

BANKING AGENCY OF REPUBLIKA SRPSKA

**STATUTE
OF THE
BANKING AGENCY OF REPUBLIKA SRPSKA**

Banja Luka, June 2017

Pursuant to Article 20, Paragraph 2, Item a) and Article 36 of the Law on the Banking Agency of Republika Srpska (“Official Gazette of Republika Srpska”, No.: 59/13 and 4/17), the Management Board of the Banking Agency of Republika Srpska at the session held on 9 June 2017 issued the

S T A T U T E
OF THE
BANKING AGENCY OF REPUBLIKA SRPSKA

I – GENERAL PROVISIONS

Article 1

The Banking Agency of Republika Srpska (hereinafter: the Agency) was established for the purpose of governance, supervision and control of the banking system (the banking system is comprised of banks, microcredit organizations, saving-credit organizations and other financial institutions to which the Agency is issuing operating licenses or operating approvals), resolution of banks and determining and implementing activities and measures in order to preserve and strengthen the banking system stability, in accordance with the Law on the Banking Agency of Republika Srpska.

Article 2

(1) The Agency has the capacity of a legal entity and performs activities and tasks determined by the Law on the Banking Agency of Republika Srpska and the Statute, as well as regulations governing the operations of banks and other organizations part of the banking system of Republika Srpska, other laws and by-laws passed according thereof, rules on risk management, as well as standards and rules of the profession.

(2) In performing activities within its competences, the Agency is an independent an autonomous legal entity, and supervision of its operations is being performed by the National Assembly of Republika Srpska, to whom it is responsible for its operations.

(3) The Agency shall not be held responsible for the damage occurred during the performance of its duties in the application of the regulations governing banks, microcredit organizations, savings-credit organizations, leasing providers and other financial organizations of the banking system, unless it is proven in the appropriate procedure before the competent authority by a final decision, that the persons referred to in Article 7 of the Law on the Banking Agency of Republika Srpska committed or failed to commit a certain activity that resulted in a harmful consequence, intentionally or grossly negligently.

(4) The Agency shall bear the costs of representation of persons referred to in Article 7 of the Law on the Banking Agency of Republika Srpska, including persons whose employment relation with the Agency has ended, in court and administrative proceedings initiated in connection with the Agency's activities.

(5) If in a particular procedure it is established by a legally binding decision that the persons referred to in Paragraph 4 of this Article caused damage intentionally or through gross negligence, the Agency may request compensation for the costs of representation from the said persons, as well as the amount of damages paid, in accordance with the law.

(6) The Agency shall not be entered into the court registry.

Article 3

- (1) The Agency's headquarters is in Banja Luka.
- (2) The decision on the address and address change shall be passed by the Management Board.

Article 4

- (1) The Agency has a round seal, which contains the name and headquarters of the Agency and the emblem of Republika Srpska.
- (2) The Agency has a stamp with the name and headquarters of the Agency.
- (3) The manner of use, storage and protection of seals and stamps is determined by the Director of the Agency.
- (4) The Agency has the Agency's logo, which stands out on business documents intended for third parties, memorandum and business premises.
- (5) The design of the Agency's logo and the content of the memorandum are determined by the decision of the Management Board.

Article 5

The Agency shall be obliged to make its operations available to the public, in a manner that is in accordance with the law.

II – AGENCY'S COMPETENCES

Article 6

- (1) The Agency's competences are as follows:
 - a) determining and implementing activities and measures in order to preserve and strengthen the banking system stability, in accordance with the law;
 - b) passing regulations governing the operations of banks, microcredit organizations, saving-credit organizations, leasing providers and other financial organizations of the banking system;
 - c) issuing and revoking operating licenses to the banks, microcredit organizations, saving-credit organizations and leasing providers, and other relevant enactments in accordance with its competences, on-site and off-site supervision of operations thereof, and imposing supervisory measures and other competences in accordance with the law governing banks, microcredit organizations, saving-credit organizations and leasing providers;
 - d) issuing and revoking licenses to other financial organizations of the banking system, and other relevant enactments when it is competent to do so under this or separate laws, on-site and off-site supervision of operations of other financial organizations of the banking system, imposing supervisory measures and other competences under the law;
 - e) supervision of operations and imposing supervisory measures to the organizational units of banks, microcredit organizations, leasing providers and other financial organizations of the banking system headquartered in the Federation of Bosnia and Herzegovina and Brcko District founded in Republika Srpska;

