



Annual Report

2019

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ABBREVIATIONS:

AAA	financial instruments with triple A credit rating
ABSPP	Asset-Backed Securities Purchase Programme
ATM	automatic teller machine
BAM	currency code of convertible mark
BCC	Bilateral Assistance and Capacity Building Program
BD	Brčko District of Bosnia and Herzegovina
BH	(related to) Bosnia and Herzegovina
BHAS	Agency for Statistics of Bosnia and Herzegovina
BiH	ISO Country Code for Bosnia and Herzegovina
BIS	Bank for International Settlements
BLSE	Banja Luka Stock Exchange
CBBH	Central Bank of Bosnia and Herzegovina
CBPP3	Third Covered Bond Purchase Programme
Cca	circa/approximately
CEFTA	Central European Free Trade Agreement
CIF	cost, insurance, freight
Corridor Vc	corridor Vc
CPI	consumer price index
CRC	Central Registry of Credits
DB	District of Brčko
District	Brčko District of Bosnia and Herzegovina
EC	European Commission
ECB	European Central Bank
EDP	excessive deficit procedure
EONIA	Euro Overnight Index Average in euro area
ERP	Economic Reforms Program for 2018-2020
ESA 2010	The European Standard Accounts 2010
ESCB	European System of Central Banks
EU	28 countries of European Union
EUR	currency of euro area
EURIBOR	Euro Interbank Offered Rate
Eurostat	Statistical Office of the European Union
EURUSD	exchange rate of EUR against US dollar
FBH	Federation of Bosnia and Herzegovina
FED	Federal Reserves
FFR	Fed Fund Rate
FINRA	Financial Sector Reform Activity
FIPDI	Federal Institute for Pension and Disability Insurance
FOB	free on board
FOMC	Federal Open Market Committee
GAV	gross added value
GDP	gross domestic product
GEO6	6th level of geographical breakdown
GFS	government finance statistics
GIIS	Graduate Institute of International Studies in Geneva
GIZ	in German: Deutsche Gesellschaft für Internationale Zusammenarbeit German Corporation for International Cooperation
HICP	Harmonised Index of Consumer Prices
HRMIS	Human Resources Management Information System
IBRD	International Bank for Reconstruction and Development
IDA	International Development Association
IMF	International Monetary Fund
IPA	Instrument for Pre-Accession Assistance – Programme

ISMS	Information Security Management
IT	information technologies
ITA	Indirect Taxation Authority
KM	currency symbol of convertible mark
MIGA	Multilateral Investment Guarantee Agency
MU	Main Unit (of the Central Bank of BH)
NEER	nominal effective exchange rate
Ø	average
OCAE	Office of the Chief Audit Executive
Pp	percentage point
POS	point of sale
PSPP	Public Sector Purchase Programme
QE	Quantitative Easing Programme
QMS	Quality Management System
RA	reserve account with the Central Bank
REER	real effective exchange rate
RR	required reserves
RS	Republika Srpska
RS PDIF	Republika Srpska Pension-Disability Insurance Fund
RTGS	real time gross settlement system
SASE	Sarajevo Stock Exchange
SBA	Stand-by arrangement
SDR	special drawing rights
SECO	State Secretariat for Economic Affairs
SRBEA	Single Registry of Business Entities' Accounts
TLTRO	targeted longer-term refinancing operations
UK	(related to) the United Kingdom
UN	United Nations
UNCTAD	United Nation Conference for Trade and Development
US	related to USA
USA	The United States of America
USAID	United States Agency for International Development
USD	US dollar , currency of USA
VAT	value added tax
WAIR	weighted average net interest rate
WEO	World Economic Outlook

COUNTRY CODES:

AL	Albania	IT	Italy	RO	Romania
BA	Bosnaa and Herzegovina	HR	Croatia	RS	Serbia
BG	Bulgaria	ME	Montenegro	UK	United Kingdom
DE	Germany	MK	North Macedonia	US	United States of America
EA	Euro area	PL	Poland		

INTRODUCTION BY THE GOVERNOR



Dear Readers,

Article 64 of the Law on the Central Bank of Bosnia and Herzegovina (Official Gazette of Bosnia and Herzegovina, No. 1/97), stipulates the obligation of the Central Bank of Bosnia and Herzegovina (CBBH) to submit the following documents to the BH Parliamentary Assembly within three months after the end of the financial year:

- Report on the state of the economy,
- Business report during the year and
- Financial statements certified by an external auditor. The CBBH Annual Report, which contains the aforementioned reports for 2019, was adopted at the session of the CBBH Governing Board held on March 30, 2020.

The CBBH continuously fulfilled its legally defined tasks, as well as activities related to the fulfilment of the tasks defined by the Strategic Plan. By consistently applying defined monetary policy model - the Currency Board - the CBBH has maintained the stability of the domestic currency, thus contributing to macroeconomic and financial stability. Foreign exchange reserves were managed on the principles of safety and profitability, in accordance with the provisions of the Law and internal enactments.

Throughout the year, continued activities to maintain and improve the quality of cash in circulation, with timely supply to commercial banks, continued. In June 2019,

a new gyro-clearing system started live operations, being compliant with the SEPA (Single Euro Payment Area), used in the EU, and with the ISO 20022 standard. This represents a significant step in the modernization of the CBBH payment systems, and this replaced the old gyro clearing system, which operated without interruption for eighteen years and five months.

The CBBH has successfully cooperated with all relevant domestic and international financial and other institutions. In the area of financial stability, continued monitoring of systemic risks and active cooperation with all institutional stakeholders continued. At the beginning of 2019, the Bank received a certificate confirming the compliance of the internal audit in the CBBH with the Binding guidelines of the International Framework.

In the domain of statistics, a number of activities have been done to increase the volume of published data, as well as to align with EU standards. The CBBH has begun conducting a survey on inflation projections in order to better analyse price trends and to contribute to the conduct of economic policies in the country. The CBBH continued to regularly publish a standard set of publications and data through print and web channels, and to participate in the work of bodies at the local and international levels, in which the CBBH has its representatives.

The FINRA project produced the Report on Macroeconomic Imbalances in BH, the main findings of which were presented at the international conference: „Macroeconomic Imbalances and EU Convergence“ organized by the CBBH in cooperation with USAID at the end of the year.

In 2019, the CBBH made a net profit of KM 22.57 million, which, according to Article 27, point a) of the Law on the CBBH, is allocated to the general reserves as positions of the CBBH capital. The net profit for 2019 is the result of a rational management policy of the CBBH that continues to achieve a positive financial result in times of negative interest rates in the euro area market.

A large number of successfully implemented projects and activities in 2019 would not have been possible without the maximum engagement of all members of the CBBH staff.

This is the opportunity for me to thank all the members of the Management Board, the Management and the employees for their professional approach and contribution in achieving the defined goals.

Senad Softić, Ph.D.
Governor

LEGAL STATUS

Pursuant to the Constitution - Annex 4 of the General Framework Agreement for Peace in Bosnia and Herzegovina, the Central Bank of Bosnia and Herzegovina is an institution of Bosnia and Herzegovina established by the Law on the Central Bank of Bosnia and Herzegovina, adopted by the Parliament of Bosnia and Herzegovina on 20 June 1997¹ and it has commenced its operations on 11 August 1997. The main objectives and tasks of the Central Bank of Bosnia and Herzegovina, as defined by the Law on the Central Bank of Bosnia and Herzegovina, are the following:

- to achieve and maintain the stability of the local currency (convertible mark) by issuing it with the full coverage in free convertible foreign exchange funds, according to the arrangement known as Currency Board, according to the fixed exchange rate: one convertible mark for one Deutsche Mark. Since 1 January 2002, the convertible mark has been pegged to the euro at the exchange rate: one convertible mark for 0.511292 euro or one euro is 1.955830 convertible mark;

- to define and control the implementation of the monetary policy of Bosnia and Herzegovina;
- to hold the official foreign exchange reserves and manage them in a safe and profitable manner;
- to maintain appropriate payment and settlement systems;
- to coordinate the activities of the Entities' Banking Agencies responsible for issuing banking licenses and supervising banks;
- to receive deposits from institutions at the level of Bosnia and Herzegovina, i.e. deposits of the Entities and their public institutions on the basis of the joint decision of the Entities, as well as deposits of commercial banks;
- to issue regulations and guidelines for performing the activities of the Central Bank of Bosnia and Herzegovina within the mandate set by the Law on the Central Bank of Bosnia and Herzegovina;
- to participate in the work of international organizations strengthening the financial and economic stability and to represent Bosnia and Herzegovina in intergovernmental organizations related to monetary policy issues.

The Central Bank of Bosnia and Herzegovina is completely independent from the Federation of Bosnia and Herzegovina, Republika Srpska or any public agency or body, with the purpose of objective implementation of its tasks. The Central Bank of Bosnia and Herzegovina carries out its activity through the Governing Board of the Central Bank of Bosnia and Herzegovina, the CBBH Management and the staff.

The Governing Board of the Central Bank of Bosnia and Herzegovina is a body of the Central Bank of Bosnia and Herzegovina in charge of defining monetary policy and control of its implementation, organization and strategy of the Central Bank of Bosnia and Herzegovina, according to its mandate stipulated by the Law on the Central Bank of Bosnia and Herzegovina. The Governing Board of the Central Bank of Bosnia and Herzegovina includes five members appointed by the Presidency of Bosnia and Herzegovina and elects the Governor among its members, who is at the same time the chairman of this body and the Management of the CBBH. The Governor is the chief executive officer in charge of daily operations of the Central Bank of Bosnia and Herzegovina. The Management of the CBBH which includes Governor and three Vice Governors (appointed by Governor, with the approval of the Governing Board of the Central Bank of Bosnia and Herzegovina) at the request of the Governor, as the chief executive officer, carries out the activities of the Central Bank of Bosnia and Herzegovina and harmonizes the activities of the organizational units.

Governor, with the approval of the Governing Board of the Central Bank of Bosnia and Herzegovina, appoints Chief Audit Executive and Chief Audit Executive Deputies for the risk control in the Central Bank of Bosnia and Herzegovina.

The operations of the Central Bank of Bosnia and Herzegovina are carried out through the Head Office seated in Sarajevo, three Main Units seated in Sarajevo, Mostar and Banja Luka and two Branches seated in Pale and Brčko District.

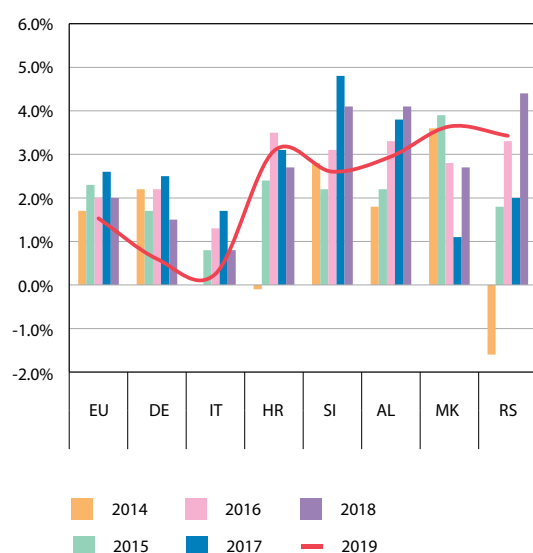
1. ECONOMIC TRENDS ON 2019

1.1 INTERNATIONAL ECONOMIC ENVIRONMENT

1.1.1 Trends in real sector

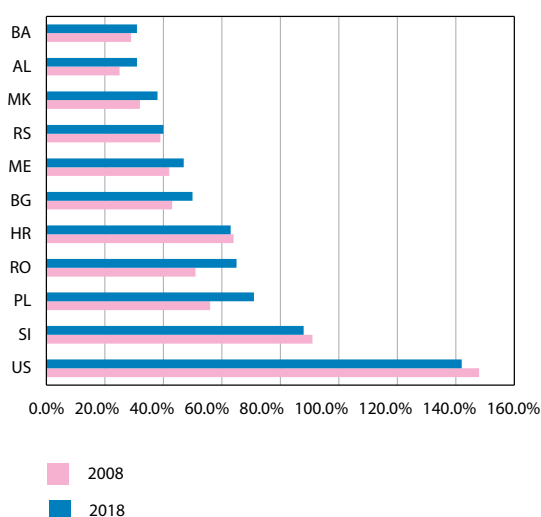
The slowdown in economic growth, primarily of the developed countries in the EU, is present in the reporting year (Graph 1.1), following the rise of trade protectionism, which strongly influenced the fall in commodity exports. Developing countries are still experiencing moderate growth rates, which are insufficient to facilitate faster convergence towards more developed countries. According to the latest available data, GDP per capita in the purchasing power standard in some countries is almost unchanged from the pre-crisis period, while other countries report faster development convergence compared to the EU (Graph 1.2).

Graph 1.1: Annual Changes of Real GDP in the Selected Countries



Source: Eurostat. Note: Data for 2019 are related to the annual growth in the first three quarters compared to the same period of the previous year.

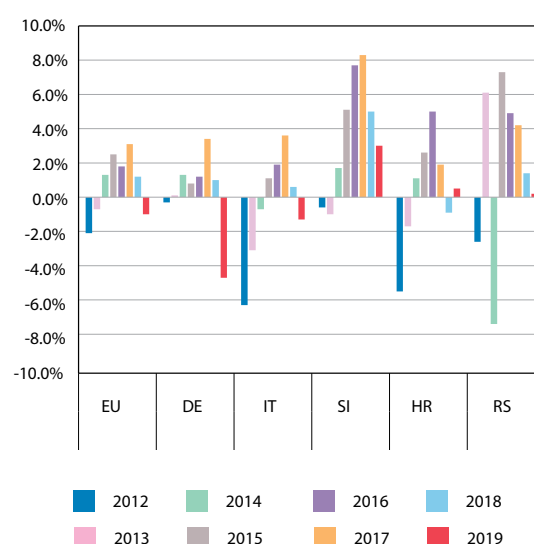
Graph 1.2: GDP per Capita in the Selected Countries, EU = 100



Source: Eurostat

Developed EU countries have been most affected by the rise of trade protectionism, with the result that individual countries have faced the most pronounced decline in industrial production in the last decade (Graph 1.3). The significant decline in manufacturing industry, which is particularly noticeable in the car industry, the negative impact of the UK exit and the growth of the coronavirus epidemic will cause a further slowdown in economic activity in the EU, which, in turn, will negatively affect the economies of the Western Balkan countries.

