

NATIONAL BANK OF SERBIA

Bank Supervision Department

METHODOLOGY FOR FILLING IN IRP AND NPL 1-5 FORMS

This methodology explains in detail the elements and manner of compiling of the Report on Forborne Exposures (IRP Form) and Report on the Structure of Non-performing Loans (NPL 1-5 Forms) which banks are required to compile and submit to the National Bank of Serbia pursuant to the decision governing reporting requirements for banks.

Report on Forborne Exposures – IRP Form

BASIC CONCEPTS

Forborne exposures mean any bank balance sheet exposures referred to in Section 2, paragraph 1, provision 2) of the Decision on the Classification of Bank Balance Sheet Assets and Off-balance Sheet Items (RS Official Gazette, Nos 94/2011, 57/2012, 123/2012, 43/2013, 113/2013, 135/2014, 25/2015, 38/2015, 61/2016, 69/2016, 91/2016, 101/2017 and 114/2017 – hereinafter: Decision on the Classification).

THE STRUCTURE OF THE FORM

In the form to be filled in, a bank shows individually the top 100 borrowers (according to the gross carrying amount of a forborne exposure to an individual borrower as at the reporting date) toward which the bank has foreborne exposures up until and including the reporting date, while other borrowers toward which the bank has foreborne exposures until and including that date are shown aggregately, in the row “Other borrowers”.

Rows “Prime collateral coverage”, “Adequate collateral coverage” and “No coverage”

These rows show data on forborne exposures or parts of these exposures, depending on whether they are covered by prime and/or

adequate collateral or not. At least one of these three rows must be filled in for each borrower, including for “Other borrowers”.

Row “Total” for each borrower

This row shows aggregate data on forbore exposures to a borrower. The amount shown in the row “Total” for each borrower, in columns 1, 3 and 4, must equal the sum of amounts shown in the rows “Prime collateral coverage”, “Adequate collateral coverage” and “No coverage” pertaining to that borrower. This row must be filled in for each borrower, including for “Other borrowers”.

Column 1 – Gross carrying amount

This column shows the gross carrying amount of a forbore exposure. This data is entered in each row of the form.

Column 2 – Classification category

This column shows the classification category for a forbore exposure or a part of such exposure pursuant to Section 20 of the Decision on the Classification, while in the row “Total” for each borrower and for “Other borrowers” the designation “aggregate” is entered.

Column 3 – Calculated reserve for estimated losses

This column shows calculated reserve for estimated losses under the forbore exposure pursuant to the Decision on the Classification. This data is entered in each row of the form.

Column 4 – Allowances for impairment

This column shows allowances for impairment of a forbore balance sheet exposure. This data is entered in each row of the form.

Column 5 – Required reserve for estimated losses

This column shows required reserve for estimated losses under the forbore exposure, calculated pursuant to Section 34, paragraph 3 of the Decision on the Classification. This data is entered in each row of the form. If the allowances for impairment of the forbore exposure at the borrower level (amount in row “Total” under column 4) are higher than the calculated reserve for estimated losses on the same basis at the

borrower level (amount in row Total under column 3) – zero is entered in the row “Total” under column 5.

Column 6 – Date of application of forbearance measure

This column shows the date when a forbearance measure was last applied to an exposure to a borrower. For individual borrowers, this data is entered only in the row “Total” and is not entered in the rows “Prime collateral coverage”, “Adequate collateral coverage” and “No coverage”. For “Other borrowers”, this data is not entered in any of the rows (including in row “Total”).

Columns 7 to 10 – Type of forbearance measure

Designation 1 (“YES”) or 2 (“NO”) is entered for each type of forbearance extended by the bank at the time when forbearance measures were last applied to an exposure to a borrower. For individual borrowers, this data is entered only in the row “Total” but not in rows “Prime collateral coverage”, “Adequate collateral coverage” and “No coverage”. For “Other borrowers”, this data is not entered in any of the rows (including in row “Total”).

