

Pursuant to Article 44 paragraph 2 item 3 of the Central Bank of Montenegro Law (OGM 40/10, 6/13, 70/17, 125/23), Article 72 paragraph (2) and Article 135 paragraph (4) of the Law on Credit Institutions (OGM 72/19, 8/21, 24/25), the Council of the Central Bank of Montenegro, at its meeting held on 25 July 2025, passed the following

## **DECISION**

### **AMENDING THE DECISION ON DOCUMENTATION SUPPORTING THE APPLICATION FOR GRANTING THE AUTHORISATIONS UNDER THE LAW ON CREDIT INSTITUTIONS**

#### **Article 1**

In the Decision on Documentation Attached to the Application for Granting the Authorisations under the Law on Credit Institutions (OGM 127/20) in Article 1, the words: "(OGM 72/19)-" shall be deleted.

#### **Article 2**

In Article 3 paragraph (2) item 5) the word: "changes" shall be replaced by the following: "reasons for changes".

In item 8) at the end of indent 1 the word "and" shall be deleted.

After indent 2 a new indent shall be added worded as follows:  
"- business strategy of the credit institution; "

#### **Article 3**

In Article 4 paragraph (1) item 1) after the words: "being established" a coma and the following shall be added: "along with the information on the reasons for the establishment and the address of the head office of that legal person".

After item 1) a new item shall be added, worded as follows:  
"1a) authorisation for the establishment of a dependent legal person, which was granted to the credit institution - founder by a competent authority abroad, or a declaration by that authority that such authorisation is not required pursuant to the regulations of the country where the address of the dependent legal person of that credit institution is located;".

In item 2) after the word "dependent" the word "legal" shall be added.

## Article 4

Article 5 shall be amended to read:

### **“Inclusion of the current-year profits in the Common Equity Tier 1 capital**

## Article 5

(1) The application for granting the authorisation, before taking a formal decision confirming the final annual profit or loss of the credit institution, shall be supported by the following:

- 1) confirmation of profits by the persons responsible for the audit of the credit institution's financial statements, which also provides an appropriate level of assurance that the profits have been estimated in accordance with the regulations governing the accounting;
- 2) proof that the amount of profits has been reduced by any foreseeable costs or dividends;
- 3) decisions of the management body on the intention to include the current-year profits or year-end profits in Common Equity Tier 1 capital.

(2) The following shall be considered as the confirmation referred to in paragraph (1) item 1) of this Article:

- 1) for the year-end profits - the external auditor's report or the statement (comfort letter) of an independent external auditor that the audit has been started but not completed, and that until the moment of issuing the confirmation, the auditors had not been aware of any circumstances implying that the final external audit report would include a qualified opinion;
- 2) for the current-year profits, the independent external auditor's report or the independent external auditor's report on review (in accordance with the international standard 2410 - Criteria for Communicating).

(3) The following shall be considered as the evidence of the reduction in profits referred to in paragraph (2) item 2) of this Article:

- 1) a statement that the profits were carried in accordance with the principles established in the applicable accounting framework, as well as that the scope of prudential consolidation is not significantly wider than the scope of the verification specified in the independent external auditor's document referred to in paragraph (2) of this Article, and
- 2) a report on the main components of the current-year profits generated during the business year or the current-year profits generated at the end of the business year, including deductions for all foreseeable costs or dividends.

(4) Evidence referred to in paragraph (3) of this Article shall be submitted on the template referred to in Annex Ia which is attached to this Decision and makes an integral part thereof, and signed by an authorised person”.

## Article 5

In Article 6 paragraph (1) item 8), the words: “Article 42 paragraph (1) item 3) and Article 55 paragraph (1) item 3) of the Decision on Capital Adequacy;” shall be replaced by the following: “Article 47 paragraph (1) item 3) and Article 61 paragraph (1) item 3) of the

Decision on Capital Adequacy of Credit Institutions (hereinafter: the Decision on Capital Adequacy);”.

