Pursuant to Articles 89 and 177 item 4 of the Law on Insurance (*Official Gazette of the Republic of Montenegro* 78/06 and 19/07) and Article 6 of the Rulebook on the Manner of Determining and Monitoring the Liquidity of Insurance Companies (*Official Gazette of* Montenegro 70/08, 87/09, and 21/10), at the 55th meeting held on 21 December 2010, the Council of the Insurance Supervision Agency adopted the

DECISION ON THE METHOD OF VALUATION OF ASSETS FOR INSURANCE COMPANIES

(Official Gazette of Montenegro, No 70/10 of 28 December 2010, 24/11 of 13 May 2011 and 06/13 of 31 January 2013)

I GENERAL PROVISIONS

Article 1

This Decision establishes the method of valuation of financial investments and receivables for insurance companies.

Article 2

Insurance company (hereinafter referred to as Company) shall be obliged to regularly value the assets referred to in Article 1 of this Decision, in accordance with the law regulating accounting and auditing, International Accounting Standards and this Decision.

Assets not mentioned in this Decision shall be valued in the way prescribed by the law regulating accounting and auditing and International Accounting Standards.

Article 3

The Company shall be obliged to report to the Insurance Supervision Agency (hereinafter referred to as Agency) on the position and valuation of assets referred to in Article 2 of this Decision in electronic form.

The companies shall submit the reports referred to in paragraph 1 of this Article on quarterly basis as follows:

- for the first quarter - by 20 April;
- for the second quarter - by 20 July;
- for the third quarter - by 20 October;
- for the fourth quarter - by 20 March.

The reports referred to in paragraph 1 of this Article shall be submitted on the forms annexed to this Decision as its integral part.

Definitions
Article 4

For the purpose of this Decision:

- Related persons mean the persons established in Article 24 of the Law on Insurance;
- Single debtor means all related persons whose level or way of relationship is such to represent a single risk;
- Legal transaction entered into under non-market conditions means a transaction which is for the insurance company less favourable than the transaction entered into under regular market conditions.
- Effective interest rate method means the method of calculating amortised costs of financial assets and financial liabilities (or group of financial assets or financial liabilities) and distribution of interest income or interest expenses during a given period;
- Effective interest rate means interest rate which accurately discounts estimated future money payments or inflows during expected life of a financial instrument or, if applicable, shorter period to the net accounting amount of financial asset of financial liability;
- Amortised cost means cost of financial assets, i.e. amount at which financial assets are initially measured, reduced by the amount of principal repayment and increased by the amount of cumulative write-off with the application of effective interest method for each difference between the initial amount and due amount;
- Fair value is the amount for which an asset could be replaced, or a liability settled between knowledgeable, willing parties in a well-considered transaction.

Methods and criteria for valuation of assets of insurance companies
Article 5

An insurance company shall be obliged to pass a rulebook and accounting policies on valuation of assets, which are to include all methods and criteria set forth in this Decision.

The Rulebook referred to in paragraph 1 of this Article, and its amendments shall be submitted to the Agency.

II METHOD OF VALUATION OF FINANCIAL ASSETS

Classification of financial assets
Article 6

Financial assets shall mean financial investments whose acquisition value can be reliably measured and which are likely to generate income.

Sources of investment of financial assets can be:

- Mathematical reserve funds,

- Other technical reserve funds, or
- Funds of capital.

An insurance company shall be obliged to value the financial assets according to IAS 39.

For initial recognition, financial assets shall be recognised at fair value, either by recognising the date of trade or recognising the date of execution, and given the purpose, according to IAS 39, they shall be classified into following groups:

1. Financial investments held for trading;
2. Held-to-maturity financial investments;
3. Financial investments into deposits and receivables;
4. Available-for-sale financial assets.

Financial investments held for trading
Article 7

Financial investments held for trading are financial assets that meet any of the following requirements:

a) if they are classified as assets held for trading provided that they:
   – have been acquired or assumed for the purpose of sale or repurchase within the period not exceeding 12 months, or the Management has passed a decision on such classification or
   – are a part of portfolio of recognised financial instruments that are kept together and there is evidence of their recent short-term profits.
b) if there is active market for them or if their value can be reliably measured, or any other financial assets initially established at fair value through profit and loss, which is defined as such by the Management of the insurance company;
c) if they are a derivative instrument (with the exception of a derivative that is pre-determined and in fact represents an instrument of security against risk).

An insurance company may also classify financial investments in investment funds and broker houses related to long-term insurance contracts where policyholder assumes the investment risk in other financial assets that it has established to measure at fair value through profit and loss.

