

Pursuant to Article 51, paragraph 2 of the Law on Banks (RS Official Gazette, Nos 107/2005 and 91/2010), 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 and 44/2010), the Executive Board of the National Bank of Serbia hereby adopts the following

D E C I S I O N

ON REPORTING ON CAPITAL ADEQUACY OF BANKS

1. This Decision lays down the procedure and deadlines for reporting by banks on their capital adequacy, on their capital, capital requirements and capital adequacy ratio, as well as the contents and format of reports that the 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 the bank:

- Report on Capital – on KAP form;
- Report on Total Capital Requirements and Capital Adequacy Ratio – on PAK form.

The ultimate parent company shall submit to the National Bank of Serbia the Report on Capital Requirements of a Banking Group on a Consolidated Basis – on KONS form.

The format of the forms referred to in this point is provided in Annex 1.

3. A bank using the Standardised Approach to credit risk shall deliver data on capital requirement for credit risk on an Aggregate Report on Capital Requirement for Credit Risk, Counterparty Risk and Settlement/Delivery Risk on 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 Corporates – on SP-PD form;
- Report on Retail Exposures – on SP-FL form;
- Report on Exposures in the Form of Covered Bonds – on SP-PO form;
- Report on Exposures in the Form of Open-end Investment Funds – on SP-OIF form;
- Report on Other Exposures – on SP-OI form.

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

4. Where the bank has received an approval from 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 an Aggregate Report on Capital Requirement for Credit Risk, Counterparty Risk and Settlement/Delivery Risk on Free Deliveries According to the IRB Approach – on IRB form – for classes of exposures on 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 to Corporates – on IRB-PD form;
- Report on Retail Exposures – on IRB-FL form;
- Report on Equity Exposures – on IRB-VU form;

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

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

- Report on Exposures to Banks, Credit Institutions and Investment Firms – on IRB-BID form;
- Report on Specialised Lending Exposures – on IRB-SK form;

- Report on Exposures to Small and Medium-Sized Enterprises within the Exposure to Corporates Class – on IRB-MSP (PD) form;
- Report on Retail Exposures Secured by Real Estate Collateral – on IRB-FLH form;
- Report on Qualifying Revolving Retail Exposures – on IRB-RFL form;
- Report on Exposures to Small and Medium-Sized Enterprises within the Retail Exposures Class – on IRB-MSP (FL) form;
- Report on Other Retail Exposures – on IRB-OFL form.

Data in the report referred to in point 4, paragraph 1, fourth indent of this Decision (IRB-FL form) shall be obtained by aggregating relevant data from the reports provided on IRB-FLH, IRB-RFL, IRB-MSP (FL) and IRB-OFL forms.

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

7. Where the bank applies the IRB Approach to the class of exposures to other assets, it shall submit to the National Bank of Serbia a Report on Other Exposures for this class of exposures – on SPIRB-OI form.

8. Where the bank, under the approval for 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 on free deliveries according to the Standardised Approach.

According to paragraph 1 above, the bank shall, for the classes of exposure subject to Standardised Approach, submit to the National Bank of Serbia an aggregate report – on SP form, as well as the following individual reports:

- Report on Exposures to Banks, Credit Institutions and Investment Firms – on SPIRB-BID form;
- Report on Specialised Lending Exposures – on SPIRB-SK form;
- Report on Exposures to Small and Medium-Sized Enterprises within the Exposures to Corporates Class – on SPIRB-MSP (PD) form;
- Report on Retail Exposures Secured by Real Estate Collateral – on SPIRB-FLH form;
- Report on Qualifying Revolving Retail Exposures – on SPIRB-RFL form;

- Report on Exposures to Small and Medium-Sized Enterprises within the Retail Exposures Class – on SPIRB-MSP (FL) form;
- Report on Other Retail Exposures – on SPIRB-OFL form.

Where the bank uses Standardised Approach for equity exposures class, it shall submit to the National Bank of Serbia data on these exposures in relevant reports according to Standardised Approach on SP forms referred to in point 3 of this Decision.

9. A bank exposed to settlement/delivery risk arising from unsettled transactions from the trading book shall submit to the National Bank of Serbia the Report on Exposure to Settlement/Delivery Risk Arising from Unsettled Transactions – on RII-NT form.

10. The format of the forms referred to in points 3 to 9 of this Decision is provided in Annex 2.

11. Where the bank has positions in the trading book it shall submit the following reports:

- Report on the Trading Book – Daily Balance – on DKT form;
- Report on Elements of the Trading Book – on EKT form.

12. Where the 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 Position Risk on Equities – on VHOV form.

13. Where the 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.

14. Where the 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, depending on the approach applied.

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

16. Where the bank obtained approval for the use of the Internal Model Method for the 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.

17. The format of the forms referred to in points 11 to 16 of this Decision is provided in Annex 3.

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

Where the bank obtained approval of the National Bank of Serbia for the use of 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 point is provided in Annex 4.

19. All reports set out by this Decision, with the exception of report referred to in point 2, paragraph 2, and point 11 hereof, shall be submitted quarterly to the National Bank of Serbia 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.

Reports referred to in point 11 of this Decision shall be submitted on a monthly basis, with data as at the last calendar day of the previous month – by no later than the 20th 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 the data as at 30 June – by no later than 30 September of the current year.

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

21. By way of derogation from points 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 the data as at the date to be designated by the National Bank of Serbia and submit them by the date to be specified 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 specific guidelines on the electronic submission of data to the National Bank of Serbia.

Banks shall disclose data in the reports hereunder fully and accurately, in compliance with the regulations of the National Bank of Serbia.

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

24. This Decision shall supersede the Guidelines on Reporting by Banks on Capital Adequacy Ratio, Capital Requirements and Trading Book (RS Official Gazette, Nos 59/2008 and 30/2010).

25. This decision shall enter into force eight days from its publication in the RS Official Gazette and shall be applied as of 31 December 2011.

NBS Executive Board No
41
16 June 2011
B e l g r a d e

Chairman
of the Executive Board of the National Bank of Serbia
G o v e r n o r
of the National Bank of Serbia

Dejan Šoškić, PhD

