

Pursuant to Article 51, paragraph 2 of the Law on Banks (RS Official Gazette, Nos 107/2005, 91/2010 and 14/2015), and Article 15, paragraph 1 and Article 68 of the Law on the National Bank of Serbia (RS Official Gazette, Nos 72/2003, 55/2004, 85/2005 – other law, 44/2010, 76/2012, 106/2012, 14/2015 and 40/2015 – Constitutional Court decision), the Executive Board of the National Bank of Serbia hereby adopts the following

## **DECISION ON REPORTING ON CAPITAL ADEQUACY OF BANKS**

1. This Decision lays down the manner and deadlines of reporting by banks on their capital adequacy, capital, capital requirements and capital adequacy ratios, as well as the contents and format of reports that banks shall submit to the National Bank of Serbia.

The ultimate parent company of the banking group which is subject to supervision on a consolidated basis by the National Bank of Serbia (hereinafter: ultimate parent company) shall implement the provisions of this Decision on a consolidated basis.

2. A bank shall submit to the National Bank of Serbia the following reports relating to capital, capital requirements and capital adequacy ratio of a bank:

- Report on Bank Capital – on KAP form;
- Report on Data for Calculation of Individual Capital Elements and Deductions, and Capital Buffers – on KAP-DET form;
- Report on Elements of Risk-Weighted Assets and Capital Adequacy Ratios – on PAK form.

The format of the forms referred to in this Section is given in Annex 1.

3. A bank using the Standardised Approach to credit risk shall submit data on capital requirement for credit risk in the Aggregate Report on Capital Requirement for Credit Risk, Counterparty Risk and Settlement/Delivery Risk to Free Deliveries According to the Standardised Approach – on SP form, and shall also submit the following individual reports:

- Report on Exposures to Central Governments and Central Banks – on SP-DCB form;
- Report on Exposures to Territorial Autonomies and Local Self-Government Units – on SP-TALS form;

- Report on Exposures to Public Administrative Bodies – on SP-JAT form;
- Report on Exposures to Multilateral Development Banks – on SP-MRB form;
- Report on Exposures to International Organisations – on SP-MO form;
- Report on Exposures to Banks – on SP-B form;
- Report on Exposures to Companies – on SP-PD form;
- Report on Retail Exposures – on SP-FL form;
- Report on Exposures Secured by Mortgages on Immovable Property – on SP-OHN form;
- Report on Exposures in Default – on SP-SNO form;
- Report on Exposures Associated with Particularly High Risk – on SP-VRI form;
- Report on Exposures in the Form of Covered Bonds – on SP-PO form;
- Report on Exposures to Banks and Companies with a Short-Term Credit Assessment – on SP-KKR form;
- Report on Exposures in the Form of Units in Open-Ended Investment Funds – on SP-OIF form;
- Report on Equity Exposures – on SP-VU form;
- Report on Other Exposures – on SP-OI form;
- Report on Capital Requirements for Credit Risk for Securitisation Under the Standardised Approach – on SP-SEK form;
- Report on Detailed Data on Securitisation – on SEK-DET form;
- Report on Geographical Breakdown of Exposures by Residence of the Obligor (SP) – on GR1 form;
- Report on Total Capital Requirements for Credit Risk by Country of the Obligor – on GR3 form.

Data in the aggregate report referred to in paragraph 1 of this Section shall be obtained by aggregating relevant data in individual reports referred to in indents 1–16 of that paragraph.

4. Where a bank obtained the approval of the National Bank of Serbia for calculation of risk-weighted exposure amounts for credit risk by applying the Internal Ratings Based Approach (hereinafter: approval for IRB Approach), it shall submit the Aggregate Report on Capital Requirement for Credit Risk, Counterparty Risk and Settlement/Delivery Risk to Free Deliveries According to the IRB Approach – on IRB form – for classes of exposures to which it applies that approach, and shall also submit the following individual reports:

- Report on Exposures to Central Governments and Central Banks – on IRB-DCB form;

