

Pursuant to Article 44 paragraph 2 point 3 and Article 35 paragraph 5 of the Central Bank of Montenegro Law (OGM 40/10, 46/10, 06/13, 70/17) the Council of the Central Bank of Montenegro, at its meeting held on 12 March 2018, passed the following

**DECISION**  
**establishing the forms for the submission of information on lending activity**

**Article 1**

This decision shall govern the reporting entities, the content, a responsible person, the manner and the deadlines for submitting information on lending activity to the Central Bank of Montenegro (hereinafter: the Central Bank).

The Central Bank shall collect and process the information referred to in paragraph 1 above for statistical purposes in order to carry out research on the assessment of lending activity dynamics in Montenegro.

**Article 2**

The reporting entities for submitting information referred to herein shall be a bank and other credit institution having its head office in Montenegro (hereinafter: the bank).

**Article 3**

The bank shall submit to the Central Bank the information on lending activity using the Form AKB – Bank Lending Survey (hereinafter: the Form), which is attached to this Decision and makes an integral part thereof.

Terms and expressions used in the Form are provided in the Annex 1, and the content of the Form is provided in Annex 2.

The Central Bank may, if needed, provide additional explanations and guidelines for filling out the Form.

**Article 4**

A person responsible for filling out the Form shall be a person participating in creating and/or pursuing bank's lending policy.

**Article 5**

The bank shall submit to the Central Bank the information referred to in Article 3 paragraph 1 herein on quarterly basis in electronic format no later than 15 days following the expiry of the respective quarter.

**Article 6**

The Central Bank shall publish aggregate information on bank lending activities on its website.

**Article 7**

This Decision shall enter into force on the day following that of its publication in the Official Gazette of Montenegro.

**THE COUNCIL OF THE CENTRAL BANK OF MONTENEGRO**

Ref. no.: 0101-2456-3/2018  
Podgorica, 12 March 2018

**CHAIRMAN  
GOVERNOR,**

**Radoje Žugić, m.p.**

Terms and expressions used in the Form specified in this Decision shall have the following meaning:

<b>Term</b>	<b>Meaning</b>
<b><i>Interest rate margin</i></b>	The difference between bank lending and deposit interest rates.
<b><i>Collateral</i></b>	A security given by a debtor to a bank as a pledge for the repayment of loans and/or credit lines in the form of securities (shares or debt securities), property and cash.
<b><i>Credits/Loans</i></b>	Monetary assets approved to entrepreneurs and households by banks.
<b><i>Credit line</i></b>	A maximum amount of loan which a bank may approve to an enterprise at any given time and/or a maximum amount an enterprise may withdraw if it needs additional cash in certain period of time, whereas the amount may be renewed.
<b><i>Credit standards</i></b>	Criteria for approving loans and/or credit lines by a bank which define: type of a loan, recognised sectoral or geographical priorities, acceptability of collateral, creditworthiness of debtor, and the like, including internal guidelines, changes in lending policy and its implementation.
<b><i>Credit terms and conditions</i></b>	Compulsory elements of the loan and/or credit line agreement between the bank and the debtor (credit amount, interest rate, commission and fee expenses, collateral demanded or guarantees provided by the debtor, maturity and the like). They are determined depending on the financial situation of the debtor and may be altered simultaneously with credit standards or separately.
<b><i>Micro, small, medium and large enterprises</i></b>	Classification in accordance with Article 5 of the Accounting Law (OGM 52/16).
<b><i>Non-banks</i></b>	Financial service providers and/or persons engaged in financial leasing, micro lending and Investment and Development Fund of Montenegro.
<b><i>Risk perception</i></b>	Bank's view on systemic risk, development of overall economic situation, position of certain industry or company, debtor's credit capacity, and required collateral.
<b><i>Enterprise</i></b>	A business entity specified by the Law on Business Organisations (OGRM 006/02, OGM 017/07, 080/08, 040/10, 036/11, 040/11).

<b><i>Households</i></b>	Natural persons having a status of a resident in accordance with Article 3 paragraph 1 item 1 indents 4 and 5 of the Law on Foreign Current and Capital Operations (OGRM 045/05, OGM 062/08, 040/11, 062/13, 070/17).
<b><i>Households savings</i></b>	Cash deposited, and bank's assessment of the available income of households not recorded at the bank's accounts.
<b><i>Demand for loans</i></b>	The assessment of overall demand for loans to enterprises and households, including loan renewals, without taking into consideration normal seasonal fluctuations.
<b><i>Loan</i></b>	Loan specified by the Law on Contracts and Torts (OGM 047/08, 004/11, 022/17).

**ANNEX 2**

**FORM AKB**

**BANK LENDING SURVEY**

<b>Bank's name</b>	
<b>Identification number</b>	
<b>Reporting period</b>	
<b>Responsible person</b>	
<b>E-mail</b>	
<b>Phone</b>	

**I. Loans and/or credit lines to enterprises**

1. Over the past three months, how have your bank's credit standards as applied to the approval of loans or credit lines to enterprises changed as compared to the previous three-month period? Do you expect any changes in these standards in the next three months?<sup>1</sup>

Legend:	- 2 = tightened considerably	- 1 = tightened moderately	0 = unchanged (no impact)	1 = eased moderately	2 = eased considerably
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A) Total loans and/or credit lines

    Long-term (over 1 year)

    Short-term (up to 1 year)

B) Loans and/or credit lines to micro, small and medium enterprises

C) Loans and/or credit lines to large firms

Past three months				
-2	-1	0	1	2

Next three months				
-2	-1	0	1	2

<sup>1</sup> Note: The question is about the changes in credit standards, rather than about the amount of the loans approved.