Column 11 – Maximum number of past due days over the last 12 months

This column shows the maximum number of days past due in settlement of borrower’s liabilities under a forbore exposure recorded over the 12 months following the last application of the forbearance measure until the reporting date, in case that no more than 12 months have passed since the last forbearance. If more than 12 months have passed since the last extension of forbearance, the column shows the maximum number of days past due in settlement of borrower’s liabilities under a forbore exposure recorded over the 12 months preceding the reporting date. For an individual borrower, this data is entered only in the row “Total” but not in rows “Prime collateral coverage”, “Adequate collateral coverage” and “No coverage”. For “Other borrowers”, this data is not entered in any of the rows (including row “Total”).

The number of days past due in settlement of liabilities toward the bank is calculated pursuant to Section 23 of the Decision on the Classification.

Column 12 – Share in classified balance sheet assets

The column shows the percentage share of the gross carrying amount of forborne balance sheet exposures to a borrower in bank's total classified balance sheet exposures to that borrower. This data is entered in each row of the form.

Reports on the Structure of Non-performing Loans – Forms 1- 5

BASIC CONCEPTS

Loans include due and non-due loans and loan interest and fee receivables, as disclosed in the balance sheet. For the purposes of filling in this form, exposures to the National Bank of Serbia are not included in total loans.

Interest receivables means regular and default interest receivables calculated on loans.

In accordance with Section 34a, paragraph 4 of the Decision on the Classification, non-performing loan means total outstanding debt under an individual loan (including the amount of arrears):

- where the payment of principal or interest is past due over 90 days,
- where at least 90 days of interest payments have been added to the loan balance, capitalized, refinanced or delayed by agreement,
- where payments are less than 90 days overdue, but the bank has assessed that the borrower's repayment ability has deteriorated and doubts that the payments will be made in full.

The number of days past due is calculated in accordance with Section 23 of the Decision on the Classification.

STRUCTURE OF FORMS NPL 1–4

The forms NPL 1–4 consist of two parts. Part A shows data classified into sectors. Part B shows data relating to natural persons, classified by loan purpose.

Natural persons mean households, entrepreneurs, private households with employed persons and registered agricultural producers. The sum of values in positions 1 to 9 in part B of the form, in all columns except columns 7 and 8, must equal the sum of values in positions 4, 6 and 8 in part A of the form.

Report on the Structure of Non-Performing Loans – Form NPL1

For all currencies entailing significant currency amounts the bank fills in the report according to the internal methodology, while amounts in other currencies are shown aggregately under “Other”. Loans in a particular currency shall also include (apart from loans denominated in a particular currency) loans in dinars indexed to that particular currency.

Column 1 – Total loans (gross carrying amount)

The column shows the gross carrying amount of total loans disclosed in the balance sheet.

Column 2 – Allowances for impairment – gross loans

The column shows allowances for impairment of gross loans disclosed in the balance sheet.

Column 3 – NPLs (gross carrying amount)

The column shows the gross carrying amount of NPLs.

Column 4 – Allowances for impairment – NPLs

The column shows allowances for impairment of NPLs.

Column 5 – Total number of loans

The column shows the total number of loans on the bank’s books, while loan interest and fees are considered integral to the given loan.

Column 6 – Number of NPLs

The column shows the number of loans which meet the criteria to be considered NPLs, while loan interest and fees are considered integral part of the given loan.

Column 7 – Total number of clients

The column shows the total number of bank clients in respect of loans. A client to whom the bank has approved several loans for different purposes is shown in the part B of the Form in every relevant row.

Column 8 – Number of clients with NPLs

The column shows the number of clients whose liabilities towards the bank in respect of loans and/or loan interest and fees meet the criteria to be considered NPLs. A client to whom the bank has approved several loans for different purposes is shown in the part B of the Form in every relevant row.

Report on the Structure of Non-Performing Loans by Past Due Status – Form NPL2

Columns 1, 5, 9, 13, 17, 21, 25 and 29 – Gross carrying amount of NPLs by days past due

The columns show the gross carrying amount of NPLs classified in appropriate columns depending on the number of days past due. The sum of amounts in columns **1, 5, 9, 13, 17, 21, 25 and 29** in each row of Form NPL2 must equal the amount in column 3 of Form NPL1 in the same row.

