

Pursuant to Article 44 paragraph (2) item 3) of the Central Bank of Montenegro Law (OGM 40/10, 6/13, 70/17, 125/23), and Article 319 paragraph (2) 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 ON METHODS OF PRUDENTIAL CONSOLIDATION OF CREDIT INSTITUTIONS

Subject matter

Article 1

This Decision shall prescribe the methods of consolidation to be applied upon the consolidation of subsidiary undertakings referred to in Article 319 paragraph (1) of the Law on Credit Institutions (hereinafter: the Law).

Application of requirements on an individual basis for the purposes of consolidation

Article 2

(1) A credit institution shall meet the obligations under Part Two to Part Five of the Decision on Capital Adequacy of Credit Institutions (hereinafter: the Decision on Capital Adequacy) on an individual basis.

(2) By way of derogation from paragraph (1) of this Article, a credit institution which is considered a resolution entity and which is a G-SI credit institution and which has no subsidiary undertakings must meet the requirements set out in Article 134 of the Law on an individual basis.

(3) Significant subsidiaries of a GSI credit institution with head office outside EU must meet the conditions set out in Article 118 of the Decision on Capital Adequacy on an individual basis where:

- 1) they are not resolution entities;
- 2) they do not have subsidiary undertakings;
- 3) they are not subsidiary undertakings of an EU parent credit institution.

(4) A credit institution that is a subsidiary undertaking in a Member State in which it has been granted authorisation and in which it is subject to supervision or that is a parent undertaking of an institution that is included in the consolidation in accordance with Article 6 of this Decision is not required to fulfil the obligations set out in Article 19 paragraph (2) item 12) of the Decision on Capital Adequacy.

(5) An institution that is a parent or a subsidiary undertaking of a credit institution, as well as any institution that is included in the consolidation in accordance with Article 6 of this

Decision, is not required to fulfil the obligations established in the regulation governing public disclosure of information by a credit institution on an individual basis.

(6) A credit institution shall fulfil the obligations prescribed in the Decision on Liquidity Risk Management in Credit Institutions on an individual basis.

General treatment

Article 3

(1) Parent credit institutions with head offices in Montenegro shall meet the obligations set out in Part Two, Part Three, Part Four and Part Five of the Decision on Capital Adequacy of Credit Institutions to the extent and in the manner established in Article 6 of this Decision.

(2) Parent undertakings and their subsidiary undertakings within the scope of application of this Decision shall have in place an appropriate organisational structure and internal control mechanisms to ensure that the data required for consolidation are processed in an appropriate manner and forwarded, and to ensure that subsidiary undertakings outside the scope of application of this Decision apply systems, processes and mechanisms that ensure appropriate consolidation.

(3) For the purposes of application of the requirements of the Decision on Capital Adequacy on a consolidated basis, the terms "institution", "parent institution in a Member State", "EU parent institution" and "parent undertaking", depending on the case, shall also pertain to:

- 1) a financial holding company or a mixed financial holding company that has been granted authorisation in accordance with Article 73c of the Law on Credit Institutions;
- 2) a designated institution which is controlled by a financial holding company or a mixed financial holding company, where such parent undertaking is not subject to authorisation in accordance with Article 73a paragraph (6) of the Law on Credit Institutions;
- 3) a financial holding company, a mixed financial holding company or an institution designated in accordance with Article 73c paragraph (6) of the Law on Credit Institutions.

(4) The consolidated situation of an entity referred to in paragraph (3) item 2) of this Article shall be the consolidated situation of the parent financial holding company or parent mixed financial holding company that is not subject to authorisation in accordance with Article 73a paragraph (6) of the Law.

(5) The consolidated situation of an entity referred to in paragraph (3) item 3) of this Article shall be the consolidated situation of its parent financial holding company or parent mixed financial holding company.

(6) By way of derogation from paragraph (1) of this Article, only parent credit institutions identified as resolution entities that are G-SI credit institutions shall comply with Article 117 of the Decision on Capital Adequacy on a consolidated basis, to the extent and in the manner set out in Article 6 of this Decision.

(7) Only EU parent undertakings that are a material subsidiary undertaking of a non-EU G-SI credit institution and are not resolution entities shall comply with Article 117 of the Decision on Capital Adequacy on a consolidated basis to the extent and in the manner set out in Article 6 of this Decision, and where Article 73g paragraph (2) of the Law applies, the two intermediate EU parent undertakings jointly identified as a material subsidiary undertaking shall comply with Article 117 of the Decision on Capital Adequacy on the basis of their consolidated situation.

