



# GODIŠNJI IZVJEŠTAJ

ANNUAL REPORT

2018







The cover features a white background with a large, abstract geometric shape on the left side. This shape is composed of two overlapping triangles: a dark blue one on top and a lighter blue one on the bottom. The text is centered in the white space.

# GODIŠNJI IZVJEŠTAJ

2018

The cover features a white background on the left and a dark blue background on the right, separated by a diagonal line. The text 'ANNUAL REPORT' is centered in the white area, and '2018' is in the bottom right of the dark blue area.

# ANNUAL REPORT

2018

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## RIJEČ PREDSJEDNIKA UPRAVE

Poštovani akcionari, partneri i prijatelji,

Zahvaljujući pravilno postavljenoj strategiji i izgrađenom povjerenju koje su Novoj banci ukazali akcionari i klijenti, uspješno je okončana 2018. godina. Banka je imala fokus usmjeren ka unapređenju procesa i usluga, efikasnijem iskorištavanju resursa i povećanju zadovoljstva klijenata.

Tokom 2018. godine, aktiva Nove banke nastavila je trend rasta te je dostigla nivo od 1,95 milijardi KM, što joj je, uz dobit od 10 miliona KM, obezbijedilo lidersku poziciju u Republici Srpskoj i jednu od vodećih pozicija u Bosni i Hercegovini.

Na poslovanje Nove banke u 2018. godini veliki uticaj imala je izmjena zakonske regulative, kao i primjena međunarodnih standarda poslovanja (Basel III, IFRS 9 itd.), što je dovelo do potrebe da banke optimizuju svoje bilanse, smanje operativne troškove te da svoje investicije usmjere ka digitalizaciji koja je budućnost bankarstva. U narednom periodu Nova banka će imati cilj da, prateći savremena tehnološka dostignuća, klijentima ponudi jednostavnije i praktičnije korištenje bankarskih usluga. Digitalizacija za bankarski sektor predstavlja izlazak iz sigurne zone tradicionalnog načina pružanja usluga, ali su banke širom svijeta shvatile kako bi ulaganja u digitalne tehnologije moglo da donese korist klijentima i doprinese njihovom zadovoljstvu. Prije svega, to se odnosi na bolje upravljanje novcem, pristup proizvodima koji možda ranije nisu bili dostupni i mogućnost dobijanja jedinstvenog pogleda na finansije. Ono što zasigurno možemo reći: budućnost je digitalna. Usklađivanjem poslovnih ciljeva i potreba klijenata, Nova banka želi da kreira personalizovano korisničko iskustvo za svakog ko koristi njene usluge. Ovo je prilika da se najavi novi fokus, a to su inovacije i kreativnost, koje su itekako moguće u bankarskom poslovanju.

Kraj 2018. godine donio je značajne promjene Novoj banci, a, prije svega, to se odnosilo na izmjenu akcionarske strukture Banke, koja je osnažena ulaskom grupe renomiranih domaćih privrednika. Njima Banka duguje posebnu zahvalnost na ukazanom povjerenju. Ta saradnja zasnovana je na zajedničkim vrijednostima, što je osnova za ostavrenje postavljenih ciljeva. Istovremeno, postići rezultate nije bilo moguće bez zalaganja svih zaposlenih koji su pokazali izuzetnu stručnost i motivisanost pri izvršavanju kako individualnih, tako i timskih rezultata. Svima koji su svoje znanje, energiju i vrijeme uložili da bi Nova banka rasla i razvijala se, ovim putem se iskreno zahvaljujem. Sa osjećajem velike odgovornosti, ali i entuzijazmom, radićemo na ostvarenju naših ciljeva i u godinama koje slijede.

Sa zadovoljstvom vam predstavljam Godišnji izvještaj za 2018. godinu.

## A WORD FROM THE CEO

Dear shareholders, partners and friends,

Thanks to a properly set strategy and built confidence that shareholders and clients have placed in Nova banka, 2018 has been successfully completed. The Bank had a focus on improving processes and services, using resources more efficiently and increasing customer satisfaction.

During 2018, assets of Nova banka continued to grow, reaching 1.95 billion BAM, which, with a profit of 10 million BAM, secured its leadership position in the Republic of Srpska and one of the leading positions in Bosnia and Herzegovina.

Changes in legislation and the application of international business standards (Basel III, IFRS 9, etc.) have had a major impact on the business operations of Nova banka in 2018, leading to the need for banks to optimize their balance sheets, reduce operating costs and make their investments focus on digitalization, which is the future of banking. In the coming period, Nova banka will aim to offer its clients simpler and more practical use of banking services, following the latest technological developments. Digitalization for the banking sector is a way out of the safe zone of the traditional way of providing services, but banks around the world have realized that investing in digital technologies can benefit customers and contribute to their satisfaction. First of all, this refers to better money management, access to products that may not have been available before, and the possibility of obtaining a unique perspective on finance. What we can say for sure "The future is digital". By aligning business goals and clients' needs, Nova banka wants to create a personalized customer experience for everyone who uses its services. This is an opportunity to announce a new focus, namely innovation and creativity, which are quite possible in the banking business.

The end of 2018 brought significant changes to Nova banka, and, above all, it related to a change in the Bank's shareholder structure, which was strengthened with the entry of a group of reputable local businessmen. To them, the Bank owes special thanks to the trust shown. This cooperation is based on shared values, which is the basis for achieving the set goals. At the same time, it was not possible to achieve results without the efforts of all employees who showed exceptional expertise and motivation in executing both individual and team results. I would like to extend my gratitude to all those who have invested their knowledge, energy and time in order for Nova banka to grow and develop. With a sense of great responsibility, but also enthusiasm, we will work to achieve our goals in the years ahead.

I am pleased to present to you the 2018 Annual Report.

## BIOGRAFIJE ČLANOVA UPRAVE



### **Mr Srđan Kondić,** predsjednik Uprave Banke

Nakon završenog Ekonomskog fakulteta u Banjoj Luci 2005. godine, Srđan Kondić je 2012. godine stekao zvanje magistra ekonomskih nauka odbranivši tezu: „Uticaj svjetske finansijske krize na jačanje otpornosti bankarskog sektora u Bosni i Hercegovini“. Profesionalnu karijeru počeo je u Agenciji za bankarstvo Republike Srpske kao supervizor banaka, a zatim rukovodilac Odjeljenja za evropske integracije i međunarodnu saradnju. U isto vrijeme radio je i kao asistent na Ekonomskom fakultetu u Banjoj Luci. Tokom rada u Agenciji za bankarstvo obavljao je i poslove predstavnika Agencije pri Evropskoj centralnoj banci te predstavnika Agencije u radnoj grupi za izradu nove zakonske i podzakonske regulative u bankarskom sektoru BiH (Bazel I i Bazel II).

Od 1.11.2012. godine mr Srđan Kondić se pridružuje timu Nove banke na poziciji pomoćnika predsjednika Uprave banke. Zatim je 1.12.2013. godine imenovan za direktora Sektora za upravljanje rizicima, poslove koje je obavljao do 7.8.2016. godine kada svoju karijeru nastavlja u Agenciji za bankarstvo Republike Srpske na poziciji direktora Sektora za regulativu i međunarodnu saradnju u Agenciji za bankarstvo Republike Srpske. Od 1.1.2019. godine mr Srđan Kondić obavlja dužnost predsjednika Uprave Nove banke. Jedan je od osnivača Udruženja profesionalnih risk menadžera Bosne i Hercegovine.



### **Igor Jovičić,** zamjenik predsjednika Uprave Banke

Igor Jovičić rođen je 5.12.1976. godine u Jajcu. Diplomirao je na Ekonomskom fakultetu Univerziteta u Banjoj Luci, a zvanje master ekonomiste je stekao na Ekonomskom fakultetu Univerziteta u Novom Sadu, odbranivši tezu "Depozitni potencijal banke". Posjeduje i iskustvo u brokerskim poslovima kao i licencu za zvanje brokera.

Cijeli svoj radni vijek radi u bankarstvu, gdje je stekao značajno iskustvo. U Novoj banci obavljao je dužnost direktora Sektora Retail i upravljanje mrežom, a 1.12.2013. godine imenovan je za člana Uprave Banke i izvršnog direktora za tržišta te je bio nadležan za Sektor poslovanja sa pravnim licima i Sektor restrukturiranja i naplate. Kao izvršni direktor, učestvovao je u kreiranju strategije poslovanja i razvoja, uvođenja standarda korporativnog upravljanja, unapređenju poslovanja, podizanja profitabilnosti i svih drugih poboljšanja u pogledu finansijskih rezultata poslovanja. U tom periodu, Nova banka je bila više puta

nagrađivana za kvalitet poslovanja i prepoznata kao poželjan poslodavac. Od decembra 2018. godine obavlja dužnost zamjenika predsjednika Uprave Banke.



### **Jasna Zrilić,** član Uprave Banke

Jasna Zrilić je rođena 19.9.1975. godine u Banjoj Luci, gdje je završila osnovnu i srednju školu, te na Ekonomskom fakultetu Univerziteta u Banjoj Luci stekla zvanje diplomiranog ekonomiste. Na Ekonomskom fakultetu Univerziteta u Novom Sadu, odbranom teze "Strategija upravljanja aktivom i pasivom banke" stekla je zvanje Master ekonomiste za finansije, bankarstvo i osiguranje.

Posjeduje licence brokera i investicionog menadžera.

U Novoj banci AD radi od 1.11.2000. godine, a od 2003. godine kao direktor Filijale za poslovanje sa HOV "Broker nova". Od 2009. godine imenovana za direktora Sektora za sredstva te je bila nadležna za procese: upravljanje aktivom i pasivom banke, upravljanje likvidnošću, upravljanje deviznom pozicijom, upravljanje kapitalom, strateško planiranje, hartije od vrijednosti u portfelju banke, korespondentno bankarstvo, kreditne linije, te

custody i depozitarni poslovi.

Od januara 2019. godine obavlja dužnost izvršnog direktora za sredstva, finansije, rizike i platne sisteme.

Član je grupe za implementaciju Basel direktiva vezanih za kapital i LCR u Novoj banci, kao i član Upravnog odbora Banjalučke berze AD od avgusta 2014. godine.

## BOARD MEMBERS' BIOGRAPHIES

### **Srđan Kondić,**

#### **MSc, CEO**

After graduating from the Faculty of Economics in Banja Luka in 2005, Srđan Kondić obtained the title of Master of Economic Sciences in 2012, by defending the thesis "The impact of the global financial crisis on strengthening the resilience of the banking sector in Bosnia and Herzegovina". He started his professional career in the Banking Agency of the Republic of Srpska as a bank supervisor and then the Head of the Department for European Integrations and International Cooperation. At the same time, he worked as a Teaching Assistant at the Faculty of Economics in Banja Luka. During his work at the Banking Agency, he also carried out the activities of the Agency's representative with the European Central Bank and Agency's representative in the Working group for the drafting of new legal and regulatory regulations in the banking sector of Bosnia and Herzegovina (Basel I and Basel II).

Since 1 November 2012 Srđan Kondić, MSc has joined the Nova banka team as the Executive Assistant to the CEO. Then on 1 December 2013 he was appointed as the Director of the Risk Management Division, and he performed this duty until 7 August 2016 when he continued his career in the Banking Agency of the Republic of Srpska as the Director of the Division for Regulatory and International Cooperation.

Since 1 January 2019 Srđan Kondić, MSc has performed the duty of the CEO of Nova banka.

He is one of the founders of The Association of Professional Risk Managers in Bosnia and Herzegovina.

### **Igor Jovičić,**

#### **Deputy CEO**

Igor Jovičić was born on 5 December 1976 in Jajce. He graduated from the Faculty of Economics, University of Banja Luka and obtained the title of Master of Economics at the Faculty of Economics, University of Novi Sad, by defending the thesis "Deposit Potential of a Bank". He also has experience in brokerage as well as a brokerage license.

He has spent his entire career in banking, where he gained significant experience. In Nova banka, he was the Director of the Retail and Network Management Division, and on 1 December 2013 he was appointed as a member of the Management Board of the Bank and the Executive Director for Markets and was responsible for the Corporate Banking Division and the Restructuring and Collection Division. As the Executive Director, he participated in creating a business and development strategy, introducing corporate governance standards, improving business, raising profitability and all other improvements in terms of financial performance. During this period, Nova banka was awarded several times for quality of business and recognized as a desirable employer.

Since December 2018, he has been appointed as Deputy CEO.

### **Jasna Zrilić,**

#### **Member of the Management Board of the Bank**

Jasna Zrilić was born on 19 September 1975 in Banja Luka, where she finished elementary and high school, and graduated from the Faculty of Economics, University of Banja Luka. At the Faculty of Economics, University of Novi Sad she obtained the title Master of Finance, Banking and Insurance by defending the thesis "Assets and Liabilities Management Strategy of the Bank".

She possesses broker's and investment manager's licenses.

She has been working in Nova banka AD since 1 November 2000, and since 2003 as a Director of the Branch Office for trade in securities "Broker Nova". Since 2009, she has been appointed as the Director of the Treasury Division and has been in charge of the processes of managing the Bank's assets and liabilities, managing liquidity, managing the foreign exchange position, managing capital, strategic planning, securities in the Bank's portfolio, correspondent banking, credit lines, and custody and depository services.

Since January 2019, she has been appointed as the Executive Director for assets, finances, risks and payment systems.

She is a member of the Group for the implementation of Basel directives for capital and LCR in Nova Banka, as well as a member of the Management Board of Banja Luka Stock Exchange since August 2014.

# MAKROEKONOMSKO OKRUŽENJE

Početakom 2018. godine globalna ekonomija je bila u ekspanziji rasta, da bi tokom godine zamah oslabio usljed rastućih negativnih rizika, zbog čega je predviđeno revidiranje stope rasta globalne ekonomije sa 3% u 2018. godini na 2,9% 2019. godini. Identičnu stopu rasta Svjetska banka prognozira i za 2021. godinu.

Međunarodna trgovina i proizvodne aktivnosti su ublažene, trgovinske tenzije su povišene, a neka velika tržišta u razvoju doživjela su značajne pritiske na finansijskom tržištu. Prema informacijama Svjetske banke, finansijski stres u Turskoj koji je izazvao oštru depresijaciju i rast vrijednosti obveznica, nije se prelio u druge zemlje u regiji.

Kada su u pitanju zemlje regije, Svjetska banka Srbiji predviđa rast od 3,5%, koliko je, prema procjenama, bio rast i u prošloj godini, a Crnoj Gori 2,8% nakon procijenjenih 3,8% posto u prošloj godini. Rast od 2,9% očekuje se u Makedoniji u 2019. godini, nakon 2,5% u prošloj godini. Kosovo bi, prema ovoj instituciji, trebao ostvariti rast od 4,5% u 2019. godini, nakon očekivanih 4,2% u prošloj godini. Procjena rasta hrvatske ekonomije blago je povišena za 0,1 postotni bod i iznosi 2,8%.

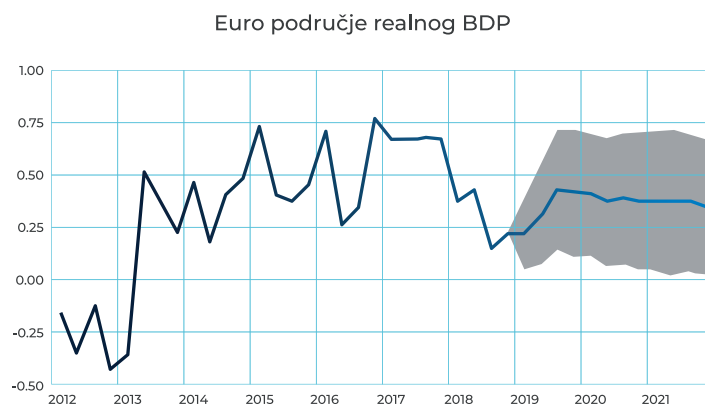
Smanjenje izvoza i nestašica radne snage ograničili su rast u Bugarskoj, Hrvatskoj i Rumuniji. Domaća potražnja podržala je aktivnosti na zapadnom Balkanu, osim Crne Gore. U Makedoniji se rast oporavio u 2018. nakon što je nova vlada okončala dugotrajnu političku krizu i poboljšala investitorski segment, navodi se u izvještajima Svjetske banke.

Prema informacijama Evropske centralne banke, rast realnog BDP-a ostao je neočekivano usporen u četvrtom kvartalu 2018. godine, a nedavni pokazatelji ukazuju na znatno slabiju od ranije očekivane aktivnosti i u prvoj polovini 2019. godine. U kraćem roku, kombinacija globalnih neizvjesnosti (uključujući i mogućnosti neredovnog Brexita), kao i nepovoljni domaći faktori u nekim zemljama eurozone vjerovatno će nastaviti uticati na aktivnosti eurozone.

Uz osnovnu pretpostavku da domaće i globalne prepreke postepeno nestaju i da osnovni faktori koji podržavaju ekspanziju u eurozoni ostaju u velikoj mjeri na snazi (ovi faktori uključuju, prije svega, veoma prilagodljiv stav monetarne politike, rastuće plate, oporavak inostrane potražnje i izvjesno fiskalno popuštanje), predviđa se da će se realni rast BDP-a povećati sa 1,1% u 2019. na 1,6% u 2020. godini i 1,5% u 2021. godini. U poređenju sa projekcijama iz decembra 2018. godine, realni rast BDP-a za 2019. godinu je revidiran 0,6 procentnih poena.

	2018	2019	2020	2021
Harmonizovani indeks potrošačkih cijena	1.7	1.2 [0.9 - 1.5]	1.5 [0.8 - 2.2]	1.6 [0.8 - 2.4]
Realan rast domaćeg proizvoda	1.9	1.1 [0.7 - 1.5]	1.6 [0.7 - 2.5]	1.5 [0.5 - 2.5]

Makroekonomske projekcije ECB ZA EUROZONU (godišnje promjene u postotcima)



Procentualne promjene na kvartalnom nivou

## MACROECONOMIC ENVIRONMENT

At the beginning of 2018 the global economy was in the expansion of growth, however during the year the momentum weakened due to the growing negative risks, which is why it was planned to revise the growth rate of the global economy from 3% in 2018 to 2.9% in 2019. The same growth rate is forecasted by the World Bank for 2021.

International trade and manufacturing activities have been reduced, trade tensions have risen, and some major emerging markets have experienced significant pressures at the financial market. According to the World Bank information, financial stress in Turkey, which caused a sharp depreciation and growth in the value of bonds, did not spill over into other countries in the region.

When it comes to the countries of the region, the World Bank predicts for Serbia growth of 3.5%, which, according to estimates, was the growth in the previous year, and for Montenegro 2.8% after the estimated 3.8% in the previous year. A growth of 2.9% is expected in North Macedonia in 2019, after 2.5% in the previous year. According to this institution, Kosovo should achieve growth of 4.5% in 2019, after the expected 4.2% in the previous year. The assessment of the growth of the Croatian economy is slightly increased by 0.1 percentage points and amounts to 2.8%.

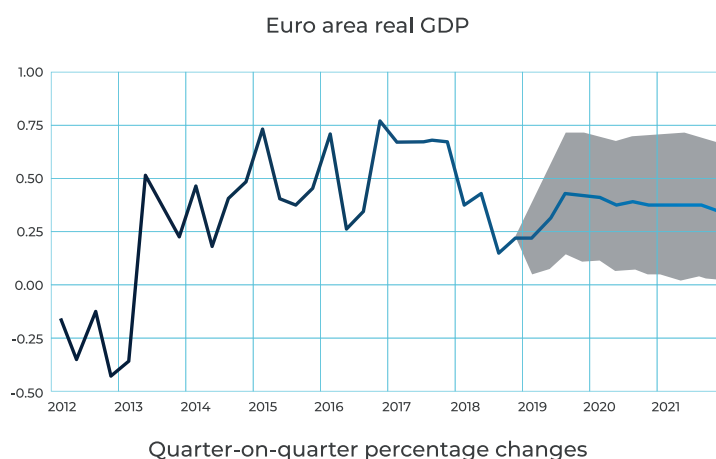
Reduction of exports and labor shortages limited growth in Bulgaria, Croatia and Romania. Domestic demand supported activities in the Western Balkans, except Montenegro. In North Macedonia, growth recovered in 2018 after the new government had ended a long-term political crisis and improved the investment segment, according to reports from the World Bank.

According to the European Central Bank, real GDP growth remained unexpectedly slowed down in the fourth quarter of 2018, and recent indicators indicate significantly weaker than previously expected activity in the first half of 2019 as well. In the short term, a combination of global uncertainties (including the possibility of a no-deal Brexit) as well as unfavorable domestic factors in some eurozone countries are likely to continue to affect eurozone activities.

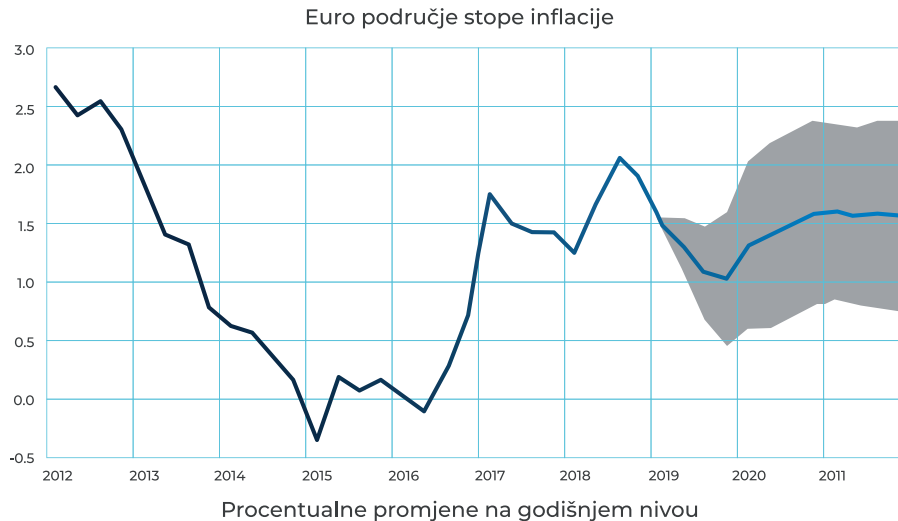
With the basic assumption that domestic and global barriers gradually disappear and that the main factors supporting the expansion in the eurozone remain largely in effect (these factors include, above all, a very flexible monetary policy stance, rising salaries, the recovery of foreign demand and a certain fiscal easing), it is projected that real GDP growth will increase from 1.1% in 2019 to 1.6% in 2020 and 1.5% in 2021. Compared to the December 2018 projections, real GDP growth for 2019 was revised by 0.6 percentage points.

	2018	2019	2020	2021
Harmonized Consumer Price Index	1.7	1.2 [0.9 - 1.5]	1.5 [0.8 - 2.2]	1.6 [0.8 - 2.4]
Real GDP growth	1.9	1.1 [0.7 - 1.5]	1.6 [0.7 - 2.5]	1.5 [0.5 - 2.5]

Macroeconomic projections of the ECB for the eurozone (annual percentage changes)



Očekuje se da će inflacija HICP nastaviti da opada u toku 2019. godine i da će rasti tokom preostalog perioda projekcije, dostižući 1,6% u 2021. godini. Smanjenje HICP inflacije u 2019. godini je posljedica nedavnog pada cijena nafte. Inflacija HICP-a bez energije i hrane predviđa se postepeno povećanje u periodu projekcije, što odražava nastavak ali umjerenije jačanje ekonomske aktivnosti i poštovanje tržišta rada.



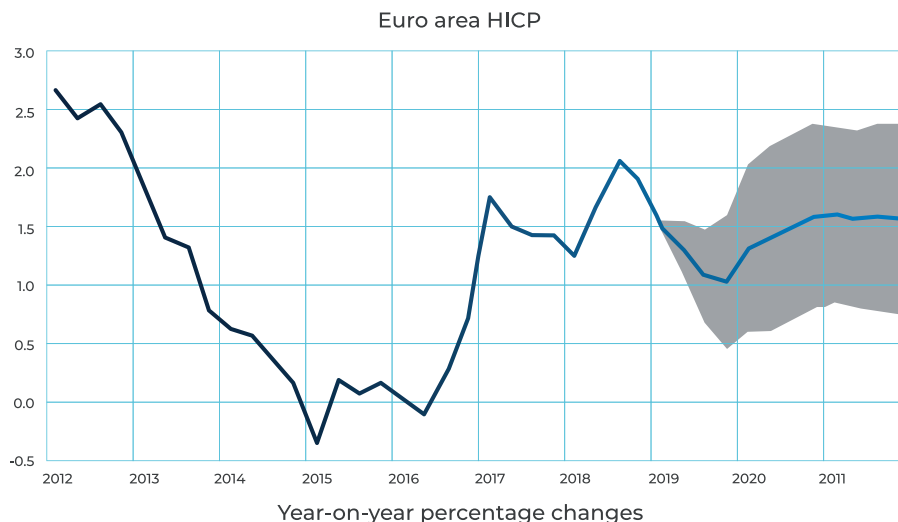
Krajem trećeg kvartala 2018. godine, Američka centralna banka (FED) je povećala referentnu kamatnu stopu za 25 baznih poena, tako da se ista kreće u intervalu od 2% do 2,25%.

Odluka o rastu referentne kamatne stope je donesena zbog izuzetno povoljnih ekonomskih kretanja, a prije svega zbog izuzetno snažne ekonomske aktivnosti, praćene niskom stopom inflacije, kao i niskom stopom nezaposlenosti. Realni BDP je u SAD u trećem kvartalu 2018. godine porastao za 3,5%, stopa nezaposlenosti je 3,7%, a inflacija 2,3%.

Za razliku od FED-a, ECB na posljednjem sastanku u trećem kvartalu 2018. godine nije mijenjala referentne kamatne stope. Na ovakvu odluku je uticao dalji pad nezaposlenosti te očekivanja da će u srednjem roku biti dostignuta ciljana inflacija, pozitivna očekivanja u pogledu ekonomskog rasta (uprkos njegovom usporavanju u odnosu na 2017. godinu), kao i nastavak kreditne ekspanzije.

Nakon što je FED ponovo povećao referentnu kamatnu stopu, porastao je stepen razmimoilaženja u monetarnoj politici eurozone i SAD, što je doprinijelo nominalnoj depresijaciji eura. Divergencija u monetarnim politikama ECB i FED je preko kanala kamatnih stopa između ostaloga dovela do slabljenja eura u odnosu na dolar.

Očekuje se da će inflacija HICP nastaviti da opada u toku 2019. godine i da će rasti tokom preostalog perioda projekcije, dostižući 1,6% u 2021. godini. Smanjenje HICP inflacije u 2019. godini je posljedica nedavnog pada cijena nafte. Inflacija HICP-a bez energije i hrane predviđa se postepeno povećanje u periodu projekcije, što odražava nastavak ali umjerenije jačanje ekonomske aktivnosti i pooštavanje tržišta rada.



At the end of the third quarter of 2018, the US Federal Reserve (FED) increased the reference interest rate by 25 basis points, so that it ranged from 2% to 2.25%.

The decision on the growth of the reference interest rate was made due to extremely favorable economic trends, primarily because of the extremely strong economic activity, followed by low inflation rate, as well as low unemployment rate. Real GDP in the US increased by 3.5% in the third quarter of 2018, the unemployment rate was 3.7% and inflation 2.3%.

Unlike the FED, the ECB did not change the reference interest rates at the last meeting in the third quarter of 2018. This decision was affected by a further decline in unemployment and the expectation that targeted inflation, positive economic growth expectations (despite its slowdown compared to 2017), as well as the continuation of credit expansion would be achieved in the medium term.

After the FED had again increased its reference interest rate, the degree of contradictions in monetary policy of the eurozone and the US increased, which contributed to the nominal depreciation of the euro. Divergence in the monetary policies of the ECB and the FED, among other things, led to a weakening of the euro against the dollar through the interest rate channel.

## Bosna i Hercegovina

Ekonomski rast Bosne i Hercegovine u 2018. godini iznosi 3,2% što je u skladu sa ranije postavljenim prognozama Svjetske banke. Istovremeno, ova međunarodna finansijska institucija očekuje da će ekonomija BiH ubrzati na 3,4% u 2019. godini, odnosno 3,9% u 2020. godini te na 4% u 2021. godini.

Prema posljednjim podacima Agencije za statistiku (BHAS), u drugom kvartalu 2018. godine rast nominalnog BDP-a je 5,1%, posmatrano na godišnjem nivou. U istom periodu, zabilježen je rast realnog BDP-a od 3,4%, što je već petnaesti uzastopni kvartal da se bilježi rast ovoga pokazatelja. U odnosu na isti kvartal prethodne godine, rast realnog BDP-a je viši za 0,2 postotna poena. Trgovina svojim visokim udjelom u ukupnoj bruto dodanoj vrijednosti najviše utiče na opšti rast BDP-a.

Bruto investicije, kao jedan od glavnih pokretača privrednog rasta, bilježe u prethodnoj godini nominalni rast od 12,5% u BiH. Investicije u stalna sredstva bilježe godišnji rast od 7,4%, slijedom rasta materijalne stalne imovine i proizvoda.

Kraj trećeg kvartala 2018. godine, posmatrano na godišnjem nivou, karakteriše daljnje usporavanje rasta industrijske proizvodnje, slijedom pada proizvodnje prerađivačke industrije te stagnacije rudarstva, dok na drugoj strani proizvodnja i distribucija električne energije i plina bilježi snažan porast.

Upoređujući kumulativno stanje na kraju trećeg kvartala 2018. godine s istim periodom prethodne godine, industrijske djelatnosti bilježe smanjenje proizvodnje od 4,2%, ponajviše slijedom pada inostrane potražnje. Trend rasta cijena iz tekuće godine usporen je u trećem kvartalu.

Prema administrativno-anketnim podacima, nastavljen je trend pada broja nezaposlenih i rasta broja zaposlenih, uz sve izraženije negativne demografske promjene koje utiču na tržište rada. U istom periodu nastavljen je rast nominalnih neto plata.

	2019	2020	2021
<b>BDP realna stopa rasta (godišnje u %)</b>	3,5	3,7	3,8
<b>Inflacija mjerena indeksom (potrošačkih cijena u %)</b>	1,2	1,4	1,5
<b>Uvoz (realni rast u %)</b>	4,1	3,6	3,7
<b>Izvoz (realni rast u %)</b>	7,0	6,5	6,1

Pomoćna tabela za izradu grafičkog prikaza (Izvor: Program ekonomskih reformi 2019-2021)

Međunarodna rejting agencija Standard and Poor's (S&P) objavila je u prvom kvartalu 2019. godine da kreditni rejting Bosne i Hercegovine ostaje „B“, ali su, u odnosu na prethodnu ocjenu rejtinga, izgledi promijenjeni sa stabilnog na pozitivni. Ovo je prvo poboljšanje u izgledima za dugoročni S&P rejting BiH od 2012. godine.

Uprkos određenim globalnim ekonomskim izazovima kao što su trgovinski ratovi, pitanja BREXIT-a, povećanje kamatnih stopa, referentne međunarodne institucije nagovještavaju nastavak trenda ekonomskog rasta u svijetu. Međutim, činjenica je da su očekivanja ovih institucija kada je u pitanju globalni ekonomski rast u određenoj mjeri opreznija u odnosu na sami početak godine.

Uprkos svim izazovima, nastavak trenda ekonomskog rasta u eksternom okruženju (EU i region) uz pojačani doprinos internih dinamika bi trebali rezultovati dodatnim jačanjem ekonomskog rasta u Bosni i Hercegovini. Prema projekciji DEP-a očekuje se da bi prosječna stopa realnog rasta BDP-a u periodu 2019 - 2021. godina trebala iznositi 3,6%.

Pretpostavlja se da bi u ovom vremenskom periodu domaća tražnja kroz privatnu potrošnju i investicije trebala predstavljati glavni oslonac ekonomskog rasta. S druge strane, tokom posmatranog perioda očekuje se stagnacija javne potrošnje što će rezultovati smanjenjem njenog učešća u strukturi BDP-a odnosno njenog doprinosa u ekonomskom rastu Bosne i Hercegovine.

Reformske mjere koje su usmjerene ka poboljšanju poslovnog ambijenta u zemlji trebale bi rezultovati većim investicionim ulaganjima (domaćim i inostranim) što bi ojačalo privatni sektor, zaposlenost i u konačnosti bh. spoljnotrgovinsku robnu razmjenu sa svijetom.

Tako se u periodu 2019 - 2021. godina pod pretpostavkom jačanja izvozne tražnje očekuje prosječni godišnji rast izvoza od 6,5%, dok je prosječni godišnji rast uvoza u navedenom periodu 3,8%. Usljed ovakovog kretanja izvoza očekuje se da bi udio izvoza u BDP-u trebao biti uvećan sa 41,8% u 2019. godini na 45% u 2021. godini, dok bi uvoz trebao ostati na približno istom nivou. Ova kretanja izvoza i uvoza tokom posmatranog perioda 2019 - 2020. godina trebala bi rezultovati smanjenjem vanjskotrgovinskog deficita od oko 4% na godišnjem nivou, njegovom stabilizacijom u strukturi BDP-a na oko 13,5%, dok bi doprinosu rastu trebao biti pozitivan sa oko 0,6 p.p na godišnjem nivou.

## Bosnia and Herzegovina

The economic growth of Bosnia and Herzegovina (BiH) in 2018 was 3.2%, which was in line with the previously set World Bank forecasts. At the same time, this international financial institution expects the economy of BiH to accelerate to 3.4% in 2019, i.e. 3.9% in 2020, and to 4% in 2021.

According to the latest data of the Agency for Statistics (BHAS), nominal GDP growth in the second quarter of 2018 was 5.1%, observed annually. In the same period, real GDP growth of 3.4% was recorded, which was already the fifteenth consecutive quarter to record the growth of this indicator. Compared to the same quarter of the previous year, real GDP growth was higher by 0.2 percentage points. Trade with its high share in total gross value added has the greatest impact on overall GDP growth.

Gross investments, as one of the main drivers of economic growth, recorded a nominal growth of 12.5% in BiH in the previous year. Investments in fixed assets recorded an annual growth of 7.4%, following the growth of tangible fixed assets and products.

The end of the third quarter of 2018, observed on an annual basis, was characterized by further slowdown in the growth of industrial production, following the decline in production of manufacturing industry and the stagnation of mining, while on the other hand the production and distribution of electricity and gas recorded a strong increase.

Comparing the cumulative state at the end of the third quarter of 2018 with the same period of the previous year, industrial activity recorded a 4.2% reduction in production, mostly as a result of the decline in foreign demand. The trend of price growth from the current year slowed down in the third quarter.

According to the administrative-survey data, the trend of the decrease in the number of unemployed and increase in the number of employed people continued, with growing negative demographic changes that affected the labor market. In the same period, the growth of nominal net wages continued.

	2019	2020	2021
GDP real growth rate (annually in %)	3,5	3,7	3,8
Inflation measured by consumer price index (in %)	1,2	1,4	1,5
Imports (real growth in %)	4,1	3,6	3,7
Exports (real growth in %)	7,0	6,5	6,1

Auxiliary table for creating a graphic view (Source: Economic Reform Program 2019-2021)

The international rating agency Standard and Poor's (S&P) announced in the first quarter of 2019 that the credit rating of Bosnia and Herzegovina remains "B", but the outlook has changed from stable to positive in relation to the previous rating. This is the first improvement in the prospects for the long-term S&P rating of BiH since 2012.

Despite certain global economic challenges such as trade wars, BREXIT issues, interest rate increases, reference international institutions suggest a continuation of the economic growth trend in the world. However, the fact is that the expectations of these institutions when it comes to global economic growth are to a certain extent more careful compared to the very beginning of the year.

Despite all the challenges, the continuation of the economic growth trend in the external environment (EU and the region) with the increased contribution of internal dynamics should result in further strengthening of economic growth in Bosnia and Herzegovina. According to the DEP projection, it is expected that the average rate of real GDP growth in the period 2019-2021 should be 3.6%.

It is assumed that in this time period domestic demand through private consumption and investments should be the mainstay of economic growth. On the other hand, during the observed period, the stagnation of public spending is expected to stem, which will result in a decrease in its share in the structure of GDP, i.e. its contribution to the economic growth of Bosnia and Herzegovina.

Reform measures aimed at improving the business environment in the country should result in higher investments (domestic and foreign), which would strengthen the private sector, employment and, ultimately, BiH's foreign trade exchange with the world.

Thus, in the period 2019-2021, the average annual growth of exports of 6.5% is expected, while the average annual growth of imports in the mentioned period is 3.8%. As a result of such exports, it is expected that the share of exports to GDP should increase from 41.8% in 2019 to 45% in 2021, while imports should remain at approximately the same level.

Prema raspoloživim projekcijama referentnih međunarodnih institucija u periodu 2019 – 2021. godine u užem i širem međunarodnom ekonomskom okruženju očekuje se daljnji nastavak pozitivnih ekonomskih prilika. Tako se tokom ovog perioda prema posljednjem izvještaju WIIW instituta (Institut za međunarodne ekonomske studije u Beču) u zemljama Zapadnog Balkana očekuje ekonomski rast od preko 3%. Ova eksterna dešavanja, uz interne dinamike koje se ogledaju kroz poboljšanje poslovnog ambijenta trebali bi rezultovati povećanjem proizvodnje u bh. prerađivačkoj industriji koja ima visok stepen izvozne orijentacije. To će podrazumjevati povećanje investicionih ulaganja (inostranih i domaćih), veću iskorištenost kapaciteta, povećanje broja zaposlenih i u konačnosti porast fizičkog obima industrijske proizvodnje u BiH. Imajući u vidu navedene okolnosti tokom ovog perioda očekivane stope rasta fizičkog obima industrijske proizvodnje prema projekciji DEP-a iznose preko 5% na godišnjem nivou.

## Bankarski sektor i očekivanja za 2019. godinu

Rast primarnog novca tokom 2018. godine je prvenstveno određen porastom depozita banaka kod monetarnih vlasti, te je nastavljen trend rasta započetak u 2017. godini.

Bankarski sektor Bosne i Hercegovine u 2018. godini čine 23 komercijalne banke. U odnosu na isti period prethodne godine, nije bilo promjena u broju banaka.

Prema trenutno dostupnim podacima za bankarski sektor BiH, a koji se odnose na treći kvartal 2018. godine, smanjen je nivo novih plasmana prema domaćim sektorima. Trend rasta depozita je nastavljen. U istom periodu posmatranja evidentno je povećanje nivoa strane aktive i smanjenje nivoa strane pasive. Trend pada prosječne ponderisane kamatne stope na kredite manjih iznosa nefinansijskim preduzećima nastavljen je tokom trećeg kvartala 2018. godine.

Kreditni, koji predstavljaju najznačajniju stavku aktive komercijalnih banaka su na godišnjem nivou u porastu za 6,7%. U kreditnom portfoliju banaka najveće učešće imaju krediti stanovništvu od 47,4%. Učešće kredita nefinansijskim preduzećima u ukupnim kreditima je nešto manje u odnosu na stanovništvo i iznosi 46,3%.

Ukupni depoziti kod komercijalnih banaka premašili su iznos od 21 milijardu KM u trećem kvartalu 2018. godine. Rast ukupnih depozita iznosio je 11,6% na godišnjem nivou. Trend rasta depozita vladinog sektora nastavljen je i tokom trećeg kvartala 2018. godine, ali nešto blažim intenzitetom nego u prethodnom dijelu godine.

Ukupni depoziti stanovništva povećani su za 181,3 miliona KM u trećem kvartalu 2018. godine, a 65,2% navedenog iznosa se odnos na depozite u domaćoj valuti.

Na kraju trećeg kvartala 2018. godine došlo je do povećanja nivoa strane aktive i smanjenja nivoa strane pasive komercijalnih banaka u odnosu na kraj prethodnog kvartala. Strana aktiva je povećana za 172,4 miliona KM, čemu je u najvećoj mjeri doprinijelo povećanje kredita od 140,1 miliona KM i vrijednosnih papira osim akcija (74,5 miliona KM). Smanjenju strane pasive u trećem kvartalu je u najvećoj mjeri doprinijelo smanjenje depozita. Kod većine komercijalnih banaka nastavljen je proces razduživanja po osnovu uzetih kredita od nerezidenata, a nova zaduženja zabilježena su samo kod manjeg broja banaka. U trećem kvartalu 2018. godine ukupna prosječna ponderisana kamatna stopa na kredite nefinansijskim preduzećima iznosila je 3,80%. Trend pada prosječne ponderisane kamatne stope na kredite manjih iznosa (do 0,25 miliona KM) nastavljen je i u trećem kvartalu 2018. godine. Prosječne ponderisane kamatne stope na kredite preko iznosa od 0,25 miliona EUR su na nivou ispod 4%. Najveći dio kredita se i dalje ugovara s varijabilnom kamatnom stopom i s inicijalnim periodom fiksne kamatne stope do jedne godine.

Prosječna ponderisana kamatna stopa na stambene kredite stanovništvu je smanjena tokom trećeg kvartala za 22 bazna poena na 3,84%. Istovremeno, prosječna ponderisana kamatna stopa na kredite iz kategorije ostalih kredita (koji su većinom gotovinski krediti) povećana je za 5 baznih poena na nivo od 5,88%. Tokom posmatranog kvartala, prosječna ponderisana kamatna stopa na potrošačke kredite povećana je za 50 baznih poena na nivo od 6,49%. Prosječna ponderisana kamatna stopa na depozite u KM stanovništva se zadržala na nivou blago iznad 1% i tokom trećeg kvartala 2018. godine. Istovremeno, prosječna ponderisana kamatna stopa na depozite u EUR povećana je za 30 baznih poena na nivo od 1,44%.

Na nivou bankarskog sektora BiH u trećem kvartalu 2018. godine iskazan je pozitivan finansijski rezultat u iznosu od 315,6 miliona KM.

Na nivou bankarskog sektora RS sa stanjem na dan 30.09.2018. godine ostvaren je pozitivan finansijski rezultat od 68,9 miliona KM. Sedam banaka iskazalo je neto dobit u ukupnom iznosu od 72,1 milion KM sa stopom pada od 17% u odnosu na stanje na dan 30.09.2017. godine (87,3 miliona KM kod sedam banaka) uglavnom zbog značajnog pada prihoda po osnovu ukidanja ispravki vrijednosti za stavke rizičnog bilansa i rezervi po vanbilansu. Jedna banka je iskazala gubitak u iznosu od 3,2 miliona KM.

Na nivou bankarskog sektora Federacije BiH sa stanjem na dan 30.09.2018. godine ostvaren je pozitivan finansijski rezultat u iznosu od 246,7 miliona KM, što je za 15,1 miliona KM ili 6,5% više u odnosu na isti period prethodne godine.

Analizom strukture prihoda i rashoda na nivou bankarskog sektora u FBiH za prvih devet mjeseci 2018. u odnosu na isti period prethodne poslovne godine, uočava se da je iskazani pozitivni finansijski rezultat, neto dobit u iznosu od 246,7 miliona KM rezultat uticaja sljedećih promjena:

These trends in exports and imports during the observed period from 2019 to 2020 should result in a reduction in the foreign trade deficit of around 4% annually, by stabilizing it in the GDP structure to around 13.5%, while the contribution to growth should be positive with approximately 0.6 percentage points per annum.

According to the available projections of the reference international institutions in the period 2019-2021, a further continuation of positive economic opportunities is expected in the narrower and wider international economic environment. Thus, during this period, according to the latest report of the WIIW Institute (The Vienna Institute for International Economic Studies) the economic growth of over 3% is expected in the Western Balkans countries. These external events, with internal dynamics that are reflected through the improvement of the business environment, should result in an increase in production in BiH's manufacturing industry which has a high degree of export orientation. This will involve an increase in investments (foreign and domestic), greater capacity utilization, increase in the number of employees and, ultimately, increase in the physical volume of industrial production in BiH. Considering the above-mentioned circumstances, the expected growth rates of the physical volume of industrial production during this period amount to over 5% per annum, according to the DEP projection.

## Banking sector and expectations for 2019

The growth of primary money during 2018 was primarily determined by the increase in banks' deposits with monetary authorities, and the growth trend started in 2017 continued.

The banking sector of Bosnia and Herzegovina in 2018 consists of 23 commercial banks. Compared to the same period of the previous year, there were no changes in the number of banks.

According to currently available data for the banking sector of BiH, which relate to the third quarter of 2018, the level of new placements to domestic sectors has been reduced. The trend of deposit growth is continued. During the same period of observation, it is evident that the level of foreign assets increased, and the level of foreign liabilities decreased. The downward trend in the average weighted interest rate on small loans to non-financial enterprises continued during the third quarter of 2018.

Loans, which represent the most significant item of assets of commercial banks, grew by 6.7% annually. In the credit portfolio of banks, 47.4% of loans to natural persons account for the largest share. The share of loans to non-financial enterprises in total loans is slightly lower compared to loans to natural persons, amounting to 46.3%.

Total deposits with commercial banks exceeded the amount of 21 billion BAM in the third quarter of 2018. The growth of total deposits amounted to 11.6% annually. The trend in the growth of government sector deposits continued in the third quarter of 2018, but somewhat less intense than in the previous part of the year.

Total deposits of natural persons increased by 181.3 million BAM in the third quarter of 2018, and 65.2% of the said amount relates to deposits in domestic currency.

At the end of the third quarter of 2018, there was an increase in the level of foreign assets and a decrease in the level of foreign liabilities of commercial banks in relation to the end of the previous quarter. Foreign assets increased by 172.4 million BAM, which was mostly contributed by an increase of loans in the amount of 140.1 million BAM and securities other than shares (74.5 million BAM). The reduction in foreign liabilities in the third quarter was largely contributed by a decrease in deposits. In most commercial banks, the process of repayment of loans taken from non-residents continued, and new indebtedness was recorded only in a smaller number of banks.

In the third quarter of 2018, the total weighted interest rate on loans to nonfinancial companies was 3.80%. The downward trend in the average weighted interest rate on small loans (up to 0.25 million BAM) continued in the third quarter of 2018 as well. The average weighted interest rates on loans over the amount of 0.25 million EUR are below 4%. Most of the loans are still contracted at a variable interest rate and with an initial period of fixed interest rate of up to one year.

The average weighted interest rate on housing loans to natural persons decreased during the third quarter by 22 basis points to 3.84%. At the same time, the average weighted interest rate on loans from the category of other loans (mostly cash loans) increased by 5 basis points to the level of 5.88%. During the observed quarter, the average weighted interest rate on consumer loans increased by 50 basis points to the level of 6.49%. The average weighted interest rate on deposits of natural persons in BAM remained at a level slightly above 1% during the third quarter of 2018 as well. At the same time, the average weighted interest rate on deposits in EUR increased by 30 basis points to the level of 1.44%.

In the third quarter of 2018, at the level of the banking sector in BiH, a positive financial result of 315.6 million BAM was reported.

At the level of the banking sector of the Republic of Srpska (RS) with the balance on 30 September 2018 positive financial result of 68.9 million BAM was achieved. Seven banks reported net profit in the total amount of 72.1 million BAM with a fall rate of 17% compared to the balance on 30 September 2017 (87.3 million BAM in seven banks), mainly due to a significant drop in revenues from the derecognition of allowance for impairments for items of risk and off-balance sheet items. One bank reported a loss of 3.2 million BAM.

At the level of the banking sector of the Federation of Bosnia and Herzegovina (FBiH) with the balance on 30 September 2018 a positive financial result of 246.7 million BAM was realized, which is 15.1 million BAM or 6.5% more compared to the same period of the previous year.

- povećanja neto kamatnih i sličnih prihoda za iznos od 4,6 miliona KM ili 1%, što je rezultat smanjenja ukupnih kamatnih i sličnih prihoda za iznos od 10,3 miliona KM ili 1,8% i istovremenog smanjenja ukupnih kamatnih i sličnih rashoda za iznos od 14,9 miliona KM ili 13,1%;
- povećanja ukupnih operativnih prihoda za iznos od 16,6 miliona KM ili 5,31%, pri čemu je u strukturi istih evidentno povećanje prihoda iz poslovanja sa devizama, naknada za izvršene usluge, naknada po vanbilansnim poslovima i poslovima trgovanja, uz smanjenje prihoda po osnovu naknada po kreditima i ostalih operativnih prihoda;
- povećanja ukupnih nekamatnih rashoda za iznos od 6,1 milion KM ili 1,1%, pri čemu su ukupni poslovni i direktni rashodi ostali na približno istom nivou, dok su se ukupni operativni rashodi povećali za 6 miliona KM ili 1,6%.

Prema raspoloživim projekcijama referentnih međunarodnih institucija u periodu 2019 – 2021. godine u užem i širem međunarodnom ekonomskom okruženju očekuje se daljnji nastavak pozitivnih ekonomskih prilika. Tako se tokom ovog perioda prema posljednjem izvještaju WIIW inistuta (Institut za međunarodne ekonomske studije u Beču) u zemljama Zapadnog Balkana očekuje ekonomski rast od preko 3%. Ova eksterna dešavanja, uz interne dinamike koje se ogledaju kroz poboljšanje poslovnog ambijenta trebali bi rezultovati povećanjem proizvodnje u bh. prerađivačkoj industriji koja ima visok stepen izvozne orijentacije. To će podrazumjevati povećanje investicionih ulaganja (inostranih i domaćih), veću iskorištenost kapaciteta, povećanje broja zaposlenih i u konačnosti porast fizičkog obima industrijske proizvodnje u BiH. Imajući u vidu navedene okolnosti tokom ovog perioda očekivane stope rasta fizičkog obima industrijske proizvodnje prema projekciji DEP-a iznose preko 5% na godišnjem nivou.

Analyzing the structure of revenues and expenses at the level of the banking sector in the FBiH for the first nine months of 2018 compared to the same period of the previous financial year, it is noted that a positive financial result is reported, with a net profit of 246.7 million BAM resulting from the following changes:

- an increase in net interest and similar revenues for the amount of 4.6 million BAM or 1%, which is the result of a decrease in total interest and similar revenues for the amount of 10.3 million BAM or 1.8% and a simultaneous reduction in total interest and similar expenses for the amount of 14.9 million BAM or 13.1%;
- increase in total operating revenues for the amount of 16.6 million BAM or 5.31%, whereby in the structure of these there is an evident increase in foreign exchange earnings, fees for services rendered, fees for off-balance sheet activities and trading activities, along with a decrease in revenues on the basis of loan fees and other operating revenues;
- increase of total non-interest expenses in the amount of 6.1 million BAM or 1.1%, whereby total operating and direct expenses remained at approximately the same level, while total operating expenses increased by 6 million BAM or 1.6%.

In the third quarter of 2018, turnover of 202 million BAM was realized on BiH stock exchanges, and BLSE turnover was dominated by total turnover. Turnover in the third quarter of 2018 was 40.6% lower than turnover in the second quarter of 2018. At the same time, early bond purchases increased turnover at BLSE by as much as 441.7% (q/q-1), so the total growth in BiH stock exchanges was as much as 142.2%.

Assuming further positive economic trends in BiH and economic growth in the countries that are the most important foreign trade partners, it is expected that the growth of total loans with somewhat more moderate rates will continue, along with the continuation of falling interest rates. The growth rate of total loans for the period 2018-2019 could range around 6% y/y and in the period 2020-2021, around 5.5% y/y.

Continued growth in deposits of natural persons and deposits of the non-financial sector, which account for more than 80% of total deposits, with moderate economic growth rates, and a more stable operation of the banking sector (improving the financial indicators CAR and NPL) create realistic assumptions for continued growth in the total amount of deposits in the period 2018-2021. It is also expected that the low level of deposit interest rates will remain in the upcoming period. For the period 2018-2019, further growth of total deposits at the rate of 11% y/y is expected, and in the period between 2020 and 2021, with a slightly lower growth of up to 10% y/y.

# PROFIL BANKE

## Vizija Nove banke

Naša vizija je da budemo pokretač pozitivnih društvenih promjena i rasta bankarskog sistema u Bosni i Hercegovini, poslujući odgovorno, pouzdano i sigurno brineći o svojim klijentima, akcionarima i društvu u cjelini kao i u skladu s vremenom koje dolazi.

## Misija Nove banke

Naša misija je da budemo pristupačna banka koja pruža kvalitetne i sigurne proizvode i usluge, kreirane u skladu s potrebama klijenata i s ciljem podrške razvoju privrede Bosne i Hercegovine i društva u cjelini, u svrhu dugoročnog rasta i razvoja. Ostvarujemo je poštujući zakone, transparentno izvještavajući i ulažući u obrazovanje i razvoj ljudskih resursa.

## Vrijednosti

Vrijednosti koje negujemo su:

Povjerenje	Odgovornost	Vjerodostojnost
jer je ključ svakog uspješnog odnosa.	jer brinemo o razvoju zajednice u kojoj poslujemo.	jer smo dosljedni vlastitim principima.

Strategijom poslovanja zasnovanom na definisanoj viziji i misiji, te utvrđenim vrijednostima, Nova banka AD Banja Luka je svoju poziciju na tržištu Bosne i Hercegovine gradila još od 1999. godine i to kao jedna od prvih privatnih banaka u Bosni i Hercegovini. Od tada pa do danas, Banka je izrasla u jednu od vodećih banaka u Republici Srpskoj i Bosni i Hercegovini. U tom smijeru, planirano je i poslovanje u narednom periodu.

Banka nudi širok portfolio tradicionalnih bankarskih usluga (uključujući različite vrste kredita, dokumentarnih poslova, depozita i štednje, platnih transakcija i transfera novca, mjenjačkih poslova i slična), ali takođe obavlja i veliki broj primarno nebankarskih aktivnosti kao što su brokerske operacije, kastodi poslovanje, factoring i forfaiting.

Nekoliko godina unazad, bankarske institucije se susreću i sa određenim revolucionarnim promjenama i novinama u načinu poslovanja, a koje se odnose na process digitalizacije. Sve to je dovelo do pokretanja značajnih inovativnih i investicionih projekata, kako bi Banka adekvatno odgovorila na trendove, zahtjeve klijenata ali i jačala svoje konkurentske prednosti.

Organizacionu strukturu Banke čine: Centrala Banke u Banjoj Luci i 65 drugih organizacionih jedinica, odnosno, 12 filijala, Filijala za poslovanje hartijama od vrijednosti „Broker Nova“, 17 agencija, 15 ekspozitura i 20 izdvojenih šaltera. Veći broj organizacionih jedinica Banke lociran je u Republici Srpskoj, dok se nešto manji broj nalazi u Federaciji Bosne i Hercegovine, te je jedna filijala Banke u Brčko Distriktu. Sve organizacione jedinice su kanali distribucije proizvoda Banke prema klijentima, koji su primarno retail i SME klijenti, a sekundarno veliki corporate klijenti.

Tokom svog poslovanja Banka je prepoznata kao veoma interesantan i poželjan poslodavac, te je sa 31. decembrom 2018. godine imala 703 zaposlena. Korporativna kultura Banke je rezultovala visokim stepenom lojalnosti i izuzetno motivisanim zaposlenima.

## BANK PROFILE

### Vision of Nova banka

Our vision is to be the driver of positive social changes and the growth of the banking system in Bosnia and Herzegovina, by doing our business responsibly, reliably and safely, by taking care of our clients, shareholders and the society as a whole, and in accordance with the time to come.

### Mission of Nova banka

Our mission is to be an accessible bank that provides quality and safe products and services tailored to the needs of clients and with the aim of supporting the development of the economy of Bosnia and Herzegovina and the society as a whole, for the purpose of long-term growth and development. We achieve it by complying with laws, transparently reporting and investing in education and development of human resources.

### Values

The values we cherish are:

Confidence	Responsibility	Credibility
because it is the key to any successful relationship.	because we care about the development of the community in which we operate.	because we are consistent with our own principles.

Nova banka AD Banja Luka has built its position on the market of Bosnia and Herzegovina since 1999, as one of the first privately owned banks in Bosnia and Herzegovina, through the strategy of operations based on the defined vision and mission and established values. Since then, the Bank has grown into one of the leading banks in the Republic of Srpska and Bosnia and Herzegovina. In this direction, the business is planned for the future period as well.

The Bank offers a wide portfolio of traditional banking services (including various types of loans, documentary operations, deposits and savings, payment transactions and money transfers, foreign exchange operations, etc.), but also performs a large number of primary non-banking activities such as brokerage operations, custody operations, factoring and forfeiting.

A few years back, banking institutions also faced with some revolutionary changes and novelties in the way of doing business, which related to the process of digitization. All this led to the launch of significant innovative and investment projects, in order for the Bank to adequately respond to the trends and requirements of clients, but also to strengthen its competitive advantages.

The organizational structure of the Bank consists of the Bank's Head Office in Banja Luka and 65 other organizational units, i.e. 12 Branch Offices, Branch Office for trade in securities "Broker Nova", 17 agencies, 15 sub-branch offices and 20 separate counters. A large number of organizational units of the Bank is located in the Republic of Srpska, while a smaller number is located in the Federation of Bosnia and Herzegovina and one Branch Office of the Bank is located in the Brčko District. All organizational units represent distribution channels of the Bank's products to clients, who are primarily retail and SME clients, and secondarily large corporate clients.

During its business operations, the Bank was recognized as a very interesting and desirable employer, and as of 31 December 2018 it had 703 employees. The corporate culture of the Bank has resulted in a high degree of loyalty and highly motivated employees.

## Društvena odgovornost

Društveno odgovorno poslovanje je integrisani dio poslovne strategije Nove banke i svih svakodnevnih aktivnosti.

Odgovornost je jedna od osnovnih vrijednosti koje se njeguju u Novoj banci. Odgovornim pristupom u svim aspektima poslovanja svi zaposleni u Banci odgovaraju na mnoge izazove.

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Odgovornost prema klijentima

Odgovornost prema radnom okruženju

Odgovornost prema zajednici

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Dosljednost je jedna od bitnih strategija kojom se uspjesi i rezultati ostvaruju na način koji je prihvatljiv za društveno i prirodno okruženje. Kao institucija, od osnivanja pa do danas, Banka posvećenost etičnom poslovanju primjenjuje svakodnevno te nastoji da pruži svoj doprinos zajednici i okruženju kroz niz aktivnosti. To podrazumjeva i finansijsku podršku projektima koji za krajnji cilj imaju unapređenje lokalne kulture, promociju zdravog života i sporta i očuvanja životne sredine.

Kada je društvena odgovornost u pitanju, humanost je iznad svega. Veliki je broj humanitarnih akcija u kojima je Nova banka učestvovala, te ujedno i značajan broj i onih koje su i inicirani od strane Banke.

Osnovni principi društveno odgovornog poslovanja Nove banke su:

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**Dobro se dobrim vraća**

**Doprinosimo razvoju zajednice**

**Naši zaposleni su naša vrijednost**

jer sa svakom humanitarnom akcijom u kojoj učestvujemo jačamo vjeru u ljudskost i solidarnost.

jer smo njen nerazdvojni dio i želimo da utičemo na razvoj i dobrobit društva.

jer zajedničkim snagama, zalaganjem i energijom postizemo izvanredne poslovne rezultate.

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I tokom 2018. godine podržani su brojni sportski, kulturni i humanitarni događaji. Pružena je podrška mnogim pojedincima i institucijama, posebno se ističe podrška najmlađima, kroz zanimljive programe edukacije, donacije i druženja. Nova banka je ponosni sponzor najvećih sportskih klubova, ali i onih kojima je svaki oblik podrške veoma značajan da jednog dana i oni postanu „veliki“. Nisu zaboravljeni ni penzioneri, podržani su i mnogi stručni i naučni skupovi, a sve sa ciljem unapređenja znanja, rasta i razvoja društva u cjelini. Zaposleni u Novoj banci bili su humani kako za podršku radnim kolegama, tako i uključivanjem u brojne humanitarne akcije.

Svojim društveno odgovornim aktivnostima Nova banka će nastaviti i dalje da širi i promovise duh međusobne podrške i pomoći, na zadovoljstvo svih.

Kvalitet usluge i poslovanja

Uz svesrdno zalaganje zaposlenih, podršku akcionara i povjerenje koje Novoj banci ukazuju klijenti, postignuti uspjeh i rezultati bazirani su na pravilno postavljenoj strategiji, posebno u segmentima jačanja kapitala, rasta aktive, unapređenja mreže poslovnica i povećanja kvaliteta usluga.

Naš cilj:

- zadržati ulogu jedne od vodećih banaka u Bosni i Hercegovini, adekvatno odgovarajući na zahtjeve tržišta. Time se postiže svakodnevni rast broja klijenata koji Novoj banci ukazuju povjerenje koristeći kako tradicionalne bankarske usluge, tako i nove proizvode koji su u skladu sa standardima savremenog bankarstva.

Upravljanje kvalitetom

Sistem upravljanja kvalitetom koji je uveden u svakodnevno poslovanje dovodi do ostvarenja postavljenih ciljeva u pogledu kvaliteta poslovanja i pružanja usluga. Ovaj sistem čine organizaciona struktura, odgovornost subjekata u organizaciji, procesi i resursi potrebni za upravljanje sistemom, a sve s ciljem:

- Povećanja zadovoljstva klijenata
- Jačanja lojalnosti klijenata
- Efikasnijeg iskorištavanja vremena i resursa
- Usklađenosti i povezanosti proizvoda i usluga

## Social responsibility

Corporate social responsibility is an integral part of the business strategy of Nova banka and all its daily activities.

Responsibility is one of the basic values that are nourished in Nova Banka. By having a responsible approach to all aspects of business, all employees of the Bank respond to many challenges.

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Responsibility towards clients	Responsibility towards the working environment	Responsibility towards the community
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Consistency is one of the important strategies for achieving success and results in a way that is acceptable to the social and natural environment. As an institution, since its foundation until today, the Bank has been devoting its commitment to ethical business every day and has been striving to provide its contribution to the community and environment through a range of activities. This includes financial support for projects that have the ultimate goal of improving local culture, promoting healthy lifestyle and sports, and preserving the environment.

When it comes to social responsibility, humanity is above all. There is a large number of charities in which Nova banka participated, as well as a significant number of those initiated by the Bank.

Basic principles of corporate social responsibility of Nova banka are:

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<b>Good begets good</b>	<b>Our employees are our value</b>	<b>We contribute to community development</b>
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because with every charity in which we participate we strengthen our faith in humanity and solidarity.

because we are its inseparable part and we want to be influenced by the development and well-being of the society.

because we can achieve outstanding business results through joint efforts, dedication and energy.

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During 2018 as well, numerous sports, cultural and humanitarian events were supported. The support was provided to many individuals and institutions, especially support to the youngest, through interesting programs of education, donations and socializing. Nova banka is a proud sponsor of the largest sports clubs, but also those to which every form of support is very important so that one day they can also become "big". We have not forgotten the pensioners as well, many expert and scientific gatherings were also supported, all with the aim of improving the knowledge, growth and development of the society as a whole. The employees of Nova banka were humane both by supporting their colleagues, and by getting involved in numerous charities.

With its socially responsible activities, Nova banka will continue to expand and promote the spirit of mutual support and help, to the satisfaction of all.

Quality of service and business

With the wholeheartedly support of the employees, the support of the shareholders and the client's confidence in Nova banka, the achieved success and the results are based on a properly set strategy, especially in the segments of capital strengthening, assets growth, improvement of the branch network and increasing the quality of services.

Our goal:

- to retain the role of one of the leading banks in Bosnia and Herzegovina by adequately responding to market demands. This results in a daily growth in the number of clients who show confidence in Nova banka using both traditional banking services as well as new products that are in line with the standards of modern banking.

Quality management

The quality management system that has been introduced in everyday business leads to the achievement of set goals in terms of the quality of business and service delivery. This system consists of the organizational structure, the responsibility of the entities in the organization, the processes and resources needed to manage the system, all with the aim of:

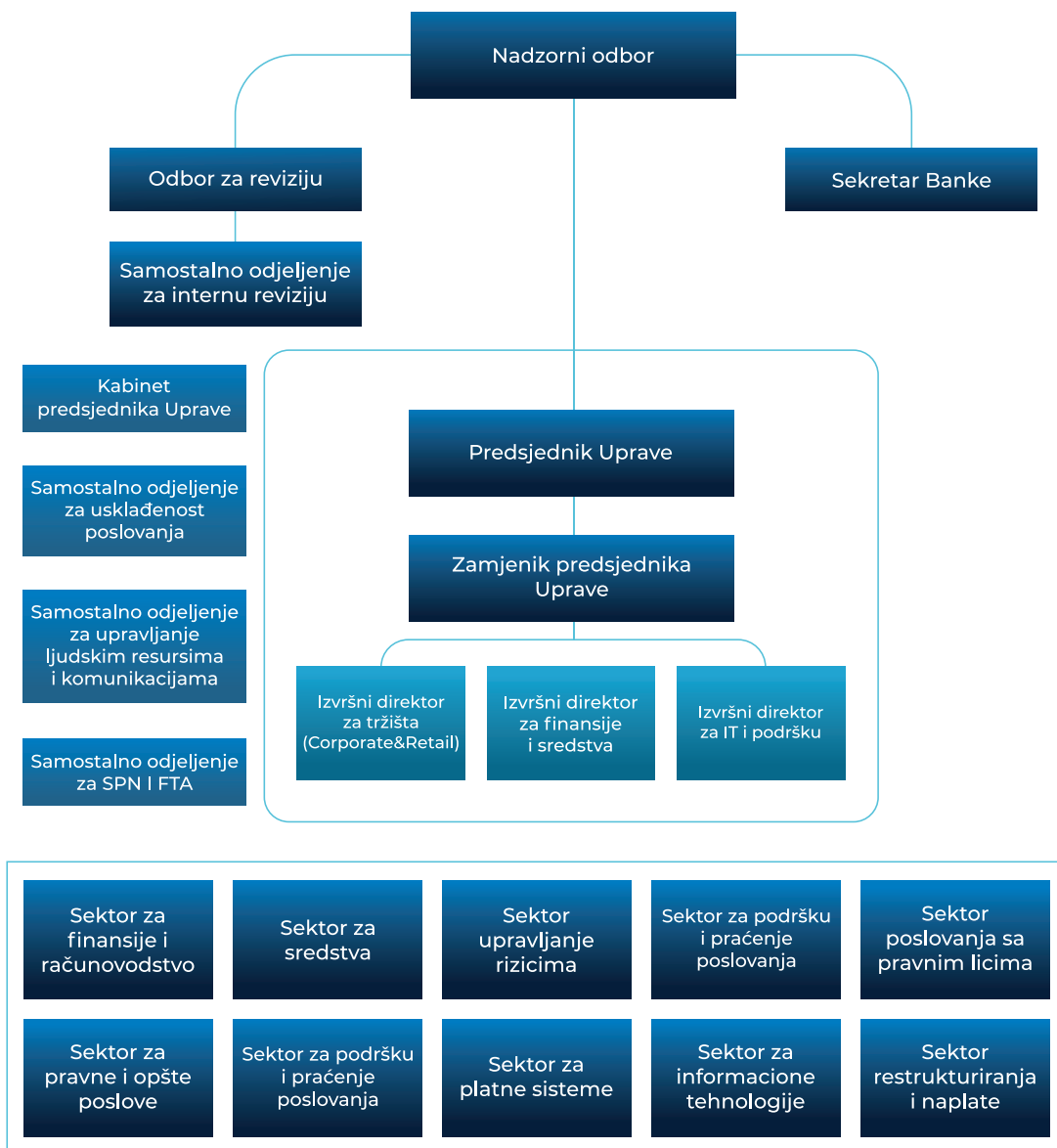
- Increasing clients' satisfaction
- Strengthening clients' loyalty

- Kontinuiranog unapređenja kvaliteta procesa i usluga
- Povećanja profita
- Boljeg pozicioniranja na tržištu

## Pristupačnost

Strategija Nove banke zasnovana je na realnim potrebama zajednice u kojoj posluje. Za lokacije poslovnica biraju se atraktivna, prometna mjesta na kojima se odvija značajna poslovna i finansijska aktivnost i na kojima postoji dobar tržišni potencijal. Organizacionu strukturu Banke čine Centrala Banke u Banjoj Luci i 65 drugih organizacionih jedinica, odnosno, 12 filijala, Filijala za poslovanje hartijama od vrijednosti „Broker Nova“, 17 agencija, 15 ekspozitura i 20 izdvojenih šaltera. Sve organizacione jedinice su kanali distribucije proizvoda Banke prema klijentima.

## Organizaciona struktura



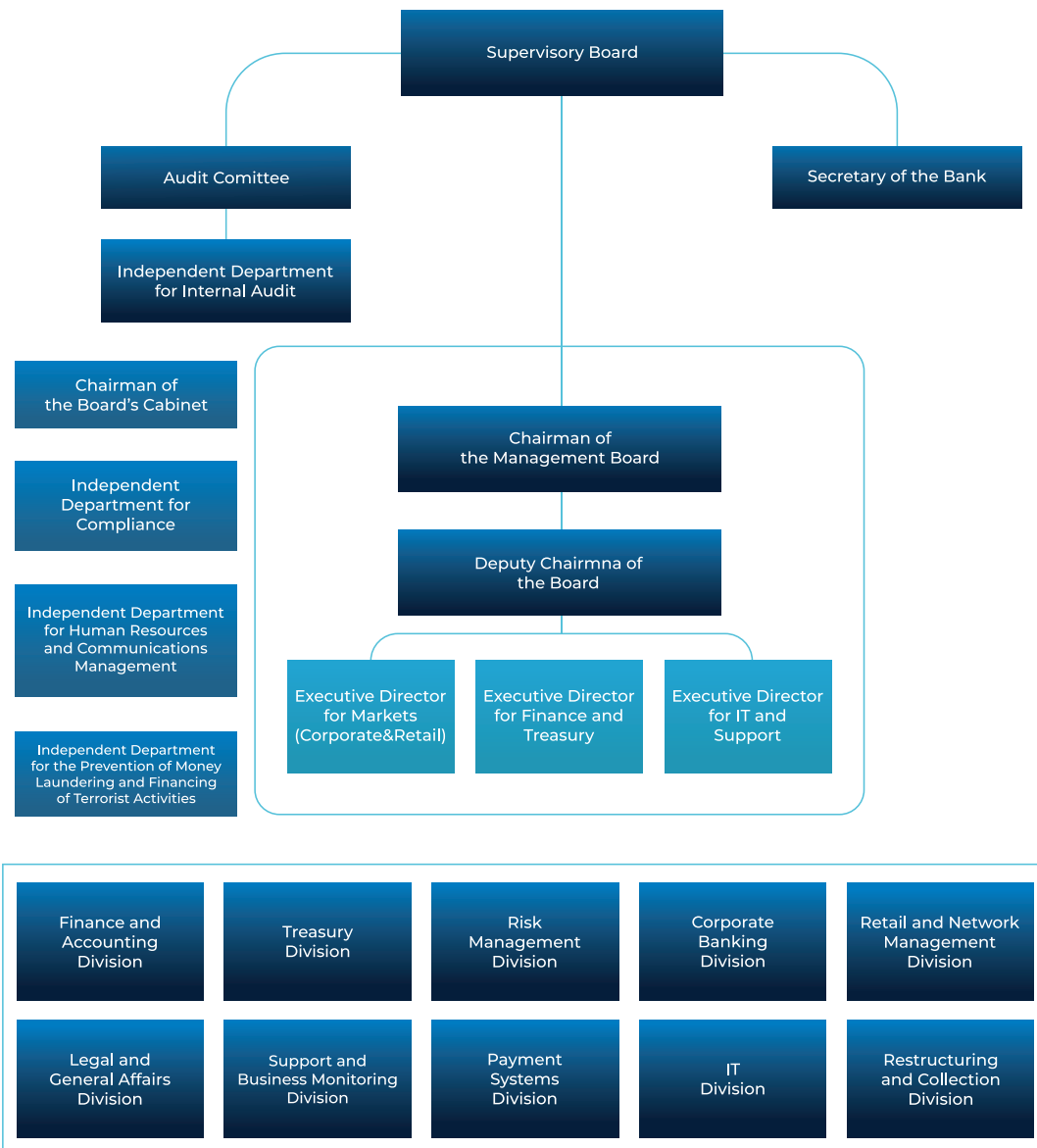
Fleksibilna organizaciona struktura koja omogućava brzo donošenje odluka i vrhunski korisnički servis

- More efficient utilization of time and resources
- Compliance and connectivity of products and services
- Continuous improvement of the quality of processes and services
- Increasing the profit
- Better positioning in the market

## Accessibility

The strategy of the Nova banka is based on the real needs of the community in which it operates. Attractive, busy areas where significant business and financial activity takes place and where there is a good market potential, are chosen for the locations of the branches. The organizational structure of the Bank consists of the Bank's Head Office in Banja Luka and 65 other organizational units, i.e. 12 Branch Offices, Branch Office for trade in securities "Broker Nova", 17 agencies, 15 sub-branch offices and 20 separate counters. All organizational units represent distribution channels of the Bank's products to clients.

## Organizational structure



Flexible organizational structure which enable quick decision-making and excellent clients service

## Organi upravljanja

### Nadzorni odbor Banke

- Goran Radanović  
predsjednik
- Grega Kuček  
zamjenik predsjednika
- Nebojša Ninić  
član
- Miroslav Lazarević  
član
- Leon Batagelj  
član

### Uprava Banke na dan 31.12.2018. godine

- Goran Avlijaš  
Predsjednik Uprave Banke
- Igor Jovičić  
Zamjenik predsjednika Uprave Banke
- Gorana Zorić  
Izvršni direktor

### Odbor za reviziju Banke

- Prof. dr Branko Krsmanović  
predsjednik
- Mr. Vlado Vasiljević  
zamjenik predsjednika
- Zdenko Sivrić  
član
- Goran Marković  
član
- Doc. dr Slobodan Lukić  
član

### Sekretar Banke

- Ivana Kantar

### Interni revizor

- Branka Štaka

### Sektori i samostalna odjeljenja Nove banke

- Dobriša Lovre  
direktor Sektora za platne sisteme
- Dejan Vukosavljević  
direktor Sektora Retail i upravljanje mrežom
- Borislav Trampa  
direktor Sektora poslovanja sa pravnim licima
- Mirko Antić  
direktor Sektora za informacione tehnologije
- Tijana Pjević  
direktor Sektora za finansije i računovodstvo
- Rade Obradović  
direktor Sektora za upravljanje rizicima
- Jasna Zrilić  
direktor Sektora za sredstva

- Milan Kudra  
direktor Sektora za pravne i opšte poslove
- Vidosava Pejić  
direktor Sektora za podršku i praćenje poslovanja
- Milija Dedić  
direktor Sektora restrukturiranja i naplate
- Valentina Jukić  
direktor Sektora za preuzimanje rizika
- Jagoda Matrak  
rukovodilac Samostalnog odjeljenja za upravljanje ljudskim resursima i komunikacijama
- Zoran Skvarica  
rukovodilac Samostalnog odjeljenja za sprječavanje pranja novca i finansiranja terorističkih aktivnosti
- Dragica Blagojević  
rukovodilac Samostalnog odjeljenja za usklađenost poslovanja

### Filijale Nove banke

- Filijala Bijeljina  
direktor Srđan Stanojević
- Filijala Banja Luka  
direktor Saša Maglov
- Filijala Brčko  
direktor Petar Domić
- Filijala Zvornik  
direktor Branka Risović
- Filijala Doboj  
direktor Miodrag Mišić
- Filijala Istočno Sarajevo  
direktor Dalibor Đurović
- Filijala Sarajevo  
direktor Saša Mulalić
- Filijala Foča  
direktor Milada Simić
- Filijala Trebinje  
direktor Obrad Zelenović
- Filijala Tuzla  
direktor Igor Josipović
- Filijala Mostar  
direktor Sanda Boban
- Filijala Prijedor  
direktor Borislav Babić

## Management bodies of the Bank

### Supervisory Board of the Bank

- Goran Radanović  
Chairman
- Grega Kukec  
Deputy Chairman
- Nebojša Ninić  
member
- Miroslav Lazarević  
member
- Leon Batagelj  
member

### Management Board of the Bank as at 31 December 2018

- Goran Avlijaš  
CEO
- Igor Jovičić  
Deputy CEO
- Gorana Zorić  
Executive Director

### Audit Committee of the Bank

- Prof. Branko Krsmanović, PhD  
Chairman
- Vlado Vasiljević, MSc  
Deputy Chairman
- Zdenko Sivrić  
member
- Goran Marković  
member
- Prof. Slobodan Lukić, PhD  
member

### Secretary of the Bank

- Ivana Kantar

### Internal Auditor

- Branka Štaka

### Divisions and independent departments of Nova banka

- Dobriša Lovre  
Director of Payment Systems Division
- Dejan Vukosavljević  
Director of Retail and Network Management Division
- Borislav Trampa  
Director of Corporate Banking Division
- Mirko Antić  
Director of Information Technology Division
- Tijana Pjević  
Director of Finance and Accounting Division
- Rade Obradović  
Director of Risk Management Division
- Jasna Zrilić  
Director of Treasury Division
- Milan Kudra  
Director of Legal and General Affairs Division

- Vidosava Pejić  
Director of Support and Business Monitoring Division
- Milija Dedić  
Director of Restructuring and Collection Division
- Valentina Jukić  
Director of Underwriting Division
- Jagoda Matrak  
Head of Independent Department for Human Resources and Communications Management
- Zoran Skvarica  
Head of Independent Department for the Prevention of Money Laundering and Financing of Terrorist Activities
- Dragica Blagojević  
Head of Independent Department for Compliance

### Branch Offices of Nova banka

- Branch Office Bijeljina  
Director Srdan Stanojević
- Branch Office Banja Luka  
Director Saša Maglov
- Branch Office Brčko  
Director Petar Domić
- Branch Office Zvornik  
Director Branka Risović
- Branch Office Doboj  
Director Miodrag Mišić
- Branch Office East Sarajevo  
Director Dalibor Đurović
- Branch Office Sarajevo  
Director Saša Mulalić
- Branch Office Foča  
Director Milada Simić
- Branch Office Trebinje  
Director Obrad Zelenović
- Branch Office Tuzla  
Director Igor Josipović
- Branch Office Mostar  
Director Sanda Boban
- Branch Office Prijedor  
Director Borislav Babić

## UPRAVLJANJE LJUDSKIM RESURSIMA

I tokom 2018. godine Nova banka je nastavila svoju strategiju upravljanja ljudskim resursima ulaganjem u razvoj zaposlenih, unapređenjem njihovih znanja i vještine, podsticanjem pozitivne radne atmosfere, definisanjem konkurentnih naknada i mnogim drugim aktivnostima, a sve u cilju brige o zaposlenima kreiranjem zdravog i sigurnog okruženja u kojem su zaposleni motivisani za postizanje individualnih i timskih rezultata.

Ulaganje u znanje i unapređenje vještina, a u cilju razvijanja sposobnosti i potencijala zaposlenih veoma su bitni elementi za postizanje ličnih i timskih rezultata. U tom smjeru, a u skladu sa potrebama i zahtjevima nosilaca procesa u Banci, te praćenjem zahtjeva tržišta, regulatora te trendova u bankarstvu, planiraju se kako interne obuke, tako i učešće na eksternim vidovima edukacija. Tako su tokom 2018. godine 282 zaposlena prisustvovala na 82 različite eksterne edukacije, a interni tim trenera je održao 12 obuka za više od 600 zaposlenih.

Banka takođe kontinuirano unapređuje i svoju organizacionu strukturu, a sve u cilju efikasnijeg i uspješnijeg poslovanja, te pravovremena reagovanja na zahtjeve tržišta. U 2018. godini na nivou Centrale formiran je Sektor za preuzimanje rizika te osnovana još jedna poslovnica u Prijedoru. Zaključno sa 31.12.2018. godine sa 703 zaposlena, Banka je svoje poslovanje organizovala unutar jedanaest sektora, četiri samostalna odjeljenja i dvanaest filijala, koje obuhvataju još i 65 drugih organizacionih jedinice.

U Novoj banci 75,82% zaposlenih čine žene, a preostalih 24,18% muškarci. Postotak žena na rukovodećim pozicijama iznosi 65%, dok je prosječna starosna dob svih zaposlenih 38 godina. Briga o zaposlenima, njihovom zdravlju i zdravlju njihovih porodica je polje djelovanja gdje su Banka kao institucija, ali i svi zaposleni pojedinačno uvijek spremni da pokažu svoju humanost i dobra djela. Timski duh, saradnja i promovisanje pozitivne radne atmosfere samo su dio vrijednosti koje Nova banka razvija i podstiče među zaposlenima.

Na bankarskim igrama 2018. godine sportski timovi Nove banke postigli su sljedeće rezultate:

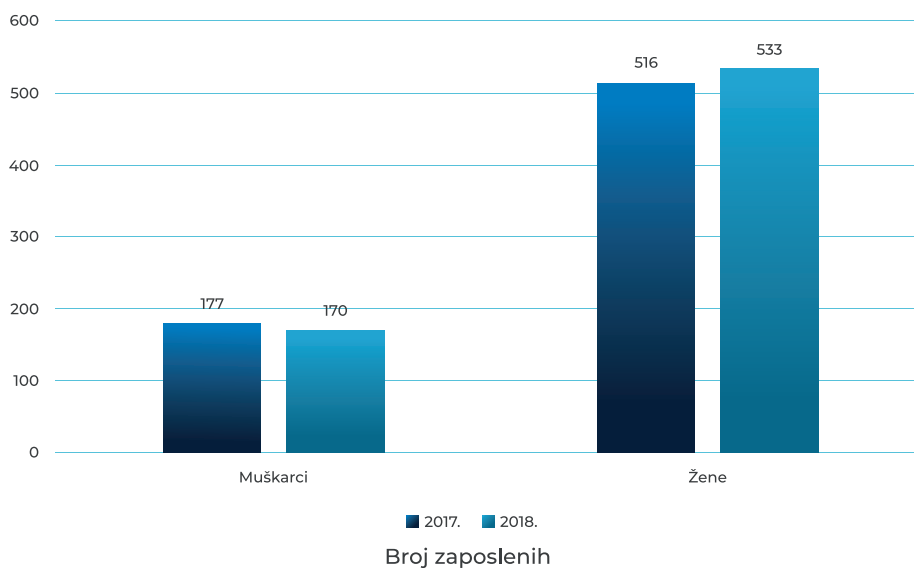
I mjesto: košarka - žene

I mjesto: kuglanje - žene

I mjesto: fudbal - muškarci

II mjesto: stoni tenis - muškarci

III mjesto: stoni tenis - žene



# HUMAN RESOURCES MANAGEMENT

During 2018 Nova banka continued its human resources management strategy by investing in the development of its employees, improving their knowledge and skills, encouraging a positive working atmosphere, defining competitive compensations and many other activities, all with the aim of taking care of its employees by creating a healthy and safe environment in which employees are motivated to achieve individual and team results.

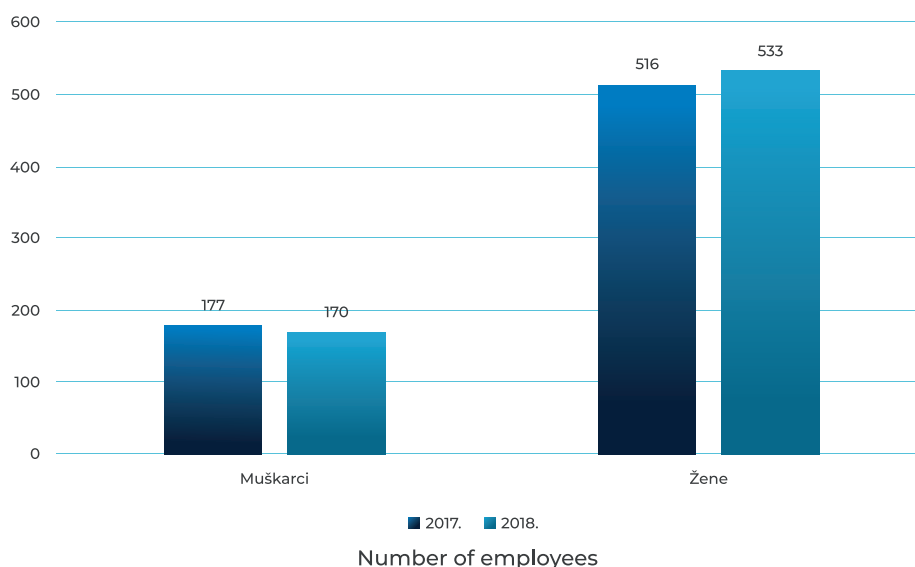
Investing in knowledge and improvement of skills in order to develop the capabilities and potential of employees are very important elements for achieving personal and team results. In this direction, and in accordance with the needs and requirements of the process holders in the Bank, and following the requirements of the market, the regulator and trends in banking, both internal trainings and participation in external forms of education are planned. Thus, in 2018, 282 employees attended 82 different external trainings, and the internal team of trainers held 12 training courses for more than 600 employees.

The Bank also continuously improves its organizational structure, all with the aim of performing more efficient and successful business operations and timely response to the market demands. In 2018 at the level of the Bank's Head Office, the Underwriting Division was established and another sub-branch office in Prijedor was opened. As of 31 December 2018, with 703 employees, the Bank organized its business operations within eleven divisions, four independent departments and twelve branch offices, which also include 65 other organizational units.

In Nova banka, 75.82% of employees are women and the remaining 24.18% are men. The percentage of women in managerial positions is 65%, while the average age of all employees is 38. Taking care of employees, their health and the health of their families is a field of activity where the Bank as an institution, but also all employees individually are always ready to show their humanity and good deeds. Team spirit, cooperation and promotion of a positive working atmosphere are only part of the value that Nova banka develops and encourages among its employees.

In the Banking sports games 2018 sports teams of Nova banka achieved the following results:

- 1. place: basketball - women
- 1. place: bowling - women
- 1. place: football - men
- 2. place: table tennis - men
- 3. place: table tennis - women



# KVANTITATIVNO OSTVARENJE STRATEGIJE POSLOVANJA

## POSLOVANJE SA STANOVNIŠTVOM

Zadržavajući jednu od vodećih pozicija na bankarskom tržištu Bosne i Hercegovine stavljanjem akcenta na stabilnost i jačanje likvidne pozicije, zahvaljujući kontinuiranom rastu i razvoju koji je postigla tokom prethodnih godina, Nova banka je i u 2018. godini ostvarila rast u gotovo svim segmentima poslovanja.

Trend rasta klijenata zadržao se u svim segmentima, kako kod fizičkih lica, SME i velikih klijenata tako i kod javnog sektora, što je bio slučaj i sa kreditnim plasmanima i depozitima. Banka je stavila veliki akcent na poboljšanje kvaliteta kreditnog portfolija, pojačanu aktivnost naplate i zadržavanje postojećih i privlačenje novih, za Banku poželjnih klijenata.

Značajni rezultati postignuti su i u okviru kartičnog poslovanja. Kontinuirano se radi na unapređenjima u tom segmentu poslovanja, s obzirom da kartična industrija predstavlja jednu od najbrže rastućih i najdinamičnijih industrija današnjeg vremena.

Unapređenja su rađena i u segmentu elektronskog bankarstva, paketa proizvoda kao i kontinuiranog povećanja nivoa kvaliteta usluge.

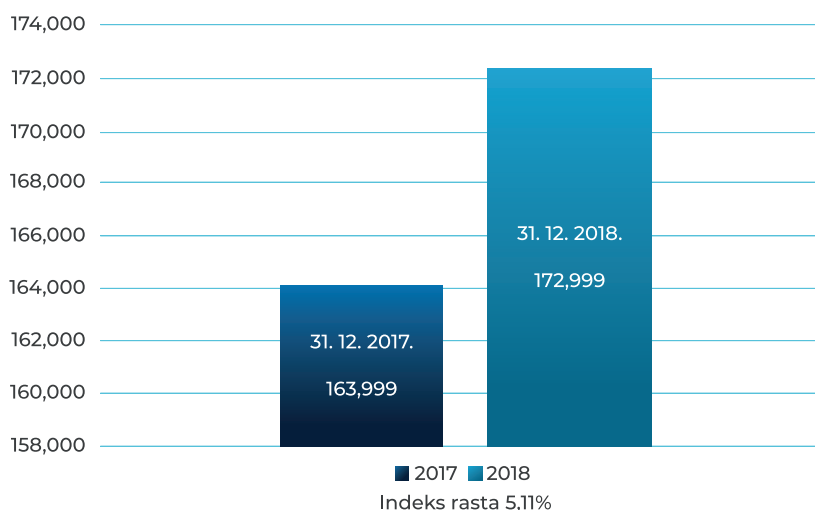
## TREND KRETANJA BROJA KLIJENATA

Nova banka je i tokom 2018. godine imala za jasan cilj a koji se odnosi na zadržavanje postojećih te akvizicija novih klijenata koji će svoja redovna mjesečna primanja usmjeravati preko računa u Novoj banci. Ažurirani su proizvodi Banke koji su ispratili prodajna stremljenja, ciljeve Banke u cjelini te potrebe i želje klijenata. Intenzivan rad na ostvarenju postavljenog cilja odrazio se na povećanje baze klijenata Banke a samim tim i na rezultat Banke za 2018. godinu.

Kao argument već navedenom, tokom 2018. godine intenzivirana je i saradnja sa Corporate i SME segmentima, pravnim licima, klijentima Banke, čiji su zaposleni dobili akcijske uslove za zaduživanje u Novoj banci. Uspostavljanjem i unapređenjem odnosa sa aktuelnim klijentima, pravnim licima, Banka se brine za lojalnost naših kupaca i na taj način ostvaruje kontinuiran rast klijentske baze.

Zaključno sa poslovnom 2018. godinom broj klijenata je povećan na 172.385, što u poređenju sa brojem klijenata na kraju 2017. godine koji je iznosio 163.999, predstavlja rast od 5,11%.

Nova banka će i dalje aktivno raditi na uspostavljanju kvalitetne baze klijenata kojim će se jačati veza klijenta i Banke na način da klijenti koriste široku lepezu proizvoda Nove banke uz cross-selling i up-selling tehnike.



Trend rasta broja klijenata - fizičkih lica u 2018. godini

# QUANTITATIVE REALIZATION OF THE BUSINESS STRATEGY

## RETAIL OPERATIONS

Maintaining one of the leading positions in the banking market of Bosnia and Herzegovina by emphasizing the stability and strengthening its liquid position, thanks to the continued growth and development accomplished in previous years, Nova banka achieved growth in almost all business segments in 2018 as well.

The growth trend in the number of clients has remained in all segments, for natural persons, SMEs and Corporate clients, as well as for the Public sector, which was the case with both loan placements and deposits. The Bank has put great emphasis on improving the quality of the loan portfolio, enhanced collection activity and retention of existing clients and attracting the new ones that are desirable for the Bank.

Significant results have also been achieved within the card business. Continuous improvements are being made in this business segment, since the card industry represents one of the fastest growing and most dynamic industries of the present day.

Improvements have also been made in the segment of electronic banking, product packages as well as continuous increase in the level of service quality.

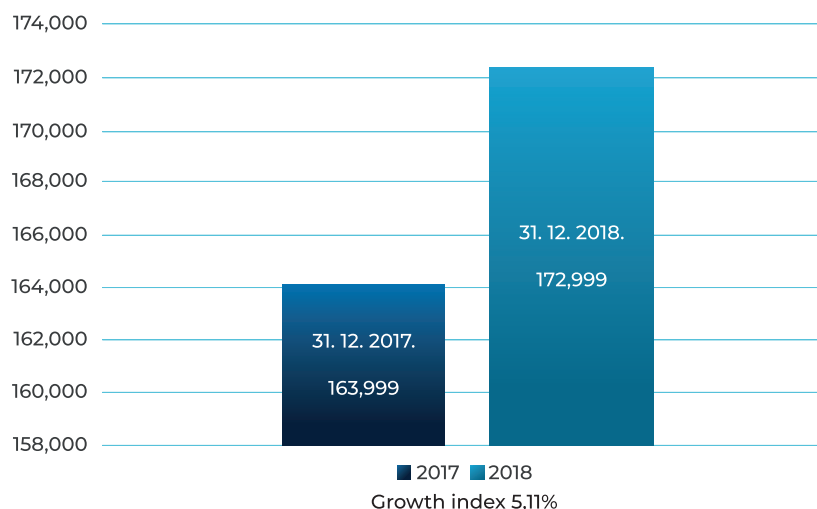
## TREND IN THE NUMBER OF CLIENTS

During 2018 as well, Nova banka had a clear goal regarding the retention of existing and acquisitions of new clients, which would direct their regular monthly salaries through their accounts in Nova banka. The products of the Bank have been updated which followed the sales strivings, the goals of the Bank as a whole and the needs and wishes of the clients. The intensive work on the achievement of the set goals was reflected in the increase of the Bank's client base and, consequently, the Bank's operating result for 2018.

As an argument to the above mentioned, during 2018 the cooperation with Corporate and SME segments, legal entities, clients of the Bank, whose employees were given the action conditions for borrowing in Nova banka, was intensified. By establishing and improving relations with current clients, legal entities, the Bank takes care of the loyalty of our clients and thus achieves continuous growth of the client base.

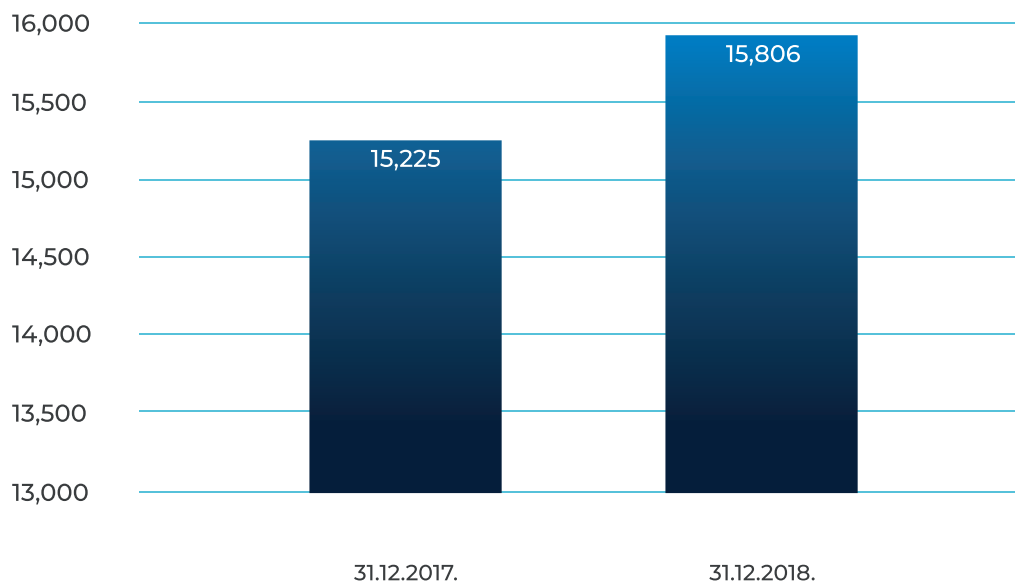
By the end of the business year 2018, the number of clients increased to 172,385, which compared to the number of clients at the end of 2017, which amounted to 163,999, represents an increase of 5.11%.