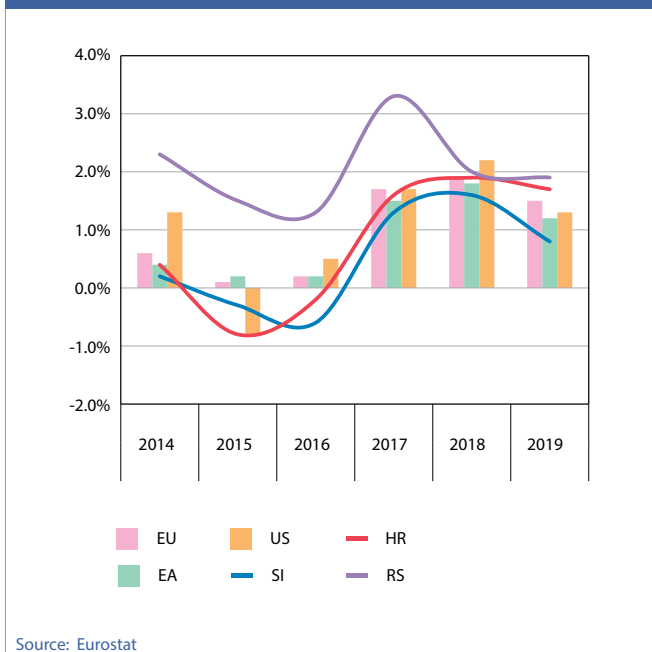
Graph 1.3: Annual Changes of the Industrial Production in the Selected Countries



Source: Eurostat

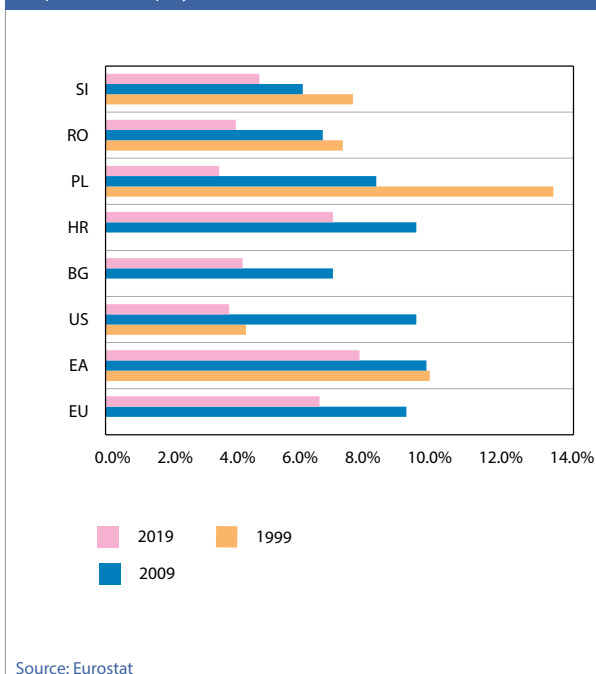
The significant fall in oil prices has contributed to the weakening of inflationary pressures throughout the year, which is caused by the growth of crude oil production in the US and the slowdown in global economic growth. Average consumer prices in developed countries, as well as, in most developing countries, show a slight increase, which is still well below the inflation target (Graph 1.4). Prices of food and non-alcoholic beverages, restaurants and hotels and other prices recorded the most evident annual growth.

Graph 1.4: Annual Trends of Average Consumer Prices in the Selected Countries



Foreign unemployment rates have been at their lowest levels in the last decade, despite obvious problems in the global exchange of goods and services. With the achievement of historically low unemployment rates in individual EU countries, there is a growing need to attract skilled staff from developing countries to ensure sustained economic growth.

Graph 1.5: Unemployment Rates in the Selected Countries

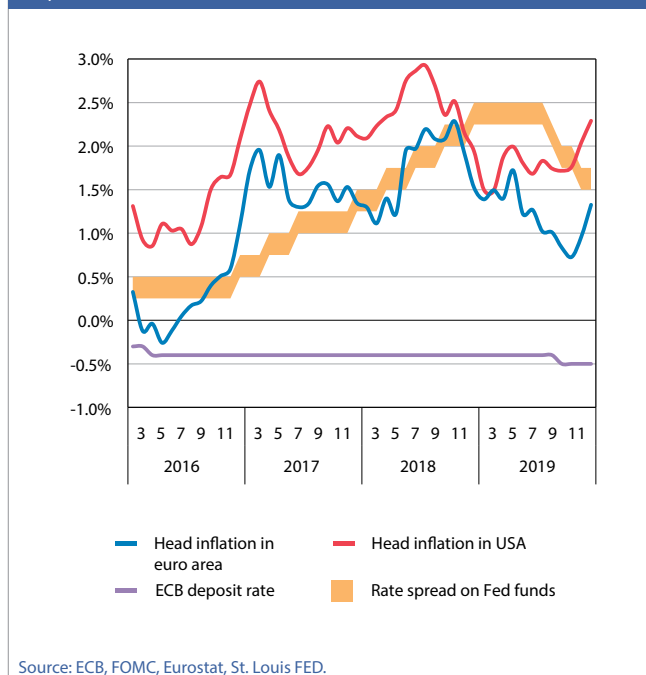


1.1.2 Monetary trends

The divergence in trends between the reference rates of the Federal Reserves (Fed) and the European Central Bank (ECB) was finally stopped at the end of July 2019 (Graph 1.6). Then, for the first time since 2008, the Federal Open Market

Committee (FOMC) lowered the Federal funds rate. The rate was lowered by the end of 2019 two more times, each time by 25 bp. On 2019, the ECB lowered its reference rates once, on September.

Graph 1.6: Inflation and Reference Rates in USA and Euro Area



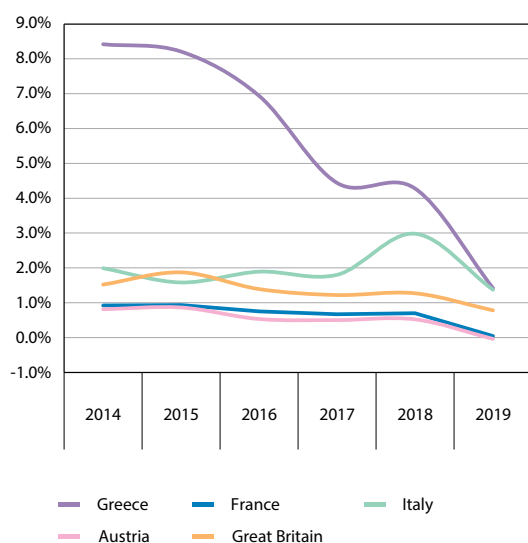
At the end of 2019, the Governing Council of the ECB reaffirmed its commitment to very expansive monetary policy on long-term. In the euro area, interest rates on the main refinancing operations, on a permanently available marginal lending facility from the Central Bank, and on a permanently available deposit facility with the Central Bank were 0.00%, 0.25%, and -0.50% respectively, at the end of the year. Both meetings of the ECB Governing Council on monetary policy, in the fourth quarter, underlined the expectations that the ECB reference interest rates would be kept at the same levels, or even further reduced, until a strong approximation of inflation prospects was seen near, though below 2% over the projection period and until the dynamics of core inflation is in line with the movement of headline inflation. One of the first signals of a rapid increase in the reference interest rate will be the cessation of net purchases under the Securities Purchase Program, which has been re-implemented since November, with a monthly dynamics of EUR 20 billion. The Governing Council also confirmed its intention to fully continue, over the long term, to reinvest the principal of the matured securities under the Securities Purchase Program during and after it begins to increase the ECB reference rates.

The FOMC lowered its target spread for Federal funds rate by 25 bp, from 1.5% to 1.75%, at its session in late October, and these levels were maintained until the end of the year. The interest rate that the Fed pays on the reserve requirement and excess reserves is also lowered to 1.55%. It was also decided to continue investing the principal of the matured mortgage-backed securities of the agencies in government debt securities, up to US\$ 20 billion per month, in a manner

that upon maturity, they roughly matched to the maturity structure of the government's total debt on securities. In an indication of future actions, the FOMC was not as direct as the Governing Council of the ECB. It has only been said that the timing of implementation and the magnitude of future adjustments to the target rate range on Federal funds will depend on FOMC estimates of deviation from expected economic conditions, especially in the context of the employment maximization target and the symmetric inflation target of around 2%.

The expansionary monetary policy of the ECB and the Fed, as well as, expectations that the Fed would continue to lower its reference interest rate and that the ECB would further reduce its interest rate on deposit facilities, put strong pressure on the decline in yields in international financial markets (Graph 1.7), which also affected the foreign exchange reserves of the Central Bank of Bosnia and Herzegovina (CBBH). During the year, the markets of developed countries saw the lowest yield rates, and even the euro area countries, that experienced a public debt crisis, went through a period of additional interest rate reduction, even though they had low sovereign ratings with still high public debt.

Graph 1.7: Yield Rates at the Market of Public Debt Ten-year Bonds



Source: Eurostat

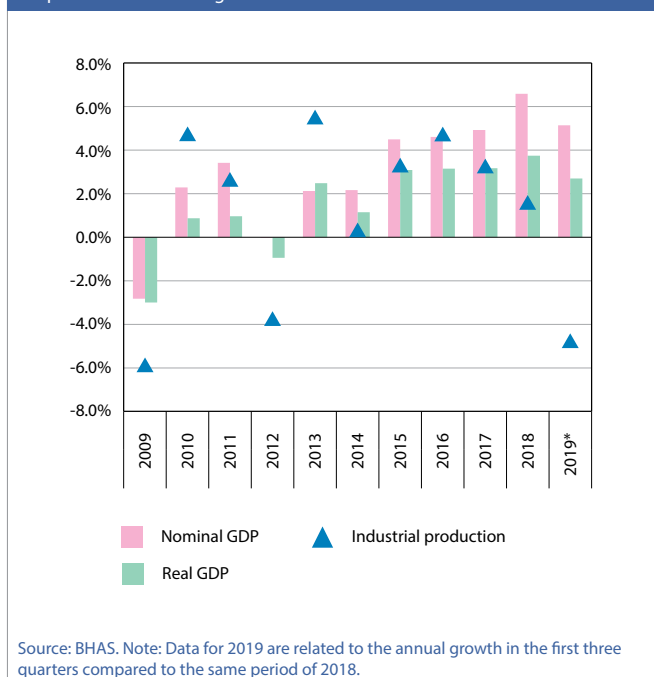
The yields decline on bond markets, in the last part of the year, was also affected by the fall in stock market indices as a result of the current and expected effect of Coronavirus, at which investors responded by selling off the stock and increased demand for first-class debt securities of developed countries, which further lowered yields. Changes in the functioning of international markets did not affect the business of BH banks with non-residents, and BH banks maintained their existing strategy for investing in international markets (see Chapter 1.2.3 Banking sector, Section on Net foreign assets).

1.2 REPORT ON THE STATE OF BH ECONOMY

The real sector of the economy is characterized by a sharp decline in industrial production, due to the slowdown in the economic activities of the main foreign trade partners, the present customs barriers and the difficult business of some strategic companies. Moderate growth of economic activity is present as a result of increased activity of the service sector. The movement of the general price level in comparison with the surrounding countries indicates a much lower inflation rate. There is a significant decrease in the number of unemployed in the labor market, with increasingly negative demographic situation. Nominal wage growth is faster than labour productivity.

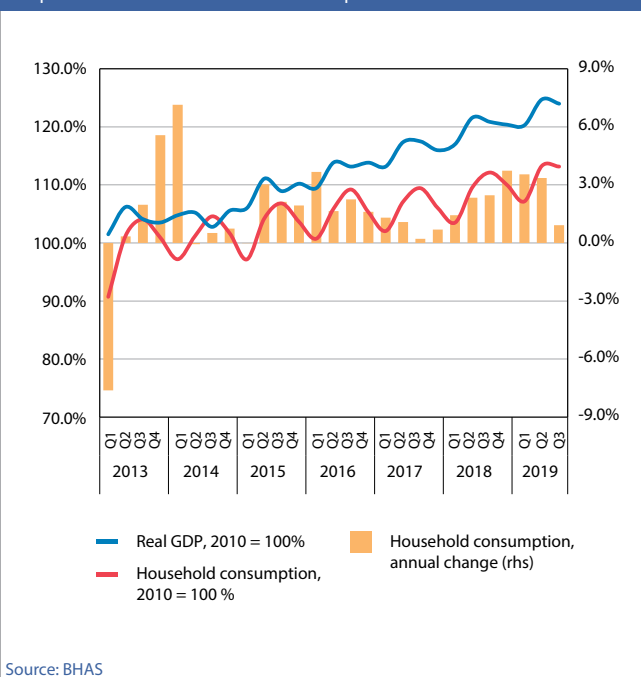
According to the official projection of IMF², nominal GDP amounts to KM 34.852 billion for 2019. At annual level, projected rate of the real GDP growth amounts to 2.8%, which is almost same as the growth rate in the first three quarters according to BHAS (Graph: 1.8). The most significant year-on-year growth of the real gross value added was recorded in services, namely hotels, trade and other service activities.

Graph 1.8: Annual Changes of GDP and Industrial Production



As the most important component in the structure of GDP by consumption calculation, household final consumption expenses (Graph 1.9) have the largest influence on the trends of total economic activity. Significant growth of employment, wages, high inflow of remittances, and more favourable borrowing conditions contributed positively to the growth in household consumption, and thus to the overall economic activity.

