

Pursuant to Article 128n, paragraph 6 of the Law on Banks (RS Official Gazette, Nos 107/2005, 91/2010, 14/2015 and 19/2025) and Article 15a, paragraph 1 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, 40/2015 – CC decision, 44/2018 and 19/2025), the Executive Board of the National Bank of Serbia issues the following

D E C I S I O N

ON DETAILED TERMS AND CONDITIONS FOR THE SALE OF SHARES, ASSETS AND LIABILITIES OF A BANK UNDER RESOLUTION

1. This Decision sets out detailed terms and conditions for inviting and selecting bids for the acquisition of shares or all or a part of assets and liabilities of a bank under resolution, and/or their sale (hereinafter: sale of business).

Principles of the sale of business

2. The National Bank of Serbia (NBS) shall take all reasonable measures to ensure that the procedure for the sale of business (hereinafter: sales procedure) is carried out in accordance with the following principles:

1) the sales procedure shall be as transparent as possible and shall not materially misrepresent the shares, assets, or liabilities of the bank under resolution that are subject to the sale, having regard to the circumstances of the specific case, and in particular the need to maintain financial system stability;

2) the sales procedure shall not confer any unfair advantage to a participant, without prejudice to the NBS's powers to offer the bank's shares or all of its assets or liabilities, or a part thereof, to specifically identified persons;

3) all participants in the sales procedure shall be ensured equal treatment;

4) the sales procedure shall be conducted so as to prevent conflicts of interest;

5) the sales procedure shall be conducted efficiently and within the shortest possible timeframe, taking into account the urgency of the bank resolution procedure;

6) the sales procedure shall aim at maximising, as far as possible, the sale price under the given circumstances.

Invitation to bid and selection of bids for the sale of business

3. Based on the assessment of the situation in the financial market, and taking into account the need to preserve financial system stability and the circumstances of the specific case which dictate the time available for the procedure, the NBS shall send an invitation to potential bidders to submit bids for the sale of shares, assets or liabilities of a bank that is to undergo resolution.

The invitation from paragraph 1 of this Section shall contain:

- 1) business name and head office of the bank;
- 2) data on shares and/or all or a part of the bank's assets or liabilities that are offered for sale;
- 3) data on any conditions which an interested party must meet in order to acquire the shares, assets or liabilities of that bank and on documents proving the fulfilment of those conditions;
- 4) description of the procedure and the deadline for submitting mandatory statements of interest;
- 5) text of the confidentiality agreement;
- 6) time, place and manner of accessing relevant information about the bank's financial position;
- 7) description of the bid submission procedure and deadline;
- 8) bid ranking criteria;
- 9) deadline for concluding the agreement on the sale of business (hereinafter: sales agreement);
- 10) information about whether it is necessary to make a cash deposit and/or offer other collateral for bid submission;
- 11) other relevant data, as needed.

The NBS may publish the entire invitation referred to in paragraph 1 of this Section or a part thereof as a public invitation in the media, in at least one daily newspaper distributed in the entire territory of the Republic of Serbia and on its website, as well as in other domestic and foreign media, as needed.

4. An interested potential bidder shall submit to the NBS, in the manner and within the deadline specified in the invitation referred to in Section 3 hereof, a signed binding statement of interest, which contains indications of whether that person is interested in purchasing all shares, and/or all assets or liabilities offered for sale, or a part of those shares, and/or assets or liabilities (hereinafter: statement of interest).

Along with the statement of interest, the interested potential bidder shall also submit the following documents:

- 1) signed confidentiality agreement;

2) documents and data in accordance with the conditions stated in the invitation, if any.

5. Upon receiving the statement of interest, the NBS shall immediately verify whether adequate documents have also been submitted with the statement, in accordance with the invitation from Section 3 hereof, including the signed confidentiality agreement.

Based on the receipt of the statement(s) from paragraph 1 of this Section, the NBS shall make a list of qualified potential bidders.

The NBS shall ensure that all qualified potential bidders have access to the relevant information about the bank's financial position, including the results of an independent valuation from Article 128i of the Law on Banks, if available.

6. A qualified potential bidder shall submit a bid for the acquisition of shares, assets or liabilities of a bank under resolution within the deadline and in the manner specified in the invitation from Section 3 hereof.

The bid referred to in paragraph 1 of this Section shall contain in particular the offered price of shares, assets or liabilities that are the subject of the sale, specifications as to whether the bidder from that paragraph (hereinafter: bidder) is interested in acquiring all shares and/or all or a part of assets and liabilities of the bank under resolution, as well as any conditions pertaining to the acquisition.

7. The NBS shall open bids and determine their timeliness and completeness in accordance with the invitation referred to in Section 3 hereof.

Bid opening may be attended by bidders and their legal representatives, as well as other representatives or proxies who shall present a special authorisation in order to attend the bid opening.

The NBS shall notify the bidders in writing about the bids that are untimely or contain other deficiencies by no later than the next business day after the day of bid opening.