Columns 2, 6, 10, 14, 18, 22, 26 and 30 – Gross carrying amount of NPL interest receivables by days past due

The columns show the part of the gross carrying amount of an NPL pertaining to interest receivables.

Columns 3, 7, 11, 15, 19, 23, 27 и 31– Allowances for impairment of NPLs by days past due

The columns show allowances for impairment of NPLs classified in appropriate columns depending on the number of days past due. The

sum of amounts in columns **3, 7, 11, 15, 19, 23, 27 and 31** in each row of Form NPL2 must equal the amount in column 4 of Form NPL1 in the same row.

Columns 4, 8, 12, 16, 20, 24, 28 and 32 – Allowances for impairment of NPL interest receivables by days past due

The columns show the part of allowances for impairment of an NPL pertaining to interest receivables.

Report on Changes in Amounts of Non-Performing Loans – Form NPL 3

This form shows all changes in gross carrying amount of NPLs entered in books in the period from the last day of the month preceding the reporting month until, and including, the last day of the reporting month.

All data in the form are disclosed in dinars, i.e. in the dinar countervalue, with the amount in column 1 disclosed as at the last day of the preceding month, the amounts in columns 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 14, 15, 16 and 17 of the form as at the day the change occurred, i.e. the day the transaction was entered into books, while the amount in column 18 as at the last day of the current month.

Amounts in all columns are disclosed with a plus sign.

Column 1 – Gross carrying amount of NPLs as at the last day of the preceding month

This column shows the gross carrying amount of NPLs as at the last day of the calendar month preceding the reporting month.

The amount in each row of this column must be equal to the gross carrying amount of NPLs on the last day of the reporting month in forms NPL 1–3 submitted by the bank the previous month.

Column 2 – Increase on account of newly calculated interest on existing NPLs

This column shows the gross carrying amount of newly accrued interest receivables on loans that were non-performing on the last day of the preceding month.

Column 3 – Increase due to new NPLs

This column shows the increase of the gross carrying amount of NPLs occurring when the criteria have been met for a loan to be considered non-performing.

Column 4 – Increase due to new NPLs – of which: interest receivables

This column shows the part of increase of the gross carrying amount of NPLs from column 3 which pertains to interest receivables.

Column 5 – Decrease through collection

This column shows the gross carrying amount of a loan which, after collection of the receivable in part or in full, is no longer considered non-performing, as well as the collected amount of a non-performing loan which continues to meet the criteria to be considered non-performing.

This column also shows a decrease in the gross carrying amount of an NPL based on collection through foreclosure.

Column 6 – Decrease through collection – of which: interest receivables

This column shows the part of the amount from column 5 pertaining to interest receivables.

Column 7 – Decrease through direct write-off (derecognition in the balance sheet)

This column shows the gross carrying amount of an NPL that is directly written off in full, i.e. is no longer recognised in the balance sheet (this column shows receivables that were derecognised from the balance sheet and transferred to off-balance). Write-off (derecognition from the balance sheet) of a part of the receivables is shown in column 8 of this form.

Column 8 – Decrease through forbearance measures

This column shows a decrease in the gross carrying amount of NPLs due to write-off (derecognition from the balance sheet) of a part of the

receivable in the forbearance process. This column also shows the part of the receivable that was derecognized from the balance sheet and transferred to off-balance.

Column 9 – Cessation of NPL status due to forbearance measures

This column shows the gross carrying amount of a loan which, in the period after the application of a forbearance measure, no longer meets the criteria to be considered non-performing (Section 34a of the Decision on the Classification), regardless of the outstanding loan debt.

Column 10 – Change through takeover/purchase or ceding/sale: Increase

This column shows the gross carrying amount of a loan which meets the criteria to be considered non-performing and which the bank, as the cessionary, acquired from the cedent, with or without a cession fee.

Column 11 – Change through takeover/purchase or ceding/sale: Decrease

This column shows the gross carrying amount of an NPL or a part thereof which the bank as the cedent transferred to a cessionary, with or without a cession fee.

