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TO THE MEDIA

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Subject: Press release

**FBA: Extended measures for renegotiation of credit liabilities
of citizens and legal entities**

In order to mitigate adverse effects caused by global economic crisis, Management Board of Banking Agency of the Federation of BiH has made decision to extend provisional measures for renegotiation of credit liabilities of citizens and legal entities in banks. Deadline for submission of a request for renegotiation has been extended to the next year, that is, until 31.12.2011.

Renegotiation that is restructuring of credit liabilities refers to extension of final credit maturity to at least 12 months by which the credit installments should be decreased.

Citizens may submit their requests for renegotiation of credit liabilities to banks under condition, among other things, of layoff without personal fault or due to material reduction or irregular transfer of salary, under condition the debtor does not have any delinquency over 90 days in repayment of the credit subject to restructuring.

Legal entities may submit their requests for renegotiation of credit liabilities under condition they are solvent, and also not have any delinquency over 90 days in repayment of the credit subject to restructuring.

The Banking Agency of the FBiH is emphasizing that banks should not perform renegotiation and restructuring of credits in a way to hinder the position of debtors by increasing interest rates. The Agency's provisional measures are focused on good quality debtors that have temporary difficulties due to still present economic crisis and, at the same time, not have an increase in credit loss provisions and credit price and costs for the debtor.

Public Relations Office of the FBA