



**REPUBLIC OF ALBANIA  
BANK OF ALBANIA  
SUPERVISORY COUNCIL**

**DECISION**

**No. 4, dated 1.2.2017**

**APPROVAL OF REGULATION “ON CONSOLIDATED SUPERVISION”**

In accordance with Article 12 “a”, and Article 43 “c”, of the Law No. 8269, dated 23.12.1997 “On the Bank of Albania”, as amended, sub-chapter II of Chapter VI of the Law No. 9662, dated 18.12.2006, “On banks in the Republic of Albania”, as amended, having regard to the proposal from Supervision Department, the Supervisory Council of the Bank of Albania,

**DECIDED:**

1. To approve the Regulation “On the consolidated supervision”, as provided therein.
2. The Supervision Department shall implement this Decision.
3. Banks and other non-bank financial institutions, which in compliance with the Law “On banks in the Republic of Albania” are superordinate institutions of a banking or financial group, until the entry into force of this decision, shall take measures and provide the required conditions for the implementation of the requirements laid down in the approved Regulation according to this Decision.
4. The data compiled on annual basis, for 2017, shall be reported to the Bank of Albania in accordance with the requirements laid down in the Regulation approved according to this Decision.
5. The Regulation “On consolidated supervision” adopted by the Supervisory Council’s Decision No.68, dated 28.07.2005 shall be repealed upon the entry into force of the Regulation approved with this Decision.
6. The Research Department shall be responsible for publishing this Decision in the Official Journal of the Republic of Albania and in the Official Bulletin of the Bank of Albania.

This Decision shall enter into force on 1<sup>st</sup> December 2017.

**SECRETARY**

**Elvis ÇIBUKU**

**CHAIR**

**Gent SEJKO**

## **REGULATION**

### **“ON CONSOLIDATED SUPERVISION”**

(Adopted by the Decision No.4, dated 1.2.2017, and amended by Decision No.79, dated 18.12.2019, by Decision No.54, dated 2.9.2020, by Decision No.41, dated 4.8.2021 and by Decision No.37, dated 2.8.2023 of Supervisory Council of the Bank of Albania)

## **CHAPTER I**

### **GENERAL PROVISIONS**

#### **Article 1**

##### **Subject matter**

This Regulation lays down the conditions, rules and regulatory requirements of conducting consolidated supervision, for the purposes of risk management deriving from a banking group and a financial group.

#### **Article 2**

##### **Scope of application**

1. This Regulation shall apply on subjects licensed by the Bank of Albania, which in accordance with the Law “On banks in the Republic of Albania” are superordinate institutions of a banking group or financial group, as laid down in this Regulation.
2. The provisions set out in this Regulation shall adequately apply to a financial group and its superordinate institutions, pursuant to the requirements of the Bank of Albania, in compliance with the composition, size and complexity of the group.

#### **Article 3**

##### **Legal ground**

This Regulation is issued pursuant to:

- a) Article 12 “a” and Article 43 ”c” of the Law No. 8269, dated 23.12.1997 "On the Bank of Albania", as amended; and
- b) Sub-chapter II of Chapter VI of the Law No. 9662, dated 18.12.2006 “On banks in the Republic of Albania”, as amended, following referred as the “Law on banks”.

#### **Article 4**

##### **Definitions**

1. The terms used in this Regulation shall have the same meanings with those defined in the Law on banks, and the other bylaws issued by the Bank of Albania.
2. In addition to point 1, for the purposes of this Regulation, the following definitions shall apply:

- a) “superordinate institution” – means the superordinate bank or the financial holding company, as defined in the Law on banks and which are licensed by the Bank of Albania;
- b) “subordinated institution” – means any financial entity, part of the same banking or financial group, which is not considered as a superordinate institution, whose activity is subject to consolidated supervision;
- c) “Risk perimeter” – means the set of material risks, the banking or financial group is exposed to, which arise from a special subject of the group or related subjects or from macro-financial environment;
- d) “minority interest” – means the amount of Common Equity Tier 1 (common shares) of a banking group member, attributable to natural or legal persons, which are not subject to banking group consolidation;
- e) “financial group” – means:
  - i) a group, in which a non-bank financial institution, licensed by the Bank of Albania, has a qualifying holding or controls a bank, with headquarters in the territory of the Republic of Albania and when the total assets of this bank are not higher than the other investments conducted by this non-bank financial institution;
  - ii) a group, in which a financial holding company, with headquarters in the Republic of Albania, has a qualifying holding or controls on one or more banks or non-bank financial institutions, with headquarters in or outside the territory of the Republic of Albania.

## **CHAPTER II BANKING GROUP**

### **Article 5 Extent and methods of consolidation**

1. The superordinate institution, for the purposes of financial statements consolidation, shall apply the consolidation methods set out in the “Reporting methodology and content of financial reports<sup>1</sup>”.
2. The method applied for the consolidation of the financial statements of all banking group members, shall respectively consider:
  - a) inclusion of assets and liabilities of banking group members, line by line, on the consolidated balance-sheet, after fully deducting the surpluses that represent intragroup relations (including payables and receivables accounts);

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<sup>1</sup> Adopted upon the Decision of Supervisory Council, No. 95, dated 24.12.2008.

- b) inclusion of income and expenses of banking group members, line by line in the consolidated profit and loss statement, after fully deducting the income and expenses and profits/losses that are related to intragroup transactions; and
  - c) deduction of investments of the superordinate institution and of the equity share, that the superordinate institution owns at any member of the banking group.
3. The superordinate institution shall determine and assess the risk perimeter of the banking group, by considering its risk profile on an individual and consolidated basis, together with the other entities of the banking group, and by assessing the activities of the other entities of the group, at the extent they may have an important (material) impact in the reputation or financial situation of the banking group.
4. The superordinate institution shall exclude from the banking group consolidation, the subordinated institutions, part of the group, if they are:
- a) insurance and re-insurance companies, in case of full consolidation method;
  - b) investment fund management companies and pension fund management companies, in case of full consolidation method; and
  - c) financial entities, whose total balance sheet is less than 1% of the balance sheet total of the superordinate institution.

## **Article 6**

### **Qualitative consolidated supervision**

1. The qualitative consolidated supervision shall consist in the assessment and control of all risks, which are not considered from the quantitative consolidated supervision, mainly:
- a) the risk arising from the creation of the overall banking group structure, including the (in)sufficiency of structures that provide the communication and coordination from the centre to the periphery of banking group (information symmetry);
  - b) relevance of internal control system and risks management;
  - c) operational, strategic, reputational, <sup>2</sup>legal and money laundering and terrorist financing risk;
  - d) compliance of the activities, organisation and management of banking group, with their internal acts;
  - e) the risk arising from the internal and external factors of the environment where the superordinate institution and any other entity of the banking group, perform their activities;
  - f) the risk of concentration and of significant intra-group transactions (SIGT), as stipulated in Annex 1 of this Regulation.

## **Article 7**

### **Quantitative consolidated supervision**

1. The quantitative consolidated supervision shall include the assessment and control, mainly of the consolidated regulatory capital position, capital adequacy; large exposures, open

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<sup>2</sup> Amended upon the Decision of Supervisory Council, No. 79, dated 18.12.2019.

foreign currency positions, and capital investments in non-financial institutions, of the banking group.

2. The superordinate institution shall prepare and submit at the Bank of Albania, the consolidated financial statements, in compliance with Article 85 of the Law on banks.

### **CHAPTER III**

#### **REGULATORY CAPITAL, LARGE EXPOSURE, OPEN FOREIGN CURRENCY POSITION AND INVESTMENT IN NON-FINANCIAL INSTITUTIONS' CAPITAL FOR THE BANKING GROUP**

##### **Article 8 General provisions**

1. The superordinate institution shall respect at any time, the requirements laid down in this Regulation and other regulatory acts issued by the Bank of Albania, on regulatory capital level, the minimum required capital adequacy ratio, open foreign currency position and of investment in non-financial institutions' capital.
2. In accordance with the requirements laid down in paragraph 1 of this Article, the requirements set out in other regulatory acts, shall be applied accordingly to the banking group, by considering the banking group as a single entity, unless otherwise provided by this Regulation.

##### **SUBCHAPTER I Regulatory capital of a banking group**

##### **Article 9 Required regulatory capital level**

1. The superordinate institution shall ensure that the regulatory capital calculated on a consolidated basis, is in any case, higher than the total of:
  - a) capital requirement on credit risk and counterparty credit risk, calculated as the total risk weighted exposures and potential exposures, multiplied per 12%;
  - b) capital requirement for market risk, calculated according to the requirements laid down in chapter VII of the Regulation "On capital adequacy ratio", multiplied per 1.5;
  - c) capital requirement for operational risk, calculated according to Basic Indicator Approach or Standardised Approach, set forth in Chapter VIII of the Regulation "On capital adequacy ratio", multiplied per 1.5.

**Article 10**  
**Calculation of regulatory capital**

1. The regulatory capital shall be calculated on the basis of data from the banking group's consolidated financial statements.
2. Requirements on the structure, components of regulatory capital, limits and deductible elements, according to the Regulation "On bank regulatory capital", shall be applied accordingly to the calculation of the banking group's regulatory capital.
3. The superordinate institution, in addition to point 2 of this Article, in any event of identifying minority interests, shall consider these interests as Common Equity Tier 1 elements of the group, if:
  - a) the superordinate institution applies the full consolidation method; and
  - b) the subordinated institution that has issued the instrument, is a bank or each institution subject to regulatory and supervisory criteria, at least equal to those of the Bank of Albania applied to banks.

**SUBCHAPTER II**  
**Capital requirements for the banking group**

**Article 11**  
**General provisions**

1. The superordinate institution shall calculate the capital requirement for the banking group on a consolidated basis, as the sum of capital requirements calculated at banking group level.
2. The requirements laid down in the Regulation "On capital adequacy ratio" shall apply accordingly to calculate the capital requirements at a banking group level, unless otherwise provided by this Regulation.

**Article 12**  
**Capital requirements for credit risk**

1. The capital requirement for a credit risk for a banking group shall be calculated by applying the standardised approach, on a consolidated basis.
2. The requirements set out in the Regulation "On capital adequacy ratio" for the calculation of capital requirement for credit risk, shall be applied accordingly for the banking group, by considering it as a single entity.

**Article 13**  
**Capital requirement for the operational risk**

1. The capital requirement for the operational risk for a banking group shall be calculated by applying the basic indicator approach or the standardised approach, on a consolidated basis.

2. The requirements of the Regulation “On capital adequacy ratio” shall apply at the level of the banking group in the calculation of capital requirements for operational risk, by considering the banking group as a single entity.
3. The application of the provisions specified in paragraph 2 of this Article entails that the calculation of capital requirement for operational risk shall be conducted by using the data for the banking group’s net income.

#### **Article 14**

##### **Capital requirements for market risk**

1. The capital requirement for market risk for a banking group shall be calculated as the sum of the capital requirements laid down in the Regulation “On capital adequacy ratio” for the trading book positions, and for the capital requirements for all positions (trading book positions and banking book positions) at the level of the banking group.
2. The superordinate institution, when calculating the capital requirements for market risk shall not perform any netting of trading book positions or netting of positions in foreign exchange or commodities between various entities of the group, unless they are performed in accordance with the Regulation “On capital adequacy ratio”.

### **SUBCHAPTER III**

#### **Large exposure, open foreign currency position and investments in the capital of non-financial entities for the banking group**

#### **Article 15**

##### **Calculation of large exposure**

1. Exposures of a banking group to a single person or to a group of related persons shall not exceed the maximum allowed limits, set out in the Law on banks and in the Regulation “On risk management from large exposures”. The calculation requirements for banking group’s large exposure shall be calculated by considering it as a single entity.
2. Exposure of a banking group to a person or to a group of related persons shall be calculated based on the balance sheet items and off-balance sheet items in the consolidated financial statements. The calculation of maximum limits of these exposures shall consider the regulatory capital of the banking group on a consolidated basis.
3. When calculating the exposure from the activity in the trading book, a superordinate institution may apply the netting of its trading book positions, and the trading books’ positions of the entities included in the calculation of the exposures on a consolidated basis, in compliance with the conditions set out in Chapter VII “Market risk” of the Regulation “On capital adequacy ratio”.
4. Bank of Albania, without prejudice to the calculation method and the requirements laid down in paragraph 2 of this Article, may request the inclusion of exposures of entities which are excluded from consolidation, in the calculation of the large exposures of the banking group, with the purpose of full calculation of the group’s large exposure.

**Article 16**  
**Calculation of the open foreign currency position**

1. The calculation of open foreign currency position and the requirements on the exposure limits stipulated in the Regulation “On risk management from open foreign currency positions” shall apply to the banking group, by considering it as a single entity.
2. For the purposes of point 1 of this Article, the exchange rate of currencies which are not published at the official website of the Bank of Albania, the exchange rate published at: <http://www.reuters.com> shall be applied as reference.

**Article 17**  
**Investments in capital of non-financial institutions**

1. Investments of the banking group in the capital of commercial companies, different from banks or financial institutions, shall be subject to the provisions laid down in Article 70 of the Law on banks.
2. The calculation of investment limits in the capital of entities referred to in paragraph 1 of hereof, shall be based on the consolidated regulatory capital of the banking group, and on the amount of this investment which shall be calculated based on the consolidated financial statements.

**CHAPTER IV**  
**REPORTING REQUIREMENTS**

**Article 18**  
**General provisions**

1. The superordinate institution shall submit to the Bank of Albania, within 60 days following the end of the reporting period, the consolidated financial statements and the data as provided in the annexes enclosed herewith and integral thereto.
2. The superordinate institution shall ensure the necessary transparency when compiling and submitting the financial statements, as defined in paragraph 1 of this article, and shall submit additional information to clarify the consolidated financial statements at the request of the Bank of Albania.
3. The superordinate institution shall submit the consolidated financial statements and data accordingly to the content and frequency defined in the annexes enclosed herewith and integral thereto.
4. In the event of a special request by the Bank of Albania, a superordinate institution shall compile the reports specified in this Article on the situation, as at a date stipulated and shall submit them by the deadline stipulated.



## **Article 19**

### **Submission of the information by the entities of the banking group for consolidation**

1. The superordinate institution shall ensure that the composing entities of the banking group (subordinated institutions) submit all the necessary information for the implementation of the requirements on the consolidated supervision, and based on them, it shall compile and submit in compliance with the legal and regulatory obligations the required reports and information subject to the Law on banks and the relevant by laws.
2. The information referred in paragraph 1 of this Article shall specifically include:
  - a) report of the internal audit, the report of the external auditor and business plan, if it exists;
  - b) the quarterly financial reports (balance sheet, income statement);
  - c) a list of shareholders or holders of participating interests and other rights;
  - d) a list of the members of steering council and directorate of the subordinated institution, the specification if they are considered either dependent or independent, and detailed information on their membership in other entities' steering councils or directorates;
  - e) detailed information regarding the regulatory capital elements required for assessing whether they comply with the characteristics and conditions for inclusion in the calculation of regulatory capital on a consolidated basis;
  - f) the amounts of investments in shares, interests or other capital instruments in other entities that are required for calculating the items deducted by the regulatory capital or the obligations regarding limits on qualifying holdings of banking group outside the financial sector;
  - g) data that the superordinate institution requires regarding the calculation of capital requirements, depending on approach used for calculating capital requirements on a consolidated basis;
  - h) the amounts of exposures from the superordinate institution's book and from the trading book for individual clients and for groups of connected clients; and
  - i) other information, which according to the Bank of Albania, are required for meeting obligations on a consolidated basis.

## **Article 20**

### **Report on the structure of a banking group**

1. The superordinate institution shall submit every year to the Bank of Albania, a report on the structure of the banking group. This report shall contain a list of the entities part of the group, specific data and information on these entities, and a description of the intragroup transactions, as presented at the last day of the year.
2. The specific data and information on the entities part of the banking group shall contain at least:
  - a) the name of the entity, the unique identification number (NUIS), business activity of the entity and total assets;
  - b) the paid-in capital of the entity, the share of the capital or voting rights of the superordinate institution in this entity, and a list of the other entities that have holdings in this entity;
  - c) managers of the entity and data/information, if these managers hold executive positions in other entities;

- d) data/information of the authority responsible for supervision of each entity on an individual basis, including the entities outside the territory of the Republic of Albania;
  - e) data/information on the conducted audits and the title/name of the certified auditor;
  - f) a list of the most common transactions that the entity conducts with other entities part of the banking group;
  - g) any additional information required, for reflecting the structure of the banking group and the intragroup relations.
3. The capital participations among the entities of the banking group shall be illustrated in the form of a schematic presentation that clearly shows the direct and indirect participations in capital or voting rights, or joint control, or any other relation by which the superordinate institution controls or exercises a dominant or significant influence over the other entities of the banking group.
  4. The report on the structure of the banking group shall be submitted to the Bank of Albania as at 30 April of the following year.
  5. In the event of a special request by the Bank of Albania, a superordinate institution shall submit a report on the situation as at a date stipulated by the Bank of Albania.
  6. The superordinate institution shall notify the Bank of Albania without delay of any change in the structure of the group and of other facts that are of significance to supervision on a consolidated basis.

## **CHAPTER V**

### **MONITORING AND SUPERVISORY PROCESS**

#### **Article 21**

##### **Requirements on the internal audit system**

1. The superordinate institution, for the purposes of effective implementation of this Regulation's requirements and in particular, the implementation of the requirements of the Regulation "On internal audit system", shall:
  - a) approve and implement internal acts and internal control system, structures or functions which shall ensure the supervision on a consolidated basis of the banking group;
  - b) develop an internal system and internal procedures for the calculation and monitoring of the regulatory capital, capital requirements and for all the other requirements for the banking group;
  - c) develop a risk management system at group level, for the purposes of supervision on a consolidated basis.

### <sup>3</sup>Article 21/1

#### **Requirements on the prevention of money laundering and terrorism financing**

1. The superordinate institution shall draft programmes against money laundering and terrorism financing at group level, which should be applicable and appropriate to all the entities of the group.
2. The programmes laid down in paragraph 1 of this Article, shall stipulate, among others:
  - a) the establishment of the relevant structure from the superordinate institution, for the purposes of the prevention of money laundering and terrorism financing at group level;
  - b) criteria on the lustration and integrity of employees, particularly of those involved in the process of the prevention of money laundering and terrorism financing, laid down in the internal employment procedures at group level;
  - c) an annual training program of the employees of group entities, regarding the issues of the prevention of money laundering and terrorism financing;
  - d) policies and procedures for sharing of the required information, in the framework of implementing the diligence and risk management of money laundering and terrorism financing;
  - e) submission of the information about the customers, accounts and transactions from group entities, to the compliance function, internal audit and/or anti money laundering and terrorism financing function at group level, when this information is necessary for the purposes of preventing money laundering and terrorism financing;
  - f) adequate measures on confidentiality safeguarding and use of information exchanged.

### **Article 22**

#### **Principles and criteria of assessment**

1. Bank of Albania shall assess the banking group on a consolidated and on-going basis, by implementing prudential standards related to all the activities conducted by the banking group.
2. Bank of Albania shall assess if the banking group risks are effectively managed, and shall undertake actions/measures if risks arising from the banking group and other related entities, in particular the reputational risk, affects the sustainability of the superordinate institution and of the banking system in Albania.
3. Bank of Albania shall assess if the banking group has in place internal acts for an effective management, which include the strategic management, organisational structure, control system, responsibilities of the management bodies and directories and the remuneration policies.
4. Bank of Albania shall assess if the internal acts of the banking group clearly set forth the requirements on the necessary expertise of the administrators and executive managers of the subordinated institutions, to manage the activities safely and soundly and in compliance with the regulatory and supervisory requirements of both home and host countries.

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<sup>3</sup> Added upon the Decision of Supervisory Council, No. 79, dated 18.12.2019.

5. Bank of Albania, for the purposes of consolidated supervision, may enter into collaboration agreements with domestic or foreign supervisory authorities.

**Article 23**  
**Supervisory measures**

1. Bank of Albania, in any event of failure to meet the requirements of this Regulation, shall implement the corrective, supervisory and/or punishing measures stipulated in the Law on banks.
2. Bank of Albania shall assess and restrict the range of the operations conducted by the banking group and the countries where it may exercise these activities (including the closure of offices or branches of the superordinate institution in foreign countries), if:
  - a) the security and soundness of a banking group or a superordinate institution, is threatened, because the activities have posed the banking group or the superordinate institution to excessive risks and/or are not effectively managed;
  - b) the supervision by the other supervisory authorities, at home country or abroad, is not effective on their operations; and/or
  - c) the conduction of the effective supervision on a consolidated basis, becomes impossible.

**Chair of the Supervisory Council**

**Gent SEJKO**

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## ANNEX 1

### *Treatment of significant intra-group transactions*

#### 1. Definitions

“*Intra-group transactions*” shall mean all transactions by which regulated entities within a financial group rely either directly or indirectly upon other undertakings within the same group or upon any natural or legal person linked to the undertakings within that group by close links, for the fulfilment of an obligation, whether or not contractual, and whether or not for payment.

“*Close link*” shall mean a situation in which two or more natural or legal persons are linked by qualifying holding or control relationship, as referred to in the Law on banks.

A transaction within the group shall be considered as “*significant transaction*”, if its amount accounts for at least 5% of the regulatory capital at group level.