(8) EU parent institutions shall comply with conditions of the Decision on Liquidity Risk Management in Credit Institutions on the basis of their consolidated situation, where the group comprises one or more credit institutions or investment firms that are authorised to provide the investment services and that carry out any activities related to the dealing for their own account or underwriting of financial instruments or placing of financial instruments on a firm commitment basis.

(9) In addition to the requirements laid down in paragraphs (1) to (5) of this Article, and without prejudice to other provisions of this Decision and the Law, the Central Bank, when it is justified for supervisory purposes by the specificities of the risk or of the capital structure of an institution or where Member States adopt laws requiring the structural separation of activities within a banking group, may require an institution to comply with the obligations laid down in Part Two to Six of the Decision on Capital Adequacy and in Articles 309 to 338 of the Law on a sub-consolidated basis.

(10) In the case referred to in paragraph (9) of this Article, effective supervision on a consolidated basis shall not be prejudiced nor entail disproportionate adverse effects on the whole or parts of the financial system in other Member States or in the European Union as a whole nor form or create an obstacle to the functioning of the internal market.

Consolidated calculation for G-SI credit institutions with multiple resolution entities

Article 4

(1) Where at least two entities that belong to the same G-SI credit institution are resolution entities or third-country entities that would be resolution entities if they were established in the EU, the G-SI parent credit institution from Montenegro shall calculate the amount of own funds and eligible liabilities referred to in Article 117 paragraph (1) item 1) of the Decision on Capital Adequacy:

- 1) for each resolution entity or third-country entity that would be a resolution entity if it were established in the EU;
- 2) for the parent institution from Montenegro as if it were the only resolution entity of the G-SI credit institution.

(2) The calculation of own funds referred to in paragraph (1) item 2) of this Decision shall be undertaken on the basis of the consolidated situation of the EU parent institution.

Application of requirements on a consolidated basis

Article 5

(1) Parent undertakings and their subsidiary undertakings that are subject to the Decision on Capital Adequacy shall meet the obligations laid down in Part Three Title 2 Article 5 of that Decision on a consolidated or sub-consolidated basis, to ensure that their arrangements, processes and mechanisms required by those provisions are consistent and well-integrated and that any data and information relevant to the purpose of supervision can be produced, and they shall ensure that subsidiary undertakings that are not subject to the Decision on Capital Adequacy have in place arrangements, processes and mechanisms to ensure compliance with the provisions of this Decision.

(2) Credit institutions shall apply an additional risk weight in accordance with Article 316 of Decision on Capital Adequacy when applying Article 134 of the Law on a consolidated or sub-consolidated basis if the requirements laid down in Part Three Title 2 Subtitle 5 of the Decision on Capital Adequacy are breached at the level of an entity established in a third country included in the consolidation in accordance with Article 6 of this Decision if the breach is material in relation to the overall risk profile of the group.

Methods for prudential consolidation

Article 6

(1) Credit institutions that are required to comply with the requirements referred to in Article 310 paragraph (1) of the Law and in Article 2 of this Decision on the basis of their consolidated situation shall carry out a full consolidation of all credit institutions and financial institutions that are their subsidiary undertakings, or subsidiary undertakings of the same parent financial holding company or parent mixed financial holding company.

(2) For the purposes of Article 3 paragraph (6) of this Decision, credit institutions that are required to comply with the requirements referred to in Article 117 of the Decision on Capital Adequacy on a consolidated basis shall carry out a full consolidation of all institutions and financial institutions that are their subsidiary undertakings in the relevant resolution groups.

(3) Where undertakings are linked by management on a unified basis within the meaning of Article 11 of the Law, the Central Bank shall determine how consolidation is to be carried out.

(4) Significant participations in credit institutions and financial institutions managed by an undertaking included in the consolidation together with one or more undertakings not included in the consolidation shall be consolidated proportionally according to the share

of capital held, where the liability of those undertakings is limited to the share of the capital they hold.

(5) In the case of significant participations or capital ties other than those referred to in paragraphs (1) and (4) of this Decision, the Central Bank shall determine whether and how consolidation is to be carried out, and it may permit or require the use of the equity method, whereby that method may not constitute inclusion of the undertakings concerned in supervision on a consolidated basis.

(6) The Central Bank shall determine whether and how consolidation is to be carried out in the following cases:

- 1) where, in the opinion of the competent authorities, an institution exercises a significant influence over one or more institutions or financial institutions, but without holding a significant participation or other capital ties in those institutions; and
- 2) where two or more institutions or financial institutions are placed under single management other than pursuant to a contract or articles of association.