2. Over the past three months, how have the following factors affected the changes in bank's credit standards as applied to the approval of loans or credit lines to enterprises as compared to the previous three-month period? Do you expect that these factors will affect the change in credit standards in the next three months?

Legend:	- 2 = tightened considerably	- 1 = tightened moderately	0 = unchanged (no impact)	1 = eased moderately	2 = eased considerably
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	Past three months														
	Total					Loans to micro, small and medium enterprises					Loans to large firms				
	-2	-1	0	1	2	-2	-1	0	1	2	-2	-1	0	1	2
A) Costs of sources of funds															
B) Competition of other banks															
C) Risk perception (risk tolerance)															
- General economic situation and outlook															
- Uncollectible receivables															
- Risk related to collateral demanded															
D) Willingness to take risk															
E) Other factors, if exist (please specify)															

	Next three months														
	Total					Loans to micro, small and medium enterprises					Loans to large firms				
	-2	-1	0	1	2	-2	-1	0	1	2	-2	-1	0	1	2
A) Costs of sources of funds															
B) Competition of other banks															
C) Risk perception (risk tolerance)															
- General economic situation and outlook															
- Uncollectible receivables															
- Risk related to collateral demanded															
D) Willingness to take risk															
E) Other factors, if exist (please specify)															

3. Over the past three months, how have your bank's terms and conditions for loans to enterprises changed as compared to the previous three-month period? Do you expect any changes in terms and conditions in the next three months?

Legend:	- 2 = tightened considerably	- 1 = tightened moderately	0 = unchanged (no impact)	1 = eased moderately	2 = eased considerably
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Past three months															
Total					Loans to micro, small and medium enterprises					Loans to large firms					
-2	-1	0	1	2	-2	-1	0	1	2	-2	-1	0	1	2	
A) Interest rate margin*															
B) Commissions and fees*															
C) Maximum amount of loans and/or credit lines**															
D) Collateral requirements*															
E) Maturity**															

Next three months															
Total					Loans to micro, small and medium enterprises					Loans to large firms					
-2	-1	0	1	2	-2	-1	0	1	2	-2	-1	0	1	2	
A) Interest rate margin*															
B) Commissions and fees*															
C) Maximum amount of loans and/or credit lines**															
D) Collateral requirements*															
E) Maturity**															

Note: (\*) higher interest margins, commissions, fees, and collateral requirements refer to the tightening, while (\*\*) higher maximum amounts of loans and/or credit lines and extension of maturity refer to the easing.



4. Over the past three months (apart from normal seasonal fluctuations), has the share of enterprise loan and/or credit line applications that were completely rejected by your bank increased, remained unchanged or decreased as compared to the previous three-month period?

Legend:	- 2 = increased considerably	- 1 = increased moderately	0 = unchanged (no impact)	1 = decreased moderately	2 = decreased considerably
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Share of rejected applications	Past three months														
	Total					Loans to micro, small and medium enterprises					Loans to large firms				
	-2	-1	0	1	2	-2	-1	0	1	2	-2	-1	0	1	2

5. Over the past three months (apart from normal seasonal fluctuations), how has demand for loans and/or credit lines to enterprises changed at your bank as compared to the previous three-month period? Do you expect any changes in enterprise demand for loans and/or credit lines of your bank in the next three months? Please refer to the financing need of enterprises independent of whether this need will result in a loan and/or credit line or not.

Legend:	- 2 = decreased considerably	- 1 = decreased moderately	0 = unchanged (no impact)	1 = increased moderately	2 = increased considerably
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	Past three months					Next three months				
	-2	-1	0	1	2	-2	-1	0	1	2
A) Demand for total loans and/or credit lines										
Long-term (over 1 year)										
Short-term (up to 1 year)										
B) Demand of micro, small and medium enterprises										
C) Demand of large firms										

6. Over the past three months (apart from normal seasonal fluctuations), how have the following factors affected the demand for loans and/or credit lines of your bank to enterprises as compared to the previous three-month period? Do you expect that these factors will affect the demand for loans and/or credit lines of your bank to enterprises in the next three months?