Financial assets recognised at fair value through profit and loss shall be recognised according to the price valid on the transaction date, and purchase costs shall be recognised through profit and loss in arrears. After initial recognition, financial assets that are classified at fair value through profit and loss shall be valued at fair value not including transaction costs incurred directly by purchase of the financial assets.

For financial assets held for active trading in organised financial markets, fair value is established in the amount of quoted market price at the end of trading on balance sheet date.

Financial assets which do not have a quoted price on active market, or for which there is no an active market and consequently it is not possible to reliably measure its fair value, cannot be classified into such group.

Held-to-maturity financial investments
Article 8

Non-derivative financial assets with fixed and identifiable amount of payment and fixed maturity that the company intends and has possibility to hold to maturity are classified into this group.

A company may not classify financial assets in the group referred to in paragraph 1 of this Article if it sold or reclassified before maturity a substantial part of such investment during the current business year or two previous years (a substantial part is considered to be the part that has significant value in relation to the overall value of held-to-maturity investments).

Notwithstanding paragraph 2 of this Article, a substantial part of investment does not include sales or reclassification:

- that are close to due date or call date of the financial asset (e.g. less than three months before the due date), so the changes in the market interest rate could not significantly impact the fair value of financial assets;
- that arise after the company collects almost total original principal of financial assets with planned payments or prepayments;
- that can be attributed to a business event beyond the influence of the company – e.g. economic hazard.

When a financial asset is recognised initially, it is measured at its fair value plus all transaction costs directly attributable to the acquisition of the financial assets.

Held-to-maturity financial investments are initially valued at acquisition costs, increased by transaction costs incurred on transaction date. The acquisition costs do not include incurred interest.

After initial recognition, financial investments owned to maturity are valued at amortised costs by effective interest method.

When calculating effective interest rate, the company should value cash flow taking into account all conditions of the financial instrument contract (e.g. early settlement, purchase option and similar options), including all fees and points paid or accepted between the contracting parties, which make an integrated part of the effective interest rate (IAS 18), transaction costs and all other premiums or discounts.

Interest calculated by effective interest method shall be recognised through profit and loss.

Deposits and receivables
Article 9

Deposits and receivables are financial assets with established and identifiable payments, not quoted in an active market.

Deposits with banks and savings banks are also classified in this group.

When a financial asset is recognised initially, it is measured at fair value plus all costs of acquisition directly attributable to purchase or sale of the financial asset.

After initial recognition, financial assets are valued by effective interest method, at amortised costs through profit and loss.

Available-for-sale financial assets
Article 10

All financial assets classified as held for sale, unless classified in any of the remaining groups referred to in Article 6 paragraph 4 of this Decision shall be classified to this group.

When a financial asset is recognised initially, it is measured at its fair value, or purchase value (if security is not quoted), including all acquisition costs, and it shall be recognised on the date of trade.

Effects of measuring, unrealised gains or unrealised losses shall be recognised in the balance of the insurance company through increase, or decrease in the equity reserves, with the exception of losses due to impairment and foreign exchange losses and gains that are recognised through profit and loss.

Interest on financial assets classified in this group that are calculated with application of effective interest method shall be recognised through profit and loss.

When a financial asset classified as a financial available-for-sale asset is sold or impaired, the revaluation that is up to fair value presented in equity shall be removed, interest shall be cancelled and effects presented in the profit and loss statement.

Reclassification of financial assets
Article 11

A company is precluded from reclassifying financial assets into or out individual groups.

Notwithstanding paragraph 1 of this Article, if due to change of purpose or pertaining attributes it is no longer adequate to classify a financial held-to-maturity investment, the same should be reclassified into available-for-sale investment and be re-measured at fair value, and difference between its book value and fair value should be calculated through equity flow statement.

The company is precluded from reclassifying a financial instrument out or to the category of investments measured at fair value through profit and loss.

The mentioned transfer of financial assets must not incur financial effects in the profit and loss account.

When financial investments are classified in the group of available-for-sale financial assets, and financial assets are transferred, then all business events, amount in the investment account and relevant amount in the revaluation reserve account, and also recognised gains/losses are transferred.

III MEASURING OF FINANCIAL ASSETS

Initial measuring of financial assets
Article 12

All financial assets are measured at fair value for initial recognition, including all transaction costs directly attributable to acquisition or sale of financial assets, with the exception of financial assets for trading where acquisition costs are not included.

Acquisition costs include fees paid to agents, advisers, authorised capital market participants, pays to management bodies and stock exchanges, tax and other duties related to transfer.

