

Pursuant to Article 14, paragraph 1, item 11) 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 – CC decision) and Section 446 of the Decision on Capital Adequacy of Banks (RS Official Gazette, No 103/2016), the Executive Board of the National Bank of Serbia hereby issues

DECISION
ON THE RATE AND MANNER OF MAINTAINING
THE SYSTEMIC RISK BUFFER

1. This Decision sets the rate and manner of maintaining the systemic risk buffer with the aim of preventing and mitigating long-term non-cyclical systemic risks.

2. For the purposes of this Decision, specific terms shall have the following meaning:

1) *placements* include balances in the following accounts set out in the Chart of Accounts for banks in accordance with the decision governing the Chart of Accounts and contents of accounts in the Chart of Accounts for banks: 011, 012, 020, 021, 022, 024, 027, 028, 061, 062, 080, 081, 082, 084, 087, 088, 100, 102, 103, 104, 105, 106, 107, 108, 111, 112, 113, 120, 122, 124, 125, 126, 130, 131, 132, 134, 160, 161, 162, 163, 164, 165, 166, 168, 200, 201, 202, 203, 207, 211, 212, 213, 220, 222, 224, 225, 226, 230, 231, 232, 234, 260, 261, 262, 263, 264, 265, 266 and 268, and are expressed according to the gross principle, and/or prior to allowances for impairment;

2) *corporates and households* include sectors which are assigned the following sectoral structure codes given in Schedule 3 of the decision governing the collection, processing and submission of data on balances and structure of accounts from the Chart of Accounts: 17, 20, 21, 22, 23, 24, 25, 27, 30, 31, 32, 33, 34, 35, 37, 40, 60, 61, 80, 81, 90, 91, 93, 94 and 96;

3) *foreign currency and foreign currency-indexed placements* are foreign currency placements which are assigned the following currency structure codes given in the Structure of Compulsory Codes: 1, 2, 3, 4, 6, 7, I, J, K, L, M, N and O, and dinar placements with a contracted hedge which are assigned the following codes of contracted hedge and applied interest rates given in the Structure of Compulsory Codes: 1, 2, 3, 4, 6, 7, 8, I, J, K, L, M, N and O, and E, F, G and H, on the condition that they have a contracted hedge in a foreign currency.

3. The rate of the systemic risk buffer shall be 3% of total foreign currency and foreign currency-indexed placements of a bank approved to corporates and households in the Republic of Serbia.

4. The rate referred to in Section 3 hereof shall be applied by all banks whose share of foreign currency and foreign currency-indexed placements approved to corporates and households in the Republic in Serbia in total placements of that bank approved to corporates and households in the Republic of Serbia exceeds 10%.

The banks referred to in paragraph 1 hereof shall maintain a systemic risk buffer on an individual, consolidated or sub-consolidated basis at the level specified in Section 3 hereof.

5. For the purposes of calculating the share of foreign currency and foreign currency-indexed placements approved to corporates and households in the Republic of Serbia in total placements of a bank approved to corporates and households in the Republic of Serbia, placements shall be expressed according to the gross principle, without allowances for impairment.

6. Banks that the National Bank of Serbia deems to be systemically important shall apply the sum of the systemic risk buffer and the capital buffer for a systemically important bank specified for them on an individual, consolidated or sub-consolidated basis.

7. This Decision enters into force on the eighth day following its publication in the Official Gazette of the Republic of Serbia and applies as of 30 June 2017.

NBS EB No 45
8 June 2017

Belgrade

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

Dr Jorgovanka Tabaković, sgd.