Nova banka will continue to work actively on the establishment of a quality client base that will strengthen the clients' and the Bank's link in a way that clients use a wide range of products of Nova banka with cross-selling and up-selling techniques.



Growth trend in the number of clients – natural persons in 2018

U 2018. godini nastavljen je trend priliva novih klijenata i povećanja ukupnog broja klijenata u SME segmentu. Tako je u 2018. godini otvoreno 1200 novih računa za redovno poslovanje SME klijenata (6,3% više nego prethodne godine). Na kraju 2018. godine ukupan broj klijenata banke u ovom segmentu iznosio 15.806 što je povećanje za 581 u odnosu na kraj 2017. godine.



**Indeks rasta 3,82%**

Trend rasta broja SME klijenata u 2018. godini

U 2018. godini došlo je do rasta broja klijenata – veliki klijenti i javni sektor, za 1,45%. Taj trend rasta je uzrokovan klijentski orjentisanim pristupom poslovanja, konkurentnim cjenovnim i necjenovnim elementima proizvoda.

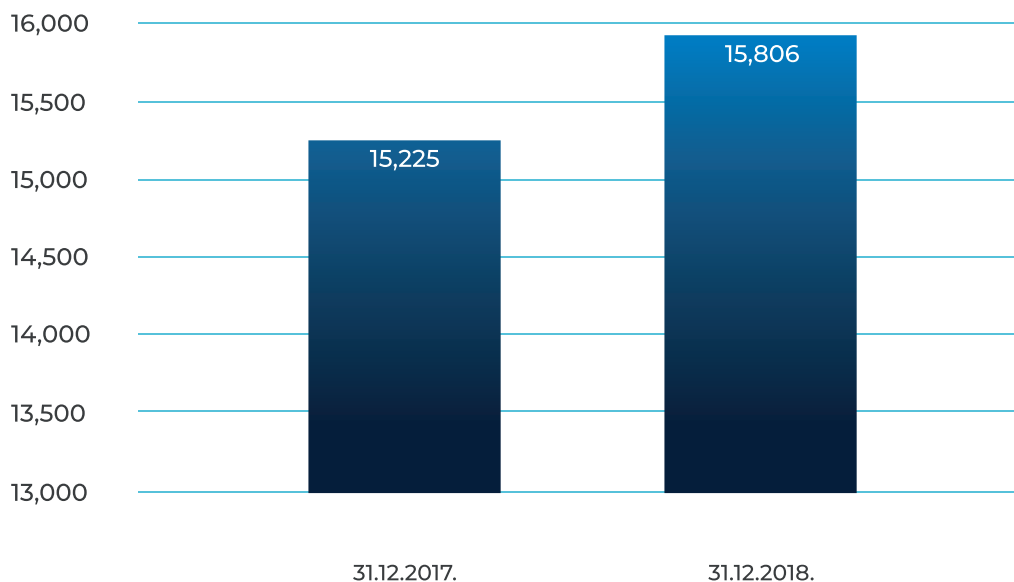


**Indeks rasta 1,45%**

Trend rasta klijenata – Veliki klijenti i Javni sektor u 2018. godini

# ANNUAL REPORT 2018

In 2018, the trend of inflow of new clients and the increase in the total number of clients in the SME segment continued. Thus, in 2018, 1200 new accounts were opened for the regular business operations of SME clients (6.3% more than in the previous year). At the end of 2018, the total number of Bank's clients in this segment was 15,806, which represents an increase of 581 compared to the end of 2017.



**Growth Index 3.82%**

Growth trend in the number of SME clients in 2018

In 2018, there was an increase in the number of clients – Corporate clients and the Public sector, by 1.45%. This growth trend is caused by client-oriented business approach, competitive price and non-price elements of the products.

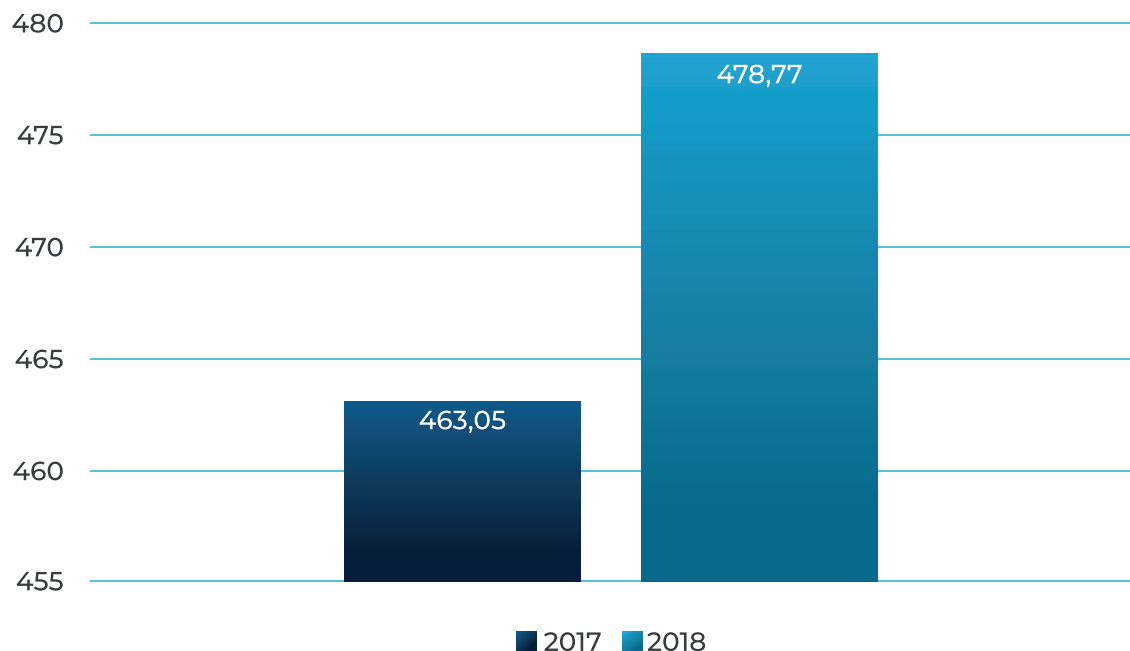


**Growth index 1.45%**

Growth trend in the number of clients – Corporate clients and the Public sector in 2018

## TREND KRETANJA PLASMANA

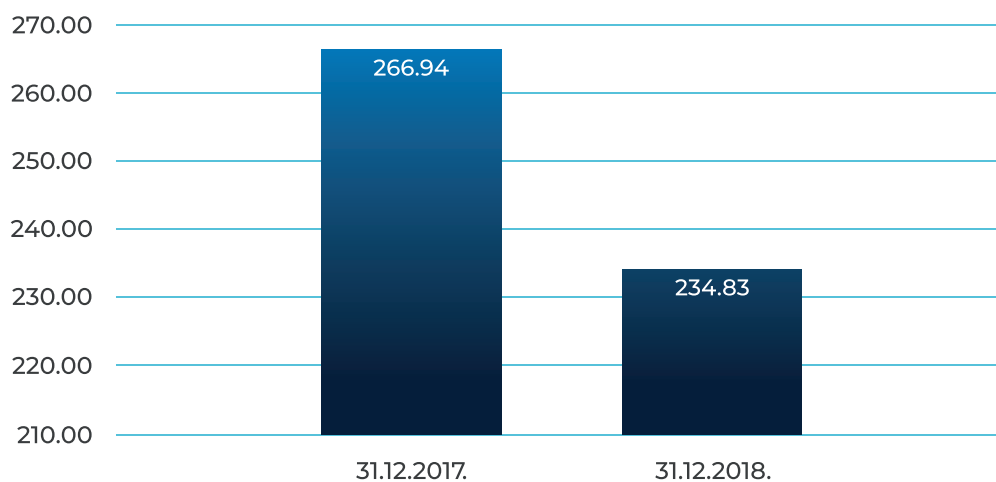
Stanje portfolia plasmana stanovništva na dan 31.12.2018. godine, iznosi 478,77 miliona KM i veći je u odnosu na isti period 2017. godine za 3,4%, odnosno ako se posmatra isti period 2016. godine veći je za 13,74%.



**Index rasta 3,40%**

Trend kretanja kredita fizičkih lica u 2018. godini (u milionima KM)

Ukupni krediti SME klijenata na dan 31.12.2017. godine iznosili su 266,94 miliona KM, a na dan 31.12.2018. godine 234,83 miliona KM, što znači da je u 2018. godini došlo do smanjenja za 32,1 milion KM, odnosno -12,03%.

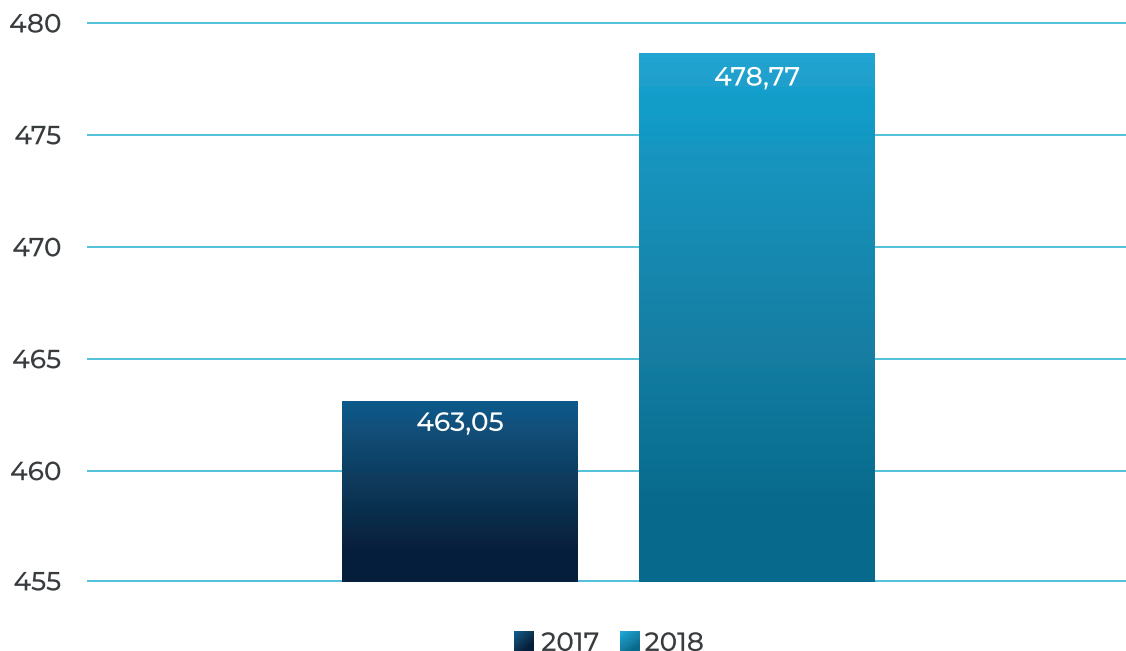


**Index -12,03%**

Trend kretanja kredita SME klijenata u 2018. godini (u milionima KM)

## TREND OF PLACEMENTS

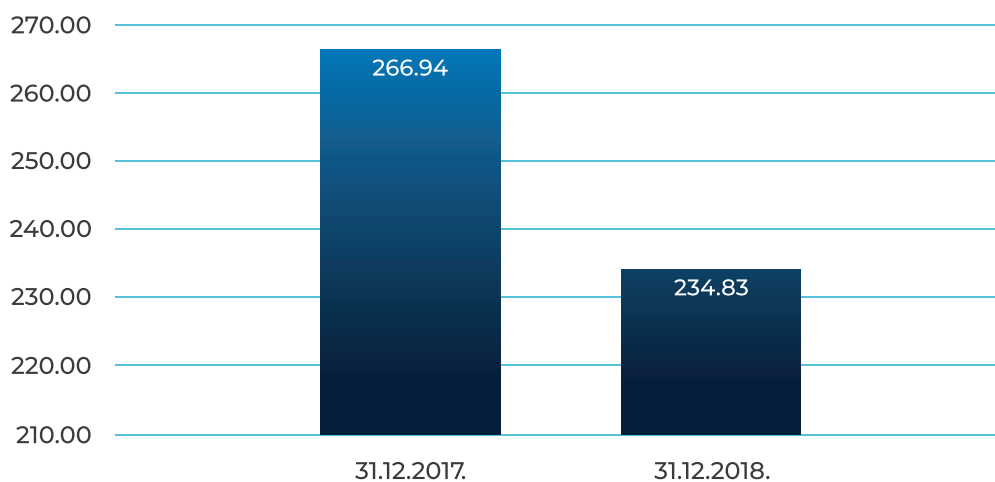
Balance of the portfolio of placements to natural persons on 31 December 2018 amounts to 478.77 million BAM and is higher by 3.4% in relation to the same period of 2017, i.e. it is 13.74% higher if the same period of 2016 is observed.



Growth Index 3.40%

Trend of loans to natural persons in 2018 (in millions BAM)

Total loans to SME clients on 31 December 2017 amounted to 266.94 million BAM, and on 31 December 2018 they amounted to 234.83 million BAM, which meant that in 2018 there was a decrease of 32.1 million BAM, or -12.03%.



Index -12.03%

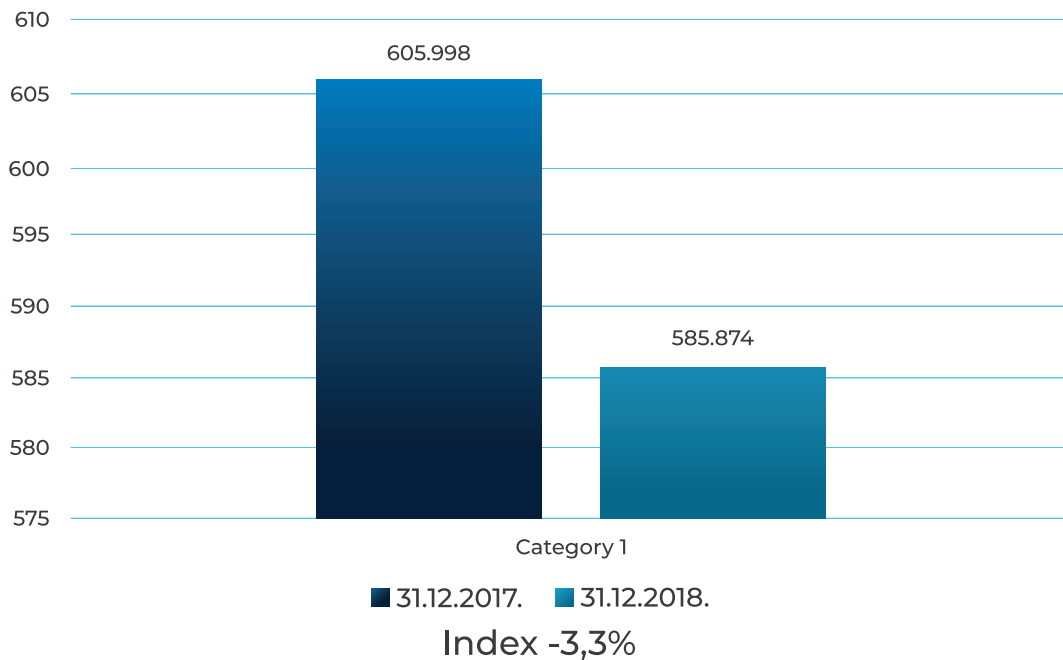
Trend of loans to SME clients in 2018 (in millions BAM)

U cilju podrške poslovanju malih i srednjih preduzeća koji su nosioci privredne aktivnosti u zemlji, Banka je u 2018. godini plasirala više od 115 miliona KM kredita ovom segmentu preduzeća, te izdala garancije u ukupnom iznosu od preko 30 miliona KM.

Posebno treba istaći da je Nova banka i u 2018. godini bila apsolutni lider kada su u pitanju plasmani kredita iz kreditnih linija Investiciono razvojne banke RS namijenjenih privredi. U prilog tome govori podatak da je 70% svih kredita iz ovih kreditnih linija plasirano preko Nove banke (više od 65 miliona KM).

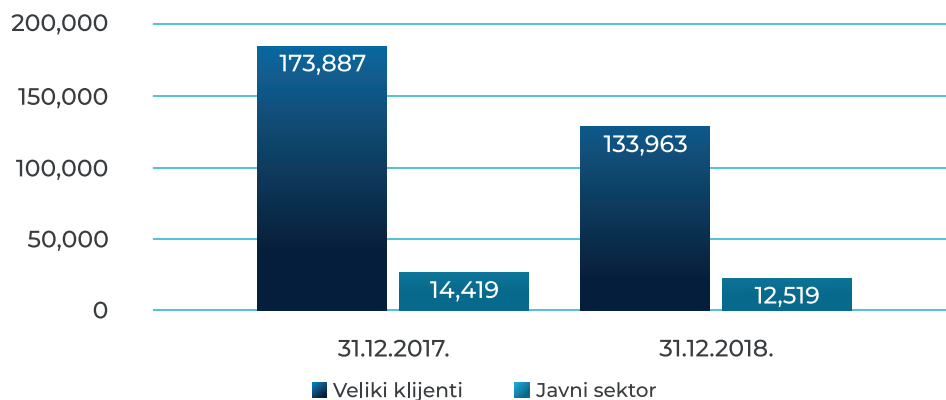
Nivo kredita i otkupa potraživanja Velikih klijenata i Javnog sektora na kraju 2017. godine iznosio je 605,9 miliona KM, dok je na 31.12.18. godine ostvaren nivo od 585,8 miliona KM što je za -3,3% (-20 miliona KM) manje u odnosu na stanje iz prethodne godine.

U posmatranom periodu po obimu su najviše rasli dospjeli krediti (10,3 miliona), dok su dugoročni krediti u padu za -25,9 miliona KM, a kratkoročni za -4,5 miliona KM. Po segmentima Javni sektor je imao smanjenje za -4,2% (12 miliona), dok su Veliki klijenti u padu za -2,5% (-8 miliona KM).



## Trend kretanja kredita Velikih klijenata i Javnog sektora u 2018. godini (u milionima KM)

Pozicije vanbilansa na 31.12.2018. godine su smanjene u odnosu na 31.12.2017. godine za -22% (-41,8 miliona KM). Strukturalno, u posmatranom periodu, struktura vanbilansa je nešto izmjenjena u korist plativih garancija. Po obimu plative garancije su u padu za -3,7 miliona, činidbene garancije za -29,5 miliona, neopozive obaveze -8,5 miliona. Po segmentima vanbilans Velikih klijenata je u padu za -39,9 miliona, dok je Javni sektor smanjen za -1,9 miliona.



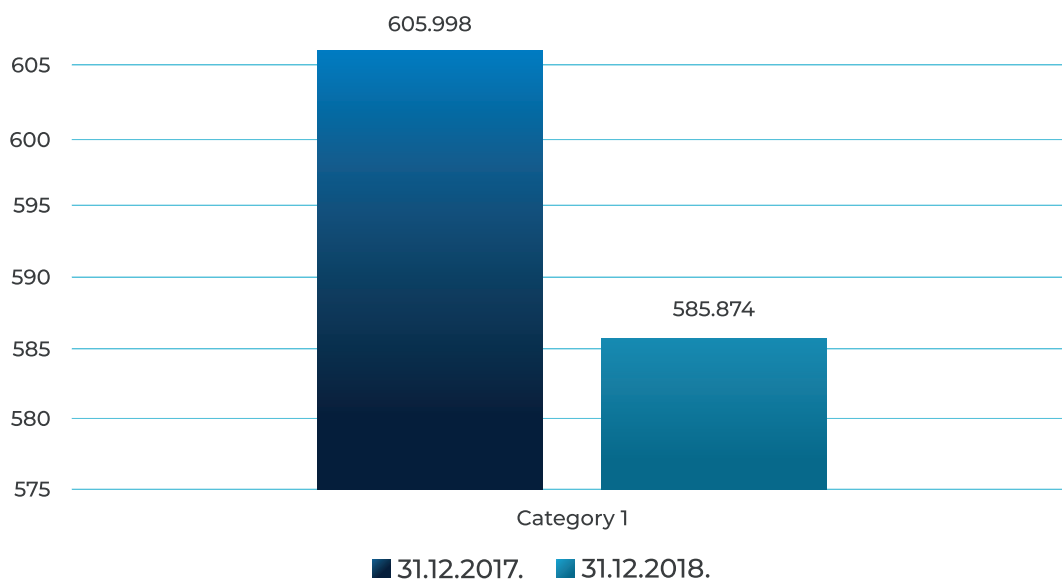
## Trend kretanja vanbilansa Velikih klijenata i Javnog sektora u 2018. godini (u milionima KM)

In order to support the operations of small and medium-sized enterprises that are the bearers of economic activity in the country, in 2018 the Bank placed more than 115 million BAM of loans to this segment of enterprises and issued guarantees in the total amount of over 30 million BAM.

In particular, it should be noted that in 2018 Nova banka was an absolute leader when it comes to loans from the credit lines of the RS Investment-Development Bank intended for the economy. This is supported by the fact that 70% of all loans from these credit lines are placed through Nova banka (more than 65 million BAM).

The level of loans and the purchase of accounts receivable of Corporate clients and the Public sector at the end of 2017 amounted to 605.9 million BAM, while on 31 December 2018 the level of 585.8 million BAM was achieved, which was by -3.3% (-20 million BAM) less compared to the previous year.

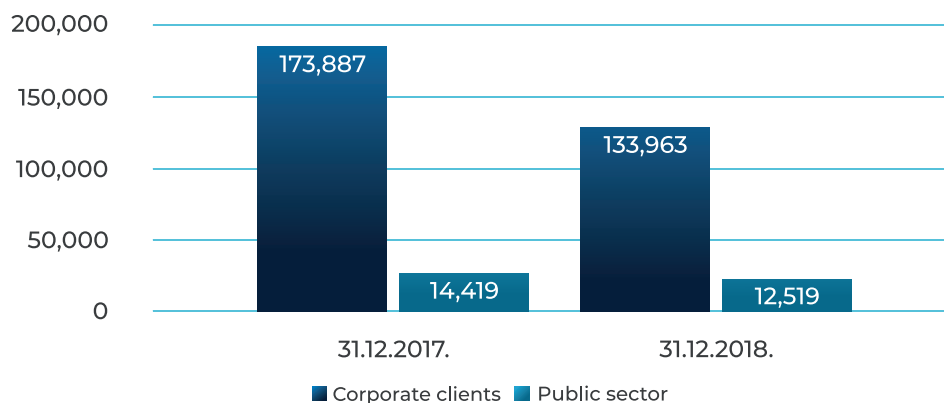
In the observed period, the largest increase by volume was recorded in maturing loans (10.3 million), while long-term loans fell by -25.9 million BAM and short-term loans fell by -4.5 million BAM. By segments, the Public sector fell by -4.2% (-12 million), and Corporate clients fell by -2.5% (-8 million KM).



Index -3,3%

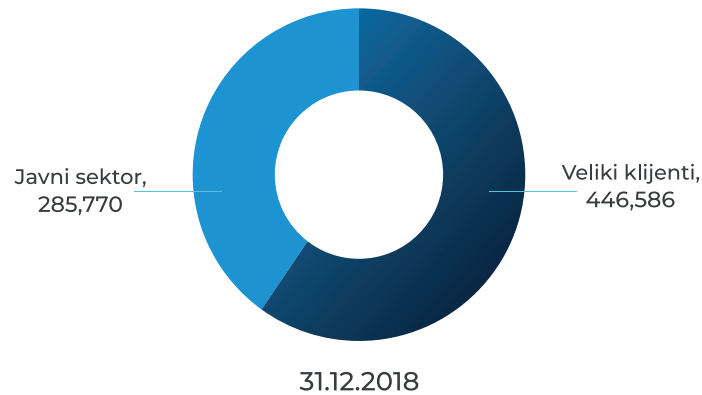
Trend of loans to Corporate clients and Public sector in 2018 (in millions BAM)

Off-balance sheet items on 31 December 2018 were reduced in comparison with 31 December 2017 by -22% (-41.8 million BAM). Structurally, in the observed period, the structure of the off-balance sheet was somewhat changed in favor of payable guarantees. Payable guarantees fell by -3.7 million by volume, performance guarantees fell by -29.5 million, and irrevocable liabilities fell by -8.5 million. Observed by segments, the off-balance sheet of Corporate clients fell by -39.9 million, while the Public sector was reduced by -1.9 million.



Trend of off-balance sheet segment of Corporate clients and the Public sector in 2018 (in millions BAM)

Po segmentima posmatrano, ostvarenje plasmana segmenta Velikih klijenata je iznosio 446,5 miliona KM, dok je Javnom sektoru plasirano 285,7 miliona KM. Smanjenje segmenta Velikih klijenata po ukupnim plasmanima je -9,7% (-47,9 miliona KM) i dok je smanjenje plasmana Javnog sektora -4,6% (-13,9 miliona KM).



Ukupni plasmani segmenta Veliki klijenti i Javni sektor na dan 31.12.2018. godine strukturalno posmatrani

## TREND KRETANJA DEPOZITA

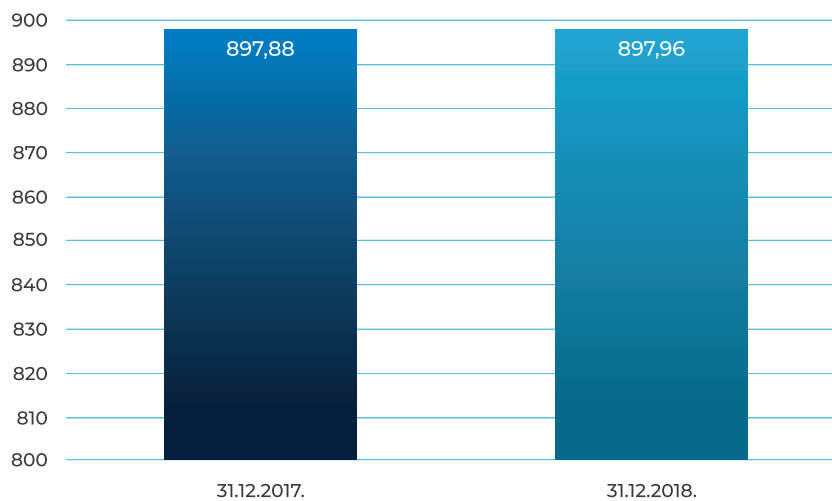
Banka je u prethodnom periodu 2010 - 2018 godine zabilježila značajan rast nivoa depozita stanovništva što je bio i ključni cilj da se napravi diversifikacija rizika i alokacija velikih depozita privrede na veći broj manjih depozita fizičkih lica.

Odnos nivoa depozita privreda - stanovništvo se u značajnoj mjeri promjenio. U ranijem periodu taj odnos je bio 70% naprema 30% u korist depozita pravnih lica. Prema podacima na dan 31.12.2018. godine taj odnos ne da se izjednačio nego se i značajno povećao u korist depozita stanovništva i iznosi 59% naprema 41%.

I u narednom periodu strateški plan i fokus će ostati na povećanju nivoa depozita fizičkih lica.

Banka je u 2018. godini, a u skladu sa poslovnom politikom, značajno snizila i uskladila visinu kamatnih stopa sa tržišnim prilikama, a sve u cilju smanjenja nivoa rashoda. Efekti upravljanja visinom kamatnih stopa su u potpunosti dali pozitivne rezultate što je imalo za rezultat smanjenje rashoda u odnosu na prethodnu godinu za cca 4 miliona KM. Banka je u potpunosti zadržala nivo portfolia depozita stanovništva sa blagim rastom od 0,01% i ukupni depoziti stanovništva na 31.12.2018. godine iznose 897,96 miliona KM.

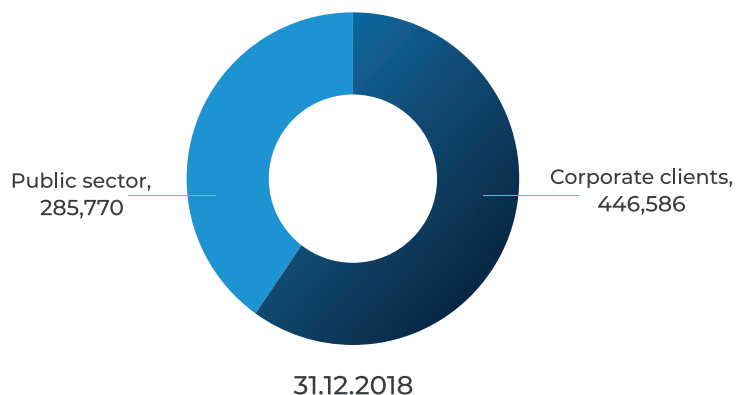
Banka će u narednom periodu nastaviti sa djelovanjem u cilju ostvarenja zacrtanih planova u skladu sa strateškim planom Banke. U svrhu ostvarenja definisanih ciljeva i povećanja nivoa depozita ključnu ulogu ima kontinuirano praćenje konkurencije, blagovremeno reagovanje na promjene cijena na tržištu, članstvo u Agenciji za osiguranje depozita kao i kontinuiran rast Banke kao ozbiljne institucije što ima za krajnji rezultat stvaranje povjerenja i sigurnosti u Banku.



Index rasta 0,01%

Trend rasta depozita fizičkih lica u 2018. godini. (u milionima KM)

Observed by segments, realization of the placements of the Corporate clients' segment amounted to 446.5 million BAM, while 285.7 million BAM was placed to the Public sector. The decrease in the Corporate clients' segment by total placements is -9.7% (-47.9 million BAM), while the decrease of the Public sector placements was -4.6% (-13.9 million BAM).



Total placements to Corporate clients and Public sector segment as at 31 December 2018, structurally observed

## TREND OF DEPOSITS

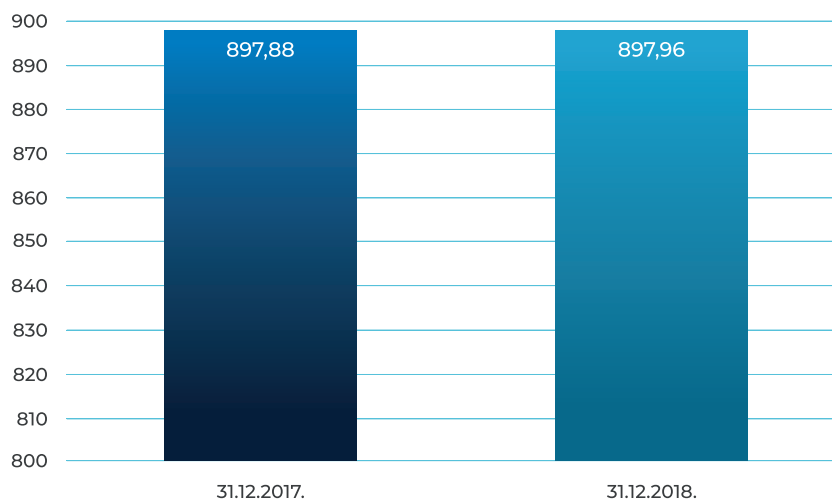
In the previous period between 2010 and 2018, the Bank recorded a significant increase in the level of deposits of natural persons, which was the key goal of risk diversification and the allocation of large deposits of economy to a larger number of smaller deposits of natural persons.

The ratio of the level of deposits between the economy and natural persons has changed to a considerable extent. In the previous period, this ratio was 70% to 30% in favor of deposits of legal entities. According to data as of 31 December 2018, not only that this ratio was equalized but it significantly increased in favor of deposits of natural persons and it amounted to 59% to 41%.

In the coming period, the strategic plan and focus will remain on increasing the level of deposits of natural persons.

In 2018, in accordance with business policy, the Bank significantly lowered and adjusted the level of interest rates with market conditions, all in order to reduce the level of expenditures. The effects of interest rate management have fully yielded positive results which resulted in a decrease in expenditures in relation to the previous year by about 4 million BAM. The Bank has completely maintained the level of portfolio of natural persons' deposits with a slight increase of 0.01% and total deposits of natural persons as of 31 December 2018 amounted to 897.96 million BAM.

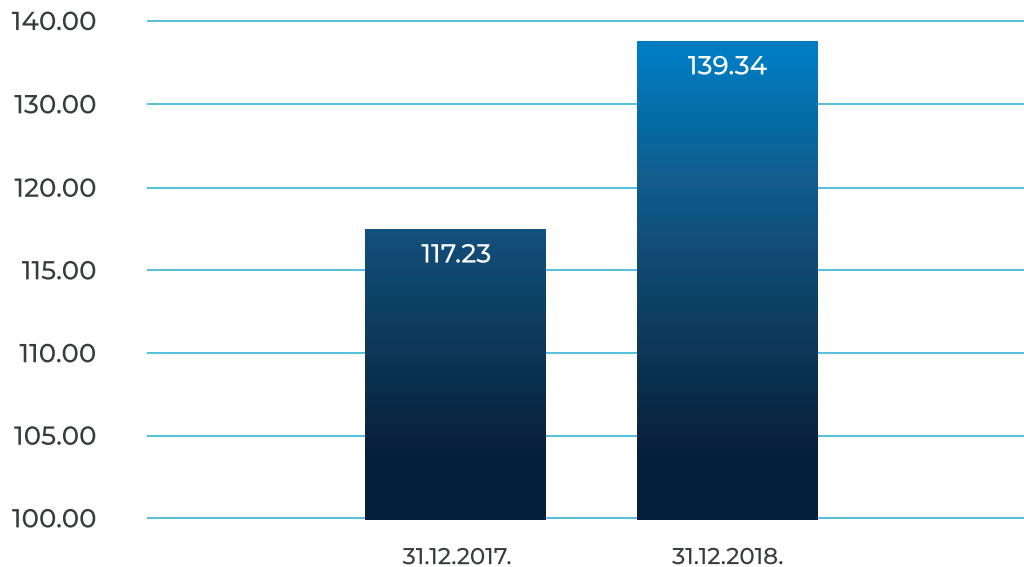
In the forthcoming period, the Bank will continue its activities in order to achieve the set targets in accordance with the Bank's strategic plan. In order to achieve the defined goals and increase the deposit level, the key role is played by continuous monitoring of competition, timely reaction to changes in prices on the market, membership in the Deposit Insurance Agency, as well as the continuous growth of the Bank as a serious institution, which ultimately results in gaining confidence and trust in the Bank.



Growth Index 0,01%

Growth trend of deposits of natural persons in 2018 (in millions BAM)

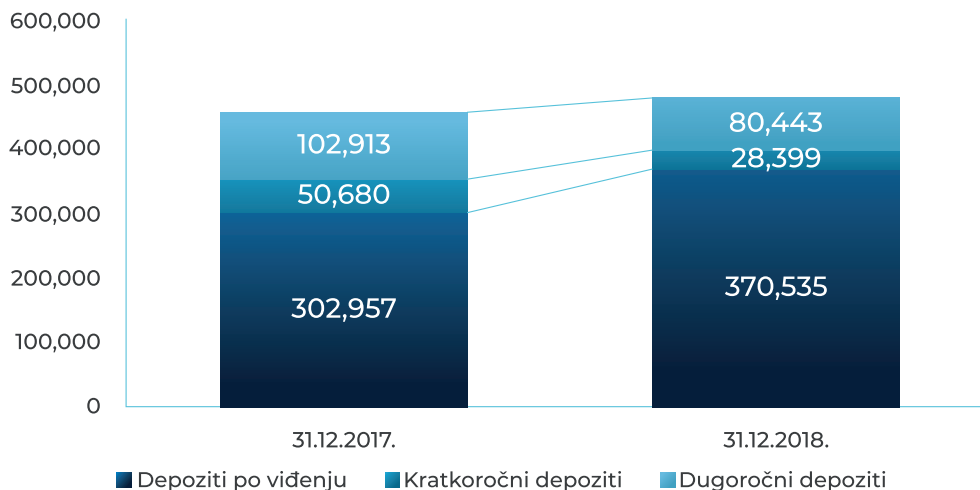
Ukupni depoziti SME klijenata su na kraju 2018. godine nastavili trend povećanja te su u odnosu na isti period 2017. godine veći za 22,1 milion KM (rast od 19%). Pri tome treba naglasiti da su depoziti po viđenju ostvarili rast od 28 miliona KM dok je kod oročenih depozita, kao posljedica razočavanja nekoliko većih partija, došlo do smanjenja za 5,5 miliona KM.



Trend kretanja depozita SME klijenata u 2018. godini (u milionima KM)

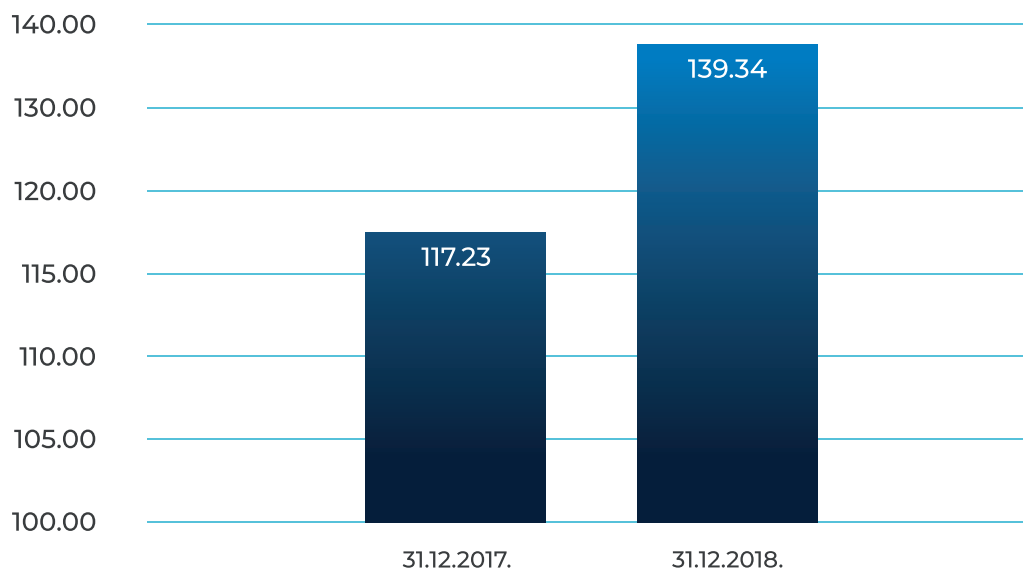
Nivo depozita Velikih klijenata i Javnog sektora na dan 31.12.2017. godine iznosio je 457 miliona KM dok je na dan 31.12.2018. godine dostignut nivo od 479 miliona KM što je za 5% veće u odnosu na iznos depozita iz prethodne godine. Struktura depozita je izmjenjena u korist avista depozita u odnosu na bazni period. Po segmentima Veliki klijenti su zabilježili pad od 3,8 miliona KM, dok su depoziti Javnog sektora zabilježili rast od 26,6 miliona KM.

## Depoziti



Trend kretanja depozita Velikih klijenata i Javnog sektora u 2018. godini (u milionima KM)

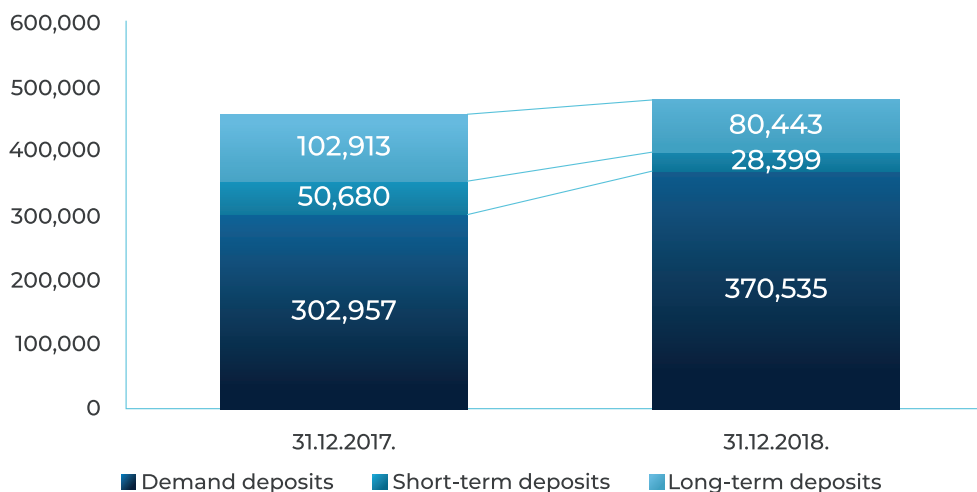
At the end of 2018, the total deposits of SME clients continued the trend of increase and, in comparison with the same period of 2017, they increased by 22.1 million BAM (19% growth). It should be emphasized that the demand deposits generated a growth of 28 million BAM, while in the case of term deposits, as a result of the premature cancellation of several major subaccounts, there was a decrease of 5.5 million BAM.



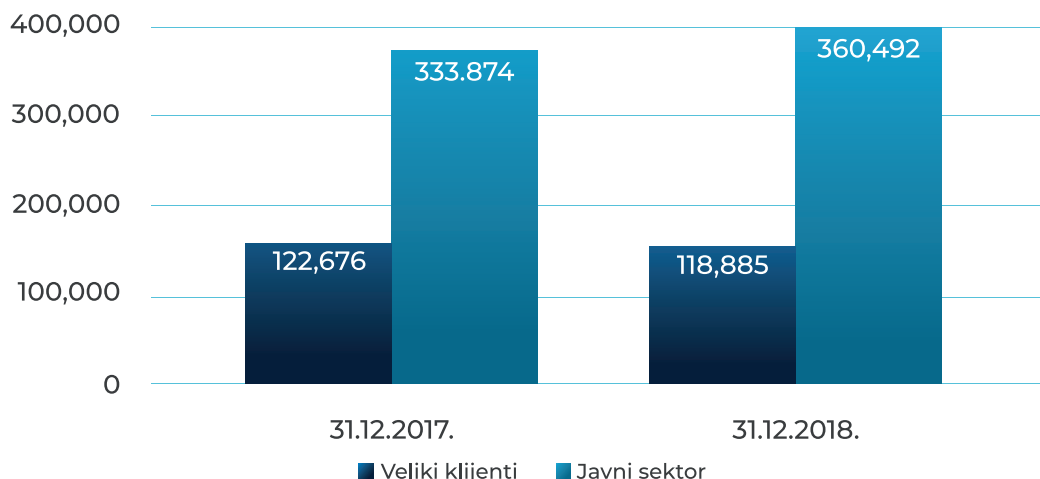
Trend of deposits of SME clients in 2018 (in millions BAM)

On 31 December 2017 the level of deposits of Corporate clients and Public sector amounted to 457 million BAM, while on 31 December 2018 it reached 479 million BAM, which is 5% higher than the amount of deposits from the previous year. The structure of deposits was changed in favor of the A-vista deposits in relation to the base period. Observed by segments, Corporate clients' deposits recorded a decrease of 3.8 million BAM, while Public sector deposits recorded a growth of 26.6 million BAM.

## Deposits



Trend of deposits of Corporate clients and the Public sector in 2018 (in millions BAM)



Strukturalno posmatrani ukupni depoziti segmenta Velikih klijenata i Javnog sektora na 31.12.2018.

## RAST PRODAJE OSTALIH PROIZVODA I USLUGA

Banka posebnu pažnju posvećuje procesu digitalizacije, kroz koju unapređuje svoje dodatne proizvode kao što su SMS usluga, elektronsko bankarstvo, biznis kartice, POS terminali itd. Ulaganjem u proces digitalizacije Banka omogućava brže i lakše korištenje bankarskih usluga za klijente, unapređuje iskustvo klijenta, podiže nivo kvaliteta usluga savjetovanja, unapređuje prodaju na daljinu, povećavajući broj proizvoda dostupnih putem digitalnih platformi.

Kombinacijom osnovnih i dodatnih proizvoda Banke, klijent dobija potpuno zaokruženu ponudu bankarskih usluga koja može zadovoljiti sve njegove potrebe.

U 2018. godini ostvaren je značajan rast prodaje dodatnih proizvoda i to:

- rast broja korisnika SMS usluge za 7%
- rast broja korisnika usluge elektronskog bankarstva za 4 %
- rast broja POS terminala za 20%
- rast broja paketa proizvoda za 13%

Bitno je naglasiti i da je od avgusta 2018. godine u ponudi Banke i nova platforma za obavljanje elektronskog bankarstva -eNova za pravna lica koja pruža brojne pogodnosti klijentima. Puni efekti novog proizvoda se očekuju u toku 2019. godine.

Banka kontinuirano unapređuje svoja zvanja i vještine kako bi uspješno odgovorila na izazove koji su pred nama. Našim klijentima želimo da obezbijedimo proizvode krojene po njihovoj mjeri, prilagodimo poslovanje Banke uslovima poslovanja klijenta, te pružimo brzinu i fleksibilnost u rješavanju njihovih zahtjeva.

## TREND KRETANJA KARTIČNOG POSLOVANJA

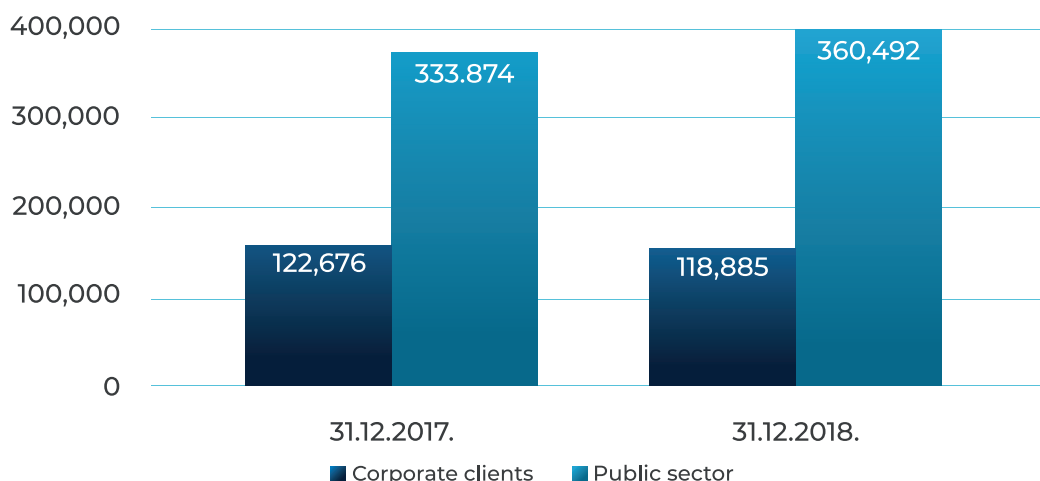
Tržište kartičnih proizvoda i usluga je veoma dinamično i zahtjeva stalna ulaganja u inovativna rješenja, kako bi Banka bila u skladu sa konkurencijom ili pak ispred konkurencije. Analizirajući postojeću bazu klijenata i njihovih preferencija u korišćenju kartičnih proizvoda i usluga Banka kreira smjer razvoja kartičnog poslovanja. S jedne strane, kako bi obezbjedila lojalnog i zadovoljnog postojećeg klijenta i sa druge strane kako bi koristila uočeni kartični trend u privlačenju novih klijenata.

Banka je sprovođenjem razvojnog plana razrađenog u okviru Strategije kartičnog poslovanja unaprijedila način poslovanja, a inovativna rješenja iskoristila kao potencijal na tržištu.

Primijenjene strategije u 2018. godini:

- Povećanje broja i aktivnosti izdatih kartičnih proizvoda Banke

Broj kartica po godinama je imao rastući trend sve do 2016. godine kada je zakonom propisano da se kartice gase zajedno sa računima neaktivnim duže od 12 mjeseci, što je imalo za posljedicu da je u toku godine veći broj ugašenih od novoizdatih kartica.



Total deposits of Corporate clients and Public sector segment as at 31 December 2018, structurally observed

## GROWTH IN SALES OF OTHER PRODUCTS AND SERVICES

The Bank devotes special attention to the process of digitization, through which it enhances its additional products such as SMS service, electronic banking, business cards, POS terminals, etc. By investing in the process of digitization, the Bank enables quicker and easier usage of banking services for clients, improves the client's experience, raises the level of quality of consulting services, improves distance sales, by increasing the number of products available through digital platforms.

By combining the basic and additional products of the Bank, the client receives a fully rounded offer of banking services that can meet all his/her needs.

In 2018, a significant increase in sales of additional products was achieved:

- increase in the number of SMS service users by 7%
- increase in the number of users of electronic banking services by 4%
- increase in the number of POS terminals by 20%
- increase in the number of product packages by 13%

It is important to emphasize that since August 2018 the Bank has been offering a new platform for conducting electronic banking - eNova for legal entities that provides numerous benefits to clients. The full effects of the new product are expected in 2019.

The Bank continuously improves its knowledge and skills in order to successfully respond to the challenges ahead. We want to provide our clients with tailor made products, to adjust the Bank's operations to the client's business conditions, and to provide speed and flexibility in solving their demands.

## TREND IN CARD BUSINESS

The market for card products and services is very dynamic and requires constant investments in innovative solutions, in order for the Bank to be in line with competition or ahead of the competition. By analyzing the existing clients' base and their preferences in the use of card products and services, the Bank creates the direction of the development of card business, on the one hand in order to provide a loyal and satisfied existing client and, on the other hand, in order to use the observed card trend in attracting new clients.

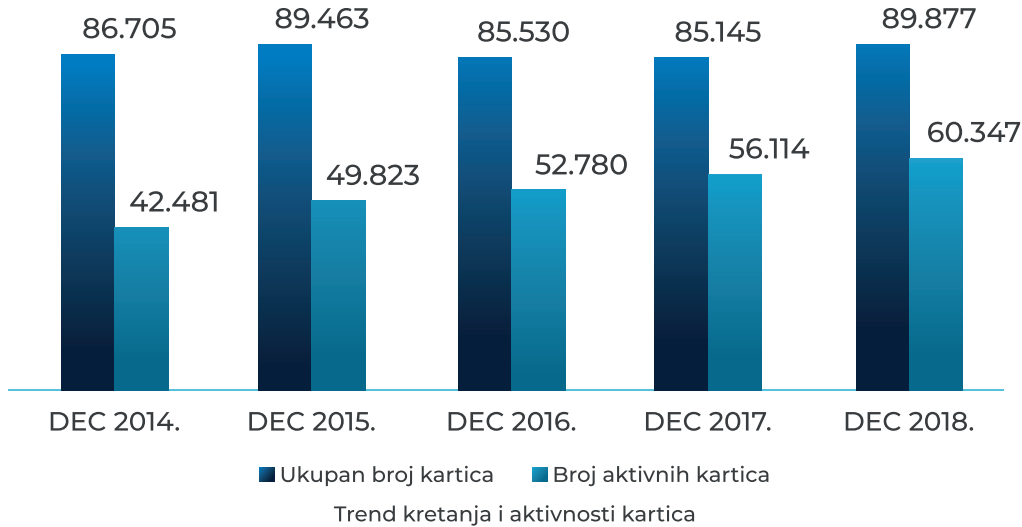
By implementing the development plan elaborated within the Card Business Strategy, the Bank has improved the way of doing business and used innovative solutions as a market potential. Strategies applied in 2018:

- Increase in number and activities of issued card products of the Bank

The number of cards by year had a growing trend until 2016, when the law stipulated that the cards would be cancelled along with the accounts inactive for more than 12 months, which resulted in a greater number of cancelled than newly issued cards during the year.

Ova činjenica je rezultovala usmjerenjem strategije ka povećanju korišćenja, odnosno aktivnosti kartičnih proizvoda. Rastući trend broja kartica ponovo je uspostavljen 2018. godine i na 31.12.2018. godine prikazuje rasta od 5,5% u odnosu na 2017., dok je procenat učešća aktivnih u ukupnom broju kartica dostigao nivo od 67%, naspram nivoa iz 2014. kada je iznosio 49%.

## Broj i aktivnost kartica po godinama



- Korišćenje Inovativnih funkcionalnosti kao tržišnog potencijala za rast prometa i udjela na tržištu

Nova Banka ima najveću mrežu POS i ATM terminala na tržištu RS i u stalnoj je tendenciji povećanja učešća u ukupnom BiH tržištu. Kako je broj trgovaca (pravnih lica) koji omogućavaju prihvatanje platnih kartica ograničen, Banka mora konstantno da uvodi inovacije u svoju prihvatnu mrežu kako bi zadržala rastući trend POS terminala i u narednom periodu. S druge strane, kako je BiH tržište pretežno „cash“ tržište, Banka je iskoristila svoju mrežu bankomata za širenje i nadgradnju funkcionalnosti kako bi klijentima bila više na usluzi.

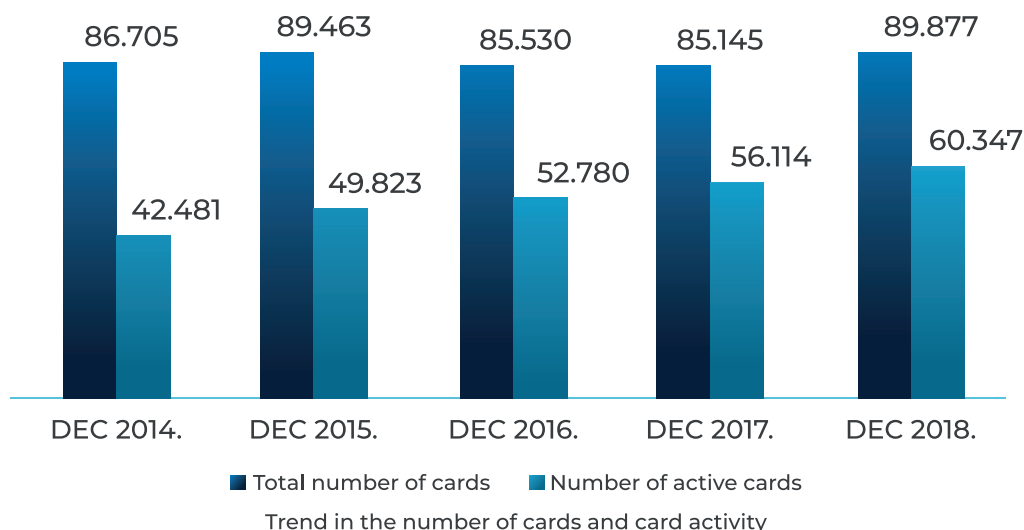
Nova banka je u 2018. godini u svoje poslovanje uvela nove funkcionalnosti prihvata kartica:

- NOVApay „virtuelni POS terminal“ - funkcionalnost omogućava trgovcima (pravnim licima) sigurnu Internetprodaju i pridružuje ih opštem trendu „on line kupovine“.
- Multifunkcionalni bankomat - standardne bankomatske funkcionalnosti su proširene na teller funkcionalnosti kojima se omogućila nadgradnja usluge prema klijentima (deponovanje sredstava, obavljanje gotovinskih i bezgotovinskih transakcija, plaćanja računa, uplate i isplate sa računa na račun korisnika kartice, mjenjački poslovi, štampa izvoda, prijava loyalty bodova i dr.).

Primjena planiranih strategija odrazila se na značajan rast prometa kako po kartičnim proizvodima za 17% u odnosu na 2017. godinu, tako i po POS terminalima za 69% te bankomatima za 10%.

This fact resulted in directing the strategy towards increasing the use, i.e. activity of card products. The rising trend in the number of cards was re-established in 2018 and on 31 December 2018 it showed 5.5% growth compared to 2017, while the percentage of active cards in the total number of cards reached the level of 67%, compared to the level from 2014 when it was 49%.

## Number and activity of cards by year



- Use of innovative functionalities as a market potential for the growth of turnover and market share

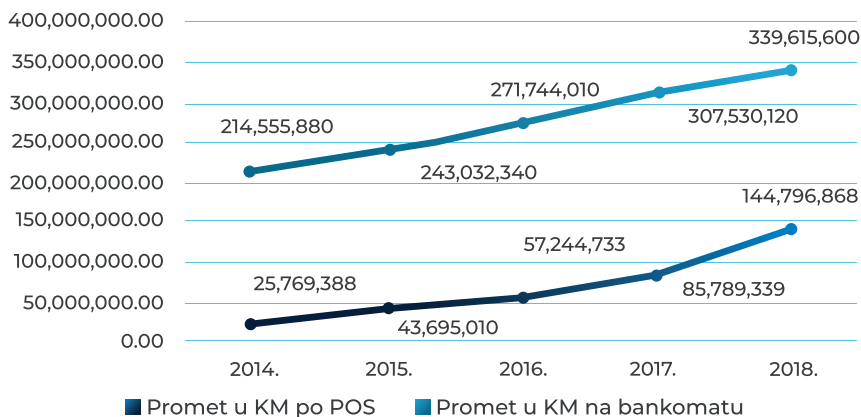
Nova banka has the largest network of POS and ATM terminals in the RS market and is in constant tendency to increase its share in the overall BiH market. Since the number of traders (legal entities) that allows accepting payment cards is limited, the Bank must constantly introduce innovations in its acceptance network in order to maintain the growing trend of POS terminals in the following period. On the other hand, as the BiH market is predominantly a "cash" market, the Bank has used its ATM network to expand and upgrade its functionality in order to be more customer-centric.

In 2018, Nova banka introduced new card acceptance functionality into its business:

- NOVApay "virtual POS terminal" - functionality allows traders (legal entities) secure Internet sales and joins them to the general trend of "online shopping".
- Multifunctional ATM - standard ATM functionalities are extended to teller functionalities that allow upgrading of services to clients (deposit of funds, conducting cash and non-cash transactions, paying bills, payments and withdrawals from the account to the account of the card user, foreign exchange operations, printing of statements, reporting loyalty points, etc.).

The implementation of the planned strategies affected a significant growth of turnover of card products by 17% in relation to 2017, of POS terminals by 69% and of ATMs by 10%.

## Promet prihvatne mreže



Trend kretanja prometa po POS terminalima i bankomatima

- Povećanje prihoda kroz primjenu najnovijih usluga za klijente

Banka je 2017. godine u svoju mrežu bankomata uvela uslugu DCC (Dynamic Currency Conversion) koja korisnicima kartica inostranih banaka omogućava podizanje novca sa zaduženjem u vlastitoj valuti. 2018. godine Banka je nastavila sa proširenjem usluge koju je učinila dostupnom i u mreži POS terminala.

Svoj rast i razvoj u dijelu kartičnog poslovanja Nova banka planira i u narednoj 2019. godini kroz dva pravca:

- Sigurnosni - implementacijom 3D Secure Issuing kao sistema dodatne zaštite za korisnike kartica Nove banke prilikom plaćanja na Internetu,
- Razvojni – implementacijom prihvatila kartične kuće China Union Pay u POS i ATM prihvatnoj mreži Nove banke, Banka će postati prva banka na BiH tržištu koja vrši prihvatanje navedenih kartica.

## Paketi proizvoda

Nova Banka u svom portfoliju proizvoda, u zavisnosti od segmenta klijenta, ima široku ponudu paketa računa. Paketi računa pored osnovnih proizvoda i usluga (otvaranje i vođenje tekućeg računa, izvod sa tekućeg računa, trajni nalog, sms usluga, debitna kartica i sl.) obogaćeni su uslugama asistencije, M:pay, E-nova i kreditnim karticama čime je paket račun Nove banke postao interesantniji našim klijentima. Sektor Retail i upravljanje mrežom je, zajedno sa filijalama Banke, učinio velike napore da promijeni svijest klijenata kako bi umjesto pojedinačnih usluga koristili pakete usluga, uz manje troškove. Prodaja novih paketa je intenzivirana u 2018. godini i planirano je da se prodaja nastavi srazmjerno rastu broja novih klijenata i plasiranih nenamjenskih, zamjenskih, hipotekarnih i stambenih kredita, kod kojih paket prodajemo kao dodatni proizvod.

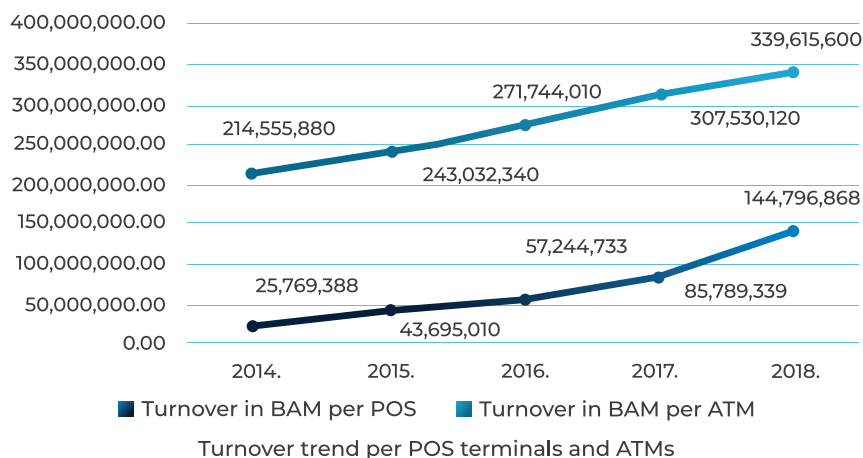
Na kraju 2017. godine broj paketa je iznosio 56.240, dok je na kraju 2018. godine ukupan broj aktivnih paketa iznosio 58.110, dakle na kraju 2018. godine ostvarili smo povećanje paketa za 1.870. Ovaj broj paketa, prema posljednjem obračunu, donosi banci mjesečni prihod od 231.000 KM.

## Elektronsko bankarstvo i pružanje informacija klijentima putem SMS-a

Nova Banka u svom portfoliju proizvoda, u zavisnosti od segmenta klijenta, ima široku ponudu paketa računa. Paketi računa pored osnovnih proizvoda i usluga (otvaranje i vođenje tekućeg računa, izvod sa tekućeg računa, trajni nalog, sms usluga, debitna kartica i sl.) obogaćeni su uslugama asistencije, M:pay, E-nova i kreditnim karticama čime je paket račun Nove banke postao interesantniji našim klijentima. Sektor Retail i upravljanje mrežom je, zajedno sa filijalama Banke, učinio velike napore da promijeni svijest klijenata kako bi umjesto pojedinačnih usluga koristili pakete usluga, uz manje troškove. Prodaja novih paketa je intenzivirana u 2018. godini i planirano je da se prodaja nastavi srazmjerno rastu broja novih klijenata i plasiranih nenamjenskih, zamjenskih, hipotekarnih i stambenih kredita, kod kojih paket prodajemo kao dodatni proizvod.

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## Turnover of the acceptance network



- Increase in revenue through the application of the latest customer services

In 2017, the Bank introduced a DCC (Dynamic Currency Conversion) service in its network of ATMs, which enabled the users of foreign bank cards to withdraw money with indebtedness in their own currency. In 2018, the Bank continued to expand this service by making it available in the network of POS terminals as well.

In the next year, 2019, Nova banka plans to grow and develop its card business through two directions:

- Security – through the implementation of 3D Secure Issuing as an additional protection system for Nova banka card users when making payments on the Internet,
- Developmental – through the implementation of the accept of the card company China Union Pay in the POS and ATM acceptance network of Nova banka, the Bank will become the first bank in the BiH market to accept the said cards.

## Product packages

In its product portfolio, Nova banka, depending on the client segment, has a wide range of account packages. Account packages, in addition to basic products and services (opening and maintaining of current account, current account statement, standing order, SMS service, debit card, etc.) are enriched with assistance services, M:pay, eNova and credit cards by which the account package of Nova banka became more interesting to our clients.

The Retail and Network Management Division, together with the Bank's Branch Offices, has made great efforts to change customer awareness in order to use service packages instead of individual services, with lower costs. The sale of new packages was intensified in 2018 and it is planned that the sale will continue to increase proportionally to the growth in the number of new clients and placed non-purpose, replacement, mortgage and housing loans, in which the package is sold as an additional product.

At the end of 2017, the number of packages was 56,240, while at the end of 2018 the total number of active packages was 58,110, therefore at the end of 2018 we achieved an increase in the number of packages by 1,870. This number of packages, according to the latest calculation, brings a monthly income of 231,000 BAM to the Bank.

## Electronic banking and providing information to clients by SMS

Implementation of the new IN-HOUSE solution of the electronic bank - eNova has yielded significant results in terms of increasing the number of new users of this service. This service offers clients complete comfort in terms of management and insight into all accounts/sub-accounts they have opened in the Bank. The fact that in 2018 an increase in turnover of 20.82% was achieved as well as an increase in the number of realized transactions of 47.27% also speaks in favor of the above. The number of e-banking users increased from 6,083 at the end of 2017 to 7,942, i.e. by 24.5% in relation to the end of the business year 2018.

Compared to 2017, in 2018 the Bank recorded a constant number of new SMS service users as a very affordable and inexpensive channel of information about all changes in the account.

U odnosu na 2017. godinu u 2018. godini Banka bilježi i konstantan broj novih korisnika SMS usluge kao vrlo pristupačnog i jeftinog kanala informisanja o svim promjenama po računu. Broj korisnika SMS usluge u 2018. godini je povećan za 6,38% i ukupno broji 84.661 korisnika. SMS usluga pored standardnih informisanja klijenta o stanju na računu, o prilivima i odlivima sredstava sa računa, nudi mogućnost dobijanja informacije putem SMS poruke o iznosima konverzije valuta po trenutno važećoj kursnoj listi Banke.

## M:pay

Banka je svojim korisnicima u saradnji sa mobilnim operaterom m:tel-om ponudila potpuno jedinstvenu uslugu na tržištu BiH koja pruža mogućnost plaćanja mjesečnih računa za telekomunikacione usluge putem aplikacije instalirane na mobilnom telefonu ili tablet uređaju. Mobilni operater (M:tel), korisniku usluge, dostavlja račun o mjesečnom zaduženju koji korisnik autorizuje na mobilnom uređaju ili tabletu i vrši plaćanje.

Usluga m:pay, takođe pruža mogućnost da se putem aplikacije izvrši i dopuna bilo kojeg Friend (prepaid) računa. Pored plaćanja ličnih računa, korisnik ove usluge može vršiti plaćanje računa svojim roditeljima, prijateljima ili djeci koji nisu u mogućnosti da direktno koriste ovu uslugu. Plaćanja računa i dopune Friend korisnika se realizuju direktnim zaduženjem tekućeg računa korisnika usluge.

Funkcionalnost ove aplikacije je proširena za novu uslugu koja omogućava prenos novca sa jednog korisnika usluge na drugog zaduženjem transakcionog računa pošiljaoca i u korist transakcionog računa primaoca sredstava.

## Bankoosiguranje

Banka ostvaruje uspješnu dugogodišnju saradnju sa svojim brokerom u osiguranju, brokerskom kućom iz oblasti osiguranja „Prvi Broker“, koja za klijente Banke traži najpovoljnije uslove za ugovaranje polise osiguranja. Na taj način omogućeno je kreditiranje klijenata Banke uz osiguranje korisnika i kolateralna vinkuliranog u korist Banke uz manji nivo rizika i sa najnižim troškovima polise. Od 2013. godine našim klijentima smo omogućili i kreditiranje bez jemaca uz polisu osiguranja korisnika, kao i dozvoljeno prekoračenje po tekućem računu sa polisom osiguranja korisnika, što je nastavljeno i tokom 2018. godine.

Kao segment bankoosiguranja osiguranje po kartičnim proizvodima je prisutno već duži niz godina uz stalni razvoj i nadgradnju vrsta osiguranih slučajeva. U 2018. godini posebna pažnja je usmjerena na razvoj osiguranja po Visa Gold karticama namjenjenim VV klijentima Banke, gdje je široki dijapazon osiguranja proširen i na osiguranje uže porodice korisnika Gold kartice sa ciljem dodatnog olakšanja života i poslovanja korisnika kartice.

Kao što smo već istakli i u 2018. godini je nastavljeno unapređivanje proizvoda i usluga Banke, što je doprinijelo da Nova banka bude prepoznatljiva Banka sa stanovišta stabilnosti i ozbiljnosti u pristupu poslovanju na bankarskom tržištu Bosne i Hercegovine.

## Kvalitet usluge

Banka će u periodu pred nama posebnu pažnju usmjeriti na uspostavljanje i mjerenje kvaliteta usluge koju zaposleni pružaju klijentima, sa posebnim osvrtom na ponašanje službenika koji su u svakodnevnom radu u direktnom kontaktu sa klijentima, njihovom načinu ophođenja, prodaji usluga, odsustvima, zamjenama, rotacijama u cilju pružanja najkvalitetnije usluge kojom Banka postiže lojalnost klijenata. U toku 2019. godine će se ponovo održati obuke kvaliteta usluge za sve zaposlene u frontu. Cilj je da zadržimo postojeće klijente i da privučemo nove, jer samo na taj način ćemo biti u mogućnosti da rastemo i da sačuvamo vodeću ulogu na tržištu. Kako bi se smanjilo nezadovoljstvo klijenata zbog gužvi na šalterima Banke, preduzete su određene aktivnosti koje imaju za cilj smanjenje dužine čekanja prilikom obavljanja transakcija. Ove aktivnosti odnose se na izuzimanje tzv. „sporih transakcija“ sa šaltera (otvaranje računa, paketa, oročenja, punomoći i sl.), povećanje cross sell aktivnosti u dijelu prodaje trajnih naloga za plaćanje režijskih računa, kao i povećanje prodaje elektronskog bankarstva.

Kvalitet usluge će biti praćen kroz indeks kvaliteta, koji podrazumjeva sljedeće stavke:

- posjete Mystery shopping-a
- ocjena radnog okruženja
- nivo migracije
- stope odlazaka klijenata
- rezultati tesiranja.

Index kvaliteta će se obračunavati dva puta godišnje. Svaka poslovnica će uz ocjenu dobiti preporuke za unapređenje. Index kvaliteta u 2014. godini iznosio je 3,26, u 2015. godini 3,87, u 2016. godini 3,32, u 2017. godini 3,60, kao i u 2018. godini. Plan za 2019. godinu je da index kvaliteta vrati minimalno na nivo iz 2015. godine (3,87 - 4).

The number of SMS service users in 2018 increased by 6.38% and totaled 84,661 users. SMS service besides providing standard information to clients about account balance, inflows and outflows of funds from the account, offers the possibility to receive information via SMS message on the amounts of currency conversion according to the current valid exchange rate of the Bank.

## M:pay

In cooperation with the mobile operator M:tel, the Bank offered its users a completely unique service on the market of BiH, which provided the possibility of paying monthly bills for telecommunication services through an application installed on a mobile phone or tablet device. The mobile operator (M:tel) delivers to the user of the service a bill about the monthly charge that the user authorizes on a mobile device or tablet and makes a payment.

The m:pay service also provides the possibility to top up any of your Friend (prepaid) accounts via the application. In addition to paying personal bills, the user of this service can make payments of the bills of their parents, friends or children who are not able to directly use this service. Payments of bills and top ups of Friend users are realized by direct debiting the current account of the service user.

The functionality of this application has been extended to a new service that allows the transfer of money from one user service to another by debiting the transaction account of the sender and crediting the transaction account of the recipient of funds.

## Bank insurance

The Bank has been successful in many years of cooperation with its insurance broker, brokerage house in the field of insurance "Prvi Broker" ("The First Broker"), which seeks the most favorable conditions for contracting the insurance policy for the clients of the Bank. In this way, it is possible to grant loans to the clients of the Bank with the insurance of beneficiaries and collaterals vinculated in favor of the Bank with a lower level of risk and with the lowest policy costs. Since 2013, we have enabled our clients to get loans without guarantors with the insurance policy of the beneficiary, as well as allowed overdraft on the current account with the insurance policy of the beneficiary, which continued in 2018.

As a segment of bank insurance, insurance for card products has been present for many years with the continuous development and upgrading of the types of insured cases. In 2018, special attention was paid to the development of insurance for Visa Gold cards intended to VV clients of the Bank, where a wide range of insurance was extended to secure the immediate family of Gold Card users with the aim to further alleviate the life and business operations of the card users.

As we have already pointed out, the Bank's products and services continued to improve in 2018 as well which contributed to the fact that Nova banka was the recognized bank in terms of stability and seriousness in its approach to business operations in the banking market of Bosnia and Herzegovina.

## Quality of services

In the coming period the Bank will pay special attention to the establishment and measurement of the quality of services provided by employees to clients, with a special emphasis on the behavior of employees who are in their everyday work in direct contact with clients, their way of treating the clients, selling services, absences, replacements, rotations aiming to provide the highest quality services through which the Bank achieves clients' loyalty. During 2019, service quality trainings for all frontline employees will be held again. The goal is to keep existing clients and attract new ones, because only in this way we will be able to grow and preserve the leading role in the market. In order to reduce the dissatisfaction of clients due to crowds at the Bank's counters, certain activities have been undertaken aimed at reducing the waiting time when performing transactions. These activities relate to the exclusion of the so-called "slow transactions" from the counters (opening of bills, packages, term deposits, power of attorneys, etc.), to the increase of cross-sell activities in the sales of standing orders for payment of overheads, as well as to the increase of the sales of electronic banking services.

The quality of the service will be monitored through a quality index, which includes the following items:

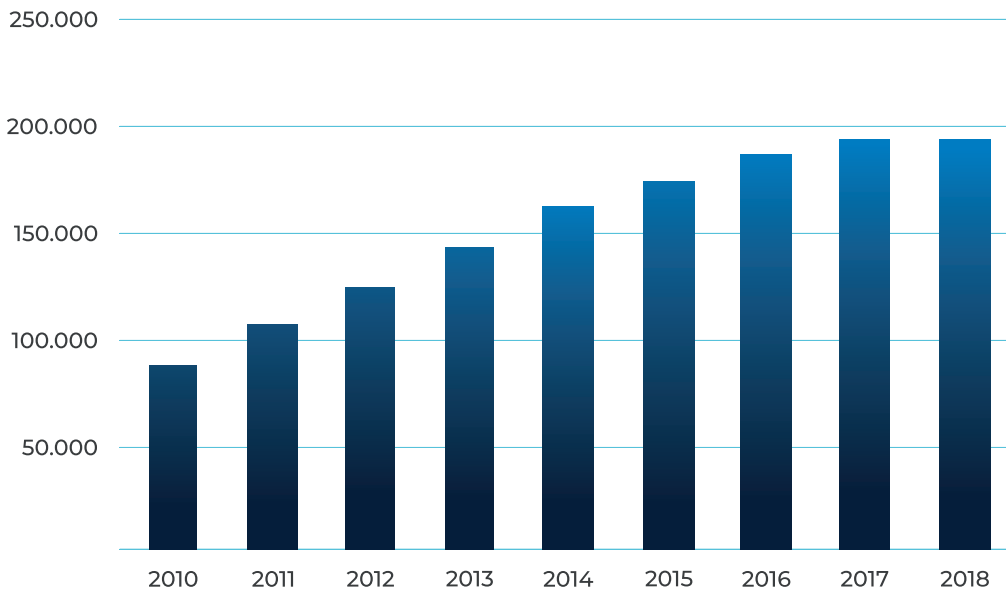
- mystery shopping visits
- assessment of the working environment
- level of migration
- customer attrition rate
- test results.

Quality index will be calculated twice a year. Each sub-branch will receive recommendations for improvement along with the evaluation. The quality index in 2014 was 3.26, in 2015, 3.87, in 2016, 3.32, in 2017, 3.60, as well as in 2018. The plan for 2019 is to bring the quality index at least back to the level of 2015 (3.87 - 4).

## Trend kretanja kapitala

Tokom 2018. godine, Banka je zadržala konkurentno tržišno učešće u bankarskom sektoru. Aktivu osjetljivu na kreditni rizik Banka je održavala na optimalnom nivou uz adekvatnu politiku preuzimanja kreditnog rizika, a u cilju zaštite i povećanja kreditnog portfolija. S druge strane, adekvatna diverzifikacija izvora finansiranja obezbijedila je konkurentnost s aspekta stabilnosti i profitabilnosti poslovanja.

Budući da kapital predstavlja rijedak ekonomski i strateški resurs, upravljanje kapitalom čini jednu od najbitnijih komponenata opreznog, efikasnog i strateškog planiranja i upravljanja Bankom. Aktivnosti na održavanju i jačanju kapitala obezbjeđuje kapitalnu osnovu kao podršku daljem razvoju kvalitetnog poslovanja.



Trend kretanja ukupnog kapitala Nove banke od 2010. do 2018. godine (u milionima KM)

Ciljevi Banke koji se odnose na upravljanje kapitalom obuhvataju:

- usklađenost sa zakonskim propisima Agencije za bankarstvo Republike Srpske u pogledu održavanja nivoa adekvatnosti kapitala,
- stvaranje optimalnih uslova za dugoročno poslovanje koje će obezbijediti prinos akcionarima i koristi drugim zainteresovanim stranama.

## Trend kretanja NPL-a

U širem smislu, adekvatnost kapitala prikazuje sposobnost Banke da apsorbuje gubitke, odnosno, što je veći kapital Banke, veći je kapacitet za apsorpciju gubitaka nastalih lošim plasmanima. Tako definisan pokazatelj štiti povjerenje Banke, prije svega štediše, od loših platiša.

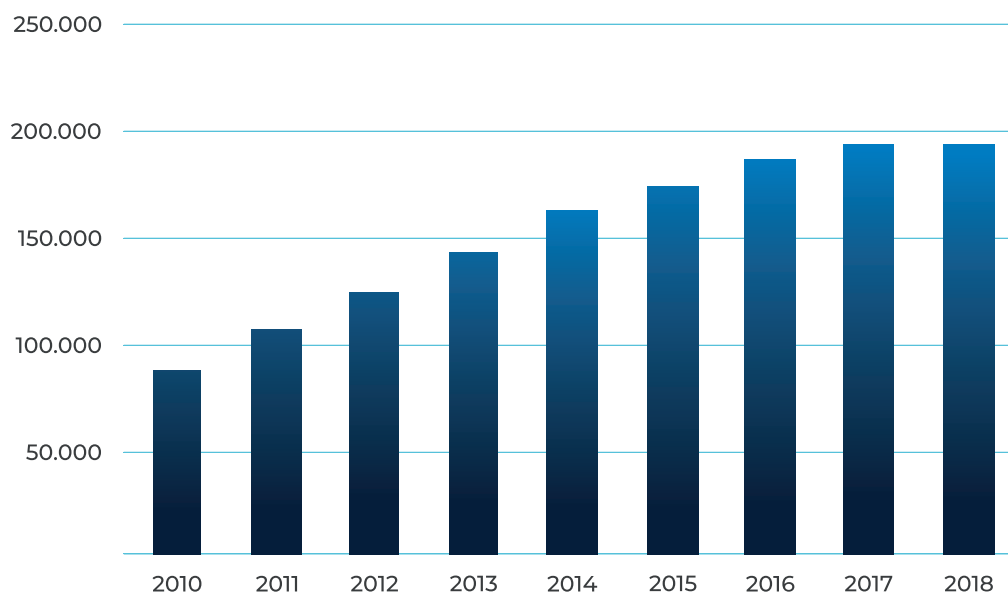
Upravo iz tog razloga, uz kapital, kao jedan od kvalitativnih pokazatelja stabilnosti Banke, postoje još dva veoma bitna pokazatelja i to upravljane NPL-om i upravljane stukturuom depozita.

Strateški okvir plasiranja se zasniva na orijentaciji maksimalne diverzifikacije i disperzije rizika portfolija koja podrazumijeva segmentaciju istog prema vrsti klijenta, granskoj i geografskoj pripadnosti, prema kreditnoj sposobnosti korisnika plasmana i stepenu izloženosti kreditnom riziku, prema jednom licu ili grupi povezanih lica, prema izvorima finansiranja, prema vrsti proizvoda, po ročnosti, po valutama, namjeni i korištenju sredstava, načinu otplate, tipu kamatne stope i slično.

## Trend of capital flows

During 2018, the Bank maintained a competitive market share in the banking sector. The Bank has maintained the credit risk sensitive assets at an optimal level with an adequate credit risk taking policy in order to protect and increase the loan portfolio. On the other hand, an adequate diversification of funding sources provided competitiveness in terms of stability and profitability of business operations.

Since capital represents a rare economic and strategic resource, capital management is one of the most important components of careful, efficient and strategic planning and management of the Bank. Activities on capital maintenance and strengthening provide the capital base in support of further development of quality business operations.



Trend of total capital flows of Nova banka from 2010 to 2018 (in millions BAM)

The goals of the Bank related to capital management include:

- compliance with the legal regulations of the Banking Agency of the Republic of Srpska in terms of maintaining the level of capital adequacy,
- creating optimal conditions for long-term business operations that will provide returns to shareholders and benefit other stakeholders.

## Trend of NPL

Broadly speaking, capital adequacy reflects the ability of the Bank to absorb losses, that is, the higher the Bank's capital, the greater the capacity to absorb losses from bad placements. Such a defined indicator protects the creditors of the Bank, primarily depositors, from bad payers.

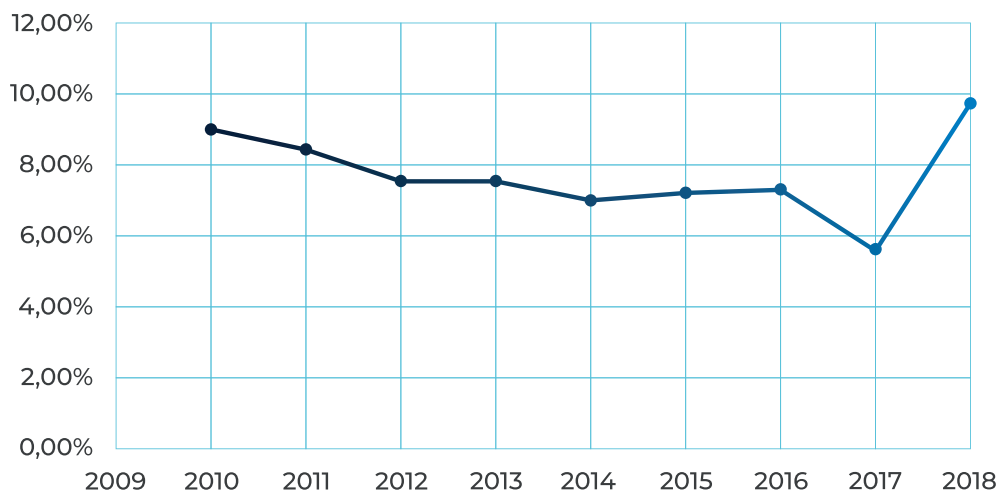
For this reason, with capital, as one of the qualitative indicators of the stability of the Bank, there are two other very important indicators, NPL management and deposit structure management.

The strategic framework of placement is based on the orientation of the maximum diversification and dispersion of the portfolio risk, which implies segmentation of the same by the type of client, branch and geographical affiliation, by the creditworthiness of the borrower and the degree of exposure to credit risk, by one person or group of related persons, by the sources of financing, by the type of product, by maturity, by currency, purpose and use of funds, by repayment method, interest rate type, and the like.

U skladu sa usvojenom praksom upravljanja NPL-om kroz praćenje promjena rizičnog profila klijenata, korisnika plasmana, konstantno i permanentno se prate indikatori i rani signali pomoću kojih se preduzimaju aktivnosti vezane za smanjenje kreditnog rizika na nivou plasmana u toku otplate, pravovremeno reagovanje na promjene rizika klijenta, preduzimanje trenutnih mjera za klijente kod kojih se konstatuje pogoršanje nivoa rizika, dobijanje transparentnije slike o nivou rizika kreditnog portfolija Banke.

Porast NPL-a u 2018. godini u odnosu na 2017. godinu je rezultovao kašnjenjem nekolicine klijenata koji su imali otežano poslovanje u posmatranoj godini.

S obzirom da je nivo problematičnih kredita ocijenjen kao visok i značajan izvor rizika za poslovanje, Banka je svjesna potrebe sveobuhvatnog i strateškog pristupa za njegovo rješavanje. Iz tog razloga, jedan od primarnih ciljeva Banke za 2019. godinu, kao i naredne godine jeste značajno smanjenje nivoa problematičnih plasmana kao i smanjenje njihovog učešća u portfelju. Strateško opredjeljenje Banke je da se na nivou svih procesa koji su uključeni u naplatu ulože maksimalni naponi kako bi se NPL smanjio.



Trend kretanja NPL-a Nove banke od 2010. do 2018. godine

## Trend kretanja strukture depozita

U strukturi depozita bankarskog sektora Republike Srpske s krajem prethodne godine, Banka ima značajno učešće od oko 27%. Uprkos konstantnom padu pasivnih kamatnih stopa Banka je održala adekvatnu strukturu depozita (u pogledu ročnosti, grana djelatnosti, klijenata), kao i odnos kredita i depozita.

Posljedicu relativno dužeg perioda niskih kamatnih stopa, nije osjetila lojalnost klijenata Banke. Najznačajnije učešće u ukupnim depozitima Banke čine i dalje depoziti fizičkih lica od 59,06%.

Broadly speaking, capital adequacy reflects the ability of the Bank to absorb losses, that is, the higher the Bank's capital, the greater the capacity to absorb losses from bad placements. Such a defined indicator protects the creditors of the Bank, primarily depositors, from bad payers.

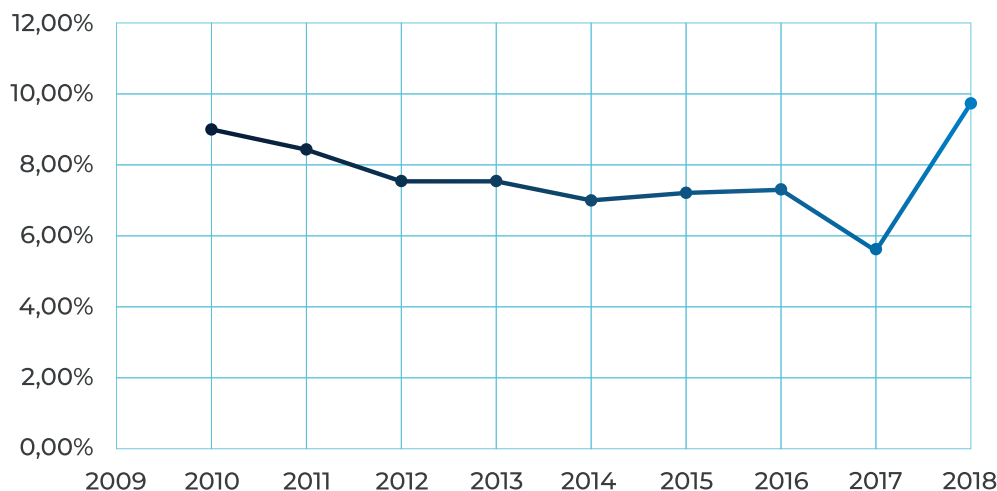
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In accordance with the adopted practice of NPL management through monitoring of changes in the risk profile of clients, placement users, the Bank constantly and permanently monitors indicators and early signals by which activities related to the reduction of credit risk at the level of placement during repayment are undertaken, timely reacts to the client's risk changes, takes immediate measures for clients for which the deterioration of risk level has been identified, and obtains more transparent picture on the level of risk of the Bank's loan portfolio.

The increase in NPL in 2018 compared to 2017 resulted in the delay of loan repayment of several clients who had difficulties in their business operations in the observed year.

Given that the level of non-performing loans is rated as a high and significant source of risk for business operations, the Bank is aware of the need for a comprehensive and strategic approach for its resolution. For this reason, one of the primary goals of the Bank for 2019, as well as following years, is a significant decrease in the level of non-performing loans and a decrease in their participation in the portfolio. The strategic commitment of the Bank is to make maximum efforts at the level of all processes involved in the collection in order to reduce the NPL.



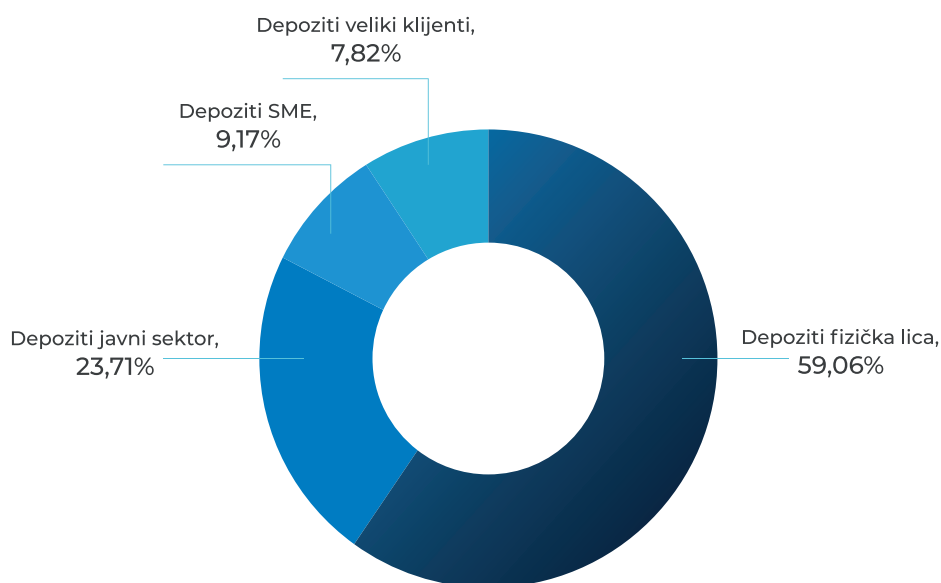
Trend of NPL of Nova banka from 2010 to 2018

## Trend in the structure of deposits

In the structure of deposits of the banking sector of the Republic of Srpska at the end of the previous year, the Bank has a significant share of around 27%. Despite the constant decline in deposit interest rates, the Bank maintained an adequate deposit structure (in terms of maturity, branches of activity, clients) as well as the ratio of loans and deposits.

The loyalty of the Bank's clients did not feel the consequence of a relatively longer period of low interest rates. The most significant share in the total deposits of the Bank still consists of deposits of natural persons of 59.06%.

OPIS	31.12.2014.		31.12.2015.		31.12.2016.		31.12.2017.		31.12.2018.	
	Iznos	%	Iznos	%	Iznos	%	Iznos	%	Iznos	%
Depoziti Treasury	9.336	0,77%	2.696	0,12%	2.528	0,19%	5.684	0,38%	3.657	0,24%
Depoziti veliki klijenti	143.064	11,85%	141.102	11,24%	115.616	8,69%	122.678	8,30%	118.885	7,82%
Depoziti javni sektor	279.320	23,14%	262.127	20,88%	274.255	20,61%	333.874	22,60%	360.492	23,71%
Depoziti SME	106.773	8,85%	106.745	8,50%	116.199	8,73%	117.221	7,93%	139.343	9,17%
Depoziti fizička lica	668.388	55,38%	742.565	59,16%	822.198	61,78%	897.884	60,78%	897.956	59,06%
<b>UKUPNI DEPOZITI</b>	<b>1.206.981</b>	<b>100,00%</b>	<b>1.255.234</b>	<b>100,00%</b>	<b>1.330.796</b>	<b>100,00%</b>	<b>1.477.339</b>	<b>100,00%</b>	<b>1.520.333</b>	<b>100,00%</b>



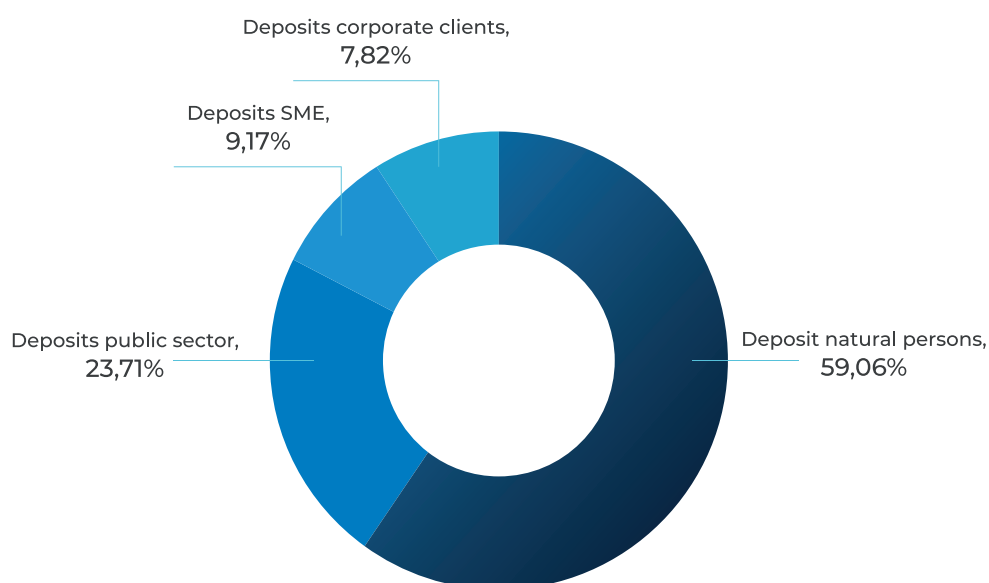
Učešće depozita po segmentima u ukupnom depozitnom portfoliju Banke na dan 31.12.2018. godine

Ukupan nivo depozita Banke je veći za oko 3% u odnosu na kraj 2017. godine. Smanjenje pasivnih kamatnih stopa bankarskog sektora rezultovalo je povećanjem koncentracije depozita u razredima kraće ročnosti, ali je uprkos tome Banka održavala ročnu strukturu depozita na optimalnom nivou, i učešće dugoročnih depozita u ukupnim depozitima Banke krajem 2018. godine iznosi 48,04%.