Graph 1.9: Trends of Household Consumption

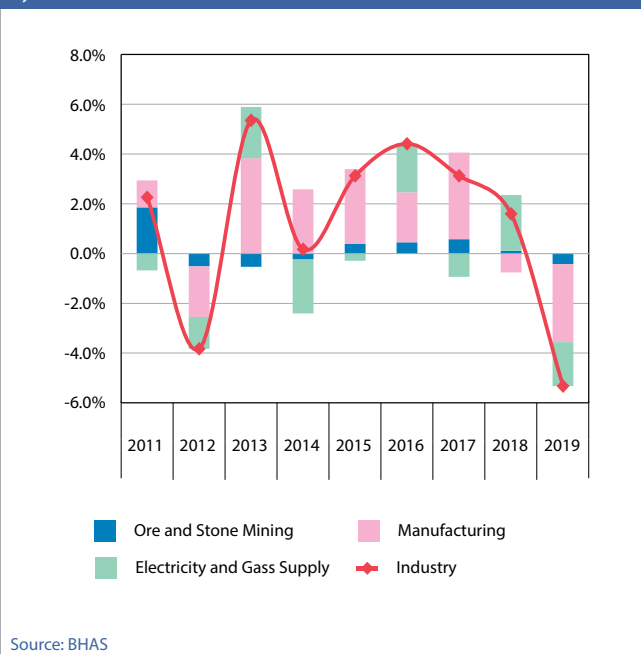


1.2.1 Real sector

1. Industrial production

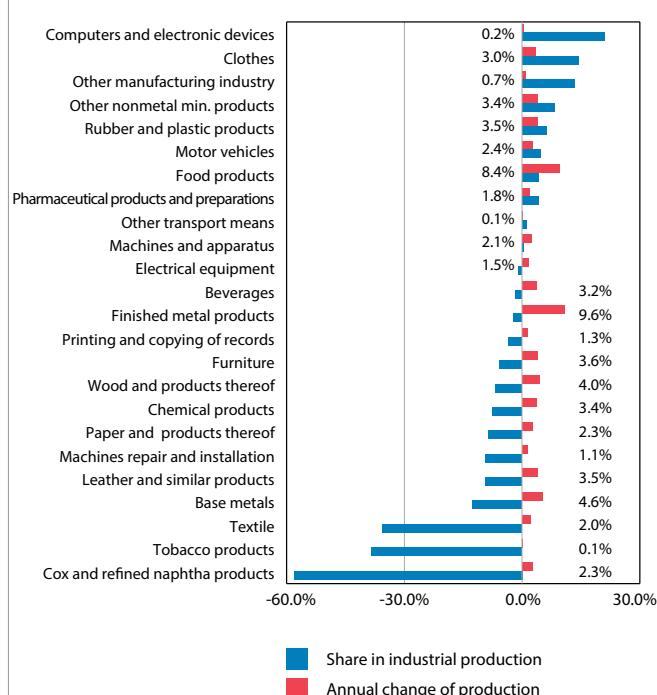
Industrial production has seen the sharpest decline in the last decade. Segmented by industry, the annual decline in industrial production (Graph 1.10) was primarily driven by a sharp decline in manufacturing industry production and by the decrease of electricity and gas production and distribution.

Graph 1.10: Contribution to Annual Changes of the Industrial Production by Sectors



Manufacturing of coke and refined petroleum products recorded the strongest impact on the decline of the manufacturing industry (Graph 1.11), following the overhaul of the oil refinery, and the production of textiles and leather products, which rely on the business of the European car industry. Furthermore, in the second part of the year, a sharp decline in the production of base metals was recorded, following the business termination of the strategic company in the field of aluminium processing.

Graph 1.11: Annual Changes of Production Activity of Manufacturing



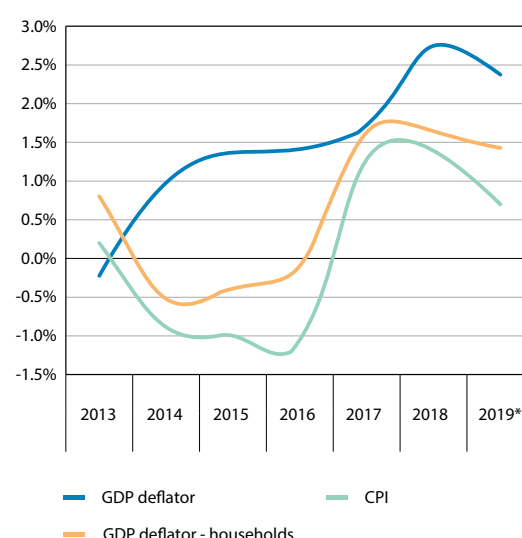
Source: BHAS

II. Prices

In the last two years, there has been a trend of decelerating price growth, either the deflator-based calculation, or CPI calculation is in question (Graph 1.12), although average

consumer prices have recorded significantly lower growth rates. The average annual growth of consumer prices is 0.6% and is the lowest in the region.

Graph 1.12: Annual Rate of Inflation/Deflation

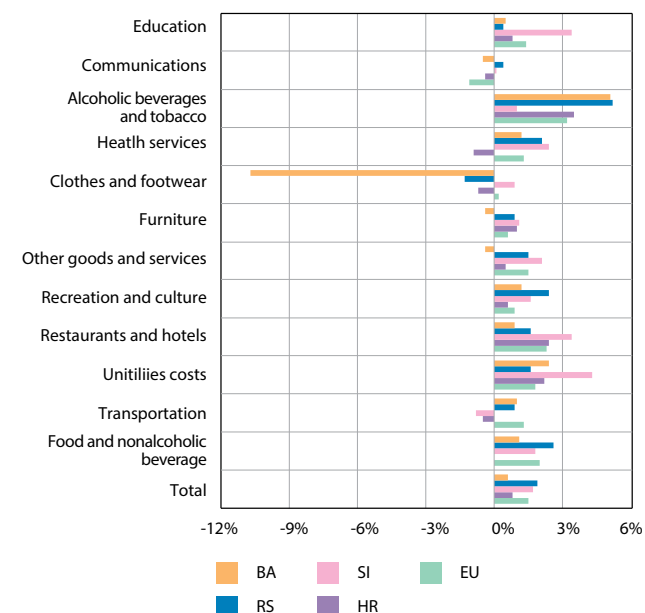


Source: BHAS. Note: Prices calculated on basis of deflator in 2019 are related on annual change in the first three quarters.

If observing the movement of consumer prices by section in selected countries³ (Graph 1.13), there is a similar trend in the movement of almost all sections. Transport stagnates or falls, while communications prices are declining in most countries as technology advances in this industry. Only the section of clothing and footwear in BH has a significant deviation, which consequently affects the lowest rate of growth of the general price level, although the share of this section is almost negligible in the structure of the total consumer price index (Graph 1.14). Comparing this structure with other countries, it can be seen that household consumption in developing countries differs significantly, since the largest share is spent on consumption for existential needs.

³ Eurostat uses the Harmonized Consumer Price Index (HICP) for inflation comparability data, while the CPI is most commonly used as a measure of inflation at national level. HICPs and CPIs take into account the same representative baskets of goods and services, the main difference being in population coverage and sources for the weighting structure. As HICP data are not yet officially available, CPI data are used for BH.

Graph 1.13: Annual Change of Consumer Prices per Sections

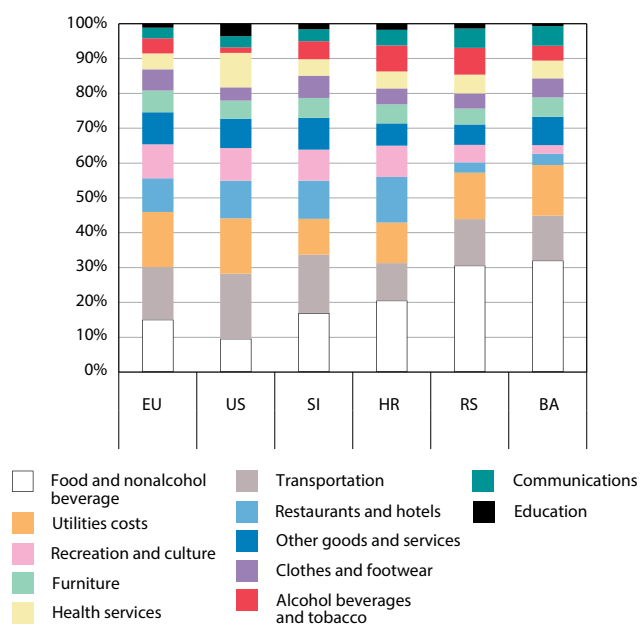


Source: BHAS, Eurostat

III. Employment and wages

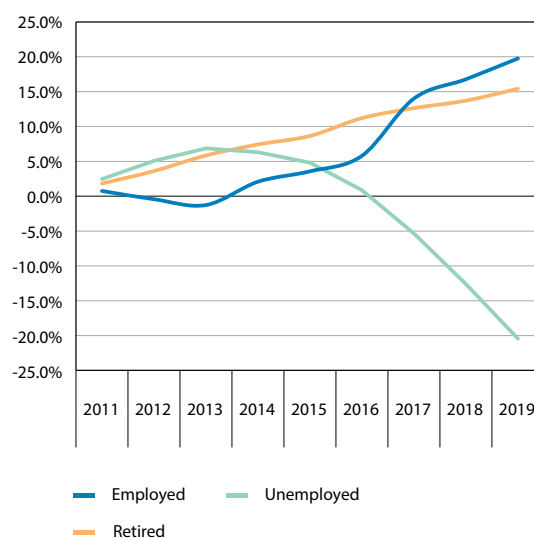
According to data from the 2019 Labour Force Survey, the unemployment rate was 15.7%. The administrative and survey unemployment rates differ significantly due to different approaches in definition and records⁴, with the downward trend in unemployment rate from previous years being almost the same according to both methodologies. Observing the movement of the labour market index, it is evident that employment growth follows a similar trend as the growth of the number of the retired (Graph 1.15). The coverage ratio of pension funds has deteriorated compared to the pre-crisis period and amounts to 1.2 employees per a retired. Budget deficit of funds⁵ at the end of the reporting year was 0.7% of GDP and slightly worsened compared to the previous year, due to faster growth in pensions than nominal GDP. Among other things, the business of pension and social funds is further complicated as a result of the increasingly evident negative demographic changes, which are reflected in a decrease in the share of the working-age population and in an increase in the proportion of dependents.

Graph 1.14: Structure of Consumer Price Index



Source: BHAS, Eurostat

Graph 1.15: Trends of Selected Indices in the Labour Market



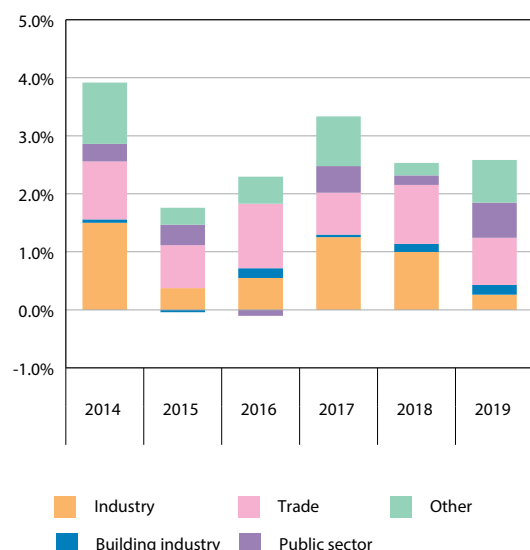
Source: BHAS, FIPDI, RS PDIF

⁴ Administrative data on unemployed persons include the total number of unemployed persons kept in the records of the BH Employment Agency, while unemployment data from the Labour Force Survey are derived from the data collected once a year by household surveys, according to international definitions. Source: BHAS; 2019 Labour Force Survey.

⁵ RS Pension Fund is already included in RS government budget, while FBH pension fund is included in government budget from 2020

According to the growth of employees by activities (Graph 1.16), the annual growth in the number of employees is led by activities of trade, public sector and other services. In addition to manufacturing, agriculture recorded the lowest contribution to employment growth.

Graph 1.16: Contributions to Annual Changes of Employees' Number per Sectors



Source: BHAS

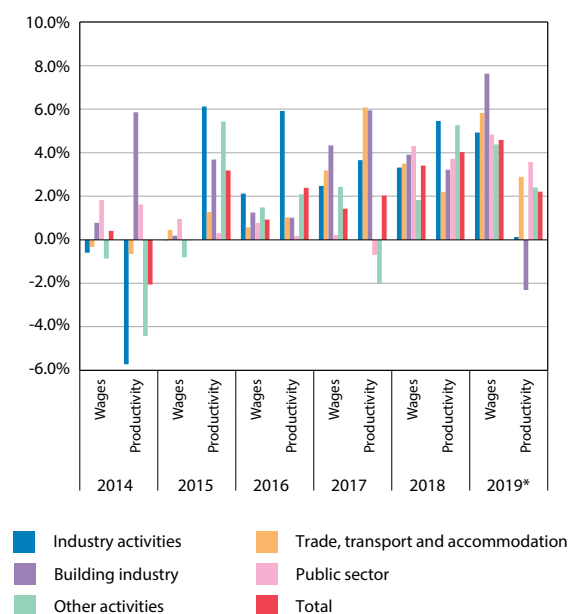
The upward trend in the average nominal net wage continued in the reporting year, too (Graph 1.17). Taking into account the increase in average household consumption expenses over the last two years, real net wages are recording slower growth rates. The labour market is characterized by a significant increase in the nominal wages of almost all industries and a slower growth in productivity (Graph 1.18). Wage growth is particularly pronounced in industries where there is a high demand for lacking staff abroad, which is noticeable in the construction industry, which at the same time shows a decrease in productivity. Considering the increasingly evident shortage of labour force in this industry, without more rapid productivity growth in the coming period, a more pronounced rise in the producer prices can be expected.

Graph 1.17: Amount and Percentage of Changes of Average Net Wage



Source: BHAS. Note: Real wage is adjusted with the household consumption deflator. Average annual wage is arithmetic average of average wages per months.

Graph 1.18: Annual Growth of Wages and Productivity per Activities



Source: BHAS, CBBH. Note: 2019 productivity data include first three quarters, compared to the same period 2018. Average annual wage per activity group includes weighted average, and the data on number of employees are used as weight.

1.2.2. Fiscal sector

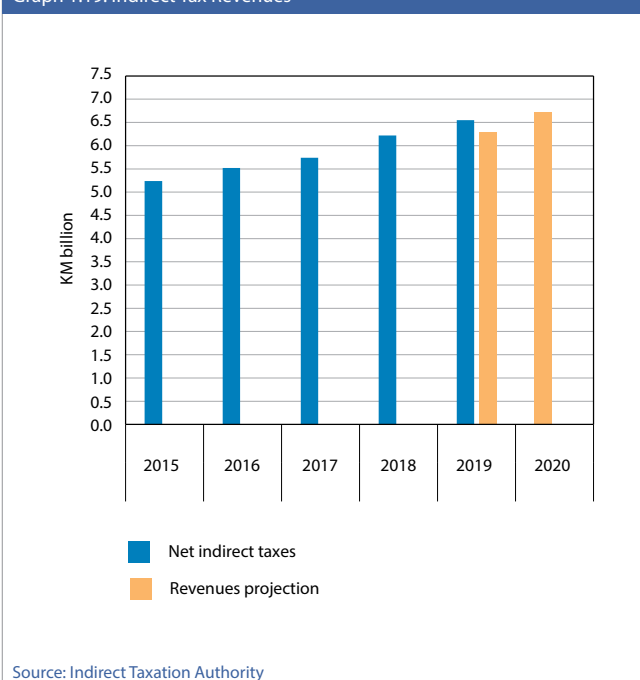
Fiscal stability was maintained at all levels of government in 2019. The adoption of the budget of the Federation of Bosnia and Herzegovina and the Republika Srpska for the next year had a positive impact on the country's macroeconomic stability. The interim financing of BH institutions is expected to be completed in the coming period, as well as the adoption of the budget for 2020. In 2019, too, governments implemented fiscal consolidation through limited growth in public spending, so that in the structure of public spending, the largest items (contributions for social benefits and employees' salaries) recorded limited growth. The Global Fiscal Framework 2020-2022 envisages limited growth in current spending and the creation of additional fiscal space for capital spending and making the public finance to function in a favour of the country's growth. A precondition for using the generated funds for capital spending is the establishment of a functional government at all levels in BH. In 2019, capital investments were not realized as planned, primarily due to delays in government formation. Considering that most of the capital investment projects are financed from foreign sources, obtaining funds is conditioned by the implementation of certain reforms. As the formation of the government was not complete, no new projects could be undertaken, since their financing could not be made from temporary financing funds, thus, the whole process was suspended until the formation of the government. The main fiscal objective for all levels of government in BH in the medium term is to achieve a primary fiscal surplus, while controlling public spending and creating additional fiscal space for capital investment.