#### 2. Types of significant intra-group transactions (SIGT)

2.1 Significant intra-group transactions may include the following types, but not only:

- a) cross shareholdings;
- b) trading operations whereby one group entity deals with, or on behalf of, another group entity;
- c) guarantees, loans, letter of credit and other off- balance sheet commitments provided to, or received from other group entities;
- d) the provision of management and other service arrangements, e.g. pension arrangements or back office services;
- e) exposures to major shareholders (including loans and off-balance sheet exposures such as commitments and guarantees);
- f) exposures arising through the placement of client assets with other group entities;
- g) purchases, sales or lease of assets/liabilities with other group entities;
- h) transactions to shift third party-related risk exposures among entities within the financial group;
- i) transfer of risk through insurance and reinsurance;
- j) derivatives transactions;
- k) intra-group fees related to distribution contracts.

#### 3. Monitoring and management of SIGTs

- 3.1 The steering council and/or the management bodies of the superordinate institution shall approve a policy on the monitoring and management of SIGTs. The policy shall set forth the requirements the superordinate institution shall implement on an on-going basis.
- 3.2 The policy shall define the processes and systems that enable the effective identification, assessment and reporting of SIGTs, by providing the correct assessment of risk deriving from these transactions.

- 3.3 The steering council and/or the management bodies of the superordinate institution shall review the policy on the monitoring and management of SIGTs, at least once a year.
- 3.4 The policy on the monitoring and management of SIGTs shall minimally include:
- a) a reviewing and reporting system at the steering council and/or management bodies of SIGTs in order to better provide an understanding of the size and risk that arise from them;
  - b) limits on maximum allowed exposures, referring to the provisions in the Law on banks and in the Regulation “On risk management from large exposures of banks”;
  - c) the requirement, through which, the superordinate institution addresses the risks arising from SIGTs, at the same way they will address the risks associated with exposures to third parties (outside the group);
  - d) requirements setting out that the lending terms, conditions and standards on intra-group transactions, are substantially the same, as those prevailing at the time also for comparable transactions with third parties (outside the group);
  - e) definitions on the price-transferring mechanism, which provide compliance with the arm’s length principle ;
  - f) procedure to solve any conflict of interest that may arise from SIGTs;
  - g) requirements related to transactions with third parties (outside the group), but which are conducted to benefit the entities of the group, based on the principle that the superordinate institution shall not conduct transactions with third parties, with the purpose to support the activity of group entities, if they are not conducted in compliance with the arm’s length principle<sup>4</sup> and in line with the transfer price policy;
  - h) the requirement on the regular control of SIGTs from the internal control of the superordinate institution and be verified by external auditors on a sample basis, to ensure that SIGTs:
    - i) are in compliance with arm’s length principle ;
    - ii) do not provide negative impact on the superordinate institution’s situation;
    - iii) are not conducted to transfer low-quality assets;
    - iv) are not an instrument for the irregular transfer of capital/income to the entities of the group;
  - i) the mechanism to ensure that SIGTs do not infringe or avoid any regulatory, statutory or fiscal compatibility requirement.
- 3.5 The steering council and/or management bodies of the superordinate institution shall approve the conditions, in case for a SIGT it is aimed to apply conditions different from those to be applied in compliance with the dominant-market conditions, for transactions similar to third parties of the group. The superordinate institution shall fully justify and clearly document these conditions and make them available to the Bank of Albania, or report them whenever requested.
- 3.6 The superordinate institution shall not purchase/buy low-quality assets to/from other entities of the group, and a low-quality asset shall not be accepted as collateral for a guarantee, letter of credit, or for any other similar instrument, issued on behalf of a member of the group. Superordinate institution shall ensure that transactions in low-quality assets are not done for the purpose of hiding losses, or “adjusting” the balance sheet;

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<sup>4</sup> The arm’s length principle in transferring prices among entities of the group implies that a price set forth by a party related to the other, for a definite product, will be the same as it was if the parties were not related. The price on such transaction would be equal to the market price of that transaction.

3.7 Superordinate institution shall ensure that adequate systems and controls are in place for identifying, monitoring, managing and reviewing the risks arising from SIGTs.

#### **4. Internal reporting systems**

4.1 The superordinate institution shall include also the SIGTs reporting in the reporting system to managers, which shall minimally include the data that are provided in point 8 of this Annex.

4.2 Bank of Albania, may request, at any time, the superordinate institution to provide various reports on SIGTs.

#### **5. Support of superordinate institution to the group**

5.1 The superordinate institution may support the activity of the group providing that it is in compliance with the stipulations in this Regulation. The superordinate institution shall take the necessary actions, to avoid giving any impression related to its direct or indirect support to the other members of the group, if there is a lack of clear legal and regulatory procedures for this support.

5.2 The superordinate institution, while assessing funding needs (particularly in stress situations), shall consider any liquidity commitment provided to other group's members and be prepared for any funds withdrawal from the members of the group based on these commitments. The superordinate institution shall analyse how the liquidity position of other entities of the group may affect its liquidity position, either directly or through risk transfer, in the event these entities face lack of liquidity. The superordinate institution, when members rely on each other to meet liquidity needs, shall assess the legal, regulatory requirements or other factors that may limit the access from the superordinate institution to other entities of the group and vice versa, if needed.

5.3 The superordinate institution shall set forth internal limits on the intra-group liquidity support, to limit the possibility of risk transfer from other members of the group, in the event of liquidity stress. The superordinate institution may help for the preparation and implementation of financial plans at group level, for the creation of liquidity reserves and for the diversification of funding sources, in the event of lack of liquidity at group level.

#### **6. Cross-selling of group products and transparency to the client**

6.1 The superordinate institution shall apply the highest criteria of transparency, in case of selling its products or group members' products to its clients, or to the other members of the group.

6.2 In the cases when the superordinate institution is engaged in marketing/distribution of the financial products of other group entities to its own clients, it should ensure that the seller's identity is clearly stated and disclosed at the respective marketing materials, in the accompanying documentation of the product and that the same standard applies when marketing the product by its staff/agents at branches, ATMs, via telephone, electronic mail or through any other medium of communication.



- 6.3 The superordinate institution, in any event shall ensure that:
- a) the client clearly distinguish the role and responsibility of superordinate institution from the seller of the product;
  - b) it is not created the perception that the product is guaranteed or supported by the superordinate institution, if there is not a formal agreement, which is legally available for this purpose;
  - c) these products are not bundled with the superordinate institution's own products, in order to compel clients to purchase the marketed product; and
  - d) the superordinate institution, while advertising or delivering products of other group' entities, shall apply the legal and regulatory framework regarding Know Your Customer (KYC) , prevention of money laundering and terrorism financing.
- 6.4 The superordinate institution, in case the other entities of the group distribute/sell its products, shall ensure that:
- a) a full transparency on the role of the superordinate institution and other entity of the group is guaranteed;
  - b) the entity of the group does not perform any other key decision-making function of the superordinate institution (for example assessment of the creditworthiness of the borrower) in distributing the product of the superordinate institution, provided that differently stipulated in a bylaw act of the Bank of Albania and is based by relevant contractual agreements between the parties;
  - c) the implementation of regulatory requirements on the prevention of money laundering and terrorism financing is possible and complete.
- 6.5 The superordinate institution shall determine minimum standards to be met by its staff related to communication and transparency throughout the cross-selling of a product to a client of the superordinate institution<sup>5</sup>. The superordinate institution shall also ensure that the information provided to the client is accurate, in order for the client to be able to make an informed decision. The characteristics, conditions and other elements of the product, in addition to being communicated to the client, shall be also provided in written form, in advance upon request by the client, and certainly after the product is purchased by the client.
- 6.6 The superordinate institution shall ensure that the incentives for the staff and agents are designed in such a way that discourage any abuse in selling the product to the client. These incentives should include the return of profits mechanism in case of abuse with the selling. The superordinate institution also shall not sign any agreement where the cash/non-cash incentives from cross-selling of products, are directly paid to the employees of the group entities, in case of selling its products, or directly to its employee in case of selling the product of another member of the group.

## **7. Sharing of services with the group entities**

- 7.1 The superordinate institution, when decides to provide services to other entities of the group (such as: the centralised back office service, sharing of premises, use of hardware

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<sup>5</sup> The implementation of these standards in practice should be subject to regular verification. If the product is advertised and sold by telephone, or electronic mail, to the client should be clearly disclosed the identity of the caller/sender of the message including the name/surname, position and the department of the bank where the employee works.

and software applications, outsourcing certain services to other financial entities of the group) shall ensure that this relationship:

- a) is clearly documented in written agreements, that set forth the types of services, charges for the service and the way of data protection;
- b) does not lead to any confusion to the clients;
- c) does not threaten the safety and soundness of the superordinate institution as a separate entity;
- d) does not prevent Bank of Albania to obtain the necessary data for the supervision of the superordinate institution or of the whole group;
- e) there is a clear obligation under the written agreement for any service provider, to comply with the requirements of the Bank of Albania, in relation to the activity of the superordinate institution.

7.2 The superordinate institution shall ensure that its capacity to continue the activity in a sound way, is not affected, if the premises or other services (for example information technology systems) provided by other entities of the group, become unavailable.

7.3 The superordinate institution shall ensure that dependence on the premises, services, etc. provided by the other members of the group, or the providing of such services from the superordinate institution to the members of the group, does not threaten its ability to identify and manage the risk, as a separate unit.

7.4 If the premises of the building are shared with the group entities for the purpose of the products cross-selling, the superordinate institution shall take measures to ensure that the identity of the entity is clearly visible and clear to the clients.

## **8. Reporting requirements**

8.1 The superordinate institution shall report on quarterly basis data on SIGTs, respectively:

- a) the list of all SIGTs;
- b) individual value of each SIGT and their total value;
- c) total value of 20 largest SIGTs within the group.

8.2 The superordinate institution, for the SIGT, including those in point 7 of this Annex “Sharing of services with the group entities”, shall report at the end of year and shall include in the report a description on:

- a) the list of other entities/ members of the group, with which it has had a SIGT during the last two years;
- b) the type of services/relationship it has (provides or receives) with another entity within the group, at the end of the reporting period;
- c) the contractual term of this service;
- d) the rights and obligations arising from this service;
- e) the assessment of importance level that this service has for the superordinate institution;
- f) the infrastructure engaged for this service, classified at least by the location, number of human resources, the involved information technology systems;
- g) the income or costs related to this service;
- h) the assessment of these services is performed in compliance with the market conditions.

## **ANNEX 2**

*Financial statements on a consolidated basis (quarterly)*

# Form 1

# Balance sheet on consolidated basis

Code	ASSETS (in monetary units)	Amortisation & provisions funds (-A)	Albanian Lek		Foreign currency		TOTAL
			Resident	Non resident	Resident	Non resident	
<b>1</b>	<b>TREASURY OPERATIONS AND INTERBANK TRANSACTIONS</b>						
<b>11</b>	<b>Cash and Central Bank</b>						
<b>111</b>	<b>Cash</b>						
111&2	Notes and coins						
1113&4	Travellers checks						
1117	Others						
<b>112</b>	<b>Central Bank</b>						
1121	Current accounts						
11211	Current accounts						
11219	Accrued interest						
1122	Required reserves						
11221	Required reserves						
11229	Accrued interest						
1123	Deposit accounts						
11231	Demand deposits						
11232	Time deposits						
11239	Accrued interest						
112391	Accrued interest for demand deposits						
112392	Accrued interest for time deposits						
1124	Loans to Central Bank						
11241	Principal						
11249	Accrued interest						
1127	Past due accounts with Central Bank						
1128	Other accounts with Central Bank						
<b>12</b>	<b>Treasury bills and other bills eligible for refinancing with Central Bank</b>						
<b>121</b>	<b>Treasury bills</b>						
1211	Held for trading						
1212	Available for sale						
12121	Treasury bills*						
-A 12122	Discount/premium**						
-A 12129	Accrued interest						
1213	Held for investment						
12131	Treasury bills*						
-A 12132	Discount/premium**						
A 12139	Accrued interest						
1214	Treasury bills purchased under repurchase agreements						
12141	Treasury bills purchased under repurchase agreements						
12149	Accrued interest						
<b>122</b>	<b>Other bills eligible for refinancing with Central Bank</b>						
1221	Other claims on Government						
12211	Held for trading						
12212	Available for sale						
122121	Principal*						
A 122122	Discount/premium**						
A 122129	Accrued Interest						
12213	Held for investment						
122131	Principal*						
A 122132	Discount/premium**						
A 122139	Accrued Interest						
1222	Claims on Central Bank						
12221	Held for trading						
12222	Available for sale						
122221	Principal*						
A 122222	Discount/premium**						
A 122229	Accrued Interest						
12223	Held for investment						
122231	Principal*						
A 122232	Discount/premium**						
A 122239	Accrued Interest						
1223	Claims on banks						
12231	Held for trading						
12232	Available for sale						
122321	Principal*						
A 122322	Discount/premium**						
A 122329	Accrued Interest						
12233	Held for investment						
122331	Principal*						
A 122332	Discount/premium**						
A 122339	Accrued Interest						
1224	Bills purchased under repurchase agreements						
12241	Bills purchased under repurchase agreements						
12249	Accrued interest						
<b>128</b>	<b>Provisions for depreciation of eligible bills for refinancing with Central Bank</b>						
1281	Provisions for depreciation of treasury bills						
1282	Provisions for depreciation of other bills						

<b>13</b>	<b>Current accounts with banks, credit institutions and other financial inst</b>						
<b>131</b>	<b>Current accounts with resident banks, credit institutions and other financial inst</b>						
1311	Current accounts with resident banks, credit institutions and other financial inst						
13111	Current accounts with banks						
13112	Current accounts with credit institutions and other financial institutions						
1319	Accrued interest						
13191	Accrued interest for banks						
13192	Accrued interest for credit institutions and other financial institutions						
<b>132</b>	<b>Current Accounts with non-resident banks, credit institutions and other financial inst</b>						
1321	Current Accounts with non-resident banks, credit institutions and other financial inst						
1329	Accrued interest						
<b>137</b>	<b>Past due current accounts with banks, credit institutions and other financial institutions</b>						
1371	Past due current accounts with resident banks, credit institutions and other financial inst						
13711	Past due current accounts with banks						
13712	Past due current accounts with financial institutions						
1372	Past due current accounts with non resident banks, credit institutions and other fin. Instit.						
<b>14</b>	<b>Deposits with banks, credit institutions and other financial institutions</b>						
<b>141</b>	<b>Deposits with resident banks, credit institutions and other financial institutions</b>						
1411	Demand deposits						
14111	Demand deposits with banks						
14112	Demand deposits with credit institutions and other financial institutions						
1412	Time Deposits						
14121	Time deposits with banks						
14122	Time deposits with credit institutions and other financial institutions						
1419	Accrued interest						
14191	Accrued interest for demand deposits with banks						
14192	Accrued interest for demand deposits with credit institutions and other fin. Instit.						
14193	Accrued interest for time deposits with banks						
14194	Accrued interest for time deposits with credit institutions and other fin. Instit.						
<b>142</b>	<b>Deposits with non resident banks, credit institucions and other financial institutions</b>						
1421	Demand deposits						
1422	Time deposits						
1429	Accrued interest						
<b>15</b>	<b>Loans to banks, credit institutions and other financial institutions.</b>						
<b>151</b>	<b>Loans to resident banks, credit institutions and other financial institutions</b>						
1511	Non-term loans granted to banks, credit institutions and other financial institutions						
15111	Loans granted to banks						
15112	Loans grated to credit institutions and other financial institutions						
1512	Term loans granted to banks, credit institutions and other financial institutions						
15121	Loans granted to banks						
15122	Loans granted to credit institutions and other financial institutions						
1513	Financial loans granted to banks, credit institutions and other financial institutions						
15131	Loans granted to banks						
15132	Loans granted to credit institutions and other financial institutions						
1519	Accrued interest						
15191	Accrued interest for non-term loans granted to banks						
15192	Accrued interest for non-term loans granted to credit institutions and other fin. Instit.						
15193	Accrued interest for term loans granted to banks						
15194	Accrued interest for term loans granted to credit institutions and other fin. Instit.						
15195	Accrued interest for financial loans granted to banks						
15196	Accrued interest for financial loans granted to credit institutions and other fin. Instit.						
<b>152</b>	<b>Loans granted to non resident banks, credit institutions and other financial institutions</b>						
1521	Non-term loans granted to non resident banks, credit institutions and other fin. Instit.						
1522	Term loans granted to non resident banks, credit institutions and other fin. Instit.						
1523	Financial loans granted to non resident banks, credit institutions and other fin. Instit.						
1529	Accrued interest						
<b>153</b>	<b>Commercial paper and money received under repurchase agreement</b>						
1531	Commercial paper and money received under non-term repurchase agreement						
1532	Commercial paper and money received under term repurchase agreement						
1539	Accrued interests						
15391	Accrued interest for commercial paper and money received under non-term repurchase agreement						
15392	Accrued interest for commercial paper and money received under term repurchase agreement						
<b>157</b>	<b>Past due loans to banks, credit institutions and other financial institutions</b>						
1571	Past due loans to resident banks, credit institutions and other financial institutions						
15711	Past due loans to banks						
15712	Past due loans to credit institutions and other financial institutions						
1572	Past due loans to non resident banks, credit institutions and other financial institutions						
1573	Past due commercial paper and money received under repurchase agreements						
15731	Past due commercial paper and money received under repurchase agreements with banks						
15732	Past due commercial paper and money received under repurchase agreement with credit institutions and financial institutions						
<b>18</b>	<b>Other accounts with banks, credit institutions and other financial institutions</b>						
<b>182</b>	<b>Guarantee accounts</b>						
1821	Guarantee paid to banks						
1822	Accrued interest						
<b>183</b>	<b>Escrow accounts</b>						
1831	Amounts deposited in an escrow account at a bank						
1832	Accrued interest						

186	<b>Other accounts with banks, credit institutions and other financial institutions</b>						
1861	Other accounts with banks						
1862	Other accounts with credit institutions and financial institutions						
1869	Accrued interest						
18691	Accrued interest for other accounts with banks						
18692	Accrued interest for other accounts with credit institutions and financial institutions						
187	<b>Past due other accounts with banks, credit institutions and other financial institutions</b>						
1871	Past due other accounts with banks						
1872	Past due other accounts with credit institutions and other financial institutions						
19	<b>Doubtful receivable accounts with banks, credit institutions and other financial institutions</b>						
191	<b>Doubtful current account with banks, credit institutions and other financial institutions</b>						
1911	Doubtful current accounts with banks						
1912	Doubtful current account with credit institutions and other financial institutions						
192	<b>Doubtful deposits with banks credit institutions and other financial institutions</b>						
1921	Doubtful deposits with banks						
1922	Doubtful deposits with credit institutions and other financial institutions						
193	<b>Doubtful loans with banks credit institutions and other financial institutions</b>						
1931	Doubtful loans with banks						
1932	Doubtful loans with credit institutions and other financial institutions						
197	<b>Other doubtful accounts with banks credit institutions and other financial institutions</b>						
1971	Other doubtful accounts with banks						
1972	Other doubtful accounts with credit institutions and other financial institutions						
198	<b>Provisions on doubtful receivables from banks, credit institutions and other financial institutions</b>						
1981	Provisions on doubtful receivable accounts from banks						
1982	Provisions on doubtful receivable accounts from credit institutions and other fin. Instit						
2	<b>OPERATIONS WITH CUSTOMERS</b>						
20	<b>Standard loans and advances to customers</b>						
201	<b>Short term loans</b>						
2011	Individuals						
2012	Private commercial and industrial entities						
2013	Public commercial and industrial entities						
2014	Bank personnel						
2017	Other customers						
2019	Accrued interest						
20191	Accrued interest for individuals						
20192	Accrued interest for private commercial and industrial entities						
20193	Accrued interest for public commercial and industrial entities						
20194	Accrued interest for bank personnel						
20197	Accrued interest for other customers						
202	<b>Medium term loans</b>						
2021	Individuals						
2022	Private commercial and industrial entities						
2023	Public commercial and industrial entities						
2024	Bank personnel						
2027	Other customers						
2029	Accrued interest						
20291	Accrued interest for individuals						
20292	Accrued interest for private commercial and industrial entities						
20293	Accrued interest for public commercial and industrial entities						
20294	Accrued interest for bank personnel						
20297	Accrued interest for other customers						
203	<b>Long term loans</b>						
2031	Individuals						
2032	Private commercial and industrial entities						
2033	Public commercial and industrial entities						
2034	Bank personnel						
2037	Other customers						
2039	Accrued interest						
20391	Accrued interest for individuals						
20392	Accrued interest for private commercial and industrial entities						
20393	Accrued interest for public commercial and industrial entities						
20394	Accrued interest for bank personnel						
20397	Accrued interest for other customers						
204	<b>Real estate loans</b>						
2041	Individuals						
2042	Private commercial and industrial entities						
2043	Public commercial and industrial entities						
2044	Bank personnel						
2047	Other customers						
2049	Accrued interest						
20491	Accrued interest for individuals						
20492	Accrued interest for private commercial and industrial entities						
20493	Accrued interest for public commercial and industrial entities						
20494	Accrued interest for bank personnel						
20497	Accrued interest for other customers						
205	<b>Finance lease contracts</b>						
2051	Individuals						
2052	Private commercial and industrial entities						
2053	Public commercial and industrial entities						
2054	Bank personnel						
2057	Other customers						
2059	Accrued interest						
20591	Accrued interest for individuals						
20592	Accrued interest for private commercial and industrial entities						
20593	Accrued interest for public commercial and industrial entities						
20594	Accrued interest for bank personnel						
20597	Accrued interest for other customers						