- f) passing relevant enactments, supervision and undertaking necessary measures relating to anti-money laundering and counter-terrorism financing which refer to banks, microcredit organizations, saving-credit organizations, leasing providers and other financial organizations of the banking system, in cooperation with competent authorities and institutions in the area of anti-money laundering and counter-terrorism financing, in accordance with the regulations governing the anti-money laundering and counter-terrorism financing;
- g) supervision and undertaking necessary measures in accordance with the regulations governing introduction and implementation of particular temporary measures for the purpose of efficient implementation of international restrictive measures;
- h) passing enactments and performing activities from the area of protection of rights and interests of financial service users in the banking system, performing supervision over the implementation of regulations from this area and undertaking other activities and relevant measures within its competences;
- i) determining the fulfilment of conditions for initiating bank resolution procedure, implementing resolution procedure, deciding on instruments and measures to be undertaken in the resolution procedure and performing other task relating to the resolution, in accordance with the law governing the banks;
- j) issuing and revoking consents for opening representative office, supervision of representative office operations, imposing supervisory measures and other competences in accordance with the law governing the banks;
- k) imposing a fine and issuing a misdemeanor order and
- l) other competences in accordance with the Law on the Banking Agency of Republika Srpska and other laws.

(2) In addressing administrative matters, the Agency shall apply the provisions of the regulations governing the general administrative procedure, the operations of financial organizations of the banking system, as well as the rules of supervision and the profession, unless otherwise specified by law.

Article 7

(1) In achieving its objective and performing tasks, without questioning its goal, autonomy and independence, the Agency shall cooperate with other competent authorities of Republika Srpska, the Federation of Bosnia and Herzegovina, and within its jurisdiction shall undertake measures to improve that cooperation, in accordance with the Law on the Banking Agency of Republika Srpska and the law governing the banks.

(2) In order to improve the control and supervision over the operations of the organizations of Republika Srpska banking system, the Agency shall cooperate with other international authorities and institutions authorized to control and supervise the operations of banks and other financial organizations.

(3) The Agency may, within its competences, in accordance with the Law on the Banking Agency of Republika Srpska and the law governing the banks, conclude agreements regulating the exchange of information and data with other competent regulatory authorities, institutions and bodies.

(4) In order to carry out the competences for the resolution of banks, i.e. members of the banking group - financial organization of the banking system, the Agency shall cooperate with the Banking Agency of the Federation of Bosnia and Herzegovina, the Deposit Insurance Agency of Bosnia and Herzegovina and the Central Bank of Bosnia and Herzegovina, with other supervisory bodies of the financial sector of Republika

Srpska, the Federation of Bosnia and Herzegovina and the Brčko District of Bosnia and Herzegovina, with foreign bodies responsible for the resolution of financial institutions and the supervision in the field of financial operations, as well as with other competent authorities.

(5) The Agency may exchange data obtained in the exercise of competences for bank resolution with authorities, institutions and bodies referred to in Paragraph 4 of this Article in accordance with the provisions of the Law on the Banking Agency of Republika Srpska and in accordance with the law governing the banks.

III - ORGANIZATION AND METHOD OF OPERATIONS OF THE AGENCY

Article 8

The Agency's operations shall be organized on the basis of providing a unique, complete, efficient and rational performance of tasks and activities within its jurisdiction.

Article 9

The Agency shall continuously undertake measures for the improvement of operations and technological modernization, for the improvement and rationalization of the internal organization and for the professional education and training of employees.

Article 10

The general enactment on the organization of operations shall determine in particular: internal organizational units and their scope, management method, planning and execution of tasks and activities, operational and functional independence and prevention of conflicts of interest in the execution of tasks, cooperation of organizational units, formation of committees, as well as the powers of employees in performance of activities and tasks.

