

Pursuant to Article 109 of the Banking Law of Republika Srpska ("Official Gazette of Republika Srpska" No. 4/17, 19/18 and 54/19), Article 5, Paragraph 1, Item b, Article 20, Paragraph 2, Item b and Article 37 of the Law on the Banking Agency of Republika Srpska ("Official Gazette of Republika Srpska" No. 59/13 and 4/17), Article 6, Paragraph 1, Item b and Article 19, Paragraph 1, Item b of the Statute of the Banking Agency of Republika Srpska ("Official Gazette of Republika Srpska" No. 63/17), the Management Board of the Banking Agency of Republika Srpska, at the 51st session, held on 6 April 2023, adopted the

DECISION

ON TEMPORARY MEASURES FOR LIMITING EXPOSURES

Subject of the Decision

Article 1

- (1) This Decision shall determine the temporary measures aiming at mitigating risk and minimum requirements in managing exposures to which the bank is exposed or might be exposed in its operations, which include limiting and managing exposures, where the bank may apply stricter limitations.
- (2) All banks headquartered in Republika Srpska to which the Banking Agency of Republika Srpska (hereinafter: the Agency) has issued an operating license, shall be obliged to apply provisions of this Decision.
- (3) A bank shall be obliged to apply provisions of this Decision on an individual basis, and on consolidated basis in accordance with regulations governing the supervision on consolidated basis.

Definitions

Article 2

- (1) The central government – in accordance with Article 2, Paragraph 1, Item 20 of the Decision on calculating capital in banks.
- (2) Bank eligible capital - in accordance with Article 109, Paragraph 4 of Banking Law of Republika Srpska.
- (3) Exposure – shall mean exposure in accordance with Articles 3 and 4 of the Decision on large exposures.

Limiting exposure

Article 3

- (1) The sum of exposures to all foreign central governments and central banks or exposures to the same in capacity of collateral issuers or providers of unfunded credit protection, to which a risk weight is being assigned in accordance with Article 50, Paragraph 2 of the Decision on calculating capital in banks, must not exceed 100% of bank eligible capital.
- (2) Collateral referred to in Paragraph 1 of this Article shall mean repo transactions or transactions of securities lending to the counterparty or from the counterparty.

Transitional and final provisions

Article 4

This Decision shall come into force on the eighth day from the day of its publication in the "Official Gazette of Republika Srpska" and shall be applied from 30 September 2023 until 31 December 2024 or until its revocation by the Agency.

Number: UO-416/23

Date: 6 April 2023

PRESIDENT OF THE
MANAGEMENT BOARD
Bratoljub Radulović