If, for calculation purposes, a company uses the date of execution for assets which is subsequently measured at acquisition costs or amortised costs, the assets shall be initially recognised at fair value on the date of trade.

Subsequent measurement of financial assets
Article13

Subsequent measurement of financial assets represents a change in the book value of financial assets, with the exception of contracted interest and other changes related to the investment principal.

Measurement at fair value
Article 14

Financial assets held for trading and available-for-sale financial assets are presented at fair value.

Deposits, loans and receivables, and held-to-maturity financial assets shall be presented at repayment value according to effective interest method, reduced by potential impairments.

Fair value is proved if it can be reliably measured, and it shall be established in the following way:

- for assets with a quoted price in an active market, fair value shall be established as a product of units of financial assets and quoted market price;
- for assets which do not have a quoted price in the active market, methods of valuation of the fair value of the financial assets shall be used, which include the use of recent market transactions between the informed parties wishing to conclude a transaction, if possible, reference to present fair value of another similar instrument, analysis of discounted cash flows and option price models.

Methods of fair value valuation referred to in item 2 of the paragraph above also include individual valuation of financial ability of the debtor, which is carried out based on the following criteria, listed according to descending priority:

- debtor's solvency;
- liquidity;
- cash flow in the previous period and expected cash flows,
- profitability;
- general business conditions and perspectives of the debtor, and his position in the market of the industry he is dealing with;
- regularity in settling liabilities;
- management's quality and professionalism.

The company is obliged to disclose any significant changes in the fair value in the notes of financial statements.

Gains and losses
Article 15

Financial assets, with the exception of financial assets held for trading at fair value through profit and loss, shall be initially measured at fair value increased by transaction costs.

Financial assets held for trading at fair value through profit and loss is initially measured without increase by transaction costs.

Gains and losses on a financial asset for trading valued at fair value through profit and loss are recognised through profit and loss in the period they incur in.

Gains and losses in respect of valuation at fair value for available-for-sale financial assets shall be presented in equity as increase or decrease in revaluation reserve of financial investments, while in profit and loss account it shall be transferred when the asset is sold, i.e. when its value is increased or decreased.

Deposits and receivables, held-to-maturity financial assets shall be measured at repayment value.

Interest
Article 16

Interest income and expenses shall be recognised proportionally to the previous period, taking into account outstanding principal and effective interest rate in case of securities, classified in the group of held-to-maturity financial assets, and in the group of available-for-sale financial assets, or coupon interest rate in the group of financial assets for trading.

In case when effective interest rate is used, the paid and accepted fees, transaction costs and other premiums shall be amortised, as well as the discounts included in the calculation of the effective interest rate in expected life of the instrument.

For all financial assets, interest shall be recognised through profit and loss.

Dividends
Article 17

Dividends as an equity instrument shall be recognised through profit and loss when the company acquires the right to payment.

Foreign exchange differences
Article 18

Financial assets expressed in foreign currency on the balance date shall be calculated at exchange rate of the Central Bank of Montenegro, or under reasonable circumstances a corresponding exchange rate of a commercial bank may be used.

All foreign exchange gains and losses shall be recognised through profit and loss for the period in which they incur.

IV IMPAIRMENT OF FINANCIAL ASSETS

Valuation of impairment of financial assets
Article 19

The company shall assess if there is objective evidence of potential impairment of financial assets or a group of financial assets on daily basis, and in case there is such evidence it shall be valued to what extent the financial assets should be impaired.

Losses incurred by impairment shall be recognised, and assets re-valued, if there is actual objective evidence of impairment as a result of one or more events, which occurred after initial recognition of assets ("loss event"), and such event or events have an impact on the estimated future cash flows of a specific financial asset or group of financial assets.

The following are considered as actual objective evidence of impairment of financial assets:
- issuer's or debtor's financial difficulties;
- breach of agreement, in terms of failing to fulfil or delaying fulfilment of the obligation of payment of interest or principal;
- if it becomes likely that debtor will be subject to bankruptcy, or will be otherwise financially reorganised;
- disappearance of the active market for such financial assets due to financial difficulties.

Disappearance of the active market due to the fact that financial instruments of a company are no longer traded in public is not the evidence of impairment.

Loss shall also be recognised when there are known data demonstrating measurable reduction in future cash flows of a group of financial assets, although the reduction cannot be attributed to a specific asset in the group.

