in the subject of the contract and the engagement there are elements referring to the use of services by external people who according to the NBRNM regulations provide services to the Bank for performing financial activities, the procedures for



operation when using these services completely to comply with the regulations of NBRNM and the Bank's Outsourcing Policy.

- The segment of **planning, analyses and capital management** will produce the reports and analyses for the Bank's operation in accordance with the regulation and demands of the managing bodies, the annual Program for Measures and Activities of the Business Policy of the Bank with Budget, monitoring capital adequacy, the risk profile of the Bank in terms of the strategic risk, the influence of the instruments for credit protection in the calculation of the capital adequacy rate, material expenses, market share, etc. There will also be improvements to the analysis of the business activities of the Bank regarding operating segments, and an analysis of the branches' performance by applying the appropriate model for correction of the financial result, as well as the process to determine the Bank's internal capital etc. During 2019, special attention will be paid on development of recovery Plan and harmonizing with the capital adequacy regulation and Tier 1 and Tier 2 capital and participation in the NBRNM project for introduction of an integrated reporting system.

VI.2.7. CONTROL OF COMPLIANCE OF THE BANK'S OPERATION AND MONEY LAUNDERING PREVENTION

In the area of compliance with regulation and money laundering prevention in 2019, the activities will be in direction of ensuring lawful operation of the Bank, identifying and eliminating risks which could arise from illegal operations, preventing all kinds of involvement of the Bank in the processes of money laundering and terrorism financing, providing security of the information system and protection of personal data, as well as complete compliance of the Bank's operations with the regulatory demands from this area.

The following activities shall be taken:

- Regular monitoring of the new regulations, amendments and supplements to the existing, assessment of the impact it has on the operations of the Bank and indicating the activities and actions that should be undertaken in the Bank for the purpose of harmonization with the law and by-laws, as well as providing assistance and monitoring of their implementation;
- Evaluation of the harmonization with the regulations of the newly introduced and modified products;
- Identifying and monitoring the risks of non-compliance of the Bank's operations with the regulations;
- Undertaking measures and activities for implementation of the FATCA regulation (Law on harmonization of taxes on foreign accounts) and fulfillment of the obligations that it envisages;
- Continuous harmonization of the internal acts of the Bank in the field of prevention of money laundering and financing of terrorism with the domestic and international regulations in this area;
- Continuous monitoring and analysis of transactions in the Bank and detection of risky - suspicious transactions following indicators of suspicion;
- Upgrading the AML software solution, as well as upgrades with other client applications for automatic support in processes for preventing money laundering and financing of terrorism;



- Cooperation with external institutions involved in the prevention of money laundering and financing of terrorism and submission of prescribed reports;
- Continuous training of the employees and management in the Bank regarding the implementation of the regulations and acting on the procedures in the field of prevention of money laundering and financing of terrorism;
- Implementation of external control by a certified external company for application of the legal provisions in the field of personal data protection (at least once in three years according to the regulatory requirements);
- Regular risk assessment for the assets of the Bank's information system;
- Analysis of the impacts of non-specific events in business (Business Impact Analysis);
- Revision of the Information System Security Policy and compliance with the Decision on the methodology for the information system security of the Bank and possible changes in the legislation, business requirements, changes in technology and registered security incidents, as well as revision and harmonization of internal acts that regulates the information security in the Bank;
- Establishing active cooperation in the area of information sharing for potential threat intelligence networks with other active participants from banks and financial institutions, as well as deepening cooperation as constituents at the national level within the framework of the established Cyber Risk Strategy, i.e. a national CIRT (Computer Incident Response Team);
- Harmonization with the new regulation for protection of personal data;
- Testing and revising the Bank's Continuity Plan.

VII. INTERNAL AUDIT

The Division for Internal audit as independent chain represents the third control level within the frames of the whole internal control system, which performs continuous monitoring and audit of the Bank in order to assess the law, security and efficiency in the Bank's operations and the internal controls in the systems for risk management.

During 2019, the activities will be focused on:

- conducting regular and extraordinary audits to all business processes and financial activities associated with the operation of the Bank in accordance with the annual plan;
- control and assessment of the appropriateness and efficiency of the systems of internal control;
- insight and assessment of the implementation and efficiency of the procedures and risk management methodology;
- insight and assessment of the organization of the information system for support of the operational processes and risk management processes;
- insight and assessment of the accuracy and validity of the financial reports and trading books;
- carrying out tests on certain transactions and on the functioning of certain internal control procedures with part of the audited processes;
- carrying out tests on the accuracy, validity and timeliness of the internal and external reporting in accordance with the legal legislature.



In addition, the Internal Audit, within the planned activities and resources, is occasionally engaged in consultative activities at request of the Bank's management in the frames of realization of certain projects or for giving opinions on draft acts or legislation or for other operational issues from business activities and processes in the Bank.

VIII. CORPORATE SOCIAL RESPONSIBILITY

During 2019, Komercijalna Banka AD Skopje as a corporate social responsible company will continue with the activities for investment in the community through its Coordinating authority for social responsibility and realization of volunteering activities, encouraging of internal processes for socially responsible practices and continuous education and involvement of the employees in this type of projects of the Bank. These activities will be undertaken in compliance with the Strategy for corporate social responsibility for the period 2017-2021.

Significant projects planned for 2019 include:

- Financial Education Project for students in high schools for raising awareness and knowledge among the students in banking and finance through presentations in the following topics: bank account, savings, bank cards, e-banking etc. The project has been approved by the competent Ministry of Education and Science.
- Ecological volunteer action for cleaning waste, which will be implemented by the employees;
- Cooperation with non-governmental organizations and support to marginalized groups in the society;
- Humanitarian giant slalom for amateurs in Mavrovo
- Support to the employees participating in the Skopje Marathon
- Volunteering donations by the employees for World Hunger Day and the Day of Solidarity,
- Organizing a New Year's show for the children of the employees,
- Volunteering donations for the kids on the streets in Shuto Orizari.