Article 11

(1) The Agency shall adopt by-laws within its jurisdiction, in accordance with the Law on the Banking Agency of Republika Srpska and other laws.

(2) By-laws and other general enactments of the Agency shall be developed by the organizational units of the Agency.

(3) By-laws shall be published in the “Official Gazette of Republika Srpska”.

(4) The Agency shall keep a record of adopted by-laws.

Article 12

(1) Within the Agency, in accordance with the Law on the Banking Agency of Republika Srpska and the Statute, an internal organizational unit - the Supervision Unit – shall be established for the performance of supervision of financial organizations of the banking system.

(2) Within the Agency, in accordance with the Law on the Banking Agency of Republika Srpska, the law governing the banks and the Statute, an internal organizational unit - the Resolution Unit – shall be established to perform tasks related to the resolution of banks.

(3) Supervision of the operations of financial organizations of the banking system and activities related to the bank resolution shall be performed in the Agency in a way that ensures their independence and

organizational separation in relation to other competences and tasks of the Agency, and which shall prevent conflicts of interest.

(4) Supervision of the operations of financial organizations of the banking system and activities related to the bank resolution shall be performed in the Agency in a way that ensures separate management of each of these activities and their organizational separation, and which shall prevent conflicts of interest.

(5) The head of the Supervisory Unit and the head of the Resolution Unit, according to the previously conducted public competition procedure in accordance with the Law on the Banking Agency of Republika Srpska, shall be appointed by the Management Board.

(6) The position, organization and scope of work of the Supervisory Unit and the Resolution Unit, as well as the cooperation and exchange of data between them, shall be regulated by the Agency's general enactments.

(7) Other organizational units shall also be established to perform activities and tasks in the Agency.

(8) The activities and tasks of the Agency shall be grouped into organizational units according to their type, degree of complexity, scope, responsibility and other conditions necessary for the successful performance of activities and tasks.

Article 13

(1) The Supervision committee consists of the director, deputy director, head of the Supervision Unit and two employees, who are appointed by the Agency's Management Board at the proposal of the Agency's director.

(2) Sessions of the Supervision committee are held as needed, at least once a month.

(3) The Supervision committee is chaired by the director.

(4) The Supervision committee adopts proposals by a majority of the total number of votes.

(5) A member of the Supervision committee cannot abstain from voting.

(6) The issues to be considered and the manner of consideration at the sessions of the Supervision committee shall be determined by the Law on the Banking Agency of Republika Srpska and the Rules of Procedure of the Supervision committee, and the Supervision committee in particular provides proposals to the Director of the Agency in relation to:

a) issuing and revoking operating licenses to banks, microcredit organizations, savings-credit organizations, leasing providers and other financial organizations of the banking system and,

b) applying supervisory measures towards financial organizations of the banking system,

c) imposing supervisory measures towards banks:

- issuance of a written warning,

- imposing elimination of irregularities and illegalities in operations,

- limiting rights of shareholders with qualifying holdings,

- undertaking early intervention measures,

- initiating procedures for assessing the fulfilment of conditions for initiating resolution procedure,

- d) issuing consent for enforcement of voluntary bank liquidation,
- e) defining the list of systematically important banks,
- f) providing prior consent to the statute, i.e. amendments to the statute of banking system financial organizations,
- g) approving status change in the financial organization of the banking system,
- h) issuing or revoking the consent for acquisition of qualifying holding in the bank,
- i) providing approval for the establishment of organizational units of the bank and organizational units of the bank headquartered outside Republika Srpska,
- j) issuing or revoking consent for the appointment of the member of bank supervisory board or bank management,
- k) providing consent to the bank for acquisition of bank holding in other legal entities,
- l) undertaking measures towards members of the banking group and
- m) adopting decisions on other significant issues relating to the supervision of banking system financial organizations.

(7) The Supervision committee shall adopt the Rules of procedure which shall regulate the manner of convening and holding sessions and other issues related to the work of the Supervision committee.

Article 14

(1) The Resolution committee consists of the director, deputy director, head of the Resolution Unit and two employees, who are appointed by the Agency's Management Board at the proposal of the Agency's director.