In item 10), the Montenegrin word translated as “information” shall be replaced by another Montenegrin word with no relevance to the English translation, and the words: “Article 77” shall be replaced with the following: “Article 83”.

In items 11) and 18), the words: “capital instruments” shall be replaced by the following: “a capital instrument”.

### **Article 6**

In Article 8, the Montenegrin word translated as “using” shall be replaced by another Montenegrin word with no relevance to the English translation.

### **Article 7**

After Article 8, a new Article shall be added, worded as follows:

## **“Authorisation for reducing own funds instruments**

### **Article 8a**

(1) A credit institution shall, together with the application for granting authorisation referred to in Article 135 paragraph (1) item 5) of the Law, for the reduction of Common Equity Tier 1 capital instruments, Additional Tier 1 capital instruments or Tier 2 capital instruments, submit the following:

- 1) information on the method of reducing own funds instruments (buyback/reduction/repurchase of own funds instruments) and the type of the authorisation (general authorisation/authorisation);
- 2) an explanation of the reasons for the intention to reduce own funds instruments;
- 3) the results of the assessment of the effects of the planned reduction on compliance with legal and other supervisory requirements and information on any reduction that the credit institution plans to carry out in the next three years;
- 4) information on the amount and structure of own funds before and after the implementation of the intended activity, including the future three-year period;
- 5) information on the adequacy ratios of own funds (Common Equity Tier 1, Tier 1 and own funds) and compliance with legal and other supervisory requirements for capital before and after the implementation of the reduction of own funds instruments, including the future three-year period;
- 6) information on the leverage ratio and compliance with legal and other supervisory requirements for leverage before and after the implementation of the intended reduction of own funds instruments, including the future three-year period;
- 7) an assessment of the risks to which the credit institution is or could be exposed and an assessment of whether the level of own funds is sufficient to cover those risks, including the results of stress testing of the main risks that would show potential losses;
- 8) information on internal capital, internal capital requirements and excess of available capital.

(2) Where a credit institution intends to replace own funds instruments or related share premium accounts in accordance with Article 88 paragraph (1) item 1) or paragraph (9) item 3) of the Decision on Capital Adequacy of Credit Institutions, in addition to the information referred to in paragraph (1) of this Article, it shall also submit the information on:

- 1) the remaining maturity of the replaced own funds instruments, if any, and the maturity of the own funds instruments replacing them;
- 2) the position in the hierarchy of the replaced own funds instruments and the own funds instruments replacing them in the event of bankruptcy;
- 3) the cost of the own funds instruments replacing the instruments or share premium accounts referred to in Article 87 paragraph (1) of the Decision on Capital Adequacy of Credit Institutions;
- 4) the planned timing of the issuance of the own funds instruments replacing the instruments or share premium accounts referred to in Article 87 paragraph (1) of the Decision on Capital Adequacy of Credit Institutions;
- 5) the effects on the profitability of the credit institution at the time of replacement and the possibility of making a profit in the future three-year period, taking into account stress conditions.

(3) A credit institution submitting an application for general prior approval for the reduction, redemption or repurchase of Common Equity Tier 1 instruments issued by the credit institution in accordance with the regulations, shall, together with the information referred to in paragraph (1), item 1) of this Article, submit the information on:

- 1) the amount of each relevant issue of Common Equity Tier 1 capital that is the subject of that request;
- 2) the instruments that are yet to be issued.

(4) A credit institution submitting an application for general prior approval to exercise the option to call, redeem, repay or repurchase Additional Tier 1 capital instruments or Tier 2 instruments, before their contractual maturity date, shall, together with the information referred to in paragraph (1) item 1) of this Article, submit the information on:

- 1) the amount of each relevant outstanding issue that is the subject of that request;
- 2) the total carrying amount of the outstanding instruments at each relevant level of capital;
- 3) the instruments that are yet to be issued, for which the specification of the information referred to in items 1) and 2) of this paragraph, as applicable, shall be submitted after the relevant issue.

(5) A credit institution submitting an application for an extension of general prior approval shall, together with the application, submit the information referred to in paragraph (1) item 4) of this Decision.”