Column 12 – Change based on currency differentials: Increase

This column shows an increase in the gross carrying amount of NPLs from the last day of the preceding month resulting from changes in the dinar exchange rate. This includes the impact of the exchange rate on the increase in gross NPLs as at the last day of the preceding month, as well as on all increases that occurred, i.e. that were entered into books during the month.

For an individual loan, this column shows a net increase arising from exchange rate changes, i.e. it is not necessary to show all increases arising from exchange rate changes (in this column) and all decreases arising from exchange rate changes (in column 13).

Column 13 – Change based on currency differentials: Decrease

This column shows a decrease in the gross carrying amount of NPLs relative to the last day of the preceding month resulting from changes in

the dinar exchange rate. This includes the impact of the exchange rate on the decrease of gross NPLs as at the last day of the preceding month, as well as on all decreases that occurred, i.e. that were entered into books during the month.

For an individual loan, this column shows a net decrease arising from exchange rate changes, i.e. it is not necessary to show all decreases arising from exchange rate changes (in this column) and all increases arising from exchange rate changes (in column 12).

Column 14 – Change due to a change in sector belonging: Increase

This column shows an increase in NPLs resulting from a change in sector belonging of the borrower due to e.g. initiation of a bankruptcy proceedings over the borrower, change of the borrower's core activity, borrower's status change, assignation – if it is agreed that the obligation of the borrower (assignor) toward the recipient of the assignment, i.e. the bank (recipient) shall cease by the acceptance of the assignment by the assignee and the recipient, etc.

Column 15 – Change due to a change in sector belonging: Decrease

This column shows a decrease in NPLs resulting from a change in sector belonging of the borrower due to e.g. initiation of a bankruptcy proceedings over the borrower, change of the borrower's core activity, borrower's status change, assignation – if it is agreed that the obligation of the borrower (assignor) toward the recipient of the assignment, i.e. the bank (recipient) shall cease by the acceptance of the assignment by the assignee and the recipient, etc.

If there were other changes in the level of non-performing loans during the reporting month, before the change in sector belonging, such changes are shown in the row of this Form pertaining to the sector to which the client belonged at the time the change was entered into the bank's books, while the changes which occurred after the change of the client's sector belonging are shown in the row of this Form pertaining to the sector to which the client belonged on the reporting date. The columns "increase" and "decrease" due to the sector belonging show only the gross carrying amount of the non-performing loan as at the date of the change in sector belonging and at the client level the sum of these two columns must equal zero.

Column 16 – Change due to other changes: Increase

This column shows the amount of increase in NPLs which does not meet the criteria for classification in any of the columns from 2 to 15. If the amount of change shown in this column exceeds 5% of the total change in NPLs relative to the last day of the month preceding the reporting month (if the amount of individual change in column 16 exceeds by 5% the difference between amounts from column 18 and column 1), it is necessary to state in the Notes (column 19) the reason behind the NPL increase.

Column 17 – Change due to other changes: Decrease

This column shows the amount of decrease in NPLs which does not meet the criteria for classification in any of the columns from 2 to 15. If the amount of change shown in this column exceeds 5% of the total change in NPLs relative to the last day of the month preceding the reporting month (if the amount of individual change in column 17 exceeds by 5% the difference between amounts from column 18 and column 1), it is necessary to state in the Notes (column 19) the reason behind the NPL decrease.

Column 18 – Gross carrying amount of NPLs as at the last day of the reporting month

This column shows the gross carrying amount of NPLs as at the last day of the reporting month. The amount in each row of this column is calculated by the following formula: *column 18 = column 1 + column 2 + column 3 – column 5 – column 7 – column 8 – column 9 + column 10 – column 11 + column 12 – column 13 + column 14 – column 15 + column 16 – column 17*. The amount in each row of column 18 in the NPL3 form must equal the amount entered in the same row in column 3 of the NPL1 form.

Column 19 – Notes

This column shows the reasons for the increase and/or decrease of NPLs shown in column 16 and/or column 17, in textual form, in accordance with the instructions for filling in those columns.

This form shows the value of collateral instruments securing NPLs depending on the type of collateral and number of days past due of an NPL secured by the respective collateral, as well as the gross carrying amount of NPLs secured by property mortgage, depending on the value of gross and/or net LTV ratio.

