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MEDIA REPRESENTATIVES

Subject: Information

BANKING AGENCY AND THE FBiH SUPERVISORY OFFICE FOR INSURANCE  
COMPANIES

Agreement on cooperation of supervisory institutions  
Yesterday (on 19th of July 2004) in the FBiH Ministry of Finance and in the presence of Minister Dragan Vrankic, directors of the Banking Agency of FBiH and the FBiH Supervisory Office for Insurance Companies, Zlatko Bars and Branislav Bilic have signed an Agreement on cooperations and excnage of information between the two supervisory institutions.

The Agreement resulted from a need for organizing and improving the market conditions and relationships in the financial area in the Federation BiH in order to have a stronger trust and understanding in the area of supervision.

This cooperation includes processes and authorities of the FBA and the Supervisory Office which will enable direct or indirect supervision of all organizational units and subsidiaries of banks and insurance companies in order to establish and apply prudential standards on a consolidated basis in areas such as capital adequacy, investing capital as guarantees, investing mathematical reserves, large risk exposures, lending tresh holds, prevention of money launderin and terrorism financing and other issues related to activities on ensuring financial sector stability.

As needed, FBA and Supervisory Office will organize joint examinations of certain banks or insurance companies in order to reduce risks resulting from business relationships of banks and insurance companies and to ensure consistent implementation of legal standards. In this way, an efficient method of supervision will be established in relation to securing loans, operations of subsidiraies, borrowings to insured parties, loans to banks and legal entities, deposit making and investing in banks in relation to mathematical reserves, etc.

Agreement was immediately effective.

Public Relations Office of FBA  
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