(2) Sessions of the Resolution committee are held as needed, at least once in three months.

(3) The Resolution committee is chaired by the director.

(4) The resolution committee adopts proposals by a majority of the total number of votes.

(5) A member of the Resolution committee cannot abstain from voting.

(6) The issues to be considered and the manner of consideration at the sessions of the Resolution committee shall be determined by the Law on the Banking Agency of Republika Srpska and the Rules of Procedure of the Resolution committee, and the Resolution committee in particular provides proposals to the Director of the Agency in relation to:

- a) developing and adopting the resolution plan, eliminating impediments for resolution, write-off and conversion of capital, the selection of persons performing an independent assessment of value of assets and liabilities, initiating the resolution procedure, as well as in relation to the instruments and measures to be implemented in the resolution;
- b) developing resolution plan which envisages the implementation of relevant resolution instruments and measures and competences after the decision on initiating the resolution procedure has been made,
- c) introducing special administration, appointing one or more special administrators, if assesses that it would contribute to the achievement of resolution objectives,

- d) passing the decision on implementation of relevant resolution instruments, sale of shares, i.e. assets, rights and obligations, transfer to the bridge bank, separation of assets and bail-in,
- e) issuing license to the bridge bank and transfer of shares and other equity instruments of one or more banks under resolution and entire asset or portion of the asset, rights or obligations of one or more banks under resolution to the bridge bank,
- f) revoking the operating license of the bridge bank,
- g) performing separation and transfer of portion or entire asset, rights or obligations of one or more banks under resolution or the bridge bank to one or more asset management companies,
- h) defining special minimum requirements for own funds and eligible liabilities for the banks,
- i) approving the reorganization of operation plan in bail-in procedure,
- j) passing other separate enactments in the resolution procedure of the bank and the banking group, in accordance with the law governing the banks.

(7) Exceptionally, if the bank liquidation procedure, i.e. bankruptcy is initiated due to the initiation, i.e. enforcement of the bank resolution procedure, proposal relating to the revoking the bank operating license, as well as in relation to the initiation of liquidation procedure, i.e. submitting the proposal for initiating bankruptcy against the bank shall be made by the Resolution committee.

(8) The Resolution committee shall adopt the Rules of procedure which shall regulate the manner of convening and holding sessions and other issues related to the work of the Resolution committee.

Article 15

(1) The Agency includes the Ombudsman for the banking system (hereinafter: Ombudsman), as an independent organizational unit, which promotes the protection of the rights and interests of consumers, i.e. private individuals who are users of financial services.

(2) The Ombudsman enables disagreements and disputes between the institutions of the banking system and users of financial services to be resolved fairly and quickly by independent persons, with a minimum of formality, through conciliation, mediation or other amicable means.

(3) The Ombudsman is independent in the performance of his tasks and is responsible for their execution, and in carrying out his functions he does not act as a representative of the Agency.

(4) The Management Board of the Agency shall adopt enactments regulating the work of the Ombudsman.

Article 16

The general enactment on the systematization of activities and tasks, in order to harmonize the conditions for performing activities and tasks of the same type and complexity, shall establish unique titles for groups of activities and tasks, as well as unique requirements regarding the degree of professional education and other conditions required for their performance.

Article 17

Establishing an employment relationship, commence of work, assignment to the workplace, vacation and leave, disciplinary and material responsibility and other issues related to work are regulated in more detail by the Work Regulations in accordance with the law.

IV – MANAGING AND GOVERNING THE AGENCY

Article 18

- (1) The managing body of the Agency is the Management Board of the Agency.
- (2) The Management Board consists of five members.
- (3) The members of the Management Board shall be appointed by the National Assembly of Republika Srpska on the proposal of the Government of Republika Srpska.
- (4) The members of the Management Board shall be appointed for a period of five years, based on the previously conducted public competition procedure in accordance with the law.
- (5) The Management Board of the Agency is responsible for its work to the National Assembly of Republika Srpska.