Impairment of financial assets at amortised costs
Article 20

If there is objective evidence that the loss is incurred due to impairment of deposits and receivables and held-to-maturity financial investments at amortised costs, the amount of loss shall be measured as the difference between the book value of assets and present value of expected future cash flows discounted based on original valid interest rate of individual financial asset (excluding future loan losses not incurred yet).

Book value of an asset shall be reduced by using value adjustment account and presented as loss through profit and loss.

Uncollectible receivables shall be written off after all collection possibilities are exhausted, and in case of subsequent collection of the written off receivables, profit shall be disclosed through profit and loss.

If the amount of loss is reduced in the subsequent period due to impairment, and the reduction can be objectively related to an event incurred after the recognition of impairment, it is necessary to cancel previously recognised loss due to impairment through recalculation in the value adjustment account.

Book value of financial assets in case of cancellation may not exceed the value that should be equal to the repayment value.

The value of loss cancellation shall be recognised through profit and loss.

Impairment of financial assets at acquisition costs
Article 21

If there is objective evidence that loss incurred due to impairment of financial assets, equity securities which have no quoted price in an active market and which are not presented at fair value but acquisition costs because their fair values cannot be reliably measured, the amount of loss due to impairment is measured as difference between book value of financial assets and present value of expected cash flows discounted at current market return rate for similar financial asset and recognised through profit and loss as re-valued financial expense.

Losses incurred due to impairment referred to in paragraph 1 of this Article may not be cancelled.

If a company is under bankruptcy, financial reorganisation (enforced settlement) or liquidation, financial assets shall be impaired to the amount of present value of expected cash flows discounted at current return rate for similar financial asset.

Financial assets presented at acquisition cost may in no way be increased, only the impairment is allowed.

Impairment of available-for-sale financial assets
Article 22

If there is objective evidence suggesting the impairment of available-for-sale financial assets, or if there is an increase recorded in the past, the impairment shall be initially recorded against the relevant revaluation reserves.

A cumulative loss, recognised directly in equity, shall be removed from the equity and shall be recognised through profit and loss, even if the financial asset has not ceased to be recognised.

Losses due to impairment recognised through profit and loss for available-for-sale financial assets may not be cancelled through profit and loss.

Increase in fair value of such financial assets shall be presented in equity.

When increasing fair value of debt securities classified as available-for-sale, where it is possible to link objectively the increase to an event after the recognition of impairment, the revaluation loss resulting from impairment shall be cancelled and the cancelled amount shall be recognised through profit and loss as a financial income.

Derecognition

Article 23

A company shall derecognise financial assets in book records if relevant contractual rights cease to apply to such assets, or if the rights to use expire or terminate, or if almost all risks and benefits related to the financial asset ownership are transferred.

Financial assets held for trading at fair value shall be recognised in business books or disposed of after the trading date, while financial assets held to maturity, including appurtenant transaction costs, shall be recognised after the execution date.

When financial assets are derecognised the difference between the book value and the sum of compensations received, including newly acquired assets less new commitments and cumulative gains or losses recognised directly in equity, shall be entirely recognised through profit and loss.

Article 24

Reduction in or increase of assets, established by the appraisal of assets pursuant to the criteria referred to in Articles 19 to 23 of this Decision, shall be presented as an expenditure or revenue of the company.

V RECEIVABLES

Disclosure of receivables
Article 25

Receivables from buyers and other receivables shall be disclosed at the cost reduced by value adjustment.

Each individual value adjustment of the receivable referred to in paragraph 1 of this Article shall be based on the management's best assessment of the present value of anticipated future cash inflows, where the financial standing of the debtor and net sale value of insurance instruments shall be assessed, while each asset that has been subject to impairment shall be valued separately.

The company shall make direct value adjustment of a receivable if it is certain and documented that such receivable shall not be collected.

Categories of receivables by collectability
Article 26

The company shall assess the collectability of receivables where the maturity is an important element, based on individual assessment of the financial standing of the debtor, in accordance with the criteria referred to in Sections III and IV of this Decision and based on duration of the default in meeting obligations against the company.