OPIS	31.12.2014.		31.12.2015.		31.12.2016.		31.12.2017.		31.12.2018.	
	Iznos	%	Iznos	%	Iznos	%	Iznos	%	Iznos	%
Depoziti po viđenju	383.842	31,80%	425.753	33,92%	460.857	34,63%	599.882	40,61%	732.275	48,17%
Kratkoročni depoziti	708.439	9,50%	83.598	6,58%	118.568	8,91%	85.005	5,75%	57.763	3,80%
Dugoročni depoziti	114.600	58,70%	746.884	59,50%	751.371	56,46%	792.452	53,64%	730.295	48,04%
<b>UKUPNI DEPOZITI</b>	<b>1.206.818</b>	<b>100,00%</b>	<b>1.255.234</b>	<b>100,00%</b>	<b>1.330.796</b>	<b>100,00%</b>	<b>1.477.339</b>	<b>100,00%</b>	<b>1.520.333</b>	<b>100,00%</b>

# ANNUAL REPORT 2018

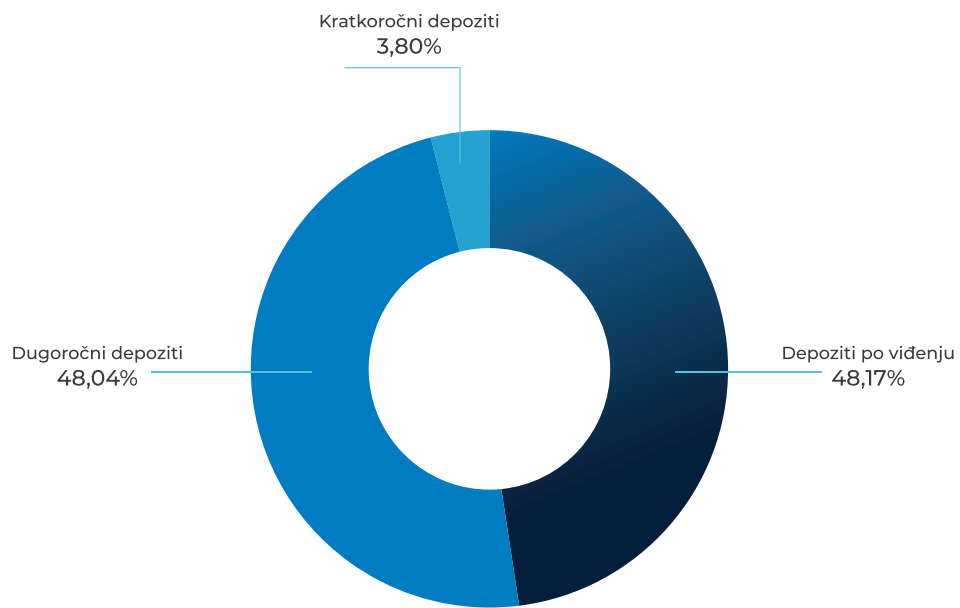
DESCRIPTION	31.12.2014.		31.12.2015.		31.12.2016.		31.12.2017.		31.12.2018.	
	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%
Deposits Treasury	9.336	0,77%	2.696	0,12%	2.528	0,19%	5.684	0,38%	3.657	0,24%
Deposits Corporate clients	143.064	11,85%	141.102	11,24%	115.616	8,69%	122.678	8,30%	118.885	7,82%
Deposits Public Sector	279.320	23,14%	262.127	20,88%	274.255	20,61%	333.874	22,60%	360.492	23,71%
Deposits SME	106.773	8,85%	106.745	8,50%	116.199	8,73%	117.221	7,93%	139.343	9,17%
Deposits Natural persons	668.388	55,38%	742.565	59,16%	822.198	61,78%	897.884	60,78%	897.956	59,06%
<b>TOTAL DEPOSITS</b>	<b>1.206.981</b>	<b>100,00%</b>	<b>1.255.234</b>	<b>100,00%</b>	<b>1.330.796</b>	<b>100,00%</b>	<b>1.477.339</b>	<b>100,00%</b>	<b>1.520.333</b>	<b>100,00%</b>



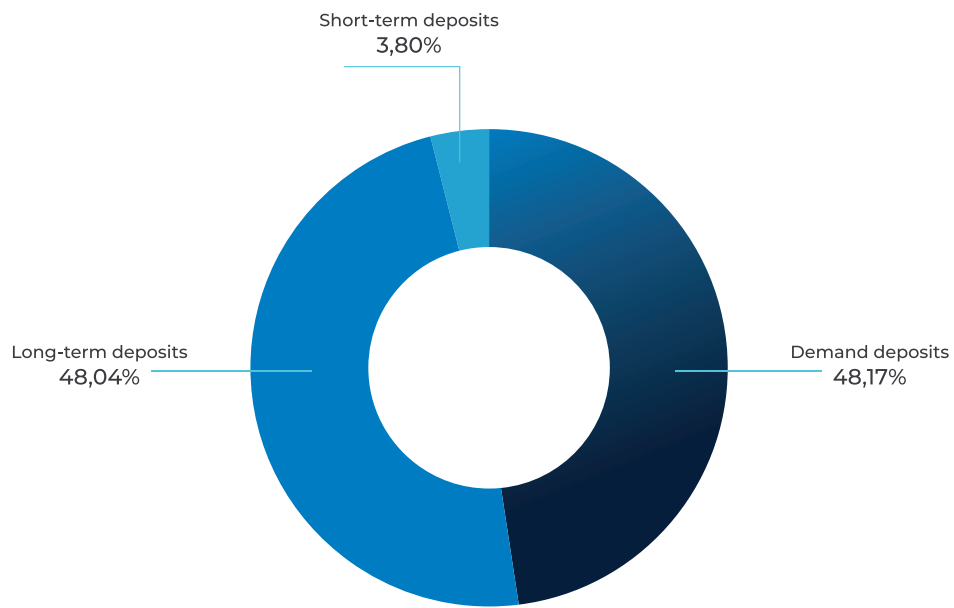
Participation of deposits by segments in the total deposit portfolio of the Bank as at 31 December 2018

The total level of deposits of the Bank is by about 3% higher than at the end of 2017. The decrease in the deposit interest rates of the banking sector resulted in an increase in deposit concentration in shorter maturity categories, but despite this, the Bank maintained the maturity structure of deposits at an optimal level, and the share of long-term deposits in total deposits of the Bank at the end of 2018 was 48.04%.

DESCRIPTION	31.12.2014.		31.12.2015.		31.12.2016.		31.12.2017.		31.12.2018.	
	Iznos	%	Iznos	%	Iznos	%	Iznos	%	Iznos	%
Demand deposits	383.842	31,80%	425.753	33,92%	460.857	34,63%	599.882	40,61%	732.275	48,17%
Short-term deposits	708.439	9,50%	83.598	6,58%	118.568	8,91%	85.005	5,75%	57.763	3,80%
Long-term deposits	114.600	58,70%	746.884	59,50%	751.371	56,46%	792.452	53,64%	730.295	48,04%
<b>TOTAL DEPOSITS</b>	<b>1.206.818</b>	<b>100,00%</b>	<b>1.255.234</b>	<b>100,00%</b>	<b>1.330.796</b>	<b>100,00%</b>	<b>1.477.339</b>	<b>100,00%</b>	<b>1.520.333</b>	<b>100,00%</b>



Učešće depozita po ročnosti u ukupnim depozitima Banke na dan 31.12.2018. godine



Participation of deposits by maturity in total deposits of the Bank as at 31 December 2018

## UPRAVLJANJE SREDSTVIMA

Upravljanje strukturom i nivoom aktive i pasive Banke predstavlja vitalnu bankarsku funkciju koja direktno utiče na profitabilnost banke i dugoročnu operativnu održivost.

Banka kontinuirano vrši monitoring i radi na prilagođavanju bilansnih pozicija uslovima na tržištu, te novim zakonskim propisima i limitima.

Sa aspekta upravljanja likvidnom pozicijom, sigurnost i stabilnost poslovanja Banke su ispred profitabilnosti.

2018. godine likvidnost banke se značajno povećala, što je karakteristično za cijeli bankarski sektor.

Banka je u 2018. godini nastavila sa strategijom smanjenja koncentracije u aktivi i pasivi kroz dalji fokus na segmente stanovništva i malih i srednjih preduzeća.

Banka se strateški opredijelila za povećanje ulaganja u državne hartije od vrijednosti. Ulaganje u hartije od vrijednosti ima mnoge prednosti, s obzirom da predstavljaju niskorizična ulaganja, a nose značajno višu kamatnu stopu u odnosu na međubankarske pozajmice.

Na dan 31.12.2018. godine nivo bilansne aktive je iznosio 1.952.016 hiljada KM, što predstavlja rast od 3,83% u odnosu na kraj prošle godine.

Evidentan je rast novčanih sredstava za 21,30% u odnosu na prethodnu godinu, najvećim dijelom kao posljedica smanjenja kreditnog porfelja, te istovremenim rastom depozita u pasivi Banke. U strukturi aktive značajan rast je imalo ulaganje u državne obveznice za 36,41%.

Na strani pasive ostvaren je značajan rast kreditnih linija za 18,14%, te rast depozita od 2,91% u odnosu na 2017. godinu.

Upravljanje strukturom i nivoom aktive i pasive Banke predstavlja vitalnu bankarsku funkciju koja direktno utiče na profitabilnost banke i dugoročnu operativnu održivost.

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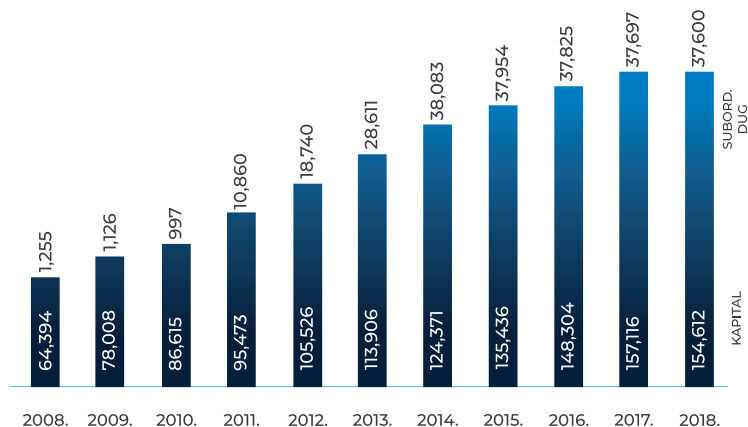
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Rast osnovnog i dopuskog kapitala po godinama od 2008. do 2018. godine (u milionima KM)

## TREASURY MANAGEMENT

Managing the structure and level of assets and liabilities of the Bank represents a vital banking function that directly affects the Bank's profitability and long-term operational sustainability. The Bank continuously monitors and works on adjusting the balance sheet items to market conditions and new legal regulations and limits.

From the aspect of managing the liquid position, the security and stability of the Bank's business operations are ahead of profitability.

In 2018, the Bank's liquidity increased significantly, which was characteristic of the entire banking sector. In 2018, the Bank continued with the strategy of reducing concentration in assets and liabilities through a further focus on segments of natural persons and SMEs.

The Bank strategically opted for increasing investments in government securities. Investments in securities have many advantages, since they represent low-risk investments, and they bear a significantly higher interest rate in relation to interbank loans.

On 31 December 2018 balance sheet assets amounted to 1.952.016 thousand BAM, which represented an increase of 3.83% compared to the end of the previous year.

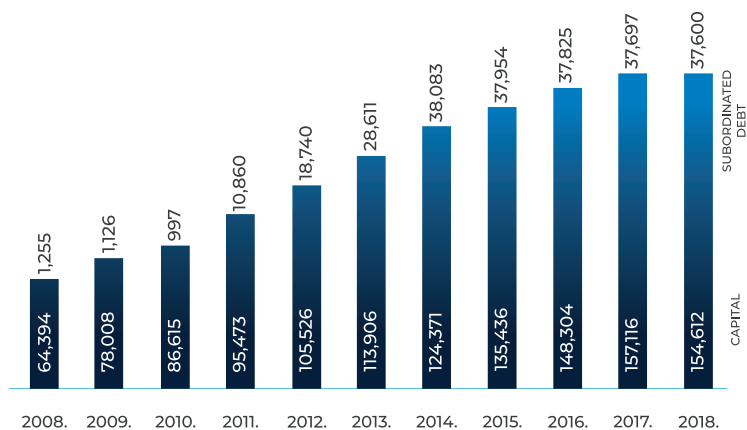
The growth of cash funds was evident by 21.30% in relation to the previous year, mostly as a result of the decrease in the credit portfolio, and the simultaneous increase in deposits in the Bank's liabilities. In the structure of assets, significant growth was recorded in government bonds by 36.41%.

On the liabilities side, significant growth of credit lines was realized by 18.14%, and the growth of deposits of 2.91% compared to 2017.

After 2017, the Bank conducted the implementation of the regulations according to Basel standards and further strengthened its capital position and harmonized the level of risk assets.

Total regulatory capital compared to 2017 increased by 1.54% (or 2.87 million BAM). The capital was increased by the distribution of realized profit from 2017 into the share capital of the Bank, which affected the increase in the regulatory capital rate, the rate of basic capital and the rate of financial leverage.

The following graph shows the growth/decrease in basic capital and subordinated debt for the period 2008-2018.



Growth of basic and supplementary capital by years from 2008 to 2018 (in millions BAM)

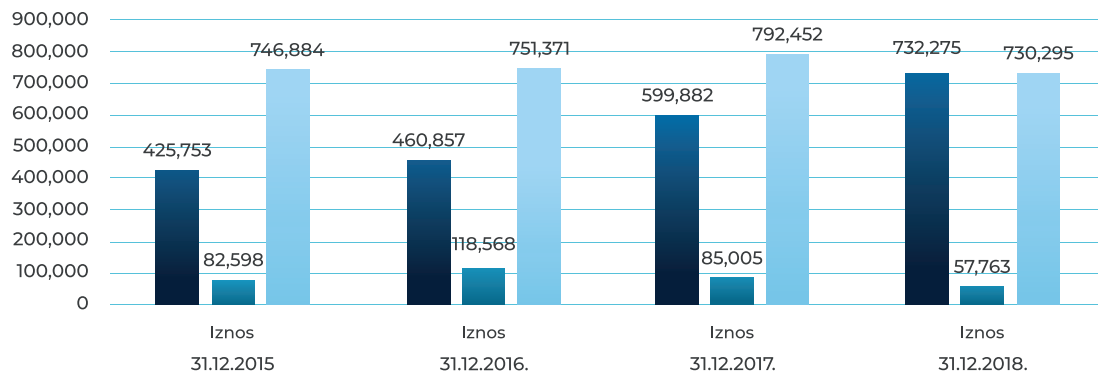
## Upravljanje depozitima banke - značajne aktivnosti u 2018. godini

Upravljanje depozitima ima za cilj obezbjeđenje adekvatne strukture izvora finansiranja, pri čemu je strateško opredjeljenje Banke povećanje depozitne baze stanovništva, te jačanje stabilnosti cjelokupne baze depozita, povećanje broja računa, prije svega novih klijenata iz segmenta stanovništva.

Naredna tabela prikazuje pregled depozita Banke prema internoj segmentaciji klijenata. Prisutan je trend ukupnog rasta depozita, ali i ročne transformacije iz dužih ročnosti na kraće (prije svega avista štednju). Ukupni depoziti u 2018. godini su porasli za 43 miliona KM (ili 2,91%), što je posljedica rasta depozita po viđenju, prije svega segmenta Javni sektor. Učešće depozita po viđenju u 2018. godini iznosi 48,17% (za 7,56% više u odnosu na 2017.), a oročenih 51,83% (za 7,56% niže u odnosu na 2017.).

OPIS	31.12.2015.		31.12.2016.		31.12.2017.		31.12.2018.	
	Iznos	%	Iznos	%	Iznos	%	Iznos	%
Depoziti Javni sektor	262.127	20,88%	274.255	20,61%	333.874	22,60%	360.492	23,71%
Depoziti Veliki klijenti	141.102	11,24%	115.616	8,69%	122.676	8,30%	118.885	7,82%
Depoziti SME	106.745	8,50%	116.199	8,73%	117.221	7,93%	139.343	9,17%
Depoziti Fizička lica	742.565	59,16%	822.198	61,78%	897.884	60,78%	897.956	59,06%
Depoziti Treasury	2.696	0,21%	2.528	0,19%	5.684	0,38%	3.657	0,25%
UKUPNI DEPOZITI	1.255.235	100,00%	1.330.796	100,00%	1.477.339	100,00%	1.520.333	100,00%

OPIS	31.12.2015.		31.12.2016.		31.12.2017.		31.12.2018.	
	Iznos	%	Iznos	%	Iznos	%	Iznos	%
Depoziti po viđenju	425.753	33,92%	460.857	34,63%	599.882	40,61%	732.275	48,17%
Kratkoročni depoziti	82.598	6,58%	118.568	8,91%	85.005	5,75%	57.763	3,80%
Dugoročni depoziti	746.884	59,50%	751.371	8,73%	792.452	53,64%	730.295	48,04%
UKUPNI DEPOZITI	1.255.235	100,00%	1.330.796	100,00%	1.477.339	100,00%	1.520.333	100,00%



■ Depoziti po viđenju ■ Kratkoročni depoziti ■ Dugoročni depoziti

Struktura depozita po ročnosti trend 2015 - 2018. (000 KM)

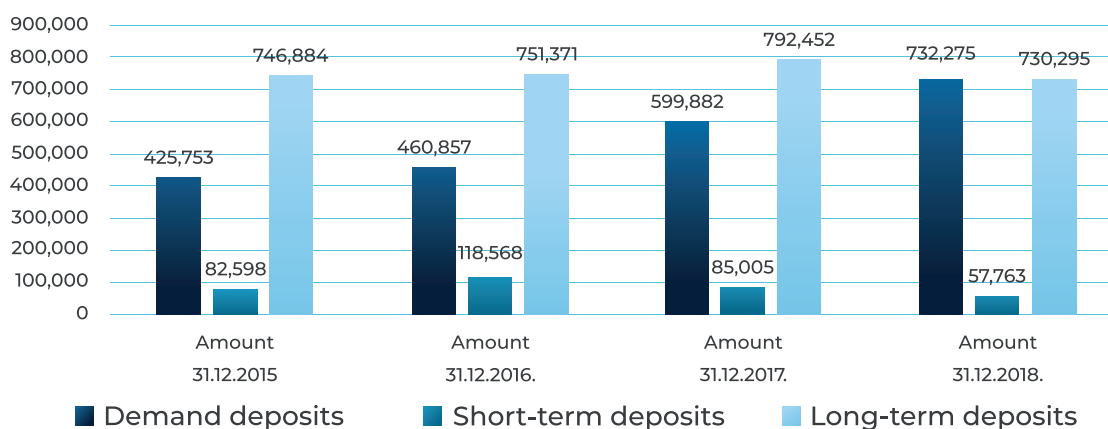
## Management of deposits of the bank - significant activities in 2018

Management of deposits aims to provide adequate structures of financing sources with the strategic commitment of the Bank to increase the deposit base of natural persons, to strengthen the stability of the overall deposit base and to increase the number of accounts, primarily new clients from the segment of natural persons.

The following table shows the overview of the Bank's deposits according to the internal client segmentation. There is a trend of total deposit growth, as well as maturity transformation from longer to shorter maturities (primarily A-vista savings). Total deposits in 2018 increased by 43 million BAM (or 2.91%) as a result of the growth of demand deposits, primarily in the Public sector segment. The share of demand deposits in 2018 was 48.17% (7.56% more than in 2017), and term deposits 51.83% (7.56% less than in 2017).

DESCRIPTION	31.12.2015.		31.12.2016.		31.12.2017.		31.12.2018.	
	Amount	%	Amount	%	Amount	%	Amount	%
Deposits Public sector	262.127	20,88%	274.255	20,61%	333.874	22,60%	360.492	23,71%
Deposits Corporate clients	141.102	11,24%	115.616	8,69%	122.676	8,30%	118.885	7,82%
Deposits SME	106.745	8,50%	116.199	8,73%	117.221	7,93%	139.343	9,17%
Deposits Natural persons	742.565	59,16%	822.198	61,78%	897.884	60,78%	897.956	59,06%
Deposits Treasury	2.696	0,21%	2.528	0,19%	5.684	0,38%	3.657	0,25%
<b>TOTAL DEPOSITS</b>	<b>1.255.235</b>	<b>100,00%</b>	<b>1.330.796</b>	<b>100,00%</b>	<b>1.477.339</b>	<b>100,00%</b>	<b>1.520.333</b>	<b>100,00%</b>

DESCRIPTION	31.12.2015.		31.12.2016.		31.12.2017.		31.12.2018.	
	Amount	%	Amount	%	Amount	%	Amount	%
Demand deposits	425.753	33,92%	460.857	34,63%	599.882	40,61%	732.275	48,17%
Short-term deposits	82.598	6,58%	118.568	8,91%	85.005	5,75%	57.763	3,80%
Long-term deposits	746.884	59,50%	751.371	8,73%	792.452	53,64%	730.295	48,04%
<b>TOTAL DEPOSITS</b>	<b>1.255.235</b>	<b>100,00%</b>	<b>1.330.796</b>	<b>100,00%</b>	<b>1.477.339</b>	<b>100,00%</b>	<b>1.520.333</b>	<b>100,00%</b>



Structure of deposits by maturity trend 2015 - 2018 (000 BAM)

## Devizna pozicija nove banke i kursne razlike

Devizna pozicija Banke predstavlja pregled valutnih pozicija Banke na određeni datum. S obzirom da BiH monetarnu politiku vodi u skladu sa currency board aranžmanom sa fiksno definisanim kursom od 1KM: 0.51129 EUR, Nova Banka nema valutni rizik od neusklađenih pozicija u EUR valuti, koje čine 98% ukupnih deviznih sredstava i obaveza na 31.12.2018.

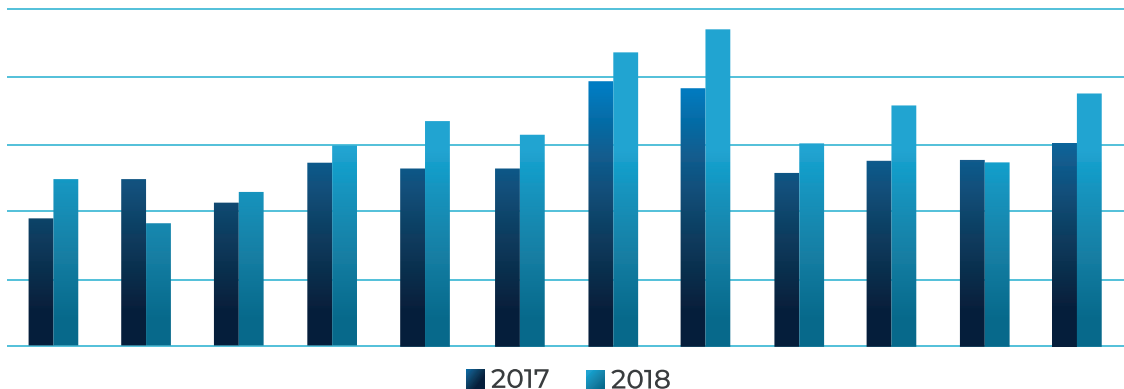
Odnos valutne aktive i pasive održavao se u skladu sa eksternim i internim limitima tokom 2018. godine. Izloženost u ostalim valutama osim EUR bila su minimalna i u skladu sa internim limitima, te nisu predstavljala rizik usljed promjene kurseva valuta.

### KURSNE RAZLIKE

Tokom 2018. godine Nova Banka i dalje bilježi rast prihoda po osnovu kursnih razlika u obe kategorije, realizovane i obračunske. Rezultat kursnih razlika u 2018. godini veći je za 25,38% u odnosu na planirane vrijednosti u 2018. godini, dok je za 16% veći u odnosu na rezultat ostvaren u protekloj, 2017. godini.

Kategorija	2017	2018	Indeks
Realizovane kursne razlike	6.471.854,70KM	7.550.860,36KM	116,67
Obračunske kursne razlike	87.285,82KM	102.690,70KM	117,65

### NETO KURSNE RAZLIKE



Neto prihod od kursnih razlika 2017. i 2018. godine

Neto prihod od kursnih razlika 2017. i 2018. godine

Poslovi sa ovlaštenim mjenjačima su i dalje glavni pokretač rasta kursnih razlika. Nova Banka je, prema podacima Ministarstva Finansija RS, lider na tržištu Republike Srpske sa tržišnim učešćem od 54,90%, od čega 23,81% se odnosi na zaključene ugovore sa pravnim licima dok se 76,67% odnosi na zaključene ugovore sa fizičkim licima. Na teritoriji Federacije BiH, Nova Banka prema kapacitetima koje posjeduje, odnosno razvijenosti poslovne mreže, maksimalno ispunjava svoje kapacitete kada su poslovi sa ovlaštenim mjenjačima u pitanju. Na dan 31.12.2018. godine Nova Banka imala je 80 aktivnih Ugovora sa ovlaštenim mjenjačima sa preko 100 mjenjačkih mjesta.

## Foreign exchange position of Nova Banka and Exchange rate differences

The Bank's foreign exchange position represents an overview of the Bank's foreign currency positions at a certain date. Since BiH's monetary policy is in line with the currency board arrangement with a fixed exchange rate 1 BAM : 0.51129 EUR, Nova banka does not have a foreign currency risk of mismatched positions in EUR currency, accounting for 98% of total foreign currency assets and liabilities as of 31 December 2018.

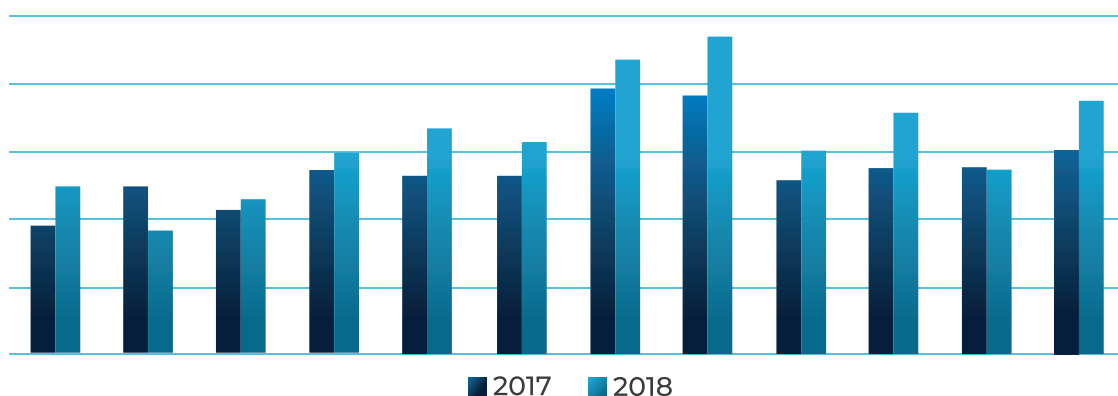
The ratio of foreign currency assets and liabilities was maintained in accordance with external and internal limits in 2018. Exposure in other foreign currencies other than EUR was minimal and in line with internal limits and did not pose a risk due to changes in exchange rates.

### EXCHANGE RATE DIFFERENCES

During 2018, Nova banka continued to record growth in income based on exchange rate differences in both categories, realized and accrued. The result of exchange rate differences in 2018 is 25.38% higher than planned in 2018, while it is 16% higher compared to the result achieved in the previous year, 2017.

Category	2017	2018	Index
Realized exchange rate differences	6.471.854,70KM	7.550.860,36KM	116,67
Accrued exchange rate differences	87.285,82KM	102.690,70KM	117,65

### NETO EXCHANGE RATE DIFFERENCES



Net income from exchange rate differences in 2017 and 2018

Business operations with authorized exchange offices are still the main driver of growth of exchange rate differences. According to the Ministry of Finance of the Republic of Srpska, Nova banka is the leader on the market of the Republic of Srpska with a market share of 54,90%, of which 23,81% refers to concluded contracts with legal entities, while 76,67% refers to concluded contracts with natural persons. In the territory of the Federation of Bosnia and Herzegovina, Nova banka, according to the capacities that it owns, i.e. the development of its business network, maximally fulfills its capacities when it comes to business operations with authorized exchange offices. On 31 December 2018, Nova banka had 80 active contracts with authorized exchange offices with over 100 exchange office counters.

# RISK PROFIL I RISK POLITIKA BANKA

Upravljanje rizicima podrazumjeva blagovremeno identifikovanje i otklanjanje rizika kao i brzo reagovanje u slučaju njihovog nastanka.

Cilj je da se rizici izbjegnu, odnosno, da se svedu na najmanju moguću mjeru, kako bi eventualne posljedice bile minimalne po cjelokupan sistem poslovanja. Jasno definisani potencijalni rizici, metode identifikacije i upravljanja rizicima imaju ključnu ulogu u postizanju konačnog cilja.

Misija upravljanja rizicima je stvaranje preduslova za efikasno upravljanje rizicima u svim procesima u Banci i razvoj kulture i razumijevanja rizika radi obezbjeđenja sigurnog i stabilnog poslovanja i trajnog povećanja vrijednosti Banke.

Vizija upravljanja rizicima je proaktivno upravljanje rizicima, odnosno izgradnja integrisanog sistema koji će identifikovati rizike, omogućiti njihovo mjerenje, analiziranje, kontrolu i praćenje tako da oni ne predstavljaju opasnost za stabilno i sigurno poslovanje Banke.

Strategijom upravljanja rizicima utvrđuju se osnovni principi na kojima se temelji okvir za upravljanje rizicima:

- Princip sposobnosti preuzimanja rizika - svako preuzimanje rizika mora biti u granicama sposobnosti Banke da ih preuzme, odnosno određeno visinom kapitalnih resursa Banke za pokri istih,
- Princip sveobuhvatnosti okvira za upravljanje rizicima - okvir za upravljanje rizicima je sveobuhvatan ako pokriva sve tipove i podtipove rizika kojima je Banka izložena, ili kojima može biti izložena u svom poslovanju, kao i sve njene organizacione nivoe i poslovne procese,
- Princip efikasnog informisanja - Upravi i višem rukovodstvu Banke omogućen je pristup svim informacijama bitnim za donošenje poslovnih odluka u vezi sa upravljanjem rizicima,
- Principi adekvatne kompetencije - zaposleni Banke posjeduju potreban nivo vještina i znanja neophodnih za identifikaciju i upravljanje rizicima u skladu sa svojom organizacionom pripadnošću i utvrđenim obimom poslovnih zadataka.
- Princip odvojenosti funkcija - organizacione jedinice koje učestvuju u preuzimanju rizika odvojene su po hijerarhijskoj vertikali od onih organizacionih jedinica koje učestvuju u njihovoj kontroli.

Politika upravljanja rizicima je integralni dio poslovne politike i upravljačke prakse Banke. Osnovne uloge u procesu upravljanja rizicima u Banci imaju Nadzorni odbor i Uprava Banke, Odbor za upravljanje aktivom i pasivom (ALCO), Sektor za upravljanje rizicima, Odbor za reviziju i Interna revizija.

Proces upravljanja rizicima u Banci je organizovan na način da se poslovnim procesima i ključnim upravljačkim organima Banke dostave blagovremene informacije kojim su obuhvaćene identifikacije, kontrole i monitoring svih elemenata rizika Banke uz preporuke i smjernice za prevazilaženje istih, a u svrhu realizacije njihovih odgovornosti prilikom ostvarenja strateških ciljeva, uspješnosti i konkurentnosti Banke.

Banka ima usvojene politike, procedure i strategije kojima se obezbjeđuje kontrola i primjena svih internih i eksternih akata u vezi sa upravljanjem rizicima. Procedurama koje se odnose na funkcionisanje svih odjeljenja u okviru Sektora za upravljanje rizicima, definisana su pravila i odgovornosti za praćenje i usaglašenost sa definisanim principima i limitima. Postavljeni limiti odražavaju poslovnu strategiju i tržišno okruženje Banke, kao i nivo rizika koji je Banka spremna da prihvati.

Banka mjeri rizike korištenjem različitih metoda kojima procjenjuje očekivane gubitke koji mogu nastati u normalnim uslovima, ali i neočekivane gubitke koji predstavljaju procjenu krajnjih gubitaka zasnovanih na statističkim modelima. Bitno je da su rizici koje Banka preuzima opravdani, odnosno da su razumljivi, mjerljivi, da se mogu pratiti i kontrolisati i da je Banka sposobna do određenog nivoa podnositi njihovo negativno djelovanje. S druge strane, neopravdani rizici se prepoznaju, umanjuju ili potpuno eliminišu.

## RISK PROFILE AND RISK POLICY OF THE BANK

Risk management involves the timely identification and removal of risks as well as rapid response in the event of their occurrence.

The goal is to avoid risks, i.e. to reduce them to a minimum, in order to minimize the potential consequences for the entire business system. Clearly defined potential risks, methods of identification and risk management play a key role in achieving the ultimate goal.

The mission of risk management is to create the preconditions for efficient risk management in all processes in the Bank and to develop a culture and understanding of risks in order to ensure safe and stable business operations and a permanent increase in the Bank's value.

The vision of risk management is proactive risk management, i.e. the development of an integrated system that will identify risks, enable their measurement, analysis, control and monitoring so that they do not pose a threat to the stable and safe business operations of the Bank.

The risk management strategy sets out the basic principles underlying the risk management framework:

- Principle of risk-taking capability - any takeover of risks must be within the limits of the Bank's capability to assume them, i.e. determined by the amount of capital resources of the Bank to cover them,
- Principle of comprehensiveness of the risk management framework - the risk management framework is comprehensive if it covers all types and subtypes of risks to which the Bank is exposed, or to which it may be exposed in its business operations, as well as all its organizational levels and business processes,
- Principle of efficient information - the Bank's management and senior management are provided with the access to all information relevant for making business decisions related to risk management,
- Principles of adequate competence - employees of the Bank possess the required level of skills and knowledge necessary for identification and risk management in accordance with their organizational belonging and determined scope of business tasks,
- Principle of separation of functions - organizational units participating in risk taking are separated by the hierarchical vertical from those organizational units that participate in their control.

The risk management policy is an integral part of the business policy and management practice of the Bank. The Supervisory Board and the Management Board of the Bank, the Assets and Liabilities Committee (ALCO), the Risk Management Division, the Audit Committee and the Internal Audit play the key roles in the risk management process in the Bank.

The risk management process in the Bank is organized in such a way as to provide timely information to the business processes and key management bodies of the Bank, which include identification, control and monitoring of all elements of the Bank's risks, along with recommendations and guidelines for overcoming them, in order to realize their responsibilities in achieving strategic goals, success and competitiveness of the Bank.

The Bank has adopted policies, procedures and strategies that ensure the control and implementation of all internal and external acts related to risk management. Procedures related to the functioning of all departments within the Risk Management Division have defined the rules and responsibilities for monitoring and compliance with the defined principles and limits. The limits set out reflect the Bank's business strategy and market environment, as well as the level of risk that the Bank is willing to accept.

Rizike u poslovanju nije moguće u potpunosti izbjeći, ali ih je kvalitetnim upravljanjem, moguće svesti na najmanju moguću mjeru, imajući u vidu sledeće preduslove za uspješno poslovanje rizicima:

- Filozofija upravljanja rizicima Banke koja je opredijeljena ka korištenju svih potencijalnih šansi (spremnost da se uđe u rizik) za ostvarenje dobiti kao osnovnog cilja, ali sve do nivoa dok se ne ugrožava stabilno i sigurno poslovanje Banke.
- Kultura i etičke karakteristike menadžmenta i zaposlenih, a koje podrazumijevaju izjave i dobre prakse po sljedećim principima: poštenje, integritet, odgovornost, profesionalizam i izbjegavanje sukoba interesa, povjerljivost i poštovanje klijenata, poštovanje zaposlenih i konkurencije, prijavljivanje etičkih prekršaja, upravljanje žalbama i sl.
- Banka je opredijeljena da prihvati standarde pravila i prakse korporativnog upravljanja.
- Jasno definisanje dugoročnih (strateških) i kratkoročnih ciljeva na nivou Banke, po pojedinačnim procesima na koji se odnosi proces upravljanja rizicima.
- Jasno definisanje organizacije Banke, organizacije procesa i posebno organizacije funkcije upravljanja rizicima. Ovo podrazumjeva jasno modeliranje procesa.
- Jasno definisanje dužnosti i odgovornosti i sistema, odnosno linija izvještavanja za svaki proces i svakog izvršioca, definisanje granica procesa (razgraničenje), definisanje nadležnosti u dijelovima procesa koji se preklapaju (isprepletenost procesa) na način da su nedvosmisleno utvrđeni i međusobno usaglašeni.
- Jasno definisanje dužnosti i odgovornosti zaposlenih u Sektoru za upravljanje rizicima. Poslovi u pojedinim procesima i organizaciji (po dubini i širini) Banke, a koji se tiču sistema upravljanja rizicima, su jasno opisani, dodijeljeni izvršiocima i definisana im je podređenost funkciji upravljanja rizicima. Svi zaposleni treba da razumiju svoju ulogu i odgovornost u okviru procesa upravljanja rizicima.
- Sektor za upravljanje rizicima ima slobodan pristup informacijama i podacima koji su potrebni za obavljanje zadataka i ima pravo da slobodno objavljuje svoje nalaze Upravi Banke i Nadzornom odboru u skladu sa linijama izvještavanja.
- Uprava Banke treba da je opredijeljena da razvija i unapređuje svijest i kulturu procesa upravljanja rizicima i da u tom smislu konstantno edukuje zaposleno osoblje.

Najznačajnije vrste rizika kojima je Banka izložena su kreditni rizik, tržišni rizici i operativni rizik.

## KREDITNI RIZIK

U redovnom poslovanju Banka je izložena kreditnom riziku koji se definiše kao mogućnost nastanka negativnih efekata na finansijski rezultat i kapital banke usljed neizvršenja obaveza dužnika prema Banci. Orijentacija poslovanja Banke je na maksimalnoj diverzifikaciji i disperziji rizika u okviru optimalne strukture kreditnog portfolija.

U sprovođenju kreditne politike, Banka se pridržava određenih principa ustanovljenih poslovnom i kreditnom politikom Banke i na taj način se štiti od prekomjerne izloženosti kreditnom riziku. Odjeljenje za kontrolu rizika upravlja kreditnim rizikom na nivou cjelokupnog portfolija Banke.

U okviru Odjeljenja za kontrolu rizika u protekloj 2018. godini, realizovane su sledeće aktivnosti:

- Implementacija projekta za vrednovanje finansijskih instrumenata prema međunarodnom računovodstvenom standardu IFRS 9.
- Implementacija internog mjerenja kapitala (ICAAP).

Nadogradnja sistema mjerenja interne procjene kapitala očekuje se i tokom 2019. godine. Kao i prethodnih godina, u cilju uspostavljanja većeg stepena kontrole kvaliteta odobrenih plasmana, zadržani su na relativno niskom nivou limiti kreditnih odbora filijala Banke u procesu odlučivanja u segmentu Retail (SME i stanovništvo), dok su poslovi odobravanja koji se odnose na velike Corporate klijente potpuno centralizovani od momenta uvođenja interne segmentacije klijenata.

The Bank measures risks by using various methods by which it assesses expected losses that may arise in normal conditions, as well as unexpected losses that represent an estimate of end-losses based on statistical models. It is important that the risks assumed by the Bank are justified, i.e. that they are understandable, measurable, that they can be monitored and controlled, and that the Bank is able to tolerate their negative effect to a certain level. On the other hand, unjustified risks are identified, reduced or completely eliminated.

Business risks cannot be completely avoided, but can be minimized by quality management, bearing in mind the following prerequisites for successful risk management:

- The Bank's risk management philosophy that is committed to using all potential opportunities (willingness to take a risk) to generate profits as a basic goal, but up to the level that is not endangering the stable and safe business operations of the Bank.
- The culture and ethical characteristics of management and employees, which include statements and good practices based on the following principles: honesty, integrity, responsibility, professionalism and avoidance of conflict of interest, confidentiality and respect for clients, respect for employees and competition, reporting ethical offenses, complaint management, etc.
- The Bank is committed to accepting the standards of corporate governance rules and practices.
- Clear definition of long-term (strategic) and short-term goals at the level of the Bank, by individual processes to which the risk management process relates.
- Clear definition of the organization of the Bank, organization of processes and especially organization of risk management functions. This implies clear modeling of the process.
- Clear definition of the duties and responsibilities and systems, i.e. reporting lines for each process and each implementer, defining the boundaries of the process (delineation), defining competences in parts of overlapping processes (interconnectedness of processes) in the way that they are unequivocally established and mutually agreed.
- Clear definition of the duties and responsibilities of the employees in the Risk Management Division. The tasks in the individual processes and organization (in depth and width) of the Bank, which relate to the risk management system are clearly described, assigned to the implementers and defined as subordinated to the risk management function. All employees need to understand their role and responsibility within the risk management process.
- The Risk Management Division has free access to information and data required for the performance of tasks and has the right to freely publish its findings to the Management Board of the Bank and the Supervisory Board in accordance with the reporting lines.
- The Management Board of the Bank should be committed to developing and improving the awareness and culture of the risk management process and, in that sense, to constantly educate employees.

The most important types of risks to which the Bank is exposed include credit risk, market risks and operational risk.

## CREDIT RISK

In the ordinary course of business, the Bank is exposed to credit risk, which is defined as the possibility of occurrence of adverse effects on the financial result and the capital of the Bank as a result of non-fulfillment of the debtors' obligations towards the Bank. The Bank's business orientation is towards maximum diversification and dispersion of risks within the optimal structure of the loan portfolio.

In the implementation of the credit policy, the Bank adheres to certain principles established by the Bank's business and credit policies and thus protects against excessive exposure to credit risk. The Risk Controlling Department manages the credit risk at the level of the entire portfolio of the Bank.

In 2018, the following activities were implemented within the Risk Controlling Department:

- Implementation of a project for the valuation of financial instruments according to the International Accounting Standard IFRS 9.
- Implementation of internal capital measurement (ICAAP).

U cilju unapređenja procesa i efikasnijeg upravljanja rizikom, kako na nivou pojedinačne transakcije, tako i na nivou kompletnog portfolija, u prethodnom periodu bio je fokus na konstantnom unaprjeđenju ocjene boniteta i procjene kreditnog rizika klijenata, tražilaca kredita. Pored toga, konstantno se unaprjeđuje oblast monitoringa odobrenih plasmana kroz analizu ključnih finansijskih pokazatelja i identifikovanje signala ranog upozorenja, te u skladu s tim, daju preporuke za preduzimanje odgovarajućih mjera.

Odlukom o prihvatljivom nivou rizika Nadzornog odbora Banke, te ostalim odlukama koje iz iste proizilaze, definišu se limiti na nivou pojedinačne transakcije, ali i nivou ukupnog portfolija. Prilikom definisanja limita polazi se od važećih zakonskih propisa, ugovorenih obaveza, te internih procjena prihvatljivog rizika za Banku.

## TRŽIŠNI RIZIK

U Odeljenju za upravljanje tržišnim rizikom upravlja se rizikom likvidnosti, kamatnim i deviznim rizikom.

Rizikom likvidnosti Banka upravlja na način da sprovodi aktivnosti koje obezbjeđuju usklađenost strukture aktive i pasive bilansa i vanbilansa Banke, odnosno njenih novčanih tokova (priliva i odliva) i konstantno prati i planira buduće novčane tokove uzimajući u obzir promjene u operativnim, ekonomskim i ostalim uslovima poslovnog okruženja Banke. Za upravljanje rizikom likvidnosti, Banka sprovodi i stres testove koji imaju za cilj da se identifikuju potencijalni likvidnosni gapovi koji mogu nastati u određenim vremenskim periodima i pod određenim uslovima i to: po osnovu odliva depozita, nemogućnosti transformacije dijelova aktive u likvidna sredstva, povećanog odliva gotovine i slično.

U okviru Odeljenja za upravljanje tržišnim rizikom pored redovnih aktivnosti, tokom 2019. godine planirane su:

- Aktivnosti na pripremi implementacije koeficijenta NSFR-a (koeficijent neto stabilnog finansiranja)
- Aktivnosti na pripremi implementacije interne procjene adekvatnosti likvidnosti (ILAAP)

Rizikom kamatnih stopa Banka upravlja na način da se konstantno rade analize u kojima se izdvajaju senzibilna aktiva i pasiva, te računa visina izloženosti riziku promjena kamatnih stopa uzimanjem različitih „šta ako“ hipoteza. Odeljenje za upravljanje tržišnim rizicima takođe prati kretanje prosječnih kamatnih stopa portfolija kredita iz vlastitih izvora i oročenih depozita, kao i odnos između njih.

Deviznim rizikom Banka upravlja na način da vrši optimizaciju devizne strukture aktive i pasive, tako da fluktuacije deviznih kurseva nemaju značajniji uticaj na bilans uspjeha. Cilj je da se rizikom upravlja tako da Banka može reagovati na veće promjene kursa bez ugrožavanja kontinuiteta u poslovanju.

Odeljenje za upravljanje tržišnim rizicima u skladu sa regulativom vrši praćenje internih limita propisanih od strane Nadzornog odbora i drugih organa Banke, kao i regulatornih limita propisanih od strane Agencije za bankarstvo, pri čemu su interno definisani limiti strožiji od regulatornih limita. Izvještavanje se vrši prema svim učesnicima u procesu kontrole i upravljanja rizicima.

Efikasan, sveobuhvatan i fleksibilan sistem i okvir upravljanja tržišnim rizicima preduslovi su održivog rasta vrijednosti Banke. Upravljanje Bankom kroz uravnotežen odnos rizika i povrata, predstavlja optimalan okvir za stabilan rast i razvoj bankarskih usluga i proizvoda te očuvanje reputacije i kredibiliteta Banke kod klijenata.

The upgrade of the internal capital assessment system is expected during 2019.

As in the previous years, in order to establish a higher level of quality control of approved placements, the limits of the credit committees of the Bank's branch offices have been kept at the relatively low level in the decision-making process in the retail segment (SMEs and natural persons), while approval tasks related to large Corporate clients have been centralized since the moment of introducing internal client segmentation.

In order to improve the process and have more efficient risk management, both at the level of the individual transaction as well as at the level of the entire portfolio, in the previous period the focus was on constant improvement of the credit rating and the assessment of the credit risk of clients, loan seekers. In addition, the area of monitoring of approved placements is constantly improving through the analysis of key financial indicators and the identification of early warning signals, and accordingly, recommendations for taking appropriate measures are made.

The Decision on the Acceptable Level of Risk adopted by the Supervisory Board of the Bank and other decisions deriving therefrom define the limits at the level of the individual transaction, as well as the level of the entire portfolio. The starting points when defining the limits are the applicable legal regulations, contractual obligations, and internal assessments of the risk acceptable to the Bank.

## MARKET RISK

The Market Risk Management Department manages the liquidity, interest and foreign exchange risk.

The Bank manages the liquidity risk in a way to conduct activities that ensure the consistency of the structure of assets and liabilities of balance sheet and off-balance sheet of the Bank, i.e. its cash flows (inflows and outflows) and continuously monitors and plans future cash flows taking into account changes in operational, economic and other conditions of the business environment of the Bank. In order to manage the liquidity risk, the Bank also conducts stress tests aimed at identifying potential liquidity gaps that may arise in certain periods of time and under certain conditions, as follows: on the basis of outflow of deposits, inability to transform parts of assets into liquid assets, increased cash outflows and the like.

During 2019, within the Market Risk Management Department, in addition to regular activities, the following activities are planned:

- Activities on the preparation of implementation of the NSFR coefficient (Net Stable Funding Ratio coefficient)
- Activities on the preparation of implementation of an Internal Liquidity Adequacy Assessment Process (ILAAP)

The Bank manages interest rate risk in a way to constantly perform analyses in which the sensitive assets and liabilities are singled out and the amount of exposure to the risk of interest rate changes is calculated by taking different "what if" hypotheses. The Market Risk Management Department also monitors the movement of the average interest rates of the loan portfolio from own sources and term deposits, as well as the ratio between them.

The Bank manages foreign currency risk in a way to optimize the foreign currency structure of assets and liabilities so that fluctuations in foreign exchange rates do not have a significant impact on the income statement. The goal is to manage the risk so that the Bank can respond to major changes in the exchange rate without compromising its business continuity.

The Market Risk Management Department, in accordance with the regulations, monitors the internal limits prescribed by the Supervisory Board and other Bank bodies, as well as the regulatory limits prescribed by the Banking Agency, where internally defined limits are more stringent than the regulatory limits. Reporting is done to all participants in the process of risk control and risk management.

An effective, comprehensive and flexible system and market risk management framework are preconditions for a sustainable growth of the Bank's value. Managing the Bank through a balanced relationship between risk and return represents an optimal framework for stable growth and development of banking services and products, and for preserving Bank's reputation and credibility with its clients.

## OPERATIVNI RIZIK

Uloga procesa upravljanja operativnim rizicima je da identifikuje, procijeni, kontroliše i smanji mogućnost nastanka i uticaj operativnih rizika i gubitaka. Banka ne može da eliminiše sve operativne rizike, ali kroz proces evidentiranja i analiziranja operativnih gubitaka može da identifikuje propuste u svojim procesima, proizvodima i procedurama, te njihovim unaprjeđivanjem smanji učestalost i negativan uticaj operativnih gubitaka na poslovanje i profitabilnost Banke.

Važan aspekt procesa upravljanja operativnim rizicima je ažurno izvještavanje Uprave Banke o značajnim operativnim rizicima, kao i permanentna obuka svih zaposlenih uključenih u proces prikupljanja podataka o operativnim rizicima i sveobuhvatno razvijanje svijesti o značaju identifikovanja, mjerenja, kontrole i ublažavanja operativnih rizika.

U cilju povećanja bezbjednosti u objektima Banke, te smanjenja rizika od razbojništva, provalnih krađa i drugih oblika nanošenja materijalne i druge štete, kao i prevencije štetnih događaja usmjerenih protiv života i tijela zaposlenih, usvojeno je Uputstvo za kontrolu sistema tehničke zaštite kojim se definišu postupci, subjekti i predmeti kontrole ispravnosti sistema tehničke zaštite, način prijavljivanja neispravnosti i način otklanjanja nedostataka.

Odjeljenje za operativne rizike vrši kontrolu stanja gotovine u mreži, inicira provođenje mjera za održavanje gotovine u okviru dozvoljenog maksimuma, te izvještava Upravu Banke o istom. Generalno, podaci o operativnim rizicima prikupljaju se u svim organizacionim dijelovima Banke, vrši se njihova klasifikacija i analiza primjenom odgovarajućeg softvera, te preporučuju načini umanjavanja rizika i ublažavanja njihovih posljedica.

Odjeljenje za operativne rizike razvilo je Plan kontinuiteta poslovanja (BCP) i Plan oporavka poslovanja (DRP). Elementi ovih planova se redovno testiraju prema dinamici koju je odobrila Uprava Banke. U navedeni okvir su uključeni informacioni servisi koji predstavljaju ključne informacione komponente za funkcionisanje Banke. U toku 2018. godine izvršeno je kompletno testiranje BCP plana i u potpunosti potvrđena operativnost rezervne lokacije što je planirano i za 2019. godinu.

Odjeljenje za Operativni rizik održava i unaprjeđuje dokumentaciju sistema za upravljanje sigurnošću informacija po standardu ISO/IEC 27001:2013, po kojem je Banka certificovana. U skladu sa politikom upravljanja operativnim rizikom, Odjeljenje za operativni rizik nastoji da u svom radu, gdje god je to moguće, primjenjuje međunarodne standarde i najbolje prakse.

I tokom 2018. godine Odjeljenje za operativne rizike nastavilo je da izvodi konstantnu obuku zaposlenih iz oblasti bezbjednosne kulture sa ciljem prevencije krivičnih djela usmjerenih prema imovini banke, klijentima i zaposlenim. Obrađene su teme iz fizičko - tehničke zaštite, prevencije prevara, zaštite informacija i informacionog sistema, kao i odabrana poglavlja iz krivičnog zakonodavstva i propisa o zaštiti ličnih podataka.

Operativni rizik je rizik nastanka negativnih efekata na finansijski rezultat i kapital Banke usljed propusta u odvijanju poslovnih procesa, ljudskih grešaka, grešaka u sistemu, ili dejstva spoljnih faktora. Banka je posvećena konstantnom razvoju sistema i okvira upravljanja rizicima koji su u stanju odgovoriti na sve izazove okruženja. S tim ciljem, organizaciona kultura Banke stimuliše neprekidno usavršavanje svih elemenata sistema za upravljanje rizicima – kompetencija, procesa (metoda i tehnika) i procedura koje ih opisuju te informacionog sistema – kako bi bila u stanju odgovoriti svim budućim zahtjevima, vezanim uz unaprjeđenje efikasnosti i konkurentnosti u izazovnom poslovnom okruženju, istovremeno poštujući sve regulatorne norme.

Tokom 2019. godine planirana je certifikacija Banke prema Standardu za upravljanje kontinuitetom polovanja ISO 22301.

Sektor za upravljanje rizicima i u narednom periodu planira unaprjeđivati metodologije i alate za upravljanje rizicima, edukovati zaposlene u Banci u smislu boljeg razumijevanja rizika, te njegovati kulturu koja rizike ne vidi kao prijetnju, nego i kao šansu.

## OPERATIONAL RISK

The role of the process of managing operational risks is to identify, evaluate, control and reduce the possibility of occurrence and the impact of operational risks and losses. The Bank cannot eliminate all operational risks, but through the process of recording and analyzing operational losses it can identify gaps in its processes, products and procedures, and by their improvement, reduce the frequency and negative impact of operational losses on the business operations and profitability of the Bank.

An important aspect of the process of managing operational risks is the up-to-date reporting to the Management Board of the Bank on significant operational risks, as well as permanent training of all employees involved in the process of collecting data on operational risks and comprehensive developing of awareness of the importance of identifying, measuring, controlling and mitigating operational risks.

In order to increase security in the Bank's facilities and to reduce the risks of robbery, burglary and other forms of inflicting material and other damage, as well as to prevent harmful events directed against the lives and bodies of employees, the Guidelines for Control of the Technical Protection System have been adopted defining the procedures, subjects and objects of control of the correctness of the technical protection system, the manner of reporting defects and the manner of remedying the defects.

The Operational Risk Department performs control of cash balance in the network, initiates the implementation of measures for maintaining cash within the permitted maximum, and reports to the Management Board of the Bank about the same.

In general, data on operational risks are collected in all organizational units of the Bank, their classification and analysis are carried out using appropriate software, and ways of mitigating risks and mitigating their consequences are recommended.

The Operational Risk Department developed a Business Continuity Plan (BCP) and Disaster Recovery Plan (DRP). The elements of these plans are regularly tested according to the dynamics approved by the Management Board of the Bank. The aforementioned framework includes information services that represent key information components for the functioning of the Bank. During 2018, a complete testing of the BCP plan was performed and operability of the disaster recovery site was fully confirmed, which was also planned for 2019.

The Operational Risk Department maintains and improves the documentation of the information security management system according to the ISO/IEC 27001:2013 standard, under which the Bank is certified. In accordance with the operational risk management policy, the Operational Risk Department tries to apply international standards and best practices in its work wherever possible.

During 2018, the Operational Risk Department continued to conduct constant training of employees in the field of security culture with the aim of preventing criminal offenses directed at the assets of the Bank, its clients and employees. The following topics were addressed: physical and technical protection, fraud prevention, protection of information and information system, as well as selected chapters from criminal legislation and regulations on protection of personal data.

Operational risk is the risk of the occurrence of adverse effects on the financial result and the capital of the Bank due to omissions in the conduct of business processes, human errors, system errors, or the effects of external factors.

The Bank is dedicated to the constant development of the system and framework of risk management that can respond to all environmental challenges. To this end, the organizational culture of the Bank stimulates the continuous improvement of all elements of the risk management system - competences, processes (methods and techniques) and procedures describing them, and the information system - in order to be able to respond to all future requirements related to improving efficiency and competitiveness in a challenging business environment, while respecting all regulatory norms.

During 2019, the certification of the Bank under the Business Continuity Management Standard ISO 22301 is planned.

In the coming period the Risk Management Division plans to improve risk management methodologies and tools, to educate employees in the Bank in terms of better understanding of risks, and to foster a culture that does not see risks as a threat, but also as an opportunity.

## UPRAVLJANJE INFORMACIONIM SISTEMIMA BANKE

Informacioni sistem Nove Banke se tokom 2018 godine razvijao u više pravaca.

S obzirom da je bankarsko tržište u BiH izuzetno živo, te uzimajući u obzir činjenicu da sve banke nastoje da budu inovativne i da klijentima nude nove proizvode i servise, Nova Banka je nastojala u 2018. godini da prati trendove i da u ovom segmentu bude konkurentna. Informacioni sistem je u aplikativnom smislu unapređivan u skladu sa zahtjevima poslovnih procesa.

Pored uvođenja novih proizvoda i servisa informacioni sistem je u aplikativnom smislu unapređivan i kako bi bile zadovoljene sve strožije inicijative regulatora. Pored drugih manje kompleksnih zahtjeva regulatora i drugih institucija u BiH, uspješno je završena implementacija Međunarodnog standarda finansijskog izvještavanja (IFRS9).

U infrastrukturnom smislu informacioni sistem se konstantno razvija. Osnovni cilj je moderan, efikasan i brz informacioni sistem. Iz tog razloga razvijaju se infrastrukturno dva Data centra udaljena 220 km kako bi oba mogla da se u potpunosti koriste za rad svih servisa Banke. U toku 2018. godine obavljen je veliki Disaster Recovery test kojim je dokazano da je Banka u stanju da nesmetano radi i sa rezervne lokacije.

Sektor za IT konstantno ulaže značajne napore u cilju obezbjeđivanja što veće sigurnosti informacionog sistema. Ovaj rad se prvenstveno ogleda u stalnom učenju, praćenju potencijalnih prijetnji i realizaciji najboljih praksi. Sistem zaštite informacija i generalno informacionog sistema predstavlja bitan segment i Sektor za IT uz podršku Uprave Banke posebnu pažnju posvećuje ovom elementu informacionog sistema, svjestan da svaki propust može ozbiljno da ugrozi reputaciju Banke.

Banka je nastavila i u 2018. godini da razvija sistem poslovne inteligencije, odnosno sistem podrške odlučivanju. Razvija se i dalje sistem pametnog izvještavanja i sve više pored standardnih izvještaja iz domena mjerenja profitabilnosti, mjerenja učinka i efikasnosti radnika, radi na predikcionim izvještajima koji treba da daju pravu informaciju o trendovima i omoguće donosiocima odluka korisne informacije.

## MANAGEMENT OF BANK'S INFORMATION SYSTEM

During 2018, the information system of Nova banka developed in several directions.

Considering the fact that the banking market in BiH is extremely vibrant and taking into account the fact that all banks are trying to be innovative and offer new products and services to clients, Nova banka tried to follow the trends in 2018 and to be competitive in this segment. In the applicative sense, the information system has been improved in accordance with the requirements of business processes.

In addition to the introduction of new products and services, the information system has been improved in the applicative sense also in order to meet the increasingly stringent regulatory initiatives. In addition to other less complex requirements of regulators and other institutions in BiH, the implementation of the International Financial Reporting Standard (IFRS9) has been successfully completed.

In the infrastructural sense, the information system is constantly evolving. The main goal is a modern, efficient and fast information system. For this reason, two Data Centers are being developed at a distance of 220 km, so that both can be fully used for the work of all the Bank's services. During 2018, a large Disaster Recovery test was carried out, proving that the Bank can operate freely from a backup location.

The IT Division is constantly making significant efforts to ensure the security of the information system as much as possible. This work is primarily reflected in continuous learning, monitoring of potential threats and implementation of best practices. The system for the protection of information and generally for the protection of the entire information system represents an important segment, and the IT Division, with the support of the Management Board of the Bank, pays special attention to this element of the information system, aware of the fact that any failure can seriously jeopardize the reputation of the Bank.

In 2018, the Bank continued to develop a business intelligence system, i.e. a system of support to decision-making. The development of the smart reporting system has continued and in addition to standard reports in the domain of measurement of profitability and performance of employees, the Bank also develops predictive reports that should give the right information on trends and provide decision makers with useful information.

# **POJEDINAČNI FINANSIJSKI IZVJEŠTAJI**

# **UNCONSOLIDATED FINANCIAL STATEMENTS**

## Izveštaj nezavisnog revizora

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### IZVJEŠTAJ NEZAVISNOG REVIZORA

Nadzornom odboru i akcionarima Nove banke a.d. Banja Luka

#### *Mišljenje*

Obavili smo reviziju finansijskih izvještaja (strana 4 do 89) Nove banke a.d. Banja Luka (u daljem tekstu: "Banka"), koji obuhvataju bilans stanja na dan 31. decembra 2018. godine, odgovarajući bilans uspjeha, izvještaj o promjenama na kapitalu, i bilans tokova gotovine za godinu koja se završava na taj dan, i napomene uz finansijske izvještaje.

Po našem mišljenju, priloženi finansijski izvještaji istinito i objektivno, po svim materijalno značajnim pitanjima, prikazuju finansijski položaj Nove banke a.d. Banja Luka na dan 31. decembra 2018. godine, kao i rezultate njenog poslovanja i novčane tokove za godinu koja se završava na taj dan, u skladu sa računovodstvenim propisima Republike Srpske i propisima Agencije za bankarstvo Republike Srpske, koji regulišu finansijsko izvještavanje banaka.

#### *Osnova za mišljenje*

Obavili smo našu reviziju u skladu sa Međunarodnim standardima revizije (ISA) i Zakonom o računovodstvu i reviziji Republike Srpske. Naše odgovornosti prema tim standardima su dalje opisane u našem izvještaju u dijelu *Odgovornost revizora za reviziju finansijskih izvještaja*. Nezavisni smo od Banke u skladu sa etičkim zahtjevima koji su relevantni za našu reviziju finansijskih izvještaja u Republici Srpskoj, i ispunili smo naše druge etičke odgovornosti u skladu sa ovim zahtjevima.

Smatramo da su revizijski dokazi koje smo pribavili dovoljni i odgovarajući i da obezbjeđuju solidnu osnovu za izražavanje našeg mišljenja.

#### *Ključna revizijska pitanja*

Ključna revizijska pitanja su ona pitanja koja su bila, po našem profesionalnom rasuđivanju, od najveće važnosti za reviziju finansijskih izvještaja tekućeg perioda. Tim pitanjima smo se bavili u kontekstu naše revizije finansijskih izvještaja kao cjeline i pri formiranju našeg mišljenja o njima, i mi ne dajemo zasebno mišljenje o tim pitanjima.

(nastavlja se)

Društvo za reviziju i konsalting Deloitte d.o.o. Banja Luka – dvočlano društvo, Braće Mažar i majke Marije 58 i 60, 78000 Banja Luka, Republika Srpska, Bosna i Hercegovina; Okružni privredni sud Banja Luka, reg. ul. br. 1-10826-00; Uplisani i uplaćeni osnovni kapital: 5,000 KM; Matični broj: 01913239; JIB: 44008830000008; PDV broj: 400883000008; Poslovni računi: 562-099-00001310-56; 552-002-00017739-98; 567-162-11000129-31; 571-010-00000438-11; 572-000-00002180-13.

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## Independent auditor's report

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*Translation of the Auditors' Report issued in the Serbian language*

### INDEPENDENT AUDITORS' REPORT

To the Supervisory Board and Shareholders of Nova Banka a.d. Banja Luka

We have audited the accompanying financial statements (pages 2 to 80) of Nova Banka a.d. Banja Luka (hereinafter the "Bank"), which comprise the statement of financial position as of December 31, 2017 and the related income statement, statement of changes in equity and statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory notes.

#### *Management's Responsibility for the Financial Statements*

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the accounting regulations of the Republic of Srpska, regulations of the Banking Agency of the Republic of Srpska governing financial reporting of banks and for such internal control as management determines is necessary to enable the preparation of the unconsolidated financial statements that are free from material misstatement, whether due to fraud or error.

#### *Auditors' Responsibility*

Our responsibility is to express an opinion on these unconsolidated financial statements based on our audit. We conducted our audit in accordance with the Law on Accounting and Auditing of the Republic of Srpska and standards on auditing applicable in the Republic of Srpska. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the unconsolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the unconsolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Bank's preparation and fair presentation of the unconsolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Bank's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the unconsolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

#### *Opinion*

In our opinion, the unconsolidated financial statements present fairly, in all material respects, the financial position of Nova Banka a.d., Banja Luka as at December 31, 2017, and its financial performance and cash flows for the year then ended in accordance with the accounting regulations of the Republic of Srpska and regulations of the Banking Agency of the Republic of Srpska governing financial reporting of banks.

#### *Other Matter*

The Bank's unconsolidated financial statements as of and for the year ended December 31, 2016 were audited by another auditor, whose report dated February 24, 2017 expressed an unqualified opinion.

As disclosed in Note 2.2 to the unconsolidated financial statements, the Bank is a parent entity and its consolidated financial statements prepared in accordance with the accounting regulations of the Republic of Srpska have been issued separately. The Bank's consolidated financial statements as of and for the year ended December 31, 2017 were audited by us and our auditors' report dated March 27, 2018 expresses an unqualified opinion.

Banja Luka,  
March 27, 2018



A handwritten signature in blue ink, appearing to be "Stevan".

Translation of the report issued in the Serbian language

## IZVJEŠTAJ NEZAVISNOG REVIZORA

Nadzornom odboru i akcionarima Nove banke a.d. Banja Luka (nastavak)

### *Ključna revizijska pitanja (nastavak)*

Ključno revizijsko pitanje	Odgovarajuća revizijska procedura
<b>Očekivani kreditni gubici za kredite i rezervisanja po garancijama</b>	
<p>Potraživanja po kreditima i plasmanima komitentima su iznosila 1.296.524 hiljada BAM na dan 31. decembra 2018. godine (1.327.848 hiljada BAM, na dan 31. Decembra 2017. godine), dok je ukupan iznos ispravke vrijednosti Banke iznosio 111.403 hiljada BAM na dan 31. decembra 2018. godine (84.208 hiljada BAM, na dan 31. decembra 2017. godine).</p> <p>Od 1. januara 2018. godine, Banka je usvojila Međunarodni standard finansijskog izvještavanja (MSFI) 9, što je imalo za rezultat priznavanje troškova umanjenja vrijednosti onda kada se gubici očekuju, a ne u trenutku kada nastanu. Uprava je objelodanila informacije o prelaznom efektu MSFI 9 u napomeni 2.4, uključujući uticaj na kapital Banke na dan 1. januara 2018. godine.</p> <p>Odmjeravanje troškova umanjenja vrijednosti kredita i rezervisanja za garancije smatra se ključnim revizijskim pitanjem, jer je određivanje pretpostavki za očekivane kreditne gubitke subjektivno zbog nivoa rasuđivanja koje primjenjuje Uprava.</p> <p>Najznačajnija rasuđivanja se odnose na:</p> <ul style="list-style-type: none"> <li>• Pretpostavke koje se koriste u modelima očekivanog kreditnog gubitka za procjenu kreditnog rizika vezanog za izloženost i očekivane buduće novčane tokove klijenta.</li> <li>• Pravovremenu identifikaciju izloženosti sa značajnim povećanjem izloženosti kreditnom riziku i kreditnom obezvrjeđenju.</li> <li>• Vrednovanje kolaterala i pretpostavke budućih novčanih tokova na pojedinačno procijenjene izloženosti po kreditima.</li> </ul> <p>Rukovodstvo je objelodanilo dodatne informacije o troškovima umanjenja vrijednosti kredita i rezervisanjima za garancije u notama 2, 13, 18, 21 i 34.2 uz finansijske izvještaje.</p>	<p>Na osnovu naše procjene rizika i poznavanja industrije, ispitali smo troškove obezvrjeđenja kredita i rezervisanja za rezervacije, i procijenili primjenjenu metodologiju, kao i korištene pretpostavke, a u skladu sa opisom ključnog revizorskog pitanja.</p> <p>Naše testiranje je obuhvatilo sljedeće elemente:</p> <ul style="list-style-type: none"> <li>• Procjena ključnih kontrola nad pretpostavkama koje se koriste u modelima očekivanog kreditnog gubitka za procjenu kreditnog rizika vezanog za izloženost i očekivane buduće novčane tokove klijenta.</li> <li>• Prikupljanje i detaljno testiranje dokaza koji potkrepljuju pretpostavke korištene u modelima očekivanog kreditnog gubitka koji su primjenjeni u alokaciji faza (eng. stage), pretpostavke koje se primjenjuju da bi se dobila dvanaestomjesečna i cjeloživotna vjerovatnoća neispunjavanja obaveza (PD) i metode primjenjene za dobijanje vjerovatnoće gubitaka po osnovu nemogućnosti naplate potraživanja.</li> <li>• Procjena ključnih kontrola nad pravovremenom identifikacijom izloženosti sa značajnim povećanjem kreditnog rizika i blagovremenom identifikacijom izloženosti umanjenih vrijednosti kredita.</li> <li>• Prikupljanje i detaljno testiranje dokaza o blagovremenoj identifikaciji izloženosti sa značajnim povećanjem kreditnog rizika i blagovremenom identifikacijom izloženosti po osnovu obezvrjeđenja kredita.</li> <li>• Prikupljanje i detaljno testiranje dokaza koji podržavaju odgovarajuće određivanje pretpostavki za troškove obezvrjeđenja kredita i rezervisanja za garancije, uključujući vrednovanje kolaterala i pretpostavke budućih novčanih tokova na pojedinačno procijenjene izloženosti umanjene vrijednosti kredita.</li> <li>• Procjena ključnih kretanja portfolia visokog rizika iz prethodnog perioda u odnosu na industrijske standarde i istorijske podatke.</li> <li>• Procjena adekvatnosti različitih identifikovanih odluka Uprave u poređenju sa određenim makro prognozama primijenjenim u modelima očekivanog kreditnog gubitka.</li> <li>• Evaluacija primijenjenih metodologija korišćenjem našeg znanja i iskustva u industriji.</li> <li>• Uključili smo naše IT stručnjake i stručnjake za kreditni rizik u oblastima koje su zahtijevale specifičnu ekspertizu.</li> <li>• Procjenu tačnosti i potpunosti objelodanivanja u finansijskim izvještajima.</li> </ul>

### **Odgovornost Uprave i Nadzornog odbora za finansijske izvještaje**

Uprava je odgovorna za sastavljanje i objektivnu prezentaciju ovih finansijskih izvještaja u skladu sa računovodstvenim propisima Republike Srpske i propisima Agencije za bankarstvo Republike Srpske koji regulišu finansijsko izvještavanje banaka, kao i za one interne kontrole koje Uprava odredi kao neophodne u pripremi finansijskih izvještaja koji ne sadrže pogrešne informacije od materijalnog značaja, nastale usljed kriminalne radnje ili greške.

Prilikom sastavljanja finansijskih izvještaja, Uprava je odgovorna za procjenu sposobnosti Banke da nastavi da posluje u skladu sa načelom stalnosti, objelodanjujući, ukoliko je potrebno, pitanja koja se odnose na stalnost poslovanja i primjenu načela stalnosti poslovanja kao računovodstvene osnove, osim ako Uprava ili namjerava da likvidira Banku ili da obustavi poslovanje, ili nema drugu realnu mogućnost osim navedene. Nadzorni odbor odgovoran je za nadzor procesa finansijskog izvještavanja kojeg je ustanovila Banka.

(nastavlja se)



## IZVJEŠTAJ NEZAVISNOG REVIZORA

Nadzornom odboru i akcionarima Nove banke a.d. Banja Luka (nastavak)

### Odgovornost revizora za reviziju finansijskih izvještaja

Naš cilj je sticanje uvjerenja u razumnoj mjeri o tome da finansijski izvještaji, uzeti u cjelini, ne sadrže materijalno značajne pogrešne iskaze, nastale usljed kriminalne radnje ili greške; i izdavanje izvještaja revizora koji sadrži naše mišljenje. Uvjeravanje u razumnoj mjeri označava visok nivo uvjerenja, ali ne predstavlja garanciju da će revizija sprovedena u skladu sa Međunarodnim standardima revizije, uvijek otkriti materijalno pogrešne iskaze ako takvi iskazi postoje. Pogrešni iskazi mogu da nastanu usljed kriminalne radnje ili greške i smatraju se materijalno značajnim ako je razumno očekivati da će oni, pojedinačno ili zbirno, uticati na ekonomske odluke korisnika donijete na osnovu ovih finansijskih izvještaja.

Tokom obavljanja revizije u skladu sa Međunarodnim standardima revizije, mi primjenjujemo profesionalno prosuđivanje i održavamo profesionalni skepticizam tokom revizije. Takođe:

- Vršimo identifikaciju i procjenu rizika od materijalno značajnih pogrešnih iskaza u finansijskim izvještajima, nastalih usljed kriminalne radnje ili greške; osmišljavanje i obavljanje revizijskih postupaka koji su prikladni za te rizike; i pribavljanje dovoljno adekvatnih revizijskih dokaza da obezbijede osnovu za mišljenje revizora. Rizik da neće biti identifikovani materijalno značajni pogrešni iskazi koji su rezultat kriminalne radnje je veći nego za pogrešne iskaze nastale usljed greške, zato što kriminalna radnja može da uključi udruživanje, falsifikovanje, namjerne propuste, lažno predstavljanje ili zaoblazanje internih kontrola.
- Stičemo razumijevanje o internim kontrolama koje su relevantne za reviziju radi osmišljavanja revizijskih postupaka koji su prikladni u datim okolnostima, ali ne u cilju izražavanja mišljenja o efikasnosti sistema internih kontrola Banke.
- Vršimo ocjenu primjenjenih računovodstvenih politika i u kojoj mjeri su razumne računovodstvene procjene i povezana objelodanjivanja koje je izvršila Uprava.
- Donosimo zaključak o prikladnosti primjene načela stalnosti poslovanja kao računovodstvene osnove od strane Uprave i, na osnovu prikupljenih revizijskih dokaza, da li postoji materijalna neizvjesnost u vezi sa događajima ili uslovima koji mogu da izazovu značajnu sumnju u pogledu sposobnosti Banke da nastavi sa poslovanjem u skladu sa načelom stalnosti. Ako zaključimo da postoji materijalna neizvjesnost, dužni smo da u svom izvještaju skrenemo pažnju na povezanu objelodanjivanja u finansijskim izvještajima ili, ako takva objelodanjivanja nisu adekvatna, da modifikujemo svoje mišljenje. Naši zaključci se zasnivaju na revizijskim dokazima prikupljenim do datuma izvještaja revizora. Međutim, budući događaji ili uslovi mogu za posljedicu da imaju da Banka prestane da posluje u skladu sa načelom stalnosti.
- Vršimo procjenu ukupne prezentacije, strukture i sadržaja finansijskih izvještaja, uključujući objelodanjivanja, i da li su u finansijskim izvještajima prikazane osnovne transakcije i događaji na takav način da se postigne fer prezentacija.


Mi komuniciramo sa onima koji su zaduženi za upravljanje u vezi sa, između ostalih pitanja, planiranim djelokrugom i vremenskim rasporedom revizije i važnim revizijskim nalazima, uključujući i onima u vezi sa značajnim nedostacima u internim kontrolama koji su otkriveni tokom naše revizije.

Mi takođe dajemo izjavu onima koji su zaduženi za upravljanje da smo postupili u skladu s relevantnim etičkim zahtjevima u vezi sa nezavisnošću i da ćemo komunicirati sa njima o svim odnosima i drugim pitanjima za koja se može razumno smatrati da utiču na našu nezavisnost, kao i, gdje je primjenjivo, o povezanim mjerama zaštite.

Između pitanja o kojima se komunicira s onima koji su zaduženi za upravljanje, mi određujemo ona pitanja koja su od najveće važnosti u reviziji finansijskih izvještaja tekućeg perioda i stoga su ključna revizijska pitanja. Mi opisujemo ta pitanja u našem izvještaju nezavisnog revizora, osim ako zakon ili regulativa sprječava javno objavljivanje pitanja ili kada odlučimo, u izuzetno rijetkim okolnostima, da pitanje ne treba saopštiti u našem izvještaju nezavisnog revizora jer se razumno može očekivati da bi negativne posljedice saopštenja nadmašile dobrobiti javnog interesa od takvog izvještavanja.

Partner u revizijskom angažmanu čiji je rezultat ovaj izvještaj nezavisnog revizora je gospodin Mirko Ilić, Ovlašćeni revizor.

Banja Luka, 28. februar 2019. godine



Mirko Ilić  
Partner  
Ovlašćeni revizor





## Pojedinačni bilans uspjeha

### BILANS USPJEHA

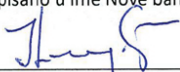
Za godinu koja se završila 31. decembra  
(U hiljadama BAM)

	<i>Napomena</i>	<b>2018.</b> <i>000 BAM</i>	<b>2017.</b> <i>000 BAM</i>
Prihodi od kamata	6	82.818	84.848
Rashodi od kamata	7	(25.843)	(31.578)
<b>Neto prihodi od kamata</b>		<b>56.975</b>	<b>53.270</b>
Prihodi od naknada i provizija	8	28.919	28.053
Rashodi od naknada i provizija	9	(11.167)	(9.036)
<b>Neto prihodi po osnovu naknada i provizija</b>		<b>17.752</b>	<b>19.017</b>
Neto prihod od kursnih razlika	10	4.415	3.640
Ostali operativni prihodi	11	8.626	12.217
Operativni i ostali rashodi	12	(55.591)	(55.710)
<b>Dobit prije umanjnja ispravki vrijednosti i rezervisanja</b>		<b>32.177</b>	<b>32.434</b>
Neto rashodi ispravki vrijednosti i rezervisanja	13	(19.654)	(20.799)
<b>Dobit prije oporezivanja</b>		<b>12.523</b>	<b>11.635</b>
Porez na dobit	14	(1.824)	(1.853)
<b>Dobit tekuće godine</b>		<b>10.699</b>	<b>9.782</b>
<b>Ostali dobiti i gubici u periodu, neto od poreza</b>			
<i>Stavke koje mogu biti naknadno reklasifikovane u dobitke ili gubitke:</i>			
(Gubitak)/Dobitak po osnovu promjene fer vrijednosti finansijske imovine raspoložive za prodaju (MRS 39) / finansijske imovine po fer vrijednosti kroz ostali ukupni rezultat (MSFI 9)		(603)	273
<b>Ukupan rezultat za obračunski period</b>		<b>10.096</b>	<b>10.055</b>
Zarada po akciji	28	0,08	0,08

Napomene na narednim stranicama čine sastavni dio ovih finansijskih izvještaja

Ovi finansijski izvještaji su usvojeni od strane Uprave Banke, dana 13. februara 2019. godine.

Potpisano u ime Nove banke a.d. Banja Luka:



Mr Srđan Kondić  
Predsjednik Uprave Banke




Jasna Zrilić  
Izvršni direktor

## Unconsolidated income statement

NOVA BANKA A.D. BANJA LUKA

INCOME STATEMENT  
Year Ended December 31, 2018  
(Thousands of BAM)

	Note	2018	2017
Interest income	6	82,818	84,848
Interest expenses	7	(25,843)	(31,578)
Net interest income		56,975	53,270
Fee and commission income	8	28,919	28,053
Fee and commission expenses	9	(11,167)	(9,036)
Net fee and commission income		17,752	19,017
Net foreign exchange gains	10	4,415	3,640
Other operating income	11	8,626	12,217
Operating and other expenses	12	(55,591)	(55,710)
Profit before impairment and provisions		32,177	32,434
Net losses on impairment and provisions	13	(19,654)	(20,799)
Profit before taxes		12,523	11,635
Income tax expenses	14	(1,824)	(1,853)
Profit for the year		10,699	9,782
Other gains and losses for the year, net of taxes Items that may subsequently be reclassified to profit and loss: (Losses)/gains on the fair value adjustment of financial assets available for sale (MRS 39) / financial assets at fair value through other comprehensive income (MSFI 9)		(603)	273
Total comprehensive income for the year		10,096	10,055
Earnings per share	28	0.08	0.08

Notes on the following pages form an  
integral part of these financial statements.

These financial statements were adopted by the Bank's Management Board on February 13, 2019.

Signed on behalf of Nova banka a.d. Banja Luka by:

Srđan Kondić, MSc.  
Chairman of the Management Board

Jasna Zrilić  
Executive Director

Translation of the report issued in the Serbian language

## Pojedinačni bilans stanja

### BILANS STANJA

Na dan 31. decembra

(U hiljadama BAM)

	Napomena	2018. 000 BAM	2017. 000 BAM
<b>AKTIVA</b>			
Novčana sredstva i računi depozita kod depozitnih institucija	15	226.883	172.105
Obavezna rezerva kod Centralne Banke	16	174.141	158.628
Finansijska imovina raspoloživa za prodaju (MRS 39)	17	-	188.235
Finansijska imovina koja se drži radi trgovanja (MSFI 9)	17	6.753	-
Finansijska imovina po fer vrijednosti kroz ostali ukupni rezultat (MSFI 9)	17	247.721	-
Plasmani drugim bankama		2.005	2.056
Kreditni i dospjela potraživanja po kreditima	18	1.185.121	1.243.640
Osnovna sredstva i ulaganja u nekretnine	19	55.332	52.536
Nematerijalna ulaganja	20	3.198	3.916
Ostala potraživanja i AVR	21	50.862	58.890
Odložena poreska sredstva		-	60
		<b>1.952.016</b>	<b>1.880.066</b>
<b>Poslovna aktiva</b>		<b>1.952.016</b>	<b>1.880.066</b>
<b>Vanbilansna aktiva</b>	29	<b>241.610</b>	<b>287.872</b>
<b>UKUPNA AKTIVA</b>		<b>2.193.626</b>	<b>2.167.938</b>
<b>PASIVA</b>			
<b>Obaveze</b>			
Depoziti komitenata	22	1.520.333	1.477.339
Obaveze po uzetim kreditima	23	207.800	175.886
Rezervisanja na stavke vanbilansa	24	2.177	4.167
Ostale obaveze i PVR	25	29.447	27.742
Odložene poreske obaveze	14	47	118
Subordinirani dug (dopunski kapital)	26	37.600	37.697
		<b>1.797.404</b>	<b>1.722.949</b>
<b>Ukupno obaveze</b>		<b>1.797.404</b>	<b>1.722.949</b>
<b>Kapital</b>			
Akcijski kapital	27	134.638	126.274
Emisiona premija		8.070	8.070
Rezerve iz dobiti		8.562	8.073
Revalorizacione rezerve		40	643
Regulatorne rezerve za kreditne gubitke		(7.398)	4.274
Neraspoređena dobit		10.700	9.783
		<b>154.612</b>	<b>157.117</b>
<b>Ukupan kapital</b>		<b>154.612</b>	<b>157.117</b>
<b>Poslovna pasiva</b>		<b>1.952.016</b>	<b>1.880.066</b>
<b>Vanbilansna pasiva</b>	29	<b>241.610</b>	<b>287.872</b>
<b>UKUPNA PASIVA</b>		<b>2.193.626</b>	<b>2.167.938</b>

Napomene na narednim stranicama čine sastavni dio ovih finansijskih izvještaja

## Unconsolidated statement of financial position

NOVA BANKA A.D. BANJA LUKA

STATEMENT OF FINANCIAL POSITION  
As of December 31, 2018  
(Thousands of BAM)

	Note	December 31, 2018	December 31, 2017
<b>ASSETS</b>			
Cash and balances held with banks and other financial institutions	15	226,883	172,105
Obligatory reserve held with the Central Bank	16	174,141	158,628
Financial assets available for sale (IAS 39)	17	-	188,235
Financial assets at fair value through profit or loss (FVtPL) (IFRS 9)	17	6,753	-
Financial assets at fair value through other comprehensive income (FVtOCI) (IFRS 9)	17	247,721	-
Loans and receivables due from banks and other financial institutions		2,005	2,056
Loans and receivables due from customers	18	1,185,121	1,243,640
Property, plant, equipment and investment property	19	55,332	52,536
Intangible assets	20	3,198	3,916
Other assets, receivables and prepayments	21	50,862	58,890
Deferred tax assets		-	60
Operating assets		1,952,016	1,880,066
Off-balance sheet assets	29	241,610	287,872
<b>TOTAL ASSETS</b>		<b>2,193,626</b>	<b>2,167,938</b>
<b>LIABILITIES AND EQUITY</b>			
<b>Liabilities</b>			
Deposits due to customers	22	1,520,333	1,477,339
Borrowings	23	207,800	175,886
Provisions for off-balance sheet items	24	2,177	4,167
Other liabilities and accruals	25	29,447	27,742
Deferred tax liabilities	14	47	118
Subordinated debt (supplementary capital)	26	37,600	37,697
<b>Total liabilities</b>		<b>1,797,404</b>	<b>1,722,949</b>
<b>Equity</b>			
Share capital	27	134,638	126,274
Share premium		8,070	8,070
Reserves from profit		8,562	8,073
Revaluation reserves		40	643
Regulatory reserves for credit losses		(7,398)	4,274
Retained earnings		10,700	9,783
<b>Total equity</b>		<b>154,612</b>	<b>157,117</b>
Operating liabilities and equity		1,952,016	1,880,066
Off-balance sheet liabilities	29	241,610	287,872
<b>TOTAL LIABILITIES AND EQUITY</b>		<b>2,193,626</b>	<b>2,167,938</b>

Notes on the following pages form an integral part of these financial statements.

## Pojedinačni izvještaj o promjenama na kapitalu

### IZVJEŠTAJ O PROMJENAMA NA KAPITALU Za godinu koja se završila 31. decembra (U hiljadama BAM)

u 000 BAM

	Akcijski kapital - obične akcije	Emissiona premija	Rezerve iz dobiti	Neraspoređena dobit	Regulatorne rezerve za kreditne gubitke	Revalorizacione rezerve	Ukupno
<b>Stanje na dan 01.01.2017. godine</b>	115.098	8.070	7.419	13.073	4.274	370	148.304
<b>Raspored dobiti:</b>							
- Emisija akcija (XXI) po osnovu raspodjele dobiti	11.176	-	-	(11.176)	-	-	-
- Prenos na zakonske rezerve	-	-	654	(654)	-	-	-
- Isplata akcionarima (u svrhu plaćanja poreskih obaveza)	-	-	-	(1.242)	-	-	(1.242)
Dobit tekuće godine	-	-	-	9.782	-	-	9.782
<b>Ostali dobiti i gubici u periodu, neto od poreza:</b>							
Dobitak po osnovu promjene fer vrijednosti hartija od vrijednosti raspoloživih za prodaju (MRS 39)	-	-	-	-	-	273	273
<b>Stanje na dan 31.12.2017. godine</b>	126.274	8.070	8.073	9.783	4.274	643	157.117
<b>Stanje na dan 01.01.2018. godine</b>	126.274	8.070	8.073	9.783	4.274	643	157.117
Prva primjena MSFI 9 - početno stanje na dan 01. januara 2018.	-	-	-	-	(11.672)	-	(11.672)
<b>Raspored dobiti (napomena 27):</b>							
- Emisija akcija (XXII) po osnovu raspodjele dobiti	8.364	-	-	(8.364)	-	-	-
- Prenos na zakonske rezerve	-	-	489	(489)	-	-	-
- Isplata akcionarima (u svrhu plaćanja poreskih obaveza)	-	-	-	(929)	-	-	(929)
Dobit tekuće godine	-	-	-	10.699	-	-	10.699
<b>Ostali dobiti i gubici u periodu, neto od poreza:</b>							
Gubitak po osnovu promjene fer vrijednosti finansijske imovine po fer vrijednosti kroz ostali ukupni rezultat (MSFI 9)	-	-	-	-	-	(603)	(603)
<b>Stanje na dan 31.12.2018. godine</b>	134.638	8.070	8.562	10.700	(7.398)	40	154.612

Napomene na narednim stranicama čine sastavni dio ovih finansijskih izvještaja

## Unconsolidated statement of changes in equity

NOVA BANKA A.D. BANJIA LUKA

STATEMENT OF CHANGES IN EQUITY  
Year Ended December 31, 2018  
(Thousands of BAM)

	Share capital – common stock/shares	Share premium	Reserves from profit	Retained earnings	Regulatory reserves for credit losses	Revaluation reserves	Total
Balance as at January 1, 2017	115,098	8,070	7,419	13,073	4,274	370	148,304
Profit distribution :							
- Share issue (21st) as part of profit distribution	11,176	-	-	(11,176)	-	-	-
- Transfer to legal reserves	-	-	654	(654)	-	-	-
- Dividend payment to the shareholders (for taxation purposes)	-	-	-	(1,242)	-	-	(1,242)
Profit for the year	-	-	-	9,782	-	-	9,782
Other gains and losses for the period, net of taxes Gains on the fair value adjustment of financial assets available for sale (IAS 39)	-	-	-	-	-	273	273
Balance as at December 31, 2017	126,274	8,070	8,073	9,783	4,274	643	157,117
Balance as at January 1, 2018	126,274	8,070	8,073	9,783	4,274	643	157,117
First-time adoption of IFRS 9 – opening balance as at January 1, 2018	-	-	-	-	(11,672)	-	(11,672)
Profit distribution (Note 27) :							
- Share issue (22nd) as part of profit distribution	8,364	-	-	(8,364)	-	-	-
- Transfer to legal reserves	-	-	489	(489)	-	-	-
- Dividend payment to the shareholders (for taxation purposes)	-	-	-	(929)	-	-	(929)
Profit for the year	-	-	-	10,699	-	-	10,699
Other gains and losses for the period, net of taxes Losses on the fair value adjustment of financial assets at fair value through other comprehensive income (FVOCI) (IFRS 9)	-	-	-	-	-	(603)	(603)
Balance as at December 31, 2018	134,638	8,070	8,562	10,700	(7,398)	40	154,612

Notes on the following pages form an  
integral part of these financial statements.

Translation of the report issued in the Serbian language

## Pojedinačni bilans tokova gotovina

### BILANS TOKOVA GOTOVINE

Za godinu koja se završila 31. decembra  
(U hiljadama BAM)

	2018. 000 BAM	2017. 000 BAM
<b>Novčani tokovi iz poslovnih aktivnosti</b>		
Primici kamata, naknada i provizija po kreditima i poslovima lizinga	110.275	112.874
Isplate kamata	(22.692)	(24.048)
Naplate po kreditima koji su ranije bili otpisani (glavnica i kamata)	4.836	6.567
Novčane isplate zaposlenima i dobavljačima	(52.604)	(56.880)
Novčane pozajmice i krediti dati klijentima i naplate istih	31.819	(156.776)
Depoziti klijenata	42.994	146.543
Plaćeni porez na dobit	(2.071)	(1.664)
<b>Neto novčana sredstva iz poslovnih aktivnosti</b>	<b>112.557</b>	<b>26.616</b>
<b>Novčani tokovi iz aktivnosti investiranja</b>		
Kratkoročni plasmani finansijskim institucijama	50	(427)
Primici dividendi	52	84
Kupovina nematerijalne aktive	(218)	(753)
Kupovina materijalne aktive	(5.607)	(3.662)
Kupovina drugih ulaganja	(68.993)	(61.009)
<b>Neto novčana sredstva iz aktivnosti investiranja</b>	<b>(74.716)</b>	<b>(65.767)</b>
<b>Novčani tokovi iz aktivnosti finansiranja</b>		
Uzete pozajmice, neto (kreditne linije i subordinirani dug)	28.997	11.248
Isplata dividendi	(791)	(1.216)
<b>Neto novčana sredstva iz aktivnosti finansiranja</b>	<b>28.206</b>	<b>10.032</b>
<b>Neto porast / (smanjenje) novčanih sredstava i novčanih ekvivalenata</b>	<b>66.047</b>	<b>(29.119)</b>
<b>Novčana sredstva i novčani ekvivalenti na početku perioda</b>	<b>330.733</b>	<b>356.212</b>
Efekti promjene deviznih kurseva novčanih sredstava i novčanih ekvivalenata	4.415	3.640
<b>Novčana sredstva i novčani ekvivalenti na kraju perioda</b>	<b>401.195</b>	<b>330.733</b>

Napomene na narednim stranicama čine sastavni dio ovih finansijskih izvještaja

## Unconsolidated statement of cash flows

NOVA BANKA A.D. BANJA LUKA

STATEMENT OF CASH FLOWS  
Year Ended December 31, 2018  
(Thousands of BAM)

	2018	2017
Cash flows from operating activities		
Interest, fee and commission receipts per loans and from lease operations	110,275	112,874
Interest payments	(22,692)	(24,048)
Collected loans and receivables previously written off (principal and interest)	4,836	6,567
Cash paid to employees and suppliers	(52,604)	(56,880)
Loans and receivables due from customers – disbursement and collection	31,819	(156,776)
Customer deposits received	42,994	146,543
Income taxes paid	(2,071)	(1,664)
Net cash generated by operating activities	<u>112,557</u>	<u>26,616</u>
Cash flows from investing activities		
Short-term deposits placed with financial institutions	50	(427)
Dividend received	52	84
Outflows for purchases of intangible assets	(218)	(753)
Outflows for purchases of tangible assets	(5,607)	(3,662)
Purchases of other investments	(68,993)	(61,009)
Net cash used in investing activities	<u>(74,716)</u>	<u>(65,767)</u>
Cash flows from financing activities		
Borrowings, net inflows per credit lines and subordinated debt	28,997	11,248
Dividend payment	(791)	(1,216)
Net cash generated by financing activities	<u>28,206</u>	<u>10,032</u>
Net increase/(decrease) in cash and cash equivalents	66,047	(29,119)
Cash and cash equivalents at the beginning of year	330,733	356,212
Foreign exchange gains on translation of cash and cash equivalents	4,415	3,640
Cash and cash equivalents at the end of year	<u><u>401,195</u></u>	<u><u>330,733</u></u>

Notes on the following pages form an integral part of these financial statements.

