



Pursuant to Article 35, paragraph 1.1 of the Law No. 03/L-209 of the Central Bank of the Republic of Kosovo (Official Gazette of the Republic of Kosovo, No. 77/16 August 2010), and Articles 56 and 85 of the Law No. 04/L-093 on Banks, Microfinance Institutions and Non-Bank Financial Institutions (Official Gazette of the Republic of Kosovo, No. 11/11 May 2012) the Board of the Central Bank of the Republic of Kosovo at the meeting held on November 09, 2012, approved the following:

REGULATION ON PUBLICATION OF INFORMATION BY BANKS

Article 1 Purpose and Scope

1. The purpose of this Regulation is to determine the information that banks are required to publish, as well as the manner, the form and the deadlines for its publication with the view to enhancing transparency and discipline across the banking sector as well as to securing sustainability and credibility of the banking sector.
2. This Regulation applies to all banks in the Republic Kosovo licenced by the CBK.

Article 2 Definitions

1. All terms used in this Regulation are as defined in Article 3 of the Law No. 04/L-093 on Banks, Microfinance Institutions and Non-Bank Financial Institutions (hereafter: *the Law on Banks*) and/or as further defined herein for the purpose this Regulation:
 - a. *Financial Year* - means the period from 1 January to 31 December of any year.

Article 3 Requirements for Publication Procedures and Characteristics of Information

1. Banks shall design and approve internal acts on the procedures used in compiling and publishing information, which should contain the type of published information, the publication frequency and the control systems in the publication process.
2. Banks shall publish information on risks to which they are exposed in the course of their operations by providing an overall picture of the risk profile.
3. The information published by banks should be of a material nature, which should suit and serve the decision-making requirements of its users and help them assess possible risks along with the expected returns on their investments as well as other likely exposures or the performance and future financial status of their activities.
4. According to this Regulation, the information shall be considered material in those cases where, if it is excluded, or misstated, it may influence, or change the economic decision of the user of this information.

5. Banks shall publish reliable information that reflects their economic status. This information should be verifiable at any given time and it should be comprehensive in all of the aspects which are thought to be of importance to the user.

6. Banks shall be required to state the date of the information published. In case of a correction of the published information by banks, they shall publish also the date of any corrections made.

7. Banks shall use as distinctive trademark in their publications their corresponding bank emblem.

8. Banks shall not publish any information, deemed confidential or secret, about their customers as governed by any applicable legal or by-law, or other information that might have an impact on their competitive position in the market.

9. Banks shall publish information on the activities for which they have been licensed, general information on the bank, information on the structure of the shareholders, structure of steering organs and their organizational structure.

10. The requested information in the paragraph 9 of this Article shall be published at any time in the bank's website and should be updated whenever there are changes.

11. Banks shall publish information in one of the two official languages of the Republic of Kosovo and on a voluntary basis in other languages.

Article 4 **Publication of Annual Reports**

1. Paragraph 2 of Article 56 of the Law on Banks requires banks to publish within 4 months of the end of their financial year their annual reports, containing audited financial statements. Article 53 of the Law on Banks on Accounts and Financial Statements specifies that these are prepared in accordance with International Financial Reporting Standards (IFRS) reflecting such additional accounting rules or standards determined by the CBK.

2. Besides the information under Article 3 of this Regulation, in their annual reports banks should disclose the following:

- a. Major activity of the bank, overall organization and direction;
- b. Financial performance;
- c. Financial status, including data on the amount of the own funds and those on the capital adequacy, paying-capacity (solvency) and liquidities;
- d. Practices and strategies in risk management;
- e. Exposures to risks (including credit risk, market risks, liquidity risks, operational risk and other possible risks); and
- f. Accounting policies.

3. The information contained in the paragraph 2 of this Article should be displayed clearly and appropriately in order to reach an adequate level of banking transparency.

4. Banks shall submit a copy of their annual report to the CBK and publish it in their website.

5. This Article applies for branches of foreign banks in cases when CBK requires special audit of financial statements of their operations in the Republic of Kosovo. Otherwise, branches of foreign banks should publish consolidated annual report of the parent bank.

Article 5

Quarterly Publications

1. Banks should publish balance sheet and income statement at least in a daily newspaper with coverage on the country level and on their web site within 30 days of the end of each quarter according to the templates shown in this Article.

2. The published summary of the quarterly balance sheet and income statement shall be fair and true, and be consistent with the summary as at the end of the previous period, which shall be included for reference. In case of change in the applied accounting methods, pro-forma accounts of the previous period shall be established and published in accordance with the new methods.

3. A preliminary summary of the 4th quarter balance sheets and income statement, ending on December 31st, shall be published within 30 days without waiting for the opinion of the external auditors, without prejudice to the obligation to publish the definitive audited balance sheet and income statement within four months of the end of the financial year including the external auditor's opinion.

4. Balance sheet and income statement shall be compiled under IFRS reflecting such additional accounting rules or standards determined by the CBK and published according to the following templates:

Summary Balance Sheet as at: (date)

Euros '000

	Previous Quarter	Current Quarter
Assets		
Cash and balances with CBK		
Claims on banks		
Treasury bills		
Investment Securities		
Loans and advances to customers		
Property and equipment		
Intangible assets		
Deferred tax assets		
Other assets		
Total assets		
Liabilities		
Customer Deposits		
Due to banks		
Other borrowed funds		

Deferred tax liabilities		
Other liabilities		
Total liabilities		
Shareholders' equity		
Share Capital		
Capital Reserves		
Retained Profit / (Loss) from previous years		
Current Year Profit / (Loss)		
Other equity capital components		
Total shareholder's equity		
Total liabilities and shareholder's equity		

Income statement for the quarter ended: (date)

Euros '000

	Previous Quarter	Current Quarter
Interest income		
Interest expense		
Net interest income		
Fee and commission income		
Fee and commission expense		
Net fee and commission income		
Net trading profit		
Net income from other financial instruments		
Net other operating income (expense)		
Total income		
Impairment losses on loans		
Profit/(loss) before taxation		
Income tax expense		
Net profit/(loss)		
Other comprehensive income		
Total comprehensive income/(loss)		

6. Banks shall forward a copy of newspaper in which they have published the summary of quarterly balance sheet and income statement to the Banking Supervision Department of the CBK.

7. Banks also should publish on their website the following financial indicators on quarterly basis:

- a. Capital adequacy ratio (total capital to risk weighted assets);
- b. Return on average assets (ROAA) indicator (net income to average assets);
- c. Return on average equity (ROAE) indicator (net income to average equity);
- d. Net interest margin (net interest income to average earning assets);
- e. Total expenses of the activity to gross income of the activity;
- f. Net interest income to total expenses of the activity;
- g. Total assets to registered number of employees;
- h. Net interest income to average assets;
- i. Interest income to average assets;
- j. Interest expenses to average assets;
- k. Net interest income to gross income of the activity;
- l. Personnel expenses to gross income from the activity;
- m. Expenses for provisions to average assets.

Article 6

Enforcement, Remedial Measures and Civil Penalties

Any violation of this Regulation shall be subject to the remedial measures and penalties provided for in Articles 58, 59 and 82 of the Law on Banks.

Article 7

Abrogation

Upon the entry in to force of this Regulation, it shall abrogate the RULE XXIV of CBK on Publishing of the Summary of the Quarterly Balance Sheets approved on September 19, 2003, and any other provisions that may be in collision with this Regulation.

Article 8

Entry into force

This Regulation enters into force on December 03, 2012.

The Chairman of the Board of Central Bank of the Republic of Kosovo

Gazmend Luboteni