21	<b>Past due standard loans and advances to customers</b>						
211	<b>Short term loans</b>						
2111	Individuals						
2112	Private commercial and industrial entities						
2113	Public commercial and industrial entities						
2114	Bank personnel						
2117	Other customers						
2119	Accrued interest						
21191	Accrued interest for individuals						
21192	Accrued interest for private commercial and industrial entities						
21193	Accrued interest for public commercial and industrial entities						
21194	Accrued interest for bank personnel						
21197	Accrued interest for other customers						
212	<b>Medium term loans</b>						
2121	Individuals						
2122	Private commercial and industrial entities						
2123	Public commercial and industrial entities						
2124	Bank personnel						
2127	Other customers						
2129	Accrued interest						
21291	Accrued interest for individuals						
21292	Accrued interest for private commercial and industrial entities						
21293	Accrued interest for public commercial and industrial entities						
21294	Accrued interest for bank personnel						
21297	Accrued interest for other customers						
213	<b>Long term loans</b>						
2131	Individuals						
2132	Private commercial and industrial entities						
2133	Public commercial and industrial entities						
2134	Bank personnel						
2137	Other customers						
2139	Accrued interest						
21391	Accrued interest for individuals						
21392	Accrued interest for private commercial and industrial entities						
21393	Accrued interest for public commercial and industrial entities						
21394	Accrued interest for bank personnel						
21397	Accrued interest for other customers						
214	<b>Real estate loans</b>						
2141	Individuals						
2142	Private commercial and industrial entities						
2143	Public commercial and industrial entities						
2144	Bank personnel						
2147	Other customers						
2149	Accrued interest						
21491	Accrued interest for individuals						
21492	Accrued interest for private commercial and industrial entities						
21493	Accrued interest for public commercial and industrial entities						
21494	Accrued interest for bank personnel						
21497	Accrued interest for other customers						
215	<b>Finance lease contracts</b>						
2151	Individuals						
2152	Private commercial and industrial entities						
2153	Public commercial and industrial entities						
2154	Bank personnel						
2157	Other customers						
2159	Accrued interest						
21591	Accrued interest for individuals						
21592	Accrued interest for private commercial and industrial entities						
21593	Accrued interest for public commercial and industrial entities						
21594	Accrued interest for bank personnel						
21597	Accrued interest for other customers						
22	<b>Special mention loans</b>						
221	<b>Short term loans</b>						
2211	Individuals						
2212	Private commercial and industrial entities						
2213	Public commercial and industrial entities						
2214	Bank personnel						
2217	Other customers						
2219	Accrued interest						
22191	Accrued interest for individuals						
22192	Accrued interest for private commercial and industrial entities						
22193	Accrued interest for public commercial and industrial entities						
22194	Accrued interest for bank personnel						
22197	Accrued interest for other customers						

222	<b>Medium term loans</b>						
2221	Individuals						
2222	Private commercial and industrial entities						
2223	Public commercial and industrial entities						
2224	Bank personnel						
2227	Other customers						
2229	Accrued interest						
22291	Accrued interest for individuals						
22292	Accrued interest for private commercial and industrial entities						
22293	Accrued interest for public commercial and industrial entities						
22294	Accrued interest for bank personnel						
22297	Accrued interest for other customers						
223	<b>Long term loans</b>						
2231	Individuals						
2232	Private commercial and industrial entities						
2233	Public commercial and industrial entities						
2234	Bank personnel						
2237	Other customers						
2239	Accrued interest						
22391	Accrued interest for individuals						
22392	Accrued interest for private commercial and industrial entities						
22393	Accrued interest for public commercial and industrial entities						
22394	Accrued interest for bank personnel						
22397	Accrued interest for other customers						
224	<b>Real estate loans</b>						
2241	Individuals						
2242	Private commercial and industrial entities						
2243	Public commercial and industrial entities						
2244	Bank personnel						
2247	Other customers						
2249	Accrued interest						
22491	Accrued interest for individuals						
22492	Accrued interest for private commercial and industrial entities						
22493	Accrued interest for public commercial and industrial entities						
22494	Accrued interest for bank personnel						
22497	Accrued interest for other customers						
225	<b>Finance lease contracts</b>						
2251	Individuals						
2252	Private commercial and industrial entities						
2253	Public commercial and industrial entities						
2254	Bank personnel						
2257	Other customers						
2259	Accrued interest						
22591	Accrued interest for individuals						
22592	Accrued interest for private commercial and industrial entities						
22593	Accrued interest for public commercial and industrial entities						
22594	Accrued interest for bank personnel						
22597	Accrued interest for other customers						
23	<b>Substandard loans</b>						
231	<b>Short term loans</b>						
2311	Individuals						
2312	Private commercial and industrial entities						
2313	Public commercial and industrial entities						
2314	Bank personnel						
2317	Other customers						
2319	Accrued interest						
23191	Accrued interest for individuals						
23192	Accrued interest for private commercial and industrial entities						
23193	Accrued interest for public commercial and industrial entities						
23194	Accrued interest for bank personnel						
23197	Accrued interest for other customers						
232	<b>Medium term loans</b>						
2321	Individuals						
2322	Private commercial and industrial entities						
2323	Public commercial and industrial entities						
2324	Bank personnel						
2327	Other customers						
2329	Accrued interest						
23291	Accrued interest for individuals						
23292	Accrued interest for private commercial and industrial entities						
23293	Accrued interest for public commercial and industrial entities						
23294	Accrued interest for bank personnel						
23297	Accrued interest for other customers						
233	<b>Long term loans</b>						
2331	Individuals						
2332	Private commercial and industrial entities						
2333	Public commercial and industrial entities						
2334	Bank personnel						
2337	Other customers						
2339	Accrued interest						
23391	Accrued interest for individuals						
23392	Accrued interest for private commercial and industrial entities						
23393	Accrued interest for public commercial and industrial entities						
23394	Accrued interest for bank personnel						
23397	Accrued interest for other customers						



234	<b>Real estate loans</b>						
2341	Individuals						
2342	Private commercial and industrial entities						
2343	Public commercial and industrial entities						
2344	Bank personnel						
2347	Other customers						
2349	Accrued interest						
23491	Accrued interest for individuals						
23492	Accrued interest for private commercial and industrial entities						
23493	Accrued interest for public commercial and industrial entities						
23494	Accrued interest for bank personnel						
23497	Accrued interest for other customers						
235	<b>Finance lease contracts</b>						
2351	Individuals						
2352	Private commercial and industrial entities						
2353	Public commercial and industrial entities						
2354	Bank personnel						
2357	Other customers						
2359	Accrued interest						
23591	Accrued interest for individuals						
23592	Accrued interest for private commercial and industrial entities						
23593	Accrued interest for public commercial and industrial entities						
23594	Accrued interest for bank personnel						
23597	Accrued interest for other customers						
238	<b>Provisions on substandard loans</b>						
2381	Principal						
2389	Accrued interest						
24	<b>Doubtful loans</b>						
241	<b>Short term loans</b>						
2411	Individuals						
2412	Private commercial and industrial entities						
2413	Public commercial and industrial entities						
2414	Bank personnel						
2417	Other customers						
2419	Accrued interest						
24191	Accrued interest for individuals						
24192	Accrued interest for private commercial and industrial entities						
24193	Accrued interest for public commercial and industrial entities						
24194	Accrued interest for bank personnel						
24197	Accrued interest for other customers						
242	<b>Medium term loans</b>						
2421	Individuals						
2422	Private commercial and industrial entities						
2423	Public commercial and industrial entities						
2424	Bank personnel						
2427	Other customers						
2429	Accrued interest						
24291	Accrued interest for individuals						
24292	Accrued interest for private commercial and industrial entities						
24293	Accrued interest for public commercial and industrial entities						
24294	Accrued interest for bank personnel						
24297	Accrued interest for other customers						
243	<b>Long term loans</b>						
2431	Individuals						
2432	Private commercial and industrial entities						
2433	Public commercial and industrial entities						
2434	Bank personnel						
2437	Other customers						
2439	Accrued interest						
24391	Accrued interest for individuals						
24392	Accrued interest for private commercial and industrial entities						
24393	Accrued interest for public commercial and industrial entities						
24394	Accrued interest for bank personnel						
24397	Accrued interest for other customers						
244	<b>Real estate loans</b>						
2441	Individuals						
2442	Private commercial and industrial entities						
2443	Public commercial and industrial entities						
2444	Bank personnel						
2447	Other customers						
2449	Accrued interest						
24491	Accrued interest for individuals						
24492	Accrued interest for private commercial and industrial entities						
24493	Accrued interest for public commercial and industrial entities						
24494	Accrued interest for bank personnel						
24497	Accrued interest for other customers						

245	<b>Finance lease contracts</b>						
2451	Individuals						
2452	Private commercial and industrial entities						
2453	Public commercial and industrial entities						
2454	Bank personnel						
2457	Other customers						
2459	Accrued interest						
24591	Accrued interest for individuals						
24592	Accrued interest for private commercial and industrial entities						
24593	Accrued interest for public commercial and industrial entities						
24594	Accrued interest for bank personnel						
24597	Accrued interest for other customers						
248	<b>Provisions on doubtful loans</b>						
2481	Principal						
2489	Accrued Interest						
25	<b>Lost loans</b>						
251	<b>Short term loans</b>						
2511	Individuals						
2512	Private commercial and industrial entities						
2513	Public commercial and industrial entities						
2514	Bank personnel						
2517	Other customers						
2519	Accrued interest						
25191	Accrued interest for individuals						
25192	Accrued interest for private commercial and industrial entities						
25193	Accrued interest for public commercial and industrial entities						
25194	Accrued interest for bank personnel						
25197	Accrued interest for other customers						
252	<b>Medium term loans</b>						
2521	Individuals						
2522	Private commercial and industrial entities						
2523	Public commercial and industrial entities						
2524	Bank personnel						
2527	Other customers						
2529	Accrued interest						
25291	Accrued interest for individuals						
25292	Accrued interest for private commercial and industrial entities						
25293	Accrued interest for public commercial and industrial entities						
25294	Accrued interest for bank personnel						
25297	Accrued interest for other customers						
253	<b>Long term loans</b>						
2531	Individuals						
2532	Private commercial and industrial entities						
2533	Public commercial and industrial entities						
2534	Bank personnel						
2537	Other customers						
2539	Accrued interest						
25391	Accrued interest for individuals						
25392	Accrued interest for private commercial and industrial entities						
25393	Accrued interest for public commercial and industrial entities						
25394	Accrued interest for bank personnel						
25397	Accrued interest for other customers						
254	<b>Real estate loans</b>						
2541	Individuals						
2542	Private commercial and industrial entities						
2543	Public commercial and industrial entities						
2544	Bank personnel						
2547	Other customers						
2549	Accrued interest						
25491	Accrued interest for individuals						
25492	Accrued interest for private commercial and industrial entities						
25493	Accrued interest for public commercial and industrial entities						
25494	Accrued interest for bank personnel						
25497	Accrued interest for other customers						
255	<b>Finance lease contracts</b>						
2551	Individuals						
2552	Private commercial and industrial entities						
2553	Public commercial and industrial entities						
2554	Bank personnel						
2557	Other customers						
2559	Accrued interest						
25591	Accrued interest for individuals						
25592	Accrued interest for private commercial and industrial entities						
25593	Accrued interest for public commercial and industrial entities						
25594	Accrued interest for bank personnel						
25597	Accrued interest for other customers						
258	<b>Provisions on lost loans</b>						
2581	Principal						
2589	Accrued Interest						

26	<b>Albanian Government and public administrations</b>						
261	<b>Current accounts</b>						
2611	Central government						
2612	Regional government						
2613	Local government						
2617	Other public administrations						
2619	Accrued interest						
26191	Accrued interest for central government						
26192	Accrued interest for local government						
26193	Accrued interest for regional government						
26197	Accrued interest for other public administrations						
262	<b>Loans to Albanian Government and public administrations</b>						
2621	Central government						
2622	Regional government						
2623	Local government						
2627	Other public administrations						
2629	Accrued interest						
26291	Accrued interest for central government						
26292	Accrued interest for local government						
26293	Accrued interest for regional government						
26297	Accrued interest for other public administrations						
266	<b>Doubtful receivable accounts with government and other public administrations</b>						
2661	Doubtful receivable accounts for central government						
2662	Doubtful receivable accounts for regional government						
2663	Doubtful receivable accounts for local government						
2667	Doubtful receivable accounts for other public administrations						
267	<b>Past due accounts with government and other public administrations</b>						
2671	Past due accounts with central government						
2672	Past due accounts with regional government						
2673	Past due accounts with local government						
2677	Past due accounts with other public administrations						
268	<b>Provisions on doubtful receivables with government and other public administrations</b>						
269	<b>Other accounts with government and other public administrations</b>						
2691	Central government						
2692	Regional government						
2693	Local government						
2697	Others public administrations						
27	<b>Customer current accounts</b>						
271	<b>Current accounts</b>						
2711	Individuals						
2712	Private commercial and industrial entities						
2713	Public commercial and industrial entities						
2714	Bank personnel						
2717	Other customers						
2719	Accrued interest						
27191	Accrued interest for individuals						
27192	Accrued interest for private commercial and industrial entities						
27193	Accrued interest for public commercial and industrial entities						
27194	Accrued interest for bank personnel						
27197	Accrued interest for other customers						
277	<b>Past due debtor customer current account</b>						
2771	Individuals						
2772	Private commercial and industrial entities						
2773	Public commercial and industrial entities						
2774	Bank personnel						
2777	Other customers						
2779	Accrued interest						
27791	Accrued interest for individuals						
27792	Accrued interest for private commercial and industrial entities						
27793	Accrued interest for public commercial and industrial entities						
27794	Accrued interest for bank personnel						
27797	Accrued interest for other customers						
28	<b>Other customer accounts</b>						
286	<b>Other customer accounts</b>						
2861	Individuals						
2862	Private commercial and industrial entities						
2863	Public commercial and industrial entities						
2864	Bank personnel						
2867	Other customers						
2869	Accrued interest						
28691	Accrued interest for individuals						
28692	Accrued interest for private commercial and industrial entities						
28693	Accrued interest for public commercial and industrial entities						
28694	Accrued interest for bank personnel						
28697	Accrued interest for other customers						

288	<i>Past due other customer accounts</i>						
2881	Individuals						
2882	Private commercial and industrial entities						
2883	Public commercial and industrial entities						
2884	Bank personnel						
2887	Other customers						
2889	Accrued interest						
28891	Accrued interest for individuals						
28892	Accrued interest for private commercial and industrial entities						
28893	Accrued interest for public commercial and industrial entities						
28894	Accrued interest for bank personnel						
28897	Accrued interest for other customers						
29	<b>Doubtful receivables with customers other than loans</b>						
291	<i>Doubtful customer current accounts</i>						
297	<i>Other doubtful customer accounts</i>						
298	<i>Provisions on doubtful receivables with customers other than loans</i>						
3	<b>SECURITIES TRANSACTIONS</b>						
31	<b>Fixed income securities</b>						
311	<i>Trading securities</i>						
312	<i>Securities available for sale</i>						
3121	Securities available for sale						
A 3122	Discounts/premiums						
3128	Provisions for depreciation						
A 3129	Accrued interest income						
313	<i>Investment securities</i>						
3131	Investment securities						
A 3132	Discounts/premiums						
3138	Provisions for depreciation						
A 3139	Accrued interest income						
32	<b>Variable income securities</b>						
321	<i>Trading securities</i>						
322	<i>Securities available for sale</i>						
3221	Securities available for sale						
3222	Provisions for depreciation						
34	<b>Securities purchased and sold under repurchase agreement</b>						
341	<i>Securities purchased under repurchase agreement</i>						
3411	Securities purchased under repurchase agreement						
3419	Accrued interest						
35	<b>Collateral on securities transactions</b>						
351	<i>Collateral paid for securities borrowed</i>						
36	<b>Premiums on financial instruments</b>						
361	<i>Received</i>						
362	<b>Financial derivatives</b>						
363	<b>Quotas/shares of investment funds</b>						
4	<b>OTHER ASSETS AND LIABILITIES</b>						
41	<b>Other assets</b>						
411	<i>Sundry debtors</i>						
412	<i>Inventories</i>						
4121	Precious metals						
4122	Goods and supplies						
4123	Land, building and other assets acquired through a legal process						
4127	Other inventories						
418	<i>Provisions for depreciation of other assets</i>						
419	<i>Accrued income and prepaid expenses</i>						
43	<b>Agent transactions</b>						
431	<i>Social security</i>						
432	<i>Unemployment fund</i>						
433	<i>Customs</i>						
434	<i>Fiscal administration</i>						
437	<i>Other agent transactions</i>						
44	<b>Inter - office accounts</b>						
45	<b>Suspense and position accounts</b>						
451	<i>Suspense accounts</i>						
452	<i>Position accounts</i>						
46	<b>Value added tax</b>						
5	<b>FIXED ASSETS AND PERMANENT RESOURCES</b>						
51	<b>Participating interest</b>						
52	<b>Affiliates</b>						
53	<b>Fixed assets</b>						
531	<i>Intangibles assets</i>						
5371	<i>Amortisation of intangible assets</i>						
	<b>TOTAL</b>						

Code	LIABILITIES (in monetary units)	Albanian Lek		Foreign currency		TOTAL
		Resident	Non resident	Resident	Non resident	
<b>1</b>	<b>TREASURY OPERATIONS AND INTERBANK TRANSACTIONS</b>					
<b>112</b>	<b>Central Bank</b>					
1121	Current accounts					
11211	Current accounts					
11219	Accrued interest					
1125	Deposits received from Central Bank					
11251	Demand deposits received from Central Bank					
11252	Term deposits received from Central Bank					
11259	Accrued interest					
112591	Accrued interest for demand deposits received from Central Bank					
112592	Accrued interest for term deposits received from Central Bank					
1126	Borrowings from Central Bank					
11261	Borrowings from Central Bank non refinanced by an international financial institution					
11262	Borrowings from Central Bank refinanced by an international financial institution					
11269	Accrued interest					
112691	Accrued interest for borrowings from Central Bank non refinanced by an international financial institution					
112692	Accrued interest for borrowings from Central Bank refinanced by an international financial institution					
1128	Other accounts with Central Bank					
<b>12</b>	<b>Treasury bills and other bills eligible for refinancing with Central Bank</b>					
1215	Treasury bills sold under a repurchase agreements					
12151	Treasury bills sold under a repurchase agreements					
12159	Accrued interest					
1225	Bills sold under a repurchase agreement***					
12251	Bills sold under a repurchase agreement***					
12259	Accrued interest					
<b>13</b>	<b>Current accounts with banks, credit institutions and other financial institutions</b>					
<b>131</b>	<b>Current accounts with resident banks, credit institutions and other financial institutions</b>					
1311	Current accounts with resident banks					
1312	Current accounts with resident credit institutions and other financial institutions					
1319	Accrued interest					
13191	Accrued interest for current accounts with resident banks					
13192	Accrued interest for current accounts with resident credit institutions and other financial institutions					
<b>132</b>	<b>Current accounts with non resident banks, credit institutions and other financial institutions</b>					
1321	Current accounts with non resident banks, credit institutions and other financial institutions					
1329	Accrued interest					
<b>16</b>	<b>Deposits from banks, credit institutions and other financial institutions</b>					
<b>161</b>	<b>Deposits from resident banks, credit institutions and other financial institutions</b>					
1611	Demand deposits					
16111	From resident banks					
16112	From resident credit institutions and other financial institutions					
1612	Term deposits					
16121	From resident banks					
16122	From resident credit institutions and other financial institutions					
1619	Accrued interest					
16191	Accrued interest for demand deposits from resident banks					
16192	Accrued interest for demand deposits from resident credit institutions and other financial institutions					
16193	Accrued interest for term deposits from resident banks					
16194	Accrued interest for term deposits from resident credit institutions and other financial institutions					
<b>162</b>	<b>Deposits from non resident banks, credit institutions and other financial institutions</b>					
1621	Demand deposits					
1622	Term deposits					
1629	Accrued interest					
<b>17</b>	<b>Borrowing from banks, credit institutions and other financial institutions</b>					
<b>171</b>	<b>Borrowing from resident banks, credit institutions and other financial institutions</b>					
1711	Demand borrowing from resident banks, credit institutions and other financial institutions					
17111	From resident banks					
17112	From resident credit institutions and other financial institutions					
1712	Term borrowing from resident banks, credit institutions and other financial institutions					
17121	From resident banks					
17122	From resident credit institutions and other financial institutions					
1713	Financial borrowing from resident banks, credit institutions and other financial institutions					
17131	From resident banks					
17132	From resident credit institutions and other financial institutions					
1719	Accrued interest					
17191	Accrued interest for demand borrowing from banks					
17192	Accrued interest for demand borrowing from credit institutions and other financial institutions					
17193	Accrued interest for term borrowing from banks					
17194	Accrued interest for term borrowing from credit institutions and other financial institutions					
17195	Accrued interest for financial borrowing from banks					
17196	Accrued interest for financial borrowing from credit institutions and other financial institutions					
<b>172</b>	<b>Borrowing from non resident banks, credit institutions and other financial institutions</b>					
1721	Demand borrowing from non resident banks, credit institutions and other financial institutions					
1722	Term borrowing from non resident banks, credit institutions and other financial institutions					
1723	Financial borrowing from non resident banks, credit institutions and other financial institutions					
1729	Accrued interest					
17291	Accrued interest for demand borrowing from non resident banks, credit institutions and other financial institutions					
17292	Accrued interest for term borrowing from non resident banks, credit institutions and other financial institutions					
17293	Accrued interest for financial borrowing from non resident banks, credit institutions and other financial institutions					
<b>173</b>	<b>Commercial paper and remittances delivered under a repurchase agreement</b>					
1731	Commercial paper and remittances delivered under an overnight repurchase agreement					
1732	Commercial paper and remittances delivered under a term repurchase agreement					
1739	Accrued interest					
17391	Accrued interest for commercial paper and remittances delivered under an overnight repurchase agreement					
17392	Accrued interest for commercial paper and remittances delivered under a term repurchase agreement					

