

DECISION
ON THE METHOD OF CALCULATING MAXIMUM DISTRIBUTABLE
AMOUNT

(OGM 029/25 of 21 March 2025, 017/26 of 13 February 2026)

Subject matter

Article 1

This Decision establishes the method of calculating the maximum distributable amount referring to the minimum requirement for own funds and eligible liabilities, calculated in line with the provisions of the Law on Resolution of Credit Institutions (hereinafter: the Law), as well as the method of notifying the Central Bank of Montenegro thereof.

Determining maximum distributable amount

Article 2

- (1) Maximum distributable amount referring to the minimum requirement for own funds and eligible liabilities (hereinafter: maximum distributable amount) shall be calculated by multiplying the sum calculated in accordance with paragraph (3) of this Article and the factor specified in accordance with paragraph (4) of this Article.
- (2) The maximum distributable amount shall be reduced by each amount established by way of an administrative decision of the Central Bank of Montenegro (hereinafter: the Central Bank) referred to in Article 28a paragraph (2) of the Law.
- (3) The sum to be multiplied in accordance with paragraph (1) of this Article shall be calculated in the following manner:
 - 1) any interim profits not included in Common Equity Tier 1 capital in accordance with Article 5 paragraph (3) of the Decision on Capital Adequacy of Credit Institutions (OGM 65/25) – (hereinafter: Decision on Capital Adequacy), net of any distribution of profits or any payment resulting from actions referred to in Article 28a paragraph (2) of the Law;
 - 2) any year-end profits not included in the Common Equity Tier 1 capital pursuant to Article 5 paragraph (3) of the Decision on Capital Adequacy shall be added to the amount obtained in accordance with item 1) of this paragraph, net of distribution of profits or any payment resulting from the actions referred to in Article 28a paragraph (2) of the Law;
 - 3) if the items specified in items 1) and 2) of this paragraph were to be retained, the amounts which would be payable by tax are deducted from the amount referred to in item 2) of this paragraph.
- (4) Where the Common Equity Tier 1 capital maintained by the credit institution or a legal person referred to in Article 3 items 2), 3) and 4) of the Law, which is not used to meet any of the requirements set out in Article 117 of the Decision on Capital Adequacy, as well as requirements referred to in Articles 30 to 32 of the Law, including additional requirement for own funds and eligible liabilities for the credit institution that is a resolution entity and that is a G-SICI or a part of the G-SICI as defined in accordance with the regulation governing minimum requirements for own funds and eligible liabilities, expressed as a percentage of the total risk exposure calculated in accordance with Article 114 paragraph (3) of the Decision of capital Adequacy, is within:
 - 1) the first or the lowest quartile of the combined buffer requirement, the factor shall be 0;

- 2) the second quartile of the combined buffer requirement, the factor shall be 0.2;
 - 3) the third quartile of the combined buffer requirement, the factor shall be 0.4;
 - 4) the fourth or the highest quartile of the combined buffer requirement, the factor shall be 0.6.
- (5) The lower and upper bounds of each quartile of the combined buffer requirement referred to in paragraph (4) shall be calculated as follows:

$$\text{Lower bound of quartile} = \frac{\text{Combined buffer requirement}}{4} \times (Q_n - 1)$$

$$\text{Upper bound of quartile} = \frac{\text{Combined buffer requirement}}{4} \times Q_n$$

where "Q n " = the ordinal number of the quartile concerned.

Notifying the Central Bank

Article 3

A credit institution or a legal person referred to in Article 3 items 2), 3) and 4) of the Law, shall notify the Central Bank of Montenegro on the maximum distributable amount referred to in Article 2 of this Decision in writing and without delay.

Entry into force

Article 4

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

THE COUNCIL OF CENTRAL BANK OF MONTENEGRO
