

Pursuant to Article 183 of the Banking Law of Republika Srpska (“Official Gazette of Republika Srpska” No.: 4/17, 19/18 and 54/19), Article 5, Paragraph 1, Item b), Article 20 and Article 37 of the Law on the 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 the Banking Agency of Republika Srpska (“Official Gazette of Republika Srpska” No.: 63/17), the Management Board of the Banking Agency of Republika Srpska, at the 4th session, held on 26 December 2023 adopted the

**DECISION
ON AMENDMENTS TO THE DECISION ON
SUPERVISORY REVIEW AND EVALUATION PROCESS OF BANKS**

Article 1

In the Decision on supervisory review and evaluation process of banks (“Official Gazette of Republika Srpska” No.: 103/21, hereinafter: the Decision), in Article 14, Paragraphs 5 and 6 shall be amended and read as follows:

„(5) The Agency shall, on a quarterly basis, monitor key financial and non-financial indicators of the bank's operations in order to monitor changes in its business model and risk profile. In case when by monitoring a significant change in the business model and risk profile of the bank is identified, or irregularities in the bank's operations are identified, the Agency shall analyze the causes, and when necessary, organize the execution of extraordinary supervisory review and evaluation process of the bank for the relevant SREP element (or elements), and then determine a new SREP score for the relevant SREP element (or elements), and accordingly update the overall SREP score.

(6) In case when by monitoring referred to in Paragraph 5 of this Article significant irregularities in the bank's operations and/or non-compliance with the regulations are identified, the Agency shall undertake supervisory measures required to remedy the irregularities, i.e. non-compliance in the bank's operations.“.

Article 2

In Article 16 of the Decision, Paragraph 5 shall be amended and read as follows:

„(5) Minimum frequency and scope of supervisory engagement within the SREP assessment are defined in the table below:

Bank category	Monitoring of key operational indicators	Score of all SREP elements (as a minimum)	Scope of supervisory engagement
Large banks	Quarterly	Annually	Continuous engagement with the bank management; engagement with the bank for the assessment of each element
Mid-size banks	Quarterly	Every two years, except in case of significant changes	Engagement with the bank based on risk assessment; engagement with the bank in case of significant changes
Small banks	Quarterly	Every three years, except in case of significant changes	Engagement with the bank based on risk assessment; engagement with the bank in case of significant changes“

Article 3

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

Number: UO-43/23

Date: 26 December 2023

PRESIDENT OF THE
MANAGEMENT
BOARD
Dejan Kusturić