<b>18</b>	<b>Other accounts with banks, credit institutions and other financial institutions</b>					
<b>182</b>	<b>Guarantee accounts</b>					
1823	Guarantees received from banks					
1829	Accrued interest					
<b>183</b>	<b>Escrow accounts</b>					
1833	Amounts received under an escrow account from a bank					
1839	Accrued interest					
<b>186</b>	<b>Other accounts with banks, credit institutions and other financial institutions</b>					
1861	Other accounts with banks					
1862	Other accounts with credit institutions and other financial institutions					
<b>2</b>	<b>OPERATIONS WITH CUSTOMERS</b>					
<b>26</b>	<b>Albanian Government and public administrations</b>					
<b>261</b>	<b>Current accounts with Albanian Government and public administrations</b>					
2611	Central government					
2612	Regional government					
2613	Local government					
2617	Other public administrations					
2619	Accrued interest					
26191	Accrued interest for central government					
26192	Accrued interest for local government					
26193	Accrued interest for regional government					
26194	Accrued interest for other public administrations					
<b>263</b>	<b>Demand deposits with Albanian Government and public administrations</b>					
2631	Central government					
2632	Regional government					
2633	Local government					
2637	Other public administrations					
2639	Accrued interest					
26391	Accrued interest for central government					
26392	Accrued interest for local government					
26393	Accrued interest for regional government					
26394	Accrued interest for others public administration					
<b>264</b>	<b>Term deposits with Albanian Government and public administrations</b>					
2641	Central government					
2642	Regional government					
2643	Local government					
2647	Other public administrations					
2649	Accrued interest					
26491	Accrued interest for central government					
26492	Accrued interest for local government					
26493	Accrued interest for regional government					
26494	Accrued interest for other public administrations					
<b>265</b>	<b>Borrowings from Albanian Government and public administrations</b>					
2651	Central government					
2652	Regional government					
2653	Local government					
2657	Other public administrations					
2659	Accrued interest					
26591	Accrued interest for central government					
26592	Accrued interest for local government					
26593	Accrued interest for regional government					
26594	Accrued interest for other public administrations					
<b>269</b>	<b>Doubtful other accounts with Albanian Government and public administrations</b>					
2691	Central government					
2692	Regional government					
2693	Local government					
2697	Other public administrations					
<b>27</b>	<b>Customer current accounts and deposit liabilities</b>					
<b>271</b>	<b>Current accounts</b>					
2711	Individuals					
2712	Private commercial and industrial entities					
2713	Public commercial and industrial entities					
2714	Bank personnel					
2717	Other customers					
2719	Accrued interest					
27191	Accrued interest for individuals					
27192	Accrued interest for private commercial and industrial entities					
27193	Accrued interest for public commercial and industrial entities					
27194	Accrued interest for bank personnel					
27197	Accrued interest for other customers					
<b>272</b>	<b>Demand deposit accounts</b>					
2721	Individuals					
2722	Private commercial and industrial entities					
2723	Public commercial and industrial entities					
2724	Bank personnel					
2727	Other customers					
2729	Accrued interest					
27291	Accrued interest for individuals					
27292	Accrued interest for private commercial and industrial entities					
27293	Accrued interest for public commercial and industrial entities					
27294	Accrued interest for bank personnel					
27297	Accrued interest for other customers					

273	<b>Term deposits accounts</b>					
2731	Individuals					
2732	Private commercial and industrial entities					
2733	Public commercial and industrial entities					
2734	Bank personnel					
2737	Other customers					
2739	Accrued interest					
27391	Accrued interest for individuals					
27392	Accrued interest for private commercial and industrial entities					
27393	Accrued interest for public commercial and industrial entities					
27394	Accrued interest for bank personnel					
27397	Accrued interest for other customers					
274	<b>Certificates of deposits</b>					
2741	<b>Nominative certificates of deposits</b>					
27411	Individuals					
27412	Private commercial and industrial entities					
27413	Public commercial and industrial entities					
27414	Bank personnel					
27415	Other customers					
27419	Accrued interest					
274191	Accrued interest for individuals					
274192	Accrued interest for private commercial and industrial entities					
274193	Accrued interest for public commercial and industrial entities					
274194	Accrued interest for bank personnel					
274197	Accrued interest for other customers					
2742	<b>Bearer certificates of deposits</b>					
27421	Principal					
27429	Accrued interest					
28	<b>Other customer accounts</b>					
281	<b>Check coverage account</b>					
2811	Individuals					
2812	Private commercial and industrial entities					
2813	Public commercial and industrial entities					
2814	Bank personnel					
2815	Other customers					
282	<b>Guarantee accounts</b>					
2821	Individuals					
2822	Private commercial and industrial entities					
2823	Public commercial and industrial entities					
2824	Bank personnel					
2825	Other customers					
283	<b>Escrow accounts</b>					
2831	Individuals					
2832	Private commercial and industrial entities					
2833	Public commercial and industrial entities					
2834	Bank personnel					
2835	Other customers					
284	<b>Letter of credit coverage account</b>					
285	<b>Factoring accounts</b>					
286	<b>Other customer accounts</b>					
3	<b>SECURITIES TRANSACTIONS</b>					
33	<b>Debts represented by securities</b>					
331	<b>Debts represented by securities</b>					
3311	Assets from non residents					
3312	Assets from privat and commercial entities					
3313	Assets from public commercial and financial entities					
3314	Assets from financial institutions					
3315	Assets from other residents sectors					
339	<b>Accrued interest</b>					
3391	Accrued interest for assets from non residents					
3392	Accrued interest for assets from privat and commercial entities					
3393	Accrued interest for assets from public commercial and financial entities					
3394	Accrued interest for assets from financial institutions					
3395	Accrued interest for assets from other resident sector					
34	<b>Securities purchased and sold under repurchase agreement</b>					
342	<b>Securities sold under repurchase agreement</b>					
3421	Securities sold under repurchase agreement					
34211	Securities sold under repurchase agreement from privat industrial and commercial entities					
34212	Securities sold under repurchase agreement from public industrial and commercial entities					
34213	Securities sold under repurchase agreement from financial institutions					
3429	Accrued interest					
34291	Accrued interest from securities sold under repo from privat industrial and commercial entities					
34292	Accrued interest from securities sold under repo from public industrial and commercial entities					
34293	Accrued interest from securities sold under repo from financial institutions					
35	<b>Collateral on securities transactions</b>					
352	<b>Collateral received for securities lent</b>					
36	<b>Premiums on financial instruments</b>					
362	<b>Premiums on financial instruments paid</b>					
364	<b>Financial derivatives</b>					
365	<b>Quotas/shares of investment funds</b>					

<b>4</b>	<b>OTHER ASSETS AND LIABILITIES</b>					
<b>42</b>	<b>OTHER LIABILITIES</b>					
<b>421</b>	<b>Sundry creditors</b>					
4211	Suppliers					
4212	Guarantee deposits received					
4213	Taxes payable					
4214	Dividends payable					
4217	Other creditors					
<b>429</b>	<b>Accrued expenses and deferred income</b>					
<b>43</b>	<b>Agent transactions</b>					
431	Social security					
432	Unemployment fund					
433	Customs					
434	Fiscal administration					
437	Other agent transactions					
<b>44</b>	<b>Inter - office accounts</b>					
<b>45</b>	<b>Suspense and position accounts</b>					
451	Suspense accounts					
452	Position accounts					
<b>46</b>	<b>Value added tax</b>					
<b>5</b>	<b>FIXED ASSETS AND PERMANENT RESOURCES</b>					
<b>54</b>	<b>Grants and public funding</b>					
<b>55</b>	<b>Provisions</b>					
<b>551</b>	<b>Provisions for risks and expenses</b>					
5511	Provisions for possible losses on commitments given					
5512	Provisions for penalties					
5513	Provisions for statistical risk on standard and special mention loans					
5514	Other provisions					
<b>558</b>	<b>Other specific provisions</b>					
<b>56</b>	<b>Subordinated debt</b>					
<b>561</b>	<b>Subordinated debt</b>					
5611	Subordinated debt with less than 5 years maturity					
56111	Subordinated debt with less than 5 years maturity with banks					
56112	Subordinated debt with less than 5 years maturity with non financial institutions					
56113	Subordinated debt with less than 5 years maturity with financial institutions					
56114	Subordinated debt with less than 5 years maturity with other resident sectors					
5612	Subordinated debt with more than 5 years maturity					
56121	Subordinated debt with more than 5 years maturity with banks					
56122	Subordinated debt with more than 5 years maturity with non financial institutions					
56123	Subordinated debt with more than 5 years maturity with financial institutions					
56124	Subordinated debt with more than 5 years maturity with other resident sectors					
<b>569</b>	<b>Accrued interest</b>					
5691	Accrued interest for subordinated debt for less than 5 years:					
56911	Accrued interest for subordinated debt with less than 5 years maturity with banks					
56912	Accrued interest for subordinated debt with less than 5 years maturity with non financial institutions					
56913	Accrued interest for subordinated debt with less than 5 years maturity with financial institutions					
56914	Accrued interest for subordinated debt with less than 5 years maturity with other resident sectors					
5692	Accrued interest for subordinated debt for more than 5 years:					
56921	Accrued interest for subordinated debt with more than 5 years maturity with banks					
56922	Accrued interest for subordinated debt with more than 5 years maturity with non financial institutions					
56923	Accrued interest for subordinated debt with more than 5 years maturity with financial institutions					
56924	Accrued interest for subordinated debt with more than 5 years maturity with other resident sectors					
<b>57</b>	<b>Shareholder's equity</b>					
571	Paid in capital					
572	Share premiums					
573	Reserves					
574	Difference of revaluation					
577	Retained earning (loss)					
578	Current year profit (loss)					
579	Minority interest					
	<b>TOTAL</b>					

\* to be included the minimum granted capital



## Form 2: Profit and loss account on consolidated basis

Code	PROFIT AND LOSS ACCOUNT			
	(in monetary units)	Albanian Lek	Foreign currency	TOTAL
<b>60</b>	<b>BANKING OPERATING EXPENSES</b>			
601	<i>Interest expenses</i>			
6011	On treasury operations and interbank transactions			
6012	On transactions with customers			
6013	On debts represented by securities			
6014	On subordinated debts			
6015	On securities sold under REPOS			
6017	Other			
602	<i>Losses on securities transactions and other financial institutions</i>			
6021	Losses on treasury bills and other bills eligible for refinancing with Central Bank			
60211	Losses on trading treasury bills			
60212	Losses on treasury bills available for sale			
602121	Losses on treasury bills available for sale			
602122	Amortisation of premiums of treasury bills available for sale			
602123	Expenses for depreciation of treasury bills available for sale			
60213	Losses on treasury bills for investment			
602131	Losses on treasury bills for investment			
602132	Amortisation of premiums of treasury bills for investment			
602133	Expenses for depreciation of treasury bills for investment			
6022	Losses on operations with other securities			
60221	Losses on other securities held for trading			
60222	Losses on other securities available for sale			
602221	Losses on other securities available for sale			
602222	Amortisation of premiums of other securities available for sale			
602223	Expenses for depreciation for other securities available for sale			
60223	Losses on other securities held for investment			
602231	Losses on other securities held for investment			
602232	Amortisation of premiums of other securities held for investment			
602232	Expenses for depreciation of other securities held for investment			
6027	Other expenses on financial operations			
603	<i>Commission expenses</i>			
6031	Commission expenses from treasury operations and interbank transactions			
6032	Commission expenses related to transactions with customers			
6033	Commission expenses on debts represented by securities			
6034	Commission expenses on subordinated debts			
6035	Commission expenses on securities sold under repurchase agreement			
6036	Commissions on banking services			
6037	Other commissions			
604	<i>Expenses from leasing operations</i>			
605	<i>Other banking operating expenses</i>			
606	<i>Losses on FX operations</i>			
<b>61</b>	<b>Personnel costs</b>			
<b>62</b>	<b>Taxes other than income taxes</b>			
<b>63</b>	<b>External services expenses</b>			
<b>64</b>	<b>Amortization and provisions for depreciation of fixed assets</b>			
641	Amortisation charges			
648	Provision charges for depreciation of fixed assets			
<b>65</b>	<b>Losses on unrecoverable receivables and charges for provisions</b>			
651	<i>Charges for statistical provisions on standard and special mention loans</i>			
6511	Standard			
6512	Special mention			
652	<i>Charges for provisions on substandard, doubtful and lost loans</i>			
6523	Substandard			
6524	Doubtful			
6525	Lost			
653	<i>Charges for provisions on treasury bills and other securities eligible for refinancing with Central Bank</i>			
654	<i>Charges for provisions on securities other than treasury bills</i>			
655	<i>Charges for provisions on participating interest and affiliates securities</i>			
656	<i>Losses on unrecoverable receivables</i>			
657	<i>Other charges for provisions</i>			
<b>66</b>	<b>Extraordinary expenses</b>			
<b>67</b>	<b>Income tax</b>			
<b>69</b>	<b>Current year profit</b>			
	<b>Minority Interest</b>			
	<b>TOTAL EXPENSES</b>			

<b>70</b>	<b>BANKING OPERATION INCOME</b>			
701	<i>Interest income</i>			
7011	From treasury operations and interbank transactions			
7012	From customer operations			
7015	On securities purchased under resale agreements			
7017	Other			
702	<i>Income from operations with securities and other financial operations</i>			
7021	Income on treasury bills			
70211	Income on treasury bills held for trading			
70212	Income on treasury bills available for sale			
702121	Gains on sale of treasury bills available for sale			
702122	Interest income			
702123	Amortisation of discounts of treasury bills available for sale			
70213	Income on treasury bills held for investment			
702131	Gains on sale of treasury bills held for investment			
702132	Interest income			
702133	Amortisation of discounts of treasury bills held for investment			
7022	Income from operations with other securities			
70221	Income on other securities held for trading			
70222	Income on other securities available for sale			
702221	Gains on sale of other securities available for sale			
702222	Interest income			
702223	Dividends			
702224	Amortisation of discount on other securities available for sale			
70223	Income on other securities held for investment			
702231	Gains on sale of other securities held for investment			
702232	Interest income			
702233	Dividends			
702234	Amortisation of discount of other securities held for investment			
7023	On participating interest and affiliates			
7027	Other			
703	<i>Commission income</i>			
7031	From treasury operations and interbank transactions			
7032	From operations with customers			
7033	From debts represented by securities			
7034	From subordinated debts			
7035	From securities purchased under repurchase agreements			
7036	Commissions on banking services			
7037	Other commissions			
704	<i>Income from leasing operations</i>			
705	<i>Other banking operations income</i>			
706	<i>Profit on FX operations</i>			
<b>74</b>	<b>Reversals of provisions for depreciation of fixed assets</b>			
<b>75</b>	<b>Reversals of provisions for depreciation of receivables</b>			
751	Statistical provisions on standard and special mention loans			
7511	Standard			
7512	Special mention			
752	Substandard, doubtful and lost loans			
7523	Substandard			
7524	Doubtful			
7525	Lost			
753	Reversals of provisions on treasury bills and other securities eligible for refinancing with the Central Bank			
754	Reversals of provisions for securities other than treasury bills			
755	Reversals of provisions for participating interest and affiliates securities			
757	Other reversals of provisions			
<b>76</b>	<b>Extraordinary income</b>			
761	Repayment of loans already recorded as lost loans			
762	Income on repayment of lost loans by a third party			
763	Other extraordinary income			
<b>79</b>	<b>Current year loss</b>			
	<b>Minority Interest</b>			
	<b>TOTAL INCOME</b>			

**Form 3: Profit and loss account by foreign currencies on consolidated basis**

Code	PROFIT AND LOSS ACCOUNT		Foreign currency				TOTAL
	(in monetary units)		TOTAL	From this:			
		Albanian Lek		USD	EUR	Other	
	<b>Expenses</b>						
6011	On treasury operations and interbank transactions						
6012	On transactions with customers						
6013	On debts represented by securities						
6014	On subordinated debts						
6015	On securities sold under REPOS						
6017	Other						
	<b>Income</b>						
7011	From treasury operations and interbank transactions						
7012	From customer operations						
7015	On securities purchased under resale agreements						
7017	Other						
70211	Income on treasury bills held for trading						
702122	Interest income on treasury bills available for sale						
702132	Interest income on treasury bills held for investment						
70221	Income on other securities held for trading						
702222	Interest income on other securities available for sale						
702232	Interest income on other securities held for investment						
7023	Income on participating interest and affiliates						

**Form 4: Off balance sheet items on consolidated basis**

Code	OFF BALANCESHEET ITEMS  (in monetary units)	Albanian Lek		Foreign currency		TOTAL
		Resident	Non resident	Resident	Non resident	
		<b>90 FINANCING COMMITMENTS</b>				
901	Commitments given					
9011	In favour of credit institutions					
9012	In favour of customers					
902	Commitments received					
9021	Received from credit institutions					
9022	Received from customers					
<b>91 GUARANTEES</b>						
911	Guarantees given					
9111	In favour of credit institutions					
9112	In favour of customers					
912	Guarantees received					
9121	Received from credit institutions					
9122	Received from customers					
<b>92 COMMITMENTS ON SECURITIES</b>						
921	Securities to be delivered					
922	Securities to be received					
923	Securities received as a guarantee for credit or a refinancing					
924	Securities given as a guarantee for credit or refinancing					
925	Securities borrowed					
926	Securities lent					
<b>93 FOREIGN CURRENCY TRANSACTIONS</b>						
931	Forward foreign currency purchased					
932	Forward foreign currency sold					
933	ALL receivable against sale of foreign currencies					
934	ALL to be delivered against purchase of foreign currencies					
935	Forward FX operations revaluation account					
<b>94 OTHER COMMITMENTS</b>						
941	Doubtful commitments					
942	Other					
<b>95 COMMITMENTS ON FINANCIAL INSTRUMENTS</b>						
951	Received					
952	Given					
	<b>TOTAL</b>					

## **ANNEX 3<sup>6</sup>**

***Reporting forms of capital requirement (COREP) on consolidated basis  
(referring to the Regulation “On capital adequacy ratio”) - (quarterly)***

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<sup>6</sup> Amended upon the Decision of Supervisory Council, No. 37, dated 2.8.2023.