(7) In particular, the Central Bank may permit or require the use of the method provided for in the law governing accounting.

(8) Where a credit institution has a subsidiary undertaking, other than an institution or a financial institution or holds a participation in such an undertaking, it shall apply the equity method to that subsidiary undertaking or significant participation, whereby that method shall not constitute inclusion of the undertakings concerned in supervision on a consolidated basis.

(9) By way of derogation from paragraph (8) of this Decision, the Central Bank may allow or require a credit institution to apply a different method to subsidiary undertakings or significant participations, including the method required by the applicable accounting framework, provided that:

- 1) the credit institution does not already apply the equity method;
- 2) it would be unduly burdensome to apply the equity method or the equity method does not adequately reflect the risks that the undertaking referred to in paragraph (8) of this Article poses to the institution; and
- 3) the method applied does not result in full or proportional consolidation of that undertaking.

(10) The Central Bank may require full or proportional consolidation of a subsidiary undertaking or an undertaking in which a credit institution holds a significant participation where that subsidiary undertaking or undertaking is not an institution or a financial institution and where all of the following conditions are met:

- 1) the undertaking is not an insurance undertaking, a third-country insurance undertaking, a reinsurance undertaking, a third-country reinsurance undertaking, an insurance holding company or an undertaking excluded from the scope of the law governing insurance and reinsurance;

- 2) there is a substantial risk that the credit institution decides to provide financial support to that undertaking in stressed conditions, in the absence of, or in excess of any contractual obligations to provide such support.

(11) Provisions of paragraphs (4) to (7) and paragraph (9) of this Article shall not apply if the Decision on Liquidity Risk Management in Credit Institutions applies on the basis of the consolidated situation of a credit institution, financial holding company or mixed financial holding company.

Conditions for carrying out consolidation of groups of undertakings that are linked by management on a unified basis

Article 7

(1) Where, pursuant to Article 6 paragraph (4) of this Decision, consolidation is required for entities that are linked by management on a unified basis, the following entity shall be responsible for ensuring fulfilment of requirements set out in Articles 2 to 5 of this Decision:

- 1) the institution, where there is only one institution within the group;
- 2) the credit institution with the largest balance sheet total, where there are several credit institutions within the group;
- 3) the business undertaking referred to in Article 2 paragraph (1) item 2) of the Law with the largest balance sheet total, where the group does not include any credit institution.

(2) The balance sheet total referred to in paragraph (1) of this Article shall be calculated on the basis of the latest audited consolidated financial statements and, where they are not required, based on the latest audited individual financial statement of the institution.

(3) The Central Bank may, in accordance with the Law, when exercising supervision on a consolidated basis, waive the entity referred to in paragraph (1) of this Article and designate another entity within the group as responsible for ensuring fulfilment of requirements on a consolidated level, where it finds appropriate.

(4) When assessing the appropriateness referred to in paragraph (3) of this Article, the Central Bank shall take into account the significance of the entity concerned and the size of its activities in the group, and whether it is required to prepare consolidated financial statements for the group of undertakings linked by management on a unified basis, whereby the institution with the largest balance sheet total in that group shall have the right to be heard, before the Central Bank takes the decision.

(5) An undertaking that is linked by management on a unified basis to one or more undertakings need not be included in the consolidation where it meets the conditions set out in Article 313 of the Law.

Conditions for carrying out consolidation in the case of a credit institution or a financial institution managed by an undertaking included in the consolidation together with one or more undertakings not included in the consolidation

Article 8

(1) In the case of significant participation referred to in Article 6 paragraph (5) of this Decision, or significant participation in a credit institution or a financial institution managed by an undertaking included in the consolidation together with one or more undertakings not included in the consolidation, the Central Bank as a consolidating supervisor shall require proportional consolidation pursuant to Article 6 paragraph (5) of this Decision, where all of the following conditions are met:

- 1) the participating undertakings jointly control a majority of the voting rights in the credit institution or financial institution concerned or have the ability to direct jointly that credit institution's or financial institution's relevant activities, pursuant a contract or credit institution's or financial institution's articles of association;
- 2) the decisions about the credit institution's or financial institution's relevant activities require the consent of all the participating undertakings; and
- 3) the liability of the participating undertakings is limited to the share of capital they hold in the credit institution or financial institution concerned.

(2) Proportional consolidation referred to in paragraph (1) of this Article shall be carried out on the basis of the share of capital held in the concerned credit institution or financial institution and in accordance with the law governing accounting.