## Napomene uz pojedinačne finansijske izvještaje

NOVA BANKA A.D. BANJA LUKA

NAPOMENE UZ FINANSIJSKE IZVJEŠTAJE

### 1. OSNOVNE INFORMACIJE

Nova Banka a.d. Banja Luka (u daljem tekstu: „Banka“) je osnovana u oktobru 1992. godine i upisana u sudski registar rješenjem Osnovnog suda u Bijeljini br. Fi-292/92, pod nazivom Eksim banka a.d. Bijeljina. Rješenjem Osnovnog suda u Bijeljini br. Fi-352/94 iz jula 1994. godine izvršena je promjena naziva Banke u Eksport-import Banka a.d. Bijeljina, dok je Rješenjem Osnovnog suda u Bijeljini br. Fi-598/99 od 17. juna 1999. godine izvršen upis promjene naziva Banke u Nova banka a.d. Bijeljina. Banka je u 2007. godini Rješenjem Osnovnog suda u Banjoj Luci promijenila sjedište i posluje pod nazivom Nova banka a.d. Banja Luka.

U decembru 2002. godine, Skupština Banke je donijela odluku o statusnoj promjeni pripajanja Agroprom Banke a.d. Banja Luka, a od 01. januara 2003. godine Agroprom Banka a.d. Banja Luka posluje u sastavu Banke.

Na dan 31. decembar 2018. godine promijenjeno je učešće i struktura akcionara u kapitalu Banke. Najveće učešće u akcionarskom kapitalu pojedinačno ima akcionar MG MIND d.o.o. Mrkonjić Grad sa 20,83% učešća.

Banka je registrovana u Republici Srpskoj za obavljanje svih bankarskih poslova: depozitne poslove, kreditne poslove, garancijske poslove, poslove sa efektivom, devizne i mjenjačke poslove, emisione i depo-poslove, poslove platnog prometa, poslove posredovanja u trgovini hartijama od vrijednosti, kupovinu i naplatu potraživanja i druge bankarske i finansijske poslove u skladu sa Zakonom o bankama Republike Srpske.

Sjedište Banke je u ulici Kralja Alfonsa XIII broj 37 A, Banja Luka.

Banka posluje preko Centrale sa sjedištem u Banjoj Luci i dvanaest filijala koje su locirane u Bijeljini, Banjoj Luci, Istočnom Sarajevu, Zvorniku, Brčkom, Trebinju, Doboju, Sarajevu, Tuzli, Mostaru, Foči i Prijedoru i posebnog organizacionog dijela za trgovanje hartijama od vrijednosti – Broker Nova.

Poslovi Banke podijeljeni su po sektorima i samostalnim odjeljenjima.

Na dan 31. decembra 2018. godine Banka je imala 703 radnika (31. decembra 2017. godine: 693 radnika).

### 2. OSNOVE ZA SASTAVLJANJE I PRIKAZIVANJE FINANSIJSKIH IZVJEŠTAJA I RAČUNOVODSTVENI METOD

#### 2.1. Izjava o usaglašenosti

Priloženi finansijski izvještaji predstavljaju finansijske izvještaje Banke na dan i za godinu koja se završila na dan 31. decembra 2018. godine, i sastavljeni su u skladu sa važećim propisima Republike Srpske (RS) zasnovanim na Zakonu o računovodstvu i reviziji Republike Srpske („Službeni Glasnik Republike Srpske“ br. 94/2015), Zakonu o bankama Republike Srpske („Službeni Glasnik Republike Srpske“ br. 4/2017), regulativi Agencije za bankarstvo Republike Srpske, propisima Centralne banke Bosne i Hercegovine i ostalim propisima u Republici Srpskoj, koji regulišu poslovanje banaka i finansijsko izvještavanje.

#### 2.2. Osnove vrednovanja i sastavljanja finansijskih izvještaja

Finansijski izvještaji Banke su pripremljeni po načelu nabavne vrijednosti (istorijskog troška), izuzev ako nije drugačije naznačeno u računovodstvenim politikama u nastavku.

Istorijski trošak je generalno zasnovan na fer vrijednosti naknade plaćene u zamjenu za robu i usluge.

Fer vrijednost je cijena koju bi primili od prodaje imovine ili platili za prenos obaveza u uobičajenoj transakciji između tržišnih učesnika na dan vrednovanja, bez obzira da li je ta cijena direktno provjerljiva ili procijenjena korišćenjem drugih tehnika vrednovanja. Prilikom procjenjivanja fer vrijednosti imovine ili obaveza, Banka uzima u obzir one karakteristike imovine ili obaveza koje bi uzeli u obzir i drugi učesnici na tržištu prilikom određivanja cijene imovine ili obaveza na datum vrednovanja.

## Notes to the unconsolidated financial statements

NOVA BANKA A.D. BANJA LUKA

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2018

All amounts expressed in thousands of BAM, unless otherwise stated.

### 1. BACKGROUND

Nova Banka a.d. Banja Luka (hereinafter: the "Bank") was established in October 1992 and registered with the Basic Court of Bijeljina, in accordance with Decision no. Fi-292/92, under the name of Eksim banka a.d., Bijeljina. Under Decision of the Basic Court of Bijeljina no. Fi-352/94 from July 1994, the Bank changed its name to Eksport-Import banka a.d. Bijeljina, while under Decision of the same court no. Fi-598/99 dated June 17, 1999, the Bank registered a change of its legal name to Nova banka a.d. Bijeljina. In 2007 the Bank changed its registered address under the relevant decision of the Basic Court of Banja Luka, and since then has been operating under the name of Nova banka a.d. Banja Luka,

In December 2002, the Bank's Shareholder Assembly made a decision on merger and acquisition of Agroprom banka a.d. Banja Luka, and from January 1, 2003 Agroprom banka a.d. Banja Luka has been operating as part of the Bank.

As of December 31, 2018, the Bank's ownership structure and shareholder's holdings were changed. The largest Bank's shareholder became MG MIND d.o.o. Mrkonjić Grad with a 20.83% shareholding.

The Bank is registered in the Republic of Srpska to perform all banking services: lending and deposit collection operations, guarantee issuance, trade in currencies and money exchange operations, security issue and depository activities, payment transfer operations, brokerage operations, factoring and other banking and financing services in accordance with the Republic of Srpska Law on Banks.

The Bank operates through the network consisting of its Head Office in Banja Luka and twelve branches located in Bijeljina, Banja Luka, East Sarajevo, Zvornik, Brčko, Trebinje, Doboj, Sarajevo, Tuzla, Mostar, Foča and Prijedor and a separate organizational unit for security trading – Broker Nova.

The Bank's activities are organized and performed through the organizational structure comprised of divisions, and independent departments.

As at December 31, 2018, the Bank had 703 employees (December 31, 2017: 693 employees).

### 2. BASIS OF PREPARATION AND PRESENTATION OF THE FINANCIAL STATEMENTS AND ACCOUNTING CONVENTION

#### 2.1. Statement of Compliance

The accompanying financial statements represent unconsolidated financial statements of the Bank as of and for the year ended December 31, 2018, which have been prepared in accordance with the effective regulations of the Republic of Srpska ("RS") based on the Law on Accounting and Auditing of the Republic of Srpska (Official Gazette of RS no. 94/2015), Law on Banks (Official Gazette of RS no. 4/2017), regulations of the Banking Agency of the Republic of Srpska, regulations of the Central Bank of Bosnia and Herzegovina and other regulations of the Republic of Srpska governing operations and financial reporting of banks.

#### 2.2. Basis of Measurement and Preparation of the Financial Statements

The accompanying financial statements of the Bank have been prepared on the historical cost basis unless otherwise stated in the summary of accounting policies hereunder.

Historical cost is generally based on the fair value of consideration paid in exchange for goods and services

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between the market participants at the measurement date under current market conditions regardless of whether that price is directly observable or estimated using another valuation technique. Upon estimating the fair value of assets or liabilities, the Bank takes into account characteristics of assets or liabilities that other market participants would also consider upon determining the price of assets or liabilities at the measurement date.

Translation of the report issued in the Serbian language

NOVA BANKA A.D. BANJA LUKA

NAPOMENE UZ FINANSIJSKE IZVJEŠTAJE

## 2. OSNOVE ZA SASTAVLJANJE I PRIKAZIVANJE FINANSIJSKIH IZVJEŠTAJA I RAČUNOVODSTVENI METOD (nastavak)

### 2.2. Osnove vrednovanja i sastavljanja finansijskih izvještaja (nastavak)

Banka je u propisanom roku, na način definisan Pravilnikom o sadržini i formi finansijskih izvještaja za banke i druge organizacije ("Službeni glasnik RS", broj 62/16), kao i Pravilnikom o sadržini i formi obrazaca izvještaja o promjenama na kapitalu ("Službeni glasnik RS", broj 63/16) sastavila obrasce finansijskih izvještaja (u daljem tekstu: „finansijski izvještaji“).

Banka je 27. septembra 2018. godine prodala svoje učešće u privrednom društvu Nova Leasing a.d. Banja Luka, čime je izgubila kontrolu nad navedenim društvom. Učešće Banke u kapitalu privrednog društva Nova Leasing a.d. Banja Luka iznosilo je 860.000 BAM, odnosno 63,94% od ukupnog kapitala, ali je ono u prethodnim godinama obezvrjeđeno na vrijednost od 1 BAM, jer navedeno društvo dugi niz godina nije obavljalo svoju poslovnu djelatnost. Po osnovu prodaje učešća, u tekućoj godini Banka nije ostvarila nikakav dobitak ili gubitak u svojim poslovnim knjigama, niti je imala tokom 2018. godine povezanih transakcija sa privrednim društvom Nova Leasing a.d. Banja Luka.

Članom 166. stav (1) Zakona o Bankama RS ("Službeni glasnik RS", broj 04/17) definisano je da „u konsolidovane finansijske izvještaje bankarske grupe ne uključuju se podređeni članovi čiji je bilans stanja manji od 1% bilansa stanja nadređenog člana“. Obzirom da je bilans stanja privrednog društva Nove Leasing a.d. Banja Luka manji od 1% bilansa stanja Banke, Banka je odlučila da ne sastavlja konsolidovane finansijske izvještaje na dan gubitka kontrole u toku poslovne 2018. godinu.

Banka je prilikom sastavljanja bilansa tokova gotovine koristila direktni metod izvještavanja o tokovima gotovine.

### 2.3. Funkcionalna valuta i valuta prezentacija

Iznosi u priloženim finansijskim izvještajima su izraženi u hiljadama Konvertibilnih maraka (BAM), ako nije drugačije navedeno. Konvertibilna marka predstavlja funkcionalnu i zvaničnu izvještajnu valutu u Republici Srpskoj i Bosni i Hercegovini.

### 2.4. Uticaj i primjena novih i revidiranih Međunarodnih standarda za finansijsko izvještavanje ("MSFI") i Međunarodnih računovodstvenih standarda ("MRS")

Priloženi finansijski izvještaji sastavljeni su uz primjenu Međunarodnih računovodstvenih standarda (MRS), odnosno Međunarodnih standarda finansijskog izvještavanja (MSFI), koji su bili u primjeni na dan 31. decembra 2014. godine i na njima zasnovanim propisima o računovodstvu Republike Srpske i propisima Agencije za bankarstvo Republike Srpske koji regulišu finansijsko izvještavanje banaka i davalaca lizinga.

Naime, na osnovu odredbi Zakona o računovodstvu i reviziji Republike Srpske ("Službeni glasnik RS", broj 94/15), sva pravna lica sa sjedištem u Republici Srpskoj su u obavezi da u potpunosti primjenjuju MRS, odnosno MSFI, kao i Međunarodni standard finansijskog izvještavanja za male i srednje entitete ("MSFI for SMEs"), Međunarodne računovodstvene standarde za javni sektor ("IPSAS"), Međunarodne standarde vrednovanja ("IVS"), Međunarodne standarde za profesionalnu praksu interne revizije, Konceptualni okvir za finansijsko izvještavanje, Kodeks etike za profesionalne računovođe i prateća uputstva, objašnjenja i smjernice koje donosi Odbor za međunarodne računovodstvene standarde ("MRSB") i sva prateća uputstva, objašnjenja i smjernice koje donosi Međunarodna federacija računovođa ("IFAC").

U skladu sa Zakonom o računovodstvu i reviziji Republike Srpske, dana 4. oktobra 2017. godine Upravni odbor Saveza računovođa i revizora Republike Srpske („Savez RR RS“) je donio "Odluku o utvrđivanju i objavljivanju Konceptualnog okvira za finansijsko izvještavanje i osnovnih tekstova Međunarodnih računovodstvenih standarda (MRS), odnosno Međunarodnih standarda finansijskog izvještavanja (MSFI).

NOVA BANKA A.D. BANJA LUKA

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2018

All amounts expressed in thousands of BAM, unless otherwise stated.

## 2. BASIS OF PREPARATION AND PRESENTATION OF THE FINANCIAL STATEMENTS AND ACCOUNTING CONVENTION (Continued)

### 2.2. Basis of Measurement and Preparation of the Financial Statements (Continued)

Within the prescribed deadline and in the manner defined by the Rules on the Content and Form of the Financial Statements for Banks and Other Organizations (Official Gazette of RS no. 62/16) and Rules on the Content and Form of the Statement of Changes in Equity (Official Gazette of RS no. 63/16), the Bank prepared its unconsolidated financial statements (the "financial statements").

On September 27, 2018, the Bank sold its equity interest held in Nova Leasing a.d. Banja Luka, thereby losing control over the said entity. The Bank's equity investment previously held in Nova Leasing a.d. Banja Luka amounted to BAM 860,000 or 63.94%, but in prior years the Bank impaired it and adjusted its value to BAM 1 since the entity had not performed its business activity for a number of years. The Bank realized and recorded in its books no gain or loss on the sale of the said equity investment nor did it have any intercompany transactions with Nova Leasing a.d. Banja Luka during 2018.

Article 166, para. (1) of the Republic of Srpska Law on Banks (Official Gazette of RS no. 04/17) stipulates that "subordinate member entities whose balance sheet assets are below 1% of the superordinate member's balance sheet assets shall not be included in the consolidated financial statements of the banking group." Given that the balance sheet assets of Nova Leasing a.d. Banja Luka were below 1% of the Bank's balance sheet assets, the Bank decided not to prepare the consolidated financial statements as of the date of control loss in 2018.

In preparing the statement of cash flows for the year ended December 31, 2017, the Bank used direct cash flow reporting method.

### 2.2. Functional and Presentation Currency

Amounts in the accompanying financial statements are stated in thousands of convertible marks ("BAM"), BAM being the functional and official presentation currency in the Republic of Srpska and Bosnia and Herzegovina.

## 2.4. Application and Impact of the New and Revised International Financial Reporting Standards ("IFRS") and International Accounting Standards ("IAS")

The accompanying financial statements have been prepared in accordance with the International Accounting ("IAS") and International Financial Reporting Standards ("IFRS"), effective since December 31, 2014 and accounting regulations of the Republic of Srpska based on those standards as well as regulations of the Banking Agency of the Republic of Srpska governing financial reporting of banks and finance lessors.

Namely, in accordance with the provisions of the newly adopted Law on Accounting and Auditing of the Republic of Srpska (Official Gazette of RS no. 94/15), all legal entities situated on the territory of the Republic of Srpska are under an obligation to fully apply IAS, IFRS and the International Financial Reporting Standard for Small and Medium-Sized Entities ("IFRS for SMEs"), International Public Sector Accounting Standards ("IPSAS"), International Valuation Standards ("IVS"), International Standards for the Professional Practice of Internal Auditing, Conceptual Framework for Financial Reporting, Code of Ethics for Professional Accountants and the pronouncements, interpretations and guidelines of the International Accounting Standards Board ("IASB") and all pronouncements, interpretations and guidelines of the International Federation of Accountants ("IFAC").

In addition, in accordance with the previously effective Law on Accounting and Auditing of the Republic of Srpska, on October 4, 2017, the Management Board of AAARS enacted "Decision on Determining and Issuing the Conceptual Framework for Financial Reporting and Basic Texts of the International Accounting Standards ("IAS") and International Financial Reporting Standards ("IFRS")."

Translation of the report issued in the Serbian language

NOVA BANKA A.D. BANJA LUKA

## NAPOMENE UZ FINANSIJSKE IZVJEŠTAJE

### 2. OSNOVE ZA SASTAVLJANJE I PRIKAZIVANJE FINANSIJSKIH IZVJEŠTAJA I RAČUNOVODSTVENI METOD (nastavak)

#### 2.4. Uticaj i primjena novih i revidiranih Međunarodnih standarda za finansijsko izvještavanje ("MSFI") i Međunarodnih računovodstvenih standarda ("MRS") (nastavak)

Navedenom Odlukom utvrđuju se i objavljuju prevodi Standarda i tumačenja izdati od strane Odbora za međunarodne računovodstvene standarde do 31. decembra 2014. godine, koji su objavljeni na web stranici Saveza RR RS, a koji se počinju primjenjivati u Republici Srpskoj za finansijske izvještaje koji se sastavljaju na dan 31. decembra 2018. godine.

Dodatno, Agencija za bankarstvo Republike Srpske ("ABRS"), kao regulator bankarskog tržišta Republike Srpske, je svojim dopisom prema Udruženju banaka Bosne i Hercegovine br 05-500-1572-3/17 od 16. oktobra 2017. godine, naložila primjenu dodatna tri Standarda koji još nisu prevedeni u Republici Srpskoj, niti objavljeni na web stranici Saveza RR RS:

- MSFI 9 "Finansijski instrumenti" (na snazi za godišnje periode koji počinju na ili nakon 1. januara 2018. godine),
- MSFI 15 "Prihodi od ugovora sa kupcima" (na snazi za godišnje periode koji počinju na ili nakon 1. januara 2018. godine),
- MSFI 16 "Lizing" (na snazi za godišnje periode koji počinju na ili nakon 1. januara 2019. godine).

Početna primjena novih i izmjena postojećih Standarda koji su u primjeni za tekući izvještajni period

Na dan odobranja ovih finansijskih izvještaja, sljedeći standardi i izmjene postojećih standarda, nova tumačenja i amandmani, bili su u primjeni:

- MSFI 9 - Finansijski instrumenti (na snazi za godišnje periode koji počinju na dan ili nakon 1. januara 2018. godine);
- MSFI 15 - Prihodi od ugovora sa kupcima (na snazi za godišnje periode koji počinju na dan ili nakon 1. januara 2018. godine);
- Izmjene MSFI 2: Klasifikacija i mjerenje transakcija plaćanja zasnovanih na akcijama (na snazi za godišnje periode koji počinju na dan ili nakon 1. januara 2018. godine);
- Izmjene MSFI 4: Primjena MSFI 9 Finansijskih instrumenata sa MSFI 4 ugovorima o osiguranju (na snazi za 2018. godinu);
- Izmjene MRS 40: Transferi investicione imovine (na snazi za godišnje periode koji počinju na dan ili nakon 1. januara 2018. godine);
- Godišnja poboljšanja standarda MSFI 2014-2016 (na snazi za godišnje periode koji počinju na dan ili nakon 1. januara 2018. godine);
- Tumačenje IFRIC 22: Transakcije u stranoj valuti i avansno plaćanje naknada (na snazi za godišnje periode koji počinju na dan ili nakon 1. januara 2021. godine).

Rukovodstvo Banke analizira promjene u važećim Standardima i tumačenjima, kao i novousvojene standarde i tumačenja izdata nakon 31. decembra 2014. godine, i nakon ustanovljavanja Standarda i tumačenja koji su relevantni za Banku, iste primjenjuje u sastavljanju svojih finansijskih izvještaja, ukoliko nisu u suprotnosti ni sa jednim od propisa u Republici Srpskoj i Bosni i Hercegovini, prije nego što oni budu zvanično prevedeni i objavljeni u Republici Srpskoj.

Za standarde MSFI 9 i MSFI 15 u daljem tekstu data su pojašnjenja u vezi sa inicijalnom primjenom, dok primjena ostalih standarda nije imala značajnog uticaja na trenutne finansijske i ekonomske pokazatelje Banke.

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NOTES TO THE FINANCIAL STATEMENTS

December 31, 2018

All amounts expressed in thousands of BAM, unless otherwise stated.

## 2. BASIS OF PREPARATION AND PRESENTATION OF THE FINANCIAL STATEMENTS AND ACCOUNTING CONVENTION (Continued)

### 2.4. Application and Impact of the New and Revised International Financial Reporting Standards ("IFRS") and International Accounting Standards ("IAS") (Continued)

Under the aforesaid Decision, translations of the Standards and interpretations issued by the International Accounting Standards Board ("IASB") up to December 31, 2014 are defined and published on AAARS website, which shall be effective in the Republic of Srpska and applicable to the financial statements prepared as of December 31, 2018.

In addition, the Banking Agency of the Republic of Srpska ("BARS"), as the regulator of the banking market in the Republic of Srpska, in its memo to the Association of Banks of Bosnia and Herzegovina no. 05-500-1572-3/17 dated October 16, 2017, ordered that additional three standards not yet officially translated in the Republic of Srpska or published on AAARS website, shall be applied:

- ☒ IFRS 9 "Financial Instruments" (effective for annual periods beginning on or after January 1, 2018);
- ☒ IFRS 15 "Revenue from Contracts with Customers" (effective for annual periods beginning on or after January 1, 2018); and
- ☒ IFRS 16 "Leases" (effective for annual periods beginning on or after January 1, 2019).

#### First-Time Adoption of New Standards and Amendments to the Existing Standards Effective for the Current Reporting Period

As of these financial statements' approval date, the following new standards and amendments to the existing standards were effective:

- ☒ IFRS 9 "Financial Instruments" (effective for annual periods beginning on or after January 1, 2018);
- ☒ IFRS 15 "Revenue from Contracts with Customers" (effective for annual periods beginning on or after January 1, 2018);
- ☒ Amendments to IFRS 2 "Share-based Payment" - Classification and Measurement of Share-based Payment Transactions (effective for annual periods beginning on or after January 1, 2018);
- ☒ Amendments to IFRS 4 "Insurance Contracts" - Applying IFRS 9 "Financial Instruments" with IFRS 4 "Insurance Contracts" (effective for annual periods beginning on or after January 1, 2018 or when IFRS 9 "Financial Instruments" is applied first time);
- ☒ Amendments to IAS 40 "Investment Property" - Transfers of Investment Property (effective for annual periods beginning on or after January 1, 2018);
- ☒ Amendments to IFRS 1 and IAS 28 due to "Improvements to IFRSs (cycle 2014-2016)" resulting from the annual improvement project of IFRS (IFRS 1, IFRS 12 and IAS 28) primarily with a view to removing inconsistencies and clarifying wording (effective for annual periods beginning on or after January 1, 2018); and
- ☒ IFRIC 22 "Foreign Currency Transactions and Advance Consideration" (effective for annual periods beginning on or after January 1, 2021).

The Bank's management analyzes the amendments to the standards and interpretations in effect as well as the newly adopted standards and interpretations issued after December 31, 2014, and, once the standards and interpretations relevant for the Bank have been determined, intends to implement those in preparation of the financial statements, if they are not in conflict with any of the regulations of Republic of Srpska and Bosnia and Herzegovina, after they have been officially translated and published in the Republic of Srpska..

For IFRS 9 and IFRS 15 explanations regarding their first-time adoption are provided hereunder, whereas the adoption of the other standards has had no material effects on the Bank's current economic and financial indicators.

Translation of the report issued in the Serbian language

NOVA BANKA A.D. BANJA LUKA

NAPOMENE UZ FINANSIJSKE IZVJEŠTAJE

## 2. OSNOVE ZA SASTAVLJANJE I PRIKAZIVANJE FINANSIJSKIH IZVJEŠTAJA I RAČUNOVODSTVENI METOD (nastavak)

### 2.4. Uticaj i primjena novih i revidiranih Međunarodnih standarda za finansijsko izvještavanje ("MSFI") i Međunarodnih računovodstvenih standarda ("MRS") (nastavak)

Početna primjena novih i izmjena postojećih Standarda koji su u primjeni za tekući izvještajni period (nastavak)

#### MSFI 9 - Finansijski instrumenti

Prije primjene standarda MSFI 9, Banka je izvršila generalne izbore u području primjene novog Standarda, a koji utiču na prikaz primjene novih pravila umanjenja vrijednosti finansijske imovine na regulatorni kapital, kao i na zastupljenosti uporednih stanja tokom obračunskog perioda inicijalne primjene standarda, a prije svega:

- Evropski parlament i Vijeće izdali su Uredbu (EU) 2017/2395 „Prelazne odredbe usmjerene na ublažavanje uticaja uvođenja MSFI-ja 9 na regulatorni kapital” koja mijenja Uredbu 575/2013 CRR, uvođenjem novog člana 473 bis "Uvođenje MSFI-ja 9", koji nudi mogućnost bankama da smanje uticaj na regulatorni kapital koji proizlazi iz uvođenja računovodstvenog standarda MSFI 9 u prelaznom periodu od 5 godina (od 03/2018. do 12/2022.) postupnim uključivanjem u CET1 silazne količine samog uticaja. Banka je odabrala takozvani 'statički pristup', kojeg će primjenjivati na uticaj koji proizlazi iz poređenja između ispravke vrijednosti MRS 39, postojećih na dan 31. decembra 2017. godine i ispravki vrijednosti koji proizilaze iz MSFI 9 do 1. januara 2018. godine.
- U vezi sa načinima predstavljanja efekata inicijalne primjene Standarda, Banka je usvojila mogućnost predviđenu u paragrafu 7.2.15 MSFI 9 i u stavkama E1 i E2 MSFI 1 „Inicijalna primjena Međunarodnih standarda finansijskog izvještavanja”, prema kojima - ne dovodeći u pitanje retrospektivnu primjenu novih pravila mjerenja i izvještavanja koja se zahtijevaju standardom - nije predviđeno obavezno prikazivanje uporednih podataka u finansijskim izvještajima inicijalne primjene na osnovi odredbi novog Standarda.

U prethodnom periodu Banka je:

- Uvela nove modele klasifikacije i mjerenja finansijskih instrumenata. U zavisnosti od vrste finansijskog instrumenta, karakteristika ugovorenih novčanih tokova za pojedini finansijski instrument koji se stiče, poslovnog modela za koji se pojedini finansijski instrument stiče, te odabranih opcija, završena je klasifikacija i načini mjerenja finansijskih instrumenata. Utvrđen je tip poslovnog modela za koji se pojedini finansijski instrument stiče. MSFI 9 predviđa tri tipa poslovnog modela držanja finansijskih instrumenata:
  - ✘ Poslovni model čija je svrha držanje finansijske imovine radi prikupljanja ugovornih novčanih tokova („HTC”);
  - ✘ Poslovni model čiji se cilj ostvaruje prikupljanjem ugovornih novčanih tokova, ali i prodajom finansijske imovine („HTCoS”);
  - ✘ Poslovni model sa ostalim ciljevima („Ostalo”).
- U skladu sa izabranim poslovnim modelom, Banka je Finansijsku imovinu raspoloživu za prodaju sa 1. januara 2018. godine reklasifikovala u Finansijsku imovinu koja se drži radi trgovanja i Finansijsku imovinu po fer vrijednosti kroz ostali ukupni rezultat (Napomena 17).
- Kako bi se poštovala pravila MSFI 9, koji uvodi model kojim se klasifikacija finansijske imovine, s jedne strane, definiše ugovornim obilježjima novčanih tokova instrumenata a, s druge strane, upravljačkom namjerom za koju se oni drže, definisani su načini provođenja testa o ugovornim obilježjima novčanih tokova (takozvani SPPI Test) i formalizovani su poslovni modeli koji su usvojeni od strane Banke. Odnosno, definisana je metodologija koja će se koristiti u svrhu pravilne klasifikacije finansijske imovine u trenutku prve primjene novog standarda.
- Na osnovu analiza koje su sprovedene na portfelju dužničkih hartija od vrijednosti koje se klasifikuje po amortizacionom trošku i u kategoriji Finansijske imovine raspoložive za prodaju u skladu s MRS 39, kako bi se identifikovala sredstva koja, ne prolazeći SPPI test, moraju biti vrednovana po fer vrijednosti kroz bilans uspjeha u skladu sa MSFI 9, zaključeno je da Banka nema dužničkih hartija od vrijednosti koje nisu zadovoljile kriterijume SPPI testa.
- Prilikom analize portfelja kreditnih plasmana Banka je uzimala u značaj portfelja, njihovu homogenost i poslovni segment, odnosno koristila je diferencirane pristupe za portfelje kredita fizičkim i pravnim licima.

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## 2. BASIS OF PREPARATION AND PRESENTATION OF THE FINANCIAL STATEMENTS AND ACCOUNTING CONVENTION (Continued)

### 2.4. Application and Impact of the New and Revised International Financial Reporting Standards ("IFRS") and International Accounting Standards ("IAS") (Continued)

First-Time Adoption of New Standards and Amendments to the Existing Standards Effective for the Current Reporting Period (Continued)

#### IFRS 9 – Financial Instruments

Before IFRS 9 adoption, the Bank had chosen general options in the area of the new standard's application, which affect the presentation of the new rules applied to the impairment of financial assets and its impact on the Bank's regulatory capital as well as on the comparative balances during the period of the standard's first-time adoption, primarily as follows:

- ☒ The European Parliament and Council issued Regulation (EU) 2017/2395 "Transitional Arrangements for Mitigating the Impact of the Introduction of IFRS 9 on Own Funds" amending Regulation 575/2013 CRR, by introduction of a new article, Article 473 bis "Introduction of IFRS 9", allowing banks an option to mitigate the impact of IFRS 9 introduction on the regulatory capital over a transitional period of 5 years (from March 2018 to December 2022) by phasing in the effect of the ECL calculation-based provisioning within common equity Tier 1 capital (CET1). The Bank has elected the so-called 'static approach' to the effect arising from the differences between impairment allowances made under IAS 39 and existing as of December 31, 2017 to the impairment allowances made under IFRS 9 until January 1, 2018.
- ☒ As regards the presentation of the standard's first-time adoption effects, the Bank has adopted the option stipulated by para. 7.2.15 of IFRS 9 and E1 and E2 of IFRS 1 "First-Time Adoption of International Financial Reporting Standards," whereby – without precluding the retrospective application of the new measurement and reporting rules defined by the standard – presentation of the comparative data in FTA financial statements under the provisions of the new standard is not mandatory.

In the previous period, the Bank:

- ☒ Introduced new models for classification and measurement of the financial instruments. Depending on the type of a financial instrument, characteristics of the contractual cash flows of that instrument being acquired, business model that the instrument is acquired for and selected option, the Bank classified and measured its financial instruments. The Bank determined the business model types for which the financial instruments are acquired. IFRS 9 stipulates the following three business model types for holding financial instruments:
  - ☒ Model in which the financial instruments are held to collect the contractual cash flows ("HtC");
  - ☒ Model in which the financial assets are held to collect the contractual cash flows or for sale ("HtCoS"); and
  - ☒ Model with other objectives ("Other").
- In line with the selected business model, the Bank reclassified its financial assets available for sale as of January 1, 2018 to the financial assets at fair value through profit or loss (FVtPL) and financial assets through other comprehensive income (FVtOCI) (Note 17).
- ☒ In order to comply with IFRS 9 rules, i.e., the model under which classification of financial assets is defined by characteristics of the contractual cash flows of the instruments on one end and, on the other, by managerial intention and purpose for which the instruments are held, the Bank defined the method for testing of the characteristics of the contractual cash flows of the instruments (the so-called SPPI test) and formalized the adopted business models. In other words, the Bank defined the methodology to be used for proper classification of the financial assets at the time of the new standard's first-time adoption.
- ☒ Based on the analyses of the Bank's portfolio of debt securities classified as assets at amortized cost and within the category of the financial assets available for sale under IAS 39, in order to identify the assets that, not having passed the SPPI test, must be measured at fair value through profit or loss (FVtPL) under IFRS 9, it was concluded that the Bank had no debt securities failing the SPPI test criteria.
- ☒ Upon analysis of its loan portfolios, the Bank considered their significance, homogeneity and operating segment, i.e., used differentiated approaches to the respective corporate and retail loan portfolios. In this context, no instances of SPPI test failure were identified in terms of special contractual terms or nature of financing.

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U tom kontekstu nisu identifikovani slučajevi koji, u smislu posebnih ugovornih odredbi ili prirode finansiranja, utvrđuju pad SPPI testa.

### 2. OSNOVE ZA SASTAVLJANJE I PRIKAZIVANJE FINANSIJSKIH IZVJEŠTAJA I RAČUNOVODSTVENI METOD (nastavak)

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Početna primjena novih i izmjena postojećih Standarda koji su u primjeni za tekući izvještajni period (nastavak)

##### MSFI 9 - Finansijski instrumenti (nastavak)

S obzirom na primjenu i značaj umanjivanja vrijednosti:

- Definisani su načini mjerenja promjene kreditnog kvaliteta, pozicija u portfelju finansijske imovine vrednovane po amortizacionom trošku ili po fer vrijednosti kroz ostalu sveobuhvatnu dobit;
- Definisani su kriterijumi za utvrđivanje značajnog povećanja kreditnog rizika u svrhu pravilne alokacije prihodujućih izloženosti u 'Stage 1' ili u 'Stage 2'. S druge strane, s obzirom na djelimično ili potpuno nenadoknadive izloženosti, usklađivanje zadatih računovodstvenih i regulatornih izloženosti, omogućuje da se trenutna pravila klasifikacije izloženosti, kao djelimično ili potpuno nenadoknadive, smatraju identičnim u odnosu na pravila klasifikacije izloženosti u 'Stage-u 3';
- Propisana je metodologija i razvijeni su interni modeli koji se koriste u svrhu izračuna očekivanih kreditnih gubitaka (ECL) tokom idućih 12 mjeseci (za izloženosti u 'Stage-u 1') i za preostali vijek trajanja instrumenta, odnosno cjeloživotnog ECL-a (za izloženosti u 'Stage-u 2') i za neprihodujuće izloženosti koje nisu razvrstane kao pojedinačno značajne (za izloženosti u 'Stage-u 3');
- Za potrebe primjene MSFI 9, Banka je izvršila određene dorade na svom informacionom sistemu. Završeni su programi namijenjeni unapređenju procjene i praćenja kreditnog rizika na nivou jedne pozicije (interni rejting modeli) i izračun pripadajućeg ECL-a, kako bi se obezbijedile preventivne mjere u svrhu praćenja mogućih reklasifikacija pozicija u 'Stage 2' i otkrivanja dosljednih i pravovremenih ispravki vrijednosti u odnosu na stvarni kreditni rizik. Razvijeni su novi modeli kreditnog rejtinga, modeli ročne strukture vjerovatnoće neplaćanja ('PD curves'), modeli gubitka usljed neispunjavanja finansijskih obaveza (LGD modeli), modeli konverzije vanbilansnih proizvoda i vanbilansnih dijelova odobrenih limita (CCF modeli) i modeli očekivanog kreditnog gubitka (ECL modeli), kao i algoritmi klasifikacije i re-klasifikacije izloženosti usljed značajnog pogoršanja kreditnog rizika ('Staging algoritam' i kriteriji probacije);
- Banka je na pojednostavljenom modelu, temeljenom na portfeljnom pristupu, izračunala očekivani uticaj inicijalne/prve primjene MSFI 9 u oblasti umanjivanja vrijednosti, odnosno za objavu očekivanih efekata inicijalne primjene MSFI 9, koristila ekspertsku aproksimaciju dobijenu na temelju dostupnih podataka o stopama neplaćanja ('default rates'), stopama ispravki vrijednosti na neprihodujućim plasmanima izračunatih na individualnoj osnovi i prosječnih ročnosti iz prethodnih razdoblja, po standardnim segmentima kreditnih klijenata.

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2. BASIS OF PREPARATION AND PRESENTATION OF THE FINANCIAL STATEMENTS AND ACCOUNTING CONVENTION (Continued)

2.4. Application and Impact of the New and Revised International Financial Reporting Standards ("IFRS") and International Accounting Standards ("IAS") (Continued)

First-Time Adoption of New Standards and Amendments to the Existing Standards Effective for the Current Reporting Period (Continued)

IFRS 9 – Financial Instruments (Continued)

Given the implementation and significance of impairment:

- ☒ The Bank has defined methods for measurement of credit quality changes in the portfolios of assets measured at AC or at FVtOCI;
- ☒ The Bank has defined criteria for determining significant credit risk increase for appropriate allocation of the performing exposures to 'Stage 1' or 'Stage 2'. On the other hand, given the partially or fully irrecoverable exposures, the alignment of the set accounting and regulatory definitions, it is allowed to regard the currently applicable rules for partially or fully irrecoverable exposure classification as identical to the classification rules for 'Stage 3' exposures;
- ☒ The Bank has prescribed a methodology and developed internal models for calculation of expected credit losses (ECL) within next 12 months ('Stage 1' exposures) and lifetime ECLs (for exposures allocated to 'Stage 2' ) and for non-performing exposures not classified as individually significant ('Stage 3' exposures);
- ☒ For IFRS 9 application purposes, the Bank has made certain upgrades to its information system. The Bank has completed software applications for improved credit risk assessment and monitoring at a single item level (internal rating models) and the relating ECL calculation, in order to ensure prevention measure for monitoring possible reclassifications of items into Stage 2 and for making consistent and timely impairment allowances against the actual credit risk. New credit rating models have been developed, as well as the maturity models for probability of default ('PD curves'), loss given default (LGD) models, models and factors for conversion (CCF models) of the off-balance sheet products and approved credit limits within the off-balance sheet items, and models of expected credit losses (ECL models), as well as algorithms for exposure classification and reclassification due to significant credit risk increase (the 'staging algorithm' and probation criteria);
- ☒ Using a simplified model, based on the portfolio approach, the Bank calculated the anticipated impact of the first-time adoption of IFRS 9 in the area of impairment. For FTA disclosure purposes the Bank used expert approximation arrived at using available data on default rates, impairment allowance rates for NPLs calculated based on the individual impairment assessment, and average historical maturities per standard customer segments.

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### 2.4. Uticaj i primjena novih i revidiranih Međunarodnih standarda za finansijsko izvještavanje ("MSFI") i Međunarodnih računovodstvenih standarda ("MRS") (nastavak)

Početna primjena novih i izmjena postojećih Standarda koji su u primjeni za tekući izvještajni period (nastavak)

#### MSFI 9 - Finansijski instrumenti (nastavak)

U skladu sa odabranim pristupom i propisanim smjernicama novog Standarda, efekat inicijalne/prve primjene MSFI prikazan je u sljedećoj tabeli:

( u hiljadama BAM)

Pozicija aktive	Bruto plasmani	Ispravka vrijednosti i rezervisanja	Ukupno knjigovodstvena vrijednost	Ispravka vrijednosti i rezervisanja	Ukupno knjigovodstvena vrijednost	Razlika
		MRS 39	MRS 39	MSFI 9	MSFI 9	(MSFI9-MRS39)
	000 BAM	000 BAM	000 BAM	000 BAM	000 BAM	000 BAM
<b>Novčana sredstva i računi depozita kod depozitnih institucija</b>	<b>172.105</b>	-	<b>172.105</b>	<b>1.525</b>	<b>170.580</b>	<b>(1.525)</b>
Stage 1	172.105	-	172.105	1.525	170.580	(1.525)
Stage 2	-	-	-	-	-	-
Stage 3	-	-	-	-	-	-
<b>Obavezna rezerva kod Centralne Banke</b>	<b>158.628</b>	-	<b>158.628</b>	-	<b>158.628</b>	-
Stage 1	158.628	-	158.628	-	158.628	-
Stage 2	-	-	-	-	-	-
Stage 3	-	-	-	-	-	-
<b>Finansijska imovina raspoloživa za prodaju (MRS 39)</b>	<b>188.235</b>	-	<b>188.235</b>	-	<b>188.235</b>	-
Stage 1	188.235	-	188.235	-	188.235	-
Stage 2	-	-	-	-	-	-
Stage 3	-	-	-	-	-	-
<b>Plasmani drugim bankama</b>	<b>2.056</b>	-	<b>2.056</b>	<b>38</b>	<b>2.018</b>	<b>(38)</b>
Stage 1	2.056	-	2.056	38	2.018	(38)
Stage 2	-	-	-	-	-	-
Stage 3	-	-	-	-	-	-
<b>Kreditni i dospjela potraživanja po kreditima</b>	<b>1.327.848</b>	<b>84.208</b>	<b>1.243.640</b>	<b>88.760</b>	<b>1.239.088</b>	<b>(4.552)</b>
Stage 1	1.112.180	8.559	1.103.621	17.596	1.094.584	(9.037)
Stage 2	41.875	3.682	38.193	4.296	37.579	(614)
Stage 3	173.793	71.967	101.826	66.868	106.925	5.099
<b>Ostala potraživanja i AVR</b>	<b>68.369</b>	<b>9.419</b>	<b>58.950</b>	<b>9.859</b>	<b>58.510</b>	<b>(440)</b>
Stage 1	34.800	592	34.208	816	33.984	(224)
Stage 2	1.970	25	1.945	27	1.943	(2)
Stage 3	31.599	8.802	22.797	9.016	22.583	(214)
<b>Ukupno</b>	<b>1.917.241</b>	<b>93.627</b>	<b>1.823.614</b>	<b>100.182</b>	<b>1.817.059</b>	<b>(6.555)</b>
<b>Vanbilans **</b>	<b>287.872</b>	<b>4.167</b>	<b>283.705</b>	<b>9.284</b>	<b>278.588</b>	<b>(5.117)</b>
Stage 1	275.057	1.695	273.362	5.590	269.467	(3.895)
Stage 2	2.229	118	2.111	167	2.062	(49)
Stage 3	10.586	2.354	8.232	3.527	7.059	(1.173)
<b>Ukupno sa vanbilansom</b>	<b>2.205.113</b>	<b>97.794</b>	<b>2.107.319</b>	<b>109.466</b>	<b>2.095.647</b>	<b>(11.672)</b>

# ANNUAL REPORT 2018

NOVA BANKA A.D. BANJA LUKA

NOTES TO THE FINANCIAL STATEMENTS

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All amounts expressed in thousands of BAM, unless otherwise stated.

## 2. BASIS OF PREPARATION AND PRESENTATION OF THE FINANCIAL STATEMENTS AND ACCOUNTING CONVENTION (Continued)

### 2.4. Application and Impact of the New and Revised International Financial Reporting Standards ("IFRS") and International Accounting Standards ("IAS") (Continued)

First-Time Adoption of New Standards and Amendments to the Existing Standards Effective for the Current Reporting Period (Continued)

#### IFRS 9 – Financial Instruments (Continued)

In line with the selected approach and instructions prescribed by the new standard, the IFRS 9 first-time adoption effects are presented in the table below:

Financial asset item	Gross exposure	Impairment allowance and provisions	Total carrying value	Impairment allowance and provisions	Total carrying value	Difference
		IAS 39	IAS 39	IFRS 9	IFRS 9	(IFRS 9 – IAS 39)
Cash and balances held with banks and other financial institutions	172,105	-	172,105	1,525	170,580	(1,525)
Stage 1	172,105	-	172,105	1,525	170,580	(1,525)
Stage 2	-	-	-	-	-	-
Stage 3	-	-	-	-	-	-
Obligatory reserve held with the Central Bank	158,628	-	158,628	-	158,628	-
Stage 1	158,628	-	158,628	-	158,628	-
Stage 2	-	-	-	-	-	-
Stage 3	-	-	-	-	-	-
Financial assets available for sale (IAS 39)	188,235	-	188,235	-	188,235	-
Stage 1	188,235	-	188,235	-	188,235	-
Stage 2	-	-	-	-	-	-
Stage 3	-	-	-	-	-	-
Loans and receivables due from banks and other financial institutions	2,056	-	2,056	38	2,018	(38)
Stage 1	2,056	-	2,056	38	2,018	(38)
Stage 2	-	-	-	-	-	-
Stage 3	-	-	-	-	-	-
Loans and receivables due from customers	1,327,848	84,208	1,243,640	88,760	1,239,088	(4,552)
Stage 1	1,112,180	8,559	1,103,621	17,596	1,094,584	(9,037)
Stage 2	41,875	3,682	38,193	4,296	37,579	(614)
Stage 3	173,793	71,967	101,826	66,868	106,925	5,099
Other receivables and prepayments	68,369	9,419	58,950	9,859	58,510	(440)
Stage 1	34,800	592	34,208	816	33,984	(224)
Stage 2	1,970	25	1,945	27	1,943	(2)
Stage 3	31,599	8,802	22,797	9,016	22,583	(214)
<b>Total</b>	<b>1,917,241</b>	<b>93,627</b>	<b>1,823,614</b>	<b>100,182</b>	<b>1,817,059</b>	<b>(6,555)</b>
Off-balance sheet exposures **	287,872	4,167	283,705	9,284	278,588	(5,117)
Stage 1	275,057	1,695	273,362	5,590	269,467	(3,895)
Stage 2	2,229	118	2,111	167	2,062	(49)
Stage 3	10,586	2,354	8,232	3,527	7,059	(1,173)
<b>Total on and off-balance</b>	<b>2,205,113</b>	<b>97,794</b>	<b>2,107,319</b>	<b>109,466</b>	<b>2,095,647</b>	<b>(11,672)</b>

Translation of the report issued in the Serbian language

NOVA BANKA A.D. BANJA LUKA

NAPOMENE UZ FINANSIJSKE IZVJEŠTAJE

## 2. OSNOVE ZA SASTAVLJANJE I PRIKAZIVANJE FINANSIJSKIH IZVJEŠTAJA I RAČUNOVODSTVENI METOD (nastavak)

### 2.4. Uticaj i primjena novih i revidiranih Međunarodnih standarda za finansijsko izvještavanje ("MSFI") i Međunarodnih računovodstvenih standarda ("MRS") (nastavak)

Početna primjena novih i izmjena postojećih Standarda koji su u primjeni za tekući izvještajni period (nastavak)

#### MSFI 9 - Finansijski instrumenti (nastavak)

Gledajući ukupan procijenjeni efekat usklađivanja vrijednosti finansijskih instrumenata zbog prelaska na MSFI 9, odnosno povećanje ispravki vrijednosti su u najvećoj mjeri posljedica prelaska na novi model vrednovanja (umanjenje vrijednosti) na osnovu očekivanih kreditnih gubitaka i primjene pravila alokacije po nivoima kreditnog gubitka:

- (i) Alokacije portfelja u Nivo 2 - 'Stage 2', na osnovu definisanih kriterija alokacije, s posljedičnom potrebom za obračunom očekivanog gubitka za cijeli preostali životni vijek finansijske imovine – posljedice prelaska na novi standard,
- (ii) Promjene iznosa očekivanih kreditnih gubitaka u sva tri nivoa ('stage-a') kreditnog rizika u odnosu na iznose pretrpljenih kreditnih gubitaka, izračunatih u skladu sa zahtjevima MRS 39 standarda,
- (iii) Diferenciranog pristupa vrednovanja prema centralnoj vladi i entitetskim vlastima, i
- (iv) Novo modeliranje parametara rizika (PD, LGD, CCF).

#### MSFI 15 - Prihodi od ugovora sa kupcima

MSFI 15 je primjenjiv na ili nakon 1. januara 2018. godine. Cilj standarda je da se definišu principi koje subjekt treba primijeniti radi izvještavanja korisnika finansijskih izvještaja o informacijama vezano za vrstu, iznos, vremenski okvir i neizvjesnost prihoda, te novčane tokove koji proizilaze iz ugovora sa kupcima. Osnovni princip standarda je da subjekt treba priznati prihod u iznosu koji predstavlja naknadu koju subjekt očekuje ostvariti i primiti u zamjenu za prenos robe i usluga kupcima.

On uspostavlja model od pet koraka koji se primjenjuju na prihode iz ugovora sa kupcima (uz ograničen broj izuzetaka), nezavisno od vrste prihoda ili industrije:

- utvrditi ugovor sa kupcem;
- identifikovati pojedinačne obaveze u ugovoru;
- utvrditi naknadu transakcije;
- dodijeliti naknadu prema obavezama ugovora;
- priznati prihod u skladu sa ispunjenjem obaveze.

Zahtjevi standarda se takođe primjenjuju na priznavanje i mjerenje dobitaka i gubitaka od prodaje neke nefinansijske imovine, koja nije posljedica uobičajenih aktivnosti Banke (npr. prodaja stalne materijalne ili nematerijalne imovine). Standard zahtjeva detaljna objelodanjivanja, uključujući razvrstavanje ukupnih prihoda, informacije o činidbenim obavezama iz ugovora, promjene u stanju imovine i obaveza po osnovu ugovora između perioda, kao i ključne procjene.

Prilikom prelaska, moguće je izabrati dva pristupa:

- Potpuno retroaktivni pristup u okviru koga se MSFI 15 primjenjuje na svaki prethodni izvještajni period, pri čemu se uporedni podaci koriguju;
- Kumulativni catch-up pristup u okviru koga se MSFI 15 retroaktivno primjenjuje uz kumulativne efekte koji se priznaju kao korekcija na dan 1. januar 2018. godine, pri čemu se uporedni podaci ne koriguju.

Banka je procijenila da primjena MSFI 15 nema značajan uticaj na finansijske izvještaje Banke.

Novi Standardi i izmjene postojećih Standarda koji su izdati, a nisu još uvijek u primjeni

Na dan odobravanja ovih finansijskih izvještaja, sljedeći Standardi i izmjene postojećih Standarda i nova tumačenja su bili izdati, ali nisu postali efektivni:

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## 2. BASIS OF PREPARATION AND PRESENTATION OF THE FINANCIAL STATEMENTS AND ACCOUNTING CONVENTION (Continued)

### 2.4. Application and Impact of the New and Revised International Financial Reporting Standards ("IFRS") and International Accounting Standards ("IAS") (Continued)

First-Time Adoption of New Standards and Amendments to the Existing Standards Effective for the Current Reporting Period (Continued)

#### IFRS 9 – Financial Instruments (Continued)

The estimated effect of the overall adjustments to the carrying value of financial instruments due to transition to IFRS 9, i.e., the consequent increase in impairment allowances, is mostly a result of the transition to the new impairment (ECL) model and credit loss staging:

- (i) Portfolio allocation to Stage 2, based on the defined allocation criteria and consequently required calculation of lifetime ECL – resulting from the transition to IFRS 9;
- (ii) Changes in ECL amounts in all three credit risk stages against the amounts of incurred credit losses calculated under IAS 39 requirements;
- (iii) Differentiated measurement approach for the Central Government and Entity Governments; and
- (iv) New modeling of risk parameters (PD, LGD, CCF).

#### IFRS 15 - Revenue from Contracts with Customers

IFRS 15 effective for periods beginning on or after January 1, 2018 defines the principles a reporting entity is to apply in order to report to the users of the financial statements information regarding the types, amounts, timeframes and uncertainty of revenues and cash flows arising from the contracts with customers. The standard's basic principle is that a reporting entity should recognize revenue in the amount of the consideration it expects to receive in exchange for transfer of goods and services to customers.

IFRS 15 a 5-step approach to revenue recognition (revenues from contracts with customers, with few exceptions), irrespective of the revenue type or industry:

- ☒ Identify the contract(s) with the customer;
- ☒ Identify the performance obligations in the contract;
- ☒ Determine the transaction price;
- ☒ Allocate the transaction price to the identified performance obligations; and
- ☒ Recognize revenue when (or as) the performance obligation is satisfied.

The standard's requirements are also applicable to the recognition and measurements of gains and losses on the sales of some non-financial assets, not resulting from the Bank's normal course of business (e.g., sales of tangible or intangible assets). The standard requires extensive disclosures, including those on disaggregation of the revenue, information on performance obligations under the relevant contract, changes in the contract balances of assets and liabilities between the periods and key judgements.

Upon transition, one of the following two approaches may be chosen:

- ☒ Fully retrospective approach, where IFRS 15 will be applied to each previous reporting period entailing comparative information adjustment; and
- ☒ Cumulative catch-up approach, where IFRS 15 will be applied in retrospect with cumulative effects recognized as adjustment at January 1, 2018, without comparative information adjustment.

The Bank anticipates that IFRS 15 requirements will have no significant impact on its financial statements.

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### 2.4. Uticaj i primjena novih i revidiranih Međunarodnih standarda za finansijsko izvještavanje ("MSFI") i Međunarodnih računovodstvenih standarda ("MRS") (nastavak)

Novi Standardi i izmjene postojećih Standarda koji su izdati, a nisu još uvijek u primjeni (nastavak)

- MSFI 16 „Lizing“ (na snazi za godišnje periode koji počinju na dan ili nakon 1. januara 2019. godine),
- MSFI 17 „Ugovori o osiguranju“ (na snazi za godišnje periode koji počinju na dan ili nakon 1. januara 2021. godine),
- Izmjene MSFI 3 „Poslovne kombinacije“ – Definicija poslovanja (na snazi za poslovne kombinacije gde datum sticanja pada na dan ili nakon početka prvog godišnjeg perioda izvještavanja, koji počinje na dan ili nakon 1. januara 2020. godine, kao i za sticanje imovine na dan ili nakon dana početka tog perioda),
- Izmjene MSFI 9 „Finansijski instrumenti“ – Karakteristike plaćanja unaprijed sa negativnim kompenzacijama (na snazi za godišnje periode koji počinju na dan ili nakon 1. januara 2019. godine),
- Izmjene MSFI 10 „Konsolidovani finansijski izvještaji“ i MRS 28 „Investicije u pridružene entitete i zajedničke poduhvate“ - Prodaja ili prenos sredstava između investitora i pridruženog entiteta ili zajedničkog poduhvata i naknadne izmjene (datum stupanja na snagu odgođen na neodređeno vrijeme, dok ne bude završen istraživački projekat o metodi udjela),
- Izmjene MRS 1 „Prezentacija finansijskih izvještaja“ i MRS 8 „Računovodstvene politike, promjene računovodstvenih procena i greške“ – Definicija materijalnog značaja (na snazi za godišnje periode koji počinju na dan ili nakon 1. januara 2020. godine),
- Izmjene MRS 19 „Primanja zaposlenih“ – izmjene, smanjenje ili izmirenje planova naknada (na snazi za godišnje periode koji počinju na dan ili nakon 1. januara 2019. godine),
- Izmjene MRS 28 „Investicije u pridružene entitete i zajedničke poduhvate“ – Dugoročni interesi u pridruženim entitetima i zajedničkim poduhvatima (na snazi za godišnje periode koji počinju na dan ili nakon 1. januara 2019. godine),
- Izmjene raznih Standarda na osnovu „Unapređenja MSFI (period od 2015. do 2017. godine)“ koja su rezultat godišnjeg unapređenja MSFI (MSFI 3, MSFI 11, MRS 12 i MRS 23) sa ciljem otklanjanja neusaglašenosti i pojašnjenja teksta (izmjene bi trebalo da budu na snazi za godišnje periode koji počinju na dan ili nakon 1. januara 2019. godine),
- Izmjene Upućivanja na Konceptualni okvir u Međunarodnim standardima finansijskog izvještavanja (na snazi za godišnje periode koji počinju na dan ili nakon 1. januara 2020. godine), i
- IFRIC 23 „Neizvjesnost u vezi sa tretmanom poreza na dobitak“ (na snazi za godišnje periode koji počinju na dan ili nakon 1. januara 2019. godine).

Politika rukovodstva Banke je da nove Standarde i izmjene postojećih Standarda usvoji i primjenjuje od momenta kada oni stupe na snagu i budu u primjeni. Rukovodstvo predviđa da usvajanje ovih novih Standarda i izmjena postojećih Standarda neće imati materijalan uticaj na finansijske izvještaje Banke u periodu inicijalne primjene.

#### Efekte prve primjene MSFI 16 - Lizing

Standard je primjenljiv počev na ili nakon 1. januara 2019. godine. MSFI 16 definiše početno priznavanje, odmjeravanje i objelodanjivanje lizinga za obe strane u ugovoru, odnosno za kupca („zajmoprimca“) i za dobavljača („zajmodavca“). Najznačajnija promjena koju donosi MSFI 16 je ukidanje podjele na finansijski i operativni zakup kod zajmoprimca, te priznavanje zakupa po principu „imovine sa pravom korišćenja“. Standard zahtijeva od zajmoprimca da sva sredstva sa pravom korišćenja prizna kao osnovno sredstvo i obavezu u bilansu stanja, osim ako je period zakupa 12 mjeseci ili kraći ili ako sredstvo ima zanemarljivu vrijednost, što ima za cilj da poboljša kvalitet finansijskog izvještavanja i uporedivost finansijskih izvještaja zajmoprimca.

Na početku trajanja ugovora, zajmoprimac treba da procijeni da li ugovor, ili dio ugovora, predstavlja lizing. Ugovor ili dio ugovora predstavlja lizing ako se ugovorom prenosi pravo na kontrolu upotrebe identifikovanog sredstva u određenom periodu u zamjenu za naknadu. Kontrola je prenijeta kada zajmoprimac ima pravo i da upravlja korišćenjem identifikovanog sredstva i da ostvari ekonomske koristi korišćenjem tog sredstva.

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2. BASIS OF PREPARATION AND PRESENTATION OF THE FINANCIAL STATEMENTS AND ACCOUNTING CONVENTION (Continued)

2.4. Application and Impact of the New and Revised International Financial Reporting Standards ("IFRS") and International Accounting Standards ("IAS") (Continued)

New Standards and Amendments to the Existing Standards Issued but not yet Effective

At the date of authorization of these financial statements the following new standards and revisions of and amendments to the existing standards were in issue but not yet effective:

- ☒ IFRS 16 "Leases" (effective for annual periods beginning on or after January 1, 2019);
- ☒ IFRS 17 "Insurance Contracts" (effective for annual periods beginning on or after January 1, 2021);
- ☒ Amendments to IFRS 3 "Business Combinations" - Definition of a Business (effective for business combinations for which the acquisition date is on or after the beginning of the first annual reporting period beginning on or after 1 January 2020 and to asset acquisitions that occur on or after the beginning of that period);
- ☒ Amendments to IFRS 9 "Financial Instruments" - Prepayment Features with Negative Compensation (effective for annual periods beginning on or after January 1, 2019);
- ☒ Amendments to IFRS 10 "Consolidated Financial Statements" and IAS 28 "Investments in Associates and Joint Ventures" - Sale or Contribution of Assets between an Investor and its Associate or Joint Venture and further amendments (effective date deferred indefinitely until the research project on the equity method has been concluded);
- ☒ Amendments to IAS 1 "Presentation of Financial Statements" and IAS 8 "Accounting Policies, Changes in Accounting Estimates and Errors" - Definition of Material (effective for annual periods beginning on or after 1 January 2020);
- ☒ Amendments to IAS 19 "Employee Benefits" - Plan Amendment, Curtailment or Settlement (effective for annual periods beginning on or after January 1, 2019);
- ☒ Amendments to IAS 28 "Investments in Associates and Joint Ventures" - Long-term Interests in Associates and Joint Ventures (effective for annual periods beginning on or after January 1, 2019);
- ☒ Amendments to various standards due to "Improvements to IFRSs (cycle 2015-2017)" resulting from the annual improvement project of IFRS (IFRS 3, IFRS 11, IAS 12 and IAS 23) primarily with a view to removing inconsistencies and clarifying wording (amendments should be effective for annual periods beginning on or after January 1, 2019);
- ☒ Amendments to References to the Conceptual Framework in IFRS Standards (effective for annual periods beginning on or after 1 January 2020); and
- ☒ IFRIC 23 "Uncertainty over Income Tax Treatments" (effective for annual periods beginning on or after January 1, 2019).

It is the Bank's policy to adopt the new standards and amendments to the existing standards and apply them from their effective date. The Bank's management anticipates that the adoption of these standards, amendments to existing standards and new interpretations will have no material impact on the financial statements of the Bank in the period of initial application.

Effects of First-Time Adoption of IFRS 16 - Leases

Effective for the periods beginning on or after January 1, 2019, IFRS 16 defines initial recognition, measurement and disclosure of leases for both parties, i.e., the customer (the lessee) and the supplier (the lessor). The most significant change introduced by IFRS 16 is elimination of the current distinction between the two types of leases (operating and finance) for the lessor, and recognition of an asset, representing the right of use of the underlying asset and, at the same time, a liability reflecting the future payments of the lease contract, except for leases with terms of up to 12 months or those with small-value underlying assets, all for the purpose of improving the quality of financial reporting and comparability of the lessee's financial statements.

At the inception of the lease contract, the lessee is to assess whether the contract or a part thereof is a lease.

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**2.4. Uticaj i primjena novih i revidiranih Međunarodnih standarda za finansijsko izvještavanje ("MSFI") i Međunarodnih računovodstvenih standarda ("MRS") (nastavak)**

Novi Standardi i izmjene postojećih Standarda koji su izdati, a nisu još uvijek u primjeni (nastavak)

**Efekti prve primjene MSFI 16 – Lizing (nastavak)**

Banka će primjenom standarda uvesti jedinstveni model računovodstvenog obuhvatanja svih ugovora o lizingu, dok će najveći uticaj promjena imati na bilans stanja i bilans uspjeha i to u dijelu:

- da će Banka imati veću priznatu ukupnu imovinu, odnosno veći nivo osnovnih sredstava, što će uticati na racio obrta imovine i racio zaduženosti;
- da će imati veći iznos troškova u prvim godinama lizinga, iako je ugovoreno konstantno plaćanje tokom perioda, pa se kao rezultat može očekivati niža neto profitabilnost u istom periodu.

Prilikom prelaska na MSFI 16 moguće je izabrati dva pristupa:

1. Retroaktivni pristup u okviru kog se MSFI 16 primjenjuje na svaki prethodni izvještajni period, pri čemu se uporedni podaci koriguju.
2. Kumulativni catch-up pristup u okviru kog se MSFI 16 retroaktivno primjenjuje uz kumulativni efekat koji se priznaje kao korekcija na dan 1 januara 2019. godine, pri čemu se uporedni podaci ne koriguju.

Banka se opredijelila za primjenu drugog pristupa i sredstva sa pravom korištenja vrednovala je na osnovu raspoloživih podataka na dan inicijalne primjene MSFI 16. Odnosno, svoje obaveze po osnovu zakupa evidentiraće prema sadašnjoj vrijednosti preostalih plaćanja za zakup, diskontovanih po inkrementalnoj stopi zaduživanja zajmoprimca sa datumom prve primjene standarda. Vrijednost imovine u zakupu biće iskazana u aktivi kao pravo upotrebe imovine u okviru pozicije osnovnih sredstava banke, a u pasivi će biti iskazane obaveze po zakupu.

Prema standardu MSFI 16 trošak zakupa kao pozicija u bilansu uspjeha za dugoročne zakupe i zakupe veće vrijednosti više ne postoji, već se trošak po osnovu unajmljenih sredstava prikazuje kroz: amortizaciju, kamatnu stopu zaduženja i poreske obaveze. Za kratkoročne zakupe i zakupe male vrijednosti trošak zakupa se prikazuje kao pozicija u bilansu uspjeha.

U bilansu stanja Banka će prikazivati imovinu sa pravom korištenja odvojeno od ostale imovine i obaveze po osnovu zakupa odvojeno od ostalih obaveza. U bilansu uspjeha Banka će prikazivati rashod od kamata na obavezu po osnovu zakupa kao finansijski trošak odvojeno od troška amortizacije date imovine sa pravom korištenja. U izvještaju o novčanim tokovima Banka će prikazivati gotovinska plaćanja na ime obaveze po glavnici po osnovu zakupa u okviru finansijskih aktivnosti, gotovinska plaćanja na ime obaveze po kamati po osnovu zakupa u okviru finansijskih ili poslovnih aktivnosti.

Ukupno usklađivanje knjigovodstvene vrijednosti finansijskih instrumenata zbog prelaska na MSFI 16 biće priznato u okviru pozicije „Osnovna sredstva i ulaganja u nekretnine" u iznosu od okvirno 11,7 miliona BAM na dan 1. januara 2019. godine, pri čemu bi adekvatnost kapitala nakon korekcije po osnovu prve primjene MSFI 16 iznosila 14,43% prije pripisa neto dobiti poslovne 2018. godine, odnosno 15,23% nakon pripisa neto dobiti poslovne 2018. godine.

**2.5. Uporedne finansijske informacije**

Zbog postizanja konzistentnosti prezentacije u tekućem izvještajnom periodu izvršene su određene reklasifikacije uporednih finansijskih informacija za 2017. godinu. Navedene reklasifikacije nemaju uticaja na neto rezultat, ukupnu aktivu i ukupni kapital Banke.

Uporedne podatke čine finansijski izvještaji Banke na dan 31. decembar 2017. godine i za godinu koja se završila na taj dan.

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## 2. BASIS OF PREPARATION AND PRESENTATION OF THE FINANCIAL STATEMENTS AND ACCOUNTING CONVENTION (Continued)

### 2.4. Application and Impact of the New and Revised International Financial Reporting Standards ("IFRS") and International Accounting Standards ("IAS") (Continued)

New Standards and Amendments to the Existing Standards Issued but not yet Effective (Continued)

Effects of First-Time Adoption of IFRS 16 – Leases (Continued)

The contract or a part thereof is a lease if it transfers the right of control over the use of the identified asset in the specific period in exchange for a consideration. The control is transferred when the lessee is entitled to direct the use of the leased asset and receive economic benefits from the asset's use.

By applying the standard, the Bank will introduce a unique model for accounting for all lease contracts, with the major impact on the statement of the financial position and income statement as follows:

- ☒ the Bank's total assets recognized will increase, i.e., its fixed assets will increase, which will affect its ROA and debt-to-equity ratio;
- ☒ the Bank's expenses will be higher in the first years of the lease term, although straight-line payments are agreed, so that a lower net profitability may be expected as result over the same period.

Upon transition, one of the following two approaches may be chosen:

- ☒ Fully retrospective approach, where IFRS 16 will be applied to each previous reporting period entailing comparative information adjustment; and
- ☒ Cumulative catch-up approach, where IFRS 16 will be applied in retrospect with cumulative effects recognized as adjustment at January 1, 2019, without comparative information adjustment.

The Bank has opted for the latter approach and measured the right-of-use assets based on the data available as of the date of IFRS 16 first-time adoption. In other words, the Bank will record its lease liabilities at the present value of the outstanding lease payments, discounted at an incremental borrowing interest rate at the standard's first-time adoption date. The value of the leased assets will be presented within assets as right-of-use assets within the line item of the Bank's tangible assets – property, plant and equipment, while the lease liabilities will be included in the liabilities.

Under IFRS 16, lease expenses will no longer exist within the income statement for long-term leases and high-value leases. Instead, the lease expenses will be included in the depreciation charge, interest expenses and tax liabilities. Lease expenses per short-term and small-value leases will be presented as a line item within the income statement.

In its balance sheet (statement of financial position) the Bank will present its right-of-use (ROU) assets separately from other assets and lease liabilities separately from the other liabilities. Within the income statement (statement of profit or loss) the Bank will present interest expenses per lease liabilities within finance costs and separately from the depreciation charge of ROU assets. Within the cash flow statement, the Bank will present cash payments of lease principal amounts within the cash flows from financing activities, and cash payments of interest on the lease liability within the cash flows from either financing or operating activities.

The total adjustment of the carrying value of the Bank's financial instruments due to transition to IFRS 16 will be recognized within the line item of property, plant, equipment and investment property in the amount of approximately BAM 11.7 million as of January 1, 2019, with the capital adequacy ratio after adjustment per IFRS 16 FTA equal to 14.43% before added net profit for the year 2018. With added net profit for the year 2018, the capital adequacy ratio will equal 15.23%.

### 2.5. Comparative Financial Information

In order to achieve consistency with the current period presentation, the Bank made certain reclassifications to the comparative financial information for 2017. The said reclassifications had no impact on the Bank's financial performance, its total assets or total equity. The comparative data comprise the Bank's financial statements as of and for the year ended December 31, 2017.

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NAPOMENE UZ FINANSIJSKE IZVJEŠTAJE

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**2. OSNOVE ZA SASTAVLJANJE I PRIKAZIVANJE FINANSIJSKIH IZVJEŠTAJA I RAČUNOVODSTVENI METOD (nastavak)**

**2.6. Stalnost poslovanja**

Uprava Banke je procijenila sposobnost Banke da nastavi poslovanje u skladu sa "going concern" principom i zadovoljni su što Banka raspolaže sa resursima da nastavi poslovanja u doglednoj budućnosti. U toku 2018. godine Banka nije imala problema sa likvidnošću i sve svoje obaveze je izvršavala u predviđenim rokovima. Osim toga, rukovodstvo nije svjesno bilo kakve materijalne neizvjesnosti koje bi mogle da dovedu do značajne sumnje na sposobnost Banke da nastavi poslovanje. Zbog toga, finansijski izvještaji su izrađeni u skladu sa "going concern" principom.

Na dan 31. decembra 2018. godine Banka je imala koeficijent adekvatnosti kapitala od 14,55% i isti je obračunat bez uključene neto dobiti tekuće godine. Koeficijent adekvatnosti kapitala sa uključenom revidiranom neto dobiti tekuće godine će iznositi 15,36%.

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2. BASIS OF PREPARATION AND PRESENTATION OF THE FINANCIAL STATEMENTS AND ACCOUNTING CONVENTION (Continued)

2.5. Going Concern

The Bank's Management Board assessed that the Bank is able to continue to operate on a going concern basis and satisfied themselves as to the Bank's possession of resources that will allow its unhindered operation in the foreseeable future. During 2018 the Bank had no liquidity problems and discharged all of its liabilities as these fell due. In addition, the Bank's management is not aware of any material uncertainty that might cast a significant doubt about the Bank's ability to continue as a going concern. Hence, the Bank's financial statements have been prepared on a going concern basis.

As of December 31, 2018, the Bank's capital adequacy ratio was 14.55% before added net profit for the year 2018. With added net profit for the year 2018, the capital adequacy ratio will equal 15.36%.

NOVA BANKA A.D. BANJA LUKA

NAPOMENE UZ FINANSIJSKE IZVJEŠTAJE

### 3. PREGLED ZNAČAJNIH RAČUNOVODSTVENIH POLITIKA

#### 3.1. Prihodi i rashodi od kamata

Prihodi i rashodi od kamata priznaju se u bilansu uspjeha primjenom metode efektivne kamatne stope. Efektivna kamatna stopa je stopa koja diskontuje buduće gotovinske isplate, ili primanja tokom očekivanog perioda trajanja finansijskog sredstva, ili obaveze, ili prema potrebi u kraćem vremenskom periodu na neto knjigovodstvenu vrijednost finansijskog sredstva, ili finansijske obaveze. Prilikom obračuna efektivne kamatne stope, Banka procjenjuje buduće novčane tokove uzimajući u obzir sve ugovorene uslove finansijskih instrumenata, ali ne uzimajući u obzir buduće kreditne gubitke koji mogu nastati.

Prihodi i rashodi od kamata, uključujući i zateznu kamatu i ostale prihode i ostale rashode vezane za kamatonosnu aktivu i kamatonosnu pasivu, evidentiraju se u bilansu uspjeha u periodu na koji se odnose u skladu sa načelom uzročnosti prihoda i rashoda i uslovima iz obligacionih odnosa koji su definisani ugovorom Banke i komitenta.

Obračun efektivne kamatne stope uključuje sve naknade i provizije koje su plaćene ili primljene, a koje su sastavni dio efektivne kamatne stope, transakcione troškove i sve druge premije ili diskonte.

Naknada za odobravanje kredita, koja čini dio efektivne kamatne stope, evidentira se u okviru prihoda od kamate, obračunava se i naplaćuje jednokratno unaprijed, razgraničava se i diskontuje tokom perioda trajanja kredita.

Priznavanje prihoda od kamata koje se odnose na neobezvrijeđene plasmane i čija je naplata izvjesna vrši se u potpunosti. Priznavanje prihoda od kamata na plasmane koji su klasifikovani kao sporni ili nenaplativi ili za koje je pokrenut postupak naplate kod suda, vrši se primjenom efektivne kamatne stope na neto vrijednost ovih plasmana. Banka nastavlja obračun kamate u cilju evidencije ukupnog potraživanja po osnovu kamata, ali ovako obračunata kamata ne utiče na prihode od kamata već se samo evidentira u vanbilansnoj evidenciji Banke.

#### 3.2. Prihodi i rashodi od naknada i provizija

Prihodi i rashodi naknada i provizija, izuzev onih koje predstavljaju sastavni dio efektivne kamatne stope, nastali pružanjem, odnosno korišćenjem bankarskih usluga, priznaju se po načelu uzročnosti prihoda i rashoda, odnosno na obračunskoj osnovi i utvrđuju se za period kada su ostvareni, odnosno kada je usluga pružena.

Naknade i provizije uglavnom obuhvataju naknade od poslova unutrašnjeg i ino platnog prometa, kartičnog poslovanja, izdavanja garancija i akreditiva, davanja kredita (prijevremena otplata, monitoring), mjenjačkih poslova, usluga brokerskih i depozitnih poslova i drugih usluga koje Banka pruža.

Prihodi od naknada za odobravanje garancija i drugih potencijalnih obaveza razgraničavaju se saglasno periodu trajanja i priznaju u bilansu uspjeha srazmjerno vremenu trajanja.

#### 3.3. Preračunavanje stranih valuta

Stavke uključene u finansijske izvještaje Banke evidentirane su u valuti primarnog ekonomskog okruženja (funkcionalnoj valuti). Finansijski izvještaji prikazani su u hiljadama BAM, koja je izvještajna i funkcionalna valuta Banke.

Transakcije u stranoj valuti preračunavaju se u BAM po zvaničnom srednjem kursu Centralne banke Bosne i Hercegovine koji je važio na dan poslovne promjene. Sredstva i obaveze iskazane u stranoj valuti na dan bilansa stanja, preračunati su u BAM po srednjem kursu Centralne banke Bosne i Hercegovine koji je važio na taj dan.

Pozitivne ili negativne kursne razlike nastale prilikom preračuna pozicija bilansa stanja koje su iskazane u stranoj valuti i prilikom poslovnih transakcija u stranoj valuti, evidentirane su u korist ili na teret bilansa uspjeha kao prihodi i rashodi po osnovu kursnih razlika i objelodanjeni su u okviru pozicije neto prihoda/rashoda od kursnih razlika (Napomena 10).

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NOTES TO THE FINANCIAL STATEMENTS

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### 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

#### 3.1. Interest Income and Expenses

Interest income and expenses are recognized in the income statement as they accrue for all interest-bearing instruments using the effective interest method. The effective interest rate is the rate that precisely discounts the estimated future cash disbursements or payments over the expected life of a financial instrument or, as appropriate, a shorter period, to the net carrying value of the financial asset or liability. When calculating the effective interest rate, the Bank estimates cash flows, taking into consideration all contractual terms related to the financial instrument, but not considering future credit losses.

Interest income and expenses, including penalty or default interest and other income and other expenses from interest bearing assets, as well interest bearing liabilities, are calculated and recognized in the income statement on an accrual basis, by applying the matching principle and terms defined by the relevant contracts executed between the Bank and the customers.

The effective interest rate calculation includes all fees and commissions paid or received, which are a constituent part of the effective interest rate, transaction costs and all other premiums and discounts.

The loan origination fee, which is a part of the effective interest rate, is recorded within interest income. Loan origination fees, which are charged, collected or paid on a one-time basis in advance, are deferred and discounted over the loan life.

Interest income from performing and risk-free loans whose recovery is certain is fully recognized. Interest income from impaired loans and receivables classified as doubtful or irrecoverable or subject to litigation, is recognized and calculated based on the net amounts of loans using the effective interest method. The Bank continues to calculate the interest on such loans and receivables for full records of total interest receivables but interest calculated in this manner does not affect interest income as it is recorded within the Bank's off-balance sheet items.

#### 3.2. Fee and Commission Income and Expenses

Fees and commissions originating from banking services, other than those that are part of the effective interest rate, are generally recognized as per the matching principle, on an accrual basis, for the period when realized, i.e., when the underlying services are rendered.

Fee and commission income and expenses mainly comprise fees related to domestic and foreign payment transactions, payment card transactions, issue of guarantees and letters of credit, loan approval (early repayment, monitoring), foreign exchange trading, brokerage services, depositary activities and other banking services.

Fee and commission income from approval and issue of guarantees and other contingent liabilities are deferred in accordance with the guarantee validity term and subsequently transferred to and recognized in the income statement on a straight-line basis over the validity term.

#### 3.3. Foreign Exchange Translation

Items included in the Bank's financial statements are presented in the currency of the Bank's primary economic environment (functional currency). The financial statements are stated in thousands of BAM, which the Bank's presentation and functional currency.

Transactions denominated in foreign currencies are translated into BAM at the official middle exchange rates of the Central Bank of Bosnia and Herzegovina ("CBBH") effective at the date of each transaction. Assets and liabilities denominated in foreign currencies as of the reporting date are translated into BAM by applying the official middle rates of exchange of CBBH effective on that date.

Positive or negative foreign exchange effects arising from translation of transactions, assets and liabilities are credited or charged to the income statements and foreign exchange gains or losses within the line item of net foreign exchange gains/losses (Note 10).

NOVA BANKA A.D. BANJA LUKA

## NAPOMENE UZ FINANSIJSKE IZVJEŠTAJE

### 3. PREGLED ZNAČAJNIH RAČUNOVODSTVENIH POLITIKA (nastavak)

#### 3.3. Preračunavanje stranih valuta (nastavak)

Plasmani u BAM sa ugovorenom valutnom klauzulom u EUR-ima, nisu izloženi deviznom riziku, jer je vrijednost te valute fiksna u odnosu na domaću valutu, te shodno tome Banka nema prihode i rashode koji bi nastali prilikom preračunavanja sredstava korišćenjem ugovorene klauzule. Na dan 31. decembra 2018. godine, Banka nema plasmane u BAM sa valutnom klauzulom u drugoj valuti izuzev EUR-a.

#### 3.4. Prihod od dividendi

Prihodi od dividendi po osnovu ulaganja u akcije drugih pravnih lica i po osnovu učešća u kapitalu drugih pravnih lica, priznaju se u prihodu od dividendi u momentu priliva ekonomske koristi od dividendi. Dividende su prikazane u okviru pozicije „ostali operativni prihodi“.

#### 3.5. Prihodi i rashodi po osnovu hartija od vrijednosti

Neto prihodi od trgovanja obuhvataju dobitke umanjene za gubitke proistekle iz trgovanja sredstvima i obavezama uključujući i sve promjene po „fer vrijednosti“ i kursne razlike.

Dobici i gubici po osnovu promjene amortizovane vrijednosti hartija od vrijednosti koje se drže radi trgovanja priznaju se u korist prihoda, odnosno na teret rashoda.

Nerealizovani dobiti i gubici po osnovu hartija od vrijednosti po fer vrijednosti kroz ostali ukupni rezultat se knjiže na teret kapitala u okviru revalorizacionih rezervi, umanjenih za odgovarajući porez na dobit, dok se investicija ne proda, naplati ili na drugi način realizuje, ili dok ta investicija nije obezvrijeđena prilikom realizovanja hartija od vrijednosti raspoloživih za prodaju, akumulirani nerealizovani dobitak ili gubitak se transferiše na „neto dobitak ili gubitak perioda“.

#### 3.6. Porez na dobit

##### 3.6.1. Tekući porez na dobit

Oporezivanje dobiti se vrši u skladu sa poreskim propisima Republike Srpske, propisima Federacije Bosne i Hercegovine i propisima Brčko Distrikta, obzirom da Banka ostvaruje dobit iz poslovanja u Republici Srpskoj, Federaciji Bosne i Hercegovine i Brčko Distriktu. Banka tokom godine porez na dobit plaća u vidu mjesečnih akontacija, čiju visinu utvrđuje na osnovu poreske prijave za prethodnu godinu. Konačna poreska osnovica, na koju se primjenjuje propisana stopa poreza na dobit od 10% utvrđuje se poreskim bilansom Banke. Poreska osnovica obuhvata dobitak iz bilansa uspjeha usklađen za određene rashode i prihode, saglasno poreskim propisima i može biti umanjena za određene poreske olakšice. Poreski propisi Republike Srpske ne predviđaju mogućnost da se poreski gubici iz tekućeg perioda mogu koristiti kao osnova za povrat poreza plaćenog u prethodnim periodima. Međutim, gubici iz tekućeg perioda iskazani u poreskom bilansu mogu se koristiti za umanjenje poreske osnovice budućih obračunskih perioda, ali ne duže od pet godina.

##### 3.6.2. Odloženi porezi

Odloženi porezi na dobit se obračunavaju po metodi obaveza prema bilansu stanja na sve privremene razlike na dan bilansa stanja između sadašnje vrijednosti sredstava i obaveza u finansijskim izvještajima i njihove vrijednosti za svrhe oporezivanja. Trenutno važeća poreska stopa na dan bilansa stanja je korišćena za obračun iznosa odloženih poreza.

Odložene poreske obaveze priznaju se na sve oporezive privremene razlike, izuzev ukoliko odložene poreske obaveze proističu iz inicijalnog priznavanja „goodwill-a“ ili sredstava i obaveza u transakciji koja nije poslovna kombinacija i u trenutku nastanka nema uticaja na računovodstvenu dobit niti na oporezivu dobit ili gubitak, kao i ukoliko se odnose na oporezive privremene razlike u vezi sa učešćem u zavisnim preduzećima, pridruženim preduzećima i zajedničkim ulaganjima, gdje se trenutak ukidanja privremene razlike može kontrolisati i izvjesno je da privremena razlika neće biti ukinuta u doglednom vremenskom periodu.

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### 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### 3.3. Foreign Exchange Translation (Continued)

BAM loans and receivables with contractually defined currency clause index to EUR are not exposed to the foreign exchange risk as EUR/BAM exchange rate is fixed. Therefore, the Bank has no foreign exchange gains or losses arising as the currency clause effects. As of December 31, 2018, the Bank had no BAM loans and receivables with currency clause index to a currency other than EUR.

#### 3.4. Dividend Income

Dividend income from investments in shares and equity interests held in other entities is recognized upon inflow of economic benefits from dividend to the Bank, within the line item of other operating income.

#### 3.5. Income from Securities

Net gains on trading in securities include gains net of losses arisen from trading in assets and liabilities, including all changes in the fair value thereof and foreign exchange gains and losses.

Gains and losses on the changes in amortized cost of securities held for trading, i.e., financial assets at FVtPL, are recognized within income and expenses, as appropriate.

Unrealized gains and losses on securities at FVtOCI are recorded within equity, under revaluation reserves, net of relating income tax, until they are sold, otherwise realized or impaired, when the cumulative unrealized gains or losses are transferred to the profit or loss for the period.

#### 3.6. Income Taxes

##### 3.6.1. Current Income Tax Expense

Income taxation is performed in accordance with the tax legislation of the Republic of Srpska, Federation of Bosnia and Herzegovina and Brčko District given that the Bank earns income from operations in the Republic of Srpska, Federation of Bosnia and Herzegovina and Brčko District. During the year Bank pays corporate income tax in monthly advance payments determined based on its previous year's income tax return. The final taxable income base to which the prescribed tax rate of 10% is applied is determined in the Bank's tax statement. The taxable base includes the amount of profit before taxation net of income and expense adjustment effects pursuant to the effective tax regulation and may be further reduced for certain tax holidays.

The tax regulations in the Republic of Srpska do not envisage that any tax losses of the current period be used to recover taxes paid within a specific carryback period. However, current period tax losses stated in tax return may be used to reduce or eliminate taxes to be paid in future periods but only for duration of no longer than five ensuing years.

##### 3.6.2. Deferred Taxes

Deferred taxes are calculated using the balance sheet liability method, for all temporary differences arising between the tax bases of assets and liabilities and their carrying values for financial reporting purposes. The currently enacted income tax rate as of the reporting date is used to calculate deferred tax amounts.

Deferred tax liabilities are recognized for all taxable temporary differences, unless the deferred tax liabilities arise on the initial recognition of goodwill or assets and liabilities in a transaction other than a business combination, which, upon origination affect neither the accounting nor taxable profit or loss, or pertain to the taxable temporary differences in respect of the investments in subsidiaries, associates and joint ventures where the time of reversal of the temporary difference may be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

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NAPOMENE UZ FINANSIJSKE IZVJEŠTAJE

### 3. PREGLED ZNAČAJNIH RAČUNOVODSTVENIH POLITIKA (nastavak)

#### 3.6. Porez na dobit (nastavak)

##### 3.6.2. Odloženi porezi (nastavak)

Odložena poreska sredstva priznaju se na sve oporezive privremene razlike i neiskorišćene iznose prenosivih poreskih kredita i poreskih gubitaka, do mjere do koje je izvjesno da je nivo očekivanih budućih oporezivih dobitaka dovoljan da se sve oporezive privremene razlike, prenešeni neiskorišćeni poreski krediti i neiskorišćeni poreski gubici mogu iskoristiti, izuzev ukoliko se odložena poreska sredstva odnose na privremene razlike nastale iz inicijalnog priznavanja sredstava ili obaveza u transakciji koja nije poslovna kombinacija i u trenutku nastanka nema uticaja na računovodstvenu dobit ni na oporezivu dobit ili gubitak ili na odbitne privremene razlike u vezi sa učešćem u zavisnim preduzećima, pridruženim preduzećima i zajedničkim ulaganjima, kada se odložena poreska sredstva priznaju samo do mjere do koje je izvjesno da će privremene razlike biti ukinute u doglednoj budućnosti i da je nivo očekivanih budućih oporezivih dobitaka dovoljan da se sve privremene razlike mogu iskoristiti.

Knjigovodstvena vrijednost odloženih poreskih sredstava preispituje se na svaki izvještajni datum i umanjuje do mjere do koje više nije izvjesno da je nivo očekivanih budućih oporezivih dobitaka dovoljan da se ukupna vrijednost ili dio vrijednosti odloženih poreskih sredstava može iskoristiti. Odložena poreska sredstva koja nisu priznata, procjenjuju se na svaki izvještajni datum i priznaju do mjere do koje je postalo izvjesno da je nivo očekivanih budućih oporezivih dobitaka dovoljan da se odložena poreska sredstva mogu iskoristiti.

Odložena poreska sredstva i obaveze izračunavaju se primjenom zvaničnih poreskih stopa u godini ostvarenja poreskih olakšica, odnosno izmirenja odloženih poreskih obaveza.

Tekući i odloženi porezi priznaju se kao prihodi i rashodi, i uključeni su u neto dobitak/ gubitak perioda.

Odloženi porez na dobit koji se odnosi na stavke koje se direktno evidentiraju u korist ili na teret kapitala se takođe evidentiraju na teret, odnosno u korist kapitala.

#### 3.7. Primanja zaposlenih

##### 3.7.1. Kratkoročne naknade zaposlenima

Kratkoročne naknade zaposlenima obuhvataju zarade i doprinose za socijalno osiguranje i priznaju se kao rashod u periodu u kome su nastali.

U skladu sa propisima koji se primjenjuju u Republici Srpskoj, Federaciji Bosne i Hercegovine i Brčko Distriktu, Banka je u obavezi da plaća doprinose državnim fondovima. Ove obaveze uključuju doprinose za zaposlene na teret poslodavca u iznosima obračunatim po stopama propisanim relevantnim zakonskim propisima. Banka nema drugih obaveza plaćanja nakon uplate doprinosa.

##### 3.7.2. Ostala primanja zaposlenih

U skladu sa Zakonom o radu, Kolektivnim ugovorom, Granskim kolektivnim ugovorom i Pravilnikom o radu Banke, Banka je u obavezi da isplati naknadu zaposlenima prilikom odlaska u penziju. Pravo na ove naknade je uslovljeno ostajanjem zaposlenog lica u službi do starosne granice određene za penzionisanje i do ostvarenja minimalnog radnog staža. Očekivani troškovi se akumuliraju tokom perioda trajanja zaposlenja. Rezervisanja za otpremnine se procjenjuju na godišnjem nivou od strane nezavisnih, kvalifikovanih aktuara i predstavljaju sadašnju vrijednost očekivanih budućih isplata zaposlenima.

Rezervisanja za otpremnine se prikazuju u bilansu stanja u okviru pozicije „Ostalih obaveza“ i zasnivaju se na aktuarskim izvještajima koji se koriste samo za tu namjenu.

NOVA BANKA A.D. BANJA LUKA

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All amounts expressed in thousands of BAM, unless otherwise stated.

### 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### 3.6. Income Taxes (Continued)

##### 3.6.2. Deferred Taxes (Continued)

Deferred tax assets are recognized for all deductible temporary differences and unused portion of the tax credit and tax loss carryforwards to the extent that it is probable that expected future taxable profits will be available against which those tax credits and tax losses carried forward can be utilized, unless deferred tax assets relate to the temporary differences arising from the initial recognition of assets and liabilities in other than a business combination transaction, affecting neither the accounting nor taxable profit or loss, or pertain to the taxable temporary differences in respect of the investments in subsidiaries, associates and joint ventures, when deferred tax assets are recognized to the extent that it is probable that the temporary differences will reverse in the foreseeable future and that future taxable profits will be available against which those deductible temporary differences may be utilized.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the assets to be recovered. Unrecognized deferred tax assets are reviewed at each reporting date and recognized to the extent that it is probable that there will be sufficient taxable profits against which deferred tax assets can be utilized.

Deferred tax assets and liabilities are computed using the prescribed tax rates effective in the year of acquiring entitlement to tax holidays for assets and in the year of deferred tax liability settlement for liabilities.

The current and deferred taxes are recognized within income and expenses and included in the net profit/loss for the year.

Deferred income taxes relating to items that are directly credited or charged to equity are also recognized under equity.

#### 3.7. Employee Benefits

##### 3.7.1. Short-Term Employee Benefits

Short-term benefits include employee salaries and benefits and all the related taxes and social insurance contributions and are recognized within expenses of the period when incurred.

In accordance with the regulations prevailing in the Republic of Srpska, Federation of Bosnia and Herzegovina and Brčko District, the Bank is under obligation to pay payroll contributions to the government social insurance funds. This obligation involves the payment of the tax and contributions on behalf of the employee, by the employer, in amounts calculated by applying the specific, legally prescribed rates. The Bank has no further liabilities in this respect after payment of payroll contributions.

##### 3.7.2. Other Employee Benefits

In accordance with the Labor Law, Collective Bargaining Agreement and the Bank's rules of Procedure, the Bank is obligated to pay retirement benefits to employees upon retirement. The entitlement to such benefits is acquired by employee staying in service until the prescribed retirement age and/or for the prescribed minimum number of years of service. The expected retirement benefit costs are accumulated over the service. Provisions for retirement benefits are assessed by independent certified actuaries on an annual basis and represent the present value of the expected future payments to employees.

Retirement benefit provisions are presented within the line item of other liabilities in the Bank's statement of financial position and are based on actuarial reports and are used only for the purposes they are intended for.

NOVA BANKA A.D. BANJA LUKA

## NAPOMENE UZ FINANSIJSKE IZVJEŠTAJE

### 3. PREGLED ZNAČAJNIH RAČUNOVODSTVENIH POLITIKA (nastavak)

#### 3.8. Gotovina i gotovinski ekvivalenti

Gotovina i gotovinski ekvivalenti iskazani u bilansu stanja i izvještaju o tokovima gotovine obuhvataju gotovinu u blagajni u domaćoj i stranoj valuti, novčana sredstva kod Centralne Banke Bosne i Hercegovine iznad iznosa obavezne rezerve, depozite po viđenju kod ostalih banaka i depozite kod banaka oročene na period do 30 dana.

#### 3.9. Obavezna rezerva kod Centralne banke

Obavezna rezerva kod Centralne banke je prikazana posebno i predstavlja iznos sredstava koji Banka mora ostvariti u toku svake dekade kao prosječno dnevno stanje na računu rezerve. Prosječno dnevno stanje se utvrđuje na osnovu propisanih procenata od prosječnog dnevnog stanja odgovarajuće vrste depozita u prethodnoj dekadi.

#### 3.10. Finansijski instrumenti (sredstva i obaveze): priznavanje i odmjerenje

Novi računovodstveni standard MSFI 9, kojeg je u julu 2014. godine objavio IASB i odobrila Evropska komisija Uredbom br. 2067/2016, od 01.01. 2018. godine zamjenjuje MRS 39, koji je do 31. decembra 2017. godine regulisao klasifikaciju i mjerenje finansijskih instrumenata. MSFI 9 je podijeljen u tri različita područja: klasifikacije i mjerenja finansijskih instrumenata, umanjenja vrijednosti i računovodstva zaštite.

U vezi sa prvim područjem, MSFI 9 predviđa da se klasifikacija finansijske imovine određuje, s jedne strane, obilježjima pripadajućih ugovornih novčanih tokova, a s druge strane namjerom upravljanja (poslovni model) finansijskim instrumentom.

Umjesto dosadašnje četiri računovodstvene kategorije, finansijska se imovina, prema MSFI 9, može klasifikovati u tri kategorije:

- a) Finansijska imovina koja se vrednuje po amortizovanom trošku,
- b) Finansijska imovina koja se vrednuje po fer vrijednosti kroz ostali ukupni rezultat (za dužničke instrumente rezerva se prenosi na bilans uspjeha u slučaju prestanka priznavanja instrumenta), te
- c) Finansijska imovina koja se vrednuje po fer vrijednosti kroz bilans uspjeha.

Klasifikacija zavisi od namjere zbog koje su finansijski instrumenti stečeni. Banka vrši klasifikaciju finansijskih sredstava prilikom početnog priznavanja i preispituje tu klasifikaciju na svaki datum izvještavanja.

Finansijska imovina se može klasifikovati u prve dvije kategorije i vrednovati po amortizacionom trošku ili po fer vrijednosti kroz ostali ukupni rezultatsamo ako se dokaže da ista dovodi do novčanih tokova koji su isključivo otplate glavnice i kamata (tzv. "solely payment of principal and interest" – "SPPI test"). Vlasničke hartije od vrijednosti uvijek se klasifikuju u treću kategoriju i vrednuju se po fer vrijednosti kroz bilans uspjeha, osim u slučaju da subjekt odabere (neopozivo, u trenutku početnog upisa) akcije koje se ne drže u svrhu trgovanja, klasifikovati po fer vrijednosti kroz ostali ukupni rezultat. Vežano za klasifikaciju i vrednovanje finansijskih obaveza, ne uvode se značajne promjene u odnosu na sadašnji standard.