Article 19

The Management Board shall undertake measures for the efficient and rational performance of tasks and activities within the competence of the Agency, and in the performance of tasks within its competence, it shall:

- a) adopt the Agency's Statute,
- b) pass general enactments regulating the operations of banks and other financial organizations of the banking system,
- c) adopt the Agency's annual work plan,
- d) adopt the annual financial plan and financial statements of the Agency,
- e) adopt reports the Agency delivers to the National Assembly and Government of Republika Srpska under the Law on the Banking Agency of Republika Srpska,
- f) adopt decisions on charges for performing supervision, as well as other decisions securing the funds for the Agency's operations,
- g) adopt the Rules of Procedure,
- h) adopt other enactments (decisions, conclusions, rulebooks, rules of procedure, etc.) in accordance with the laws,
- i) adopt decision on remunerations of the Management Board members and determine the salaries of the director and deputy director in accordance with the Agency's enactments,
- j) appoint two employees acting as members, both in the Supervision committee and the Resolution committee,
- k) undertake measures that ensure separate management of the supervision of operations of banking system financial organizations and the operations of bank resolution, their organizational separation and prevention of conflicts of interest, and the mutual exchange of information necessary for the execution of certain competences,

- l) adopt decisions on investments amounting above 80 thousand KM,
- m) adopt the Rules of Procedure of the Management Board,
- n) decide on other issues within its scope of work.

Article 20

The Management Board shall adopt decisions at sessions, by majority vote of the total number of members.

Article 21

- (1) The President of the Management Board, who is elected by the members of the Management Board from among themselves, convenes the sessions, proposes the agenda of the sessions, presides over the sessions and signs the decisions and other enactments of the Management Board.
- (2) Sessions of the Management Board are held as needed, at least once every three months.
- (3) If the president is prevented from performing his/her tasks, he/she is replaced by the deputy president, whom the members of the Management Board elect from among themselves.
- (4) The director of the Deposit Insurance Agency of Bosnia and Herzegovina and the director of the Banking Agency of the Federation of Bosnia and Herzegovina are also invited to the sessions of the Management Board, who attend the sessions without the right to vote, and depending on the issues discussed at the session, upon invitation, the session may be attended by other experts.

Article 22

- (1) The Director of the Agency represents the Agency, manages the operations of the Agency and is responsible for the operations of the Agency.
- (2) The Director of the Agency and the Deputy Director of the Agency are appointed by the National Assembly of Republika Srpska in accordance with the procedure implemented based on the Law for a period of five years.
- (3) The Director and Deputy Director of the Agency participate in the work of the Agency's Management Board, but do not have the right to vote.
- (4) The Director of the Agency shall perform the following activities within the framework of his/her rights and responsibilities:
 - a) consider the proposals of the Supervision committee and by the ruling decide on issuing or revoking the operating license for the banking system financial organizations and on the application of supervisory measures, consider the proposals and decide on the proposals of the Resolution committee, and if the liquidation or bankruptcy procedure of the bank is initiated as a result of initiating or implementing the bank resolution procedure, the director of the Agency, after considering the proposal of the Resolution committee, decide by ruling on the revocation of the bank's operating license, as well as on the liquidation procedure, i.e. on the submission of a proposal to initiate bankruptcy proceedings against the bank;
 - b) undertake stipulated measures against banks and other financial organizations of the banking system;
 - c) issue consents and approvals in accordance with the laws;
 - d) pass general enactments on the organization of operations and general enactments on the systematization of the Agency's work tasks;