Despite the positive developments in collection of indirect tax revenues and limited growth of current consumption, in 2019 there was no realization of infrastructure works with favourable external borrowing, as planned in the prior period. The untimely establishment of all levels' government in BH has led to a huge delay in the implementation of planned public investments. Given that government was not established, agreed structural reforms could not be carried out and the state could not borrow externally on favourable terms.

On the revenue side, in 2019, the upward trend of indirect taxes continued, which were higher than projected. A steady upward trend of the tax collection, with expected seasonal fluctuations, was recorded throughout the year (Graph 1.19). The amount of collected net revenues (KM 6.55 billion) is a record one and is the largest since the establishment of the Indirect Taxation Authority (ITA). Thus, so based revenues, as the main sources of funds for financing the budget, recorded an annual increase of 5.2% (KM 321.1 million). The main contribution to this collection is primarily the growth of VAT revenues (an annual increase of KM 176.6 million) as a result of private consumption growth. The effects of Amendments to the Excise Duties Law in the section on designated tolls (increase of the designated toll on oil derivatives and increase of excise duties on fuel oil) had a much smaller effect in 2019 compared to the previous year because the

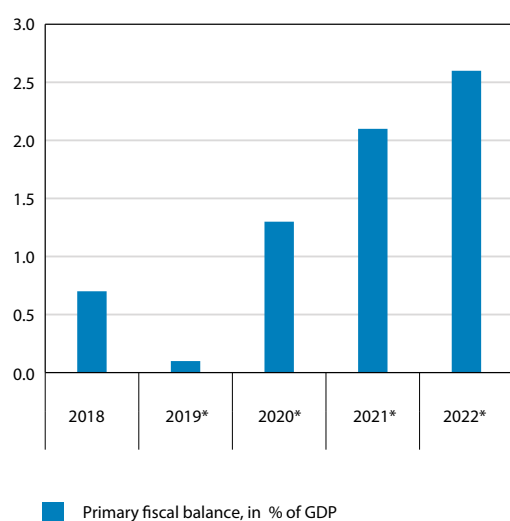
base effect almost completely disappeared. Tolls increased on an annual basis in the amount of KM 30.4 million (4.9%). With the finalization of foreign trade liberalization in BH (CEFTA and SAA), customs revenues have a relatively lower importance in the overall collection of indirect taxes, but they are still important as they influence the increase in VAT collection. After a long period of high rates of growth coming from custom duties, their slowdown has been recorded in 2019, as the collection of duties depends on the trends of imports from third countries and imports of goods from the EU that remained under the customs regime. The slowdown in collection of customs revenues is the result of a sharp fall in imports of goods from third countries and lower growth rates of imports from the EU. At the annual level, excise tax revenues recorded an increase of KM 87.7 million (6.1%)

Graph 1.19: Indirect Tax Revenues



In 2019, it was completed the process of harmonization of the tobacco products taxation policy in line with EU standards in the area of indirect taxation. Total excise duty on all excise duty categories has reached the EU minimum excise duty. According to the reports of the Indirect Taxation Authority, all sources of growth of excise and toll revenues have been exhausted, thus, in the future only additional growth of VAT revenues can be counted on, through increased consumption growth. The positive trends in the collection of indirect taxes are planned to continue in the coming years. The primary fiscal surplus for 2018 was 0.7% of the GDP. The Economic Reform Program 2019-2021 envisaged the withdrawal of foreign loans in the amount of KM 1.03 billion, but due to the mentioned obstacles in the formation of the government, only KM 593.6 million were withdrawn in 2019. The primary fiscal surplus for 2019 has been revised against projections from the previous Economic Reform Program. According to the latest Economic Reform Program 2020-2022, it is projected that fiscal surplus will grow steadily in the coming years to 2.6% of GDP in 2022 (Graph 1.20).

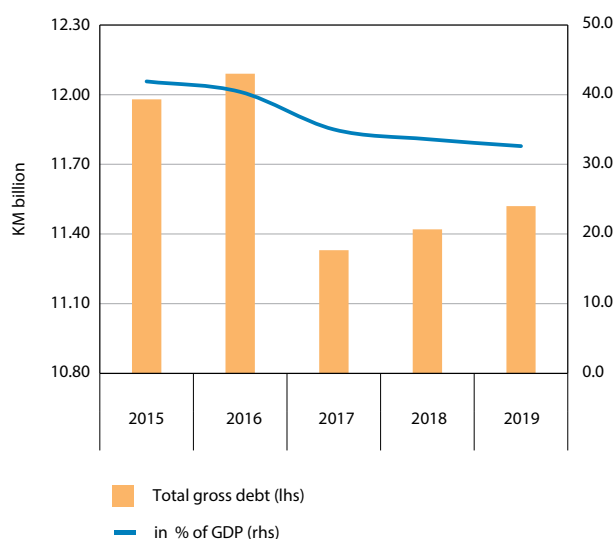
Graph 1.20: Primary Fiscal Balance, in % of GDP



Source: Indirect Taxation Authority
Note: * projection

At the end of 2019, the total debt of the government sector has been increased by KM 95.4 million, annually and in nominal terms, but the trend of decreasing total gross debt expressed as a ratio to GDP continued, which is in line with the reforms and policies of governments at all levels of government (Graph 1.21). The general government sector indebtedness under the Maastricht Debt Definition was KM 11.52 billion at the end of 2019. On 2019, more debt was repaid to foreign creditors than new funds were withdrawn, thus, the external indebtedness recorded a slight decline at the end of 2019 (KM 99.3 million or 1.2%). At the end of 2019, the external indebtedness of the general government sector amounted to KM 8.10 billion (Graph 1.22) and is mostly related to concession debt.

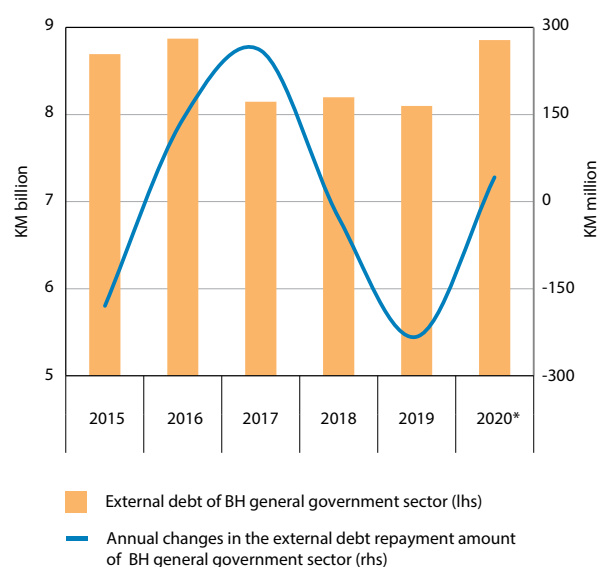
Graph 1.21: Total Gross Debt of Government Sector



Izvor: Ministry of Finance and Treasury BH

Total serviced funds to foreign creditors amounted to KM 793.6 million, of which the largest individual amounts of KM 144.3 million and KM 127.1 million, respectively, were serviced to the World Bank - IDA and to the IMF. According to the BH Ministry of Finance and Treasury data, the allocations are planned to service the general government sector external debt in 2020, in the amount of KM 835.4 million, which is 12.4% of ITA's projected revenues for 2020, published in the Global Fiscal Balance Sheet and Policies in BH (in 2019, this percentage was slightly lower and amounted to 12.1%).

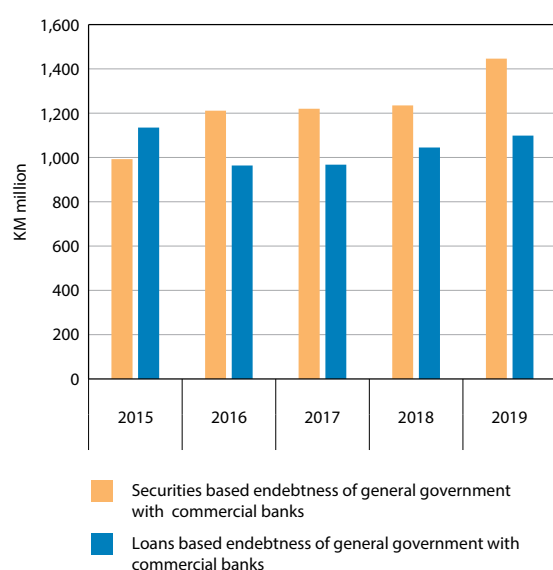
Graph 1.22: External Debt of Government Sector and Annual Changes of the External Debt Repayment Amount



Source: Ministry of Finance and Treasury BH, Note: * projection

Government sector indebtedness with commercial banks has grown year-on-year, both in terms of securities and loans (Graph 1.23). During the year, Entities' Governments issued a total of KM 544.7 million in the securities market (FBH: KM 219.6 million and RS: 325.1 million). In 2020, FBH and RS should allocate KM 885.6 million for repayment of internal debt (Federation of BH: KM 564.6 million and Republika Srpska: KM 321.0 million). Banks' exposure to the government sector was 7.6% of total assets at the end of 2019.

Graph 1.23: Endebtness of General Government with Commercial Banks



Source: CBBH

Text box 1:**Influence of the government sector on the economic growth in BH**

Public spending is a powerful generator of economic growth in Bosnia and Herzegovina. A component of domestic demand that encompasses consumption and investments largely determines economic activity. Considering that private consumption accounts for about 75% of GDP, a significant number of public sector employees (around 24%) with incomes higher than 19% of average net wage maintains an adequate level of spending and thus contributes to the growth of economic activity in the country. Having this in mind, the announced 4.5% limited wage growth in BH institutions will have a favourable, but limited impact on private consumption growth, through the component of disposable income growth, especially given that the activities of the general government sector generate about 15.6% of the GDP.

The share of public investments in total investments is rather modest. Government sector plans for the implementation of electricity sector projects and road infrastructure, when implemented, will have a significant impact on economic growth in the medium term. Financing of capital projects is conditioned by the implementation of structural reforms and the measures at different levels of government. In this regard, unless there are major setbacks and obstacles, according to the ERP 2020-2022, it is expected to have a limited increase in public spending of 0.5% (accounting for KM 33.9 million of total public spending in 2019), and in terms of nominal GDP growth in 2019, this increase of 0.5% in nominal GDP growth would amount to KM 6.7 million.

Compared to the previous year, when only six issues of public debt were done, a much larger number of issues were done during 2019 (Table 1.1), but the total value of the issuance did not deviate significantly from that of 2018. The total issuance value of KM 544.7 million is only by 7% higher than the realized value in 2018. Unlike in 2018, when the ration between issuance values per an Entity was fully in favour of Republika Srpska (88.2% of issuance value related to this BH Entity), this year a balance was made in terms to Entities' borrowings at BH financial market, i.e. Republika Srpska issued 59.6% of the total value of the Entities' public debt issuance.

Table 1.1: Issues on the Primary Market of Public Debt BH Entities in 2019

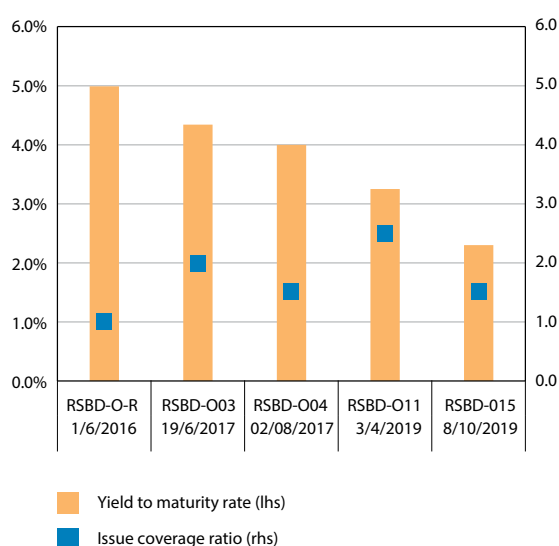
	1 m	3 m	6 m	9 m	12 m	36 m	60 m	84 m	120 m	Total
RS	-	-	2	-	-	-	3	3	2	10
FBH	-	-	-	1	-	2	1	2	1	7
Total	0	0	2	1	0	2	4	5	3	17

Source: SASE, BLSE

During 2019, the main features of the Entities' public debt market were bond issues, predominantly long-term borrowing, high demand for public debt issues and a significant drop in yields across all maturity segments of Entities' public debt. Due to the satisfactory state of the budget, the Federation of Bosnia and Herzegovina cancelled certain auctions, thus, most of the auctions were carried out in the second half of the year, while Republika Srpska continued to borrow continuously throughout the year. As in the previous year, differences in yield rates on the public debt market were observed (Table 1.2), and new differences emerged regarding the issue coverage ratio (Graph 1.24).

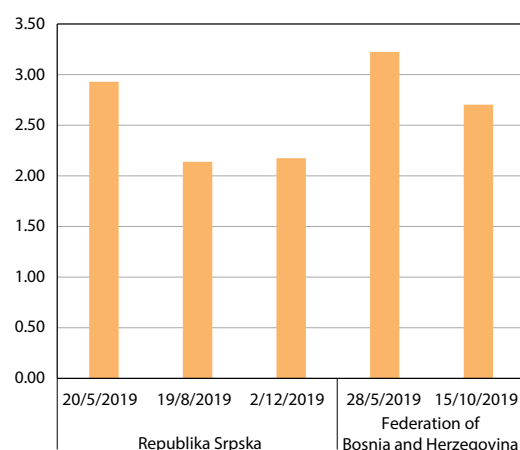
Republika Srpska collected KM 285 million through the bond issue for budget funding, and it even issued ten-year bonds two times during the year (Graph 1.24). The issues were successful, fully repurchased, with high demand and a declining rate of yield to maturity in the primary market.