For the purposes hereof, all collateral instruments are classified, in terms of quality, under: prime collateral, adequate collateral – mortgaged property and adequate collateral – other than mortgaged property.

Prime collateral means collateral defined by Section 28, paragraphs 1 and 2 of the Decision, provided that it meets the requirement specified in paragraph 3, indent 1 of that Section.

Adequate collateral – mortgaged property means property that meets the requirements defined in Section 29, paragraph 1, provision 1), indents 1 to 6 and paragraph 2 of the Decision.

Adequate collateral – other than mortgaged property means pledge of warehouse receipt and/or pledge of livestock provided that they meet the requirements defined in Section 29, paragraph 1, provision 2), indents 1 and 3 of the Decision, and/or requirements specified in provision 3), indents 1, 2 and 4 of that paragraph.

When determining the value of a collateral instrument for the purposes of filling in this form, the following elements are not relevant: the number of days past due of the loan secured by that collateral instrument, whether the issuer of such collateral is in bankruptcy, and/or whether it acts according to a pre-packed reorganization plan and whether the value of the collateral covers 100% of the value of the collateralized exposure.

The value of prime collateral is the nominal amount of such collateral and/or, if it is a debt security, the market value of such collateral which does not exceed the gross carrying amount of the loan secured by such collateral.

The value of adequate collateral is the market value of such collateral less the amount of exposures with higher priority in collection, which does not exceed the gross carrying amount of the loan secured by such collateral.

Where several loans (some of which are non-performing) are secured by a single collateral instrument and have the same order of priority in collection, the value of such collateral is first distributed to NPLs, proportionate to their gross carrying amount.

Example 1 – Allocation of the value of a collateral instrument covering several loans of the same order of priority in collection: the case when collateral value is higher than the sum of gross carrying amounts of NPLs covered by that collateral:

Collateral	Value
Cash deposit	1000.00

Loan	Gross carrying amount	NPL status	Allocation of collateral value	Presentation in NPL 4 – Column 1
1	500	YES	$\min(500/800*1000;500)$	500.00
2	400	NO	$(1000-500-300;0)$	0 ¹
3	300	YES	$\min(300/800*1000;300)$	300.00

Example 2 – Allocation of the value of a collateral instrument covering several loans of the same order of priority in collection: the case when collateral value is lower than the sum of gross carrying amounts of NPLs covered by that collateral:

Collateral	Value
Cash deposit	700.00

Loan	Gross carrying amount	NPL status	Allocation of collateral value	Presentation in NPL 4 – Column 1
1	500	YES	$\min(500/800*700;500)$	437.50
2	400	NO	$\max(700-500-300;0)$	0 ²
3	300	YES	$\min(300/800*700;300)$	262.50

Where one loan is secured by several collateral instruments, the allocation order depends on collateral quality, i.e. the value of the prime

¹ In this example, zero is entered in the Form NPL4 because the Form shows only the part of the collateral value that is allocated to non-performing loans, while the part of the collateral value that is allocated to performing loans is not shown in this Form

² In this example zero is entered in the Form NPL4 because the Form shows only the part of the collateral value that is allocated to non-performing loans, while the part of the collateral value that is allocated to performing loans is not shown in this Form.

collateral is shown first, followed by adequate collateral – mortgaged property and finally adequate collateral other than mortgaged property, provided the sum of all collateral instruments securing an NPL does not exceed the gross carrying amount of that NPL.

Example 3 – Allocation of the value of collateral instruments covering several loans of the same order of priority in collection: the case when the appertaining portion of the value of all collateral instruments is higher than the individual loan.

Collateral	Value
Cash deposit	120.00
Mortgage	900.00
Pledge of warehouse receipt	600.00

Loan	Gross carrying amount	NPL status	Value allocation			Presentation in NPL4		
			Deposit	Mortgage	Pledge	Column 1	Column 2	Column 3
1	100	YES	20	150	100	20	80	0
2	200	YES	40	300	200	40	160	0
3	300	YES	60	450	300	60	240	0

Example 4 – Allocation of the value of collateral instruments covering several loans of the same order of priority in collection: the case when the appertaining portion of the value of all collateral instruments is lower than the individual loan.