## **Article 8**

In the heading of Article 9 and in the introductory sentence of paragraph (1), the Montenegrin words translated as “capital requirements” shall be replaced by other Montenegrin words with no relevance to the English translation.

In item 1), the words: “Article 163” shall be replaced by the following: “Article 186”.

In item 2) the words: “of Articles 188 to 210” shall be replaced by the following: “of Articles 209 to 229”.

In item 3) after the words: “LGD” the following shall be added: “(loss given default)”, and the words: “of Articles 188 to 210” shall be replaced by the following: “of Articles 209 to 229”.

In item 4), the words: “Article 166” shall be replaced by the following: “Article 189”.

In item 5), the words: “Article 167” shall be replaced by the following: “Article 190”.

In item 6), the words: “with Articles 172 to 176” shall be replaced by the following: “with Articles 195 to 198”.

In item 7), the words: “with Articles 177 and 178” shall be replaced by the following: “with Articles 199 and 200”.

Item 8) shall be amended, worded as follows:

“8) documentation on the assessment of PD (probability of default), LGD and maturity in accordance with Articles 201 to 206 of the Decision on Capital Adequacy”.

In item 9), the words: “with Articles 185, 186 and 187” shall be replaced by the following: “with Articles 207 and 208”.

In items 10) and 11), the words: “Article 188” shall be replaced by the following: “Article 209”.

In item 12), the Montenegrin word translated as “retail” shall be replaced by another Montenegrin word, with no relevance to the English translation.

In item 13), the Montenegrin word translated as “integrity” shall be replaced by another Montenegrin word, with no relevance to the English translation, and the words: “Article 192” shall be replaced with the following: “Article 213”.

In item 14), the words: “Article 193” shall be replaced by the following: “Article 214”.

In item 15), the words: “Article 194” shall be replaced by the following: “Article 215”.

In item 16), the words: “Article 195” shall be replaced by the following: “Article 216”.

In item 17), the words: “Article 196” shall be replaced by the following: “Article 217”.

In item 18), the words: “Article 198” shall be replaced by the following: “Article 219”.

In item 19), the words: “Article 199” shall be replaced by the following: “Article 220”.

In item 20), the words: “Article 200” shall be replaced by the following: “Article 221”.

In item 21), the words: “Article 201” shall be replaced by the following: “Article 222”.

In item 22), the words: “Article 204” shall be replaced by the following: “Article 226”.

Items 23), 24), and 25) shall be deleted.

In item 26), the words: “Article 208” shall be replaced by the following: “Article 227”.

In item 27), the words: “Article 209” shall be replaced by the following: “Article 228”.

Current items 26) and 27) shall become items 23) and 24).

### **Article 9**

In Article 10, in the introductory sentence of paragraph (1), after the words: “referred to in Article 223” the following shall be added: “of the Law”.

### **Article 10**

After Article 10 a new Article shall be added, worded as follows:

#### **“Article 10a**

The provisions of this Decision shall apply mutatis mutandis to business undertakings referred to in Article 2 paragraph (1) item 2) of the Law.”

### **Article 11**

After Annex I, a new annex shall be added, worded as follows:

#### **“ANNEX Ia**

\_\_\_\_\_  
Name and information on the credit institution

### **Statement on profit with the report on its main components for which the application for including profit in Common Equity Tier 1 capital is submitted**

For the purposes of submitting the application to obtain authorisation for the inclusion of current-year profits in \_\_\_\_\_ (interim/annual) of business \_\_\_\_\_ year in Common Equity Tier 1 capital referred to in Article 135 paragraph (1) item 1) of the Law, I hereby inform the Central Bank on the intention of the \_\_\_\_\_ (name of credit institution) to include into Common Equity Tier 1 capital on \_\_\_\_\_ (solo/consolidated) basis reported in the financial statements as at \_\_\_\_\_ in the amount of EUR \_\_\_\_\_.

Profit to be included in Common Equity Tier 1 capital is calculated in the manner shown in Table 1.