Graph 1.24: Ten-year Bonds of Republika Srpska



Source: SASE and BLSE

Graph 1.25: Issue Coverage Ratio of Seven-year Bonds of BH Entities



Source: SASE

The era of low interest rates and the ECB's expansionary monetary policy created the conditions for refinancing the old portion of public debt at a lower interest rate, as well as, for additional borrowing. However, despite the decrease in yields to maturity in the primary market of Republika Srpska's public debt, the difference between the Entities in the average rates of yield to maturity in the primary market exists in almost all maturity segments (Table 1.2.). The Federation of BH has been issuing treasury bills, for years, with a negative yield rate, while this phenomenon has not yet been recorded in another BH Entity. Inter-entity variance in yield rates, despite unified fiscal and monetary policies, could be explained by differences in public debt levels in the Entities and public sector performance.

Table 1.2: Average Yield Rates on the Primary Market of Public Debt of BH Entities, in 2019, in %

	1 m	3 m	6 m	9 m	12 m	36 m	60 m	84 m	120 m
RS	-	-	0.0496	-	-	-	2.216	-	2.775
FBH	-	-	-	-0.195	-	0.0778	0.217	0.557	0.85

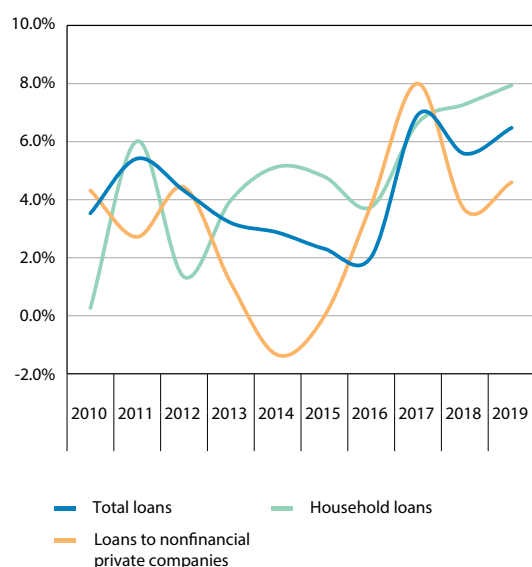
Source: BLSE, SASE

During the year, the markets of seven-year bonds also showed huge differences in the level of demand on issuances (Graph 1.25). Due to the higher liquidity of this part of the market, the issues of the Federation of BH were overpaid to higher degree (when measured by the demand on issue), and the demand on issues of Republika Srpska is declining, although it is still at a high level.

1.2.3 Banking sector

As in the previous year, the banking sector also had extremely good performance in 2019, as measured by its liquidity, profitability and business efficiency. Demand on loans, especially in the household sector, in conditions of extremely high bank liquidity and high capitalization contributed to maintaining a moderate rate of credit growth (Graph 1.26). The third consecutive year of moderate credit growth is paralleling the decline in the share of non-performing loans in total loans, also affecting domestic demand. On the other hand, in 2019, there is a lower growth of loans to the economy (non-financial companies) compared to the total credit growth, which can be explained by the insufficiently high rate of economic growth, the decrease in demand for BH exports, but also a reduction in the supply of loans to non-financial companies.

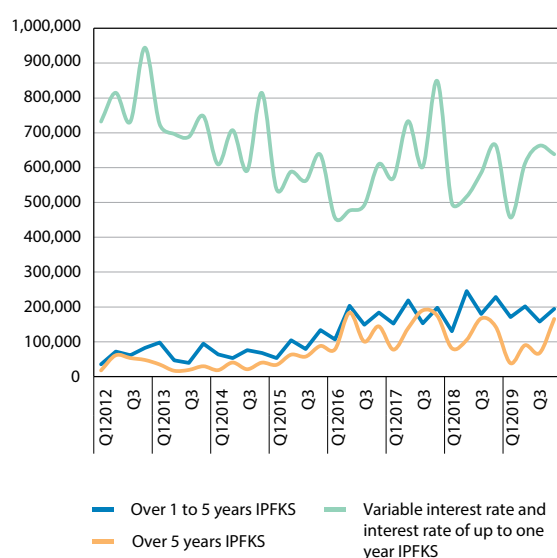
Graph 1.26: Credit Growth



Source: Table 16 and 17, CBBH

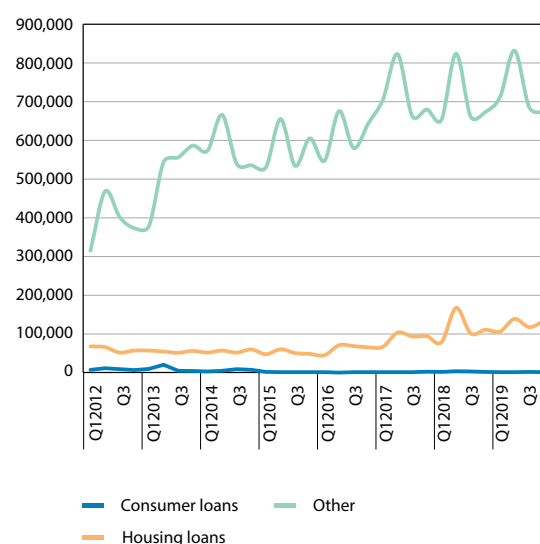
The change on interest rates on corporate loans is insignificant, and the minimal decrease in interest rate expense, that occurred, could not have led to an increase in demand on this category of loans (Graph 1.27), and in the second half of the year, there was even a decrease of newly approved corporate loans compared to the same period of the last year. Loans with variable interest rates are declining, but they continue to dominate in new lending business. Their share in 2019 is about 70%. The euro area economic recovery and rising interest rates are not expected in the short term, thus, this part of banking assets is not at all exposed to credit risk, at this time, despite the large imbalance in favour of newly approved loans with variable interest rate.

Graph 1.27: New Loans to Nonfinancial Companies

Source: CBBH and Table 11
Note: Initial period of fixed interest rate.

Although the interest rates for households have not decreased on average, the volume of newly approved loans is about 4% higher than in the previous year (Graph 1.28). Claims on the household sector are the main contributors to the growth of banking assets, and this year's growth could be caused by the low disposable income of a significant part of BH citizens and households. Although a slight upward trend in housing loans has been observed recently, non-purpose consumer loans still represent 85% of total new household loans and about 75% of all household loans.

Graph 1.28: New Loans to Households

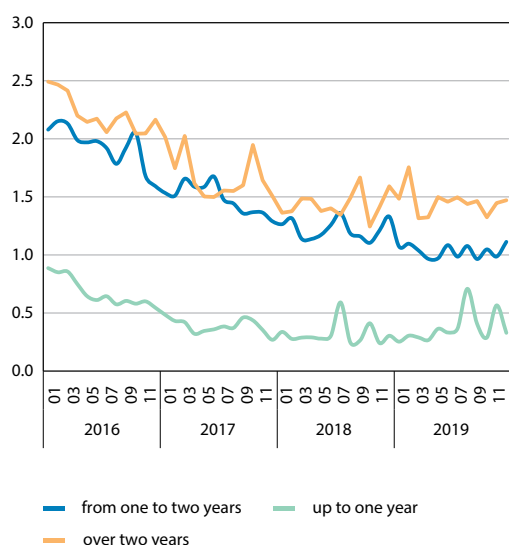


Source: CBBH and Table 10

Banks' deposits continued to grow although the interest rates on household deposits were stagnating in a recent period (Graph 1.29). Despite the interest rate stability in all the maturity segments, the share of transaction deposits in the total deposits increased. In the beginning of 2019, a significant change in the currency structure of deposits took place (as a consequence of the implementation of a new methodology⁶) in favour of foreign currency deposits, so the currency structure of deposits changed as well, as deposits indexed to euro, which had been treated earlier as local currency deposits were classified into foreign currency deposits. However, due to the implementation of the new methodology, according to which, the loans extended in KM with foreign currency indexation were classified as foreign currency loans, the currency structure of banks' assets changed as well, so foreign currency claims and foreign currency liabilities of BH residents remained in balance following the implementation of the new methodology.

⁶ Since the beginning of 2019, a methodological modification in monetary and financial sector statistics of the CBBH took place. The methodology changes applied to the classification of financial instruments with foreign currency indexation. The currency structure of financial instruments (loans, securities, deposits) originally expressed in KM, with foreign currency indexation was reclassified from the local currency position to the foreign currency position.

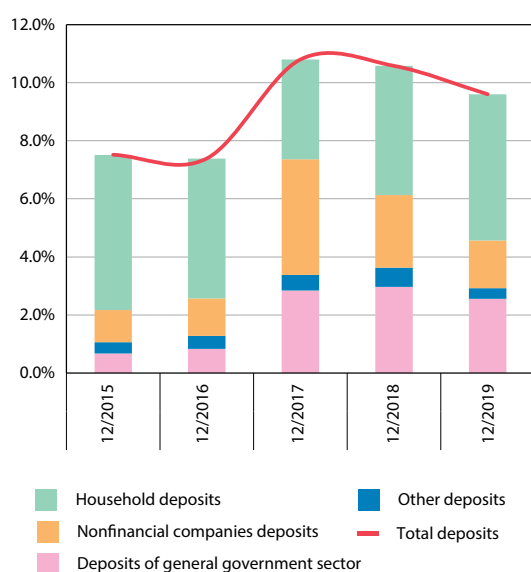
Graph 1.29: Average Weighted Interest Rates on Household Deposits



Source: CBBH and Table 12

A large part of the total deposit increase (Graph 1.30) resulted from the fiscal surplus at the state level (general government sector) and the debt issued by BH entities in BH financial market. The contribution to the annual deposit growth rate (9.6%) of the general government sector was on the average the same, while the contribution of the economy was on the average declining. In addition, the unsatisfactory deposit growth structure from the view of maturity reflected in a significantly faster growth of transaction deposits and sight deposits compared to long-term deposits in internal or external shock circumstances might bring about a destabilisation of the banking system, imposing the obligation on banks, due to regulatory requirements, to hold enormous amounts of liquid assets (Graph 1.31).

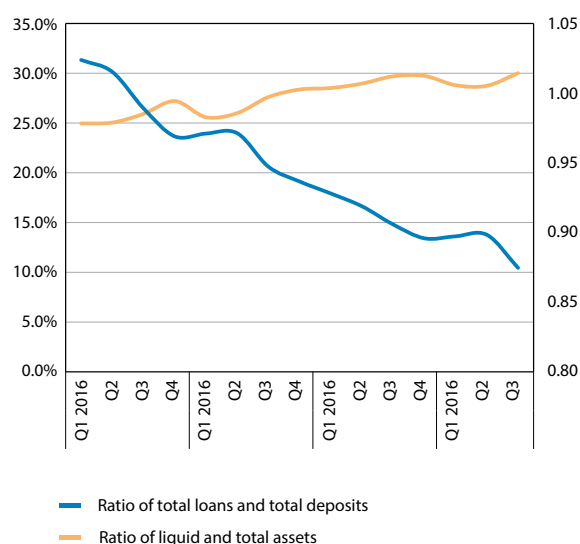
Graph 1.30: Contributions to Annual Deposits' Growth



Source: Tables 14 and 15, CBBH

The liquid assets representing the assets of banks mainly generating no income, and generating costs in case of negative interest rates, their high level along with a decline of the remuneration on excess holdings above the required reserve (from -0.2% to -0.4% and later -0.5%) was expected to bring about a decrease of profitability of BH banks, however, it did not happen. A faster growth of deposits than that of loans (the total loan to the total deposit ratio) did not affect the level of the banks' profitability either, as the interest spread (the difference between the interest rates on deposits and those on loans) remained high, with banks still generating a large part of their income from neutral banking operations. The average good performance of banks brought the return on assets in the banking sector of Bosnia and Herzegovina (net profit/assets) to 1.5%, which during the year also generated the return on equity (net profit/equity) at the two digit rate (12%).

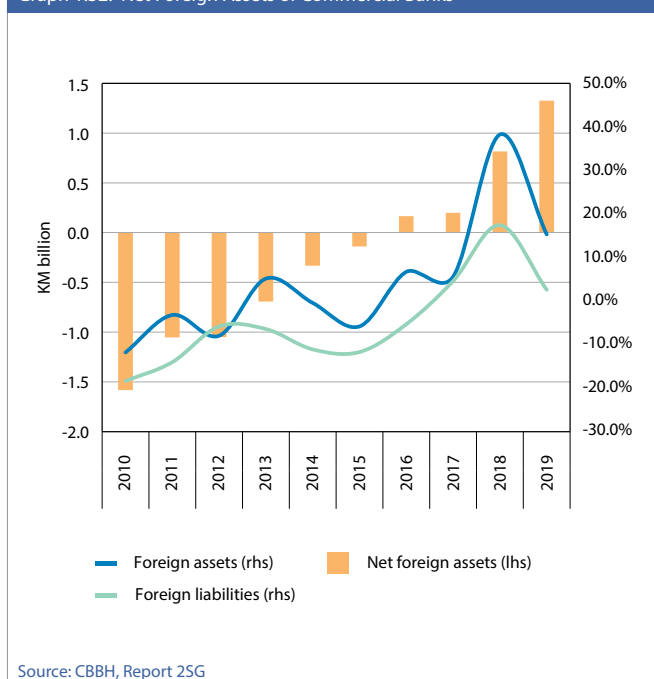
Graph 1.31: Liquidity of Bosnia and Herzegovina Banking Sector



Source: CBBH

Net foreign assets (KM 1.3 billion) remained on the increasing trend (Graph 1.32) as claims of BH banks towards non-residents/foreign assets (4.44 billion) increased faster than liabilities towards non-residents/foreign liabilities (KM 3.11 billion). As in the previous year, the activities of local banks in foreign credit and financial markets were evident, even growing stronger. The local banks were lending to foreign legal entities, their exposure based on such loans increasing by 23%, and that based on investments in securities to 12%. Deposits with non-residents still accounted for the largest share of foreign assets (61%) and covered 87% of the total foreign liabilities, which partly protected the banking sector from sudden withdrawal of funds. On the other hand, foreign liabilities, following a two digit growth rate in the previous year, only recorded a moderate growth (2.6%), its maturity structure being unfavourable as foreign deposits (the term deposits may be terminated and withdrawn at any moment) accounted for even 52% of foreign liabilities (KM 1.62 billion).