Conditions for carrying out consolidation in the case of significant participations or capital ties in a credit institution or a financial institution in other cases

Article 9

(1) Where the Central Bank determines that consolidation is to be carried out in accordance with Article 6 paragraph (6) of this Decision, it may authorise or require the use of the equity method, unless it determines the proportional or full consolidation of the credit institution or financial institution concerned to be required in accordance with paragraphs (2) to (5) of this Article.

(2) The Central Bank shall make the determination referred to in paragraph (1) of this Article on the basis of an assessment of the risks posed by the credit institution or financial institution concerned to the institution with significant participation or capital ties, taking into account the extent and the effectiveness of any risk mitigants and the impact on the prudential requirements on a consolidated basis that could result from the application of full or proportional consolidation.

(3) For the purposes of the assessment referred to in paragraph (2) of this Article, and upon the Central Bank request, the institution with significant participation or capital ties in a credit institution or financial institution shall provide all relevant information, in particular the following:

- 1) the overall ownership structure of the credit institution or financial institution concerned, having regard, in particular, to whether shares or equivalent ownership rights and voting rights, including potential voting rights as referred to in Article 10 paragraph (5) of this Decision, are distributed across a large number of shareholders, owners or members, or whether the institution is the main shareholder, owner or member of the credit institution or financial institution;
- 2) whether the institution acts as sponsor by managing or advising the credit institution or financial institution concerned, placing its securities with the possibility to place its securities in the market, or providing liquidity and/or credit enhancements to it, or whether the institution is an important investor in debt or equity instruments of the credit institution or financial institution, or there is other contractual and non-contractual involvement exposing the institution to the risks or to equity-like returns from the assets of the credit institution or financial institution concerned or related to its performance;
- 3) to what extent the institution is involved in the decision-making process of the credit institution or financial institution concerned, exercises influence over the credit institution or financial institution, and whether the credit institution or financial institution is considered to be controlled by that institution in accordance with the applicable accounting framework;
- 4) whether the institution uses key operational services of the credit institution or financial institution concerned which cannot be replaced in a timely fashion without excessive cost;
- 5) whether the credit rating of the credit institution or financial institution concerned is based on the institution's own rating;
- 6) the specific features of the investor base of the credit institution or financial institution concerned, with particular reference to whether the other investors in the credit institution or financial institution have a close commercial relationship with the institution, investors' ability to bear losses to dispose of financial instruments;
- 7) whether the credit institution or financial institution concerned and the institution have a common customer base or are involved in the commercialisation of each other's products;
- 8) whether the credit institution or financial institution concerned have the same brand;
- 9) whether the institution has already provided financial support to the credit institution or financial institution concerned in case of financial difficulties.

(4) The Central Bank may require proportional consolidation of the credit institution or financial institution concerned according to the share of capital held in that undertaking where there is a contractual agreement between one or more shareholders, owners or members of the management bodies of the credit institution or financial institution concerned to jointly provide financial support to the credit institution or financial institution or there is evidence that would such support would be provided.

(5) The Central Bank may require full consolidation of the credit institution or financial institution concerned where the institution with significant participation or capital ties, as a consequence of the organisational and financial relationships with the credit institution

or financial institution concerned, is exposed to the majority of the risks or the benefits arising from the relevant activities of that credit institution or financial institution.

Conditions for carrying out consolidation where an institution exercises a significant influence over one or more credit institutions or financial institutions, but without holding a significant participation or other capital ties in those institutions

Article 10

(1) Where an institution exercises a significant influence over one or more credit institutions or financial institutions, but without holding a significant participation or other capital ties in those institutions, the Central Bank may require the full consolidation of institutions or financial institutions pursuant to Article 6 paragraph (7) item 1) of this Decision.

(2) The Central Bank shall base the requirement referred to in paragraph (1) of this Article on an assessment of the risks posed by that credit institution or financial institution to the institution exercising the significant influence, taking into account the extent and the efficiency of any risk mitigants and the potential impact on the prudential requirements of the institution exercising the significant influence on a consolidated basis that could result from the application of full consolidation.

(3) The institution exercising the significant influence in accordance with paragraph (1) of this Article shall provide the Central Bank, upon request, with all necessary information referred to in Article 9 paragraph (3) of this Decision.

