

Based on Article 90 and 128 of the Law on Banks of Republika Srpska ("Official Gazette of Republika Srpska", no. 44/03), Article 4, Paragraph 1, Point dz, Article 10, Paragraph 2, Point b, and Article 25, Paragraph 1 of the Law on Banking Agency of Republika Srpska ("Official Gazette of Republika Srpska", no. 10/98, 16/00, 18/01, 71/02, 18/03 and 39/03), Article 15, Point 2 and Article 28 of the By-Laws of the Banking Agency of Republika Srpska ("Official Gazette of Republika Srpska", no. 38/98) on its session held on June 26, 2003 the Managing Board of the Banking Agency of Republika Srpska declared

DECISION

ON CHANGES AND ADDITION TO THE DECISION ON MINIMUM STANDARDS FOR BANK'S FOREIGN EXCHANGE RISK MANAGEMENT

Article 1.

In the Decision on Minimum Standards for Bank's Foreign Exchange Risk Management (Official Gazette of Republika Srpska, number 12/03) in Article 7, paragraph 2 is changed and states:

"Limits of bank's FC activities related to the core capital, according to this article, are:

1. for individual foreign currency over-night bank position, except in Euros, maximum up to 20%;
2. for individual foreign currency over-night bank position, in Euros, maximum up to 30%;
3. FC position of the bank maximum up to 30%."

In Article 7, after paragraph 2, paragraphs 3 and 4 are added, and they state:
"In the FC activities calculations the bank is obliged to include the items of assets and liabilities that are contracted with the foreign currency clause.

The guidelines for implementation, with the date for initiation and dynamics for compliance of banks with this Article, Banking Agency of Republika Srpska will issue latest three months after this Decision has come into force."

Article 2.

This Decision comes into force on the date of its issuance, and it will be published in the "Official Gazette of Republika Srpska".

No. UO-131/03
June 26, 2003
Banja Luka

PRESIDENT OF THE
MANAGEMENT BOARD
Ph.D. Novo Plakalovic [signed]