**Table 1: Report on main components of profit that may be included in Common Equity Tier 1 capital**

1.	Undistributed pre-tax profit ( <i>reported in the Profit and Loss Statement of the credit institution</i> )	[EUR 0]
2.	Taxes	[EUR 0]
3.	Other charges referred to in Article 7 paragraph (1) item 2) of the Decision on Capital Adequacy of Credit Institutions required by the Central Bank	[EUR 0]
4.	Other foreseeable charges referred to in Article 7 paragraph (2) of the Decision on Capital Adequacy of Credit Institutions not included in the profit and loss statement	[EUR 0]
5.	Total charges (2+3+4)	[EUR 0]
6.	Decided or proposed dividend referred to in Article 6 paragraphs (2) and (10) of the Decision on Capital Adequacy of Credit Institutions ( <i>if there is a formal decision or a proposal for non-payment of dividends, or if there is no formal proposal or decision to pay out the dividends, the amount "0" shall be reported</i> )	[EUR 0/blank]
7.	Maximum dividend established in accordance with the dividend policy pursuant to Article 6 paragraphs (4) to (6) of the Decision on Capital Adequacy of Credit Institutions	[EUR 0]
8.	Dividend according to average pay-out ratio (last three years) in accordance with Article 6 paragraph (7) item 1) of the Decision on Capital Adequacy of Credit Institutions	[EUR 0]
9.	Dividend according to last year's pay-out ratio in accordance with Article 6 paragraph (7) item 2) of the Decision on Capital Adequacy of Credit Institutions	[EUR 0]
10.	Dividend to be deducted ( <i>if the position under 6 equals zero, the maximum amount from the positions 7, 8, and 9; if the position under 6 does not equal zero, the respective amount shall be reported</i> )	[EUR 0]
11.	Impact of regulatory restrictions pursuant to Article 6 paragraph (9) of the Decision on Capital Adequacy of Credit Institutions	[EUR 0]
12.	Profit that can be included in Common Equity Tier 1 capital (1-5-10+11)	[EUR 0]

For information referred to in Table 1, I hereby declare that:

1. To the best of my knowledge, the specified amounts are accurate;
2. The profits have been verified by persons who are independent and who are responsible for the auditing financial statements of this credit institution;

3. The profits have been evaluated in accordance with the principles set out in the applicable accounting framework;
4. Any foreseeable charges or dividends has been deducted from the amount of the profits, as shown above;
5. The amount of dividend to be deducted has been estimated in accordance with the Decision on Capital Adequacy of Credit Institutions. In particular, deductible dividends are based on a formal decision/proposal or, if such formal decision/proposal is not available, on the highest of:
  - maximum dividend according to dividend policy;
  - dividend based on the average pay-out ratio over the last three years;
  - dividend based on last year's pay-out ratio. If the expected dividend pay-out has been calculated by using a pay-out range instead of a fixed value, the upper end of that range has been used;
6. A proposal for distributing dividends is fully consistent with the calculation reported in Table 1.

Signature of the authorised person

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Name, surname, and function of the authorised person

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### **Article 12**

Annexes II, III, and IV shall be amended to read:

## “ANNEX II

**Template for the assessment of the fulfilment of conditions for  
Common Equity Tier 1 instruments**

A credit institution shall use the “Template for the assessment of the fulfilment of conditions for Common Equity Tier 1 instruments” to assess the compliance of Common Equity Tier 1 instruments at least with the requirements of Article 8 and Article 83 of the Decision on Capital Adequacy, taking into account Article 7 and Articles 11 and 12 of that Decision.