- e) decide on the employment and engagement of persons in the Agency, in accordance with the Statute and the enactment on the internal organization and systematization of job positions in the Agency;
- f) propose decisions, conclusions, information and other general and individual enactments for the sessions of the Agency's Management Board;
- g) implement decisions, conclusions and other enactments adopted by the Agency's Management Board;
- h) implement general enactments that regulate the operations of banks, microcredit organizations, saving-credit organizations and other financial organizations and pass the required enactments to improve the efficiency of their operations;
- i) pass decisions on the establishment of expert councils, committees, commissions or other working bodies for the professional processing of particular issues from the scope of the Agency and determine their composition,
- j) regulate the tasks, rights, obligations and responsibilities of persons with special powers and responsibilities in the Agency, if they are not regulated by the general enactment on the systematization of tasks and activities of the Agency;
- k) represent the Agency at meetings with representatives of competent regulatory authorities, bank resolution authorities and other authorities, institutions and bodies, for the purpose of coordination in the performance of the Agency's activities and at international conferences and events and in international organizations, in accordance with the Law on the Banking Agency of Republika Srpska and the Statute;
- l) pass other enactments (decisions, rulings, instructions, orders, rulebooks, rules of procedure, conclusions, etc.) in accordance with the Law on the Banking Agency of Republika Srpska, other laws and the Statute,
- m) perform other tasks stipulated by the Law, other laws and the Statute, and decide on other issues for which he/she is authorized by the Agency's Management Board.

(5) The Deputy Director of the Agency shall perform tasks in accordance with the Statute and the enactment on internal organization and systematization of job positions in the Agency, and when the Director is prevented from performing his/her duties, he/she shall replace the Director with the same rights and duties.

(6) The Director of the Agency may transfer certain powers from his/her jurisdiction to the chief advisor or other employees of the Agency.

(7) The Director and Deputy Director of the Agency are responsible for their work to the Management Board of the Agency and the National Assembly of Republika Srpska.

(8) The Director or the Deputy Director of the Agency represent the Agency and sign documents on behalf of the Agency.

(9) The Director of the Agency may authorize persons employed in the Agency to represent the Agency and sign documents on behalf of the Agency within the scope of the given powers.

V - DUTIES, RIGHTS, OBLIGATIONS AND RESPONSIBILITIES OF PERSONS WITH SPECIAL AUTHORITIES AND RESPONSIBILITIES

Article 23

- (1) The Agency shall perform inspection and supervision of the operations and legality of the operations of banks and other financial organizations of the banking system, order and undertake measures to eliminate identified illegalities, irregularities and weaknesses in operations, in accordance with the laws regulating the operation of banks, microcredit organizations, saving-credit organizations and other financial organizations of the banking system.
- (2) In carrying out the inspection referred to in Paragraph 1 of this Article, the Agency has the right to inspect the business books and other documentation of financial organizations of the banking system, as well as legal entities that are related by property, management or business relations to the financial organization that is the subject of control.
- (3) Off-site and on-site supervision of banks shall be performed by employees of the Agency, who are authorized by the Agency to perform on-site supervision.
- (4) Exceptionally, for the performance of particular activities within the on-site supervision of banks, the Agency may engage an authorized auditor or other professional person, who have the same powers and responsibilities as the authorized persons of the Agency.
- (5) The inspection referred to in Paragraph 1 of this Article shall be performed by authorized persons of the Agency who have passed the professional exam.
- (6) The Management Board of the Agency shall pass an enactment stipulating the conditions for taking the professional exam referred to in Paragraph 5 of this Article.
- (7) When carrying out the resolution of a bank, i.e. a member of a banking group - a financial organization of the banking system and exercising other powers related to resolution, the Agency is authorized to inspect the business books and other documentation of the bank, i.e. a member of the banking group, as well as the business books and other documentation of persons related to them by property, management or business relations.

Article 24

When performing tasks within the competence of the Agency, the authorized representative of the Agency uses identification and the badge of the Agency when introducing, where the form and method of use of thereof is stipulated by the director of the Agency.

VI – INCOME, EXPENSES AND FUNDS OF THE AGENCY

Article 25

- (1) The Agency is an independent non-profit organization that secures funds for operations by means of:
 - a) charges for issuing operating licenses to banks and other financial organizations of the banking system,
 - b) charges which banks and other financial organizations of the banking system pay for the supervision of their operations,
 - c) charges for the performance of other activities from the Agency's scope of work and
 - d) donations and other sources.

- (2) The surplus of income over expenses is transferred by the Agency to the following year and allocated to special reserves.
- (3) The decision on the usability of funds allocated to special reserves is made by the Management Board.

