

RESOLUTION OF THE BOARD OF THE NATIONAL BANK
OF THE REPUBLIC OF BELARUS
December 7, 2012, No. 641

**On additional requirements as to procedure of
implementing supervisory response measures by the
National Bank of the Republic of Belarus, and on criteria
of making a decision on implementing thereof**

Amendments and addenda:

Resolution of the Board of the National Bank of the Republic of Belarus No. 735 dated December 11, 2015 (National Legal Internet Portal of the Republic of Belarus, December 31, 2015, 8/30517);

Resolution of the Board of the National Bank of the Republic of Belarus No. 361 dated June 29, 2016 (National Legal Internet Portal of the Republic of Belarus, July 27, 2016, 8/31115);

Resolution of the Board of the National Bank of the Republic of Belarus No. 180 dated May 18, 2017 (National Legal Internet Portal of the Republic of Belarus, July 13, 2017, 8/32187)

On the grounds of part one of Article 39, parts three and six of Article 134 in the Banking Code of the Republic of Belarus, and in pursuance of paragraph two of Article 4 in the Law of the Republic of Belarus “On Introduction of Amendments and Addenda to the Banking Code of the Republic of Belarus” the Board of the National Bank of the Republic of Belarus shall RESOLVE the following:

1. It shall be established that:

1.1.occurrence of cases stipulated by the Banking Code of the Republic of Belarus, when the National Bank of the Republic of Belarus is entitled to implement supervisory response measures (hereinafter “the grounds”), shall be discovered on completion of audits carried out within the banking supervision, analysis of accounts and/or other information received by and/or submitted to the National Bank in compliance with the Banking Code of the Republic of Belarus;

1.2.a decision of the National Bank on implementing supervisory response measures shall be made on the grounds of substantiated judgment with due regard for the following criteria:

significance (insignificance) of the grounds, nature of breaches (limitations) and/or actions (inaction) committed by the Development Bank of the Republic of Belarus JSC, non-bank financial institution (hereinafter “the bank”), parent organization of the banking groups and/or bank holding company, or by other persons listed in part two of Article 134 in the Banking Code of the Republic of Belarus (hereinafter “entities”). To determine significance (insignificance) of the grounds, due consideration should be paid to the degree of their impact on occurrence of the situation threatening safe operation of the bank and/or interests of its depositors and other creditors and/or stability of the banking system; financial standing of the bank; business worthiness of the bank; completeness of compliance, by the entities, with the legislation of the Republic of Belarus;

quantity, regularity of uniform grounds;

existence of the situation which can give rise to threat to safe operation of the bank and/or interests of its depositors and other creditors and/or stability of the banking system, or opportunity of occurrence of such situation;

circumstances causing breaches (limitations) detected in the entity's operation;

general financial standing of the bank, its position in the banking market;

taking (failure to take) measures by the entity itself in order to correct such breaches (limitations) detected in its operation; effectiveness of taking (failure to take) certain steps to implement such measures and/or readiness to apply such measures in accordance with the recommendations of the National Bank;

expected effectiveness of implementing supervisory response measures by the National Bank;

effectiveness (productivity) of supervisory response measures earlier applied to such entity;

appropriateness of applied supervisory response measures to the grounds of implementation thereof;

consequences of implementation of such supervisory response measures for operation of the bank.

- 1.2¹. any breach (limitation) and/or action (inaction) causing the situation threatening safe operation of the bank and/or interests of its depositors and other creditors and/or stability of the banking system, consisting in noncompliance, of the bank, with the regulatory capital adequacy rate calculated with due regard for conservation buffer and/or countercyclical buffer and/or systemic importance buffer shall entail a decision, made by the National Bank in accordance with established procedure, on implementing supervisory response measures in the form of prohibition of distribution of profit to the bank's shareholders through declaration and/or payment of dividends until such breach is recovered;
- 1.3. any implemented supervisory response measures (one or more) may be replaced by any other supervisory response measures (one or more) if they have proven to be ineffective and have not led to expected results.

2. The following shall be deemed to have lost force:

Resolution of the Board of the National Bank of the Republic of Belarus No. 195 dated November 28, 2006 "On approval of the Instruction on procedure of issuing instructions and taking enforcement actions by the National Bank against banks and non-bank financial institutions" (National Register of Legal Acts of the Republic of Belarus, 2006, No. 207, 8/15481);

Item 5 of the Resolution of the Board of the National Bank of the Republic of Belarus No. 175 dated May 25, 2010 "On introduction of amendments and addenda to certain regulatory and legal acts of the National Bank of the Republic of Belarus" (National Register of Legal Acts of the Republic of Belarus, 2010, No. 148, 8/22451).

3. This Resolution shall come into effect from January 22, 2013.

Chairperson of the Board

N.A. Ermakova