<b>TEMPLATE FOR THE ASSESSMENT OF THE FULFILMENT OF CONDITIONS FOR COMMON EQUITY TIER 1 INSTRUMENTS</b>		
<b>Instrument name</b>		
Number and content of the Article of the Decision on Capital Adequacy which prescribes the conditions for the capital instrument	Indication and reference to the relevant provisions of the contract governing the capital instrument or another relevant document related to the fulfilment of each prescribed condition for the capital instrument	Reasoned assessment of the fulfilment of each prescribed condition
<b>Article 8 paragraph (1) of the Decision on Capital Adequacy</b>		
1) the instrument is issued directly by the credit institution with the prior approval of the shareholders' assembly or, where permitted under applicable regulations, pursuant to the decision of the management body of the credit institution;		
2) the instrument is fully paid up and the acquisition of ownership of that instrument is not funded directly or indirectly by the credit institution;		
3) the instrument meets the conditions for capital and it is classified as share capital in accordance with the accounting framework and pursuant to the law governing bankruptcy and winding-up of banks;		
4) the instrument is clearly and separately disclosed on the balance sheet of the credit institution;		
5) the instrument is perpetual;		

6) the principal amount of the instrument may not be reduced or repaid, except in the following cases:		
- the winding-up of the credit institution; or		
- discretionary repurchases of the instrument or other discretionary means of reducing capital, where the credit institution has received the prior authorisation of the Central Bank in accordance with Article 87 of this Decision;		
7) the provisions governing the instrument do not indicate expressly or implicitly that the principal amount of the instrument would be reduced or repaid other than in the winding-up of the credit institution, and the credit institution does not otherwise provide such an indication prior to or at issuance of the instrument;		
8) the instrument meets the following conditions as regards distributions:		
- there is no preferential distribution treatment regarding the order of distribution payments, including in relation to other Common Equity Tier 1 instruments, and the provisions governing the instrument do not provide preferential rights to payment of distributions;		
- distributions to holder of the instrument may be paid only out of distributable items;		
- the conditions governing the instruments do not include a cap or other restriction on the maximum level of distributions;		
- the level of distributions is not determined on the basis of the amount for which the instruments were purchased at issuance;		
- the conditions governing the instruments do not include any obligation for the credit institution to make distributions to their holders and the credit institution is not otherwise subject to such an obligation;		

- non-payment of distributions does not constitute an event of default of the credit institution;		
- the cancellation of distributions imposes no restrictions on the credit institution;		
9) compared to all the capital instruments issued by the credit institution, the instruments absorb the first and proportionately greatest share of losses as they occur, and each instrument absorbs losses to the same degree as all other Common Equity Tier 1 instruments;		
10) the instrument ranks below all other claims in the event of bankruptcy or winding-up of the credit institution;		
11) the instrument entitles their owners to a claim on the residual assets of the credit institution, which, in the event of its winding-up and after the payment of all senior claims, is proportionate to the amount of such instruments issued and is not fixed or subject to a cap;		
12) the instrument is neither secured nor subject to a guarantee that enhances the seniority of the claim by any of the following entities:		
- the credit institution or its subsidiary undertakings;		
- the parent undertaking of the credit institution or its subsidiary undertakings;		
- the parent financial holding company or its subsidiary undertakings;		
- the mixed activity holding company or its subsidiary undertakings;		
- the mixed financial holding company or its subsidiary undertakings;		
- any undertaking that has close links with the entities referred to in indents 1 to 5 of this item;		
13) the instrument that is not subject to any arrangement, contractual or otherwise, that enhances the seniority of claims under the instruments in bankruptcy or winding-up of the credit institution.		

**Article 83 paragraph (1) of the Decision on Capital Adequacy**

Capital instruments and liabilities for which a credit institution has the sole discretion to decide to pay distributions in a form other than cash or own funds instruments shall not be eligible to qualify as Common Equity Tier 1, Additional Tier 1, Tier 2 or eligible liabilities instruments, unless the credit institution has received the prior authorisation of the Central Bank.		
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**We hereby certify that the information provided in this application is true, accurate, complete, and not misleading.**

**Unless otherwise stated in a particular document, the information relates to the date specified in this application. If any information relates to a future date, this is explicitly stated and the applicant undertakes to notify the Central Bank of Montenegro in writing if it subsequently finds some of this information not to be true, accurate and complete or to be misleading.**

**Signature of the authorised person**

**Name and surname**

**Function**

**ANNEX III****Template for the assessment of the fulfilment of conditions for  
Additional Tier 1 instruments**

A credit institution shall use the “Template for the assessment of fulfilment of conditions for Additional Tier 1 instruments” to assess the compliance of Additional Tier 1 instruments at least with the requirements of Articles 47, 48, 49, and 83 of the Decision on Capital Adequacy, taking into account Articles 11 and 12 of that Decision.

