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SUBJECT: Public announcement

Information for citizens regarding the situation caused by emergence of the „COVID-19“ virus

With respect to emergence of the „COVID-19“ virus and questions raised related to availability of banking services in the Federation of B&H, the FB&H Banking Agency (hereinafter: the Agency) would like to inform citizens that the FB&H banking sector is highly liquid and capitalised and that its safety is at a very high level. FB&H regulations governing liquidity and capital are conservative and prudential and comparative to those in EU-countries and countries of the region. An approach that the Agency and banks have been taking so far included planning and testing the system's resilience to different disturbances and circumstances like the ones we are facing today. Therefore, the banking system's strength results from many years of regulatory framework development and responsible approach taken by the Agency and banks.

An attestation of this is the fact that the share of cash in total assets of the banking sector as of 16.03.2020 stood at over 30%, which leaves much room for banks in the FB&H to manage their liquidity in satisfactory manner over an extended period of time. Also, the banking sector's capital adequacy rate is 18%, which is 50% more than the prescribed minimum. This high capitalisation rate of the banking system ensures absorption of a high level of risk banks might be exposed to under crisis and thus ensures key preconditions for business continuity in banks.

Considering high liquidity and stability of banks in the FB&H, we would like to inform the public that banks will continue to provide services to citizens in the Federation B&H. at the same time, we would refer citizens to use electronic channels and methods of payment as much as possible, thus avoiding use of cash and spending unnecessary time in banks' branches due to a virus transmission risk. Also, we encourage citizens to abide by recommendations by competent ministries and institutions regarding health protection measures.

All banks have taken actions to mitigate the virus transmission by managing customer circulation in closed space of their branches. These actions are solely of hygienic and technical nature aimed to prevent spreading of the virus and are not caused by any difficulties in their operational or financial activities.

We kindly ask the citizens to follow the instructions by competent institutions and banks and adjust their activities to current circumstances.