

**DECISION**  
**on minimum standards for bank investment in immovable property and  
fixed assets**  
**(OGM 24/09 as of 01.04.2009, 66/10 as of 19.11.2010, 58/11 as of 06.12.2011,  
61/12 as of 07.12.2012, 13/13 as of 08.03.2013, 51/13 as of 01.11.2013, 16/15  
as of 26.03.2015, 82/17 as of 30.11.2017)**

**1. General 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 as funds held for sale or as other 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 1801 to 1830 in accordance with the Decision on Bank Chart of Accounts.

**Article 3**

Total bank investments in immovable property and fixed assets shall not exceed the amount of bank's core capital, calculated before including the amount referred to in paragraph 2, item 1 above.

By way of exception from paragraph 1 above, bank investments in immovable property and fixed assets may exceed the amount of bank's core capital, provided that the following requirements have been met:

- 1) bank treats the investment in immovable property and fixed assets exceeding the amount of bank's core capital calculated in line with paragraph 1 above as a deductible item in the calculation of bank's core capital;

- 2) after the deduction from bank`s core capital in line with paragraph 1 above, the level of own funds and the solvency ratio shall be higher than the prescribed minimum.

#### **Article 4**

When calculating the total amount of investment in immovable properties and fixed assets, the bank shall include, for the immovable property acquired as an exchange for receivables in debt restructuring process, bankruptcy proceedings and/or liquidation proceedings of the bank`s debtor, in the process of reorganization of debtor in accordance with regulations governing bankruptcy proceedings or in the process of execution for the purpose of settling bank`s receivables, into the calculation the value of such an immovable property at minimum in the following percentages:

- 1) 0%, if not more than four years have passed since the day of acquisition of the immovable property;
- 2) 30%, if more than four, but not more than five years have passed since the day of acquisition of the immovable property;
- 3) 50%, if five, but not more than six years have passed since the day of acquisition of the immovable property;
- 4) 75%, if more than six years have passed since the day of acquisition of the immovable property.”

#### **Article 4a**

The banks shall submit the Central Bank of Montenegro information and data on the type, time of acquisition and value of immovable property acquired, filled out on the Form SN which is attached to this Decision and makes its integral part thereof.

Information and data under paragraph 1 above shall be submitted twice a year as follows:

- 1) by end of February (information as at 31 December of the previous year);  
and
- 2) by end of July (information as at 30 June of the current year).

### **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.

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

**FORM SN**

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/bank's name/ /registration number/

**OVERVIEW OF ACQUIRED IMMOVABLE PROPERTIES**

As of \_\_\_\_\_

No.	Type of immovable property <sup>1</sup>	Acquisition date <sup>2</sup>	Value <sup>3</sup>
1			
2			
3			
4			
5			
6			
7			
8			
9			
10			
11			
12			
13			
14			
15			
<b>TOTAL:</b>			

\_\_\_\_\_  
/name and last name/signature/phone no. of authorised person/

<sup>1</sup> Type of immovable property is written (land, commercial property, residential property);

<sup>2</sup> Date when the ownership of the property is entered in the cadastre register is written;

<sup>3</sup> Value of property determined in accordance with IAS/IFRS is written.