<b>TEMPLATE FOR THE ASSESSMENT OF FULFILMENT OF CONDITIONS FOR ADDITIONAL TIER 1 INSTRUMENTS</b>		
<b>Instrument name</b>		
Number and content of the Article of the Decision on Capital Adequacy which prescribes the conditions for the capital instrument	Indication and reference to the relevant provisions of the contract governing the capital instrument or other relevant document related to the fulfilment of each prescribed condition for the	Reasoned assessment of the fulfilment of each prescribed condition
<b>Article 47 paragraph (1) of the Decision on Capital Adequacy</b>		
1) a credit institution has directly issued the instruments and they are fully paid up;		
2) the instruments are not owned by any of the following:		
- the credit institution or its subsidiary undertakings;		
- an undertaking in which the credit institution has a participation in the form of ownership, direct or by way of control, of 20% or more of the voting rights or capital of that undertaking;		
3) the acquisition of the instruments is not funded directly or indirectly by the credit institution;		
4) the instruments rank below Tier 2 instruments in the event of the bankruptcy of the credit institution;		
5) the instruments are neither secured nor subject to a guarantee that enhances the seniority of the claims by any of the following:		
- the credit institution or its subsidiary		

undertakings;		
- the parent undertaking of the credit institution or its subsidiary undertakings;		
- the parent financial holding company or its subsidiary undertakings;		
- the mixed activity holding company or its subsidiary undertakings;		
- the mixed financial holding company or its subsidiary undertakings; or		
- any undertaking that has close links with entities referred to in indents 1 to 5 of this item		
6) the instruments are not subject to any arrangement, contractual or otherwise, that enhances the seniority of the claim under the instruments in the case of bankruptcy or winding-up;		
7) the instruments are perpetual and the provisions governing them include no incentive for the credit institution to redeem them;		
8) where the provisions governing the instruments include one or more call options, the option to call may be exercised at the sole discretion of the issuer;		
9) the instruments may be called, redeemed or repurchased only where the conditions laid down in Article 87 of this Decision are met, and not before five years after the date of issuance except where the conditions laid down in Article 88 paragraph (9) of this Decision are met;		
10) the provisions governing the instruments do not indicate explicitly or implicitly that the instruments would or might be called, redeemed or repurchased by the credit institution, and the credit institution does not otherwise provide such an indication, except in the case of bankruptcy or winding-up of the credit institution;		
11) the credit institution does not indicate explicitly or implicitly that the Central Bank would consent to a request to call, redeem or repurchase the instruments;		

12) distributions under the instruments meet the following conditions:		
- they are paid out of distributable items;		
- the level of distributions made on the instruments will not be amended on the basis of the credit standing of the credit institution or its parent undertaking;		
- the provisions governing the instruments give the credit institution full discretion at all times to cancel the distributions on the instruments for an unlimited period and on a non-cumulative basis, and the credit institution may use such cancelled payments without restriction to meet its obligations as they fall due;		
- cancellation of distributions does not constitute an event of default of the credit institution;		
- the cancellation of distributions imposes no restrictions on the credit institution;		
13) the instruments do not contribute to a determination that the liabilities of a credit institution exceed its assets, where such a determination is performed in accordance with the regulations governing the bankruptcy proceedings;		
14) the provisions governing the instruments require that, upon the occurrence of a trigger event, the principal amount of the instruments be written down on a permanent or temporary basis or the instruments be converted to Common Equity Tier 1 instruments;		
15) the provisions governing the instruments include no feature that could hinder the recapitalisation of the credit institution;		
16) where the issuer is established in a third country and has been a part of a resolution group the resolution entity of which is established in Montenegro or the European Union or where the issuer is established in Montenegro or the European Union, the law or contractual provisions governing the instruments require that, upon a decision by the Central Bank as the resolution authority to		