Collateral	Value
Cash deposit	120.00
Mortgage	300.00
Pledge of warehouse receipt	60.00

Loan	Gross carrying amount	NPL status	Value allocation			Presentation in NPL4		
			Deposit	Mortgage	Pledge	Column 1	Column 2	Column 3
1	100	YES	20	50	10	20	50	10
2	200	YES	40	100	20	40	100	20
3	300	YES	60	150	30	60	150	30

Gross LTV ratio is the ratio of the gross carrying amount of an NPL exposure secured by mortgaged property as at the reporting date and the market value of that mortgaged property less the amount of exposures with higher priority in collection.

Net LTV ratio is the ratio of the net carrying amount (gross carrying amount less allowances of impairment) of an NPL exposure secured by mortgaged property as at the reporting date and the market value of that mortgaged property less the amount of exposures with higher priority in collection.

For the purposes of calculating LTV ratio, the market value of a mortgaged property is not limited to the gross carrying amount of the loan secured by such property.

Where several non-performing loans with the same order of priority in collection are secured by a single mortgaged property, LTV ratio is calculated by using only the portion of the value of such mortgaged property allocated to a given loan, and the allocation of the mortgaged property value is performed in the manner explained in Examples 1 and 2.

Where one non-performing loan is secured by several mortgaged properties, gross (net) LTV ratio of such loan is calculated as the ratio of gross (net) carrying amount of exposure in respect of the non-performing loan as at the reporting date and the sum of market values of all mortgaged properties securing such loan less the amount of exposures with higher priority in collection for each of those properties.

Columns 1, 4, 7, 10, 13, 16, 19 and 22 – Value of prime collateral instruments

The value of prime collateral instruments is shown in the appropriate column, depending on the number of days past due of an NPL covered by those collateral instruments.

Columns 2, 5, 8, 11, 14, 17, 20 and 23 – Value of adequate collateral – mortgaged property

Value of adequate collateral instruments – mortgaged property is shown in the appropriate column, depending on the number of days past due of an NPL covered by those collateral instruments.

Columns 3, 6, 9, 12, 15, 18, 21 and 24 – Value of adequate collateral – other than mortgaged property

Value of adequate collateral instruments – other than mortgaged property is shown in the appropriate column, depending on the number of days past due of an NPL covered by those collateral instruments.

For the purpose of filling in columns 25 – 32 in the NPL4 Form, in calculating gross (net) LTV ratio, the bank should enter the sum of market values of all adequate collateral instruments – mortgaged properties securing the non-performing loan (less the amount of exposures with higher priority in collection for each of those properties), regardless of whether and in what amount the market values of such properties have been shown in previous columns of this Form.

Columns 25, 26, 27 and 28 – Gross carrying amount of NPLs with specific values of gross LTV ratio

Gross carrying amount of each NPL secured by an adequate collateral – mortgaged property (regardless of the degree of coverage by such collateral) is shown in an appropriate column depending on the value of gross LTV ratio of that loan.

The sum of amounts in columns 25 to 28 of Form NPL4 may not be lower than the sum of amounts in columns 2, 5, 8, 11, 14, 17, 20 and 23 of this Form showing adequate collateral instruments – mortgaged property.

Columns 29, 30, 31 and 32 – Gross carrying amount of NPLs with specific values of net LTV ratio

Gross carrying amount of each NPL secured by adequate collateral – mortgaged property (regardless of the degree of coverage by such collateral) is shown in an appropriate column depending on the value of the net LTV ratio of that loan.

The sum of amounts in columns 29 to 32 may not be lower than the sum of amounts in columns 2, 5, 8, 11, 14, 17, 20 and 23 of this Form which show adequate collateral instruments – mortgaged property.

The sum of amounts in columns 29 to 32 must be equal to the sum of amounts in columns 25 to 28 of this Form.

The amount in column 29 must be equal or higher than the amount in column 25, and the amount in column 28 must be equal or higher than the amount in column 32.