Graph 1.32: Net Foreign Assets of Commercial Banks



1.2.4 External sector

1. Balance of payments

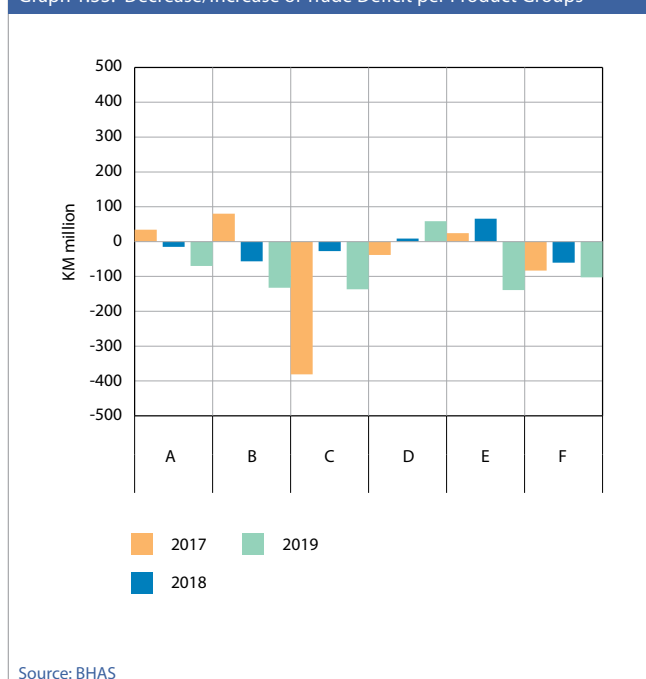
The country's balance of payments position in 2019 stayed almost the same as in the previous year. During the previous year, the current account deficit decreased by only KM 3.1 million or 0.2%, so a deficit in the amount of KM 1.23 billion was recorded in the account of current transactions with foreign countries. The same as in the previous years, the basic reason of the current account deficit was the deficit in the commodity account, while positive balances were achieved in the exchange of services and secondary income. A deficit was recorded in the primary income sub-balance in the previous three years, although in rather low amounts, so the impact on the current account deficit deterioration was insignificant.

Speaking of trade, the previous year can be divided into two parts. In the first half of 2019, both exports and imports had positive growth rates, although quite low ones, while in the second half of the year, both imports and exports recorded considerable decreases, reflecting mainly the global decline of economic activities. In addition to the mentioned factors, the trend of energy prices in the global market also influenced the values of imports and exports. In the account of commodity transactions, the deficit amounted to KM 8.00 billion. Compared to the previous year, the trade deficit deepened by KM 636.2 million or 8.6%. In 2019, a negative growth rate of exports was 3.4%, while imports recorded a positive and very low growth rate of 1.2%.

Our country is a net importer of food products, with the deficit amounting to KM 1.35 billion, and also that of oil and oil derivatives, i.e. mineral origin products, with the negative balance amounting to KM 1.81 billion. The imports of chemical products exceeded the exports by KM 816.0 million, and those of textile products by KM 599.7 million. The negative commodity

balance was also recorded in trade in machines, appliances and electric devices in the amount of KM 1.16 billion, and in trade in means of transport in the amount of KM 1.08 billion. In 2019, a negative balance was also recorded in the trade in base metals in the amount of KM 52.6 million. In trade in furniture, the surplus amounted to KM 717.0 million and that in the trading in wood and wood products amounted to KM 438.0 million. The largest annual deficit deepening was recorded in the category of vehicles where the deficit deepened by KM 102.5 million and in the net imports of base metals where the deficit deepened by even KM 139.3 million and mineral origin products by KM 136.6 million (Graph 1.33). On the other hand, a positive impact on the trade deficit was recorded in trade in machines, appliances and electric devices. The surplus decreased in the groups of products where we traditionally recorded surplus in trade with foreign countries, those being wood and wood products and furniture, which had a negative effect on the trade deficit (Graph 1.33).

Graph 1.33: Decrease/Increase of Trade Deficit per Product Groups



Legend:

- A: Wood and Wood Products
- B: Furniture
- C: Products of Mineral Origins
- D: Machinery, apparatus and electrical appliances
- E: Base metals
- F: Vehicles

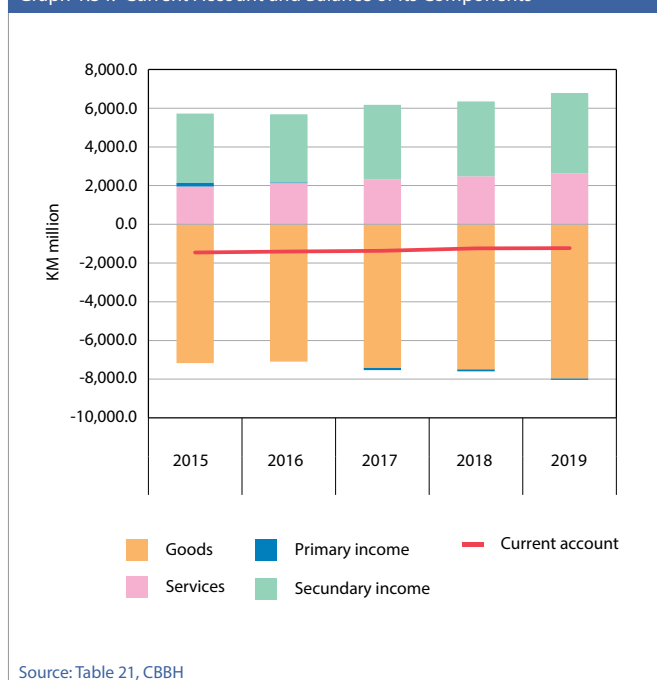
In the account of services, the surplus amounted to KM 2.63 billion, so the net inflow in the account of services increased by KM 151.3 million or 6.1% (Graph 1.34). The total inflow on the basis of services provided in foreign countries was KM 3.94 billion. Over the previous five years, the exports of services increased at significant growth rates, although in 2019, the growth rate was slightly lower compared to the previous periods. The most significant inflow in the account of services came from tourism (50.3%), the inflow from foreign tourists' nights during the previous year amounting to KM 1.98 billion. This was followed by the services of transport,

with the recorded inflow of KM 830.1 million, and the goods processing services with the amount of KM 569.0 million. The annual increase of the inflow was the most significant in the field of tourism, where the inflow from foreign tourists' arrivals increased by 15.7%. The outflow of funds based on the imports of services amounted to KM 1.30 billion, so the outflow of funds increased by 9.8% compared to 2018, with the largest increase recorded with the transport of goods and the travel of our citizens abroad.

The negative balance of KM 55.7 million was recorded in the primary income account. The inflow on the basis of the remunerations of employees in foreign organisations was increased by KM 59.8 million at the annual level. The outflow of funds on the basis of interest on borrowed funds of all the sectors and the dividend payments for foreign owned companies amounted to KM 1.06 billion, so a slight annual increase of the outflow was recorded on this basis as well. The expenses based on the dividend payments for foreign owned companies amounted to KM 894.0 million (Graph 1.34).

In 2019, the total inflows on the basis of remittances from foreign countries amounted to KM 2.82 billion, so, compared to the previous year, the inflow increased by KM 250.4 million (9.7%). So, in 2019, the growth rate of the workers' remittances inflow was quite high, despite the slowdown of the economies which we record the highest inflow of remittances from, the global slowdown being visible as early as from the second half of 2019. The pensions, as the second most important inflow in the secondary income account amounted to KM 1.24 billion, so the inflow on this basis was increased by 3.8%. So, although we recorded a considerable trade deficit, the surplus in the secondary income and services accounts covered more than 85% of the commodity deficit.

Graph 1.34: Current Account and Balance of its Components

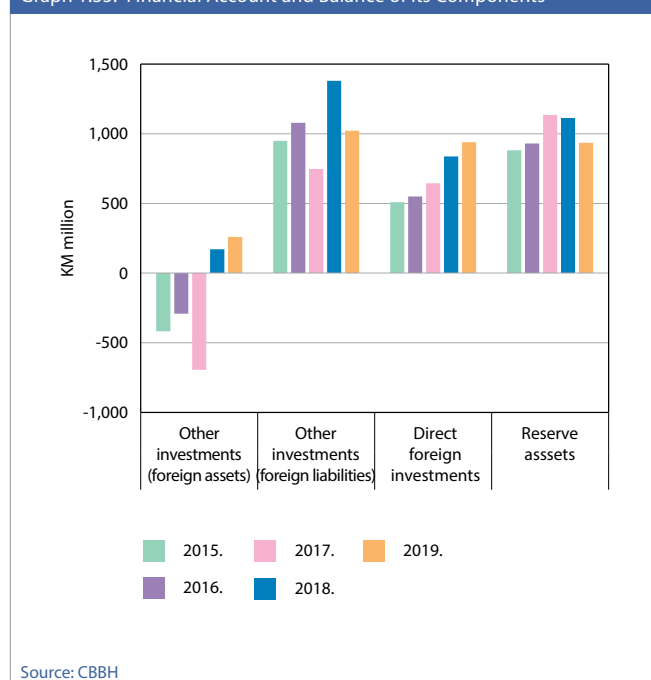


The funds needed to cover the deficit of current transactions were recorded through the financial account. In 2019, the current account deficit was financed by the inflow of foreign

direct investment and additional private sector borrowing in the form of loans and trade loans. The inflow based on foreign direct investment in 2019 was KM 939.4 million, which was the increase of 12.1% at the annual level. More than half this amount was related to reinvested earnings, which amounted to KM 479.7 million during the previous year (Graph 1.35). Although foreign direct investment increased at the annual level, the foreign direct investment over the observed year was far below the inflow level recorded prior to the financial crisis.

The volume of transactions with foreign countries was such that it led to the decrease of financial assets of enterprises and households by only KM 252.7 million, while the banking sector increased financial assets by KM 419.2 million. The inflow in the form of trade loans as one of the forms of corporate borrowing amounted to KM 628.5 million, with the annual inflow slightly increased. Other forms of corporate borrowing, long-term loans, amounted to KM 354.2 million, which was a decrease of the inflow on this basis compared to the previous year. During the observed year, the debt repayment by the government sector exceeded the new debt by KM 33.9 million. Financial liabilities of banking sector slightly increased by KM 74.2 million. The total inflow of funds was higher than the current account deficit, so reserve assets increased in the amount of KM 935.0 million (Graph 1.35).

Graph 1.35: Financial Account and Balance of its Components

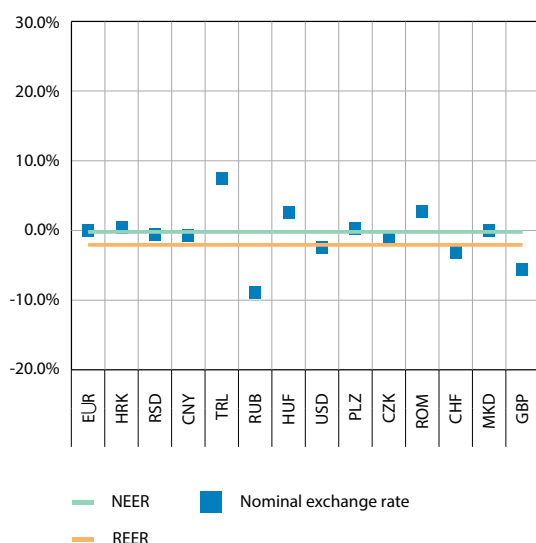


// Nominal and real effective exchange rates

Following a several year long appreciation trend of the nominal effective exchange rate of KM (NEER), in 2019, the trend changed. In the first half of the year, NEER recorded a slow growth of the value compared to the end of 2018, while a depreciation trend was recorded in the second half of the year. Both real effective exchange rate (REER-CPI) and NEER indicated a depreciation of KM against the currencies of the main trade partners (2.0% and 0.2% respectively)

over the previous year, with the currencies in order of the significance of the respective country in trade exchange (Graph 1.36). The depreciation of NEER was brought about by the nominal depreciation of KM against the currencies of developing countries, resulting from the trend of EUR (our peg currency) against US dollar, i.e. the strengthening of US dollar, which was more intensive in the second half of the year, due to the slowdown of growth of leading European economies. The convertible mark depreciated in nominal terms against US dollar by 2.4%, against Swiss franc by 3.2% , against British pound by 5.6% and Russian ruble by 8.9%.

Graph 1.36: Annual Changes of Exchange Rate, December 2019



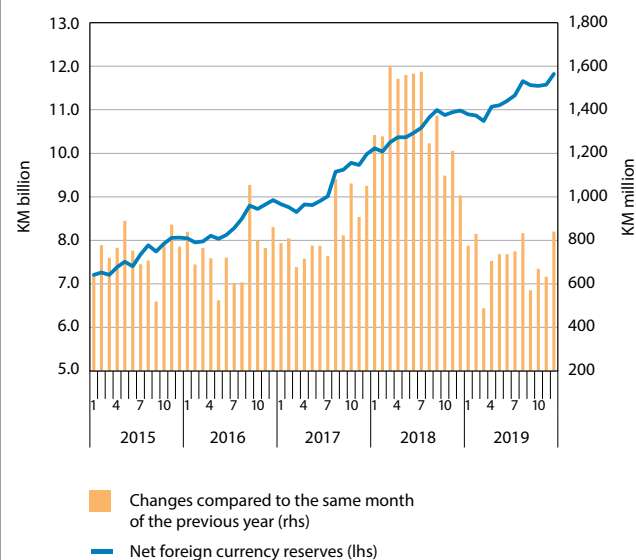
Source: CBBH

Real effective exchange rate of KM, measured by consumer prices (REER-CPI), had a stronger depreciation trend than REER-PPI, while both indices recorded increases of their values due to seasonal effect in the last two quarters.

2 REPORT ON THE CBBH ACTIVITIES IN 2019

In 2019, the upward trend of the foreign exchange reserves continued, but at a weaker intensity compared to 2018 (Graph 2.1). It should be taken into account that on the average, the foreign exchange reserves were each month higher by more than KM 700 million compared to the values recorded in 2018. In December 2019, the net foreign exchange reserves amounted to KM 12.60 billion and they increased by KM 974.0 million (8.38%) compared to December 2018.

Graph 2.1: CBBH Foreign Currency Reserves



Source: Table 26, CBBH

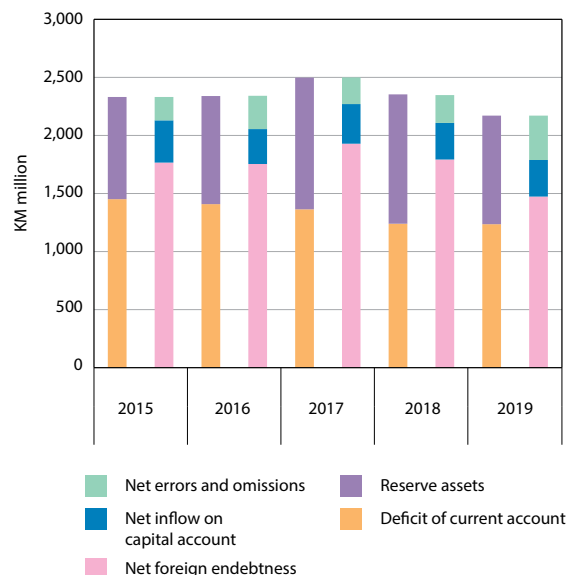
The changes in the value of the CBBH portfolio due to market conditions in 2019 had a positive impact on the foreign exchange reserves. Due to further decline of yields on securities from the investment portfolio into the negative zone, and to a lower extent due to the CBBH investment policy, and slightly also due to the growth of the price of gold in international markets, the investment portfolio value increased by KM 133.86 million in 2019. Such market trends were nevertheless quite unfavourable from the view of the foreign exchange reserve investment income, which will be explained in details in Section 2.3.