(4) The Central Bank may, in particular, require full consolidation of the credit institution or financial institution where the institution exercising the significance influence, as a consequence of the organisational and financial relationships with the credit institution or financial institution concerned, is exposed to the majority of the risks or the benefits arising from the relevant activities of that credit institution or financial institution

(5) It shall be deemed that an institution exercises the significance influence referred to in paragraph (1) of this Article where:

- 1) the institution has appointed or has the right to appoint a member of the management or supervisory board of the credit institution or financial institution concerned;
- 2) the institution is involved in the decision-making process of the credit institution or financial institution concerned, including in decisions about dividends and other distributions;
- 3) the institution performs material transactions with the credit institution or financial institution concerned;
- 4) the institution has exchanged managerial personnel with the credit institution or financial institution concerned;
- 5) the institution provides essential technical information or key services to the credit institution or financial institution concerned;

- 6) the institution has additional rights in the credit institution or financial institution concerned, pursuant to a contract or articles of association, that could affect the management or the decision-making process of that credit institution or financial institution.

(6) When assessing significant influence, the Central Bank shall take into account the existence of instruments such as share warrants, share call options, debt instruments that are convertible into ordinary shares or other similar instruments that are currently exercisable or convertible and have the potential, which if exercised or converted, enable the institution voting power or lead to the reduction of another party's voting power over the financial and operating policies of the credit institution or financial institution concerned.

Conditions for carrying out consolidation where two or more credit institutions or financial institutions placed under management on a unified basis other than pursuant to a contract or articles of association

Article 11

(1) The Central Bank shall require the proportional consolidation of two or more credit institutions or financial institutions that are placed under management on a unified basis other than pursuant to a contract, articles of association or other business documents, in accordance with Article 6 paragraph (7) item 2) of this Decision, where the following conditions are met:

- 1) the Central Bank has carried out an assessment verifying that financial and operating policies of the institutions concerned are effectively coordinated; and
- 2) the credit institutions or financial institutions concerned are not linked by a control relationship nor by management on a unified basis.

(2) When carrying out the verification referred to in paragraph (1) item 1) of this Article, the Central Bank may, in particular, take into account:

- 1) whether the credit institutions or financial institutions concerned are controlled directly or indirectly, by the same natural person or persons, or by the same legal person or legal persons;
- 2) whether the majority of the members of the credit institutions' or financial institutions' management or supervisory board consists of persons appointed by the one natural person or persons, or by the same legal person or legal persons, even if they were appointed independently.

(3) The provision of Article 7 paragraphs (1), (2) and (3) of this Decision shall apply on determining the entity responsible for the fulfilment of requirements referred to in Part One Title II Subtitle 1 of the Decision on Capital Adequacy on the basis of the consolidation situation of all institutions and financial institutions referred to in paragraph (1) of this Article.

Conditions for carrying out consolidation in cases where a subsidiary undertaking or a legal person in which a credit institution holds a participation is not a credit institution, financial institution or ancillary services undertaking

Article 12

(1) The Central Bank may require the full or proportional consolidation of a subsidiary undertaking or a legal person in which a credit institution holds a participation, where that subsidiary undertaking or legal person is not a credit institution, financial institution or ancillary services undertaking pursuant to Article 6 paragraph (10) of this Decision, where it carries out an assessment verifying that the condition set out in Article 6 paragraph (10) item 2) of this Decision is being met.

(2) For the purpose of the assessment referred to in paragraph (1) of this Article, the provision of Article 9 paragraphs (2) and (3) of this Decision shall apply.

(3) The Central Bank may require full consolidation of the subsidiary undertaking or legal person referred to in paragraph (1) of this Article where, as a consequence of the organisational and financial relationships between the institution and the subsidiary undertaking or legal person concerned, the institution is exposed to the majority of the risks or the benefits arising from the relevant activities of that subsidiary or legal person.

(4) The Central Bank may require proportional consolidation of a legal person referred to in paragraph (1) of this Article proportionate to the institution's share of capital held in that legal person where either of the following conditions is met:

- 1) the legal person is jointly controlled by the institution together with one or more legal persons not included in the consolidation pursuant to a legally enforceable contract or the articles of association, and the decision-making regarding the undertaking's relevant activities require the consent of all the participating undertakings;
- 2) there is a contractual agreement between the institution and one or more shareholders, owners or members of the management bodies of the undertaking to jointly provide financial support to that undertaking, or there is strong evidence that they would financially support the undertaking according to the share of capital held in it.

