

Pursuant to Articles 151 and 129 of the Banking Law of Republika Srpska (“Official Gazette of Republika Srpska”, No.: 04/17), Article 5, Paragraph 1, Item b, Article 20, Paragraph 2, Item b and Article 37 of the Law on Banking Agency of Republika Srpska (“Official Gazette of Republika Srpska”, No.: 59/13 and 4/17), and Article 6, Paragraph 1, Item b of the Statute of Banking Agency of Republika Srpska (“Official Gazette of Republika Srpska”, No.: 63/17), the Management Board of the Banking Agency of Republika Srpska, on its session held on 25 July, 2017 issued the

DECISION
ON CONDITIONS OF EARLY REPAYMENT OF INDIVIDUALS’ LOANS
WHICH ARE NOT EARMARKED TO THEIR BUSINESS OR OTHER
COMMERCIAL ACTIVITY

Article 1

This Decision shall stipulate conditions which the bank is obliged to adhere to in early repayment of individuals’ loans which are not earmarked to their business or other commercial activity (hereinafter: loan).

Article 2

A beneficiary may repay the loan, fully or partially, before the expiration of repayment deadline, whereby it has the right to decrease of total loan costs for the amount of interest and costs for the remaining period of contract validity (early repayment), however it is obliged to inform the bank in writing and in advance on the intention of early repayment within the concluded deadline.

Article 3

The bank has right to objectively justified and contracted fee for costs which are directly related to the early loan repayment, under the condition that the early loan repayment is being performed within the period during which fix interest rate is being applied and if the amount of the early loan repayment in the period of one year exceeds 10,000 KM.

Article 4

The fee referred to in Article 3 may be contracted up to the amount of costs occurred due to the early repayment, and up to a maximum of 1% of the amount of loan which is being early repaid, and if the period between the early repayment and deadline for the fulfilment of loan contract obligations is equal to one year or longer, and if the period is shorter, the fee must not exceed 0.5% of the amount of loan which is being early repaid.

Article 5

The bank cannot request fee for the early repayment:

- 1) if the repayment was performed based on concluded loan on insurance whose purpose is repayment security,
- 2) if the repayment is being performed in the period for which variable nominal interest rate was contracted and
- 3) in case of approved overdraft.

Article 6

Fee for the early loan repayment must not in any case be larger than the amount of interest the beneficiary would pay for the period from the day of loan repayment to the day when the loan was supposed to be repaid under the contract.

Article 7

This Decision shall also apply to the organizational units of banks headquartered in the Federation of Bosnia and Herzegovina or Brcko District of Bosnia and Herzegovina operating in Republika Srpska.

Article 8

On the day of this Decision coming into force, the Decision on conditions of early repayment of individuals' loans which are not earmarked to their business or other commercial activity ("Official Gazette of Republika Srpska", No.: 15/12) shall cease to be valid.

Article 9

- (1) This Decision shall come into force on the 8th day after its publication in the "Official Gazette of Republika Srpska".
- (2) The bank shall align its business operations with the provisions of this Decision within nine months from the day of the Banking Law of Republika Srpska ("Official Gazette of Republika Srpska", No.: 4/17) coming into force.

Number: UO-288/17

Date: 25 July, 2017

PRESIDENT OF THE
MANAGEMENT
BOARD
Mira Bjelac