**Form Kons CR SA Credit, counterparty, and non-DVP transaction settlement risk**  
**Exposure class** \_\_\_\_\_  
**Nominated ECAI** \_\_\_\_\_

	Original exposure pre conversion factors			Exposure net of value adjustments and provisions	Credit risk mitigation techniques with substitution effects on the exposure						Net exposure after CRM substitution effects pre conversion factors	Credit risk mitigation techniques affecting the amount of the exposure: Funded credit protection, Financial Collateral Comprehensive Method			Fully adjusted exposure value (E*)	Breakdown of the fully adjusted exposure value of off-balance sheet items by conversion factors				Exposure value	Of which: related to counterparty credit risk	Risk weighted exposure amount, pre SME supporting factor	(-) the adjusted amount of risk-weighted exposures resulting from the SME supporting factor	Risk weighted exposure amount, after SME supporting factor	Of which: with a credit assessment by a nominated ECAI	Of which: with a credit assessment derived from central government												
	010	020	030		Unfunded Credit Protection: Adjusted Value (Ga)		Funded credit protection		Substitution of the exposure due to CRM			Volatility adjustment to the exposure	(-) Financial Collateral: adjusted value (Ca m)	of which: (-) Volatility and maturity adjustments		150 = 110 + 120 - 130	160	170	180								190	200=150-160 0,8*170-0,5*180	210	220	230	240	250	260				
					050	060	070	080	090	100																									110=040-090+100	120	130	140
010	Total exposures																																					
011	Of which: SME exposures																																					
012	Of which: SME exposures treated with supporting factors																																					
013																																						
014																																						
Breakdown by type of exposure																																						
020	Balance sheet items subject to credit risk																																					
030	Off-balance sheet items subject to credit risk																																					
	Exposures/transactions subject to counterparty risk																																					
040	Securities funding transactions																																					
050																																						
060	Derivatives and long settlement transactions																																					
070																																						
080																																						
Breakdown of total exposures by weighting																																						
090	0%																																					
100	10%																																					
110	20%																																					
120	35%																																					
130	50%																																					
140	75%																																					
150	85%																																					
160	100%																																					
170	125%																																					
180	150%																																					
190	200%																																					
195	250%																																					
200	1250%																																					
210	Other risk weights																																					
Breakdown of total exposures according to the CU method																																						
220	Look-through approach																																					
230	Mandate-based approach																																					
240	"Fall-back" approach																																					
250																																						







**Form Kons MKR SA TDI**  
**Currency:**

**Position risk of debt securities**

		Positions					Capital requirement (in %)	Capital requirements	Risk weighted exposure
		All positions		Net positions		Net positions subject to capital charge			
		Long	Short	Long	Short				
		010	020	030	040				
010	<b>Traded debt instruments in trading book</b>								
011	<b>General risk</b>								
012	Derivatives								
013	Other assets and liabilities								
020	<b>Maturity based approach</b>								
030	Zone 1								
040	0 ≤ 1 month								
050	> 1 ≤ 3 months								
060	> 3 ≤ 6 months								
070	> 6 ≤ 12 months								
080	Zone 2								
090	> 1 ≤ 2 (1,9 for coupon of less than 3%) years								
100	> 2 ≤ 3 (> 1,9 ≤ 2,8 for coupon of less than 3%) years								
110	> 3 ≤ 4 (> 2,8 ≤ 3,6 for coupon of less than 3%) years								
120	Zone 3								
130	> 4 ≤ 5 (> 3,6 ≤ 4,3 for coupon of less than 3%) years								
140	> 5 ≤ 7 (> 4,3 ≤ 5,7 for coupon of less than 3%) years								
150	> 7 ≤ 10 (> 5,7 ≤ 7,3 for coupon of less than 3%) years								
160	> 10 ≤ 15 (> 7,3 ≤ 9,3 for coupon of less than 3%) years								
170	> 15 ≤ 20 (> 9,3 ≤ 10,6 for coupon of less than 3%) years								
180	> 20 (> 10,6 ≤ 12,0 for coupon of less than 3%) years								
190	> 12,0 ≤ 20,0 for coupon of less than 3%) years								
200	(> 20 for coupon of less than 3%) years								
210	<b>Duration-based approach</b>								
220	Zone 1								
230	Zone 2								
240	Zone 3								
250	<b>Specific risk</b>								
251	Capital requirement for unsecured debt instruments								
260	Debt securities under the first category in Table 22, of the CAR Regulation					0.00			
270	Debt securities under the second category in Table 22, of the CAR Regulation								
280	With a residual maturity ≤ 6 months					0.25			
290	With a residual maturity > 6 months and ≤ 24 months					1.00			
300	With a residual maturity > 24 months					1.60			
310	Debt securities under the third category in Table 22, of the CAR Regulation					8.00			
320	Debt securities under the fourth category in Table 22, of the CAR Regulation					12.00			
321	Rated n-th to default credit derivatives								
325	Capital requirement for securitisation positions								
326	Capital requirement for the correlation trading portfolio								
330									
340	Particular approach for position risk in CIU-s								
350	Additional charge for options (non-delta risks)								
360	Simple approach								
370	Delta plus approach - additional charge for gamma risk								
380	Delta plus approach - additional charge for vega risk								
390									

Form Kons MKR SA EQU

Position risk of equities

		Positions					Capital requirement (in %)	Capital requirements	Total risk weighted exposures
		All positions		Net positions		Net positions subject to capital charge			
		Long	Short	Long	Short				
		010	020	030	040	050			
010	Equities in trading book								
020	General risk					8.00			
021	Derivatives								
022	Other assets and liabilities								
030	Exchange traded stock index futures broadly diversified, subject to particular approach								
040	Other equities than those defined in line 030								
050	Specific risk					4.00			
080	Particular approach for positions in CIU-s								
090	Additional charge for options (non delta risks)								
100	Simplified method								
110	Delta plus approach - gamma risk								
120	Delta plus approach - vega risk								

**Form Kons CR TB SETT      Settlement risk**

		Unsettled transactions at settlement price	Price difference exposure due to unsettled transactions	Capital requirements	Total risk weighted exposure
		010	020	030	040
010	<b>Total unsettled transactions in the banking book</b>				
020	Transactions unsettled up to 4 days (0 %)				
030	Transactions unsettled between 5 and 15 days (8%)				
040	Transactions unsettled between 16 and 30 days (50%)				
050	Transactions unsettled between 31 and 45 days (75%)				
060	Transactions unsettled over 46 days and more (100%)				
070	<b>Total unsettled transactions in the trading book</b>				
080	Transactions unsettled up to 4 days (0 %)				
090	Transactions unsettled between 5 and 15 days (8%)				
100	Transactions unsettled between 16 and 30 days (50%)				
110	Transactions unsettled between 31 and 45 days (75%)				
120	Transactions unsettled over 46 days and more (100%)				

Form Kons MKR SA COM

Commodity investment risk

		All positions		Net positions		Positions subject to capital charge	Capital requirement (%)	Capital requirements	Risk weighted exposure
		Long	Short	Long	Short				
		010	020	030	040	050	060	070	
010	<b>Total positions in commodities</b>								
020	<i>Precious metals (except gold)</i>								
030	<i>Base metals (zinc, copper, etc.)</i>								
040	<i>Agricultural products (softs)</i>								
050	<i>Other</i>								
060	Out of which: energy products (oil, gasoline)								
070	Maturity ladder approach								
080	Extended maturity ladder approach								
090	Simplified approach: All positions								
100	Additional charge for options (non-delta risks)								
110	<i>Simplified Method</i>								
120	<i>Delta plus approach - additional charge for gamma risk</i>								
130	<i>Delta plus approach - additional charge for vega risk</i>								
140	Scenario matrix approach								

**Form Kons MKR SA FX**

**Foreign exchange risk**

	Currency code	All positions		Net positions		Preferential treatment positions			Risk capital charge (%)			Capital requirement	Risk weighted exposures	
		Long	Short	Long	Short	Long	Short		Long	Short				
		010	020	030	040	050	060	070	080		090			100
010	Total positions in foreign currencies													
020	Currencies closely correlated													
030	All other currencies (including CUs treated as different currencies)								8.00	8.00				
040	Gold								8.00	8.00				
050	Additional charge for options (non-delta risks)													
060	Simplified method													
070	Delta plus approach - additional charge for gamma risks													
080	Delta plus approach - additional charge for vega risks													
090	Scenario matrix approach													
Breakdown of positions according to instrument type														
100	Financial instruments													
110	Off-balance sheet items													
120	Derivatives													
Positions in different currencies														
130	Euro	EUR												
140	Albanian Lek	ALL												
150	Argentinian Peso	ARS												
160	Australian Dollar	AUD												
170	Brasillian Real	BRL												
180	Bulgarian Lev	BGN												
190	Canadian Dollar	CAD												
200	Czech Koruna	CZK												
210	Danish Krona	DKK												
220	Egyptian Pound	EGP												
230	British Pound	GBP												
240	Hungarian Forint	HUF												
250	Japanese Yen	JPY												
260	Letonese Lata	LVL												
270	Lithuanian Lita	LTL												
280	Macedonian Denar	MKD												
290	Mexican Peso	MXN												
300	Polish Zloty	PLN												
310	Romanian Leu	RON												
320	Russian Rouble	RUB												
330	Serbian Denar	RSD												
340	Swedish Krona	SEK												
350	Swiss Francs	CHF												
360	Turkish Lira	TRY												
370	Ukrainian Hryvnia	UAH												
380	American Dollar	USD												
390	Icelandic Krona	ISK												
400	Norwegian Krona	NOK												
410	Other													



Form Kons MKR SA CTP

Standardised approach for specific risk in the correlation trading portfolio

	ALL POSITIONS		(-) POSITIONS DEDUCTED FROM CAPITAL		NET POSITIONS		BREAKDOWN OF NET POSITIONS (LONG) ACCORDING TO RISK WEIGHTS										BREAKDOWN OF NET POSITIONS (SHORT) ACCORDING TO RISK WEIGHTS										BREAKDOWN OF NET POSITIONS ACCORDING TO APPROACHES			BEFORE THE CAP		AFTER THE CAP		TOTAL CAPITAL REQUIREMENT				
	LONG	SHORT	(-) LONG	(-) SHORT	LONG	SHORT	10-10%	10-12%	12-20%	20-40%	40-100%	100-250%	250-350%	350-425%	425-650%	650-1250%	1250%	10-10%	10-12%	12-20%	20-40%	40-100%	100-250%	250-350%	350-425%	425-650%	650-1250%	1250%	SEC-SA	SEC-ERBA	Other (Risk Weight=250%)	WEIGHTED NET LONG POSITIONS	WEIGHTED NET SHORT POSITIONS		WEIGHTED NET LONG POSITIONS	WEIGHTED NET SHORT POSITIONS		
	0010	0020	0030	0040	0050	0060	0071	0072	0073	0074	0075	0076	0077	0078	0079	0081	0082	0086	0087	0088	0089	0091	0092	0093	0094	0095	0096	0097	0403	0404	0406	0410	0420		0430	0440	0450	
0010	Total exposures																																					
	Securitization positions:																																					
0020	Originator: Total exposures																																					
0030	Securitization positions																																					
0040	Other CTP positions																																					
0050	Investor: Total exposures																																					
0060	Securitization positions																																					
0070	Other CTP positions																																					
0080	Sponsor: Total Exposures																																					
0090	Securitization positions																																					
0100	Other CTP positions																																					
	NTH-TO-DEFAULT CREDIT DERIVATIVES:																																					
0110	Nth-to-default credit derivatives																																					
0120	Other CTP positions																																					

**Form Kons OPR**

**Operational Risk**

Banking activities		Gross Income			Loans and advances (in case of ASA application)			Capital requirements	Risk weighted exposure
		Year-3	Year-2	Last year	Year-3	Year-2	Last year		
		010	020	030	040	050	060		
010	1. TOTAL BANKING ACTIVITIES SUBJECT TO BASIC INDICATOR APPROACH (BIA)	Yellow			Red			Yellow	Grey
020	2. TOTAL BANKING ACTIVITIES SUBJECT TO STANDARDISED (STA) / ALTERNATIVE STANDARDISED (ASA) APPROACHES	Red			Red			Yellow	Grey
	<i>Subject to the Standardised approach:</i>	Red			Red			Red	Red
030	CORPORATE FINANCE (CF)	Yellow			Red			Red	Red
040	TRADING AND SALES (TS)	Yellow			Red			Red	Red
050	RETAIL BROKERAGE (RBr)	Yellow			Red			Red	Red
060	COMMERCIAL BANKING (CB)	Yellow			Red			Red	Red
070	RETAIL BANKING (RB)	Yellow			Red			Red	Red
080	PAYMENT AND SETTLEMENT (PS)	Yellow			Red			Red	Red
090	AGENCY SERVICES (AS)	Yellow			Red			Red	Red
100	ASSET MANAGEMENT (AM)	Yellow			Red			Red	Red
	<i>Subject to the Advanced Standardised Approach:</i>	Red			Red			Red	Red
110	COMMERCIAL BANKING (CB)	Yellow			Yellow			Red	Red
120	RETAIL BANKING (RB)	Yellow			Yellow			Red	Red
130	AMA	Red			Red			Red	Red



## **ANNEX 4<sup>7</sup>**

***Reporting form of large exposures on consolidated basis (referring to the Regulation “On the risk management from large exposures of banks”) - (quarterly)***

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<sup>7</sup> Amended upon the Decision of Supervisory Council, No. 54, dated 2.9.2020 and entered into force on 1.1.2022.

Form No. 1

No.	Reporting date	Superordinate bank name	Exposure typology	Name of the group of related parties	Client number depending on the exposure typology	Accounting Typology	Ranking of exposures	Ranking of group's largest exposures to Supervised Institutions	Client name	NUIS/ Identification number	Exposure before exemptions, reductions and credit risk mitigation (only for BBI)	Position in financial instruments (only for TBI)		
												Long	Short	Net long
	1	2	3	4	5	6	7	8	9	10	11	12	13	14 = 12 - 13
1														
2														
3														
4														
5														
6														
7														
8														
9														
10														
11														
12														
13														
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36														





**Instructions for filling the Form 1**

Number of column	Title of column	Content description
1	Reporting date	The reporting date is selected according to the reporting period.
2	Superordinate bank name	The bank name is selected according to the following abbreviations. AB - Alpha Bank ABI - American Bank of Investments UBA - United Bank of Albania. CB - Credins Bank NCB - National Commercial Bank. PCB - ProCredit Bank FIB - First Investment Bank RB - Raiffeisen Bank TB - Tirana Bank UB - Union Bank ISPB - Intesa Sanpaolo Bank OTP - OTP Bank
3	Exposure typology	Contains the categorization of exposure based on the counterparty, as defined in the regulation "On risk management of large exposures". The column shall be filled in according to predefined criteria. The counterparty categorization list is given below. For each of the counterparties there will be an ordinal number to distinguish the counterparties of the same typology. This column will be completed for all exposures. In cases where more than one exposure belongs to a related group, for GRP, GRSI, GSIRG, GRPG codes, for each of the exposures the same code with the same ordinal number will be completed. IC Individual client GRP Persons or group of related persons ISI Individual Supervision Institutions GRSI Group of Related Supervised Institutions SIRG Supervised Institutions with special relationship (Related) with the Group GSIRG Group of supervised Institutions with special relationship (Related) with the Group ICRG Individual client with special relationship (Related) with the Group GRPG Persons or group of related persons with special relationship (Related) with the Group CG Central Government CB Central Bank IO & MDBs International Organizations and Multilateral Development Banks RG & LA & PSEs Regional Government, Local Authorities and Public Sector Entities SYS Systemic Bank within the country and the group of related persons, which are subject to the consolidated supervision of the Bank of Albania
4	Name of the group of related parties	A summary name is established for the related party group and the same name is repeated for each individual exposure reported.
5	Client number depending on the exposure typology	Contains the individual exposure number when it is part of a related group. This column is completed only for exposures that in the "Exposure Typology" column have received the code GRP, GRSI, GSIRG, GRPG. For the first value of each group, select the "Total" option. In the following, for each component exposure of the group select from an ordinal number, starting from number 1, in order to identify the number of group exposures.
6	Accounting Typology	Contains the determination of the accounting nature recorded by separating items of the banking book and items of the trading book. BBI Banking book items TBI Trading book items BBI + TBI This choice is made when the exposure to the client or group contains both types of accounting typology
7	Ranking of exposures	Determine the order to which the exposure belongs. The ranking is done by setting no. 1 for the bank's largest exposure, and so on. Referring to Article 11 of the Regulation "On risk management of large exposures", in this column the ordinal number must reach at least 20, and more than 20 if the group has more than 20 large exposures that exceed the level of 10% of the group's regulatory capital and at the same time those that exceed the level of 10% of the group's Tier I capital. In the case of related groups, for each of the exposures of the same group, the same ordinal number is assigned to which corresponds the order of the group exposure.
8	Ranking of group's largest exposures to Supervised Institutions	Determination of the ranking to which the exposure to a supervised institution belongs (including exposures to supervised institutions with a special relationship with the group). The ranking is done by setting no. 1 for the group's largest exposure to the supervised institution, and so on. Referring to Article 11 of the Regulation "On risk management of large exposures", in this column the ordinal number must reach at least 10, and more than 10 if the group has more than 10 large exposures to supervised institutions that exceed the level of 10% of the group's regulatory capital and at the same time those that exceed the level of 10% of the group's Tier I capital. In the case of related groups of supervised institutions (with the code GIML or GIMLG), for each of the exposures of the same group, the same ordinal number is assigned to which corresponds the order of the exposure of the group of supervised institutions.
9	Client name	
10	NUIS/Identification number	A unique identification number is assigned to each client. In cases of exposures reported in the Credit Registry, is applied the same NUIS number as that reported in the Credit Registry. Otherwise the reporting bank enters an identification number of its own.
11	Exposure before exemptions, reductions and credit risk mitigation (only for BBI)	The amount of exposure, calculated in accordance with Article 5 of the Regulation "On risk management of large exposures", added for the amount of exposure, as a result of substitution, according to Article 9 of this Regulation (part from exposure guaranteed by a third party or secured by collateral issues by a third party, which has been treated as exposure to the guarantor or issuer of the collateral), only for banking book items.
	Position in financial instruments (only for TBI)	The value of short and long positions of all financial instruments issued by the said person/client, where the net position for each financial instrument are calculated in accordance with the Regulation "On Capital Adequacy Ratio" (Chapter VII - Market Risk). When calculating the exposure to a person/individual client as a result of positions in various financial instruments, there are summed the net positions for different financial instruments of these persons/clients. Columns 12, 13 and 14, are completed only for trading book items.
12	Long	Long position in financial instruments
13	Short	Short position in financial instruments
14	net long	Net long position in financial instruments
	Positions in financial instruments in the case of a signed promise to purchase (only for TBI)	The amount of exposure arising from promise to purchase financial instruments of persons/individual clients, in the case of preparing and finalising the signing, reduced for the amount of financial instruments, which are already transferred to third parties and the calculated net exposure (difference). Columns 15, 16 and 17, are completed only for trading book items.
15	Promise to purchase	Commitment/promise to purchase
16	Transferred to a third party	The amount of financial instruments that have been transferred to third parties
17	Difference	Calculated net exposure
18	Counterparty credit risk exposure (only for TBI)	Exposure to a person/individual client, as a result of transactions, agreements or contracts related to counterparty credit risk, calculated in accordance with the methods provided in the Regulation "On Capital Adequacy Ratio".
19	Exposure before exemptions, reductions and credit risk mitigation (only for TBI)	Sum of exposures presented in columns 14, 17 and 18 for the trading book items.

20	Exposure before exemptions, reductions and credit risk mitigation (BBI + TBI)	Total of columns 11 and 19 (for banking book and trading book items).
21	From which (20): Exposure before exemptions, reductions and credit risk mitigation, derived from substitution	The part of exposure guaranteed by a third party or secured by collateral issued by a third party, which is treated as exposure to guarantor or issuer of the collateral - use of substitution in accordance with Article 9 of the Regulation "On risk management of large exposures" (the amount included in column 20).
22	From which (20): Exposure before exemptions, reductions and credit risk mitigation derived from the amount of loans (only for the exposure of the categories SIRG, GSIRG, ICRG and GRPG)	Should be completed only for the value of exposure reported in column 20 in the form of credit to the categories SIRG, GSIRG, ICRG and GRPG in accordance with Article 131 of the Banking Law.
23	Percentage to group's regulatory capital before exemptions and credit risk mitigation	The value of exposure reported in column 20 to group's regulatory capital on the reporting date.
24	Percentage to group's Tier I capital before exemptions and credit risk mitigation	The value of exposure reported in column 20 to group's Tier I capital on the reporting date.
25	Unfunded credit protection	Amount of unfunded credit protection, which, in accordance with letter "c", partly with letter "d" and partly with letter "e" of paragraph 2 of Article 8 and paragraph 2 of Article 9 of the Regulation "On risk management of large exposures", may be used to determine whether the maximum allowed limits are reached or not.
26	Funded credit protection	Amount of funded credit protection, which, in accordance with letters "f" and "g" of paragraph 2 of Article 8 and paragraph 3 of Article 9 of the Regulation "On risk management of large exposures", may be used when determining whether the maximum allowed limits are reached or not.
27	Exemptions and reductions	Sum of exemptions in accordance with letters "a", "b", partially letter "d", partially letter "e" and letters "h", "i", "j", "l", "m", "n" and "p" of paragraph 2 of Article 8 of the Regulation "On risk management of large exposures".
28	Exposure before exemptions, reductions and credit risk mitigation for BBI	Value of exposure calculated in accordance with the requirements of the Regulation "On risk management of large exposures", after reductions, exemptions and the application of credit risk mitigation techniques, for banking book items.
29	Total exposure after exemptions, reductions and credit risk mitigation	Total value of exposure (for banking book and trading book items) calculated in accordance with the requirements of the Regulation "On risk management of large exposures", after reductions, exemptions and the application of credit risk mitigation techniques.
30	Group's regulatory capital on reporting date	Amount of group's regulatory capital on reporting date.
31	Group's Tier I capital on reporting date	Amount of group's Tier I capital on reporting date.
32	Percentage to regulatory capital after exemptions, reductions and credit risk mitigation	The value of exposure reported in column 29 to group's regulatory capital on the reporting date.
33	Percentage to Tier I capital after exemptions, reductions and credit risk mitigation	The value of exposure reported in column 29 to group's Tier I capital on the reporting date.
34	Allowed maximum limit	In this column are defined the allowed maximum limits of exposure, depending on the nature of exposure defined in column 3.
35	Exceeding the allowed maximum limit	This column is compiled automatically only if the exposure exceeds the allowed maximum limit.
36	Large exposures that are over 10% of group's regulatory capital	In this column will be automatically recorded all large exposures (column 29) that exceed 10% of group's regulatory capital.
37	Measurement of the sum of large exposures that are over 10% of group's regulatory capital	In this column will be done the automatic assessment of: a) The amount of exposures reported in column 36; b) The ratio of this amount to the regulatory capital of the group; c) Assessment of compliance with the maximum limit of 700% of the sum of these exposures to group's regulatory capital.
38	Measurement of loan exposures for the categories of counterparties related to the group (SIRG, GSIRG, ICRG and GRPG)	In this column will be done the automatic assessment of: a) Sum of loans reported in column 22; b) The ratio of this sum to the regulatory capital of the group; c) Assessment of compliance with the maximum limit of 100% of the sum of these loans to group's regulatory capital.

