

Pursuant to Article 44 paragraph 2 item 3 and 10 of the Central Bank of Montenegro Law (OGM 40/10, 6/13, 70/17), the Council of the Central Bank of Montenegro, at its meeting held on 6 July 2023, passed the following

DECISION
AMENDING THE DECISION ON INTERIM MEASURES TO MITIGATE NEGATIVE
IMPACT OF THE COMMUNICABLE DISEASE COVID-19 EPIDEMIC AND THE
SITUATION IN UKRAINE ON THE FINANCIAL SYSTEM

1. In the Decision on interim measures to mitigate negative impact of the communicable disease COVID-19 epidemic and the situation in Ukraine on the financial system (OGM 135/22) item 2) shall be amended to read:

“2. Until 31 October 2023, credit institutions shall be prohibited from paying out dividends to shareholders, except if they are paid out in the form of shares of the credit institution.

Notwithstanding paragraph (1) of this item, a credit institution which meets the prescribed regulatory requirements, requirements determined by the supervisory process, and the defined internal limits, may, subject to prior consent from the Central Bank of Montenegro, pay out the full amount or a part of the dividend in cash on the basis of the profit recorded in 2019, 2020, and/or 2021 in the amount that shall not affect the fulfilment of the abovementioned requirements and limits, except in cases set out in Article 180 of the Law on Credit Institutions (OGM 72/19, 8/21).

A credit institution referred to in paragraph (2) of this item shall, prior to deciding dividend payout in accordance with this item, submit to the Central Bank of Montenegro the application for obtaining the authorisation for dividend payout, supported by the following documentation:

- 1) adequate justification of the dividend amount planned for payout;
- 2) the plan of dividend payout dynamics, containing the calculation of the effects of the planned payout on the performance indicators, and plan, and
- 3) capital plan for the next three years, including the results of the conducted stress testing, based on at least three scenarios of varying degrees of severity specific to the risk profile of the credit institution.

Documentation referred to in paragraph (3) of this item must prove that, after the dividend payout, the credit institution's operations and its adequate liquidity and solvency shall be secured, and/or that the requirements and limits referred to in

paragraph (2) of this item will not be violated, and that those requirements and limits will be met in full.

A credit institution shall, after obtaining the consent for dividend payout referred to in paragraph (3) of this item from the Central Bank of Montenegro, pay out the dividend in accordance with the submitted plan of dividend payout dynamics, and, in the case of any deviation from that plan, immediately notify the Central Bank thereof.”

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

THE COUNCIL OF THE CENTRAL BANK OF MONTENEGRO

Decision number: 0101- 5313-2/2023

**CHAIRMAN
GOVERNOR,**

Podgorica, 6 July 2023

Radoje Žugić, m.p.