

Pursuant to Article 17 paragraph 1 point 1) of the Central Bank of Montenegro Law (OGRM 51/00, 47/01) and Article 82 of the Banking Law (OGM 17/08), at its meeting held on 20 March 2009, the Council of the Central Bank of Montenegro passed the following

**DECISION**  
**on Minimum Standards for Bank Investment in Immovable Property and Fixed Assets**

**1. Basic provision**

**Article 1**

This decision shall prescribe the minimum standards for bank investments in immovable property and fixed assets.

**2. Investments in immovable property and fixed assets**

**Article 2**

Immovable property, within the meaning of this decision, shall mean: land, buildings and other immovable property that bank records in its business books in the accounts under the group 1700 – acquired assets in accordance with the Decision on Bank Chart of Accounts.

Fixed assets, within the meaning of this decision, shall mean asset items that bank records in its business books in the accounts under the group 1800 – fixed assets.

**Article 3**

Total bank investments in immovable property and fixed assets shall not exceed 25% of bank's own funds.

By way of exception from paragraph 1 above, bank investments in immovable property and fixed assets may exceed 25% of own funds provided that the following requirements have been met:

- 1) bank treats the investment exceeding 25% of own funds as a deductible item in the calculation of bank own funds;
- 2) after the deduction from bank's own funds in line with paragraph 1 above, the level of own funds and the solvency ratio shall be higher than the prescribed minimum.

#### **Article 4**

Investments in immovable property shall not be considered immovable property acquired as an exchange for liabilities in the procedure of restructuring a doubtful debt or in bank bankruptcy, liquidation or foreclosure, provided that no more than two years have passed as of the immovable property acquisition date.

### **3. Final provision**

#### **Article 5**

This decision shall enter into force on the eighth day following that of its publishing in the Official Gazette of Montenegro.

**COUNCIL OF THE CENTRAL BANK OF MONTENEGRO**

**P R E S I D E N T**

**Ljubiša Krgović**

Decision no. 0101-325/3-2  
Podgorica, 20 March 2009