

**BOARD OF THE BANK OF LITHUANIA
RESOLUTION No. 03-268
of 13 December 2012**

**ON THE AMENDMENT OF THE BOARD OF THE BANK OF LITHUANIA
RESOLUTION No. 145 OF 23 NOVEMBER 2006 ON THE APPROVAL OF THE
GENERAL REGULATIONS FOR THE INTERNAL CAPITAL ADEQUACY
ASSESSMENT PROCESS AND FOR THE SUPERVISORY REVIEW AND EVALUATION
PROCESS**

Vilnius

The Board of the Bank of Lithuania has resolved:

1. To amend General Regulations for the Internal Capital Adequacy Assessment Process approved by the 23 November 2006 Board of Bank of Lithuania Resolution No. 145 On Approval of the General Regulations for the Internal Capital Adequacy Assessment Process and for the Supervisory Review and Evaluation Process (*Valstybės žinios* (Official Gazette) No. 143-5456) and word Article 24 as follows:

“24. **Credit risk.** The bank must have in place an effective credit risk management system encompassing the credit risk management strategy, credit risk management and assessment policy, acceptable credit risk limits, credit risk mitigation measures, other measures, procedures and processes of this risk management. When assessing credit risk, the bank must assess risk related with lending in foreign currency and ensure an adequate demand for capital required for the coverage of the bank operational risk. When assessing credit risk and setting capital requirement, the bank may apply approaches specified in General Regulations for the Calculation of Capital Adequacy, approved by the Board of the Bank of Lithuania Resolution No. 138 of 9 November 2006 (*Valstybės žinios* (Official Gazette) No. 142-5442). However, if credit risk is evaluated by the standardised approach, a possible capital requirement shortage caused by the application of this approach must be assessed in the bank’s credit risk management and assessment policy and additional capital requirement calculations must be established.”

2. To establish that this Resolution shall come into effect on 1 April 2013.

Chairman of the Board