Pursuant to the criteria referred to in paragraph 1 of this Article, receivables shall be classified into the following categories:

1) First category:
    - Receivables from a debtor having a financial standing satisfactory according to all criteria,
    - Receivables from a debtor who meets his obligations in a timely fashion, and exceptionally in default up to three months;
2) Second category:
    - Receivables from a debtor not having a satisfactory financial standing, however where no deterioration is expected, expect in case of receivables from a debtor who is insolvent and illiquid,
    - Receivables from a debtor in default in meeting his obligations up to five months, and exceptionally in default up to six months;
3) Third category:
    - Receivables from a debtor not having a satisfactory financial standing, in particular if the solvency or liquidity criteria are taken into consideration,
    - Receivables from a debtor in default in meeting his obligations up to seven months, and exceptionally in default up to nine months;
4) Fourth category:
    - Receivables from a debtor under bankruptcy or from a debtor where it could be reasonably expected that a bankruptcy will be opened,
    - Receivables from a debtor in default in meeting his obligations exceeding nine months,
    - Receivables from a debtor who fails to pay liabilities arising from a non-life insurance premium after the expiry of the insurance period, and in case such period is longer than one year if he fails to pay them after the expiry of one year from the commencement of the insurance period for that year,
    - Receivables from a debtor who fails to pay liabilities arising from a reinsurance premium after the expiry of the reinsurance period, and in case period is longer than one year if he fails to pay them after the expiry of one year from the commencement of the reinsurance period for that year,
    - Receivables from a person being a related party of the company, which would otherwise be classified to the second or third category.

Receivables classified in accordance with paragraph 2 of this Article shall be stated at par value less the amount that is likely uncollectible according to the assessment carried out in accordance with this Decision.

Value of balance sheet positions adjusted in line with paragraph 3 of this Article shall be presented as expenditure (impairment of written premiums in case of a write-off of premium-related receivables) and impairment of the balance sheet assets, while write-off in respect of off-balance sheet positions in line with the mentioned paragraph shall be presented as expenditure and long-term provisioning,

Receivables from a single debtor
Article 27

Receivables from a single debtor that can be classified in line with the criteria referred to in Article 15 of this Decision shall be classified only at criterion related to default in meeting obligations towards an insurance company, if receivables of such debtor amount to less than 1 percent of the capital of such company.

Provisions of this Article shall not apply to receivables from persons deemed as related parties of the company for the purpose of this Decision, and such receivables shall be classified to the same category as established based on the least favourably classified receivable one of such persons.

Maturity of receivables
Article 28

Maturity or default in collecting a receivable shall be established at initial maturity date.

Receivables in respect of a legal transaction that directly or indirectly provides a debtor funds to settle the previous receivable shall be classified at initial maturity date of the settled receivable.

Receivables once restructured in the privatisation procedure or procedure of financial consolidation of a debtor shall be classified at their maturity as established in the restructuring procedure.

Receivables transferred to another debtor shall be classified at their initial maturity.

Debtor records
Article 29

A company shall be obliged to keep records on each debtor having aggregate receivables of 1 percent or more of the capital of such company, including documentation containing updated, complete and accurate data relevant for assuming risk of collection of receivables from such debtor and for the liquidity risk management of this company, in order to be able to meet obligations to the insured parties and other creditors within contracted, or statutory deadlines.

If the records stipulated under paragraph 1 of this Article are not kept or the company fails to obtain documentation referred to in paragraph 1 of this Article, all receivables of a debtor shall be classified to the Fourth category.

If the documentation referred to in paragraph 1 of this Article is partly missing or is less significant, receivables from such debtor shall be classified to the second less favourable category than the one they should be classified in.

VI FINAL PROVISION

Article 30

This Decision shall enter into force on the eighth day following the day of its publication in the *Official Gazette of Montenegro*, and shall be applied from 1 January 2011.

Number: 01-1012/3-10
Podgorica, 21 December 2010

President of the Council

Vladimir Kavarić, PhD, m.p.

NOTE:

The consolidate text of the Decision does not include the following provisions of the Decision on Supplement to the Decision on the Method of Valuation of Assets for Insurance Companies (*Official Gazette of Montenegro, No 24/11* of 13 May 2011):

"Article 3

This Decision shall enter into force on the eighth day following the day of its publication in the Official Gazette of Montenegro, and shall apply starting from the reports for the Second quarter of 2011, which are to be submitted by 20 July 2011.

Number: 01-396/4-11
Podgorica, 28 April 2011

President of the Council
Branko Vujović, m.p."

The consolidate text of the Decision does not include the following provisions of the Decision on Amendments to the Decision on the Method of Valuation of Assets for Insurance Companies (*Official Gazette of Montenegro, No 06/13* of 31 January 2013):

"Article 3

This Decision shall enter into force on the eighth day following the day of its publication in the Official Gazette of Montenegro, and shall apply starting from the reports for the Second quarter of 2013, which are to be submitted by 20 July 2013.

Number: 01-57/4-13
Podgorica, 29 January 2013

President of the Council
Branko Vujović, m.p."