## **ANNEX 5**

***Reporting forms of Regulatory Capital on consolidated basis (referring to the regulation “On Regulatory Capital” and regulation “On Consolidated Supervision”) - (quarterly)***

# Form 1

<b>REGULATORY CAPITAL (consolidated)</b>			
<b>No.</b>	<b>Item</b>	<b>Amount</b>	<b>Guideline</b>
<b>1</b>	<b><u>REGULATORY CAPITAL</u></b>	1.1 + 1.2	Article 5: Regulatory capital is the sum of Tier 1 with Tier 2 capital.
<b>1.1</b>	<b>TIER 1 CAPITAL</b>	1.1.1 + 1.1.2	Article 6: Tier 1 capital consists of the sum of the Common Equity Tier 1 and additional Tier 1 capital .
<b>1.1.1</b>	<b>COMMON EQUITY TIER 1</b>	1.1.1.1 + 1.1.1.2 + 1.1.1.3 + 1.1.1.4 + 1.1.1.5 + 1.1.1.6 + 1.1.1.7 + 1.1.1.8 + 1.1.1.9 + 1.1.1.10 + 1.1.1.11 + 1.1.1.12 + 1.1.1.13 + 1.1.1.14 + 1.1.1.15 + 1.1.1.16 + 1.1.1.17 + 1.1.1.18	Article 6
<b>1.1.1.1</b>	<b>Capital instruments known as Common Equity Tier 1</b>	1.1.1.1.1 + 1.1.1.1.3 + 1.1.1.1.4 + 1.1.1.1.5	Article 6, Article 11 and Article 16.
1.1.1.1.1	Paid in capital		Article 6, paragraph 2, letter "a", Article 11. The amount that shall be reported shall not include issue premiums related to the instruments.
1.1.1.1.2	Memorandum Items: Capital instruments that are not known		
1.1.1.1.3	Share premiums		Article 6 The amount that shall be reported shall be related to the paid-in capital.
1.1.1.1.4	(-) Own Common Equity Tier 1 Capital instruments	1.1.1.1.4.1 + 1.1.1.1.4.2 + 1.1.1.1.4.3	Article 11, letter "e", Article 16. The amount that shall be reported shall include share premiums related to own shares.
1.1.1.1.4.1	(-) Direct holdings Common Equity Tier 1 Capital instruments		Article 11, letter "e", Article 16.
1.1.1.1.4.2	(-) Indirect holdings Common Equity Tier 1 Capital instruments		Article 11, letter "e", Article 16.
1.1.1.1.4.3	(-) Synthetic holdings Common Equity Tier 1 Capital instruments		Article 11, letter "e", Article 16.
1.1.1.1.5	(-) Actual or contingent obligations to purchase own Common Equity Tier 1 Capital instruments		Article 11, letter "e", Article 16.
<b>1.1.1.2</b>	<b>Retained earnings</b>	1.1.1.2.1 + 1.1.1.2.2 + 1.1.1.2.3	Article 6, paragraph 2, letter "c", Article 6 paragraph 8.
1.1.1.2.1	Retained earnings and loss carried forward from previous periods		Article 6 paragraph 2, letter "c".
1.1.1.2.2	End of year profit		Article 6 paragraph 2, letter "d".
1.1.1.2.3	Reporting period profit		Article 6, paragraph 2, letter "e", Article 11 paragraph 1, letter "a".
<b>1.1.1.3</b>	<b>Reserves (excluding revaluation reserves)</b>		Article 6 paragraph 2, letter "f".
<b>1.1.1.4</b>	<b>Credit revaluation difference</b>		Article 6 paragraph 2, letter "g".



1.1.1.5	<b>CCT1 adjustments related to prudential filters</b>	1.1.1.5.1 + 1.1.1.5.2 + 1.1.1.5.3 + 1.1.1.5.4 + 1.1.1.5.5	Articles 1-7
1.1.1.5.1	(-) Capital increase arising from securitised assets		Article 7: The amount that shall be reported is the increase in the capital value of the bank that results from securitized assets in accordance with accounting standards. For example, this item includes receivable income from the margin, which result from a sales profit for the bank, or for the originator net profits resulting from capitalisation of receivable income from securitised assets, which contribute to the improvement of the credit quality for positions in securitization.
1.1.1.5.2	Buffer reserves through cash flows.		Article 8 paragraph 1, letter "a". The amount that shall be reported may be positive or negative. It will be positive if buffers through cash flow result in loss (hence, reducing the capital) and vice versa. Thus the reported sign will be the opposite of the one used in accounting statements. The sum will be net from any foreseeable taxation at the moment of calculation.
1.1.1.5.3	Cumulative gains and losses due to changes in own credit risk on fair valued liabilities, as a result of changes to the bank's own credit risk.		Article 8 paragraph 1, letter "b". Fair value gains and losses of the bank, arising from the changes to the bank's own credit rating. The amount that shall be reported may be positive or negative. It will be positive in the event of loss, as a result of changes to the bank's own credit risk (hence reducing capital) and vice versa. Thus the reported sign will be the opposite of the one used in accounting statements. Unaudited earnings shall not be listed under this item.
1.1.1.5.4	Fair value gains and losses arising from the institution's own credit risk related to derivative liabilities.		Article 8, paragraph 1, letter "c", and paragraph 2. c. Fair value gains or losses arising from the bank's own credit risk related to derivative liabilities. The amount that shall be reported may be positive or negative. It will be positive in the event of loss, as a result of changes to the bank's own credit risk and vice versa. Thus the reported sign will be the opposite of the one used in accounting statements. Unaudited earnings shall not be listed under this item.
1.1.1.5.5	(-) Value adjustments due to the requirements for prudent valuation		Article 9: In accordance with Article 142 "Requirements for the evaluation of trading book items" in the capital adequacy regulation, for all matured assets at fair value during the calculation of the regulatory capital, and deduct from Common Equity Tier 1 capital the sum of any adjustment of additional value as necessary.
1.1.1.6	<b>(-) Goodwill</b>	1.1.1.6.1 + 1.1.1.6.2 + 1.1.1.6.3	Article 11, paragraph 1, letter "b", and Article 12.
1.1.1.6.1	(-) Goodwill accounted for as intangible asset		Article 11 paragraph 1, letter "b". Goodwill here shall mean the same as in the definition in accounting standards. The amount that shall be reported shall be equal to the one presented in the balance sheet.
1.1.1.6.2	(-) Goodwill included in the valuation of significant investments		Article 12 paragraph 2, letter "b"
1.1.1.6.3	Deferred tax liabilities associated to goodwill		Article 12 paragraph 2, letter "a". The amount of deferred tax liabilities that would be written off, if the goodwill were devalued or written off according to accounting standards.
1.1.1.7	<b>(-) Other intangible assets</b>	1.1.1.7.1 + 1.1.1.7.2	Article 11, paragraph 1, letter "b", and Article 12 paragraph 2, letter "a". Other intangible assets shall be intangible assets according to accounting standards, excluding the goodwill, but according to the accounting standards.

1.1.1.7.1	(-) Gross other intangible assets		Article 11 paragraph 1, letter "b". Other intangible assets shall be intangible assets according to accounting standards, excluding the goodwill, but according to the accounting standards. The amount that shall be reported here shall correspond to the amount reported in the balance sheet of intangible assets, other than goodwill.
1.1.1.7.2	Deferred tax liabilities related to other intangible assets		Article 12 paragraph 2, letter "a". The amount of deferred tax liabilities that would be written off, if the intangible assets, other than the goodwill were devalued or written off according to accounting standards.
1.1.1.8	<b>(-) Deferred tax assets that rely on future profitability and do not arise from temporary differences net of associated tax liabilities</b>		Article 11, paragraph 1, letter "c", and Article 13.
1.1.1.9	<b>(-) Defined benefit pension fund assets</b>	1.1.1.9.1 + 1.1.1.9.2 + 1.1.1.9.3	Article 11, paragraph 1, letter "d", and Article 15.
1.1.1.9.1	(-) Defined benefit pension fund assets gross amount		Article 11 paragraph 1, letter "d": Defined benefit pension fund assets means "assets of a defined benefit pension fund or plan, as applicable, calculated after deducting the amount of obligations under the same fund or plan". The amount that shall be reported here shall correspond to the amount reported in the balance sheet (if it is reported separately in the balance sheet).
1.1.1.9.2	Deferred tax liabilities associated to defined benefit pension fund assets		Article 15 paragraph 2, letter "a". The amount of deferred tax liabilities that would be written off, if the defined pension fund assets were devalued or written off according to accounting standards.
1.1.1.9.3	Defined benefit pension fund assets which the institution has an unrestricted ability to use		Article 15 paragraph 2, letter "b". This item shall be completed only upon prior approval by the Bank of Albania to reduce the amount of defined benefit pension fund assets. Assets included in this item shall be risk weighted, in accordance with the requirements of the capital adequacy regulation.
1.1.1.10	<b>(-) Reciprocal cross holdings in CET1 Capital</b>		Article 11, paragraph 1, letter "f", and Article 17. Holdings of CET1 capital of financial sector entities where there is a reciprocal cross holding which the Bank of Albania considers as created to increase artificially the bank's regulatory capital.  The amount that shall be reported based on gross purchase positions and includes insurance common capital insurance items
1.1.1.11	<b>(-) Excess of deduction from Additional Tier 1 Capital items over Common Equity Tier 1 Capital</b>	(-1.1.2.6)	Article 11 paragraph 1, letter "i". The amount that shall be reported on this line shall be directly taken from line 610 "Excess of deduction from AT1 items over AT1 Capital" The amount shall be deducted from Common Equity Tier 1 Capital.
1.1.1.12	<b>(-) Qualifying holdings outside the financial sector which can (alternatively) be subject to a 1.250% risk weight</b>		Article 11, paragraph 1, letter "j", subitem (i): In accordance with Article 11, paragraph 1, letter "j", the qualifying holdings may be deducted from Common Equity Tier 1 Capital (by reporting in this line) or weighted by 1250%.
1.1.1.13	<b>(-) Securitisation positions which can alternatively be subject to a 1.250% risk weight</b>		Article 11, paragraph 1, letter "j", subitem (ii): Securitisation positions that are subject to a 1250% risk weight, but may be alternately be deducted from Common Equity Tier 1 Capital. When deducted, they shall be reported in this line.

1.1.1.14	<b>(-) NonDVP (free delivery) transactions which can alternatively be subject to a 1250% risk weight</b>		Article 11, paragraph 1, letter "j", subitem (iii): Free delivery transactions are subject to a 1250% risk weight 5 days after the second contractual payment or delivery leg until the transaction is cancelled, according to requirements of the capital adequacy regulation on settlement risk. They may be alternatively deducted from the Common Equity Tier 1 Capital and reported in this line.
1.1.1.15	<b>(-) CT1 instruments of financial sector entities where the institution does not have a significant investment</b>		Article 11, paragraph 1, letter "g", and Article 18. The share of holdings of the bank in capital instruments of financial sector entities where the bank does not have significant investment, which should be deducted from the Common Equity Tier 1 Capital.
1.1.1.16	<b>(-) Deductible deferred tax assets that rely on future profitability and arise from temporary differences</b>		Article 11, paragraph 1, letter "c", and articles 13 and 20 paragraph 1, letter "a". The share of deferred tax assets that rely on future profitability and arise from temporary differences (net from the share of associated tax liabilities allocated to deferred tax assets that arise from temporary differences, in accordance with Article 13, paragraph 4, letter "b") which should be deducted, applying the 10% threshold specified in Article 20, paragraph 1, letter "a".
1.1.1.17	<b>(-) CT1 instruments of financial sector entities where the institution has a significant investment</b>		Article 11, paragraph 1, letter "h", Article 19, Article 20, paragraph 1, letter "b", the share of bank holdings in Common Equity Tier 1 Capital of financial sector entities where the bank has a significant investment should be deducted, applying the 10% threshold specified in Article 20, paragraph 1, letter "b".
1.1.1.18	<b>(-) Amount exceeding the 17.65% threshold</b>		Article 20, paragraph 1: Share of deferred tax assets that rely on on future profitability and arise from temporary differences, and direct and indirect bank holdings in Common Equity Tier 1 Capital instruments of financial sector entities where the bank has a significant investment should be deducted, applying the 17.65% threshold specified in Article 20, paragraph 1, letter "b".
1.1.1.19	<b>Minority Interest</b>		Regulation "On Consolidated Supervision", article 4, letter "d" and article 10, paragraph 3.
1.1.2	<b>ADDITIONAL TIER 1 CAPITAL</b>	1.1.2.1 + 1.1.2.2 + 1.1.2.3 + 1.1.2.4 + 1.1.2.5 + 1.1.2.6 + 1.1.2.7 + 1.1.2.8	Article 21
1.1.2.1	<b>Capital instruments known as Additional Tier 1 Capital</b>	1.1.2.1.1 + 1.1.2.1.3 + 1.1.2.1.4 + 1.1.2.1.5	Article 21, paragraph 1, letter "a"; Article 21, paragraph 2; articles 22-24; Article 25 letter "a" and Article 26
1.1.2.1.1	Paid up capital instruments		Article 21, paragraph 1, letter "a"; Article 21, paragraph 2; articles 22-24; Amount that shall be reported shall not include issue premiums related to instruments.
1.1.2.1.2	Memorandum item: Capital instruments not eligible		Article 22, paragraph 1, letters "c", "e" and "f". The requirements in these points reflect various capital situations, which are reversible, thus the amount reported here may be eligible in succeeding periods. The amount that shall be reported shall not include issue premiums related to the instruments.

1.1.2.1.3	Premiums of issues related to instruments		Article 21 paragraph 1, letter "b" Premiums of issues related to instruments shall mean the same as in accounting standards. The amount that shall be reported shall be related to the paid-in capital instruments.
1.1.2.1.4	(-) Own Additional Tier 1 Capital instruments	1.1.2.1.4.1 + 1.1.2.1.4.2 + 1.1.2.1.4.3	Article 22, paragraph 1, letter "b"; Article 25, letter "a" and Article 26. The amount that shall be reported shall include premiums of issue related to instruments related to own instruments.
1.1.2.1.4.1	(-) Direct holdings in Additional Tier 1 Capital instruments		Article 22, paragraph 1, letter "b"; Article 25, letter "a" and Article 26.
1.1.2.1.4.2	(-) Indirect holdings in Additional Tier 1 Capital instruments		Article 22, paragraph 1, letter "b" subitem "ii"; Article 25, letter "a" and Article 26.
1.1.2.1.4.3	(-) Synthetic holdings in Additional Tier 1 Capital instruments		Article 22, paragraph 1, letter "b"; Article 25, letter "a" and Article 26.
1.1.2.1.5	(-) Actual or contingent obligations to purchase own instruments of Additional Tier 1 Capital.		Article 25, letter "a" and Article 26. According to Article 25, letter "a", own instruments of Additional Tier 1 Capital, which the bank is obliged to purchase as a result of a contractual obligation" shall be deducted.
1.1.2.2	(-) Reciprocal cross holdings in Additional Tier 1 Capital (AT1)		Article 25, letter "b" and Article 27. Holdings in additional tier 1 capital of financial sector entities, when there is (cross) reciprocal holding with the bank, which the Bank of Albania considers that they have been created to artificially increase the bank's capital.
1.1.2.3	(-) AT1 instruments of financial sector entities where the institution does not have a significant investment		Article 25, letter "c"; Article 28; Article 29; Article 40. Holdings in instruments of financial sector entities where the institution does not have a significant investment, which should be deducted from the additional tier 1 capital (AT1).
1.1.2.4	(-) AT1 instruments of financial sector entities where the institution has a significant investment		Article 25, letter "d"; Article 28; Article 40. Holdings in additional tier 1 capital (AT1) instruments of financial sector entities where the institution has a significant investment shall be deducted completely.
1.1.2.5	(-) Excess of deduction from tier 2 (T2) capital items which exceed Tier 2 Capital	(-1.2.6)	Article 25, letter "e". The amount that shall be reported shall be taken directly from "Excess of deduction from T2 items that exceed T2 Capital" (deducted in AT1)
1.1.2.6	Excess of deduction from AT1 capital items over AT1 capital (deducted in the CET1)		Article 11, letter "i". Additional tier 1 capital (AT1) may not be negative, but deductions from AT1 may be larger than AT1 capital plus premiums of issue related to instruments related to them. When this happens, then AT1 shall equal zero, and the excess of deductions from AT1 should be deducted from CET1
1.1.2.7	(-) Additional deductions of AT1 Capital		This regulation does not prevent banks from keeping excess regulatory capital or apply stricter measures than envisaged in the regulation.
1.1.2.8	Elements of additional tier 1 capital (AT1) or other deductions		This line is put for ensuring flexibility and for reporting purposes. The line is filled in only in rare cases if elements of AT1 capital or deductions of elements of AT1 capital were not determined in lines from 1.1.2 (AT1) to 1.1.2.7 (additional deductions of AT1 capital)
1.2	<b>TIER 2 CAPITAL</b>	1.2.1 + 1.2.2 + 1.2.3 + 1.2.4 + 1.2.5 + 1.2.6 + 1.2.7 + 1.2.8	Article 30
1.2.1	Capital instruments and subordinated loans eligible as T2 Capital	1.2.1.1 + 1.2.1.3 + 1.2.1.4 + 1.2.1.5	Article 30, paragraph 1, letter "a"; Article 31, letter "a" and Article 34.

1.2.1.1	Paid up capital instruments and subordinated loans		Article 30, paragraph 1, letter "a", Article 31. The amount that shall be reported shall not include issue premiums related to the instruments.
1.2.1.2	Memorandum Items: Capital instruments and subordinated loans not eligible		Article 31, paragraph 1, letters "c", "e" and "f". The requirements in these points reflect various capital situations, which are reversible, thus the amount reported here may be eligible in succeeding periods. The amount that shall be reported shall not include issue premiums related to the instruments.
1.2.1.3	Premiums of issues related to instruments		Article 30 paragraph 1, letter "b" Premiums of issues related to instruments shall mean the same as in accounting standards. The amount that shall be reported shall be related to the paid-in capital instruments.
1.2.1.4	(-) Own Tier 2 (T2) capital instruments	1.2.1.4.1 + 1.2.1.4.2 + 1.2.1.4.3	Article 31, letter "b" subitem "i"; Article 33, letter "a" and Article 34. The amount that shall be reported in this line shall include premiums of issue related to instruments related to own instruments.
1.2.1.4.1	(-) Direct holdings of Tier 2 (T2) capital instruments		Article 31, letter "b"; Article 33, letter "a" and Article 34.
1.2.1.4.2	(-) Indirect holdings of Tier 2 (T2) capital instruments		Article 31, letter "b"; Article 33, letter "a" and Article 34.
1.2.1.4.3	(-) Synthetic holdings of Tier 2 (T2) capital instruments		Article 31, letter "b"; Article 33, letter "a" and Article 34.
1.2.1.5	(-) Actual or contingent obligation to purchase own Tier 2 (T2) Capital instruments		Article 33, letter "a" and Article 34.
<b>1.2.2</b>	<b>Standard Method (SA) main credit risk adjustments</b>		
<b>1.2.3</b>	(-) Cross (reciprocal) holdings in Tier 2 (T2) capital		Article 33, letter "b" and Article 35.
<b>1.2.4</b>	(-) Tier 2 (T2) capital instruments of financial sector entities where the bank does not have a significant investment		Article 33, letter "c"; Article 35; Article 36; Article 37 and Article 40.
<b>1.2.5</b>	(-) Tier 2 (T2) capital instruments of financial sector entities where the bank has a significant investment		Article 33, letter "d"; Article 35, Article 36 and Article 40.
<b>1.2.6</b>	Excess of deduction from Tier 2 (T2) capital items which exceed Tier 2 Capital		Article 25, letter "e". Additional Tier 2 (T2) capital may not be negative, but deductions from T2 may be larger than T2 capital plus premiums of issue related to instruments related to them. When this happens, then T2 shall equal zero, and the excess of deductions from T2 should be deducted from AT1
<b>1.2.7</b>	(-) Excess of deduction from Tier 2 (T2) capital		This regulation does not prevent banks from keeping excess regulatory capital or apply stricter measures than envisaged in the regulation.
<b>1.2.8</b>	Components of Tier 2 (T2) capital or other deductions		This line is put for ensuring flexibility and for reporting purposes. The line shall be completed only in rare cases, when there is no final decision on the reporting of specific items/deductions of capital. The line shall be completed only if components of Tier 2 (T2) capital components or deductions in Tier 2 (T2) capital are not allocated in lines from 1.2 (Tier 2 capital) to line 1.2.7 (Excess deductions to Tier 2 (T2) capital)

Explanatory note: "Minority interest" - means the amount (size) of Common Equity Tier 1 (common shares) of a banking group, attributable to natural or legal persons, which are not subject to banking group consolidation.

**Form 2**<sup>8</sup>

**RATIOS AND CAPITAL LIMITS (CONSOLIDATED)**

<b>No.</b>	<b>Items</b>	<b>Value</b>
1.	Ratio: Common Equity Tier 1 Capital / Risk-weighted exposures	$\geq 6.75\%$
2.	Ratio: Tier 1 Capital / Risk-weighted exposures	$\geq 9\%$
3.	Capital Adequacy Ratio	$\geq 12\%$

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<sup>8</sup> Amended upon the Decision of Supervisory Council, No. 54, dated 2.9.2020.

