

Pursuant to Articles 5(1)(h) and 19(1)(c) of the Law on the Federation of Bosnia and Herzegovina Banking Agency ("Official Gazette of the Federation of BIH", number: 75/17), Articles 7(1)(h) and 12(d) of the Statute of the Federation of Bosnia and Herzegovina Banking Agency („Official Gazette of the Federation of BIH“, number: 03/18), and Articles 27, 28, 80, 81 and 95 of the Banking Law („Official Gazette of the Federation of BIH“, number: 27/17), the Management Board of the Federation of Bosnia and Herzegovina Banking Agency passed, at its session that was held on May 28th, 2020, the following

A D E C I S I O N
ON THE AMENDMENTS TO THE DECISION ON CAPITAL CALCULATION IN
BANKS

Article 1

In the Decision on Capital Calculation in Banks ("Official Gazette of the Federation of BIH", numbers 81/17 and 50/19), the number „12.5“ in Article 34(4)(b) shall be replaced with the number „8.33“.

Article 2

(1) Paragraph (1) in Article 51 shall be amended to read as follows:

„(1) Exposures to the regional or local government units shall be weighted as exposures to the institutions, except in the case of the risk weight specified in Paragraph (3) of this Article applying to them. Preferential treatment for short-term exposures from Article 55(2) and Article 56(2) of this Decision shall not apply“.

(2) After Paragraph (2), a new Paragraph (3) shall be added to read as follows:

„(3) For any exposures to the cantonal governments in the Federation of BIH, regional or local government units of an EU Member State, which do not entail exposures from Paragraph (4) of this Article, and which are denominated in the local currency, i.e., in Euros or with a currency clause in Euros, shall be assigned a risk weight of 50%.“

(3) The current Paragraph (3) shall become Paragraph (4).

Article 3

Within 30 (thirty) days from the date of the entry into force of this Decision, the Agency's Director will make the required adjustments to the Instruction for Completing Reports on Regulatory Capital, Credit, Operation and Market Risks and Leverage Rate of Banks, number: 01-4914/17 of December 22nd, 2017, as well as the adjustments to the reporting templates that shall be provided by banks to the Federation of Bosnia and Herzegovina Banking Agency.

Article 4

(1) This Decision shall enter into force on the eighth day from the date of its gazetting in the „Official Gazette of the Federation of BIH“.

(2) The provision of Article 1 of this Decision shall apply from December 31st, 2020.

Number: U.O.-45-02/20
Sarajevo, May 28th, 2020

CHAIRWOMAN OF
THE MANAGEMENT BOARD

Ljerka Maric, MS, BSc (Econ.), sgd