Quarterly Analytical Data on Investment of Assets for Coverage of Technical Reserves and the Capital

Form A1	Securities issued by Montenegro
Form A2	Debt securities issued by another country, central bank of another country or international financial organisation
Form A3	Debt securities guaranteed by another country or central bank of another country
Form A4	Bonds or other debt securities traded in an organised securities market in Montenegro
From A5	Bonds or other debt securities not traded in an organised securities market, whose issuer is a legal entity having registered office in Montenegro
Form A6	Shares traded in an organised securities market in Montenegro
Form A7	Shares not traded in an organised securities market in Montenegro, whose issuer is a legal entity having registered office in Montenegro
Form A8	Shares of foreign legal entities
From A9	Debt securities of foreign legal entities traded in a stock market in countries of their registered offices
Form A10	Real estate registered with the immovable property cadastre of Montenegro
Form A11	Deposits with banks having registered office in Montenegro
Form A12	Funds on a business account of the insurance company
	Age profile of receivables for a premium
	Special categories of receivables
	Receivables by category

Securities issued by Montenegro

Form A1

Ord. No	Issuer	ISIN	Quantity of securities	Currency	Par value	Maturity date	Total price on valuation day	Unrealised profit/loss on ------	Book value on -----	Classification under IAS 39*
1	2	3	4	5	6	7	8	9	10	11
1										
2										
3										
4 (...)										
TOTAL										

Note:

- ∗ Securities whose issuer is Montenegro refer to bonds and other debt securities whose issuer is Montenegro or for which the state of Montenegro issues a guarantee;
- ∗ In filling up the Form use following designations for classification under IAS 39:
    - **HTM** – Held to maturity investments
    - **AFS** – Available-for-sale investments
    - **HFT** – Investments at fair value through profit and loss account
    - **L&R** – Deposits, loans, and receivables

Debt Securities issued by another country, central bank of another country or international financial organisation

Form A2

Ord. No	Issuer	ISIN	Quantity of securities	Currency	Par value	Maturity date	Total price on valuation day	Unrealised profit/loss on ------	Book value on -----	Classification under IAS 39*
1	2	3	4	5	6	7	8	9	10	11
1										
2										
3										
4 (…)										
TOTAL										

Note:

- * If having a credit rating issued by credit rating agencies Standard & Poor's or Fitch- IBCA of at least "BBB", or by Moody's of at least "Baa3";
- * In filling up the Form use following designations for classification under IAS 39:
    - **HTM** – Held to maturity investments
    - **AFS** – Available-for-sale investments
    - **HFT** – Investments at fair value through profit and loss account
    - **L&R** – Deposits, loans, and receivables

Debt Securities guaranteed by another country or central bank of another country

Form A3

Ord. No	**Issuer**	**ISIN**	**Quantity of securities**	**Currency**	**Par value**	**Maturity date**	**Total price on valuation day**	**Unrealised profit/loss on ------**	**Book value on -----**	**Classification under IAS 39***
1	2	3	4	5	6	7	8	9	10	11
1										
2										
3										
4 (...)										
TOTAL										

Note:

- * If having a credit rating issued by credit rating agencies Standard & Poor's or Fitch- IBCA of at least "BBB", or by Moody's of at least "Baa3";
- * In filling up the Form use following designations for classification under IAS 39:
    - **HTM** – Held to maturity investments
    - **AFS** – Available-for-sale investments
    - **HFT** – Investments at fair value through profit and loss account
    - **L&R** – Deposits, loans, and receivables

Bods or other debt securities traded in an organised securities market in Montenegro

Form A4

Ord. No	Issuer	ISIN	Quantity	Currency	Par value	Maturity date	Total price on valuation day	Annual interest rate	Accrued interest for the period -----	Unrealised profit/loss on ------	Book value on ------	Classification under IAS 39*
1	2	3	4	5	6	7	8	9	10	11	12	13
1												
2												
3												
4 (...)												
TOTAL												

Note:

* In filling up the Form use following designations for classification under IAS 39:

- **HTM** – Held to maturity investments
- **AFS** – Available-for-sale investments
- **HFT** – Investments at fair value through profit and loss account
- **L&R** – Deposits, loans, and receivables

Bonds or other debt securities not traded in an organised securities market, whose issuer is a legal entity having registered office in Montenegro

Form A5

Ord. No	Issuer	ISIN	Quantity	Currency	Par value	Maturity date	Total price on valuation day	Annual interest rate	Accrued interest for the period ----	Unrealised profit/loss on ------	Book value on -----	Classification under IAS 39*
1	2	3	4	5	6	7	8	9	10	11	12	13
1												
2												
3												
4 (...)												
TOTAL												