VII – PROFESSIONAL SECRET

Article 26

- (1) Professional secret shall mean documents, information and other data, the disclosure of which to an unauthorized person would harm the interests and reputation of the Agency, the organization of the banking system or the person from whom the Agency received the information.
- (2) The Management Board shall determine by a separate enactment which data and documents constitute as professional secret, the treatment of such data and documents, and the measures for their protection.

Article 27

Members of the Management Board, director, deputy director, employees of the Agency, the auditor and other persons who act or have acted for the Agency or on behalf of the Agency, are obliged to keep the Agency's professional secret in accordance with the law.

Article 28

The Agency shall inform the public about its work by providing timely information, issuing official publications, holding press conferences and creating conditions for the public to become familiar with the Agency's decisions, without jeopardizing the stability of the banking system.

Article 29

The Agency may publish information and data, which the organizations of the banking system of Republika Srpska submit to the Agency in accordance with the Agency's enactments, for all organizations of the banking system of Republika Srpska, collectively or classified according to the types of organizations or the nature of the operations that the organizations perform, so that it is not possible to identify individual banks or other organizations of the banking system to which these data and information refer.

Article 30

Information and notifications about the work of the Agency shall be provided by the director, deputy director or another person employed by the Agency authorized by the director of the Agency.

Article 31

- (1) In order to provide timely and complete information to the public, the Agency has a website.
- (2) The content of the website and the rules for updating it are stipulated by the director.

VIII – REPORTING

Article 32

(1) The Agency shall submit to the National Assembly of Republika Srpska an annual report on the condition in the banking system, a report on operations and results of work with the Agency's financial statements, by June 30 of the current year for the previous year. Reports shall be submitted to the Government of Republika Srpska by May 31 of the current year for the previous year.

(2) The Agency shall submit to the Government of Republika Srpska semi-annual reports referred to in Paragraph (1) of this Article, no later than September 30 of the current year.

(3) The Management Board of the Agency shall consider and adopt the reports referred to in Paragraphs (1) and (2) before submitting them to the National Assembly of Republika Srpska and submitting them to the Government of Republika Srpska.

Article 33

(1) The report on the condition of the banking system of Republika Srpska mandatory contains aggregate data on:

- structure of the banking sector,
- financial indicators of banks' operations,
- banks' capital and capital adequacy,
- banks' asset quality,
- banks' income statement,
- banks' liquidity,
- weighted nominal and effective interest rates,
- anti-money laundering and counter-terrorist financing,
- internal payment transactions,
- bank resolution execution,
- structure of microcredit organizations and financial indicators of microcredit organization operations,
- structure of saving-credit organizations and financial indicators of saving-credit organization operations,
- structure of leasing providers and financial indicators of leasing provider operations.

(2) The report on operations and results of work with the Agency's financial statement mandatory contains data on:

- the Agency's operations, structured/per sectors, units and departments,
- the work of Ombudsman for the banking system of Republika Srpska and implementation of regulations on protection of rights and interests of financial service users,
- the Agency's financial statement, presented through Income statement (Report on total period result), Balance sheet (Report on financial position), Report on cash flows, Report on changes to capital, Financial statement memoranda items and

- opinion of an independent external auditor on performed audit of annual financial statements of the Agency.

(3) Reports referred to in Paragraphs (1) and (2) may also contain other information and data designated by the Agency.

IX – TRANSITIONAL AND FINAL PROVISIONS

Article 34

(1) Amendment and supplement to the Statute may be performed at the initiative of the director, deputy director and the Management Board.

(2) The Management Board shall decide on the amendments and supplement to the Statute.

Article 35

The interpretation of particular provisions of the Statute shall be provided by the Agency's Management Board.

Article 36

(1) The Statute shall be published upon obtaining the approval of the Government of Republika Srpska and shall come into force on the eighth day from the day of its publication in the "Official Gazette of Republika Srpska".

(2) The Statute of the Banking Agency of Republika Srpska ("Official Gazette of Republika Srpska", No.: 95/13) shall cease to be valid on the day of the Statute coming into force.

Number: UO-265/17

Date: 9 June, 2017

PRESIDENT OF THE
MANAGEMENT BOARD
Mira Bjelac
[duly signed and sealed]