If it determines that there are no timely and complete bids, the NBS shall determine that the sale has been unsuccessful, of which all bidders shall be informed no later than the next business day after the day of bid opening.

8. After the bid opening, the NBS shall evaluate the bids based on the bid ranking criteria referred to in the invitation from Section 3 hereof, within the deadline defined in that invitation.

Where only one bid was submitted, the bid shall not be evaluated, and the bidder shall be immediately invited to start the negotiations on the conditions and contents of the sales agreement.

Where more than one bid was submitted, the NBS shall evaluate the bids and compile a ranking list of bids, in accordance with the criteria specified in the invitation in Section 3 hereof, notify the bidders about the list and invite one or more of the highest-ranking bidders to start the negotiations on the conditions and contents of the sales agreement.

Depending on the outcome of the negotiations from paragraph 3 of this Section, the NBS may conclude a sales agreement with one or more bidders for different parts of shares, assets or liabilities of a bank under resolution.

9. If the sales agreement is not concluded within the timeframe specified in the invitation referred to in Section 3 of this Decision, the negotiations shall be considered unsuccessful, and the NBS shall send the invitation to negotiate to the bidder(s) whose bid is ranked next on the ranking list from Section 8, paragraph 3 hereof.

If no bid remains on the ranking list from paragraph 1 of this Section, the NBS shall issue the decision determining that the sale was unsuccessful and shall act in the manner referred to in Section 7, paragraph 4 hereof.

The sales agreement shall be concluded within the timeframe specified in the invitation referred to in Section 3 hereof. The NBS may extend the timeframe at its own initiative or at the proposal of the bidder with whom negotiations are underway.

10. The bidders shall be entitled to file a complaint to the NBS over the breach of provisions of this Decision and conditions from the invitation referred to in Section 3 hereof, within the deadline and in the manner specified in the invitation.

The complaint referred to in paragraph 1 of this Section shall not delay the taking of further actions in the sales procedure, with the exception of the conclusion of a sales agreement.

Direct sale

11. Notwithstanding Sections 3 to 10 of this Decision, the NBS may also conduct a direct sale of business, if it determines that conducting the sales procedure as stipulated in these Sections may jeopardise the achievement of resolution objectives or the efficiency of the sales tool, particularly if it assesses that the fact that the bank is failing or likely to fail poses a serious threat to stability of the financial system, whereas the NBS shall assess the following:

1) the risk of a systemic crisis due to the bank's situation, which is estimated based on the number, size or importance of banks which may fulfil the conditions for early intervention measures or conditions for initiating the resolution procedure or based on the granted extraordinary financial support to banks or emergency liquidity assistance loans approved by the NBS;

2) the risk of a significant reduction or loss of confidence in the banking sector due to the disclosure to a wider circle of potential buyers of certain data and information pertaining to the bank which relate to risks, the valuation of assets and liabilities, or the critical functions of that bank;

3) the risk of interruption in the performance of the bank's critical functions or a significant increase in the prices of their performance, which is estimated based on the change in market conditions under which these functions are performed or their availability, and based on expectations of other contractual parties and other market participants in relation thereto;

4) whether short-term funds or deposits have been or may be withdrawn in a greater amount;

5) whether the prices of a bank's shares or assets have been greatly reduced, particularly where this could affect its capitalisation;

6) whether the available short-term or medium-term sources of funding have been greatly reduced;

7) whether the bank's financial position has changed due to the increased credit insurance prices or lowered ranking (rating) of the bank or other market participants;

8) whether the functioning of the interbank market has been impaired, which is particularly estimated based on growth in margin requests and reduction in collateral available to banks;

9) the possibility of ensuring financial system stability through the sale of business to certain potential buyers, particularly given their financial condition, market position, organisational structure and business model, including a positive impact on the effectiveness of this resolution tool, the time needed for its implementation and the possibility of maintaining continuity of the bank's critical functions;

10) the impact that the implementation of the sales procedure stipulated by Sections 3 to 10 hereof would have on the circle of potential buyers, given the prohibition of the conflict of interest;

11) whether the need for an urgent response justifies the incentives provided to certain potential buyers or the limitation of their risk, particularly in the context of using funds of the Bank Resolution Fund;

12) whether the implementation of the sales procedure aimed at achieving the highest selling price would adversely impact the timely application of this resolution tool, the maintenance of the bank's critical functions and the achievement of resolution objectives.

Final provisions

12. As of the application date of this Decision, the Decision on Detailed Terms and Conditions for Inviting and Selecting Bids for Acquisition and/or sale of Shares, Assets and Liabilities of a Bank under Resolution (RS Official Gazette, No 30/2025) shall cease to be valid.

13. This Decision shall come into effect on the eighth day from its publication in the RS Official Gazette and shall apply as of 1 October 2025.

NBS EB No 50
10 July 2025
B e l g r a d e

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

Dr Jorgovanka Tabaković, sign.