## Form 3

Memorandum Items (Consolidated)			
No.	Item	Amount	Guideline
<b>Deferred tax assets and liabilities</b>			
1	<b>Total deferred tax assets</b>		The amount reported in this line shall equal the amount reported in the bank's accounting balance.
1.1	Deferred tax assets which do not rely on future profitability.		Article 14: Deferred tax assets which do not rely on future profitability and are subject to the application of a certain risk weight
1.2	Deferred tax assets that rely on future profitability and do not arise from temporary differences		Article 11, paragraph 1, letter "c", and Article 13: Deferred tax assets that rely on future profitability but do not arise from temporary differences, and are not subject to a threshold deduction (i.e. are deducted completely from Common Equity Tier 1 Capital)
1.3	Deferred tax assets that rely on future profitability and arise from temporary differences		Article 11, paragraph 1, letter "c", and articles 13 and 20 paragraph 1, letter "a": Deferred tax assets that rely on future profitability and arise from temporary differences, and as a result their deduction from Common Equity Tier 1 shall be subject to 10% and 17.65% thresholds, set out in Article 20.
2	<b>Total deferred tax liabilities</b>	2.1+2.2	The amount reported in this line shall equal the amount reported in the bank's accounting balance.
2.1	Deferred tax liabilities, not deductible from deferred tax assets that rely on future profitability		Article 13, paragraphs 2 and 3: Deferred tax liabilities, for which requirements in Article 13, paragraphs 2 and 3 are not met. This line will reflect deferred tax liabilities that deduct the amount of goodwill, other intangible assets or defined benefit pension fund assets.
2.2	Deferred tax liabilities, deductible from tax assets that rely on future profitability		Article 13
2.2.1	Deductible deferred tax liabilities that are related to deferred tax assets that rely on future profitability and do not arise from temporary differences.		Article 13, paragraphs 2, 3 and 4: Deferred tax assets that may reduce the amount of deferred tax assets that rely on future profitability, in accordance with Article 13, paragraphs 2 and 3, and are not allocated under deferred tax assets that rely on future profitability and arise from temporary differences, in accordance with Article 13, paragraph 4.
2.2.2	Deductible deferred tax liabilities that are related to deferred tax assets that rely on future profitability and arise from temporary differences.		Deferred tax assets that may reduce the amount of deferred tax assets that rely on future profitability, in accordance with Article 13, paragraphs 2 and 3, and are allocated under deferred tax assets that rely on future profitability and arise from temporary differences, in accordance with Article 13, paragraph 4.
8	<b>Threshold non deductible of holdings in financial sector entities where an institution does not have a significant investment</b>		Article 18 paragraph 4, letter "a": In this line is reported the threshold up to which holdings in a financial sector entity where the bank does not have significant investments are not deducted. Hence, the amount will include items on the basis of the threshold multiplied by 10%.
9	<b>10% Common Equity Tier 1 threshold</b>		Article 20, paragraph 1, letters "a" and "b": In this line is reported the 10% threshold for holdings in financial sector entities where the bank has significant investments, and for deferred tax assets that rely on future profitability and arise from temporary differences. The amount includes items on the basis of the threshold multiplied by 10%.
10	<b>17.65% Common Equity Tier 1 threshold</b>		Article 20, paragraph 1: In this line is reported the 17.65% threshold for holdings in financial sector entities where the bank has significant investments, and for deferred tax assets that rely on future profitability and arise from temporary differences, which is applied after the 10% threshold.  The threshold is calculated in such a way that the eligible sum of both items does not exceed 15% of the Common Equity Tier 1, calculated after deductions.
<b>Investments in the capital of financial sector entities where the bank does not have a significant investment</b>			
12	<b>Holdings of Common Equity Tier 1 of financial sector entities where the bank does not have a significant investment, net of short positions</b>		Article 17 and Article 18

12.1	Direct holdings of Common Equity Tier 1 of financial sector entities where the bank does not have a significant investment		Article 17 and Article 18
12.1.1	Direct holdings (GROSS) of Common Equity Tier 1 of financial sector entities where the bank does not have a significant investment		Direct holdings of Common Equity Tier 1 of financial sector entities where the bank does not have a significant investment, excluding: a) Subscription positions retained for 5 working days or less; b) Holdings that are treated as reciprocal cross holdings in accordance with Article 11, paragraph 1, letter "f".
12.1.2	(-) Permitted offsetting short positions in relation to the direct gross holdings included above		Article 18, paragraphs 2 and 3: Offsetting short positions is permitted when they are in the same fundamental exposure and maturity of short positions is in accordance with the maturity of long positions or the residual maturity is at least one year.
12.2	Indirect holdings of Common Equity Tier 1 of financial sector entities where the bank does not have a significant investment		Article 17 and Article 18, paragraphs 2 and 3.
12.2.1	Indirect holdings (GROSS) of Common Equity Tier 1 of financial sector entities where the bank does not have a significant investment		Article 17 and Article 18, paragraphs 2 and 3: The amount that shall be reported represents indirect holdings in the tradable book of capital instruments of financial sector entities in the form of holdings in index securities. This amount is obtained by calculating the core exposure to capital instruments of financial sector entities in these indices. Holdings that are treated as reciprocal cross holdings in accordance with Article 11, paragraph 1, letter "f" shall not be included.
12.2.2	(-) Permitted offsetting short positions in relation to the indirect gross holdings included above		Article 18, paragraph 2: Article 18, paragraph 2 permits offsetting short positions in the same core exposure provided that the maturity of the short position matches the maturity of the long position or has a residual maturity less than a year.
12.3	Synthetic holdings of Common Equity Tier 1 of financial sector entities where the bank does not have a significant investment		Article 17 and Article 18, paragraphs 2 and 3
12.3.1	Synthetic holdings (GROSS) of Common Equity Tier 1 of financial sector entities where the bank does not have a significant investment		Article 17 and Article 18, paragraphs 2 and 3
12.3.2	(-) Permitted offsetting short positions in relation to the synthetic gross holdings included above		Article 18, paragraphs 2 and 3
13	<b>Holdings of Additional Tier 1 Capital of financial sector entities where the bank does not have a significant investment, net of short positions</b>	13.1+13.2+13.3	Article 27, Article 28 and Article 29.
13.1	Direct holdings of Additional Tier 1 Capital of financial sector entities where the bank does not have a significant investment	13.1.1+13.1.2	Article 27; Article 28 and Article 29, paragraph 2.
13.1.1	Direct holdings (GROSS) of Additional Tier 1 Capital of financial sector entities where the bank does not have a significant investment		Article 27 and Article 29, paragraph 2. Direct holdings of Additional Tier 1 Capital of financial sector entities where the bank does not have a significant investment, excluding: a) Subscription positions retained for 5 working days or less; b) Holdings that are treated as reciprocal (cross) holdings in accordance with Article 25, letter "b".
13.1.2	(-) Permitted offsetting short positions in relation to the direct (gross) holdings included above		Article 28
13.2	Indirect holdings in Additional Tier 1 Capital of financial sector entities where the bank does not have a significant investment	13.2.1+13.2.2	Article 27 and Article 28.
13.2.1	Indirect holdings (GROSS) in Additional Tier 1 Capital of financial sector entities where the bank does not have a significant investment		Article 27 and Article 28. The amount that shall be reported represents indirect holdings in the tradable book of capital instruments of financial sector entities in the form of holdings in index securities. This amount is obtained by calculating the core exposure to capital instruments of financial sector entities in these indices. Holdings treated as reciprocal (cross) holdings according to Article 25, letter "b" shall not be included.



13.2.2	(-) Permitted offsetting short positions in relation to the indirect (gross) holdings included above		Article 28 Article 25, letter "a" permits offsetting short positions in the same core exposure provided that the maturity of the short position matches the maturity of the long position or has a residual maturity less than a year.
13.3	Synthetic holdings of Additional Tier 1 Capital of financial sector entities where the bank does not have a significant investment	13.3.1+13.3.2	Article 27 and Article 28.
13.3.1	Synthetic holdings (GROSS) of Additional Tier 1 Capital of financial sector entities where the bank does not have a significant investment		Article 27 and Article 28.
13.3.2	(-) Permitted offsetting in short positions in relation to the synthetic (gross) holdings included above		Article 28
14	<b>Holdings of Tier 2 Capital of financial sector entities where the bank does not have a significant investment, net of short positions</b>	14.1+14.2+14.3	Article 35, Article 36 and Article 37.
14.1	Direct holdings of Tier 2 Capital of financial sector entities where the bank does not have a significant investment	14.1.1+14.1.2	Article 35; Article 36 and Article 37, paragraph 2.
14.1.1	Direct holdings (Gross) of Tier 2 Capital of financial sector entities where the bank does not have a significant investment		Article 35 and Article 37, paragraph 2. Direct holdings of Tier 2 Capital of financial sector entities where the bank does not have a significant investment, excluding: a) Subscription positions retained for 5 working days or less; b) Holdings that are treated as reciprocal (cross) holdings in accordance with Article 33, letter "b".
14.1.2	(-) Permitted offsetting short positions in relation to the direct (gross) holdings included above		Article 36 Article 36, letter "a" permits offsetting short positions in the same core exposure provided that the maturity of the short position matches the maturity of the long position or has a residual maturity less than a year.
14.2	Indirect holdings in Tier 2 Capital of financial sector entities where the bank does not have a significant investment	14.2.1+14.2.2	Article 35 and Article 36.
14.2.1	Indirect holdings in (GROSS) Tier 2 Capital of financial sector entities where the bank does not have a significant investment		Article 35 and Article 36. The amount that shall be reported represents indirect holdings in the tradable book of capital instruments of financial sector entities in the form of holdings in index securities. This amount is obtained by calculating the core exposure to capital instruments of financial sector entities in these indices. Holdings treated as reciprocal (cross) holdings according to Article 33, letter "b" shall not be included.
14.2.2	(-) Permitted offsetting short positions in relation to the indirect gross holdings included above		Article 36 Article 36, letter "a" permits offsetting short positions in the same core exposure provided that the maturity of the short position matches the maturity of the long position or has a residual maturity less than a year
14.3	Synthetic holdings of Tier 2 Capital of financial sector entities where the bank does not have a significant investment	14.3.1+14.3.2	Article 35 and Article 36.
14.3.1	Synthetic holdings (GROSS) of Tier 2 Capital of financial sector entities where the bank does not have a significant investment		Article 35 and Article 36.
14.3.2	(-) Permitted offsetting in short positions in relation to the synthetic (gross) holdings included above		Article 36
<b>Investments in the capital of financial sector entities where the bank does not have a significant investment</b>			
15	<b>Holdings of Common Equity Tier 1 of financial sector entities where the bank has a significant investment</b>	15.1+15.2+15.3	Article 17 and Article 19
15.1	Direct holdings of Common Equity Tier 1 of financial sector entities where the bank has a significant investment	15.1.1+15.1.2	Article 17 and Article 19
15.1.1	Direct holdings (Gross) of Common Equity Tier 1 of financial sector entities where the bank has a significant investment		Article 17 and Article 19: Direct holdings of Common Equity Tier 1 of financial sector entities where the bank has a significant investment, excluding: a) Subscription positions retained for 5 working days or less; b) Holdings that are treated as reciprocal cross holdings.

15.1.2	(-) Permitted offsetting short positions in relation to the direct gross holdings included above		Article 19, paragraphs 4 and 5: Offsetting short positions for the same core exposure may be done if the maturity of the short position matches the maturity of the long position or has a residual maturity of at least one year.
15.2	Indirect holdings of Common Equity Tier 1 of financial sector entities where the bank has a significant investment	15.2.1+15.2.2	Article 17 and Article 19, paragraphs 4 and 5
15.2.1	Indirect holdings (GROSS) of Common Equity Tier 1 of financial sector entities where the bank has a significant investment		Article 17 and Article 19, paragraphs 4 and 5 The amount that shall be reported will represent indirect holdings in the tradable book of capital instruments of financial sector entities in the form of holdings in index securities. This amount will be obtained by calculating the core exposure to capital instruments of financial sector entities in these indices. Holdings that are treated as reciprocal cross holdings in accordance with Article 11, paragraph 1, letter "F" shall not be included.
15.2.2	(-) Permitted offsetting short positions in relation to the indirect gross holdings included above		Article 19, paragraphs 4 and 5: Offsetting short positions for the same core exposure may be done if the maturity of the short position matches the maturity of the long position or has a residual maturity of at least one year.
15.3	Synthetic holdings of Common Equity Tier 1 of financial sector entities where the bank has a significant investment	15.3.1+15.3.2	Article 17 and Article 19, paragraphs 4 and 5
15.3.1	Synthetic holdings (GROSS) of Common Equity Tier 1 of financial sector entities where the bank has a significant investment		Article 17 and Article 19, paragraphs 4 and 5
15.3.2	(-) Permitted offsetting short positions in relation to the synthetic gross holdings included above		Article 19, paragraphs 4 and 5
16	<b>Holdings of Additional Tier 1 Capital of financial sector entities where the bank has a significant investment, net of short positions</b>	16.1+16.2+16.3	Article 27 and Article 28.
16.1	Direct holdings of Additional Tier 1 Capital of financial sector entities where the bank has a significant investment	16.1.1+16.1.2	Article 27 and Article 28.
16.1.1	Direct holdings (Gross) of Additional Tier 1 Capital of financial sector entities where the bank has a significant investment		Article 27 Direct holdings of Additional Tier1 Capital (AT1) of financial sector entities where the bank has a significant investment, excluding: a) Subscription positions retained for 5 working days or less; b) Holdings that are treated as reciprocal cross holdings, in accordance with Article 25, letter "b"
16.1.2	(-) Permitted offsetting short positions in relation to the direct (gross) holdings included above		Article 28, letter "a" permits offsetting short positions in the same core exposure provided that the maturity of the short position matches the maturity of the long position or has a residual maturity of at least one year.
16.2	Indirect holdings in Additional Tier 1 Capital of financial sector entities where the bank has a significant investment	16.2.1+16.2.2	Article 27 and Article 28.
16.2.1	Indirect holdings (GROSS) in Additional Tier 1 Capital of financial sector entities where the bank has a significant investment		Article 27 and Article 28. The amount that shall be reported will represent indirect holdings in the tradable book of capital instruments of financial sector entities in the form of holdings in index securities. This amount will be obtained by calculating the core exposure to capital instruments of financial sector entities in these indices. Holdings treated as reciprocal (cross) holdings according to Article 25, letter "b" shall not be included.
16.2.2	(-) Permitted offsetting short positions in relation to the indirect (gross) holdings included above		Article 28, letter "a" permits offsetting short positions in the same core exposure provided that the maturity of the short position matches the maturity of the long position or has a residual maturity of at least one year.
16.3	Synthetic holdings of Additional Tier 1 Capital of financial sector entities where the bank has a significant investment	16.3.1+16.3.2	Article 27 and Article 28.
16.3.1	Synthetic holdings (GROSS) of Additional Tier 1 Capital of financial sector entities where the bank has a significant investment		Article 27 and Article 28.

16.3.2	(-) Permitted offsetting in short positions in relation to the synthetic (gross) holdings included above		Article 28
17	<b>Holdings of Tier 2 Capital of financial sector entities where the bank has a significant investment, net of short positions</b>	17.1+17.2+17.3	Article 35 and Article 36.
17.1	Direct holdings of Tier 2 Capital of financial sector entities where the bank has a significant investment	17.1.1+17.1.2	Article 35 and Article 36.
17.1.1	Direct holdings (Gross) of Tier 2 Capital of financial sector entities where the bank has a significant investment		Direct holdings of Tier 2 Capital (T2) of financial sector entities where the bank has a significant investment, excluding: a) Subscription positions retained for 5 working days or less (Article 33, letter "d"); b) Holdings that are treated as reciprocal cross holdings, in accordance with Article 33, letter "b"
17.1.2	(-) Permitted offsetting short positions in relation to the direct (gross) holdings included above		Article 36, letter "a" permits offsetting short positions in the same core exposure provided that the maturity of the short position matches the maturity of the long position or has a residual maturity of at least one year.
17.2	Indirect holdings in Tier 2 Capital of financial sector entities where the bank has a significant investment	17.2.1+17.2.2	Article 35 and Article 36.
17.2.1	Indirect holdings in (GROSS) Tier 2 Capital of financial sector entities where the bank has a significant investment		Article 35 and Article 36. The amount that shall be reported will represent indirect holdings in the tradable book of capital instruments of financial sector entities in the form of holdings in index securities. This amount will be obtained by calculating the core exposure to capital instruments of financial sector entities in these indices. Holdings treated as reciprocal (cross) holdings according to Article 33, letter "b" shall not be included.
17.2.2	(-) Permitted offsetting short positions in relation to the indirect gross holdings included above		Article 36, letter "a" permits offsetting short positions in the same core exposure provided that the maturity of the short position matches the maturity of the long position or has a residual maturity of at least one year.
17.3	Synthetic holdings of Tier 2 Capital of financial sector entities where the bank has a significant investment	17.3.1+17.3.2	Article 35 and Article 36.
17.3.1	Synthetic holdings (GROSS) of Tier 2 Capital of financial sector entities where the bank has a significant investment		Article 35 and Article 36.
17.3.2	(-) Permitted offsetting in short positions in relation to the synthetic (gross) holdings included above		Article 36
<b>Total risk exposure amounts of holdings not deducted from the corresponding capital category:</b>			
18	<b>Risk weighted exposures of Common Equity Tier 1 holdings in financial sector entities which are not deducted from the bank's Common Equity Tier 1 Capital</b>		Article 18
19	<b>Risk weighted exposures of Additional Tier 1 Capital holdings in financial sector entities which are not deducted from the bank's Additional Tier 1 Capital</b>		Article 29
20	<b>Risk weighted exposures of Tier 2 Capital holdings in financial sector entities which are not deducted from the bank's Tier 2 Capital</b>		Article 37

## **ANNEX 6**

*Reporting forms of open foreign currency positions on a consolidated basis (referring to Regulation “On risk management from open foreign currency positions”) - (quarterly)*

# Form 1

SPOT FOREIGN EXCHANGE POSITION					
A. ASSETS	USD	EURO	...	GOLD	TOTAL
1. Cash in hand and the Central Bank					
2. Treasury Bills and other bills eligible for refinancing with the Central Bank					
3. Current accounts with banks, credit institutions and other financial institutions					
4. Deposits with banks, credit institutions and other financial institutions					
demand deposits					
time deposits					
5. Lending to banks, credit institutions and other financial institutions					
6. Other with banks, credit institutions and other financial institutions					
7. Loans and overdrafts					
short-term					
medium-term					
long-term					
minus provisions for loans					
8. Clients' liabilities for current accounts					
9. Bills and other fixed income securities					
10. Bills and other variable income securities					
11. Participating interests					
in banks and financial institutions					
in others					
12. Net intangible fixed assets (minus amortisation)					
13. Net tangible fixed assets (minus amortisation)					
14. Other assets					
<b>Total Assets</b>					
15. Foreign exchange transactions - spot foreign exchange purchasing					
<b>Spot position in asset (Total assets and foreign exchange transactions - spot foreign exchange purchasing)</b>					
<b>Spot position in Asset (counter value in ALL million)</b>					
B. LIABILITIES	USD	EURO	...	GOLD	TOTAL
1. Central Bank					
2. Current accounts from banks, credit institutions and other financial institutions					
3. Current accounts with banks, credit institutions and other financial institutions					
4. Deposits from banks, credit institutions and other financial institutions					
demand deposits					
time deposits					
5. Loans from banks, credit institutions and other financial institutions					
6. Due to customers for current accounts and deposits					
deposits					
7. Due to the Albanian Government and public administration					
8. Liabilities from bills and other securities					
minus provisions for loans					
9. Grants and public financing					
10. Discretionary provisions					
11. Subordinated debt					
12. Shareholders' equity					
paid-in capital					
premiums					
13. Other liabilities					
<b>Total liabilities</b>					
14. Foreign exchange transactions - spot foreign exchange selling					
<b>Spot position in Liabilities (total liabilities and foreign exchange transactions - spot foreign exchange selling)</b>					
<b>Spot position in liabilities (counter-value in ALL)</b>					

## **Form 2**

<b>FORWARD FOREIGN EXCHANGE POSITION</b>	<b>USD</b>	<b>EURO</b>	<b>...</b>	<b>GOLD</b>	<b>TOTAL</b>
<b>C. Long position</b>					
1.Foreign exchange transactions - forward foreign exchange purchasing					
2. Foreign exchange transactions - future foreign exchange purchasing					
3.Foreign exchange transactions - principal according to swaps ( the share not included in spot position)					
4. Guarantees upon the stipulations set forth in the regulation					
5. Letter of credit accordingly to the regulation					
<b>Forward Long position</b>					
<b>Forward Long position (counter value in ALL million)</b>					

<b>D. Short position</b>	<b>USD</b>	<b>EURO</b>	<b>...</b>	<b>GOLD</b>	<b>TOTAL</b>
1. Foreign exchange transactions - forward foreign exchange selling					
2. Foreign exchange transactions - future foreign exchange selling					
3. Foreign exchange transactions - principal upon swaps (the share not included in spot position)					
4. Guarantees according to the stipulations in the Regulation					
5. Letter of credit accordingly to the regulation					
<b>Short forward position</b>					
<b>Short forward position (counter value in ALL million)</b>					

## **Form 3**

<b>NET OPTIONS POSITION</b>	<b>USD</b>	<b>EURO</b>	<b>...</b>	<b>GOLD</b>	<b>TOTAL</b>
1. <i>CALL option purchase</i>					
2. <i>PUT options selling</i>					
3. <i>CALL option selling</i>					
4. <i>PUT option selling</i>					
<b>Net option position (1+2)-(3+4)</b>					
<b>Net options position (counter value in ALL million)</b>					