exercise the write-down and conversion powers, the principal amount of the instruments is to be written down on a permanent basis or the instruments are to be converted to Common Equity Tier 1 instruments in accordance with the law governing the resolution of credit institutions;		
17) where the issuer is established in third country and has not been a part of a resolution group the resolution entity of which is established in Montenegro or European Union, the law or contractual provisions governing the instruments require that, upon a decision by the relevant third-country authority, the principal amount of the instruments is to be written down on a permanent basis or the instruments are to be converted into Common Equity Tier 1 instruments;		
18) where the issuer is established in a third country and has been a part of a resolution group the resolution entity of which is established in Montenegro or the European Union or where the issuer is established in Montenegro or European Union, the instruments may only be issued under, or be otherwise subject to the laws of a third country where, under those laws, the exercise of the write-down and conversion powers is effective and enforceable on the basis of statutory provisions or legally enforceable contractual provisions that recognise resolution or other write-down or conversion actions;		
19) the instruments are not subject to set-off or netting arrangements that would undermine their capacity to absorb losses.		
<b>Article 48 of the Decision on Capital Adequacy</b>		
Restrictions on the cancellation of distributions on Additional Tier 1 instruments and features that could hinder the recapitalisation of the institution		
<b>Article 49 of the Decision on Capital Adequacy</b>		
Write down or conversion of Additional Tier 1 instruments		

<b>Article 83 paragraph (1) of the Decision on Capital Adequacy</b>		
Capital instruments and liabilities for which a credit institution has the sole discretion to decide to pay distributions in a form other than cash or own funds instruments shall not be eligible to qualify as Common Equity Tier 1, Additional Tier 1, Tier 2 or eligible liabilities instruments, unless the credit institution has received the prior authorisation of the Central Bank.		

**We hereby certify that the information provided in this application is true, accurate, complete, and not misleading.**

**Unless otherwise stated in a particular document, the information relates to the date specified in this application. If any information relates to a future date, this is explicitly stated and the applicant undertakes to notify the Central Bank of Montenegro in writing if it subsequently finds some of this information not to be true, accurate and complete or to be misleading.**

**Signature of the authorised person**

**Name and surname**

**Function**

**ANNEX IV****Template for the assessment of the fulfilment of conditions for Tier 2 instruments**

A credit institution shall use the “Template for the assessment of the fulfilment of conditions for Tier 2 instruments” to assess the compliance of Tier 2 instruments at least with the requirements of Article 61 and Article 83 of the Decision on Capital Adequacy, taking into account Articles 11 and 12 of that Decision.

<b>TEMPLATE FOR THE ASSESSMENT OF THE FULFILMENT OF CONDITIONS FOR TIER 2 INSTRUMENTS</b>		
<b>Instrument name</b>		
Number and specification of the provision prescribing each condition for a particular capital instrument	Indication and reference to the relevant provisions of the contract governing the capital instrument or other relevant document related to the fulfilment of each prescribed condition for the capital instrument	Reasoned assessment of the fulfilment of each prescribed condition
<b>Article 61 paragraph (1) of the Decision on Capital Adequacy</b>		
1) the instruments are directly issued by a credit institution and they are fully paid up;		
2) the instruments are not owned by any of the following:		
- the credit institution or its subsidiary undertakings;		
- an undertaking in which the credit institution has participation in the form of ownership, direct or by way of control, of 20% or more of the voting rights or capital of that undertaking;		
3) the acquisition of ownership of the instruments is not funded directly or indirectly by the credit institution;		