- Report on Exposures to Banks – on IRB-B form;
- Report on Exposures Based on Specialised Lending from the Class of Exposures to Companies – on IRB-SK (PD) form;
- Report on Exposures to SMEs from the Class of Exposures to Companies – on IRB-MSP (PD) form;
- Report on Other Exposures to Companies – on IRB-OI (PD) form;
- Report on Exposures Secured by Mortgages on Immovable Property to SMEs from the Class of Retail Exposures – on IRB-MSPH (FL) form;
- Report on Retail Exposures Secured by Mortgages on Immovable Property, Apart from Exposures to SMEs – on IRB-OFLH form;
- Report on Qualifying Revolving Retail Exposures – on IRB-RFL form;
- Report on Other Exposures to SMEs from the Class of Retail Exposures – on IRB-OMSP (FL) form;
- Report on Other Retail Exposures Apart from Exposures to SMEs – on IRB-OI (FL) form;
- Report on Equity Exposures – on IRB-VU form;

Data in the aggregate report referred to in paragraph 1 of this Section shall be obtained by aggregating relevant data in individual reports referred to in indents 1–10 of that paragraph.

5. Where a bank uses the IRB Approach, in addition to reports referred to in Section 4 of this Decision, it shall also submit the following reports:

- Report on Capital Requirements for Credit Risk for Securitisation Under the IRB Approach – on IRB-SEK form;
- Report on Detailed Information on Securitisations – on SEK-DET form;
- Report on Geographical Breakdown of Exposures by Residence of the Obligor (IRB) – on GR2 form;
- Report on Total Capital Requirements for Credit Risk by Country of the Obligor – on GR3 form.

6. In the Report on Equity Exposures (IRB-VU form) a bank shall disclose risk-weighted exposure amounts for credit risk in respect of equity exposures that are subject to the IRB Approach.

7. Where a bank, under the approval for the IRB Approach, is allowed to continue to apply the Standardised Approach on certain classes of exposures, it shall submit for these classes of exposures relevant reports on capital requirement for credit risk, counterparty risk and settlement/delivery risk to free deliveries according to the Standardised Approach.

In accordance with paragraph 1 of this Section, a bank shall, for the classes of exposure subject to the Standardised Approach, submit to the National Bank of Serbia an aggregate report – on SP form, as well as the individual reports according to the Standardised Approach on SP forms referred to in Section 3 of this Decision.

8. A bank exposed to settlement/delivery risk arising from unsettled transactions shall submit to the National Bank of Serbia the Report on Capital Requirement for Settlement/Delivery Risk – on RII form.

9. The format of the forms referred to in Sections 3–8 of this Decision is given in Annex 2.

10. Where a bank has positions in the trading book, it shall submit the following reports:

- Report on the Trading Book – Daily Balances – on DKT form;
- Report on Trading Book Positions – on EKT form.

11. Where a bank calculates capital requirements for position risk, it shall submit to the National Bank of Serbia the following reports:

- Report on Capital Requirement for General Position Risk on Debt Securities – on DHOV-OC1 form or DHOV-OC2 form;
- Report on Capital Requirement for Specific Position Risk on Debt Securities – on DHOV-SC form;
- Report on Capital Requirement for Specific Position Risk on Securitised Positions – on DHOV-SEK form;
- Report on Capital Requirement for Specific Position Risk for Positions Assigned to the Correlation Trading Portfolio – on DHOV-PTK form;
- Report on Capital Requirement for Position Risk on Equities – on VHOV form.

12. Where a bank calculates capital requirement for foreign exchange risk, it shall submit to the National Bank of Serbia the Report on Capital Requirement for Foreign Exchange Risk – on KDR form.

13. Where a bank calculates capital requirement for commodity risk, it shall submit to the National Bank of Serbia the Report on Capital Requirement for Commodity Risk – Simplified Approach – on RR-PP form or the Report on Capital Requirement for Commodity Risk – Maturity Ladder Approach – on RR-PLD form, and/or the Report on Capital Requirement for

Commodity Risk – Extended Maturity Ladder Approach – on PP-PPLD form, depending on the approach applied.