Conditions for the inclusion in consolidated Common Equity Tier 1, Additional Tier 1 and Tier 2 capital of instruments owned by persons other than the undertakings included in the prudential scope of consolidation

Article 13

(1) In cases where the method of consolidation is applied pursuant to Article 6 paragraph (4) and paragraph (7) item 2) of this Decision, an institution may include the Common Equity Tier 1 items and Additional Tier 1 and Tier 2 capital instruments and the related share premium accounts of the undertakings included in the prudential scope of consolidation, which are owned by persons other than those undertakings, in consolidated Common Equity Tier 1, Additional Tier 1 and Tier 2 capital, provided that

those capital items are available to cover the losses of all the undertakings included in the consolidation.

(2) Where the elements referred to in paragraph (1) of this Decision are not available to cover the losses of all the undertakings included in the prudential scope of consolidation, the institution shall determine the amount of those elements to be included in consolidated Common Tier 1, Additional Tier 1 and Tier 2 capital in accordance with Articles 106 to 112 of the Decision on Capital Adequacy.

(3) The Common Equity Tier 1 items and the Additional Tier 1 and Tier 2 capital instruments and the related share premium accounts referred, which are owned by the persons or entities which manage the undertakings on a unified basis pursuant to Article 6 paragraph (4) of this Decision or exercise single management over the undertakings pursuant to Article 6 paragraph (7) item 2) of this Decision, shall, within the meaning of paragraph (1) of this Article, be deemed to be available to cover the losses of all the undertakings included in the prudential scope of consolidation.

(4) In cases where full consolidation is required pursuant to Article 6 paragraph (6) and paragraph (7) item 1) or Article 10 of this Decision, the institution shall determine the amount of Common Equity Tier 1 items and of the Additional Tier 1 and Tier 2 capital instruments which are owned by persons other than those undertakings, and the related share premium accounts of the undertakings included in the prudential scope of consolidation, to be included in consolidated Common Equity Tier 1, Additional Tier 1 and Tier 2 capital in accordance with the provisions of Articles 106 to 112 of the Decision on Capital Adequacy, whereby the undertakings for which full consolidation is required shall be considered to be subsidiary undertakings.

(5) Where proportional consolidation is required pursuant to Article 6 paragraphs (5) and (6) or paragraph (10) of this Decision, institutions shall determine the amount of Additional Tier 1 and Tier 2 capital instruments issued by the undertakings proportionally included in the prudential scope of consolidation which are owned by persons other than those undertakings as well as the related share premium accounts, to be included in consolidated Additional Tier 1 and Tier 2 capital in accordance with Articles 107 and 109 to 112 of the Decision on Capital Adequacy, whereby:

- 1) the undertakings for which proportional consolidation is required shall be considered to be subsidiary undertakings;
- 2) references to the full inclusion in the consolidation pursuant to Part One, Title II, Chapter 2, of the Decision on Capital Adequacy shall be construed as references to the proportional inclusion in the consolidation pursuant to Article 6 paragraphs (4), (5) or (8) of that Decision; and
- 3) the amounts referred to in Articles 107 and 109 to 112 of the Decision on Capital Adequacy shall be determined taking into account the share of capital held by the institution in those undertakings.

Sub-consolidation of entities in third countries

Article 14

(1) Subsidiary institutions or subsidiary intermediate financial holding companies or subsidiary intermediate mixed financial holding companies shall apply the requirements laid down in Article 6 of this Decision and Parts Three to Five of the Decision on Capital Adequacy on the basis of their sub-consolidated situation if they have a subsidiary undertaking which is an institution or a financial institution with a head office in a third country, or hold a participation in such an undertaking.

(2) By way of derogation from paragraph (1) of this Article, subsidiary institutions, subsidiary intermediate financial holding companies or subsidiary intermediate mixed financial holding companies need not to apply the requirements laid down in Article 6 of this Decision and Part Three to Part Five of the Decision on Capital Adequacy on the basis of their sub-consolidated situation where the total assets and off-balance-sheet items of the subsidiary undertakings and participations in third countries are less than 10% of the total amount of the assets and off-balance-sheet items of the subsidiary institution or subsidiary intermediate financial holding company or subsidiary intermediate mixed financial holding company.

Deferred application

Article 15

Provisions of Articles 3 and 4 of this Decision shall apply as of the date of Montenegro's accession to the European Union.

Repealed regulations

Article 16

As of the day of commencement of application of this Decision, the Decision on Methods for Consolidation of Members of a Group of Credit Institutions (OGM 127/20) shall be repealed.

Entry into force

Article 17

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
G O V E R N O R**

Irena Radović m.p.

Decision number: 0101-5891-19/2025
Podgorica, 25 July 2025