All balance of payments transactions which affected the change of the foreign exchange reserve level were reflected in KM purchase and sale with banks and internal depositors. During 2019, the CBBH recorded a positive balance of purchase and sale of KM with commercial banks and internal depositors in the amount of KM 840.1 million.

Graph 2.2 shows that, in general, in case of BH, reserve assets (foreign exchange reserves) increased due to the net external debt increase (significantly above the current

account deficit). The reserve assets are presented in the left hand column in each period, together with the current account deficit, as in BH context, it represents money flows to foreign countries. In the right hand column, flows from foreign countries to BH are presented for each period, along with net foreign debt and inflows in the capital account, being approximately at the same level for years, as well as net mistakes and failures.

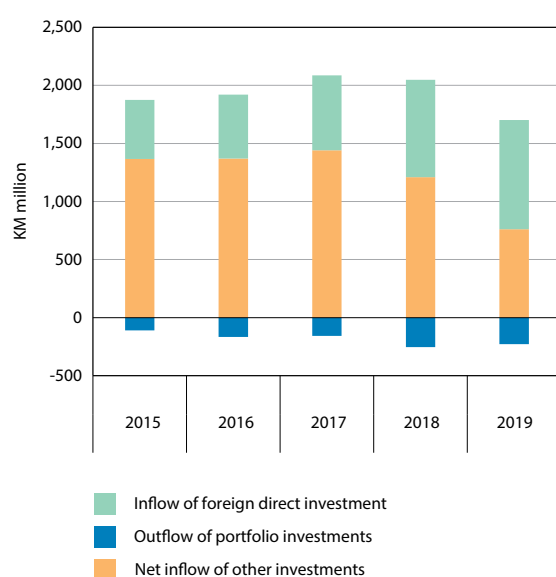
Graph 2.2: Influence of Balance of Payments Items on Growth of Foreign Currency Reserves



Source: CBBH

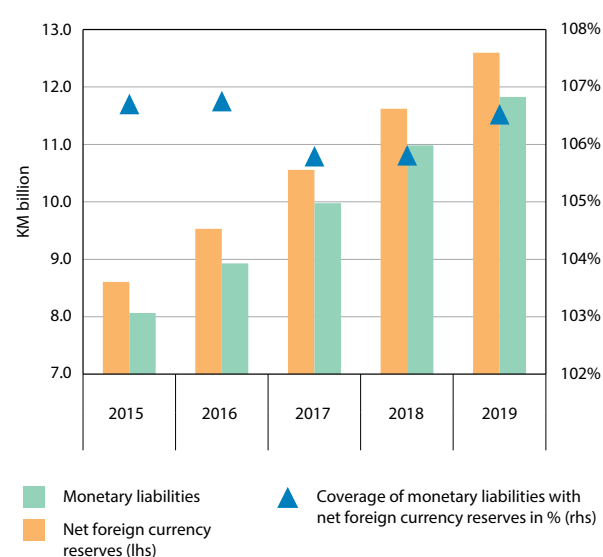
Net foreign debt is a sum of direct, portfolio and other investment. Over the previous two years, there were some changes in the net foreign debt structure. The share of foreign direct investments in the total foreign debt increased, while inflows in other investments were lower. The same as in the previous years, in 2019, despite the foreign direct investment growth, the share of retained earnings was quite high, which did not impact the foreign exchange reserves, as half of foreign direct investment was in the form of retained earnings. In 2019, the net inflows on the basis of other investments decreased compared to the previous year. Regarding other forms of borrowing impacting the foreign exchange reserves, corporate loans in foreign countries were significant. The government sector borrowing, which had a significant effect on the foreign exchange reserves in the earlier years, in 2019 did not take place, i.e. the net effect of the government debt was negative, as the debt repayment amount exceeded the external government borrowing amount. The currency and deposits through the net financial assets and liabilities influenced banks to increase their investments abroad, while regarding liabilities, banking sector recorded an inflow in the amount of KM 74.3 million (Graph 2.3).

Graph 2.3: Structure of Net Foreign Endebtness



Source: CBBH

Graph 2.4: Coverage of Monetary Liabilities with Net Foreign Currency Reserves



Source: Table 26, CBBH

2.1 MONETARY POLICY

In 2019, the CBBH also fulfilled its objective defined by the Law, the issuing of the local currency according to the currency board arrangement. According to Article 31 of the CBBH Law, it is obliged to ensure that the overall amount of its monetary liabilities should never exceed the equivalent amount of its net foreign exchange reserves, which was completely fulfilled.

According to the Law, the total amount of monetary liabilities of the Central Bank is always the sum of:

- (A) all the banknotes and coins put in the circulation by the head office, main units and other branches of the Central Bank, and
- (B) credit balances of all the accounts held in the books of the Central Bank and its organisational units by resident account holders.

In the end of 2019, the net foreign assets amounted to KM 771.2 million⁷, which was higher by KM 133.0 million (20.85%) compared to the balance recorded in the end of 2018. The net foreign exchange reserves in the end of 2019 amounted to KM 12.60 billion and they increased by KM 974.0 million (8.38%) compared to the end of 2018. The monetary liabilities in the same period increased by 7.66%, i.e. KM 840.9 million.

The net foreign assets represent a buffer from shocks which might have a negative impact on the market value of financial instruments which foreign exchange reserves were invested in. The currency board coverage rate in the end of 2019 was higher compared to the end of the previous year (Graph 2.4).

2.2 RESERVE ACCOUNTS WITH THE CBBH

The only instrument of the CBBH monetary policy is required reserve. During 2019, the CBBH did not change the required reserve rate or the coverage of the required reserve base. The required reserve rate was kept at 10%, being applicable for all domestic and foreign liabilities of banks. However, the rate of remuneration on excess holdings above the required reserve since May was made equal with the ECB deposit rate, meaning it was decreased from -20 bp to -40 bp. Due to the introduced automatic adjusting of the remuneration rate on excess reserves, it amounted to -50 bp since the end of September, due to the changes in the ECB benchmark rate policy. The rate of remuneration on required reserve remained unchanged at 0%.

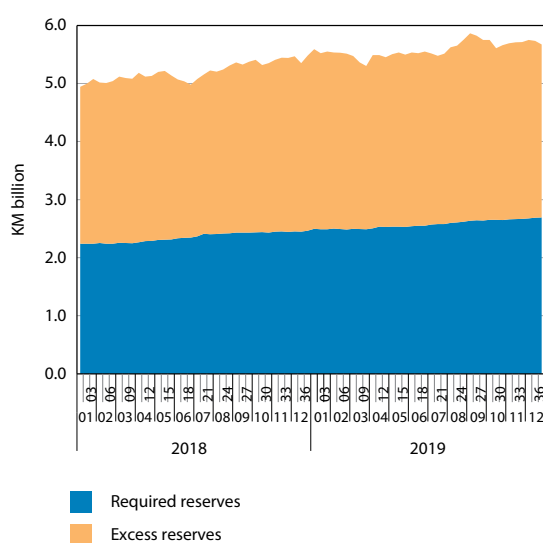
The required reserve system in 2019 included 24 banks, all of them fulfilling the reserve requirement. The upward trend of the required reserve base was continued in 2019. In the latest calculation period in 2019, the required reserve base amounted to KM 26.93 billion, with the annual increase of KM 2.28 billion (9.25%). Consequently, the growth of the average required reserve was recorded in the account with the CBBH. In respect of the currency structure of the required reserve base, the growth trend of the base in KM was continued, which in the last calculation period in 2019 accounted for 58.96% of the total base (+2.71 percentage point compared to the last calculation period in 2018). A certain level of euroisation in BH is natural due to the currency board arrangement, structure of the banks funding sources and the regulatory requirements related to the management of foreign exchange risk in banks. However, a strong growth of domestic sector deposits in KM, particularly those of

⁷ Temporary data, published on 23 January 2020 on the CBBH web site before confirmed by independent external auditor.

households, with a moderate growth of banks' foreign liabilities, does not indicate the preference of domestic sectors towards foreign currencies.

The required reserve balance amounted to KM 5.67 billion (Graph 2.5) in the last calculation period in 2019. Compared to the last calculation period in 2018, it increased by KM 191.1 million (3.49%). Due to the growth of the required reserve base, the balance increased by KM 228.0 million, excess reserves slightly decreased obviously (KM 36.9 million or 1.22%) over the observed period. Yet, excess reserves at the end of 2019 significantly exceeded the level of funds required by the CBBH regulations.

Graph 2.5: Balance of Reserve Accounts with the CBBH

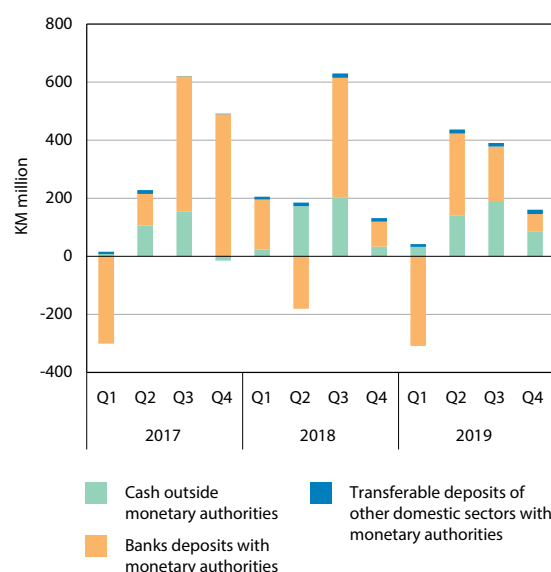


Source: Table 17, CBBH

Changes in the commercial banks' accounts balances with the CBBH during 2019 mainly brought about reserve money changes (Graph 2.6)⁸. Consequently, reserve money changes resulted in the changes in the CBBH foreign exchange reserve level. Unlike earlier years, a relative impact in changes of cash outside monetary authorities increased and was particularly strong in the fourth quarter of 2019. It is important to mention that the quantity of KM outside commercial banks was almost the same as in the third quarter of 2019, but the quantity of KM currency in banks' vaults increased. One of the reasons for holding larger quantities of KM cash in banks' vaults was the additional increase of the remuneration on holding excess reserves in accounts with the CBBH, which was introduced in the third quarter. Yet, based on the amount of banks' deposits with monetary authorities, most banks did not decide to make such reallocation of liquid assets.

⁸ Reserve money does not represent the total liabilities of the Central Bank, but certainly includes their major part (see Table 11). The two items which are also counter items of the foreign exchange reserves, which are not included in composition of reserve money are central government deposits, shares and other capital.

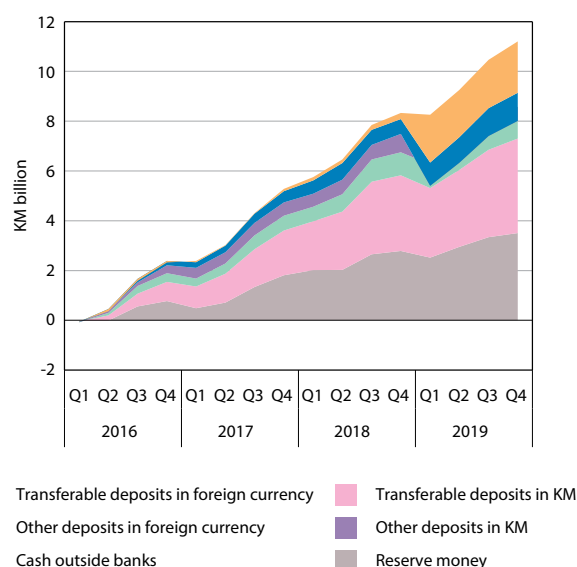
Graph 2.6: Changes of Reserve Money Components Compared to the End of the Previous Quarter



Source: CBBH, Table 09, own calculations

Changes in reserve money and transferable deposits in KM, which are parts of the monetary aggregate M1, are the main reasons of changes in the total money supply. Excluding the effects of the methodology change in the classification of commercial banks' assets and liabilities indexed to foreign currencies, since January 2019, no other item of monetary aggregates had even a similarly important impact on monetary aggregate changes (Graph 2.7). The highest increase of transferable deposits in KM was still recorded with the household sector. Due to the growth of this item of liabilities, liquid assets in the form of foreign assets as a rule increased as well (Table 10) both with banks (see the section on banking sector) and with the CBBH (through the increase of reserve account balances with the CBBH).

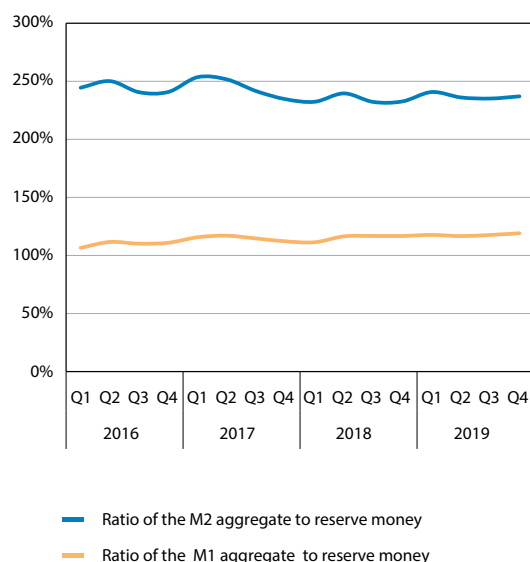
Graph 2.7: Changes of Monetary Aggregates Compared to the End of Fourth Quarter of 2015



Source: Table 09, CBBH

Due to rather unchanged trends of money supply components, changes were not recorded in money multiplication pace either (Graph 2.8). Without a significant maturity transformation of domestic sector deposits, primarily caused by the level of interest rates on domestic sector deposits, and also stronger lending activity, a stronger growth of money multiplier cannot be expected either.

Graph 2.8: Monetary Multiplication



Source: Table 09, CBBH

2.3 FOREIGN EXCHANGE RESERVE MANAGEMENT

The process and results of the CBBH foreign exchange reserve management in the period 2012-2019 were mainly determined by the financial markets trends, where, according to the Law on the CBBH and the defined strategic structure of reserves, funds are invested in a foreign convertible currency. Short-term interest rates in 2019 further declined, unlike their stagnation during 2017 and 2018, so their downward trend, which had been stronger in earlier years (Table 2.1), was continued. The yields on medium-term and long-term euro area countries' sovereign bonds had a strong declining trend in 2019, as different from their growth and instability throughout 2017 and 2018 (Table 2.1).