14. Where a bank calculates capital requirement on positions in options, it shall submit to the National Bank of Serbia the Report on Capital Requirement for Position, Foreign Exchange and Commodity Risk on Positions in Options – on PO form.

15. Where a bank obtained approval for the use of the Internal Models Approach for calculation of capital requirement for position, foreign exchange and commodity risk, it shall submit to the National Bank of Serbia the Report on Capital Requirement for Position, Foreign Exchange and Commodity Risk Using the Internal Models Approach – on PIM form, and the Report on Capital Requirement for Position, Foreign Exchange and Commodity Risk Using the Internal Models Approach – Detailed Breakdown – on PIM-DET form.

16. The format of the forms referred to in Sections 10–15 of this Decision is given in Annex 3.

17. A bank shall submit to the National Bank of Serbia the Report on Capital Requirement for Operational Risk – on OR form, regardless of the approach used for the calculation of capital requirement for this risk.

Where a bank obtained the approval of the National Bank of Serbia for the use of the Advanced Measurement Approach for the calculation of capital requirement for operational risk, it shall submit the Report on Gross Losses by Lines of Business and Event Types – on OR-DET form, and the Report on Materially Significant Losses Due to Operational Risk – on OR-MZG form.

The format of the forms referred to in this Section is given in Annex 4.

18. A bank shall submit to the National Bank of Serbia the Report on Capital Requirement for Credit Value Adjustment Risk (CVA) – on PKI form.

The format of the form referred to in this Section is given in Annex 5.

19. A bank shall submit to the National Bank of Serbia on a quarterly basis all reports set out by this Decision, with the exception of the report referred to in Section 10 of this Decision, as follows:

- 1) reports for Q1, with data as at 31 March of the current year – by no later than 20 April of the current year;
- 2) reports for Q2, with data as at 30 June of the current year – by no later than 20 July of the current year;

3) reports for Q3, with data as at 30 September of the current year – by no later than 20 October of the current year;

4) reports for Q4, with data as at 31 December of the current year – by no later than 5 March of the following year.

A bank shall submit the reports referred to in Section 10 of this Decision on a monthly basis, with data as at the last calendar day of the previous month – by no later than the 20<sup>th</sup> day of each month.

20. All reports under this Decision prepared on a consolidated basis for the banking group (hereinafter: consolidated reports) shall be submitted by the ultimate parent company with data as at 30 June of the current year – by no later than 30 September of the current year.

The ultimate parent company shall submit consolidated reports for the banking group compiled based on revised financial reports with data as at 31 December of the current year – by no later than 31 May of the following year.

21. By way of derogation from Sections 19 and 20 of this Decision, a bank or an ultimate parent company shall, at the request of the National Bank of Serbia, compile reports with data as at the date to be designated by the National Bank of Serbia and submit them by the date to be designated by the National Bank of Serbia.

22. A bank shall submit the reports referred to herein as an electronic message, in the format and manner prescribed by the guidelines on electronic submission of data to the National Bank of Serbia.

A bank shall disclose data in the reports hereunder fully and accurately, in accordance with regulations of the National Bank of Serbia.

23. The Annexes referred to herein are enclosed with this Decision and are integral thereto.

24. A bank shall submit to the National Bank of Serbia the reports prescribed by this Decision, with data as at 31 December 2016, by no later than 20 April 2017, in order to test the banks' capacity to submit reports in accordance with provisions of this Decision and their preparedness for such reporting.

The obligation of submitting the reports referred to in paragraph 1 of this Section shall not relate to the ultimate parent company of the banking group subject to consolidated supervision by the National Bank of Serbia.

25. This Decision repeals the Decision on Reporting on Capital Adequacy of Banks (RS Official Gazette, Nos 45/2011 and 46/2011 – corr.).

26. This Decision shall enter into force on the eighth day following its publication in the RS Official Gazette and shall apply as of 30 June 2017.

NBS Executive Board No 101  
15 December 2016  
Belgrade

Chairperson  
Executive Board of the  
National Bank of Serbia  
Governor  
National Bank of Serbia

Dr Jorgovanka Tabaković, sign.