Report on the Structure of Non-performing Loans by Borrowers from Non-financial and Non-government Sectors – NPL5 Form

THE STRUCTURE OF THE FORM

The NPL5 Form report discloses, individually:

- all bank's borrowers from non-financial and non-government sectors whose NPLs account on an aggregate basis for 90% of **total** bank's NPLs from non-financial and non-government sectors or
- 2,000 largest bank's borrowers with NPLs from non-financial and non-government sectors,

whichever number of borrowers is smaller.

All the remaining bank's borrowers with NPLs from non-financial and non-government sectors are shown on an aggregate basis, in the row "Other borrowers".

Ordinal number

For borrowers who are shown individually, a number should be entered designating the borrower's ordinal number (from 1 to no more than 2000), according to the gross carrying amount of non-performing loans pertaining to that borrower. For other borrowers, the value 2001 is entered.

Designation of relation

Designation of relation is entered, which is allocated by the bank and which must be the same for all borrowers which constitute a group of related persons, in accordance with the definition of related persons from the Law on Banks. If the borrower does not belong to any group of related persons, no data are entered.

Type of person

One of the following values is entered:

- 1 = domestic legal person (resident)
- 2 = foreign person (non-resident)

3 = domestic natural person (resident)

9 = other borrowers

Borrowers are classified as residents or non-residents according to the Law on Foreign Exchange Operations.

Registration number / Personal Identification Number/ code

For a borrower which is a domestic legal person, the registration number of legal person is entered.

For a borrower that is a foreign legal or natural person, a foreign person code is entered. The code is allocated by the NBS, at the bank's request.

For a borrower who is a domestic natural person, a 13-digit personal identification number is entered.

For other borrowers, code 99999999 is entered.

Sector code

In this column, the bank enters a two-digit code of the sector in which borrower's loans were classified in accordance with Section 1, Annex 3 of the Decision on Collection, Processing and Submission of Data on the Balance and Structure of Accounts in the Chart of Accounts (RS Official Gazette, No 101/2017). In case of other borrowers, no data are entered.

1 - Gross carrying amount of non-performing loans

In this column, the bank enters gross carrying amount of non-performing loans due from a borrower. The sum of the amount in column 1 of NPL5 Form must be equal to the sum of amounts in column 3 of NPL1 Form entered under 1.7, 2.1, 2.2, 2.3, 2.4, 2.5, 2.6, 2.7, 3.1, 3.2, 3.3, 3.4, 3.5, 3.6, 3.7, 4, 6.1, 6.2, 7.2, 7.3, 7.4, 8.1, 8.2, 9.1, 9.2, 9.3, 9.4, 9.5, 9.6 and 9.7.

2 - Allowances for impairment of non-performing loans

In this column a bank enters allowances for impairment of non-performing loans due from a borrower. The sum in the column 2 of NPL5 Form must be equal to the sum of amounts in column 4 of NPL1 Form entered under 1.7, 2.1, 2.2, 2.3, 2.4, 2.5, 2.6, 2.7, 3.1, 3.2, 3.3, 3.4, 3.5, 3.6, 3.7, 4, 6.1, 6.2, 7.2, 7.3, 7.4, 8.1, 8.2, 9.1, 9.2, 9.3, 9.4, 9.5, 9.6 and 9.7.

3 - Gross carrying amount of performing loans

In this column, a bank enters gross carrying amount of performing loans due from a borrower.

4 - Allowances for impairment of performing loans

In this column a bank enters allowances for impairment of performing loans, for each borrower.

5 – Number of days past due of a non-performing loan

The number of days past due of a loan is determined in accordance with the decision governing the classification of bank balance sheet assets and off-balance sheet items. At the borrower level, the bank shows the average number of days past due weighted by the gross carrying amount of individual loans, calculated by the formula:

Average number of days past due on a borrower level

$$\frac{\sum_{i=0}^n \text{gross carrying amount of an NPL} \times \text{number of days past due of an NPL}}{\text{gross carrying amount of all NPLs of a borrower}}$$

where:

i – designates *ith loan*

n – number of loans of one borrower