Note:

* In filling up the Form use following designations for classification under IAS 39:

- **HTM** – Held to maturity investments
- **AFS** – Available-for-sale investments
- **HFT** – Investments at fair value through profit and loss account
- **L&R** – Deposits, loans, and receivables

Shares traded in an organised securities market in Montenegro

Form A6

Ord. No	Issuer	ISIN	Quantity	Unit price on valuation day	Total value on valuation day	Share in capital (in %)	Share in voting rights (in %)	Unrealised profit/loss on ------	Book value on ------	Classification under IAS 39*
1	2	3	4	5	6 (5x4)	7	8	9	10	11
1										
2										
3										
4 (...)										
TOTAL										

Note:

* In filling up the Form use following designations for classification under IAS 39:

- **HTM** – Held to maturity investments
- **AFS** – Available-for-sale investments
- **HFT** – Investments at fair value through profit and loss account
- **L&R** – Deposits, loans, and receivables

Shares not traded in an organised securities market in Montenegro, whose issuer is a legal entity having registered office in Montenegro

Form A7

Ord. No	Issuer	ISIN	Quantity	Unit price on valuation day	Total value on valuation day	Share in capital (in %)	Share in voting rights (in %)	Unrealised profit/loss on ------	Book value on ------	Classification under IAS 39*
1	2	3	4	5	6	7	8	9	10	11
1										
2										
3										
4 (...)										
TOTAL										

Note:

* In filling up the Form use following designations for classification under IAS 39:
  - **HTM** – Held to maturity investments
  - **AFS** – Available-for-sale investments
  - **HFT** – Investments at fair value through profit and loss account
  - **L&R** – Deposits, loans, and receivables

Shares of foreign legal entities

Form A8

Ord. No	Issuer	ISIN	Quantity	Currency	Unit price on valuation day	Total value on valuation day	Share in capital (in %)	Share in voting rights (in %)	Unrealised profit/loss on ------	Book value on ------	Classification under IAS 39*
1	2	3	4	5	6	7	8	9	10	11	12
1											
2											
3											
4 (...)											
TOTAL											

Note:

* Provided that where admitted for stock market listing for at least two previous years and if having a credit rating issued by credit rating agencies Standard & Poor's or Fitch- IBCA of at least “BBB”, or by Moody's of at least “Baa3”;
* In filling up the Form use following designations for classification under IAS 39:
  - **HTM** – Held to maturity investments
  - **AFS** – Available-for-sale investments
  - **HFT** – Investments at fair value through profit and loss account
  - **L&R** – Deposits, loans, and receivables

Debt Securities of foreign legal entities traded in a stock market in countries of their registered offices

Form A9

Ord. No	Issuer	ISIN	Country of Securities' Issuer	Issuer's Credit rating	Quantity	Currency	Par value	Total price on valuation day	Unrealised profit/loss on ------	Book value on -----	Classification under IAS 39*
1	2	3	4	5	6	7	8	9	10	11	11
1											
2											
3											
4 (...)											
TOTAL											

Note:

- ∗ If having a credit rating issued by credit rating agencies Standard & Poor's or Fitch- IBCA of at least "BBB", or by Moody's of at least "Baa3";
- ∗ In filling up the Form use following designations for classification under IAS 39:
  - **HTM** – Held to maturity investments
  - **AFS** – Available-for-sale investments
  - **HFT** – Investments at fair value through profit and loss account
  - **L&R** – Deposits, loans, and receivables

Real Estate Registered with the Immovable property cadastre of Montenegro

Form A10

Ord. No	Real Estate description	Address, place	Real Estate Administration, Name of the cadastral municipality	Property Certificate No	Parcel No	Acquisition date	Date of registration in land registers of property or other real property right on immovable	Data on authorised court appraiser (name, address)	Date of the last valuation	Acquisition value	Correction in value	Revaluation in the period ------	Book value on -----	Valuation model under IAS 40*
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
1														
2														
3														
4 (...)														
TOTAL														

Note:

- * Enter either a fair value model or cost model;
- * Immovables registered with the immovable property cadastre of Montenegro if their purchase prices is set based on a valuation of an authorised appraiser and if generation profit or profit could be expected.
- * If having a credit rating issued by credit rating agencies Standard & Poor's or Fitch- IBCA of at least “BBB”, or by Moody's of at least “Baa3”;