Finansijska sredstva se inicijalno vrednuju po fer vrijednosti (uglavnom jednakom iznosu koji se plati ili primi) korigovanoj za nastale zavisne troškove kupovine ili njihovog emitovanja, izuzev finansijskih sredstava i obaveza koje su vrednovane po fer vrijednosti kroz bilans uspjeha.

Finansijska sredstva i finansijske obaveze se evidentiraju u bilansu stanja Banke od momenta kada se Banka ugovornim odredbama vezala za instrument. Kupovina ili prodaja finansijskih sredstava na redovan način priznaje se primjenom obračuna na datum kada je sredstvo isporučeno drugoj ugovorenoj strani.

Finansijska sredstva prestaju da se priznaju kada Banka izgubi kontrolu nad ugovorenim pravima nad tim instrumentima, što se dešava kada su prava korišćenja instrumenata realizovana, istekla, napuštena ili ustupljena. Finansijska obaveza prestaje da se priznaje kada je obaveza predviđena ugovorom ispunjena, otkazana ili istekla.

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### 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### 3.8. Cash and Cash Equivalents

For purposes of the cash flow statement, cash and cash equivalents include cash on hand in local and foreign currencies, balances on the accounts held with the Central Bank in excess of the obligatory reserve, and demand and short-term deposits with maturities of up to 30 days held with other banks.

#### 3.9. Obligatory Held with the Central Bank

The Bank's obligatory reserve held with the Central Bank represents the amount of funds the Bank must maintain within each decade as the average daily balance on the account of the obligatory reserve. The average daily balance is determined as the prescribed percentage share of the average daily balance of the appropriate type of deposits the Bank had during the previous decade.

#### 3.10. Financial Instruments (Assets and Liabilities): Recognition and Measurement

Newly adopted IFRS 9, issued by IASB in July 2014 and approved by the European Commission under Regulation (EU) 2016/575 dated January 1, 2018, superseded IAS 39, which had governed classification and measurement of financial instruments until December 31, 2017. IFRS 9 is divided into three sections, covering three different areas: classification and measurement of financial instruments, impairment and hedge accounting.

With regard to the classification and measurement, IFRS 9 stipulates that classification of financial assets be by characteristics of the contractual cash flows of the instruments on one end and, on the other, by managerial intention and purpose (business model) for which the instruments are held.

Instead of the previous four accounting categories, IFRS 9 defines three categories for classification of the financial assets:

- Financial assets measured at amortized cost (AC);
- Financial assets measured at fair value through other comprehensive income (FVtOCI) (for debt instruments, reserves are reclassified to the profit or loss upon derecognition); and
- Financial assets measured at fair value through profit or loss (FVtPL).

Classification depends on the purpose for which the financial instruments are acquired. The Bank classifies financial assets upon initial recognition and reviews the classification at each reporting date.

Financial assets may be classified into the first two categories and measured at either amortized cost or at fair value through other comprehensive income only if it can be demonstrated that such assets result in the cash flows that are solely payment of principal and interest ("SPPI test"). Equity securities are invariably classified into the third category and measured at fair value through profit or loss, save in the event that the entity elects (irrevocably, upon initial recognition) to classify shares not held for trading as assets at fair value through other comprehensive income. With regard to the classification and measurement of financial liabilities no significant changes are introduced in comparison to the previously effective standard.

Financial assets are initially measured at fair value (mostly equal to the amount paid or received), adjusted for the costs attributable to the acquisition or issue of assets, except for the financial assets or liabilities measured at FVtPL.

Financial assets and financial liabilities are recognized in the Bank's statement of the financial position on the date upon which the Bank becomes a party to the contractual provisions of a specific financial instrument. All regular way purchases and sales of financial assets are recognized on the settlement date, i.e., the date the assets are delivered to the counterparty.

The Bank derecognizes a financial asset when the Bank loses control over the contractual rights over the instrument, which occurs when the contractual rights to the cash flows from the financial asset have been realized, cancelled or ceded or have expired. Financial liabilities are derecognized when the contractual obligations are fulfilled, cancelled or have expired.

NOVA BANKA A.D. BANJA LUKA

NAPOMENE UZ FINANSIJSKE IZVJEŠTAJE

### 3. PREGLED ZNAČAJNIH RAČUNOVODSTVENIH POLITIKA (nastavak)

#### 3.10. Finansijski instrumenti (sredstva i obaveze): priznavanje i odmjeravanje (nastavak)

Finansijska sredstva i finansijske obaveze se mogu netirati i prikazati u neto iznosu u bilansu stanja, ako i samo ako Banka ima zakonsko pravo prebijanja priznatih iznosa sredstava i obaveza i ukoliko namjerava da izvrši izmirenje u neto iznosu ili da istovremeno realizuje sredstvo i izmiri obavezu.

U vezi sa umanjnjem vrijednosti, za instrumente koji se vrednuju po amortizacionom trošku i po fer vrijednosti kroz ostali ukupni rezultat (koji nisu vlasnički instrumenti), uvodi se model zasnovan na konceptu očekivanih gubitaka, umjesto sadašnjeg zasnovanog na pretrpljenim (odnosno nastalim) gubicima, s ciljem da se brže prepoznaju gubici. MSFI 9 zahtijeva da se očekivani gubici knjiže na nivou očekivanih gubitaka u sljedećih 12 mjeseci (Prvi nivo kreditnog rizika – 'Stage 1') od početnog priznavanja finansijskog instrumenta. Vremenski horizont za izračunavanje očekivanog gubitka postaje, umjesto toga, cijeli preostali život imovine koja je predmetom vrednovanja, gdje je kreditni kvalitet finansijskog instrumenta doživio "značajno" pogoršanje kreditnog rizika u odnosu na početna mjerenja (Drugi nivo kreditnog rizika – 'Stage 2') ili u slučaju da je imovina djelimično ili potpuno nenadoknadiva (Treći nivo kreditnog rizika – 'Stage 3'). Detaljnije, uvođenje novih propisa za umanjnje vrijednosti uključuje:

- Alokaciju prihodujuće finansijske imovine u različite nivoe kreditnog rizika ('staging'), kojima odgovaraju ispravke vrijednosti zasnovane na očekivanim gubicima tokom idućih 12 mjeseci (tzv. Nivo 1 – 'Stage 1') ili na očekivanim gubicima za cjelokupni preostali vijek trajanja instrumenta (tzv. Nivo 2 – 'Stage 2'), u prisutnosti značajnog povećanja kreditnog rizika;
- Alokaciju djelimično ili potpuno nenadoknadive finansijske imovine u tzv. Nivo 3 – 'Stage 3', uvijek s ispravkama vrijednosti baziranim na očekivanim gubicima tokom cijelog vijeka trajanja instrumenta;
- Uključivanje u izračun očekivanih kreditnih gubitaka ('ECL - Expected Credit Losses') procjena povezanih sa očekivanim budućim promjenama makroekonomskog okruženja.

#### a) Finansijska imovina koja se vrednuje po amortizovanom trošku

Finansijska imovina vrednovana po amortizovanoj vrijednosti je finansijsko sredstvo ili finansijska obaveza koja ispunjava sljedeća dva kriterijuma:

1. cilj poslovnog modela sredstva je držanje finansijskog sredstva radi naplate ugovoreni novčanih tokova,
2. ugovoreni uslovi finansijskog sredstva dovode do novčanih tokova koji predstavljaju samo plaćanje glavnice i kamate na stanje glavnice na određeni datum.

Inicijalno, finansijska imovina se vrednuje po fer vrijednosti uvećanoj za transakcione troškove koji su direktno povezani sa transakcijom sticanja sredstva.

Banka finansijske obaveze klasifikuje kao po amortizovanoj vrijednosti, izuzev za:

1. finansijske obaveze po fer vrijednosti kroz bilans uspjeha, koje se kao takve, uključujući i derivate koji su obaveze, trebaju naknadno mjeriti po fer vrijednosti.
2. finansijske obaveze koje nastaju kada prenos finansijske imovine ne ispunjava uslove za prestanak priznavanja ili kada se primjenjuje pristup neprekidnog učestvovanja.
3. ugovor o finansijskoj garanciji, koje se nakon početnog priznavanja vrednuju u iznosu koji je veći od:
  - iznosa rezervisanja za umanjnje vrijednosti za očekivane kreditne gubitke i
  - početno priznatog iznosa umanjenog za kumulativni iznos prihoda
4. obaveze kojima se osiguravaju zajmovi po kamatnim stopama koje su niže od tržišnih, koje se nakon početnog priznavanja vrednuju u iznosu koji je veći od:
  - iznosa rezervisanja za umanjnje vrijednosti za očekivane kreditne gubitke i
  - početno priznatog iznosa umanjenog za kumulativni iznos prihoda
5. nepredviđene naknade koje se naknadno mjere po fer vrijednosti kroz bilans uspjeha.

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### 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### 3.10. Financial Instruments (Assets and Liabilities): Recognition and Measurement (Continued)

Financial assets and liabilities are offset and the net amount reported in the statement of financial position when there is a legally enforceable right to offset the recognized amounts and the Bank has an intention to settle on a net basis or realize the asset and settle the liability simultaneously.

With regard to the impairment, for financial instruments measured at AC and instruments measured at FVtOCI (other than equity instruments), the Bank introduced a model based on the concept of expected credit losses (ECL) rather than previously applied model based on the suffered (incurred) losses for faster loss identification and recognition. IFRS 9 requires that expected credit losses be recorded as 12-month ECL (first credit risk level – 'Stage 1'), i.e., losses expected within 12 months from the initial recognition of the instrument. The time horizon for credit loss calculation expands to the lifetime expected credit losses for instruments where the credit quality of an instrument has undergone "Significant" increase or deterioration of the credit risk since initial measurement (second credit risk level – 'Stage 2') or in the event that an asset is partially or fully irrecoverable (third credit risk level – 'Stage 3'). In more detail, new rules for impairment entail:

- ☒ Allocation of the performing financial assets to different levels or stages of credit risk ('staging'), corresponding to the impairment allowances based on the expected credit loss calculations for 12-month credit losses ('Stage 1') expected credit losses over the life of an instrument ('Stage 2') with significant increase of the credit risk;
- ☒ Allocation of partially or fully irrecoverable financial assets to 'Stage 3', with impairment allowance based on the lifetime expected credit losses; and
- ☒ Inclusion of forward-looking information about the macroeconomic environment trends in the calculation of the expected credit losses ('ECL').

#### a) Financial Assets Measured at Amortized Cost (AC)

Financial assets measured at AC are financial assets that meet both of the following two criteria:

1. the asset is held within a business model whose objective is to hold assets in order to collect contractual cash flows; and
2. the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

Initially, financial assets are measured at fair value increased by transaction costs directly attributable to the asset acquisition.

The Bank classifies financial liabilities as liabilities at amortized cost (AC) except for:

1. Financial liabilities at fair value through profit or loss (FVTPL), which, including derivatives that are liabilities, are to be subsequently measured at fair value;
2. Financial liabilities arising when the transfer of financial assets does not meet the derecognition criteria or when there is continuing involvement;
3. Financial guarantee contracts, which after initial recognition are measured at the higher of:
  - the amount of impairment provisions for expected losses and
  - the initially recognized amount less cumulative income amount;
4. Financial liabilities securitizing borrowings at below-market interest rates, which after initial recognition are measured at the higher of:
  - the amount of impairment provisions for expected losses and
  - the initially recognized amount less cumulative income amount; and
5. Unforeseen fees subsequently measured at fair value through profit or loss.

NOVA BANKA A.D. BANJA LUKA

NAPOMENE UZ FINANSIJSKE IZVJEŠTAJE

### 3. PREGLED ZNAČAJNIH RAČUNOVODSTVENIH POLITIKA (nastavak)

#### 3.10. Finansijski instrumenti (sredstva i obaveze): priznavanje i odmjeravanje (nastavak)

##### b) Finansijska imovina koja se vrednuje po fer vrijednosti kroz ostali ukupni rezultat

Finansijska imovina vrednovana po fer vrijednosti kroz ostali ukupni rezultat, je finansijsko sredstvo ili finansijska obaveza koja ispunjava sljedeća dva kriterijuma:

1. cilj poslovnog modela sredstva je držanje finansijskog sredstva radi naplate ugovorenih novčanih tokova i prodaje finansijske imovine i
2. ugovoreni uslovi finansijskog sredstva dovode do novčanih tokova koji predstavljaju samo plaćanje glavnice i kamate na stanje glavnice na određeni datum.

Inicijalno, finansijska imovina se vrednuje po fer vrijednosti uvećanoj za transakcione troškove koji su direktno povezani sa transakcijom sticanja sredstva.

Kako je definisano MSFI 9 - Finansijski instrumenti, finansijska imovina koja se vrednuje po fer vrijednosti kroz ostali ukupni rezultat (FVtOCI) je:

- i. Dužnički instrumenti koji se drže u poslovnom modelu radi prikupljanja ugovorenih novčanih tokova ili prodaje (HtCoS) i novčani tokovi predstavljaju plaćanja glavnice i kamate koja predstavlja vremensku vrijednost novca (SPPI), a za koje nije odabrana opcija fer vrednovanja kroz Bilans uspjeha;
- ii. Vlasnički instrumenti za koje je odabrana opcija vrednovanja po fer vrijednosti kroz ostali ukupni rezultat (FVtOCI).

##### Ulaganja u vlasničke hartije od vrijednosti

Pri početnom priznavanju može se napraviti neopozivi izbor za priznavanje vlasničkog instrumenta (za svaki pojedini instrument) prema FVtOCI opciji. Ova se opcija odnosi samo na instrumente koji se ne drže radi trgovanja i nisu derivatni instrumenti.

Većina dobitaka i gubitaka od ulaganja u vlasničke instrumente za koje je odabrana FVtOCI opcija biće priznata u ostali ukupni rezultat (OCI). Dividende se priznaju u Bilansu uspjeha, osim ako predstavljaju povrat dijela troška ulaganja u taj instrument.

Dobici i gubici od promjene fer vrijednosti priznati u OCI nikada se neće reklasifikovati, odnosno prebaciti iz Ostalog ukupnog rezultata u Bilans uspjeha, pa čak niti nakon prestanka priznavanja instrumenta po kojem su nastale. Slijedom toga, nema ni potrebe za preispitivanjem takvih ulaganja za eventualno dodatno umanjeње vrijednosti. Rezerve u kapitalu nastale vrednovanjem ovih instrumenata (FVtOCI kapitalne rezerve) mogu se prenijeti na drugu komponentu kapitala.

##### Ulaganja u dužničke hartije od vrijednosti

U zavisnosti od poslovnog modela, karakteristika ugovorenih novčanih tokova te odabranih opcija dužnički instrumenti se vrednuju po fer vrijednosti kroz ostali ukupni rezultat. Fer vrijednost kroz Ostalu sveobuhvatnu dobit FVtOCI je klasifikacija za instrumente za koje postoji dvostruki poslovni model, tj. ciljevi poslovnog modela se postižu kako se novčana sredstva prikupljaju naplatom ugovornog novčanog toka, ali i putem prodaje finansijske imovine. Karakteristike ugovornih novčanih tokova instrumenata ove kategorije i dalje moraju biti isključivo naplate glavnice i kamata (SPPI CF).

Promjene fer vrijednosti dužničkih instrumenata klasifikovanih kao FVtOCI priznaju se u Ostali ukupni rezultat (OCI). Svi prihodi od kamata, dobiti i gubici od kursnih razlika i umanjeња vrijednosti priznaju se odmah u Bilansu uspjeha.

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### 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### 3.10. Financial Instruments (Assets and Liabilities): Recognition and Measurement (Continued)

##### b) Financial Assets Measured at Fair Value through Other Comprehensive Income (FVtOCI)

Financial assets measured at FVtOCI are financial assets that meet both of the following two criteria:

1. the asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
2. the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

Initially, financial assets are measured at fair value increased by transaction costs directly attributable to the asset acquisition.

IFRS 9 defines financial assets at FVtOCI as the following:

- i. Debt instruments held within the business model for collecting the contractual cash flows or for sale (HtCoS) and The contractual cash flows of the financial assets give rise to the cash flows that represent solely payments of principal and interest which represents the time value of money (SPPI) for which FVtPL option was not elected;
- ii. Equity instruments for which FVtOCI option has been chosen.

##### Investments in Equity Securities

Upon initial recognition, an irrevocable election may be made for equity instruments (for each individual instrument) to be measured at FVtOCI (FVtOCI option). This option refers only to the instruments that are not held for trading and are not derivatives. Most of the gains/losses on investments in equity instruments for which FVtOCI option has been elected, will be recognized within the other comprehensive income (OCI). Dividends are recognized within profit or loss unless they represent recoveries of partial costs of investing in such instruments.

Gains/losses on the changes in the fair value of such instruments will not be subsequently reclassified, i.e., transferred from the other comprehensive income to the profit or loss (income statement), even after derecognition of the underlying instruments. Therefore, there is no need to review and assess such investment for any additional impairment. Reserves within equity arising from revaluation of these instruments (FVtOCI reserves) may be transferred to another equity component.

##### Investments in Debt Securities

Based on the business model in which they are held, characteristics of the contractual cash flows and selected measurement option, debt instruments are measured at FVtOCI. FVtOCI is an appropriate classification for instruments within the business model of holding the assets to collect the contractual cash flows as well as for sale. The cash flows of such instruments must be solely payments of principal and interest (SPPI CF).

Changes in the fair value of debt instruments classified as FVtOCI are recognized within the other comprehensive income (OCI). All interest income, foreign exchange gains/losses and impairment losses on such instruments are recognized within the profit or loss (income statement).

Any change in the fair value of a debt instrument includes the effect of a change in the credit risk of the instrument's issuer. For all debt instruments measured at FVtOCI impairment allowances, i.e., provisions for expected credit losses (ECL provisions), need to be assessed and reported. Any changes in the amount of ECL provisions are recognized within the profit or loss, whereas the amount of impairment allowance is already included in the cumulative amount of the fair value adjustment presented within OCI.

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NAPOMENE UZ FINANSIJSKE IZVJEŠTAJE

### 3. PREGLED ZNAČAJNIH RAČUNOVODSTVENIH POLITIKA (nastavak)

#### 3.10. Finansijski instrumenti (sredstva i obaveze): priznavanje i odmjeravanje (nastavak)

##### b) Finansijska imovina koja se vrednuje po fer vrijednosti kroz ostali ukupni rezultat (nastavak)

Svaka promjena fer vrijednosti dužničkog instrumenta uključuje i efekt promjene kreditnog rizika izdavaoca tog finansijskog instrumenta. Za sve dužničke instrumente koji se mjere po FVTOCI potrebno je procijeniti i iskazati ispravke vrijednosti, odnosno rezervisanja za očekivane kreditne gubitke. Sve promjene u iznosu rezervisanja za očekivane kreditne gubitke priznaju se u Bilansu uspjeha, dok je iznos ispravka vrijednosti već uključen u kumulativnom iznosu promjene fer vrijednosti iskazan u ostalom ukupnom rezultatu. Ispravke vrijednosti priznaju se kroz Ostalu sveobuhvatnu dobit, kao dio ukupne promjene fer vrijednosti i njima se ne smije dodatno umanjiti knjigovodstvena vrijednost finansijske imovine u izvještaju o finansijskom položaju. Iznosi koji se priznaju u Bilansu uspjeha na ime promjene rezervisanja za očekivane kreditne gubitke moraju biti jednaki iznosima koji bi bili priznati u Bilansu uspjeha da je imovina mjerena po amortizacionom trošku.

Promjene fer vrijednosti koje su prethodno priznate u OCI-u u punom se iznosu reklasifikuju u Bilans uspjeha nakon prestanka priznavanja dužničkog instrumenta.

##### c) Finansijska imovina koja se vrednuje po fer vrijednosti kroz bilans uspjeha

Banka će svu drugu finansijsku imovinu mjeriti po fer vrijednosti kroz bilans uspjeha osim ako nije vrednovana po amortizovanom trošku ili po fer vrijednosti preko ostalog ukupnog rezultata. Međutim, Banka može napraviti neopozivi izbor pri početnom priznavanju za određena ulaganja u vlasničke hartije od vrijednosti ako na taj način uklanja ili značajno smanjuje nedosljednost u mjerenju i priznavanju koja bi inače nastala mjerenjem imovine ili obaveza ili priznavanje dobitaka i gubitaka od imovine i obaveza po različitim osnovama. Inicijalno, finansijska imovina se vrednuje po fer vrijednosti preko bilansa uspjeha kod kojih se transakcioni troškovi priznaju kroz trošak u bilansu uspjeha.

Kako je definisano MSFI 9 - Finansijski instrumenti, finansijska imovina koja se vrednuje po fer vrijednosti kroz Bilans uspjeha (FVTP) je:

1. Finansijska imovina koja se drži radi trgovanja, odnosno ne drži se u poslovnim modelima prikupljanja ugovorenih novčanih tokova ili prikupljanja ugovorenih novčanih tokova i prodaje (engl. NonHTC, NonHTCoS);
2. Dužnički instrumenti čiji novčani tokovi ne predstavljaju plaćanja glavnice i kamate koja prestavlja vremensku vrijednost novca (engl NonSPPI CF);
3. Vlasnički instrumenti za koje nije odabrana opcija vrednovanja po fer vrijednosti kroz ostali ukupni rezultat (FVTOCI);
4. Derivatni instrumenti.

Dobit ili gubitak po finansijskoj imovini ili finansijskoj obavezi mjerenoj po fer vrijednosti priznaje se u Bilansu uspjeha, osim u sljedećim slučajevima:

1. ako je ta dobit ili gubitak dio odnosa zaštite od rizika (engl. Hedge Relationship);
2. ako je riječ o ulaganju u vlasnički instrument i ako je subjekt odlučio prezentovati dobit i gubitke od tog ulaganja u ostali ukupni rezultat (FVTOCI);
3. ako je finansijska obaveza određena po fer vrijednosti kroz Bilans uspjeha i ako se efekti promjena vlastitog kreditnog rizika obaveze moraju prezentovati u ostalom ukupnom rezultatu.

##### Ulaganja u vlasničke hartije od vrijednosti

Sva ulaganja u vlasničke instrumente i ugovori o tim instrumentima moraju se mjeriti po fer vrijednosti. Međutim, u ograničenim okolnostima trošak sticanja može biti i odgovarajuća procjena fer vrijednosti za potrebe naknadnog mjerenja. To može biti slučaj ako za mjerenje fer vrijednosti nije dostupno dovoljno novijih podataka ili ako je na raspolaganju širok raspon mogućih mjerenja fer vrijednosti i trošak predstavlja najbolju procjenu fer vrijednosti u okviru tog raspona.

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3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

3.10. Financial Instruments (Assets and Liabilities): Recognition and Measurement (Continued)

b) Financial Assets Measured at Fair Value through Other Comprehensive Income (FVtOCI) (Continued)

Investments in Debt Securities (Continued)

Impairment allowances are recognized within OCI as part of the aggregate change in the fair value and may not be used to additionally reduce the carrying value of financial assets within the statement of financial position. The amounts recognized within the profit or loss as changes in the ECL provisions must be equal to the amounts that would be recognized within the profit or loss if these financial assets were to be measured at amortized cost.

Changes in the fair value of these instruments previously recognized within OCI are reclassified in full amounts to the profit or loss upon derecognition of the debt instruments.

c) Financial Assets Measured at Fair Value through Profit or Loss (FVtPL)

The Bank will measure all financial assets at FVtPL other than the financial assets measured at AC or at FVtOCI. However, the Bank may, at initial recognition, irrevocably designate a financial asset that would otherwise have to be measured at amortized cost or fair value through other comprehensive income to be measured at fair value through profit or loss if doing so would eliminate or significantly reduce a measurement or recognition inconsistency ('accounting mismatch') that would otherwise arise from measuring assets or liabilities or recognizing the gains and losses on them on different bases.

A financial asset is initially recognized at fair value through profit or loss (FVtPL) if the transaction costs thereof are recognized as expenses within the profit or loss (income statement).

Under IFRS 9, financial assets measured at fair value through profit or loss (FVtPL) include:

1. Financial assets held for trading, i.e., not classified into a business model where the assets are held to collect contractual cash flows or a business model where the assets are held to collect contractual cash flows or for sale (NonHtC, NonHtCoS);
2. Debt instruments whose contractual cash flows do not give rise to solely payments of principal and interest representing the time value of money (NonSPPI CF);
3. Equity instruments for which the Bank has not chosen the option of FVtOCI measurement; and
4. Derivative instruments.

Gains or losses on the financial assets/liabilities measured at fair value are recognized within the profit or loss, except in the following instances:

1. If the gain or loss is part of a hedge relationship;
2. If the Bank has decided to present gains or losses on the investment in an equity instrument within the other comprehensive income (OCI);
3. If arising on a financial liability designated at FVtPL and the effects of changes in the own credit risk must be presented within the other comprehensive income (OCI).

Investments in Equity Securities

All investments in equity instruments and contracts on such instruments must be measured at fair value. However, in limited circumstances, cost may be an appropriate estimate of fair value. That may be the case if insufficient more recent information is available to determine the fair value, or if there is a wide range of possible fair value measurements and cost represents the best estimate of fair value within that range.

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3. PREGLED ZNAČAJNIH RAČUNOVODSTVENIH POLITIKA (nastavak)

3.10. Finansijski instrumenti (sredstva i obaveze): priznavanje i odmjeravanje (nastavak)

c) Finansijska imovina koja se vrednuje po fer vrijednosti kroz bilans uspjeha (nastavak)

Pokazatelji koji ukazuju na to da trošak možda ne odražava fer vrijednost uključuju:

1. znatnu promjenu uspješnosti subjekta u koji se ulaže u poređenju sa proračunima, planovima ili ključnim etapama;
2. promjene očekivanja o ostvarenju ključnih etapa u razvoju tehničkog proizvoda primaoca ulaganja;
3. znatnu promjenu na tržištu u pogledu vlasničkog kapitala subjekta u koji se ulaže, njegovih proizvoda ili mogućih proizvoda;
4. znatnu promjenu u globalnoj privredi ili privrednom okruženju u kojem posluje subjekt u koji se ulaže;
5. znatnu promjenu uspješnosti uporedivih subjekata ili vrednovanja u okviru ukupnog tržišta;
6. unutrašnja pitanja primaoca ulaganja, kao što su prevare, poslovni sporovi, sudski postupak, promjene rukovodstva ili strategije;
7. dokaze iz vanjskih transakcija povezanih s vlasničkim kapitalom primaoca ulaganja, samog primaoca ulaganja (kao što je svježe izdanje vlasničkog kapitala) ili prenosima vlasničkih instrumenata između trećih strana.

Ulaganja u vlasničke hartije od vrijednosti vrednuju su po fer vrijednosti kroz Bilans uspjeha ukoliko za njih nije odabrana opcija vrednovanja FVtOCI. Vlasnički se instrumenti ne mogu mjeriti po trošku sticanja, niti nekoj drugoj troškovnoj metodi.

Ulaganja u dužničke hartije od vrijednosti

U zavisnosti od poslovnog modela, karakteristika ugovoreni novčanih tokova te odabranih opcija dužnički instrumenti se vrednuju po fer vrijednosti kroz Bilans uspjeha u sljedećim situacijama:

	Poslovni model	Karakteristike novčanih tokova	FVtPL Opcija
1.	Ostalo (ili HfT) – odnosno instrument nije klasifikovan u prva dva poslovna modela (NonHtC i NonHtCoS)	N/A	N/A
2.	HtC ili HtCoS	Non SPPI novčani tokovi	N/A
3.	HtC ili HtCoS	SPPI novčani tokovi	DA

Za dužničke instrumente koji se mjere po fer vrijednosti kroz Bilans uspjeha nije potrebno procjenjivati očekivane kreditne gubitke te ih posebno iskazivati.

**Depoziti drugih banaka i komitenata**

Depoziti banaka i komitenata, kao i ostale kamatonosne finansijske obaveze se inicijalno priznaju po fer vrijednosti, umanjenom za nastale transakcione troškove, izuzev finansijskih obaveza koje se vrednuju po fer vrijednosti kroz bilans uspjeha. Nakon početnog priznavanja, kamatonosni depoziti i krediti se iskazuju po amortizovanoj vrijednosti.

**Izdati finansijski instrumenti i finansijske obaveze**

Izdati finansijski instrumenti ili njihove komponente se klasifikuju kao obaveze kada suština ugovornog odnosa ukazuje da Banka ima obavezu ili da isporuči gotovinu ili neko drugo finansijsko sredstvo imaoocu, ili da ispuni obavezu na drugačiji način. Takvi instrumenti uključuju iznose koji se duguju državi, kreditnim institucijama i klijentima. Nakon početnog priznavanja izdati finansijski instrumenti i ostala pozajmljena sredstva se naknadno vrednuju po amortizovanoj vrijednosti korišćenjem metode efektivne kamatne stope. Prihodi i rashodi se priznaju u bilansu uspjeha kada finansijska obaveza prestane da se priznaje, kao i kroz proces amortizacije.

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3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

3.10. Financial Instruments (Assets and Liabilities): Recognition and Measurement (Continued)

c) Financial Assets Measured at Fair Value through Profit or Loss (FVtPL) (Continued)

Investments in Equity Securities (Continued)

Indicators that cost might not be representative of fair value include:

1. a significant change in the performance of the investee compared with budgets, plans or milestones;
2. changes in expectation that the investee's technical product milestones will be achieved;
3. a significant change in the market for the investee's equity or its products or potential products;
4. a significant change in the global economy or the economic environment in which the investee operates;
5. a significant change in the performance of comparable entities, or in the valuations implied by the overall market;
6. internal matters of the investee such as fraud, commercial disputes, litigation, changes in management or strategy; and
7. evidence from external transactions in the investee's equity, either by the investee (such as a fresh issue of equity), or by transfers of equity instruments between third parties.

Investments in equity instruments are measured at FVtPL unless the Bank has elected FVtOCI option for their measurement. Equity instruments may not be measured at cost.

Investments in Debt Securities

Based on the business model, characteristics of the contractual cash flows and elected measurement options, debt instruments are measured at FVtPL in the following instances:

	Business model	Characteristic of CFs	FVtPL option
1.	Other (or Hft), i.e., the instrument is not classified into the models HtC or HtCoS (NonHtC and NonHtCoS)	N/A	N/A
2.	HtC or HtCoS	Non SPPI cash flows	N/A
3.	HtC or HtCoS	SPPI cash flows	YES

For debt instruments measured at FVtPL expected credit losses need not be estimated and separately presented.

Deposits Due to Banks and Customers

Deposits due to banks and customers, as well as other interest-bearing financial liabilities, are initially recognized at fair value net of transaction costs, except for the financial liabilities at fair value through profit or loss (FVtPL). After initial recognition, interest-bearing deposits and borrowings are carried at amortized cost (AC).

Issued Financial Instruments and Financial Liabilities

Issued financial instruments or their components are classified as liabilities, where the substance of the contractual arrangement results in the Bank having an obligation either to deliver cash or another financial asset to the holder, or otherwise fulfill the obligation. Such instruments include amounts due to the Government, credit institutions and customers. After initial recognition, issued financial instruments and other borrowings are subsequently measured at amortized cost using the effective interest method. Income and expenses are recognized in the income statement when the financial liabilities are derecognized as well as through the amortization process.

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### 3. PREGLED ZNAČAJNIH RAČUNOVODSTVENIH POLITIKA (nastavak)

#### 3.11. Prestanak priznavanja finansijskih sredstava i finansijskih obaveza

Finansijska sredstva

Finansijsko sredstvo (ili dio finansijskog sredstva ili grupe finansijskih sredstava) prestaje da se priznaje ukoliko:

- je došlo do isteka prava na gotovinske prilive po osnovu tog sredstva; ili
- je Banka prenijela pravo na gotovinske prilive po osnovu sredstva ili je preuzela obavezu da izvrši isplatu primljene gotovine po osnovu tog sredstva u punom iznosu bez materijalno značajnog odlaganja plaćanja trećem licu po osnovu ugovora o prenosu; ili
- je Banka izvršila prenos svih rizika i koristi u vezi sa sredstvom, ili nije niti prenijela niti zadržala sve rizike i koristi u vezi sa sredstvom, ali je prenijela kontrolu nad njim.

Kada je Banka prenijela prava na gotovinske prilive po osnovu sredstava ili je sklopila ugovor o prenosu, i pri tom nije niti prenijela niti zadržala sve rizike i koristi u vezi sa sredstvom, niti je prenijela kontrolu nad sredstvom, sredstvo se priznaje u onoj mjeri koliko je Banka angažovana u pogledu sredstva. Dalje angažovanje Banke, koje ima formu garancije na preneseno sredstvo, se vrednuje u iznosu knjigovodstvene vrijednosti sredstva ili iznosu maksimalne naknade koju bi Banka morala da isplati.

Finansijske obaveze

Finansijska obaveza prestaje da se priznaje ukoliko je ispunjenje te obaveze izvršeno, ukoliko je obaveza ukinuta ili ukoliko je isteklo važenje obaveze. U slučaju gdje je postojeća finansijska obaveza zamjenjena drugom obavezom prema istom povjeriocu, ali pod značajno promjenjenim uslovima ili ukoliko su uslovi kod postojeće obaveze značajno izmjenjeni, takva zamjena ili promjena uslova tretira se kao prestanak priznavanja prvobitne obaveze sa istovremenim priznavanjem nove obaveze, dok se razlika između prvobitne i nove vrijednosti obaveze priznaje u bilansu uspjeha.

#### 3.12. Obzvrjeđenje kredita i plasmana bankama i komitentima

Uvođenjem MSFI 9 došlo je do širenja koncepta umanjena vrijednosti finansijskih instrumenata koji se mjere metodom amortizacionog troška tako da on sada, osim identifikacije i procjene visine nastalih kreditnih gubitaka, uključuje i identifikaciju kreditnih gubitaka koji još uvijek nisu nastali, već Banka njihov nastanak očekuje u narednom periodu.

Primjenom novog standarda MSFI 9, kod kojeg iznos umanjena vrijednosti predstavlja iznos očekivanih kreditnih gubitaka po finansijskoj imovini, Banka svakoj svojoj izloženosti dodjeljuje određenu nenultu vjerovatnoću nastanka gubitaka

Procentna vrijednost očekivanih kreditnih gubitaka, koja se zasniva na parametrima kreditnog rizika računa se putem formule :

$ECL = PD \times LGD$

- ECL -očekivani kreditni gubici
- PD-vjerovatnoća defaulta
- LGD- gubitak po nastupanju statusa neizmirenja finansijskih obaveza

**Parametri kreditnog rizika**

**PD – Vjerovatnoća defaulta.** Za potrebe procjene vrijednosti PD parametra Banka je sve segmente kreditnih klijenata rasporedila u rejting klase. Svako rejting klasi, koja se smatra PD-homogenom grupom, je na odgovarajući način dodijeljena PiT (eng. "Point-in-Time") vrijednost PD-a. Za one klijente koji posjeduju dodijeljene kreditne rejtinge priznatih vanjskih agencija za procjenu boniteta, Banka koristi eksterne rejtinge i njima pridružene (javno dostupne) jednogodišnje PiT vrijednosti PD-a, kao i višegodišnje ročne strukture PD-a, dok za ostale klijente koristi interne rejtinge. Internim rejtingima su inicijalno dodijeljene odgovarajuće jednogodišnje PiT vrijednosti PD-a, kao i pripadajuća im višegodišnja ročna struktura PD-eva .

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### 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### 3.11. Derecognition of the Financial Assets and Liabilities

##### Financial Assets

The Bank derecognizes a financial asset (or part of an asset or a group of financial assets) if:

- the contractual rights to the cash flows from the financial asset have expired; or
- the Bank has transferred the right to the cash flows from the financial asset or assumed an obligation to make the payment of the cash received in respect of the assets in full amount, without materially significant delay in payment to a third party under the executed contract on such transfer; and
- the Bank has either transferred all the risks and rewards associated with the asset or has neither transferred nor retained substantially all the risks and rewards of ownership over the asset but has transferred control over the asset.

When the Bank transfers the contractual rights to the cash flows from a financial asset or executes a contract on such transfer, and thereby the Bank neither transfers nor retains substantially all the risks and rewards of ownership and it does not retain control of the financial asset, the asset is recognized to the extent of the Bank's involvement in respect of the asset. Any further involvement of the Bank in the transferred asset, in the form of a guarantee for the asset transferred, is measured at the lower of the asset's original carrying value and the maximum amount of the consideration the Bank will need to pay.

##### Financial Liabilities

A financial liability is derecognized when its contractual obligation is discharged, cancelled or expired. Where an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of the existing liability are substantially modified, such an exchange or modification is treated as derecognition of the original liability and the simultaneous recognition of a new liability, with the difference between the respective carrying amounts recognized in the income statement.

#### 3.12. Impairment of Loans and Receivables Due from Banks and Customers

IFRS 9 has broadened the concept of impairment of financial instruments measured at amortized cost so that it now, in addition to identification and assessment of incurred credit losses, includes identification of credit losses not yet incurred, but are expected to be incurred in future period(s). In line with IFRS 9, where the amount of impairment is the amount of expected credit losses (ECL) on financial assets, the Bank assigns to each exposure certain non-zero probability that a loss will be incurred.

Expected credit losses, expressed as percentage values based on the credit risk parameters, are calculated using the following formula:

$ECL = PD \times LGD$

- ECL – expected credit losses
- PD – probability of default
- LGD – loss given default

##### Credit Risk Parameters

PD – Probability of default. In order to obtain PD values, the Bank grouped all of its credit client segments into rating classes. Each rating class, deemed to be a PD-homogenous group, is appropriately assigned a "point-in-time" (PiT) PD value. For clients that have ratings assigned by reputable external credit rating agencies, the Bank uses those external ratings and 12-month PiT PDs assigned to them (publicly available), as well as lifetime PDs, whereas other clients are subject to the Bank's internal rating. Internal ratings are initially assigned 12-month PiT PDs and related lifetime PDs.

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### 3. PREGLED ZNAČAJNIH RAČUNOVODSTVENIH POLITIKA (nastavak)

#### 3.12. Obvezrjeđenje kredita i plasmana bankama i komitentima (nastavak)

**LGD – Gubitak po nastanku defaulta.** LGD predstavlja bančinu procjenu nivoa gubitka vezanog uz kreditni plasman u slučaju nastupanja statusa neispunjavanja obaveza (defaulta). Cjeloživotni LGD predstavlja skup procjena LGD-a kroz uzastopne različite periode post-defaultne (prisilne) naplate, koje Banka primjenjuje na sve periode unutar cjeloživotnog horizonta kreditnih plasmana, a ne samo na slučaj nastupanja statusa neispunjavanja kreditnih obaveza unutar sljedećih 12 mjeseci. S obzirom da vrijednost LGD-a ne zavisi od kretanja kreditne kvalitete primarnih izvora naplate klijenta, odnosno kretanju nivoa PD-a, može se uniformno primjenjivati u različitim podgrupama kreditnog rizika. Dobilene vrijednosti LGD-a se grupišu po LGD-homogenim grupama te se za svaku od njih procjenjuje reprezentativna vrijednost LGD parametra.

**EaD - Izloženost u trenutku defaulta.** EaD predstavlja procjenu nivoa do koje Banka može biti izložena dužniku u slučaju i u trenutku njegova defaulta. Procjena EaD se kod svakog kreditnog plasmana zasniva na s njim vezanim ugovornim i očekivanim novčanim tokovima dužnika do isteka ročnosti. Procjena očekivanih novčanih tokova se zasniva na istorijskim prijevremenim uplatama ("prepayment-ima"), kao i na ustanovljenom karakteru i snazi veze istorijskih prijevremenih uplata i promjena u kamatnim stopama, u svrhu određivanja očekivanih prijevremenih uplata u budućim scenarijima.

**Vjerovatnoćom ponderisani scenariji.** Standard zahtjeva da se očekivani kreditni gubici modeliraju po nekoliko unaprijedno-gledajućih scenarija, koji uzimaju u obzir vjerovatnoću nastupanja "stresnih" i povoljnih ekonomskih uslova, tako da rezultantna vrijednost ECL predstavlja vjerovatnoćom ponderisani broj zasnovan na rezultatima nekoliko analiziranih ekonomskih scenarija unutar kojih parametri kreditnog rizika (PD, LGD i EaD) imaju različite vrijednosti. Uticaj promjene ekonomskih uslova ustanovljava se analizom korelacija i regresijskih veza istorijskih vrijednosti makroekonomskih parametara i svakog od parametara kreditnog rizika.

U ovom trenutku je moguće prikupiti podatke samo za posljednje 4 godine kretanja makroekonomskih pokazatelja i stopa defaulta (posmatrano kao par). Na osnovu četverogodišnje serije parova makroekonomskih parametara i parametara kreditnog rizika (npr. GDP/capita – PD tokom 4 godine) nije moguće dobiti nikakvu statistički reprezentativnu korelaciju tih parametara, niti regresijsku vezu među njima, a budući ECL snažno zavisi (i iznosom i tačnošću) od vrijednosti PD-a i LGD-a, u takvim uslovima gdje nije moguće ekspertnu procjenu zavisnosti barem malo zasnivati na rezultatima kvantitativne analize bismo provođenjem makroekonomske korelacije samo nepotrebno narušili tačnost/adekvatnost iznosa ECL-a. Kada kvaliteta dostupnih podataka bude adekvatna, makroekonomski pokazatelji će biti korišteni u modelu, a kako je predviđeno i bančinom metodologijom.

#### Kategorizacija kreditnog rizika (Staging)

Banka, u svrhu procjene visine ispravki vrijednosti i rezervisanja za kreditne gubitke na osnovu procjene nivoa kreditnih gubitaka, na izvještajne datume, sva potraživanja razvrstava u jednu od sljedećih kategorija (Stage) kreditnog rizika:

- a) **Stage 1 (nizak nivo kreditnog rizika – „performing loans“)** - Označava kreditne izloženosti kod kojih nije utvrđen značajan porast kreditnog rizika (od trenutka početnog priznavanja). Za njih se ispravke vrijednosti, odnosno rezervisanja za kreditne gubitke, određuju na osnovu očekivanih kreditnih gubitaka u periodu od 12 mjeseci.
- b) **Stage 2 (povećan nivo kreditnog rizika – „underperforming loans“)** - Označava kreditne izloženosti kod kojih je utvrđen značajan porast kreditnog rizika od trenutka početnog priznavanja, međutim ne postoji objektivni dokaz umanjenja vrijednosti. Za njih se ispravke vrijednosti, odnosno rezervisanja za kreditne gubitke, određuju na osnovu cjeloživotnih očekivanih kreditnih gubitaka.
- c) **Stage 3 (utvrđeno umanjenje vrijednosti – „non-performing loans“)** - Označava kreditne izloženosti u statusu neispunjavanja finansijskih obaveza.
- d) **POCI imovina** - Flnansijska imovina čija je vrijednost u trenutku sticanja, dakle kupovine ili odobravanja bila umanjenja zbog postojanja značajnog kreditnog rizika.

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### 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### 3.12. Impairment of Loans and Receivables Due from Banks and Customers (Continued)

LGD – Loss given default. LGD represents the Bank's estimate of the amount of loss arising at the time/in the event that the loan goes into default. Lifetime LGD represent a set of LGD estimates through successive different periods of the post-default (enforced) recovery applied by the Bank to all periods within the lifetime horizon of loans and not only to the default within the next 12 months. Given that LGD is not dependent on the changes in the credit quality of the primary sources of collection from a borrower, i.e. PD movements, it can be uniformly applied to different credit subgroups. The obtained LGD values are grouped in LGD-homogenous groups and for each of those groups a representative LGD is estimated.

EaD – Exposure at default. EaD represent an estimate of the Bank's exposure to a client at/in case of a future default date. EaD estimate for each loan is based on the related contractual and expected cash flows of the borrower until the loan maturity expires. Expected cash flows are estimated based on the historical prepayments and the established nature and strength of the correlations between the historical prepayments and changes in interest rates for the purpose of determining expected prepayments in the future scenarios.

Probability-weighted scenarios. IFRS 9 requires that the expected credit losses be modelled according to several forward-looking scenarios, which take into account likelihood of both "distressing" and favorable economic conditions, so that the resulting ECL represents a probability-weighted number based on the results of several economic scenarios analyzed, in which credit risk parameters (PD, LGD and EaD) have different values. The impact of changes in the macroeconomic conditions is determined by analyzing correlations and regression relations between the historical macroeconomic parameters and each of the credit risk parameters.

At this point it is possible to obtain data on the movements of the macroeconomic parameters and default rates (in pair) for the last 4 years only. Based on the 4-year time series of pairs of the macroeconomic and credit risk parameters (e.g. GDP/capita – 4-year PD) it is not possible to obtain any statistically significant correlation of such parameters or a regression relation between them, since ECL is heavily dependent (both in terms of amount and accuracy) on PD and LGD values. In circumstances where it is not possible to base at least minimally an expert analysis of interdependence on the quantitative analysis results, use of the macroeconomic correlations would only unnecessarily compromise the accuracy/adequacy of ECL amount. When the available data quality is adequate, the Bank will use the macroeconomic parameters within the model, as prescribed by the Bank's adopted methodology.

#### Credit Risk Staging

For the assessment of the impairment allowances and provisions for credit losses based on the estimated expected credit losses at the reporting dates, the Bank classifies all its receivables into one of the following credit risk stages:

- a) Stage 1 (low credit risk level – "performing loans") – includes credit exposures where no significant increase of credit risk has been identified (since initial recognition). For such exposures, impairment allowances, i.e., provisions for credit losses are based on the 12-month expected credit losses.
- b) Stage 2 (increased credit risk level – "underperforming loans") – includes credit exposures where a significant increase of credit risk has been identified since initial recognition, however, there is no objective evidence of impairment. For such exposures, impairment allowances, i.e., provisions for credit losses are based on the lifetime expected credit losses.
- c) Stage 3 (assets with identified impairment – "non-performing loans") - includes credit exposures in default.
- d) POCI assets (purchased or originated credit-impaired financial assets) – are financial assets whose value was impaired upon acquisition, i.e., at the time of purchase or origination, due to significant credit risk.

For subsequent measurement of the financial assets at AC, at each reporting date, the Bank assesses whether there has been a significant increase in (deterioration of) the borrower's credit risk since initial recognition.

Translation of the report issued in the Serbian language

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### 3. PREGLED ZNAČAJNIH RAČUNOVODSTVENIH POLITIKA (nastavak)

#### 3.12. Obezvrjeđenje kredita i plasmana bankama i komitentima (nastavak)

Banka za potrebe naknadnog mjerenja finansijske imovine koja se mjeri po amortizacionom trošku, na svaki izvještajni datum utvrđuje da li je došlo do značajnog pogoršanja kreditnog rizika dužnika, u odnosu na početno priznavanje.

Za procjenu značajnog kreditnog rizika Banka koristi kvantitativne i kvalitativne inidkatore, koji su definisani standardom i propisani internom metodologijom (SICR Kriterijumi).

#### Izračun očekivanih gubitaka i troška umanjenja vrijednosti (grupna i pojedinačna osnova)

Banka primjenjuje dvije opšte metodologije izračuna očekivanih kreditnih gubitaka i iznosa ispravki vrijednosti plasmana:

- (1) metodologiju na grupnoj, odnosno portfeljnoj, osnovi i
- (2) metodologiju na individualnoj osnovi.

Metodologiju izračuna očekivanih kreditnih gubitaka i iznosa ispravki vrijednosti na grupnoj, odnosno portfeljnoj, osnovi Banka primjenjuje na izloženosti koje su klasifikovane u kategorije 1 (Stage 1) i 2 kreditnog rizika (Stage 2) . Navedena metodologija se primjenjuje i kod onih (neprihodujućih) izloženosti koje su razvrstane u kategoriju 3 (Stage 3) kredinog rizika, međutim nisu identifikovane kao pojedinačno značajne.

Metodologiju izračuna očekivanih kreditnih gubitaka i iznosa ispravki vrijednosti na individualnoj osnovi Banka primjenjuje kod onih (neprihodujućih) izloženosti koje su razvrstane u kategoriju 3 kreditnog rizika (Stage 3) koje su identifikovane kao pojedinačno značajne.

Ukoliko postoje objektivni dokazi da je došlo do gubitka usljed obezvrjeđenja, iznos gubitka se vrednuje kao razlika između knjigovodstvene vrijednosti sredstva i njegove procijenjene nadoknadive vrijednosti. Procijenjena nadoknadiva vrijednost je sadašnja vrijednosti budućih tokova gotovine diskontovana prvobitnom efektivnom kamatnom stopom sredstva. Obračun sadašnje vrijednosti procijenjenih budućih tokova gotovine finansijskog sredstva obezbjeđenog kolateralom, reflektuje tokove gotovine koji mogu nastati iz procesa realizacije kolaterala ili očekivanih tokova gotovine koji mogu nastati od priliva iz obavljanja redovne poslovne djelatnosti klijenta. Knjigovodstvena vrijednost sredstva se smanjuje korišćenjem računa ispravke vrijednosti i iznos gubitka se priznaje na teret bilansa uspjeha.

Gubici usljed obezvrjeđenja kredita i plasmana i ostalih finansijskih sredstava vrednovanih po amortizovanoj vrijednosti se evidentiraju u bilansu uspjeha. Krediti i sa njima povezana ispravka vrijednosti se u potpunosti isknižavaju kada ne postoje realni izgledi da će sredstva u budućnosti biti nadoknađena, a u skladu sa odlukom Uprave ili Nadzornog odbora Banke.

Kod POCl imovine Banka trenutno primjenjuje identičnu metodologiju izračuna ispravke vrijednosti kao i za Stage 3, te je interno obilježava kao S3 POCl, s obzirom da je najveći broj klijenata u defaultu razvrstan u POCl imovinu.

**Homogene grupe kreditnog rizika.** Pri upotrebi metodologije na grupnoj/portfeljnoj osnovi Banka vrši segmentaciju svog portfelja u homogene grupe kreditnog rizika na nivou kojih procjenjuje vrijednosti parametara kreditnog rizika (PD, LGD i CCF), a u konačnici i iznose očekivanih kreditnih gubitaka (ECL) i s njima vezanih umanjenja vrijednosti, po svakoj od definisanih homogenih grupa.

Banka je na osnovu istorijskih podataka, formirala statistički validne i pouzdane PD-homogene grupe, LGD-homogene grupe i Ead/CCF-homogene grupe, te je urađena:

- **PD segmentacija** izloženosti na osnovu segmenta klijenata i klasa kreditnih rejtinga,
- **LGD segmentacija** izloženosti na osnovu tipa kreditnog proizvoda u odnosu na prisutnost kolaterala (kolateralizovani / nekolateralizovani plasmani) i tipa post-defaultnog scenarija naplate ("izlječenje"/naplata, restruktuiranje, likvidacija kolaterala)
- **Ead/CCF segmentacija** izloženosti na osnovu segmenta klijenata i tipa kreditnog proizvoda

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#### 3.12. Impairment of Loans and Receivables Due from Banks and Customers (Continued)

For assessment of significant increase in credit risk, the Bank uses quantitative and qualitative indicators, defined by IFRS 9 and prescribed by the Bank's internal methodology (SICR criteria).

Calculation of expected credit losses (ECL) and impairment allowance charge (individual and collective assessment)

The Bank applies two general methodologies for calculation of ECLs and impairment allowances of loans:

- (1) assessment on the collective, i.e., portfolio, basis, and
- (2) assessment on the individual basis.

ECLs and impairment allowances are calculated based on the collective impairment assessment for exposures classified into Stage 1 and Stage 2. The same methodology is applied to the non-performing exposures classified into Stage 3 that are not identified as individually significant.

ECLs and impairment allowances are calculated based on the individual impairment assessment for exposures classified into Stage 3 (non-performing) that are identified as individually significant.

If there is objective evidence that an impairment loss has been incurred, the amount of the loss is measured as the difference between the asset's carrying value and its estimated recoverable amount. The estimated recoverable amount is the present value of the future cash flows discounted using the asset's original effective interest rate. Calculation of the present value of the expected future cash flows of an asset securitized with a collateral reflects the cash flows resulting both from the collateral foreclosure and the borrower's regular operating activities. The asset's carrying amount is reduced via the impairment allowance accounts and the impairment loss amount is charged to the income statement.

Impairment losses on loans and receivables and other financial assets measured at amortized cost are recorded in the income statement. Loans and the related impairment allowances are fully derecognized when there is no realistic prospect of future recovery, under the relevant decision of the Bank's Management or Supervisory Board.

For POCI assets, the Bank is currently using the same methodology as applied to Stage 3 exposures, and designates those internally as S3 POCI, given the fact that the largest number of the Bank's borrowers in default are classified into POCI asset category.

Homogenous credit risk groups. When applying its methodology for collective impairment assessment, the Bank performs portfolio segmentation into homogenous credit risk groups, based on which it assesses the credit risk parameters (PD, LGD and CCF) and ultimately the ECL amounts and related impairment allowances per each of the defined homogenous groups.

Based on the historical data, the Bank has formed statistically valid and reliable PD-homogenous groups, LGD-homogenous groups and EaD/CCF-homogenous groups and performed:

- ☒ PD segmentation of exposures based on the customer segment and credit rating classes;
- ☒ LGD segmentation of exposures based on the credit product type per collateral existence (collateralized / non-collateralized) and the type of post-default recovery scenario ("cure"/recovery, restructuring, collateral foreclosure);
- ☒ EaD/CCF segmentation of exposures based on the customer segment and the credit product type.

PD – Probability of default. Generally speaking, PD can be defined using statistical methods, expert estimates or a hybrid method (combining simultaneous expert and statistical approaches to arrive at certain elements of this parameter).

In order to ensure that the estimates of (both 12-month and lifetime) PDs used in ECL calculation are authentic and reliable measures of the default process during the lifetime of its exposures, the Bank adhered to the principle of unbiasedness and all other principles prescribed by IFRS 9.

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### 3. PREGLED ZNAČAJNIH RAČUNOVODSTVENIH POLITIKA (nastavak)

#### 3.12. Obezvrjeđenje kredita i plasmana bankama i komitentima (nastavak)

**PD – vjerovatnoća default-a** Uopšteno govoreći, vrijednost PD parametara se može odrediti statističkim metodama, po osnovu ekspertne procjene ili hibridnom metodom (koja istovremeno uključuje i ekspertno i statističko određivanje pojedinih dijelova potrebnih za procjenu parametra kreditnog rizika 1).

Kako bi osigurala da procjene (12-mjesečnih i višegodišnjih) vrijednosti PD-a koristi prilikom izračuna očekivanih kreditnih gubitaka budu vjerodostojne i pouzdane mjere procesa „defaultiranja“ tokom životnog vijeka svojih izloženosti, Banka se vodila načelima nepristranosti i svim ostalim smjernicama koje propisuje MSFI 9.

Prednosti rejtinga kao homogenih segmenata rizika neplaćanja su sljedeće:

- Pouzdani indikatori relativnog rizika neplaćanja;
- Brzo se prilagođavaju promjenama ekonomskih uslova;
- Svim se dužnicima može dodijeliti (eksterni ili interni) rejting;
- Mogu se koristiti i pri odobravanju, određivanju cijene i monitoringu kreditnih plasmana;
- Čak se i onim dužnicima kojima se u početku ne može na pouzdan način dodijeliti rejting, tzv. NR-klijentima (na primjer start-up preduzećima) može na konzistentan način (upotrebom statističkog modela) dodijeliti adekvatna vrijednost jednogodišnje stope defaulta i PiT jednogodišnje vrijednosti PD-a

**Struktura kreditnih rejtinga.** Klijenti koji ne posjeduju dodijeljene kreditne rejtinge priznatih eksternih agencija za procjenu boniteta, Banka koristi interne rejtinge. Interni rejtingi se sastoje od sljedećih komponenti: (1) interna ponašajna – behavioralni scoring, (2) aplikacijsko-finansijska – aplikacijski scoring kod stanovništva, odnosno finansijski scoring kod pravnih lica ili (3) eksterna ponašanja (vezane uz podatke iz lokalnog kreditnog biroa) – „credit bureau“ korekcija. Te se komponente kombinuju u finalni rejting klijenta na osnovu predefinisane spojne sheme, s tim da interni rejting (čak i u slučaju dijela nedostupnih ili nedovoljno ažurnih podataka) minimalno posjeduje barem jednu od spomenutih komponenti. Internim rejtingima su, putem interno razvijenih regresijskih modela, dodijeljene inicijalne jednogodišnje PiT vrijednosti PD-a.

**LGD – gubitak po nastanku default-a** Banka procjenjuje vrijednosti LGD-a putem tzv. **“work-out” metode** procjene, koja se zasniva na analizi istorijskih slučajeva procesa post-defaultne (prisilne) naplate. Putem ove metode dobija se procentna stopa post-defaultne (prisilne) naplate (RR-Recovery Rate). LGD predmetnog plasmana se dobije oduzimajući iznos procentne stope post-defaultne naplate od 100%.

**EaD – preostala izloženost** EaD podrazumijeva bilansne i vanbilansne pozicije (neiskorištene dijelove kreditne linije, odgođena potraživanja i potencijalnu buduću izloženost Banke), pri čemu se vanbilansne stavke obično ponderišu sa faktorima kreditne konverzije (CCF), a uopšteno se sastoji od trenutne i potencijalne buduće izloženosti, gdje se iznos potencijalne buduće izloženosti obično određuje statistički na osnovu istorijskih podataka.

Računovodstvena osnova za izračun ispravki vrijednosti (koja sadrži bilansne stavke, kao što su iskorišteni iznosi kreditnih linija/limita, te potraživanja po kamatama i naknadama) odvojena je od osnove za izračun rezervisanja (koja sadrži vanbilansne izloženosti, kao što su neiskorišteni dijelovi kreditnih linija/limita i potencijalne obaveze na primjer po garancijama i akreditivima).

Faktori kreditne konverzije (CCF) kao indikatore očekivane iskorištenosti vanbilansnih dijelova izloženosti u trenutku nastupanja defaulta, variraju s prirodom proizvoda, te se u pravilu procjenjuju na osnovu istorijskih podataka o iskorištenosti njihovih vanbilansnih dijelova. Vrijednosti CCF parametra se izražavaju kao prosječne vrijednosti po tipovima proizvoda (koji na taj način postaju CCF-homogeni segmenti).

U slučaju nedovoljne količine i/ili kvalitete relevantnih istorijskih podataka, koriste se **fiksne vrijednosti zasnovane na konzervativnim ekspertskim procjenama**, koje uvažavaju očekivanja regulatora.

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### 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### 3.12. Impairment of Loans and Receivables Due from Banks and Customers (Continued)

Credit ratings as homogenous default risk segments have the following advantages:

- Reliable indicators of the relative default risk;
- They adapt fast to the changes in the economic conditions;
- All borrowers can be assigned (either external or internal) credit rating;
- They can be used upon approval, pricing and monitoring of loans; and
- Even those borrowers that at onset cannot be reliably assigned credit rating, the so-called NR clients (e.g., start-up companies) may consistently (using a statistical model) be assigned an adequate 12-month default rate and a 12-month PiT PD.

Credit rating structure. For the borrowers without credit ratings assigned by the reputable external credit rating agencies the Bank uses internal ratings. Internal ratings consist of the following components: (1) internal behavior – behavioral scoring, (2) application- financial – application scoring for retail clients and financial scoring for corporate clients or (3) external behavior (related to the local credit bureau data) – “credit bureau” adjustment. Those components are combined into a final client rating based on the pre-defined matching scheme, with each internal rating mandatorily including at least one of the said components (even in instances of partially unavailable or insufficiently updated information). Internal ratings are assigned initial 12-month PiT PDs by means of internally developed regression models.

LGD – Loss given default. The Bank estimates LGD value through the so-called “work-out” estimation method, based on the analysis of the historical post-default (enforced) recoveries. This method results enables obtaining a post-default (enforced) recovery rate (RR) expressed as a percentage. LGD of a given exposure is arrived at by subtracting the post-default recovery rate percentage from 100%.

EaD – Outstanding exposure at default includes both on-balance and off-balance items (undrawn lines of credit, deferred receivables and contingent future exposures of the Bank), where the off-balance sheet items are usually weighted by credit conversion factors (CCF), and generally consists of both the current and contingent future exposures, whereby the amount of the contingent future exposure is commonly determined statistically based on the historical data.

The accounting basis for calculation of the impairment allowances (for the on-balance sheet items, such as drawn down amounts of credit lines/limits approved and interest, fee and commission receivables) is separated from the accounting basis for calculation of provisions (for the off-balance sheet items, such as undrawn amounts of credit lines/limits approved and contingent liabilities for guarantees and letters of credit).

Credit conversion factors (CCF), as indicators of the expected use of the off-balance sheet exposure portions at the time of default, vary according to the product nature and are therefore, as rule, estimated based on the historical data on the usage of the off-balance exposure portions. CCF values are expressed as an average per product type (which thus become CCF-homogenous segments).

In the event of insufficient quantity and/or quality of the historical data, the Bank uses fixed values based on the conservative expert estimates, which take into account expectation of the regulator.

#### Calculation of the Regulatory Provisions

In addition to the impairment allowances under IFRS 9, the Bank calculates regulatory reserves for potential credit and other losses for purposes of financial reporting to the Banking Agency of the Republic of Srpska and for calculation of the capital adequacy ratio, classification, calculation of the customer exposures, and other reports submitted to the Banking Agency of the Republic of Srpska.

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#### 3.12. Obezvrjeđenje kredita i plasmana bankama i komitentima (nastavak)

Obračun regulatornih rezervisanja

Banka pored obračuna ispravki vrijednosti po MSFI 9 vrši obračun regulatornih rezervisanja za potencijalne kreditne i druge gubitke koje služe za potrebe izvještavanja prema Agenciji za bankarstvo RS, odnosno za potrebe obračuna adekvatnosti kapitala, klasifikacije, izračuna izloženosti prema klijentima banke, kao i za ostale izvještaje koji se dostavljaju Agenciji za bankarstvo RS.

U skladu sa Odlukom o Odlukom o izmjeni i dopuni Odluke o minimalnim standardima za upravljanje kreditnim rizikom i klasifikaciju aktive banaka, donesenim od strane Agencije za bankarstvo Republike Srpske („Službeni glasnik Republike Srpske“ br. 49/13, 1/14 i 117/17) u daljem tekstu - „Odluka“, propisani su standardi i kriterijumi koje je banka dužna da osigura i sprovodi u ocjeni, preuzimanju, praćenju, kontroli, upravljanju kreditnim rizikom i klasifikaciji svoje aktive. Stavke aktive banke koje se klasifikuju u smislu ove Odluke čine: krediti, depoziti kod banaka, kamata i naknada, hartije od vrijednosti koje se drže do dospelja, hartije od vrijednosti koje su raspoložive za prodaju, učešće banke u kapitalu drugih pravnih lica i druga bilansna aktiva, osim, stavki bilansne aktive banke koje se ne klasifikuju i u vanbilansu banke: izdate garancije, avali, akcepti mjenica i drugi oblici jemstva, nepokriveni akreditivi, neopozivi odobreni a neiskorišteni krediti i sve druge stavke koje predstavljaju potencijalne obaveze Banke.

Na osnovu Odluke, krediti, kao i druga bilansna aktiva i sve navedene vanbilansne obaveze klasifikuju se u sljedeće kategorije: A („dobra aktiva“), B („aktiva sa posebnom napomenom“), C („substandardna aktiva“), D („sumnjiva aktiva“) i E („gubitak“). U skladu sa Odlukom, za plasmane klasifikovane u kategoriju A, Banka formira rezervisanja za kreditne rizike po stopi od 2%, a za kategorije B, C, D i E rezervisanja su sljedeća:

Kategorija B: aktiva sa posebnom napomenom	5% - 15%
Kategorija C: substandardna aktiva	16% - 40%
Kategorija D: sumnjiva aktiva	41% - 60%
Kategorija E: gubitak	100%

U skladu sa Odlukom, rezerve za kreditne gubitke predstavljaju rezerve, koje je Banka prilikom procjene kvaliteta aktive, odnosno klasifikacije stavke aktive, dužna da formira najmanje u skladu sa kriterijumima iz pomenute Odluke, uzimajući u obzir već formirane ispravke vrijednosti bilansne aktive i rezervisanja za gubitke po vanbilansnim stavkama u skladu sa internom metodologijom Banke o primjeni Međunarodnog standarda finansijskog izvještavanja 9.

Ako je iznos rezervi za kreditne gubitke veći od zbira iznosa ispravke vrijednosti bilansne aktive i rezervisanja za gubitke po vanbilansnim stavkama i već formiranih rezervi za kreditne gubitke, Banka je u obavezi da utvrđenu razliku tretira kao nedostajuće rezerve za kreditne gubitke i po regulatornom zahtjevu predstavlja odbitnu stavku od kapitala u skladu sa Odlukom o minimalnim standardima za upravljanje kapitalom i kapitalnoj zaštiti, a ukoliko je iznos ispravki vrijednosti i rezervisanja za gubitke po vanbilansnim stavkama veći od obračunatog iznosa rezervi za kreditne gubitke, Banka ne iskazuje nedostajuće rezerve po regulatornom zahtjevu. Počev od 31. decembra 2013. godine, izmjenom i dopunom Odluke o minimalnim standardima za upravljanje kreditnim rizikom i klasifikaciju aktive banaka, Banka nije u obavezi da vrši pokriće nedostajućih rezervi po regulatornom zahtjevu iz tekuće dobiti.

#### Reprogramirani krediti

Banka radije reprogramira kredite nego što realizuje sredstva obezbjeđenja, ukoliko ponovna ocjena boniteta klijenta to dozvoljava. To može da podrazumijeva produženje roka otplate kao i nove uslove kreditiranja, a izmjenom uslova ne smatra se da je kredit dospio. Banka kontinuirano kontrolise reprogramirane kredite kako bi se osiguralo ispunjenje svih kriterijuma, kao i budućih plaćanja.

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### 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### 3.12. Impairment of Loans and Receivables Due from Banks and Customers (Continued)

##### Calculation of the Regulatory Provisions (Continued)

The Decision of the Banking Agency of the Republic of Srpska on the Minimum Standards for Credit Risk Management and Classification of Bank Assets (Official Gazette of RS nos. 49/13, 1/14 and 117/17, hereinafter: the "Decision") prescribes standards and criteria the Bank is required to ensure and apply in the credit risk assessment, assumption, monitoring, control and management and in classification of its assets. Items that are subject to classification within the meaning of this Decision are: loans, deposits held with banks, interest, fees and commissions, securities held to maturity, securities available for sale, equity investments in other entities and other on-balance sheet assets and the following-off-balance sheet items: issued guarantees, acceptances, and other forms of sureties, unsecured letters of credit, irrevocable approved yet undrawn loans and all other items representing the Bank's contingent liabilities.

Based on the Decision, loans and other balance sheet assets and the aforesaid off-balance sheet liabilities are classified into the following categories: A ("good assets"), B ("watch list assets"), C ("substandard assets"), D ("doubtful assets") and E ("loss"). Under the Decision loans classified into category A are provided for at the rate of 2%, and the following provisioning rates are used for the categories B, C, D and E:

Category B: watch list assets	5% - 15%
Category C: substandard assets	16% - 40%
Category D: doubtful assets	41% - 60%
Category E: loss	100%

Under the Decision, reserves for credit losses represent reserves, or provisions, that the Bank is required to make upon assessment of the asset quality and upon asset classification according to the criteria defined by the said Decision, taking into account already made impairment allowances of balance-sheet assets and provisions for losses per off-balance sheet items under the Bank's internally adopted methodology on implementation of IFRS 9.

If the amount of the reserves for credit losses exceeds the sum of the impairment allowances of balance sheet assets and provisions for losses per off-balance sheet items, the Bank is required to treat this difference as the shortfall reserve for credit losses as per regulatory requirement, which represents an item deductible from capital in accordance with the Decision on the Minimum Standards for Capital Management and Capital Preservation. If otherwise (the sum of the impairment allowances of balance sheet assets and provisions for losses per off-balance sheet items exceeds the reserves for credit losses), the Bank is under no obligation to present the shortfall reserve for credit losses as per regulatory requirement. As from December 31, 2013, pursuant to the Amendments to the Decision on the Minimum Standards for Credit Risk Management and Classification of Bank Assets, the Bank has no longer under the obligation to use the current year's profit for absorption of the shortfall reserve as per the regulatory requirement.

##### Rescheduled/Restructured Loans

Wherever possible, the Bank seeks to reschedule/restructure loans rather than foreclose collaterals if the reassessment of the borrower's credit quality allows rescheduling/restructuring. This may entail extension of the repayment period (rescheduling) and/or agreement on the modified loan terms. Once the loan terms have been modified, the loan is no longer treated as past due. The Bank monitors rescheduled/restructured loans on an ongoing basis in order to ensure that all the criteria are met and future payments are made. Such loans will continue to be subject to individual or collective impairment assessment using the original effective interest rate.

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### 3. PREGLED ZNAČAJNIH RAČUNOVODSTVENIH POLITIKA (nastavak)

#### 3.12. Obezvrjeđenje kredita i plasmana bankama i komitentima (nastavak)

##### Kolaterali i drugi instrumenti, garancije osiguravajućih kuća i kompanija i zaštite od rizika

Politikom kolaterala Banka definiše prihvatljive kolaterale za pojednačne vrste plasmana. Osnovni tipovi kolaterala su sljedeći: novčani depoziti, hartije od vrijednosti osiguravajućih kompanija i banaka, hipoteka na nepokretnu i zaloga na pokretnu imovinu.

Tržišna vrijednost kolaterala se kontinuirano prati te, ukoliko ima potrebe, traže se dodatna sredstva obezbjeđenja u fazi odobravanja, kao i u toku korišćenja kredita. Banka u skladu sa internom metodologijom periodično u toku korišćenja kredita vrši analizu tržišne vrijednosti kolaterala i u skladu sa istom preispituje i usklađuje ispravku vrijednosti.

#### 3.13. Operativni lizing

Lizing je ugovor po kome zakupodavac prenosi na zakupca, uz jednokratno ili sukcesivno plaćanje, pravo da koristi sredstva na ugovoreno vrijeme.

Zakup sredstava kod kojih su sve koristi i rizici u vezi sa vlasništvom zadržani kod zakupodavca, odnosno nisu prenijeti na zakupca, evidentira se kao operativni lizing. Plaćanja poslovnog zakupa, priznaju se kao rashod perioda u bilansu uspjeha po proporcionalnom metodu (u momentu njihovog nastanka) tokom perioda trajanja zakupa.

#### 3.14. Nekretnine i oprema

##### 3.14.1. Priznavanje i vrednovanje

Prilikom inicijalnog priznavanja, nekretnine i oprema se vrednuju po nabavnoj vrijednosti ili cijeni koštanja, odnosno u ukupnom iznosu svih izdataka koji su neophodni da se sredstva dovedu u stanje raspoloživo za upotrebu. Nakon početnog priznavanja kao sredstva, nekretnine i oprema se knjiže po nabavnoj vrijednosti umanjenj za ukupnu akumuliranu amortizaciju i ukupne eventualne gubitke zbog umanjenja vrijednosti.

##### 3.14.2. Naknadnovrednovanje

Nekretnine i oprema se vrednuju po nabavnoj vrijednosti, bez uvećanja za izdatke svakodnevnog održavanja, umanjenj za akumuliranu amortizaciju i gubitke po osnovu obezvrijeđenja. Nabavna vrijednost nekretnine i opreme se uvećava za iznos naknadnih izdataka nastalih prilikom rekonstrukcije i zamjene dijelova opreme, u trenutku u kome je izdatak nastao pod uslovom da ispunjava uslove da se može pripisati nabavnoj vrijednosti sredstava.

##### 3.14.3. Amortizacija

Amortizacija se obračunava primjenom proporcionalne metode na nabavnu vrijednost nekretnina i opreme tokom procjenjenog korisnog vijeka upotrebe. Zemljište ne podliježe amortizaciji.

Stope amortizacije sredstava se kreću u sljedećim rasponima:

	2018. godina	2017. godina
Zgrade	1,3%	1,3%
Računarska oprema i srodna oprema	14,29% - 20,00%	14,29% - 20,00%
Automobili	12,50% - 15,00%	12,50% - 15,00%
Ulaganja u tuđa osnovna sredstva	6,49% - 85,71%	5,88% - 20,00%
Oprema i ostala sredstva	10,00% - 16,50%	10,00% - 16,50%

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### 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### 3.12. Impairment of Loans and Receivables Due from Banks and Customers (Continued)

##### Collaterals and Other Credit Enhancements, Guarantees of Insurers and Risk Hedges

The Bank's collateral policy defines acceptable collaterals for individual types of loans. The main types of collaterals obtained by the Bank are as follows: cash deposits, securities, guarantees of insurance companies and banks, mortgages assigned over property and pledge liens on movable assets.

The Bank monitors collateral market values on an ongoing basis and, if necessary, demand additional collateral in the loan approval phase and during loan usage. In accordance with the Bank's internal methodology, during the loan repayment, the Bank periodically assesses the market value of collaterals and reviews the impairment allowance accordingly.

#### 3.13. Operating Lease Arrangements

A lease agreement is a contract whereby the lessor transfers to the lessee, for a one-off payment or payments in succession, the right to use an asset leased over the agreed term.

If the lease terms stipulate retention of all the risks and rewards of ownership over the asset(s) lease by the lessor, i.e., do not transfer substantially all the risks and rewards of ownership to the lessee, such leases are classified as operating leases. Lease payments under an operating lease are recognized as an expense on a straight-line basis over the lease term.

#### 3.14. Property and Equipment

##### 3.14.1. Recognition and Measurement

Upon initial recognition, property and equipment are measured at cost or purchase, i.e., the aggregate amount of all costs incurred in acquisition and in bringing of an asset to the location and condition where it is ready to be put into use. After recognition as assets, items of property and equipment are carried at cost less accumulated depreciation and aggregate impairment losses, if any.

##### 3.14.2. Subsequent Measurement

Property and equipment are measured at cost not increased by the costs of regular daily maintenance, less accumulated depreciation and aggregate impairment losses, if any. Subsequent expenditure such as reconstruction and replacement of parts on the equipment increase the cost of property and equipment if qualifying for such recognition when incurred.

##### 3.14.3. Depreciation

Depreciation of property and equipment is calculated applying the straight-line method to the cost of assets over their estimated useful lives. Land is not depreciated.

Depreciation rates used by the Bank were in the following ranges:

	2018	2017
Buildings	1.3%	1.3%
Computers and computer equipment	14.29% - 20.00%	14.29% - 20.00%
Automobiles	12.50% - 15.00%	12.50% - 15.00%
Leasehold improvements	6.49% - 85.71%	5.88% - 20.00%
Equipment and other assets	10.00% - 16.50%	10.00% - 16.50%

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### 3. PREGLED ZNAČAJNIH RAČUNOVODSTVENIH POLITIKA (nastavak)

#### 3.14. Nekretnine i oprema (nastavak)

##### 3.14.3. Amortizacija (nastavak)

Sredstva u pripremi se amortizuju nakon stavljanja u upotrebu. Ulaganja u objekte koje Banka koristi u zakupu, amortizuju se na period trajanja zakupa.

Troškovi investicionog i tekućeg održavanja se iskazuju u bilansu uspjeha u trenutku njihovog nastanka.

##### 3.14.4. Prestanak priznavanja

Banka prestaje sa priznavanjem nekretnina i opreme u slučaju njihovog otuđenja ili njihovog povlačenja iz upotrebe, a iz njihovog otuđenja se ne očekuju buduće ekonomske koristi. Dobici i gubici koji se javljaju prilikom rashodovanja ili prodaje nekretnina i opreme, priznaju se u korist ili na teret bilansa uspjeha, kao dio ostalih operativnih prihoda i rashoda.

#### 3.15. Nematerijalna ulaganja

Prilikom inicijalnog priznavanja, nematerijalna sredstva se početno odmjeravaju po nabavnoj vrijednosti, odnosno vrednuju se u ukupnom iznosu svih izdataka koji su neophodni da se sredstvo dovede u stanje neophodno za upotrebu.

Nakon inicijalnog priznavanja, nematerijalna sredstva se vrednuju po nabavnoj vrijednosti, umanjenoj za akumuliranu amortizaciju i eventualne gubitke po osnovu obezvrijeđenja. Naknadni izdaci se mogu pripisati vrijednosti prethodno priznatog nematerijalnog sredstva, samo ako produžavaju očekivane buduće ekonomske koristi po osnovu takvog sredstva. Troškovi svakodnevnog održavanja se priznaju u bilansu uspjeha kao trošak perioda u kome nastanu.

Amortizacija nematerijalnog sredstva se priznaje u bilansu uspjeha u jednakim godišnjim iznosima tokom procijenjenog vijeka trajanja, budući da se na taj način najbolje odražava očekivana potrošnja upotrebe ekonomske vrijednosti sadržane u nematerijalnom sredstvu. Amortizacione stope nematerijalnih ulaganja kreću se u rasponu od 20% do 25%.

#### 3.16. Investicione nekretnine

Investicione nekretnine obuhvataju imovinu koju Banka koristi u cilju ostvarivanja prihoda od zakupnine. Investicione nekretnine se prilikom inicijalnog priznanja vrednuju po nabavnoj vrijednosti uvećane za zavisne troškove. Knjigovodstvena vrijednost se uvećava za izdatke nastale prilikom zamjene dijela postojeće investicione nekretnine od dana kada su izdaci nastali ukoliko su ispunjeni uslovi za njihovo priznavanje, dok se troškovi svakodnevnog održavanja investicione nekretnine ne pripisuje knjigovodstvenoj vrijednosti sredstava.

Banka prestaje sa priznavanjem investicione nekretnine u slučaju njihovog otuđenja ili u slučaju njihovog povlačenja iz upotrebe, a iz njihovog otuđenja se ne očekuju buduće ekonomske koristi. Gubici i dobiti nastali usljed otuđenja ili povlačenja investicione nekretnine iz upotrebe se priznaju u bilansu uspjeha perioda u kome su nastali.

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### 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### 3.14. Property and Equipment (Continued)

##### 3.14.3. Depreciation (Continued)

Assets in progress are depreciated after being put into use. Leasehold improvements are depreciated over the respective lease terms.

Major maintenance and current maintenance costs are recognized as expenses in the income statement as incurred.

##### 3.14.4. Derecognition

Property and equipment are derecognized upon their disposal or retirement, when future economic benefits are no longer expected. Gains or losses arising on retirement or disposal of the property and equipment are credited or charged to the income statement, within other operating income and expenses.

#### 3.15. Intangible Assets

Upon initial recognition, intangible assets are measured at cost, i.e., at the i.e., the aggregate amount of all costs incurred in acquisition and in bringing of an asset to the location and condition where it is ready to be put into use.

Subsequently, intangible assets are measured at cost less accumulated amortization and aggregate impairment losses, if any. Subsequent expenditures increase the cost of a previously recognized intangible asset only if they extend the useful life or increase the economic benefits of the asset. Daily maintenance costs are recognized as expenses in the income statements of the period in which they are incurred.

Amortization of intangible assets, recognized in the income statement within expenses, is computed on a straight-line basis, in equal annual amounts written down during the useful lives of assets as this best reflects the expected consumption of the economic value of the intangible assets. Amortization rates applicable to the Bank's intangible assets range from 20% to 25%.

#### 3.16. Investment Property

Investment property is the property used by the Bank for earning rental income. Upon initial recognition investment property is measured at cost increase by the acquisition-related costs. The carrying value of investments property is increased for the subsequent expenditure incurred in replacement of a portion of the existing investment property items if qualifying for such recognition, while the costs of daily maintenance are not added to the assets' carrying values.

The Bank derecognizes investment property upon its disposal or retirements, when future economic benefits are no longer expected from such assets. Gains or losses arising on disposal or retirement of investment property are recognized in the income statement of the period in which the occurred.

#### 3.17. Assets Acquired in Lieu of Debt Collection

In accordance with the Bank's intention and the relevant decision of the Bank's competent body, the assets acquired in lieu of debt collection are classified as:

- assets held for sale or
- investment property.

Within assets acquired in lieu of debt collection the Bank records tangible assets received in the process of recovery of receivables. The Bank acquires possession of such tangible assets by foreclosure of collaterals such as mortgage and pledge liens. Movable and immovable (property) assets acquired in the process of collection are recognized in the Bank's books as held for sale.

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### 3. PREGLED ZNAČAJNIH RAČUNOVODSTVENIH POLITIKA (nastavak)

#### 3.15. Sredstva stečena naplatom potraživanja

Sredstva stečena naplatom potraživanja se u skladu sa namjerom Banke i odlukom odgovarajućeg nadležnog organa Banke klasifikuju kao:

- sredstva namijenjena prodaji ili
- investicione nekretnine.

Banka na sredstvima stečenim naplatom potraživanja iskazuje materijalna sredstva primljena po osnovu naplate potraživanja. Banka dolazi u vlasništvo materijalnih sredstava realizacijom zaloga nad kreditima i plasmanima. Pokretna i nepokretna sredstva stečena naplatom potraživanja priznaju se u poslovnim knjigama s namjerom prodaje iste.

U skladu sa relevantnim MRS i MSFI ova sredstva se inicijalno priznaju po trošku sticanja. Nakon početnog priznavanja vrši se usklađivanje knjigovodstvene vrijednosti sa fer vrijednošću sredstava stečenih naplatom potraživanja, kao i usklađivanje ukoliko dođe do obezvrjeđenja sredstava u smislu pada nadoknadive vrijednosti. Gubici od umanjenja vrijednosti se priznaju na teret rashoda perioda.

#### 3.16. Obezvrjeđenje nefinansijskih sredstava potraživanja

Banka procjenjuje na dan bilansa stanja, knjigovodstvene vrijednosti nefinansijskih sredstava: nekretnina i opreme, nematerijalnih ulaganja, investicionih ulaganja i materijalne aktive. Ukoliko postoji indikacija da je sredstvo obezvrjeđeno, procjenjuje se nadoknadiva vrijednost kako bi se odredio gubitak po osnovu obezvrjeđenja. Ukoliko se utvrdi da je nadoknadiva vrijednost sredstva manja od knjigovodstvene vrijednosti, knjigovodstvena vrijednost se umanjuje do procjenjenog iznosa nadoknadive vrijednosti. Nadoknadiva vrijednost sredstava utvrđuje se kao vrijednost koja je veća od upotrebne vrijednosti sredstva i njegove fer vrijednosti.

Za sredstva koja podliježu amortizaciji, odnosno za nekretnine i opremu i nematerijalna ulaganja, provjera da li je došlo do umanjenja njihove vrijednosti vrši se kada događaji ili izmjenjene okolnosti ukažu da knjigovodstvena vrijednost možda neće biti nadoknadiva. Gubitak zbog umanjenja vrijednosti se priznaje u visini iznosa za koji je knjigovodstvena vrijednost sredstva veća od njegove nadoknadive vrijednosti.

Za sredstva koja ne podliježu amortizaciji, odnosno za investiciona ulaganja i materijalnu aktivu, procjena da li je došlo do umanjenja njihove vrijednosti vrši se na godišnjem nivou i kada događaji ili izmjenjene okolnosti ukažu da knjigovodstvena vrijednost neće biti nadoknadiva. Gubitak zbog obezvrjeđenja se priznaje u iznosu razlike na teret rashoda.

Nefinansijska imovina za koju je izvršeno umanjenje vrijednosti procjenjuje se na svaki datum izvještavanja radi mogućeg ukidanja umanjenja vrijednosti. Gubitak od umanjenja vrijednosti se ukida ukoliko je došlo do promjene u procjenama koje su bile korištene za određivanje nadoknadivog iznosa. Gubitak od umanjenja vrijednosti smanjuje se najviše do iznosa knjigovodstvene vrijednosti imovine koja ne prelazi knjigovodstvenu vrijednost imovine koja bi bila utvrđena, umanjena za akumuliranu amortizaciju, u slučaju da nije bio priznat gubitak po osnovu obezvrjeđenja.

Banka je na dan 31. decembra 2018. godine sprovela test umanjenja vrijednosti nefinansijskih sredstava na osnovu kojeg nije bilo potrebe za umanjenjem vrijednosti nekretnina.

#### 3.17. Finansijske garancije

U uobičajenom toku poslovanja Banka, odobrava finansijske garancije koje se sastoje od plativih i činidbenih garancija, akreditiva i drugih poslova jemstva. Finansijske garancije se inicijalno priznaju u vanbilansnoj aktivi po fer vrijednosti, a nakon inicijalnog priznavanja, obaveze Banke koje proističu iz finansijskih garancija vrednuju se u iznosu amortizovane naknade ili iznosu najbolje procjene troškova neophodnim da bi se izmirila finansijska obaveza koja nastaje kao rezultat garancije, u zavisnosti koji je iznos veći.

Po osnovu finansijske garancije, povećanje obaveza se iskazuje u okviru bilansa stanja, a primljene naknade se priznaju u korist bilansa uspjeha u okviru prihoda od naknada i provizija tokom perioda korištenja garancije.

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### 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### 3.17. Assets Acquired in Lieu of Debt Collection (Continued)

In accordance with the relevant IAS and IFRS such assets are initially recognized at cost. After the initial recognition, the carrying values of such assets are adjusted to their fair market values and in instances of the decline in their realizable values, impairment losses are recognized as expenses in the income statement for the year.

#### 3.18. Impairment of Non-Financial Assets

At each reporting date, the Bank assesses the carrying values of its non-financial assets – property and equipment, intangible assets, investment property and tangible assets acquired in lieu of debt collection for indications of impairment. If there is an indication that an asset has been impaired, the Bank assesses its recoverable amount in order to determine the impairment loss. If the asset's carrying value exceeds its recoverable amount, the carrying value is reduced to the assessed recoverable amount. The recoverable amount is the higher of an asset's fair value and the value in use.

Assets subject to depreciation/amortization, i.e., property, equipment and intangible assets, are assessed for impairment whenever events or changed circumstances indicate that the carrying values of such assets may not be recovered. An impairment loss is recognized within expenses in the amount that an asset's carrying amount exceeds its recoverable amount.

Non-depreciable assets, i.e., investment property and assets acquired in lieu of debt collection, are assessed for impairment on annual basis or whenever events or changed circumstances indicate that the carrying values of such assets may not be recovered. An impairment loss is recognized within expenses in the amount that an asset's carrying amount exceeds its recoverable amount.

The impaired non-financial assets are reviewed at each reporting date for possible impairment reversal. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, taking into account depreciation charge, if no impairment loss had been recognized.

As of December 31, 2018, the Bank had its non-financial assets tested for impairment and concluded that there were no grounds for impairment of its property.

#### 3.19. Financial Guarantees

In the normal course of business, the Bank issues financial guarantees comprising payment and performance guarantees, letters of credit and other sureties. Financial guarantees are initially recognized within the Bank's off-balance sheet assets at fair value. Subsequently, the Bank's contingent liabilities arising from the financial guarantees are measured at the higher of amortized costs and the best estimate of the present value of expected payment necessary to settle the financial liability resulting from the guarantee.

Increase in liabilities per financial guarantees is presented in the statement of the financial position, while considerations received are recognized in the income statement within fee and commission income over the validity period of the guarantee.

#### 3.20. Managed Funds

The Bank manages funds for and on behalf of third parties. These funds do not constitute part of the Bank's assets, and, therefore, they are excluded from the statement of financial position. The Bank receives fee income for providing these services and does not bear any credit risk.

NOVA BANKA A.D. BANJA LUKA

NAPOMENE UZ FINANSIJSKE IZVJEŠTAJE

### 3. PREGLED ZNAČAJNIH RAČUNOVODSTVENIH POLITIKA (nastavak)

#### 3.18. Sredstva u ime i za račun trećih osoba

Banka upravlja sredstvima u ime i za račun pravnih lica. Navedena sredstva ne čine dio imovine Banke i isključena su iz njenog bilansa. Za pružene usluge Banka ostvaruje naknadu.

#### 3.19. Rezervisanja

Rezervisanja se priznaju kada Banka ima sadašnju obavezu (zakonsku ili izvedenu) kao rezultat prethodnog događaja, za koje je vjerovatno da će biti potreban odliv ekonomskih koristi da bi obaveza bila izmirena i za koju je moguće izvršiti pouzdanu procjenu iznosa obaveze. U slučajevima kada je efekat vremenske vrijednosti novca materijalan, iznos rezervisanja predstavlja sadašnju vrijednost izdataka za koje se pretpostavlja da će biti dovoljni da se obaveze izmire.

#### 3.20. Kapital

Kapital se sastoji od akcijskog kapitala, emisionog ažia, rezervi kapitala (opštih zakonskih rezervi i ostalih rezervi), neraspoređene dobiti iz ranijih godina, neto dobiti tekućeg perioda, rezervi za kreditne gubitke po regulatornom zahtjevu i revalorizacionih rezervi.

##### Akcijski kapital

Akcijski kapital predstavlja nominalnu vrijednost uplaćenih običnih akcija klasifikovanih kao kapital i denominovan je u BAM.

##### Emisiona premija

Emisiona premija predstavlja pozitivnu razliku između uplaćene vrijednosti običnih akcija i njihove nominalne vrijednosti po osnovu emisija akcija.

##### Rezerve iz dobiti

Rezerve iz dobiti formirane su u skladu sa Zakonom o preduzećima Republike Srpske koji zahtijeva da se 5% dobiti tekuće godine izdvoji u zakonske rezerve sve do iznosa 10% akcijskog kapitala. Zakonske rezerve do 10% akcijskog kapitala mogu se koristiti za pokriće gubitaka tekuće i prošlih godina.

##### Regulatorne rezerve za procijenjene gubitke iz dobiti

Kao što je već navedeno u napomeni 3.12. regulatorne rezerve za procijenjene gubitke iz dobiti predstavljaju razliku između umanjenja vrijednosti izračunatog u skladu sa zahtjevima MSFI-a i umanjenja vrijednosti izračunatog u skladu sa propisima ABRS-a.

Stanje u rezervama na datum izvještaja predstavlja iznos za koji je umanjena vrijednost izračunata u skladu sa propisima ABRS-a bila veća od izračunatog u skladu sa MSFI.

Iznos nedostajuće rezerve za kreditne gubitke po regulatornom zahtjevu na dan 31. decembar 2018. godine predstavlja odbitnu stavku od regulatornog kapitala prilikom obračuna adekvatnosti kapitala Banke.

##### Revalorizacione rezerve

Revalorizacione rezerve se odnose na nerealizovane neto dobitke i gubitke formirane kao rezultat svođenja na tržišnu vrijednost ulaganja u hartije od vrijednosti po fer vrijednosti kroz ostali ukupni rezultat.

##### Dividende

Dividende na akcije evidentiraju se kao obaveza u periodu u kojem je donijeta odluka o njihovoj isplati.

#### 3.21. Zarada po akciji

Zarada po akciji izračunava se dijeljenjem neto dobiti koja pripada akcionarima, vlasnicima običnih akcija Banke, ponderisanim prosječnim brojem izdatih običnih akcija u toku izvještajnog perioda.

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### 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### 3.21. Provisions

Provisions are recognized when the Bank has a present legal or constructive obligation as a result of past events, if it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate of the amount of the obligation can be made. Where the effect of the time value of money is material, the amount of provision is the present value of expenditures expected to be required to settle the obligation.

#### 3.22. Equity

The Bank's equity is comprised of the share capital, share premium, equity reserves (general legal and other reserves), prior years' retained earnings, current year's net profit, reserves for credit losses as per regulatory requirement and revaluation reserves.

##### Share Capital

The share capital comprises regular (ordinary) shares paid in and is stated in BAM at nominal value.

##### Share Premium

The share premium represents the accumulated positive difference between the paid in amount of the common stock (regular) shares and their nominal (par) value per share issue.

##### Reserves from Profit

Reserves from profit were formed in accordance with the Company Law of the Republic of Srpska, which requires that 5% of the current year's profit be allocated to the legal reserves each year until such reserves attain the amount of 10% of the Bank's share capital. Legal reserves may then be used for absorption of the current and prior years' losses.

##### Regulatory Reserves from Profit for Estimated Credit Losses

As stated in Note 3.12, regulatory reserves for estimated losses represent the difference between the impairment allowances calculated in accordance with IFRS requirements and the impairment and provisions calculated in accordance with the regulations of the Banking Agency of the Republic of Srpska (BARS). The balance of such reserves as of the reporting date represents the amount for which the impairment and provisions calculated under BARS regulations exceed the impairment allowances calculated under IFRS.

As of December 31, 2018, the amount of shortfall reserves for estimated credit losses as per the regulatory requirement represent a regulatory capital deductible item upon calculation of the Bank's capital adequacy ratios.

##### Revaluation Reserves

Revaluation reserves relate to the unrealized gains or losses, net resulting from the fair market value adjustments of securities at fair value through other comprehensive income (FVtOCI).

##### Dividends

Dividends on ordinary shares are recognized as a liability in the period in which a decision on their payment to the shareholders is made.

#### 3.23. Earnings per Share

Earnings per share are calculated by dividing the net profit attributable to the holders of the Bank's ordinary shares by the weighted average number of shares outstanding over the reporting period.

NOVA BANKA A.D. BANJA LUKA

## NAPOMENE UZ FINANSIJSKE IZVJEŠTAJE

### 4. ZNAČAJNA RAČUNOVODSTVENA RASUĐIVANJA I PROCJENE

Banka vrši procjene i pretpostavke o efektima koje će imati vrijednosti sredstava i obaveza iskazani u finansijskim izvještajima u narednoj finansijskoj godini. Procjene i prosuđivanja se neprekidno evidentiraju i zasnivaju se na istorijskom iskustvu i drugim faktorima, uključujući očekivanja budućih događaja za koje se smatra da će u datim okolnostima biti razumna.

Procjene i prosuđivanja koja bi mogla da izazovu materijalne promjene knjigovodstvenih iznosa sredstava i obaveza u toku sljedeće finansijske godine opisane su u nastavku teksta.

#### 4.1. Gubici zbog obezvrjeđenja potraživanja

Banka vrši analizu kreditnog portfolija u cilju procjene obezvrjeđenja potraživanja najmanje na kvartalnom nivou. U procesu utvrđivanja da li u bilansu uspjeha treba prikazati gubitak zbog obezvrjeđivanja, Banka prosuđuje da li postoje pouzdani dokazi koji pokazuju mjerljivo smanjenje procijenjenih budućih tokova gotovine od kreditnog portfolija, prije nego što se smanjenje može identifikovati na pojedinačnom kreditu u tom portfoliju. Ovi dokazi mogu uključivati raspoložive podatke koji ukazuju na to da je nastala nepovoljna promjena u statusu dužnika u pogledu plaćanja obaveza prema Banci ili na nacionalne ili lokalne okolnosti koji su u korelaciji sa neizvršenjem obaveza.

Procjena postojanja objektivnih dokaza o obezvrjeđenju se sprovodi na individualnom nivou finansijskih sredstava koja su pojedinačno značajna. Procjena na grupnom nivou se radi za potraživanja koja nisu individualno značajna i za obezvrjeđenja koja su sadržana u portfoliju a za koje ne postoji objektivni dokaz o pojedinačnom obezvrjeđenju.

Procjena na grupnom nivou zavisi od vrste dužnika, vrste plasmana i ročnosti, kao i podgrupe sa sličnim karakteristikama.

Banka vrši procjene na bazi iskustva o ostvarenim gubicima po kreditima iz prethodnih perioda za sva sredstva sa karakteristikama kreditnog rizika i objektivnim dokazima o umanjenju vrijednosti koji su slični karakteristikama sredstava u portfoliju.

#### 4.2. Utvrđivanje fer vrijednosti finansijskih instrumenata

Fer vrijednost finansijskih instrumenata kojima se trguje na aktivnom tržištu na dan bilansa stanja se bazira na kotiranim, tržišnim cijenama ponude ili tražnje, bez umanjenja po osnovu transakcionih troškova. Fer vrijednost finansijskih instrumenata koji nisu kotirani na aktivnom tržištu se određuje korišćenjem odgovarajućih tehnika vrednovanja, koje obuhvataju tehnike neto sadašnje vrijednosti, poređenje sa sličnim instrumentima za koje postoje tržišne cijene i ostali relevantni modeli.

Kada tržišni inputi nisu dostupni, oni se određuju procjenjivanjima koja uključuju određeni stepen rasuđivanja u procjeni „fer“ vrijednosti. Modeli procjene oslikavaju trenutno stanje na tržištu na datum mjerenja i ne moraju predstavljati uslove na tržištu prije ili nakon datuma mjerenja. Stoga se tehnike vrednovanja revidiraju periodično, kako bi na odgovarajući način odrazile tekuće tržišne uslove.

#### 4.3. Dugoročne beneficije za zaposlene

Troškovi dugoročnih beneficija za zaposlene se određuju korišćenjem aktuarske procjene. Ona uključuje predviđanje diskontnih stopa, budućih povećanja plata i budućih stopa fluktuacije zaposlenih. S obzirom da je riječ o dugoročnim predviđanjima, ovakve procjene nose viši nivo neizvjesnosti.

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#### 4. SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGMENTS

The Bank makes estimates and judgments about uncertain events that will affect the values of its assets and liabilities stated in its financial statements in the ensuing financial year. Such accounting assumptions and estimates are regularly reviewed and based on historical experience and other factors such as: expected course of future events that can be realistically assumed in the existing circumstances.

This and other key sources of estimate uncertainty that pose a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are described below.

##### 4.1. Impairment Losses on Loans and Receivables

The Bank analyzes the loan portfolio so as to assess the impairment of receivables at least quarterly. In the process of determining whether an impairment loss needs to be accounted for within the income statement, the Bank assesses whether there is reliable evidence showing a measurable decrease in the estimated future cash flows from the credit portfolio before the impairment that can be identified in individual loans in the portfolio. The evidence may include available data indicative of unfavorable changes of the status of debtors with regard to payment of liabilities due to the Bank, or national or local circumstances that may correlate with the defaults.

The Bank assesses impairment on an individual basis for all financial assets that are individually significant. Collective impairment assessment is performed for all receivables that are not individually significant and for impairment existing in the portfolio for which objective evidence has not yet been identified.

Collective (portfolio or group-basis) impairment depends on the type of borrower, loan type and maturity and sub-group of loans/borrowers with similar credit risk characteristics.

The Bank assesses impairment based on the historical experience with loan losses for all assets with credit risk features and objective evidence of impairment similar to those of the assets included in the portfolio.

##### 4.2. Assessment of the Financial Instruments' Fair Value

The fair value of financial instruments traded on an active market at the reporting date are based on the quoted market bid and ask prices, including transaction costs. If the market for a financial instrument is not active or the instrument is not quoted in the market, the Bank determines its fair value using valuation techniques. These include the net present value method, comparison to the similar instruments with quoted market prices and other relevant valuation models.

When the market inputs are not available (i.e., they are unobservable), they are determined by estimations which involve certain level of judgment in the assessment of the "fair" value. Estimation models reflect the current market conditions as at the measurement date and do not necessarily represent market conditions before or after the measurement date. Therefore, the valuation techniques are periodically reviewed so that they appropriately reflect the current market conditions.

##### 4.3. Long-Term Employee Benefits

The cost of long-term employee benefits is determined by means of an actuarial assessment. An actuarial assessment includes the assessment of a discount rate, future movements in salaries, mortality rates and employee turnover. Due to a long-term nature of these plans, significant uncertainties influence these assessments.

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## 5. IZVJEŠTAVANJE PO SEGMENTIMA

Segmenti prepoznati za potrebe izvještavanja po segmentima u skladu sa MSFI 8 uključuju sljedeće:

1. poslovanje sa segmentom privrede
2. poslovanje sa segmentom stanovništva
3. segment finansijsko tržište i
4. segment ostalo.

Izveštaji po segmentima su usklađeni sa finansijskim izvještajima u ovim napomenama. Metodologija alokacije prihoda i troškova po segmentima je ista za obje prikazane godine.

### 5.1. Bilans uspjeha po segmentima za poslovnu 2018. godinu

	Privreda 000 BAM	Stanovništvo 000 BAM	Finansijsko tržište 000 BAM	Ostalo 000 BAM	UKUPNO 000 BAM
Prihodi od kamata	42.524	32.681	7.613	-	82.818
Rashodi od kamata	(6.385)	(16.449)	(3.009)	-	(25.843)
<b>Neto prihodi od kamata</b>	<b>36.139</b>	<b>16.232</b>	<b>4.604</b>	<b>-</b>	<b>56.975</b>
Prihodi od naknada i provizija	11.154	16.507	156	1.102	28.919
Rashodi od naknada i provizija	(6.388)	(4.779)	-	-	(11.167)
<b>Neto prihodi po osnovu naknada i provizija</b>	<b>4.766</b>	<b>11.728</b>	<b>156</b>	<b>1.102</b>	<b>17.752</b>
Neto prihod od kursnih razlika	4.023	392	-	-	4.415
Ostali operativni prihodi	4.739	2.215	1.381	291	8.626
Operativni rashodi	(27.638)	(23.971)	(3.272)	(710)	(55.591)
<b>Dobit prije umanjenja ispravki vrijednosti i rezervisanja</b>	<b>22.029</b>	<b>6.596</b>	<b>2.869</b>	<b>683</b>	<b>32.177</b>
Neto rashodi ispravke vrijednosti	(15.524)	(4.115)	-	(15)	(19.654)
<b>Dobit prije oporezivanja</b>	<b>6.505</b>	<b>2.481</b>	<b>2.869</b>	<b>668</b>	<b>12.523</b>
Porez na dobit	(947)	(361)	(418)	(98)	(1.824)
<b>Dobit tekuće godine</b>	<b>5.558</b>	<b>2.120</b>	<b>2.451</b>	<b>570</b>	<b>10.699</b>
<b>Ostali dobiti i gubici u periodu</b> Stavke koje mogu biti naknadno reklasifikovane u dobitke ili gubitke: Dobitak po osnovu promjene fer vrijednosti hartija od vrijednosti raspoloživih za prodaju	-	-	(603)	-	(603)
<b>Ukupan rezultat za obračunski period</b>	<b>5.558</b>	<b>2.120</b>	<b>1.848</b>	<b>570</b>	<b>10.096</b>

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## 5. SEGMENT REPORTING

Operating segments recognized for the purposes of segment reporting in accordance with IFRS 8 comprise the following:

1. Corporate segment;
2. Retail segment;
3. Financial market segment; and
4. Other.

Segmental information is presented in accordance with the financial statements in these notes. The same methodology for revenue and expense allocation was applied for both years presented.

### 5.1. Income Statement per Segment for FY 2018

	Corporate	Retail	Financial markets	Other	Total
Interest income	42,524	32,681	7,613	-	82,818
Interest expenses	(6,385)	(16,449)	(3,009)	-	(25,843)
Net interest income	36,139	16,232	4,604	-	56,975
Fee and commission income	11,154	16,507	156	1,102	28,919
Fee and commission expenses	(6,388)	(4,779)	-	-	(11,167)
Net fee and commission income	4,766	11,728	156	1,102	17,752
Net foreign exchange gains	4,023	392	-	-	4,415
Other operating income	4,739	2,215	1,381	291	8,626
Operating and other expenses	(27,638)	(23,971)	(3,272)	(710)	(55,591)
Profit before impairment and provisions	22,029	6,596	2,869	683	32,177
Net impairment losses	(15,524)	(4,115)	-	(15)	(19,654)
Profit before taxes	6,505	2,481	2,869	668	12,523
Income tax expenses	(947)	(361)	(418)	(98)	(1,824)
Profit for the year	5,558	2,120	2,451	570	10,699
Other gains and losses for the year Items that may subsequently be reclassified to profit and loss: Losses on the fair value adjustment of financial assets at FVtOCI	-	-	(603)	-	(603)
Total comprehensive income for the year	5,558	2,120	1,848	570	10,096

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5. IZVJEŠTAVANJE PO SEGMENTIMA (nastavak)

5.2. Bilans uspjeha po segmentima za poslovnu 2017. godinu

	Privreda	Stanovništvo	Finansijsko tržište	Ostalo	UKUPNO
	000 BAM	000 BAM	000 BAM	000 BAM	000 BAM
Prihodi od kamata	45.624	32.751	6.473	-	84.848
Rashodi od kamata	(8.098)	(20.468)	(3.012)	-	(31.578)
<b>Neto prihodi od kamata</b>	<b>37.526</b>	<b>12.283</b>	<b>3.461</b>	<b>-</b>	<b>53.270</b>
Prihodi od naknada i provizija	12.258	14.592	118	1.085	28.053
Rashodi od naknada i provizija	(5.796)	(3.240)	-	-	(9.036)
<b>Neto prihodi po osnovu naknada i provizija</b>	<b>6.462</b>	<b>11.352</b>	<b>118</b>	<b>1.085</b>	<b>19.017</b>
Neto prihod od kursnih razlika	2.549	1.091	-	-	3.640
Ostali operativni prihodi	6.012	3.590	2.322	293	12.217
Operativni rashodi	(29.006)	(20.112)	(5.834)	(758)	(55.710)
<b>Dobit prije umanjenja ispravki vrijednosti i rezervisanja</b>	<b>23.543</b>	<b>8.204</b>	<b>67</b>	<b>620</b>	<b>32.434</b>
Neto rashodi ispravke vrijednosti	(19.815)	(1.198)	-	214	(20.799)
<b>Dobit prije oporezivanja</b>	<b>3.728</b>	<b>7.006</b>	<b>67</b>	<b>834</b>	<b>11.635</b>
Porez na dobit	(1.060)	(567)	(198)	(28)	(1.853)
<b>Dobit tekuće godine</b>	<b>2.668</b>	<b>6.439</b>	<b>(131)</b>	<b>806</b>	<b>9.782</b>
<b>Ostali dobiti i gubici u periodu, neto od poreza</b>					
Stavke koje mogu biti naknadno reklasifikovane u dobitke ili gubitke:					
Dobitak po osnovu promjene fer vrijednosti hartija od vrijednosti raspoloživih za prodaju	-	-	273	-	273
<b>Ukupan rezultat za obračunski period</b>	<b>2.668</b>	<b>6.439</b>	<b>142</b>	<b>806</b>	<b>10.055</b>

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5. SEGMENT REPORTING (Continued)

5.2. Income Statement per Segment for FY 2017

	Corporate	Retail	Financial markets	Other	Total
Interest income	45,624	32,751	6,473	-	84,848
Interest expenses	(8,098)	(20,468)	(3,012)	-	(31,578)
Net interest income	37,526	12,283	3,461	-	53,270
Fee and commission income	12,258	14,592	118	1,085	28,053
Fee and commission expenses	(5,796)	(3,240)	-	-	(9,036)
Net fee and commission income	6,462	11,352	118	1,085	19,017
Net foreign exchange gains	2,549	1,091	-	-	3,640
Other operating income	6,012	3,590	2,322	293	12,217
Operating and other expenses	(29,006)	(20,112)	(5,834)	(758)	(55,710)
Profit before impairment and provisions	23,543	8,204	67	620	32,434
Net impairment losses	(19,815)	(1,198)	-	214	(20,799)
Profit before taxes	3,728	7,006	67	834	11,635
Income tax expenses	(1,060)	(567)	(198)	(28)	(1,853)
Profit for the year	2,668	6,439	(131)	806	9,782
Other gains and losses for the year Items that may subsequently be reclassified to profit and loss: Gains on the fair value adjustment of financial assets available for sale	-	-	273	-	273
Total comprehensive income for the year	2,668	6,439	142	806	10,055

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5. IZVJEŠTAVANJE PO SEGMENTIMA (nastavak)

5.3. Bilans stanja po segmentima za godinu koja se završila 31. decembra 2018. godine

	Privreda	Stanovništvo	Finansijsko tržište	Ostalo	UKUPNO
	000 BAM	000 BAM	000 BAM	000 BAM	000 BAM
<b>AKTIVA</b>					
Novčana sredstva i računi depozita kod depozitnih institucija	-	-	-	226.883	226.883
Obavezna rezerva kod Centralne Banke	-	-	-	174.141	174.141
Finansijska imovina koja se drži radi trgovanja (MSFI 9)	-	-	8.029	-	8.029
Finansijska imovina po fer vrijednosti kroz ostali ukupni rezultat (MSFI 9)	-	-	246.445	-	246.445
Plasmani drugim bankama	2.005	-	-	-	2.005
Kredit i dospjela potraživanja po kreditima	712.659	472.462	-	-	1.185.121
Osnovna sredstva i ulaganja u nekretnine	-	-	-	55.332	55.332
Nematerijalna ulaganja	-	-	-	3.198	3.198
Ostala potraživanja i AVR	6.354	5.694	4.647	34.167	50.862
Odložena poreska sredstva	-	-	-	-	-
<b>Poslovna aktiva</b>	<b>721.018</b>	<b>478.156</b>	<b>259.121</b>	<b>493.721</b>	<b>1.952.016</b>
<b>Vanbilansna aktiva</b>	<b>146.482</b>	<b>95.128</b>			<b>241.610</b>
<b>UKUPNA AKTIVA</b>	<b>867.500</b>	<b>573.284</b>	<b>259.121</b>	<b>493.721</b>	<b>2.193.626</b>
<b>PASIVA</b>					
<b>Obaveze</b>					
Depoziti komitenata	610.099	910.234	-	-	1.520.333
Obaveze po uzetim kreditima	207.800	-	-	-	207.800
Rezervisanja na stavke vanbilansa	2.104	73	-	-	2.177
Ostale obaveze i PVR	6.132	17.091	-	6.224	29.447
Odložene poreske obaveze	-	-	-	47	47
Subordinirani dug (dopunski kapital)	-	-	37.600	-	37.600
<b>Ukupno obaveze</b>	<b>826.135</b>	<b>927.398</b>	<b>37.600</b>	<b>6.271</b>	<b>1.797.404</b>
<b>Kapital</b>					
Kapital i rezerve	-	-	-	143.912	143.912
Neraspoređena dobit	-	-	-	10.700	10.700
<b>Ukupan kapital</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>154.612</b>	<b>154.612</b>
<b>Poslovna pasiva</b>	<b>826.135</b>	<b>927.398</b>	<b>37.600</b>	<b>160.883</b>	<b>1.952.016</b>
<b>Vanbilansna pasiva</b>	<b>146.482</b>	<b>95.128</b>	<b>-</b>	<b>-</b>	<b>241.610</b>
<b>UKUPNA PASIVA</b>	<b>972.617</b>	<b>1.022.526</b>	<b>37.600</b>	<b>160.883</b>	<b>2.193.626</b>

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All amounts expressed in thousands of BAM, unless otherwise stated.

## 5. SEGMENT REPORTING (Continued)

### 5.3. Statement of Financial Position per Segment for FY 2018

	Corporate	Retail	Financial markets	Other	Total
<b>ASSETS</b>					
Cash and balances held with banks and other financial institutions	-	-	-	226,883	226,883
Obligatory reserve held with the Central Bank	-	-	-	174,141	174,141
Financial assets at fair value through profit or loss (FVtPL) (IFRS 9)	-	-	8,029	-	8,029
Financial assets at fair value through other comprehensive income (FVtOCI) (IFRS 9)	-	-	246,445	-	246,445
Loans and receivables due from banks and other financial institutions	2,005	-	-	-	2,005
Loans and receivables due from customers	712,659	472,462	-	-	1,185,121
Property, plant, equipment and investment property	-	-	-	55,332	55,332
Intangible assets	-	-	-	3,198	3,198
Other receivables and prepayments	6,354	5,694	4,647	34,167	50,862
Deferred tax assets	-	-	-	-	-
Operating assets	<u>721,018</u>	<u>478,156</u>	<u>259,121</u>	<u>493,721</u>	<u>1,952,016</u>
Off-balance sheet assets	<u>146,482</u>	<u>95,128</u>			<u>241,610</u>
<b>TOTAL ASSETS</b>	<u><b>867,500</b></u>	<u><b>573,284</b></u>	<u><b>259,121</b></u>	<u><b>493,721</b></u>	<u><b>2,193,626</b></u>
<b>LIABILITIES AND EQUITY</b>					
<b>Liabilities</b>					
Deposits due to customers	610,099	910,234	-	-	1,520,333
Borrowings	207,800	-	-	-	207,800
Provisions for off-balance sheet items	2,104	73	-	-	2,177
Other liabilities and accruals	6,132	17,091	-	6,224	29,447
Subordinated debt (supplementary capital)	-	-	-	47	47
Total liabilities	<u>-</u>	<u>-</u>	<u>37,600</u>	<u>-</u>	<u>37,600</u>
<b>LIABILITIES AND EQUITY</b>	<u><b>826,135</b></u>	<u><b>927,398</b></u>	<u><b>37,600</b></u>	<u><b>6,271</b></u>	<u><b>1,797,404</b></u>
<b>Equity</b>					
Share capital and reserves	-	-	-	143,912	143,912
Retained earnings	-	-	-	10,700	10,700
Total equity	<u>-</u>	<u>-</u>	<u>-</u>	<u>154,612</u>	<u>154,612</u>
Operating liabilities and equity	<u>826,135</u>	<u>927,398</u>	<u>37,600</u>	<u>160,883</u>	<u>1,952,016</u>
Off-balance sheet liabilities	<u>146,482</u>	<u>95,128</u>	<u>-</u>	<u>-</u>	<u>241,610</u>
<b>TOTAL LIABILITIES AND EQUITY</b>	<u><b>972,617</b></u>	<u><b>1,022,526</b></u>	<u><b>37,600</b></u>	<u><b>160,883</b></u>	<u><b>2,193,626</b></u>

Translation of the report issued in the Serbian language

NOVA BANKA A.D. BANJA LUKA  
 NAPOMENE UZ FINANSIJSKE IZVJEŠTAJE

5. IZVJEŠTAVANJE PO SEGMENTIMA (nastavak)

5.4. Bilans stanja po segmentima za godinu koja se završila 31. decembra 2017. godine

	Privreda	Stanovništvo	Finansijsko tržište	Ostalo	UKUPNO
	000 BAM	000 BAM	000 BAM	000 BAM	000 BAM
<b>AKTIVA</b>					
Novčana sredstva i računi depozita kod depozitnih institucija	-	-	-	172.105	172.105
Obavezna rezerva kod Centralne Banke	-	-	-	158.628	158.628
Finansijska imovina raspoloživa za prodaju (MRS 39)	-	-	188.235	-	188.235
Plasmani drugim bankama	2.056	-	-	-	2.056
Kreditni i dospjela potraživanja po kreditima	783.859	459.781	-	-	1.243.640
Osnovna sredstva i ulaganja u nekretnine	-	-	-	52.536	52.536
Nematerijalna ulaganja	-	-	-	3.916	3.916
Ostala potraživanja i AVR	12.315	6.607	2.350	37.618	58.890
Odložena poreska sredstva	-	-	-	60	60
<b>Poslovna aktiva</b>	<b>798.230</b>	<b>466.388</b>	<b>190.585</b>	<b>424.863</b>	<b>1.880.066</b>
<b>Vanbilansna aktiva</b>	<b>188.296</b>	<b>99.576</b>	<b>-</b>	<b>-</b>	<b>287.872</b>
<b>UKUPNA AKTIVA</b>	<b>986.526</b>	<b>565.964</b>	<b>190.585</b>	<b>424.863</b>	<b>2.167.938</b>
<b>PASIVA</b>					
<b>Obaveze</b>					
Depoziti komitenata	568.761	908.578	-	-	1.477.339
Obaveze po uzetim kreditima	175.886	-	-	-	175.886
Rezervisanja na stavke vanbilansa	4.075	92	-	-	4.167
Ostale obaveze i PVR	5.310	16.448	-	6.102	27.860
Subordinirani dug (dopunski kapital)	-	-	37.697	-	37.697
<b>Ukupno obaveze</b>	<b>754.032</b>	<b>925.118</b>	<b>37.697</b>	<b>6.102</b>	<b>1.722.949</b>
<b>Kapital</b>					
Kapital i rezerve	-	-	-	147.334	147.334
Neraspoređena dobit	-	-	-	9.783	9.783
<b>Ukupan kapital</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>157.117</b>	<b>157.117</b>
<b>Poslovna pasiva</b>	<b>754.032</b>	<b>925.118</b>	<b>37.697</b>	<b>163.219</b>	<b>1.880.066</b>
<b>Vanbilansna pasiva</b>	<b>188.296</b>	<b>99.576</b>	<b>-</b>	<b>-</b>	<b>287.872</b>
<b>UKUPNA PASIVA</b>	<b>942.328</b>	<b>1.024.694</b>	<b>37.697</b>	<b>163.219</b>	<b>2.167.938</b>

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## 5. SEGMENT REPORTING (Continued)

### 5.4. Statement of Financial Position per Segment for FY 2017

	Corporate	Retail	Financial markets	Other	Total
<b>ASSETS</b>					
Cash and balances held with banks and other financial institutions	-	-	-	172,105	172,105
Obligatory reserve held with the Central Bank	-	-	-	158,628	158,628
Financial assets available for sale (IAS 39)	-	-	188,235	-	188,235
Loans and receivables due from banks and other financial institutions	2,056	-	-	-	2,056
Loans and receivables due from customers	783,859	459,781	-	-	1,243,640
Property, plant, equipment and investment property	-	-	-	52,536	52,536
Intangible assets	-	-	-	3,916	3,916
Other receivables and prepayments	12,315	6,607	2,350	37,618	58,890
Deferred tax assets	-	-	-	60	60
Operating assets	<u>798,230</u>	<u>466,388</u>	<u>190,585</u>	<u>424,863</u>	<u>1,880,066</u>
Off-balance sheet assets	<u>188,296</u>	<u>99,576</u>	<u>-</u>	<u>-</u>	<u>287,872</u>
<b>TOTAL ASSETS</b>	<b><u>986,526</u></b>	<b><u>565,964</u></b>	<b><u>190,585</u></b>	<b><u>424,863</u></b>	<b><u>2,167,938</u></b>
<b>LIABILITIES AND EQUITY</b>					
<b>Liabilities</b>					
Deposits due to customers	568,761	908,578	-	-	1,477,339
Borrowings	175,886	-	-	-	175,886
Provisions for off-balance sheet items	4,075	92	-	-	4,167
Other liabilities and accruals	5,310	16,448	-	6,102	27,860
Subordinated debt (supplementary capital)	-	-	37,697	-	37,697
Total liabilities	<u>754,032</u>	<u>925,118</u>	<u>37,697</u>	<u>6,102</u>	<u>1,722,949</u>
<b>Equity</b>					
Share capital and reserves	-	-	-	147,334	147,334
Retained earnings	-	-	-	9,783	9,783
Total equity	<u>-</u>	<u>-</u>	<u>-</u>	<u>157,117</u>	<u>157,117</u>
Operating liabilities and equity	<u>754,032</u>	<u>925,118</u>	<u>37,697</u>	<u>163,219</u>	<u>1,880,066</u>
Off-balance sheet liabilities	<u>188,296</u>	<u>99,576</u>	<u>-</u>	<u>-</u>	<u>287,872</u>
<b>TOTAL LIABILITIES AND EQUITY</b>	<b><u>942,328</u></b>	<b><u>1,024,694</u></b>	<b><u>37,697</u></b>	<b><u>163,219</u></b>	<b><u>2,167,938</u></b>

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NOVA BANKA A.D. BANJA LUKA

## NAPOMENE UZ FINANSIJSKE IZVJEŠTAJE

### 6. PRIHODI OD KAMATA

a) Prihodi od kamata po osnovu bankarskih poslova dati su u sljedećoj tabeli:

	Godina koja se završila 31. decembra	
	2018.	2017.
	000 BAM	000 BAM
Kreditni i potraživanja od klijenata	71.132	74.226
Ulaganje u obveznice	7.613	6.473
Ostali prihodi od kamata i slični prihodi	4.073	4.149
<b>Ukupno prihodi od kamata</b>	<b>82.818</b>	<b>84.848</b>

b) Prihodi od kamata po osnovu izvora dati su u sljedećoj tabeli:

	Godina koja se završila 31. decembra	
	2018.	2017.
	000 BAM	000 BAM
Banke	74	21
Privreda	31.012	35.828
Javni sektor	18.564	15.849
Stanovništvo	32.625	32.751
Ostali komitentni	543	399
<b>Ukupno</b>	<b>82.818</b>	<b>84.848</b>

### 7. RASHODI OD KAMATA

a) Rashodi od kamata po osnovu bankarskih poslova dati su u sljedećoj tabeli:

	Godina koja se završila 31. decembra	
	2018.	2017.
	000 BAM	000 BAM
Depoziti komitenata	19.575	25.418
Obaveze po uzetim kreditima i ostalim pozajmicama	3.258	3.148
Subordinirani dugovi i subordinirane obveznice	3.010	3.012
<b>Ukupno rashodi kamata</b>	<b>25.843</b>	<b>31.578</b>

b) Rashodi od kamata po osnovu izvora dati su u sljedećoj tabeli:

	Godina koja se završila 31. decembra	
	2018.	2017.
	000 BAM	000 BAM
Banke	140	164
Privreda	1.109	1.706
Javni sektor	906	1.133
Stanovništvo	16.096	19.726
Ostali komitentni	7.592	8.849
<b>Ukupno</b>	<b>25.843</b>	<b>31.578</b>

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### 6. INTEREST INCOME

#### a) Breakdown of interest income per banking operation:

	Year Ended December 31,	
	2018	2017
Loans and receivables due from customers	71,132	74,226
Investments in securities	7,613	6,473
Other interest and similar income	4,073	4,149
<b>Total interest income</b>	<b>82,818</b>	<b>84,848</b>

#### b) Breakdown of interest income per source:

	Year Ended December 31,	
	2018	2017
Banks	74	21
Corporate customers	31,012	35,828
Public sector	18,564	15,849
Retail customers	32,625	32,751
Other customers	543	399
<b>Total interest income</b>	<b>82,818</b>	<b>84,848</b>

### 7. INTEREST EXPENSES

#### a) Breakdown of interest expenses per banking operation:

	Year Ended December 31,	
	2018	2017
Deposits due to customers	19,575	25,418
Borrowings	3,258	3,148
Subordinated debts and subordinated bonds	3,010	3,012
<b>Total interest expenses</b>	<b>25,843</b>	<b>31,578</b>

#### b) Breakdown of interest expenses per source:

	Year Ended December 31,	
	2018	2017
Banks	140	164
Corporate customers	1,109	1,706
Public sector	906	1,133
Retail customers	16,096	19,726
Other customers	7,592	8,849
<b>Total interest expenses</b>	<b>25,843</b>	<b>31,578</b>

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NAPOMENE UZ FINANSIJSKE IZVJEŠTAJE

**8. PRIHODI OD NAKNADA I PROVIZIJA**

	Godina koja se završila 31. decembra	
	2018.	2017.
	000 BAM	000 BAM
Naknade za usluge platnog prometa u zemlji	7.652	7.320
Naknade za usluge platnog prometa u inostranstvu	3.242	3.171
Naknade po osnovu kredita	491	504
Naknade po izdatim garanc., akreditivima i dr. jemst.	3.541	4.916
Naknade po kartičnom poslovanju	7.182	5.730
Naknade po mjenjačkim poslovima	3.172	2.896
Ostale naknade i provizije	3.639	3.516
<b>Prihodi od naknada i provizija</b>	<b>28.919</b>	<b>28.053</b>

a) Ostale naknade i provizije

	Godina koja se završila 31. decembra	
	2018.	2017.
	000 BAM	000 BAM
Naknade za bankarske pakete	3.376	3.321
Naknade za vođenje računa	14	3
Naknade za brokerske provizije	226	157
Ostali prihodi od naknada	23	35
<b>Ukupno</b>	<b>3.639</b>	<b>3.516</b>

**9. RASHODI OD NAKNADA I PROVIZIJA**

	Godina koja se završila 31. decembra	
	2018.	2017.
	000 BAM	000 BAM
Naknade za usluge platnog prometa u zemlji	1.717	1.653
Naknade za usluge platnog prometa u inostranstvu	792	803
Naknada i provizija za konverziju	2.037	1.695
Rashodi naknada po poslovima sa karticama	4.779	3.241
Rashodi naknada i provizija prema Agenciji za bank. RS	1.467	1.329
Rashodi naknada i provizija prema Centr. registru i Berzi	184	120
Ostale naknade i provizije	191	195
<b>Ukupno</b>	<b>11.167</b>	<b>9.036</b>

Rashodi naknada po poslovima sa karticama u iznosu od 4.779 hiljada BAM na dan 31. decembar 2018. godine (2017: 3.241 hiljada BAM) se odnose na međubankarske provizije (interchange fee) za rad kartica Visa i MasretCard na bankomatima i POS terminalima drugih banaka, kao i provizije nastale tuđim karticama u trgovačkoj mreži Nove banke.

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8. FEE AND COMMISSION INCOME

	Year Ended December 31,	
	2018	2017
Fees for domestic payment operations	7,652	7,320
Fees for foreign payment operations	3,242	3,171
Loan processing fees	491	504
Fees for guarantees, letters of credit and other sureties issued	3,541	4,916
Fees from card operations	7,182	5,730
Fees for money exchange operations	3,172	2,896
Other fees and commissions	3,639	3,516
<b>Total fee and commission income</b>	<b>28,919</b>	<b>28,053</b>

a) Breakdown of other fees and commissions

	Year Ended December 31,	
	2018	2017
Banking package fees	3,376	3,321
Account maintenance fees	14	3
Brokerage commissions	226	157
Other fees	23	35
<b>Total</b>	<b>3,639</b>	<b>3,516</b>

9. FEE AND COMMISSION EXPENSES

	Year Ended December 31,	
	2018	2017
Fees for domestic payment operations	1,717	1,653
Fees for foreign payment operations	792	803
Conversion fees and commissions	2,037	1,695
Fees per card operations	4,779	3,241
Fees and commissions payable to the Banking Agency of RS	1,467	1,329
Fees and commissions payable to the Central Securities Registry and Stock Exchange	184	120
Other fees and commissions	191	195
<b>Total fee and commission expenses</b>	<b>11,167</b>	<b>9,036</b>

Fees per card operations totaling BAM 4,779 thousand in 2017 (2016: BAM 3,241 thousand) relate to interbank fees (interchange fees) per Visa and MasterCard payment card operations at ATMs and POS terminals of other banks and commissions per other issuer cards used in the Bank's trade network.

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NAPOMENE UZ FINANSIJSKE IZVJEŠTAJE

## 10. NETO PRIHOD OD KURSNIH RAZLIKA

	Godina koja se završila 31. decembra	
	2018.	2017.
	000 BAM	000 BAM
Prihodi po osnovu pozitivnih kursnih razlika	11.069	9.319
Rashodi po osnovu negativnih kursnih razlika	(6.654)	(5.679)
<b>Neto prihod od kursnih razlika</b>	<b>4.415</b>	<b>3.640</b>

## 11. OSTALI OPERATIVNI PRIHODI

	Godina koja se završila 31. decembra	
	2018.	2017.
	000 BAM	000 BAM
Prihodi od naplaćenih otpisanih potraživanja	4.836	6.568
Prihodi po osnovu promjene vrijednosti HOV	1.278	1.827
Prihodi od smanjenja obaveza	180	947
Prihodi po osnovu prijevremenog razročenja depozita	559	695
Prihodi po osnovu zakupa poslovnih prostora i sefova	672	584
Prihodi po osnovu otkupljenih potraživanja	438	511
Dobici po osnovu prodaje HOV	50	411
Prihodi od prodaje materijalnih vrednosti	210	302
Prihodi od dividendi	52	84
Dobici od prodaje osnovnih sredstava i nemat. ulaganja	18	30
Ostale operativne prihode	333	258
<b>UKUPNO</b>	<b>8.626</b>	<b>12.217</b>

Prihodi od naplaćenih otpisanih potraživanja za poslovnu 2018. godinu u iznosu od 4.836 hiljada BAM (2017: 6.568 hiljada BAM), najvećim dijelom se odnose na naplaćenu otpisanu kamatu.

## 12. OPERATIVNI I OSTALI RASHODI

	Godina koja se završila 31. decembra	
	2018.	2017.
	000 BAM	000 BAM
Troškovi zaposlenih	21.693	21.818
Troškovi amortizacije	5.535	4.964
Ostali operativni troškovi	24.934	25.489
Ostali rashodi poslovanja	3.429	3.439
<b>Operativni rashodi</b>	<b>55.591</b>	<b>55.710</b>

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10. NET FOREIGN EXCHANGE GAINS

	Year Ended December 31,	
	2018	2017
Foreign exchange gains	11,069	9,319
Foreign exchange losses	(6,654)	(5,679)
Foreign exchange gains, net	4,415	3,640

11. OTHER OPERATING INCOME

	Year Ended December 31,	
	2018	2017
Recovery receivables previously written off	4,836	6,568
Gains on the value adjustments of securities	1,278	1,827
Write-off of liabilities	180	947
Income from early deposit withdrawal penalties	559	695
Rental income – premises and safe deposit boxes	672	584
Income from purchased receivables	438	511
Gains on the sales of securities	50	411
Gains on the sales of assets acquired in lieu of debt collection	210	302
Dividend income	52	84
Gains on the sales of property, equipment and intangible assets	18	30
Other operating income	333	258
Total other operating income	8,626	12,217

Recovery of receivables previously written off totaling BAM 4,836 thousand in 2018 (2017: BAM 6,568 thousand) mostly relate to the collected interest previously written off

12. OPERATING AND OTHER EXPENSES

	Year Ended December 31,	
	2018	2017
Staff costs	21,693	21,818
Depreciation/amortization charge	5,535	4,964
Other operating expenses	24,934	25,489
Other expenses	3,429	3,439
Total operating and other expenses	55,591	55,710

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## 12. OPERATIVNI I OSTALI RASHODI (nastavak)

### a) Troškovi zaposlenih

	Godina koja se završila 31. decembra	
	2018.	2017.
	000 BAM	000 BAM
Troškovi neto zarada	13.031	12.945
Troškovi poreza i doprinosa na zarade	8.301	8.385
Troškovi naknada za privremene i povremene poslove	150	276
Ostali troškovi zaposlenih	211	212
<b>Troškovi zaposlenih</b>	<b>21.693</b>	<b>21.818</b>

### b) Ostali operativni troškovi

	Godina koja se završila 31. decembra	
	2018.	2017.
	000 BAM	000 BAM
Troškovi zakupa od pravnih i fizičkih lica	3.675	3.776
Troškovi obezbjeđenja objekata, štampanja i druge neproizvodne usluge	3.109	3.441
Troškovi osiguranja depozita	3.102	2.903
Troškovi kartičnog poslovanja	2.824	2.104
Troškovi materijala, goriva, energije i usluga	1.738	1.947
Troškovi telekomunikacija	1.347	1.325
Troškovi marketinga	1.541	1.750
Troškovi održavanja osnovnih sredstava	1.297	1.630
Troškovi transporta novca	1.105	1.066
Troškovi zakupa licenci	1.120	976
Troškovi eksternih usluga	856	935
Troškovi osiguranja radnika i osnovnih sredstava	840	912
Troškovi održavanja prostorija	328	325
Ostali operativni troškovi	2.052	2.399
<b>Ostali operativni troškovi</b>	<b>24.934</b>	<b>25.489</b>

U okviru ostalih operativnih troškova iskazani su troškovi kartičarkog poslovanja u iznosu od 2.824 hiljade BAM (2017: 2.104 hiljade BAM) koji se odnose na nadzor ATM bankomata i POS terminala i održavanje softvera za iste.

### c) Ostali rashodi poslovanja

	Godina koja se završila 31. decembra	
	2018.	2017.
	000 BAM	000 BAM
Rashodi po osnovu direktnog otpisa potraživanja	85	314
Rashodi od prodaje i obezvrijeđenja osnovnih sred.	233	244
Rashodi od prodaje i obezvrijeđenja materijalne aktive	1.216	894
Rashodi po osnovu promjene vrijednosti HOV	204	591
Troškovi po osnovu poreza i doprinosa	692	569
Troškovi za sudske i administrativne takse	201	421
Ostali rashodi	798	406
<b>Ostali poslovni rashodi</b>	<b>3.429</b>	<b>3.439</b>

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12. OPERATING AND OTHER EXPENSES (Continued)

a) Staff costs

	Year Ended December 31,	
	2018	2017
Employee salaries, net	13,031	12,945
Payroll taxes and contributions	8,301	8,385
Considerations payable to temporary and seasonal staff	150	276
Other staff costs	211	212
<b>Total staff costs</b>	<b>21,693</b>	<b>21,818</b>

b) Other operating expenses

	Year Ended December 31,	
	2018	2017
Rental costs payable to entities and individuals	3,675	3,776
Facility security services, printing and other non-production services	3,109	3,441
Deposit insurance costs	3,102	2,903
Costs incurred in card operations	2,824	2,104
Cost of materials, fuel, energy and services	1,738	1,947
Telecommunication services	1,347	1,325
Marketing and advertising	1,541	1,750
Maintenance of property and equipment	1,297	1,630
Money transportation costs	1,105	1,066
Lease of licenses	1,120	976
Costs of outsourced services	856	935
Insurance premium costs (staff and assets)	840	912
Premises cleaning costs	328	325
Other operating costs	2,052	2,399
<b>Total other operating expenses</b>	<b>24,934</b>	<b>25,489</b>

Other operating expenses include costs incurred in card operations of BAM 2,824 thousand (2016: BAM 2,104 thousand) pertaining to the supervision of ATMs and POS terminals and maintenance of the relating software.

c) Other expenses

	Year Ended December 31,	
	2018	2017
Write-off of receivables	85	314
Losses on impairment and sales of property and equipment	233	244
Losses on impairment and sales of assets acquired in lieu of debt collection	1,216	894
Losses on the value adjustment of securities	204	591
Taxes and contributions payable	692	569
Court and administrative fees and charges	201	421
Other expenses	798	406
<b>Total other expenses</b>	<b>3,429</b>	<b>3,439</b>

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### 13. NETO RASHODI ISPRAVKI VRIJEDNOSTI I REZERVISANJA

	Godina koja se završila 31. decembra	
	2018.	2017.
	000 BAM	000 BAM
Neto rashodi indirektnog otpisa plasmana	22.578	17.086
(Prihod)/Rashod indirektnog otpisa ostalih potraživanja	(483)	180
Rashodi indirektnog otpisa materijalne aktive	4.650	2.268
(Prihod)/Rashod rezervisanja za vanbilansne stavke	(7.106)	1.479
Rashodi po osnovu rezervisanja za sudske sporove	13	(214)
Rashodi po osnovu rezervisanja za otpremnine	2	-
<b>Ostali poslovni rashodi</b>	<b>19.654</b>	<b>20.799</b>

### 14. POREZ NA DOBIT

Tekući porez na dobit za 2018. godinu obračunat je primjenom poreske stope od 10% na oporezivu dobit prikazanu u poreskom bilansu za poreske obveznike u Republici Srpskoj, Federaciji Bosne i Hercegovine, i Brčko Distrikta.

Komponente poreza na dobit za 2018. godinu su:

	Godina koja se završila 31. decembra	
	2018.	2017.
	000 BAM	000 BAM
Tekući porez na dobit	1.835	1.890
Promjena u odloženim porezima:		
- Odložene poreske obaveze	(71)	(37)
- Odložena poreska sredstva	60	-
<b>Porez na dobit</b>	<b>1.824</b>	<b>1.853</b>

Usaglašavanjem pozicija iz poreskog bilansa (prihoda, troškova i osnovice za oporezivanje) sa poreskom stopom važećom u Republici Srpskoj za 2018. i 2017. godinu porez na dobit može se dalje analizirati na sljedeći način:

	Godina koja se završila 31. decembra	
	2018.	2017.
	000 BAM	000 BAM
<b>Dobit prije oporezivanja</b>	<b>12.523</b>	<b>11.635</b>
Računovodstveni rezultat pomnožen propisanom poreskom stopom od 10%	1.252	1.164
Poreski efekti troškova i prihoda koji se ne priznaju za svrhe poreza na dobit	583	726
<b>Porez na dobit</b>	<b>1.835</b>	<b>1.890</b>
<i>Efektivna poreska stopa za period</i>	<b>14,66%</b>	<b>16,24%</b>

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### 13. NET LOSSES ON IMPAIRMENT AND PROVISIONS

	Year Ended December 31,	
	2018	2017
Net losses on impairment of loans	22,578	17,086
Net (gains)/losses on (reversal of)/impairment of other receivables	(483)	180
Losses on impairment of assets acquired in lieu of debt collection	4,650	2,268
(Reversal of provisions)/provisions for off-balance sheet items	(7,106)	1,479
Provisions/(reversal of provisions) for litigations	13	(214)
Provisions for employee retirement benefits	2	-
<b>Total losses on impairment and provisions, net</b>	<b>19,654</b>	<b>20,799</b>

### 14. INCOME TAX EXPENSES

The current income tax for 2018 was calculated by applying the prescribed tax rate of 10% to the taxable profit reported in the tax statements for taxpayers in the Republic of Srpska, Federation of Bosnia and Herzegovina and Brčko District.

Components of income tax for 2018:

	Year Ended December 31,	
	2018	2017
Current income tax expenses	1,835	1,890
Movements on deferred taxes		
- deferred tax liabilities	(71)	(37)
- deferred tax assets	60	-
<b>Total income tax expenses</b>	<b>1,824</b>	<b>1,853</b>

Based on reconciliation of the items in the tax statement (income, expenses and the taxable base) with the tax rate effective in the Republic of Srpska for 2018 and 2017, the income taxes may be further analyzed as follows:

	Year Ended December 31,	
	2018	2017
Profit before taxes	12,523	11,635
Income tax at the statutory rate of 10%	1,252	1,164
Tax effects of income and expenses not recognized for tax purposes	583	726
<b>Current income tax expenses</b>	<b>1,835</b>	<b>1,890</b>
<b>Effective tax rate</b>	<b>14.66%</b>	<b>16.24%</b>

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**14. POREZ NA DOBIT (nastavak)**

Promjene na odloženim porezima bile su sljedeće:

	Odložena poreska sredstva 000 BAM	Odložena poreska obaveza 000 BAM	Neto odložena poreska obaveza 000 BAM
<b>Stanje na dan 1. januara 2017.</b>	<b>60</b>	<b>(155)</b>	<b>(95)</b>
(Smanjenje)/povećanje odloženih poreskih sredstava/obaveza	-	37	37
<b>Stanje na dan 31. decembra 2017.</b>	<b>60</b>	<b>(118)</b>	<b>(58)</b>
<b>Stanje na dan 1. januara 2018.</b>	<b>60</b>	<b>(118)</b>	<b>(58)</b>
(Smanjenje)/povećanje odloženih poreskih sredstava/obaveza	(60)	71	11
<b>Stanje na dan 31. decembra 2018.</b>	<b>-</b>	<b>(47)</b>	<b>(47)</b>

**15. NOVČANA SREDSTVA I RAČUNI DEPOZITA KOD DEPOZITNIH INSTITUCIJA**

	31. decembar 2018. 000 BAM	31. decembar 2017. 000 BAM
Blagajna u domaćoj valuti	19.342	14.673
Blagajna u stranoj valuti	39.675	41.404
Žiro račun poslovne jedinice	1.790	1.563
Sredstva kod Centralne banke	143.529	101.719
Devizni računi kod ino banaka	22.718	12.746
Ispravka vrijednosti na novčana sredstva	(171)	-
<b>Ukupno</b>	<b>226.883</b>	<b>172.105</b>

Promjene na ispravkama vrijednosti bile su sljedeće:

	31. decembar 2018. 000 BAM	31. decembar 2017. 000 BAM
Stanje na početku godine	-	-
Prva primjena MSFI 9	1.525	-
Ispravke vrijednosti u tekućoj godini	3	-
Ukidanja ispravke vrijednosti	(1.357)	-
<b>Stanje na dan 31. decembra</b>	<b>171</b>	<b>-</b>

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## 14. INCOME TAX EXPENSES (Continued)

Movements on deferred taxes were as follows:

	Deferred tax assets	Deferred tax liabilities	Deferred tax liabilities, net
Balance at January 1, 2017	60	(155)	(95)
Decrease in deferred tax liabilities	-	37	37
Balance at December 31, 2017	<u>60</u>	<u>(118)</u>	<u>(58)</u>
Balance at January 1, 2018	60	(118)	(58)
Decrease in deferred tax assets/liabilities	(60)	71	11
Balance at December 31, 2018	<u>-</u>	<u>(47)</u>	<u>(47)</u>

## 15. CASH AND BALANCES HELD WITH BANKS AND OTHER INSTITUTIONS

	December 31, 2018	December 31, 2017
Cash on hand in local currency	19,342	14,673
Cash on hand in foreign currencies	39,675	41,404
Gyro account balance	1,790	1,563
Funds held with the Central Bank	143,529	101,719
Accounts held with foreign banks	22,718	12,746
Less: Impairment allowance of cash and cash balances	(171)	-
Total	<u>226,883</u>	<u>172,105</u>

Movements on the account of impairment allowance of cash and cash balances were as follows:

	2018	2017
Balance at January 1	-	-
First-time adoption of IFRS 9	1,525	-
Charge for the year	3	-
Reversal of impairment allowance	(1,357)	-
Balance at December 31	<u>171</u>	<u>-</u>

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**16. OBAVEZNA REZERVA KOD CENTRALNE BANKE**

	31. decembar 2018. 000 BAM	31. decembar 2017. 000 BAM
Obavezna rezerva kod Centralne banke	<u>174.141</u>	<u>158.628</u>
<b>Ukupno</b>	<b><u>174.141</u></b>	<b><u>158.628</u></b>

U okviru sredstava rezervi kod Centralne banke Bosne i Hercegovine sadržana je obračunata obavezna rezerva za period održavanja od 21. do 31. decembra 2018. godine. Prosječno stanje računa rezervi za navedeni period iznosi 322.962 hiljade BAM i uključuje prosječnu obaveznu rezervu u iznosu od 174.141 hiljada BAM i iznos veći od obavezne rezerve u iznosu od 148.821 hiljada BAM.

Obavezna rezerva je izdvojena u skladu sa Odlukama Centralne banke Bosne i Hercegovine o utvrđivanju i održavanju obaveznih rezervi i utvrđivanju naknade na iznos rezervi, koja propisuje osnovicu za obračun obavezne rezerve, obračunski period, stopu obavezne rezerve, kao i obračun naknade banci za iznos sredstava na račun rezervi kod Centralne banke Bosne i Hercegovine.

Osnovicu za obračun obavezne rezerve čine depoziti i pozajmljena sredstva, bez obzira u kojoj su valuti sredstva izražena. Obavezna rezerva se obračunava prema stanju tih sredstava na kraju svakog radnog dana u toku obračunskog perioda, koji prethodi periodu obračuna. Obračunski period (period obračuna obaveznih rezervi) počinje svakog mjeseca prvog, jedanaestog i dvadesetprvog dana, a završava se desetog, dvadesetog i posljednjeg dana u mjesecu. Banka je obavezna da nakon svakog obračunskog perioda, a najkasnije u roku od tri dana po isteku perioda obračuna i dostavi Centralnoj banci Bosne i Hercegovine izvještaj o stanju svojih depozita i pozajmljenih sredstava izraženih u konvertibilnim markama.

Odlukom o utvrđivanju i održavanju obaveznih rezervi i utvrđivanju naknade na iznos rezervi („Službeni glasnik RS” br. 33/16) te Odlukom o dopuni Odluke o utvrđivanju i održavanju obaveznih rezervi i utvrđivanju naknade na iznos rezervi („Službeni glasnik RS” br. 55/16), definisano je da stopa obavezne rezerve koju primjenjuje Centralna banka BiH iznosi 10% na depozite i pozajmljena sredstva.

U skladu sa navedenim Odlukama, Centralna banka obračunava naknadu na iznos sredstava iznad obavezne rezerve po stopi koja je jednaka 50% stope koju primjenjuje Evropska Centralna banka na depozite komercijalnih banaka (Deposit Facility Rate). Ukoliko u toku perioda održavanja dođe do promjene vrijednosti Deposit Facility Rate-a primjenjuje se stopa koja je važila na prvi dan perioda održavanja tokom kojeg je došlo do promjene Deposit Facility Rate-a.

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16. OBLIGATORY RESERVE HELD WITH THE CENTRAL BANK	December 31, 2018	December 31, 2017
Obligatory reserve held with the Central Bank	174,141	158,628
Total	174,141	158,628

The obligatory reserve funds held with the Central Bank of Bosnia and Herzegovina include the calculated obligatory reserve for the maintenance period from December 21, 2018 to December 31, 2018. The average balance on the reserve account during the said period amounted to BAM 322,962 thousand including the average obligatory reserve amount of BAM 174,141 thousand and the amount in excess of the obligatory reserve in the amount of BAM 148,821 thousand.

The Bank allocated funds to the obligatory reserve account in accordance with the Central Bank of BH's Decision on Determining and Maintaining Required Reserves and Defining the Fees Payable by the Central Bank to Banks on the Amount of Reserves, which defines the base for calculation of the obligatory reserves, the reserve accounting period, rate and calculation of fees payable to banks by the Central Bank on the obligatory reserve balance.

The base for calculation of the obligatory reserve is comprised of the deposits and liabilities per borrowings, irrespective of their currency. The obligatory reserve is calculated based on the balance of the said liabilities at the end of each working day during the reserve accounting period. The reserve accounting period begins on each first, eleventh and twenty-first day in the month and ends on the tenth, twentieth and the last day of the month. The Bank is required to calculate and submit to the Central Bank of BH a report on the balance of its deposits and borrowings stated in BAM after each reserve accounting period yet no later than three days after the period expiry.

The Decision on Determining and Maintaining Required Reserves and Defining the Fees Payable by the Central Bank to Banks on the Amount of Reserves (Official Gazette of RS no. 33/16) and the Decision on amendments to the aforesaid Decision (Official Gazette of RS no. 55/16) define that the rate for calculation of the obligatory reserve shall be equal to 10% and applicable to deposits and borrowings.

In accordance with the aforesaid Decisions, the Central Bank calculates the fees on the amount in excess of the obligatory reserve amount at the rate equal to 50% of the rate applicable by the European Central Bank to deposits of commercial banks (the deposit facility rate). If, during the reserve maintenance period there are changes to the deposit facility rate, the rate effective as of the first day of that maintenance period shall be applied.

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## 17. FINANSIJSKA IMOVINA

U skladu sa izabranim poslovnim modelom, Banka je Finansijsku imovinu raspoloživu za prodaju sa 01.01.2018. godine reklasifikovala u Finansijsku imovinu koja se drži radi trgovanja i Finansijsku imovinu po fer vrijednosti kroz ostali ukupni rezultat (Napomena 2.4. – MSFI Finansijski instrumenti).

U sljedećoj tabeli dat je pregled finansijske imovine po namjeni:

	31. decembar 2018. 000 BAM	31. decembar 2017. 000 BAM
<b>Finansijska imovina raspoloživa za prodaju (MRS 39)</b>		
Hartije od vrijednosti za trgovanje	-	5.269
Hartije od vrijednosti koje se drže do dospjeća	-	130
Učešća u kapitalu drugih pravnih lica	-	2.312
Obveznice Republike Srpske	-	180.524
<b>Neto vrijednost na dan 31. decembra</b>	<b>-</b>	<b>188.235</b>
<b>Finansijska imovina koja se drži radi trgovanja (MSFI 9)</b>		
Hartije od vrijednosti za trgovanje	6.753	-
<b>Neto vrijednost na dan 31. decembra</b>	<b>6.753</b>	<b>-</b>
<b>Finansijska imovina po fer vrijednosti kroz ostali ukupni rezultat</b>		
Hartije od vrijednosti koje se drže do dospjeća	91	-
Učešća u kapitalu drugih pravnih lica	1.185	-
Obveznice Republike Srpske	246.686	-
Ispravka vrijednosti obveznica	(241)	-
<b>Neto vrijednost na dan 31. decembra</b>	<b>247.721</b>	<b>-</b>

Promjene na ispravkama vrijednosti bile su sljedeće:

	31. decembar 2018. 000 BAM	31. decembar 2017. 000 BAM
Stanje na početku godine	-	-
Ispravke vrijednosti u tekućoj godini	246	-
Ukidanja ispravke vrijednosti	(5)	-
<b>Stanje na dan 31. decembra</b>	<b>241</b>	<b>-</b>

Banka na dan 31. decembra 2018. godine ima iskazano učešće (udjele) u drugim pravnim licima. Ni jedno učešće u kapitalu pojedinačnog pravnog lica ne prelazi 5% priznatog kapitala Banke.

Takođe, na dan 31. decembra 2018. godine ukupna neto vrijednost svih učešća Banke u kapitalu kod drugih pravnih lica ne prelazi 20% priznatog kapitala Banke, a ukupan iznos u drugim nefinansijskim pravnim licima ne prelazi 10% osnovnog kapitala Banke.

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### 17. FINANCIAL ASSETS

In accordance with the selected business model, the Bank reclassified its financial assets available for sale to the financial assets at fair value through profit or loss (FVtPL) and financial assets at fair value through other comprehensive income (FVtOCI) as of January 1, 2018 (Note 2.4 – IFRS 9 – Financial Instruments).

The following table provides a breakdown of financial assets per purpose:

	December 31, 2018	December 31, 2017
Financial assets available for sale (IAS 39)		
Securities available for sale	-	5,269
Securities held to maturity	-	130
Equity investments in other entities	-	2,312
Bonds issued by the Republic of Srpska	-	180,524
Net value at December 31	-	188,235
Financial assets at fair value through profit or loss (FVtPL) (IFRS 9)		
Securities held for trading	6,753	-
Net value at December 31	6,753	-
Financial assets at fair value through other comprehensive income (IFRS 9)		
Securities held to maturity	91	-
Equity investments in other entities	1,185	-
Bonds issued by the Republic of Srpska	246,686	-
Less: Impairment allowance of RS bonds	(241)	-
Net value at December 31	247,721	-

Movements on the account of impairment allowance were as follows:

	2018	2017
Balance at January 1	-	-
Charge for the year	246	-
Reversal of impairment allowance	(5)	-
Balance at December 31	241	-

As of December 31, 2018 the Bank stated equity investments in other entities, of which not one equity investment in a single entity exceeded 5% of the Bank's recognized equity.

In addition, as of December 31, 2018, the aggregate value of all the Bank's equity holdings in other entities did not exceed 20% of the Bank's recognized equity, while its aggregate holdings in other non-FSI entities did not exceed 10% of the Bank's equity.

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**17. FINANSIJSKA IMOVINA (nastavak)**

Struktura učešća u kapitalu drugih pravnih lica data je u sljedećoj tabeli:

	%	31. decembar 2018.	31. decembar 2017.
	učešća	000 BAM	000 BAM
Banjalučka berza a.d. Banjaluka	9,47%	252	252
Centralni registar HoV a.d. Banjaluka	7%	235	235
ZIF Unioninvest fond a.d. Bijeljina	7,85%	200	200
Nova Real Estate a.d Banjaluka	9%	450	450
Nova Leasing d.o.o. Banjaluka		-	860
DASTO-SEMTEL d.o.o. Bijeljina		-	1.215
SWIFT		86	31
		<b>1.223</b>	<b>3.243</b>
Ispravka vrijednosti		(38)	(931)
<b>Učešća u kapitalu, neto</b>		<b>1.185</b>	<b>2.312</b>

Pregled Obveznica Republike Srpske sa stanjem na dan 31. decembra 2018. godine je prikazan u sljedećoj tabeli:

Naziv HoV	Datum kupovine	Datum dospjeća	Kamatna stopa	Nominalna vrijednost	Odstupanje od fer vrijednosti	Stanje na dan 31.12.2018.
				000 BAM	000 BAM	000 BAM
Obveznice RS	03.12.2014.	03.12.2019.	5,50%	1.455	37	1.492
Obveznice RS	08.12.2014.	18.06.2019.	6,00%	600	13	613
Obveznice RS	11.03.2015.	11.03.2019.	4,50%	2.500	-	2.500
Obveznice RS	08.07.2015.	08.07.2019.	4,00%	1.613	-	1.613
Obveznice RS	21.10.2015.	21.10.2020.	4,25%	8.000	115	8.115
Obveznice RS	07.09.2016.	07.09.2023.	4,50%	24.965	-	24.965
Obveznice RS	07.12.2016.	07.12.2023.	4,50%	20.000	421	20.421
Obveznice RS	27.01.2017.	27.01.2020.	3,25%	11.100	58	11.158
Obveznice RS	05.05.2017.	05.05.2022.	3,50%	21.640	9	21.649
Obveznice RS	21.06.2017.	21.06.2027.	4,50%	6.190	68	6.258
Obveznice RS	04.08.2017.	04.08.2027.	4,00%	10.000	-	10.000
Obveznice RS	06.09.2017.	06.09.2024.	3,75%	15.497	6	15.503
Obveznice RS	08.12.2017.	08.12.2024.	3,75%	9.150	118	9.268
Obveznice RS	13.06.2018.	31.01.2023.	3,00%	1.000	22	1.022
Eurobond	28.06.2018.	28.06.2023.	4,75%	107.571	-	107.571
<b>Ukupno</b>				<b>241.281</b>	<b>867</b>	<b>242.148</b>
Ispravka vrijednosti						(241)
<b>Stanje na dan 31. decembra</b>						<b>241.907</b>

Pregled Obveznica Republike Srpske stare devizne štednje (RSDS) sa stanjem na dan 31. decembra 2018. godine je prikazan u sljedećoj tabeli:

Naziv HoV	Datum kupovine	Datum dospjeća	Kamatna stopa	Nominalna vrijednost	Odstupanje od fer vrijednosti	Stanje na dan 31.12.2018.
				000 BAM	000 BAM	000 BAM
Obveznice RSDS	04.04.2016.	15.09.2019.	2,50%	331	194	525
<b>Ukupno</b>				<b>331</b>	<b>194</b>	<b>525</b>

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## 17. FINANCIAL ASSETS (Continued)

Breakdown of the Bank's equity investments in other entities:

	Equity Interest %	December 31, 2018	December 31, 2017
Banja Luka Stock Exchange	9.47%	252	252
Central Securities Registry Banja Luka	7%	235	235
ZIF Unioninvest fond a.d. Bijeljina	7.85%	200	200
Nova Real Estate a.d. Banjaluka	9%	450	450
Nova Leasing d.o.o. Banjaluka	-	-	860
DASTO-SEMTEL d.o.o. Bijeljina	-	-	1,215
SWIFT	-	86	31
		<u>1,223</u>	<u>3,243</u>
Less: Impairment allowance		(38)	(931)
Equity investments, net		<u>1,185</u>	<u>2,312</u>

Breakdown of the bonds issued by the Republic of Srpska as of December 31, 2018 is provided below:

Security	Purchase date	Maturity date	Interest rate	Nominal value	Departure from the fair value	Balance at December 31, 2018
RS bonds	03/12/2014	03/12/2019	5.50%	1,455	37	1,492
RS bonds	08/12/2014	18/06/2019	6.00%	600	13	613
RS bonds	11/03/2015	11/03/2019	4.50%	2,500	-	2,500
RS bonds	08/07/2015	08/07/2019	4.00%	1,613	-	1,613
RS bonds	21/10/2015	21/10/2020	4.25%	8,000	115	8,115
RS bonds	07/09/2016	07/09/2023	4.50%	24,965	-	24,965
RS bonds	07/12/2016	07/12/2023	4.50%	20,000	421	20,421
RS bonds	27/01/2017	27/01/2020	3.25%	11,100	58	11,158
RS bonds	05/05/2017	05/05/2022	3.50%	21,640	9	21,649
RS bonds	21/06/2017	21/06/2027	4.50%	6,190	68	6,258
RS bonds	04/08/2017	04/08/2027	4.00%	10,000	-	10,000
RS bonds	06/09/2017	06/09/2024	3.75%	15,497	6	15,503
RS bonds	08/12/2017	08/12/2024	3.75%	9,150	118	9,268
RS bonds	13/06/2018	31/01/2023	3.00%	1,000	22	1,022
Eurobond	28/06/2018	28/06/2023	4.75%	107,571	-	107,571
Total				<u>241,281</u>	<u>867</u>	<u>242,148</u>
Less: Impairment allowance						(241)
Balance at December 31						<u>241,907</u>

Breakdown of the FX savings bonds issued by the Republic of Srpska as of December 31, 2018 is provided below:

Security	Purchase date	Maturity date	Interest rate	Nominal value	Departure from the fair value	Balance at December 31, 2018
RS FX savings bonds	04/04/2016	15/09/2019	2.50%	331	194	525
Total				<u>331</u>	<u>194</u>	<u>525</u>

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## 17. FINANSIJSKA IMOVINA (nastavak)

Pregled Obveznica Republike Srpske ratne štete (RSRS) sa stanjem na dan 31. decembra 2018. godine je prikazan u sljedećoj tabeli:

Naziv HoV	Datum kupovine	Datum dospjeća	Kamatna stopa	Nominalna vrijednost 000 BAM	Odstupanje od fer vrijednosti 000 BAM	Stanje na dan 31.12.2018. 000 BAM
Obveznice RSRS	31.03.2016.	27.06.2023.	1,50%	295	169	464
Obveznice RSRS	30.06.2016.	15.12.2023.	1,50%	214	90	304
Obveznice RSRS	30.06.2016.	25.10.2023.	1,50%	323	163	486
Obveznice RSRS	31.03.2016.	15.06.2024.	1,50%	337	149	486
Obveznice RSRS	30.06.2016.	09.06.2025.	1,50%	207	94	301
Obveznice RSRS	30.06.2016.	31.05.2025.	1,50%	371	163	534
Obveznice RSRS	31.03.2016.	24.12.2025.	1,50%	311	134	445
Obveznice RSRS	31.03.2016.	25.09.2026.	1,50%	362	136	498
Obveznice RSRS	30.06.2016.	26.09.2027.	1,50%	359	135	494
<b>Ukupno</b>				<b>2.779</b>	<b>1.233</b>	<b>4.012</b>

## 18. KREDITI I DOSPJELA POTRAŽIVANJA PO KREDITIMA

### a) Pregled po korisnicima kredita

	31. decembar 2018. 000 BAM	31. decembar 2017. 000 BAM
- Preduzeća	516.211	556.885
- Javna i državna preduzeća	132.665	111.546
- Vlada	140.222	168.912
- Stanovništvo	495.110	478.348
- Ostali komitent	12.316	12.157
<b>Kredit i plasmani komitentima (bruto)</b>	<b>1.296.524</b>	<b>1.327.848</b>
Ispravka vrijednosti	(111.403)	(84.208)
<b>Ukupni krediti plasirani komitentima (neto)</b>	<b>1.185.121</b>	<b>1.243.640</b>

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## 17. FINANCIAL ASSETS (Continued)

Breakdown of the reparation bonds issued by the Republic of Srpska as of December 31, 2018 is provided below:

Security	Purchase date	Maturity date	Interest rate	Nominal value	Departure from the fair value	Balance at December 31, 2018
Reparation RS bonds	31/03/2016	27/06/2023	1.50%	295	169	464
Reparation RS bonds	30/06/2016	15/12/2023	1.50%	214	90	304
Reparation RS bonds	30/06/2016	25/10/2023	1.50%	323	163	486
Reparation RS bonds	31/03/2016	15/06/2024	1.50%	337	149	486
Reparation RS bonds	30/06/2016	09/06/2025	1.50%	207	94	301
Reparation RS bonds	30/06/2016	31/05/2025	1.50%	371	163	534
Reparation RS bonds	31/03/2016	24/12/2025	1.50%	311	134	445
Reparation RS bonds	31/03/2016	25/09/2026	1.50%	362	136	498
Reparation RS bonds	30/06/2016	26/09/2027	1.50%	359	135	494
Total				<u>2,779</u>	<u>1,233</u>	<u>4,012</u>

## 18. LOANS AND RECEIVABLES DUE FROM CUSTOMERS

### a) Breakdown per type of borrower

	December 31, 2018	December 31, 2017
- Corporate customers	516,211	556,885
- Public and state-owned companies	132,665	111,546
- RS Government	140,222	168,912
- Retail customers	495,110	478,348
- Other customers	12,316	12,157
Loans and receivables due from customers, gross	<u>1,296,524</u>	<u>1,327,848</u>
Less: Impairment allowance	<u>(111,403)</u>	<u>(84,208)</u>
Loans and receivables due from customers, net	<u>1,185,121</u>	<u>1,243,640</u>

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**18. KREDITI I DOSPJELA POTRAŽIVANJA PO KREDITIMA (nastavak)**

**b) Ročnost dospjeća kredita**

Ročnost dospjeća kredita klijentima, prema roku dospjeća, sa stanjem na dan 31. decembar je sljedeća:

	31. decembar 2018. 000 BAM	31. decembar 2017. 000 BAM
Do 30 dana	97.170	88.698
Od 1 do 3 mjeseca	50.103	55.165
Od 3 do 12 mjeseci	237.511	234.668
Od 1 do 5 godina	857.395	594.212
Preko 5 godina	54.345	355.105
<b>Kreditni korisnicima na dan 31. decembra (bruto)</b>	<b>1.296.524</b>	<b>1.327.848</b>
Ispravka vrijednosti	(111.403)	(84.208)
<b>Kreditni korisnicima na dan 31. decembra (neto)</b>	<b>1.185.121</b>	<b>1.243.640</b>

**c) Koncentracija kredita korisnika**

Koncentracija ukupno plasiranih sredstava komitentima od strane Banke, na dan 31. decembar po granama djelatnosti je sljedeća:

	31. decembar 2018. 000 BAM	31. decembar 2017. 000 BAM
Poljoprivreda, lov i ribolov	50.674	60.311
Rudarstvo i industrija	195.731	198.715
Građevinarstvo	94.259	79.308
Trgovina	164.644	184.058
Usluge, turizam i ugostiteljstvo	20.890	22.282
Transport, skladištenje, telekomunikacije	15.360	18.164
Finansije	57.802	23.784
Trgovina nekretninama	16.420	13.850
Administracija, druge javne usluge	140.222	168.912
Stanovništvo	495.110	478.348
Ostalo	45.412	80.116
<b>Kreditni i plasmani komitentima (bruto)</b>	<b>1.296.524</b>	<b>1.327.848</b>
Ispravka vrijednosti	(111.403)	(84.208)
<b>Kreditni i plasmani komitentima (neto)</b>	<b>1.185.121</b>	<b>1.243.640</b>

**Promjene na ispravkama vrijednosti bile su sljedeće:**

	31.12.2018. 000 BAM	31.12.2017. 000 BAM
Stanje na početku godine	84.208	68.870
Prva primjena MSFI 9	4.552	-
Ispravke vrijednosti u tekućoj godini	52.988	35.430
Ukidanja ispravke vrijednosti	(30.221)	(18.404)
Isknjižavanje kredita	(124)	(1.688)
<b>Stanje na dan 31. decembra</b>	<b>111.403</b>	<b>84.208</b>

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18. LOANS AND RECEIVABLES DUE FROM CUSTOMERS (Continued)

b) Breakdown per maturity

Maturities of the loans and receivables due from customers as of December 31, 2018 are presented below:

	December 31, 2018	December 31, 2017
Within 30 days	97,170	88,698
From 1 to 3 months	50,103	55,165
From 3 to 12 months	237,511	234,668
From 1 to 5 years	857,395	594,212
After 5 years	54,345	355,105
Loans and receivables due from customers, gross	<u>1,296,524</u>	<u>1,327,848</u>
Less: Impairment allowance	<u>(111,403)</u>	<u>(84,208)</u>
Loans and receivables due from customers, net	<u>1,185,121</u>	<u>1,243,640</u>

c) Concentration of loans per industry

Concentration of loans disbursed by the Bank per industry as of December 31, 2018 is presented below:

	December 31, 2018	December 31, 2017
Agriculture, hunting and fishing	50,674	60,311
Mining and manufacturing industry	195,731	198,715
Construction industry	94,259	79,308
Trade	164,644	184,058
Services, tourism, hospitality industry	20,890	22,282
Transport, storage and telecommunications	15,360	18,164
Financial services	57,802	23,784
Real estate trade	16,420	13,850
Administration and other public services	140,222	168,912
Retail customers	495,110	478,348
Other	45,412	80,116
Loans and receivables due from customers, gross	<u>1,296,524</u>	<u>1,327,848</u>
Less: Impairment allowance	<u>(111,403)</u>	<u>(84,208)</u>
Loans and receivables due from customers, net	<u>1,185,121</u>	<u>1,243,640</u>

Movements on impairment allowance of loans and receivables were as follows:

	2018	2017
Balance at January 1	84,208	68,870
First-time adoption of IFRS 9	4,552	-
Charge for the year	52,988	35,430
Reversal of impairment allowance	(30,221)	(18,404)
Derecognition of loans and receivables	(124)	(1,688)
Balance at December 31	<u>111,403</u>	<u>84,208</u>

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## 19. OSNOVNA SREDSTVA I ULAGANJE U NEKRETNINE

Osnovna sredstva i promjene na osnovnim sredstvima u toku 2018. i 2017. godine prikazani su kako slijedi:

u 000 BAM	Zemljište i poslovne zgrade	Oprema i ostala sredstva	Investicione nekretnine i oprema	Osnovna sredstva u pripremi	Avansi za osnovna sredstva	Ukupno
<b>NABAVNA VRIJEDNOST</b>						
<b>Stanje na dan 01.01.2017.</b>	<b>27.290</b>	<b>46.326</b>	<b>8.110</b>	<b>2.657</b>	<b>558</b>	<b>84.941</b>
Nabavke u toku godine	-	-	-	3.265	-	3.265
Aktiviranje osnovnih sredstava i polovne opreme	383	3.127	-	(3.449)	-	61
Reklasifikacija osnovnih sredstava	2.704	-	(1.026)	1.026	-	2.704
Prenos ulaganja osnovnih sredstava	(2.127)	(1.127)	(2.540)	-	-	(5.794)
Iskorišteni avansi u toku godine	-	-	-	-	(1.291)	(1.291)
Novi avansi u toku godine	-	-	-	-	1.663	1.663
Prodaja	(75)	(398)	-	-	-	(473)
Donacija	-	(43)	-	-	-	(43)
Otpis/rashodovanje	-	(2.245)	-	(186)	-	(2.431)
<b>Stanje na dan 31.12.2017.</b>	<b>28.175</b>	<b>45.640</b>	<b>4.544</b>	<b>3.313</b>	<b>930</b>	<b>82.602</b>
<b>Stanje na dan 01.01.2018.</b>	<b>28.175</b>	<b>45.640</b>	<b>4.544</b>	<b>3.313</b>	<b>930</b>	<b>82.602</b>
Nabavke u toku godine	-	-	-	5.759	-	5.759
Aktiviranje osnovnih sredstava i polovne opreme	1.643	2.441	-	(4.084)	-	-
Prenos sa materijalno stečene imovine	5.538	-	-	414	-	5.952
Prenos na materijalno stečenu imovinu	(151)	-	(905)	-	-	(1.056)
Iskorišteni avansi u toku godine	-	-	-	-	(2.063)	(2.063)
Novi avansi u toku godine	-	-	-	-	1.824	1.824
Prodaja	(132)	(366)	(291)	-	-	(789)
Donacija	-	(64)	-	-	-	(64)
Otpis/rashodovanje	(2)	(2.721)	-	(24)	-	(2.747)
<b>Stanje na dan 31.12.2018.</b>	<b>35.071</b>	<b>44.930</b>	<b>3.348</b>	<b>5.378</b>	<b>691</b>	<b>89.418</b>
<b>ISPRAVKA VRIJEDNOSTI</b>						
<b>Stanje na dan 01.01.2017.</b>	<b>1.192</b>	<b>27.896</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>29.088</b>
Amortizacija	294	4.070	-	-	-	4.364
Prenos ulaganja u objekat	-	(516)	-	-	-	(516)
Prenos na investicione nekretnine	(334)	-	-	-	-	(334)
Aktiviranje polovne opreme	-	62	-	-	-	62
Prodaja	(2)	(331)	-	-	-	(333)
Donacija	-	(43)	-	-	-	(43)
Otpis/rashodovanje	-	(2.222)	-	-	-	(2.222)
<b>Stanje na dan 31.12.2017.</b>	<b>1.150</b>	<b>28.916</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>30.066</b>
<b>Stanje na dan 01.01.2018.</b>	<b>1.150</b>	<b>28.916</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>30.066</b>
Amortizacija	307	4.292	-	-	-	4.599
Prenos sa materijalne aktive na osnovna sredstva	2.214	-	-	-	-	2.214
Ispravka Vrijednosti ulaganja u investicione nekretnine	-	-	129	-	-	129
Prodaja	(13)	(190)	-	-	-	(203)
Donacija	-	(63)	-	-	-	(63)
Otpis/rashodovanje	-	(2.656)	-	-	-	(2.656)
<b>Stanje na dan 31.12.2018.</b>	<b>3.658</b>	<b>30.299</b>	<b>129</b>	<b>-</b>	<b>-</b>	<b>34.086</b>
<b>Sadašnja vrijednost</b>						
<b>Stanje na dan 31.12.2018.</b>	<b>31.413</b>	<b>14.631</b>	<b>3.219</b>	<b>5.378</b>	<b>691</b>	<b>55.332</b>
<b>Stanje na dan 31.12.2017.</b>	<b>27.025</b>	<b>16.724</b>	<b>4.544</b>	<b>3.313</b>	<b>930</b>	<b>52.536</b>

Na dan 31. decembar 2018. godine Banka nema građevinske objekte založene kao kolaterale za obezbjeđenje kredita ili ostalih finansijskih obaveza. Banka posjeduje vlasničku dokumentaciju za građevinske objekte.

Banka je sprovela test provjere umanjenja vrijednosti nekretnina na dan 31. decembra 2018. godine na osnovu kojeg nije bilo potrebe za umanjenjem vrijednosti nekretnina.

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## 19. PROPERTY, EQUIPMENT AND INVESTMENT PROPERTY

The Bank's property, equipment and investment property and movements on those assets in 2018 and 2017 are presented below:

	Land and buildings	Equipment and other assets	Investment property	Investments in progress	Advances paid	Total
<b>COST</b>						
Balance at January 1, 2017	27,290	46,326	8,110	2,657	558	84,941
Additions	-	-	-	3,265	-	3,265
Activations of new and second-hand assets	383	3,127	-	(3,449)	-	61
Reclassifications	2,704	-	(1,026)	1,026	-	2,704
Transfers	(2,127)	(1,127)	(2,540)	-	-	(5,794)
Advances used during the year	-	-	-	-	(1,291)	(1,291)
Advances paid during the year	-	-	-	-	1,663	1,663
Sales	(75)	(398)	-	-	-	(473)
Donation of assets	-	(43)	-	-	-	(43)
Write-off/retirement	-	(2,245)	-	(186)	-	(2,431)
Balance at December 31, 2017	<u>28,175</u>	<u>45,640</u>	<u>4,544</u>	<u>3,313</u>	<u>930</u>	<u>82,602</u>
Balance at January 1, 2018	28,175	45,640	4,544	3,313	930	82,602
Additions	-	-	-	5,759	-	5,759
Activations of new and second-hand assets	1,643	2,441	-	(4,084)	-	-
Transfers from assets acquired in lieu of debt collection	5,538	-	-	414	-	5,952
Transfers to assets acquired in lieu of debt collection	(151)	-	(905)	-	-	(1,056)
Advances used during the year	-	-	-	-	(2,063)	(2,063)
Advances paid during the year	-	-	-	-	1,824	1,824
Sales	(132)	(366)	(291)	-	-	(789)
Donation of assets	-	(64)	-	-	-	(64)
Write-off/retirement	(2)	(2,721)	-	(24)	-	(2,747)
Balance at December 31, 2018	<u>35,071</u>	<u>44,930</u>	<u>3,348</u>	<u>5,378</u>	<u>691</u>	<u>89,418</u>
<b>ACCUMULATED DEPRECIATION</b>						
Balance at January 1, 2017	1,192	27,896	-	-	-	29,088
Charge for the year	294	4,070	-	-	-	4,364
Transfers from equipment	-	(516)	-	-	-	(516)
Transfer from land and buildings	(334)	-	-	-	-	(334)
Activations of second-hand equipment	-	62	-	-	-	62
Sales	(2)	(331)	-	-	-	(333)
Donation of assets	-	(43)	-	-	-	(43)
Write-off/retirement	-	(2,222)	-	-	-	(2,222)
Balance at December 31, 2017	<u>1,150</u>	<u>28,916</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>30,066</u>
Balance at January 1, 2018	1,150	28,916	-	-	-	30,066
Charge for the year	307	4,292	-	-	-	4,599
Transfers from assets acquired in lieu of debt collection	2,214	-	-	-	-	2,214
Impairment of investment property	-	-	129	-	-	129
Sales	(13)	(190)	-	-	-	(203)
Donation of assets	-	(63)	-	-	-	(63)
Write-off/retirement	-	(2,656)	-	-	-	(2,656)
Balance at December 31, 2017	<u>3,658</u>	<u>30,299</u>	<u>129</u>	<u>-</u>	<u>-</u>	<u>34,086</u>
<b>NET BOOK VALUE</b>						
at December 31, 2018	<u>31,413</u>	<u>14,631</u>	<u>3,219</u>	<u>5,378</u>	<u>691</u>	<u>55,332</u>
at December 31, 2017	<u>27,025</u>	<u>16,724</u>	<u>4,544</u>	<u>3,313</u>	<u>930</u>	<u>52,536</u>

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NOVA BANKA A.D. BANJA LUKA  
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20. NEMATERIJALNA ULAGANJA

u 000 BAM	Nematerijalna sredstva	Licence softveri	Nemat. ulaganja u pripremi	Avansi	Ukupno
<b>NABAVNA VRIJEDNOST</b>					
<b>Stanje na dan 01.01.2017. godine</b>	<b>1.763</b>	<b>8.453</b>	<b>2.543</b>	<b>73</b>	<b>12.832</b>
Nova ulaganja (nabavke u toku godine)	-	-	696	57	753
Aktiviranja u toku godine	-	2.447	(2.447)	-	-
Iskorišteni avansi u toku godine	-	-	-	(73)	(73)
<b>Stanje na dan 31.12.2017. godine</b>	<b>1.763</b>	<b>10.900</b>	<b>792</b>	<b>57</b>	<b>13.512</b>
<b>Stanje na dan 01.01.2018. godine</b>	<b>1.763</b>	<b>10.900</b>	<b>792</b>	<b>57</b>	<b>13.512</b>
Nova ulaganja (nabavke u toku godine)	-	-	146	72	218
Aktiviranja u toku godine	-	759	(759)	-	-
<b>Stanje na dan 31.12.2018. godine</b>	<b>1.763</b>	<b>11.659</b>	<b>179</b>	<b>129</b>	<b>13.730</b>
<b>ISPRAVKA VRIJEDNOSTI</b>					
<b>Stanje na dan 01.01.2017. godine</b>	<b>1.693</b>	<b>7.304</b>	-	-	<b>8.997</b>
Amortizacija	36	563	-	-	599
<b>Stanje na dan 31.12.2017. godine</b>	<b>1.729</b>	<b>7.867</b>	-	-	<b>9.596</b>
<b>Stanje na dan 01.01.2018. godine</b>	<b>1.729</b>	<b>7.867</b>	-	-	<b>9.596</b>
Amortizacija	33	903	-	-	936
<b>Stanje na dan 31.12.2018. godine</b>	<b>1.762</b>	<b>8.770</b>	-	-	<b>10.532</b>
<b>Sadašnja vrijednost</b>					
<b>Stanje na dan 31.12.2018. godine</b>	<b>1</b>	<b>2.889</b>	<b>179</b>	<b>129</b>	<b>3.198</b>
<b>Stanje na dan 31.12.2017. godine</b>	<b>34</b>	<b>3.033</b>	<b>792</b>	<b>57</b>	<b>3.916</b>

NOVA BANKA A.D. BANJA LUKA

NOTES TO THE FINANCIAL STATEMENTS

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19. PROPERTY, EQUIPMENT AND INVESTMENT PROPERTY (Continued)

As of December 31, 2018, the Bank had no mortgage liens instituted over its building properties to serve as collaterals securitizing repayment of borrowings or settlement of other financial liabilities. The Bank holds proper title deeds for all of its building properties.

As of December 31, 2018, the Bank had its building properties tested for impairment. Based on the test results, the management concluded that the Bank's properties had suffered no impairment.

20. INTANGIBLE ASSETS

	Intangible assets	Licenses and software	Investments in progress	Advances paid	Total
<b>COST</b>					
Balance at January 1, 2017	1,763	8,453	2,543	73	12,832
Additions	-	-	696	57	753
Activations	-	2,447	(2,447)	-	-
Advances used during the year	-	-	-	(73)	(73)
Balance at December 31, 2017	<u>1,763</u>	<u>10,900</u>	<u>792</u>	<u>57</u>	<u>13,512</u>
Balance at January 1, 2018	1,763	10,900	792	57	13,512
Additions	-	-	146	72	218
Activations	-	759	(759)	-	-
Balance at December 31, 2018	<u>1,763</u>	<u>11,659</u>	<u>179</u>	<u>129</u>	<u>13,730</u>
<b>ACCUMULATED AMORTIZATION</b>					
Balance at January 1, 2017	1,693	7,304	-	-	8,997
Charge for the year	36	563	-	-	599
Balance at December 31, 2017	<u>1,729</u>	<u>7,867</u>	<u>-</u>	<u>-</u>	<u>9,596</u>
Balance at January 1, 2018	1,729	7,867	-	-	9,596
Charge for the year	33	903	-	-	936
Balance at December 31, 2018	<u>1,762</u>	<u>8,770</u>	<u>-</u>	<u>-</u>	<u>10,532</u>
<b>NET BOOK VALUE</b>					
at December 31, 2018	<u>1</u>	<u>2,889</u>	<u>179</u>	<u>129</u>	<u>3,198</u>
at December 31, 2018	<u>34</u>	<u>3,033</u>	<u>792</u>	<u>57</u>	<u>3,916</u>

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**21. OSTALA POTRAŽIVANJA I AVR**

	31. decembar 2018. 000 BAM	31. decembar 2017. 000 BAM
Sredstva stečena naplatom potraživanja	30.153	27.072
Otkupljena potraživanja	2.950	8.126
Potraživanja za kamatu i naknadu	7.464	8.067
Zalihe kancelarijskog i potrošnog materijala	680	714
Razgraničena potraživanja za obračunatu kamatu za rentnu štednju	3.129	4.681
Razgraničena potraživanja za obračunatu kamatu po kreditima	3.362	3.366
Razgraničena potraživanja za obračunatu kamatu po HoV	4.647	2.350
Razgraničena potraživanja za unaprijed plaćene troškove	1.449	1.127
Razgraničena potraživanja za obračunate prihode	1.193	204
Ostala potraživanja iz poslovnih odnosa	10.017	12.602
<b>Ukupno</b>	<b>65.044</b>	<b>68.309</b>
Ispravka vrijednosti	(14.182)	(9.419)
<b>Stanje na dan 31. decembra</b>	<b>50.862</b>	<b>58.890</b>
<b>a) Materijalne vrijednosti</b>		
	31. decembar 2018. 000 BAM	31. decembar 2017. 000 BAM
<b>Sredstva stečena naplatom potraživanja:</b>		
- zemljište	7.236	5.987
- nekretnine	18.136	15.622
- oprema	4.781	5.463
<b>Ukupno</b>	<b>30.153</b>	<b>27.072</b>
Ispravka vrijednosti materijalne imovine	(7.222)	(2.827)
<b>Stanje na dan 31. decembra</b>	<b>22.931</b>	<b>24.245</b>

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NOVA BANKA A.D. BANJA LUKA

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21. OTHER ASSETS, RECEIVABLES AND PREPAYMENTS	December 31, 2018	December 31, 2017
Assets acquired in lieu of debt collection	30,153	27,072
Purchased receivables	2,950	8,126
Interest, fee and commission receivables	7,464	8,067
Office supplies and consumable materials	680	714
Accrued receivables for interest on term deposits – monthly payment	3,129	4,681
Accrued receivables interest on loans	3,362	3,366
Accrued receivables for interest on securities	4,647	2,350
Accrued receivables for prepaid expenses	1,449	1,127
Receivables for accrued income	1,193	204
Other accounts receivable	10,017	12,602
<b>Total</b>	<b>65,044</b>	<b>68,309</b>
Less: Impairment allowance	(14,182)	(9,419)
<b>Balance at December 31</b>	<b>50,862</b>	<b>58,890</b>
a) Assets acquired in lieu of debt collection		
	December 31, 2018	December 31, 2017
Assets acquired in lieu of debt collection:		
- land	7,236	5,987
- buildings	18,136	15,622
- equipment	4,781	5,463
<b>Total</b>	<b>30,153</b>	<b>27,072</b>
Less: Impairment allowance	(7,222)	(2,827)
<b>Balance at December 31</b>	<b>22,931</b>	<b>24,245</b>

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**21. OSTALA POTRAŽIVANJA I AVR (nastavak)**

**b) Ostala potraživanja iz poslovnih odnosa**

	31. decembar 2018. 000 BAM	31. decembar 2017. 000 BAM
Potraživanja za namjenski depozit za obavljanje platnih transakcija sa karticama	2.333	2.171
Potraživanja iz operativnog poslovanja po osnovu gotovinskih isplata na ATM bankomatima za isplate od popisa do kraja poslovne godine	1.406	3.389
Potraživanja za izvršena plaćanja po karticama Nove banke	1.276	1.430
Potraživanja po osnovu avansa	471	1.427
Potraživanja za plaćanja po garanciji	792	1.135
Ostala potraživanja od klijenata banke	715	793
Potraživanja po osnovu prodaje zaliha	81	616
Potraživanja po osnovu naknada koje se refundiraju	277	362
Ostala potraživanja iz operativnog poslovanja po osnovu minusnog salda	245	214
Potraživanja po osnovu platnih kartica	782	174
Potraživanja od zaposlenih (za naknadu štete i sl.)	10	130
Potraživanja za date depozite na ime licitacije za sudske sporove	33	106
Potraživanja za više plaćen porez iz dobiti	61	-
Ostala potraživanja iz poslovnih odnosa	1.535	655
<b>Ukupno</b>	<b>10.017</b>	<b>12.602</b>

**Promjene na ispravkama vrijednosti bile su sljedeće:**

	31. decembar 2018. 000 BAM	31. decembar 2017. 000 BAM
Stanje na početku godine	9.419	7.169
Prva primjena MSFI 9	439	-
Ispravke vrijednosti u tekućoj godini	6.927	3.568
Ukidanja ispravke vrijednosti	(1.800)	(1.060)
Isknjižavanje ispravke vrednosti	(803)	(258)
<b>Stanje na dan 31. decembra</b>	<b>14.182</b>	<b>9.419</b>

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21. OTHER ASSETS, RECEIVABLES AND PREPAYMENTS (Continued)

b) Other accounts receivable

	December 31, 2018	December 31, 2017
Receivables per earmarked deposit placed for card payment transactions	2,333	2,171
Receivables for cash payments through ATMs on December 31, 2018 following the annual count of assets and liabilities	1,406	3,389
Receivables for payments made with cards issued via the Bank	1,276	1,430
Receivables for advances paid to suppliers	471	1,427
Receivables for payments per guarantees called on	792	1,135
Other receivables from customers	715	793
Receivables for inventories sold	81	616
Receivables for refundable fees and considerations	277	362
Other receivables per overdraft balances	245	214
Receivables per payment cards	782	174
Receivables from employees (damage compensation)	10	130
Receivables for court auction bid deposits placed	33	106
Receivables for prepaid income taxes	61	-
Other accounts receivable	<u>1,535</u>	<u>655</u>
Total	<u>10,017</u>	<u>12,602</u>

Movements on the impairment allowance were as follows:

	<u>2018</u>	<u>2017</u>
Balance at January 1	9,419	7,169
First-time adoption of IFRS 9	439	-
Charge for the year	6,927	3,568
Reversal of impairment allowance	(1,800)	(1,060)
Derecognition of impairment allowance	<u>(803)</u>	<u>(258)</u>
Balance at December 31	<u>14,182</u>	<u>9,419</u>

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**22. DEPOZITI KOMITENATA**

	31. decembar 2018. 000 BAM	31. decembar 2017. 000 BAM
Depoziti komitenata	1.520.333	1.477.339
<b>Ukupno</b>	<b>1.520.333</b>	<b>1.477.339</b>
<b>a) Depoziti po korisnicima</b>		
	31. decembar 2018. 000 BAM	31. decembar 2017. 000 BAM
<b>Kamatonosni depoziti</b>		
Banke i bankarske institucije	10.301	21
Javna i državna preduzeća	46.791	89.608
Privreda	19.067	123.280
Vanprivreda	74.156	99.099
Vlada i vladine institucije	205.556	205.609
Strana lica	12.613	22.375
Domaća fizička lica	720.002	727.620
<b>Ukupno kamatonosni depoziti</b>	<b>1.088.486</b>	<b>1.267.612</b>
<b>Nekamatonosni depoziti</b>		
Banke i bankarske institucije	151	2.366
Javna i državna preduzeća	26.068	3.663
Privreda	151.365	28.470
Vanprivreda	26.517	2.412
Vlada i vladine institucije	47.123	12.017
Strana lica	12.844	7.458
Domaća fizička lica	167.779	153.341
<b>Ukupno nekamatonosni depoziti</b>	<b>431.847</b>	<b>209.727</b>
<b>Ukupno obaveze po osnovu depozita na dan 31. decembar</b>	<b>1.520.333</b>	<b>1.477.339</b>

NOVA BANKA A.D. BANJA LUKA

NOTES TO THE FINANCIAL STATEMENTS

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22. DEPOSITS DUE TO CUSTOMERS

	December 31, 2018	December 31, 2017
Deposits due to customers	1,520,333	1,477,339
<b>Total</b>	<b>1,520,333</b>	<b>1,477,339</b>
a) Breakdown of deposits per customer type		
	December 31, 2018	December 31, 2017
Interest-bearing deposits		
Banks and other financial institutions	10,301	21
Public and state-owned companies	46,791	89,608
Corporate customers	19,067	123,280
Entrepreneurs	74,156	99,099
Government and state agencies	205,556	205,609
Non-residents	12,613	22,375
Resident retail customers	720,002	727,620
<b>Total interest-bearing deposits</b>	<b>1,088,486</b>	<b>1,267,612</b>
Non-interest bearing deposits		
Banks and other financial institutions	151	2,366
Public and state-owned companies	26,068	3,663
Corporate customers	151,365	28,470
Entrepreneurs	26,517	2,412
Government and state agencies	47,123	12,017
Non-residents	12,844	7,458
Resident retail customers	167,779	153,341
<b>Total non-interest bearing deposits</b>	<b>431,847</b>	<b>209,727</b>
<b>Total deposits due to customers as of December 31</b>	<b>1,520,333</b>	<b>1,477,339</b>

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**22. DEPOZITI KOMITENATA (nastavak)**

**b) Depoziti po ročnosti**

	31. decembar 2018. 000 BAM	31. decembar 2017. 000 BAM
<b>Tekući računi i depoziti po viđenju</b>		
Vlada i vladine institucije	235.693	184.808
Privreda i javna i državna preduzeća	207.340	168.118
Banke i bankarske institucije	173	2.120
Stanovništvo	250.788	209.483
Ostali tekući računi i depoziti po viđenju	<u>38.835</u>	<u>35.456</u>
<b>Ukupno depoziti po viđenju</b>	<b><u>732.829</u></b>	<b><u>599.985</u></b>
<b>Kratkoročni depoziti</b>		
Vlada i vladine institucije	1.586	21.905
Privreda i javna i državna preduzeća	3.528	3.880
Banke i bankarske institucije	-	-
Stanovništvo	22.240	26.656
Ostali	<u>29.856</u>	<u>32.461</u>
<b>Ukupno kratkoročni depoziti</b>	<b><u>57.210</u></b>	<b><u>84.902</u></b>
<b>Dugoročni depoziti</b>		
Vlada i vladine institucije	15.400	10.913
Privreda i javna i državna preduzeća	34.257	74.272
Banke i bankarske institucije	10.279	267
Stanovništvo	637.206	673.026
Ostali	<u>33.152</u>	<u>33.974</u>
<b>Ukupno dugoročni depoziti</b>	<b><u>730.294</u></b>	<b><u>792.452</u></b>
<b>Stanje na dan 31. decembra</b>	<b><u>1.520.333</u></b>	<b><u>1.477.339</u></b>

**23. OBAVEZE PO UZETIM KREDITIMA**

	31. decembar 2018. 000 BAM	31. decembar 2017. 000 BAM
Obaveze po uzetim kreditima	<u>207.800</u>	<u>175.886</u>
<b>Ukupno</b>	<b><u>207.800</u></b>	<b><u>175.886</u></b>

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22. DEPOSITS DUE TO CUSTOMERS (Continued)

b) Breakdown of deposits per maturity

	December 31, 2018	December 31, 2017
Current accounts and demand deposits		
Government and state agencies	235,693	184,808
Corporate customers, public and state-owned companies	207,340	168,118
Banks and other financial institutions	173	2,120
Retail customers	250,788	209,483
Other current accounts and demand deposits	38,835	35,456
Total demand deposits	<u>732,829</u>	<u>599,985</u>
Short-term deposits		
Government and state agencies	1,586	21,905
Corporate customers, public and state-owned companies	3,528	3,880
Banks and other financial institutions	-	-
Retail customers	22,240	26,656
Other short-term deposits	29,856	32,461
Total short-term deposits	<u>57,210</u>	<u>84,902</u>
Long-term deposits		
Government and state agencies	15,400	10,913
Corporate customers, public and state-owned companies	34,257	74,272
Banks and other financial institutions	10,279	267
Retail customers	637,206	673,026
Other long-term deposits	33,152	33,974
Total long-term deposits	<u>730,294</u>	<u>792,452</u>
Balance at December 31	<u>1,520,333</u>	<u>1,477,339</u>

23. BORROWINGS

	December 31, 2018	December 31, 2017
Borrowings	<u>207,800</u>	<u>175,886</u>
Total	<u>207,800</u>	<u>175,886</u>

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### 23. OBAVEZE PO UZETIM KREDITIMA (nastavak)

Struktura obaveza po uzetim kreditima prikazana je kako slijedi:

	31. decembar 2018. 000 BAM	31. decembar 2017. 000 BAM
Investiciono razvojna banka Republike Srpske a.d. Banja Luka:		
- Fond stanovanja RS	57.031	52.743
- Fond za razvoj i zapošljavanje RS	98.724	73.795
- Fond za razvoj istočnog dijela RS	52.009	47.043
- Fond za razvoj i zapošljavanje RS (Svjetska banka - IBRD)	14	2.143
Federalno ministarstvo finansija (po Projektu razvoja male komercijalne poljoprivrede)	22	162
<b>Ukupno</b>	<b>207.800</b>	<b>175.886</b>

Na dan 31. decembra 2018. godine tekuća dospjeća za obaveze po dugoročnim kreditima iznose 29.638 hiljada BAM (31. decembra 2017. godine iznosila su 26.336 hiljada BAM).

Obaveze po dugoročnim kreditima povučenim od fondova kojim upravlja Investiciono razvojna banka Republike Srpske (u daljem tekstu: IRB RS), odnose se na pojedinačne ugovore sa rokovima dospjeća od 3 do 20 godina i godišnjom kamatnom stopom od 0,50% do 3,70 %. IRB RS je u 2018. godini izvršila smanjenje i fiksiranje izlaznih kamatnih stopa prema postojećim i budućim korisnicima stambenih kredita.

Sredstva su primljena u cilju kreditiranja: poljoprivrede, preduzetnika i preduzeća, za jedinice lokalne samouprave, kao i za stambene kredite stanovništva.

Banka je u 2018. godini povećala kreditiranje iz sredstava IRB RS, tako da obaveze po dugoročnim kreditima povučenim od fondova kojim upravlja IRB RS iznose 207.764 hiljada BAM i u odnosu na 2017. godinu su povećane za 17,90 %.

IRB RS je u skladu sa Pravilima plasmana sredstava po kreditnim linijama i zajmovima („Službeni glasnik RS“ br. 33/18 i 62/18) definisala u članu 5. tačka 2. i članu 22. stav 3. tačka 4. da IRB RS u ime i za račun fondova kojim upravlja zaključuje okvirni ugovor o poslovno-tehničkoj saradnji i ugovor o zajmu, a u skladu sa rezultatima finansijske analize posrednika i ugovor o zalaganju sadašnjeg i budućeg portfolija, za plasman sredstava po kreditnim linijama.

S tim u vezi, IRB RS je zaključila sa Bankom ugovore o zalaganju kreditnog portfolija i to za sljedeće fondove (datum posljednjeg zalaganja 30.07.2018. godine):

1. Fond za razvoj istočnog dijela RS;
2. Fond za razvoj i zapošljavanje RS i
3. Fond stanovanja RS.

Stanje potraživanje po osnovu kredita koji su založeni dana 30.07.2018. godine, sa stanjem na dan 31.12.2018. godine iznose:

Bruto iznos: 176.922 hiljada BAM  
Ispravka vrijednosti: 10.742 hiljada BAM  
Neto iznos: 166.180 hiljada BAM

Ukupan broj partija: 1.274.

Navedeni iznosi su registrovani u registru zaloga.

Banka na dan 31.12.2018. godine nema drugih hipoteka, zaloga ili drugih tereta nad stavkama aktive, izuzev prethodno navedenog.

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## 23. BORROWINGS (Continued)

Breakdown of borrowings is provided below:

	December 31, 2018	December 31, 2017
Investment and Development Bank of the Republic of Srpska Banja Luka		
- RS Housing Fund	57,031	52,743
- RS Development and Employment Fund	98,724	73,795
- RS Fund for Development of Eastern Republic of Srpska	52,009	47,043
- RS Development and Employment Fund (World Bank – IBRD)	14	2,143
Federal Ministry of Finance (per Project of Developing Small-Scale Commercial Agriculture)	22	162
<b>Total</b>	<b>207,800</b>	<b>175,886</b>

As of December 31, 2018, the current portion of the Bank's long-term borrowings amounted to BAM 29,638 thousand (December 31, 2017: BAM 26,336 thousand).

Liabilities per borrowings obtained from the Funds managed by the Investment and Development Bank of the Republic of Srpska (IRB RS) relate to several separate loan agreements stipulating loan maturities from 3 to 20 years at interest rates ranging from 0.5% to 3.7%. In 2018, IRB RS reduced interest rates and replaced variable with fixed rates on housing loans that have already been and will be extended to borrowers.

The Bank obtained funds from IRB RS for crediting agricultural production, i.e., farmers, entrepreneurs and corporate clients, local governance units and for extension of housing loans to retail customers.

In 2018, the Bank increased the volume of crediting from IRB RS funds, so that the Bank's liabilities per long-term borrowings drawn down from the Funds managed by IRB RS amounted to BAM 207,764 thousand, having risen by 17.9% compared to 2017.

Article 5, para. 2 and Article 22, para. 3, item 4 of the Rules for Placing Funds within Lines of Credit and Loans (Official Gazette of RS no. 33/18 and 62/18) stipulate that, on behalf of the Funds it manages, IRB RS shall execute agreements on business cooperation and loan agreements and, in line with the results of the financial analysis of each agent bank, agreements on institution of pledge liens over the current and future portfolios when extending funds in lines of credit.

With regard thereto, IRB RS and the Bank executed agreements on institution of a pledge lien over the Bank's loan portfolio on behalf of the following Funds (the last pledge lien date: July 30, 2018):

1. RS Fund for Development of Eastern Republic of Srpska;
2. RS Development and Employment Fund; and
3. RS Housing Fund.

As of December 31, 2018, the balances of receivables per loans the Bank pledged on July 30, 2018 (the total number of loan facilities pledged: 1,274) amounted to:

Gross amount	BAM '000	176,922
Less: Impairment allowance	BAM '000	(10,742)
<b>Net amount</b>	<b>BAM '000</b>	<b>166,180</b>

The above specified amounts were duly registered within the Pledge Register.

As of December 31, 2018, the Bank had no mortgage or pledge liens or other encumbrances instituted over its assets other than the aforesaid pledge over the loan portfolio.

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**24. REZERVISANJA NA STAVKE VANBILANSA**

	31. decembar 2018. 000 BAM	31. decembar 2017. 000 BAM
Rezervisanja za vanbilansne stavke	2.177	4.167
<b>Ukupno rezervisanja</b>	<b>2.177</b>	<b>4.167</b>
<b>Promjene na rezervisanjima za vanbilansne stavke:</b>		
	31. decembar 2018. 000 BAM	31. decembar 2017. 000 BAM
Stanje na početku godine	4.167	2.687
Prva primjena MSFI 9	5.117	-
Rezervisanja u tekućoj godini	1.128	3.083
Ukidanje rezervisanja	(8.235)	(1.603)
<b>Stanje na dan 31. decembra</b>	<b>2.177</b>	<b>4.167</b>

**25. OSTALE OBAVEZE I PVR**

	31. decembar 2018. 000 BAM	31. decembar 2017. 000 BAM
Razgraničeni prihodi - unaprijed naplaćena naknada	7.303	7.065
Razgraničene obaveze po osnovu kamata na depozite u dom. valuti	3.407	3.951
Razgraničene obaveze po osnovu kamata na depozite u str. valuti	4.860	5.557
Razgraničene obaveze za ostale obračunate troškove	375	429
Rezervisanja za otpremnine	315	313
Rezervisanja za sudske sporove	105	91
Rezervisanja za ostale potencijalne obaveze	277	277
Ostala pasivna vremenska razgraničenja	1.436	506
Ostale obaveze - unaprijed naplaćeni anuiteti po kreditima	7.061	4.737
Obaveze po primljenim sredstvima - neraspoređeni priliv	518	1.633
Obaveze po osnovu platnih kartica realizovanih u drugim bankama	108	635
Obaveze prema dobavljačima	520	611
Obaveze po kamatama	178	184
Obaveze za dividende	306	168
Obaveze po osnovu poštanskih uputnica	131	119
Ostale obaveze	2.547	1.466
<b>Ukupno</b>	<b>29.447</b>	<b>27.742</b>

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24. PROVISIONS FOR OFF-BALANCE SHEET ITEMS

	December 31, 2018	December 31, 2017
Provisions for off-balance sheet items	2,177	4,167
Total	<u>2,177</u>	<u>4,167</u>

Movements on provisions for off-balance sheet items were as follows:

	December 31, 2018	December 31, 2017
Balance at January 1	4,167	2,687
First-time adoption of IFRS 9	5,117	-
Charge for the year	1,128	3,083
Reversal of provisions	<u>(8,235)</u>	<u>(1,603)</u>
Balance at December 31	<u>2,177</u>	<u>4,167</u>

25. OTHER LIABILITIES AND ACCRUALS

	December 31, 2018	December 31, 2017
Deferred income – fees collected in advance	7,303	7,065
Accrued interest liabilities per deposits in local currency	3,407	3,951
Accrued interest liabilities per deposits in foreign currencies	4,860	5,557
Accrued liabilities for other expenses	375	429
Provisions for employee retirement benefits	315	313
Provisions for litigations	105	91
Provisions for other contingent liabilities	277	277
Other accruals	1,436	506
Other liabilities – loan repayment installments collected in advance	7,061	4,737
Liabilities per funds received – unallocated inflows	518	1,633
Liabilities per payment card transactions performed via other banks	108	635
Trade payables	520	611
Interest liabilities	178	184
Dividend liabilities	306	168
Liabilities per postal money transfer orders	131	119
Other liabilities	<u>2,547</u>	<u>1,466</u>
	<u>29,447</u>	<u>27,742</u>

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**25. OSTALE OBAVEZE I PVR (nastavak)**

Promjene na rezervisanjima za otpremnine, sudske sporove i ostale potencijalne obaveze:

	Rezervisanja za otpremnine 000 BAM	Rezervisanja za sudske postupke 000 BAM	Rezervisanja za ostale potenc. obaveze 000 BAM	UKUPNO 000 BAM
Stanje na dan 01.01.2017.	313	305	277	895
Rezervisanja u tekućoj godini	-	68	-	68
Ukidanje rezervisanja / isplata	-	(282)	-	(282)
<b>Stanje na dan 31.12.2017.</b>	<b>313</b>	<b>91</b>	<b>277</b>	<b>681</b>
Stanje na dan 01.01.2018.	313	91	277	681
Rezervisanja u tekućoj godini	2	58	-	60
Ukidanje rezervisanja / isplata	-	(44)	-	(44)
<b>Stanje na dan 31.12.2018.</b>	<b>315</b>	<b>105</b>	<b>277</b>	<b>697</b>

**26. SUBORDINIRANI DUG (dopunski kapital)**

Obaveze po osnovu subordiniranog duga:

	31. decembar 2018. 000 BAM	31. decembar 2017. 000 BAM
Subordinirani dug (dopunski kapital)		
- u domaćoj valuti	37.600	37.600
- u stranoj valuti	-	97
<b>Ukupno</b>	<b>37.600</b>	<b>37.697</b>

Obaveze po osnovu subordiniranog duga u ukupnom iznosu od 37.600 hiljada BAM, datiraju iz 2014. godine (šesta emisija obveznica).

Stanje obveznica po osnovu subordiniranog duga nakon povrata	Datum rješenja Komisije Hov RS	Nominalna vrijednost emisije BAM	Broj emitovanih obveznica	Kamatna stopa	Grejs period	Rok dospjeća
Šesta emisija	28.11.2014.	37.600.000	376	8,00%	5 godina	10 god.

Nadzorni odbor Banke je dana 06. novembra 2014. godine donio Odluku o emitovanju šeste emisije obveznica, koja predstavlja objedinjavanje I, II, III, IV i V emisije obveznica, a upisom šeste emisije obveznica u Centralni registar HOV izvršeno je brisanje obveznica emitovanih kroz prvih pet emisija.

Šestom emisijom obveznica emitovano je 376.000 obveznica nominalne vrijednosti 100 BAM po obveznici, ukupne nominalne vrijednosti 37.600.000 BAM uz kamatnu stopu 8%, sa rokom dospjeća od 10 godina i grace periodom od 5 godina. Kupac navedenih obveznica je Investiciono razvojna banka Republike Srpske i fondovi kojima ona upravlja.

Banka na dan 31. decembra 2018. godine nije imala obaveze prema USAID-u po osnovu subordiniranog duga (2017: 97 hiljada BAM). Banka je u toku 2003. godine kupila kreditni portfolio od USAID-a za iznos od 4.825 hiljada BAM. Iznos od 2.895 hiljada BAM plaćen je u avgustu 2003. godine, dok je za preostali iznos od 1.930 hiljada BAM zaključen Ugovor o subordiniranom kreditu. Saglasno Ugovoru o subordiniranom kreditu, Banka je u obavezi da subordinirane obaveze plati u jednakim kvartalnim ratama počev od 1. decembra 2003. godine do 1. septembra 2018. godine, uz fiksnu kamatnu stopu EuroLibor na godišnjem nivou.

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## 25. OTHER LIABILITIES AND ACCRUALS (Continued)

Movements on provisions for retirement benefits, litigations and other contingent liabilities were as follows:

	Provisions for retirement benefits	Provisions for litigations	Provisions for contingent liabilities	Total
Balance at January 1, 2017	313	305	277	895
Charge for the year	-	68	-	68
Reversal/release of provisions	-	(282)	-	(282)
Balance at December 31, 2017	313	91	277	681
Balance at January 1, 2018	313	91	277	681
Charge for the year	2	58	-	60
Reversal/release of provisions	-	(44)	-	(44)
Balance at December 31, 2018	315	105	277	697

## 26. SUBORDINATED DEBT (Supplementary Capital)

Liabilities per subordinated debt:

	December 31, 2018	December 31, 2017
Subordinated debt (supplementary capital)		
- in local currency	37,600	37,600
- in foreign currencies	-	97
Total	37,600	37,697

Subordinated debt liabilities totaling BAM 37,600 thousand arose from the bonds were issued in 2014 (sixth issue).

Balance of subordinated debt bonds	Registration date w. RS Securities Commission	Sixth issue par value BAM	Number of bonds issued	Interest rate	Grace period	Maturity
Sixth issue	28/11/2014	37,600,000	376	8.00%	5 years	10 years

On November 6, 2014 the Bank's Supervisory Board enacted the Decision on Issuance of the Sixth Bond Issue to consolidate the first, second, third, fourth and fifth bond issues, and with the registration of the sixth bond issue within the Central Securities Registry, bonds issued through the first five issues were deleted.

The total of 376,000 bonds with the par value of BAM 100 per bond were issued in the sixth issue, with the total par value of BAM 37,600 thousand at an interest rate of 8% per annum and maturity of 10 years, with a 5-year grace period. The bonds were purchased by the Investment and Development Bank of RS and Funds managed by the Investment and Development Bank of RS.

As of December 31, 2018, the Bank had no subordinated debt to USAID (2017: BAM 97 thousand). In 2003 the Bank purchased a loan portfolio from USAID for the amount of BAM 4,825 thousand, of which BAM 2,895 thousand was paid in August 2003, while for the remaining BAM 1,930 thousand the Subordinated Loan Agreement was executed, whereby the Bank was required to repay the subordinated liabilities in equal quarterly installments from December 1, 2003 up to December 1, 2018 at a fixed interest rate of EuroLibor per annum.

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## 27. KAPITAL

### Struktura kapitala Banke

Struktura ukupnog kapitala Banke prikazana je kako slijedi:

	31. decembar 2018. 000 BAM	31. decembar 2017. 000 BAM
Akcijski kapital (obične akcije)	134.638	126.274
Emisioni premija (ažio)	8.070	8.070
Rezerve iz dobiti	8.562	8.073
Revalorizacione rezerve	40	643
Regulatorne rezerve za kreditne gubitke	(7.398)	4.274
Neraspoređena dobit iz ranijeg perioda	1	1
Neraspoređena dobit tekuće godine	10.699	9.782
<b>Ukupno</b>	<b>154.612</b>	<b>157.117</b>

### Akcijski kapital

Ukupan akcijski kapital Banke na dan 31. decembra 2018. godine sastoji se od 134.637.768 običnih akcija pojedinačne nominalne vrijednosti 1 BAM (31. decembar 2017. godine: 126.274.406 obične akcije pojedinačne nominalne vrijednosti 1 BAM).

Skupština Banke je 29. juna 2018. godine donijela Odluku o XXVIII emisiji hartija od vrijednosti (XXII emisija akcija) iz neraspoređene dobiti za 2017. godinu. Iznos emisije je 8.363.362 BAM, podijeljen u 8.363.362 obične akcije klase A, čija je nominalna vrijednost 1 BAM. Ukupan iznos registrovanog kapitala nakon okončanja XXVIII emisije hartija od vrijednosti iznosi 134.637.768 BAM. Agencija za bankarstvo Republike Srpske je dana 27. juna 2018. godine, donijela Rješenje kojim se daje saglasnost Novoj banci a.d Banja Luka da izvrši XXVIII emisiju hartija od vrijednosti (XXII emisiju akcija) po osnovu pretvaranja neraspoređene dobiti za 2017. godinu u kapital u ukupnom iznosu od 8.363.362 BAM. Na osnovu Rješenja Okružnog Privrednog suda Banja Luka Republika Srpska od 23. avgusta 2017. godine, ukupan iznos osnovnog kapitala Banke nakon emisije akcija iznosi 134.637.768 BAM, podijeljen je na 134.637.768 akcija klase A, a nominalna vrijednost jedne akcije je 1 BAM.

Najveći akcionari Banke na dan 31. decembra 2018. godine su:

Naziv / Prezime i ime	Obične akcije	% učešća običnih akcija
MG Mind DOO	28.043	20,83%
Respect PLUS DOO Banja Luka	13.015	9,67%
Gas - petrol DOO Mrkonjić Grad	9.730	7,23%
Ban gradnja DOO Banja Luka	7.090	5,27%
Radanović Slobodan	6.957	5,17%
Invest Nova AD Bijeljina	6.732	5,00%
Integral Inženjering AD	4.295	3,19%
Balta Tarik	3.227	2,40%
New Concept DOO Banja Luka	2.909	2,16%
Interpromet DOO Novi Grad	2.723	2,02%
Elek Nedeljko	2.621	1,95%
Gajić Zoran	2.417	1,80%
Sivrić Zdenko	2.305	1,71%
Čurčić Slobodan	2.298	1,71%
Aqua tim DOO Laktaši	2.160	1,60%
Ostali	38.116	28,31%
<b>Ukupno</b>	<b>134.638</b>	<b>100,00%</b>

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#### 27. EQUITY

##### The Bank's Equity Structure

The total Bank's equity structure is broken down below:

	December 31, 2018	December 31, 2017
Share capital (common stock(ordinary) shares)	134,638	126,274
Share premium	8,070	8,070
Reserves from profit	8,562	8,073
Revaluation reserves	40	643
Regulatory reserves for estimated credit losses	(7,398)	4,274
Prior years' retained earnings	1	1
Current year's retained earnings	10,699	9,782
<b>Total</b>	<b>154,612</b>	<b>157,117</b>

##### Share Capital

As of December 31, 2018, the Bank's total share capital comprised 134,637,768 common stock (ordinary) shares with the par value of BAM 1 (December 31, 2017: 126,274,406 common stock (ordinary) shares with the par value of BAM 1).

On June 29, 2018, the Bank's Shareholder Assembly enacted the Decision on the 28th Issue of Securities (22nd share issue) from the 2017 retained earnings. The share issue totaling BAM 8,363,362 was divided into 8,363,362 class A ordinary shares with the par value of BAM 1 per share. The total Bank's registered share capital following the 28th issue of securities amounted to BAM 134,637,768. On June 27, 2018, BARS granted an approval to Nova banka a.d. Banja Luka for 28th issue of securities (22nd share issue) through conversion of retained earnings for FY 2017 into equity in the total amount of BAM 8,363,362. As per the Decision of the District Commercial Court of Banja Luka dated August 23, 2018, the Bank's registered share capital following the share issue totals BAM 134,637,768 divided into 134,637,768 class A ordinary shares with the par value of BAM 1 per share.

As of December 31, 2018 the Bank's major shareholders were:

Name	Ordinary shares	Share (%)
MG Mind DOO	28,043	20.83%
Respect PLUS DOO Banja Luka	13,015	9.67%
Gas - petrol DOO Mrkonjić Grad	9,730	7.23%
Ban gradnja DOO Banja Luka	7,090	5.27%
Radanović Slobodan	6,957	5.17%
Invest Nova AD Bijeljina	6,732	5.00%
Integral Inženjering AD	4,295	3.19%
Balta Tarik	3,227	2.40%
New Concept DOO Banja Luka	2,909	2.16%
Interpromet DOO Novi Grad	2,723	2.02%
Elek Nedeljko	2,621	1.95%
Gajić Zoran	2,417	1.80%
Sivrić Zdenko	2,305	1.71%
Čurčić Slobodan	2,298	1.71%
Aqua tim DOO Laktaši	2,160	1.60%
Others	38,116	28.31%
<b>Total</b>	<b>134,638</b>	<b>100.00%</b>

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## 27.KAPITAL (nastavak)

Akcijski kapital (nastavak)

Najveći akcionari Banke na dan 31. decembra 2017. godine bili su:

Naziv / Prezime i ime	Obične akcije	% učešća običnih akcija
Radović Milan	10.067	7,97%
Interpromet DOO Novi Grad	7.900	6,26%
Radanović Slobodan	6.565	5,20%
Invest Nova AD Bijeljina	6.264	4,96%
Integral Inženjering AD	4.028	3,19%
Financ D.O.O. Banja Luka	3.893	3,08%
Avlijaš Goran	3.475	2,75%
Euro Line DOO Banja Luka	3.213	2,54%
Rožić Tihomir	3.028	2,40%
Balta Tarik	3.027	2,40%
New Concept DOO Banja Luka	2.728	2,16%
Avlijaš Sonja	2.568	2,03%
Avlijaš Boris	2.525	2,00%
Elek Nedeljko	2.458	1,95%
ZU Crvena apoteka Mrkonjić Grad	2.380	1,88%
Ostali	62.155	49,22%
<b>Ukupno</b>	<b>126.274</b>	<b>100,00%</b>

Sve gore navedene promjene akcionara Banke u 2018. godini evidentirane su u jedinstvenoj evidenciji akcionara kod Centralnog registra hartija od vrijednosti Republike Srpske. Banka na dan 31. decembra 2018. godine ima novčani iznos kapitala u iznosu od 134.637.768 BAM. Članom 34., stav 1 Zakona o bankama Republike Srpske propisan je minimalan iznos novčanog kapitala od 15.000.000 BAM, a članom 37. stav 4. Zakona o bankama Republike Srpske i članom 34. stav 1. Odluke o izračunavanju kapitala banaka, propisan je minimalni koeficijent adekvatnosti regulatornog kapitala od 12% i način obračuna istog. Na dan 31. decembra 2018. godine, koeficijent adekvatnosti kapitala Banke iznosio je 14,55% (31. decembra 2017. godine: 13,9%) bez uključene neto dobiti tekuće godine. Koeficijent adekvatnosti kapitala sa uključenom neto dobiti tekuće godine nakon revidiranja će iznositi 15,36%.

### Emisiona premija

Emisiona premija u iznosu od 8.070 hiljada BAM na dan 31. decembra 2018. i 2017. godine se odnosi na pozitivnu razliku između uplaćene vrijednosti akcija i njihove nominalne vrijednosti po osnovu emisija akcija.

### Rezerve kapitala

Rezerve iz dobiti formirane su u skladu sa zakonom i propisima Republike Srpske i Statutom Banke i na dan 31. decembra 2018. godine iznose 8.562 hiljada BAM.

### Regulatorne rezerve za kreditne gubitke

Regulatorne rezerve za procijenjene gubitke iz dobiti formirane su u skladu sa Odlukom o izmjeni i dopuni Odluke o minimalnim standardima za upravljanje kreditnim rizikom i klasifikaciju aktive banaka donesenim od strane Agencije za bankarstvo Republike Srpske. Rezerve za kreditne gubitke predstavljaju rezerve, koje je Banka prilikom procjene kvaliteta aktive, odnosno klasifikacije stavke aktive, dužna da formira najmanje u skladu sa kriterijumima iz pomenute Odluke uzimajući u obzir već formirane ispravke vrijednosti bilansne aktive i rezervisanja za gubitke po vanbilansnim stavkama. Izmjenom Odluke o minimalnim standardima za upravljanje kreditnim rizikom i klasifikaciju aktive banaka, banke nisu u obavezi da počev od 31. decembra 2013. godine vrše pokriće nedostajućih rezervi po regulatornom zahtjevu. U skladu sa Odlukom o minimalnim standardima za upravljanje kapitalom banaka i kapitalnoj zaštiti, nedostajuće rezerve za kreditne gubitke po regulatornom zahtjevu predstavljaju odbitnu stavku od kapitala banke.

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## 27. EQUITY (Continued)

The Bank's Equity Structure (continued)

As of December 31, 2017 the Bank's major shareholders were:

Name	Ordinary shares	Share (%)
Radović Milan	10,067	7.97%
Interpromet DOO Novi Grad	7,900	6.26%
Radanović Slobodan	6,565	5.20%
Invest Nova AD Bijeljina	6,264	4.96%
Integral Inženjering AD	4,028	3.19%
Financ D.O.O. Banja Luka	3,893	3.08%
Avlijaš Goran	3,475	2.75%
Euro Line DOO Banja Luka	3,213	2.54%
Rožić Tihomir	3,028	2.40%
Balta Tarik	3,027	2.40%
New Concept DOO Banja Luka	2,728	2.16%
Avlijaš Sonja	2,568	2.03%
Avlijaš Boris	2,525	2.00%
Elek Nedeljko	2,458	1.95%
ZU Crvena apoteka Mrkonjić Grad	2,380	1.88%
Others	62,155	49.22%
Total	126,274	100.00%

All the above changes to the Bank's shareholders were recorded within the unique database of shareholders maintained by the Central Securities Registry of the Republic of Srpska. As of December 31, 2018, the Bank's registered monetary share capital amounted to BAM 134,637,768. Article 34, paragraph 1 of the Law on Banks of the Republic of Srpska prescribes the minimum monetary capital of banks in the amount of BAM 15,000 thousand, while Article 37, paragraph 4 of the Law on Banks of the Republic of Srpska and Article 34, paragraph 1 of the D Decision on Bank Capital Calculation, prescribe the minimum capital adequacy ratio of 12% and the manner of calculation of this ratio. As of December 31, 2018, the Bank's capital adequacy ratio equaled 14.55% (December 31, 2017: 13.9%) without current year's profit included in the calculation. With the current year's profit included, the Bank's capital adequacy ratio will equal 15.36%.

### Share Premium

Share premium is BAM 8,070 thousand as of December 31, 2018 and 2017 pertains to the positive difference between the value of shares paid in and their nominal (par) value.

### Reserves from Profit

Reserves from profit were formed in accordance with the legislation of the Republic of Srpska and the Bank's Statute amounting to BAM 8,562 thousand as of December 31, 2018.

### Regulatory Reserves for Estimated Credit Losses

Regulatory reserves for estimated credit losses were formed in accordance with the Decision on the Amendment to the Decision on the Minimum Standards for Credit Risk Management and Classification of Bank Assets enacted by BARS. Reserves for estimated credit losses represent reserves that the Bank is required to make upon assessment of the asset quality and upon asset classification in the minimum amount as prescribed by the Decision taking into account already formed impairment allowances of the balance sheet assets and provisions for losses per off-balance sheet items. Under the Amended Decision on the Minimum Standards for Credit Risk Management and Classification of Bank Assets, as from December 31, 2013, banks were no longer required to cover the shortfall regulatory reserves for credit losses. Based on the Decision on the Minimum Standards for Bank Capital Management and Capital Protection, the shortfall credit loss reserves as per the regulatory requirement represents a capital deductible item.

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## 27. KAPITAL (nastavak)

Regulatorne rezerve za kreditne gubitke (nastavak)

Na dan 31. decembra 2018. godine rezerve za kreditne gubitke iznose (7.398) hiljada BAM (31. decembra 2017. : 4.274 hiljade BAM) a iste se odnose na:

- regulatorne rezerve za kreditne gubitke koje su formirane 1. januara 2010. godine u iznosu od 4.274 hiljade BAM, u skladu sa izmijenjenim računovodstvenim propisima Republike Srpske i propisima Agencije za bankarstvo Republike Srpske;
- regulatorne rezerve za kreditne gubitke koje su formirane 1. januara 2018. godine u iznosu od (11.761) hiljada BAM, u skladu sa prvom primjenom Međunarodnog standarda finansijskog izvještavanja 9 (MSFI 9).

Neraspoređena dobit

Neraspoređena dobit na dan 31. decembra 2018. godine iznosi 10.700 hiljada BAM, a obuhvata neraspoređenu dobit iz prethodnog perioda u iznosu od 1 hiljadu BAM i ostvarenu neto dobit tekućeg perioda u iznosu od 10.699 hiljada BAM.

Odlukom Skupštine akcionara Banke od 29. juna 2018. godine, Banka je raspodjelila neto dobiti poslovne 2017. godine u iznosu od 9.782 hiljade BAM, raspodjelom u: obavezne zakonske rezerve u iznosu od 489 hiljada BAM, isplatom akcionarima u svrhu plaćanja poreza u iznosu od 930 hiljada BAM i XXII emisiju akcija u iznosu od 8.363 hiljade BAM.

Revalorizacione rezerve

Revalorizacione rezerve na dan 31. decembra 2018. godine iznose 40 hiljada BAM i formirane su kao rezultat svodenja na tržišnu vrijednost ulaganja u hartije od vrjednosti klasifikovanih kao finansijska imovina po fer vrijednosti kroz ostali ukupni rezultat.

## 28. ZARADA PO AKCIJI

Osnovna zarada po akciji izračunava se dijeljenjem neto dobiti koja pripada akcionarima, vlasnicima običnih akcija Banke, ponderisanim prosječnim brojem izdatih običnih akcija u toku izvještajnog perioda.

	2018.	2017.
		(U 000 BAM)
Neto dobit koja se odnosi na vlasnike običnih akcija Banke	10.699	9.782
Ponderisani prosječni broj običnih akcija	129.780	120.732
Zarada po akciji	0,08	0,08

## 29. VANBILANSNA AKTIVA / PASIVA

U cilju zadovoljenja finansijskih potreba komitenata, Banka odobrava različite vidove garancija i ostalih preuzetih i potencijalnih obaveza. Iako se pomenute obaveze ne priznaju u bilansu stanja, one sadrže kreditni rizik i stoga čine sastavni dio sveukupnog rizika Banke.

Ukupno stanje potencijalnih obaveza je prikazano u sljedećoj tabeli:

	31. decembar 2018. 000 BAM	31. decembar 2017. 000 BAM
Plative garancije	56.958	60.527
Činidbene garancije	103.100	137.913
Nepokriveni nostro akreditivi	0	147
Neopozive kreditne obaveze	81.552	89.285
<b>Ukupno</b>	<b>241.610</b>	<b>287.872</b>

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## 27. EQUITY (Continued)

### Regulatory Reserves for Estimated Credit Losses (continued)

As of December 31, 2017, the Bank's reserves for estimated credit losses amounted to BAM (7,398) thousand (December 31, 2017: BAM 4,274 thousand) relating to:

- the regulatory reserves for credit losses made on January 1, 2010 in the amount of BAM 4,274 thousand in accordance with the amended accounting regulations of the Republic of Srpska and BARS; and
- the regulatory reserves for credit losses made on January 1, 2018 in the amount of BAM (11,761) thousand in line with the first-time adoption of IFRS 9.

### Retained Earnings

As of December 31, 2018, the Bank's retained earnings amounted to BAM 10,700 thousand, including the prior years' retained earnings of BAM 1 thousand and current year's net profit of BAM 10,699 thousand.

Under the relevant decision of the Bank's Shareholder Assembly dated June 29, 2018, the Bank distributed the net profit for FY 2017 in the amount of BAM 9,782 thousand as follows: BAM 489 thousand was allocated to the legal reserves, BAM 930 thousand was paid to the shareholders for tax payment purposes and BAM 8,363 thousand was used for the 22nd share issue.

### Revaluation Reserves

As of December 31, 2018, the Bank's revaluation reserves amounted to BAM 40 thousand and arose from the fair market value adjustment of securities classified as financial assets at fair value through other comprehensive income (FVtOCI).

## 28. EARNINGS PER SHARE

Basic earnings per share are calculated by dividing the net profit attributable to the Bank's ordinary share holders by the weighted average number of share outstanding during the reporting period.

	2018	2017
Net profit attributable to the Bank's ordinary share holders	10,699	9,782
Weighted average number of share outstanding	129,780	120,732
Earnings per share	0.08	0.08

## 29. OFF-BALANCE SHEET ITEMS

In order to meet various financial needs of its clients, the Bank approves different types of guarantees and assumes other commitments and contingent liabilities. Although such liabilities are not recognized on balance sheet (within the statement of financial position), they contain credit risk and are therefore included in the overall Bank's risk.

The total balance of the Bank's contingent liabilities is broken down below:

	December 31, 2018	December 31, 2017
Payment guarantees	56,958	60,527
Performance guarantees	103,100	137,913
Unsecured letters of credit	-	147
Irrevocable credit commitments	81,552	89,285
Total	241,610	287,872

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## 29. VANBILANSNA AKTIVA / PASIVA (nastavak)

### Garancije i ostale preuzete i potencijalne obaveze

Akreditivi i garancije obavezuju Banku da izvrši plaćanje u korist korisnika ukoliko se za to ispune potrebni uslovi. Garancije i „stand-by“ kreditivi nose isti tip rizika za Banku kao i krediti.

### Preuzete neopozive obaveze

Preuzete neopozive obaveze se odnose na neiskorištene odobrene kredite i revolving kredite (kreditne kartice i pozajmice). Preuzete neopozive obaveze obično imaju fiksne datume kada ističu ili druge odredbe u vezi sa istekom. Pošto preuzete neopozive obaveze mogu isteći prije povlačenja kredita od strane komitenata, ukupno ugovoren iznos ne predstavlja neophodne buduće gotovinske odlive.

Ipak, potencijalni kreditni gubitak je manji od ukupnih neiskorištenih obaveza iz razloga što je većina obaveza potencijalna i ista zavisi od ispunjenja određenih uslova od strane klijenta. Banka prati ročnost preuzetih neopozivih obaveza po osnovu neiskorištenih odobrenih kredita jer dugoročne preuzete obaveze nose viši stepen kreditnog rizika od kratkoročno preuzetih obaveza.

## 30. SUDSKI SPOROVI

Sudski sporovi su zbog prirode bankarskog poslovanja česta pojava. Banka je ustanovila protokol za upravljanje sudskim sporovima. Na osnovu analize tužbenog zahtjeva i pravnog savjeta, Banka vrši procjenu iznosa potencijalnog gubitka po osnovu sudskih sporova. Banka rezerviše sredstva za sve negativne efekte koji mogu nastati po sudskim sporovima odnosno mogu imati uticaj na finansijsku poziciju Banke.

Vrijednost sudskih sporova za 44 predmeta koji se vode protiv Banke na dan 31.12.2018. godine iznose 5.972 hiljade BAM (2017: 4.742 hiljade BAM). Uprava Banke procjenjuje da u budućim periodima neće nastati materijalno značajni gubici po osnovu negativnog ishoda sudskih sporova koji su u toku, veći od iznosa stvorenog rezervisanja na dan 31. decembra 2018. godine, u iznosu od 105 hiljada BAM.

Za sva utužena potraživanja protiv pravnih i fizičkih lica Banka je procijenila odgovarajuća rezervisanja na teret rezultata poslovanja u tekućoj i prethodnim godinama. Na dan 31. decembra 2018. godine rezervisanja za obezbjeđenje od potencijalnih gubitaka po ovom osnovu iznose 105 hiljada BAM (2017: 91 hiljada BAM).

Banka u kontinuitetu prati pravne rizike, te procjenjuje očekivane troškove pravnih postupaka po osnovu kojih formira odgovarajuća rezervisanja.

## 31. ODNOSI SA POVEZANIM STRANAMA

U skladu sa Međunarodnim računovodstvenim standardom (MRS) 24, lica povezana sa Bankom i ključni menadžment Banke čine:

MRS 24.19	Naziv	Opis
MRS 24.19 (a)	Matični subjekti	Banka nije imala matične subjekte
MRS 24.19 (b)	Subjekti sa zajedničkom kontrolom ili značajnim utjecajem nad subjektom	Banka nije imala subjekte sa zajedničkom kontrolom ili značajnim uticajem nad subjektom
MRS 24.19 (c)(d)(e)	Zavisni subjekti; pridruženi subjekti; zajednički poduhvati u kojima je subjekt učesnik u zajedničkim poduhvatima	Banka nije imala zavisne, pridružene subjekte i zajedničke poduhvate u kojima je subjekt učesnik u zajedničkim poduhvatima
MRS 24.19 (f)	Ključno upravljačko osoblje subjekta ili njegovog matičnog subjekta	Članovi Nadzornog odbora i Uprave banke te lica povezana sa navedenim članovima
MRS 24.19 (g)	Ostala povezana lica	Ostali mali akcionari

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## 29. OFF-BALANCE SHEET ITEMS (Continued)

### Guarantees and Other Commitments and Contingent Liabilities

Letters of credit and guarantees obligate the Bank to make payments to the beneficiaries if the required conditions are met. Guarantees and stand-by letters of credit expose the Bank to the same type of risk as loans.

### Irrevocable Commitments

Irrevocable commitments relate to the undrawn loans approved and revolving loans (credit cards and overdrafts). Irrevocable commitments usually have fixed expiry dates or other expiry-related contractual terms. As those liabilities may expire before draw-down by the customer, the total amount agreed does not necessarily represent the future cash outflows.

However, contingent credit losses are below the total unused amount (commitment) because the largest portion of the liabilities are contingent and dependent on the fulfillment of certain criteria by the customer. The Bank monitors maturities of the unused loans approved since long-term commitments bear higher credit risk than the short-term ones.

## 30. LITIGATION

Legal suits are common due to the nature of the banking business. The Bank has therefore established a protocol for litigation management. Based on the analyses of the claims and legal advice, the Bank assesses the amounts of losses contingent on the legal suits in progress. The Bank makes provisions for negative effects that may arise from the outcome of the legal suits, i.e., negative effects on the Bank's financial position.

The total value of 44 lawsuits filed against the Bank as of December 31, 2018 amounted to BAM 5,972 thousand (2017: BAM 4,742 thousand). The Bank's management anticipated that no materially significant losses in excess of the provisions made in this respect of BAM 105 thousand as of December 31, 2018 will be incurred on the outcome of the ongoing legal suits filed against the Bank.

On the other hand, for all receivables claimed before court in cases against entities and individuals the Bank assessed and made appropriate provisions and charged them against current and prior years' retained earnings. As of December 31, 2018 provisions for potential losses in this respect amounted to BAM 105 thousand (2017: BAM 91 thousand).

The Bank monitors legal risks on an ongoing basis and estimates litigation costs. Based on such estimates, the Bank makes adequate provisions.

## 31. RELATED PARTY TRANSACTIONS

In accordance with International Accounting Standard (IAS) 24, the Bank's related parties and key management personnel are:

IAS 24.19	Name	Description
IAS 24.19 (a)	Parent entities	The Bank had no parent entity
IAS 24.19 (b)	Entities with common control or significant influence over the reporting entity	The Bank had no Entities with common control or significant influence over the reporting entity
IAS 24.19 (c)(d)(e)	Subsidiaries, associates, joint ventures where the reporting entity participates in the joint ventures	The Bank had no subsidiaries, associates or joint ventures
IAS 24.19 (f)	Key management personnel of the reporting entity or its parent entity	Members of the Supervisory and Management Boards of the Bank and entities/individual related to the Board members
IAS 24.19 (g)	Other related parties	Other minor shareholders

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### 31.ODNOSI SA POVEZANIM STRANAMA (nastavak)

Stanja na kraju godine i efekti transakcija sa članovima Uprave, Nadzornog odbora i ostalim ključnim osobljem i njima povezanim stranama, kao i sa ostalim povezanim licima navedenim u tabeli iznad su prikazani u sljedećim tabelama:

#### Bilans stanja za godinu koja se završila 31. decembra 2018. godine

	Subjekti sa zajedničkom kontrolom MRS 24, 19. (b)	Ključni menadžment MRS 24, 19. (f)	Ostala povezana lica MRS 24, 19. (g)	Ukupno
	000 BAM	000 BAM	000 BAM	000 BAM
<b>AKTIVA</b>				
Kredit i dospjela potraživanja po kreditima	-	2.388	24.831	27.219
Ostala potraživanja i AVR	-	272	720	992
<b>Poslovna aktiva</b>	-	<b>2.660</b>	<b>25.551</b>	<b>28.211</b>
Vanbilans- neopozive obaveze	-	1.195	992	2.187
Vanbilans- potencijalne obaveze	-	4.997	6.008	11.005
<b>Vanbilansna aktiva</b>	-	<b>6.192</b>	<b>7.000</b>	<b>13.192</b>
<b>UKUPNA AKTIVA</b>	-	<b>8.852</b>	<b>32.551</b>	<b>41.403</b>
<b>PASIVA</b>				
<b>Obaveze</b>				
Depoziti komitenata	-	10.149	17.807	27.956
Ostale obaveze i PVR	-	35	1.270	1.305
<b>Poslovna pasiva</b>	-	<b>10.184</b>	<b>19.077</b>	<b>29.261</b>
Vanbilans- neopozive obaveze	-	1.195	992	2.187
Vanbilans- potencijalne obaveze	-	4.997	6.008	11.005
<b>Vanbilansna pasiva</b>	-	<b>6.192</b>	<b>7.000</b>	<b>13.192</b>
<b>UKUPNA PASIVA</b>	-	<b>16.376</b>	<b>26.077</b>	<b>42.453</b>

#### Bilans stanja za godinu koja se završila 31. decembra 2017. godine

	Subjekti sa zajedničkom kontrolom MRS 24, 19. (b)	Ključni menadžment MRS 24, 19. (f)	Ostala povezana lica MRS 24, 19. (g)	Ukupno
	000 BAM	000 BAM	000 BAM	000 BAM
<b>AKTIVA</b>				
Kredit i dospjela potraživanja po kreditima	58	20.693	59.919	80.670
Ostala potraživanja i AVR	4	126	2.855	2.985
<b>Poslovna aktiva</b>	<b>62</b>	<b>20.819</b>	<b>62.774</b>	<b>83.655</b>
Vanbilans- neopozive obaveze	-	1.405	4.445	5.850
Vanbilans- potencijalne obaveze	-	12.969	48.865	61.834
<b>Vanbilansna aktiva</b>	-	<b>14.374</b>	<b>53.310</b>	<b>67.684</b>
<b>UKUPNA AKTIVA</b>	<b>62</b>	<b>35.193</b>	<b>116.084</b>	<b>151.339</b>
<b>PASIVA</b>				
<b>Obaveze</b>				
Depoziti komitenata	-	8.510	33.898	42.408
Ostale obaveze i PVR	-	543	620	1.163
<b>Poslovna pasiva</b>	-	<b>9.053</b>	<b>34.518</b>	<b>43.571</b>
Vanbilans- neopozive obaveze	-	1.405	4.445	5.850
Vanbilans- potencijalne obaveze	-	12.969	48.865	61.834
<b>Vanbilansna pasiva</b>	-	<b>14.374</b>	<b>53.310</b>	<b>67.684</b>
<b>UKUPNA PASIVA</b>	-	<b>23.427</b>	<b>87.828</b>	<b>111.255</b>

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## 31. RELATED PARTY TRANSACTIONS (Continued)

Year-end balances of receivables and liabilities and effects of the Bank's transactions with the members of the Management Board, Supervisory Board and other key management personnel and their related parties and other related parties as stated above are provided in the following tables:

Statement of Financial Position as of December 31, 2018

	Entities under joint control IAS 24, 19 (b)	Key management IAS 24, 19 (f)	Other related parties IAS 24, 19 (g)	Total
<b>ASSETS</b>				
Loans and receivables due from customers	-	2,388	24,831	27,219
Other receivables and prepayments	-	272	720	992
Operating assets	-	2,660	25,551	28,211
Off-balance sheet – irrevocable commitments	-	1,195	992	2,187
Off-balance sheet – contingent liabilities	-	4,997	6,008	11,005
Off-balance sheet items	-	6,192	7,000	13,192
<b>TOTAL ASSETS</b>	<b>-</b>	<b>8,852</b>	<b>32,551</b>	<b>41,403</b>
<b>LIABILITIES</b>				
Deposits due to customers	-	10,149	17,807	27,956
Other liabilities and accruals	-	35	1,270	1,305
Operating liabilities	-	10,184	19,077	29,261
Off-balance sheet – irrevocable commitments	-	1,195	992	2,187
Off-balance sheet – contingent liabilities	-	4,997	6,008	11,005
Off-balance sheet items	-	6,192	7,000	13,192
<b>TOTAL LIABILITIES</b>	<b>-</b>	<b>16,376</b>	<b>26,077</b>	<b>42,453</b>

Statement of Financial Position as of December 31, 2017

	Entities under joint control IAS 24, 19 (b)	Key management IAS 24, 19 (f)	Other related parties IAS 24, 19 (g)	Total
<b>ASSETS</b>				
Loans and receivables due from customers	58	20,693	59,919	80,670
Other receivables and prepayments	4	126	2,855	2,985
Operating assets	62	20,819	62,774	83,655
Off-balance sheet – irrevocable commitments	-	1,405	4,445	5,850
Off-balance sheet – contingent liabilities	-	12,969	48,865	61,834
Off-balance sheet items	-	14,374	53,310	67,684
<b>TOTAL ASSETS</b>	<b>62</b>	<b>35,193</b>	<b>116,084</b>	<b>151,339</b>
<b>LIABILITIES</b>				
Deposits due to customers	-	8,510	33,898	42,408
Other liabilities and accruals	-	543	620	1,163
Operating liabilities	-	9,053	34,518	43,571
Off-balance sheet – irrevocable commitments	-	1,405	4,445	5,850
Off-balance sheet – contingent liabilities	-	12,969	48,865	61,834
Off-balance sheet items	-	14,374	53,310	67,684
<b>TOTAL LIABILITIES</b>	<b>-</b>	<b>23,427</b>	<b>87,828</b>	<b>111,255</b>

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31.ODNOSI SA POVEZANIM STRANAMA (nastavak)

Bilans uspjeha poslovne 2018. godine

	Subjekti sa zajedničkom kontrolom MRS24, 19. (b) 000 BAM	Ključni menadžment MRS 24, 19. (f) 000 BAM	Ostala povezana lica MRS 24, 19. (g) 000 BAM	Ukupno 000 BAM
Prihodi od kamata	-	1.080	1.512	2.592
Rashodi od kamata	-	(109)	(336)	(445)
<b>Neto prihodi od kamata</b>	-	<b>971</b>	<b>1.176</b>	<b>2.147</b>
Prihodi od naknada i provizija	-	521	347	868
Ostali poslovni prihodi	-	878	746	1.624
Ostali operativni i rashodi iz poslovanja	-	(161)	(1.355)	(1.516)
<b>Dobit tekuće godine</b>	-	<b>2.209</b>	<b>914</b>	<b>3.123</b>

Bilans uspjeha poslovne 2017. godine

	Subjekti sa zajedničkom kontrolom MRS24, 19. (b) 000 BAM	Ključni menadžment MRS 24, 19. (f) 000 BAM	Ostala povezana lica MRS 24, 19. (g) 000 BAM	Ukupno 000 BAM
Prihodi od kamata	1	1.253	3.668	4.922
Rashodi od kamata	-	(212)	(554)	(766)
<b>Neto prihodi od kamata</b>	<b>1</b>	<b>1.041</b>	<b>3.114</b>	<b>4.156</b>
Prihodi od naknada i provizija	-	471	1.707	2.178
Ostali poslovni prihodi	-	236	3.982	4.218
Ostali operativni i rashodi iz poslovanja	-	(207)	(4.644)	(4.851)
<b>Dobit tekuće godine</b>	<b>1</b>	<b>1.541</b>	<b>4.159</b>	<b>5.701</b>

U okviru redovnih transakcija obavljaju se transakcije sa povezanim licima po fer tržišnim uslovima za koje Banka procjenjuje da nema rizika od transfernih cijena.

32. PORESKI RIZICI

Obzirom da Banka posluje na teritoriji cijele Bosne i Hercegovine (oba entiteta i Brčko Distrikt BiH) u obavezi je da primjenjuje zakone iz oblasti poreza koji važe u sve tri jurisdikcije. Porezi koji se plaćaju obuhvataju porez na dobit i porez na dohodak. U regulativi koja se primjenjuje u poreskim jurisdikcijama postoji različitost u primjeni, dok su propisi kojima se vrši implementacija ovih zakona često nejasni ili ne postoje. Shodno tome, u pogledu pitanja vezanih za poreske zakone postoji ograničen broj slučajeva koji se mogu koristiti kao primjer. Često postoje razlike u mišljenju između državnih i entitetskih ministarstava i institucija u vezi sa pravnom implementacijom zakonskih odredbi što može dovesti do neizvjesnosti i sukoba interesa.

Poreske prijave, zajedno sa drugim oblastima zakonskog regulisanja (na primjer, pitanja carina i devizne kontrole) su predmet pregleda i kontrole od više ovlašćenih organa kojima je zakonom omogućeno propisivanje strogih kazni i zateznih kamata.

U skladu sa Zakonom o Poreskoj upravi RS, period zastarjelosti poreskih obaveza je pet godina, što znači da poreske vlasti imaju pravo da odrede plaćanje neizmirenih obaveza u roku od pet godina od trenutka kada je obaveza nastala. Kao rezultat toga transakcije koje se odnose na obračune i plaćanja obaveza po porezima mogu biti osporene od strane poreskih vlasti i Banci može biti određen dodatni iznos poreza, kazni i kamata. Ove činjenice utiču da poreski rizik u Republici Srpskoj, Federaciji Bosne i Hercegovine i Brčko Distrikta budu značajniji od onih u zemljama sa razvijenim poreskim sistemom.

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## 31. RELATED PARTY TRANSACTIONS (Continued)

### Income statement for FY 2018

	Entities under joint control IAS 24, 19 (b)	Key management IAS 24, 19 (f)	Other related parties IAS 24, 19 (g)	Total
Interest income	-	1,080	1,512	2,592
Interest expenses	-	(109)	(336)	(445)
Net interest income	-	971	1,176	2,147
Fee and commission income	-	521	347	868
Other operating income	-	878	746	1,624
Operating and other expenses	-	(161)	(1,355)	(1,516)
Profit for the year	-	2,209	914	3,123

### Income statement for FY 2017

	Entities under joint control IAS 24, 19 (b)	Key management IAS 24, 19 (f)	Other related parties IAS 24, 19 (g)	Total
Interest income	1	1,253	3,668	4,922
Interest expenses	-	(212)	(554)	(766)
Net interest income	1	1,041	3,114	4,156
Fee and commission income	-	471	1,707	2,178
Other operating income	-	236	3,982	4,218
Operating and other expenses	-	(207)	(4,644)	(4,851)
Profit for the year	1	1,541	4,159	5,701

In the normal course of business, the Bank performs transactions with related parties at arm's length conditions, for which the Bank assesses that are not exposed to the transfer pricing risk.

## 32. TAXATION RISKS

Given that the Bank operates in the entire territory of Bosnia and Herzegovina (both BH Entities and Brčko District), the Bank is required to observe the tax legislation effective in all three jurisdictions. Taxes payable include corporate income tax and payroll (personal income) tax. There are differences among the respective jurisdictions' regulations and the regulations defining the implementation of these laws are often unclear or non-existent. Hence, few precedents with regard to tax issues have been established in the Republic of Srpska, Federation of BH and Brčko District. Often, contrary opinions pertaining to legal interpretations exist both among, and within, governmental ministries and organizations, thus creating uncertainties and areas of legal contention.

Tax returns, along with other legal compliance matters (e.g., customs and currency control matters) are subject to the review and investigation by a number of authorities that are legally enabled to impose extremely severe fines, penalties and interest charges.

In accordance with the Law on Tax Administration of the Republic of Srpska, expiration period of the tax liability is five years. This virtually means that tax authorities could determine payment of outstanding liabilities in the period of five years from the origination of the liability. The aforescribed situation creates tax risks in the Republic of Srpska, Federation of BH and Brčko District that are substantially more significant than those typically existing in countries with more developed tax systems.

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### 33. OPERATIVNI ZAKUP

Operativni zakup se odnosi na zakup poslovnica od pravnih i fizičkih lica, kao i na zakup po osnovu prostora za ugradnju bankomata.

Buduća ukupna očekivana plaćanja po osnovu operativnog lizinga u slučajevima kada se Banka javlja kao zakupac prikazana su u narednoj tabeli:

	Godina koja se završila 31. decembra	
	2018.	2017.
	000 BAM	000 BAM
Do 1 godine	2.964	3.539
Između 1 i 5 godina	9.480	10.379
Preko 5 godina	2.679	3.312
<b>Ukupno</b>	<b>15.123</b>	<b>17.230</b>

Buduće ukupne očekivane naplate po osnovu ugovorenih kada se Banka javlja kao zakupodavac prikazana su u narednoj tabeli:

	Godina koja se završila 31. decembra	
	2018.	2017.
	000 BAM	000 BAM
Do 1 godine	541	519
Između 1 i 5 godina	64	58
Preko 5 godina	-	-
<b>Ukupno</b>	<b>605</b>	<b>577</b>

### 34. MAKROEKONOMSKO OKRUŽENJE

Prema procjeni, tromjesečni bruto domaći proizvod (BDP) u Republici Srpskoj ima pozitivne stope realnog rasta u 2018. godini. Za prvo tromjesečje procjenjena je stopa realnog rasta BDP od 3,3%, za drugo tromjesečje 3,6% i treće tromjesečje 3,8%. Negativna stopa realnog rasta, u sva tri tromjesečja, procjenjena je u području Prerađivačke industrije. U području Informacije i komunikacije u prvom tromjesečju procjenjena je negativna stopa realnog rasta, dok je u drugom i trećem tromjesečju realni BDP pozitivan. U ostalim područjima djelatnosti, u sva tri tromjesečja, procjenjene su pozitivne stope realnog rasta BDP.

Prosječna neto plata u 2018. godini iznosila je 857 BAM. U odnosu na prosječnu neto platu u 2017. godini, koja je iznosila 831 BAM, u 2018. godini prosječna neto plata realno je veća za 1,9%. Prosječna neto plata u decembru 2018. godine, iznosila je 891 BAM i realno je veća za 5,2% u odnosu na prosječnu neto platu u decembru 2017. godine.

Bankarski sektor ima visok stepen pravne i regulatorne usklađenosti, a po karakteru prevladava konzervativno bankarstvo sa depozitima kao osnovnim izvorima poslovanja i kreditima kao osnovnim proizvodima. Takođe obavlja funkciju platnog prometa u zemlji i sa inostranstvom i ima značaj u sprečavanju pranja novca i finansiranja terorističkih aktivnosti. Banke kontinuirano unapređuju i modernizuju poslovanje, sa ciljem prilagođavanja bankarskih proizvoda i usluga potrebama korisnika i provode aktivnosti na implementaciji odredbi Zakona o bankama RS koje regulišu obezbjeđenje zaštite prava korisnika finansijskih usluga.

U svom poslovanju banke su i dalje dominantno izložene kreditnom riziku. U trećem kvartalu 2018. godine novčana sredstva, ulaganja u hartije od vrijednosti za trgovanje i kreditna aktivnost su bili u porastu. Depoziti, obaveze banaka po uzetim kreditima, kao i subordinisani dugovi zabilježili su rast u trećem kvartalu 2018. godine u odnosu na kraj 2017. godine. Ukupni kapital bankarskog sektora je u blagom porastu u odnosu na kraj 2017. godine. Trend rasta depozita građana je i dalje prisutan, a u okviru istih štednja građana je, takođe, zabilježila rast u odnosu na kraj 2017. godine. Na nivou bankarskog sektora, sa 30. septembrom 2018. godine iskazan je pozitivan finansijski rezultat na osnovu čega može se zaključiti da je bankarski sektor u cjelini stabilan i adekvatno kapitalizovan, a likvidnost i profitabilnost na zadovoljavajućem nivou.

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### 33. OPERATING LEASE ARRANGEMENTS

Operating lease arrangements relate to the lease of business premises for the Bank's branches from legal entities and individuals and lease of spaces for installation of ATMs.

Total future minimum lease payments to be settled per operating lease contracts where the Bank is the lessee are presented below:

	Year Ended December 31,	
	2018	2017
Up to 1 year	2,964	3,539
From 1 to 5 years	9,480	10,379
Over 5 years	2,679	3,312
<b>Total</b>	<b>15,123</b>	<b>17,230</b>

Total future minimum lease payments to be collected per operating lease contracts where the Bank is the lessor are presented below:

	Year Ended December 31,	
	2018	2017
Up to 1 year	541	519
From 1 to 5 years	64	58
Over 5 years	-	-
<b>Total</b>	<b>605</b>	<b>577</b>

### 34. MACROECONOMIC ENVIRONMENT

According to the estimates, the quarterly GDP in the Republic of Srpska had positive real growth rates in 2018 (Q1= 3.3%, Q2=3.6% and Q3=3.8%). In all three quarters the processing industry had negative real growth rates. For ICT industry, negative real growth rate was recorded in Q1, while in Q2 and Q3 this industry had a positive real GDP. All other industries had positive real GDP growth rates in Q1, Q2 and Q3 alike.

The average net salary paid in the Republic of Srpska amounted to BAM 857 in 2018, having increased by 1.9% in real terms compared to the average net salary of BAM 831 in 2017. The average net salary paid in the Republic of Srpska in December 2018 amounted to BAM 891 and recorded a real increase of 5.2% against the average net salary paid in December 2017.

The banking industry of the Republic of Srpska showed high level of legal and regulatory compliance with conservative banking (in character) prevailing, using deposits as the main source of financing operations and extending loans as the main products. Banks performed domestic and foreign payment operations and played a significant role in prevention of money laundering and financing of terrorist activities. Banks in the Republic of Srpska have been continuously modernizing and improving their operations in order to adapt banking products and services to their clients' needs. The banks implement the provisions of the Law on Banks of the Republic of Srpska governing the protection of rights of the financial service users.

In their operations, the banks were still predominantly exposed to credit risk. In Q3 2018, cash and cash balances, investments in trading securities and crediting activities were all on the rise. Deposits, liabilities per borrowings and subordinated debt all recorded growth in Q3 2018 in comparison to the end of 2017. The growing trend continued in retail deposits, and retail savings also recorded an increase compared to the end of 2017. as of September 30, 2018, the entire banking sector reported positive financial performance. Based on the foregoing, it may be concluded that the overall banking sector was stable during 2018 and adequately capitalized, with liquidity and profitability at satisfactory levels.

Translation of the report issued in the Serbian language

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### 35. FINANSIJSKI INSTRUMENTI

#### 35.1. Uvod

Osnovni preduslov za uspješno bankarsko poslovanje je upravljanje rizikom, a koje obuhvata: proces neprekidnog identifikovanja, mjerenja i praćenja, definisanja i uspostavljanja ograničenja rizika i primjenu drugih vrsta kontrola i nadzora. Procesi upravljanja rizikom su presudni za kontinuirano profitabilno poslovanje Banke i svaki pojedinac u Banci je, u svom domenu, odgovoran za izloženost riziku i upravljanje istim. Banka je u osnovi izložena kreditnom riziku, riziku likvidnosti i tržišnom riziku. Osim toga, Banka posebno prati operativne rizike, rizik izloženosti Banke prema jednom licu ili grupi povezanih lica, rizik ulaganja Banke u druga pravna lica i osnovna sredstva, kao i uticaj rizika koji se odnose na zemlju porijekla lica kome je Banka izložena. Ovakav sistem upravljanja rizicima omogućava blagovremeno i potpuno obavještanje organa upravljanja Banke o svim rizicima koji se pojavljuju ili se mogu pojaviti, te omogućava adekvatno i pravovremeno reagovanje u slučaju istih.

Nezavisni proces upravljanja rizikom ne uključuje poslovne rizike koji obuhvataju promjene u okruženju, tehnologiji i industriji. Banka prati ove rizike kroz proces strateškog planiranja.

U Banci osnovne uloge u upravljanju rizicima imaju sljedeći organi/tijela:

#### **Nadzorni odbor i Uprava Banke**

Nadzorni odbor i Uprava Banke su odgovorni za sveobuhvatni pristup upravljanja rizicima kao i za definisanje strategije i principa upravljanja rizicima. Svoje odluke donose na osnovu prijedloga Odbora za upravljanje aktivom i pasivom i drugih relevantnih organa Banke. Odlukom Nadzornog odbora Banke o prihvatljivom nivou rizika za Banku ili „Apetit za rizike“ definisani su osnovni parametri (limiti) za različite vrste rizika.

#### **Odbor za upravljanje aktivom i pasivom (ALCO odbor)**

Odbor za upravljanje aktivom i pasivom (ALCO odbor) ima sveobuhvatnu odgovornost za razvoj strategije upravljanja rizicima i implementacije principa, okvira, politika i limita. Odbor je odgovoran za fundamentalne nalaze po pitanju rizika kao i za upravljanje i praćenje relevantnih odluka vezanih za sve vrste rizika. Prateći trendove pojedinih vrsta rizika Odbor za upravljanje aktivom i pasivom daje prijedloge i mjere za poboljšanje istih.

#### **Odbor za reviziju**

Odbor za reviziju ima odgovornost za praćenje sveobuhvatnog procesa upravljanja rizicima u Banci.

#### **Samostalno odjeljenje za internu reviziju**

Proces upravljanja rizikom u Banci se kontroliše od strane Samostalnog odjeljenja za internu reviziju, koja ispituje adekvatnost procedura i usaglašenost Banke sa usvojenim politikama i procedurama, način upravljanja rizicima i efikasnost uspostavljenog sistema interne revizije. Samostalno odjeljenje za internu reviziju diskutuje rezultate svog rada sa Upravom Banke i izvještava Odbor za reviziju i Nadzorni odbor Banke o svojim nalazima i preporukama, kao i u skladu sa svojim programom rada, vrši provjeru funkcionisanja uspostavljenih internih revizija u okviru samih organizacionih dijelova Banke.

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## 35. FINANCIAL INSTRUMENTS

### 35.1. Introduction

The basic prerequisite for successful banking business is risk management, which includes the process of an ongoing identification, measurement, monitoring, definition, assessment and limiting of risks and application of other types of controls and supervision. The risk management processes are vital to the profitable operations of the Bank and each individual at the Bank is, within his/her remit and scope of work, responsible for risk exposure and risk management. The Bank is primarily exposed to the credit risk, liquidity risk and market risks. In addition, the Bank monitors operational risks, exposure risk (exposure to a single entity or a group of related entities), risk of the Bank's investments in other entities and own fixed assets, as well as country risk (effects of the risk relating to the country of origin of the person/entity the Bank is exposed to). Such risk management system enables timely and complete reporting to the Bank's governing bodies on all the risks that arise or may arise, and allows adequate and timely response to those risks.

The independent risk management process does not include business risks encompassing changes in the environment, technology and industry. The Bank monitors these risks through the strategic planning process.

The following Bank's units/bodes have key roles in risk management:

#### The Bank's Supervisory Board and Management Board

The Bank's Supervisory Board and Management Board are responsible for the overall comprehensive approach to risk management and for definition of the risk management strategy and principles. These Boards make decision based on the proposals of the Asset and Liability Management Committee and other Bank's relevant bodies. The Supervisory Board's decision on the risk level acceptable to the Bank or "risk appetite" defines the basic parameters (limits) for different risk types.

#### The Asset and Liability Management Committee (ALCO)

The Asset and Liability Management Committee (ALCO) is responsible for development of the risk management strategy and implementation of the risk principles, frameworks, policies and limits. ALCO is in charge of the fundamental risk findings as well as for monitoring of the relevant decisions on all risk types. By monitoring the risk trends per risk type, ALCO proposes measures for their improvement.

#### The Audit Committee

The Audit Committee is responsible for monitoring the overall risk management process throughout the Bank.

#### The Independent Internal Audit Department

The Internal Audit Department monitors the risk management process throughout the Bank. The Department examines the adequacy of procedures and the Bank's compliance with the adopted policies and procedures, the manner of risk management and efficiency of the established internal audit system. The Internal Audit Department discusses its results with the Bank's Management Board and reports to the Audit Committee and the Supervisory Board of its findings and recommendations, and, in accordance with its platform and activity plan, controls functioning of the internal audit inspections planned within the Bank's organizational units.

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#### 34. MAKROEKONOMSKO OKRUŽENJE (nastavak)

U cilju usklađivanja regulatornog okvira bankarskog sektora RS sa bazelskim okvirom i EU direktivama za bankarsku superviziju, 25. januara 2017. godine stupio je na snagu Zakon o bankama Republike Srpske. Na osnovu navedenog zakona Agencija za bankarstvo RS je donijela set podzakonskih akata kojima se detaljnije regulišu značajne izmjene regulative za rad banaka koje se odnose na uvođenje novih standarda, odnosno standarda interne procjene kapitala (ICAAP), načina izračunavanja kapitala (izračunavanje regulatornog kapitala, zahtjevi vezani za zaštitne slojeve kapitala i za finansijsku polugu), zatim na unapređenje korporativnog upravljanja u bankama sa strožije postavljenim zahtjevima, uvođenje novih minimalnih standarda za upravljanje rizikom likvidnosti i minimalnih pokazatelja likvidnosti (LCR), bolju pripremljenost banaka na krizne situacije i nadzor na konsolidovanoj osnovi. Na sveobuhvatniji i precizniji način definisane su i mjere kojima će Agencija za bankarstvo RS raspolagati u nadzoru bankarskog sektora.

U skladu sa gore navedenim izmjenama, Banka će u cilju unaprjeđenja kvaliteta poslovanja i održavanja stabilnosti, u narednom periodu svoje aktivnosti usmjeriti na:

- oprezno i kvalitetno poslovanje i kapitalno jačanje,
- kontrolu nivoa dospjelih potraživanja, a posebno nekvalitetnih kredita, te dodatne aktivnosti za efikasniju naplatu i unapređenje sistema ranog prepoznavanja pogoršanja kvaliteta kreditnog portfolija,
- unaprjeđenju sistemu upravljanja rizicima, posebno kreditnim i rizikom likvidnosti, i
- uspostavljanju i unaprjeđenju stress testova na moguće scenarije kriznih situacija i njihov uticaj na poslovanje banke, a posebno kapital, kreditni rizik i rizik likvidnosti.

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#### 34. MACROECONOMIC ENVIRONMENT (Continued)

In order to align the regulatory framework for the banking sector of the Republic of Srpska with the Basel framework and EU Directives on banking supervisions, the new Law on Banks of the Republic of Srpska was enacted, which came into effect on January 25, 2017. In accordance with the Law, BARS enacted a set of bylaws and regulations to govern in greater detail significant changes in rules and regulations on banking operations, relating to the introduction of new standards, internal capital adequacy assessment process (ICAAP), capital calculation (regulatory capital calculation, capital buffer requirements and leverage), improvements to the corporate governance in banks with stricter requirements defined, introduction of new minimum standards for liquidity risk management and minimum liquidity ratios (LCR), better preparation of banks for emergency and crisis situations and supervision on the consolidated level. Measures that BARS will have at its disposition in supervision of the banking sector have now been defined in a more comprehensive and more precise manner.

In accordance with the said changes introduced by the newly enacted regulations, in order to improve the quality of its business operations and maintain stability, in the forthcoming period the Bank will focus its activities on the following:

- ☒ Prudent and high-quality business operations and capital strengthening;
- ☒ Control of the receivables past due, particularly NPLs and additional activities for more efficient collection and improvement to the early warning system for loan portfolio quality deterioration;
- ☒ Improvements to the risk management system, particularly credit risk and liquidity risk management; and
- ☒ Set-up and improvement of stress testing for probable crisis scenarios and their impact on the Bank's operations, particularly on its capital, credit risk and liquidity.

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## 35. FINANSIJSKI INSTRUMENTI (nastavak)

### 35.1. Uvod (nastavak)

#### Upravljanje rizicima

U Banci je organizovan Sektor za upravljanje rizicima, u okviru kojeg su formirana sljedeća Odjeljenja:

- za kontrolu rizika,
- za upravljanje operativnim rizicima,
- za upravljanje tržišnim rizikom,

te Sektor za preuzimanje rizika u okviru kojeg su formirana sljedeća Odjeljenja:

- za upravljanje kreditnim rizikom,
- za identifikaciju rizika za fizička lica.

Procedurama koje se odnose na funkcionisanje svih odjeljenja u okviru Sektora za upravljanje rizicima, definisana su pravila i odgovornosti za praćenje usaglašenosti sa principima, politikama i limitima definisanim u Banci. U iste je uključeno praćenje rizika prema postavljenim limitima, kao i kompletno obuhvatanje rizika u sistemu mjerenja i izvještavanja.

U implementaciji kreditne politike, Banka se pridržava određenih principa ustanovljenih Poslovnim i kreditnom politikom Banke, i na taj način se štiti od prekomjerne izloženosti kreditnom riziku. Odjeljenje za upravljanje kreditnim rizikom u Sektoru za preuzimanje rizika se bavi upravljanjem kreditnim rizikom na nivou pojedinačne transakcije kroz proces odobravanja, dok se odjeljenje za kontrolu rizika u Sektoru za upravljanje rizicima, pored ostalih aktivnosti, bavi upravljanjem kreditnim rizicima na nivou portfelja.

U okviru Sektora za upravljanje rizicima, organizovano je Odeljenje za upravljanje tržišnim rizikom koje ima za cilj upravljanje rizikom likvidnosti, deviznim rizikom, kao i kamatnim rizikom. Likvidnost Banke, kao njena sposobnost da u roku izvršava obaveze, zavisi prije svega od bilansne strukture Banke, odnosno usklađenosti priliva i odliva sredstava. Minimalni standardi za kreiranje i sprovođenje politike likvidnosti su uspostavljeni u okviru limita, definisanih Odlukom Nadzornog odbora o prihvatljivom nivou rizika i Planom poslovanja Banke, tako da obezbjeđuju sposobnost Banke da potpuno i bez odlaganja izvršava sve obaveze na dan dospeća.

U cilju upravljanja rizikom likvidnosti, Banka sprovodi aktivnosti koje obezbjeđuju usklađenost strukture aktive i pasive bilansa i vanbilansa Banke, odnosno njenih novčanih tokova (priliva i odliva) i kontinuirano prati i planira buduće novčane tokove uzimajući u obzir promjene u operativnim, ekonomskim i ostalim uslovima poslovnog okruženja Banke. Za upravljanje rizikom likvidnosti Banka sprovodi i stres testove koji imaju za cilj da se identifikuju potencijalni likvidnosni gapovi koji mogu nastati u određenim vremenskim periodima i pod određenim uslovima i to: po osnovu odliva depozita, nemogućnosti transformacije dijelova aktive u likvidna sredstva, povećanog odliva gotovine i slično, te u skladu s tim i identifikuje potencijalne dodatne izvore finansiranja koji će omogućiti pokriće nastalog gapa.

#### Upravljanje rizicima i sistemi izvještavanja

Rizici Banke se mjere korišćenjem metoda koji odražava i očekivane gubitke koji mogu nastati u normalnim okolnostima i neočekivane gubitke, koji predstavljaju procjenu krajnjih gubitaka zasnovanu na statističkim modelima. Modeli koriste vjerovatnoću izvedenu na osnovu istorijskih podataka, prilagođenu tako da odražava trenutno ekonomsko okruženje. Banka takođe koristi metod najgorih scenarija koji se mogu desiti kao posljedica dešavanja ekstremnih događaja za koje postoji mala vjerovatnoća da se dese.

Praćenje i kontrola rizika je prvenstveno zasnovana na politici, procedurama, definisanim i uspostavljenim limitima. Ovi limiti odražavaju poslovnu strategiju i tržišno okruženje Banke, kao i nivo rizika koji je Banka spremna da prihvati. Sakupljene informacije iz svih poslovnih aktivnosti se ispituju i obrađuju da bi se identifikovali, analizirali i kontrolisali rizici. Ove informacije se prezentuju Upravi i Nadzornom odboru Banke. Izvještaji sadrže ukupnu kreditnu izloženost, prognozu plasmana, odstupanja od postavljenih limita, mjerenje tržišnog rizika, pokazatelje likvidnosti i drugo.

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All amounts expressed in thousands of BAM, unless otherwise stated.

## 35. FINANCIAL INSTRUMENTS (Continued)

### 35.1. Introduction (Continued)

#### Risk Management

The Bank has the Risk Management Division, organized with the following departments within it:

- Risk Control Department,
- Operational Risk Management Department, and
- Market Risk Management Department,

and the Risk Assumption Division, organized with the following departments within it:

- Credit Risk Management Department,
- Retail Risk Identification Department.

The Bank has procedures relating to the functioning of all departments within the Risk Management Division, which determine rules and responsibilities for monitoring compliance with the principles, policies and limits defined within the Bank, including monitoring of risks according to the defined limits, as well as complete coverage of risks in the system of risk measurement and reporting.

In implementation of the credit policy, the Bank adheres to certain principles set up in its business and crediting policies, thus protecting itself from excessive credit risk exposure. The Credit Risk Management Department within the Risk Assumption Division is in charge of the credit risk management at the level of individual transactions, while the Risk Control Department within the Risk Management Division, in addition to its other activities, deals with the credit risk of the entire loan portfolio.

Within the Risk Management Division, there is a Market Risk Management Department organized for liquidity risk management, foreign exchange risk management and interest rate risk management. The Bank's liquidity, as its ability to discharge its liabilities as these fall due, depends primarily on the Bank's asset and liability structure, i.e., maturity matching of inflows and outflows of funds. The minimum standards for development and implementation of the liquidity management policy are defined within limits set forth by the Supervisory Board's Decision on the Acceptable Risk Level and the Bank's Business Plan, ensuring the Bank's ability to settle all its liabilities when these fall due in full and without delay.

In order to manage the liquidity risk, the Bank performs activities ensuring matching of the assets and liabilities, both on-balance and off-balance sheet, i.e., their cash flows (inflows and outflows) and continuously monitors and plans future cash flows taking into account changes in the operating, economic and other conditions of the Bank's business environment. As part of the liquidity risk management, the Bank performs stress testing to identify potential liquidity gaps that may arise in certain periods (for certain maturity buckets) per: outflow of deposits, inability of conversion of portions of assets into liquid assets, increase cash outflows, and the like. The Bank identifies accordingly potential additional sources of financing to cover the arising liquidity gaps.

#### Risk Management and Reporting Systems

Bank risks are measured using a method that reflects the expected losses that may be incurred under the normal circumstances, and unexpected losses which represent the ultimate loss estimates based on statistical models. Models rely on the probability derived from the historical data, adjusted to reflect the current economic environment. The Bank also uses the method of the worst scenarios that could occur as a result of extreme events that are unlikely to happen.

Risk monitoring and control are based on the policies, procedures, and defined limits. The limits reflect the Bank's strategy and market environment as well as the level of risks the Bank is ready to accept. The information collected from all the Bank's activities are examined and processed in order to identify, assess and control risks. Such information is presented to the Bank's Management and Supervisory Boards. Those reports to the management include information on the overall credit exposure, loan forecasts, deviations from the set limits, market risk measurement, liquidity ratios, etc.

Translation of the report issued in the Serbian language

## NOVA BANKA A.D. BANJA LUKA NAPOMENE UZ FINANSIJSKE IZVJEŠTAJE

### 35. FINANSIJSKI INSTRUMENTI (nastavak)

#### 35.1. Uvod (nastavak)

##### Upravljanje rizicima i sistemi izvještavanja (nastavak)

Koncentracije kreditnog rizika mogu da nastanu kada je određeni broj strana uključen u slične poslovne aktivnosti, ili posluju u istom regionu, ili kada imaju slične ekonomske karakteristike tako da se očekuje, da njihova mogućnost da ispune svoje obaveze, bude pod uticajem sličnih promjena ekonomske ili druge prirode. Koncentracija ukazuje na relativnu osjetljivost poslovanja Banke na promjene koje pogađaju određenu industriju ili geografsko područje.

Kako bi izbjegla prekomjernu koncentraciju rizika, politike i procedure Banke sadrže specifične smjernice za razvoj i očuvanje diversifikovanog portfolija. Shodno tome, Banka kontroliše i upravlja identifikovanim koncentracijama kreditnog rizika.

#### 35.2. Kreditni rizik

Kreditni rizik predstavlja rizik da jedna ugovorna strana ne ispuni svoju obavezu i tako izazove finansijski gubitak drugoj strani. Izloženost kreditnom riziku, koji se ispoljava kao nemogućnost naplate kredita i drugih potraživanja sa pripadajućom kamatom u ugovorenim rokovima, Banka kontinuirano prati kroz analizu finansijskog stanja i poslovanja korisnika kredita, kao i stepen naplativosti kredita (dnevno, mjesečno i kvartalno praćenje), kontrolu namjenske upotrebe sredstava i procjenu stepena rizičnosti kreditnog portfolija.

U sprovođenju kreditne politike, Banka se pridržava određenih principa ustanovljenih poslovnim i kreditnom politikom Banke, i na taj način se štiti od prekomjerne izloženosti kreditnom riziku. U Sektoru za preuzimanje rizika, Banka ima Odjeljenje za upravljanje kreditnim rizikom koje se bavi upravljanjem rizikom na nivou pojedinačne transakcije kroz odobravanje, dok odjeljenje za kontrolu rizika u Sektoru za upravljanje rizicima upravlja kreditnim rizikom na nivou cjelokupnog portfelja banke.

Pomenuta odjeljenja se kontinuirano razvijaju i osnovne aktivnosti istih su uspostavljanje, praćenje i kontrola primjene utvrđene politike, pravila, smjernica u svim segmentima kreditnog poslovanja, identifikacija rizika u procesu odobravanja plasmana kroz kontrolu odstupanja od utvrđenih standarda u procesu odobravanja plasmana, realnu ocjenu kvaliteta klijenta, adekvatnu procjenu vrijednosti kolaterala, odnosno instrumenata zaštite od neplaćanja, ograničenje rizika u smislu uspostavljanja limita i prihvatljivog nivoa rizika po segmentima, preduzimanje adekvatnih mjera radi zaštite kreditnog portfolija od negativnih kretanja i usklađivanje uslova kreditiranja sa nivoom preuzetog rizika. Proces praćenja kvaliteta kredita omogućava Banci da procjeni potencijalne gubitke kao rezultat rizika kojima je izložena i da preduzme korektivne mjere.

Cilj Banke je da kroz kreditnu politiku i program upravlja kreditnim rizikom, koristeći modele za ocjenu rizika, u najvećoj mogućoj mjeri odobrava plasmane koji nose nizak rizik.

##### Rizici srodni kreditnom riziku

Banka izdaje garancije i akreditive svojim komitentima, i po osnovu kojih ima potencijalnu obavezu da izvrši plaćanje u korist trećih lica. Na ovaj način Banka se izlaže rizicima srodnim kreditnom riziku, koji se mogu prevazići istim kontrolnim procesima i procedurama koji se koriste za kreditni rizik.

##### Rizik koncentracije plasmana

Rizik koncentracije je rizik gubitka koji proizilazi iz velike izloženosti Banke prema određenoj grupi dužnika. Koncentracija kreditnog rizika nastaje kada značajan broj komitenata pripada sličnoj industriji, ili istom geografskom području, ili imaju slične ekonomske karakteristike što može biti od uticaja na izmirivanje njihovih ugovornih obaveza u slučaju promjena u ekonomskim, političkim ili nekim drugim okolnostima koje ih jednako pogađaju. Da bi se ostvarilo i održao sigurniji kreditni portfolio i da bi se minimizirao rizik koncentracije, utvrđuju se mjere bezbjednosti definisanjem maksimalnih nivoa izloženosti i kreditnih limita kao i redovnim praćenjem poštovanja utvrđenih limita.

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## 35. FINANCIAL INSTRUMENTS (Continued)

### 35.1. Introduction (Continued)

#### Risk Management and Reporting Systems (continued)

Credit risk concentrations may arise when a number of the Bank's customers are involved in similar business activities, or operate in the same geographic region, or have similar economic characteristics, so that their ability to settle liabilities toward the Bank is expected to be under the influence of the similar changes of economic or other nature. Risk concentration is indicative of the relative sensitivity of the Bank's performance to the changes affecting a particular industry or geographic region.

In order to avoid excessive risk concentrations, the Bank's policies and procedures include specific guidelines for developing and maintaining a diversified portfolio. Identified credit risk concentrations are controlled and managed accordingly.

### 35.2. Credit Risk

Credit risk is a risk of one party failing to meet its contractual obligations thus causing the other party to suffer a financial loss. Credit risk exposure, manifested as the Bank's inability to collect loans and other receivables with relating interest within agreed deadlines, is continuously monitored by the Bank through analyses of the financial situation and performance of the borrowers, the loan collectability (daily, monthly and quarterly monitoring), control of the eligible uses of loan funds and assessment of the loan portfolio risk level.

In implementation of the credit policy, the Bank adheres to certain principles set up in its business and crediting policies, thus protecting itself from excessive credit risk exposure. The Credit Risk Management Department within the Risk Assumption Division is in charge of the credit risk management at the level of individual transactions, while the Risk Control Department within the Risk Management Division, in addition to its other activities, deals with the credit risk of the entire loan portfolio.

The above said Credit Risk Management Departments is continuously developed, and its main activities are establishment, monitoring and control of implementation of the adopted policy, rules and guidelines in all crediting business segments, risk identification in the loan approval process through monitoring of departures from the set standards for loan approval process, realistic assessment of the borrower credit quality, adequate collateral valuation/appraisal, risk restriction in terms of set-up limits and acceptable risk levels per segment, taking adequate measures for protection of the loan portfolio from negative movements and alignment of the crediting activities with the level of risk assumed. The process of loan quality monitoring enables the Bank to estimate potential losses as a result of the risks the Bank is exposed to and to take remedial measures.

The Bank's objective is to approve and disburse low risk-level loans to the greatest extent possible in accordance with the crediting policy and credit risk management system using the defined risk assessment models.

#### Credit Risk Related Risks

The Bank issues guarantees and letters of credit to its customers, based on which it has contingent obligations to make payments in favor of third parties. Accordingly, the Bank is exposed to risks related to the credit risk, which can be mitigated by the same control processes and procedures used for the credit risk.

#### Credit Concentration Risk

Concentration risk is a risk of a financial loss arising from the Bank's large exposure to a particular group of borrowers. Credit risk concentration arises when a significant number of borrowers belong to the same industry or the same geographic region, or have similar economic characteristics, which may influence their settlement of liabilities to the Bank in instances of changes in the economic, political or other circumstances that affect them in the same manner. In order to develop and maintain a safer loan portfolio and minimize the concentration risk, safety measures are determined by definition of the maximum exposure levels and credit limits and by regular monitoring of the set limits.

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35. FINANSIJSKI INSTRUMENTI (nastavak)

35.2. Kreditni rizik (nastavak)

- a) **Maksimalna izloženost kreditnom riziku ne uzimajući u obzir kolateral ili druge instrumente zaštite od rizika**

Sljedeća tabela pokazuje maksimalnu izloženost kreditnom riziku pozicija bilansa stanja. Maksimalna izloženost je prikazana u neto iznosu ne uzimajući u obzir efekte smanjenja rizika putem kolaterala ili drugih instrumenata zaštite od rizika.

	31. decembar 2018. 000 BAM	31. decembar 2017. 000 BAM
<b>AKTIVA</b>		
Novčana sredstva i računi depozita kod depozitnih institucija	226.883	172.105
Obavezna rezerva kod Centralne Banke	174.141	158.628
Finansijska imovina raspoloživa za prodaju (MRS 39)	-	188.235
Finansijska imovina koja se drži radi trgovanja (MSFI 9)	6.753	-
Finansijska imovina po fer vrijednosti kroz ostali ukupni rezultat (MSFI 9)	247.721	-
Plasmani drugim bankama	2.005	2.056
Kreditni i dospjela potraživanja po kreditima	1.185.121	1.243.640
Ostala potraživanja i AVR	50.862	58.890
<b>Ukupno</b>	<b>1.893.486</b>	<b>1.823.554</b>
Potencijalne obaveze	160.058	198.587
Neopozive obaveze	81.552	89.285
<b>Ukupno</b>	<b>241.610</b>	<b>287.872</b>
<b>Ukupna izloženost riziku</b>	<b>2.135.096</b>	<b>2.111.426</b>

U slučaju finansijskih instrumenata vrednovanih po fer vrijednosti prikazani iznosi predstavljaju trenutnu izloženost kreditnom riziku, ali ne i maksimalnu izloženost riziku koja može nastati u budućnosti kao rezultat promjena fer vrijednosti.

Detalji o maksimalnoj izloženosti kreditnom riziku svake od klasa finansijskih instrumenata biće objelodanjeni u samim napomenama vezanim za specifične finansijske instrumente.

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35. FINANCIAL INSTRUMENTS (Continued)

35.2. Credit Risk (Continued)

a) Maximum credit risk exposure without taking into account collaterals and other credit enhancements

The table below shows the maximum credit risk exposure for the Bank's asset and liability components. The maximum exposure is shown in the net amounts, not taking into account the effects of risk decrease through collateral and other risk hedging instruments.

	December 31, 2018	December 31, 2017
<b>ASSETS</b>		
Cash and balances held with banks and other financial institutions	226,883	172,105
Obligatory reserve held with the Central Bank	174,141	158,628
Financial assets available for sale (IAS 39)	-	188,235
Financial assets at FVtPL (IFRS 9)	6,753	-
Financial assets at FVtOCI (IFRS 9)	247,721	-
Loans and receivables due from banks and other financial institutions	2,005	2,056
Loans and receivables due from customers	1,185,121	1,243,640
Other assets, receivables and prepayments	50,862	58,890
<b>Total</b>	<b>1,893,486</b>	<b>1,823,554</b>
<b>Contingent liabilities</b>		
Irrevocable commitments	160,058	198,587
<b>Total</b>	<b>81,552</b>	<b>89,285</b>
<b>Total credit risk exposure</b>	<b>2,135,096</b>	<b>2,111,426</b>

For financial instruments measured at fair value, the above presented amounts represent the current credit risk exposure but not the maximum risk exposure that may arise in the future as a result of changes in their fair values.

Details on the maximum credit risk exposure for each class of financial instruments will be disclosed in the respective notes on the specific financial instruments.

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35. FINANSIJSKI INSTRUMENTI (nastavak)

35.2. Kreditni rizik (nastavak)

**b) Koncentracija rizika pri maksimalnoj izloženosti kreditnom riziku**

Koncentracijom rizika se upravlja postavljanjem limita kreditne izloženosti u odnosu na pojedinačne komitente, geografska područja i industrije. Maksimalna kreditna izloženost prema pojedinačnom klijentu na dan 31. decembar 2018. godine iznosi 33.607 hiljada BAM (31. decembar 2017. godine: 30.606 hiljada BAM).

Finansijska sredstva Banke prije uzimanja u obzir sredstava obezbjeđenja i ostalih sredstava zaštite od kreditnog rizika mogu se analizirati kroz sljedeća geografska područja:

31. decembra 2018. godine	Novčana sredstva i računi depozita kod deponitnih institucija	Obavezna rezerva kod Centralne Banke	Finansijska imovina koja se drži radi trgovanja (MSFI 9)	Finansijska imovina po fer vrijednosti kroz ostali ukupni rezultat (MSFI 9)	Plasmani drugim bankama	Kredit i dospjela potraživanja po kreditima	Ostala potraživanja i AVR	Potencijalne i neopozive obaveze	Ukupno
	000 BAM	000 BAM	000 BAM	000 BAM	000 BAM	000 BAM	000 BAM	000 BAM	000 BAM
Bosna i Hercegovina	202.255	174.141	6.753	247.721	95	1.185.121	50.862	241.610	2.108.558
Evropska Unija	22.502	-	-	-	1.910	-	-	-	24.412
Ostalo	2.126	-	-	-	-	-	-	-	2.126
<b>Ukupno</b>	<b>226.883</b>	<b>174.141</b>	<b>6.753</b>	<b>247.721</b>	<b>2.005</b>	<b>1.185.121</b>	<b>50.862</b>	<b>241.610</b>	<b>2.135.096</b>

31. decembra 2017. godine	Novčana sredstva i računi depozita kod deponitnih institucija	Obavezna rezerva kod Centralne Banke	Finansijska imovina koja se drži radi trgovanja (MSFI 9)	Finansijska imovina po fer vrijednosti kroz ostali ukupni rezultat (MSFI 9)	Plasmani drugim bankama	Kredit i dospjela potraživanja po kreditima	Ostala potraživanja i AVR	Potencijalne i neopozive obaveze	Ukupno
	000 BAM	000 BAM	000 BAM	000 BAM	000 BAM	000 BAM	000 BAM	000 BAM	000 BAM
Bosna i Hercegovina	157.482	158.628	188.235	178	1.243.640	58.890	287.872	2.094.925	2.094.925
Evropska Unija	7.914	-	-	1.878	-	-	-	-	9.792
Ostalo	6.709	-	-	-	-	-	-	-	6.709
<b>Ukupno</b>	<b>172.105</b>	<b>158.628</b>	<b>188.235</b>	<b>2.056</b>	<b>1.243.640</b>	<b>58.890</b>	<b>287.872</b>	<b>2.111.426</b>	<b>2.111.426</b>

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35. FINANCIAL INSTRUMENTS (Continued)

35.2. Credit Risk (Continued)

b) Risk concentration at maximum credit risk exposure

Risk concentration is managed by setting limits to the credit exposures to individual borrowers, geographic regions and industries. As of December 31, 2018, the maximum credit risk exposure to a single borrower amounted to BAM 33,607 thousand (December 31, 2016: BAM 30,606 thousand).

The Bank's financial assets before taking into account the effects of collateral and other credit enhancements can be broken down per the following geographic regions:

	Cash and balances held with banks and other financial institutions	Obligatory reserve held with the Central Bank	Financial assets at FYPPL (IFRS 9)	Financial assets at FVOCI (IFRS 9)	Loans and receivables due from banks and other financial institutions	Loans and receivables due from customers	Loans and receivables due from customers	Other assets, receivables and prepayments	Contingent liabilities and irrevocable commitments	Total
Bosnia and Herzegovina	202,255	174,141	6,753	247,721	95	1,185,121	50,862	241,610	2,108,558	
European Union	22,502	-	-	-	1,910	-	-	-	24,412	
Other	2,126	-	-	-	-	-	-	-	2,126	
<b>Total</b>	<b>226,883</b>	<b>174,141</b>	<b>6,753</b>	<b>247,721</b>	<b>2,005</b>	<b>1,185,121</b>	<b>50,862</b>	<b>241,610</b>	<b>2,135,096</b>	
December 31, 2017										
Bosnia and Herzegovina	157,482	158,628	188,235	178	1,243,640	58,890	287,872	2,094,925		
European Union	7,914	-	-	1,878	-	-	-	9,792		
Other	6,709	-	-	-	-	-	-	6,709		
<b>Total</b>	<b>172,105</b>	<b>158,628</b>	<b>188,235</b>	<b>2,056</b>	<b>1,243,640</b>	<b>58,890</b>	<b>287,872</b>	<b>2,111,426</b>		

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 NAPOMENE UZ FINANSIJSKE IZVJEŠTAJE

35. FINANSIJSKI INSTRUMENTI (nastavak)

35.2. Kreditni rizik (nastavak)

b) Koncentracija rizika pri maksimalnoj izloženosti kreditnom riziku (nastavak)

Analiza izloženosti Banke kreditnom riziku, po industrijskim sektorima, prije uzimanja u obzir sredstva obezbjeđenja i ostalih sredstava zaštite od kreditnog rizika, na dan 31. decembra 2018. i 2017. godine prikazana je u sljedećoj tabeli:

	31. decembar 2018. 000 BAM	31. decembar 2017. 000 BAM
Neto maksimalna izloženost		
Stanovništvo	505.923	482.449
Prerađivačka industrija	202.776	230.998
Trgovina	201.827	239.329
Finansijske usluge	66.204	33.903
Poljoprivreda, šumarstvo, vodoprivreda	52.521	64.086
Građevinarstvo	141.926	126.207
Transport	51.623	46.980
Usluge, ugostiteljstvo i turizam	21.169	26.689
Trgovina nekretninama	16.600	16.705
Vlada i državni organi	397.978	361.503
Banke i finansijske institucije	408.019	338.110
Ostalo	68.530	144.467
<b>Ukupno</b>	<b>2.135.096</b>	<b>2.111.426</b>

Kolaterali i drugi instrumenti zaštite od rizika

Politikom kolaterala Banka definiše prihvatljive kolaterale za pojednačne vrste plasmana.

Osnovni tipovi kolaterala su sljedeći:

- Novčani depozit, hartije od vrijednosti, garancije osiguravajućih kuća i banaka, zalog na nepokretnu i pokretnu imovinu i jemstva.

Tržišna vrijednost kolaterala se kontinuirano prati te ukoliko ima potrebe traže se dodatna sredstva obezbjeđenja u fazi odobravanja kao i u toku korišćenja kredita. Banka u skladu sa internom metodologijom periodično u toku korišćenja kredita vrši analizu tržišne vrijednosti kolaterala i u skladu sa istom preispituje i usklađuje ispravku vrijednosti.

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35. FINANCIAL INSTRUMENTS (Continued)

35.2. Credit Risk (Continued)

b) Risk concentration at maximum credit risk exposure (continued)

The table below presents the breakdown of the Bank's credit risk exposure per industry, before taking into account before taking into account the effects of collaterals and other credit enhancements, as of December 31, 2018 and 2017:

	December 31, 2018	December 31, 2017
Maximum exposure, net		
Retail customers	505,923	482,449
Processing industry	202,776	230,998
Trade	201,827	239,329
Financial services	66,204	33,903
Agriculture, forestry, water supply	52,521	64,086
Construction industry	141,926	126,207
Transport	51,623	46,980
Services, hospitality and tourism	21,169	26,689
Real estate trade	16,600	16,705
Government and state agencies	397,978	361,503
Banks and financial institutions	408,019	338,110
Other	68,530	144,467
Total	<u>2,135,096</u>	<u>2,111,426</u>

Collaterals and Other Credit Enhancements

The Bank's collateral policy defines acceptable collateral for individual types of loans.

The main types of collateral obtained are as follows:

- Cash deposits, securities, guarantees issued by insurance companies and banks
- Pledge and mortgage liens instituted over movable and immovable assets; and
- Sureties.

The Bank monitors the market values of collaterals on an ongoing basis and, if necessary, demands additional collateral in the loan approval phase as well as during the loan repayment term. In accordance with the internally adopted methodology, during the loan term, the Bank periodically assesses the market values of collaterals and adjusts impairment allowance thereof accordingly.

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**35. FINANSIJSKI INSTRUMENTI (nastavak)**

**35.2. Kreditni rizik (nastavak)**

**c) Kvalitet finansijskih instrumenata po klasama finansijske aktive**

Kvalitetom finansijskih sredstava Banka upravlja koristeći internu klasifikaciju plasmana zasnovanu na MSFI 9 metodologiji.

Kvalitet plasmana po tipovima sredstava koji se nalaze u bilansu stanja, zasnovanim na razvrstavanju po nivoima kreditnog rizika (Stage-evima) posmatrano po tipovima klijenata, klasama ratinga i danima kašnjenja sa posebnim akcentom na kredite za 2018. godinu prikazan je sljedećim tabelama:

	(U 000 BAM)				
	<b>Ukupno</b>				
<b>Banke/ostali komitentni</b>	<b>S1</b>	<b>S2</b>	<b>S3</b>	<b>S3-POCI</b>	<b>31.12.2018.</b>
Plasmani drugim bankama	2.006	-	-	-	2.006
Kreditni i dospjela potraživanja po kreditima	888.081	227.454	66.240	114.749	1.296.524
<b>Bruto izloženost</b>	<b>890.087</b>	<b>227.454</b>	<b>66.240</b>	<b>114.749</b>	<b>1.298.530</b>
<b>Ispravka vrijednosti</b>	<b>2.616</b>	<b>12.494</b>	<b>38.657</b>	<b>57.637</b>	<b>111.404</b>
<b>Neto izloženost</b>	<b>887.471</b>	<b>214.960</b>	<b>27.583</b>	<b>57.112</b>	<b>1.187.126</b>

Pregled kredita i dospjelih potraživanja po kreditima po segmentima na dan 31.12.2018. godine prikazan je u sljedećoj tabeli:

	(U 000 BAM)				
	<b>Ukupno</b>				
<b>Plasmani ostalim komitenitima po segmentima</b>	<b>S1</b>	<b>S2</b>	<b>S3</b>	<b>S3-POCI</b>	<b>31.12.2018.</b>
FI *	8.070	-	-	-	8.070
Government	26.791	-	-	-	26.791
L-RSGU	99.634	15.213	-	551	115.398
MSE-SEB	12.960	2.291	914	174	16.339
Non-Profit-Org	1.150	462	2.916	-	4.528
PI	350.503	96.449	23.714	8.104	478.770
SME-Corp-DEB	388.973	113.039	38.696	105.920	646.628
<b>Bruto izloženost</b>	<b>888.081</b>	<b>227.454</b>	<b>66.240</b>	<b>114.749</b>	<b>1.296.524</b>
<b>Ispravka vrijednosti</b>	<b>2.615</b>	<b>12.494</b>	<b>38.657</b>	<b>57.637</b>	<b>111.403</b>
<b>Neto vrijednost</b>	<b>885.466</b>	<b>214.960</b>	<b>27.583</b>	<b>57.112</b>	<b>1.185.121</b>

\*Nebankarske finansijske institucije

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35. FINANCIAL INSTRUMENTS (Continued)

35.2. Credit Risk (Continued)

c) Financial asset quality per asset class

The Bank manages the financial asset quality using the internal classification based on the methodology under IFRS 9.

The tables below present the quality of loans per asset type within the Bank's statement of financial position grouped into the credit risk levels (Stages), viewed per type of customer, rating class and days past-due, with special focus on the loans for FY 2018:

Banks/other customers	S1	S2	S3	S3-POCI	Total Dec-31, 2018
Loans and receivables due from banks	2,006	-	-	-	2,006
Loans and receivables due from customers	888,081	227,454	66,240	114,749	1,296,524
Gross exposure	890,087	227,454	66,240	114,749	1,298,530
Impairment allowance	2,616	12,494	38,657	57,637	111,404
Net exposure	887,471	214,960	27,583	57,112	1,187,126

Breakdown of loans and receivable matured per customer segment as of December 31, 2018 is provided in the table below:

Other customers, per segment	S1	S2	S3	S3-POCI	Total Dec-31, 2018
FI *	8,070	-	-	-	8,070
Government	26,791	-	-	-	26,791
L-RSGU	99,634	15,213	-	551	115,398
MSE-SEB	12,960	2,291	914	174	16,339
Non-Profit-Org	1,150	462	2,916	-	4,528
PI	350,503	96,449	23,714	8,104	478,770
SME-Corp-DEB	388,973	113,039	38,696	105,920	646,628
Gross exposure	888,081	227,454	66,240	114,749	1,296,524
Impairment allowance	2,615	12,494	38,657	57,637	111,403
Net exposure	885,466	214,960	27,583	57,112	1,185,121

\*Non-banking financial institutions

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35.FINANSIJSKI INSTRUMENTI (nastavak)

35.2. Kreditni rizik (nastavak)

Pregled kredita i dospjelih potraživanja po kreditima po klasama rejtinga na dan 31.12.2018. godine prikazan je u sljedećoj tabeli:

Plasmani ostalim komitentima po klasama ratinga					(U 000 BAM)
	S1	S2	S3	S3-POCI	Ukupno 31.12.2018.
1	41.770	10	-	-	41.780
2	238.083	437	-	782	239.302
3	159.095	923	-	181	160.199
4	177.492	2.950	-	1.767	182.209
5	170.192	5.253	-	1.256	176.701
6	46.244	51.556	-	4.352	102.152
7	38.470	32.047	-	336	70.853
8	-	75.459	-	3.300	78.759
9	-	24.617	-	2.423	27.040
10	-	34.202	-	551	34.753
Default	-	-	66.240	99.801	166.041
NR**	16.735	-	-	-	16.735
<b>Bruto izloženost</b>	<b>888.081</b>	<b>227.454</b>	<b>66.240</b>	<b>114.749</b>	<b>1.296.524</b>
<b>Ispravka vrijednosti</b>	<b>2.615</b>	<b>12.494</b>	<b>38.657</b>	<b>57.637</b>	<b>111.403</b>
<b>Neto vrijednost</b>	<b>885.466</b>	<b>214.960</b>	<b>27.583</b>	<b>57.112</b>	<b>1.185.121</b>

\*dio klijenata u defaultu je istovremeno i POCI imovina

\*\*Klijenti bez ratinga

Pregled kredita i dospjelih potraživanja po kreditima po danima kašnjenja na dan 31.12.2018. godine prikazan je u sljedećoj tabeli:

Dani kašnjenja					(U 000 BAM)
	S1	S2	S3	S3-POCI	Ukupno 31.12.2018.
1. Bez kašnjenja	886.822	218.059	1.636	50.453	1.156.970
2. od 1-30	1.259	7.325	1.637	265	10.486
3. od 31 do 90 dana	0	2.070	200	817	3.087
4. veće od 90 dana	0	0	62.767	63.214	125.981
<b>Bruto izloženost</b>	<b>888.081</b>	<b>227.454</b>	<b>66.240</b>	<b>114.749</b>	<b>1.296.524</b>
<b>Ispravka vrijednosti</b>	<b>2.615</b>	<b>12.494</b>	<b>38.657</b>	<b>57.637</b>	<b>111.403</b>
<b>Neto vrijednost</b>	<b>885.466</b>	<b>214.960</b>	<b>27.583</b>	<b>57.112</b>	<b>1.185.121</b>

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35. FINANCIAL INSTRUMENTS (Continued)

35.2. Credit Risk (Continued)

c) Financial asset quality per asset class (continued)

Breakdown of loans and receivable matured per customer rating as of December 31, 2018 is provided in the table below:

Other customers, per rating class	S1	S2	S3	S3-POCI	Total Dec-31, 2018
1	41,770	10	-	-	41,780
2	238,083	437	-	782	239,302
3	159,095	923	-	181	160,199
4	177,492	2,950	-	1,767	182,209
5	170,192	5,253	-	1,256	176,701
6	46,244	51,556	-	4,352	102,152
7	38,470	32,047	-	336	70,853
8	-	75,459	-	3,300	78,759
9	-	24,617	-	2,423	27,040
10	-	34,202	-	551	34,753
Default	-	-	66,240	99,801	166,041
NR**	16,735	-	-	-	16,735
Gross exposure	888,081	227,454	66,240	114,749	1,296,524
Impairment allowance	2,615	12,494	38,657	57,637	111,403
Net exposure	885,466	214,960	27,583	57,112	1,185,121

\*Some default status assets are at the same time classified into POCI assets

\*\*Customers without ratings (non-rated)

Breakdown of loans and receivable matured per number of days past due as of December 31, 2018 is provided in the table below:

Days past due	S1	S2	S3	S3-POCI	Total Dec-31, 2018
1. No delay	886,822	218,059	1,636	50,453	1,156,970
2. 1 - 30 days past due	1,259	7,325	1,637	265	10,486
3. 31 - 90 days past due	-	2,070	200	817	3,087
4. More than 90 days past due	-	-	62,767	63,214	125,981
Gross exposure	888,081	227,454	66,240	114,749	1,296,524
Impairment allowance	2,615	12,494	38,657	57,637	111,403
Net exposure	885,466	214,960	27,583	57,112	1,185,121

Breakdown of loans and receivables matured for 2017 is presented in the table below:

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35. FINANSIJSKI INSTRUMENTI (nastavak)

35.2. Kreditni rizik (nastavak)

Pregled kredita i dospjelih potraživanja po kreditima za 2017. godinu prikazan je u sljedećoj tabeli:

u 000 BAM	Nedospjeli i neobezvređeni			Dospjeli ali pojedinačno ne obezvrijeđeni	Pojedinačno obezvrijeđeni	Ukupno 31.12.2017.
	Visok stepen	Standardni stepen	Substandardni stepen			
Plasmani bankama	2.056	-	-	-	-	2.056
Plasmani klijentima	1.105.554	36.483	8.538	3.823	89.242	1.243.640

Dospjeli ali neobezvrijeđeni plasmani na dan 31. decembra 2017:

Pozicije bilansa stanja	Do 30 dana 000 BAM	31 do 60 dana 000 BAM	61 do 90 dana 000 BAM	Više od 90 dana 000 BAM	Ukupno 31.12.2017.
Plasmani stanovništvu	279	74	73	2.103	2.529
Korporativni plasmani	581	236	47	430	1.294
<b>Ukupna finansijska sredstva</b>	<b>860</b>	<b>310</b>	<b>120</b>	<b>2.533</b>	<b>3.823</b>

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35. FINANCIAL INSTRUMENTS (Continued)

35.2. Credit Risk (Continued)

c) Financial asset quality per asset class (continued)

	Not matured and unimpaired			Matured but not individually impaired	Individually impaired	Total at Dec-31, 2017
	High quality	Standard quality	Substandard quality			
Loans due from banks	2,056	-	-	-	-	2,056
Loans due from customers	1,105,554	36,483	8,538	3,823	89,242	1,243,640

Matured (past due) but unimpaired loans as of December 31, 2017:

Statement of financial position (balance sheet) items	Up to 30 days past due	31 to 60 days past due	61 to 90 days past due	Over 90 days past due	Total at Dec-31, 2017
Retail loans	279	74	73	2,103	2,529
Corporate loans	581	236	47	430	1,294
<b>Total loans</b>	<b>860</b>	<b>310</b>	<b>120</b>	<b>2,533</b>	<b>3,823</b>

Translation of the report issued in the Serbian language

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NAPOMENE UZ FINANSIJSKE IZVJEŠTAJE

## 35. FINANSIJSKI INSTRUMENTI (nastavak)

### 35.2. Kreditni rizik (nastavak)

#### Restrukturirani krediti

Pod restrukturiranim kreditima Banka smatra kredite i druge plasmane kod kojih je izvršeno restrukturiranje i promjena inicijalno ugovorenih uslova usljed nemogućnosti klijenta da izmiruje svoje obaveze u skladu sa ugovorom definisanim uslovima i rokovima zbog problema u poslovanju i pogoršanja finansijskih pokazatelja. Na dan 31. decembra 2018. godine, bruto restrukturirani krediti i plasmani iznose ukupno 136.104 hiljade BAM i isti su klasifikovani u skladu sa Odlukom o minimalnim standardima za upravljanje kreditnim rizikom i klasifikaciju aktive banaka, te Odlukom o privremenim mjerama za reprogram kreditnih obaveza fizičkih i pravnih lica u bankama i Odlukom o privremenim mjerama za kreditne obaveze klijenata koji su ugroženi elementarnim nepogodama. Na dan 31. decembra 2017. godine restrukturirani krediti su iznosili 140.105 hiljada BAM.

### 35.3. Rizik likvidnosti

Rizik likvidnosti je rizik mogućnosti nastanka gubitka odnosno negativnih efekata na finansijski rezultat i kapital Banke, kada Banka nije sposobna da izmiri sve dospjele obaveze. Rizik likvidnosti proizilazi iz neusklađenosti novčanih priliva i odliva.

Da bi se smanjio ili ograničio ovaj rizik, Banka putem sistema upravljanja aktivom i pasivom, prateći buduće novčane tokove i likvidnost na dnevnoj osnovi vrši diversifikaciju izvora finansiranja.

U cilju upravljanja rizikom likvidnosti Banka sprovodi aktivnosti koje obezbjeđuju usklađenost strukture aktive i pasive bilansa i vanbilansa Banke, odnosno novčanih tokova i kontinuirano prati i planira buduće novčane tokove uzimajući u obzir promjene u operativnim, ekonomskim i ostalim uslovima poslovanja. Banka svakodnevno prati i analizira stanje u okruženju tj privredna dešavanja kako bi se blagovremeno pripremila na potencijalne rizike.

Politikom i procedurama za upravljanje rizikom likvidnosti Banke, propisani su način, dinamika i odgovornosti u upravljanju rizikom likvidnosti kao i Plan za vanredne (neočekivane) situacije i udare koji mogu ugroziti likvidnost Banke.

Zbog činjenice da depoziti nebankarskog sektora čine najznačajniji izvor sredstava Banke, likvidnosni rizici predstavljaju posebno osjetljive rizike.

Banka obezbjeđuje dovoljno likvidnih sredstava za izmirenje svih dospjelih obaveza, redovno planira potrebe za likvidnim sredstvima uključujući i identifikaciju očekivanih i neočekivanih novčanih odliva, provodi politiku upravljanja aktivom i pasivom koja osigurava održavanje optimalnog stanja rezervi likvidnosti.

U upravljanju rizikom likvidnosti Banka se oslanja na stabilne izvore finansiranja, ugovorene rokove dospjeća i maksimalno moguću diverzifikaciju izvora po dospjeću, izbjegavajući situacije koje mogu dovesti do potrebe da obezbjeđuje potrebna likvidna sredstva po cijenama koje su značajno više od tržišnih.

Banka održava portfolio koji se sastoji od visokolikvidnih hartija od vrijednosti i diversifikovanih sredstava koja mogu lako da se konvertuju u gotovinu u slučaju nepredviđenih i negativnih oscilacija.

U skladu sa zakonskim okvirima i internim limitima, politikama i procedurama, Banka upravlja ročnom usklađenošću tako što izrađuje projekciju cashflow-a, prateći nivo koncentraciju depozita koji dospijevaju (po ročnim razredima), uzimajući u obzir vjerovatnoću odliva (stress testovi) i priliva novih depozita.

Početkom 2018. godine stupila je na snagu nova Odluka o upravljanju rizikom likvidnosti banaka kojom se uvodi obaveza praćenja pokazatelja LCR i NSFR.

Prema podacima na dan 31.12.2018 godinu Banka je ostvarila visoke koeficijente ispunjenja likvidnosti, putem velikog iznosa likvidnih rezervi koje se sastoje od gotovine i rezervi kod Centralne banke Bosne i Hercegovine, plasmana sredstava kod domaćih i ino banaka, i portfolija visokolikvidnih hartija od vrijednosti.

Na dan 31.12.2018. godine Banka je u potpunosti ispoštovala zakonsku regulativu Centralne banke BiH i Agencije za bankarstvo RS koja se odnosi na likvidnost. Obavezna rezerva je održavana prema propisima utvrđenim od strane Centralne banke BiH.

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35. FINANCIAL INSTRUMENTS (Continued)

35.2. Credit Risk (Continued)

Restructured Loans

A restructured loan is a loan or another receivable that is refinanced, rescheduled or otherwise converted, i.e., a loan with modified initially agreed terms due to the borrower's inability to make repayment in line with initially agreed repayment terms and schedule because of its difficulties in business operations and deterioration of the financial situation. As of December 31, 2018, the Bank's gross restructured loans totaling BAM 136,104 thousand were classified in accordance with the Decision on the Minimum Standards for Credit Risk Management and Classification of Bank Assets, the Decision on the Provisional Measures for Rescheduling of the Retail and Corporate Borrowings from Banks and the Decision on the Provisional Measures for Borrowings of the Clients Threatened by Natural Disasters. As of December 31, 2017, the Bank's restructured loans totaled BAM 140,105 thousand.

35.3. Liquidity Risk

Liquidity risk is the possibility of occurrence of adverse effects on financial result and equity of the Bank caused by the Bank's inability to settle its liabilities matured. Liquidity risk arises from the mismatch of the cash inflows and outflows.

In order to mitigate or limit this risk, through the system of asset and liability management, at the same time monitoring future cash flows and liquidity on a daily basis, the Bank diversifies its sources of financing.

For the purpose of liquidity risk management, the Bank performs activities to ensure maturity matching of its assets and liabilities and on-balance sheet and off-balance sheet items, i.e., its cash flows (inflows and outflows), and continuously monitors and makes plans and projections of its future cash flows taking into account changes in operating, economic and other conditions the Bank is operating in. On a daily basis, the Bank monitors and analyzes the situation in its environment, i.e., economic trends and developments, in order to prepare in a timely manner for potential risks.

The Bank's liquidity risk policy and procedures prescribe the manner, schedules and responsibilities in the area of liquidity risk management as well as the Contingency Plan for emergencies and disruptions that may compromise the Bank's liquidity.

Due to the fact that non-FSI deposits represent the Bank's major source of funds, the liquidity risks are particularly sensitive risks for the Bank.

The Bank provides sufficient liquid assets for settlement of its liabilities when these fall due, regularly plans levels of the required liquid assets, including identification of the known (expected) and extraordinary (unexpected) cash outflows, implements the policy for asset and liability management, which ensures maintenance of the optimum liquidity reserves. In managing the liquidity risk, the Bank relies on the stable sources of financing, contractually agreed maturities and maximum possible diversification of the sources upon maturity, avoiding situations that may compel the Bank to obtain liquid assets at prices significantly higher than the market prices.

The Bank maintains a portfolio comprised of highly liquid securities and diversified assets that are easily convertible to cash in instances of unforeseen adverse fluctuations.

In accordance with the legislative framework and the Bank's internally prescribed limits and enacted policies and procedures, the Bank manages the maturity matching by projecting cash flows, monitoring levels and concentration of deposits within maturity buckets and considering the probability of outflows (stress tests) and inflows of new deposits.

At the beginning of 2018, a new Decision on Liquidity Risk Management for Banks came into effect, stipulating that banks monitor the liquidity coverage ratio (LCR) and the net stable funding ratio (NSFR).

According to the Bank's data, as of December 31, 2018, the Bank achieved high liquidity ratios by maintaining a high amount of liquidity reserves comprised of cash and reserves held with the Central Bank of Bosnia and Herzegovina, deposits placed with domestic and foreign banks and a portfolio of highly liquid securities.

As of December 31, 2018, the Bank was in full compliance with the regulations of the Central Bank of Bosnia and Herzegovina and Banking Agency of the Republic of Srpska concerning liquidity. The Bank maintained the obligatory reserves in accordance with the requirements of the Central Bank of BH.

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NOVA BANKA A.D. BANJA LUKA

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### 35. FINANSIJSKI INSTRUMENTI (nastavak)

#### 35.3. Rizik likvidnosti (nastavak)

Banka na dan 31. decembra 2018. godine ima veću dospijevajuću pasivu u odnosu na aktivu, kumulativno u periodu do godinu dana, u iznosu od 229.807 hiljada BAM (na dan 31. decembra 2017. godine u iznosu od 339.590 hiljada BAM). Porast je uslovljen trendom velikog rasta depozita po viđenju, iz razloga porasta broja klijenata i povećanja poslovanja preko Nove banke. Rukovodstvo Banke primjenom redovnih stress testova redovno analizira tekuću likvidnost, uzimajući u obzir strukturu i diverzifikaciju izvora finansiranja. Obzirom da se banka dominantno finansira iz depozita stanovništva koji imaju nisku stopu fluktuacije, smatra se da likvidnost banke u ovom ročnom razredu neće biti ugrožena. Banka konstantno održava visoku stopu likvidnosti, u cilju stvaranja zaštitnog buffera za potrebe likvidnih odliva. Banka takođe održava i visok nivo finansijske imovine raspoložive za prodaju, kao dodatnu likvidnosnu rezervu.

Tabela ispod prikazuje knjigovodstvenu vrijednost imovine i obaveza na osnovu očekivanog odliva po finansijskim obavezama, projektovan od strane Banke, na dan 31. decembra 2018. godine:

31. decembar 2018.	Do 1 mjesec 000 BAM	Od 1 do 3 mjeseca 000 BAM	Od 3 do 12 mjeseci 000 BAM	Od 1 do 5 godina 000 BAM	Preko 5 godina 000 BAM	Ukupno 000 BAM
<b>AKTIVA</b>						
Novčana sredstva i računi depozita kod depozitnih institucija	226.883	-	-	-	-	226.883
Obavezna rezerva kod Centralne Banke	174.141	-	-	-	-	174.141
Finansijska imovina koja se drži radi trgovanja (MSFI 9)	6.753	-	-	-	-	6.753
Finansijska imovina po fer vrijednosti kroz ostali ukupni rezultat (MSFI 9)	246.445	-	-	39	1.237	247.721
Plasmani drugim bankama	252	-	1.557	196	-	2.005
Kredit i dospjela potraživanja po kreditima	48.496	48.620	231.214	557.412	299.379	1.185.121
Osnovna sredstva i ulaganja u nekretnine	-	-	-	-	55.332	55.332
Nematerijalna ulaganja	-	-	-	-	3.198	3.198
Ostala potraživanja i AVR	19.907	2.198	22.224	6.441	92	50.862
Odložena poreska sredstva	-	-	-	-	-	-
<b>Ukupno aktiva</b>	<b>722.877</b>	<b>50.818</b>	<b>254.995</b>	<b>564.088</b>	<b>359.238</b>	<b>1.952.016</b>
<b>Obaveze</b>						
Depoziti komitenata	546.527	136.967	517.029	307.474	12.336	1.520.333
Obaveze po uzetim kreditima	2.151	4.844	22.642	99.217	78.946	207.800
Rezervisanja na stavke vanbilansa	112	812	919	301	33	2.177
Ostale obaveze i PVF	5.211	494	20.789	2.287	713	29.494
Subordinirani dug (dopunski kapital)	-	-	-	30.080	7.520	37.600
Kapital i rezerve	-	-	-	-	154.612	154.612
<b>Ukupno obaveze</b>	<b>554.001</b>	<b>143.117</b>	<b>561.379</b>	<b>439.359</b>	<b>254.160</b>	<b>1.952.016</b>
<b>Neto izloženost riziku likvidnosti na dan 31. decembar 2018. godine</b>	<b>168.876</b>	<b>-92.299</b>	<b>-306.384</b>	<b>124.729</b>	<b>105.078</b>	<b>-</b>

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## 35. FINANCIAL INSTRUMENTS (Continued)

### 35.3. Liquidity Risk (Continued)

As of December 31, 2018, the Bank had cumulative liabilities matured in excess of assets within the maturity bucket of up to a year, in the amount of BAM 229,807 thousand (December 31, 2017: BAM 339,590 thousand). The increase in these liabilities was a result of the growing trend of demand deposits due to the increased number of clients and operations of the Bank. Through regular stress testing, the Bank's management assesses the Bank's current liquidity, taking into account the structure and diversification of the sources of financing. Given that the Bank is predominantly financed from retail deposits with low fluctuation, it is believed that the Bank's liquidity in this maturity bucket will not be compromised. The Bank constantly maintains high liquidity ratios in order to create a liquidity buffer for liquidity outflows. The Bank also maintains a high level of financial assets available for sale as additional liquidity reserves.

The table below presents the carrying value of the Bank's assets and liabilities based on the expected outflows per financial liabilities projected by the Bank as of December 31, 2018:

December 31, 2018	Within a month	1 – 3 months	3 – 12 months	1 – 5 years	Over 5 years	Total
<b>ASSETS</b>						
Cash and balances held with banks and other financial institutions	226,883	-	-	-	-	226,883
Obligatory reserve held with the Central Bank	174,141	-	-	-	-	174,141
Financial assets at FVtPL (IFRS 9)	6,753	-	-	-	-	6,753
Financial assets at FVtOCI (IFRS 9)	246,445	-	-	39	1,237	247,721
Loans and receivables due from banks and other financial institutions	252	-	1,557	196	-	2,005
Loans and receivables due from customers	48,496	48,620	231,214	557,412	299,379	1,185,121
Property, plant, equipment and investment property	-	-	-	-	55,332	55,332
Intangible assets	-	-	-	-	3,198	3,198
Other assets, receivables and prepayments	19,907	2,198	22,224	6,441	92	50,862
Deferred tax assets	-	-	-	-	-	-
<b>Total assets</b>	<b>722,877</b>	<b>50,818</b>	<b>254,995</b>	<b>564,088</b>	<b>359,238</b>	<b>1,952,016</b>
<b>Liabilities</b>						
Deposits due to customers	546,527	136,967	517,029	307,474	12,336	1,520,333
Borrowings	2,151	4,844	22,642	99,217	78,946	207,800
Provisions for off-balance sheet items	112	812	919	301	33	2,177
Other liabilities and accruals	5,211	494	20,789	2,287	713	29,494
Subordinated debt (supplementary capital)	-	-	-	30,080	7,520	37,600
Equity and reserves	-	-	-	-	154,612	154,612
<b>Total liabilities and equity</b>	<b>554,001</b>	<b>143,117</b>	<b>561,379</b>	<b>439,359</b>	<b>254,160</b>	<b>1,952,016</b>
<b>Net liquidity risk exposure at December 31, 2018</b>	<b>168,876</b>	<b>-92,299</b>	<b>306,384</b>	<b>124,729</b>	<b>105,078</b>	<b>-</b>

Translation of the report issued in the Serbian language

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NAPOMENE UZ FINANSIJSKE IZVJEŠTAJE

## 35. FINANSIJSKI INSTRUMENTI (nastavak)

### 35.3. Rizik likvidnosti (nastavak)

Tabela ispod prikazuje knjigovodstvenu vrijednost imovine i obaveza na osnovu očekivanog odliva po finansijskim obavezama, projektovan od strane Banke, na dan 31. decembra 2017. godine:

31. decembar 2017.	Do 1 mjesec 000 BAM	Od 1 do 3 mjeseca 000 BAM	Od 3 do 12 mjeseci 000 BAM	Od 1 do 5 godina 000 BAM	Preko 5 godina 000 BAM	Ukupno 000 BAM
<b>AKTIVA</b>						
Novčana sredstva i računi depozita kod depozitnih institucija	172.105	-	-	-	-	172.105
Obavezna rezerva kod Centralne Banke	158.628	-	-	-	-	158.628
Finansijska imovina raspoloživa za prodaju	185.794	-	-	129	2.312	188.235
Plasmani drugim bankama	179	-	1.721	156	-	2.056
Kredit i dospjela potraživanja po kreditima	42.030	52.970	229.398	579.773	339.469	1.243.640
Osnovna sredstva i ulaganja u nekretnine	-	-	-	-	52.536	52.536
Nematerijalna ulaganja	-	-	-	-	3.916	3.916
Ostala potraživanja i AVR	24.219	826	23.502	10.343	-	58.890
Odložena poreska sredstva	-	-	60	-	-	60
<b>Ukupno aktiva</b>	<b>582.955</b>	<b>53.796</b>	<b>254.681</b>	<b>590.401</b>	<b>398.233</b>	<b>1.880.066</b>
<b>Obaveze</b>						
Depoziti komitenata	463.823	139.137	573.996	286.334	14.049	1.477.339
Obaveze po uzetim kreditima	2.296	4.481	19.560	89.335	60.214	175.886
Rezervisanja na stavke vanbilansa	476	512	2.145	995	39	4.167
Ostale obaveze i PVR	5.686	565	18.249	2.554	806	27.860
Subordinirani dug (dopunski kapital)	-	32	64	22.560	15.041	37.697
Kapital i rezerve	-	-	-	-	157.117	157.117
<b>Ukupno obaveze</b>	<b>472.281</b>	<b>144.727</b>	<b>614.014</b>	<b>401.778</b>	<b>247.266</b>	<b>1.880.066</b>
<b>Neto izloženost riziku likvidnosti na dan 31. decembar 2017. godine</b>	<b>110.674</b>	<b>(90.931)</b>	<b>(359.333)</b>	<b>188.623</b>	<b>150.967</b>	<b>-</b>

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35. FINANCIAL INSTRUMENTS (Continued)

35.3. Liquidity Risk (Continued)

The table below presents the carrying value of the Bank's assets and liabilities based on the expected outflows per financial liabilities projected by the Bank as of December 31, 2017:

December 31, 2017	Within a month	1 – 3 months	3 – 12 months	1 – 5 years	Over 5 years	Total
<b>ASSETS</b>						
Cash and balances held with banks and other financial institutions	172,105	-	-	-	-	172,105
Obligatory reserve held with the Central Bank	158,628	-	-	-	-	158,628
Financial assets available for sale	185,794	-	-	129	2,312	188,235
Loans and receivables due from banks and other financial institutions	179	-	1,721	156	-	2,056
Loans and receivables due from customers	42,030	52,970	229,398	579,773	339,469	1,243,640
Property, plant, equipment and investment property	-	-	-	-	52,536	52,536
Intangible assets	-	-	-	-	3,916	3,916
Other assets, receivables and prepayments	24,219	826	23,502	10,343	-	58,890
Deferred tax assets	-	-	60	-	-	60
<b>Total assets</b>	<b>582,955</b>	<b>53,796</b>	<b>254,681</b>	<b>590,401</b>	<b>398,233</b>	<b>1,880,066</b>
<b>Liabilities</b>						
Deposits due to customers	463,823	139,137	573,996	286,334	14,049	1,477,339
Borrowings	2,296	4,481	19,560	89,335	60,214	175,886
Provisions for off-balance sheet items	476	512	2,145	995	39	4,167
Other liabilities and accruals	5,686	565	18,249	2,554	806	27,860
Subordinated debt (supplementary capital)	-	32	64	22,560	15,041	37,697
Equity and reserves	-	-	-	-	157,117	157,117
<b>Total liabilities and equity</b>	<b>472,281</b>	<b>144,727</b>	<b>614,014</b>	<b>401,778</b>	<b>247,266</b>	<b>1,880,066</b>
<b>Net liquidity risk exposure at December 31, 2017</b>	<b>110,674</b>	<b>(90,931)</b>	<b>(359,333)</b>	<b>188,623</b>	<b>150,967</b>	<b>-</b>

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### 35. FINANSIJSKI INSTRUMENTI (nastavak)

#### 35.3. Rizik likvidnosti (nastavak)

Sljedeća tabela pokazuje potencijalne i preuzete neopozive obaveze Banke prema ugovorenim rokovima dospjeća na dan 31. decembra 2018. i 2017. godine:

	Do 1 mjesec	Od 1 do 3 mjeseca	Od 3 do 12 mjeseci	Od 1 do 5 godina	Preko 5 godina	Ukupno
	000 BAM	000 BAM	000 BAM	000 BAM	000 BAM	000 BAM
<b>31. decembar 2018.</b>						
Potencijalne obaveze	18.996	27.527	79.229	32.676	1.630	160.058
Preuzete obaveze	2.772	6.766	42.754	27.580	1.680	81.552
<b>Ukupno</b>	<b>21.768</b>	<b>34.293</b>	<b>121.983</b>	<b>60.256</b>	<b>3.310</b>	<b>241.610</b>
<b>31. decembar 2017.</b>						
Potencijalne obaveze	9.637	57.536	69.844	60.220	1.350	198.587
Preuzete obaveze	6.355	6.919	38.050	32.352	5.609	89.285
<b>Ukupno</b>	<b>15.992</b>	<b>64.455</b>	<b>107.894</b>	<b>92.572</b>	<b>6.959</b>	<b>287.872</b>

Banka ne očekuje da će sve potencijalne i preuzete neopozive obaveze biti povučene prije isteka roka dospjeća istih.

#### 35.4. Tržišni rizik

Tržišni rizik je rizik da će fer vrijednost ili očekivani budući gotovinski tokovi finansijskih instrumenata fluktuirati usljed promjena tržišnih varijabli kao što su kamatne stope i devizni kursevi.

Upravljanje tržišnim rizicima u Banci je definisano politikama koje odobrava Nadzorni odbor i koje su u saglasnosti sa strategijom upravljanja rizicima. U okviru Sektora za upravljanje rizicima, organizovano je Odjeljenje upravljanja tržišnim rizicima koje ima za cilj upravljanje tržišnim rizicima. Rad Odjeljenja za upravljanje tržišnim rizicima prije svega podrazumjeva praćenje tržišnih rizika prema utvrđenim limitima, kao i praćenje rizika koji proističu iz uvođenja novih proizvoda i složenih transakcija.

#### Rizik promjene kamatnih stopa

Kamatni rizik predstavlja nepovoljnu promjenu kamatnih stopa što može dovesti do smanjenja dobiti ili do povećanja zahtjeva za dodatnim kapitalom Banke.

Kamatna osjetljivost, koja se javlja kao posljedica promjena tržišnih kamatnih stopa, utiče na visinu neto kamatnih prihoda i tržišnu vrijednost finansijskih instrumenata.

Banka je utvrdila Politiku za upravljanje kamatnim rizicima čiji je cilj upravljanje i ograničavanje potencijalnog gubitka Banke. Poslovna politika Banke određuje principe po kojima se ugovara, obračunava i naplaćuje kamata na kredite i druge plasmane (aktivna kamata), kao i principe po kojima se vrši kalkulacija i plaćanje kamate na depozite, uloge i druga primljena sredstva (pasivna kamata).

Kamatna stopa je određena na bazi roka dospjeća, iznosa, namjene, izvora, valute i drugih parametara. Sve kamatne stope utvrđene su na godišnjem nivou, osim u slučaju kad je pored stopa upisan drugi vremenski period.

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## 35. FINANCIAL INSTRUMENTS (Continued)

### 35.3. Liquidity Risk (Continued)

The following table presents the Bank's contingent liabilities and irrevocable commitments according to the contractually defined maturities as of December 31, 2018 and 2017:

December 31, 2018	Within a month	1 – 3 months	3 – 12 months	1 – 5 years	Over 5 years	Total
Contingent liabilities	18,996	27,527	79,229	32,676	1,630	160,058
Commitments	2,772	6,766	42,754	27,580	1,680	81,552
<b>Total</b>	<b>21,768</b>	<b>34,293</b>	<b>121,983</b>	<b>60,256</b>	<b>3,310</b>	<b>241,610</b>
December 31, 2017	Within a month	1 – 3 months	3 – 12 months	1 – 5 years	Over 5 years	Total
Contingent liabilities	9,637	57,536	69,844	60,220	1,350	198,587
Commitments	6,355	6,919	38,050	32,352	5,609	89,285
<b>Total</b>	<b>15,992</b>	<b>64,455</b>	<b>107,894</b>	<b>92,572</b>	<b>6,959</b>	<b>287,872</b>

The Bank does not expect that all the contingent liabilities and commitments will be called upon (drawn) before their maturity periods expire.

### 35.4. Market Risk

Market risk is a risk that the fair values and expected cash flows of the financial instruments will fluctuate due to changes in the market variables such as interest rates and foreign exchange rates.

The Bank's market risk management is defined by the policies approved by the Bank's Supervisory Board that are in line with the overall risk management strategy. Within the Risk Management Division, the Bank organized the Market Risk Management Department for managing market risks. Its work primarily entails monitoring of the market risks according to the set limits as well as monitoring of the risks arising from the introduction of new products and complex transactions.

#### Interest Rate Risk

Interest rate risk represents an adverse change in interest rates, which may cause decrease in the Bank's profits or increased requirements for the Bank's additional capital.

Sensitivity to interest rate risk, resulting from the volatility of market interest rates, affects the amount of the Bank's net interest income and the market value of the financial instruments.

The Bank has defined the Interest Rate Risk Management Policy in order to enable management and limiting of its contingent losses. The Bank's business policy defines principles for contracting, calculating and collecting interest on loans and other receivables (lending interest) as well as principles based on which the Bank calculates and pays interest on deposits, borrowings and other received funds (borrowing interest).

The interest rate is defined based on the maturity amount, purpose, source, currency and other parameters. All interest rates are determined on an annual level, except in instances where otherwise designated.

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**35. FINANSIJSKI INSTRUMENTI (nastavak)**

**35.4. Tržišni rizik (nastavak)**

**Rizik promjene kamatnih stopa (nastavak)**

Banka u skladu sa vrstom proizvoda, izvora finansiranja, roka i iznosa, ugovara fiksne ili promjenljive pasivne i aktivne kamatne stope. Takođe, izračunava odnos promjene ekonomske vrijednosti bankarske knjige i regulatornog kapitala, mjeri i ocjenjuje negativan uticaj kamatnog rizika na neto kamatni prihod, odnosno dobit.

U mjerenju izloženosti kamatnom riziku u bankarskoj knjizi Banka koristi pojednostavljeni obračun procjene promjene ekonomske vrijednosti bankarske knjige, primjenjujući standardni kamatni šok na pozicije bankarske knjige po svim značajnim valutama pojedinačno i za ostale valute ukupno. Za potrebe pojednostavljenog obračuna promjene ekonomske vrijednosti bankarske knjige, koja podrazumjeva bilansne i vanbilansne pozicije, kamatno osjetljive pozicije se raspoređuju u vremenske zone, sa procijenjenim modifikovanim trajanjem i na njih se primjenjuje standardni kamatni šok od 200 baznih poena.

U cilju upravljanja kamatnim rizikom, Banka kroz stres testove vrši analizu senzibilne aktive i pasive, utvrđuje moguće kamatne gapove i definiše mjere za održavanje kamatnog rizika na nivou prihvatljivog za Banku.

Sljedeće tabele prikazuju izloženost Banke riziku promjene kamatne stope na dan 31. decembra 2018. i 31. decembra 2017. godine. Sredstva i obaveze Banke su kategorizovane ranijim od datuma određivanja cijene (re-pricing date) ili datumu dospelja:

31. decembar 2018.	Do 1 mjesec	Do 3 mjeseca	Od 3 do 12 mjeseci	Od 1 do 5 godina	Preko 5 godina	Nekama tonosno	Ukupno
	000 BAM	000 BAM	000 BAM	000 BAM	000 BAM	000 BAM	000 BAM
<b>AKTIVA</b>							
Novčana sredstva i računi depozita kod depozitnih institucija	166.076	-	-	-	-	60.807	226.883
Obavezna rezerva kod Centralne Banke	-	-	-	-	-	174.141	174.141
Finansijska imovina koja se drži radi trgovanja (MSFI 9)	6.753	-	-	-	-	-	6.753
Finansijska imovina po fer vrijednosti kroz ostali ukupni rezultat (MSFI 9)	246.445	-	-	-	-	1.276	247.721
Plasmani drugim bankama	156	-	1.557	196	-	96	2.005
Kredit i dospjela potraživanja po kreditima	48.496	48.620	231.214	557.412	299.379	-	1.185.121
Osnovna sredstva i ulaganja u nekretnine	-	-	-	-	-	55.332	55.332
Nematerijalna ulaganja	-	-	-	-	-	3.198	3.198
Ostala potraživanja i AVR	3.988	1.249	594	-	-	45.031	50.862
Odozvana poreska sredstva	-	-	-	-	-	-	-
<b>Ukupno aktiva</b>	<b>471.914</b>	<b>49.869</b>	<b>233.365</b>	<b>557.608</b>	<b>299.379</b>	<b>339.881</b>	<b>1.952.016</b>
<b>Obaveze</b>							
Depoziti kometenata	263.323	120.230	419.663	281.101	4.169	431.847	1.520.333
Obaveze po uzetim kreditima	2.151	4.844	22.642	99.217	78.946	-	207.800
Rezervisanja na stavke vanbilansa	-	-	-	-	-	2.177	2.177
Ostale obaveze i PVR	231	-	8.248	-	-	21.015	29.494
Subordinirani dug (dopunski kapital)	-	-	-	30.080	7.520	-	37.600
Kapital i rezerve	-	-	-	-	-	154.612	154.612
<b>Ukupno obaveze</b>	<b>265.705</b>	<b>125.074</b>	<b>450.553</b>	<b>410.398</b>	<b>90.635</b>	<b>609.651</b>	<b>1.952.016</b>
<b>Neto izloženost kamatnom riziku na dan 31. decembar 2018. godine</b>	<b>206.209</b>	<b>(75.205)</b>	<b>(217.188)</b>	<b>147.210</b>	<b>208.744</b>	<b>(269.770)</b>	<b>-</b>

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## 35. FINANCIAL INSTRUMENTS (Continued)

### 35.4. Market Risk (Continued)

#### Interest Rate Risk (Continued)

In accordance with the product type, sources of financing, maturities and amounts, the Bank negotiates and agrees on the fixed or variable lending and borrowing interest rates. The Bank also calculates the change in its banking book economic value relative to the regulatory capital, and measures and assesses the adverse effects of the interest rate risk its net interest income and profit.

For measurement of the banking book exposure to the interest rate risk, the Bank uses the simplified method to compute the change in the banking book economic value, by applying the standard interest rate shock scenario to the banking book items individually for each major currency and for all other currencies in the aggregate. For the purposes of the simplified-method computation of the change in the banking book economic value, which entails both on-balance and off-balance sheet items, interest rate-sensitive items are grouped into time buckets with estimated modified duration and subjected to the standard interest rate shock scenario of an increase/decrease of 200 basis points.

For the purpose of interest rate risk management, the Bank analyzes its sensitive assets and liabilities through stress testing, determines interest gaps and defines measures for maintaining the interest rate risk at the level acceptable to the Bank.

The following tables present the Bank's exposure to the interest rate risk as of December 31, 2018 and 2017. The Bank's assets and liabilities are categorized according to the earlier of the repricing date and the maturity date.

December 31, 2018	Within a month	1 – 3 months	3 – 12 months	1 – 5 years	Over 5 years	Non-interest bearing	Total
<b>ASSETS</b>							
Cash and balances held with banks and other financial institutions	166,076	-	-	-	-	60,807	226,883
Obligatory reserve held with the Central Bank	-	-	-	-	-	174,141	174,141
Financial assets at FVtPL (IFRS 9)	6,753	-	-	-	-	-	6,753
Financial assets at FVtOCI (IFRS 9)	246,445	-	-	-	-	1,276	247,721
Loans and receivables due from banks and other financial institutions	156	-	1,557	196	-	96	2,005
Loans and receivables due from customers	48,496	48,620	231,214	557,412	299,379	-	1,185,121
Property, plant, equipment and investment property	-	-	-	-	-	55,332	55,332
Intangible assets	-	-	-	-	-	3,198	3,198
Other assets, receivables and prepayments	3,988	1,249	594	-	-	45,031	50,862
Deferred tax assets	-	-	-	-	-	-	-
<b>Total assets</b>	<b>471,914</b>	<b>49,869</b>	<b>233,365</b>	<b>557,608</b>	<b>299,379</b>	<b>339,881</b>	<b>1,952,016</b>
<b>Liabilities</b>							
Deposits due to customers	263,323	120,230	419,663	281,101	4,169	431,847	1,520,333
Borrowings	2,151	4,844	22,642	99,217	78,946	-	207,800
Provisions for off-balance sheet items	-	-	-	-	-	2,177	2,177
Other liabilities and accruals	231	-	8,248	-	-	21,015	29,494
Subordinated debt (supplementary capital)	-	-	-	30,080	7,520	-	37,600
Equity and reserves	-	-	-	-	-	154,612	154,612
<b>Total liabilities and equity</b>	<b>265,705</b>	<b>125,074</b>	<b>450,553</b>	<b>410,398</b>	<b>90,635</b>	<b>609,651</b>	<b>1,952,016</b>
<b>Net interest rate risk exposure at December 31, 2018</b>	<b>206,209</b>	<b>(75,205)</b>	<b>(217,188)</b>	<b>147,210</b>	<b>208,744</b>	<b>(269,770)</b>	<b>-</b>

Translation of the report issued in the Serbian language

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**35. FINANSIJSKI INSTRUMENTI (nastavak)**

**35.4. Tržišni rizik (nastavak)**

**Rizik promjene kamatnih stopa (nastavak)**

31. decembar 2017.	Do 1 mjesec 000 BAM	Do 3 mjeseca 000 BAM	Od 3 do 12 mjeseci 000 BAM	Od 1 do 5 godina 000 BAM	Preko 5 godina 000 BAM	Nekama tonosno 000 BAM	Ukupno 000 BAM
<b>AKTIVA</b>							
Novčana sredstva i računi depozita kod depozitnih institucija	114.465	-	-	-	-	57.640	172.105
Obavezna rezerva kod Centralne Banke	-	-	-	-	-	158.628	158.628
Finansijska imovina raspoloživa za prodaju	185.794	-	-	-	-	2.441	188.235
Plasmani drugim bankama	179	-	1.721	156	-	-	2.056
Kredit i dospjela potraživanja po kreditima	42.030	52.970	229.398	579.773	339.469	-	1.243.640
Osnovna sredstva i ulaganja u nekretnine	-	-	-	-	-	52.536	52.536
Nematerijalna ulaganja	-	-	-	-	-	3.916	3.916
Ostala potraživanja i AVR	8.744	799	7.041	-	-	42.306	58.890
Odložena poreska sredstva	-	-	-	-	-	60	60
<b>Ukupno aktiva</b>	<b>351.212</b>	<b>53.769</b>	<b>238.160</b>	<b>579.929</b>	<b>339.469</b>	<b>317.527</b>	<b>1.880.066</b>
<b>Obaveze</b>							
Depoziti komitenata	323.757	130.869	526.959	272.675	13.352	209.727	1.477.339
Obaveze po uzetim kreditima	2.296	4.481	19.560	89.335	60.214	-	175.886
Rezervisanja na stavke vanbilansa	-	-	-	-	-	4.167	4.167
Ostale obaveze i PVR	819	-	9.482	-	-	17.559	27.860
Subordinirani dug (dopunski kapital)	-	32	64	22.560	15.041	-	37.697
Kapital i rezerve	-	-	-	-	-	157.117	157.117
<b>Ukupno obaveze</b>	<b>326.872</b>	<b>135.382</b>	<b>556.065</b>	<b>384.570</b>	<b>88.607</b>	<b>388.570</b>	<b>1.880.066</b>
<b>Neto izloženost kamatnom riziku na dan 31. decembar 2017. godine</b>	<b>24.340</b>	<b>(81.613)</b>	<b>(317.905)</b>	<b>195.359</b>	<b>250.862</b>	<b>(71.043)</b>	<b>-</b>

S obzirom da kamatonosna finansijska sredstva i finansijske obaveze nisu prevashodno bazirani na varijabilnim kamatnim stopama, Banka smatra da osjetljivost prihoda i rashoda na promjene u tržišnim kamatnim stopama nije značajna.

Sljedeća tabela prikazuje osjetljivost bilansa uspjeha Banke na promjene kamatnih stopa uz održavanje ostalih varijabli konstantnim. Osjetljivost bilansa uspjeha predstavlja efekat pretpostavljenih promjena u kamatnim stopama na dobitak ili gubitak perioda koji su bazirani na varijabilnim stopama na dan 31. decembra 2018. godine i 31. decembra 2017. godine.

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## 35. FINANCIAL INSTRUMENTS (Continued)

### 35.4. Market Risk (Continued)

#### Interest Rate Risk (Continued)

December 31, 2017	Within a month	1 – 3 months	3 – 12 months	1 – 5 years	Over 5 years	Non-interest bearing	Total
<b>ASSETS</b>							
Cash and balances held with banks and other financial institutions	114,465	-	-	-	-	57,640	172,105
Obligatory reserve held with the Central Bank	-	-	-	-	-	158,628	158,628
Financial assets available for sale	185,794	-	-	-	-	2,441	188,235
Loans and receivables due from banks and other financial institutions	179	-	1,721	156	-	-	2,056
Loans and receivables due from customers	42,030	52,970	229,398	579,773	339,469	-	1,243,640
Property, plant, equipment and investment property	-	-	-	-	-	52,536	52,536
Intangible assets	-	-	-	-	-	3,916	3,916
Other assets, receivables and prepayments	8,744	799	7,041	-	-	42,306	58,890
Deferred tax assets	-	-	-	-	-	60	60
<b>Total assets</b>	<b>351,212</b>	<b>53,769</b>	<b>238,160</b>	<b>579,929</b>	<b>339,469</b>	<b>317,527</b>	<b>1,880,066</b>
<b>Liabilities</b>							
Deposits due to customers	323,757	130,869	526,959	272,675	13,352	209,727	1,477,339
Borrowings	2,296	4,481	19,560	89,335	60,214	-	175,886
Provisions for off-balance sheet items	-	-	-	-	-	4,167	4,167
Other liabilities and accruals	819	-	9,482	-	-	17,559	27,860
Subordinated debt (supplementary capital)	-	32	64	22,560	15,041	-	37,697
Equity and reserves	-	-	-	-	-	157,117	157,117
<b>Total liabilities and equity</b>	<b>326,872</b>	<b>135,382</b>	<b>556,065</b>	<b>384,570</b>	<b>88,607</b>	<b>388,570</b>	<b>1,880,066</b>
<b>Net interest rate risk exposure at December 31, 2017</b>	<b>24,340</b>	<b>(81,613)</b>	<b>(317,905)</b>	<b>195,359</b>	<b>250,862</b>	<b>(71,043)</b>	<b>-</b>

Given that its interest-bearing financial assets and financial liabilities are not primarily based on variable interest rates, the Bank believes that sensitivity of its income and expenses to changes in the market interest rates is not significant.

The following table presents the sensitivity of the Bank's profit or loss to the changes in interest rates with all other variables constant, i.e. unchanged. The sensitivity of the Bank's profit or loss represents the effect of assumed changes in the interest rates on the Bank's profit or loss for the period arising from the variable interest rates as of December 31, 2018 and 2017.

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35. FINANSIJSKI INSTRUMENTI (nastavak)

35.4. Tržišni rizik (nastavak)

Rizik promjene kamatnih stopa (nastavak)

	Povećanje je (smanjenje) u procentnim poenima 2018.	Osjetljivost prihoda i rashoda 2018.	Povećanje (smanjenje) u procentnim poenima 2017.	Osjetljivost prihoda i rashoda 2017.
		000 BAM		000 BAM
EUR	0,5%(0,5%)	(153)/153	0,5%(0,5%)	(1.125)/1.125
USD	0,5%(0,5%)	(22)/22	0,5%(0,5%)	(9)/9
BAM	0,5%(0,5%)	(700)/700	0,5%(0,5%)	132/(132)

Valutni rizik

Valutni rizik predstavlja izloženost Banke mogućem uticaju promjena valutnih kurseva i opasnosti da nepovoljne promjene imaju za rezultat gubitak Banke. Rizik nastaje kada Banka ima otvorenu valutnu (deviznu) poziciju koja može dovesti do nastanka gubitka zbog promjene međuvalutnih odnosa, odnosno promjene cijene BAM u odnosu na druge valute.

Izlaganje riziku dovodi do porasta pozitivnih i negativnih kursnih razlika koje se evidentiraju u bilansu uspjeha. Banka upravlja valutnim rizikom kroz usklađivanje valutne strukture aktive i pasive, a u skladu sa očekivanim promjenama valutnog kursa.

U cilju upravljanja valutnim rizikom, Banka koristi savremeni informacijski server Thomson Reuters za dobijanje pravovremenih informacija o kretanjima na tržištu, informacija o kreditnim bonitetima zemalja sa kojima ima poslovnu saradnju, a na osnovu kojih donosi pravovremene odluke o upravljanju deviznim sredstvima u cilju minimiziranja, odnosno, disperzije rizika.

Deviznom pozicijom se upravlja na dnevnom nivou uz podršku nekoliko aplikativnih sistema, koji obezbjeđuju tzv. real time informacije o svim deviznim transakcijama obavljenim unutar Banke, a koje bi eventualno mogle uticati na rizik otvorenih pozicija i u skladu s tim preduzima mjere zaštite i održavanje istog do nivoa prihvatljivog za Banku.

Na dan 31.12.2018. Banka je ispunjavala sve propise i smjernice za upravljanje valutnim rizikom, propisane od strane lokalnog regulatora i utvrđene politikama Banke.

Banka na dan 31. decembra 2018. godine ima umjerenu izloženost u EUR-ima, međutim Banka nije izložena deviznom riziku jer je vrijednost te valute fiksna u odnosu na domaću valutu, imajući u vidu da Centralna banka Bosne i Hercegovine počev od 1997. godine održava monetarnu stabilnost u skladu sa „currency board aranžmanom“ (1 EUR = 1,95583 BAM).

	Promjene u deviznom kursu (%) 2018.	Efekat na bilans uspjeha 2018.	Promjene u deviznom kursu (%) 2017.	Efekat na bilans uspjeha 2017.
		000 BAM		000 BAM
CHF	(4,23%)	(6,39)	(8,23%)	(6,58)
USD	(4,71%)	(7,96)	(12,11%)	(10,41)

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### 35. FINANCIAL INSTRUMENTS (Continued)

#### 35.4. Market Risk (Continued)

	Increase (decrease) in percentage points 2018	Income and expense sensitivity 2018	Increase (decrease) in percentage points 2017	Income and expense sensitivity 2017
EUR	0.5%(0.5%)	(153)/153	0.5%(0.5%)	(1,125)/1,125
USD	0.5%(0.5%)	(22)/22	0.5%(0.5%)	(9)/9
BAM	0.5%(0.5%)	(700)/700	0.5%(0.5%)	132/(132)

#### Foreign Exchange Risk

Foreign exchange risk represents the Bank's exposure to a possible effect of changes in foreign exchange rates and a possibility of adverse changes in exchange rates causing the Bank to sustain a financial loss. The risk arises when the Bank has an open foreign currency position, which may result in the Bank suffering a loss due to changes in the exchange rates, i.e., change in the price of BAM against other currencies.

Foreign exchange risk exposure leads to increases in foreign exchange gains and losses, which are recorded within the income statement. The Bank manages the foreign exchange risk by matching the currency structure of its assets and liabilities according to the anticipated changes in exchange rates.

For the foreign exchange risk management, the Bank uses the contemporary Thomson Reuters information server to obtain timely information about market trends or credit ratings of the countries it cooperates with, based on which the Bank makes changes on the foreign currency funds management in order to minimize or disperse the risk.

The foreign currency position is managed on a daily basis with the support of several application systems that provide the real-time information on all foreign currency transactions performed within the Bank, which could affect the risk of the open positions. The Bank then undertakes protective measures accordingly and maintains the risk at the level acceptable to the Bank.

As of December 31, 2018, the Bank was in full compliance with all the regulations and guidelines for foreign exchange risk management prescribed by the local regulator and stipulated by the Bank's own policies.

As of December 31, 2018, the Bank had moderate exposure in EUR but was not exposed to the foreign exchange risk since the value of BAM is pegged to EUR, i.e., the BAM to EUR exchange rate is fixed, given that since 1997 the Central Bank of BH has maintained the monetary stability according to the Currency Board Arrangement (EUR 1 = BAM 1,95583).

	Changes in FX rates (%) 2018	Impact on the profit or loss 2018 BAM '000	Changes in FX rates (%) 2017	Impact on the profit or loss 2017 BAM '000
CHF	(4.23%)	(6.39)	(8.23%)	(6.58)
USD	(4.71%)	(7.96)	(12.11%)	(10.41)

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35. FINANSIJSKI INSTRUMENTI (nastavak)

35.4. Tržišni rizik (nastavak)

Valutni rizik (nastavak)

Sljedeća tabela prikazuje izloženost Banke deviznom riziku na dan 31. decembra 2018. godine. U tabeli su uključena sredstva i obaveze po njihovim knjigovodstvenim vrijednostima:

31. decembar 2018.	EUR	USD	CHF	Ostale valute	Ukupno u stranoj valuti	Ukupno u domaćoj valuti	Ukupno
	000 BAM	000 BAM	000 BAM	000 BAM	000 BAM	000 BAM	000 BAM
<b>AKTIVA</b>							
Novčana sredstva i računi depozita kod depozitnih institucija	40.259	5.060	11.949	5.098	62.366	164.517	226.883
Obavezna rezerva kod Centralne Banke	-	-	-	-	-	174.141	174.141
Finansijska imovina koja se drži radi trgovanja (MSFI 9)	-	6.478	-	-	6.478	275	6.753
Finansijska imovina po fer vrijednosti kroz ostali ukupni rezultat (MSFI 9)	107.438	119	-	-	107.557	140.164	247.721
Plasmani drugim bankama	1.939	18	-	-	1.957	48	2.005
Kredit i dospjela potraživanja po kreditima	1.048.107	-	-	-	1.048.107	137.014	1.185.121
Osnovna sredstva i ulaganja u nekretnine	-	-	-	-	-	55.332	55.332
Nematerijalna ulaganja	-	-	-	-	-	3.198	3.198
Ostala potraživanja i AVR	11.808	2.340	1	7	14.156	36.706	50.862
Odložena poreska sredstva	-	-	-	-	-	-	-
<b>Ukupno aktiva</b>	<b>1.209.551</b>	<b>14.015</b>	<b>11.950</b>	<b>5.105</b>	<b>1.240.621</b>	<b>711.395</b>	<b>1.952.016</b>
<b>OBAVEZE</b>							
Depoziti komitenata	955.802	13.676	10.289	2.541	982.308	538.025	1.520.333
Obaveze po uzetim kreditima	207.800	-	-	-	207.800	-	207.800
Rezervisanja na stavke vanbilansa	-	-	-	-	0	2.177	2.177
Ostale obaveze i PVR	8.608	265	561	160	9.594	19.900	29.494
Subordinirani dug (dopunski kapital)	37.600	-	-	-	37.600	-	37.600
Kapital i rezerve	-	-	-	-	0	154.612	154.612
<b>Ukupno obaveze</b>	<b>1.209.810</b>	<b>13.941</b>	<b>10.850</b>	<b>2.701</b>	<b>1.237.302</b>	<b>714.714</b>	<b>1.952.016</b>
<b>Neto izloženost kamatnom riziku na dan 31. decembar 2018. godine</b>	<b>(259)</b>	<b>74</b>	<b>1.100</b>	<b>2.404</b>	<b>3.319</b>	<b>(3.319)</b>	<b>0</b>

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## 35. FINANCIAL INSTRUMENTS (Continued)

### 35.4. Market Risk (Continued)

#### Foreign Exchange Risk (Continued)

The following table presents the Bank's foreign exchange risk exposure at December 31, 2018, with assets and liabilities stated at carrying values:

December 31, 2018	EUR BAM '000	USD BAM '000	CHF BAM '000	Other currencies BAM '000	Total FX BAM '000	Total BAM BAM '000	Total BAM BAM '000
<b>ASSETS</b>							
Cash and balances held with banks and other financial institutions	40,259	5,060	11,949	5,098	62,366	164,517	226,883
Obligatory reserve held with the Central Bank	-	-	-	-	-	174,141	174,141
Financial assets at FVtPL (IFRS 9)	-	6,478	-	-	6,478	275	6,753
Financial assets at FVtOCI (IFRS 9)	107,438	119	-	-	107,557	140,164	247,721
Loans and receivables due from banks and other financial institutions	1,939	18	-	-	1,957	48	2,005
Loans and receivables due from customers	1,048,107	-	-	-	1,048,107	137,014	1,185,121
Property, plant, equipment and investment property	-	-	-	-	-	55,332	55,332
Intangible assets	-	-	-	-	-	3,198	3,198
Other assets, receivables and prepayments	11,808	2,340	1	7	14,156	36,706	50,862
Deferred tax assets	-	-	-	-	-	-	-
<b>Total assets</b>	<b>1,209,551</b>	<b>14,015</b>	<b>11,950</b>	<b>5,105</b>	<b>1,240,621</b>	<b>711,395</b>	<b>1,952,016</b>
<b>Liabilities</b>							
Deposits due to customers	955,802	13,676	10,289	2,541	982,308	538,025	1,520,333
Borrowings	207,800	-	-	-	207,800	-	207,800
Provisions for off-balance sheet items	-	-	-	-	0	2,177	2,177
Other liabilities and accruals	8,608	265	561	160	9,594	19,900	29,494
Subordinated debt (supplementary capital)	37,600	-	-	-	37,600	-	37,600
Equity and reserves	-	-	-	-	0	154,612	154,612
<b>Total liabilities and equity</b>	<b>1,209,810</b>	<b>13,941</b>	<b>10,850</b>	<b>2,701</b>	<b>1,237,302</b>	<b>714,714</b>	<b>1,952,016</b>
<b>Net interest risk exposure at December 31, 2018</b>	<b>(259)</b>	<b>74</b>	<b>1,100</b>	<b>2,404</b>	<b>3,319</b>	<b>(3,319)</b>	<b>0</b>

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### 35. FINANSIJSKI INSTRUMENTI (nastavak)

#### 35.4. Tržišni rizik (nastavak)

##### Valutni rizik (nastavak)

Sljedeća tabela prikazuje izloženost Banke deviznom riziku na dan 31. decembra 2017. godine. U tabeli su uključena sredstva i obaveze po njihovim knjigovodstvenim vrijednostima:

31. decembar 2017.	EUR	USD	CHF	Ostale valute	Ukupno u stranoj valuti	Ukupno u domaćoj valuti	Ukupno
	000 BAM	000 BAM	000 BAM	000 BAM	000 BAM	000 BAM	000 BAM
<b>AKTIVA</b>							
Novčana sredstva i računi depozita kod depozitnih institucija	31.481	6.908	11.779	3.991	54.159	117.946	172.105
Obavezna rezerva kod Centralne Banke	-	-	-	-	-	158.628	158.628
Finansijska imovina raspoloživa za prodaju	31	5.002	-	-	5.033	183.202	188.235
Plasmani drugim bankama	1.960	27	-	-	1.987	69	2.056
Kredit i dospjela potraživanja po kreditima	1.151.460	-	-	-	1.151.460	92.180	1.243.640
Osnovna sredstva i ulaganja u nekretnine	-	-	-	-	-	52.536	52.536
Nematerijalna ulaganja	-	-	-	-	-	3.916	3.916
Ostala potraživanja i AVR	10.421	2.179	-	2	12.602	46.288	58.890
Odložena poreska sredstva	-	-	-	-	-	60	60
<b>Ukupno aktiva</b>	<b>1.195.353</b>	<b>14.116</b>	<b>11.779</b>	<b>3.993</b>	<b>1.225.241</b>	<b>654.825</b>	<b>1.880.066</b>
<b>OBAVEZE</b>							
Depoziti komitenata	981.383	13.398	8.938	2.210	1.005.929	471.410	1.477.339
Obaveze po uzetim kreditima	175.886	-	-	-	175.886	-	175.886
Rezervisanja na stavke vanbilansa	-	-	-	-	-	4.167	4.167
Ostale obaveze i PVR	10.654	605	56	82	11.397	16.463	27.860
Subordinirani dug (dopunski kapital)	37.697	-	-	-	37.697	-	37.697
Kapital i reserve	-	-	-	-	-	157.117	157.117
<b>Ukupno obaveze</b>	<b>1.205.620</b>	<b>14.003</b>	<b>8.994</b>	<b>2.292</b>	<b>1.230.909</b>	<b>649.157</b>	<b>1.880.066</b>
<b>Neto izloženost kamatnom riziku na dan 31. decembar 2017. godine</b>	<b>(10.267)</b>	<b>113</b>	<b>2.785</b>	<b>1.701</b>	<b>(5.668)</b>	<b>5.668</b>	<b>-</b>

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## 35. FINANCIAL INSTRUMENTS (Continued)

### 35.4. Market Risk (Continued)

#### Foreign Exchange Risk (Continued)

The following table presents the Bank's foreign exchange risk exposure at December 31, 2017, with assets and liabilities stated at carrying values:

December 31, 2017	EUR BAM '000	USD BAM '000	CHF BAM '000	Other currencies BAM '000	Total FX BAM '000	Total BAM BAM '000	Total BAM '000
<b>ASSETS</b>							
Cash and balances held with banks and other financial institutions	31,481	6,908	11,779	3,991	54,159	117,946	172,105
Obligatory reserve held with the Central Bank	-	-	-	-	-	158,628	158,628
Financial assets available for sale	31	5,002	-	-	5,033	183,202	188,235
Loans and receivables due from banks and other financial institutions	1,960	27	-	-	1,987	69	2,056
Loans and receivables due from customers	1,151,460	-	-	-	1,151,460	92,180	1,243,640
Property, plant, equipment and investment property	-	-	-	-	-	52,536	52,536
Intangible assets	-	-	-	-	-	3,916	3,916
Other assets, receivables and prepayments	10,421	2,179	-	2	12,602	46,288	58,890
Deferred tax assets	-	-	-	-	-	60	60
<b>Total assets</b>	<b>1,195,353</b>	<b>14,116</b>	<b>11,779</b>	<b>3,993</b>	<b>1,225,241</b>	<b>654,825</b>	<b>1,880,066</b>
<b>Liabilities</b>							
Deposits due to customers	981,383	13,398	8,938	2,210	1,005,929	471,410	1,477,339
Borrowings	175,886	-	-	-	175,886	-	175,886
Provisions for off-balance sheet items	-	-	-	-	-	4,167	4,167
Other liabilities and accruals	10,654	605	56	82	11,397	16,463	27,860
Subordinated debt (supplementary capital)	37,697	-	-	-	37,697	-	37,697
Equity and reserves	-	-	-	-	-	157,117	157,117
<b>Total liabilities and equity</b>	<b>1,205,620</b>	<b>14,003</b>	<b>8,994</b>	<b>2,292</b>	<b>1,230,909</b>	<b>649,157</b>	<b>1,880,066</b>
<b>Net interest risk exposure at December 31, 2017</b>	<b>(10,267)</b>	<b>113</b>	<b>2,785</b>	<b>1,701</b>	<b>(5,668)</b>	<b>5,668</b>	<b>-</b>

Translation of the report issued in the Serbian language

NOVA BANKA A.D. BANJA LUKA

NAPOMENE UZ FINANSIJSKE IZVJEŠTAJE

## 35. FINANSIJSKI INSTRUMENTI (nastavak)

### 35.5. Operativni rizik

Operativni rizik je rizik da će doći do gubitka koji bi proistekao iz pada računarskog sistema, ljudskih grešaka, pronevjera ili spoljnih događaja. Kad kontrole prestanu da funkcionišu, operativni rizik može da naruši ugled Banke, može imati zakonske posljedice ili usloviti nastanak finansijskih gubitaka. Banka ne može očekivati da eliminiše sve operativne rizike, ali uvođenjem rigoroznog kontrolnog okvira i nadgledanjem i odgovaranjem na potencijalne rizike, Banka je u mogućnosti da upravlja ovim rizicima. Kontrola uključuje efektivnu podjelu dužnosti, pristupa, ovlaštenja i usaglašavanje procedura, obuku osoblja i proces nadgledanja, uključujući i internu reviziju.

Banka operativnim rizicima upravlja na osnovu prikupljenih podataka o štetnim događajima, praćenjem ključnih indikatora o operativnim rizicima, procjene operativnih rizika pri donošenju odluka o poslovnim promjenama, te o istom, kao i o rezultatima upravljanja operativnim rizicima izvještava Upravu Banke.

Banka prati operativne rizike na dnevnoj osnovi putem seta ključnih risk indikatora (KRI), procjene rizika fizičke sigurnosti, informacione sigurnosti po standardu ISO 27000, kao i rizika povezanih sa zdravljem ljudi u skladu sa odredbama Zakona o zaštiti na radu. Za procjenu rizika u poslovnim linijama koriste se upitnici za samoocjenjivanje (CRSA).

U cilju efikasnog upravljanja operativnim rizikom, Banka koristi softver za evidentiranje operativnih gubitaka i incidenata kojim je omogućeno efikasnije kreiranje baze i praćenje trendova što ima za cilj donošenje pravovremenih odluka i kreiranje dugoročne osnove za napredni model upravljanja operativnim rizikom.

Korištenjem sopstvenog znanja i bez angažovanja spoljnih konsultanata, Banka je u toku 2014. godine certifikovala sopstveni sistem upravljanja informacionom sigurnosti po međunarodnom standardu ISO 27000, a u 2016. godini izvršena je redovna godišnja provjera od strane TUV Austrija. Na taj način Banka je dokazala da dijelom operativnog rizika koji je povezan sa primjenom informacionih tehnologija, upravlja u skladu sa međunarodno priznatim okvirom - ISO 27000.

Banka provodi periodičnu obuku osoblja iz bezbjednosne kulture prema usvojenom planu i programu. Program obuhvata fizičku sigurnost, informacionu sigurnost, zaštitu ličnih podataka i odabrana poglavlja iz krivičnog zakonodavstva.

### 35.6. Rizik zemlje

Pod rizikom koji se odnosi na zemlju porijekla lica prema kome je Banka izložena podrazumijevaju se negativni efekti koji bi mogli uticati na njen finansijski rezultat i kapital zbog nemogućnosti Banke da naplati potraživanja od ovog lica iz razloga koji su posljedica političkih, ekonomskih ili socijalnih prilika u zemlji porijekla tog lica.

Banka najvećim dijelom plasira sredstva komitentima iz Republike Srpske, dok je riziku zemlje izložena u dijelu sredstava koja se u određenim momentima mogu plasirati do utvrđenih limita ino-bankama.

Sektor za upravljanje rizicima je kreirao metodologiju za određivanje limita plasmana u druge banke. Na osnovu analiza Sektor za sredstva sačinjava prijedlog na osnovu koga Sektor za upravljanje rizicima, a po osnovu procjene rizika, određuje limite koje usvaja Odbor za upravljanje aktivom i pasivom Banke.

Rizik zemlje Banka minimizira i politikom plasiranja sredstava u inostranstvo, prvenstveno kratkoročnim oročavanjem sredstava kod prvoklasnih inostranih banaka.

NOVA BANKA A.D. BANJA LUKA

NOTES TO THE FINANCIAL STATEMENTS

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All amounts expressed in thousands of BAM, unless otherwise stated.

## 35. FINANCIAL INSTRUMENTS (Continued)

### 35.5. Operational Risk

Operational risk is the risk of the adverse effects on the Bank's financial result and capital due to failures in the information systems, human error, fraud or unforeseen external events. In case of failure of controls, the operational risk may compromise the Bank's reputation, it may have legal consequences or cause financial losses to the Bank. The Bank cannot eliminate all operational risks, but by introducing a rigorous control framework and through monitoring of and responding to the potential risks, the Bank is able to manage such risks. Controls include effective segregation of duties, access, authorizations and harmonization of procedures, staff training and monitoring process, including the internal audit.

The Bank manages operational risks based on the collected data on the losses incurred and harmful events and by monitoring key operational risk indicators upon making decisions on business transactions. The operational risk management results are reported to the Bank's Management Board.

The Bank monitors operational risk events on a daily basis by means of a set of the key risk indicators (KRI), physical security risk assessments, information security assessment according to ISO 27000 Standard, and health hazards in accordance with the Law on Protection at Work. For operational risk assessment per business line self-assessment questionnaires (CRSA) are used.

For efficient operational risk management, the Bank uses software for recording operational risk losses and incidents, which enables more efficient creation of databases and monitoring of trends with a view to timely decision making and creation of a long-term basis for an advanced operational risk management model.

By drawing on its own knowhow, without engaging external consultants, in 2014 the Bank certified its own system for information safety management under ISO 27000, and in 2016, a regular annual inspection was conducted by TUV Austria. Thus the Bank demonstrated that it manages the portion of operational risks relating to IT implementation in accordance with the internationally recognized framework - ISO 27000.

The Bank holds regular periodic security culture trainings and seminars for its employees according to the adopted plan and program. The program covers physical security, IT/IS security, personal data protection and selected chapters from the Criminal Code.

### 35.6. Country Risk

Country risk is the risk relating to the country of origin of the entities/persons the Bank is exposed to, i.e., a risk of negative effects on the Bank's financial performance and capital due to the Bank's inability to collect receivables due from non-residents for reasons resulting from political, economic and social circumstances prevailing in the country of origin of such entities/persons.

The Bank extends the major portion of its loans to customer in the Republic of Srpska and is exposed to country risk per a portion of funds that may at times be placed with foreign banks up to the prescribed limits.

The Bank's risk Management Division has designed a methodology for limiting funds placed with other banks. Based on the analyses performed, the Treasury Division prepares a proposal according to which, depending on the risk assessment, the Risk Management Division sets limits which are adopted by the Bank's ALCO.

The Bank minimizes the country risk through its policy for depositing funds abroad, primarily in the form of short-term deposits placed with first-class foreign banks.

NOVA BANKA A.D. BANJA LUKA

NAPOMENE UZ FINANSIJSKE IZVJEŠTAJE

## 35. FINANSIJSKI INSTRUMENTI (nastavak)

### 35.5. Operativni rizik

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Banka prati operativne rizike na dnevnoj osnovi putem seta ključnih risk indikatora (KRI), procjene rizika fizičke sigurnosti, informacione sigurnosti po standardu ISO 27000, kao i rizika povezanih sa zdravljem ljudi u skladu sa odredbama Zakona o zaštiti na radu. Za procjenu rizika u poslovnim linijama koriste se upitnici za samoocjenjivanje (CRSA).

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Korištenjem sopstvenog znanja i bez angažovanja spoljnih konsultanata, Banka je u toku 2014. godine sertifikovala sopstveni sistem upravljanja informacionom sigurnosti po međunarodnom standardu ISO 27000, a u 2016. godini izvršena je redovna godišnja provjera od strane TUV Austrija. Na taj način Banka je dokazala da dijelom operativnog rizika koji je povezan sa primjenom informacionih tehnologija, upravlja u skladu sa međunarodno priznatim okvirom - ISO 27000.

Banka provodi periodičnu obuku osoblja iz bezbjednosne kulture prema usvojenom planu i programu. Program obuhvata fizičku sigurnost, informacionu sigurnost, zaštitu ličnih podataka i odabrana poglavlja iz krivičnog zakonodavstva.

### 35.6. Rizik zemlje

Pod rizikom koji se odnosi na zemlju porijekla lica prema kome je Banka izložena podrazumijevaju se negativni efekti koji bi mogli uticati na njen finansijski rezultat i kapital zbog nemogućnosti Banke da naplati potraživanja od ovog lica iz razloga koji su posljedica političkih, ekonomskih ili socijalnih prilika u zemlji porijekla tog lica.

Banka najvećim dijelom plasira sredstva komitentima iz Republike Srpske, dok je riziku zemlje izložena u dijelu sredstava koja se u određenim momentima mogu plasirati do utvrđenih limita ino-bankama.

Sektor za upravljanje rizicima je kreirao metodologiju za određivanje limita plasmana u druge banke. Na osnovu analiza Sektor za sredstva sačinjava prijedlog na osnovu koga Sektor za upravljanje rizicima, a po osnovu procjene rizika, određuje limite koje usvaja Odbor za upravljanje aktivom i pasivom Banke.

Rizik zemlje Banka minimizira i politikom plasiranja sredstava u inostranstvo, prvenstveno kratkoročnim oročavanjem sredstava kod prvoklasnih inostranih banaka.

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## 35. FINANCIAL INSTRUMENTS (Continued)

### 35.5. Operational Risk

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### 35.6. Country Risk

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The Bank extends the major portion of its loans to customer in the Republic of Srpska and is exposed to country risk per a portion of funds that may at times be placed with foreign banks up to the prescribed limits.

The Bank's risk Management Division has designed a methodology for limiting funds placed with other banks. Based on the analyses performed, the Treasury Division prepares a proposal according to which, depending on the risk assessment, the Risk Management Division sets limits which are adopted by the Bank's ALCO.

The Bank minimizes the country risk through its policy for depositing funds abroad, primarily in the form of short-term deposits placed with first-class foreign banks.

NOVA BANKA A.D. BANJA LUKA

NAPOMENE UZ FINANSIJSKE IZVJEŠTAJE

## 35. FINANSIJSKI INSTRUMENTI (nastavak)

### 35.7. Upravljanje kapitalom

Ciljevi Banke koji se odnose na upravljanje kapitalom obuhvataju ne samo usklađenost sa propisima Agencije za bankarstvo Republike Srpske u pogledu strukture kapitala i održavanja nivoa adekvatnosti kapitala nego i:

- da obezbijedi mogućnost dugoročnog nastavka poslovanja uz obezbjeđenje prinosa akcionarima i koristi drugim zainteresovanim stranama,
- da obezbijedi jaku kapitalnu osnovu kao podršku daljem razvoju poslovanja Banke.

Banka stalno vrši monitoring strukture kapitala, stope adekvatnosti kapitala, kao i nadzor na održavanju zakonom propisanih limita koji se odnose na pozicije kapitala. Zakon o bankama i propisi Agencije za bankarstvo Republike Srpske propisuju minimalni iznos kapitala od 15 miliona BAM i stopu adekvatnosti kapitala od najmanje 12%.

U skladu sa Odlukom Agencije za bankarstvo Republike Srpske o minimalnim standardima za upravljanje kapitalom banaka i kapitalnoj zaštiti, iznos opštih rezervisanja u okviru dopunskog kapitala iznosi 1,25% u odnosu na ukupno ponderisani rizik koji iznosi 1.294.892 hiljada BAM sa stanjem na dan 31. decembra 2018. godine.

U sljedećoj tabeli je prikazana struktura ukupnog kapitala Banke na dan 31. decembra 2018. i 2017. godine, kao i stopa adekvatnosti kapitala u skladu sa propisima Agencije za bankarstvo Republike Srpske:

	<b>2018.</b>	<b>2017.</b>
	<u>000 BAM</u>	<u>000 BAM</u>
Regulatorni kapital		
- Osnovni kapital	148,113	139,085
- Dopunski kapital	40,103	46,266
<b>Ukupno regulatorni kapital</b>	<b><u>188,216</u></b>	<b><u>185,351</u></b>
Iznos izloženosti ponderisan rizikom za kreditni rizik, kreditni rizik izloženosti finansijskih derivata, te slobodne isporuke	1,144,677	1.208.384
Iznos izloženosti za rizik pozicije, devizni i robni rizik	-	16.350
Iznos izloženosti riziku za operativni rizik	148,497	144.694
<b>Ukupno ponderisani rizici</b>	<b><u>1,293,174</u></b>	<b><u>1.369.428</u></b>
<b>Stopa redovnog osnovnog kapitala</b>	<b>11,45%</b>	<b>10,16%</b>
<b>Stopa osnovnog kapitala</b>	<b>11,45%</b>	<b>10,16%</b>
<b>Stopa regulatornog kapitala</b>	<b><u>14,55%</u></b>	<b><u>13,53%</u></b>

Koeficijent adekvatnosti kapitala (stopa regulatornog kapitala) u iznosu od 14,55% je bez uključene neto dobiti tekuće godine. Koeficijent adekvatnosti kapitala (stopa regulatornog kapitala) sa uključenom neto dobiti tekuće godine nakon revidiranja će iznositi 15,36%.

U skladu sa propisima Republike Srpske kapital Banke sastoji se od:

- osnovnog kapitala, koji obuhvata obične akcije i akcijsku premiju, zakonske rezerve i ostale rezerve, kao i neraspoređenu dobit iz prethodnog perioda umanjeno za nematerijalna ulaganja,
- dopunskog kapitala, koji uključuje iznos opštih rezervi za pokriće kreditnih gubitaka za aktivu banke procijenjenu kao dobra aktiva, i iznos subordinisanog duga najviše do 50% iznosa osnovnog kapitala.

NOVA BANKA A.D. BANJA LUKA

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## 35. FINANCIAL INSTRUMENTS (Continued)

### 35.7. Capital Management

The Bank's objectives in capital management relate not only to the compliance with the regulations of the Banking Agency of the Republic of Srpska in respect of the capital structure and capital adequacy maintenance but to:

- ☒ maintenance of the Bank's ability to continue the business operations so that it could ensure return to shareholders and benefits for other stakeholders; and
- ☒ maintenance of a strong capital basis to support the development of its business activities, as well.

The Bank constantly monitors its capital structure, capital adequacy ratio and maintenance of the legally prescribed limits for capital items. The law on Banks and BARS regulations prescribe the minimum amount of the Bank's capital of BAM 15 million and the minimum capital adequacy ratio of 12%.

In accordance with the Decision on the Minimum Standards for Bank Capital Management and Capital Protection of BARS, the amount of general reserves within supplementary capital should amount to 1.25% of the total weighted risk of BAM 1,294,892 thousand as of December 31, 2018.

The following table present the structure of the Bank's total capital as of December 31, 2018 and 2017 and the capital adequacy ratio in accordance with BARS regulations:

	2018	2017
Regulatory capital		
- Core capital	148,113	139,085
- Supplementary capital	40,103	46,266
Total regulatory capital	188,216	185,351
Risk-weighted exposures for credit risk, financial derivatives exposure to credit risk and free delivery (settlement) risk	1,144,677	1,208,384
Total exposures to the position risk, currency and commodity risks	-	16,350
Total operational risk exposure	148,497	144,694
Total weighted risk exposures	1,293,174	1,369,428
Ratio of the regular core capital	11.45%	10.16%
Core capital ratio	11.45%	10.16%
Regulatory capital ratio	14.55%	13.53%

As of December 31, 2018, the Bank's capital adequacy ratio (regulatory capital adequacy rate) was 14.55% before added net profit for the year 2018. With added net profit for the year 2018 after audit, the (regulatory) capital adequacy ratio will equal 15.36%.

In accordance with the Republic of Srpska regulations, the Bank's capital comprised:

- ☒ the core capital, which includes common stock shares and share premium, legal and other reserves and prior years' retained earnings less intangible assets; and
- ☒ supplementary capital, which includes the amount of general reserves estimated losses on assets assessed as good assets, and the amount of subordinated debt up to the 50% of the core capital amount.

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NOVA BANKA A.D. BANJA LUKA

NAPOMENE UZ FINANSIJSKE IZVJEŠTAJE

### 35. FINANSIJSKI INSTRUMENTI (nastavak)

#### 35.8. Fer vrijednost finansijske aktive i obaveza

Poslovna politika Banke je da objelodani informacije o pravičnoj vrijednosti aktive i pasive za koju postoje zvanične tržišne informacije i kada se pravična vrijednost značajno razlikuje od knjigovodstvene vrijednosti.

Po mišljenju Uprave Banke, iznosi finansijskih sredstava i obaveza iskazani u priloženim finansijskim izvještajima odražavaju vrijednost koja je u datim okolnostima najvjerodostojnija i najkorisnija za potrebe izvještavanja.

Finansijski instrumenti čija je fer vrijednost aproksimativno jednaka knjigovodstvenoj vrijednosti

Za finansijska sredstva i finansijske obaveze koje su likvidne ili imaju kratak rok dospjeća (do 3 mjeseca) pretpostavlja se da su knjigovodstvene vrijednosti aproksimativno jednake njihovoj fer vrijednosti. Ova pretpostavka se takođe odnosi na depozite po viđenju, štedne depozite bez roka dospjeća i finansijske instrumente sa varijabilnim kamatnim stopama.

Finansijski instrumenti sa fiksnom kamatnom stopom

Fer vrijednost finansijskih sredstava i obaveza sa fiksnom kamatnom stopom, koje se evidentiraju po amortizovanoj nabavnoj vrijednosti, se procjenjuje poređenjem tržišnih kamatnih stopa pri početnom priznavanju sa tekućim tržišnim stopama koje trenutno važe za slične finansijske instrumente na osnovu kotiranih cijena na tržištu. Za finansijske instrumente za koje nisu dostupne tržišne cijene, koristi se model diskontovanog novčanog toka koji je baziran na krivoj prinosa tekuće kamatne stope koja odgovara preostalom periodu do roka dospjeća.

Finansijski instrumenti vrednovani po fer vrijednosti

Finansijski instrumenti, kao što su hartije od vrijednosti raspoložive za prodaju, se vrednuju po fer vrijednosti baziranoj na dostupnim tržišnim informacijama, odnosno korišćenjem kotirane tržišne cijene na dan izvještavanja.

31. decembar 2018. godine

				BAM hiljada
	Nivo 1	Nivo 2	Nivo 3	Ukupno
<b>Finansijska imovina koja se drži radi trgovanja (MSFI 9)</b>				
Hartije od vrijednosti za trgovanje	6.753	-	-	6.753
<b>Ukupno finansijska imovina koja se drži radi trgovanja</b>	<b>6.753</b>	<b>-</b>	<b>-</b>	<b>6.753</b>
<b>Finansijska imovina po fer vrijednost kroz ostali ukupni rezultat (MSFI 9)</b>				
Obveznice Republike Srpske	4.538	241.907	-	246.445
Hartije od vrijednosti koje se drže do dospjeća	91	-	-	91
Udjeli u kapitalu drugih pravnih lica	1.185	-	-	1.185
<b>Ukupno finansijska imovina po fer vrijednosti kroz ostali sveobuhvatni rezultat</b>	<b>5.814</b>	<b>241.907</b>	<b>-</b>	<b>247.721</b>
<b>Ukupna finansijska imovina na dan 31. decembra 2018.</b>	<b>12.567</b>	<b>241.907</b>	<b>-</b>	<b>254.474</b>

31. decembar 2017. godine

				BAM hiljada
	Nivo 1	Nivo 2	Nivo 3	Ukupno
<b>Finansijski instrumenti kojima se trguje (MRS 39)</b>				
Akcije javnih i drugih preduzeća u domaćoj valuti	208	-	-	208
Akcije drugih preduzeća u stranoj valuti	5.002	-	-	5.002
Akcije nebankarskih finansijskih organizacija	59	-	-	59
<b>Ukupno finansijski instrumenti kojima se trguje</b>	<b>5.269</b>	<b>-</b>	<b>-</b>	<b>5.269</b>
<b>Finansijski instrumenti namijenjeni prodaji /hartije od vrijednosti raspoložive za prodaju (MRS 39)</b>				
Obveznice Republike Srpske	5.996	174.528	-	180.524
<b>Ukupno Finansijski instrumenti kojima se trguje na dan 31. decembra 2017.</b>	<b>11.265</b>	<b>174.528</b>	<b>-</b>	<b>185.793</b>

NOVA BANKA A.D. BANJA LUKA

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2018

All amounts expressed in thousands of BAM, unless otherwise stated.

## 35. FINANCIAL INSTRUMENTS (Continued)

### 35.8. Fair Value of Financial Assets and Liabilities

It is the Bank's policy to disclose the fair value information of those components of assets and liabilities for which published or quoted market prices are readily available, and of those for which the fair value may be materially different from their recorded amounts. In the opinion of the Bank's management, the carrying amounts of the financial assets and liabilities reported in the accompanying financial statements are the most valid and useful reporting values under the present market conditions.

Financial instruments with fair values approximate to their carrying values

For highly liquid financial assets and liabilities with short-term maturities (up to 3 months) it is assumed that their carrying values approximate their fair values. This assumption is also used for demand deposits, savings deposits without specified maturity and financial instruments at variable interest rates (subject to repricing).

Financial instruments measured at other than fair value (at fixed interest rates)

Fair value of financial assets and liabilities at fixed interest rates carried at amortized cost is assessed by comparing the market interest rates upon initial recognition to the current interest rates prevailing on the market for financial instruments with similar characteristics. For financial instruments where no market prices are available, the Bank uses the discounted cash flow model based on the yield curve of the current interest rate applicable over the period remaining to the maturity date.

Financial instruments measured at other than fair value

Financial instruments such as available-for-sale securities are measured at fair value based on the available market data, i.e., using the quoted market prices as of the reporting date.

December 31, 2018

	Level 1	Level 2	Level 3	Total
Financial assets at fair value through profit or loss (IFRS 9)				
Securities held for trading	6,753	-	-	6,753
Total financial assets at FVTPL	6,753	-	-	6,753
Financial assets at fair value through other comprehensive income (IFRS 9)				
Bonds issued by the Republic of Srpska	4,538	241,907	-	246,445
Securities held to maturity	91	-	-	91
Equity investments in other entities	1,185	-	-	1,185
Total financial assets at FVtOCI	5,814	241,907	-	247,721
Total financial assets at December 31, 2018	12,567	241,907	-	254,474

December 31, 2017

	Level 1	Level 2	Level 3	Total
Financial instruments held for trading (IAS 39)				
Corporate and public company shares in BAM	208	-	-	208
Corporate shares in foreign currencies	5,002	-	-	5,002
Shares of non-banking financial institutions	59	-	-	59
Total financial instruments held for trading	5,269	-	-	5,269
Financial instruments available for sale (IAS 39)				
Bonds issued by the Republic of Srpska	5,996	174,528	-	180,524
Total trading financial instruments at December 31, 2017	11,265	174,528	-	185,793

Translation of the report issued in the Serbian language

NOVA BANKA A.D. BANJA LUKA

NAPOMENE UZ FINANSIJSKE IZVJEŠTAJE

### 36. DEVIZNI KURSEVI

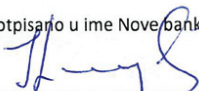
Zvanični kursevi koji su korišćeni za kursiranje bilansnih pozicija denominiranih u stranoj valuti na 31. decembar 2018. i 2017. godine u Konvertibilnu marku (BAM) su bili sljedeći:

31. decembar	2018.	2017.
EUR	1,95583	1,95583
USD	1,70755	1,63081
CHF	1,74208	1,67136

### 37. DOGAĐAJI POSLIJE DANA BILANSIRANJA

Nije bilo značajnih događaja poslije datuma izvještavanja koji bi zahtijevali prilagođavanje ili objelodanjenje u napomenama uz finansijske izvještaje Banke za 2018. godinu.

Potpisano u ime Nove banke a.d. Banja Luka:



Mr Srđan Kondić  
Predsjednik Uprave Banke




Jasna Zrilić  
Izvršni direktor

NOVA BANKA A.D. BANJA LUKA

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2018

All amounts expressed in thousands of BAM, unless otherwise stated.

## 36. EXCHANGE RATES

The official exchange rates for major currencies as of December 31, 2018 and 2017 used in the translation of statement of financial position components denominated in foreign currencies into BAM were as follows:

December 31,	2018	2017
EUR	1.95583	1.95583
USD	1.70755	1.63081
CHF	1.74208	1.67136

## 37. EVENTS AFTER THE REPORTING PERIOD

Since the reporting date there have been no significant events that would require adjustments to or disclosures in the notes to the Bank's financial statements for 2018.

Signed on behalf of Nova banka a.d. Banja Luka by:

\_\_\_\_\_  
Srđan Kondić, MSc.  
Chairman of the Management Board

\_\_\_\_\_  
Jasna Zrilić  
Executive Director







## KONTAKT

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