## Form 4

OPEN FOREIGN EXCHANGE POSITIONS	SPOT position		FORWARD position		Net open foreign exchange position (excluding OPTIONS)	Net position of OPTIONS	Open foreign exchange position (including OPTIONS)	Exchange rate	ALL equivalent of net open foreign exchange position	ALL net open foreign exchange position / Regulatory capital	
	Assets	Liabilities	Long position (long)	Short position (short)							
Currency	(1)	(2)	(3)	(4)	(5)	(6)= (2)-(3)+(4)-(5)	(7)	(8)= (6)+(7)	(9)	(10)	(11)=(10)/(15)*100
USD											
EURO											
GBP											
CHF											
CAD											
SEK											
AUD											
JPY											
DKK											
NOK											
TRY											
GOLD											
1. Total net open foreign exchange long position (12)											
2.Total net open foreign exchange short position (13)											
3. Total net open foreign exchange position (14)= (12) if (12)>(13); or (13) if (13)>(12)											
4. Regulatory capital (15)											
5. Net open foreign exchange position (14)/regulatory capital (15)*100=<(30%)											
Approved rate for a single currency											20%
Approved rate for all currencies											30%

## **Form 5**

<b>Off-balance sheet items (without the elements included in SPOT, FORWARD positions and Options)</b>	<b>USD</b>	<b>EURO</b>	<b>...</b>	<b>GOLD</b>	<b>TOTAL</b>
<b>F. Assets</b>					
1. Financing commitments granted:					
to the benefit of banks and other financial institutions					
to the benefit of customers					
2. Guarantees granted:					
to the benefit of banks and financial institutions					
to the benefit of customers					
3. Commitments for securities to be received					
4. Securities extended as a guarantee for a loan or refinancing					
5. Securities received as a loan					
6. Other Commitments					
7. Commitments for granted financial instruments					
<b>Total off-balance sheet items</b>					
<b>Total off -balance sheet asset items (counter value in ALL million)</b>					

<b>G. Liabilities</b>	<b>USD</b>	<b>EURO</b>	<b>CHF</b>	<b>GOLD</b>	<b>TOTAL</b>
1. Received financial commitments					
from banks and credit institutions					
from customers					
2. Guarantees received					
from banks and financial institutions					
from customers					
3. Commitments for securities to be granted					
4. Securities received as a guarantee for e credit or refinancing					
5. Securities granted as a loan					
6. Other commitments					
7. Commitments on received financial instruments					
<b>Total off - balance sheet liabilities items</b>					
<b>Total off-balance-sheet liabilities items (counter value in million ALL)</b>					
<b>H) Net off-balance sheet items (counter value in ALL million) (F-G)</b>					



## **Form 6**

OPEN FOREIGN EXCHANGE POSITION	ALL equivalent of net open foreign exchange position	Net off-balance sheet item	Total position including other off-balance sheet items	ALL net open foreign exchange position / Regulatory capital
Currency				
(1)	(2)	(3)	(4) = '2) + '3)	(5)=(4)/(7)*100
USD				
EURO				
GBP				
CHF				
CAD				
SEK				
AUD				
JPY				
DKK				
NOK				
TRY				
GOLD				
1. Total net open foreign exchange long position (6)				
2. Total net open foreign exchange short position (7)				
3. Total net foreign exchange position of the bank (8)= (6) if (6)>(7); or (7) if (7)>(6)				
4. Regulatory capital (7)				
5. Total net open foreign exchange position of the bank (8)/regulatory capital (7)*100				

**Notes:**

Column (2): Form 4, Column (10)  
Column (3): Form 5, letter (H)

## **Form 7**

Elements excluded from the calculation of the open foreign exchange position	USD	EURO	...	GOLD

**Notes:**

Form 7 to be filled in from the bank accordingly to the stipulations set forth in the Regulation "On risk management from open foreign currency positions".

## ANNEX 7

*Reporting forms on investments in the equity of commercial companies (referring to Regulation “On banks’ investments in the equity of commercial companies”) - (quarterly)*

**Form 1**

\_\_\_\_\_  
(Name of superordinate institution)

**REPORT ON CAPITAL INVESTMENTS**

Reporting date: \_\_\_\_\_

**I. Calculation of limits**

- Regulatory capital of banking group as at the reporting date = \_\_\_\_\_
  
- Maximum allowed investment to the same commercial company  

15% of the group's regulatory capital = \_\_\_\_\_
  
- Maximum allowed investment of all investments in the commercial company, together:  

60% of the group's regulatory capital = \_\_\_\_\_

**II. Exceed of limits**

\_\_\_\_\_

**III. Exceed of limit on total investments, together**

\_\_\_\_\_

Date: \_\_\_\_\_

Prepared by: \_\_\_\_\_

Seal and signature of the responsible person:

**Form 2**

\_\_\_\_\_  
(Name of superordinate institution)

**Regulatory capital of the banking group at the reporting date** \_\_\_\_\_

**CAPITAL INVESTMENTS**

Reporting date: \_\_\_\_\_

**Table 1/1**

No.	Name of financial institution that has invested in the capital of the commercial companies	The invested amount in the commercial company capital	Name of the commercial company where it is invested	% of the amount invested to regulatory capital of the group
	1	2	3	4
A. B. C. .....				

**Table 1/2**

No.	Total investments in the capital of commercial companies	% of invested amount to the group's regulatory capital	Allowed limit as a ratio to the group's regulatory capital
	1	2	3
			60%

## ANNEX 8

*Tables on the disclosure of information (referring to the Regulation “On minimum requirements of disclosing information from banks and foreign bank branches” – (quarterly)*

## **Form 1**

**Table 1: Information on the structure, the main activity and the organization of banking group (every end-year)**

<b>1.</b>	<b>General information about the banking group</b>
1.1	Superordinate institution shall disclose:
	a) Structure of composing entities of the banking group (the scheme);
	b) Legal form of composing entities of banking group;
	c) Address of composing entities of the banking group;
1.2	Superordinate institution shall disclose information on shareholders with qualifying holding :
	a) trade name or name and surname;
	b) legal form,
	c) registered office,
	d) Percentage of shares with voting rights.
<b>2</b>	<b>Information on the function structure of the banking group</b>
2.1	The superordinate institution shall disclose information on:
	a) code of ethics and management policy of the activity, in particular content of a government code or policy and their implementation process;
	b) banking group policy related to the conflict of interests, and the nature and level of transactions with composing entities and the related persons/clients.
<b>3.</b>	<b>Information on the activities of composing entities of the banking group</b>
3.1	Superordinate institution shall disclose information on the activity of the composing entities, as follows:
	a) a list of the activities according to the granted licence;
	b) a list of the activities that they actually perform;

**Table 2: Accounting balance sheet, profit and loss statement and in particular profitability indicators (quarterly)**

<b>Qualitative information</b>	
(a)	Summary, in the form of written analysis and comments on the performance of the financial situation of the banking group.
<b>Quantitative information</b>	
(b)	Balance sheet (assets-liabilities) and off-balance sheet items, with explanatory notes on items that serve user requirements.
(c)	Profit and loss statement accompanied by explanatory notes on important categories of income and expenditure.
(d)	Profitability indicators as follows: <ul style="list-style-type: none"> <li>i) Return on average assets (ROAA) = net income / average assets * 100;</li> <li>ii) extraordinary net result / average assets;</li> <li>iii) total operating expenses / gross operating income;</li> <li>iv) Return on average equity (ROAE) = net income / average equity * 100;</li> <li>v) assets per employee = total assets / registered number of employees;</li> <li>vi) personnel expenses / gross operating income;</li> </ul>



**Table 3: Regulatory capital structure** (*quarterly*)

<b>Qualitative information</b>	
(a)	Summary on the main terms and conditions of capital instruments, particularly in the case of subordinated loans.
<b>Quantitative information</b>	
(b)	<p>Tier 1 capital calculated as the sum of Common Equity Tier 1 capital and Additional Tier 1 capital.</p> <p>i) Common Equity Tier 1 capital, detailed as follows:</p> <ul style="list-style-type: none"> <li>• paid-up capital (common shares);</li> <li>• share premiums (common);</li> <li>• retained earnings and losses carried forward from previous periods</li> <li>• year-end profits;</li> <li>• reporting period profit;</li> <li>• reserves (excluding revaluation reserve);</li> <li>• credit revaluation differences;</li> <li>• minority interests.</li> </ul> <p>ii) Prudential filters and deductions from Common Equity Tier 1 capital in accordance with the regulation "On the bank's regulatory capital" and/or other regulatory acts.</p> <p>iii) Additional Tier 1 capital, detailed as follows:</p> <ul style="list-style-type: none"> <li>• capital instruments that meet the criteria established in the regulation "On the bank's regulatory capital"; and</li> <li>• share premium accounts related to the above instruments</li> </ul>
(c)	Total Common Equity Tier 1 capital
(d)	<p>i) Tier 2 capital, detailed as follows:</p> <ul style="list-style-type: none"> <li>• capital instruments and subordinated loans that meet the criteria to be included in Tier 2 capital;</li> <li>• share premium accounts related to the above instruments;</li> </ul> <p>ii) Deductions from Tier 2 capital in accordance with the regulation "On the bank's regulatory capital".</p>
(e)	Total Tier 2 capital
(f)	Total regulatory capital

**Table 4: Capital adequacy (quarterly)**

<b>Qualitative information</b>	
(a)	Summary on the standardized approach to assess the banking group' capital adequacy.
<b>Quantitative information</b>	
(b)	Items of exposures and possible exposures weighted for the credit or counterparty credit risk, using the standardized approach, set out in the regulation "On capital adequacy ratio".
(c)	<p>Capital requirement for market risk, calculated in accordance with the requirements set out in the regulation "On capital adequacy ratio", multiplied by 12.5.</p> <p>Banking group calculates the capital requirement for market risk as the sum of:</p> <p>i) capital requirement for operations in the trading book, which includes:</p> <ul style="list-style-type: none"> <li>• capital requirement for position risk;</li> <li>• capital requirement for concentration risk; and</li> </ul> <p>ii) regulatory capital requirements for all banking group positions (trading book positions and banking books positions), which includes:</p> <ul style="list-style-type: none"> <li>• capital requirement for foreign exchange risk;</li> <li>• capital requirement for commodity risk;</li> <li>• capital requirement for settlement risk.</li> </ul>
(d)	Capital requirement for operational risk, calculated according to the Basic Indicator Approach or Standardized Approach, set out in the regulation "On capital adequacy ratio", multiplied by 12.5.
(e)	Common Equity Tier 1 capital / Risk-weighted assets (in %).
(f)	Tier 1 Capital / Risk-weighted assets (in %).
(g)	Capital Adequacy Ratio (in %)

**Table 5: General qualitative information on exposure to risks\***

Qualitative information	
(a)	Summary information on objectives and management policies for each risk category, in particular on: <ul style="list-style-type: none"> <li>i) strategies and processes for the management of these risks;</li> <li>ii) structure and organization of the risk/s management function</li> <li>iii) purpose and types of reporting systems and risk/s measurement</li> <li>iv) risk mitigation policies, strategies and processes for the constant monitoring of their efficiency.</li> </ul>

\*Frequency of disclosure of information in Table 5 will be adjusted in accordance with the frequency of disclosure of each risk category, detailed in the following tables.

**Table 6: Credit risk: General information (quarterly)**

Qualitative information	
(a)	Summary on credit risk, including: <ul style="list-style-type: none"> <li>i) definition of non-performing loans;</li> <li>ii) a description of the method adopted for creating loan loss provisions;</li> <li>iii) Banking group's policy on credit risk management.</li> </ul>
Quantitative information	
(b)	Total and average gross credit outstanding during the quarter, by major types of credit exposures.
(c)	Classification of the credit portfolio by geographical areas.
(d)	Classification of the credit portfolio by sector of the economy and counterparty type.
(e)	Classification of the credit portfolio by residual (contractual) maturity.
(f)	Amount of past due and non-performing loans according to classification (d), and provision expenses within this classification.
(g)	Amount of past due and non-performing loans according to classification (c), and provision expenses within this classification.
(h)	Changes in credit provisions during the period: <ul style="list-style-type: none"> <li>i) opening balance of provisions at period start (+)</li> <li>ii) additions to provisions (+)</li> <li>iii) reversal of provisions (+)</li> <li>iv) written-off loans during the period (-)</li> <li>v) adjustments made during the period (+ or -)</li> <li>vi) closing balance of provisions at period end (1+2+3-4+ose-5)</li> </ul>

**Table 7: Credit risk: Information about the credit portfolio according to the standardized approach** (*quarterly*)

<b>Qualitative information</b>	
(a)	Summary for each class of exposure in accordance with the classification in the regulation "On capital adequacy ratio", including: <ul style="list-style-type: none"> <li>i) names of external credit assessment institutions (ECAIs) and export credit agencies (ECAs), and the reasons for any changes;</li> <li>ii) exposure classes for which an ECAI or ECA is used.</li> </ul>
<b>Quantitative information</b>	
(b)	Exposure values, according to the credit quality, before and after credit risk mitigation techniques, as well as exposure values deducted from the regulatory capital, according to exposure classes pursuant to regulation "On capital adequacy ratio".

**Table 8: Risk mitigation techniques** (*quarterly*)

<b>Qualitative information</b>	
(a)	Summary on credit risk mitigation techniques, including: <ul style="list-style-type: none"> <li>i) policies and processes for on- and off-balance sheet netting, accompanied by data on the extent to which the bank makes use of netting;</li> <li>ii) policies and processes for collateral evaluation and management;</li> <li>iii) description of the main types of collateral taken by the banking group entities;</li> <li>iv) main types of guarantors and their creditworthiness.</li> <li>v) information about market or credit risk concentrations under the credit risk mitigation instruments used.</li> </ul>
<b>Quantitative information</b>	
(b)	Total (net) exposure after on- and off-balance sheet netting (if applicable) in the case of funded credit protection covered by: <ul style="list-style-type: none"> <li>i) financial collateral;</li> <li>ii) on-balance sheet netting;</li> <li>iii) master netting agreements;</li> <li>iv) other eligible credit protection. (after the application of haircuts).</li> </ul>
(c)	Total (net) exposure after on- and off-balance sheet netting (if applicable) in the case of unfunded credit protection covered by:

		<ul style="list-style-type: none"> <li>i) guarantees;</li> <li>ii) counter-guarantees;</li> <li>iv) credit derivatives.</li> </ul>
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**Table 9: Counterparty credit risk** (*quarterly*)

<b>Qualitative information</b>	
(a)	<p>Summary on derivatives and counterparty credit risk, including:</p> <ul style="list-style-type: none"> <li>i) policies for securing collateral and establishing credit reserves for counterparty credit risk;</li> <li>ii) amount of provisions the group creates/plans, when the collateral value falls due to credit rating downgrade.</li> </ul>
<b>Quantitative information</b>	
(b)	<ul style="list-style-type: none"> <li>i) gross positive fair value of contracts;</li> <li>ii) reduction in gross positive fair value due to netting;</li> <li>iii) positive fair value net of netting agreements;</li> <li>iv) collateral held;</li> <li>v) positive fair value of derivative contracts net of netting and collateral agreements;</li> <li>vi) value of exposure to counterparty risk, calculated in accordance with the standardised method;</li> <li>vii) notional amount of credit derivative hedges for counterparty risk;</li> <li>viii) distribution of fair value of contracts by type of derivative contract;</li> <li>ix) notional amount of credit derivatives in the banking book and in the trading book, divided by product type further broken down according to the role paid by the group (buyer or seller of protection) within each product group;</li> </ul>

**Table 10: Securitization** (*quarterly*)

<b>Qualitative information</b>	
(a)	Summary on securitization (including synthetic securitization) including: <ul style="list-style-type: none"> <li>i) banking group’s objectives with regard to securitization activity, including the extent these activities transfer the credit risk of the underlying securitized exposure, from the entities of the banking group to other entities;</li> <li>ii) role played by the entities of the banking group in the securitization process and, for each of them, the extent of involvement.</li> </ul>
(b)	Summary of banking group’s accounting policies for securitization activities, including: <ul style="list-style-type: none"> <li>i) whether the transactions are treated as sales or financings;</li> <li>ii) recognition of profit on sales;</li> <li>iii) key assumptions for valuing retained interests that include any significant changes since the last reporting period and the impact of such changes;</li> <li>iv) treatment of synthetic securitizations, if this is not covered by other accounting policies (for example, on derivatives).</li> </ul>
(c)	Names of ECAs used for securitizations and the types of securitization exposure for which each institution is used.
<b>Quantitative information</b>	
(d)	The total outstanding exposures securitized by the banking group, when the banking group is the originator of the securitization, broken down into traditional and synthetic securitization and those (securitization operations), where the banking group is an investor, by exposure type.
(e)	For exposures securitized by the banking group and subject to the securitization regulations, the breakdown, by type of exposure: <ul style="list-style-type: none"> <li>i) of the amount of non-performing securitized exposures; and</li> <li>ii) of losses recognized by the bank during the period.</li> </ul>
(f)	Aggregate amount of securitization positions retained or purchased, broken down by exposure type.
(g)	Information on the aggregate amount of exposures attributed to the interests of the originators and investors in the case of securitized facilities, subject to the early amortization treatment.
(h)	Amount of securitization transactions during the actual year, including the amount of exposures securitized by exposure type, as well as recognized gains or losses on sale by asset type.
(i)	Amount of securitization positions, which have been deducted from regulatory capital or those for which a risk weight of 1250% has been applied.

**Table 11: Market risks: General information** (*half-yearly*)

<b>Qualitative information</b>	
(a)	Qualitative summary on market risks in accordance with the requirements of the regulation "On capital adequacy ratio".
<b>Quantitative information</b>	
(b)	Capital requirements for:
	<ul style="list-style-type: none"> <li>i) interest rate risk;</li> <li>ii) equity positions risk;</li> <li>iii) foreign exchange risk;</li> <li>iv) commodity risk</li> </ul>

**Table 12: Operational risk** (*quarterly*)

<b>Qualitative information</b>	
(a)	Summary on the approach used for operational risk capital assessment (Basic Indicator Approach or Standardized Approach).
<b>Quantitative information</b>	
(b)	Capital requirement for operational risk, calculated according to the Basic Indicator or Standardized Approach, envisaged in the regulation "On capital adequacy ratio", multiplied by 12.5.

**Table 13: Liquidity risk** (*quarterly*)

<b>Qualitative information</b>	
(a)	Summary of agreement's terms and conditions, in case of an agreement within the group, on liquidity support.

**Table 14: Accounting policies** (*every year end*)

<b>Qualitative information</b>	
(a)	Summary on the accounting policies employed in preparing the financial statements, in order for the user of information to know how various items in such statements are evaluated for an accurate interpretation of the information.
(b)	Summary on accounting policies used in evaluating assets, liabilities, provisions, income, etc.

**Table 15: Remuneration policies** (*every year end*)

<b>Qualitative information</b>	
(a)	Summary relating to the remuneration unit responsible for determining remuneration policies of the banking group entities, including: <ul style="list-style-type: none"> <li>i) name, composition and mandate of the remuneration unit responsible for determining remuneration policies;</li> <li>ii) a description of the scope of the banking group’s remuneration policy (e.g. by business lines),</li> <li>iii) a description of the types of employees considered as material risk takers and executive directors, including the number of employees in each group.</li> </ul>
(b)	Summary relating to the design and structure of salaries and remuneration processes, including: <ul style="list-style-type: none"> <li>i) objectives of the remuneration policy;</li> <li>ii) review of remuneration policies during the past year, and if so, a description of any changes that were made;</li> <li>iii) the procedure implemented by the banking group to ensure that remuneration policies for risk-taking employees differ from those for the rest of the group’s employees.</li> </ul>
(c)	Summary on banking group’s entities procedures for the assessment of the current and <i>ex-ante</i> risks in determining the salaries and remuneration, including: <ul style="list-style-type: none"> <li>i) risks that the bank takes into account when implementing remuneration measures;</li> <li>ii) key measures used to take account of these risks, including risks difficult to measure and their impact on salaries and remuneration policies.</li> </ul>
(d)	Summary on the ways in which the entities of the banking group link performance during a performance measurement period with levels of remunerations, including: <ul style="list-style-type: none"> <li>i) main performance metrics for the entities of the banking group, main business lines as well as employees;</li> <li>ii) share (in %) of individual remuneration that depends on the banking group-wide and individual performance;</li> <li>iii) measures implemented to adjust remuneration policies in the event that financial performance is negative.</li> </ul>
(e)	Summary on the ways in which the objectives and long-term performance relate to the level of remuneration.
(f)	Summary on the different forms of variable remuneration that the bank utilizes and the rationale for using these forms. A description if this variable element differs across employees or groups of employees, a description of the factors that determine the mix of the variable remuneration and the importance of each of them.
<b>Quantitative information</b>	
(g)	Number of meetings held by the remuneration committee units to determine the remuneration during the financial year, and remuneration paid to its members.
(h)	Annual aggregated remunerations for the steering council and/or management bodies and executive directors (in accordance with Table 16), and forms of their remuneration, and the rationale of compliance of such payments with the risk management policies, risk profile determined in accordance with the long-term objectives of the banking



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**Table 16\*\*:** Forms and elements of remuneration for the Steering Council and/or management bodies and executive directors of all entities of the banking group (*every year end*)

Total value of remuneration awards for the current fiscal year	Immediate/for the actual period	Deferred
Fixed remuneration		
<i>Cash/bonus</i>		
<i>Shares</i>		
<i>Other</i>		
Variable remuneration		
<i>Cash/bonus</i>		
<i>Shares</i>		
<i>Other</i>		

\*\* This table shall be filled in separately for a) Steering Council and/or management bodies; and b) executive directors of all entities of the banking group.