Deposit with banks having registered offices in Montenegro

Form 11

Ord. No	Bank name	Contract number (designation)	Contract entered on date	Maturity of deposits	Annexes		Amount of deposits	Contracted Annual interest rate	Total accrued interest on ----	Book value on -----	Classification under IAS 39*
					Total number of annexes	Date the last annex is entered into					
1	2	3	4	5	6	7	8	9	10	11	12
1											
2											
3											
4 (...)											
TOTAL											

Note:

* In filling up the Form use following designations for classification under IAS 39:

- **HTM** – Held to maturity investments
- **AFS** – Available-for-sale investments
- **HFT** – Investments at fair value through profit and loss account
- **L&R** – Deposits, loans, and receivables

Funds on a business account of the insurance company

Form 12

Ord. No	Account number	Bank name	Amount on ----
1	2	3	4
1			
2			
3			
4 (...)			
TOTAL			

Insurance company:

AGE PROFILE OF RECEIVABLES FOR INSURANCE PREMIUM AS OF

in EUR

Code	Classes of Insurance	up to 30 days	between 31-60 days	between 61-90 days	between 91-180 days	between 181-365 days	more than 365 days	TOTAL
1	2	3	4	5	6	7	8	9
01	Accident insurance							
02	Health insurance							
03	Moto vehicle insurance							
04	Railway rolling stock insurance							
05	Aircraft insurance							
06	Vessel insurance							
07	Goods in transit insurance							
08	Insurance against fire and other threats to property							
09	Other property insurance							
10	Motor vehicle liability insurance							
11	Aircraft liability insurance							
12	Vessel liability insurance							
13	General liability insurance							
14	Credit insurance							
15	Suretyship insurance							
16	Financial loss insurance							
17	Legal expenses insurance							
18	Travel insurance							
19	Other classes of non-life insurance							
20	Life insurance							

21	Annuity insurance							
22	Supplemental insurance in addition to life insurance							
23	Other classes of life insurance							
	TOTAL (non-life insurances, classes 01 - 19)							
	TOTAL (life insurances, classes 20 - 23)							
	TOTAL (classes 01 - 23)							

Date: Compiled by: Responsible person:

Insurance company:

SPECIAL CATEGORIES OF RECEIVABLES

in EUR

Code	Classes of Insurance	Receivables not collected within three months from due date	Receivables from agents on the account of collection on behalf and for the account of the company, which were not transferred within ten days as of the day such receivables were created	Receivables with suspicious or disputable legal grounds	Correction in value of receivables Item 3 . - 5. (-)	TOTAL
1	2	3	4	5	6	7
01	Accident insurance					
02	Health insurance					
03	Moto vehicle insurance					
04	Railway rolling stock insurance					
05	Aircraft insurance					
06	Vessel insurance					
07	Goods in transit insurance					
08	Insurance against fire and other threats to property					
09	Other property insurance					
10	Motor vehicle liability insurance					
11	Aircraft liability insurance					
12	Vessel liability insurance					
13	General liability insurance					
14	Credit insurance					
15	Suretyship insurance					
16	Financial loss insurance					

17	Legal expenses insurance					
18	Travel insurance					
19	Other classes of non-life insurance					
20	Life insurance					
21	Annuity insurance					
22	Supplemental insurance in addition to life insurance					
23	Other classes of life insurance					
	TOTAL (non-life insurances, classes 01 - 19)					
	TOTAL (life insurances, classes 20 - 23)					
	TOTAL (classes 01 - 23)					

Date: Compiled by: Responsible person:

Insurance company:

RECEIVABLES BY CATEGORY

in EUR

Code	Classes of Insurance	First category of receivables	Second category of receivables	Third category of receivables	Forth category of receivables	Correction in value of receivables Item 3 . - 6. (-)	TOTAL
1	2	3	4	5	6	7	9
01	Accident insurance						
02	Health insurance						
03	Moto vehicle insurance						
04	Railway rolling stock insurance						
05	Aircraft insurance						
06	Vessel insurance						
07	Goods in transit insurance						
08	Insurance against fire and other threats to property						
09	Other property insurance						
10	Motor vehicle liability insurance						
11	Aircraft liability insurance						
12	Vessel liability insurance						
13	General liability insurance						
14	Credit insurance						
15	Suretyship insurance						
16	Financial loss insurance						
17	Legal expenses insurance						
18	Travel insurance						
19	Other classes of non-life insurance						

20	Life insurance						
21	Annuity insurance						
22	Supplemental insurance in addition to life insurance						
23	Other classes of life insurance						
	TOTAL (non-life insurances, classes 01 - 19)						
	TOTAL (life insurances, classes 20 - 23)						
	TOTAL (classes 01 - 23)						

Date: Compiled by: Responsible person: