



GODIŠNJI IZVJEŠTAJ

ANNUAL REPORT

2019



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SADRŽAJ

UVODNA RIJEČ	6
BIOGRAFIJA PREDsjedNIKA UPRAVE	8
UPRAVA BANKE	10
MAKROEKONOMSKO OKRUŽENJE	14
Bankarski sektor i očekivanja za 2020. godinu	24
PROFIL BANKE	28
Vizija	28
Misija	28
Vrijednosti	28
Društvena odgovornost	30
Kvalitet usluge i poslovanja	32
Organizaciona struktura	34
Organi upravljanja	36
UPRAVLJANJE LJUDSKIM RESURSIMA	42
KVANTITATIVNO OSTVARENJE STRATEGIJE POSLOVANJA	46
POSLOVANJE SA STANOVNIŠTVOM	46
Trend kretanja broja klijenata	46
Trend kretanja plasmana	46
Trend kretanja depozita	50
Paketi računa	52
Kvalitet usluge	52
POSLOVANJE SA MALIM I SREDNJIM PREDUZEĆIMA (SME)	54
Trend kretanja broja klijenata	54
Trend kretanja portfolija plasmana	56
Trend kretanja depozita	58
Rast prodaje ostalih proizvoda i usluga	60
POSLOVANJE SA PRAVNIM LICIMA	62
Trend kretanja broja klijenata	62
Kreditni i otkupi potraživanja	64
Trend kretanja depozita	70
Ostale usluge	72
KVALITATIVNO OSTVARENJE STRATEGIJE POSLOVANJA	74
Trend kretanja kapitala	74
Trend kretanja NPL-a	76
Trend kretanja strukture depozita	78
UPRAVLJANJE SREDSTVIMA	82
Upravljanje depozitima	84
Devizna pozicije Nove banke i kursne razlike	86
RISK PROFIL I RISK POLITIKA BANKE	90
Kreditni rizik	92
Tržišni rizik	94
Operativni rizik	96
UPRAVLJANJE INFORMACIONIM SISTEMOM	100
POJEDINIČNI FINANSIJSKI IZVJEŠTAJI	102
Izveštaj nezavisnog revizora	108
Pojedinačni bilans uspjeha	114
Pojedinalni bilans stanja	116
Pojedinični izvještaj o promjenama na kapitalu	118
Pojedinačni bilans tokova gotovine	120
Napomene uz pojedinačne finansijske izvještaje	122

CONTENT

INTRODUCTION	7
CEO BIOGRAPHY	9
MANAGEMENT BOARD OF THE BANK	11
MACROECONOMIC ENVIRONMENT	15
Banking sector and expectations for 2020	25
BANK PROFILE	29
Vision	29
Mission	29
Values	29
Social responsibility	31
Quality of service and business	33
Organizational structure	35
Management bodies	37
HUMAN RESOURCES MANAGEMENT	43
QUANTITATIVE REALIZATION OF THE BUSINESS STRATEGY	47
RETAIL OPERATIONS	47
Trend in the number of clients	47
Trend of placements	47
Trend of deposits	51
Account packages	53
Quality of service	53
BANKING OPERATIONS WITH SMALL AND MEDIUM ENTERPRISES (SME)	55
Trend in the number of clients	55
Trend in the placement portfolio	57
Trend of deposits	59
Growth in sales of other products and services	61
CORPORATE BANKING	63
Trend in the number of clients	63
Loans and purchase of accounts receivable	65
Trend of deposits	71
Other services	73
QUALITATIVE REALIZATION OF THE BUSINESS STRATEGY	75
Trend of capital flows	75
Trend of NPL	77
Trend in the structure of deposits	79
TREASURY MANAGEMENT	83
Deposit management	85
Foreign exchange position of Nova banka and exchange rate differences	87
RISK PROFILE AND RISK POLICY OF THE BANK	91
Credit risk	93
Market risk	95
Operational risk	97
MANAGEMENT OF BANK'S INFORMATION SYSTEM	101
UNCONSOLIDATED FINANCIAL STATEMENTS	103
Independent auditor's report	109
Unconsolidated income statement	115
Unconsolidated statement of financial position	117
Unconsolidated statement of changes in equity	119
Unconsolidated statement of cash flows	121
Notes to the unconsolidated financial statements	123

UVODNA RIJEČ

Godina 2019. za Novu banku predstavlja jubilarnu, onu u kojoj se s ponosom govori o 20 godina uspješnog poslovanja na tržištu Bosne i Hercegovine. Simbolično, to je godina u kojoj je Banka kao poslovni fokus imala širenje svoje mreže otvaranjem novih poslovnica u Banjoj Luci i Mrkonjić Gradu, te novom lokacijom poslovnice u Doboju. Svako mjesto kontakta sa klijentima uređeno je kao moderan, funkcionalan i ugodan prostor. Svoju ponudu Banka je proširila i sa sedam multifunkcionalnih uređaja, koji klijentima omogućavaju samostalno korištenje više bankarskih usluga unutar „Zone 24/7“.

Prava vrijednost uspjeha ostvarenog tokom 2019. godine, ali i tokom proteklih 20 godina, izostala bi bez razumijevanja potreba zajednice u kojoj Banka posluje i spremnosti da se pruži podrška razvoju. Solidarnost je djelovanje, a Nova banka je uvijek bila spremna da djeluje, da usklađuje svoje poslovanje sa potrebama društva, naročito obraćajući pažnju na segmente humanitarnog djelovanja, obrazovanja, ekologije, rada sportskih i umjetničkih udruženja. S obzirom na to da je u duhu društveno odgovornog poslovanja Nova banka radila tokom svih 20 godina, nizom društveno odgovornih aktivnosti obilježena je i 20. godišnjica poslovanja.

Gledajući ka budućnosti, Nova banka je spremna da se susretne sa brojnim izazovima, blagovremeno i efikasno prilagođavajući svoje poslovne modele novim trendovima i zahtjevima. Za cilj ima digitalizaciju, jer u njoj vidi budućnost bankarstva. Svaki novi izazov istovremeno otvara prostor za inovacije bez kojih digitalna transformacija nije moguća. Razvoj poslovanja Nove banke nastaviće u pravcu sigurnijeg, lakšeg i jeftinijeg poslovanja, kako za klijente, tako i za Banku. Promjene koje nam dolaze donose bolje korisničko iskustvo za klijente, posebno zbog brzine rješavanja njihovih potreba.

Postići dobre rezultate i težiti ka novim uspjesima nije moguće bez zalaganja svih zaposlenih u Novoj banci, koji su i tokom 2019. godine pokazivali izuzetnu stručnost pri izvršavanju kako individualnih, tako i timskih rezultata. Upravo zbog njih, Nova banka je nosilac promjena. Zajedništvo, odgovornost, proaktivnost i razumijevanje kako pojedinca, tako i cjelokupnog tržišta doveli su Banku na lidersku poziciju.

Sa zadovoljstvom, predstavljamo Vam Finansijski izvještaj za 2019. godinu.

Za dobra NOVA vremena.

INTRODUCTION

The year 2019 is a jubilee year for Nova banka, one in which we proudly talk about 20 years of successful business operations on the market of Bosnia and Herzegovina. Symbolically, this is the year in which the Bank's business focus was to expand its network by opening new branches in Banja Luka and Mrkonjić Grad, and the new location of the branch in Doboje. Each point of contact with clients is arranged as a modern, functional and comfortable space. The Bank has expanded its offer with seven multifunctional devices, which enable clients to independently use several banking services within the "24/7 Zone".

The true value of the success achieved during 2019, but also over the past 20 years, would be lacking without understanding the needs of the community in which the Bank operates and the willingness to support development. Solidarity is action, and Nova banka has always been ready to act, to harmonize its operations with the needs of society, especially paying attention to the segments of humanitarian action, education, ecology, work of sports and art associations. Considering that Nova banka has been working in the spirit of socially responsible business operations for all 20 years, a series of socially responsible activities marked the 20th anniversary of its operations.

Looking to the future, Nova banka is ready to meet numerous challenges, timely and efficiently adapting its business models to new trends and requirements. The Bank aims at digitalization because it sees the future of banking in it. Each new challenge simultaneously opens up space for innovation without which digital transformation is not possible. The development of Nova banka's business operations will continue in the direction of the safer, easier and cheaper business, both for clients and for the Bank. The changes that are coming bring us a better user experience for clients, especially because of the speed with which their needs are addressed.

Achieving good results and striving for new successes is not possible without the efforts of all employees in Nova banka, who in 2019 showed exceptional expertise in executing both individual and team results. Precisely because of them, Nova banka is the bearer of change. Togetherness, responsibility, proactivity and understanding of both the individual and the entire market have brought the Bank to a leading position.

We are pleased to present the Financial Report for 2019.

For the good NEW times.

BIOGRAFIJA PREDSJEDNIKA UPRAVE

Mr Srđan Kondić je rođen 28.10.1982. godine u Banjoj Luci, gdje je nakon završetka srednje škole diplomirao na Ekonomskom fakultetu.

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 kao 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, te potpredsjednik Upravnog odbora Udruženja banaka Bosne i Hercegovine.

Na Ekonomskom fakultetu Banja Luka angažovan je kao viši asistent na predmetima Bankarstvo i Međunarodno bankarstvo.

CEO BIOGRAPHY

Srđan Kondić, MSc, was born on 28 October 1982 in Banja Luka where, after graduating from secondary school, he graduated from the Faculty of Economics.

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 in the Banking Agency, he also worked as a representative of the Agency at the European Central Bank and a representative of the Agency in the working group for drafting new laws and regulations in the banking sector of BiH (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, and vice president of the Board of Directors of the Banks Association of Bosnia and Herzegovina.

At the Faculty of Economics in Banja Luka, he is hired as a Senior Teaching Assistant in the subjects of Banking and International Banking.

UPRAVA BANKE



Borislav Trampa, član Uprave Banke

Borislav Trampa rođen je 21.8.1978. godine u Banjaluci, gdje je i stekao zvanje diplomiranog ekonomiste, te je 2007. godine položio i brokerski ispit. Nakon toga, master rad je odbranio na Ekonomskom fakultetu u Subotici, Univerzitet Novi Sad.

Radno iskustvo u bankarstvu sticao je od 2007. godine i to u Zepter komerc banci, Volksbank AD Banja Luka, te SBERbank AD Banja Luka. Radni odnos u Novoj banci započeo je 16.09.2013. godine kao šef Odjeljenja sa velikim klijentima u okviru Sektora poslovanja sa pravnim licima. Od 11.07.2016. godine obavljao je dužnost direktora Sektora poslovanja sa pravnim licima. U okviru svojih nadležnosti bio je odgovoran za poslovanje sa velikim klijentima i javnim preduzećima.

Od 16.01.2020. godine obavlja dužnost člana Uprave Banke i nadređen je za poslovanje Banke sa velikim klijentima i javnim preduzećima te za poslove platnog prometa i podrške poslovanju.



Dejan Vukosavljević, član Uprave Banke

Dejan Vukosavljević rođen je 1.10.1978. godine u Banjaluci gdje je nakon završetka srednje Ekonomske škole, diplomirao na Ekonomskom fakultetu Banja Luka, smijer Opšti menadžment, dok je svoja stručna znanja i vještine, tokom profesionalne karijere, proširivao kontinuiranim edukacijama iz domena finansija i menadžmenta, zatim prodaje i ljudskih resursa.

Profesionalnu karijeru započeo je u UG i MKO „Sinergija“, kao kreditni službenik u periodu od 2005-2007. godine, da bi u maju 2007. godine radni odnos zasnovao u Hypo Alpe Adria bank AD Banja Luka na poziciji voditelja SME. Od decembra 2008. do decembra 2010. godine bio je zaposlen u Balkan Investment bank AD Banja Luka gdje je obavljao funkciju direktora Filijale Banja Luka sve do zasnivanja radnog odnosa u Novoj banci 1.1.2011. godine. U Novoj banci karijeru nastavlja na poziciji šefa Odjeljenja za upravljanje prodajom SME, a od 1.12.2013. godine obavljao je funkciju direktora Sektora retail i upravljanje mrežom, te je bio nadležan za sveobuhvatan proces poslovanja u segmentu stanovništva i SME-a, kao i za rad mreže filijala koju čini skoro 60% zaposlenih Banke.

Od 16.01.2020. godine obavlja dužnost člana Uprave Banke i nadređen je za poslovanje Banke sa stanovništvom i malim i srednjim preduzećima, zatim za upravljanje informacionim tehnologijama Banke, te za upravljanje poslovima restrukturiranja i naplate.

MANAGEMENT BOARD OF THE BANK

Borislav Trampa, Member of the Management Board of the Bank

Borislav Trampa was born on 21 August 1978 in Banja Luka, where he earned the title of BSc in Economics, and in 2007 he passed the brokerage exam. After that, he defended his Master's thesis at the Faculty of Economics in Subotica, University of Novi Sad.

He has gained work experience in banking since 2007 in Zepter Komerc Bank, Volksbank AD Banja Luka, and Sberbank AD Banja Luka. His employment in Nova banka started on 16 September 2013 as the Head of the Large Clients Department within the Corporate Banking Division. From 11 July 2016 he was appointed as the Director of the Corporate Banking Division. Within his authority, he was responsible for doing business with large clients and public companies.

Since 16 January 2020 he has been a member of the Management Board of the Bank and is superior for the Bank's operations with large clients and public companies, as well as for payment operations and business support.

Dejan Vukosavljević, Member of the Management Board of the Bank

Dejan Vukosavljević was born on 1 October 1978 in Banja Luka, where after graduating from Economics High School, he graduated from the Faculty of Economics in Banja Luka, majoring in General Management, while he expanded his professional knowledge and skills during his professional career through continuing education in finance and management, sales and human resources.

He started his professional career in the Citizens' Association and Microcredit Organization "Sinergija", as a loan officer in the period from 2005-2007. In May 2007, he started working in Hypo Alpe Adria bank AD Banja Luka in the position of SME Manager. From December 2008 to December 2010, he was employed by Balkan Investment Bank AD Banja Luka, where he was appointed as the Director of the Banja Luka Branch Office until his employment with Nova banka on 1 January 2011. In Nova banka, he continues his career in the position of Head of the SME Sales Management Department, and from 1 December 2013 he was appointed as the Director of Retail and Network Management Division, and was responsible for the overall business process in the Retail and SME segment, as well as for the operation of the branch network, which makes up almost 60% of the Bank's employees.

Since 16 January 2020 he has been a member of the Management Board of the Bank and is superior for the Bank's operations with Retail and SME clients, then for the management of the Bank's information technology, and for the management of restructuring and collection operations.



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 člana Uprave Banke te je nadležna za sredstva, finansije, rizike, SPN i FTA te usklađenost poslovanja.

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.

Jasna Zrilić, Member of the Management Board of the Bank

Jasna Zrilić was born on 19 September 1975 in Banja Luka, where she finished primary and secondary school, and graduated from the Faculty of Economics of the University of Banja Luka. At the Faculty of Economics of the 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 depositary services.

Since January 2019, she has been appointed as the Member of the Management Board of the Bank and is responsible for assets, finances, risks, AML/CFT and compliance.

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 JSC since August 2014.

MAKROEKONOMSKO OKRUŽENJE

Globalni rast u 2019. godini je procijenjen na 2,9% prema podacima IMF-a. U narednim godinama globalni rast je procijenjen po stopi 3,3% u 2020. godini i po stopi 3,4% u 2021. godini. Profil rasta se značajno oslanja na relativno zdrave tržišne ekonomije u razvoju i pretpostavku da će one zadržati dobre performanse, dok se očekuje i da će razvijene ekonomije i Kina nastaviti da umjereno usporavaju. Očekuje se da će efekti značajnog monetarnog popuštanja u razvijenim i ekonomijama u razvoju dati efekte u globalnoj ekonomiji i u 2020. godini. Procijenjene stope rasta na globalnom nivou bi mogle biti do 0,5% niže bez efekata monetarnog stimulisanja. Globalni oporavak je projektovan na bazi očekivanja da će globalna trgovina rasti, uporedo sa oporavkom domaće tražnje i investicija.

Prisutni su i određeni rizici, koji bi mogli negativno uticati na projektovane stope rasta na globalnom nivou u narednim godinama. U navedene rizike spadaju: eskalacija trgovinskih tenzija između Kine i SAD, socijalni i društveni nemiri u pojedinim dijelovima svijeta, širenje Korona virusa i geopolitičke tenzije.

U okviru razvijenih ekonomija očekuje se da se stopa rasta u 2020-2021. stabilizuje na nekih 1,6%, i to najviše zahvaljujući korekciji na niže očekivanog ekonomskog rasta u SAD, Eurozoni i Ujedinjenom Kraljevstvu, kao i negativnim trendovima u razvijenim zemljama Azije, u prvom redu imajući u vidu proteste u Hong Kongu. U SAD se očekuje postepeno opadanje stope rasta od 2,3% u 2019. godini, pa na 2,0% u 2020. i dalje do 1,7% u 2021. godini. Nasuprot tome, očekuje se da će Eurozona zadržati stabilne, ali niske stope rasta, sa minimalnim korekcijama na više. U 2019. godini 1,2%, u 2020. godini 1,3% i u 2021. godini 1,4%. Projekcije IMF-a iz oktobra 2019. godine za Francusku i Italiju su ostale nepromijenjene, dok su u slučaju Njemačke i Španije projekcije korigovane na dole, jer je u Q4 2019. godine proizvodna aktivnost u Njemačkoj ostala u fazi kontrakcije, dok je u Španiji došlo do daljeg neočekivano visokog usporavanja domaće tražnje i izvoza.

Za zemlje u razvoju IMF predviđa da će u narednim godinama doći do rasta stope ekonomskog rasta od 3,7% u 2019. godini, pa dalje na 4,4% u 2020. i 4,6% u 2021. godini. Profil rasta zemalja u razvoju reflektuje kombinaciju očekivanog oporavka ekonomija u razvoju pogođenih stresom i nastavka strukturnog usporavanja u Kini.

U evropskim zemljama u razvoju se očekuje jačanje ekonomskog rasta sa 1,8% u 2019. godini na 2,5% u 2020-2021., najviše zahvaljujući rastu aktivnosti u Rusiji i nastavku oporavka u Turskoj.

Evropska centralna banka (ECB) u svojim analizama navodi da je u Q3 2019. godine privatna potrošnja ostala glavni pokretač rasta u Evrozoni. U naredne tri godine, slično kao što prognozira i IMF, očekuje se umjeren ekonomski rast.

MACROECONOMIC ENVIRONMENT

Global growth in 2019 is estimated at 2.9% according to IMF data. In the coming years, global growth is estimated at a rate of 3.3% in 2020 and at a rate of 3.4% in 2021. The growth profile relies heavily on relatively healthy emerging market economies and the assumption that they will maintain good performance, while developed economies and China are also expected to continue to slow moderately. The effects of significant monetary easing in developed and developing economies are expected to have effects in the global economy in 2020 as well. Estimated growth rates globally could be up to 0.5% lower without the effects of monetary stimulus. The global recovery is projected based on the expectation that global trade will grow, along with the recovery in domestic demand and investment.

There are also certain risks, which could negatively affect the projected growth rates at the global level in the coming years. These risks include: escalating trade tensions between China and the United States, social unrests in certain parts of the world, the spread of the Corona virus and geopolitical tensions.

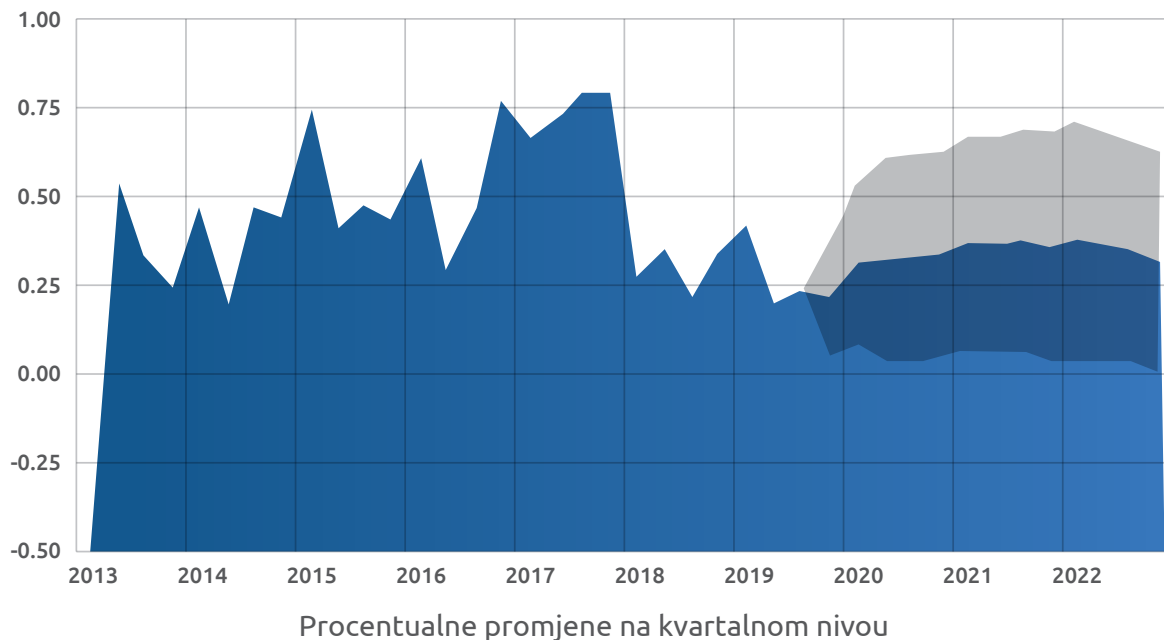
Within developed economies, the growth rate is expected to stabilize in 2020-2021 at some 1.6%, mostly due to the downward adjustment of the expected economic growth in the US, Eurozone and the United Kingdom, as well as negative trends in developed Asian countries, primarily given the protests in Hong Kong. In the United States, the growth rate is expected to gradually decline from 2.3% in 2019, to 2.0% in 2020 and further to 1.7% in 2021. In contrast, the Eurozone is expected to maintain stable but low growth rates, with minimal upward adjustments. 1.2% in 2019, 1.3% in 2020 and 1.4% in 2021. The IMF projections from October 2019 for France and Italy remained unchanged, while in the case of Germany and Spain the projections were adjusted downwards, as in Q4 2019 production activity in Germany remained in a contraction phase, while in Spain there was a further unexpectedly high slowdown in domestic demand and exports.

For developing countries, the IMF predicts that in the coming years there will be an increase in the rate of economic growth of 3.7% in 2019, and further to 4.4% in 2020 and 4.6% in 2021. The growth profile of developing countries reflects a combination of the expected recovery of developing economies affected by stress and the continued structural slowdown in China.

In European developing countries, economic growth is expected to strengthen from 1.8% in 2019 to 2.5% in 2020-2021, mostly thanks to the growth of activity in Russia and the continued recovery in Turkey.

The European Central Bank (ECB) states in its analysis that in Q3 2019, private consumption remained the main driver of growth in the Eurozone. In the next three years, similar to the IMF forecast, moderate economic growth is expected.

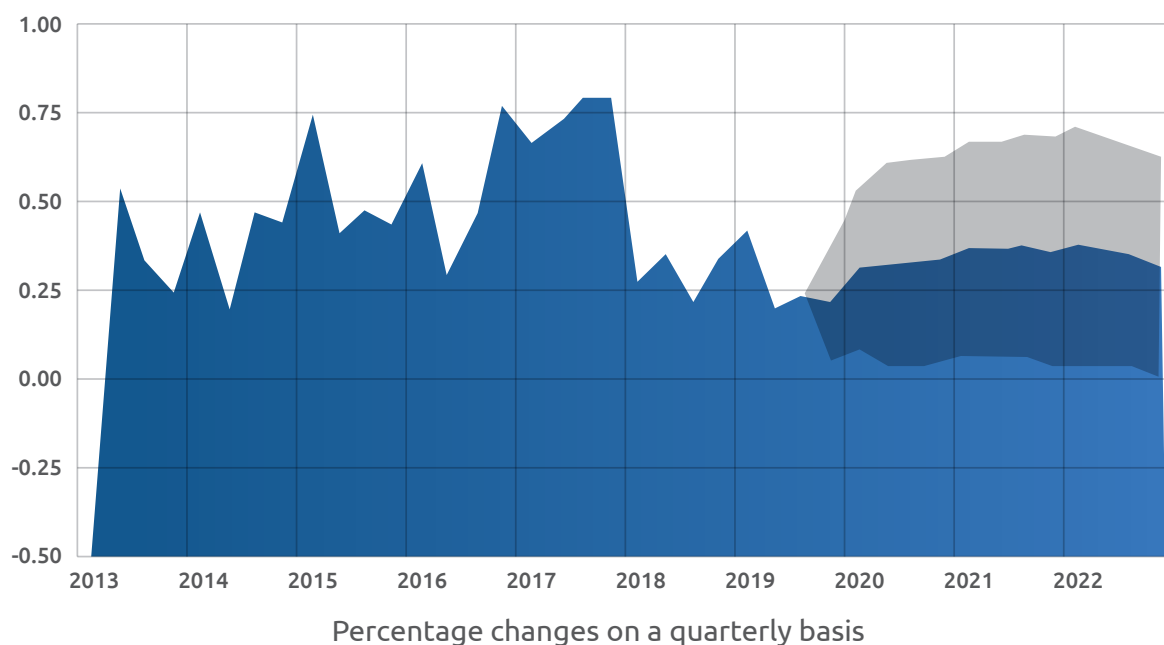
Euro područje realnog BDP



Očekuje se da će finansijski uslovi i dalje ostati stimulatívni, uključujući i monetarni paket iz septembra 2019. godine, te da će se sve to transmitovati na realnu ekonomiju. Kamatne stope bi mogle porasti samo neznatno u odnosu na svoj sadašnji nivo, tako da se može očekivati dugogodišnji period u kojem bi ekonomija morala da se prilagodi poslovanju u okruženju karakterističnom po niskim kamatnim stopama. Takođe, očekuje se umjereno jačanje kreditiranja nefinansijskog privatnog sektora, prije svega kao rezultat povoljnih makroekonomskih uslova koji se odlikuju niskim kamatnim stopama i stimulatívnim uslovima kreditiranja koje banke nude privredi i stanovništvu. Manje potrebe za smanjenjem leveridža i povećan kapacitet servisiranja duga i rastući profiti će uticati na dinamiku privatne potrošnje. Takođe, očekuju se pozitivni efekti na izvoz zemalja Evrozone zbog oporavka eksterne tražnje i depresijacije evra u posljednje vrijeme.

HICP inflacija će prema očekivanjima ECB u 2020. godini biti 1,1%, dok će u 2021. i 2022. godini porasti na 1,4% i 1,6%, respektívno.

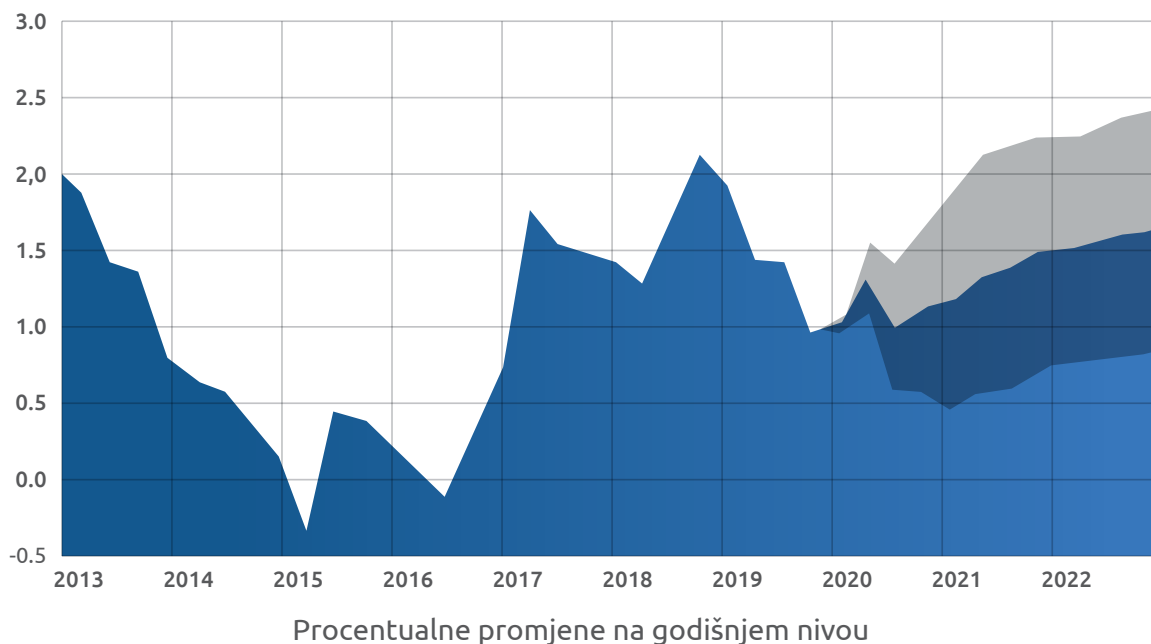
Euro area real GDP



It is expected that the financial conditions will continue to be stimulating, including the monetary package from September 2019, and that all that will be transmitted to the real economy. Interest rates could rise only slightly from their current level, so a long period can be expected in which the economy would have to adjust to doing business in an environment characterized by low interest rates. Also, a moderate strengthening of lending to the non-financial private sector is expected, primarily as a result of favorable macroeconomic conditions determined by low interest rates and stimulating lending conditions that banks offer to the economy and households. Less need to reduce leverage and increased debt servicing capacity and rising profits will affect the dynamics of private consumption. Also, positive effects on the exports of the Eurozone countries are expected due to the recent recovery of external demand and the depreciation of the euro.

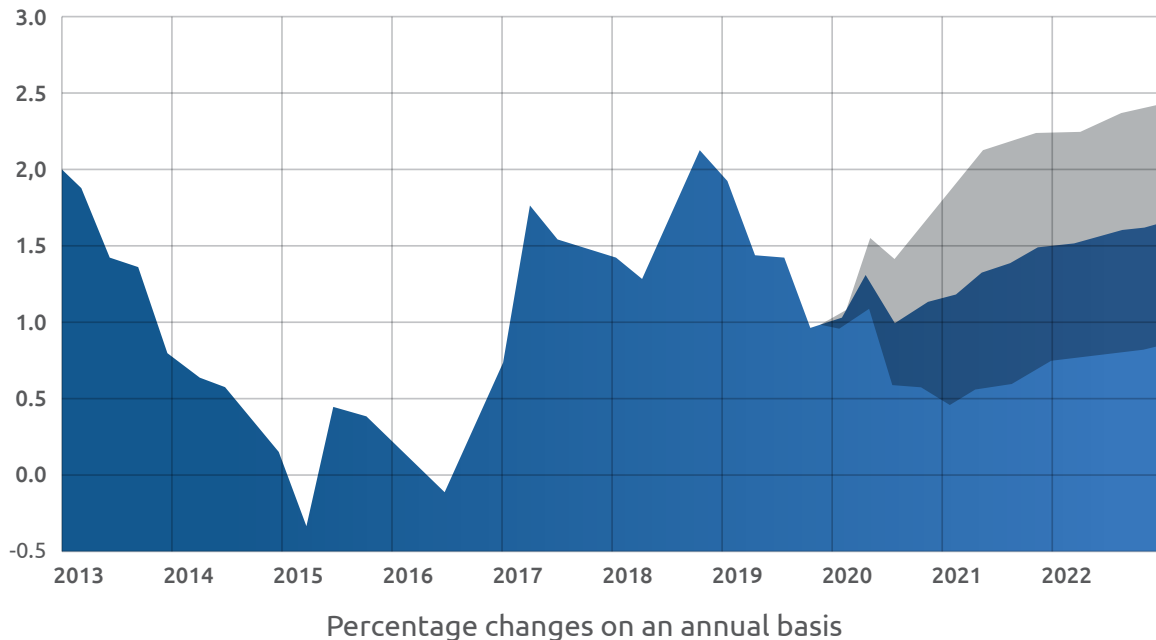
HICP inflation is expected by the ECB to be 1.1% in 2020, while in 2021 and 2022 it will rise to 1.4% and 1.6%, respectively.

Euro područje stope inflacije



U 2019. godini ECB nije mijenjala kamatnu stopu za osnovne operacije refinansiranja (Main refinancing operations), niti za marginalne pogodnosti pozajmljivanja (Marginal lending facilities), ali je bilo smanjenje stope na depozitne pogodnosti (Deposit facilities), te ova stopa od septembra 2019. godine iznosi 0,50%. Navedenim monetarnim mjerama ECB drži likvidnost bankarskog sektora na visokom nivou sa namjerom da olakša pristup privrede i stanovništva novčanim sredstvima i tako podstakne ekonomski rast. Poslovanje u okruženju karakterističnom po niskim kamatnim stopama u Evrozoni traje već duži niz godina i može se očekivati da u segmentu kamatnih stopa neće u skorije vrijeme doći do drastičnih promjena. Za razliku od ECB američki FED je, posle izbijanja globalne finansijske krize 2008. godine, kada je bio prinuđen da drastično smanji referentnu kamatnu stopu, od 2015. godine počeo postepeno da povećava referentnu kamatnu stopu, na krilima ekonomskog oporavka u SAD. U 2017. i 2018. godini je na nekoliko sastanaka donošena odluka o povećanju referentne stope za 25 baznih poena, da bi se 2018. godina završila sa nivoom referentne kamatne stope od 2,25-2,50%. U tim momentima su ECB i FED vodili divergentne monetarne politike, što je uticalo na jačanje dolara u odnosu na evro. Od avgusta 2019. godine je FED ponovo počeo da smanjuje referentnu kamatnu stopu, što se nastavilo i početkom 2020. godine, što bi trebalo za rezultat da ima pozitivan impuls na realni sektor ekonomije, ali i mogući rast inflacije.

Euro area inflation rate



In 2019, the ECB did not change the interest rate for Main refinancing operations, nor for Marginal lending facilities, but there was a reduction in the rate on Deposit facilities, and from September 2019 this rate was 0.50%. With these monetary measures, the ECB keeps the liquidity of the banking sector at a high level with the intention of facilitating the access of the economy and households to money and thus stimulate economic growth. Doing business in an environment characterized by low interest rates in the Eurozone has been going on for many years and it can be expected that there will be no drastic changes in the interest rate segment in the near future. Unlike the ECB, the US Fed, after the outbreak of the global financial crisis in 2008, when it was forced to drastically reduce the reference interest rate, began to gradually increase the reference interest rate in 2015, on the wings of economic recovery in the United States. In 2017 and 2018, at several meetings, a decision was made to increase the reference rate by 25 basis points, so that 2018 would end with a reference interest rate of 2.25-2.50%. At that time, the ECB and the Fed pursued divergent monetary policies, which influenced the strengthening of the dollar against the euro. From August 2019, the Fed began to reduce the reference interest rate again, which continued in early 2020, which should result in a positive impulse to the real sector of the economy, but also a possible rise in inflation.

U regionu zapadnog Balkana su pozitivni efekti snažnog ekonomskog rasta u 2018. godini, već u prvoj polovini 2019. godine dali pozitivan efekat na zaposlenost. U prvoj polovini 2019. godine nezaposlenost je pala na istorijski najniže nivoe. U prvoj polovini 2019. godine na zapadnom Balkanu je otvoreno oko 150.000 novih radnih mjesta. Međutim, uprkos ovim pozitivnim trendovima, situacija na tržištu rada nije ni blizu povoljna. I dalje na čitavom zapadnom Balkanu manje od polovine radno sposobnog stanovništva ima posao (oko 44%), pokazuju podaci Svjetske Banke. Najlošija situacija je u Bosni i Hercegovini i na Kosovu, gdje samo 34%, odnosno 30%, radno sposobne populacije ima posao. Ipak, za 2019. godinu Svjetska banka je predvidjela nešto manji ekonomski rast nego prethodne godine. Ekonomsko usporavanje u 2019. godini je posljedica smanjenja doprinosa investicija i izvoza ekonomskom rastu. Negativan neto izvoz, koji odražava činjenicu da konkurentnost regiona zaostaje, predstavlja teret ekonomskom rastu. Glavni pokretač ekonomske aktivnosti u regionu je i dalje potrošnja, i to potrošnja koja je podstaknuta prvenstveno javnom potrošnjom i skoro dvocifrenim rastom kreditiranja stanovništva. U takvim uslovima, sasvim je legitimno postaviti pitanje dugoročne održivosti takvog rasta.

Procjene Svjetske Banke u pogledu stope rasta za 5 zemalja zapadnog Balkana i Kosovo su date u tabeli ispod.

	2017	2018	2019 (procjena)	2020 (predviđanje)	2021 (predviđanje)
Albanija	3.8	4.1	2.9	3.4	3.6
Bosna i Hercegovina	3.2	3.6	3.1	3.4	3.9
Kosovo	4.2	3.8	4.0	4.2	4.1
Sjeverna Makedonija	0.2	2.7	3.1	3.2	3.3
Crna Gora	4.7	4.9	3.0	2.8	2.7
Srbija	2.0	4.2	3.3	3.9	4.0
Zapadni Balkan	2.6	3.9	3.2	3.6	3.8
EU 28	2.5	2.0	1.4	1.3	1.4

In the region of the Western Balkans, the positive effects of strong economic growth in 2018 had a positive effect on employment already in the first half of 2019. In the first half of 2019, unemployment fell to historically lowest levels. In the first half of 2019, about 150,000 new jobs were created in the Western Balkans. However, despite these positive trends, the situation on the labor market is not even close to favorable. Still, in the entire Western Balkans less than half of the working-age population has a job (about 44%), according to the World Bank data. The worst situation is in Bosnia and Herzegovina and Kosovo, where only 34% and 30%, respectively, of the working-age population have a job. However, for 2019, the World Bank has forecast slightly lower economic growth than the previous year. The economic slowdown in 2019 is a consequence of a reduction in the contribution of investment and exports to economic growth. Negative net exports, which reflects the fact that the region's competitiveness is lagging behind, represents a burden on economic growth. The main driver of economic activity in the region is still consumption, which is stimulated primarily by public spending and almost double-digit growth in retail lending. In such conditions, it is quite legitimate to question the long-term sustainability of such growth.

The World Bank's growth rate estimates for 5 Western Balkans countries and Kosovo are given in the table below.

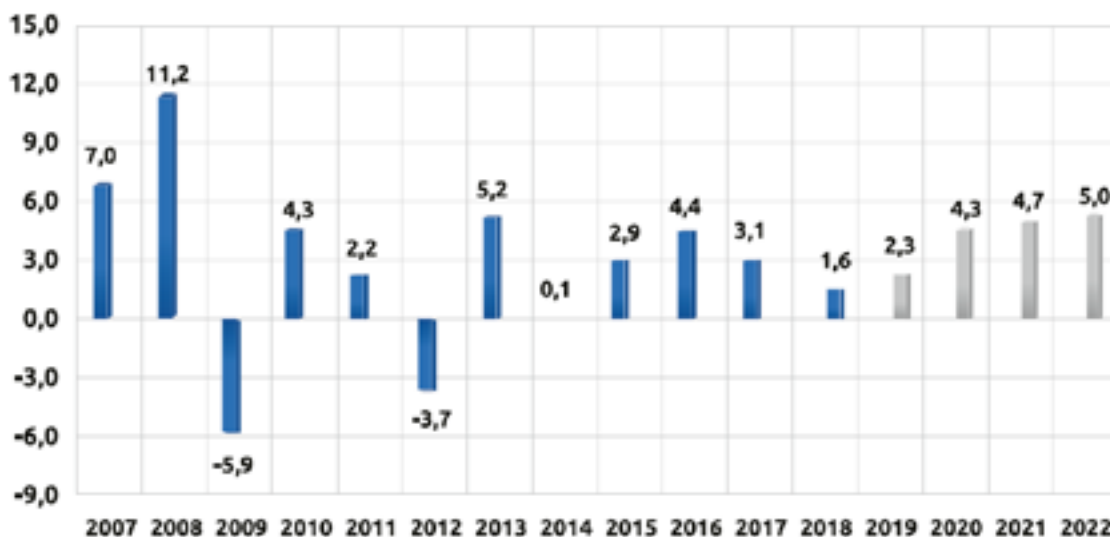
	2017	2018	2019 (procjena)	2020 (predviđanje)	2021 (predviđanje)
Albania	3.8	4.1	2.9	3.4	3.6
Bosnia and Herzegovina	3.2	3.6	3.1	3.4	3.9
Kosovo	4.2	3.8	4.0	4.2	4.1
North Macedonia	0.2	2.7	3.1	3.2	3.3
Montenegro	4.7	4.9	3.0	2.8	2.7
Serbia	2.0	4.2	3.3	3.9	4.0
Western Balkans	2.6	3.9	3.2	3.6	3.8
EU 28	2.5	2.0	1.4	1.3	1.4

Bosna i Hercegovina

Prema projekcijama DEP-a u Bosni i Hercegovini se u periodu 2020-2022. godina očekuje nastavak ekonomskog rasta od oko 3,8% na godišnjem nivou, pod pretpostavkom očuvanja stabilnosti eksternog okruženja. Očekivanja DEP-a su da domaća tražnja kroz privatnu potrošnju i investicije bude glavni oslonac ekonomskog rasta. Sa druge strane, očekuje se stagnacija javne potrošnje što će rezultovati smanjenjem njenog doprinosa ekonomskom rastu u BiH.

Prema projekcijama DEP-a u 2019. godini i narednim godinama se očekuje dalji rast industrijske proizvodnje u BiH.

Kretanje industrijske proizvodnje u BiH za period 2007-2018. godina i projekcija kretanja za 2019.-2022.god



Izvor: Agencija za statistiku Bosne i Hercegovine i projekcije DEP-a mart 2019. godine

Deficit platnog bilansa BiH je u prosjeku oko -4% BDP-a. Što se tiče udjela deficita tekućeg računa u BDP-u, on je za 2019. godinu procijenjen na nivou -4,1% i očekivanja su da na istom nivou ostane i u periodu 2020-2022. godine.

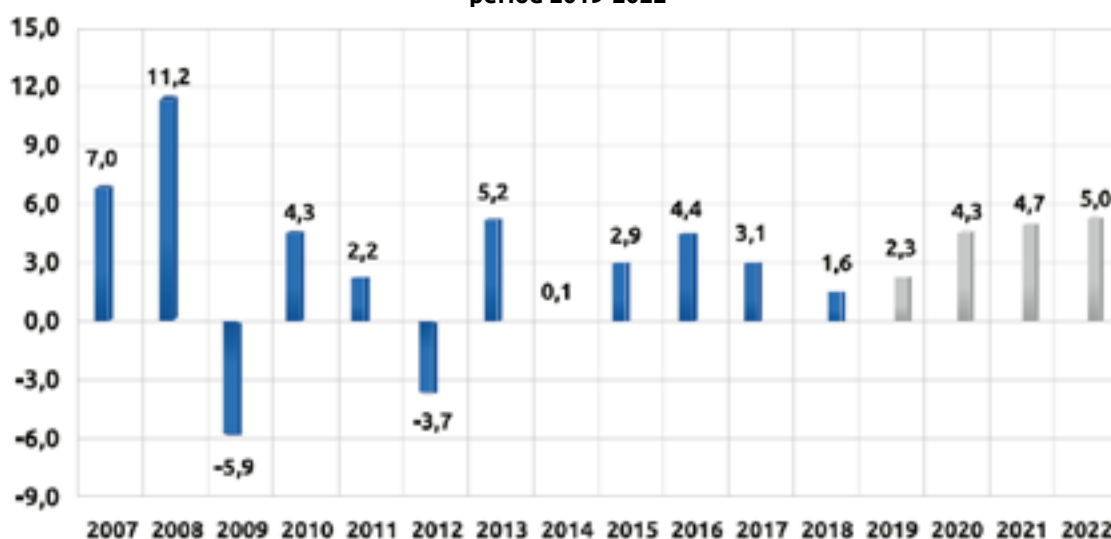
Strane direktne investicije u Bosni i Hercegovini su na izrazito niskom nivou i u 2019. godini, kao i u narednim godinama očekivanja su da udio stranih direktnih investicija u BDP-u bude jedva nešto preko 2%.

Bosnia and Herzegovina

According to DEP projections, in the period 2020-2022 Bosnia and Herzegovina expects continued economic growth of about 3.8% annually, assuming the preservation of the stability of the external environment. DEP's expectations are that domestic demand through private consumption and investment will be the mainstay of economic growth. On the other hand, stagnation of public spending is expected, which will result in a reduction in its contribution to economic growth in BiH.

According to DEP projections, further growth of industrial production in BiH is expected in 2019 and in the following years.

Movement of industrial production in BiH for the period 2007-2018 and projection of movement for the period 2019-2022



Source: Agency for Statistics of Bosnia and Herzegovina and DEP projections, March 2019

The balance of payments deficit in BiH is on average around -4% of GDP. As for the share of the current account deficit in GDP, it is estimated at -4.1% in 2019 and is expected to remain at the same level in the period 2020-2022.

Foreign direct investments in Bosnia and Herzegovina were at a very low level in 2019 as well, and in the coming years the share of foreign direct investments in GDP was expected to be just over 2%.

Bankarski sektor i očekivanja za 2020. godinu

Prema posljednjim dostupnim podacima za Q3 2019. godine, krediti stanovništvu su nastavili intenzivniji rast od rasta kredita nefinansijskim preduzećima. Trend rasta depozita je nastavljen. Neto strana aktiva je i dalje povećana usljed intenzivnijeg rasta neto strane aktive. Kamatne stope komercijalnih banaka se nisu značajnije mijenjale u odnosu na 2018. godinu.

Ukupni krediti u bankarskom sektoru na kraju Q3 2019. godine su iznosili 20,44 milijarde KM. Krediti koji predstavljaju najznačajniju stavku aktive komercijalnih banaka povećani su za 1,1% na kvartalnom nivou, a za 5,7% na godišnjem nivou. Tokom Q3 2019. godine komercijalne banke su privatnom sektoru plasirale ukupno 1,73 milijarde KM, što je za 12,1% manje u odnosu na prethodni kvartal. Novoodobreni krediti nefinansijskim preduzećima u Q3 2019. godine iznose 924,5 miliona KM, što je 401,8 miliona KM manje u odnosu na prethodni kvartal. Novoodobreni krediti nefinansijskim preduzećima čine 53,2% ukupnih novoodobrenih kredita privatnom sektoru tokom Q3 2019. godine.

Krediti stanovništvu su nastavili intenzivniji rast nego krediti nefinansijskim preduzećima na godišnjem nivou. Na kvartalnom nivou krediti stanovništvu su ostvarili rast po stopi od 2%, a na godišnjem nivou po stopi od 7,7%. Tokom Q3 2019. godine stanovništvu je odobreno 813,6 miliona KM, što je manje za 165,2 miliona KM u odnosu na prethodni kvartal. Rast dugoročnih kredita ovom sektoru ostaje stabilan i iznosi oko 8%.

Ukupni depoziti kod komercijalnih banaka su iznosili na kraju Q3 2019. godine 23,36 milijardi KM i godišnje su imali rast po stopi od 9,5%, a kvartalno po stopi od 3,8%. Trend rasta depozita vladinog sektora u Q3 2019. godine je nastavljen, i to nešto jačim intenzitetom nego u prethodnom kvartalu.

Ukupni depoziti stanovništvu na dan 30.09.2019. godine su iznosili 12,89 milijardi KM i iznose 55,2% ukupnih depozita bankarskog sektora BiH. Od ukupnog iznosa depozita stanovništva, 57,2% se odnosi na depozite u stranoj valuti, a 42,8% su depoziti u domaćoj valuti.

Ukupna prosječna ponderisana kamatna stopa na kredite na kraju Q3 2019. godine je iznosila 3,4% i za 14 baznih poena je niža u odnosu na podatke iz prethodnog kvartala. Trend pada prosječne ponderisane kamatne stope na kredite manjih iznosa (do 0,25 miliona KM) zaustavljen je u Q1 2019. godine i stagnira na nivou 4,2%. Prosječne ponderisane kamatne stope na kredite preko navedenog iznosa su već nekoliko godina na nivou ispod 4%. Prosječna ponderisana kamatna stopa na stambene kredite na nivou bankarskog sektora BiH iznosi 3,8%, dok su prosječne ponderisane kamatne stope na potrošačke i gotovinske kredite na nivou oko 6%. Razlika između kamatne stope po karticama i kamatne stope na nenamjenske kredite je i dalje preko 5%. Očekuje se i u narednim godinama da kamatne stope na tržištu BiH budu na niskom nivou, prije svega zbog međunarodnog ekonomskog okruženja i monetarne politike najvećih centralnih banaka, ali i zbog visoke likvidnosti domaćeg bankarskog sektora i niske domaće tražnje za kreditnim sredstvima.

Prosječna ponderisana kamatna stopa na depozite u evrima je nešto više u odnosu na prosječnu ponderisanu kamatnu stopu na depozite u KM. Prema najavama iz ECB niske kamatne stope će ostati još izvjesno vrijeme, dok god ne nastanu inflatorni pritisci koji bi primorali centralne banke da povećavaju ključne kamatne stope.

Banking sector and expectations for 2020

According to the latest available data for Q3 2019, loans to households continued to grow more intensively than loans to non-financial companies. The growth trend of deposits continued. Net foreign assets continued to increase due to more intensive growth in net foreign assets. Interest rates of commercial banks did not change significantly compared to 2018.

Total loans in the banking sector at the end of Q3 2019 amounted to 20.44 billion BAM. Loans, which represent the most significant item of commercial banks' assets, increased by 1.1% on a quarterly basis, and by 5.7% on an annual basis. During Q3 2019, commercial banks placed a total of 1.73 billion BAM in the private sector, which is 12.1% less than in the previous quarter. Newly approved loans to non-financial companies in Q3 2019 amounted to 924.5 million BAM, which is 401.8 million BAM less compared to the previous quarter. The newly approved loans to non-financial companies accounted for 53.2% of total newly approved loans to the private sector during Q3 2019.

Loans to households continued to grow more intensively than loans to non-financial companies on an annual basis. At the quarterly level, loans to households grew at a rate of 2%, and at the annual level at a rate of 7.7%. During Q3 2019, the households were granted 813.6 million BAM, which is less by 165.2 million BAM compared to the previous quarter. The growth of long-term loans to this sector remains stable at around 8%.

At the end of Q3 2019, total deposits with commercial banks amounted to 23.36 billion BAM and grew annually at a rate of 9.5%, and quarterly at a rate of 3.8%. The growth trend of government sector deposits in Q3 2019 continued, with a slightly stronger intensity than in the previous quarter.

Total retail deposits on 30 September 2019 amounted to 12.89 billion BAM making 55.2% of total deposits of the banking sector of BiH. Of the total amount of household deposits, 57.2% refers to deposits in foreign currency, and 42.8% are deposits in domestic currency.

The total weighted average interest rate on loans at the end of Q3 2019 was 3.4% and was 14 basis points lower than in the previous quarter. The downward trend in the average weighted interest rate on loans of smaller amounts (up to 0.25 million BAM) stopped in Q1 2019 and stagnated at 4.2%. Average weighted interest rates on loans over this amount have been below 4% for several years. The average weighted interest rate on housing loans at the level of the BiH banking sector is 3.8%, while the average weighted interest rates on consumer and cash loans are around 6%. The difference between the interest rate on cards and the interest rate on non-purpose loans is still over 5%. Interest rates on the BiH market are expected to be low in the coming years, primarily due to the international economic environment and monetary policy of the largest central banks, but also due to high liquidity in the domestic banking sector and low domestic demand for loans.

The weighted average interest rate on euro deposits is slightly higher than the average weighted interest rate on BAM deposits. According to announcements from the ECB, low interest rates will remain for some time to come, until inflationary pressures arise that would force central banks to raise key interest rates.

U Q3 2019. godine ostvaren je promet na BH berzama u iznosu 174,24 miliona KM, od čega 57,9% na SASE, a ostatak na BLSE. Promet na SASE je porastao i na godišnjem i na kvartalnom nivou, i to za 227,9% i 33,6%, respektivno. Sa druge strane, promet na BLSE je opao za 57,2% na godišnjem i 50,0% na kvartalnom nivou. Osnovni generator prometa na BH berzama su emisije entitetskih vlada.

U Q3 2019. godine Republika Srpska je izvršila jednu emisiju obveznica, i to sedmogodišnjih obveznica, sa kuponom 2,5%. Ukupna vrijednost emisije je 35 miliona KM. Kuponska kamatna stopa i prinos do dospelosti su bili znatno niži nego u slučaju prethodnih emisija ove ročnosti. Od tri indeksa na berzanskom tržištu Republike Srpske, porastao je samo indeks koji prati cijenu obveznica, dok su indeksi tržišta akcija u Q3 2019. godine bili u padu. BIRS je na kvartalnom nivou opao za 4,5%, a ERS za 13,7%.

Bankarski sektor Republike Srpske na kraju Q3 2019. godine bilježi rast ukupne aktive od 5% u odnosu na 31.12.2018. godine. Ukupni prihodi banaka bankarskog sistema Republike Srpske u trećem kvartalu 2019. godine iznose 344,5 miliona KM i porasli su 2% u odnosu na isti period prethodne godine. Prihodi od kamata i slični prihodi iznose 64,1% ukupnih prihoda i imali su pad od 2% u odnosu na isti period prethodne godine. U strukturi prihoda od kamata i dalje su najznačajniji prihodi od kamata na kredite koji iznose 190 miliona KM ili 86,08% ukupnih prihoda od kamata i sličnih prihoda sa stopom pada od 3% u odnosu na treći kvartal 2018. godine. Prihodi iz poslovanja sa HoV iznose 15 miliona KM ili 6,97% prihoda od kamata i sličnih prihoda i opali su za 1% u odnosu na Q3 2018. godine. Ostali prihodi od kamata i slični prihodi su iznosili 14,7 miliona KM i porasli su za 10% u odnosu na isti period prethodne godine.

Operativni prihodi banaka bankarskog sistema Republike Srpske na kraju Q3 2019. godine su činili 35,9% ukupnih prihoda svih banaka, ili 123,8 miliona KM, što predstavlja rast od 9% u odnosu na isti period prethodne godine.

Najznačajnija stavka rashoda su operativni rashodi koji su na nivou bankarskog sistema Republike Srpske zaključno sa 30.09.2019. godine iznosili 165,9 miliona KM ili 63,9% ukupnih rashoda. Rashodi kamata i slični rashodi su iznosili 47,2 miliona KM ili 18,7% ukupnih rashoda.

Ostvarena neto dobit na nivou bankarskog sistema Republike Srpske na dan 30.09.2019. godine je iznosila 77.272 hiljada KM.

In Q3 2019, the turnover on BiH stock exchanges amounted to 174.24 million BAM, of which 57.9% on SASE, and the rest on BLSE. Turnover on SASE increased both on an annual and quarterly basis, by 227.9% and 33.6%, respectively. On the other hand, the turnover on the BLSE decreased by 57.2% on an annual basis and by 50.0% on a quarterly basis. The main generator of turnover on the BH stock exchanges are the issues of the entity governments.

In Q3 2019, the Republic of Srpska issued one bond issue, a seven-year bond, with a 2.5% coupon. The total value of the issue was 35 million KM. The coupon interest rate and yield to maturity were significantly lower than in the case of previous issues of this maturity. Of the three indices on the stock exchange market of the Republic of Srpska, only the index that monitors the price of bonds increased, while the stock market indices in Q3 2019 were declining. BIRS fell by 4.5% on a quarterly basis, and ERS by 13.7%.

At the end of Q3 2019, the banking sector of the Republic of Srpska recorded a growth of total assets of 5% compared to 31 December 2018. The total revenues of banks in the banking system of the Republic of Srpska in the third quarter of 2019 amounted to 344.5 million BAM and increased by 2% compared to the same period last year. Interest income and similar incomes amounted to 64.1% of the total income and had a decrease of 2% compared to the same period last year. In the structure of interest income, the most significant are still interest income on loans amounting to 190 million BAM or 86.08% of total interest income and similar income with a rate of decline of 3% compared to the third quarter of 2018. Revenues from securities operations amounted to 15 million BAM or 6.97% of interest and similar income and decreased by 1% compared to Q3 2018. Other interest incomes and similar incomes amounted to 14.7 million BAM and increased by 10% compared to the same period previous year.

Operating revenues of banks in the banking system of the Republic of Srpska at the end of Q3 2019 accounted for 35.9% of total revenues of all banks, or 123.8 million BAM, which is an increase of 9% compared to the same period previous year.

The most significant item of expenditure is operating expenses, which, at the level of the banking system of the Republic of Srpska as of 30 September 2019 amounted to 165.9 million BAM or 63.9% of total expenditures. Interest expenses and similar expenses amounted to 47.2 million BAM or 18.7% of total expenses.

Realized net profit at the level of the banking system of the Republic of Srpska on 30 September 2019 amounted to 77,272 thousand BAM.

PROFIL BANKE

Vizija

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

Misija

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 smjeru, 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 proces 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 konkurentске prednosti.

Organizacionu strukturu Banke čine: Centrala Banke u Banjoj Luci i 65 drugih organizacionih jedinica, odnosno, 13 filijala, Filijala za poslovanje hartijama od vrijednosti „Broker Nova“, 17 agencija, 14 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.

BANK PROFILE

Vision

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

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 primarily 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. 13 Branch Offices, Branch Office for trade in securities "Broker Nova", 17 agencies, 14 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 somewhat 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.

Tokom svog poslovanja Banka je prepoznata kao veoma interesantan i poželjan poslodavac, te je sa 31. decembrom 2019. godine imala 718 zaposlenih. Korporativna kultura Banke je rezultovala visokim stepenom lojalnosti i izuzetno motivisanim zaposlenima.

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.

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:

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.

I tokom 2019. 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.

During its business operations, the Bank was recognized as a very interesting and desirable employer, and as of 31 December 2019 it had 718 employees. The corporate culture of the Bank has resulted in a high degree of loyalty and highly motivated employees.

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.

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:

Good begets good	We contribute to community development	Our employees are our value
because with every charity in which we participate we strengthen our faith in humanity and solidarity.	because we are an inseparable part of it and we want to influence the development and well-being of society.	because we achieve outstanding business results with joint efforts, dedication and energy.

During 2019 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.

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
- 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, 13 filijala, Filijala za poslovanje hartijama od vrijednosti „Broker Nova“, 17 agencija, 14 ekspozitura i 20 izdvojenih šaltera. Sve organizacione jedinice su kanali distribucije proizvoda Banke prema klijentima.

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

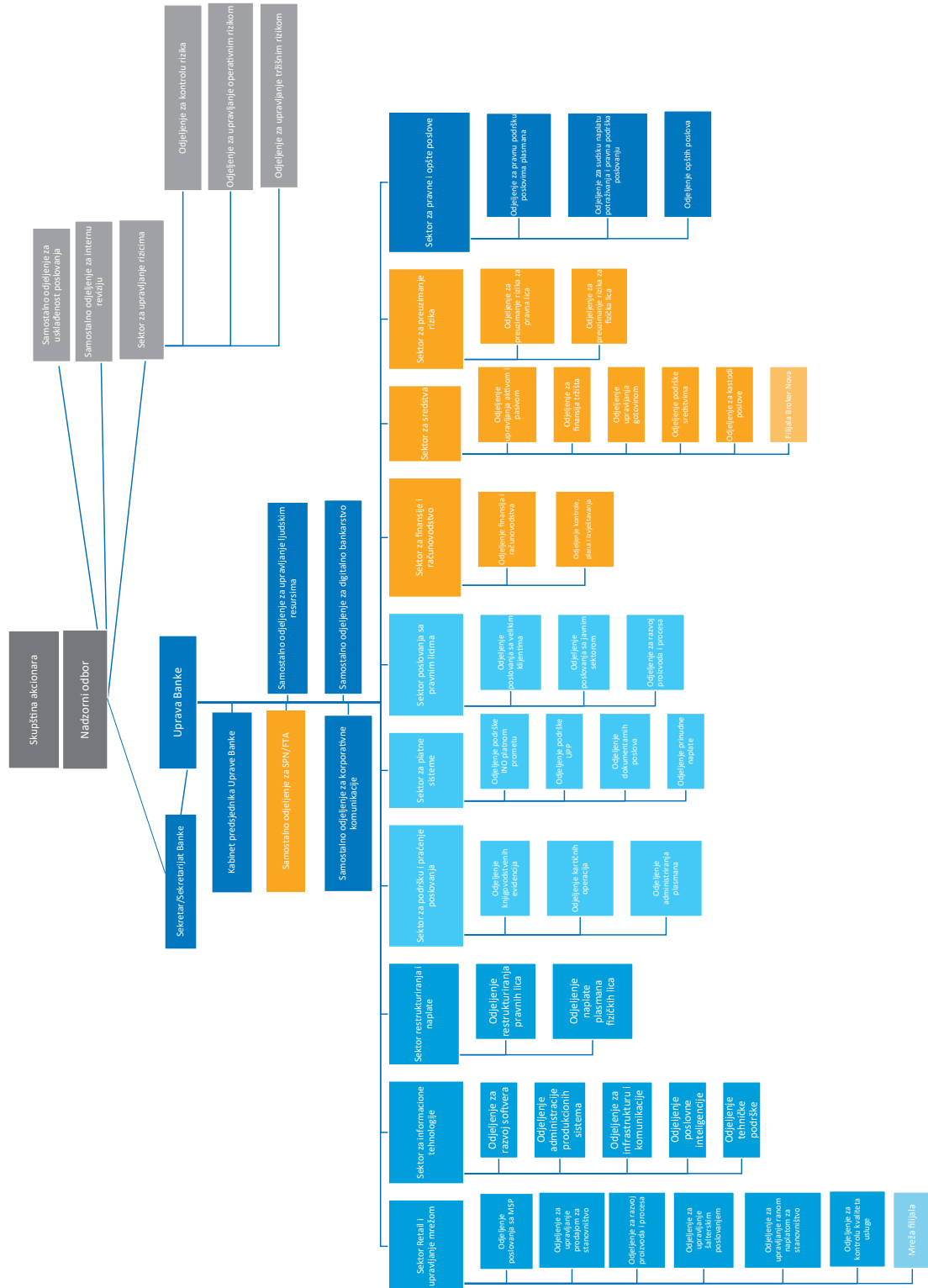
The quality management system that has been introduced in everyday business leads to the achievement of set goals in terms of the quality of business and service delivery. This system consists of the organizational structure, the responsibility of the entities in the organization, the processes and resources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

- Increasing clients' satisfaction
- Strengthening clients' loyalty
- 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

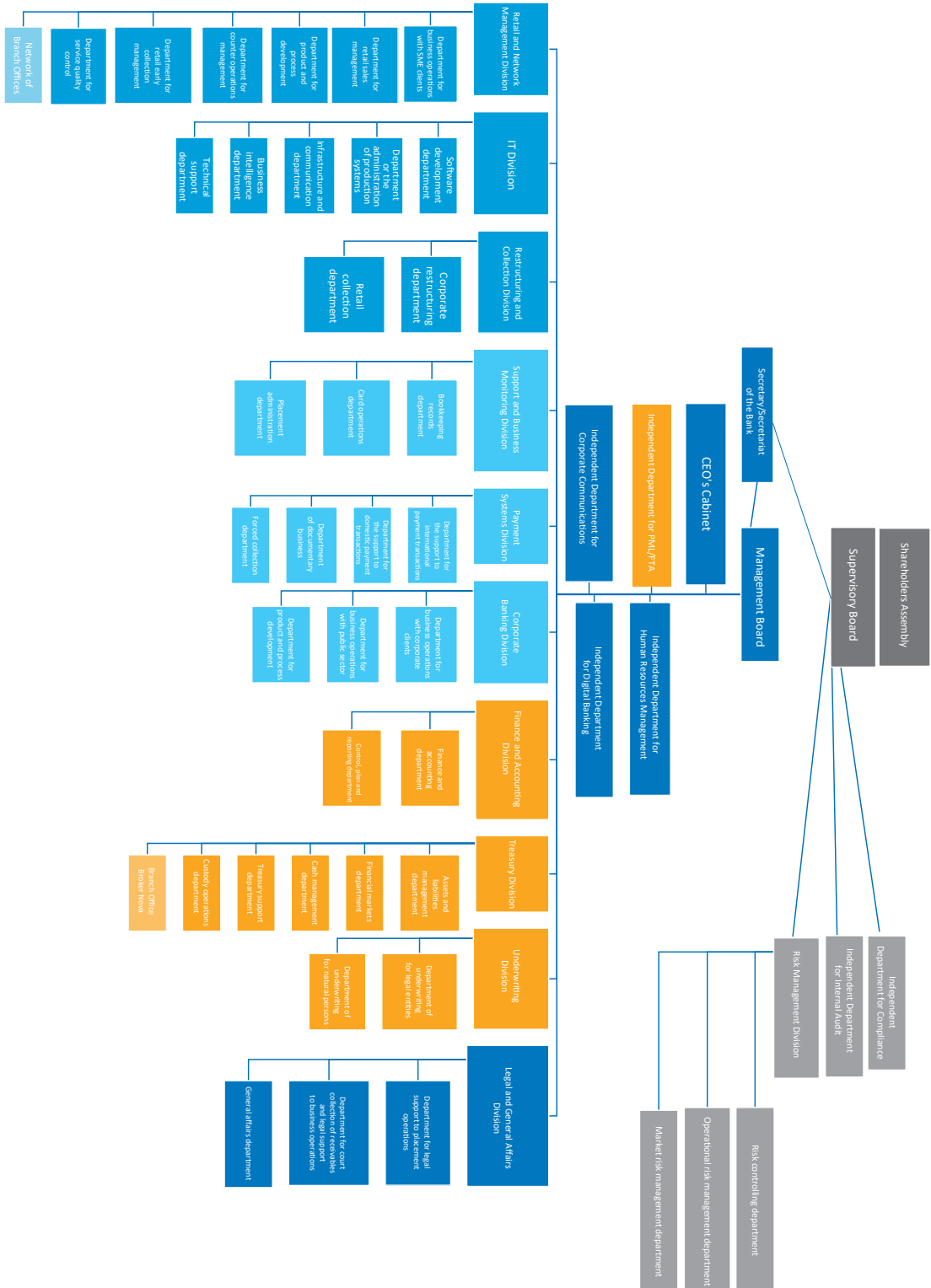
Accessibility

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. 13 Branch Offices, Branch Office for trade in securities "Broker Nova", 17 agencies, 14 sub-branch offices and 20 separate counters. All organizational units represent distribution channels of the Bank's products to clients.

Organizaciona struktura



Organizational structure



Organi upravljanja

Nadzorni odbor Banke

- Goran Radanović
predsjednik
- Prof.dr Branko Krsmanović
nezavisni član
- Miroslav Lazarević
član
- Ljupko Miletić
član
- Avram Milenković
nezavisni član

Uprava Banke na dan 31.12.2019. godine

- Mr Srđan Kondić
predsjednik Uprave Banke
- Igor Jovičić
zamjenik predsjednika Uprave Banke
- Jasna Zrilić
član Uprave Banke

Odbor za reviziju Banke

- Siniša Mutić
predsjednik
- Radmila Bajjić
član
- Aleksandra Grčić
član

Sekretar Banke

- Ivana Kantar

Interni revizor

- Branka Štaka

Management bodies

Supervisory Board of the Bank

- Goran Radanović
Chairman
- Prof. Branko Krsmanović, PhD
independent member
- Miroslav Lazarević
member
- Ljupko Miletić
member
- Avram Milenković
independent member

Management Board of the Bank as at 31 December 2019

- Srđan Kondić, MSc
CEO
- Igor Jovičić
Deputy CEO
- Jasna Zrilić
member of the Management Board

Audit Committee of the Bank

- Siniša Mutić
Chairman
 - Radmila Bajić
member
 - Aleksandra Grčić
member
- Secretary of the Bank
- Ivana Kantar

Internal Auditor

- Branka Štaka

Sektori i samostalna odjeljenja Nove banke

- Dobrila 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
- Nataša Smiljanić
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 Pejaković
rukovodilac Samostalnog odjeljenja za upravljanje ljudskim resursima
- Zoran Skvarica
rukovodilac Samostalnog odjeljenja za sprječavanje pranja novca i finansiranja terorističkih aktivnosti
- Dragica Blagojević
rukovodilac Samostalnog odjeljenja za usklađenost poslovanja
- Milana Lakić
rukovodilac Samostalnog odjeljenja za korporativne komunikacije
- Vladimir Bjelić
rukovodilac Samostalnog odjeljenja za digitalno bankarstvo

Divisions and independent departments of Nova banka

- Dobrila 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
- Nataša Smiljanić
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 Pejaković
Head of Independent Department for Human Resources 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
- Milana Lakić
Head of Independent Department for Corporate Communications
- Vladimir Bjelić
Head of Independent Department for Digital Banking

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
- Filijala Mrkonjić Grad
direktor Ljubiša Markanović

Branch Offices of Nova banka

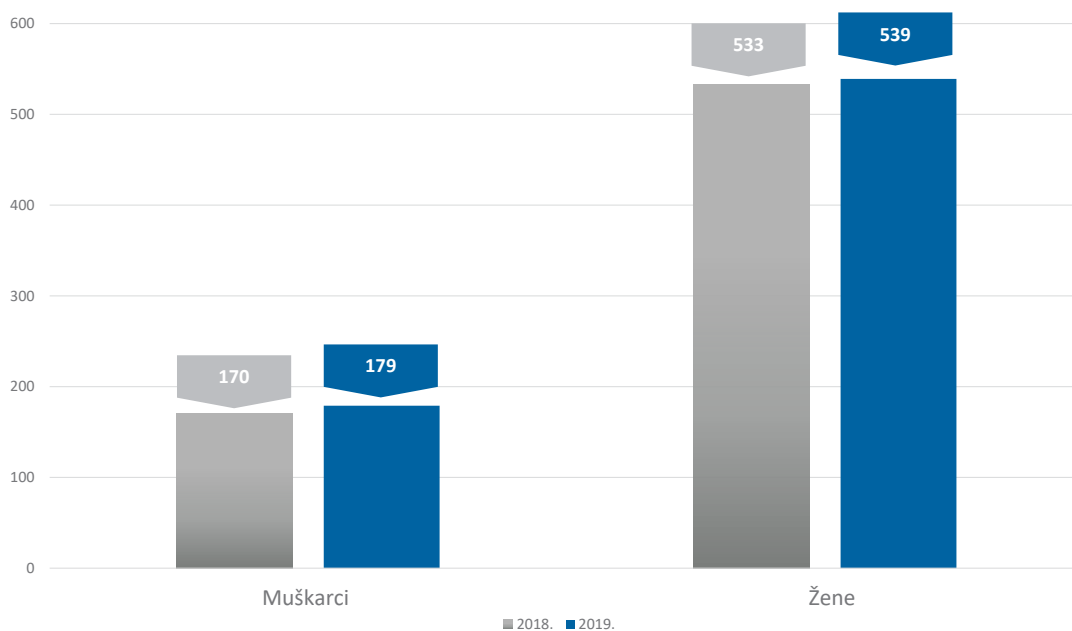
- Branch Office Bijeljina
Director Srđan Stanojević
- Branch Office Banja Luka
Director Saša Maglov
- Branch Office Brčko
Director Petar Domić
- Branch Office Zvornik
Director Branka Risović
- Branch Office Doboj
Director Miodrag Mišić
- Branch Office Istočno Sarajevo
Director Dalibor Đurović
- Branch Office Sarajevo
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Director Igor Josipović
- Branch Office Mostar
Director Sanda Boban
- Branch Office Prijedor
Director Borislav Babić
- Branch Office Mrkonjić Grad
Director Ljubiša Markanović

UPRAVLJANJE LJUDSKIM RESURSIMA

I tokom 2019. 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.

U vrijeme velike fluktuacije kadrova prema zemljama zapadne Evrope, upravljanje ljudskim resursima za sve poslodavce nosi sa sobom niz izazova i zahtjeva za brzim, pravovremenim i odlučnim reagovanjima zasnovanim na obezbjeđenju konkurentnih uslova rada, dobrom upravljanju kadrovima i kontinuiranom unapređenju svih aspekata razvoja i motivacije zaposlenih, te u skladu sa tim i Nova banka provodi svoju strategiju upravljanja ljudskim resursima.

Ulaganje u znanje i unapređenje vještina zaposlenih je stalna misija Nove banke kada su ljudski resursi u pitanju, te u skladu sa tim svi zaposleni u Banci prolaze najmanje jednu obuku vezanu za unapređenje znanja i vještina tokom jedne godine, dok kod zaposlenih u mreži filijala taj broj i veći. Tokom 2019. godine ukupno 243 zaposlenih je prisustvovalo na 68 različitih eksternih vidova edukacije, dok je interni tim trenera održao 14 obuka za više od 400 zaposlenih.

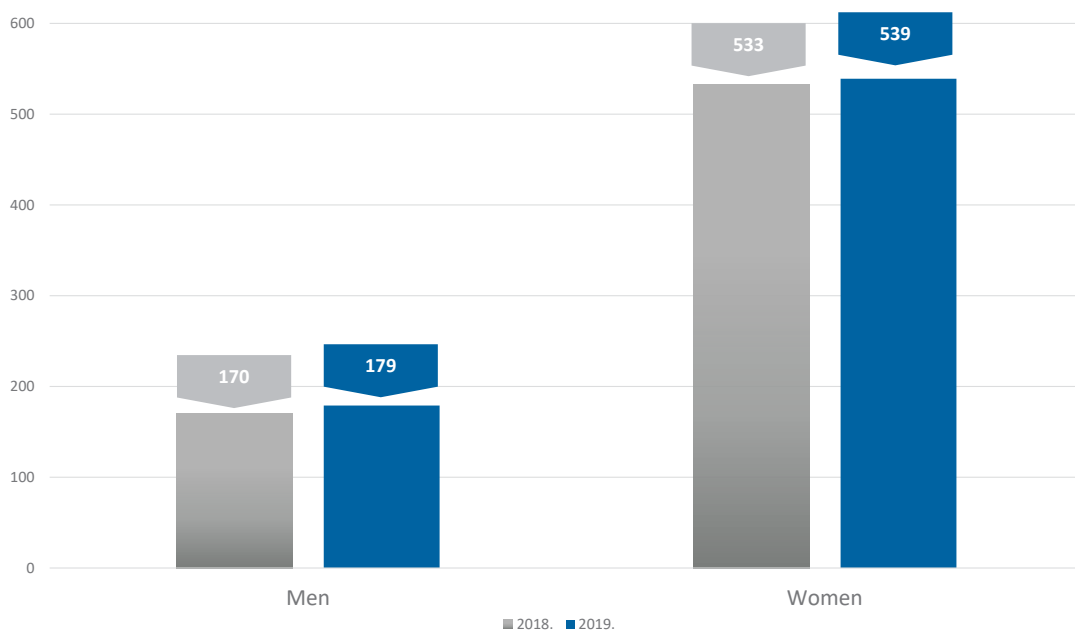


HUMAN RESOURCES MANAGEMENT

During 2019 as well, 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.

In times of great fluctuation of staff towards Western Europe, human resources management for all employers brings with it challenges and demands for fast, timely and decisive responses based on providing competitive working conditions, good personnel management and continuous improvement of all aspects of employee development and motivation and Nova banka implements its human resources management strategy in accordance with that.

Investing in knowledge and improving the skills of employees is a constant mission of Nova banka when it comes to human resources, and accordingly all employees of the Bank undergo at least one training related to improving knowledge and skills during one year, while that number is even larger with employees in the branch network. During 2019, a total of 243 employees attended 68 different external types of education, while the internal team of trainers held 14 trainings for more than 400 employees.



Banka takođe kontinuirano unapređuje i svoju organizacionu strukturu, a sve u cilju efikasnijeg i uspješnijeg poslovanja, te pravovremeno reaguje na zahtjeve tržišta. U 2019. godini na nivou Centrale formirana su dva samostalna odjeljenja i to Samostalno odjeljenje za korporativne komunikacije i Samostalno odjeljenje za digitalno bankarstvo, te je otvorena 13. po redu filijala u Mrkonjić Gradu, proširena je mreža poslovnica u okviru filijale Banja Luka, dok je nekoliko poslovnica preuređeno ili preseljeno u veće i savremenije opremljene prostore.

Zaključno sa 31.12.2019. godine sa 718 zaposlena, Banka je svoje poslovanje organizovala unutar jedanaest sektora, šest samostalnih odjeljenja i trinaest filijala, koje obuhvataju još i 64 druge organizacione jedinice.

U Novoj banci 75,62% zaposlenih čine žene, a prostalih 24,38% 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 što se pokazalo kao značajno, posebno po rezultatima koje zaposleni Banke svake godine postižu na bankarskim igrama.

Tokom 2019. godine sportski timovi Nove banke su bili sveukupni pobjednici na bankarskim igrama i postigli su sljedeće rezultate:

I mjesto: košarka - žene

II mjesto: fudbal - muškarci

II mjesto: stoni tenis - muškarci

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 2019, two independent departments were established at the level of the Bank's Head Office, namely the Independent Department for Corporate Communications and the Independent Department for Digital Banking, and the 13th branch in Mrkonjić Grad was opened, the network of sub-branches within the Branch Office Banja Luka was expanded, and several sub-branches were renovated or moved to larger and more modern premises.

As of 31 December 2019, with 718 employees, the Bank organized its operations within eleven divisions, six independent departments and thirteen branch offices, which include 64 other organizational units.

In Nova banka, 75.62% of employees are women, and the remaining 24.38% are men. The percentage of women in management positions is 65%, while the average age of all employees is 38 years.

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 which proved to be significant, especially in terms of the results that the Bank's employees achieve every year at banking games.

During 2019, the sports teams of Nova banka were the overall winners at the banking games and achieved the following results:

- 1st place: basketball - women
- 2nd place: football - men
- 2nd place: table tennis - men

KVANTITATIVNO OSTVARENJE STRATEGIJE POSLOVANJA

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 2019. 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 akcenat na poboljšanje kvaliteta kreditnog portfolija, pojačanu aktivnost naplate i zadržavanje postojećih i privlačenje novih, za Banku poželjnih klijenata.

POSLOVANJE SA STANOVNIŠTVOM

Trend kretanja broja klijenta

Nova banka je tokom 2019. godine nastavila sa aktivnostima uspostavljanja i unapređenja odnosa sa postojećim klijentima, ali i privlačenjem novih koji će postati aktivni i lojalni korisnici proizvoda i usluga Banke.

Zaključno sa poslovnom 2019. godinom broj klijenata je povećan na 176.961, što u poređenju sa brojem klijenata na kraju 2018. godine koji je iznosio 172.385, predstavlja rast od 2,65%. Slična kretanja su evidentna u broju korisnika tekućih računa. Broj korisnika tekućih računa u 2019. godini je iznosio 129.985, što u poređenju sa brojem klijenata na kraju 2018. godine koji je iznosio 125.574, predstavlja rast od 3,51%.

Nova banka će i dalje aktivno raditi na uspostavljenju kvalitetne baze klijenata kojom će se jačati veza klijenta i Banke na način da klijenti koriste široku lepezu proizvoda Nove banke.

Trend kretanja plasmana

Stanje portfolija plasmana stanovništva na dan 31.12.2019. godine, iznosi 511.243.131 KM i veći je u odnosu na isti period 2018. godine za 6,75%, kada je iznosio 478.903.600 KM. U 2019. godini ostvaren je neto rast plasmana 32.339.530 KM.

QUANTITATIVE REALIZATION OF THE BUSINESS STRATEGY

Maintaining one of the leading positions in the banking market of Bosnia and Herzegovina by emphasizing stability and strengthening its liquidity position, thanks to the continuous growth and development it has achieved in previous years, Nova banka achieved growth in almost all business segments in 2019, 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 placed 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.

RETAIL OPERATIONS

Trend in the number of clients

During 2019, Nova banka continued with the activities of establishing and improving relations with existing clients, but also of attracting new ones who will become active and loyal users of the Bank's products and services.

As of the end of the business year 2019, the number of clients increased to 176,961, which compared to the number of clients at the end of 2018, which amounted to 172,385, represents an increase of 2.65%. Similar trends are evident in the number of current account users. The number of current account users in 2019 amounted to 129,985, which compared to the number of clients at the end of 2018, which amounted to 125,574, represents an increase of 3.51%.

Nova banka will continue to actively work on establishing a quality client base that will strengthen the relationship between the client and the Bank in a way that clients use a wide range of Nova banka products.

Trend of placements

Balance of the portfolio of placements to natural persons on 31 December 2019 amounted to 511,243,131 BAM and was higher by 6.75% compared to the same period of 2018 when it amounted to 478,903,600 BAM. In 2019, the net growth of placements of 32,339,530 BAM was achieved.

u hiljadama KM

Nivo rasta plasmana od 2011. do 2019. godine



Graf 1. Kretanje nivoa plasmana od 2011. do 2019. godine (bez dospjelih plasmana)

Ostvareni rast je rezultat dobro provedene akcije plasiranja kredita prije svega nenamjenskih i zamjenskih, kao i stambenih kredita iz sredstava IRB RS.

U 2019. godini Banka je zadržala lidersku poziciju na tržištu kao finansijska institucija koja je plasirala najviše stambenih kredita iz sredstava IRB RS. Zaključno sa poslovnom 2019. godinom plasirano je 21.030.824 KM kredita svim kategorijama ili 40% ukupno plasiranih stambenih kredita iz sredstava IRB RS. Evidentan je pomak u odnosu na 2018. godinu, Banka je plasirala 9.197.750 KM više stambenih IRB RS kredita, što predstavlja rast od 43,73%.

U 2019. godini posebna pažnja je posvećena većoj naplati i restrukturiranju problematičnih kredita što je i rezultiralo na kraju 2019. godine smanjenjem nivoa dospjelih ne naplaćenih kredita u odnosu na 31.12.2018. godine. Iznos NPL na kraju 31.12.2019. godine iznosi 23,973,601 KM ili 5,02%.

in thousands BAM

Placement growth levels from 2011 to 2019



Chart 1 – Movement in placement levels from 2011 to 2019 (without due placements)

The achieved growth is the result of a well-conducted action of placing loans, primarily non-purpose and replacement, as well as housing loans from the funds of the Investment Development Bank of the Republic of Srpska (IRB RS).

In 2019, the Bank maintained its leading position in the market as the financial institution that placed the most housing loans from the IRB RS funds. As of the end of the business year 2019, 21,030,824 BAM of loans were placed to all categories or 40% of the total placed housing loans from the IRB RS funds. There is an evident shift compared to 2018, the Bank placed 9,197,750 BAM more housing loans of the IRB RS, which is an increase of 43.73%.

In 2019, special attention was paid to higher collection and restructuring of non-performing loans, which resulted at the end of 2019 in a decrease of the level of overdue uncollected loans compared to 31 December 2018. The amount of NPL on 31 December 2019 was 23,973,601 BAM or 5.02%.

Trend kretanja depozita

Banka je u periodu od 2010. do 2019. godine zabilježala značajan rast nivoa depozita stanovništva. Ključni cilj je bio da se napravi diversifikacija rizika i alokacija velikih depozita privrede na veći broj manjih depozita fizičkih lica. Odnos depozita privreda-stanovništvo 2010. godine bio je 70% prema 30% u korist depozita pravnih lica. Prema podacima na dan 31.12.2019. godine taj odnos se povećao u korist depozita stanovništva i iznosi 56% prema 44%. I u narednom periodu fokus će biti na povećanju nivoa depozita fizičkih lica. Banka je u 2019. godini zabilježila rast portfolija u visini od 3,70% i ukupni depoziti stanovništva na kraju 2019. godine iznose 931.149.354 KM. Takođe, broj korisnika štednje je imao pozitivna kretanja, te je zabilježen rast za 9,29% u odnosu na prethodnu godinu. Na kraju 2019. godine Banka je imala aktivno 38.015 oročenih partija štednje. Avista depoziti kao jeftin izvor sredstava imaju postepen, ali siguran rast bez značajnih fluktuacija. Avista depoziti iz godine u godinu bilježe značajno učešće u ukupnim depozitima stanovništva. Na kraju 2019. godine učešće u ukupnim depozitima je iznosilo je 27,99%. U svrhu ostvarenja ciljeva i povećanja nivoa depozita ključnu ulogu ima kontinuirano praćenje konkurencije, blagovremeno reagovanje na promjene cijena na tržištu, članstvo u Agenciji za osiguranje depozita, kontinuiran rast Banke kao ozbiljne banke, što je imalo za krajnji rezultat stvaranje povjerenja i sigurnosti u Banku.

u hiljadama KM

Nivo rasta depozita od 2011. do 2019. godine



Graf 2. Kretanje nivoa depozita od 2011. do 2019. godine

Trend of deposits

In the period from 2010 to 2019, the Bank recorded a significant increase in the level of deposits of natural persons. The key goal was to diversify the risk and allocate large deposits of economy to a larger number of smaller deposits of natural persons. The ratio of deposits economy-natural persons in 2010 was 70% to 30% in favor of deposits of legal entities. According to the data on 31 December 2019, this ratio increased in favor of deposits of natural persons and amounted to 56% to 44%. In the coming period as well, the focus will be on increasing the level of deposits of natural persons. In 2019, the Bank recorded a portfolio growth of 3.70% and total deposits of natural persons at the end of 2019 amounted to 931,149,354 BAM. Also, the number of savings users had positive trends, and an increase of 9.29% was recorded compared to the previous year. At the end of 2019, the Bank had 38,015 active term savings accounts. A vista deposits as a cheap source of funds have a gradual but sure growth without significant fluctuations. A vista deposits from year to year record a significant share in total deposits of natural persons. At the end of 2019, the share in total deposits was 27.99%. In order to achieve the goals and increase the level of deposits, the key role is played by continuous monitoring of competition, timely response to changes in market prices, membership in the Deposit Insurance Agency, continuous growth of the Bank as a serious bank, which ultimately created confidence and trust in the Bank.

in thousands BAM

Deposit growth level from 2011 to 2019



Chart 2 – Movement in deposit levels from 2011 to 2019

Paketi računa

Atraktivnija ponuda usluga u okviru pojedinačnih paket računa rezultovalo je porastu broja paketa računa u 2019. godini. Na kraju 2018. godine broj paketa iznosi je 58,110, dok je na kraju 2019. godine ukupan broj paketa iznosio je 60,288 što je povećanje za 3,75%. Ovaj broj paketa, prema posljednjem obračunu, donosi Banci značajan nekamatonosni mjesečni prihod od 235 hiljada KM.

Kvalitet usluge

Banka je nastavila i u 2019. godini svoju pažnju usmjeravati 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, a sve u cilju pružanja najkvalitetnije usluge kojom Banka postiže lojalnost klijenata. Osnovni cilj uspostavljanja i mjerenja kvaliteta usluge je da se zadrže postojeći klijenti i da unapređenjem kvaliteta usluge privuku novi, jer samo na taj način će Banka biti u mogućnosti da raste i da sačuva vodeću ulogu na tržištu.

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

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

Account packages

A more attractive offer of services within individual package accounts resulted in an increase in the number of account packages in 2019. At the end of 2018, the number of packages was 58,110, while at the end of 2019 the total number of packages was 60,288, which is an increase of 3.75%. This number of packages, according to the last calculation, brings the Bank a significant non-interest-bearing monthly income of 235 thousand BAM.

Quality of service

In 2019 as well, the Bank continued to focus on establishing and measuring the quality of service provided by employees to clients, with special emphasis on the behavior of employees who are in direct contact with clients in their daily work, their behavior, sales of services, absences, replacements, rotations, all with the aim of providing the highest quality service by which the Bank achieves customer loyalty. The main goal of establishing and measuring the quality of service is to retain existing clients and to attract new ones by improving the quality of service, because only in this way will the Bank be able to grow and maintain its leading role in the market.

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

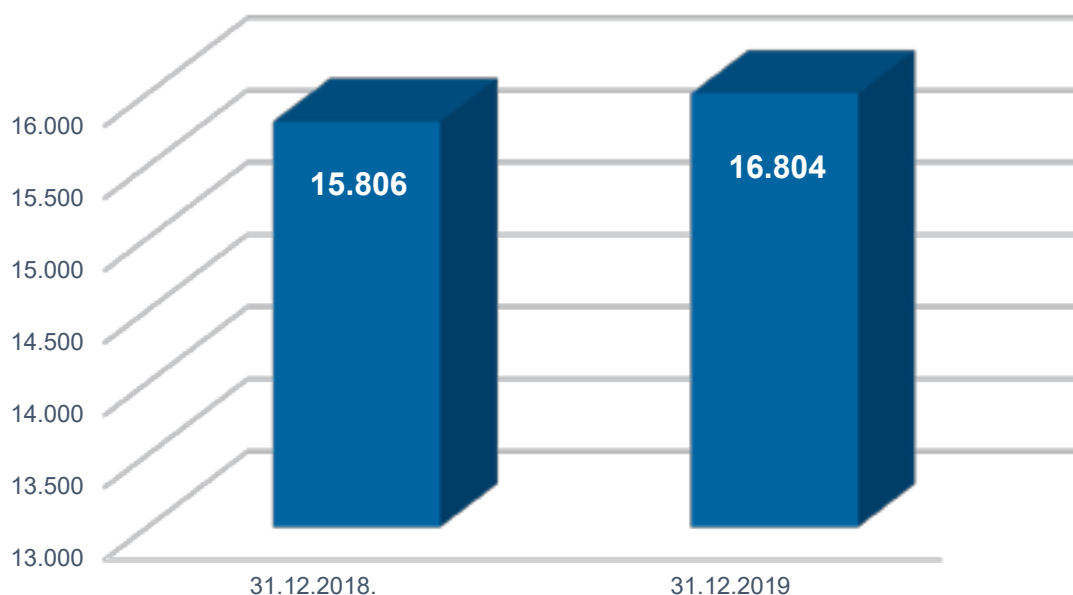
- mystery shopping visits
- assessment of the working environment
- level of migration
- customer attrition rate
- test results.

POSLOVANJE SA MALIM I SREDNJIJIM PREDUZEĆIMA (SME)

Trend kretanja broja klijenata

U 2019. godini Banka je nastavila da širi bazu SME klijenata. Ukupan broj klijenata povećan je za 998 što predstavlja rast od 6,3% u odnosu na kraj 2018. godine.

Trend kretanja ukupnog broja klijenata



Slika 3 - Rast broja SME klijenata

	31.12.2018.	31.12.2019.	Povećanje	% povećanja
Broj klijenata	15.806	16.804	998	6,31%

BUSINESS OPERATIONS WITH SMALL AND MEDIUM ENTERPRISES (SME)

Trend in the number of clients

In 2019, the Bank continued to expand its SME client base. The total number of clients increased by 998, which is an increase of 6.3% compared to the end of 2018.

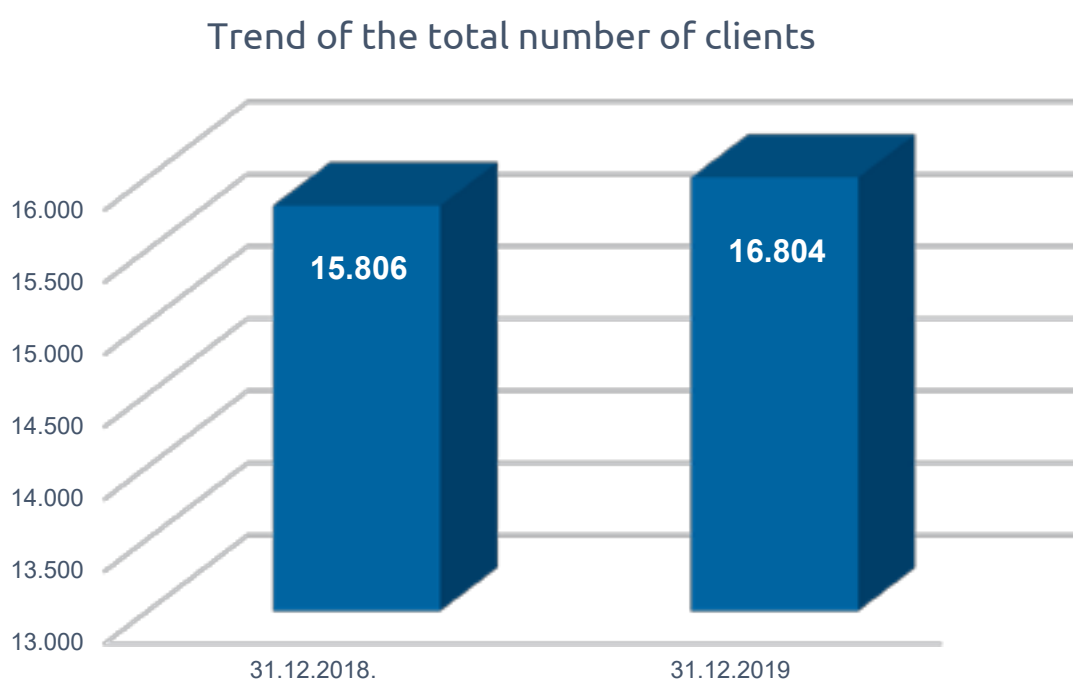


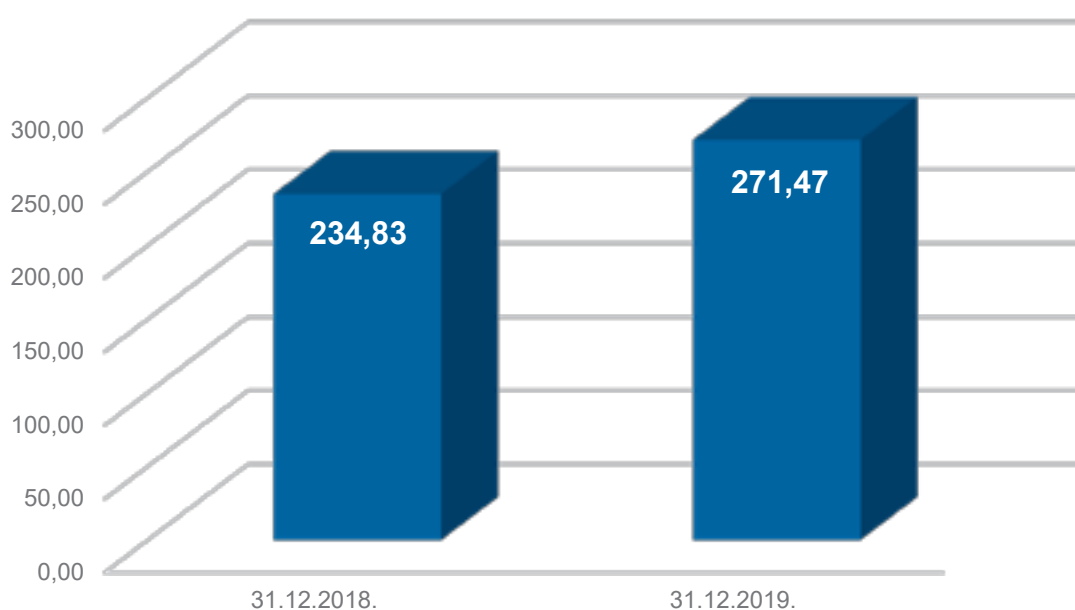
Figure 3 - Growth in the number of SME clients

	31.12.2018.	31.12.2019.	Increase	% increase
Number of clients	15,806	16,804	998	6.31%

Trend kretanja portfolija plasmana

Kao rezultat pojačane akvizicione aktivnosti na svim nivoima, uz snižavanje aktivnih kamatnih stopa, u 2019. godini ostvaren je snažan rast kreditnog portfolija u SME segmentu. Ukupni krediti plasirani ovom segmentu klijenata na kraju godine bili su veći za 36,64 miliona KM u odnosu na kraj 2018. godine, što predstavlja rast od 15,6%

Kretanje kreditnog portfolija



Slika 1 - Kretanje kreditnog portfolija SME (u mil. KM)

(u mil. KM)

	31.12.2018.	31.12.2019.	Promjena	% promjena
Ukupni krediti	234,83	271,47	36,64	15,60%

U cilju podrške poslovanju malih i srednjih preduzeća, koji su nosioci privredne aktivnosti u zemlji, Banka je u 2019. godni plasirala više od 150 miliona KM kredita ovom segmentu preduzeća, te izdala garancije u ukupnom iznosu od blizu 29 miliona KM.

Posebno treba istaći da je Nova banka i u 2019. godni bila apsolutni lider kada su u pitanju plasmani kredita iz kreditnih linija IRB RS namijenjenih privredi. U prilog tome govori podatak da je 63% svih kredita iz ovih kreditnih linija plasirano preko Nove banke (više od 62 miliona KM).

Trend in the placement portfolio

As a result of intensified acquisition activity at all levels, with lower active interest rates, in 2019 a strong growth of the loan portfolio in the SME segment was achieved. Total loans placed to this segment of clients at the end of the year were higher by 36.64 million BAM compared to the end of 2018, which is an increase of 15.6%.

Loan portfolio movements

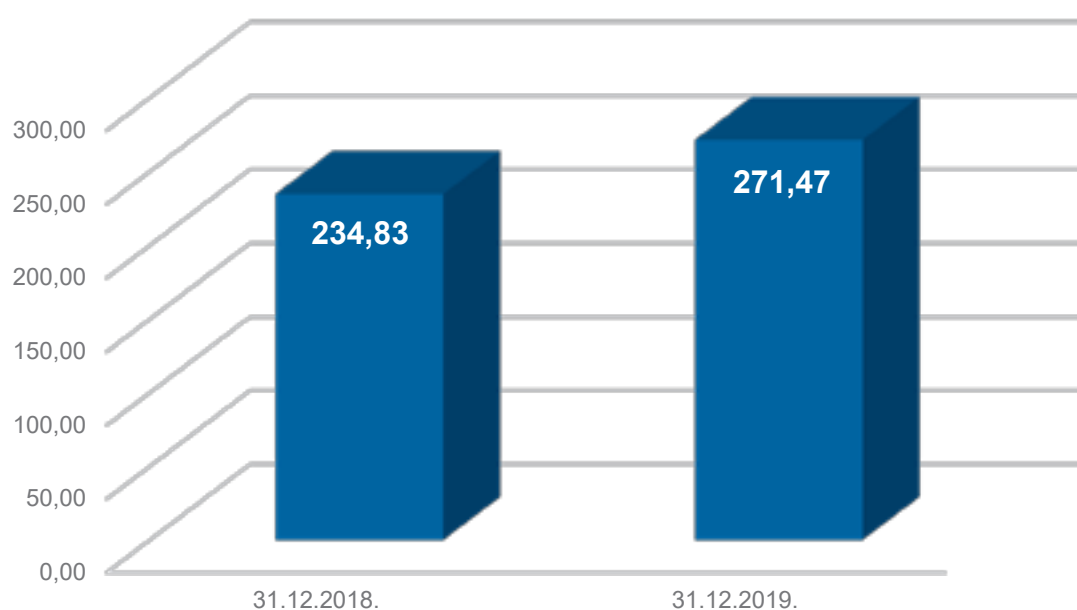


Figure 1 - Movement of SME loan portfolio (in millions BAM)

(in millions BAM)

	31.12.2018.	31.12.2019.	Change	% change
Total loans	234.83	271.47	36.64	15.60%

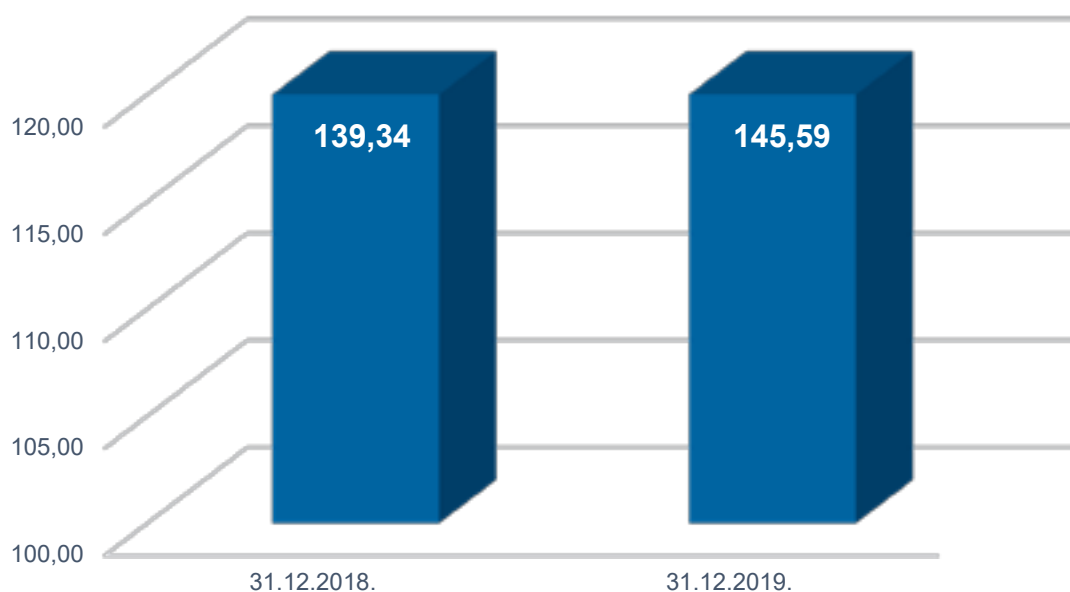
In order to support the business operations of small and medium enterprises, which are the bearers of economic activity in the country, in 2019 the Bank placed more than 150 million BAM of loans to this segment of companies, and issued guarantees in the total amount of nearly 29 million BAM.

It should be especially emphasized that Nova Banka was the absolute leader in 2019 when it comes to loan placements from credit lines of the IRB RS intended for the economy. This is supported by the fact that 63% of all loans from these credit lines were placed through Nova banka (more than 62 million BAM).

Trend kretanja depozita

U 2019. godini nastavljen je trend rasta ukupnih depozita, te je ostvareno povećanje od 6,25 miliona KM u odnosu na isti period prošle godine (rast od 4,5%). Pri tome treba naglasiti da su depoziti po viđenju ostvarili rast od 10,2 miliona KM dok je kod oročenih depozita, kao posljedica razročavanja nekoliko većih oročenja, došlo do smanjenja za 4 miliona KM.

Trend kretanja ukupnih depozita



Slika 2 - Kretanje ukupnih depozita (u mil. KM)

(u mil. KM)

	31.12.2018.	31.12.2019.	Povećanje	% povećanja
Ukupni depoziti	139,34	145,59	6,25	4,49%

Trend of deposits

In 2019, the growth trend of total deposits continued, and an increase of 6.25 million BAM was realized compared to the same period last year (growth of 4.5%). It should be emphasized that demand deposits increased by 10.2 million BAM, while term deposits, as a result of the breaking of several larger term deposits, decreased by 4 million BAM.

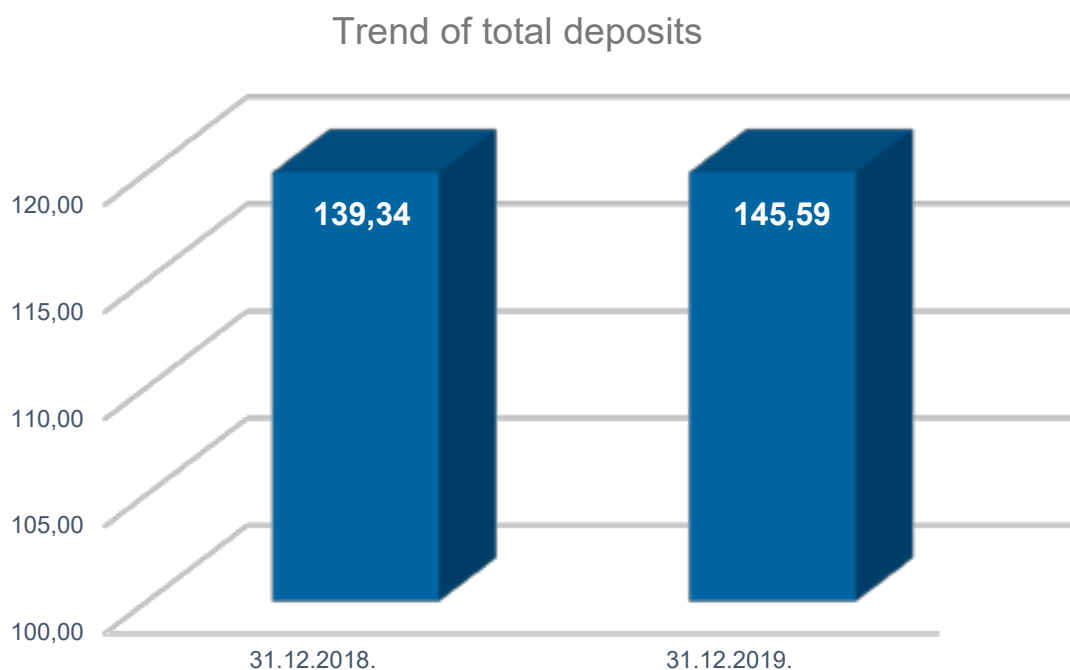


Figure 2 - Movement in total deposits (in millions BAM)

(in millions BAM)

	31.12.2018.	31.12.2019.	Increase	% increase
Total deposits	139.34	145.59	6.25	4.49%

Rast prodaje ostalih proizvoda i usluga

Prateći savremene trendove, Banka je nastavila sa procesom unapređenja tzv. alternativnih kanala i povećanja broja korisnika istih.

Kao rezultat takvih aktivnosti u 2019. godini ostvaren je značajan rast prodaje ovih proizvoda i to:

- rast broja korisnika SMS usluge za 13%
- rast broja korisnika usluge elektronskog bankarstva za 17%
- rast broja aktivnih POS terminala za 12%
- rast broja paketa proizvoda za 17%.

Growth in sales of other product and service

Following modern trends, the Bank continued with the process of improving the so-called alternative channels and increasing the number of users.

As a result of such activities in 2019, a significant increase in sales of these products was achieved, as follows:

- increase in the number of SMS service users by 13%
- increase in the number of users of the electronic banking service by 17%
- increase in the number of active POS terminals by 12%
- increase in the number of product packages by 17%.

POSLOVANJE SA PRAVNIM LICIMA

Saradnja na tržištu sa velikim korporativnim klijentim, javnim sektorom, javnim preduzećima je u domenu Sektora poslovanja sa pravnim licima. Osnovne aktivnosti poslovanja sektora jesu maksimiziranje profita, tržišni rast i razvoj sektora u domenu poslovne saradnje i podrške poslovanja sa korporativnim klijentima.

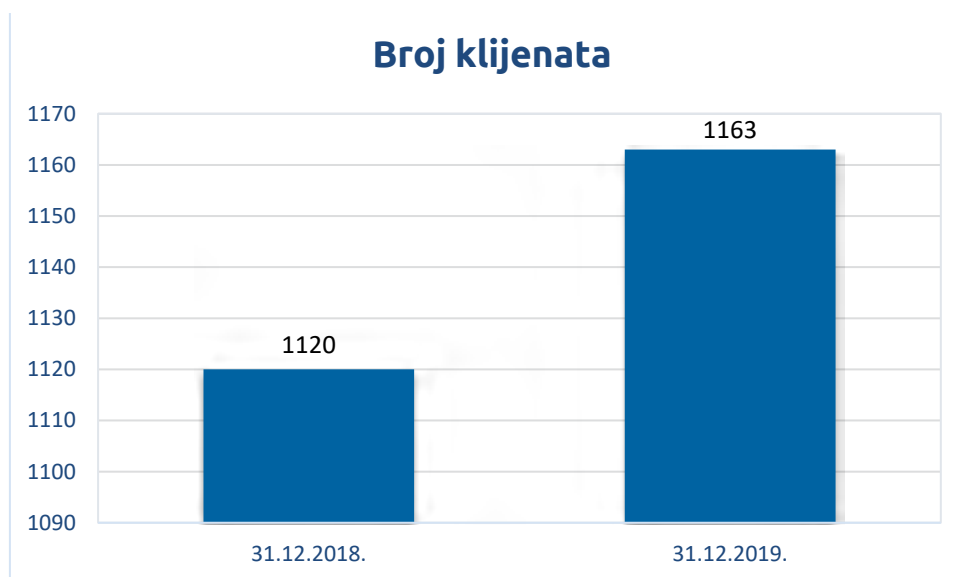
Kao i u prethodnim poslovnim godinama i u 2019. godini poslovanje sa korporativnim klijentima je činilo veoma značajnu profitabilnu komponentu banke. Portfolio plasmana je zabilježio izuzetan rast po gotovo svim proizvodnim grupama. Takođe, i depozitni potencijal sektora je nastavio sa stabilnim i usklađenim rastom. Pored plasmana i depozita, zabilježen je rast i ostalih usluga korporativnog bankarstva.

Uporedo sa kvantitativnim rastom portfolija, sektor je ostvario značajne rezultate i u domenu kvaliteta portfolija.

Povećanje produktivnosti, efikasnosti, bolje približavanje i prilagođavanje proizvoda klijentima, veća satisfakcija i zadovoljenje potreba ciljnog tržišta su podstaknuti od strane projekata u domenu prodaje, sistemske podrške i informaciono tehnoloških unapređenja.

Trend kretanja broja klijenata

Klijenti koji pripadaju segmentima Veliki klijenti i Javni sektor su u 2019. godini porasli za 3,84%, odnosno uspostavljena je saradnja sa 43 nova klijenta. Značajno povećanje klijentske baze i u posmatranoj godini je rezultat kontinuiranog prilagođavanja potrebama klijanata i akvizicijskih aktivnosti na tržištu.



Broj korporativnih klijenata

CORPORATE BANKING

Cooperation on the market with large corporate clients, the public sector, and public companies is in the domain of the Corporate Banking Division. The main business activities of the Division are profit maximization, market growth and development of the Division in the field of business cooperation and business support to corporate clients.

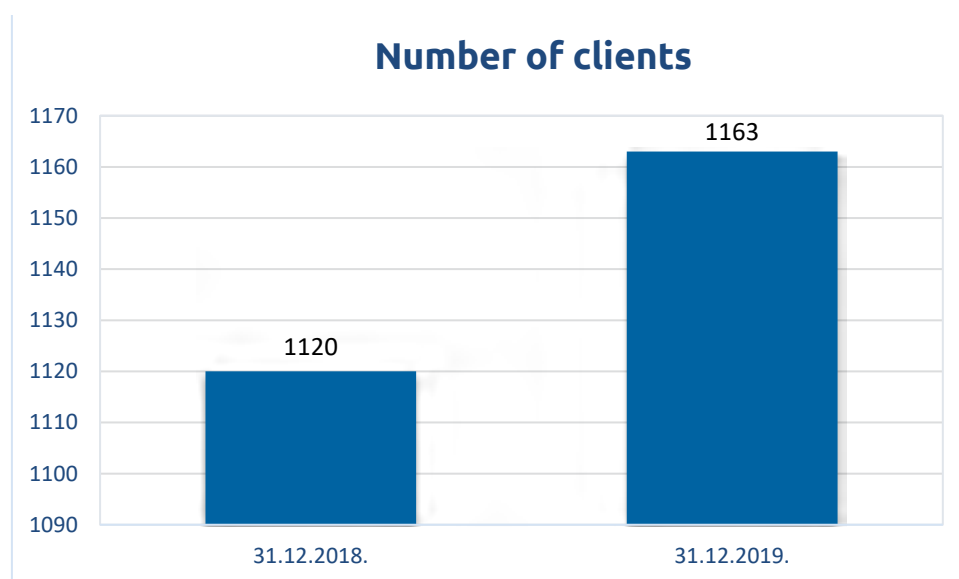
As in previous business years, in 2019, doing business with corporate clients constituted a very significant profitable component of the Bank. The portfolio of placements recorded an exceptional growth in almost all product groups. Also, the deposit potential of the Division continued with stable and harmonized growth. In addition to placements and deposits, other corporate banking services also grew.

Along with the quantitative growth of the portfolio, the Division has also achieved significant results in the field of portfolio quality.

Increasing productivity, efficiency, better approach and adaptation of products to clients, greater satisfaction and fulfillment of the needs of the target market are encouraged by projects in the field of sales, systemic support and IT improvements.

Trend in the number of clients

Clients belonging to the Corporate and Public Sector segments increased by 3.84% in 2019, i.e. cooperation was established with 43 new clients. The significant increase of the client base in the observed year is the result of continuous adjustments to the needs of clients and acquisition activities on the market.



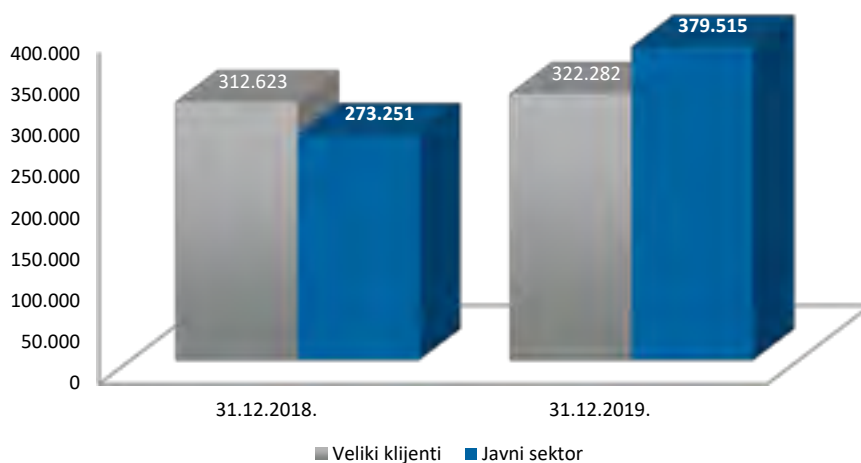
Number of Corporate clients

Kredit i otkupi potraživanja

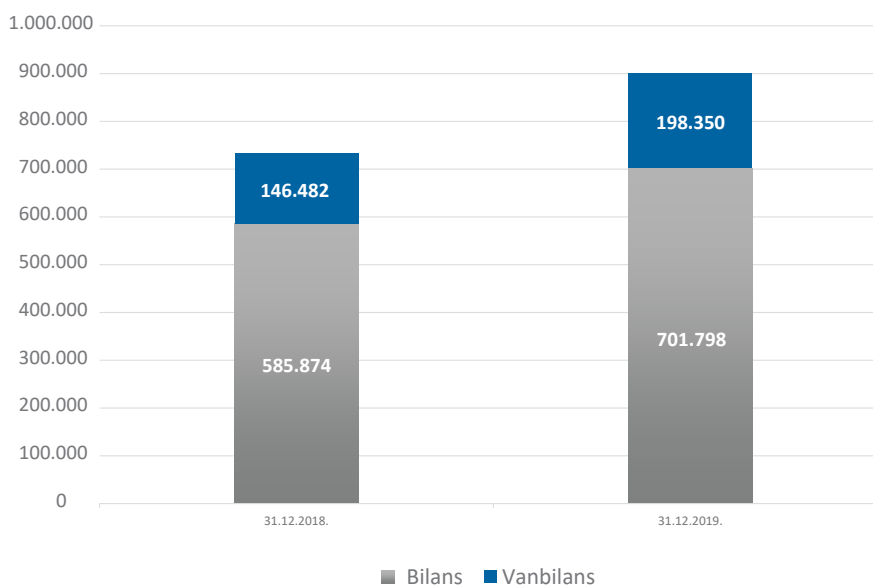
Nivo kredita i otkupa potraživanja Sektora poslovanja sa pravnim licima sa 31.12.2018. godine iznosio je 585,7 miliona KM, dok je na 31.12.2019. godine ostvaren nivo od 701,8 miliona KM što je za 19,79% (+115 miliona) više u odnosu na stanje iz prethodne godine. U posmatranom periodu po obimu su dospjeli krediti rasli za 24,2 miliona, dok su dugoročni krediti povećani za 25,2 miliona KM i kratkoročni za +22,8 miliona KM. Otkupi potraživanja su u značajnom porastu +41,3 milion KM.

(u 000)

Kredit i faktoring



(u 000)

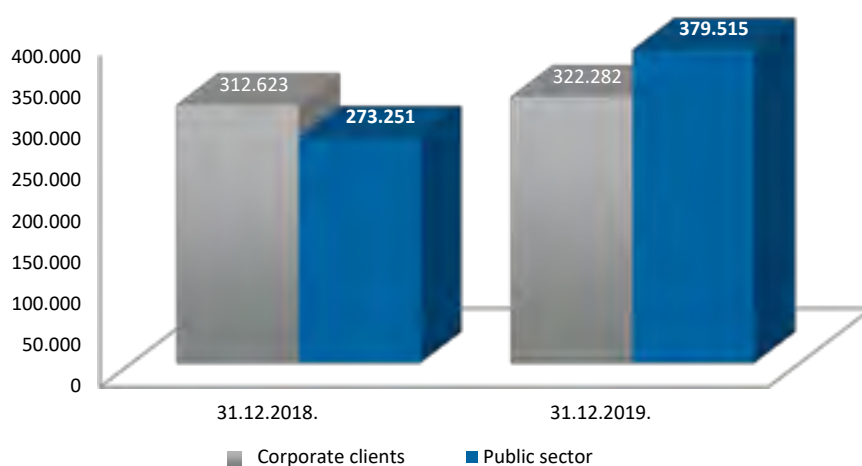


Loans and purchase of accounts receivable

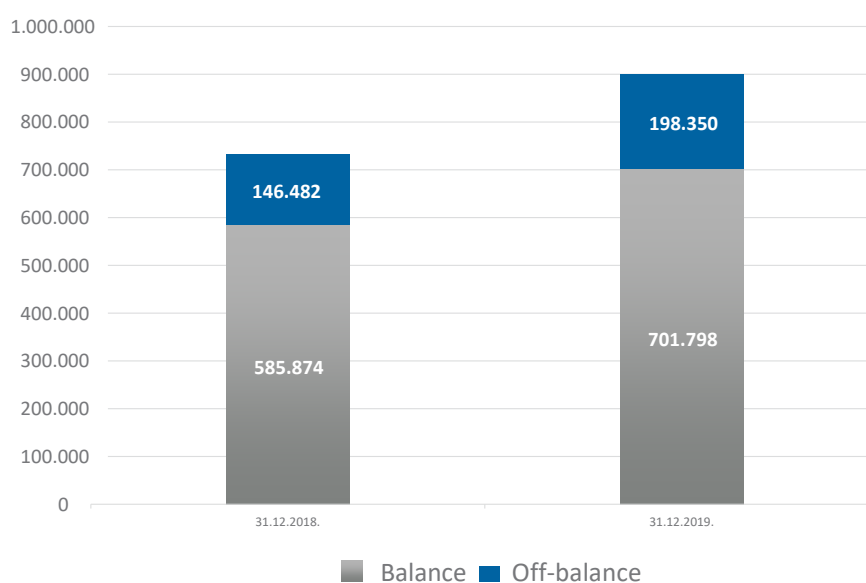
The level of loans and purchase of accounts receivable of the Corporate Banking Division as of 31 December 2018 amounted to 585.7 million BAM, while on 31 December 2019 the level of 701.8 million BAM was realized, which is 19.79% (+115 million) more than in the previous year. In the observed period, overdue loans increased by 24.2 million in volume, while long-term loans increased by 25.2 million BAM and short-term loans by +22.8 million BAM. Purchases of accounts receivable are in a significant increase of +41.3 million BAM.

(u 000)

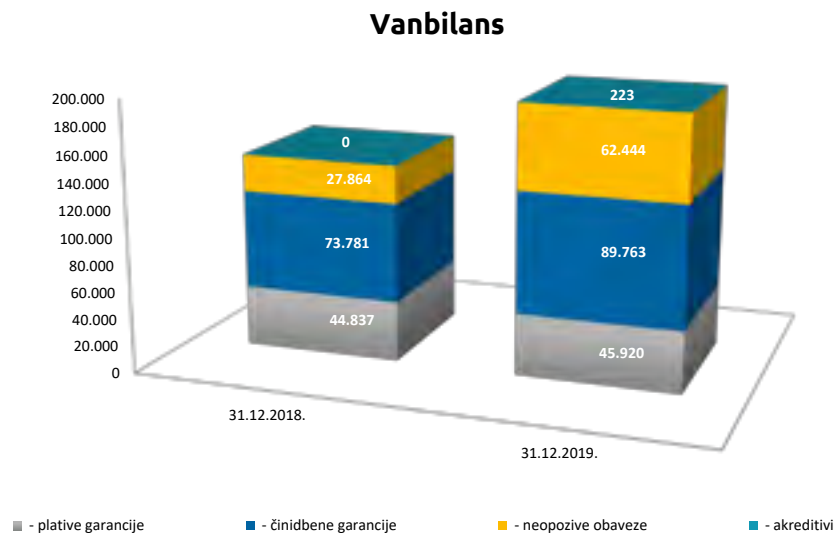
Loans and factoring



(u 000)

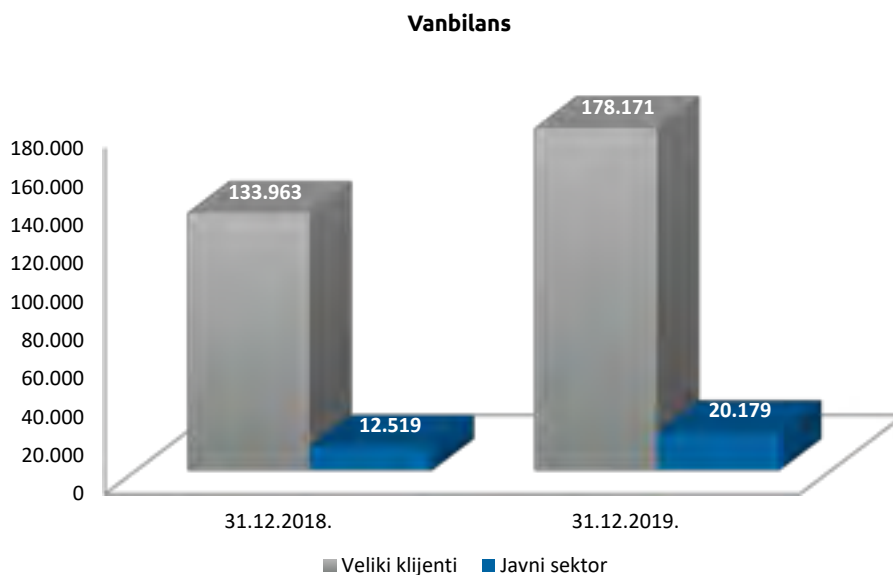


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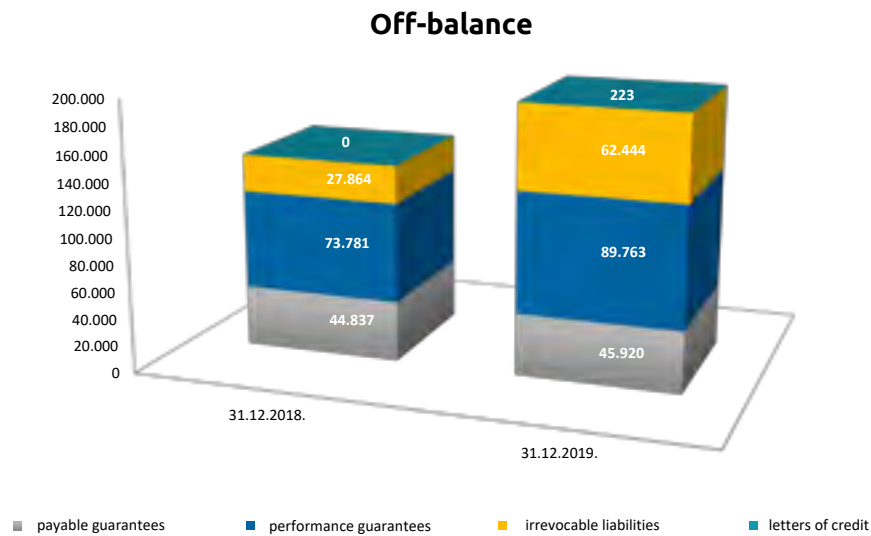


Pozicije vanbilansa na 31.12.2019. godine su povećane u odnosu 31.12.2018. godine za +35% (51,8 miliona KM). Strukturalno, u posmatranom periodu, struktura vanbilansa je izmjenjena te je veće učešće neopozivih obaveza +12%, dok je smanjeno učešće činidbenih garancija za 5,1% i plativih garancija za 7,4%. Prema obimu najveći rast je bio kod neopozivih obaveza (34,5 miliona KM).

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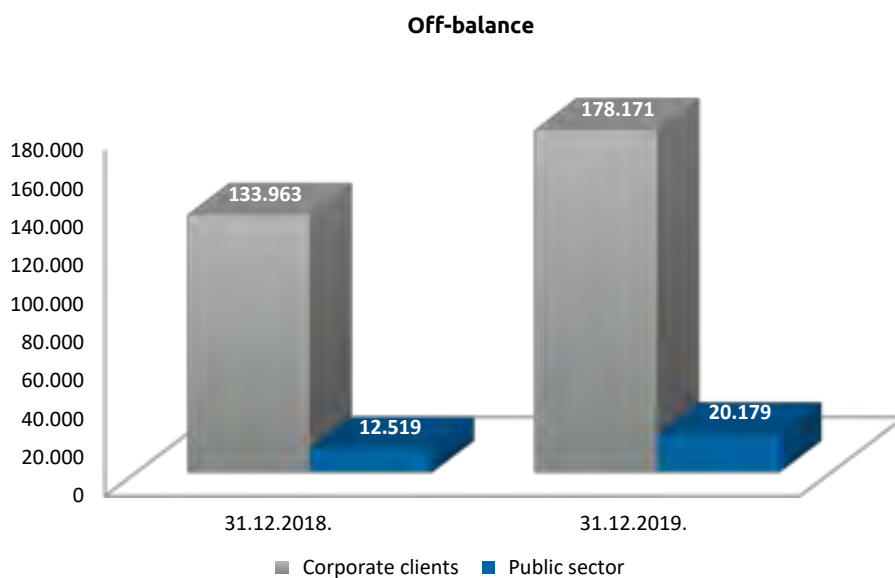


(u 000)



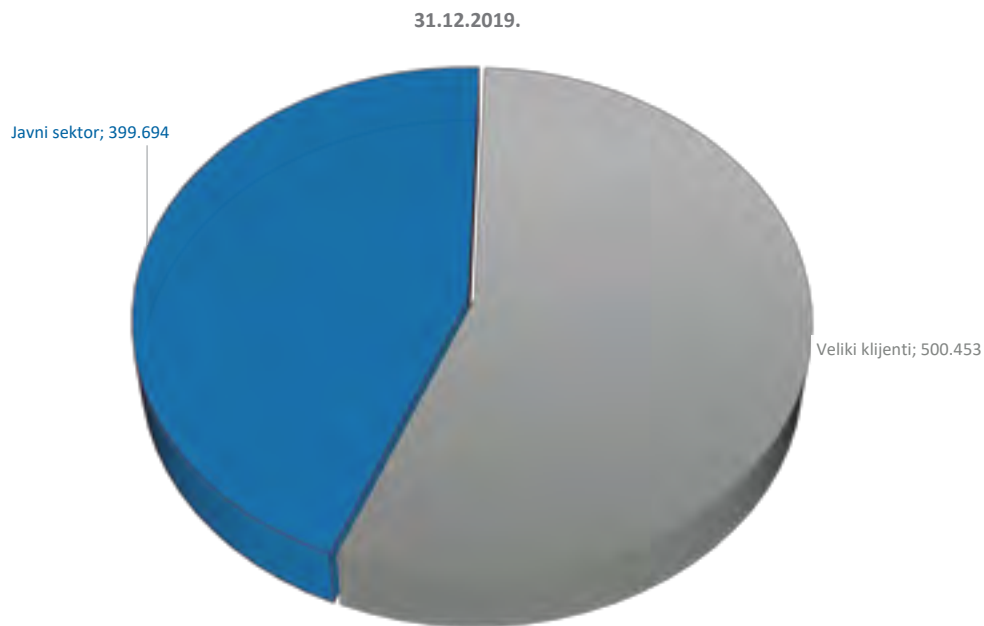
As of 31 December 2019, off-balance sheet items increased, compared to 31 December 2018, by +35% (51.8 million BAM). Structurally, in the observed period, the structure of off-balance sheet was changed and the share of irrevocable liabilities increased by +12%, while the share of performance guarantees decreased by 5.1% and payable guarantees by 7.4%. In terms of volume, the largest growth was in irrevocable liabilities (34.5 million BAM).

(u 000)



Po segmentima posmatrano, ostvarenje plasmana segmenta Velikih klijenata je iznosilo 500,4 miliona KM, dok je Javnom sektoru plasirano 399,6 miliona KM. Povećanje segmenta Velikih klijenata po ukupnim plasmanima je +12% (+53,8 miliona KM) i dok je rast plasmana Javnog sektora +39,8% (+113,9 miliona KM).

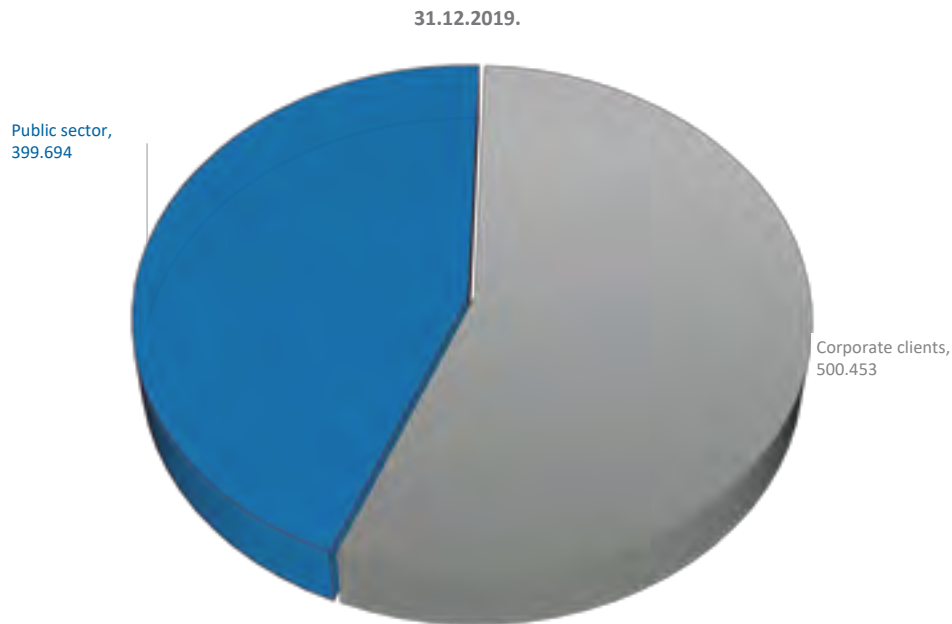
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Plasmani sektora po segmentima (decembar 2019. godine)

Observed by segments, the realization of placements of the Corporate clients segment amounted to 500.4 million BAM, while 399.6 million BAM was placed to the Public sector. The increase in the Corporate clients segment in terms of total placements is + 12% (+53.8 million BAM) while the growth of placements in the Public sector is +39.8% (+113.9 million BAM).

(u 000)

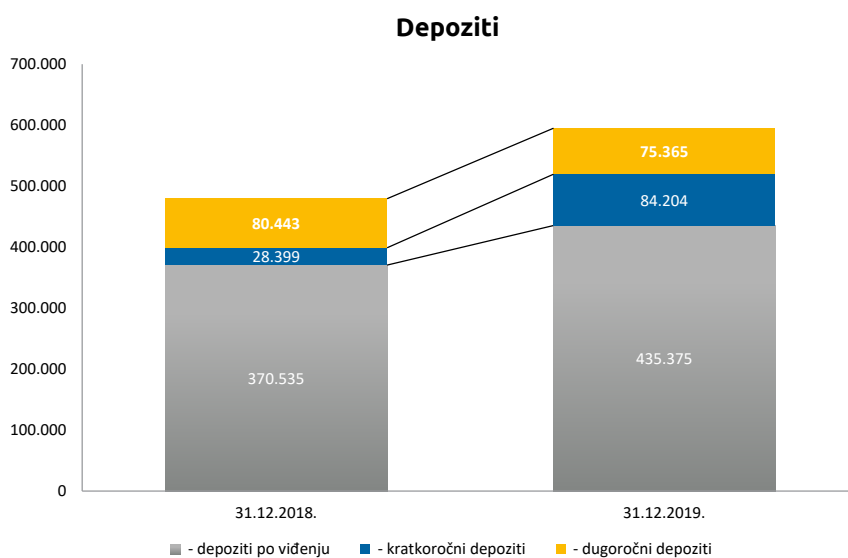


Division placements by segments (December 2019)

Trend kretanja depozita

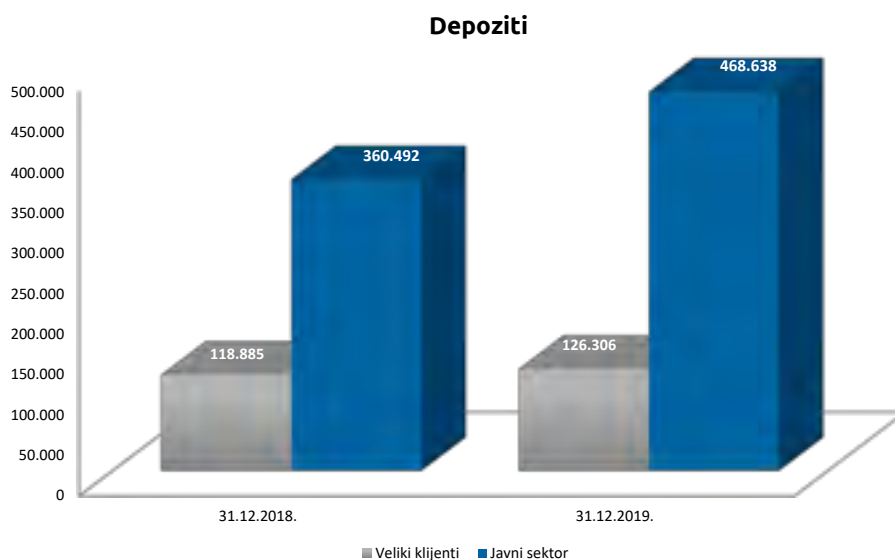
Nivo depozita klijenata Sektora poslovanja sa pravnim licima na kraju 2018. godine iznosio je 479 miliona KM dok je na kraju 2019. godine dostignut nivo od 594 miliona KM što je za +24,1% više. Struktura depozita je nešto izmjenjena u odnosu na bazni period u korist kratkoročnih depozita. Po segmentima Veliki klijenti su zabilježili rast +7,4 miliona, a depoziti Javnog sektora su povećani za +108,1 miliona.

(u 000)



Stanje depozita korporativnih klijenata

(u 000)

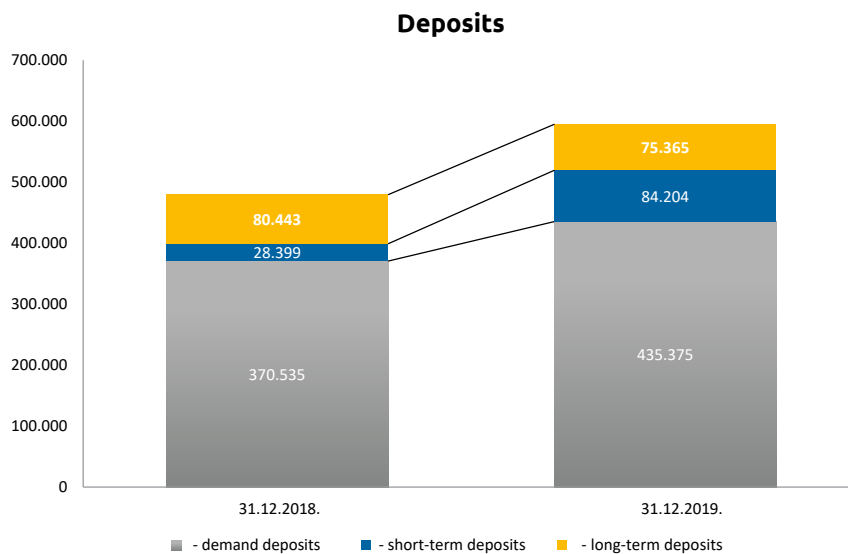


Ostvarenje usluga ebankinga, biznis kartica i POS terminala

Trend of deposits

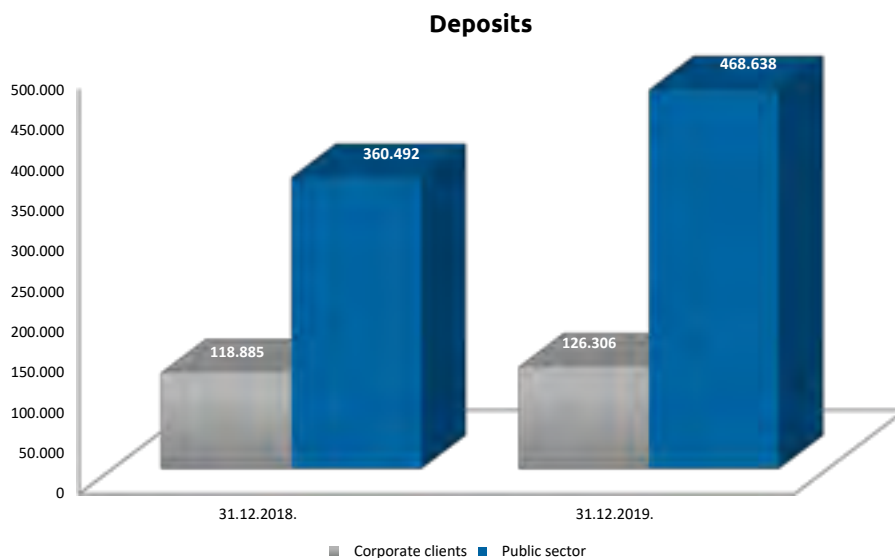
The level of deposits of clients of the Corporate Banking Division at the end of 2018 amounted to 479 million BAM, while at the end of 2019 the level of 594 million BAM was reached, which is +24.1% more. The structure of deposits has changed slightly compared to the base period in favor of short-term deposits. By segments, Corporate clients recorded an increase of +7.4 million, while deposits of the Public sector increased by +108.1 million.

(u 000)



Balance of Corporate clients' deposits

(u 000)

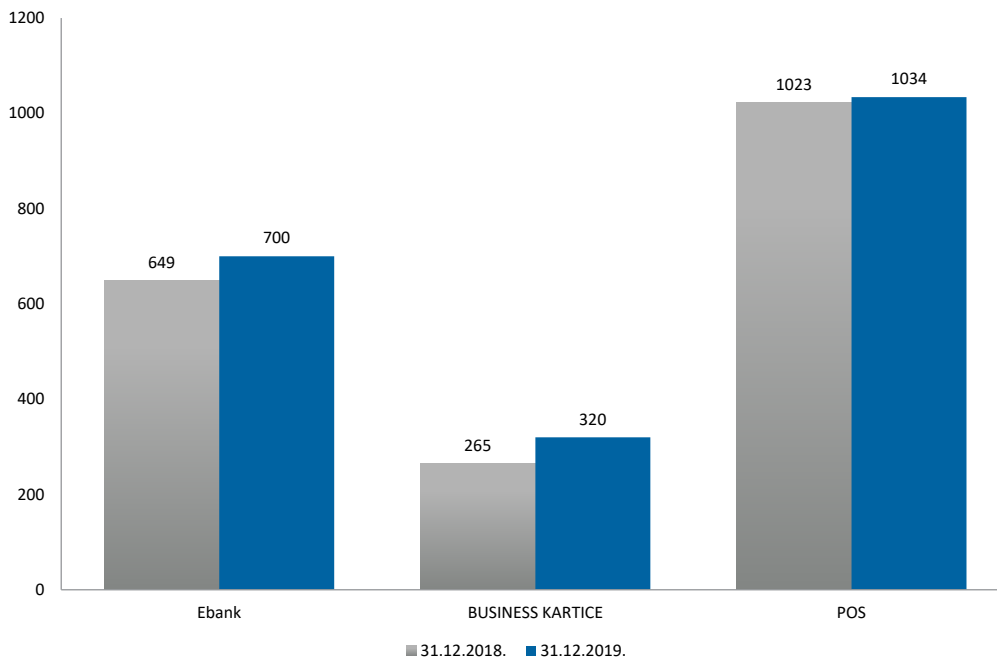


Ostvarenje usluga ebankinga, biznis kartica i POS terminala

Ostale usluge

U posmatranom periodu došlo je do povećanja unakrsne prodaje sektora. Povećane su biznis kartice (+55), usluge elektronskog bankarstva (+51), kao i usluge POS terminala (+11).

(u 000)

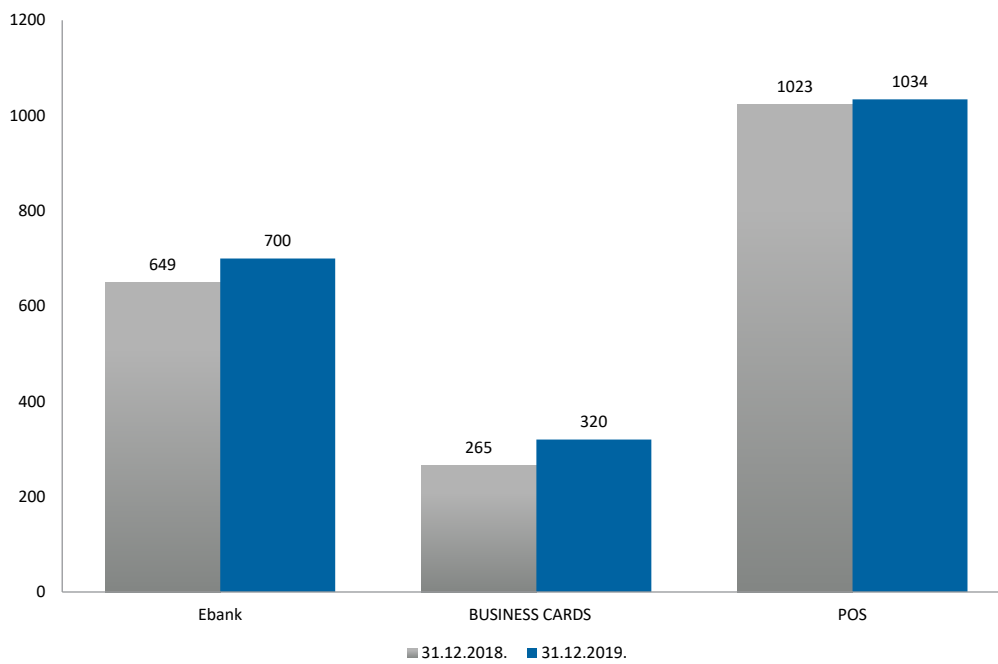


Ostvarenje usluga ebankinga, biznis kartica i POS terminala

Other services

In the observed period, there was an increase in cross-selling in the Division. Business cards (+55), electronic banking services (+51) and POS terminal services (+11) were increased.

(u 000)



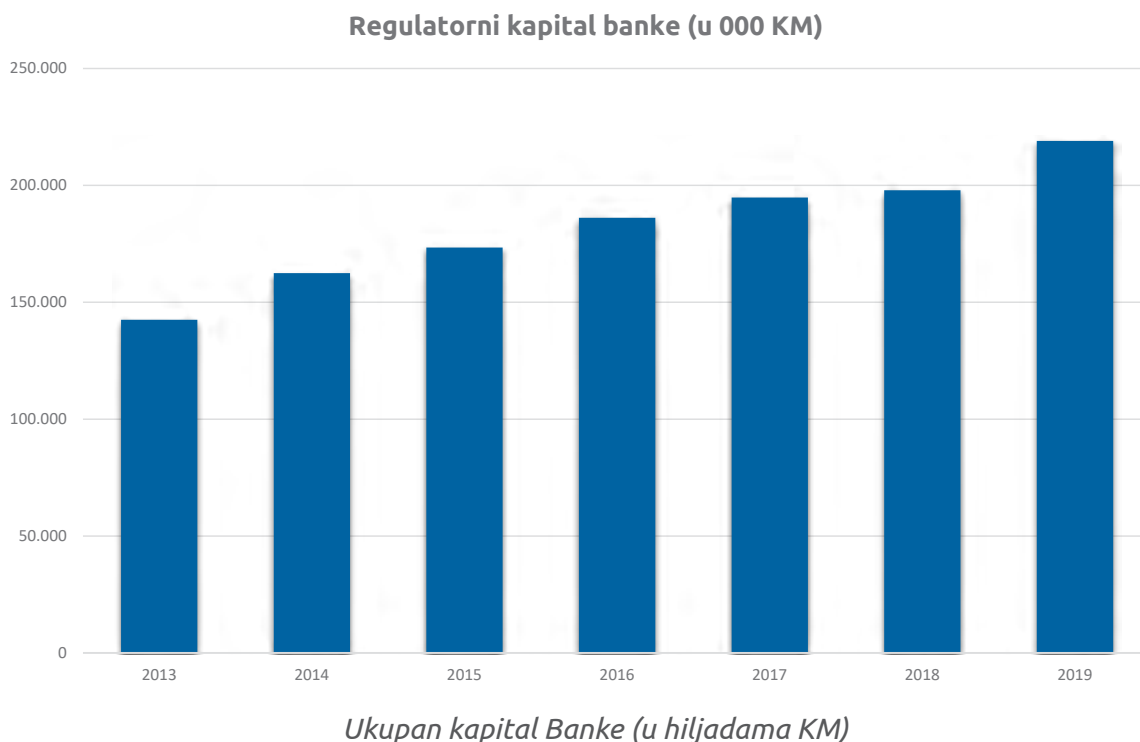
Realization of e-banking services, business cards and POS terminals

KVALITATIVNO OSTVARENJE STRATEGIJE POSLOVANJA

Trend kretanja kapitala

I tokom protekle, 2019. 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 diversifikacija 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.



Ciljevi Banke koji se odnose na upravljanje kapitalom obuhvataju:

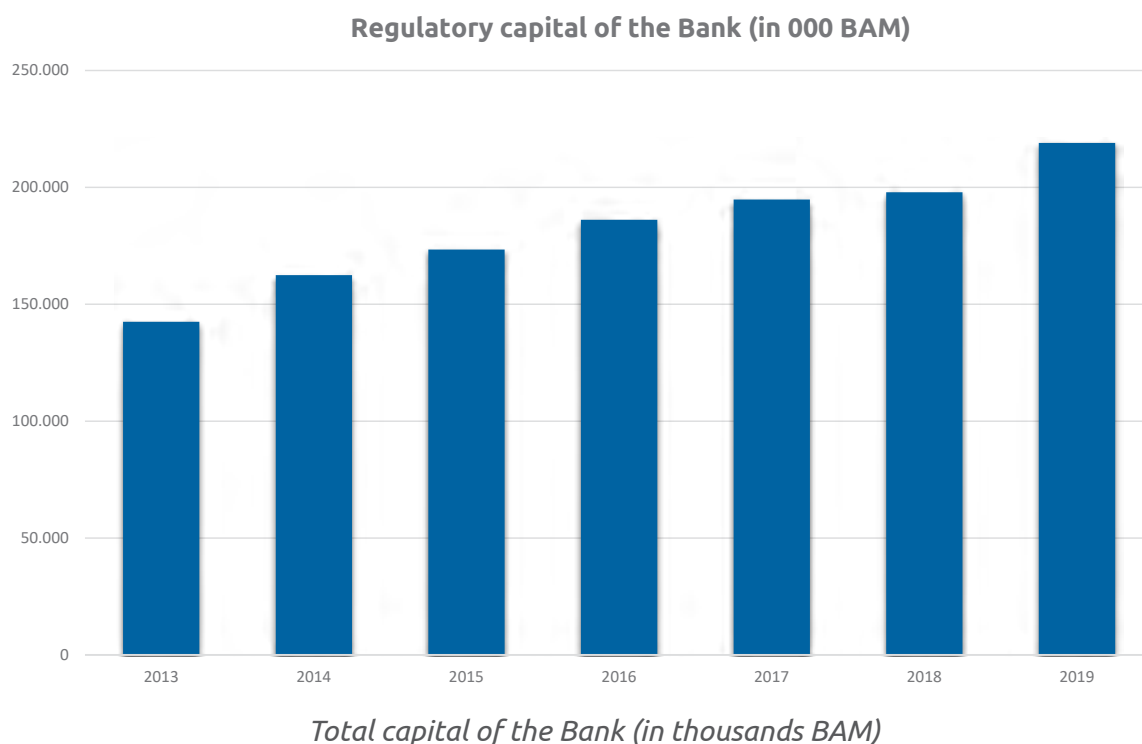
- usklađenost sa zakonskim propisima Agencije za bankarstvo Republike Srpske u pogledu održavanja nivoa adekvatnosti kapitala,
- stvaranje optimalnih uslova za dugoročno poslovanje koje će obezbijediti prinos akcionarima i koristi drugim zainteresovanim stranama.

QUALITATIVE REALIZATION OF THE BUSINESS STRATEGY

Trend in capital flows

During the past year, 2019, the Bank maintained a competitive market share in the banking sector. The Bank 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 scarce economic and strategic resource, capital management is one of the most important components of prudent, efficient, and strategic planning and management of the Bank. Activities on capital maintenance and strengthening provide a capital base to support the further development of quality business operations.



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 a return to shareholders and benefit other stakeholders.

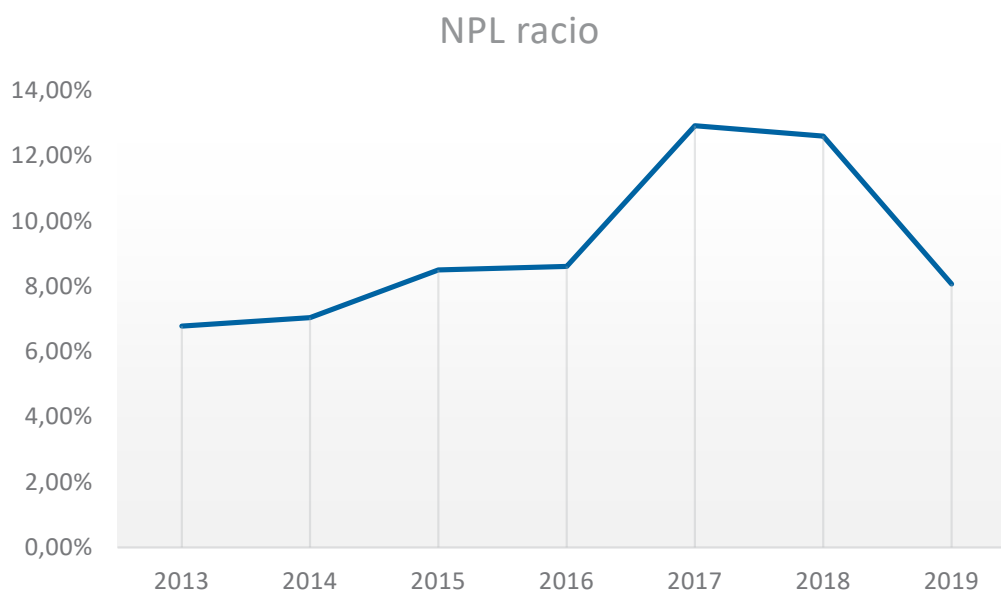
Trend kretanja NPL-a

U širem smislu, adekvatnost kapitala prikazuje sposobnost Banke da apsorbira 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 upravljanje NPL-om i upravljanje 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.

U skladu sa usvojenom praksom upravljanja NPL-om kroz praćenje promijena 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 promijene rizika klijenta, preduzimanje trenutnih mjera za klijente kod kojih se konstatuje pogoršanje nivoa rizika, dobijanje transparentnije slike o nivou rizika kreditnog portfolija Banke.



*NPL – kretanje

*(NPL iskazan kao odnos kredita u C, D i E kategoriji i ukupnih kredita, od 01.01.2020. godine NPL se iskazuje kao odnos kredita u statusu neizmirenja i ukupnih kredita)

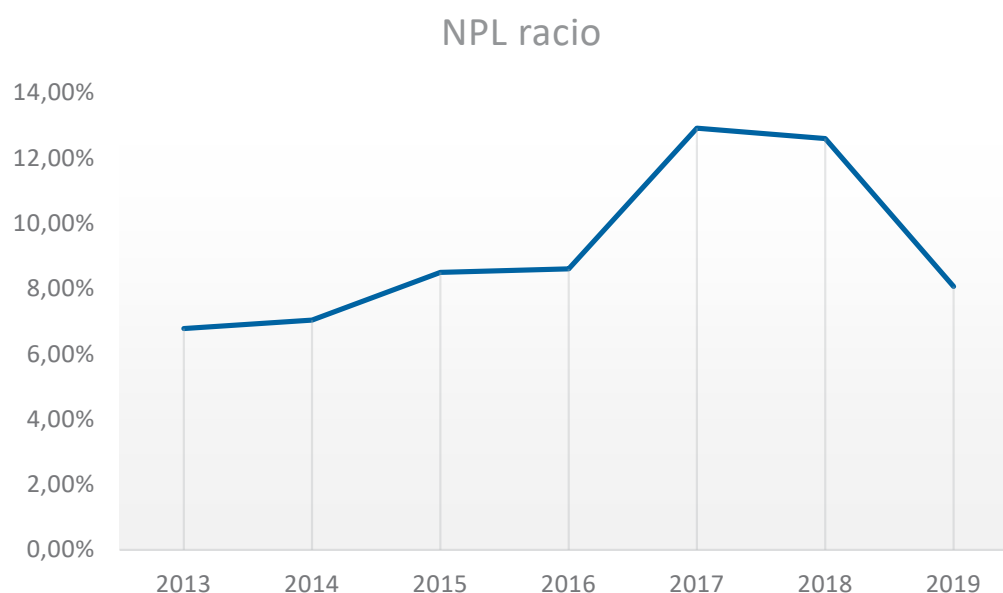
Trend of NPL

In a broader sense, capital adequacy shows the ability of the Bank to absorb losses, that is, the higher the Bank's capital, the greater the capacity to absorb losses caused by bad placements. Such a defined indicator protects the creditors of the Bank, primarily depositors, from bad payers.

For this reason, in addition to capital, as one of the qualitative indicators of the Bank's stability, there are two other very important indicators, namely the 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.

In accordance with the adopted practice of NPL management through monitoring changes in the risk profile of clients, users of placements, 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.



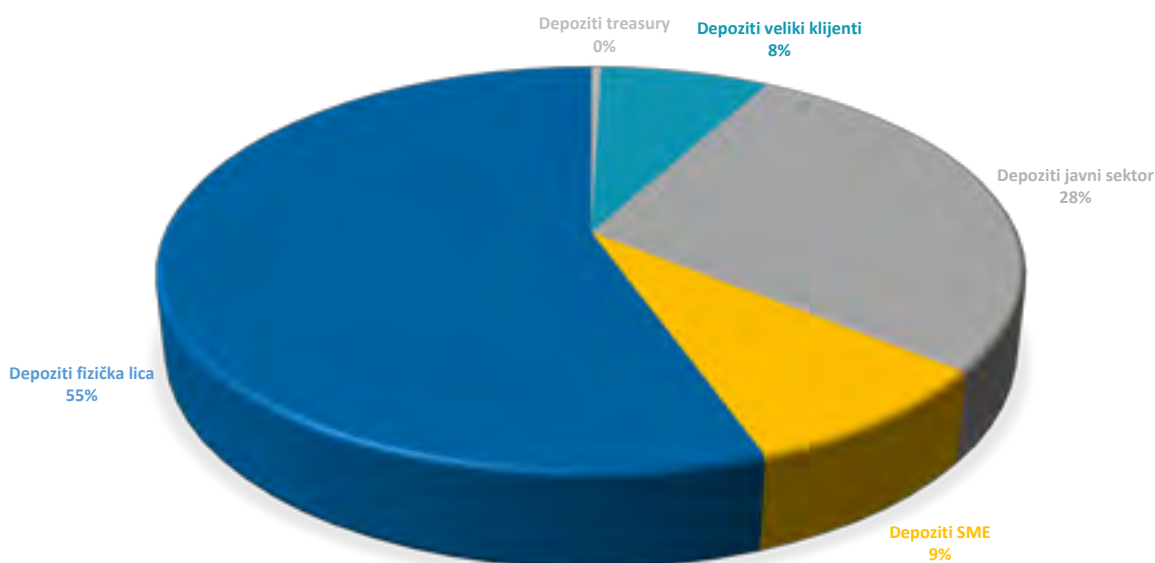
*NPL – trend

* (NPL is expressed as the ratio of loans in C, D and E category to total loans; as of 1 January 2020, NPL is reported as the ratio of outstanding loans to total loans)

Trend kretanja strukture depozita

U strukturi depozita bankarskog sektora Republike Srpske s krajem Q3 2019, Banka ima značajno učešće od oko 25%. Uprkos konstantnom padu pasivnih kamatnih stopa Banka je održala adekvatnu strukturu depozita (u pogledu ročnosti, grana djelatnosti, klijenata), kao i odnos kredita i depozita.

DEPOZITI	31-Dec-2013		31-Dec-2014		31-Dec-2015		31-Dec-2016		31-Dec-2017		31-Dec-2018		31-Dec-2019	
	Iznos	%	Iznos	%	Iznos	%	Iznos	%	Iznos	%	Iznos	%	Iznos	%
Depoziti treasury	6.733	0,63%	9.336	0,77%	2.696	0,21%	2.528	0,19%	8.684	0,38%	3.657	0,24%	7.229	0,43%
Depoziti veliki klijenti	136.693	12,73%	143.064	11,85%	141.102	11,24%	115.616	8,69%	122.676	8,30%	118.885	7,82%	126.306	7,52%
Depoziti javni sektor	328.913	30,62%	279.320	23,14%	262.127	20,88%	274.255	20,61%	333.874	22,60%	360.492	23,71%	468.638	27,91%
Depoziti SME	95.009	8,85%	106.773	8,85%	106.745	8,50%	116.199	8,73%	117.221	7,93%	139.343	9,17%	145.590	8,67%
Depoziti fizička lica	506.733	47,18%	668.388	55,38%	742.565	59,16%	822.198	61,78%	897.884	60,78%	897.956	59,06%	931.149	55,46%
UKUPNI DEPOZITI	1.074.122	100,00%	1.206.881	100,00%	1.255.234	100,00%	1.330.796	100,00%	1.477.339	100,00%	1.520.333	100,00%	1.678.913	100,00%



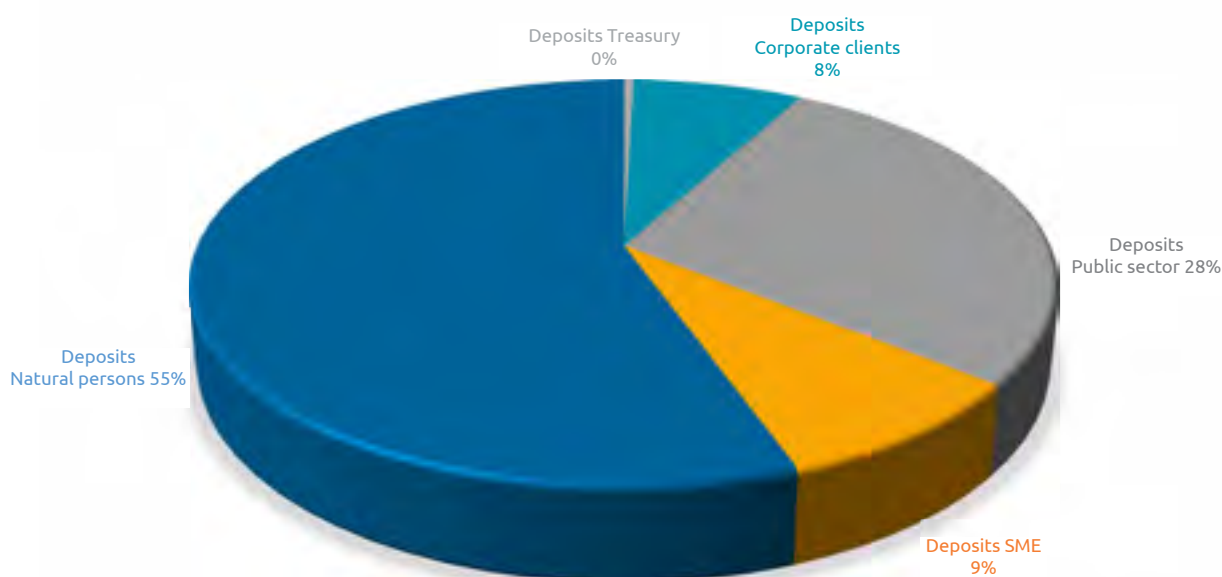
Depoziti po segmentu, decembar 2019

Ukupan nivo depozita Banke je veći za više od 10% u odnosu na kraj 2018. 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 2019. godine iznosi 43,95%.

Trend in the structure of deposits

In the structure of deposits of the banking sector of the Republic of Srpska at the end of Q3 2019, the Bank has a significant share of about 25%. Despite the constant decline in deposit interest rates, the Bank maintained an adequate structure of deposits (in terms of maturity, branches of activity, clients), as well as the loan-to-deposit ratio.

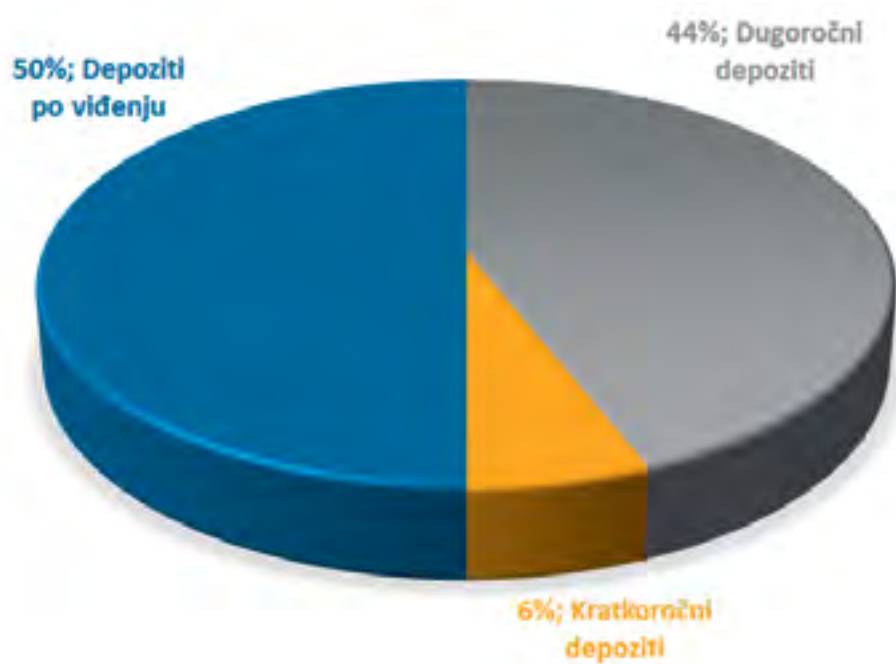
DEPOSITS	31-Dec-2013		31-Dec-2014		31-Dec-2015		31-Dec-2016		31-Dec-2017		31-Dec-2018		31-Dec-2019	
	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%
Depoziti treasury	6.733	0,63%	9.336	0,77%	2.696	0,21%	2.528	0,19%	8.684	0,38%	3.657	0,24%	7.229	0,43%
Deposits Corporate clients	136.693	12,73%	143.064	11,85%	141.102	11,24%	115.616	8,69%	122.676	8,30%	118.885	7,82%	126.306	7,52%
Deposits Public sector	328.913	30,62%	279.320	23,14%	262.127	20,88%	274.255	20,61%	333.874	22,60%	360.492	23,71%	468.638	27,91%
Deposits SME	95.009	8,85%	106.773	8,85%	106.745	8,50%	116.199	8,73%	117.221	7,93%	139.343	9,17%	145.590	8,67%
Deposits Natural persons	506.733	47,18%	668.388	55,38%	742.565	59,16%	822.198	61,78%	897.884	60,78%	897.956	59,06%	931.149	55,46%
TOTAL DEPOSITS	1.074.122	100,00%	1.206.881	100,00%	1.255.234	100,00%	1.330.796	100,00%	1.477.339	100,00%	1.520.333	100,00%	1.678.913	100,00%



Depoziti po segmentu, decembar 2019

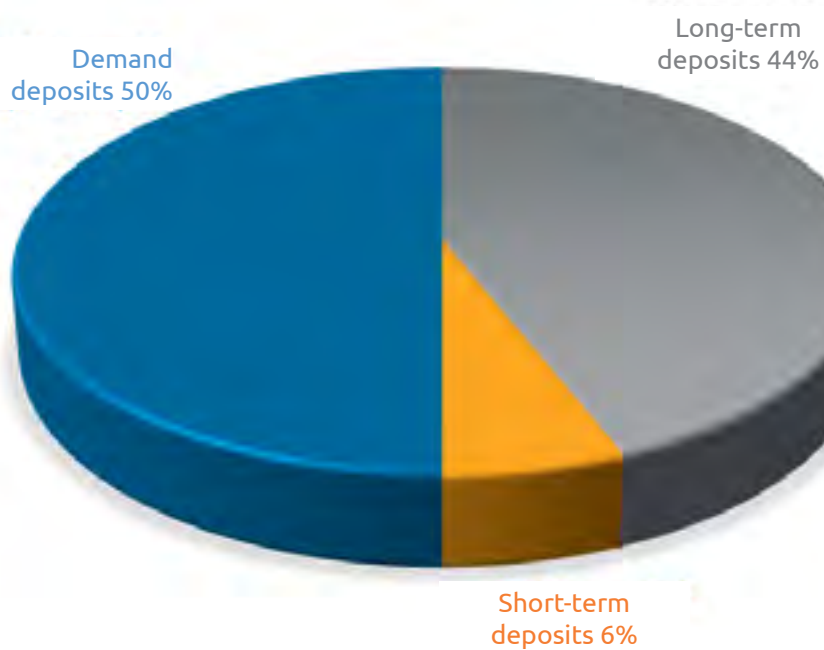
The total level of the Bank's deposits is higher by more than 10% compared to the end of 2018. The decrease in deposit interest rates of the banking sector resulted in an increase in the concentration of deposits in shorter maturity categories, but despite this, the Bank maintained the maturity structure of deposits at the optimal level and the share of long-term deposits in total deposits of the Bank at the end of 2019 was 43.95%.

DEPOZITI	31-Dec-2013		31-Dec-2014		31-Dec-2015		31-Dec-2016		31-Dec-2017		31-Dec-2018		31-Dec-2019	
	Iznos	%	Iznos	%	Iznos	%	Iznos	%	Iznos	%	Iznos	%	Iznos	%
Depozit po viđenju	348.280	32,42%	383.842	31,80%	425.753	33,92%	460.857	34,63%	599.882	40,61%	732.275	48,17%	833.233	49,63%
Kratkoročni depozit	108.035	10,06%	114.600	9,50%	82.598	6,58%	118.568	8,91%	85.005	5,75%	57.763	3,80%	107.870	6,42%
Dugoročni depozit	617.807	57,52%	708.439	58,70%	746.884	59,50%	751.371	56,46%	792.452	53,64%	730.295	48,04%	737.810	43,95%
UKUPNI DEPOZITI	1.074.122	100,00%	1.206.881	100,00%	1.255.234	100,00%	1.330.796	100,00%	1.477.339	100,00%	1.520.333	100,00%	1.678.913	100,00%



Ročnost depozita, decembar 2019.

DESCRIPTION	31-Dec-2013		31-Dec-2014		31-Dec-2015		31-Dec-2016		31-Dec-2017		31-Dec-2018		31-Dec-2019	
	Iznos	%	Iznos	%	Iznos	%	Iznos	%	Iznos	%	Iznos	%	Iznos	%
Demand deposits	348.280	32,42%	383.842	31,80%	425.753	33,92%	460.857	34,63%	599.882	40,61%	732.275	48,17%	833.233	49,63%
Short-term deposits	108.035	10,06%	114.600	9,50%	82.598	6,58%	118.568	8,91%	85.005	5,75%	57.763	3,80%	107.870	6,42%
Long-term deposits	617.807	57,52%	708.439	58,70%	746.884	59,50%	751.371	56,46%	792.452	53,64%	730.295	48,04%	737.810	43,95%
TOTAL DEPOSITS	1.074.122	100,00%	1.206.881	100,00%	1.255.234	100,00%	1.330.796	100,00%	1.477.339	100,00%	1.520.333	100,00%	1.678.913	100,00%



Deposit maturity, December 2019.

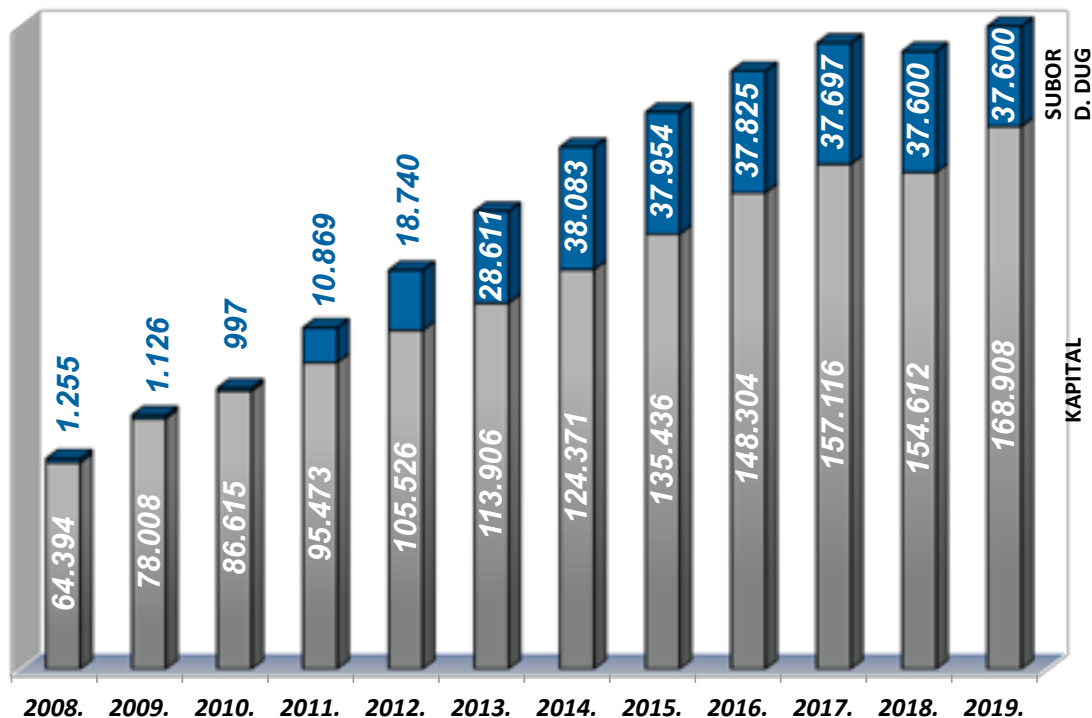
UPRAVLJANJE SREDSTVIMA

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

Banka kontinuirano vrši monitoring i prilagođavanje bilansnih pozicija uslovima na tržištu, kao i novim zakonskim propisima i limitima.

U 2019. godini likvidnost Banke je značajno povećana, što je ujedno i karakteristično za cijeli bankarski sektor, te je nastavila sa strategijom smanjenja koncentracije u aktivi i pasivi kroz dalji fokus na segmente stanovništva i malih i srednjih preduzeća.

Na dan 31.12.2019. godine nivo bilansne aktive je iznosio 2.178.775 hiljada KM, što predstavlja rast od 11,62% u odnosu na kraj prošle godine. Evidentan je rast novčanih sredstava za 11,23% u odnosu na prethodnu godinu, što je najvećim dijelom uslovljeno rastom depozita za 10,43%. Na strani pasive, pored rasta depozita ostvaren je i rast kreditnih linija za 19% u odnosu na dan 31.12.2018. godine. U dijelu pozicija kapitala zabilježen je rast od 9% uključivanjem dobiti iz 2019. godine na poziciju zadržane dobiti čime Banka planira nastaviti strategiju jačanja pozicije osnovnog kapitala.



Rast osnovnog i dopunskog kapitala po godinama od 2008. do 2019. godine

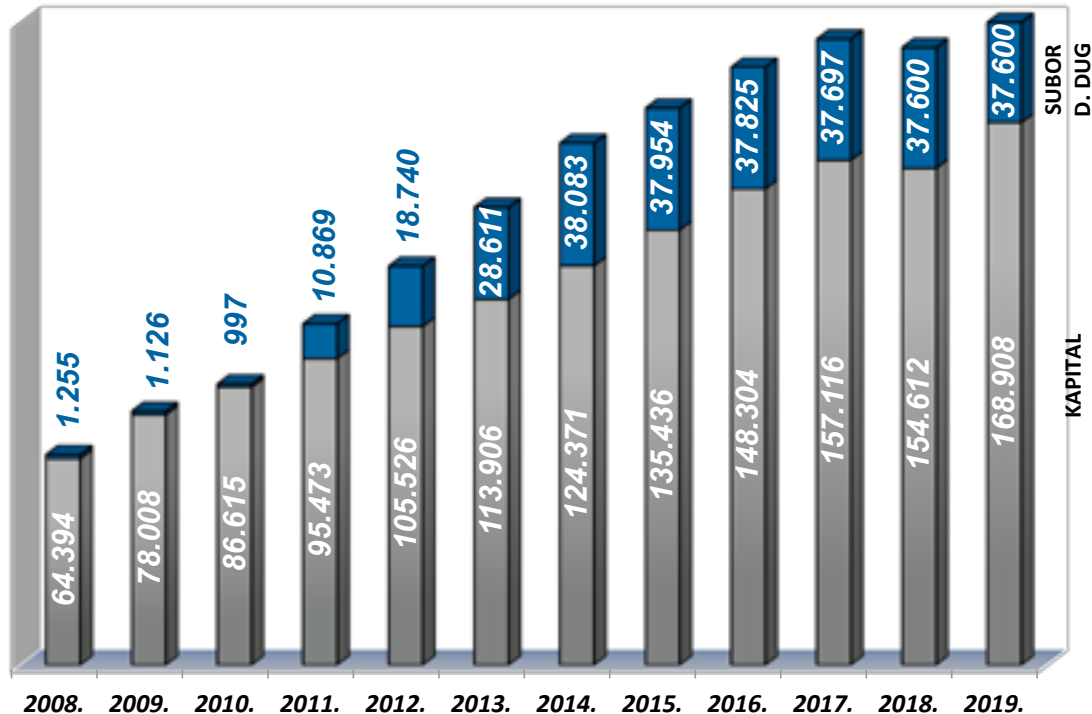
TREASURY MANAGEMENT

Managing the structure and level of assets and liabilities of the Bank represents a vital banking function that directly affects the 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.

In 2019, the Bank's liquidity increased significantly, which was also characteristic of the entire banking sector, and continued with the strategy of reducing the concentration of assets and liabilities through a further focus on segments of natural persons and SMEs.

As at 31 December 2019, the level of balance sheet assets amounted to 2,178,775 thousand BAM, which is an increase of 11.62% compared to the end of previous year. The growth of cash by 11.23% compared to the previous year is evident, which is mostly conditioned by the growth of deposits by 10.43%. On the liabilities side, in addition to the growth of deposits, credit lines grew by 19% compared to 31 December 2018. In the part of capital items, a growth of 9% was recorded by including the profit from 2019 on the item of retained earnings, which means that the Bank plans to continue the strategy of strengthening the position of basic capital.



Growth of basic and supplementary capital by years from 2008 to 2019

Upravljanje depozitima

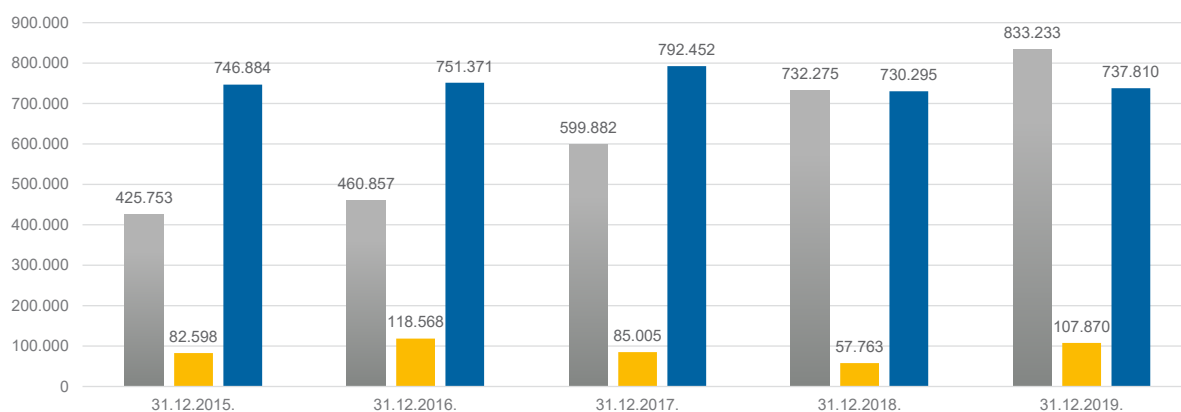
Upravljanje depozitima ima za cilj obezbjeđenje adekvatne strukture izvora finansiranja, pri čemu je strateško opredjeljenje Banke povećanje depozitne baze stanovništva, kao i jačanje stabilnosti cjelokupne baze depozita, uz povećanje broja računa i jačanja postojećih odnosa sa klijentima, kao i privlačenje novih klijenata, prvenstveno iz segmenta stanovništva.

Naredna tabela prikazuje pregled depozita Banke u skladu sa internom segmentacijom klijenata. Prisutan je trend ukupnog rasta depozita, ali i ročne transformacije iz dužnih ročnosti u kraće (prije svega avista štednju). Ukupni depoziti u 2019. godini su porasli za 159 miliona KM ili 10,43% u odnosu na 2018. godinu, što je posljedica rasta depozita po viđenju, prije svega segmenta Javni sektor. Učešće depozita po viđenju u 2019. godini iznosi 49,63% (za 1,46% više u odnosu na 2018. godinu), a oročenih depozita 50,37% (za 1,46% niže u odnosu na 2018. godinu).

OPIS	31.12.2015.		31.12.2016.		31.12.2017.		31.12.2018.		31.12.2019.	
	Iznos	%	Iznos	%	Iznos	%	Iznos	%	Iznos	%
Depoziti Javni sektor	262.127	20,88%	274.255	20,61%	333.874	22,80%	360.492	23,71%	468.638	27,91%
Depoziti Veliki klijenti	141.102	11,24%	115.616	8,69%	122.676	8,30%	118.885	7,82%	126.306	7,52%
Depoziti SME	106.745	8,50%	116.199	8,73%	117.221	7,93%	139.343	9,17%	145.590	8,67%
Depoziti Fizička lica	742.565	59,16%	622.198	61,76%	697.684	60,76%	697.956	59,06%	931.149	55,46%
Depoziti Treasury	2.696	0,21%	2.526	0,19%	5.664	0,38%	3.657	0,24%	7.229	0,43%
UKUPNI DEPOZITI	1.255.235	100,00%	1.330.796	100,00%	1.477.339	100,00%	1.520.333	100,00%	1.678.913	100,00%

OPIS	31.12.2015.		31.12.2016.		31.12.2017.		31.12.2018.		31.12.2019.	
	Iznos	%	Iznos	%	Iznos	%	Iznos	%	Iznos	%
Depoziti po viđenju	425.753	33,92%	460.857	34,63%	599.882	40,61%	732.275	48,17%	833.233	49,63%
Kratkoročni depoziti	82.598	6,56%	118.568	8,91%	85.005	5,75%	57.763	3,80%	107.870	6,42%
Dugoročni depoziti	746.884	59,50%	751.371	56,46%	792.452	53,64%	730.295	48,04%	737.810	43,95%
UKUPNI DEPOZITI	1.255.235	100,00%	1.330.796	100,00%	1.477.339	100,00%	1.520.333	100,00%	1.678.913	100,00%

Struktura depozita po ročnosti 2015-2019 godina (u 000 KM)



Deposit management

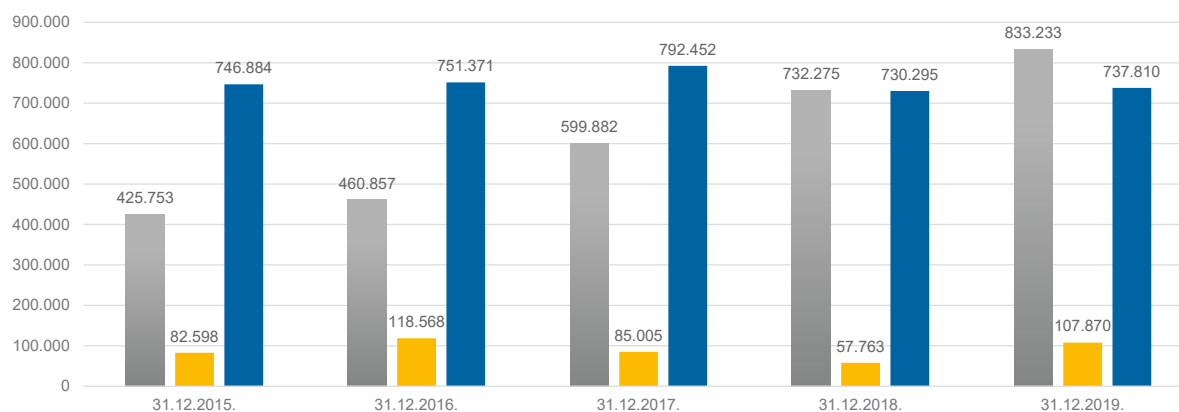
Deposit management aims to provide an adequate structure of funding sources, with the Bank's strategic commitment to increase the deposit base of retail clients, as well as to strengthen the stability of the entire deposit base, with the increase of the number of accounts and strengthening existing relationships with clients, and attracting new clients, primarily from the retail segment.

The following table provides an overview of the Bank's deposits in accordance with internal client segmentation. There is a trend of total growth of deposits, as well as maturity transformations from longer to shorter maturities (primarily a vista savings). Total deposits in 2019 increased by 159 million BAM or 10.43% compared to 2018, as a result of the growth of demand deposits, primarily in the Public sector segment. The share of demand deposits in 2019 was 49.63% (1.46% more than in 2018), and term deposits 50.37% (1.46% less than in 2018).

OPIS	31.12.2015.		31.12.2016.		31.12.2017.		31.12.2018.		31.12.2019.	
	Iznos	%	Iznos	%	Iznos	%	Iznos	%	Iznos	%
Depoziti Javni sektor	262.127	20,88%	274.255	20,61%	333.874	22,80%	360.492	23,71%	468.638	27,91%
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Structure of deposits by maturity 2015-2019 (in 000 BAM)



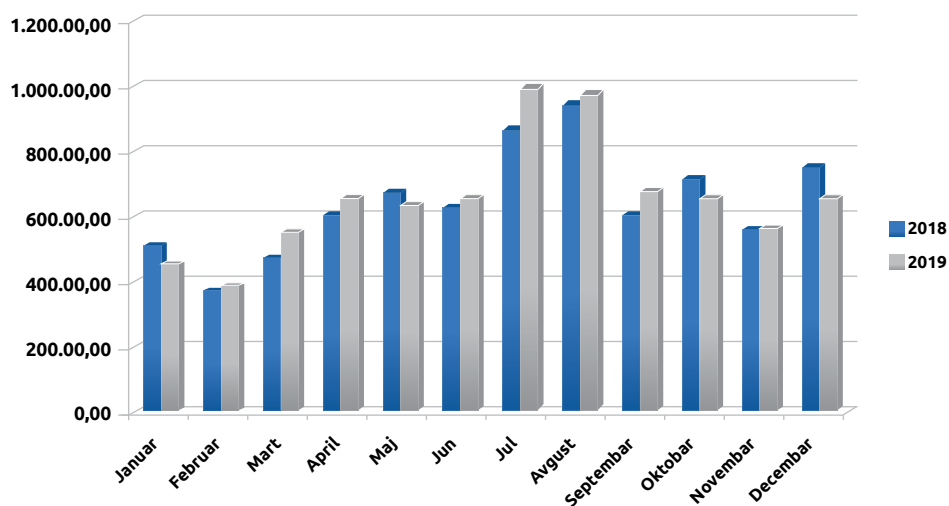
Devizna pozicija Nove banke i kursne razlike

Devizna pozicija Banke na dan predstavlja pregled svih bilansnih stavki Banke u stranoj valuti iskazanim u domaćoj valuti. 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 čini 98% ukupnih deviznih sredstava i obaveza na dan 31.12.2019. godine.

Odnos valutne aktive i pasive održavao se u skladu sa eksternim i internim limitima tokom 2019. 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	2019	2018	Index
Realizovne kursne razlike	7.782.951,67 KM	7.550.860,36 KM	103,07
Obračunske kursne razlike	54.861,01 KM	102.690,70 KM	53,42

Neto kursne razlike



Najveće učešće u prihodima imaju poslovi sa Ovlaštenim mjenjačima od 61,63%. Poslovanje sa ovlaštenim mjenjačima nastavlja svoj stabilan i kontinuirani rast iz godine u godinu. Tako je u 2019. godini ostvareni prihod od mjenjača za 12% veći u odnosu na 2018. godinu.

Nova Banka prema zvaničnim podacima Ministarstva Finansija Rpublike Srpske i dalje ostvaruje značajno tržišno učešće te prema istim: tržišno učešće Nove Banke u ukupnom broju sklopljenih Ugovora prema mjenjačkom mjestu za pravna lica iznosi 15% dok je učešće Nove Banke u ukupnom broju sklopljenih Ugovora prema broju mjenjačkih mjesta za preduzetnike 71%.

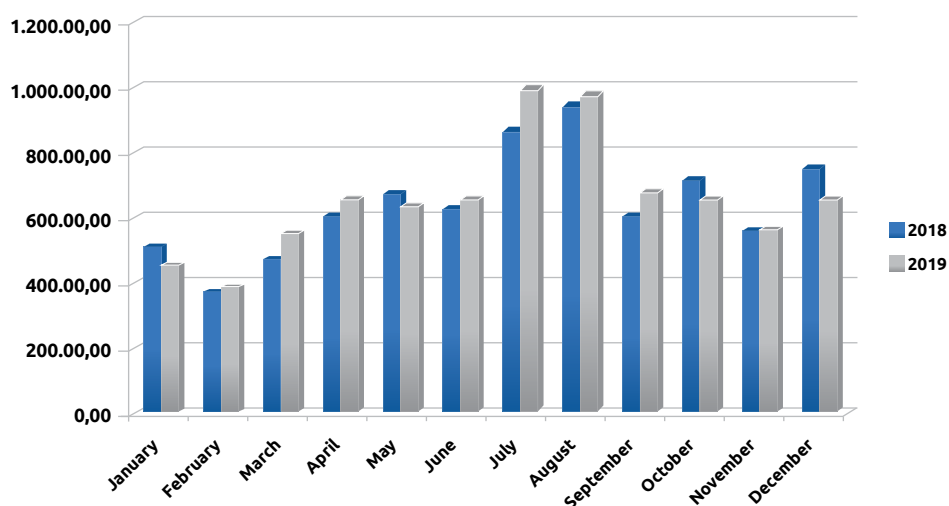
Foreign exchange position of Nova banka and exchange rate differences

The Bank's foreign exchange position on the day represents an overview of all balance sheet items of the Bank in foreign currency denominated in domestic currency. Considering that BiH conducts monetary policy in accordance with the currency board arrangement with a fixed defined exchange rate of 1 BAM : 0.51129 EUR, Nova Banka has no foreign currency risk from unmatched items in EUR, which makes 98% of total foreign currency assets and liabilities as of 31 December 2019.

The ratio of foreign currency assets and liabilities was maintained in accordance with external and internal limits in 2019. 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	2019	2018	Index
Realized exchange rate differences	7.782.951,67 KM	7.550.860,36 KM	103,07
Accrued exchange rate differences	54.861,01 KM	102.690,70 KM	53,42

Net exchange rate differences



Transactions with authorized exchange offices have the largest share in revenues of 61.63%. Business operations with authorized exchange offices continues its stable and continuous growth from year to year. Thus, in 2019, the realized income from exchange offices was 12% higher than in 2018.

According to the official data of the Ministry of Finance of the Republic of Srpska, Nova banka still has a significant market share and according to them the market share of Nova banka in the total number of concluded contracts by exchange office for legal entities is 15% while the market share of Nova banka in the total number of concluded contracts by exchange office for entrepreneurs is 71%.

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 pokriće 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 - radnici 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, Sektor za preuzimanje rizika, 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.

Risk management involves timely identification and elimination 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 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 value of the Bank.

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 – each risk-taking must be within the limits of the Bank's capability to take them, i.e. determined by the amount of the Bank's capital resources 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 Board and senior management have access to all information relevant to making business decisions related to risk management,
- Principles of adequate competence – the Bank's employees possess the required level of skills and knowledge necessary for the identification and management of risks in accordance with their organizational affiliation and the established scope of business tasks,
- Principle of separation of functions – organizational units that participate in risk-taking are separated by a 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.

RISK PROFIL I RISK POLITIKA 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.

Rizike u poslovanju nije moguće u potpunosti izbjeći, ali ih je kvalitetnim upravljanjem, moguće svesti na najmanju moguću mjeru, imajući u vidu sljedeće 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.

RISK PROFILE AND RISK POLICY 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.

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 the risk management function. This implies clear modeling of the processes.
- 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.

- 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. Orijehtacija 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 2019. godini, realizovane su sledeće aktivnosti:

- Dalje unapređenje metodologije za vrednovanje finansijskih instrumenata prema međunarodnom računovodstvenom standardu IFRS 9.
- Dalje unapređenje i sprovođenje internog mjerenja kapitala (ICAAP).
- Izvršen je backtesting modela kreditnog rizika.
- Donešen je plan oporavka za 2019. godinu.
- Učešće u regulatornom testiranju otpornosti na stres u saradnji sa Agencijom za bankarstvo Republike Srpske, kao jedna od 3 najveće banke u Republici Srpskoj.
- Projekat pripreme (unapređenje softvera i prilagođavanje internih akata Banke) za sprovođenje Odluke o upravljanju kreditnim rizikom i utvrđivanju očekivanih kreditnih gubitaka (Službeni glasnik Republike Srpske br. 48/19), koja je stupila na snagu 01.01.2020. godine.

U januaru 2020. godine uspješno je implementirana Odluka o upravljanju kreditnim rizikom i utvrđivanju očekivanih kreditnih gubitaka (Službeni glasnik Republike Srpske br. 48/19), koja je u punoj primjeni od 01.01.2020. godine.

- 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 significant types of risks to which the Bank is exposed are 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 itself 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 the past 2019, the following activities were implemented within the Risk Controlling Department:

- Further improvement of the methodology for valuing financial instruments according to the international accounting standard IFRS 9.
- Further improvement and implementation of internal capital measurement (ICAAP).
- Backtesting of a credit risk model was conducted.
- A recovery plan for 2019 has been adopted.
- Participation in regulatory testing of resistance to stress in cooperation with the Banking Agency of the Republic of Srpska, as one of the 3 largest banks in the Republic of Srpska.
- A project of preparation (software improvement and adjustment of the Bank's internal acts) for the implementation of the Decision on Credit Risk Management and Determination of Expected Credit Losses (Official Gazette of the Republic of Srpska No. 48/19), which entered into force on 1 January 2020.

In January 2020, the Decision on Credit Risk Management and Determination of Expected Credit Losses (Official Gazette of the Republic of Srpska No. 48/19) was successfully implemented, which has been in full application since 1 January 2020.

Nadogradnja sistema mjerenja interne procjene kapitala očekuje se i tokom 2020. godine. Dalje, u 2020. godini se planira i dalje unapređenje metodologije backtesting modela kreditnog rizika, kao i unapređenje metodologije stres testiranja i ponovna validacija modela internog rejtinga.

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.

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 unapređenju ocjene boniteta i procjene kreditnog rizika klijenata, tražilaca kredita. Pored toga, konstantno se unapređuje 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 Odjeljenju 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 Odjeljenja za upravljanje tržišnim rizikom pored redovnih aktivnosti, tokom 2020. godine planirane su:

- implementacija interne procjene adekvatnosti likvidnosti (ILAAP),
- implementacija koeficijenta NSFR-a (koeficijent neto stabilnog finansiranja), stupanjem na snagu Odluke Agencije za bankarstvo RS.

Upravljanje kamatnim rizikom podrazumjeva kontinuirane analize kamatno osjetljivih bilansnih pozicija, u svrhu određivanja nivoa izloženosti riziku promjena kamatnih stopa, uzimanjem različitih „šta ako” hipoteza. Odjeljenje za upravljanje tržišnim rizicima takođe

An upgrade of the internal capital assessment measurement system is expected in 2020 as well. Furthermore, in 2020, it is planned to further improve the methodology of the backtesting model of credit risk, as well as to improve the methodology of stress testing and re-validation of the internal rating model.

As in 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 a relatively low level in the decision-making process in the retail segment (SMEs and households), while approval tasks related to large Corporate clients have been centralized from the moment of introduction of internal client segmentation.

In order to improve the process and have more efficient risk management, both at the level of individual transactions 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 credit risk assessment of clients, loan applicants. In addition, the area of monitoring of approved placements is constantly being improved 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 individual transactions, but also at 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 liquidity risk, interest rate risk 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 2020, within the Market Risk Management Department, in addition to regular activities, the following activities are planned:

- Implementation of Internal Liquidity Adequacy Assessment Process (ILAAP),
- Implementation of the NSFR coefficient (Net Stable Funding Ratio), with the entry into force of the Decision of the Banking Agency of the Republic of Srpska.

Interest rate risk management involves continuous analysis of interest rate sensitive balance sheet items, in order to determine the levels of exposure to interest rate risk, by taking different "what if" hypotheses. The Market Risk Management Department also monitors

prati kretanje 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.

Odjeljenje 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 kontole 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.

Operativni rizik

Uloga procesa upravljanja operativnim rizicima je da identifikuje, procjeni, 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 unapređivanjem 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 upravljanje operativnim rizicima vrši kontrolu stanja gotovine u mreži, inicira provođenje mjera za održavanje gotovine u okviru dozvoljenog maksimuma, te izvještava Uprave 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.

the movement of interest rates of the loan portfolio from own sources and term deposits, as well as the ratio between them.

The Bank manages foreign exchange risk in a way to optimize the foreign exchange 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 exchange rates without compromising its business continuity.

In accordance with the regulations, the Market Risk Management Department monitors the internal limits prescribed by the Supervisory Board and other bodies of the Bank, 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.

Operational risk

The role of the process of managing operational risks is to identify, evaluate, control and reduce the possibility of occurrence and 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 shortcomings in its processes, products and procedures, and by improving them reduce the frequency and negative impact of operational losses on the Bank's business operations and profitability.

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 malfunctions and the manner of remedying the defects.

The Operational Risk Management 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 Bank's Management Board on the same.

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

The Operational Risk Management Department developed a Business Continuity Plan (BCP) and Disaster Recovery Plan (DRP). Elements of these plans are regularly tested according to the dynamics approved by the Management Board of the Bank. The aforementioned

Odjeljenje za upravljanje operativnim rizicima 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 informacijski servisi koji predstavljaju ključne informacione komponente za funkcionisanje Banke. U toku 2019. godine izvršeno je parcijalno testiranje BCP plana tako što su servisirani i testirani sistemi neprekidnog napajanja električnom energijom, klimatizacija i sistemi za automatsko gašenje požara na primarnoj i sekundarnoj lokaciji. Kompletno testiranje BCP plana izvršiće se u toku 2020. godine.

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

Tokom 2019. godine Odjeljenje za upravljanje operativnim rizicima 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 unapređenje efikasnosti i konkurentnosti u izazovnom poslovnom okruženju, istovremeno poštujući sve regulatorne norme.

Tokom 2019. godine izvršena je recertifikacija Banke prema Standardu za upravljanje sigurnošću informacija ISO 27001.

Sektor za upravljanje rizicima i u narednom periodu planira unapređivati 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.

framework includes information services that represent key information components for the functioning of the Bank. During 2019, partial testing of the BCP plan was performed by servicing and testing uninterruptible power supply systems, air conditioning and automatic fire extinguishing systems at the primary and secondary location. Complete testing of the BCP plan will be performed during 2020.

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

During 2019, the Operational Risk Management 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 - competencies, 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 Bank was recertified according to the ISO 27001 Information Security Management Standard.

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 SISTEMOM BANKE

Informacioni sistem Nove Banke se konstatno razvija u više paralelnih pravaca.

Nova Banka kontinuirano razvija nove servise i proizvode kako bi bila konkurentna i pratila izuzetno živo bankarsko tržište. Informativni sistem je unapređivan u skladu sa zahtjevima poslovnih procesa, a započet je i proces digitalne transformacije koji u jednoj svojoj fazi treba da omogući Banci nove, modernije digitalne kanale prodaje bankarskih proizvoda. Uvedeni su u upotrebu tzv. pametni bankomati koji klijentima pored standardnih bankomatskih funkcija omogućavaju pored ostalog uplatu na kartični račun, plaćanje režijskih i ostalih računa, štampu izvoda i kartica promjena itd.

Razvoj aplikativnog dijela informacionog sistema je bio sadržajan i u dijelu usklađivanja za strogim inicijativama regulatora, ali i zahtjevima Centralne Banke. Implementiran je novi sistem međubankarskog poravnanja zasnovan na SEPA standardu, a implementiran je i novi CRK (centralni registar kredita) sistem. Prema zahtjevima ABRS implementiran je projekat LCR koji se odnosi na upravljanje likvidnošću.

Infrastrukturno, Banka se konstantno razvija. Izvršena su znatna unapređenja komunikacione mreže. Banka prati strategijske pravce telekom operatera i u tom procesu stalno unapređuje svoj komunikacioni sistem. Započeta je priprema novog data centra i očekuje se njegovo puštanje u rad u prvoj polovini 2020. godine. Implementiran je novi storage sistem koji je znatno napredniji od postojećeg. DR lokacija (disaster recovery) je modernizovana i urađeno je mnogo na daljem razvoju DR procedura koje omogućavaju efikasan rad informacionog sistema sa dvije lokacije međusobno udaljene 220 km.

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, a IT uz podršku upravnih struktura Banke posebnu pažnju posvećuje ovom elementu informacionog sistema svjestan da svaki propust može ozbiljno da ugrozi reputaciju Banke.

Banka je nastavila i u 2019. godini da razvija sistem poslovne inteligencije, odnosno sistem podrške odlučivanju. Razvija se i dalje sistem pametnog izvještavanje 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 THE BANK'S INFORMATION SYSTEM

Nova Banka's information system is constantly evolving in several parallel directions.

Nova Banka continuously develops new services and products in order to be competitive and follow an extremely lively banking market. The information system has been improved in accordance with the requirements of business processes, and the process of digital transformation has begun, which in one of its phases should enable the Bank new, more modern digital channels for the sale of banking products. The so-called smart ATMs have been introduced that, in addition to standard ATM functions, enable customers to, among other things, make payments to a card account, pay utility and other bills, print account and change statements, etc.

The development of the application part of the information system was also substantial in the part of harmonization with strict initiatives of the regulator, but also in the requirements of the Central Bank. A new interbank settlement system based on the SEPA standard has been implemented, and a new CRK (Central Registry of Credits) system has been implemented. According to the requirements of BARS, the LCR project related to liquidity management has been implemented.

Infrastructurally, the Bank is constantly evolving. Significant improvements in the communication network have been made. The Bank follows the strategic directions of telecom operators and in that process it constantly improves its communication system. The preparation of the new data center has begun and its commissioning is expected in the first half of 2020. A new storage system has been implemented that is significantly more advanced than the existing one. DR (disaster recovery) location has been modernized and much has been done on the further development of DR procedures that enable efficient operation of the information system from two locations 220 km apart.

IT is constantly making significant efforts to ensure greater security of the information system. This work is primarily reflected in continuous learning, monitoring of potential threats and implementation of best practices. The system of information protection and information system in general is an important segment, and IT, with the support of the Bank's management structures, pays special attention to this element of the information system, aware that any omission can seriously damage the Bank's reputation.

In 2019, the Bank continued to develop a business intelligence system, i.e. a decision support system. A system of smart reporting is still being developed and, in addition to standard reports in the field of measuring profitability, measuring performance and efficiency of employees, we are increasingly working on predictive reports that should provide real information about trends and provide decision-makers with useful information.

POJEDINIČNI FINANSIJSKI IZVJEŠTAJI

NOVA BANKA A.D. BANJA LUKA

**Finansijski izvještaji
za godinu koja se završila
31. decembra 2019. godine i
Izvještaj nezavisnog revizora**

UNCONSOLIDATED FINANCIAL STATEMENTS

NOVA BANKA A.D. BANJA LUKA

**Financial statements
for the year ended
31 December 2019 and
Independent Auditor's Report**

NOVA BANKA A.D. BANJA LUKA

Finansijski izvještaji
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NOVA BANKA A.D. BANJA LUKA

**Financial Statements
Year Ended December 31, 2019 and
Independent Auditors' Report**

Sadržaj:

Izveštaj nezavisnog revizora	1 - 3
Finansijski izvještaji:	
Bilans uspjeha	4
Bilans stanja	5
Izveštaj o promjenama na kapitalu	6
Bilans tokova gotovine	7
Napomene uz finansijske izvještaje	8 - 85

CONTENTS

Independent Auditors' Report	1 - 3
Financial statements:	
Income Statement	4
Statement of Financial Position	5
Statement of Changes in Equity	6
Statement of Cash Flows	7
Notes to the Financial Statements	8 - 85



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IZVJEŠTAJ NEZAVISNOG REVIZORA

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

Mišljenje

Otvorili smo reviziju finansijskih izvještaja (strana 4 do 85) Nove banke a.d. Banja Luka (u daljem tekstu: "Banka"), koji obuhvataju bilans stanja na dan 31. decembra 2019. 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 izvještaj ispravno i objektivno, po svim materijalno značajnim aspektima, prikazuje finansijsku poziciju Nove banke a.d. Banja Luka na dan 31. decembra 2019. godine, njenu finansijsku uspješnost 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

Otvorili 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)

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*This is a translation of the Auditors' Report issued in the Serbian language
 In case of any discrepancy between the Serbian and English versions, the Serbian version shall prevail*

INDEPENDENT AUDITORS' REPORT

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

Opinion

We have audited the financial statements (page 4 to 55) of Nova banka a.d. Banja Luka (hereinafter; the "Bank"), which comprise the statement of financial position as at December 31, 2019, 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.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of Nova banka a.d. Banja Luka as at December 31, 2019, and its financial performance and changes in its 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 the financial reporting of banks.

Basis for Opinion

We conducted our audit in accordance with the International Standards on Auditing (ISAs) and the Law on Accounting and Auditing of the Republic of Srpska. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Bank in accordance with the ethical requirements relevant to our audit of the financial statements in the Republic of Srpska and we have fulfilled our other ethical responsibilities in accordance with those requirements.

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were most significant in our audit of the financial statements for the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

(Continued)

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IZVJEŠTAJ NEZAVISNOG REVIZORA

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

Ključna revizijska pitanja (nastavak)

Ključno revizijsko pitanje	Odgovarajuća revizijska procedura
Očekivani kreditni gubici za kredite i rezervisanja po garancijama	
<p>Potraživanja po kreditima i plasmanima komitentima su iznosila 1.482.857 hiljada BAM na dan 31. decembra 2019. godine (1.299.474 hiljada BAM, na dan 31. decembra 2018. godine), dok je ukupan iznos ispravke vrijednosti Banke iznosio 110.107 hiljada BAM na dan 31. decembra 2019. godine (111.921 hiljada BAM, na dan 31. decembra 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"> • Pretpostavke koje se koriste u modelima očekivanog kreditnog gubitka za procjenu kreditnog rizika vezanog za izloženost i očekivane buduće novčane tokove klijenta. • Pravovremenu identifikaciju izloženosti sa značajnim povećanjem izloženosti kreditnom riziku i kreditnom obezvrjeđenju. • Vrednovanje kolaterala i pretpostavke budućih novčanih tokova na pojedinačno procijenjene izloženosti po kreditima. <p>Rukovodstvo je objelodanilo dodatne informacije o troškovima umanjenja vrijednosti kredita i rezervisanjima za garancije u notama 2, 13, 18, 21 i 35.2 uz finansijske izvještaje.</p>	<p>Na osnovu naše procjene rizika i poznavanja industrije, ispitali smo troškove obezvrjeđenja kredita i rezervisanja za garancije, i procijenili primjenjenu metodologiju, kao i korišćene pretpostavke, a u skladu sa opisom ključnog revizijskog pitanja.</p> <p>Naše testiranje je obuhvatilo sljedeće elemente:</p> <ul style="list-style-type: none"> • Procjena ključnih kontrola nad pretpostavkama koje se koriste u modelima očekivanog kreditnog gubitka (ECL) za procjenu kreditnog rizika vezanog za izloženost i očekivane buduće novčane tokove klijenta. • Prikupljanje i detaljno testiranje dokaza koji potkrepljuju pretpostavke korišćene u modelima očekivanog kreditnog gubitka koji su primjenjeni u alokaciji faza (eng. <i>stage</i>), pretpostavke koje se primjenjuju da bi se dobila dvanaestomjesečna i cjeloživotna vjerovatnoća neispunavanja obaveza (PD) i metode primijenjene za dobijanje vjerovatnoće gubitaka po osnovu nemogućnosti naplate potraživanja (LGD). • 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. • Procjena ključnih kretanja portfolia visokog rizika iz prethodnog perioda u odnosu na industrijske standarde i istorijske podatke. • Evaluacija primijenjenih metodologija korišćenjem našeg znanja i iskustva u industriji. • Uključili smo naše IT stručnjake i stručnjake za kreditni rizik u oblastima koje su zahtijevale specifičnu ekspertizu. • Procjenu tačnosti i potpunosti objelodanivanja u finansijskim izvještajima. <p>Na bazi sprovedenih revizijskih procedura, nismo identifikovali značajne nalaze u odnosu na tačnost evidentiranih gubitaka od umanjenja vrijednosti za kreditne rizike, kao i rezervisanja za garancije, u poslovnoj 2019. godini.</p>

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)

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INDEPENDENT AUDITORS' REPORT

To the Supervisory Board and Shareholders of Nova banka a.d. Banja Luka (Continued)

Key Audit Matters (Continued)

Key audit matter	Responsive audit procedure
Expected credit losses per loans and provisions for guarantees	
<p>As of December 31, 2019, the Bank's loans and receivables due from customers totaled BAM 1,482,857 thousand (December 31, 2018: BAM 1,299,474 thousand), whereas the total impairment allowance amounted to BAM 110,107 thousand as of December 31, 2019 (December 31, 2018: BAM 111.921 thousand).</p> <p>Measurement of the impairment losses for loans and provisions per guarantees is deemed a key audit matter because definition of assumptions used in expected credit loss calculation is subjective due to the extent of judgment used by the Bank's management.</p> <p>The most significant judgements refer to:</p> <ul style="list-style-type: none"> • Assumptions used within the expected credit loss models applied in estimates of credit risk of the customer exposure and expected future cash flows; • Timely identification of exposures with a significant increase in credit risk and credit impairment; and • Collateral valuation and assumptions of the future cash flows per individually assessed credit exposures. <p>The Bank's management disclosed additional information on the impairment losses on loans and provisions for guarantees in Notes 2, 13, 18, 21 and 34.2 to the financial statements.</p>	<p>Based on our risk assessment and knowledge of the industry, we examined the Bank's impairment of loans and provisions per guarantees and assessed the methodology and assumptions used by the Bank in line with this key audit matter description.</p> <p>Our testing encompassed the following elements:</p> <ul style="list-style-type: none"> • Evaluation of the key controls over the assumptions used in the expected credit loss models for assessing the credit risk of the customer exposure and expected future cash flows; • Obtaining and detailed testing of the evidence supporting the assumptions used in the expected credit loss models for staging, assumptions used to calculate 12-month and life-cycle probability of default (PD) parameters and methods applied in arriving at the loss given default (LGD) parameter; • Obtaining and detailed testing of the evidence supporting appropriate definition of assumptions on impairment losses on loans and provisions per guarantees, including collateral valuation and assumptions of the future cash flows per individually assessed impaired credit exposures; • Estimates of the key trends in the Bank's previous year's high-risk portfolio against the industry standards and historical data; • Evaluation of the methodologies applied by the Bank using our knowledge of and experience with the industry; • We involved our IT experts and credit risk specialists in the work in areas that required specific expertise; • Evaluation of the accuracy and completeness of the disclosures made in the financial statements. <p>Based on the audit procedures performed, we identified no significant findings in respect of the accuracy of the recorded credit risk impairment losses or provisions for guarantees in FY 2019.</p>

Responsibilities of Management and the Supervisory Board 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 and regulations of the Banking Agency of the Republic of Srpska, governing the financial reporting of banks, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Bank's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Bank or to cease operations, or has no realistic alternative but to do so. The Supervisory Board is responsible for overseeing the Bank's financial reporting process.

(Continued)

IZVJEŠTAJ NEZAVISNOG REVIZORA

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

Objektivnost revizora za reviziju finansijskih izvještaja

Naš cilj je sticanje uvjerenja u razumnoj mjeri o tome da finansijski izvještaj, 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 presuđivanje 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 dovojno 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 zaobilaženje 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 primijenjenih 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 ovom izvještaju skrenemo pažnju na povezano objelodanjivanje 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 koje 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 sprečava 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 dobrotu javnog interesa od takvog izvještavanja.

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

Banja Luka, 27. februar 2020. godine



Mirko Ilić
Ovlašteni revizor

INDEPENDENT AUDITORS' REPORT

To the Supervisory Board and Shareholders of Nova banka s.d. Banja Luka (Continued)

Auditors' Responsibility for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the International Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with the International Standards on Auditing, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Bank's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Bank to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those in charge of governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those in charge of governance with a statement that we have complied with relevant ethical requirements regarding independence, and that we will communicate to them all relationships and other matters that may reasonably be thought to bear on our independence, and, where applicable, the related safeguards.

From the matters communicated to those in charge of governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore key audit matters. We describe those matters in our auditors' report unless an applicable law or a regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The Engagement Partner on the audit resulting in this independent auditors' report is Mr. Mirko Ilić, Certified Auditor.

Banja Luka, February 27, 2020



Mirko Ilić
Mirko Ilić
Certified Auditor

3

BILANS USPJEHA

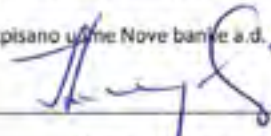
Za godinu koja se završila 31. decembra
(U hiljadama BAM)

	<i>Napomena</i>	2019. 000 BAM	2018. 000 BAM
Prihodi od kamata	6	76.413	82.818
Rashodi kamata	7	(20.640)	(25.843)
Neto prihodi od kamata		55.773	56.975
Prihodi od naknada i provizija	8	31.506	28.919
Rashodi od naknada i provizija	9	(13.020)	(11.167)
Neto prihodi po osnovu naknada i provizija		18.486	17.752
Neto prihod od kursnih razlika	10	4.406	4.415
Ostali operativni prihodi	11	10.446	8.626
Operativni i ostali rashodi	12	(55.105)	(55.591)
Dobit prije umanjenja ispravki vrijednosti i rezervisanja		34.006	32.177
Neto rashodi ispravki vrijednosti i rezervisanja	13	(19.924)	(19.654)
Dobit prije oporezivanja		14.082	12.523
Porez na dobit	14	(1.904)	(1.824)
Dobit tekuće godine		12.178	10.699
Ostali dobiti i gubici u periodu, neto od poreza			
<i>Stavke koje mogu biti naknadno reklasifikovane u dobitke ili gubitke:</i>			
- Dobitak/(Gubitak) po osnovu promjene finansijske imovine po fer vrijednosti kroz ostali ukupni rezultat (MSFI 9)		2.118	(603)
Ukupan rezultat za obračunski period		14.296	10.096
Zarada po akciji	28	0,09	0,08

Napomene na narednim stranicama čine sastavni
dio ovih finansijskih izvještaja

Ovi finansijski izvještaji su usvojeni od strane Uprave Banke, dana 18. februara 2020. godine.

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


Mr Srđan Kondić
Predsjednik Uprave Banke




Jasna Zrilić
Član Uprave Banke

NOVA BANKA A.D. BANJA LUKA

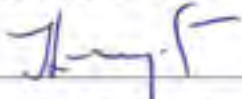
INCOME STATEMENT
 Year Ended December 31
 (Thousands of BAM)

	Note	2019 BAM '000	2018 BAM '000
Interest income	6	76,413	82,818
Interest expenses	7	(20,640)	(25,843)
Net interest income		55,773	56,975
Fee and commission income	8	31,506	28,919
Fee and commission expenses	9	(13,020)	(11,167)
Net fee and commission income		18,486	17,752
Net foreign exchange gains	10	4,406	4,415
Other operating income	11	10,446	8,626
Operating and other expenses	12	(55,105)	(55,591)
Profit before impairment and provisions		34,006	32,177
Net losses on impairment and provisions	13	(19,924)	(19,654)
Profit before taxes		14,082	12,523
Income tax expenses	14	(1,904)	(1,824)
Profit for the year		12,178	10,699
Other gains and losses for the year, net of taxes			
<i>Items that may subsequently be reclassified to profit and loss:</i>			
Gains/(losses) on the financial assets at fair value through other comprehensive income (IFRS 9)		2,118	(603)
Total comprehensive income for the year		14,296	10,096
Earnings per share	28	0.09	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 18, 2020.

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


 Srđan Kondić, MSc.
 Chairman of the Management Board




 Jasna Zrnić
 Member of the Management Board

BILANS STANJA
Na dan 31. decembra
(U hiljadama BAM)

	<i>Napomena</i>	2019. 000 BAM	2018. 000 BAM
AKTIVA			
Novčana sredstva i računi depozita kod depozitnih institucija	15	260.978	226.883
Obavezna rezerva kod Centralne Banke	16	185.194	174.141
Finansijska imovina koja se vrednuje po fer vrijednosti kroz bilans uspjeha	17	10.688	6.753
Finansijska imovina koja se vrednuje po fer vrijednosti kroz ostali ukupni rezultat	17	234.980	247.721
Plasmani drugim bankama		1.979	2.005
Kreditni i dospjela potraživanja po kreditima	18	1.372.750	1.187.553
Osnovna sredstva i ulaganja u nekretnine	19	56.039	55.332
Nematerijalna ulaganja	20	2.547	3.198
Ostala potraživanja i AVR	21	53.620	48.430
Poslovna aktiva		2.178.775	1.952.016
Vanbilansna aktiva	29	309.591	241.610
UKUPNA AKTIVA		2.488.366	2.193.626
PASIVA			
Obaveze			
Depoziti komitenata	22	1.678.913	1.520.333
Obaveze po uzetim kreditima	23	247.070	207.800
Rezervisanja na stavke vanbilansa	24	1.049	2.177
Ostale obaveze i PVR	25	45.226	29.447
Odložene poreske obaveze	14	9	47
Subordinirani dug (dopunski kapital)	26	37.600	37.600
Ukupno obaveze		2.009.867	1.797.404
Kapital			
Akcijski kapital	27	134.638	134.638
Emisiona premija		8.070	8.070
Rezerve iz dobiti		8.727	8.562
Revalorizacione rezerve		2.158	40
Regulatorne rezerve za kreditne gubitke		-	(7.398)
Neraspoređena dobit		15.315	10.700
Ukupan kapital		168.908	154.612
Poslovna pasiva		2.178.775	1.952.016
Vanbilansna pasiva	29	309.591	241.610
UKUPNA PASIVA		2.488.366	2.193.626

Napomene na narednim stranicama čine sastavni dio ovih finansijskih izvještaja

NOVA BANKA A.D. BANJA LUKA

STATEMENT OF FINANCIAL POSITION

As of December 31

(Thousands of BAM)

	<i>Note</i>	<i>2019</i> <i>BAM '000</i>	<i>2018</i> <i>BAM '000</i>
ASSETS			
Cash and balances held with banks and other financial institutions	15	260,978	226,883
Obligatory reserve held with the Central Bank	16	185,194	174,141
Financial assets at fair value through profit or loss (FVtPL)	17	10,688	6,753
Financial assets at fair value through other comprehensive income (FVtOCI)	17	234,980	247,721
Loans and receivables due from banks and other financial institutions		1,979	2,005
Loans and receivables due from customers	18	1,372,750	1,187,553
Property, plant, equipment and investment property	19	56,039	55,332
Intangible assets	20	2,547	3,198
Other assets, receivables and prepayments	21	53,620	48,430
Operating assets		2,178,775	1,952,016
Off-balance sheet assets	29	309,591	241,610
TOTAL ASSETS		2,488,366	2,193,626
LIABILITIES AND EQUITY			
Liabilities			
Deposits due to customers	22	1,678,913	1,520,333
Borrowings	23	247,070	207,800
Provisions for off-balance sheet items	24	1,049	2,177
Other liabilities and accruals	25	45,226	29,447
Deferred tax liabilities	14	9	47
Subordinated debt (supplementary capital)	26	37,600	37,600
Total liabilities		2,009,867	1,797,404
Equity			
	27		
Share capital		134,638	134,638
Share premium		8,070	8,070
Reserves from profit		8,727	8,562
Revaluation reserves		2,158	40
Regulatory reserves for credit losses		-	(7,398)
Retained earnings		15,315	10,700
Total equity		168,908	154,612
Operating liabilities and equity		2,178,775	1,952,016
Off-balance sheet liabilities	29	309,591	241,610
TOTAL LIABILITIES AND EQUITY		2,488,366	2,193,626

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

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

u 000 BAM

	Akcijski kapital - obične akcije	Emisiona premija	Rezerve iz dobiti	Neraspoređena dobit	Regulatorne rezerve za kreditne gubitke	Revalorizacione rezerve	Ukupno
Stanje na dan 01.01.2018. godine							
Prva primjena MSFI 9 - početno stanje na dan 01. januara 2018.	-	-	-	-	(11.672)	-	(11.672)
Raspored dobiti:							
- 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
Ostali dobiti i gubici u periodu, neto od poreza:							
Gubitak po osnovu promjene fer vrijednosti finansijske imovine po fer vrijednosti kroz ostali ukupni rezultat (MSFI 9)	-	-	-	-	-	(603)	(603)
Stanje na dan 31.12.2018. godine	134.638	8.070	8.562	10.700	(7.398)	40	154.612
Stanje na dan 01.01.2019. godine							
Raspored dobiti (napomena 27):							
- Regulatorne rezerve za kreditne gubitke	-	-	-	(7.398)	7.398	-	-
- Prenos na zakonske rezerve	-	-	165	(165)	-	-	-
Dobit tekuće godine	-	-	-	12.178	-	-	12.178
Ostali dobiti i gubici u periodu, neto od poreza:							
Dobitak po osnovu promjene fer vrijednosti finansijske imovine po fer vrijednosti kroz ostali ukupni rezultat (MSFI 9)	-	-	-	-	-	2.118	2.118
Stanje na dan 31.12.2019. godine	134.638	8.070	8.727	15.315	-	2.158	168.908

Napomene na narednim stranicama čine sastavni dio ovih finansijskih izvještaja

STATEMENT OF CHANGES IN EQUITY
Year Ended December 31
(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, 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 :							
- 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
Balance as at January 1, 2019	134,638	8,070	8,562	10,700	(7,398)	40	154,612
Profit distribution (Note 27):							
- Transfer to regulatory reserves for credit losses	-	-	-	(7,398)	7,398	-	-
- Transfer to legal reserves	-	-	165	(165)	-	-	-
Profit for the year	-	-	-	12,178	-	-	12,178
Other gains and losses for the period, net of taxes							
Gains on the fair value adjustment of financial assets at fair value through other comprehensive income (FVOCI) (IFRS 9)	-	-	-	-	-	2,118	2,118
Balance as at December 31, 2019	134,638	8,070	8,727	15,315	-	2,158	168,908

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

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

	2019.	2018.
	000 BAM	000 BAM
Novčani tokovi iz poslovnih aktivnosti		
Prilivi kamata, naknada i provizija po kreditima i poslovima lizinga	110.791	110.275
Isplate kamata	(16.693)	(22.692)
Naplate po kreditima koji su ranije bili otpisani (glavnica i kamata)	1.436	4.836
Novčane isplate zaposlenima i dobavljačima	(50.247)	(52.604)
Novčane pozajmice i krediti dati klijentima i naplate istih	(206.374)	31.819
Depoziti klijenata	158.580	42.994
Plaćeni porez na dobit	(2.033)	(2.071)
Neto novčana sredstva iz poslovnih aktivnosti	(4.540)	112.557
Novčani tokovi iz aktivnosti investiranja		
Kratkoročni plasmani finansijskim institucijama	25	50
Prilivi dividendi	201	52
Kupovina nematerijalne aktive	(351)	(218)
Kupovina materijalne aktive	(4.298)	(5.607)
Prodaja/kupovina drugih ulaganja	14.145	(68.993)
Neto novčana sredstva iz aktivnosti investiranja	9.722	(74.716)
Novčani tokovi iz aktivnosti finansiranja		
Uzete pozajmice, neto (kreditne linije i subordinirani dug)	35.473	28.997
Isplata dividendi	(1)	(791)
Neto novčana sredstva iz aktivnosti finansiranja	35.472	28.206
Neto porast novčanih sredstava i novčanih ekvivalenata	40.654	66.047
Novčana sredstva i novčani ekvivalenti na početku perioda	401.195	330.733
Efekti promjene deviznih kurseva novčanih sredstava i novčanih ekvivalenata	4.406	4.415
Novčana sredstva i novčani ekvivalenti na kraju perioda	446.255	401.195

Napomene na narednim stranicama čine sastavni dio ovih finansijskih izvještaja

NOVA BANKA A.D. BANJA LUKA

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

	2019	2018
	BAM '000	BAM '000
Cash flows from operating activities		
Interest, fee and commission receipts per loans and from lease operations	110,791	110,275
Interest payments	(16,693)	(22,692)
Collected loans and receivables previously written off (principal and interest)	1,436	4,836
Cash paid to employees and suppliers	(50,247)	(52,604)
Loans and receivables due from customers – disbursement and collection	(206,374)	31,819
Customer deposits received	158,580	42,994
Income taxes paid	(2,033)	(2,071)
Net cash generated by operating activities	(4,540)	112,557
Cash flows from investing activities		
Short-term deposits placed with financial institutions	25	50
Dividend received	201	52
Outflows for purchases of intangible assets	(351)	(218)
Outflows for purchases of tangible assets	(4,298)	(5,607)
Sales/(purchases) of other investments	14,145	(68,993)
Net cash generated by/(used in) investing activities	9,722	(74,716)
Cash flows from financing activities		
Borrowings, net inflows per credit lines and subordinated debt	35,473	28,997
Dividend payment	(1)	(791)
Net cash generated by financing activities	35,472	28,206
Net increase in cash and cash equivalents	40,654	66,047
Cash and cash equivalents at the beginning of year	401,195	330,733
Foreign exchange gains on translation of cash and cash equivalents	4,406	4,415
Cash and cash equivalents at the end of year	446,255	401,195

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

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.

U strukturi kapitala Banke u 2019. godini nije bilo značajnijih promjena. Na dan 31. decembra 2019. godine Banka je u vlasništvu većeg broja manjih akcionara i najveće učešće u akcionarskom kapitalu pojedinačno ima akcionar MG MIND d.o.o. Mrkonjić Grad sa 28,92% 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 trinaest filijala koje su locirane u Bijeljini, Banjoj Luci, Istočnom Sarajevu, Zvorniku, Brčkom, Trebinju, Doboju, Sarajevu, Tuzli, Mostaru, Foči, Prijedoru i Mrkonjić Gradu u posebnog organizacionog dijela za trgovanje hartijama od vrijednosti – Broker Nova.

Poslovi Banke podijeljeni su po sektorima i samostalnim odjeljenjima.

Na dan 31. decembra 2019. godine Banka je imala 718 radnika (31. decembra 2018. godine: 703 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 2019. 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, 19/2018, 54/2019), 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.

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

NOVA BANKA A.D. BANJA LUKA

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2019

*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.

There were no significant changes to the Bank's ownership structure in 2019. As of December 31, 2019, the Bank was owned by a large number of minority shareholders, the Bank's largest shareholder was MG MIND d.o.o. Mrkonjić Grad with a 28.92% 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 is headquartered in Banja Luka, at the address of No. 37A, Kralja Alfonsa XIII Street.

The Bank operates through the network consisting of its Head Office in Banja Luka and 13 branches located in Bijeljina, Banja Luka, East Sarajevo, Zvornik, Brčko, Trebinje, Dobo, Sarajevo, Tuzla, Mostar, Foča, Prijedor and Mrkonjić Grad 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, 2019, the Bank had 718 employees (December 31, 2018: 703 employees).

2. BASIS OF PREPARATION AND PRESENTATION OF THE FINANCIAL STATEMENTS AND ACCOUNTING CONVENTION**2.1. Statement of Compliance**

The accompanying financial statements represent annual financial statements of the Bank as of and for the year ended December 31, 2019, 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 nos. 4/2017, 19/2018, 54/2019), 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.

In preparing the statement of cash flows for the year 2019, the Bank used direct cash flow reporting method.

NOVA BANKA A.D. BANJA LUKA
 NAPOMENE UZ FINANSIJSKE IZVJEŠTAJE

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

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).

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 od 1. januara 2018. godine 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).

NOVA BANKA A.D. BANJA LUKA

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2019

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

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

2.3. Functional and Presentation Currency

Amounts in the accompanying financial statements are stated in thousands of convertible marks ("BAM") unless otherwise stated, 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)".

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 as of January 1, 2018:

- 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).

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)

Novi standardi, nove izmjene i nova tumačenja postojećih Standarda koji su u primjeni za izvještajni period, ali nisu zvanično prevedeni i objavljeni u Republici Srpskoj

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

- Izmjene IAS 40 "Investicione nekretnine" – Prenos investicionih nekretnina (na snazi za godišnje periode koji počinju na ili nakon 1. januar 2018. godine),
- Izmjene IFRS 2 „Plaćanja akcijama“ – Klasifikacija i mjerenje transakcija plaćanja akcijama (na snazi za godišnje periode koji počinju na ili nakon 1. januara 2018. godine),
- Izmjene IFRS 4 „Ugovori o osiguranju“ – Primjenom IFRS 9 „Finansijski instrumenti“ sa IFRS 4 „Ugovori o osiguranju“ (na snazi za godišnje periode koji počinju na ili nakon 1. januara 2018. godine ili gdje se vrši prva primjena IFRS 9 „Finansijski instrumenti“),
- Izmjene IFRS 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 raznih Standarda "Unapređenja IFRS (period 2015 - 2017)" koja su rezultat godišnjeg unapređenja IFRS (IFRS 3, IFRS 11, IAS 12 i IAS 23) sa ciljem otklanjanja neusaglašenosti i usaglašavanja teksta (izmjene bi trebalo da se primjene za godišnje periode koji počinju na ili nakon 1. januara 2019. godine),
- Izmjene IAS 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 IAS 28 „Investicije u pridružene entitete i zajedničke poduhvate“ – Dugoročni interesi u pridruženim entitetima i zajedničkim poduhvatima (na snazi za godišnje periode koji počinju na ili nakon 1. januara 2019. godine),
- IFRIC 23 „Neizvjesnost u tretmanu poreza na dobit“ (na snazi za godišnje periode koji počinju na ili nakon 1. januara 2019. godine),
- IFRIC 22 "Transakcije u stranim valutama i razmatranja pretplata" (na snazi za godišnje periode koji počinju na ili nakon 1. januara 2018. godine),
- Izmjene raznih Standarda "Unaprijeđenja IFRS (period 2014. - 2016.)" koja su rezultat godišnjeg unaprijeđenja IFRS (IFRS 1, IFRS 12 i IFRS 28) sa ciljem otklanjanja neusaglašenosti i usaglašavanja teksta (izmjene IFRS 1 i IAS 28 bi trebalo da se primjene za godišnje periode koji počinju na ili nakon 1. januara 2018. godine).

Rukovodstvo Banke je izabralo da ne usvoji nove standarde i nove izmjene postojećih standarda koji su u primjeni za izvještajni period, prije nego budu zvanično prevedeni i objavljeni u Republici Srpskoj.

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

MSFI 16 Leasing

Banka je u tekućoj godini primjenila MSFI 16, koji je na snazi od 1. januara 2019. godine. MSFI 16 zamjenjuje postojeći set međunarodnih računovodstvenih načela i tumačenja o lizingu, a posebno MRS 17.

MSFI 16 uvodi novu definiciju lizinga. Računovodstveni tretman lizing ugovora kod davaoca lizinga ostaje različit kod operativnog i finansijskog lizinga. Računovodstveni tretman lizinga kod korisnika lizinga je novim računovodstvenim standardom promijenjen i predviđa priznavanje sredstva za sve tipove lizinga. Sredstvo predstavlja pravo na korišćenje imovine koja je predmet lizinga dok se u isto vrijeme priznaje i obaveza za buduća plaćanja predviđena ugovorom o lizingu (lizing obaveza). Prilikom početnog priznavanja sredstvo (pravo na korišćenje) se mjeri na osnovu ugovorenih novčanih tokova iz ugovora o lizingu.

NOVA BANKA A.D. BANJA LUKA

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2019

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)

New Standards, new Amendments and new interpretations to the Existing Standards Effective for the Current Reporting Period, that are not yet translated and published in Republic of Srpska

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

- Amendments to IAS 40 “Investment Property” - Transfers of Investment Property (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 IFRS 9 “Financial Instruments” - Prepayment Features with Negative Compensation (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 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);
- IFRIC 23 “Uncertainty over Income Tax Treatments” (effective for annual periods beginning on or after January 1, 2019);
- IFRIC 22 “Foreign Currency Transactions and Advance Consideration” (effective for annual periods beginning on or after January 1, 2019); and
- 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).

The Bank's management has chosen not to adopt new standards and new amendments to the existing standards effective for the current reporting period, before they have been officially translated and published in the Republic of Srpska.

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

IFRS 16 – “Leases”

In the current year, the Bank adopted IFRS 16, effective for the periods beginning on or after January 1, 2019. IFRS 16 supersedes the existing set of the international accounting principles and interpretations on leasing, IAS 17 in particular.

IFRS 16 provides a new definition of a lease. The lessor accounting treatment remains different for finance and operating leases. The lessee accounting different. The lessee accounting for the leases is changed under IFRS 16 and stipulates recognition of a right-of-use (ROU) asset for all leases. A right-of-use asset is a right to use the underlying asset while at the same time the lessee recognizes a liability for future lease payments defined by the lease contract (a lease liability).

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 16 Leasing (nastavak)

Nakon početnog priznavanja, pravo na korišćenje se odmjerava na osnovu pravila postavljenih za sredstva definisanih prema MRS 16, MRS 38 ili MRS 40 i biće primjenjen model nabavne vrijednosti, umanjeno za akumuliranu amortizaciju i akumulirane gubitke od umanjenja vrijednosti, ili revalorizacioni model ili model fer vrijednosti, gdje je primjennjivo.

Banka je odlučila, kao što je dopušteno standardom, da ne primijeni odredbe MSFI 16 na kratkoročne zakupe (zakupi sa kraćim trajanjem od 12 mjeseci) i zakupe sredstava male vrijednosti.

U obračunu lizing obaveze i prava na korišćenje, Banka koristi diskontovanje budućih lizing plaćanja koristeći adekvatnu diskontnu stopu. S tim u vezi, budući novčani tokovi se utvrđuju na osnovu ugovornih odredbi bez PDV-a budući da obaveza za plaćanje takvog poreza počinje u trenutku izdavanja fakture, a ne na dan početka ugovora o lizingu. Buduća lizing plaćanja se diskontuju po inkrementalnoj stopi pozajmljivanja.

Inkrementalna stopa zaduživanja je kamatna stopa koju bi najmoprimac dobio kada bi se zadužio da u sličnom roku, uz slične garantne uslove, pozajmi sredstva neophodna za nabavku sredstva slične vrijednosti kao sredstvo sa pravom korišćenja, u sličnom ekonomskom okruženju.

Za utvrđivanje metodologije diskontne stope (za potrebe standarda MSFI 16 – „inkrementalne stope“), Banka je koristila metodologiju za formiranje, računanje i objavljivanje krive prinosa Republike Srpske.

Prilikom određivanja lizing perioda, neophodno je uzeti u obzir period bez mogućnosti otkaza u toku koga korisnik lizinga ima pravo na imovinu iz lizing ugovora, a potrebno je uzeti u obzir i potencijalne opcije za produženje ukoliko su one razumno sigurne. Konkretno, ukoliko je ugovorom definisano pravo korisnika lizinga da produži lizing ugovor nakon određenog broja godina, lizing period će biti definisan uzimajući u obzir faktore kao što su dužina prvog perioda, postojanje planova za prestanak korišćenja lizing imovine i drugih okolnosti koje ukazuju na razumnu sigurnost produženja ugovora.

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:

- IFRS 17 „Ugovori o osiguranju“ (na snazi za godišnje periode koji počinju na ili nakon 1. januara 2021. godine),
- Izmjene IFRS 10 „Konsolidovani finansijski izvještaji“ i IAS 28 „Investicije u pridružene entitete i zajedničke poduhvate“ - Prodaja ili učešće u imovini između investitora i pridruženog entiteta ili zajedničkog poduhvata (datum stupanja na snagu odgođen na neodređeno vrijeme, dok istraživački projekat metoda kapitala bude ustanovljen),
- Izmjene IFRS 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 IAS 1 “Prezentacija finansijskih izveštaja” i IAS 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 Upućivanja na Konceptualni okvir u Međunarodnim standardima finansijskog izvještavanja (na snazi za godišnje periode koji počinju na dan ili nakon 1. januara 2020. godine).

NOVA BANKA A.D. BANJA LUKA

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2019

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 16 – "Leases" (Continued)

On initial recognition, the right-of-use asset is initially measured based on the contractual cash flows defined by the lease contract. Subsequently, the right-of-use asset will be measured under the rules for measurement of asset set forth by IAS 16, IAS 38 or IAS 40, using the cost model, i.e., at cost net of accumulated depreciation and aggregate impairment losses, if any, or using the revaluation model or fair value model, as appropriate.

The Bank decided, as permitted by the standard, not to apply the provisions of IFRS 16 to short-term leases (with lease terms of up to 12 months) and leases with low-value underlying assets.

In calculating the amounts of the lease liabilities and ROU assets, the Bank discounted the future lease payments using an adequate discount rate. The future cash flows were determined based on the contractual provisions, excluding VAT since the obligation to pay VAT is established at the moment of invoice issuance and not on the lease commencement date. The Bank discounted the future lease payments using the incremental borrowing interest rate.

The incremental borrowing rate is the rate of interest that a lessee would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment.

To define the discount rate methodology (for the purposes of defining the incremental interest rate under IFRS 16), the Bank used the Republic of Srpska methodology for the yield curve construction, computation and publication.

Upon determining of a lease term, it is necessary to consider the periods covered by an option to terminate the lease if the lessee is reasonably certain not to exercise that option, and periods covered by an option to extend the lease if the lessee is reasonably certain to exercise that option. Specifically, if a lease contract defines the lessee's right to extend the lease contract after a number of years, the lease term will be defined taking into account factors such as the length of the initial period, existence of plans to discontinue the use of the assets leased and other circumstances indicative of the reasonable certainty of the lease contract extension.

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 17 "Insurance Contracts" (effective for annual periods beginning on or after January 1, 2021);
- 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 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 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 References to the Conceptual Framework in IFRS Standards (effective for annual periods beginning on or after 1 January 2020).

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)

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

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.

2.5. Uporedne finansijske informacije

Zbog postizanja konzistentnosti prezentacije u tekućem izvještajnom periodu izvršene su određene reklasifikacije uporednih finansijskih informacija za 2018. godinu. Navedene reklasifikacije nemaju uticaja na neto rezultat, ukupnu aktivu i ukupni kapital Banke.

Uporedne podatke čine finansijski izvještaji Banke na dan 31. decembar 2018. godine i za godinu koja se završila na taj dan.

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 2019. 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 2019. godine Banka je imala koeficijent adekvatnosti kapitala od 15,16% i isti je obračunat bez uključene neto dobiti tekuće godine. Koeficijent adekvatnosti kapitala sa uključenom revidiranom neto dobiti tekuće godine će iznositi 16,15%.

NOVA BANKA A.D. BANJA LUKA

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2019

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)

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

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.

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 2018. The said reclassifications had no impact on the Bank's net profit, its total assets or total equity.

The comparative data comprise the Bank's financial statements as of and for the year ended December 31, 2018.

2.6. 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 2019 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 give rise to 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, 2019, the Bank's capital adequacy ratio was 15.16% before added net profit for the year 2019. With added net profit for the year 2019, the capital adequacy ratio will equal 16.15%.

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 aktivnu 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 komitentata.

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.

Positivne 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).

NOVA BANKA A.D. BANJA LUKA

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2019

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

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 2019. 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 prihod 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

Opozreivanje 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 umanjene 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 opozreivanja. Trenutno važeća poreska stopa na dan bilansa stanja je korišćena za obračun iznosa odloženih poreza.

Odložene poreske obaveze priznaju se na sve opozreive 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 opozreivu dobit ili gubitak, kao i ukoliko se odnose na opozreive 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.

NOVA BANKA A.D. BANJA LUKA

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2019

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

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, 2019, 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 and Expenses 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 income 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.

NOVA BANKA A.D. BANJA LUKA
 NAPOMENE UZ FINANSIJSKE IZVJEŠTAJE

3. PREGLED ZNAČAJNIH RAČUNOVODSTVENIH POLITIKA (nastavak)

3.6 Porez na dobit (nastavak)

3.6.3 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 niti 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

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2019

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 prescribe 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 odmjeravanje

MSFI 9 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, umanjnja 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.

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. Vezano 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.

NOVA BANKA A.D. BANJA LUKA

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2019

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

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

As of Januar 1, 2018 IFRS 9 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.

According to IFRS 9 there are three categories for classification of the financial assets:

- a) Financial assets measured at amortized cost (AC);
- b) 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
- c) 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, sa 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 umanjnenog 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 umanjnenog za kumulativni iznos prihoda
5. nepredviđene naknade koje se naknadno mjere po fer vrijednosti kroz bilans uspjeha.

NOVA BANKA A.D. BANJA LUKA

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2019

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

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) 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. 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, dobici i gubici od kursnih razlika i umanjnja vrijednosti priznaju se odmah u Bilansu uspjeha.

NOVA BANKA A.D. BANJA LUKA

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2019

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

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. 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).

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 (nastavak)

Svaka promjena fer vrijednosti dužničkog instrumenta uključuje i efekat 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 (FVtPL) 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.

NOVA BANKA A.D. BANJA LUKA

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2019

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

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)

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. 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.

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)

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 ugovorenih 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 incijalno priznaju po fer vrijednosti, umanjenoj 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 imaocu, 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.

NOVA BANKA A.D. BANJA LUKA

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2019

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

NOVA BANKA A.D. BANJA LUKA
 NAPOMENE UZ FINANSIJSKE IZVJEŠTAJE

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 Obevrjeđenje kredita i plasmana bankama i komitentima

Uvođenjem MSFI 9 došlo je do širenja koncepta umanjenja 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 umanjenja vrijednosti predstavlja iznos očekivanih kreditnih gubitaka po finansijskoj imovini, Banka svakoj svojoj izloženosti dodjeljuje određenu nenultu vjerovatnoću nastanka gubitaka.

Procenatna vrijednost očekivanih kreditnih gubitaka, koja se zanisava 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. Svakoј 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 rejtingzima su inicijalno dodijeljene odgovarajuće jednogodišnje PiT vrijednosti PD-a, kao i pripadajuća im višegodišnja ročna struktura PD-eva.

NOVA BANKA A.D. BANJA LUKA

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2019

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

NOVA BANKA A.D. BANJA LUKA
 NAPOMENE UZ FINANSIJSKE IZVJEŠTAJE

3. PREGLED ZNAČAJNIH RAČUNOVODSTVENIH POLITIKA (nastavak)

3.12 Obezvrjeđenje 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. Dobijene 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 rezultatna 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 zasnovati 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 umanjavanja vrijednosti. Za njih se ispravke vrijednosti, odnosno rezervisanja za kreditne gubitke, određuju na osnovu cjeloživotnih očekivanih kreditnih gubitaka.
- c) **Stage 3 (utvrđeno umanjavanje vrijednosti – „non-performing loans“)** - Označava kreditne izloženosti u statusu neispunjavanja finansijskih obaveza.
- d) **POCI imovina** - Finansijska imovina čija je vrijednost u trenutku sticanja, dakle kupovine ili odobravanja bila umanjavanja zbog postojanja značajnog kreditnog rizika.

NOVA BANKA A.D. BANJA LUKA

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2019

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

NOVA BANKA A.D. BANJA LUKA
 NAPOMENE UZ FINANSIJSKE IZVJEŠTAJE

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 isknjižavaju 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, restrukturiranje, likvidacija kolaterala),
- **EaD/CCF segmentacija** izloženosti na osnovu segmenta klijenata i tipa kreditnog proizvoda.

NOVA BANKA A.D. BANJA LUKA

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2019

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

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

3.12. Impairment of Loans and Receivables Due from Banks and Customers (Continued)

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.

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.

NOVA BANKA A.D. BANJA LUKA
 NAPOMENE UZ FINANSIJSKE IZVJEŠTAJE

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).

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 šeme, 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 (neiskorišćene 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.

NOVA BANKA A.D. BANJA LUKA

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2019

*All amounts expressed in thousands of BAM, unless otherwise stated.***3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)****3.12. Impairment of Loans and Receivables Due from Banks and Customers (Continued)**

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.

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.

NOVA BANKA A.D. BANJA LUKA
 NAPOMENE UZ FINANSIJSKE IZVJEŠTAJE

3. PREGLED ZNAČAJNIH RAČUNOVODSTVENIH POLITIKA (nastavak)

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 i 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.

Agencija za bankarstvo RS je u toku 2019. godine donijela *Odluku o upravljanju kreditnim rizikom i utvrđivanju očekivanih kreditnih gubitaka* (u daljem tekstu: Odluka) kojom je propisala minimalne zahtjeve za upravljanje rizicima. Efekti prve primjene Odluke predstavljaju razliku između očekivanih kreditnih gubitaka utvrđenih u skladu sa odredbama Odluke i onih koje je Banka utvrdila i knjigovodstveno evidentirala u skladu sa svojom internom metodologijom, a u slučaju kada su tako utvrđeni očekivani kreditni gubici manji i evidentiraju se na računima kapitala.

Ukupno usklađivanje knjigovodstvene vrijednosti finansijskih instrumenata zbog primjene Odluke koji će biti priznati u kapitalu Banke sa 1. januarom 2020. godine iznose 14.663 hiljada BAM, pri čemu bi adekvatnost kapitala iznosila oko 14,08% prije pripisa neto dobiti za poslovnu 2019. godinu, odnosno 15,06% nakon pripisa neto dobiti za poslovnu 2019. godinu.

NOVA BANKA A.D. BANJA LUKA

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2019

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

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.

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.

In 2019 the Banking Agency of the Republic of Srpska enacted the Decision on Credit Risk Management and Expected Credit Loss Determination (the "Decision") where it prescribes the minimum requirements for risk management. The effects of the first-time adoption of the Decision represent the difference between the expected credit losses determined in line with the provisions of the Decision and those determined and recorded by the Bank in accordance with the Bank's internal methodology. In the event that the expected credit losses determined in such a manner are lower, they are recorded on the equity accounts.

The total effects of adjusting the carrying values of the Bank's financial instruments due to the first-time adoption of the Decision will be recognized within the Bank's equity in the amount of BAM 14,663 thousand as of January 1, 2020, where the capital adequacy ratio would be about 14.08% before adding the 2019 profit, and 15.06% after adding the 2019 profit.

NOVA BANKA A.D. BANJA LUKA
 NAPOMENE UZ FINANSIJSKE IZVJEŠTAJE

3. PREGLED ZNAČAJNIH RAČUNOVODSTVENIH POLITIKA (nastavak)

3.12 Obezvrjeđenje kredita i plasmana bankama i komitentima (nastavak)

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 kontrolira reprogramirane kredite kako bi se osiguralo ispunjenje svih kriterijuma, kao i budućih plaćanja.

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 Lizing

Lizing je ugovor po kojem zakupodavac prenosi na zakupca, uz jednokratno ili sukcesivno plaćanje, pravo da koristi sredstva na ugovoreno vrijeme.

Postoje dvije vrste lizinga, i to:

(a) **Finansijski lizing** - prenosi suštinski sve rizike i koristi karakteristične za pravo svojine nad sredstvom. Pravo vlasništva može, ali ne mora, biti konačno prenijeto. Na početku lizinga, sadašnja vrijednost minimalnih lizing rata je jednaka najmanje tržišnoj vrijednosti zakupljenog sredstva.

(a) **Operativni lizing** – svaki oblik lizinga koji nije finansijski. Njime se, u suštini, ne prenose svi rizici i koristi svojstveni vlasništvu.

Finansijski lizing - Banka kao korisnik lizinga

Inicijalno vrijednovanje

Na početku lizing ugovora, zakupac priznaje:

(a) Sredstvo pod zakupom, i to po tržišnoj vrijednosti sredstva ili sadašnjoj vrijednosti minimalnih plaćanja po ugovoru o lizingu, ukoliko je ova vrijednost niža,

(b) Inicijalne direktne troškove (transakcioni troškovi), koji se uključuju u vrijednost sredstva,

(c) Obavezu u iznosu zakupnine, po sadašnjoj vrijednosti minimalnih plaćanja u skladu sa ugovorom o lizingu.

Naknadno vrijednovanje

Lizing rate se raspoređuju na finansijski rashod i smanjenje preostale obaveze. Finansijski rashod raspoređuje se na periode tokom trajanja lizinga tako da se ostvaruje konstantna periodična kamatna stopa na preostali iznos obaveza za svaki period.

Politika amortizacije za sredstva uzeta u lizing, a koja podliježu amortizaciji, usklađuje se sa politikom sredstava koja su u vlasništvu, a priznata amortizacija obračunava se na način definisan kroz standarde MRS 16 i MRS 38.

Međutim, ukoliko nije razumno izvjesno da će Banka kao korisnik lizinga do kraja trajanja ugovora steći vlasništvo nad tim sredstvom, to sredstvo se u potpunosti amortizuje u periodu trajanja lizinga ili njegovog korisnog vijeka trajanja, u zavisnosti od toga koji je period kraći.

Finansijski lizing - Banka kao davalac lizinga

Banka nije registrovana za poslove finansijskog lizinga.

NOVA BANKA A.D. BANJA LUKA

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2019

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

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

3.12. Impairment of Loans and Receivables Due from Banks and Customers (Continued)

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.

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. Leases

A lease is a contract whereby the lessor conveys to the lessee, in exchange for a one-off payment of consideration or payments in succession, the right to use an identified asset over the agreed period of time.

There are two types of leases, as follows:

- a. **Finance leases** – transfer to the lessees substantially all the risks and rewards incidental to ownership of an underlying asset. The ownership right may yet need not be ultimately transferred. At the lease inception, the present value of the minimum lease payments is at least equal to the market value of the underlying asset.
- b. **Operating leases** – any other leases, which do not transfer substantially all the risks and rewards incidental to ownership.

Finance Lease – the Bank as the Lessee

Initial Measurement

At the commencement date of a lease, the lessee recognizes:

- a) the right-of-use asset, at the lower of the fair market value of the leased asset and the present value of the minimum lease payments,
- b) any initial direct costs incurred (transaction costs), that are included in the value of the right-of-use asset, and
- c) the lease liability at the present value of the minimum lease payments under the lease contract.

Subsequent Measurement

Lease payments made under finance leases are apportioned between the finance expenses and a decrease in the outstanding finance lease liability. The finance expenses are allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability.

Depreciation policy for depreciable underlying assets is aligned with the depreciation policy applicable to the Bank's own assets, and the recognized depreciation charge is calculated under the methods defined by IAS 16 and IAS 38. However, if it is not reasonably certain that the Bank as the lessee will acquire ownership of the underlying asset until the end of the lease contract terms, the asset is fully depreciated over the shorter of the lease term and its useful life.

Finance Lease – the Bank as the Lessor

The Bank is not registered to perform finance lease operations.

NOVA BANKA A.D. BANJA LUKA
 NAPOMENE UZ FINANSIJSKE IZVJEŠTAJE

3. PREGLED ZNAČAJNIH RAČUNOVODSTVENIH POLITIKA (nastavak)

3.13 Lizing (nastavak)

Operativni lizing - Banka kao korisnik lizinga

Lizing rate po osnovu operativnog lizinga priznaju se u skladu sa MSFI 16:

- u bilansu stanja od dana kada Banka ima pravo da koristi iznajmljeno sredstvo na period trajanja lizinga plus:
 - period obuhvaćeni eventualnom opcijom produženja lizinga (ako postoji vjerovatnoća da će Banka iskoristiti tu opciju),
 - period obuhvaćen eventualnom opcijom raskida lizinga (ako postoji vjerovatnoća da Banke neće iskoristiti tu opciju)

u iznosu očekivanih plaćanja lizing rata umanjениh za pripadajuće direktne i indirektnе poreze, diskontove po inkrementalnoj kamatnoj stopi (stopa zaduživanja koju bi Banka platila za sličan lizing ili ako to ne može odrediti, stopa koju bi na početku lizinga Banka snosila na ime najma, pod sličnim uslovima sa sličnim instrumentima osiguranja izvora sredstava potrebnih za nabavku predmeta lizinga).

- u bilansu uspjeha u skladu sa MSFI 16, linearno tokom trajanja lizinga kao trošak amortizacije, trošak kamate diskontovan prema inkrementalnoj kamatnoj stopi i trošak direktnih i indirektnih poreza u skladu sa ugovorom o lizingu.

Izuzeto od navednog, u skladu sa MSFI 16, lizing rate za kratkoročne ugovore o lizingu (ugovori do 12 mjeseci) i ugovore male vrijednosti priznaju se kao rashod u bilansu uspjeha linearno tokom trajanja lizinga, izuzev kada drugi sistematski osnov bolje odražava vremenski obrazac za korisnika lizinga.

Operativni lizing - Banka kao davalac lizinga

Banka kao davalac operativnog lizinga prikazuje u svojim bilansima sredstvo koje je dato na operativni lizing, u skladu sa prirodom tog sredstva.

Prihod od operativnog lizinga biće priznat u jednakim iznosima tokom perioda trajanja lizinga, osim ukoliko neki drugi sistematski osnov bolje ne pokazuje vremenski obrazac u kojem se smanjuje korist nastala od upotrebe sredstva datog u lizing.

Politika amortizacije za sredstva data u lizing treba da bude konzistentna sa politikama amortizacije Banke kao davaoca lizinga, za slična sredstva, i takva amortizacija treba da bude izračunata u skladu sa MRS 16 i MRS 38.

Transakcije prodaje i povratnog lizinga

Ove transakcije obuhvataju prodaju sredstva i davanje u lizing istog sredstva nazad prodavcu.

Ukoliko transakcija prodaje i povratnog lizinga rezultuje u finansijskom lizingu, svaki višak prodajne vrijednosti iznad knjigovodstvene vrijednosti zakupljenog sredstva neće biti odmah priznat kao prihod u finansijskim izvještajima prodavca-korisnika lizinga, već se razgraničava i priznaje kao prihod tokom vremena trajanja lizinga.

Ukoliko transakcija prodaje i povratnog lizinga rezultira uspostavljanjem operativnog lizinga i ukoliko je evidentno da je transakcija utvrđena po fer vrijednosti, bilo koji dobitak ili gubitak priznaće se odmah i svaki višak prodajne vrijednosti iznad knjigovodstvene vrijednosti zakupljenog sredstva neće biti odmah priznat, već se razgraničava i priznaje kao prihod tokom vremena trajanja lizinga. Ukoliko je prodajna cijena ispod fer vrijednosti, dobitak ili gubitak priznaju se odmah, osim ukoliko taj gubitak nije kompenzovan budućim lizing ratama po cijeni nižoj od tržišne. Tada će on biti razgraničen i amortizovan srazmjerno lizing ratama tokom perioda u kojem se očekuje korišćenje tog sredstva. Ukoliko je pak prodajna cijena iznad fer vrijednosti, višak iznad fer vrijednosti razgraničava se i amortizuje tokom perioda za koji se očekuje da će se to sredstvo koristiti.

NOVA BANKA A.D. BANJA LUKA

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2019

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

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

3.13. Leases (Continued)

Operating Lease – the Bank as the Lessee

Lease payments under operating lease arrangements are recognized under IFRS 16:

- in the statement of financial position as from the date that Bank is entitled to use the leased asset for the agreed lease term, plus:
 - periods covered by an option to extend the lease (if the Bank is reasonably certain to exercise that option); and
 - periods covered by an option to terminate the lease (if the Bank is reasonably certain not to exercise that option)

in the amount of the expected lease payments decreased by the relating direct and indirect taxes, discounted at the incremental borrowing interest rate (the borrowing rate of interest that the Bank would pay for a similar leasing/crediting arrangement, or, if such a rate cannot be determined, the rate of interest that, at the lease inception, the Bank would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset); and

- In the income statement, on a straight-line basis, over the lease term, as depreciation charge, interest expenses (discounted at the incremental borrowing rate) and direct and indirect tax expenses in accordance with the relevant lease contract.

Exceptionally, under IFRS 16, the lease payments for short-term leases (up to 12 months) and leases with low-value underlying assets are recognized as expenses within the income statement, on a straight-line basis over the lease term, unless another systematic basis is more representative of the time pattern of the Bank's benefit.

Operating Lease – the Bank as the Lessor

As lessor, the Bank presents assets held for operating leases in its statement of financial position according to the nature of those assets.

Rental income from operating leases is recognized on a straight-line basis over the term of the relevant lease, unless another systematic basis is more representative of the time pattern of the Bank's decreased benefit from the asset leased. The depreciation/amortization policy for the assets leased should be consistent with the depreciation/amortization policies applicable to the Bank's own similar assets, and such depreciation/amortization is calculated in accordance with IAS 16 and IAS 38.

Sale and Leaseback Transactions

These transactions entail both a sale of an asset and lease back of that same asset by the seller from the asset's new owner.

For a sale and leaseback transaction that results in a finance lease, any excess of proceeds over the carrying amount is not immediately recognizes as income in the financial statements of the seller-lessee, but is deferred and amortized over the lease term.

For a transaction that results in an operating lease and if the transaction is clearly carried out at fair value - the profit or loss should be recognized immediately, while any excess of the sale price over the fair value should be deferred and amortized over the period of use. If the sale price is below the fair value – the profit or loss should be recognized immediately, except if a loss is compensated for by future rentals at a below market price, the loss should be amortized over the period of use commensurately to the lease payments over the period of use. If, however, the sale price is above the fair value - the excess over the fair value should be deferred and amortized over the period of use.

NOVA BANKA A.D. BANJA LUKA
 NAPOMENE UZ FINANSIJSKE IZVJEŠTAJE

3. PREGLED ZNAČAJNIH RAČUNOVODSTVENIH POLITIKA (nastavak)

3.14 Nekretnine i oprema

3.14.1 Priznavanje i vrednovanje

Prilikom inicijalnog priznavanja, nekretnine i oprema se vrednuju po nabavnoj vrijednosti ili cijeni koštavanja, 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 umanjenoj za ukupnu akumuliranu amortizaciju i ukupne eventualne gubitke zbog umanjenja vrijednosti.

3.14.2 Naknadno vrednovanje

Nekretnine i oprema se vrednuju po nabavnoj vrijednosti, bez uvećanja za izdatke svakodnevnog održavanja, umanjenoj 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:

	2019. godina	2018. godina
Zgrade	1,3%	1,3%
Računarska oprema i srodna oprema	14,29% - 20,00%	14,29% - 20,00%
Automobili	12,50%	12,50%
Ulaganja u tuđa osnovna sredstva	6,49% - 38,72%	6,49% - 85,71%
Oprema i ostala sredstva	10,00% - 15,50%	10,00% - 15,50%

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.

NOVA BANKA A.D. BANJA LUKA
 NOTES TO THE FINANCIAL STATEMENTS
 December 31, 2019

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

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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:

	2019	2018
Buildings	1.3%	1.3%
Computers and computer equipment	14.29% - 20.00%	14.29% - 20.00%
Automobiles	12.50%	12.50%
Leasehold improvements	6.49% - 38.72%	6.49% - 85.71%
Equipment and other assets	10.00% - 15.50%	10.00% - 15.50%

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.

NOVA BANKA A.D. BANJA LUKA
 NAPOMENE UZ FINANSIJSKE IZVJEŠTAJE

3. PREGLED ZNAČAJNIH RAČUNOVODSTVENIH POLITIKA (nastavak)

3.15. Nematerijalna ulaganja (nastavak)

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 10% do 16,50%.

3.16. Investicione nekretnine

Investicione nekretnine obuhvataju imovinu koju Banka koristi u cilju ostvarivanja prihoda od zakupnine. Investicione nekretnine se prilikom inicijalnog priznavanja 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.

3.17. 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 obezvrijeđenja sredstava u smislu pada nadoknadive vrijednosti. Gubici od umanjenja vrijednosti se priznaju na teret rashoda perioda.

3.18. Obezvrijeđenje 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 obezvrijeđeno, procjenjuje se nadoknadiva vrijednost kako bi se odredio gubitak po osnovu obezvrijeđenja. Ukoliko se utvrdi da je nadoknadiva vrijednost sredstva manja od knjigovodstvene vrijednosti, knjigovodstvena vrijednost se umanjuje do procijenjenog iznosa nadoknadive vrijednosti. Nadoknadiva vrijednost sredstava utvrđuje se kao vrijednost koja je veća od upotrebne vrijednosti sredstva i njegove fer vrijednosti.

NOVA BANKA A.D. BANJA LUKA

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2019

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

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

3.15. Intangible Assets (Continued)

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 10% to 16.50%.

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.

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.

NOVA BANKA A.D. BANJA LUKA
 NAPOMENE UZ FINANSIJSKE IZVJEŠTAJE

3. PREGLED ZNAČAJNIH RAČUNOVODSTVENIH POLITIKA (nastavak)

3.18. Obezvrjeđenje nefinansijskih sredstava potraživanja (nastavak)

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 nadoknativa. Gubitak zbog umanjenja vrijednosti se priznaje u visini iznosa za koji je knjigovodstvena vrijednost sredstva veća od njegove nadoknativne 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 nadoknativa. 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 nadoknativog 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 2019. godine sprovela test umanjenja vrijednosti nefinansijskih sredstava na osnovu kojeg nije bilo potrebe za umanjenjem vrijednosti nekretnina.

3.19. 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 aktivni 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 korišćenja garancije.

3.20. 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.

3.21. 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.

NOVA BANKA A.D. BANJA LUKA

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2019

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

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

3.18. Impairment of Non-Financial Assets (Continued)

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, 2019, 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.

3.21. Provisions

Provisions are recognized when the Bank has a present legal or constructive obligation as a result of a past event, 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

NOVA BANKA A.D. BANJA LUKA
NAPOMENE UZ FINANSIJSKE IZVJEŠTAJE

3. PREGLED ZNAČAJNIH RAČUNOVODSTVENIH POLITIKA (nastavak)

3.22. 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.

Aksijski kapital

Aksijski 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.

Banka je u toku 2019. godine nadoknadila regulatorne rezerve za procijenjene gubitke iz dobiti, tako da na dan 31. decembar 2019. godine nije imala odbitnu stavku od regulatornog kapitala prilikom obračuna adekvatnosti kapitala.

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.

3.23. 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.

NOVA BANKA A.D. BANJA LUKA

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2019

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

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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).

In 2019, the Bank absorbed the shortfall regulatory reserves for estimated credit losses so that as of December 31, 2019 it had no 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.

NOVA BANKA A.D. BANJA LUKA

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2019

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

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.

NOVA BANKA A.D. BANJA LUKA
 NAPOMENE UZ FINANSIJSKE IZVJEŠTAJE

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.

Budući da Banka posluje samo u Bosni i Hercegovini, ne prikazuju se sekundarni (geografski) segmenti. Izvještaji 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 2019. godinu

	<i>Privreda</i>	<i>Stanovništvo</i>	<i>Finansijsko tržište</i>	<i>Ostalo</i>	<i>UKUPNO</i>
	<i>000 BAM</i>	<i>000 BAM</i>	<i>000 BAM</i>	<i>000 BAM</i>	<i>000 BAM</i>
Prihodi od kamata	39.852	31.888	4.673	-	76.413
Rashodi od kamata	(6.005)	(12.075)	(2.560)	-	(20.640)
Neto prihodi od kamata	33.847	19.813	2.113	-	55.773
Prihodi od naknada i provizija	18.611	11.566	201	1.128	31.506
Rashodi od naknada i provizija	(6.778)	(6.242)	-	-	(13.020)
Neto prihodi po osnovu naknada i provizija	11.833	5.324	201	1.128	18.486
Neto prihod od kursnih razlika	3.875	531			4.406
Ostali operativni prihodi	2.367	1.793	5.116	1.170	10.446
Operativni rashodi	(30.910)	(21.552)	(1.954)	(689)	(55.105)
Dobit prije umanjenja ispravki vrijednosti i rezervisanja	21.012	5.909	5.476	1.609	34.006
Neto rashodi ispravke vrijednosti	(16.952)	(2.985)	(16)	(29)	(19.924)
Dobit prije oporezivanja	4.060	2.924	5.460	1.638	14.082
Porez na dobit	(1.171)	(644)	(60)	(29)	(1.904)
Dobit tekuće godine	2.889	2.280	5.400	1.609	12.178
Ostali dobiti i gubici u periodu					
<i>Stavke koje mogu biti naknadno reklasifikovane u dobitke ili gubitke:</i>					
Dobitak po osnovu promjene fer vrijednosti hartija od vrijednosti raspoloživih za prodaju	-	-	2.118	-	2.118
Ukupan rezultat za obračunski period	2.889	2.280	7.518	1.609	14.296

NOVA BANKA A.D. BANJA LUKA

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2019

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

As the Bank operates in Bosnia and Herzegovina only, secondary (geographic) segments are not presented.

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 2019

	<i>Corporate</i>	<i>Retail</i>	<i>Financial markets</i>	<i>Other</i>	<i>Total</i>
Interest income	39,852	31,888	4,673	-	76,413
Interest expenses	(6,005)	(12,075)	(2,560)	-	(20,640)
Net interest income	33,847	19,813	2,113	-	55,773
Fee and commission income	18,611	11,566	201	1,128	31,506
Fee and commission expenses	(6,778)	(6,242)	-	-	-13,020
Net fee and commission income	11,833	5,324	201	1,128	18,486
Net foreign exchange gains	3,875	531			4,406
Other operating income	2,367	1,793	5,116	1,170	10,446
Operating and other expenses	(30,910)	(21,552)	(1,954)	(689)	(55,105)
Profit before impairment and provisions	21,012	5,909	5,476	1,609	34,006
Net impairment losses	(16,952)	(2,985)	(16)	(29)	(19,924)
Profit before taxes	4,060	2,924	5,460	1,638	14,082
Income tax expenses	(1,171)	(644)	(60)	(29)	(1,904)
Profit for the year	2,889	2,280	5,400	1,609	12,178
Other gains and losses for the year <i>Items that may subsequently be reclassified to profit and loss:</i> Gains on the fair value adjustment of financial assets at FVtOCI			2,118		2,118
Total comprehensive income for the year	2,889	2,280	7,518	1,609	14,296

NOVA BANKA A.D. BANJA LUKA
 NAPOMENE UZ FINANSIJSKE IZVJEŠTAJE

5. IZVJEŠTAVANJE PO SEGMENTIMA (nastavak)

5.2 Bilans uspjeha po segmentima za poslovnu 2018. godinu

	<i>Privreda</i>	<i>Stanovništvo</i>	<i>Finansijsko tržište</i>	<i>Ostalo</i>	<i>UKUPNO</i>
	<i>000 BAM</i>	<i>000 BAM</i>	<i>000 BAM</i>	<i>000 BAM</i>	<i>000 BAM</i>
Prihodi od kamata	42.524	32.681	7.613	-	82.818
Rashodi od kamata	(6.385)	(16.449)	(3.009)	-	(25.843)
Neto prihodi od kamata	36.139	16.232	4.604	-	56.975
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)
Neto prihodi po osnovu naknada i provizija	4.766	11.728	156	1.102	17.752
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)
Dobit prije umanjenja ispravki vrijednosti i rezervisanja	22.029	6.596	2.869	683	32.177
Neto rashodi ispravke vrijednosti	(15.524)	(4.115)	-	(15)	(19.654)
Dobit prije oporezivanja	6.505	2.481	2.869	668	12.523
Porez na dobit	(947)	(361)	(418)	(98)	(1.824)
Dobit tekuće godine	5.558	2.120	2.451	570	10.699
Ostali dobiti i gubici u periodu, neto od poreza					
<i>Stavke koje mogu biti naknadno reklasifikovane u dobitke ili gubitke:</i>					
Dobitak po osnovu promjene fer vrijednosti hartija od vrijednosti raspoloživih za prodaju	-	-	(603)	-	(603)
Ukupan rezultat za obračunski period	5.558	2.120	1.848	570	10.096

NOVA BANKA A.D. BANJA LUKA

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2019

*All amounts expressed in thousands of BAM, unless otherwise stated.***5. SEGMENT REPORTING (Continued)****5.2. Income Statement per Segment for FY 2018**

	<u>Corporate</u>	<u>Retail</u>	<u>Financial markets</u>	<u>Other</u>	<u>Total</u>
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 <i>Items that may subsequently be reclassified to profit and loss:</i>					
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

NOVA BANKA A.D. BANJA LUKA
 NAPOMENE UZ FINANSIJSKE IZVJEŠTAJE

5. IZVJEŠTAVANJE PO SEGMENTIMA (nastavak)

5.3 Bilans stanja po segmentima za godinu koja se završila 31. decembra 2019. godine

	<i>Privreda</i>	<i>Stanovništvo</i>	<i>Finansijsko tržište</i>	<i>Ostalo</i>	<i>UKUPNO</i>
	<i>000 BAM</i>	<i>000 BAM</i>	<i>000 BAM</i>	<i>000 BAM</i>	<i>000 BAM</i>
AKTIVA					
Novčana sredstva i računi depozita kod depozitnih institucija	-	-	-	260.978	260.978
Obavezna rezerva kod Centralne Banke	-	-	-	185.194	185.194
Finansijska imovina koja se vrednuje po fer vrijednosti kroz bilans uspjeha	-	-	10.688	-	10.688
Finansijska imovina koja se vrednuje po fer vrijed. kroz ostali ukupni rezultat	-	-	234.980	-	234.980
Plasmani drugim bankama	1.979	-	-	-	1.979
Kredit i dospjela potraživanja po kreditima	868.905	503.845	-	-	1.372.750
Osnovna sredstva i ulaganja u nekretnine	-	-	-	56.039	56.039
Nematerijalna ulaganja	-	-	-	2.547	2.547
Ostala potraživanja i AVR	3.047	5.053	1.861	43.659	53.620
Poslovna aktiva	873.931	508.898	247.529	548.417	2.178.775
Vanbilansna aktiva	280.783	28.808	-	-	309.591
UKUPNA AKTIVA	1.154.714	537.706	247.529	548.417	2.488.366
PASIVA					
Obaveze					
Depoziti komitenata	732.811	946.102	-	-	1.678.913
Obaveze po uzetim kreditima	247.070	-	-	-	247.070
Rezervisanja na stavke vanbilansa	980	69	-	-	1.049
Ostale obaveze i PVR	11.071	16.805	-	17.350	45.226
Odložene poreske obaveze	-	-	-	9	9
Subordinirani dug (dopunski kapital)	-	-	37.600	-	37.600
Ukupno obaveze	991.932	962.976	37.600	17.359	2.009.867
Kapital					
Kapital i rezerve	-	-	-	153.593	153.593
Neraspoređena dobit	-	-	-	15.315	15.315
Ukupan kapital	-	-	-	168.908	168.908
Poslovna pasiva	991.932	962.976	37.600	186.267	2.178.775
Vanbilansna pasiva	280.783	28.808	-	-	309.591
UKUPNA PASIVA	1.272.715	991.784	37.600	186.267	2.488.366

NOVA BANKA A.D. BANJA LUKA

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2019

*All amounts expressed in thousands of BAM, unless otherwise stated.***5. SEGMENT REPORTING (Continued)****5.3. Statement of Financial Position per Segment for FY 2019**

	<u>Corporate</u>	<u>Retail</u>	<u>Financial markets</u>	<u>Other</u>	<u>Total</u>
ASSETS					
Cash and balances held with banks and other financial institutions	-	-	-	260,978	260,978
Obligatory reserve held with the Central Bank	-	-	-	185,194	185,194
Financial assets at fair value through profit or loss (FVtPL)	-	-	10,688	-	10,688
Financial assets at fair value through other comprehensive income (FVtOCI)	-	-	234,980	-	234,980
Loans and receivables due from banks and other financial institutions	1,979	-	-	-	1,979
Loans and receivables due from customers	868,905	503,845	-	-	1,372,750
Property, plant, equipment and investment property	-	-	-	56,039	56,039
Intangible assets	-	-	-	2,547	2,547
Other receivables and prepayments	3,047	5,053	1,861	43,659	53,620
Operating assets	873,931	508,898	247,529	548,417	2,178,775
Off-balance sheet assets	280,783	28,808	-	-	309,591
TOTAL ASSETS	1,154,714	537,706	247,529	548,417	2,488,366
LIABILITIES AND EQUITY					
Liabilities					
Deposits due to customers	732,811	946,102	-	-	1,678,913
Borrowings	247,070	-	-	-	247,070
Provisions for off-balance sheet items	980	69	-	-	1,049
Other liabilities and accruals	11,071	16,805	-	17,350	45,226
Deferred tax liabilities	-	-	-	9	9
Subordinated debt (supplementary capital)	-	-	37,600	-	37,600
Total liabilities	991,932	962,976	37,600	17,359	2,009,867
Equity					
Share capital and reserves	-	-	-	153,593	153,593
Retained earnings	-	-	-	15,315	15,315
Total equity	-	-	-	168,908	168,908
Operating liabilities and equity	991,932	962,976	37,600	186,267	2,178,775
Off-balance sheet liabilities	280,783	28,808	-	-	309,591
TOTAL LIABILITIES AND EQUITY	1,272,715	991,784	37,600	186,267	2,488,366

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 2018. godine

	<i>Privreda</i>	<i>Stanovništvo</i>	<i>Finansijsko tržište</i>	<i>Ostalo</i>	<i>UKUPNO</i>
	<i>000 BAM</i>	<i>000 BAM</i>	<i>000 BAM</i>	<i>000 BAM</i>	<i>000 BAM</i>
AKTIVA					
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 vrednuje po fer vrijednosti kroz bilans uspjeha	-	-	6.753	-	6.753
Finansijska imovina koja se vrednuje po fer vrijed. kroz ostali ukupni rezultat	-	-	247.721	-	247.721
Plasmani drugim bankama	2.005	-	-	-	2.005
Kredit i dospjela potraživanja po kreditima	715.091	472.462	-	-	1.187.553
Osnovna sredstva i ulaganja u nekretnine	-	-	-	55.332	55.332
Nematerijalna ulaganja	-	-	-	3.198	3.198
Ostala potraživanja i AVR	3.922	5.694	4.647	34.167	48.430
Poslovna aktiva	721.018	478.156	259.121	493.721	1.952.016
Vanbilansna aktiva	146.482	95.128	-	-	241.610
UKUPNA AKTIVA	867.500	573.284	259.121	493.721	2.193.626
PASIVA					
Obaveze					
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
Ukupno obaveze	826.135	927.398	37.600	6.271	1.797.404
Kapital					
Kapital i rezerve	-	-	-	143.912	143.912
Neraspoređena dobit	-	-	-	10.700	10.700
Ukupan kapital	-	-	-	154.612	154.612
Poslovna pasiva	826.135	927.398	37.600	160.883	1.952.016
Vanbilansna pasiva	146.482	95.128	-	-	241.610
UKUPNA PASIVA	972.617	1.022.526	37.600	160.883	2.193.626

NOVA BANKA A.D. BANJA LUKA

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2019

*All amounts expressed in thousands of BAM, unless otherwise stated.***5. SEGMENT REPORTING (Continued)****5.4. Statement of Financial Position per Segment for FY 2018**

	<i>Corporate</i>	<i>Retail</i>	<i>Financial markets</i>	<i>Other</i>	<i>Total</i>
ASSETS					
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)	-	-	6,753	-	6,753
Financial assets at fair value through other comprehensive income (FVtOCI)	-	-	247,721	-	247,721
Loans and receivables due from banks and other financial institutions	2,005	-	-	-	2,005
Loans and receivables due from customers	715,091	472,462	-	-	1,187,553
Property, plant, equipment and investment property	-	-	-	55,332	55,332
Intangible assets	-	-	-	3,198	3,198
Other receivables and prepayments	3,922	5,694	4,647	34,167	48,430
Operating assets	721,018	478,156	259,121	493,721	1,952,016
Off-balance sheet assets	146,482	95,128	-	-	241,610
TOTAL ASSETS	867,500	573,284	259,121	493,721	2,193,626
LIABILITIES AND EQUITY					
Liabilities					
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
Deferred tax liabilities	-	-	-	47	47
Subordinated debt (supplementary capital)	-	-	37,600	-	37,600
Total liabilities	826,135	927,398	37,600	6,271	1,797,404
Equity					
Share capital and reserves	-	-	-	143,912	143,912
Retained earnings	-	-	-	10,700	10,700
Total equity	-	-	-	154,612	154,612
Operating liabilities and equity	826,135	927,398	37,600	160,883	1,952,016
Off-balance sheet liabilities	146,482	95,128	-	-	241,610
TOTAL LIABILITIES AND EQUITY	972,617	1,022,526	37,600	160,883	2,193,626

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:

	<i>Godina koja se završila 31. decembra</i>	
	<i>2019.</i>	<i>2018.</i>
	<i>000 BAM</i>	<i>000 BAM</i>
Kredit i potraživanja od klijenata	62.753	71.132
Ulaganje u obveznice	9.768	7.613
Ostali prihodi od kamata i slični prihodi	3.892	4.073
Ukupno prihodi od kamata	76.413	82.818

b) Prihodi od kamata po osnovu izvora dati su u sljedećoj tabeli:

	<i>Godina koja se završila 31. decembra</i>	
	<i>2019.</i>	<i>2018.</i>
	<i>000 BAM</i>	<i>000 BAM</i>
Banke	104	74
Privreda	27.352	31.012
Javni sektor	16.560	18.564
Stanovništvo	31.839	32.625
Ostali komitenti	558	543
Ukupno	76.413	82.818

7. RASHODI KAMATA

a) Rashodi od kamata po osnovu bankarskih poslova dati su u sljedećoj tabeli:

	<i>Godina koja se završila 31. decembra</i>	
	<i>2019.</i>	<i>2018.</i>
	<i>000 BAM</i>	<i>000 BAM</i>
Depoziti komitenata	14.304	19.575
Obaveze po uzetim kreditima i ostalim pozajmicama	3.423	3.258
Subordinirani dugovi i subordinirane obveznice	2.559	3.010
Rashodi po osnovu leasinga (napomena 33)	354	-
Ukupno rashodi kamata	20.640	25.843

b) Rashodi od kamata po osnovu izvora dati su u sljedećoj tabeli:

	<i>Godina koja se završila 31. decembra</i>	
	<i>2019.</i>	<i>2018.</i>
	<i>000 BAM</i>	<i>000 BAM</i>
Banke	219	140
Privreda	924	1.109
Javni sektor	697	906
Stanovništvo	11.846	16.096
Ostali komitenti	6.954	7.592
Ukupno	20.640	25.843

NOVA BANKA A.D. BANJA LUKA

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2019

*All amounts expressed in thousands of BAM, unless otherwise stated.***6. INTEREST INCOME**

a) Breakdown of interest income per banking operation:

	<i>Year Ended December 31,</i>	
	<u>2019</u>	<u>2018</u>
Interest income per:		
Loans and receivables due from customers	62,753	71,132
Investments in securities	9,768	7,613
Other interest and similar income	3,892	4,073
Total interest income	<u>76,413</u>	<u>82,818</u>

b) Breakdown of interest income per source:

	<i>Year Ended December 31,</i>	
	<u>2019</u>	<u>2018</u>
Banks	104	74
Corporate customers	27,352	31,012
Public sector	16,560	18,564
Retail customers	31,839	32,625
Other customers	558	543
Total interest income	<u>76,413</u>	<u>82,818</u>

7. INTEREST EXPENSES

a) Breakdown of interest expenses per banking operation:

	<i>Year Ended December 31,</i>	
	<u>2019</u>	<u>2018</u>
Interest expenses per:		
Deposits due to customers	14,304	19,575
Borrowings	3,423	3,258
Subordinated debts and subordinated bonds	2,559	3,010
Lease liabilities (Note 33)	354	-
Total interest expenses	<u>20,640</u>	<u>25,843</u>

b) Breakdown of interest expenses per source:

	<i>Year Ended December 31,</i>	
	<u>2019</u>	<u>2018</u>
Banks	219	140
Corporate customers	924	1,109
Public sector	697	906
Retail customers	11,846	16,096
Other customers	6,954	7,592
Total interest expenses	<u>20,640</u>	<u>25,843</u>

NOVA BANKA A.D. BANJA LUKA
 NAPOMENE UZ FINANSIJSKE IZVJEŠTAJE

8. PRIHODI OD NAKNADA I PROVIZIJA

	<i>Godina koja se završila 31. decembra</i>	
	<i>2019.</i>	<i>2018.</i>
	<i>000 BAM</i>	<i>000 BAM</i>
Naknade za usluge platnog prometa u zemlji	8.345	7.652
Naknade za usluge platnog prometa u inostranstvu	3.201	3.242
Naknade po osnovu kredita	552	491
Naknade po izdatim garancijama, akreditivima i drugimjstvima	3.633	3.541
Naknade po kartičnom poslovanju	8.617	7.182
Naknade po mjenjačkim poslovima	3.432	3.172
Ostale naknade i provizije	3.726	3.639
Prihodi od naknada i provizija	31.506	28.919

a) *Ostale naknade i provizije*

	<i>Godina koja se završila 31. decembra</i>	
	<i>2019.</i>	<i>2018.</i>
	<i>000 BAM</i>	<i>000 BAM</i>
Naknade za bankarske pakete	3.498	3.376
Naknade za vođenje računa	18	14
Naknade za brokerske provizije	201	226
Ostali prihodi od naknada	9	23
Ukupno	3.726	3.639

9. RASHODI OD NAKNADA I PROVIZIJA

	<i>Godina koja se završila 31. decembra</i>	
	<i>2019.</i>	<i>2018.</i>
	<i>000 BAM</i>	<i>000 BAM</i>
Naknade za usluge platnog prometa u zemlji	1.654	1.717
Naknade za usluge platnog prometa u inostranstvu	792	792
Naknada i provizija za konverziju	2.259	2.037
Rashodi naknada po kartičnim poslovima	6.242	4.779
Rashodi naknada i provizija prema Agenciji za bankarstvo RS	1.510	1.467
Rashodi naknada i provizija prema Centralnomregistru i Berzi	355	184
Ostale naknade i provizije	208	191
Ukupno	13.020	11.167

Rashodi naknada po kartičnim poslovima u iznosu od 6.242 hiljada BAM na dan 31. decembar 2019. godine (2018: 4.779 hiljada BAM) se odnose na međubankarske provizije (interchange fee) za rad kartica Visa i MasterCard na bankomatima i POS terminalima drugih banaka, kao i provizije nastale tuđim karticama u trgovačkoj mreži Nove banke. Rast broja kartica i transakcija uticali su na rast rashoda naknada po kartičnim poslovima u 2019. godini.

NOVA BANKA A.D. BANJA LUKA

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2019

*All amounts expressed in thousands of BAM, unless otherwise stated.***8. FEE AND COMMISSION INCOME**

	<i>Year Ended December 31,</i>	
	<u>2019</u>	<u>2018</u>
Fees for domestic payment operations	8,345	7,652
Fees for foreign payment operations	3,201	3,242
Loan processing fees	552	491
Fees for guarantees, letters of credit and other sureties issued	3,633	3,541
Fees from card operations	8,617	7,182
Fees for money exchange operations	3,432	3,172
Other fees and commissions	<u>3,726</u>	<u>3,639</u>
Total fee and commission income	<u>31,506</u>	<u>28,919</u>

a) Breakdown of other fees and commissions

	<i>Year Ended December 31,</i>	
	<u>2019</u>	<u>2018</u>
Banking package fees	3,498	3,376
Account maintenance fees	18	14
Brokerage commissions	201	226
Other fees	<u>9</u>	<u>23</u>
Total	<u>3,726</u>	<u>3,639</u>

9. FEE AND COMMISSION EXPENSES

	<i>Year Ended December 31,</i>	
	<u>2019</u>	<u>2018</u>
Fees for domestic payment operations	1,654	1,717
Fees for foreign payment operations	792	792
Conversion fees and commissions	2,259	2,037
Fees per card operations	6,242	4,779
Fees and commissions payable to the Banking Agency of RS	1,510	1,467
Fees and commissions payable to the Central Securities Registry and Stock Exchange	355	184
Other fees and commissions	<u>208</u>	<u>191</u>
Total fee and commission expenses	<u>13,020</u>	<u>11,167</u>

Fees per card operations totaling BAM 6,242 thousand in 2019 (2018: BAM 4,779 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. Increase in the number of cards issued and in the volume of card transactions gave rise to the increased Bank's fee and commission expenses for card operations in 2019.

NOVA BANKA A.D. BANJA LUKA
 NAPOMENE UZ FINANSIJSKE IZVJEŠTAJE

10. NETO PRIHOD OD KURSNIH RAZLIKA

	<i>Godina koja se završila 31. decembra</i>	
	2019.	2018.
	000 BAM	000 BAM
Prihodi po osnovu pozitivnih kursnih razlika	9.599	11.069
Rashodi po osnovu negativnih kursnih razlika	(5.193)	(6.654)
Neto prihod od kursnih razlika	4.406	4.415

11. OSTALI OPERATIVNI PRIHODI

	<i>Godina koja se završila 31. decembra</i>	
	2019.	2018.
	000 BAM	000 BAM
Prihodi od naplaćenih otpisanih potraživanja	1.436	4.836
Prihodi po osnovu promjene vrijednosti HOV	4.255	1.278
Prihodi od smanjenja obaveza	178	180
Prihodi po osnovu prijevremenog razročenja depozita	503	559
Prihodi po osnovu zakupa poslovnih prostora i sefova	724	672
Prihodi po osnovu otkupljenih potraživanja	1.042	438
Dobici po osnovu prodaje HOV	660	50
Prihodi od prodaje materijalnih vrijednosti	200	210
Prihodi od dividendi	201	52
Dobici od prodaje osnovnih sredstava i nematerijalnih ulaganja	75	18
Ostali operativni prihodi	1.172	333
UKUPNO	10.446	8.626

Prihodi od naplaćenih otpisanih potraživanja za poslovnu 2019. godinu u iznosu od 1.436 hiljada BAM (2018: 4.836 hiljada BAM), najvećim dijelom se odnose na naplaćenu otpisanu kamatu.

12. OPERATIVNI I OSTALI RASHODI

	<i>Godina koja se završila 31. decembra</i>	
	2019.	2018.
	000 BAM	000 BAM
Troškovi zaposlenih	19.760	21.693
Troškovi amortizacije	5.447	5.535
Troškovi amortizacije zakupa za poslovni leasing (napomena 33)	2.392	-
Ostali operativni troškovi	21.779	24.934
Ostali rashodi poslovanja	5.727	3.429
Operativni rashodi	55.105	55.591

NOVA BANKA A.D. BANJA LUKA

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2019

*All amounts expressed in thousands of BAM, unless otherwise stated.***10. NET FOREIGN EXCHANGE GAINS**

	<i>Year Ended December 31,</i>	
	<u>2019</u>	<u>2018</u>
Foreign exchange gains	9,599	11,069
Foreign exchange losses	(5,193)	(6,654)
Foreign exchange gains, net	<u>4,406</u>	<u>4,415</u>

11. OTHER OPERATING INCOME

	<i>Year Ended December 31,</i>	
	<u>2019</u>	<u>2018</u>
Recovery receivables previously written off	1,436	4,836
Gains on the value adjustments of securities	4,255	1,278
Write-off of liabilities	178	180
Income from early deposit withdrawal penalties	503	559
Rental income – premises and safe deposit boxes	724	672
Income from purchased receivables	1,042	438
Gains on the sales of securities	660	50
Gains on the sales of assets acquired in lieu of debt collection	200	210
Dividend income	201	52
Gains on the sales of property, equipment and intangible assets	75	18
Other operating income	1,172	333
Total other operating income	<u>10,446</u>	<u>8,626</u>

Recovery of receivables previously written off totaling BAM 1,436 thousand in 2019 (2018: BAM 4,836 thousand) mostly relate to the collected interest previously written off.

12. OPERATING AND OTHER EXPENSES

	<i>Year Ended December 31,</i>	
	<u>2019</u>	<u>2018</u>
Staff costs	19,760	21,693
Depreciation/amortization charge	5,447	5,535
Depreciation charge per operating leases (Note 33)	2,392	-
Other operating expenses	21,779	24,934
Other expenses	5,727	3,429
Total operating and other expenses	<u>55,105</u>	<u>55,591</u>

NOVA BANKA A.D. BANJA LUKA
NAPOMENE UZ FINANSIJSKE IZVJEŠTAJE

12. OPERATIVNI I OSTALI RASHODI (nastavak)

a) Troškovi zaposlenih

	<i>Godina koja se završila 31. decembra</i>	
	<i>2019.</i>	<i>2018.</i>
	<i>000 BAM</i>	<i>000 BAM</i>
Troškovi neto zarada	12.097	13.031
Troškovi poreza i doprinosa na zarade	7.309	8.301
Troškovi naknada za privremene i povremene poslove	113	150
Ostali troškovi zaposlenih	241	211
Troškovi zaposlenih	19.760	21.693

b) Ostali operativni troškovi

	<i>Godina koja se završila 31. decembra</i>	
	<i>2019.</i>	<i>2018.</i>
	<i>000 BAM</i>	<i>000 BAM</i>
Troškovi zakupa od pravnih i fizičkih lica	753	3.675
Troškovi obezbjeđenja objekata, štampanja i druge neproizvodne usluge	2.918	3.109
Troškovi osiguranja depozita	3.115	3.102
Troškovi kartičnog poslovanja	3.010	2.824
Troškovi materijala, goriva, energije i usluga	1.654	1.738
Troškovi telekomunikacija	1.249	1.347
Troškovi marketinga	1.232	1.541
Troškovi održavanja osnovnih sredstava	1.539	1.297
Troškovi transporta novca	1.268	1.105
Troškovi zakupa licenci	1.162	1.120
Troškovi eksternih usluga	628	856
Troškovi osiguranja radnika i osnovnih sredstava	938	840
Troškovi održavanja prostorija	297	328
Ostali operativni troškovi	2.016	2.052
Ostali operativni troškovi	21.779	24.934

U okviru ostalih operativnih troškova iskazani su troškovi kartičarskog poslovanja u iznosu od 3.010 hiljade BAM (2018: 2.824 hiljade BAM) koji se odnose na nadzor ATM bankomata i POS terminala i održavanje softvera za iste. Troškovi zakupa od pravnih i fizičkih lica u iznosu 753 hiljade BAM za poslovnu 2019. godinu (2018: 3.675 hiljada BAM) su manji zbog primjene Međunarodnog standarda finansijskog izvještavanja 16 – Leasing (napomena 33).

c) Ostali rashodi poslovanja

	<i>Godina koja se završila 31. decembra</i>	
	<i>2019.</i>	<i>2018.</i>
	<i>000 BAM</i>	<i>000 BAM</i>
Rashodi po osnovu direktnog otpisa potraživanja	830	85
Rashodi od prodaje i obezvrijeđenja osnovnih sredstava	150	233
Rashodi od prodaje i obezvrijeđenja materijalne aktive	2.205	1.216
Rashodi po osnovu promjene vrijednosti HOV	539	204
Troškovi po osnovu poreza i doprinosa	976	692
Troškovi za sudske i administrativne takse	173	201
Ostali rashodi	854	798
Ostali poslovni rashodi	5.727	3.429

NOVA BANKA A.D. BANJA LUKA

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2019

*All amounts expressed in thousands of BAM, unless otherwise stated.***12. OPERATING AND OTHER EXPENSES (continued)****a) Staff costs**

	<i>Year Ended December 31,</i>	
	<u>2019</u>	<u>2018</u>
Employee salaries, net	12,097	13,031
Payroll taxes and contributions	7,309	8,301
Considerations payable to temporary and seasonal staff	113	150
Other staff costs	241	211
Total staff costs	<u>19,760</u>	<u>21,693</u>

b) Other operating expenses

	<i>Year Ended December 31,</i>	
	<u>2019</u>	<u>2018</u>
Rental costs payable to entities and individuals	753	3,675
Facility security services, printing and other non-production services	2,918	3,109
Deposit insurance costs	3,115	3,102
Costs incurred in card operations	3,010	2,824
Cost of materials, fuel, energy and services	1,654	1,738
Telecommunication services	1,249	1,347
Marketing and advertising	1,232	1,541
Maintenance of property and equipment	1,539	1,297
Money transportation costs	1,268	1,105
Lease of licenses	1,162	1,120
Costs of outsourced services	628	856
Insurance premium costs (staff and assets)	938	840
Premises cleaning costs	297	328
Other operating costs	2,016	2,052
Total other operating expenses	<u>21,779</u>	<u>24,934</u>

Other operating expenses include costs incurred in card operations of BAM 3,010 thousand (2018: 2 BAM 2,824 thousand) pertaining to the supervision of ATMs and POS terminals and maintenance of the relating software.

Rental costs payable to entities and individuals of BAM 753 thousand in 2019 (2018: BAM 3,675 thousand) decreased due to the Bank's transition to IFRS 16 – "Leases" (Note 33).

c) Other expenses

	<i>Year Ended December 31,</i>	
	<u>2019</u>	<u>2018</u>
Write-off of receivables	830	85
Losses on impairment and sales of property and equipment	150	233
Losses on impairment and sales of assets acquired in lieu of debt collection	2,205	1,216
Losses on the value adjustment of securities	539	204
Taxes and contributions payable	976	692
Court and administrative fees and charges	173	201
Other expenses	854	798
Total other expenses	<u>5,727</u>	<u>3,429</u>

NOVA BANKA A.D. BANJA LUKA
NAPOMENE UZ FINANSIJSKE IZVJEŠTAJE

13. NETO RASHODI ISPRAVKI VRIJEDNOSTI I REZERVISANJA

	<i>Godina koja se završila 31. decembra</i>	
	<i>2019.</i>	<i>2018.</i>
	<i>000 BAM</i>	<i>000 BAM</i>
Neto rashodi indirektnog otpisa plasmana	1.911	22.578
Rashod /(Prihod) indirektnog otpisa ostalih potraživanja	393	(483)
Rashodi indirektnog otpisa materijalne aktive	18.794	4.650
(Prihod) rezervisanja za vanbilansne stavke	(1.128)	(7.106)
(Prihod)/Rashodi po osnovu rezervisanja za sudske sporove	(56)	13
Rashodi po osnovu rezervisanja za otpremnine	10	2
Ostali poslovni rashodi	19.924	19.654

14. POREZ NA DOBIT

Tekući porez na dobit za 2019. 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 Distriktu.

Komponente poreza na dobit za 2019. godinu su:

	<i>Godina koja se završila 31. decembra</i>	
	<i>2019.</i>	<i>2018.</i>
	<i>000 BAM</i>	<i>000 BAM</i>
Tekući porez na dobit	1941	1.835
Promjena u odloženim porezima:		
- Odložene poreske obaveze	(37)	(71)
- Odložena poreska sredstva	-	60
Porez na dobit	1.904	1.824

Usaglašavanjem pozicija iz poreskog bilansa (prihoda, troškova i osnovice za oporezivanje) sa poreskom stopom važećom u Republici Srpskoj za 2019. i 2018. godinu porez na dobit može se dalje analizirati na sljedeći način:

	<i>Godina koja se završila 31. decembra</i>	
	<i>2019.</i>	<i>2018.</i>
	<i>000 BAM</i>	<i>000 BAM</i>
Dobit prije oporezivanja	14.082	12.523
Računovodstveni rezultat pomnožen propisanom poreskom stopom od 10%	1.408	1.252
Poreski efekti troškova i prihoda koji se ne priznaju za svrhe poreza na dobit	533	583
Porez na dobit	1.941	1.835
<i>Efektivna poreska stopa za period</i>	13,78%	14,66%

NOVA BANKA A.D. BANJA LUKA

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2019

*All amounts expressed in thousands of BAM, unless otherwise stated.***13. NET LOSSES ON IMPAIRMENT AND PROVISIONS**

	<i>Year Ended December 31,</i>	
	<u>2019</u>	<u>2018</u>
Net losses on impairment of loans	1,911	22,578
Net losses/(gains) on impairment/(reversal) of other receivables	393	(483)
Losses on impairment of assets acquired in lieu of debt collection	18,794	4,650
Reversal of provisions for off-balance sheet items	(1,128)	(7,106)
(Reversal of provisions)/provisions for litigations	(56)	13
Provisions for employee retirement benefits	10	2
Total losses on impairment and provisions, net	<u>19,924</u>	<u>19,654</u>

14. INCOME TAX EXPENSES

The current income tax for 2019 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 2019:

	<i>Year Ended December 31,</i>	
	<u>2019</u>	<u>2018</u>
Current income tax expenses	1,941	1,835
Movements on deferred taxes		
- deferred tax liabilities	(37)	(71)
- deferred tax assets	-	60
Total income tax expenses	<u>1,904</u>	<u>1,824</u>

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 2019 and 2018, the income taxes may be further analyzed as follows:

	<i>Year Ended December 31,</i>	
	<u>2019</u>	<u>2018</u>
Profit before taxes	<u>14,082</u>	<u>12,523</u>
Income tax at the statutory rate of 10%	1,408	1,252
Tax effects of income and expenses not recognized for tax purposes	533	583
Current income tax expenses	<u>1,941</u>	<u>1,835</u>
Effective tax rate	<u>13.78%</u>	<u>14.66%</u>

NOVA BANKA A.D. BANJA LUKA
 NAPOMENE UZ FINANSIJSKE IZVJEŠTAJE

14. POREZ NA DOBIT (nastavak)

Promjene na odloženim porezima bile su sljedeće:

	Odložena poreska sredstva <i>000 BAM</i>	Odložena poreska obaveza <i>000 BAM</i>	Neto odložena poreska obaveza <i>000 BAM</i>
Stanje na dan 1. januara 2018.	60	(118)	(58)
(Smanjenje)/povećanje odloženih poreskih sredstava/obaveza	(60)	71	11
Stanje na dan 31. decembra 2018.	-	(47)	(47)
Stanje na dan 1. januara 2019.	-	(47)	(47)
(Smanjenje)/povećanje odloženih poreskih sredstava/obaveza	-	38	38
Stanje na dan 31. decembra 2019.	-	(9)	(9)

15. NOVČANA SREDSTVA I RAČUNI DEPOZITA KOD DEPOZITNIH INSTITUCIJA

	<i>31. decembar 2019. 000 BAM</i>	<i>31. decembar 2018. 000 BAM</i>
Blagajna u domaćoj valuti	24.283	19.342
Blagajna u stranoj valuti	50.346	39.675
Žiro račun poslovne jedinice	1.913	1.790
Sredstva kod Centralne banke	172.085	143.529
Devizni računi kod ino banaka	9.813	22.718
Dati depoziti bankama	2.621	-
Ispravka vrijednosti novčanih sredstava	(83)	(171)
Ukupno	260.978	226.883

Promjene na ispravkama vrijednosti bile su sljedeće:

	<i>31. decembar 2019. 000 BAM</i>	<i>31. decembar 2018. 000 BAM</i>
Stanje na početku godine	171	-
Prva primjena MSFI 9	-	1.525
Ispravke vrijednosti u tekućoj godini	34	3
Ukidanja ispravke vrijednosti	(122)	(1.357)
Stanje na dan 31. decembra	83	171

NOVA BANKA A.D. BANJA LUKA

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2019

*All amounts expressed in thousands of BAM, unless otherwise stated.***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, 2018	60	(118)	(58)
(Decrease)/increase in deferred tax assets/liabilities	(60)	71	11
Balance at December 31, 2018	<u>-</u>	<u>(47)</u>	<u>(47)</u>
Balance at January 1, 2019	-	(47)	(47)
(Decrease)/increase in deferred tax assets/liabilities	-	38	38
Balance at December 31, 2019	<u>-</u>	<u>(9)</u>	<u>(9)</u>

15. CASH AND BALANCES HELD WITH BANKS AND OTHER INSTITUTIONS

	<i>December 31,</i> <i>2019</i>	<i>December 31,</i> <i>2018</i>
Cash on hand in local currency	24,283	19,342
Cash on hand in foreign currencies	50,346	39,675
Gyro account balance	1,913	1,790
Funds held with the Central Bank	172,085	143,529
Accounts held with foreign banks	9,813	22,718
Deposit held with other banks	2,621	-
Less: Impairment allowance of cash and cash balances	<u>(83)</u>	<u>(171)</u>
Total	<u>260,978</u>	<u>226,883</u>

Movements on the account of impairment allowance of cash and cash balances were as follows:

	<i>2019</i>	<i>2018</i>
Balance at January 1	171	-
First-time adoption of IFRS 9	-	1,525
Charge for the year	34	3
Reversal of impairment allowance	<u>(122)</u>	<u>(1,357)</u>
Balance at December 31	<u>83</u>	<u>171</u>

NOVA BANKA A.D. BANJA LUKA
 NAPOMENE UZ FINANSIJSKE IZVJEŠTAJE

16. OBAVEZNA REZERVA KOD CENTRALNE BANKE

	31. decembar 2019. 000 BAM	31. decembar 2018. 000 BAM
Obavezna rezerva kod Centralne banke	185.194	174.141
Ukupno	185.194	174.141

U okviru sredstava rezervi kod Centralne banke Bosne i Hercegovine sadržana je obračunata obavezna rezerva za period održavanja od 21. do 31. decembra 2019. godine. Prosječno stanje računa rezervi za navedeni period iznosi 271.831 hiljade BAM i uključuje prosječnu obaveznu rezervu u iznosu od 185.194 hiljada BAM i iznos veći od obavezne rezerve u iznosu od 86.637 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 računu 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 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 Odlukama o dopuni Odluke o utvrđivanju i održavanju obaveznih rezervi i utvrđivanju naknade na iznos rezervi („Službeni glasnik RS“ br. 55/16, 28/19), 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 koju primjenjuje Evropska Centralna banka na depozite komercijalnih banaka (Deposit Facility Rate).

17. FINANSIJSKA IMOVINA KOJA SE VREDNUJE PO FER VRIJEDNOSTI

U sljedećoj tabeli dat je pregled finansijske imovine po namjeni:

	31. decembar 2019. 000 BAM	31. decembar 2018. 000 BAM
Finansijska imovina koja se vrednuje po fer vrijednosti kroz bilans uspjeha		
Hartije od vrijednosti za trgovanje	10.688	6.753
Neto vrijednost na dan 31. decembra	10.688	6.753
Finansijska imovina koja se vrednuje po fer vrijednosti kroz ostali ukupan rezultat		
Hartije od vrijednosti koje se drže do dospelosti	52	91
Učešća u kapitalu drugih pravnih lica	1.237	1.185
Obveznice Republike Srpske	233.691	246.686
Ispravka vrijednosti obveznica	-	(241)
Neto vrijednost na dan 31. decembra	234.980	247.721

NOVA BANKA A.D. BANJA LUKA

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2019

*All amounts expressed in thousands of BAM, unless otherwise stated.***16. OBLIGATORY RESERVE HELD WITH THE CENTRAL BANK**

	<i>December 31, 2019</i>	<i>December 31, 2018</i>
Obligatory reserve held with the Central Bank	185,194	174,141
Total	185,194	174,141

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, 2019 to December 31, 2019. The average balance on the reserve account during the said period amounted to BAM 271,831 thousand including the average obligatory reserve amount of BAM 185,194 thousand and the amount in excess of the obligatory reserve in the amount of BAM 86,637 thousand.

The Bank allocated funds to the obligatory reserve account in accordance with the CBBH 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 Decisions on amendments to the aforesaid Decision (Official Gazette of RS nos. 55/16, 28/19), 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).

17. FINANCIAL ASSETS MEASURED AT FAIR VALUE

The following table provides a breakdown of financial assets per purpose:

	<i>December 31, 2019</i>	<i>December 31, 2018</i>
Financial assets at fair value through profit or loss (FVTPL)		
Securities held for trading	10,688	6,753
Net value at December 31	10,688	6,753
Financial assets at fair value through other comprehensive income (FVtOCI)		
Securities held to maturity	52	91
Equity investments in other entities	1,237	1,185
Bonds issued by the Republic of Srpska	233,691	246,686
Less: Impairment allowance of RS bonds	-	(241)
Net value at December 31	234,980	247,721

NOVA BANKA A.D. BANJA LUKA
 NAPOMENE UZ FINANSIJSKE IZVJEŠTAJE

17. FINANSIJSKA IMOVINA KOJA SE VREDNUJE PO FER VRIJEDNOSTI (nastavak)

Ispravke vrijednosti na obveznice Republike Srpske su iskazane kroz ostali ukupan rezultat i sa 31.12.2019. godine iznose 257 hiljada KM.

Banka na dan 31. decembra 2019. godine ima iskazano učešće (udjele) u drugim pravnim licima. Ni jedno učešće u kapitalu pojedinačnog pravnog lica ne prelazi 5% regulatornog kapitala Banke.

Takođe, na dan 31. decembra 2019. godine ukupna neto vrijednost svih učešća Banke u kapitalu kod drugih pravnih lica ne prelazi 20% regulatornog kapitala Banke, a ukupan iznos u drugim nefinansijskim pravnim licima ne prelazi 10% osnovnog kapitala Banke.

Struktura učešća u kapitalu drugih pravnih lica data je u sljedećoj tabeli:

	31. decembar	31. decembar
	%	2019.
	učešća	2018.
		000 BAM
Banjalučka berza a.d. Banjaluka	9,47%	252
Centralni registar HoV a.d. Banjaluka	7%	334
ZIF Unioninvest fond a.d. Bijeljina	7,85%	200
Nova Real Estate a.d Banjaluka	9%	450
SWIFT		86
		1.322
Ispravka vrijednosti		(85)
Učešća u kapitalu, neto		1.237

Pregled Obveznica Republike Srpske sa stanjem na dan 31. decembra 2019. godine je prikazan u sljedećoj tabeli:

Naziv HoV	Datum kupovine	Datum dospijanja	Kamatna stopa	Nominalna vrijednost	Odstupanje od fer vrijednosti	Stanje na dan 31.12.2019.
				000 BAM	000 BAM	000 BAM
Obveznice RS (RSBD)	21.10.2015.	21.10.2020.	4,25	4.081	(20)	4.061
Obveznice RS (RSBD)	07.09.2016.	07.09.2023.	4,50	24.965	346	25.311
Obveznice RS (RSBD)	07.12.2016.	07.12.2023.	4,50	20.334	76	20.410
Obveznice RS (RSBD)	27.01.2017.	27.01.2020.	3,25	11.104	334	11.438
Obveznice RS (RSBD)	05.05.2017.	05.05.2022.	3,50	21.646	494	22.140
Obveznice RS (RSBD)	21.06.2017.	21.06.2027.	4,50	6.250	149	6.399
Obveznice RS (RSBD)	04.08.2017.	04.08.2027.	4,00	10.000	159	10.159
Obveznice RS (RSBD)	06.09.2017.	06.09.2024.	3,75	15.507	181	15.688
Obveznice RS (RSBD)	08.12.2017.	08.12.2024.	3,75	9.248	24	9.272
Obveznice RS (RSBD)	31.01.2018.	31.01.2023.	3,00	1.001	19	1.020
Obveznice RS (EUROBOND)	28.06.2018.	28.06.2023.	4,75	107.571	222	107.793
Ukupno				231.707	1.984	233.691

NOVA BANKA A.D. BANJA LUKA

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2019

*All amounts expressed in thousands of BAM, unless otherwise stated.***17. FINANCIAL ASSETS MEASURED AT FAIR VALUE (Continued)**

Impairment allowance of bonds issued by the Republic of Srpska totaling BAM 257 thousand as of December 31, 2019 are presented within other comprehensive income.

As of December 31, 2019, the Bank had equity interest in other entities, of which not one equity investment in a single entity exceeded 5% of the Bank's regulatory capital. In addition, as of December 31, 2019, the aggregate value of all the Bank's equity holdings in other entities did not exceed 20% of the Bank's regulatory capital, while its aggregate holdings in other non-FSI entities did not exceed 10% of the Bank's common equity.

Breakdown of the Bank's equity investments in other entities:

	<i>Equity Interest %</i>	<i>December 31, 2019</i>	<i>December 31, 2018</i>
Banja Luka Stock Exchange	9.47%	252	252
Central Securities Registry Banja Luka	7%	334	235
ZIF Unioninvest fond a.d. Bijeljina	7.85%	200	200
Nova Real Estate a.d. Banja Luka	9%	450	450
SWIFT		86	86
		1,322	1,223
<i>Less: Impairment allowance</i>		(85)	(38)
Equity investments, net		1,237	1,185

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, 2019
RS bonds (RSBD)	21/10/2015	21/10/2020	4.25%	4,081	-20	4,061
RS bonds (RSBD)	07/09/2016	07/09/2023	4.50%	24,965	346	25,311
RS bonds (RSBD)	07/12/2016	07/12/2023	4.50%	20,334	76	20,410
RS bonds (RSBD)	27/01/2017	27/01/2020	3.25%	11,104	334	11,438
RS bonds (RSBD)	05/05/2017	05/05/2022	3.50%	21,646	494	22,140
RS bonds (RSBD)	21/06/2017	21/06/2027	4.50%	6,250	149	6,399
RS bonds (RSBD)	04/08/2017	04/08/2027	4.00%	10,000	159	10,159
RS bonds (RSBD)	06/09/2017	06/09/2024	3.75%	15,507	181	15,688
RS bonds (RSBD)	08/12/2017	08/12/2024	3.75%	9,248	24	9,272
RS bonds (RSBD)	31/01/2018	31/01/2023	3.00%	1,001	19	1,020
RS bonds (Eurobond)	28/06/2018	28/06/2023	4.75%	107,571	222	107,793
Total				231,707	1,984	233,691

NOVA BANKA A.D. BANJA LUKA
 NAPOMENE UZ FINANSIJSKE IZVJEŠTAJE

18. KREDITI I DOSPJELA POTRAŽIVANJA PO KREDITIMA

a) Pregled po korisnicima kredita

	31. decembar 2019. 000 BAM	31. decembar 2018. 000 BAM
- Preduzeća	553.705	516.211
- Javna i državna preduzeća	128.306	132.665
- Vlada	210.316	140.222
- Stanovništvo	529.431	495.110
- Ostali komitenti	16.842	12.316
- Otkupljena potraživanja	44.257	2.950
Kredit i plasmani komitentima (bruto)	1.482.857	1.299.474
Ispravka vrijednosti	(110.107)	(111.921)
Ukupni krediti plasirani komitentima (neto)	1.372.750	1.187.553

b) Ročnost dospjeća kredita

Ročnost dospjeća kredita klijentima, prema roku dospjeća, sa stanjem na dan 31. decembar je sljedeća:

	31. decembar 2019. 000 BAM	31. decembar 2018. 000 BAM
Do 30 dana	129.835	98.199
Od 1 do 3 mjeseca	71.764	51.429
Od 3 do 12 mjeseci	257.342	238.106
Od 1 do 5 godina	693.467	857.395
Preko 5 godina	330.449	54.345
Kredit klijentima na dan 31. decembra (bruto)	1.482.857	1.299.474
Ispravka vrijednosti	(110.107)	(111.921)
Kredit klijentima na dan 31. decembra (neto)	1.372.750	1.187.553

NOVA BANKA A.D. BANJA LUKA

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2019

*All amounts expressed in thousands of BAM, unless otherwise stated.***18. LOANS AND RECEIVABLES DUE FROM CUSTOMERS****a) Breakdown per type of borrower**

	<i>December 31, 2019</i>	<i>December 31, 2018</i>
- Corporate customers	553,705	516,211
- Public and state-owned companies	128,306	132,665
- RS Government	210,316	140,222
- Retail customers	529,431	495,110
- Other customers	16,842	12,316
- Purchased receivables	44,257	2,950
Total loans and receivables due from customers, gross	1,482,857	1,299,474
Less: Impairment allowance	(110,107)	(111,921)
Total loans and receivables due from customers, net	1,372,750	1,187,553

b) Breakdown per maturity

The maturity of the loans to customers, according to the maturity date, as of December 31, was as follows:

	<i>December 31, 2019</i>	<i>December 31, 2018</i>
Within 30 days	129,835	98,199
From 1 to 3 months	71,764	51,429
From 3 to 12 months	257,342	238,106
From 1 to 5 years	693,467	857,395
After 5 years	330,449	54,345
Total loans and receivables due from customers, gross	1,482,857	1,299,474
Less: Impairment allowance	(110,107)	(111,921)
Total loans and receivables due from customers, net	1,372,750	1,187,553

NOVA BANKA A.D. BANJA LUKA
 NAPOMENE UZ FINANSIJSKE IZVJEŠTAJE

18. KREDITI I DOSPJELA POTRAŽIVANJA PO KREDITIMA (nastavak)

c) Koncentracija kredita klijenata

Koncentracija ukupno plasiranih sredstava komitentima od strane Banke, na dan 31. decembar po granama djelatnosti je sljedeća:

	31. decembar	31. decembar
	2019.	2018.
	000 BAM	000 BAM
Poljoprivreda, lov i ribolov	44.678	50.674
Rudarstvo i industrija	201.309	195.734
Građevinarstvo	63.745	95.062
Trgovina	197.976	166.675
Usluge, turizam i ugostiteljstvo	22.514	20.890
Transport, skladištenje, telekomunikacije	57.804	15.360
Finansije	44.364	57.802
Trgovina nekretninama	16.322	16.420
Administracija, druge javne usluge	250.022	140.222
Stanovništvo	529.431	495.110
Ostalo	54.692	45.525
Kredit i plasmani komitentima (bruto)	1.482.857	1.299.474
Ispravka vrijednosti	(110.107)	(111.921)
Kredit i plasmani komitentima (neto)	1.372.750	1.187.553

Promjene na ispravkama vrijednosti bile su sljedeće:

	31. decembar	31. decembar
	2019.	2018.
	000 BAM	000 BAM
Stanje na početku godine	111.921	84.730
Prva primjena MSFI 9	-	4.604
Ispravke vrijednosti u tekućoj godini	35.634	53.072
Ukidanja ispravke vrijednosti	(34.400)	(30.361)
Isknjižavanje kredita	(3.048)	(124)
Stanje na dan 31. decembra	110.107	111.921

NOVA BANKA A.D. BANJA LUKA

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2019

*All amounts expressed in thousands of BAM, unless otherwise stated.***18. LOANS AND RECEIVABLES DUE FROM CUSTOMERS (Continued)****c) Concentration of loans per industry**

Concentration of loans disbursed by the Bank per industry as of December 31, 2019 and 2018 is presented below:

	December 31, 2019	December 31, 2018
Agriculture, hunting and fishing	44,678	50,674
Mining and manufacturing industry	201,309	195,734
Construction industry	63,745	95,062
Trade	197,976	166,675
Services, tourism, hospitality industry	22,514	20,890
Transport, storage and telecommunications	57,804	15,360
Financial services	44,364	57,802
Real estate trade	16,322	16,420
Administration and other public services	250,022	140,222
Retail customers	529,431	495,110
Other	54,692	45,525
Total loans and receivables due from customers, gross	1,482,857	1,299,474
Less: Impairment allowance	(110,107)	(111,921)
Total loans and receivables due from customers, net	1,372,750	1,187,553

Movements on impairment allowance of loans and receivables were as follows:

	2019	2018
Balance at January 1	111,921	84,730
First-time adoption of IFRS 9	-	4,604
Charge for the year	35,634	53,072
Reversal of impairment allowance	(34,400)	(30,361)
Derecognition of loans and receivables	(3,048)	(124)
Balance at December 31	110,107	111,921

NOVA BANKA A.D. BANJA LUKA
 NAPOMENE UZ FINANSIJSKE IZVJEŠTAJE

19. OSNOVNA SREDSTVA I ULAGANJE U NEKRETNINE

Osnovna sredstva i promjene na osnovnim sredstvima u toku 2019. i 2018. godine prikazani su kako slijedi:

u 000 BAM	Zemljište i poslovne zgrade	Oprema i ostala sredstva	Investicione nekretnine i oprema	Osnovna sredstva u zakupu (leasing)	Osnovna sredstva u pripremi	Avansi za osnovna sredstva	Ukupno
NABAVNA VRIJEDNOST							
Stanje na dan 01.01.2018.	28.175	45.640	4.544	-	3.313	930	82.602
Nabavke u toku godine	-	-	-	-	5.759	-	5.759
Aktiviranje osnovnih sredstava i polovne opreme	1.643	2.441	-	-	(4.084)	-	-
Reklasifikacija osnovnih sredstava	5.538	-	-	-	414	-	5.952
Prenos ulaganja osnovnih sredstava	(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/smanjenje	(2)	(2.721)	-	-	(24)	-	(2.747)
Stanje na dan 31.12.2018.	35.071	44.930	3.348	-	5.378	691	89.418
Stanje na dan 01.01.2019.	35.071	44.930	3.348	-	5.378	691	89.418
Nabavke u toku godine	-	-	-	13.306	4.059	-	17.365
Aktiviranje osnovnih sredstava i polovne opreme	4.260	4.709	-	-	(8.846)	-	123
Reklasifikacija osnovnih sredstava	-	-	-	-	-	-	-
Prenos ulaganja osnovnih sredstava	(11.571)	-	(702)	-	-	-	(12.273)
Iskorišteni avansi u toku godine	-	-	-	-	-	(1.001)	(1.001)
Novi avansi u toku godine	-	-	-	-	-	3.004	3.004
Prodaja	(642)	(768)	(151)	-	-	-	(1.561)
Donacija	-	(44)	-	-	-	-	(44)
Otpis/rashodovanje/smanjenje	(206)	(2.191)	-	(793)	-	-	(3.190)
Stanje na dan 31.12.2019.	26.912	46.636	2.495	12.513	591	2.694	91.841
ISPRAVKA VRIJEDNOSTI							
Stanje na dan 01.01.2018.	1.150	28.916	-	-	-	-	30.066
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)
Stanje na dan 31.12.2018.	3.658	30.299	129	-	-	-	34.086
Stanje na dan 01.01.2019.	3.658	30.299	129	-	-	-	34.086
Amortizacija	304	4.213	-	2.211	-	-	6.728
Prenos sa osnovnih sredstava na materijalnu aktivu	(2.431)	-	-	-	-	-	(2.431)
Aktiviranje polovne opreme	-	121	-	-	-	-	121
Prodaja	-	(391)	(104)	-	-	-	(495)
Donacija	-	(44)	-	-	-	-	(44)
Otpis/rashodovanje	(41)	(2.122)	-	-	-	-	(2.163)
Stanje na dan 31.12.2019.	1.490	32.076	25	2.211	-	-	35.802
SADAŠNJA VRIJEDNOST							
Stanje na dan 31.12.2019.	25.422	14.560	2.470	10.302	591	2.694	56.039
Stanje na dan 31.12.2018.	31.413	14.631	3.219	-	5.378	691	55.332

Na dan 31. decembar 2019. 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 umanjnja vrijednosti nekretnina na dan 31. decembra 2019. godine na osnovu kojeg nije bilo potrebe za umanjnjem vrijednosti nekretnina.

NOVA BANKA A.D. BANJA LUKA

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2019

*All amounts expressed in thousands of BAM, unless otherwise stated.***19. PROPERTY, EQUIPMENT AND INVESTMENT PROPERTY**

The Bank's property, equipment and investment property and movements on those assets in 2019 and 2018 are presented below:

	Land and buildings	Equipment and other assets	Investment property	Assets leased	Investments in progress	Advances paid	Total
COST							
Balance at January 1, 2018	28,175	45,640	4,544	-	3,313	930	82,602
Additions	-	-	-	-	5,759	-	5,759
Activations of new/second-hand assets	1,643	2,441	-	-	(4,084)	-	-
Reclassifications	5,538	-	-	-	414	-	5,952
Transfers	(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	35,071	44,930	3,348	-	5,378	691	89,418
Balance at January 1, 2019	35,071	44,930	3,348	-	5,378	691	89,418
Additions	-	-	-	13,306	4,059	-	17,365
Activations of new/second-hand assets	4,260	4,709	-	-	(8,846)	-	123
Reclassifications	-	-	-	-	-	-	-
Transfers	(11,571)	-	(702)	-	-	-	(12,273)
Advances used during the year	-	-	-	-	-	(1,001)	(1,001)
Advances paid during the year	-	-	-	-	-	3,004	3,004
Sales	(642)	(768)	(151)	-	-	-	(1,561)
Donation of assets	-	(44)	-	-	-	-	(44)
Write-off/retirement	(206)	(2,191)	-	(793)	-	-	(3,190)
Balance at December 31, 2018	26,912	46,636	2,495	12,513	591	2,694	91,841
ACCUMULATED DEPRECIATION							
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, 2018	3,658	30,299	129	-	-	-	34,086
Balance at January 1, 2019	3,658	30,299	129	-	-	-	34,086
Charge for the year	304	4,213	-	2,211	-	-	6,728
Transfers from assets acquired in lieu of debt collection	(2,431)	-	-	-	-	-	(2,431)
Activations of second-hand assets	-	121	-	-	-	-	121
Sales	-	(391)	(104)	-	-	-	(495)
Donation of assets	-	(44)	-	-	-	-	(44)
Write-off/retirement	(41)	(2,122)	-	-	-	-	(2,163)
Balance at December 31, 2019	1,490	32,076	25	2,211	-	-	35,802
NET BOOK VALUE							
at December 31, 2019	25,422	14,560	2,470	10,302	591	2,694	56,039
at December 31, 2018	31,413	14,631	3,219	-	5,378	691	55,332

As of December 31, 2019, 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, 2019, 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.

NOVA BANKA A.D. BANJA LUKA
 NAPOMENE UZ FINANSIJSKE IZVJEŠTAJE

20. NEMATERIJALNA ULAGANJA

<i>u 000 BAM</i>	<i>Nematerijalna sredstva</i>	<i>Licene, softveri</i>	<i>Nematerijalna ulaganja u pripremi</i>	<i>Avansi za nematerijalna ulaganja</i>	<i>Ukupno</i>
NABAVNA VRIJEDNOST					
Stanje na dan 01.01.2018.	1.763	10.900	792	57	13.512
Nova ulaganja (nabavke u toku godine)	-	-	146	72	218
Aktiviranja u toku godine	-	760	(759)	-	1
Iskorišteni avansi u toku godine	-	-	-	-	-
Stanje na dan 31.12.2018.	<u>1.763</u>	<u>11.660</u>	<u>179</u>	<u>129</u>	<u>13.731</u>
Stanje na dan 01.01.2019.	1.763	11.660	179	129	13.731
Nova ulaganja (nabavke u toku godine)	-	-	351	-	351
Aktiviranja u toku godine	-	262	(262)	-	-
Iskorišteni avansi u toku godine	-	-	-	(72)	(72)
Stanje na dan 31.12.2019.	<u>1.763</u>	<u>11.922</u>	<u>268</u>	<u>57</u>	<u>14.010</u>
ISPRAVKA VRIJEDNOSTI					
Stanje na dan 01.01.2018.	1.729	7.868	-	-	9.597
Amortizacija	33	903	-	-	936
Stanje na dan 31.12.2018.	<u>1.762</u>	<u>8.771</u>	<u>-</u>	<u>-</u>	<u>10.533</u>
Stanje na dan 01.01.2019.	1.762	8.771	-	-	10.533
Amortizacija	2	928	-	-	930
Stanje na dan 31.12.2019.	<u>1.763</u>	<u>9.699</u>	<u>-</u>	<u>-</u>	<u>11.463</u>
SADAŠNJA VRIJEDNOST					
Stanje na dan 31.12.2019.	-	2.223	268	57	2.547
Stanje na dan 31.12.2018.	1	2.889	179	129	3.198

NOVA BANKA A.D. BANJA LUKA

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2019

*All amounts expressed in thousands of BAM, unless otherwise stated.***20. INTANGIBLE ASSETS**

	Intangible assets	Licenses and software	Investments in progress	Advances paid	Total
COST					
Balance at January 1, 2018	1,763	10,900	792	57	13,512
Additions	-	-	146	72	218
Activations	-	760	(759)	-	1
Advances used during the year	-	-	-	-	-
Balance at December 31, 2018	1,763	11,660	179	129	13,731
Balance at January 1, 2019	1,763	11,660	179	129	13,731
Additions	-	-	351	-	351
Activations	-	262	(262)	-	-
Advances used during the year	-	-	-	(72)	(72)
Balance at December 31, 2019	1,763	11,922	268	57	14,010
ACCUMULATED AMORTIZATION					
Balance at January 1, 2018	1,729	7,868	-	-	9,597
Charge for the year	33	903	-	-	936
Balance at December 31, 2018	1,762	8,771	-	-	10,533
Balance at January 1, 2019	1,762	8,771	-	-	10,533
Charge for the year	2	928	-	-	930
Balance at December 31, 2019	1,763	9,699	-	-	11,463
NET BOOK VALUE					
at December 31, 2019	-	2,223	268	57	2,547
at December 31, 2018	1	2,889	179	129	3,198

NOVA BANKA A.D. BANJA LUKA
 NAPOMENE UZ FINANSIJSKE IZVJEŠTAJE

21. OSTALA POTRAŽIVANJA I AVR

	<i>31. decembar 2019. 000 BAM</i>	<i>31. decembar 2018. 000 BAM</i>
Sredstva stečena naplatom potraživanja	58.437	30.153
Potraživanja za kamatu i naknadu	7.152	7.464
Zalihe kancelarijskog i potrošnog materijala	692	680
Razgraničena potraživanja za obračunatu kamatu za rentnu štednju	2.330	3.129
Razgraničena potraživanja za obračunatu kamatu po kreditima	3.638	3.362
Razgraničena potraživanja za obračunatu kamatu po HoV	1.861	4.647
Razgraničena potraživanja za unaprijed plaćene troškove	2.024	1.449
Razgraničena potraživanja za obračunate prihode	538	1.193
Ostala potraživanja iz poslovnih odnosa	10.547	10.017
Ukupno	87.219	62.094
Ispravka vrijednosti	(33.599)	(13.664)
Stanje na dan 31. decembra	53.620	48.430
a) Materijalne vrijednosti		
	<i>31. decembar 2019. 000 BAM</i>	<i>31. decembar 2018. 000 BAM</i>
Sredstva stečena naplatom potraživanja:		
- zemljište	10.786	7.236
- nekretnine	37.780	18.136
- oprema	9.871	4.781
Ukupno	58.437	30.153
Ispravka vrijednosti materijalne imovine	(26.016)	(7.222)
Stanje na dan 31. decembra	32.421	22.931

NOVA BANKA A.D. BANJA LUKA

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2019

*All amounts expressed in thousands of BAM, unless otherwise stated.***21. OTHER ASSETS, RECEIVABLES AND PREPAYMENTS**

	<i>December 31, 2019</i>	<i>December 31, 2018</i>
Assets acquired in lieu of debt collection	58,437	30,153
Interest, fee and commission receivables	7,152	7,464
Office supplies and consumable materials	692	680
Accrued receivables for interest on term deposits – monthly payment	2,330	3,129
Accrued receivables interest on loans	3,638	3,362
Accrued receivables for interest on securities	1,861	4,647
Accrued receivables for prepaid expenses	2,024	1,449
Receivables for accrued income	538	1,193
Other accounts receivable	10,547	10,017
Total	87,219	62,094
<i>Less: Impairment allowance</i>	<i>(33,599)</i>	<i>(13,664)</i>
Balance at December 31	53,620	48,430
a) Assets acquired in lieu of debt collection		
	<i>December 31, 2019</i>	<i>December 31, 2018</i>
Assets acquired in lieu of debt collection:		
- land	10,786	7,236
- buildings	37,780	18,136
- equipment	9,871	4,781
Total	58,437	30,153
<i>Less: Impairment allowance</i>	<i>(26,016)</i>	<i>(7,222)</i>
Balance at December 31	32,421	22,931

NOVA BANKA A.D. BANJA LUKA
 NAPOMENE UZ FINANSIJSKE IZVJEŠTAJE

21. OSTALA POTRAŽIVANJA I AVR (nastavak)

b) Ostala potraživanja iz poslovnih odnosa

	<i>31. decembar 2019. 000 BAM</i>	<i>31. decembar 2018. 000 BAM</i>
Potraživanja za namjenski depozit za obavljanje platnih transakcija sa karticama	2.490	2.333
Potraživanja iz operativnog poslovanja po osnovu gotovinskih isplata na ATM bankomatima za isplate od popisa do kraja poslovne godine	1.633	1.406
Potraživanja za izvršena plaćanja po karticama Nove banke	78	1.276
Potraživanja po osnovu avansa	593	471
Potraživanja za plaćanja po garanciji	27	792
Ostala potraživanja od klijenata banke	851	715
Potraživanja po osnovu prodaje zaliha	817	81
Potraživanja po osnovu naknada koje se refundiraju	368	277
Ostala potraživanja iz operativnog poslovanja po osnovu minusnog salda	267	245
Potraživanja po osnovu platnih kartica	1.877	782
Potraživanja od zaposlenih (za naknadu štete i sl.)	11	10
Potraživanja za date depozite na ime licitacije za sudske sporove	53	33
Potraživanja za više plaćen porez iz dobiti	8	61
Ostala potraživanja iz poslovnih odnosa	1.474	1.535
Ukupno	10.547	10.017

Promjene na ispravkama vrijednosti bile su sljedeće:

	<i>31. decembar 2019. 000 BAM</i>	<i>31. decembar 2018. 000 BAM</i>
Stanje na početku godine	13.664	8.898
Prva primjena MSFI 9	-	387
Ispravke vrijednosti u tekućoj godini	21.872	6.843
Ukidanja ispravke vrijednosti	(1.937)	(1.660)
Isknjižavanje ispravke vrijednosti	-	(804)
Stanje na dan 31. decembra	33.599	13.664

NOVA BANKA A.D. BANJA LUKA
 NOTES TO THE FINANCIAL STATEMENTS
 December 31, 2019

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

21. OTHER ASSETS, RECEIVABLES AND PREPAYMENTS (Continued)

b) Other accounts receivable

	<i>December 31, 2019</i>	<i>December 31, 2018</i>
Receivables per earmarked deposit placed for card payment transactions	2,490	2,333
Receivables for cash payments through ATMs on December 31, 2019 following the annual count of assets and liabilities	1,633	1,406
Receivables for payments made with cards issued via the Bank	78	1,276
Receivables for advances paid to suppliers	593	471
Receivables for payments per guarantees called on	27	792
Other receivables from customers	851	715
Receivables for inventories sold	817	81
Receivables for refundable fees and considerations	368	277
Other receivables per overdraft balances	267	245
Receivables per payment cards	1,877	782
Receivables from employees (damage compensation)	11	10
Receivables for court auction bid deposits placed	53	33
Receivables for prepaid income taxes	8	61
Other accounts receivable	1,474	1,535
Total	10,547	10,017

Movements on the impairment allowance were as follows:

	<i>2019</i>	<i>2018</i>
Balance at January 1	13,664	8,898
First-time adoption of IFRS 9	-	387
Charge for the year	21,872	6,843
Reversal of impairment allowance	(1,937)	(1,660)
Derecognition of impairment allowance	-	(804)
Balance at December 31	33,599	13,664

NOVA BANKA A.D. BANJA LUKA
 NAPOMENE UZ FINANSIJSKE IZVJEŠTAJE

22. DEPOZITI KOMITENATA

	<i>31. decembar 2019. 000 BAM</i>	<i>31. decembar 2018. 000 BAM</i>
Depoziti komitenata	1.678.913	1.520.333
Ukupno	1.678.913	1.520.333
a) Depoziti po korisnicima		
	<i>31. decembar 2019. 000 BAM</i>	<i>31. decembar 2018. 000 BAM</i>
Kamatonosni depoziti		
Banke i bankarske institucije	10.306	10.301
Javna i državna preduzeća	87.152	46.791
Privreda	24.951	19.067
Vanprivreda	56.741	74.156
Vlada i vladine institucije	262.271	205.556
Strana lica	12.117	12.613
Domaća fizička lica	723.713	720.002
Ukupno kamatonosni depoziti	1.177.251	1.088.486
Nekamatonosni depoziti		
Banke i bankarske institucije	309	151
Javna i državna preduzeća	30.248	26.068
Privreda	159.554	151.365
Vanprivreda	37.857	26.517
Vlada i vladine institucije	61.162	47.123
Strana lica	11.499	12.844
Domaća fizička lica	201.033	167.779
Ukupno nekamatonosni depoziti	501.662	431.847
Ukupno obaveze po osnovu depozita na dan 31. decembar	1.678.913	1.520.333

NOVA BANKA A.D. BANJA LUKA

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2019

*All amounts expressed in thousands of BAM, unless otherwise stated.***22. DEPOSITS DUE TO CUSTOMERS**

	December 31, 2019	December 31, 2018
Deposits due to customers	1,678,913	1,520,333
Total	1,678,913	1,520,333
a) Breakdown of deposits per customer type		
	December 31, 2019	December 31, 2018
Interest-bearing deposits		
Banks and other financial institutions	10,306	10,301
Public and state-owned companies	87,152	46,791
Corporate customers	24,951	19,067
Entrepreneurs	56,741	74,156
Government and state agencies	262,271	205,556
Non-residents	12,117	12,613
Resident retail customers	723,713	720,002
Total interest-bearing deposits	1,177,251	1,088,486
Non-interest bearing deposits		
Banks and other financial institutions	309	151
Public and state-owned companies	30,248	26,068
Corporate customers	159,554	151,365
Entrepreneurs	37,857	26,517
Government and state agencies	61,162	47,123
Non-residents	11,499	12,844
Resident retail customers	201,033	167,779
Total non-interest bearing deposits	501,662	431,847
Total deposits due to customers as of December 31	1,678,913	1,520,333

NOVA BANKA A.D. BANJA LUKA
 NAPOMENE UZ FINANSIJSKE IZVJEŠTAJE

22. DEPOZITI KOMITENATA (nastavak)

b) Depoziti po ročnosti

	<i>31. decembar 2019. 000 BAM</i>	<i>31. decembar 2018. 000 BAM</i>
Tekući računi i depoziti po viđenju		
Vlada i vladine institucije	295.809	235.693
Privreda i javna i državna preduzeća	209.130	207.340
Banke i bankarske institucije	329	173
Stanovništvo	275.526	250.788
Ostali tekući računi i depoziti po viđenju	52.761	38.835
Ukupno depoziti po viđenju	833.555	732.829
Kratkoročni depoziti		
Vlada i vladine institucije	20.733	1.586
Privreda i javna i državna preduzeća	47.799	3.528
Banke i bankarske institucije	-	-
Stanovništvo	21.000	22.240
Ostali	18.016	29.856
Ukupno kratkoročni depoziti	107.548	57.210
Dugoročni depoziti		
Vlada i vladine institucije	6.891	15.400
Privreda i javna i državna preduzeća	46.570	34.257
Banke i bankarske institucije	10.286	10.279
Stanovništvo	649.576	637.206
Ostali	24.487	33.152
Ukupno dugoročni depoziti	737.810	730.294
Stanje na dan 31. decembra	1.678.913	1.520.333

23. OBAVEZE PO UZETIM KREDITIMA

	<i>31. decembar 2019. 000 BAM</i>	<i>31. decembar 2018. 000 BAM</i>
Obaveze po uzetim kreditima	247.070	207.800
Ukupno	247.070	207.800

NOVA BANKA A.D. BANJA LUKA

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2019

*All amounts expressed in thousands of BAM, unless otherwise stated.***22. DEPOSITS DUE TO CUSTOMERS (Continued)****b) Breakdown of deposits per maturity**

	<i>December 31, 2019</i>	<i>December 31, 2018</i>
Current accounts and demand deposits		
Government and state agencies	295,809	235,693
Corporate customers, public and state-owned companies	209,130	207,340
Banks and other financial institutions	329	173
Retail customers	275,526	250,788
Other current accounts and demand deposits	52,761	38,835
Total demand deposits	833,555	732,829
Short-term deposits		
Government and state agencies	20,733	1,586
Corporate customers, public and state-owned companies	47,799	3,528
Banks and other financial institutions	-	-
Retail customers	21,000	22,240
Other short-term deposits	18,016	29,856
Total short-term deposits	107,548	57,210
Long-term deposits		
Government and state agencies	6,891	15,400
Corporate customers, public and state-owned companies	46,570	34,257
Banks and other financial institutions	10,286	10,279
Retail customers	649,576	637,206
Other long-term deposits	24,487	33,152
Total long-term deposits	737,810	730,294
Balance at December 31	1,678,913	1,520,333
23. BORROWINGS		
	<i>December 31, 2019</i>	<i>December 31, 2018</i>
Borrowings	247,070	207,800
Total	247,070	207,800

NOVA BANKA A.D. BANJA LUKA
 NAPOMENE UZ FINANSIJSKE IZVJEŠTAJE

23. OBAVEZE PO UZETIM KREDITIMA (nastavak)

Struktura obaveza po uzetim kreditima prikazana je kako slijedi:

	31. decembar 2019. 000 BAM	31. decembar 2018. 000 BAM
Investiciono razvojna banka Republike Srpske a.d. Banja Luka:		
- Fond stanovanja RS	69.209	57.031
- Fond za razvoj i zapošljavanje RS	119.804	98.724
- Fond za razvoj istočnog dijela RS	58.048	52.009
- Fond za razvoj i zapošljavanje RS (Svjetska banka - IBRD)	9	14
Federalno ministarstvo finansija (po Projektu razvoja male komercijalne poljoprivrede)	-	22
Ukupno	247.070	207.800

Na dan 31. decembra 2019. godine tekuća dospjeća za obaveze po dugoročnim kreditima iznose 33.847 hiljada BAM (31. decembra 2018. godine iznosila su 29.638 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 2 do 25 godina i godišnjom kamatnom stopom od 0,50 % do 3,70 %.

Sredstva su primljena u cilju kreditiranja: poljoprivrede, preduzetnika i preduzeća, početne poslovne aktivnosti za jedinice lokalne samouprave, kao i za stambene kredite stanovništva.

Banka je u 2019. godini povećala kreditiranje iz sredstava IRB RS, tako da obaveze po dugoročnim kreditima povučenim od fondova kojim upravlja IRB RS iznose 247.061 hiljada BAM i u odnosu na 2018. godinu su povećane za 18,91 %.

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. juna 2019. godine):

1. Fond za razvoj istočnog dijela RS;
2. Fond za razvoj i zapošljavanje RS i
3. Fond stanovanja RS.

Stanje potraživanje po osnovu plasiranih kredita koji su založeni dana 30. juna 2019. godine, sa stanjem na dan 31. decembar 2019. godine iznose:

Bruto iznos: 200.087 hiljada BAM
 Ispravka vrijednosti: 13.652 hiljada BAM
 Neto iznos: 186.435 hiljada BAM

Ukupan broj partija: 1.500.

Navedeni iznosi su registrovani u registru zaloga.

Banka na dan 31. decembar 2019. godine nema drugih hipoteka, zaloga ili drugih tereta nad stavkama aktive, izuzev prethodno navedenog.

NOVA BANKA A.D. BANJA LUKA

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2019

*All amounts expressed in thousands of BAM, unless otherwise stated.***23. BORROWINGS (Continued)**

Breakdown of borrowings is provided below:

	December 31,	December 31,
	2019	2018
Investment and Development Bank of the Republic of Srpska Banja Luka		
- RS Housing Fund	69,209	57,031
- RS Development and Employment Fund	119,804	98,724
- RS Fund for Development of Eastern Republic of Srpska	58,048	52,009
- RS Development and Employment Fund (World Bank – IBRD)	9	14
Federal Ministry of Finance (per Project of Developing Small-Scale Commercial Agriculture)	-	22
Total	247,070	207,800

As of December 31, 2019, the current portion of the Bank's long-term borrowings amounted to BAM 33,847 thousand (December 31, 2018: BAM 29,638 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 2 to 25 years at interest rates ranging from 0.5% to 3.7 %.

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 2019, 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 247,061 thousand, having risen by 18.91% compared to 2018.

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: June 30, 2019):

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, 2019, the balances of receivables per loans the Bank pledged on June 30, 2019 amounted to:

Gross amount	BAM '000	<u>200,087</u>
Less: Impairment allowance	BAM '000	<u>(13,652)</u>
Net amount	BAM '000	<u>186,435</u>

The total number of loan facilities pledged: 1,500.

The above specified amounts were duly registered within the Pledge Register.

As of December 31, 2019, the Bank had no mortgage or pledge liens or other encumbrances instituted over its assets other than the aforesaid pledge over the loan portfolio.

NOVA BANKA A.D. BANJA LUKA
NAPOMENE UZ FINANSIJSKE IZVJEŠTAJE

24. REZERVISANJA NA STAVKE VANBILANSA

	<i>31. decembar 2019. 000 BAM</i>	<i>31. decembar 2018. 000 BAM</i>
Rezervisanja za vanbilansne stavke	1.049	2.177
Ukupno rezervisanja	1.049	2.177
Promjene na rezervisanjima za vanbilansne stavke:		
	<i>31. decembar 2019. 000 BAM</i>	<i>31. decembar 2018. 000 BAM</i>
Stanje na početku godine	2.177	4.167
Prva primjena MSFI 9	-	5.117
Rezervisanja u tekućoj godini	839	1.128
Ukidanje rezervisanja	(1.967)	(8.235)
Stanje na dan 31. decembra	1.049	2.177

25. OSTALE OBAVEZE I PVR

	<i>31. decembar 2019. 000 BAM</i>	<i>31. decembar 2018. 000 BAM</i>
Razgraničeni prihodi - unaprijed naplaćena naknada	7.049	7.303
Razgraničene obaveze po osnovu kamata na depozite u domaćoj valuti	3.406	3.407
Razgraničene obaveze po osnovu kamata na depozite u stranoj valuti	4.235	4.860
Razgraničene obaveze za ostale obračunate troškove	703	375
Rezervisanja za otpremnine	325	315
Rezervisanja za sudske sporove	49	105
Rezervisanja za ostale potencijalne obaveze	277	277
Ostala pasivna vremenska razgraničenja	717	1.436
Ostale obaveze - unaprijed naplaćeni anuiteti po kreditima	6.466	7.061
Obaveze po primljenim sredstvima - neraspoređeni priliv	2.370	518
Obaveze po osnovu platnih kartica realizovanih u drugim bankama	11	108
Obaveze prema dobavljačima	841	520
Obaveze po kamatama	191	178
Obaveze za dividende	305	306
Obaveze po osnovu poštanskih uputnica	158	131
Obaveze po osnovu poslovnog lizinga višegodišnji zakup (napomena 33)	10.213	-
Obaveze po osnovu namjenskih depozita za emitovanje emisija HoV ili preuzimanje akcionarskih društava	4.653	38
Ostale obaveze	3.257	2.510
Ukupno	45.226	29.447

NOVA BANKA A.D. BANJA LUKA

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2019

*All amounts expressed in thousands of BAM, unless otherwise stated.***24. PROVISIONS FOR OFF-BALANCE SHEET ITEMS**

	December 31, 2019	December 31, 2018
Provisions for off-balance sheet items	1,049	2,177
Total	1,049	2,177

Movements on provisions for off-balance sheet items were as follows:

	December 31, 2019	December 31, 2018
Balance at January 1	2,177	4,167
First-time adoption of IFRS 9	-	5,117
Charge for the year	839	1,128
Reversal of provisions	(1,967)	(8,235)
Balance at December 31	1,049	2,177

25. OTHER LIABILITIES AND ACCRUALS

	December 31, 2019	December 31, 2018
Deferred income – fees collected in advance	7,049	7,303
Accrued interest liabilities per deposits in local currency	3,406	3,407
Accrued interest liabilities per deposits in foreign currencies	4,235	4,860
Accrued liabilities for other expenses	703	375
Provisions for employee retirement benefits	325	315
Provisions for litigations	49	105
Provisions for other contingent liabilities	277	277
Other accruals	717	1,436
Other liabilities – loan repayment installments collected in advance	6,466	7,061
Liabilities per funds received – unallocated inflows	2,370	518
Liabilities per payment card transactions performed via other banks	11	108
Trade payables	841	520
Interest liabilities	191	178
Dividend liabilities	305	306
Liabilities per postal money transfer orders	158	131
Long-term operating lease liabilities (Note 33)	10,213	-
Liabilities per earmarked deposits for share issue or takeover of entities	4,653	38
Other liabilities	3,257	2,510
Total	45,226	29,447

NOVA BANKA A.D. BANJA LUKA
NAPOMENE UZ FINANSIJSKE IZVJEŠTAJE

25. OSTALE OBAVEZE I PVR (nastavak)

Promjene na rezervisanjima za otpremnine, sudske sporove i ostale potencijalne obaveze:

	Rezervisanja za otpremnine	Rezervisanja za sudske postupke	Rezervisanja za ostale potencijalne obaveze	UKUPNO
	000 BAM	000 BAM	000 BAM	000 BAM
Stanje na dan 1. januara 2018.	313	91	277	681
Rezervisanja u tekućoj godini	2	58	-	60
Ukidanje rezervisanja / isplata	-	(44)	-	(44)
Stanje na dan 31. decembra 2018.	315	105	277	697
Stanje na dan 1. januara 2019.	315	105	277	697
Rezervisanja u tekućoj godini	10	150	-	160
Ukidanje rezervisanja / isplata	-	(206)	-	(206)
Stanje na dan 31. decembra 2019.	325	49	277	651

26. SUBORDINIRANI DUG (dopunski kapital)

Obaveze po osnovu subordiniranog duga:

	31. decembar 2019.	31. decembar 2018.
	000 BAM	000 BAM
Subordinirani dug (dopunski kapital) - u domaćoj valuti	37.600	37.600
Ukupno	37.600	37.600

Obaveze po osnovu subordiniranog duga u ukupnom iznosu od 37.600 hiljada BAM su iz 2019. godine (sedma 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
Sedma emisija	21.10.2019.	37.600.000	376	3,00%	5 godina	10 god.

Skupština akcionara Banke je dana 20. avgusta 2019. godine donijela Odluku o sedmoj emisiji obveznica javnom ponudom, kojom je izvršena zamjena VI emisije obveznica u iznosu od 37,6 miliona BAM.

Sedmom emisijom obveznica emitovano je 376.000 obveznica nominalne vrijednosti 100 BAM po obveznici, ukupne nominalne vrijednosti 37.600.000 BAM uz kamatnu stopu 3%, 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.

NOVA BANKA A.D. BANJA LUKA
 NOTES TO THE FINANCIAL STATEMENTS
 December 31, 2019

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

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, 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
Balance at January 1, 2019	315	105	277	697
Charge for the year	10	150	-	160
Reversal/release of provisions	-	(206)	-	(206)
Balance at December 31, 2019	325	49	277	651

26. SUBORDINATED DEBT (Supplementary Capital)

Liabilities per subordinated debt:

	<i>December 31, 2019</i>	<i>December 31, 2018</i>
Subordinated debt (supplementary capital) - in local currency	37,600	37,600
Total	37,600	37,600

Subordinated debt liabilities totaling BAM 37,600 thousand arose from the bonds were issued in 2019 (seventh issue).

Balance of subordinated debt bonds after redemption	Registration date w. RS Securities Commission	Seventh issue par value BAM	Number of bonds issued	Interest rate	Grace period	Maturity
Seventh issue	21/10/2019	37,600,000	376	3.00%	5 years	10 years

On August 20, 2019, the Bank's Supervisory Board enacted the Decision on Issuance of the Seventh Bond Issue through Public Offering, thereby replacing the sixth issue bonds totaling BAM 37.6 million.

The total of 376,000 bonds with the par value of BAM 100 per bond were issued in the seventh issue, with the total par value of BAM 37,600 thousand at an interest rate of 3% 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.

NOVA BANKA A.D. BANJA LUKA
 NAPOMENE UZ FINANSIJSKE IZVJEŠTAJE

27. KAPITAL

Struktura kapitala Banke

Struktura ukupnog kapitala Banke prikazana je kako slijedi:

	31. decembar 2019. 000 BAM	31. decembar 2018. 000 BAM
Akcijski kapital (obične akcije)	134.638	134.638
Emisiona premija (ažio)	8.070	8.070
Rezerve iz dobiti	8.727	8.562
Revalorizacione rezerve	2.158	40
Regulatorne rezerve za kreditne gubitke	-	(7.398)
Neraspoređena dobit iz ranijeg perioda	3.137	1
Neraspoređena dobit tekuće godine	12.178	10.699
Ukupno	168.908	154.612

Akcijski kapital

Ukupan akcijski kapital Banke na dan 31. decembra 2019. godine sastoji se od 134.637.768 običnih akcija pojedinačne nominalne vrijednosti 1 BAM (31. decembar 2018. godine: 134.637.768 obične akcije pojedinačne nominalne vrijednosti 1 BAM).

Skupština Banke je 10. maja 2019. godine donijela Odluku o raspodjeli dobiti, kojom je ostvarena neto dobit, nakon pokrića negativnog efekta prve primjene MSFI 9 (u iznosu od 7.298 hiljada BAM), te obaveznih zakonskih rezervi na neto dobit (u iznosu od 165 hiljada BAM) iznos od 3.136 hiljada BAM ostao na poziciji zadržane dobiti.

Na predmetnu raspodjelu Agencija za bankarstvo Republike Srpske je dala prethodnu saglasnost, rješenjem broj: 03-569-3/19 od 16. aprila 2019. godine.

Najveći akcionari Banke na dan 31. decembra 2019. godine su:

Naziv / Prezime i ime	Obične akcije	% učešća običnih akcija
MG Mind DOO	38.938	28,92%
Respect PLUS DOO Banja Luka	13.015	9,67%
Ban gradnja DOO Banja Luka	12.350	9,17%
Gas - petrol DOO Mrkonjić Grad	9.730	7,23%
Invest Nova AD Bijeljina	6.732	5,00%
Radanović Slobodan	6.592	4,90%
New Concept DOO Banja Luka	2.909	2,16%
Elek Nedeljko	2.621	1,95%
Legend DOO	2.461	1,83%
Gajić Zoran	2.457	1,82%
Čurčić Slobodan	2.298	1,71%
Lanaco DOO	1.935	1,44%
Radovanović Radovan	1.804	1,34%
Balta Tarik	1.676	1,24%
Babić Radislav	1.591	1,18%
Ostali	27.529	20,44%
Ukupno	134.638	100,00%

NOVA BANKA A.D. BANJA LUKA

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2019

*All amounts expressed in thousands of BAM, unless otherwise stated.***27. EQUITY****The Bank's Equity Structure**

The total Bank's equity structure is broken down below:

	December 31, 2019	December 31, 2018
Share capital (common stock(ordinary) shares	134,638	134,638
Share premium	8,070	8,070
Reserves from profit	8,727	8,562
Revaluation reserves	2,158	40
Regulatory reserves for estimated credit losses	-	(7,398)
Prior years' retained earnings	3,137	1
Current year's retained earnings	12,178	10,699
Total	168,908	154,612

Share Capital

As of December 31, 2019, the Bank's total share capital comprised 134,637,768 common stock (ordinary) shares with the par value of BAM 1 (December 31, 2018: 134,637,768 common stock (ordinary) shares with the par value of BAM 1).

On May 10, 2019, the Bank's Shareholder Assembly enacted the Decision on the Profit Distribution, whereby the profit realized, after absorption of the negative effects of IFRS 9 first-time adoption (BAM 7,298 thousand), and allocation to the mandatory legal reserves (BAM 165 thousand) of BAM 3,136 thousand remained as retained earnings.

The aforesaid profit distribution was previously duly approved by the Banking Agency of the Republic of Srpska, in its Decision no. 03-569-3/19 dated April 16, 2019.

As of December 31, 2019 the Bank's major shareholders were:

Name	Ordinary shares	Share (%)
MG Mind DOO	38,938	28.92%
Respect PLUS DOO Banja Luka	13,015	9.67%
Ban gradnja DOO Banja Luka	12,350	9.17%
Gas - petrol DOO Mrkonjić Grad	9,730	7.23%
Invest Nova AD Bijeljina	6,732	5.00%
Radanović Slobodan	6,592	4.90%
New Concept DOO Banja Luka	2,909	2.16%
Elek Nedeljko	2,621	1.95%
Legend DOO	2,461	1.83%
Gajić Zoran	2,457	1.82%
Čurčić Slobodan	2,298	1.71%
Lanaco DOO	1,935	1.44%
Radovanović Radovan	1,804	1.34%
Balta Tarik	1,676	1.24%
Babić Radislav	1,591	1.18%
Others	27,529	20.44%
Total	134,638	100.00%

NOVA BANKA A.D. BANJA LUKA
 NAPOMENE UZ FINANSIJSKE IZVJEŠTAJE

27. KAPITAL (nastavak)

Aksijski kapital (nastavak)

Najveći akcionari Banke na dan 31. decembra 2018. godine bili 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	7,22%
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	28,30%
Ukupno	134.638	100,00%

Sve gore navedene promjene akcionara Banke u 2019. godini evidentirane su u jedinstvenoj evidenciji akcionara kod Centralnog registra hartija od vrijednosti Republike Srpske. Banka na dan 31. decembra 2019. 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 2019. godine, koeficijent adekvatnosti kapitala Banke iznosio je 15,16 (31. decembra 2018. godine: 14,55%) bez uključene neto dobiti tekuće godine. Koeficijent adekvatnosti kapitala sa uključenom neto dobiti tekuće godine nakon revidiranja će iznositi 16,15%.

Emisiona premija

Emisiona premija u iznosu od 8.070 hiljada BAM na dan 31. decembra 2019. i 2018. 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 2019. godine iznose 8.727 hiljada BAM.

Regulatorne rezerve za kreditne gubitke

Banka je u skladu sa Odlukom Agencije za bankarstvo RS o uslovima za uključanje formiranih rezervi za kreditne gubitke u redovni osnovni kapital banke, a na osnovu Odluke o raspodjeli dobiti izvršila pokriće regulatornih rezervi za kreditne gubitke u iznosu od 7.398 hiljada KM.

Neraspoređena dobit

Neraspoređena dobit na dan 31. decembra 2019. godine iznosi 15.315 hiljada BAM, a obuhvata neraspoređenu dobit iz prethodnog perioda u iznosu od 3.137 hiljadu BAM i ostvarenu neto dobit tekućeg perioda u iznosu od 12.178 hiljada BAM.

NOVA BANKA A.D. BANJA LUKA

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2019

*All amounts expressed in thousands of BAM, unless otherwise stated.***27. EQUITY (Continued)****Share Capital (continued)**

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	7.22%
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	28.30%
Total	134,638	100.00%

All the above changes to the Bank's shareholders in 2019 were recorded within the unique database of shareholders maintained by the Central Securities Registry of the Republic of Srpska. As of December 31, 2019, 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 15,000,000, while Article 37, paragraph 4 of the Law on Banks of the Republic of Srpska and Article 34, paragraph 1 of the 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, 2019, the Bank's capital adequacy ratio equaled 15.16% (December 31, 2018: 14.55%) without current year's profit included in the calculation. With the current year's profit included, the Bank's capital adequacy ratio will equal 16.15%.

Share Premium

Share premium is BAM 8,070 thousand as of December 31, 2019 and 2018 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 8,727 thousand as of December 31, 2019.

Regulatory Reserves for Estimated Credit Losses

In line with BARS Decision on Conditions for Inclusion of the Formed Regulatory Reserves for Estimated Credit Losses into the Regular Core Capital of Banks, and based on its Assembly's Decision on Profit Distribution, the Bank absorbed the shortfall regulatory reserves for credit losses in the amount of BAM 7,398 thousand.

Retained Earnings

As of December 31, 2019, the Bank's retained earnings amounted to BAM 15,315 thousand, including the prior years' retained earnings of BAM 3,137 thousand and current year's net profit of BAM 12,178 thousand.

NOVA BANKA A.D. BANJA LUKA
 NAPOMENE UZ FINANSIJSKE IZVJEŠTAJE

27. KAPITAL (nastavak)

Neraspoređena dobit (nastavak)

Odlukom Skupštine akcionara Banke od 10. maja 2019. godine, Banka je raspodijelila neto dobiti poslovne 2019. godine u iznosu od 10.699 hiljada BAM, na sljedeći način: pokrće negativnog efekta prve primjene MSFI 9 u iznosu od 7.398 hiljada BAM, obavezne zakonske rezerve u iznosu od 165 hiljada BAM i zadržane dobiti u iznosu od 3.136 hiljada BAM.

Revalorizacione rezerve

Revalorizacione rezerve na dan 31. decembra 2019. godine iznose 2.158 hiljada BAM i formirane su kao rezultat svođenja na tržišnu vrijednost ulaganja u hartije od vrjednosti klasifikovanih kao finansijska imovina koja se vrednuje 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.

	2019.	2018.
		(U 000 BAM)
	<u>2019.</u>	<u>2018.</u>
Neto dobit koja se odnosi na vlasnike običnih akcija Banke	12.178	10.699
Ponderisani prosječni broj običnih akcija	<u>134.638</u>	<u>129.780</u>
Zarada po akciji	0,09	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 2019.	31. decembar 2018.
	000 BAM	000 BAM
Plative garancije	60.799	56.958
Činidbene garancije	119.943	103.100
Nepokriveni nostro akreditivi	314	-
Neopozive kreditne obaveze	<u>128.535</u>	<u>81.552</u>
Ukupno	<u>309.591</u>	<u>241.610</u>

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“ akreditivi 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.

NOVA BANKA A.D. BANJA LUKA

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2019

*All amounts expressed in thousands of BAM, unless otherwise stated.***27. EQUITY (Continued)****Retained Earnings (continued)**

Under the relevant decision of the Bank's Shareholder Assembly dated May 10, 2019, the Bank distributed the net profit for FY 2018 in the amount of BAM 10,699 thousand as follows: BAM 7,398 thousand was used to absorb the negative effect of IFRS 9 first-time adoption, BAM 165 thousand was allocated to the legal reserves and BAM 3,136 thousand was allocated to retained earnings.

Revaluation Reserves

As of December 31, 2019, the Bank's revaluation reserves amounted to BAM 2,158 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.

	<u>2019</u>	<u>2018</u>
Net profit attributable to the Bank's ordinary share holders	12,178	10,699
Weighted average number of shares outstanding	<u>134,638</u>	<u>129,780</u>
Earnings per share	0.09	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:

	<u>December 31,</u> <u>2019</u>	<u>December 31,</u> <u>2018</u>
Payment guarantees	60,799	56,958
Performance guarantees	119,943	103,100
Unsecured letters of credit	314	-
Irrevocable credit commitments	<u>128,535</u>	<u>81,552</u>
Total	<u><u>309,591</u></u>	<u><u>241,610</u></u>

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.

NOVA BANKA A.D. BANJA LUKA
 NAPOMENE UZ FINANSIJSKE IZVJEŠTAJE

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 62 predmeta koji se vode protiv Banke na dan 31. decembar 2019. godine iznose 7.516 hiljada BAM (2018: 5.972 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 2019. godine, u iznosu od 49 hiljade BAM (2018: 105 hiljada BAM).

Za sva utužena potraživanja protiv pravnih i fizičkih lica Banka je procjenila odgovarajuća rezervisanja na teret rezultata poslovanja u tekućoj i prethodnim godinama.

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 menadžement Banke čine:

<i>MRS 24.19</i>	<i>Naziv</i>	<i>Opis</i>
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

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:

NOVA BANKA A.D. BANJA LUKA

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2019

*All amounts expressed in thousands of BAM, unless otherwise stated.***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 62 lawsuits filed against the Bank as of December 31, 2019 amounted to BAM 7,516 thousand (2018: BAM 5,972 thousand). The Bank's management anticipated that no materially significant losses in excess of the provisions made in this respect of BAM 49 thousand as of December 31, 2019 (2018: BAM 105 thousand) 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.

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:

<i>IAS 24.19</i>	<i>Name</i>	<i>Description</i>
IAS 24.19 (a)	Parent entities	The Bank had no parent entities
IAS 24.19 (b)	Entities with joint control or significant influence over the reporting entity	There were no entities with joint control or significant influence over the Bank as 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/individuals related to the Board members
IAS 24.19 (g)	Other related parties	Other minor shareholders

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:

NOVA BANKA A.D. BANJA LUKA
 NAPOMENE UZ FINANSIJSKE IZVJEŠTAJE

31. ODNOSI SA POVEZANIM STRANAMA (nastavak)

Bilans stanja za godinu koja se završila 31. decembra 2019. godine

	<i>Subjekti sa zajedničkom kontrolom MRS 24, 19. (b)</i>	<i>Ključni menadžment MRS 24, 19. (f)</i>	<i>Ostala povezana lica MRS 24, 19. (g)</i>	<i>Ukupno</i>
	<i>000 BAM</i>	<i>000 BAM</i>	<i>000 BAM</i>	<i>000 BAM</i>
AKTIVA				
Kredit i dospjela potraživanja po kreditima	20.154	3.342	63.787	87.283
Ostala potraživanja i AVR	63	40	959	1.062
Poslovna aktiva	20.217	3.382	64.746	88.345
Vanbilans- neopozive obaveze	3.209	1.075	7.001	11.285
Vanbilans- potencijalne obaveze	4.273	290	10.987	15.550
Vanbilansna aktiva	7.482	1.365	17.988	26.835
UKUPNA AKTIVA	27.699	4.747	82.734	115.180
PASIVA				
Obaveze				
Depoziti komitenata	1.799	2.313	42.791	46.903
Ostale obaveze i PVR	1.315	69	1.011	2.395
Poslovna pasiva	3.114	2.382	43.802	49.298
Vanbilans- neopozive obaveze	3.209	1.075	7.001	11.285
Vanbilans- potencijalne obaveze	4.273	290	10.987	15.550
Vanbilansna pasiva	7.482	1.365	17.988	26.835
UKUPNA PASIVA	10.596	3.747	61.790	76.133

Bilans stanja za godinu koja se završila 31. decembra 2018. godine

	<i>Subjekti sa zajedničkom kontrolom MRS 24, 19. (b)</i>	<i>Ključni menadžment MRS 24, 19. (f)</i>	<i>Ostala povezana lica MRS 24, 19. (g)</i>	<i>Ukupno</i>
	<i>000 BAM</i>	<i>000 BAM</i>	<i>000 BAM</i>	<i>000 BAM</i>
AKTIVA				
Kredit i dospjela potraživanja po kreditima	-	2.388	24.831	27.219
Ostala potraživanja i AVR	-	272	720	992
Poslovna aktiva	-	2.660	25.551	28.211
Vanbilans- neopozive obaveze	-	1.195	992	2.187
Vanbilans- potencijalne obaveze	-	4.997	6.008	11.005
Vanbilansna aktiva	-	6.192	7.000	13.192
UKUPNA AKTIVA	-	8.852	32.551	41.403
PASIVA				
Obaveze				
Depoziti komitenata	-	10.149	17.807	27.956
Ostale obaveze i PVR	-	35	1.270	1.305
Poslovna pasiva	-	10.184	19.077	29.261
Vanbilans- neopozive obaveze	-	1.195	992	2.187
Vanbilans- potencijalne obaveze	-	4.997	6.008	11.005
Vanbilansna pasiva	-	6.192	7.000	13.192
UKUPNA PASIVA	-	16.376	26.077	42.453

NOVA BANKA A.D. BANJA LUKA
 NOTES TO THE FINANCIAL STATEMENTS
 December 31, 2019

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

31. RELATED PARTY TRANSACTIONS (continued)

Statement of Financial Position as of December 31, 2019

	<i>Entities under joint control IAS 24, 19 (b)</i>	<i>Key management IAS 24, 19 (f)</i>	<i>Other related parties IAS 24, 19 (g)</i>	<i>Total</i>
ASSETS				
Loans and receivables due from customers	20,154	3,342	63,787	87,283
Other receivables and prepayments	63	40	959	1,062
Operating assets	20,217	3,382	64,746	88,345
Off-balance sheet – irrevocable commitments	3,209	1,075	7,001	11,285
Off-balance sheet – contingent liabilities	4,273	290	10,987	15,550
Off-balance sheet items	7,482	1,365	17,988	26,835
TOTAL ASSETS	27,699	4,747	82,734	115,180
LIABILITIES				
Deposits due to customers	1,799	2,313	42,791	46,903
Other liabilities and accruals	1,315	69	1,011	2,395
Operating liabilities	3,114	2,382	43,802	49,298
Off-balance sheet – irrevocable commitments	3,209	1,075	7,001	11,285
Off-balance sheet – contingent liabilities	4,273	290	10,987	15,550
Off-balance sheet items	7,482	1,365	17,988	26,835
TOTAL LIABILITIES	10,596	3,747	61,790	76,133

Statement of Financial Position as of December 31, 2018

	<i>Entities under joint control IAS 24, 19 (b)</i>	<i>Key management IAS 24, 19 (f)</i>	<i>Other related parties IAS 24, 19 (g)</i>	<i>Total</i>
ASSETS				
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
TOTAL ASSETS	-	8,852	32,551	41,403
LIABILITIES				
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
TOTAL LIABILITIES	-	16,376	26,077	42,453

NOVA BANKA A.D. BANJA LUKA
NAPOMENE UZ FINANSIJSKE IZVJEŠTAJE

31. ODNOSI SA POVEZANIM STRANAMA (nastavak)

Bilans uspjeha poslovne 2019. godine

	<i>Subjekti sa zajedničkom kontrolom MRS24, 19. (b) 000 BAM</i>	<i>Ključni menadžment MRS 24, 19. (f) 000 BAM</i>	<i>Ostala povezana lica MRS 24, 19. (g) 000 BAM</i>	<i>Ukupno 000 BAM</i>
Prihodi od kamata	549	142	1.851	2.542
Rashodi od kamata	(2)	(23)	(406)	(431)
Neto prihodi od kamata	547	119	1.445	2.111
Prihodi od naknada i provizija	145	55	551	751
Ostali poslovni prihodi	10	4	1.106	1.120
Ostali operativni i rashodi iz poslovanja	(43)	(6)	(606)	(655)
Dobit tekuće godine	659	172	2.496	3.327

Bilans uspjeha poslovne 2018. godine

	<i>Subjekti sa zajedničkom kontrolom MRS24, 19. (b) 000 BAM</i>	<i>Ključni menadžment MRS 24, 19. (f) 000 BAM</i>	<i>Ostala povezana lica MRS 24, 19. (g) 000 BAM</i>	<i>Ukupno 000 BAM</i>
Prihodi od kamata	-	1.080	1.512	2.592
Rashodi kamata	-	(109)	(336)	(445)
Neto prihodi od kamata	-	971	1.176	2.147
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)
Dobit tekuće godine	-	2.209	914	3.123

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 Distriktu budu značajniji od onih u zemljama sa razvijenim poreskim sistemom.

NOVA BANKA A.D. BANJA LUKA
 NOTES TO THE FINANCIAL STATEMENTS
 December 31, 2019

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

31. RELATED PARTY TRANSACTIONS (Continued)

Income statement for FY 2019

	<i>Entities under joint control IAS 24, 19 (b)</i>	<i>Key management IAS 24, 19 (f)</i>	<i>Other related parties IAS 24, 19 (g)</i>	<i>Total</i>
Interest income	549	142	1,851	2,542
Interest expenses	(2)	(23)	(406)	(431)
Net interest income	547	119	1,445	2,111
Fee and commission income	145	55	551	751
Other operating income	10	4	1,106	1,120
Operating and other expenses	(43)	(6)	(606)	(655)
Profit for the year	659	172	2,496	3,327

Income statement for FY 2018

	<i>Entities under joint control IAS 24, 19 (b)</i>	<i>Key management IAS 24, 19 (f)</i>	<i>Other related parties IAS 24, 19 (g)</i>	<i>Total</i>
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

In the normal course of business, the Bank performs transactions with related parties at arm's length terms, 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.

NOVA BANKA A.D. BANJA LUKA
 NAPOMENE UZ FINANSIJSKE IZVJEŠTAJE

33. LEASING

MSFI 16 uvodi jedinstven model računovodstvenog obračuna kod zakupca i zahtijeva da zakupac prizna sredstva i obaveze za sve ugovore o zakupu sa rokom dospijeca dužim od 12 mjeseci, osim ako je predmetno sredstvo male vrijednosti. Zakupac je dužan da prizna sredstvo sa pravom korištenja što predstavlja njegovo pravo na korištenje predmetnog sredstva zakupa i obaveze po osnovu zakupa što predstavlja njegovu obavezu za plaćanje zakupa.

Zakupac mjeri sredstvo s pravom korištenja na sličan način kao ostala nefinansijska sredstva (kao što su nekretnine, postrojenja i oprema) i obavezu po osnovu zakupa na sličan način kao i ostale finansijske obaveze. Posljedično, zakupac priznaje amortizaciju sredstva s pravom korištenja i kamatu na obavezu po osnovu zakupa, i takođe klasifikuje novčane otplate obaveze po osnovu zakupa za glavniciu i kamatu.

Zakup se odnosi na zakup poslovnica od pravnih i fizičkih lica, kao i na zakup po osnovu prostora za ugradnju bankomata.

U 2019. godini trošak zakupnina je knjižen kroz pozicije kamata, amortizacije i zakupa to je prikazano u sljedećoj tabeli:

	31. decembar 2019.
	000 BAM
Rashodi kamata (napomena 7)	354
Amortizacija sredstava u zakupu (napomena 12)	2.392
Trošak zakupnina (napomena 12)	753
Ukupno	3.499

Buduća ukupna očekivana plaćanja po osnovu operativnog lizinga u slučajevima kada se Banka javlja kao zakupac prikazana su u narednoj tabeli:

31. decembar 2019.				
u 000 BAM	<u>do 1 godine</u>	<u>od 1 do 5 godina</u>	<u>preko 5 godina</u>	<u>UKUPNO</u>
Rashodi kamata	295	522	57	874
Amortizacija sredstava u zakupu	2.466	6.725	2.719	11.910
Trošak zakupnina	592	1.686	602	2.880
Ukupno	3.353	8.933	3.378	15.664

31. decembar 2018.				
u 000 BAM	<u>do 1 godine</u>	<u>od 1 do 5 godina</u>	<u>preko 5 godina</u>	<u>UKUPNO</u>
Rashodi zakupa	2.964	9.480	2.679	15.123

Buduće ukupne očekivane naplate po osnovu ugovorenih kada se Banka javlja kao zakupodavac prikazana su u narednoj tabeli:

	Godina koja se završila 31. decembra	2019.	2018.
	000 BAM	000 BAM	000 BAM
Do 1 godine	524	541	
Između 1 i 5 godina	116	64	
Preko 5 godina	-	-	
Ukupno	640	605	

NOVA BANKA A.D. BANJA LUKA
NOTES TO THE FINANCIAL STATEMENTS

December 31, 2019

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

33. LEASE ARRANGEMENTS

IFRS 16 introduces a uniform model of the lessee accounting for leases and requires that the lessee recognize assets and corresponding lease liabilities for all leases with terms longer than 12 months, unless the underlying asset is of a low value. The lessee is required to recognize a right-of-use (ROU) asset, which is the lessee's right to the use of the asset underlying the lease and a lease liability, which is the lessee's obligation to pay for the lease.

The lessee should measure a ROU asset similarly to the way other non-financial assets are measured (such as property, plant and equipment), while the corresponding lease liability is measured similarly to the other financial liabilities. Consequently, the lessee needs to recognize depreciation charge for the ROU asset and interest expenses per the lease liability and classify monetary repayments of the lease liability into the principal and interest payments.

The Bank's lease arrangements pertain to the lease of business premises for the Bank's branches from legal entities and individuals and lease of spaces for installation of ATMs

In 2019, the Bank recorded rental costs within the line items of interest expenses, depreciation/amortization charge, and rental costs, as presented below:

	<u>2019</u>
Interest expenses (Note 7)	354
Depreciation/amortization charge of ROU (Note 12)	2,392
Rental costs (Note 12)	<u>753</u>
Total	<u><u>3,499</u></u>

Total future minimum lease payments to be settled per operating lease contracts where the Bank is the lessee are presented below:

December 31, 2019	<u>Up to a year</u>	<u>From 1 to 5 years</u>	<u>Over 5 years</u>	<u>Total</u>
Interest expenses	295	522	57	874
Depreciation charge of ROU	2,466	6,725	2,719	11,910
Rental costs	<u>592</u>	<u>1,686</u>	<u>602</u>	<u>2,880</u>
Total	<u><u>3,353</u></u>	<u><u>8,933</u></u>	<u><u>3,378</u></u>	<u><u>15,664</u></u>
December 31, 2018				
	<u>Up to a year</u>	<u>From 1 to 5 years</u>	<u>Over 5 years</u>	<u>Total</u>
Rental costs	2,964	9,480	2,679	15,123

Total future minimum lease payments to be collected per operating lease contracts where the Bank is the lessor are presented below:

	<i>Year Ended December 31,</i>	
	<u>2019</u>	<u>2018</u>
Up to 1 year	524	541
From 1 to 5 years	116	64
Over 5 years	<u>-</u>	<u>-</u>
Total	<u><u>640</u></u>	<u><u>605</u></u>

NOVA BANKA A.D. BANJA LUKA
 NAPOMENE UZ FINANSIJSKE IZVJEŠTAJE

34. MAKROEKONOMSKO OKRUŽENJE

Procijenjena stopa rasta tromjesečnog BDP u 2019. godini iznosi 2,0% u prvom tromjesečju i 2,4% u drugom tromjesečju. Pad realnog BDP u oba tromjesečja procijenjen je kod industrijske proizvodnje, gdje je za prvo tromjesečje procijenjen pad od 5,6%, a za drugo tromjesečje pad iznosi 4,0%. U području prerađivačke industrija procjenjuje se pad od 7,1% za prvo tromjesečje, odnosno 6,9% za drugo tromjesečje.

Prosječna neto plata u septembru 2019. godine iznosila je 909 BAM. U septembru 2019. godine, prosječna neto plata, u odnosu na prosječnu neto platu u septembru 2018. godine realno je veća za 2,7%. Prosječna neto plata za period januar-septembar 2019. godine iznosila je 901 KM i realno je veća za 5,7% u odnosu na prosječnu neto platu u istom periodu 2018. godine.

Bankarski sistem Republike Srpske je u prvih devet mjeseci 2019. godine stabilan i adekvatno kapitalizovan, a likvidnost i profitabilnost su na zadovoljavajućem nivou.

Bankarski sektor Republike Srpske čini najznačajniji dio ukupnog bankarskog sistema Republike Srpske. U vlasničkoj strukturi kapitala banaka dominantno je učešće stranog vlasništva.

Bankarski sektor počiva na tradicionalnim i visoko regulisanim depozitno-kreditnim poslovima. U prvih devet mjeseci 2019. godine pored intenzivnih aktivnosti na tumačenju usvojene zakonske regulative nastavljene su aktivnosti na intenzivnom jačanju kapaciteta kontrolora, posebno na SREP metodologiji, razvoju okvira za nadzorno stres testiranje, restrukturiranju banaka i poboljšanju regulatornih zahtjeva za klasifikaciju aktive banaka (primjena MSFI 9). Sve gore navedeno uslovalo je dodatno angažovanje banaka na dostavljanju znatno većeg obima podataka i izvještaja po zahtjevu regulatora.

U prvih devet mjeseci 2019. godine Agencija je popunila preliminarni upitnik o usklađenosti sa evropskim propisima u okviru prvog kruga procjene sa ciljem dobijanja statusa ekvivalentnosti supervizorskog i regulatornog okvira sa okvirom Evropske unije. Planirane dalje aktivnosti na procjeni ekvivalentnosti provodiće se do kraja 2019. godine, a što će poboljšati status naših banaka i proširiti okvire za poslovne aktivnosti.

Bankarski sektor obavlja funkciju platnog prometa u zemlji i inostranstvu i ima značajnu ulogu u sprečavanju pranja novca i finansiranja terorističkih aktivnosti. Banke i druge finansijske organizacije konstantno rade na usklađivanju poslovanja sa zahtjevima Zakona o sprečavanju pranja novca i finansiranja terorizma, tako da se može reći da je postignuta sistematičnost u ovom segmentu poslovanja, a unaprijeđena je i saradnja sa drugim nadzornim i kontrolnim institucijama.

Banke i druge finansijske organizacije kontinuirano unapređuju i modernizuju poslovanje, sa ciljem prilagođavanja bankarskih proizvoda i usluga potrebama korisnika.

Takođe, kontinuirano se provode aktivnosti na implementaciji odredbi Zakona o bankama Republike Srpske koje regulišu obezbjeđenje zaštite prava korisnika finansijskih usluga.

U skladu sa gore navedenim izmjenama, Banka će u cilju unapređenja 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,
- unapređenju sistemu upravljanja rizicima, posebno kreditnim i rizikom likvidnosti, i
- uspostavljanju i unapređenju stress testova na moguće scenarije kriznih situacija i njihov uticaj na poslovanje banke, a posebno kapital, kreditni rizik i rizik likvidnosti.

NOVA BANKA A.D. BANJA LUKA

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2019

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

34. MACROECONOMIC ENVIRONMENT

The estimated quarterly GDP in the Republic of Srpska had the following growth rates: 2.0% in Q1 and 2.4% in Q2. In both quarters the production industry had negative real growth rates (Q1=5.6% and Q2=4.0%) as well as the processing industry (Q1=7.1% and Q2=6.9%).

The average net salary paid in the Republic of Srpska in September 2019 amounted to BAM 909, having increased by 2.7% in real terms compared to the average net salary paid in September 2018. The average net salary in the Republic of Srpska for the period from January through September 2019 amounted to BAM 901, and recorded a real increase of 5.7% against the average net salary paid in the same period in 2018.

The banking system in the Republic of Srpska was stable and with adequate capitalization, with satisfactory liquidity and profitability in the first nine month of 2019.

The banking sector of the Republic of Srpska is the most significant portion of the entire banking system of the Republic of Srpska. The banks are predominantly in foreign ownership.

The banking sector relies on the traditional and highly regulated depositary and crediting operations. In the first nine month of 2019, in addition to intensified activities on interpreting the adopted legislation, activities of strengthening the regulator capacities continued, particularly regarding SREP methodology, development of the framework for supervisory stress testing, restructuring of banks and improvement of the regulatory requirements for classification of bank assets (IFRS 9 adoption). All of the foregoing required additional engagement of banks in submission of a significantly larger volume of data and reports requested by the regulator.

In the first nine months of 2019, the Banking Agency of the Republic of Srpska has completed the preliminary questionnaire on the compliance with the EU regulations within the first round of assessment, in order to acquire the status of equivalence of the local supervisory and regulatory framework with the EU framework. Further activities planned in connection with the assessment of equivalence ought to be carried out until the end of 2019, which will certainly result in the improved status of the local banks and expand possibilities for their banking business activities.

Banks perform domestic and foreign payment operations and play a significant role in prevention of money laundering and financing of terrorist activities. Banks and other financial institutions have been working continually on harmonization of their operations with the requirements of the Law on Prevention of Money Laundering and Terrorism Financing. It may therefore be concluded that this segment of business has become systematic and collaboration has been established with other supervisory and inspection institutions in this area.

Banks and other financial institutions 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 also implement, on an ongoing basis, the provisions of the Law on Banks of the Republic of Srpska governing the protection of rights of the financial service users.

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.

NOVA BANKA A.D. BANJA LUKA
NAPOMENE UZ FINANSIJSKE IZVJEŠTAJE

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 obavješćavanje 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 internih kontrola. 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 kontrola u okviru samih organizacionih dijelova Banke.

NOVA BANKA A.D. BANJA LUKA
 NOTES TO THE FINANCIAL STATEMENTS
 December 31, 2019

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

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 control 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 control planned within the Bank's organizational units.

NOVA BANKA A.D. BANJA LUKA
 NAPOMENE UZ FINANSIJSKE IZVJEŠTAJE

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 Poslovnom 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 dospjeća.

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.