Legend:	- 2 = tightened considerably	- 1 = tightened moderately	0 = unchanged (no impact)	1 = eased moderately	2 = eased considerably
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A) FINANCIAL NEEDS OF ENTERPRISES

- for capital investments
- for working assets
- for debt restructuring
- for mergers/acquisitions

B) USE OF ALTERNATIVE SOURCES OF FINANCING

- internal sources of financing
- loans from other banks
- loans from non-banks

C) OTHER FACTORS (please specify)

Past three months				
-2	-1	0	1	2

Next three months				
-2	-1	0	1	2

**II. Loans to households**

1. Over the past three months, how have your bank's credit standards as applied to the approval of loans to households changed as compared to the previous three-month period? Do you expect any changes in these standards in the next three months?<sup>2</sup>

Legend:	- 2 = tightened considerably	- 1 = tightened moderately	0 = unchanged (no impact)	1 = eased moderately	2 = eased considerably
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	Past three months					Next three months				
	-2	-1	0	1	2	-2	-1	0	1	2
TOTAL LOANS										
- Housing loans										
- Consumer and other loans										

<sup>2</sup> Note: The question is about the changes in credit standards, rather than about the amount of the loans approved.

2. Over the past three months, how have the following factors affected the changes in bank's credit standards as applied to the approval of loans to households as compared to the previous three-month period? Do you expect that these factors will affect the change in credit standards in the next three months?

Legend:	- 2 = tightened considerably	- 1 = tightened moderately	0 = unchanged (no impact)	1 = eased moderately	2 = eased considerably
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	Past three months														
	Total					Housing loans					Consumer and other loans				
	-2	-1	0	1	2	-2	-1	0	1	2	-2	-1	0	1	2
A) Costs of sources of funds															
B) Competition of other banks															
C) Risk perception (risk tolerance)															
- General economic situation and outlook															
- Uncollectible receivables															
- Risk related to collateral demanded															
D) Willingness to take risk															
E) Other factors, if exist (please specify)															

	Next three months														
	Total					Housing loans					Consumer and other loans				
	-2	-1	0	1	2	-2	-1	0	1	2	-2	-1	0	1	2
A) Costs of sources of funds															
B) Competition of other banks															
C) Risk perception (risk tolerance)															
- General economic situation and outlook															
- Uncollectible receivables															
- Risk related to collateral demanded															
D) Willingness to take risk															
E) Other factors, if exist (please specify)															

3. Over the past three months, how have your bank's terms and conditions for loans to households changed as compared to the previous three-month period? Do you expect any changes in terms and conditions in the next three months?

Legend:	- 2 = tightened considerably	- 1 = tightened moderately	0 = unchanged (no impact)	1 = eased moderately	2 = eased considerably
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	Past three months														
	Total					Housing loans					Consumer and other loans				
	-2	-1	0	1	2	-2	-1	0	1	2	-2	-1	0	1	2
A) Interest rate margin*															
B) Collateral requirements*															
C) Share and deposits*															
D) Mortgage value*															
E) Commissions and fees*															
F) Maturity and grace period**															
G) Other factors if exist (please specify)															

	Next three months														
	Total					Housing loans					Consumer and other loans				
	-2	-1	0	1	2	-2	-1	0	1	2	-2	-1	0	1	2
A) Interest rate margin*															
B) Collateral requirements*															
C) Share and deposits*															
D) Mortgage value*															
E) Commissions and fees*															
F) Maturity and grace period**															
G) Other factors if exist (please specify)															

Note: (\*) higher interest margins, higher collateral requirements, higher shares and deposits, higher mortgage value and higher commissions and fees refer to the tightening, while extension of maturity and grace period refer to the easing.

4. Over the past three months (apart from normal seasonal fluctuations), has the share of households loan applications that were completely rejected by your bank increased, remained unchanged or decreased as compared to the previous three-month period?

Legend:	- 2 = increased considerably	- 1 = increased moderately	0 = unchanged (no impact)	1 = decreased moderately	2 = decreased considerably
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Share of rejected applications	Past three months														
	Total					Housing loans					Consumer and other loans				
	-2	-1	0	1	2	-2	-1	0	1	2	-2	-1	0	1	2

5. Over the past three months (apart from normal seasonal fluctuations), how has the demand for loans to households changed at your bank as compared to the previous three-month period? Do you expect any changes in households demand for loans of your bank in the next three months?

Legend:	- 2 = decreased considerably	- 1 = decreased moderately	0 = unchanged (no impact)	1 = increased moderately	2 = increased considerably
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TOTAL LOANS	Past three months					Next three months				
	-2	-1	0	1	2	-2	-1	0	1	2
- Housing loans										
- Consumer and other loans										

6. Over the past three months (apart from normal seasonal fluctuations), how have the following factors affected the demand for loans to households of your bank as compared to the previous three-month period? Do you expect that these factors will affect the households demand for loans of your bank to enterprises in the next three months?

Legend:	- 2 = tightened considerably	- 1 = tightened moderately	0 = unchanged (no impact)	1 = eased moderately	2 = eased considerably
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- A) FINANCIAL NEEDS OF HOUSEHOLDS
  - \* for refinancing
  - \* for purchase of consumables (cars, furniture, etc.)
  - \* for immovable property purchase
- B) GENERAL ECONOMIC SITUATION
  - \* Wages and salaries
  - \* Employment
  - \* Real estate market situation
- C) USE OF ALTERNATIVE SOURCES OF FINANCING
  - \* Household savings
  - \* Loans from other banks
  - \* Loans from non-banks
- D) OTHER FACTORS (please specify)

Past three months				
-2	-1	0	1	2

Next three months				
-2	-1	0	1	2