

Pursuant to Articles 170, 172, 175 and 178 of the Banking Law of Republika Srpska (“Official Gazette of Republika Srpska”, No.: 04/17 and 19/18), Article 5, Paragraph 1, Item b, Article 20, Paragraph 2, Item b and Article 37 of the Law on Banking Agency of Republika Srpska (“Official Gazette of Republika Srpska”, No.: 59/13 and 4/17), and Article 6, Paragraph 1, Item b and Article 19, Paragraph 1, Item b of the Statute of Banking Agency of Republika Srpska (“Official Gazette of Republika Srpska”, No.: 63/17), the Management Board of the Banking Agency of Republika Srpska, on its 7th session held on 13 December, 2018 issued the

**DECISION
ON THE AMENDMENTS TO THE
DECISION ON PERFORMING EXTERNAL
AUDIT IN BANKS**

Article 1

(1) In the Decision on conducting external audit in banks (“Official Gazette of Republika Srpska”, No.: 116/17), Article 7, Paragraph 3 shall be changed and read as follows:

“(3) Reports referred to in Paragraph 2 of this Article shall represent standard formats of financial statements drafted in accordance with the requirements of recording under the International Accounting Standards (IAS) and the International Financial Reporting Standards (IFRS)”.

(2) In Article 7, in Paragraph 5 the wording “brief” shall be deleted.

Article 2

In Article 8, Paragraph 6, Item 3, Sub-item 2 shall be changed and read as follows:

“2. bookkeeping recorded expected credit losses (impairment under balance sheet assets, i.e. provisioning for expected credit losses under off-balance sheet assets) and the assessments of adequacy of applied methodology for determining expected credit losses.”

Article 3

In Article 12, Paragraph 5 shall be changed and read as follows:

“(5) The bank management shall deliver the report on financial statement audit to the audit committee, which shall, after reviewing it and providing opinion thereof, submit it to the supervisory board for consideration and providing opinion. The supervisory board, after considering and providing opinion on financial statement audit, shall submit the same with opinions of the supervisory board and the audit committee to the general assembly for adoption. The bank management shall submit to the audit committee the extended audit report and report on information system audit, and after the audit committee has considered and provided opinion thereof, it shall submit them to the supervisory board for adoption.”

Article 4

(1) In Article 14, Paragraph 2, Item 3 shall be changed and read as follows:

“(3) the reports referred to in Article 7, Paragraph 2, Items 1-4 of this Decision which were the subject of audit.”

(2) In Article 14, Paragraph 3 shall be changed and read as follows:

“(3) Audited annual financial statements referred to in Article 7, Paragraph 2, Items 1-4 of this Decision, together with the annual report on business operations and the report on audit of annual financial statements, the bank shall publish on its webpage and make them available to the public no later than 6 months after the expiration of the business year to which the reports refer.”

(3) In Article 14, Paragraph 8 shall be changed and read as follows:

“(8) The bank shall, within 30 days from the expiration of each first 6 months, publish semi-annual report in a summarized form in one or more daily newspapers available on the whole territory of Bosnia and Herzegovina, whereas it shall publish non-audited financial statements in forms as referred to in Article 7, Paragraph 2, Items 1-4 of this Decision.”

Article 5

This Decision shall come into force on the 8th day from the date of its publication in the “Official Gazette of Republika Srpska.

Number: UO-57/18

Date: 13 December, 2018

**PRESIDENT OF THE
MANAGEMENT
BOARD**
Bratoljub Radulović