NOVA BANKA A.D. BANJA LUKA

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2019

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 liquidity risk, the Bank conducts activities that ensure the alignment of the assets and liabilities structure of the Bank's balance sheet and off-balance sheet, ie its cash flows (inflows and outflows) and continuously monitors and plans future cash flows taking into account changes in operational, economic and other business conditions of the Bank's environment. To manage liquidity risk, the Bank also conducts stress tests aimed at identifying potential liquidity gaps that may arise over certain time periods and under certain conditions, such as: due to deposit outflows, inability to convert parts of assets into liquid assets, increased cash outflows, and similarly, and accordingly identifies potential additional sources of funding that will allow the gap to be covered.

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 the 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.

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 poslovnom 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 kolateralna, 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 ostvario 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.

NOVA BANKA A.D. BANJA LUKA

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2019

*All amounts expressed in thousands of BAM, unless otherwise stated.***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 departments are continuously developed, and their 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.

NOVA BANKA A.D. BANJA LUKA
 NAPOMENE UZ FINANSIJSKE IZVJEŠTAJE

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 2019. 000 BAM	31. decembar 2018. 000 BAM
AKTIVA		
Novčana sredstva i računi depozita kod depozitnih institucija	260.978	226.883
Obavezna rezerva kod Centralne banke	185.194	174.141
Finansijska imovina koja se vrednuje po fer vrijednosti kroz bilans uspjeha	10.688	6.753
Finansijska imovina koja se vrednuje po fer vrijednosti kroz ostali ukupni rezultat	234.980	247.721
Plasmani drugim bankama	1.979	2.005
Kreditni i dospjela potraživanja po kreditima	1.372.750	1.187.553
Ostala potraživanja i AVR	53.620	48.430
Ukupno	2.120.189	1.893.486
Potencijalne obaveze	181.056	160.058
Neopozive obaveze	128.535	81.552
Ukupno	309.591	241.610
Ukupna izloženost riziku	2.429.780	2.135.096

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.

NOVA BANKA A.D. BANJA LUKA
 NOTES TO THE FINANCIAL STATEMENTS
 December 31, 2019

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

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.

	<i>December 31, 2019</i>	<i>December 31, 2018</i>
ASSETS		
Cash and balances held with banks and other financial institutions	260,978	226,883
Obligatory reserve held with the Central Bank	185,194	174,141
Financial assets at FVtPL	10,688	6,753
Financial assets at FVtOCI	234,980	247,721
Loans and receivables due from banks and other financial institutions	1,979	2,005
Loans and receivables due from customers	1,372,750	1,187,553
Other assets, receivables and prepayments	53,620	48,430
Total	2,120,189	1,893,486
Contingent liabilities	181,056	160,058
Irrevocable commitments	128,535	81,552
Total	309,591	241,610
Total credit risk exposure	2,429,780	2,135,096

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.

NOVA BANKA A.D. BANJA LUKA

NAPOMENE UZ FINANSIJSKE IZVJEŠTAJE

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 2019. godine iznosi 58.949 hiljada BAM (31. decembar 2018. godine: 33.607 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 2019. godine	Novčana sredstva i računi depozita kod depozitnih institucija	Obavezna rezerva kod Centralne Banke	Finansijska imovina koja se vrednuje po fer vrijednosti kroz bilans uspjeha	Finansijska imovina koja se vrednuje po fer vrijednosti kroz ostali ukupni rezultat	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	251.165	185.194	10.688	234.980	98	1.372.750	53.620	309.591	2.418.086
Evropska Unija	6.858	-	-	-	1.754	-	-	-	8.612
Ostalo	2.955	-	-	-	127	-	-	-	3.082
Ukupno	260.978	185.194	10.688	234.980	1.979	1.372.750	53.620	309.591	2.429.780
31. decembra 2018. godine	Novčana sredstva i računi depozita kod depozitnih institucija	Obavezna rezerva kod Centralne Banke	Finansijska imovina koja se vrednuje po fer vrijednosti kroz bilans uspjeha	Finansijska imovina koja se vrednuje po fer vrijednosti kroz ostali ukupni rezultat	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	204.165	174.141	6.753	247.721	95	1.187.553	48.430	241.610	2.110.468
Evropska Unija	22.295	-	-	-	1.910	-	-	-	24.205
Ostalo	423	-	-	-	-	-	-	-	423
Ukupno	226.883	174.141	6.753	247.721	2.005	1.187.553	48.430	241.610	2.135.096

NOVA BANKA A.D. BANJA LUKA

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2019

*All amounts expressed in thousands of BAM, unless otherwise stated.***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, 2019, the maximum credit risk exposure to a single borrower amounted to BAM 58,949 thousand (December 31, 2018: BAM 33,607 thousand).

The Bank's financial assets before taking into account the effects of collaterals 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 FV/PL	Financial assets at FVOCI	Loans and receivables due from banks and other financial institutions	Loans and receivables due from customers	Other assets, receivables and prepayments	Contingent liabilities and irrevocable commitments	Total
December 31, 2019									
Bosnia and Herzegovina	251,165	185,194	10,688	234,980	98	1,372,750	53,620	309,591	2,418,086
European Union	6,858	-	-	-	1,754	-	-	-	8,612
Other	2,955	-	-	-	127	-	-	-	3,082
Total	260,978	185,194	10,688	234,980	1,979	1,372,750	53,620	309,591	2,429,780
December 31, 2018									
Bosnia and Herzegovina	204,165	174,141	6,753	247,721	95	1,187,553	48,430	241,610	2,110,468
European Union	22,295	-	-	-	1,910	-	-	-	24,205
Other	423	-	-	-	-	-	-	-	423
Total	226,883	174,141	6,753	247,721	2,005	1,187,553	48,430	241,610	2,135,096

NOVA BANKA A.D. BANJA LUKA
 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 2019. i 2018. godine prikazana je u sljedećoj tabeli:

<i>Neto maksimalna izloženost</i>	<i>31. decembar</i>	<i>31. decembar</i>
	<i>2019.</i>	<i>2018.</i>
	<i>000 BAM</i>	<i>000 BAM</i>
Stanovništvo	539.343	505.923
Prerađivačka industrija	218.625	202.776
Trgovina	254.603	201.827
Finansijske usluge	61.715	66.204
Poljoprivreda, šumarstvo, vodoprivreda	44.643	52.521
Građevinarstvo	120.748	141.926
Transport	92.272	51.623
Usluge, ugostiteljstvo i turizam	23.246	21.169
Trgovina nekretninama	17.172	16.600
Vlada i državni organi	501.666	397.978
Banke i finansijske institucije	452.055	408.019
Ostalo	103.692	68.530
Ukupno	2.429.780	2.135.096

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.

NOVA BANKA A.D. BANJA LUKA

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2019

*All amounts expressed in thousands of BAM, unless otherwise stated.***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, 2019 and 2018:

	December 31, 2019	December 31, 2018
Maximum exposure, net		
Retail customers	539,343	505,923
Processing industry	218,625	202,776
Trade	254,603	201,827
Financial services	61,715	66,204
Agriculture, forestry, water supply	44,643	52,521
Construction industry	120,748	141,926
Transport	92,272	51,623
Services, hospitality and tourism	23,246	21,169
Real estate trade	17,172	16,600
Government and state agencies	501,666	397,978
Banks and financial institutions	452,055	408,019
Other	103,692	68,530
Total	2,429,780	2,135,096

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.

NOVA BANKA A.D. BANJA LUKA
 NAPOMENE UZ FINANSIJSKE IZVJEŠTAJE

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 2019. i 2018. godinu prikazan je sljedećim tabelama:

	(U 000 BAM)				
	Ukupno				
Banke/ostali komitenti	S1	S2	S3	S3-POCI	31.12.2019.
Plasmani drugim bankama	1.981	-	-	-	1.981
Kreditni i dospjela potraživanja po kreditima	1.187.031	165.465	64.329	66.032	1.482.857
Bruto izloženost	1.189.012	165.465	64.329	66.032	1.484.838
Ispravka vrijednosti	3.114	10.032	46.359	50.604	110.109
Neto izloženost	1.185.898	155.433	17.970	15.428	1.374.729

	(U 000 BAM)				
	Ukupno				
Banke/ostali komitenti	S1	S2	S3	S3-POCI	31.12.2018.
Plasmani drugim bankama	2.005	-	-	-	2.005
Kreditni i dospjela potraživanja po kreditima	890.008	227.949	66.248	115.269	1.299.474
Bruto izloženost	892.013	227.949	66.248	115.269	1.301.479
Ispravka vrijednosti	2.619	12.569	38.659	58.074	111.921
Neto izloženost	889.394	215.380	27.589	57.195	1.189.558

Pregled kredita i dospjelih potraživanja po kreditima po segmentima na dan 31. decembar 2019. i 2018. godine prikazan je u sljedećim tabelama:

	(U 000 BAM)				
	Ukupno				
Plasmani ostalim komitenitima po segmentima	S1	S2	S3	S3-POCI	31.12.2019.
FI *	12.556	0	0	0	12.556
Government	145.873	0	0	0	145.873
L-RSGU	97.198	6.434	169	349	104.150
MSE-SEB	16.471	2.030	1.211	127	19.839
Non-Profit-Org	1.272	331	2.874	0	4.477
PI	386.036	92.495	22.737	8.324	509.592
SME-Corp-DEB	527.625	64.175	37.338	57.232	686.370
Bruto izloženost	1.187.031	165.465	64.329	66.032	1.482.857
Ispravka vrijednosti	3.112	10.032	46.359	50.604	110.107
Neto vrijednost	1.183.919	155.433	17.970	15.428	1.372.750

*Nebankarske finansijske institucije

NOVA BANKA A.D. BANJA LUKA

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2019

*All amounts expressed in thousands of BAM, unless otherwise stated.***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 2019 and FY 2018:

Banks/other customers	S1	S2	S3	S3-POCI	Total Dec-31, 2019
Loans and receivables due from banks	1,981	-	-	-	1,981
Loans and receivables due from customers	1,187,031	165,465	64,329	66,032	1,482,857
Gross exposure	1,189,012	165,465	64,329	66,032	1,484,838
Impairment allowance	3,114	10,032	46,359	50,604	110,109
Net exposure	1,185,898	155,433	17,970	15,428	1,374,729

Banks/other customers	S1	S2	S3	S3-POCI	Total Dec-31, 2018
Loans and receivables due from banks	2,005	-	-	-	2,005
Loans and receivables due from customers	890,008	227,949	66,248	115,269	1,299,474
Gross exposure	892,013	227,949	66,248	115,269	1,301,479
Impairment allowance	2,619	12,569	38,659	58,074	111,921
Net exposure	889,394	215,380	27,589	57,195	1,189,558

Breakdown of loans and receivable matured per customer segment as of December 31, 2019 and 2018 is provided in the tables below:

Other customers, per segment	S1	S2	S3	S3-POCI	Total Dec-31, 2019
FI *	12,556	-	-	-	12,556
Government	145,873	-	-	-	145,873
L-RSGU	97,198	6,434	169	349	104,150
MSE-SEB	16,471	2,030	1,211	127	19,839
Non-Profit-Org	1,272	331	2,874	-	4,477
PI	386,036	92,495	22,737	8,324	509,592
SME-Corp-DEB	527,625	64,175	37,338	57,232	686,370
Gross exposure	1,187,031	165,465	64,329	66,032	1,482,857
Impairment allowance	3,112	10,032	46,359	50,604	110,107
Net exposure	1,183,919	155,433	17,970	15,428	1,372,750

*Non-banking financial institutions

NOVA BANKA A.D. BANJA LUKA
 NAPOMENE UZ FINANSIJSKE IZVJEŠTAJE

35. FINANSIJSKI INSTRUMENTI (nastavak)

35.2. Kreditni rizik (nastavak)

c) Kvalitet finansijskih instrumenata po klasama finansijske aktive (nastavak)

	(U 000 BAM)				
	Ukupno				
Plasmani ostalim komitentima po segmentima	S1	S2	S3	S3-POCI	31.12.2018.
FI *	8.070	0	0	0	8.070
Government	26.791	0	0	0	26.791
L-RSGU	99.742	15.213	4	551	115.510
MSE-SEB	12.960	2.291	914	174	16.339
Non-Profit-Org	1.150	462	2.916	0	4.528
PI	350.503	96.449	23.714	8.104	478.770
SME-Corp-DEB	390.792	113.534	38.700	106.440	649.466
Bruto izloženost	890.008	227.949	66.248	115.269	1.299.474
Ispravka vrijednosti	2.619	12.569	38.659	58.074	111.921
Neto vrijednost	887.389	215.380	27.589	57.195	1.187.553

*Nebankarske finansijske institucije

Pregled kredita i dospjelih potraživanja po kreditima po klasama rejtinga na dan 31. decembar 2019. i 2018. godine prikazan je u sljedećim tabelama:

	(U 000 BAM)				
	Ukupno				
Plasmani ostalim komitentima po klasama ratinga	S1	S2	S3	S3-POCI	31.12.2019.
1	47.823	60	0	0	47.883
2	191.886	347	0	700	192.933
3	305.648	777	0	161	306.586
4	292.256	1.977	24	462	294.719
5	157.766	3.005	0	1.109	161.880
6	82.001	50.494	0	1.147	133.642
7	77.077	27.667	0	1.475	106.219
8	0	28.905	0	527	29.432
9	32.290	37.181	0	0	69.471
10	0	15.052	0	4.984	20.036
Default	0	0	64.305	55.467	119.772
NR**	284	0	0	0	284
Bruto izloženost	1.187.031	165.465	64.329	66.032	1.482.857
Ispravka vrijednosti	3.112	10.032	46.359	50.604	110.107
Neto vrijednost	1.183.919	155.433	17.970	15.428	1.372.750

**dio klijenata u defaultu je istovremeno i POCI imovina

**Klijenti bez ratinga

NOVA BANKA A.D. BANJA LUKA

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2019

*All amounts expressed in thousands of BAM, unless otherwise stated.***35. FINANCIAL INSTRUMENTS (Continued)****35.2. Credit Risk (Continued)****c) Financial asset quality per asset class (continued)**

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	99,742	15,213	4	551	115,510
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	390,792	113,534	38,700	106,440	649,466
Gross exposure	890,008	227,949	66,248	115,269	1,299,474
Impairment allowance	2,619	12,569	38,659	58,074	111,921
Net exposure	887,389	215,380	27,589	57,195	1,187,553

* Non-banking financial institutions

Breakdown of loans and receivable matured per customer rating as of December 31, 2019 and 2018 is provided in the tables below:

Other customers, per rating class	S1	S2	S3	S3-POCI	Total Dec-31, 2019
1	47,823	60	-	-	47,883
2	191,886	347	-	700	192,933
3	305,648	777	-	161	306,586
4	292,256	1,977	24	462	294,719
5	157,766	3,005	-	1,109	161,880
6	82,001	50,494	-	1,147	133,642
7	77,077	27,667	-	1,475	106,219
8	-	28,905	-	527	29,432
9	32,290	37,181	-	-	69,471
10	-	15,052	0	4,984	20,036
Default	-	-	64,305	55,467	119,772
NR**	284	-	-	-	284
Gross exposure	1,187,031	165,465	64,329	66,032	1,482,857
Impairment allowance	3,112	10,032	46,359	50,604	110,107
Net exposure	1,183,919	155,433	17,970	15,428	1,372,750

**Some default status assets are at the same time classified into POCI assets

**Customers without ratings (non-rated)

NOVA BANKA A.D. BANJA LUKA
 NAPOMENE UZ FINANSIJSKE IZVJEŠTAJE

35. FINANSIJSKI INSTRUMENTI (nastavak)

35.2. Kreditni rizik (nastavak)

c) Kvalitet finansijskih instrumenata po klasama finansijske aktive (nastavak)

Plasmani ostalim komitentima po klasama ratinga					(U 000 BAM)
	S1	S2	S3	S3-POCI	Ukupno 31.12.2018.
1	41.770	10	0	0	41.780
2	238.083	437	0	782	239.302
3	159.095	923	0	181	160.199
4	179.112	2.950	0	1.767	183.829
5	170.500	5.253	0	1.256	177.009
6	46.244	51.556	0	4.352	102.152
7	38.470	32.047	0	336	70.853
8	0	75.459	0	3.300	78.759
9	0	24.617	0	2.423	27.040
10	0	34.697	0	552	35.249
Default	0	0	66.248	100.320	166.568
NR**	16.734	0	0	0	16.734
Bruto izloženost	890.008	227.949	66.248	115.269	1.299.474
Ispravka vrijednosti	2.619	12.569	38.659	58.074	111.921
Neto vrijednost	887.389	215.380	27.589	57.195	1.187.553

**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. decembar 2019. i 2018. godine prikazan je u sljedećim tabelama:

Dani kašnjenja					(U 000 BAM)
	S1	S2	S3	S3-POCI	Ukupno 31.12.2019.
1. Bez kašnjenja	1.186.244	157.354	1.354	11.319	1.356.271
2. od 1-30	787	3.888	714	297	5.686
3. od 31 do 90 dana	0	4.223	2.906	223	7.352
4. veće od 90 dana	0	0	59.355	54.193	113.548
Bruto izloženost	1.187.031	165.465	64.329	66.032	1.482.857
Ispravka vrijednosti	3.112	10.032	46.359	50.604	110.107
Neto vrijednost	1.183.919	155.433	17.970	15.428	1.372.750

Dani kašnjenja					(U 000 BAM)
	S1	S2	S3	S3-POCI	Ukupno 31.12.2018.
1. Bez kašnjenja	888.749	218.554	1.636	50.540	1.159.479
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	62.775	63.647	126.422
Bruto izloženost	890.008	227.949	66.248	115.269	1.299.474
Ispravka vrijednosti	2.619	12.569	38.659	58.074	111.921
Neto vrijednost	887.389	215.380	27.589	57.195	1.187.553

35. FINANSIJSKI INSTRUMENTI (nastavak)

NOVA BANKA A.D. BANJA LUKA

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2019

*All amounts expressed in thousands of BAM, unless otherwise stated.***35. FINANCIAL INSTRUMENTS (Continued)****35.2. Credit Risk (Continued)****c) Financial asset quality per asset class (continued)**

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	179,112	2,950	-	1,767	183,829
5	170,500	5,253	-	1,256	177,009
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	-	34,697	-	552	35,249
Default	-	-	66,248	100,320	166,568
NR**	16,734	-	-	-	16,734
Gross exposure	890,008	227,949	66,248	115,269	1,299,474
Impairment allowance	2,619	12,569	38,659	58,074	111,921
Net exposure	887,389	215,380	27,589	57,195	1,187,553

**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, 2019 and 2018 is provided in the tables below:

Days past due	S1	S2	S3	S3-POCI	Total Dec-31, 2019
1. No delay	1,186,244	157,354	1,354	11,319	1,356,271
2. 1 - 30 days past due	787	3,888	714	297	5,686
3. 31 - 90 days past due	-	4,223	2,906	223	7,352
4. More than 90 days past due	-	-	59,355	54,193	113,548
Gross exposure	1,187,031	165,465	64,329	66,032	1,482,857
Impairment allowance	3,112	10,032	46,359	50,604	110,107
Net exposure	1,183,919	155,433	17,970	15,428	1,372,750

Days past due	S1	S2	S3	S3-POCI	Total Dec-31, 2018
1. No delay	888,749	218,554	1,636	50,540	1,159,479
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	-	-	62,775	63,647	126,422
Gross exposure	890,008	227,949	66,248	115,269	1,299,474
Impairment allowance	2,619	12,569	38,659	58,074	111,921
Net exposure	887,389	215,380	27,589	57,195	1,187,553

NOVA BANKA A.D. BANJA LUKA
NAPOMENE UZ FINANSIJSKE IZVJEŠTAJE

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 2019. godine, bruto restrukturirani krediti i plasmani iznose ukupno 105.858 hiljada 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 2018. godine restrukturirani krediti su iznosili 136.104 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 dospelja i maksimalno moguću diversifikaciju izvora po dospelju, 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 koncentracije depozita koji dospjevaju (po ročnim razredima), uzimajući u obzir vjerovatnoću odliva (stress testovi) i priliva novih depozita.

Prema podacima na dan 31.12.2019. godine 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 portfolia visokolikvidnih hartija od vrijednosti.

Na dan 31.12.2019. 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.

NOVA BANKA A.D. BANJA LUKA

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2019

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

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 difficulties in business operations and deterioration of the financial situation. As of December 31, 2019, the Bank's gross restructured loans totaling BAM 105,858 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, 2018, the Bank's restructured loans totaled BAM 136,104 thousand.

35.3. Liquidity Risk

Liquidity risk is the possibility of occurrence of adverse effects on financial result and capital 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.

According to the Bank's data, as of December 31, 2019, 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, 2019, 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.

NOVA BANKA A.D. BANJA LUKA

NAPOMENE UZ FINANSIJSKE IZVJEŠTAJE

35. FINANSIJSKI INSTRUMENTI (nastavak)**35.3. Rizik likvidnosti (nastavak)**

Banka na dan 31. decembra 2019. godine ima veću dospijevajuću pasivu u odnosu na aktivu, kumulativno u periodu do godinu dana, u iznosu od 337.294 hiljade BAM (na dan 31. decembra 2018. godine u iznosu od 229.807 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 računom 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 2019. godine:

31. decembar 2019.**AKTIVA**

	Do 1 mjesec	Od 1 do 3	Od 3 do 12	Od 1 do 5	Preko 5	Ukupno
	000 BAM	mjeseca	mjeseci	godina	godina	000 BAM
		000 BAM	000 BAM	000 BAM	000 BAM	000 BAM
Novčana sredstva i računski depozita kod depozitnih institucija	260.978	-	-	-	-	260.978
Obavezna rezerva kod Centralne Banke	185.194	-	-	-	-	185.194
Finansijska imovina koja se vrednuje po fer vrijed. kroz bilans uspjeha	10.688	-	-	-	-	10.688
Finansijska imovina koja se vrednuje po fer vrijed. kroz ostali ukupni rez.	233.691	-	13	39	1.237	234.980
Plasmani drugim bankama	100	-	1.752	127	-	1.979
Kredit i dospjela potraživanja po kreditima	46.167	70.845	253.160	680.308	322.270	1.372.750
Osnovna sredstva i ulaganja u nekretnine	-	-	-	-	56.039	56.039
Nematerijalna ulaganja	-	-	-	-	2.547	2.547
Ostala potraživanja i AVR	25.174	135	14.893	12.634	784	53.620
Ukupno aktiva	761.992	70.980	269.818	693.108	382.877	2.178.775
Obaveze						
Depoziti komitenata	645.057	120.298	605.778	302.412	5.368	1.678.913
Obaveze po uzetim kreditima	2.574	5.397	25.876	114.374	98.849	247.070
Rezervisanja na stavke vanbilansa	79	54	408	507	1	1.049
Ostale obaveze i PVR	12.754	1.287	20.523	8.828	1.843	45.235
Subordinirani dug (dopunski kapital)	-	-	-	-	37.600	37.600
Kapital i rezerve	-	-	-	-	168.908	168.908
Ukupno obaveze	660.464	127.036	652.585	426.121	312.569	2.178.775
Neto izloženost riziku likvidnosti na dan						
31. decembar 2019. godine	101.528	(56.056)	(382.767)	266.987	70.308	-

NOVA BANKA A.D. BANJA LUKA

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2019

*All amounts expressed in thousands of BAM, unless otherwise stated.***35. FINANCIAL INSTRUMENTS (Continued)****35.3. Liquidity Risk (Continued)**

As of December 31, 2019, the Bank had cumulative liabilities matured in excess of assets within the maturity bucket of up to a year, in the amount of BAM 337,294 thousand (December 31, 2018: BAM 229,807 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, 2019:

December 31, 2019	December 31, 2019					Total
	Within a month	1 – 3 months	3 – 12 months	1 – 5 years	Over 5 years	
ASSETS						
Cash and balances held with banks and other financial institutions	260,978	-	-	-	-	260,978
Obligatory reserve held with the Central Bank	185,194	-	-	-	-	185,194
Financial assets at FVPL	10,688	-	-	-	-	10,688
Financial assets at FVOCI	233,691	-	13	39	1,237	234,980
Loans and receivables due from banks and other financial institutions	100	-	1,752	127	-	1,979
Loans and receivables due from customers	46,167	70,845	253,160	680,308	322,270	1,372,750
Property, plant, equipment and investment property	-	-	-	-	56,039	56,039
Intangible assets	-	-	-	-	2,547	2,547
Other assets, receivables and prepayments	25,174	135	14,893	12,634	784	53,620
Total assets	761,992	70,980	269,818	693,108	382,877	2,178,775
Liabilities						
Deposits due to customers	645,057	120,298	605,778	302,412	5,368	1,678,913
Borrowings	2,574	5,397	25,876	114,374	98,849	247,070
Provisions for off-balance sheet items	79	54	408	507	1	1,049
Other liabilities and accruals	12,754	1,287	20,523	8,828	1,843	45,235
Subordinated debt (supplementary capital)	-	-	-	-	37,600	37,600
Equity and reserves	-	-	-	-	168,908	168,908
Total liabilities and equity	660,464	127,036	652,585	426,121	312,569	2,178,775
Net liquidity risk exposure at December 31, 2019	101,528	(56,056)	(382,767)	266,987	70,308	-

NOVA BANKA A.D. BANJA LUKA

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 2018. godine:

	Do 1 mjesec	Od 1 do 3	Od 3 do 12	Od 1 do 5	Preko 5	Ukupno
	000 BAM	mjeseca	mjeseci	godina	godina	000 BAM
31. decembar 2018.	000 BAM	000 BAM	000 BAM	000 BAM	000 BAM	000 BAM
AKTIVA						
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 vrednuje po fer vrijed. kroz bilans uspjeha	6.753	-	-	-	-	6.753
Finansijska imovina koja se vrednuje po fer vrijed. kroz ostali ukupni rez.	246.445	-	-	39	1.237	247.721
Plasmani drugim bankama	252	-	1.557	196	-	2.005
Kredit i dospjela potraživanja po kreditima	49.085	49.869	231.808	557.412	299.379	1.187.553
Osnovna sredstva i ulaganja u nekretnine	-	-	-	-	55.332	55.332
Nematerijalna ulaganja	-	-	-	-	3.198	3.198
Ostala potraživanja i AVR	19.318	949	21.630	6.441	92	48.430
Ukupno aktiva	722.877	50.818	254.995	564.088	359.238	1.952.016
Obaveze						
Depoziti komećenata	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
Rezervisiranja na stavke vanbilansa	112	812	919	301	33	2.177
Ostale obaveze i PVR	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
Ukupno obaveze	554.001	143.117	561.379	439.359	254.160	1.952.016
Neto izloženost riziku likvidnosti na dan						
31. decembar 2018. godine	168.876	(92.299)	(306.384)	124.729	105.078	-

NOVA BANKA A.D. BANJA LUKA

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2019

*All amounts expressed in thousands of BAM, unless otherwise stated.***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, 2018:

December 31, 2018	Within a	1 – 3	3 – 12	1 – 5 years	Over 5	Total
	month	months	months	years	years	
ASSETS						
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 FVPL	6,753	-	-	-	-	6,753
Financial assets at FVOCI	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	49,085	49,869	231,808	557,412	299,379	1,187,553
Property, plant, equipment and investment property	-	-	-	-	55,332	55,332
Intangible assets	-	-	-	-	3,198	3,198
Other assets, receivables and prepayments	19,318	949	21,630	6,441	92	48,430
Total assets	722,877	50,818	254,995	564,088	359,238	1,952,016
Liabilities						
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
Total liabilities and equity	554,001	143,117	561,379	439,359	254,160	1,952,016
Net liquidity risk exposure at December 31, 2018	168,876	(92,299)	(306,384)	124,729	105,078	-

NOVA BANKA A.D. BANJA LUKA
 NAPOMENE UZ FINANSIJSKE IZVJEŠTAJE

35. FINANSIJSKI INSTRUMENTI (nastavak)

35.3. Rizik likvidnosti (nastavak)

Sljedeća tabela pokazuje potencijalne i preuzete neopozive obaveze Banke prema ugovorenim rokovima dospijea na dan 31. decembra 2019. i 2018. godine:

31. decembar 2019.	<i>Do 1 mjesec</i> <i>000 BAM</i>	<i>Od 1 do 3 mjeseca</i> <i>000 BAM</i>	<i>Od 3 do 12 mjeseci</i> <i>000 BAM</i>	<i>Od 1 do 5 godina</i> <i>000 BAM</i>	<i>Preko 5 godina</i> <i>000 BAM</i>	<i>Ukupno</i> <i>000 BAM</i>
Potencijalne obaveze	26.702	31.757	83.969	38.133	495	181.056
Preuzete obaveze	7.647	12.081	58.599	49.866	342	128.535
Ukupno	34.349	43.838	142.568	87.999	837	309.591
31. decembar 2018.	<i>Do 1 mjesec</i> <i>000 BAM</i>	<i>Od 1 do 3 mjeseca</i> <i>000 BAM</i>	<i>Od 3 do 12 mjeseci</i> <i>000 BAM</i>	<i>Od 1 do 5 godina</i> <i>000 BAM</i>	<i>Preko 5 godina</i> <i>000 BAM</i>	<i>Ukupno</i> <i>000 BAM</i>
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
Ukupno	21.768	34.293	121.983	60.256	3.310	241.610

Banka ne očekuje da će sve potencijalne i preuzete neopozive obaveze biti povučene prije isteka roka dospijea 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 podrazumijeva 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 dospijea, iznosa, namjene, izvora, valute i drugih parametara. Sve kamatne stope utvrđene su na godišnjem nivou, osim u slučaju kada je pored stopa upisan drugi vremenski period.

NOVA BANKA A.D. BANJA LUKA

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2019

*All amounts expressed in thousands of BAM, unless otherwise stated.***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, 2019 and 2018:

December 31, 2019	<i>Within a month</i>	<i>1 – 3 months</i>	<i>3 – 12 months</i>	<i>1 – 5 years</i>	<i>Over 5 years</i>	<i>Total</i>
Contingent liabilities	26,702	31,757	83,969	38,133	495	181,056
Commitments	7,647	12,081	58,599	49,866	342	128,535
Total	34,349	43,838	142,568	87,999	837	309,591
December 31, 2018	<i>Within a month</i>	<i>1 – 3 months</i>	<i>3 – 12 months</i>	<i>1 – 5 years</i>	<i>Over 5 years</i>	<i>Total</i>
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
Total	21,768	34,293	121,983	60,256	3,310	241,610

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.

NOVA BANKA A.D. BANJA LUKA
NAPOMENE UZ FINANSIJSKE IZVJEŠTAJE

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 promjenjive 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 podrazumijeva 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 prihvatljivom za Banku.

Sljedeće tabele prikazuju izloženost Banke riziku promjene kamatne stope na dan 31. decembra 2019. i 2018. godine. Sredstva i obaveze Banke su kategorizovane ranijim od datuma određivanja cijene (re-pricing date) ili datumu dospijeca:

31. decembar 2019.	<i>Do 1 mjesec</i>	<i>Do 3 mjeseca</i>	<i>Od 3 do 12 mjeseci</i>	<i>Od 1 do 5 godina</i>	<i>Preko 5 godina</i>	<i>Nekama tonosno</i>	<i>Ukupno</i>
	<i>000 BAM</i>	<i>000 BAM</i>	<i>000 BAM</i>	<i>000 BAM</i>	<i>000 BAM</i>	<i>000 BAM</i>	<i>000 BAM</i>
AKTIVA							
Novčana sredstva i računi depozita kod depozitnih institucija	184.437	-	-	-	-	76.541	260.978
Obavezna rezerva kod Centralne Banke	-	-	-	-	-	185.194	185.194
Finansijska imovina koja se vrednuje po fer vrijed. kroz bilans uspjeha	10.688	-	-	-	-	-	10.688
Finansijska imovina koja se vrednuje po fer vrijed. kroz ostali ukupni rez.	233.691	-	-	-	-	1.289	234.980
Plasmani drugim bankama	-	-	1.752	127	-	100	1.979
Kreditni i dospjela potraživanja po kreditima	46.167	70.845	253.160	680.308	322.270	-	1.372.750
Osnovna sredstva i ulaganja u nekretnine	-	-	-	-	-	56.039	56.039
Nematerijalna ulaganja	-	-	-	-	-	2.547	2.547
Ostala potraživanja i AVR	-	-	-	-	-	53.620	53.620
Ukupno aktiva	474.983	70.845	254.912	680.435	322.270	375.330	2.178.775
Obaveze							
Depoziti komitenata	316.508	100.074	485.955	270.284	4.430	501.662	1.678.913
Obaveze po uzetim kreditima	2.574	5.397	25.876	114.374	98.849	-	247.070
Rezervisanja na stavke vanbilansa	-	-	-	-	-	1.049	1.049
Ostale obaveze i PVR	-	-	-	-	-	45.235	45.235
Subordinirani dug (dopunski kapital)	-	-	-	-	37.600	-	37.600
Kapital i rezerve	-	-	-	-	-	168.908	168.908
Ukupno obaveze	319.082	105.471	511.831	384.658	140.879	716.854	2.178.775
Neto izloženost kamatnom riziku na dan 31. decembar 2019. godine	155.901	(34.626)	(256.919)	295.777	181.391	(341.524)	-

NOVA BANKA A.D. BANJA LUKA

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2019

*All amounts expressed in thousands of BAM, unless otherwise stated.***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 rate 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, 2019 and 2018. The Bank's assets and liabilities are categorized according to the earlier of the repricing date and the maturity date.

	<i>Within a month</i>	<i>1 – 3 months</i>	<i>3 – 12 months</i>	<i>1 – 5 years</i>	<i>Over 5 years</i>	<i>Non-interest bearing</i>	<i>Total</i>
December 31, 2019							
ASSETS							
Cash and balances held with banks and other financial institutions	184,437	-	-	-	-	76,541	260,978
Obligatory reserve held with the Central Bank	-	-	-	-	-	185,194	185,194
Financial assets at FVTPL	10,688	-	-	-	-	-	10,688
Financial assets at FVTOCI	233,691	-	-	-	-	1,289	234,980
Loans and receivables due from banks and other financial institutions	-	-	1,752	127	-	100	1,979
Loans and receivables due from customers	46,167	70,845	253,160	680,308	322,270	-	1,372,750
Property, plant, equipment and investment property	-	-	-	-	-	56,039	56,039
Intangible assets	-	-	-	-	-	2,547	2,547
Other assets, receivables and prepayments	-	-	-	-	-	53,620	53,620
Total assets	474,983	70,845	254,912	680,435	322,270	375,330	2,178,775
Liabilities							
Deposits due to customers	316,508	100,074	485,955	270,284	4,430	501,662	1,678,913
Borrowings	2,574	5,397	25,876	114,374	98,849	-	247,070
Provisions for off-balance sheet items	-	-	-	-	-	1,049	1,049
Other liabilities and accruals	-	-	-	-	-	45,235	45,235
Subordinated debt (supplementary capital)	-	-	-	-	37,600	-	37,600
Equity and reserves	-	-	-	-	-	168,908	168,908
Total liabilities and equity	319,082	105,471	511,831	384,658	140,879	716,854	2,178,775
Net interest rate risk exposure at December 31, 2019	155,901	(34,626)	(256,919)	295,777	181,391	(341,524)	-

NOVA BANKA A.D. BANJA LUKA
 NAPOMENE UZ FINANSIJSKE IZVJEŠTAJE

35. FINANSIJSKI INSTRUMENTI (nastavak)

35.4. Tržišni rizik (nastavak)

Rizik promjene kamatnih stopa (nastavak)

31. decembar 2018.	<i>Do 1 mjesec</i>	<i>Do 3 mjeseca</i>	<i>Od 3 do 12 mjeseci</i>	<i>Od 1 do 5 godina</i>	<i>Preko 5 godina</i>	<i>Nekama tonosno</i>	<i>Ukupno</i>
	<i>000 BAM</i>	<i>000 BAM</i>	<i>000 BAM</i>	<i>000 BAM</i>	<i>000 BAM</i>	<i>000 BAM</i>	<i>000 BAM</i>
AKTIVA							
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 vrednuje po fer vrijed. kroz bilans uspjeha	6.753	-	-	-	-	0	6.753
Finansijska imovina koja se vrednuje po fer vrijed. kroz ostali ukupni rez.	246.445	-	-	-	-	1.276	247.721
Plasmani drugim bankama	156	-	1.557	196	-	-	2.005
Kreditni i dospjela potraživanja po kreditima	49.085	49.869	231.808	557.412	299.379	-	1.187.553
Osnovna sredstva i ulaganja u nekretnine	-	-	-	-	-	55.332	55.332
Nematerijalna ulaganja	-	-	-	-	-	3.198	3.198
Ostala potraživanja i AVR	-	-	-	-	-	48.430	48.430
Ukupno aktiva	468.515	49.869	233.365	557.608	299.379	343.280	1.952.016
Obaveze							
Depoziti komitenata	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	-	-	-	-	-	29.494	29.494
Subordinirani dug (dopunski kapital)	-	0	0	30.080	7.520	-	37.600
Kapital i rezerve	-	-	-	-	-	154.612	154.612
Ukupno obaveze	265.474	125.074	442.305	410.398	90.635	618.130	1.952.016
Neto izloženost kamatnom riziku na dan 31. decembar 2018. godine	203.041	(75.205)	(208.940)	147.210	208.744	(274.850)	-

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 2019. godine i 31. decembra 2018. godine.

NOVA BANKA A.D. BANJA LUKA

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2019

*All amounts expressed in thousands of BAM, unless otherwise stated.***35. FINANCIAL INSTRUMENTS (Continued)****35.4. Market Risk (Continued)****Interest Rate Risk (Continued)**

December 31, 2018	Within a month	1 – 3 months	3 – 12 months	1 – 5 years	Over 5 years	Non-interest bearing	Total
ASSETS							
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	6,753	-	-	-	-	0	6,753
Financial assets at FVtOCI	246,445	-	-	-	-	1,276	247,721
Loans and receivables due from banks and other financial institutions	156	-	1,557	196	-	-	2,005
Loans and receivables due from customers	49,085	49,869	231,808	557,412	299,379	-	1,187,553
Property, plant, equipment and investment property	-	-	-	-	-	55,332	55,332
Intangible assets	-	-	-	-	-	3,198	3,198
Other assets, receivables and prepayments	-	-	-	-	-	48,430	48,430
Total assets	468,515	49,869	233,365	557,608	299,379	343,280	1,952,016
Liabilities							
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	-	-	-	-	-	29,494	29,494
Subordinated debt (supplementary capital)	-	0	0	30,080	7,520	-	37,600
Equity and reserves	-	-	-	-	-	154,612	154,612
Total liabilities and equity	265,474	125,074	442,305	410,398	90,635	618,130	1,952,016
Net interest rate risk exposure at December 31, 2018	203,041	(75,205)	(208,940)	147,210	208,744	(274,850)	-

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, 2019 and 2018.

NOVA BANKA A.D. BANJA LUKA
NAPOMENE UZ FINANSIJSKE IZVJEŠTAJE

35. FINANSIJSKI INSTRUMENTI (nastavak)

35.4. Tržišni rizik (nastavak)

Rizik promjene kamatnih stopa (nastavak)

	Povećanje je (smanjenje) u procentnim poenima	Osjetljivost prihoda i rashoda	Povećanje (smanjenje) u procentnim poenima	Osjetljivost prihoda i rashoda
	2019.	2019.	2018.	2018.
		000 BAM		000 BAM
EUR	0,5%(0,5%)	(22)/22	0,5%(0,5%)	(153)/153
USD	0,5%(0,5%)	(15)/15	0,5%(0,5%)	(22)/22
BAM	0,5%(0,5%)	(462)/462	0,5%(0,5%)	(700)/700

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 31.12.2019. 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 2019. 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 (%)	Efekat na bilans uspjeha	Promjene u deviznom kursu (%)	Efekat na bilans uspjeha
	2019.	2019.	2018.	2018.
		000 BAM		000 BAM
CHF	3,66%	11,97	4,23%	6,39
USD	2,33%	3,56	4,71%	7,96

NOVA BANKA A.D. BANJA LUKA

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2019

*All amounts expressed in thousands of BAM, unless otherwise stated.***35. FINANCIAL INSTRUMENTS (Continued)****35.4. Market Risk (Continued)****Interest Rate Risk (Continued)**

	Increase (decrease) in percentage points 2019	Income and expense sensitivity 2019 BAM '000	Increase (decrease) in percentage points 2018	Income and expense sensitivity 2018 BAM '000
EUR	0.5%(0.5%)	(22)/22	0.5%(0.5%)	(153)/153
USD	0.5%(0.5%)	(15)/15	0.5%(0.5%)	(22)/22
BAM	0.5%(0.5%)	(462)/462	0.5%(0.5%)	(700)/700

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, 2019, 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, 2019, 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 (%) 2019	Impact on the profit or loss 2019 BAM '000	Changes in FX rates (%) 2018	Impact on the profit or loss 2018 BAM '000
CHF	3.66%	11.97	4.23%	6.39
USD	2.33%	3.56	4.71%	7.,96

NOVA BANKA A.D. BANJA LUKA
 NAPOMENE UZ FINANSIJSKE IZVJEŠTAJE

35. FINANSIJSKI INSTRUMENTI (nastavak)

35.4. Tržišni rizik (nastavak)

Valutni rizik (nastavak)

Slijedeća tabela prikazuje izloženost Banke deviznom riziku na dan 31. decembra 2019. godine. U tabeli su uključena sredstva i obaveze po njihovim knjigovodstvenim vrijednostima:

31. decembar 2019.	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
AKTIVA							
Novčana sredstva i računi depozita kod depozitnih institucija	40.844	4.718	11.667	5.506	62.735	198.243	260.978
Obavezna rezerva kod Centralne Banke	-	-	-	-	-	185.194	185.194
Finansijska imovina koja se vrednuje po fer vrijed. kroz bilans uspjeha	-	10.392	-	-	10.392	296	10.688
Finansijska imovina koja se vrednuje po fer vrijed. kroz ostali ukupni rez.	107.912	-	-	-	107.912	127.068	234.980
Plasmani drugim bankama	1.919	18	-	-	1.937	42	1.979
Kreditni i dospjela potraživanja po kreditima	1.048.107	-	-	-	1.048.107	324.643	1.372.750
Osnovna sredstva i ulaganja u nekretnine	-	-	-	-	-	56.039	56.039
Nematerijalna ulaganja	-	-	-	-	-	2.547	2.547
Ostala potraživanja i AVR	7.293	2.446	-	8	9.747	43.873	53.620
Ukupno aktiva	1.206.075	17.574	11.667	5.514	1.240.830	937.945	2.178.775
OBAVEZE							
Depoziti komitenata	872.978	17.543	11.270	3.539	905.330	773.583	1.678.913
Obaveze po uzetim kreditima	247.070	-	-	-	247.070	-	247.070
Rezervisanja na stavke vanbilansa	-	-	-	-	-	1.049	1.049
Ostale obaveze i PVR	9.846	187	70	6	10.109	35.126	45.235
Subordinirani dug (dopunski kapital)	37.600	-	-	-	37.600	-	37.600
Kapital i rezerve	-	-	-	-	-	168.908	168.908
Ukupno obaveze	1.167.494	17.730	11.340	3.545	1.200.109	978.666	2.178.775
Neto izloženost kamatnom riziku na dan 31. decembar 2019. godine	38.581	(156)	327	1.969	40.721	(40.721)	-

NOVA BANKA A.D. BANJA LUKA

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2019

*All amounts expressed in thousands of BAM, unless otherwise stated.***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, 2019, with assets and liabilities stated at carrying values:

December 31, 2019	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
ASSETS							
Cash and balances held with banks and other financial institutions	40,844	4,718	11,667	5,506	62,735	198,243	260,978
Obligatory reserve held with the Central Bank	-	-	-	-	-	185,194	185,194
Financial assets at FVTPL	-	10,392	-	-	10,392	296	10,688
Financial assets at FVTOCI	107,912	-	-	-	107,912	127,068	234,980
Loans and receivables due from banks and other financial institutions	1,919	18	-	-	1,937	42	1,979
Loans and receivables due from customers	1,048,107	-	-	-	1,048,107	324,643	1,372,750
Property, plant, equipment and investment property	-	-	-	-	-	56,039	56,039
Intangible assets	-	-	-	-	-	2,547	2,547
Other assets, receivables and prepayments	7,293	2,446	-	8	9,747	43,873	53,620
Total assets	1,206,075	17,574	11,667	5,514	1,240,830	937,945	2,178,775
Liabilities							
Deposits due to customers	872,978	17,543	11,270	3,539	905,330	773,583	1,678,913
Borrowings	247,070	-	-	-	247,070	-	247,070
Provisions for off-balance sheet items	-	-	-	-	-	1,049	1,049
Other liabilities and accruals	9,846	187	70	6	10,109	35,126	45,235
Subordinated debt (supplementary capital)	37,600	-	-	-	37,600	-	37,600
Equity and reserves	-	-	-	-	-	168,908	168,908
Total liabilities and equity	1,167,494	17,730	11,340	3,545	1,200,109	978,666	2,178,775
Net interest risk exposure at December 31, 2019	38,581	(156)	327	1,969	40,721	(40,721)	-

NOVA BANKA A.D. BANJA LUKA
 NAPOMENE UZ FINANSIJSKE IZVJEŠTAJE

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:

	EUR	USD	CHF	Ostale valute	Ukupno u stranoj valuti	Ukupno u domaćoj valuti	Ukupno
31. decembar 2018.	000 BAM	000 BAM	000 BAM	000 BAM	000 BAM	000 BAM	000 BAM
AKTIVA							
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 vrednuje po fer vrijed. kroz bilans uspjeha	-	6.478	-	-	6.478	275	6.753
Finansijska imovina koja se vrednuje po fer vrijed. kroz ostali ukupni rez.	107.438	119	-	-	107.557	140.164	247.721
Plasmani drugim bankama	1.939	18	-	-	1.957	48	2.005
Kreditni i dospjela potraživanja po kreditima	1.048.107	-	-	-	1.048.107	139.446	1.187.553
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	34.274	48.430
Ukupno aktiva	1.209.551	14.015	11.950	5.105	1.240.621	711.395	1.952.016
OBAVEZE							
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	-	-	-	-	-	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	-	-	-	-	-	154.612	154.612
Ukupno obaveze	1.209.810	13.941	10.850	2.701	1.237.302	714.714	1.952.016
Neto izloženost kamatnom riziku na dan 31. decembar 2018. godine	(259)	74	1.100	2.404	3.319	(3.319)	-

NOVA BANKA A.D. BANJA LUKA

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2019

*All amounts expressed in thousands of BAM, unless otherwise stated.***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 '000
ASSETS							
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	139,446	1,187,553
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	34,274	48,430
Total assets	1,209,551	14,015	11,950	5,105	1,240,621	711,395	1,952,016
Liabilities							
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	-	-	-	-	-	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	-	-	-	-	-	154,612	154,612
Total liabilities and equity	1,209,810	13,941	10,850	2,701	1,237,302	714,714	1,952,016
Net interest risk exposure at December 31, 2018	(259)	74	1,100	2,404	3,319	(3,319)	-

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 operative 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, ovlašćenja 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 operative 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

December 31, 2019

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 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 (loss) events and by monitoring key operational risk indicators and assessing operational risks 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 customers 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 1.202.488 hiljade BAM sa stanjem na dan 31. decembra 2019. godine.

U sljedećoj tabeli je prikazana struktura ukupnog kapitala Banke na dan 31. decembra 2019. i 2018. godine, kao i stopa adekvatnosti kapitala u skladu sa propisima Agencije za bankarstvo Republike Srpske:

	2019.	2018.
	000 BAM	000 BAM
Regulatorni kapital		
- Osnovni kapital	154.182	148.113
- Dopunski kapital	51.394	40.103
Ukupno regulatorni kapital	205.576	188.216
Iznos izloženosti ponderisan rizikom za kreditni rizik, kreditni rizik izloženosti finansijskih derivata, te slobodne isporuke	1.202.488	1.144.677
Iznos izloženosti za rizik pozicije, devizni i robni rizik	-	-
Iznos izloženosti riziku za operativni rizik	153.861	148.497
Ukupno ponderisani rizici	1.356.349	1.293.174
Stopa redovnog osnovnog kapitala	11,37%	11,45%
Stopa osnovnog kapitala	11,37%	11,45%
Stopa regulatornog kapitala	15,16%	14,55%

Koeficijent adekvatnosti kapitala (stopa regulatornog kapitala) u iznosu od 15,16% je bez uključene neto dobiti tekuće godine. Koeficijent adekvatnosti kapitala (stopa regulatornog kapitala) sa uključenom neto dobiti tekuće godine nakon revidiranja će iznositi 16,15%.

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 1/3 iznosa osnovnog kapitala.

NOVA BANKA A.D. BANJA LUKA

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2019

*All amounts expressed in thousands of BAM, unless otherwise stated.***35. FINANCIAL INSTRUMENTS (Continued)****35.7. Capital Management**

The Bank's objectives in capital management include not only 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:

- maintenance of the Bank's ability to continue its business operations so that it can ensure return to shareholders and benefits for other stakeholders; and
- maintenance of a strong capital basis to support further 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 1,202,488 thousand as of December 31, 2019.

The following table presents the structure of the Bank's total capital as of December 31, 2019 and 2018 and the capital adequacy ratios in accordance with BARS regulations:

	<u>2019</u>	<u>2018</u>
Regulatory capital		
- Core capital	154,182	148,113
- Supplementary capital	51,394	40,103
Total regulatory capital	<u>205,576</u>	<u>188,216</u>
Risk-weighted exposures for credit risk, financial derivatives exposure to credit risk and free delivery (settlement) risk	1,202,488	1,144,677
Total exposures to the position risk, currency and commodity risks	-	-
Total operational risk exposure	153,861	148,497
Total weighted risk exposures	<u>1,356,349</u>	<u>1,293,174</u>
Ratio of the regular core capital	11.37%	11.45%
Core capital ratio	11.37%	11.45%
Regulatory capital ratio	<u>15.16%</u>	<u>14.55%</u>

As of December 31, 2019, the Bank's capital adequacy ratio (regulatory capital adequacy rate) was 15.16% before added net profit for the year 2019. With added net profit for the year 2019 after audit, the (regulatory) capital adequacy ratio will equal 16.15%.

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 one-third of the core capital amount.

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 dospelja (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 dospelja 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 dospelja.

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 2019. godine

	Nivo 1	Nivo 2	Nivo 3	BAM hiljada Ukupno
Finansijska imovina koja se vrednuje po fer vrijednosti kroz bilans uspjeha				
Hartije od vrijednosti za trgovanje	10.688	-	-	10.688
Ukupno	10.688	-	-	10.688
Finansijska imovina koja se vrednuje po fer vrijednost kroz ostali ukupni rezultat				
Obveznice Republike Srpske	-	233.691	-	233.691
Hartije od vrijednosti koje se drže do dospelja	-	52	-	52
Udjeli u kapitalu drugih pravnih lica	-	-	1.237	1.237
Ukupno	-	233.743	1.237	234.980
Ukupna finansijska imovina na dan 31. decembra 2019.	10.688	233.743	1.237	245.668

31. decembar 2018. godine

	Nivo 1	Nivo 2	Nivo 3	BAM hiljada Ukupno
Finansijska imovina koja se vrednuje po fer vrijednosti kroz bilans uspjeha				
Hartije od vrijednosti za trgovanje	6.753	-	-	6.753
Ukupno	6.753	-	-	6.753
Finansijska imovina koja se vrednuje po fer vrijednost kroz ostali ukupni rezultat				
Obveznice Republike Srpske	4.538	241.907	-	246.445
Hartije od vrijednosti koje se drže do dospelja	91	-	-	91
Udjeli u kapitalu drugih pravnih lica	1.185	-	-	1.185
Ukupno	5.814	241.907	-	247.721
Ukupna finansijska imovina na dan 31. decembra 2018.	12.567	241.907	-	254.474

NOVA BANKA A.D. BANJA LUKA

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2019

*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 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, 2019

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Financial assets at fair value through profit or loss				
Securities held for trading	10,688	-	-	10,688
Total financial assets at FVtPL	10,688	-	-	10,688
Financial assets at fair value through other comprehensive income				
Bonds issued by the Republic of Srpska	-	233,691	-	233,691
Securities held to maturity	-	52	-	52
Equity investments in other entities	-	-	1,237	1,237
Total financial assets at FVtOCI	-	233,743	1,237	234,980
Total financial assets at December 31, 2019	10,688	233,743	1,237	245,668

December 31, 2018

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Financial assets at fair value through profit or loss				
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				
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

NOVA BANKA A.D. BANJA LUKA
NAPOMENE UZ FINANSIJSKE IZVJEŠTAJE

36. DEVIZNI KURSEVI

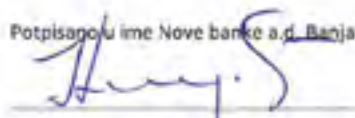
Zvanični kursevi koji su korišćeni za kursiranje bilansnih pozicija denominiranih u stranoj valuti na 31. decembar 2019. i 2018. godine u Konvertibilnu marku (BAM) su bili sljedeći:

31. decembar	2019.	2018.
EUR	1,95583	1,95583
USD	1,74799	1,70755
CHF	1,79913	1,74208

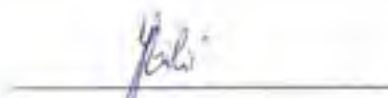
37. DOGAĐAJI POSLIJE DANA BILANSIRANJA

Nije bilo značajnih događaja poslije datuma izvještavanja koji bi zahtijevali prilagođavanje ili objelodanjenje u napomenama uz finansijske izvještaje Banke za 2019. godinu.

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



Mr Srđan Kondić
 Predsjednik Uprave Banke

Jasna Zrilić
 Član Uprave Banke

NOVA BANKA A.D. BANJA LUKA

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2019

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

36. EXCHANGE RATES

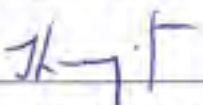
The official exchange rates for major currencies as of December 31, 2019 and 2018, used in the translation of statement of financial position components denominated in foreign currencies into BAM were as follows:

December 31,	2019	BAM 2018
EUR	1.95583	1.95583
USD	1.74799	1.70755
CHF	1.79913	1.74208


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 2019.

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



Srđan Kondić, MSc.
Chairman of the Management Board

Jasna Zrilić
Member of the Management Board