4) the claim on the principal amount of the instruments under the provisions governing the instruments ranks below any claim from eligible liabilities instruments;		
5) the instruments are not secured or are not subject to a guarantee or other surety that enhances the seniority of the claim by any of the following entities:		
- the credit institution or its subsidiary undertakings;		
- the parent undertaking of the credit institution or its subsidiary undertakings;		
- the parent financial holding company or its subsidiary undertakings;		
- the mixed activity holding company or its subsidiary undertakings;		
- the mixed financial holding company or its subsidiary undertakings;		
- any undertaking that has close links with entities referred to in indents 1 to 5 of this item		
6) the instruments are not subject to any arrangement that otherwise enhances the seniority of the claim under the instruments;		
7) the instruments have an original maturity of at least five years;		
8) the provisions governing the instruments do not include any incentive for their principal amount to be redeemed or repaid, as applicable by the credit institution prior to their maturity;		
9) where the instruments include one or more early repayment options, including call options, the options are exercisable at the sole discretion of the issuer;		
10) the instruments may be called, redeemed, repaid or repurchased early only where the conditions set out in Article 87 of this Decision are met, and not before five years after the date of issuance, except where the conditions set out in Article 88 paragraph 9) of the Decision on Capital Adequacy are met;		

11) the provisions governing the instruments do not indicate explicitly or implicitly that the instruments would be called, redeemed, repaid or repurchased early, as applicable, by the credit institution other than in the case of the bankruptcy or winding-up of the credit institution and the credit institution does not otherwise provide such an indication;		
12) the provisions governing the instruments do not give the holder the right to accelerate the future scheduled payment of interest or principal, other than in the case of the bankruptcy or winding-up of the credit institution;		
13) the level of interest or dividends payments, as applicable, due on the instruments will not be amended on the basis of the credit standing of the credit institution or its parent undertaking;		
14) where the issuer is established in a third country and has been designated as part of a resolution group the resolution entity of which is established in Montenegro or the European Union or where the issuer has its head office in Montenegro or the European Union, the law or contractual provisions governing the instruments require that, upon a decision passed by the Central Bank as the resolution authority for credit institutions, to exercise the write-down and conversion powers that refer to the principal amount of the instruments is to be written down on a permanent basis or the instruments are to be converted to Common Equity Tier 1 instruments specified by the law governing the resolution of credit institutions;		
15) where the issuer is established in a third country and has not been designated as a part of a resolution group the resolution entity of which has its head office in Montenegro or the European Union, the law or contractual provisions governing the instruments require that, upon a decision by the relevant third-country authority, the principal amount of the instruments is to be written down on a permanent basis or the instruments are to be converted into Common Equity Tier 1 instruments;		

16) where the issuer is established in a third country and has been designated as part of a resolution group the resolution entity of which is established in Montenegro or the European Union or where the issuer has its head office in Montenegro or the European Union, the instruments may only be issued under, or be otherwise subject to the laws of a third country where, under those laws, the exercise of the write-down and conversion powers is effective and enforceable on the basis of statutory provisions or legally enforceable contractual provisions that recognise resolution or other write-down or conversion actions;		
17) the instruments are not subject to set-off or netting arrangements that would undermine their capacity to absorb losses.		
<b>Article 83 paragraph (1) of the Decision on Capital Adequacy</b>		
Capital instruments and liabilities for which a credit institution has the sole discretion to decide to pay distributions in a form other than cash or own funds instruments shall not be eligible to qualify as Common Equity Tier 1, Additional Tier 1, Tier 2 or eligible liabilities instruments, unless the credit institution has received the prior authorisation of the Central Bank.		

**We hereby certify that the information provided in this application is true, accurate, complete, and not misleading.**

**Unless otherwise stated in a particular document, the information relates to the date specified in this application. If any information relates to a future date, this is explicitly stated and the applicant undertakes to notify the Central Bank of Montenegro in writing if it subsequently finds some of this information not to be true, accurate and complete or to be misleading.**

**Signature of the authorised person**

**Name and surname**

**Function**

“ .

**Article 13**

This Decision shall enter into force on the eighth day following that of its publication in the “Official Gazette of Montenegro”, and it shall apply as of 1 January 2026.

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

**CHAIRPERSON  
GOVERNOR**

**Irena Radović m.p.**

Decision number: 0101-5891-11/2025  
Podgorica, 25 July 2025