INTERPRETATION AND METHODOLOGY

Financial ratios

Return On Sales (ROS)

$$= \frac{\textit{Net Income (Before Interest and Tax)}}{\textit{Sales}}$$

The total revenue (sales) for banks is calculated as a sum of total interest earned and total commission and fees.

Earnings Per Share (EPS)

$$= \frac{\textit{Net profit}}{\textit{Total number of shares}}$$

Return On Assets (ROA)

$$= \frac{\textit{Net Income}}{\textit{Total Assets}}$$

The value of Total assets are calculated from the last audited annual financial report.

Return On Equity (ROE)

Calculated as:

$$= \frac{\textit{Net Income}}{\textit{Shareholder's Equity}}$$

The value of Total Shareholders Equity is calculated from the last audited annual financial report.

Price-Earnings Ratio (P/E Ratio)

Calculated as:

$$= \frac{\textit{Market value per share}}{\textit{Earnings per share (EPS)}}$$

Book Value of Equity Per Share (BVPS)

Calculated as:

$$= \frac{\textit{Value of Total Equity}}{\textit{Total number of shares}}$$

The value of Total Shareholders Equity is calculated from the last audited annual financial report.

Price-To-Book Ratio (P/B Ratio)

A ratio used to compare a stock's market value to its book value. It is calculated by dividing the share price at the end of the period and the book value per share.

Calculated as:

$$= \frac{\textit{Market value per share}}{\textit{Book Value per share}}$$

Also known as the "price-equity ratio".

Dividend Yield

$$= \frac{\textit{Annual Dividends Per Share}}{\textit{Price per Share}}$$

EXPLANATIONS:

1. For calculation of the “Total number of shares”, the ordinary shares issued by the company and the priority shares own by the Pension and Disability Insurance Fund of the Republic of Macedonia are summed up. The Pension and Disability Insurance Fund of the Republic of Macedonia received shares in the process of privatization of companies. Shares, owned by the Pension and Disability Insurance Fund of the Republic of Macedonia after their secondary sale automatically are converted in ordinary shares.

2. The ratios are calculated using data from the latest published financial statements (unaudited or audited) and the latest dividend paid. For issuers that also publish consolidated financial statements, the indicators are calculated from the unconsolidated financial statements up to the moment of publication of the consolidated financial statements

3. The ratios Net Earnings per Share (EPS), Book Value per Share and Dividend per Share in the event of a corporate event (merger/split of shares) will be displayed modified by the conversion factor, for easier comparison with the new number of shares of the company.