

**OPINION TO THE  
ANNUAL REPORT ON OPERATIONS OF  
STOPANSKA BANKA AD – SKOPJE FOR 2019**

**OPINION TO THE  
ANNUAL REPORT ON OPERATIONS OF  
STOPANSKA BANKA AD – SKOPJE FOR 2019**

1. Stopanska Banka AD – Skopje (SB) performed its activities during 2019 in full compliance with the laws, its Statute and the internal regulations.
2. Fulfillment of the set targets was monitored by the Supervisory Board on regular manner by reviewing extensive quarterly Board of Directors Reports (containing both numeric and descriptive data), and regular evaluation of the steps taken for fulfillment of the set targets. In addition, the said Report includes the activities of the Risk Management Committee. The Board of Directors was responsible for organizing and monitoring all activities connected with achieving budgeted targets.
3. Throughout 2019 the domestic economy was operating in a relatively stable political and macroeconomic environment. Increased level of investments and consumption brought stronger economic growth compared to the previous three years. This was accompanied by stable financial system and positive external environment.

Given the current economic climate and challenging market conditions, SB succeeded in delivering once again notable results and successful management of all business aspects. Consequently, at the end of the year, the Bank recorded profit before taxes of EUR 43.0 million.

The Bank's total assets reached EUR 1,621.3 million; ROA equaled 2.5%, while ROE reached 16.8%, far above the local banking sector average, indicating self-growing potential for the business and stable returns for shareholders. With the capital strength, which ensured capital adequacy ratio of 16.3%, SB confirms to be one of the most trustworthy financial partners in the country.

Within the implemented solid credit risk management framework, SB managed to maintain a sound and well-diversified credit portfolio. Growth of the credit portfolio, along with maintaining a low and controlled NPE ratio is one of the Bank's main strategic objectives, which the Bank managed to achieve in 2019.

In 2019 was the 75th anniversary of the establishment of Stopanska Banka, as the first national bank and a brand that remains recognized for its wide presence, continuous development and productive cooperation with retail and corporate clients. The stable political environment had positive impact on the economy and the behavior of the clients. The Bank appropriately responded to the increased demand and maintained its leading market position in the retail segment.

4. As in previous years, the Bank also had strong presence in the wider community with its Corporate Social Responsibility (CSR) projects and support of the local community. Thus, the Bank supported various CSR activities aimed at overall benefit for the local community and at the same time promoted CSR awareness in its core operations by supporting projects that are of major importance for the country and economy.
5. Having in mind the performance of SB in 2019, the quantitative and qualitative data presented in the Annual Report, the Supervisory Board confirms that SB continued its successful performance

and despite the challenges through the year, the Bank delivered very good results. This positive outcome reflects the continuing success of the long-term strategy of the Bank, which has been pursued consistently since the acquisition of the Bank by NBG in 2001. The Supervisory Board is pleased to report another successful year in which SB has reaffirmed its leading position in the market and the community.

6. The Supervisory Board would like to take this opportunity to express its gratitude to all SB customers, employees, partners and shareholders for their trust and support over the past year.

S.B. No. \_\_\_\_\_

\_\_\_\_.04.2020

S k o p j e

**SUPERVISORY BOARD**

**Chairman**

Marinis Stratopoulos