The market yields on EUR denominated sovereign bonds, including the EU periphery countries, during 2019, were exceptionally low and mainly negative, mainly as a consequence of the ECB quantitative easing. After quantitative easing had been introduced again, market yields started to go down again, which was additionally affected by the concern related to global economy, the tensions related to the USA trade wars and other geopolitical tensions. The decline of market yields contributed to further decline of the weighted average net interest rate (Table 2.1).

According to the CBBH Law and appropriate internal regulations (investment guidelines, strategic asset allocation and risk rules and parameters), the CBBH manages its foreign exchange reserves based primarily on the principles of safety and liquidity of investments. According to Article 34 of the CBBH Law, it is not possible to invest more than 50% of the total unimpaired capital and reserves into currencies other than EUR, so, the CBBH invests more than 95% of the foreign exchange reserves into EUR denominated financial instruments. In the interbank market of the euro area, during 2019, the trend of negative yields and interest rates was continued, so the CBBH needs to accept negative and low market yields on government debt securities and negative interest rates on foreign exchange deposits with foreign banks, implying lower net income from the foreign exchange reserves investing.

The decisions on the foreign exchange reserves management and investment are made at three levels within the CBBH organisation: strategic level – the Governing Board, tactical level – the Investment Committee and operative level – competent departments of the Sector for monetary operations, management of foreign exchange reserves and cash. The Governing Board defines investment guidelines, defining the maximum risk appetite, the optimal risk and return trade-off, strategic asset allocation, investment restrictions, investment periods and the benchmark for performance assessment. The Investment Committee operates within the obligatory legal restrictions and the Investment Guidelines adopted by the Governing Board and risk rules and parameters related to the foreign exchange reserve investment. Decision making and responsibility for daily management of foreign exchange reserves is at the operative level, working according to the guidelines and risk rules and parameters.

Table 2.1: Average Weighted Interest Rate on the CBBH Foreign Exchange Reserves and Average Market Interest Rates and Yields on Government Bonds in the Euro Area

	PPKS	ECB - Main Refinancing Rate (MROR)	EURIBOR		EUR bonds		
			1m	3m	2 years	3 years	5 years
2013	0.48	0.55	0.13	0.22	0.88	1.19	1.85
2014	0.43	0.16	0.13	0.21	0.31	0.46	0.96
2015	0.34	0.05	-0.07	-0.02	-0.04	0.07	0.40
2016	0.22	0.01	-0.34	-0.26	-0.32	-0.25	0.01
2017	0.18	0.00	-0.37	-0.33	-0.39	-0.24	0.18
2018	0.16	0.00	-0.37	-0.32	-0.13	0.08	0.46
2019	0.11	0.00	-0.40	-0.36	-0.27	-0.18	-0.02

Source: Bloomberg, CBBH

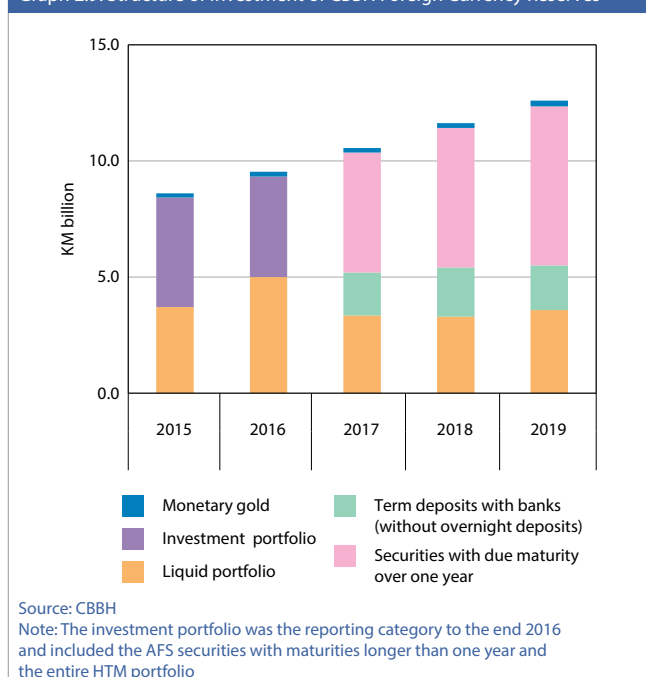
The foreign exchange reserve portfolio is primarily exposed to financial risks as it follows: interest risk, credit risk, liquidity risk and foreign exchange risk. With purpose of managing interest rate risk, i.e. the risk of decrease of the market value of the foreign exchange reserve portfolio due to adverse interest rate trends, the target modified duration of the foreign exchange reserve portfolio and allowed deviations are defined, the Value at Risk is monitored and the maximum allowed deviation of the portfolio return from the benchmark portfolio return is defined. The CBBH restricts the exposure to credit risk by investing primarily in the bonds of the selected countries of the euro area and by placing deposits with the selected central banks in the euro area and the Bank for International Settlements (BIS), and the selected foreign commercial banks, which need to meet the suitable counterparty standards. The basic principle in managing credit risk is an appropriate criterion for selecting counterparties and fixed income debt securities and restricting too high concentration of credit risk exposure to a particular counterparty. The mentioned standards and restrictions are considered and updated when necessary, taking care of official evaluations of the leading rating agencies in the world and indicators obtained by applying internal methods for assessing credit risk. The foreign exchange risk is a risk of the change of the value of foreign exchange assets and liabilities due to the changes of the exchange rates of the currencies in which foreign exchange reserves are held in relation to the local currency. The foreign exchange risk management is carried out primarily through the CBBH assets and liabilities currency structure adjustment. The liquidity risk management is based on the assessment of potential needs for liquidity and identification of liquid financial instruments. The instruments providing daily liquidity are overnight deposits and funds in current accounts with counterparties which meet the credit risk criteria as well as the assets due on the basis of all the instruments.

The foreign exchange reserve structure in the end of 2019 (Graph 2.9) included: term deposits with banks (without overnight deposits) with the share of 15.22%; liquid portfolio with the share of 28.42%; the portfolio of securities with more than one year to maturity with the share of 54.35% and gold with the share of 2.02%. In the end of 2019, liquid portfolio included: current accounts with banks (6.31% of the total foreign exchange reserves); overnight deposits (3.10% of the total foreign exchange reserves); cash in the vaults of the CBBH (2.56% of the total foreign exchange reserves); the IMF special drawing rights (below 0.1% of the total foreign exchange reserves) and securities with one year or less to maturity (16.44% of the total foreign exchange reserves). The securities with one year and less to maturity, as the largest item of liquid portfolio, amounted to KM 2.07 billion in the end of 2019. Current accounts with banks, as the second largest item of liquid portfolio, in the end of 2019, amounted to KM 795 million.

Fixed income securities, presented at market value, in the end of 2019, accounted for 70.79% of the total foreign exchange reserves, which was higher by 4 bp compared to the end of 2018. With purpose of protection against credit risk, investments are made in the securities of the selected European countries, with the restriction applied to the maximum share of debt instruments for each particular country.

The funds deposited with non-resident banks in the end of 2019 increased at the annual level by KM 189.50 million (6.50%). The funds invested in fixed income securities increased by KM 691.97 million (8.41%).

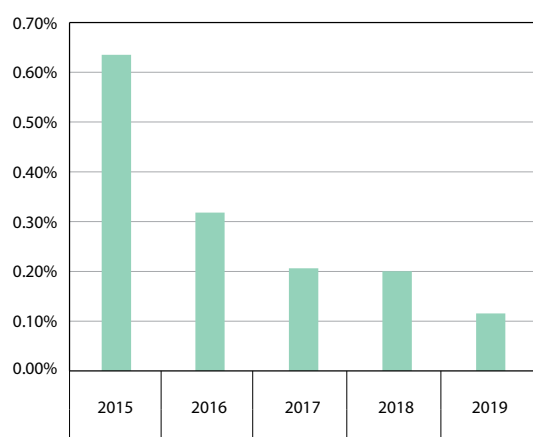
Graph 2.9: Structure of Investment of CBBH Foreign Currency Reserves



The combined net effect on the profit and loss statement of all the investments of the CBBH foreign exchange funds into a convertible foreign currency and monetary gold (net monetary foreign exchange income) amounted to KM 13.96 million, and expressed through the effective yield rate⁹ for the period 01 January-31 December 2019, it amounted to 0.12% (Graph 2.10). Rather low recorded rates of return on investments in a convertible foreign currency resulted from: low and/or negative rates of yields on securities, negative interest rates on short-term deposits in euro, prevailing in financial markets since 2017, and a change in the foreign exchange reserve investment policy in respect of decreasing exposure towards the euro area periphery countries, having significantly higher yield rates on public debt instruments compared to the average level of the euro area.

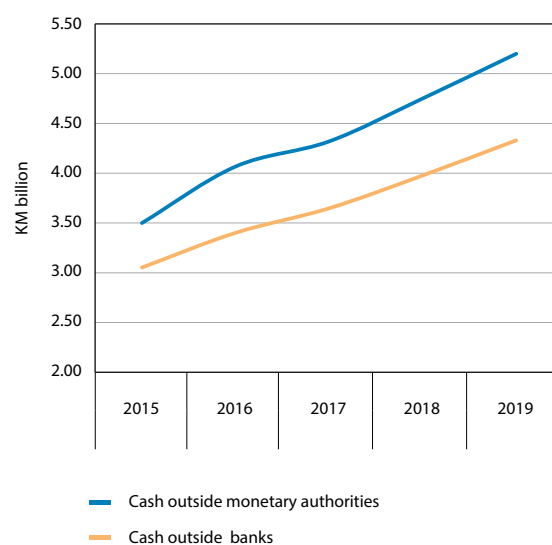
9 Effective yield rate was calculated by dividing the total net effects of foreign exchange reserve investment (in gold and convertible foreign currency) with the average foreign exchange reserve position over the observed period. In calculating the total net effects of foreign exchange reserve investment, all net income from interest on securities and deposits, and realized net capital gains/ losses from the sale of securities from the CBBH foreign exchange reserve portfolio were taken into account.

Graph 2.10: Average Annual Yield Rates on CBBH Foreign Currency Reserves



Source: CBBH

Graph 2.11: Cash outside Monetary Authorities and Banks



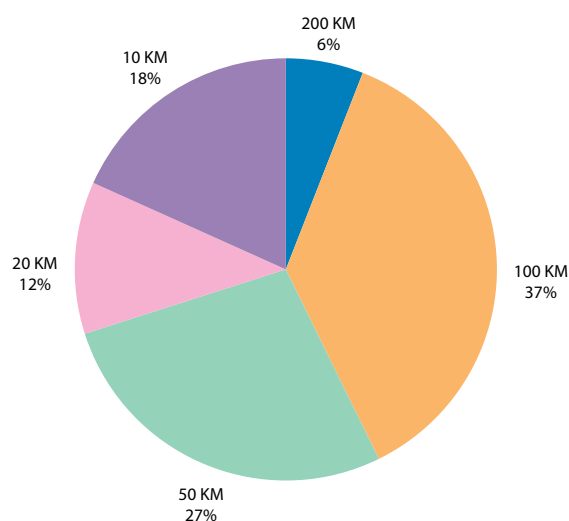
Source: Table 38, CBBH

2.4 CASH MANAGEMENT

On 31 December 2019, the balance of cash in circulation (outside banks) was KM 4.33 billion (Graph 2.11), which was higher by 8.87% compared to 2018. This was a continuation of the growth trend from the earlier years. The increase of banks' demand for cash remained primarily the result of increased demands of customers for cash. This was supported by the data on card transactions, indicating the continuing preference of citizens to use cash payments. Out of the total value of card payments in the country in the amount of KM 11.16 billion, cash in the amount of KM 7.75 billion was withdrawn by ATMs (69.44% of the value). The additional demand for cash was also stimulated by low interest rates on deposits, particularly short-term ones, which minimised the opportunity cost of cash holding. In 2019, KM cash in banks' vaults continued to increase, partly as a consequence of the negative remuneration on excess reserves.

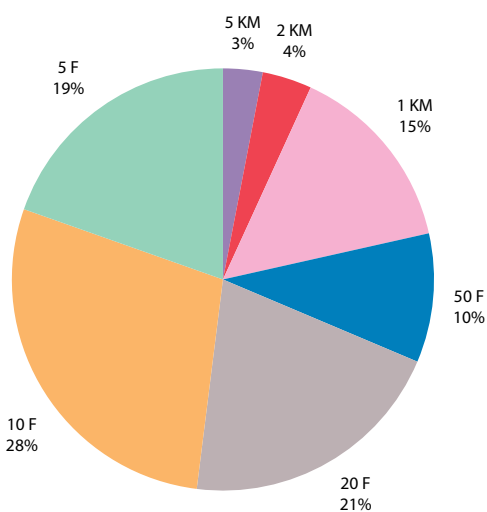
Outside the CBBH, in the end of 2019, there were KM 75.2 million banknotes and KM 394.2 million coins, in the total value of KM 5.2 billion, which was higher by 9.5% compared to 2018. In respect of the denomination structure of currency outside the CBBH, the largest shares were taken by KM 100 and KM 50 banknotes, and F10 of all coin denominations (Graphs 2.12 and 2.13).

Graph 2.12: Denomination Structure of Banknotes



Source: CBBH

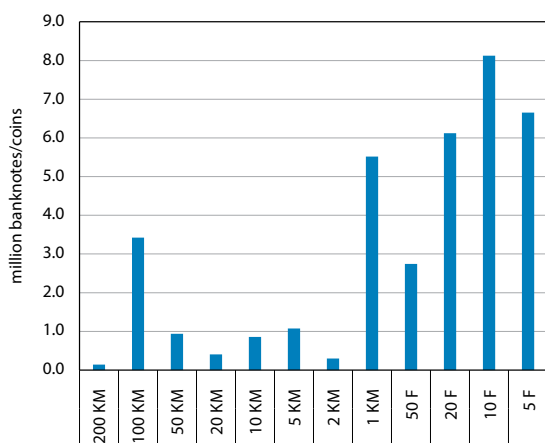
Graph 2.13: Denomination Structure of Coins



Source: CBBH

Compared to 2018, the number of banknotes outside the CBBH increased by 5.8 million pieces (8.3%), in the total value of KM 434.1 million (Graph 2.12). The quantity of coins outside the CBBH in the same period increased by 30.5 million pieces (8.4%), in the total value of KM 15.2 million (Graph 2.14).

Graph 2.14: Increase in Number of Banknotes and Coins, per Denomination Structure, Compared to 2018

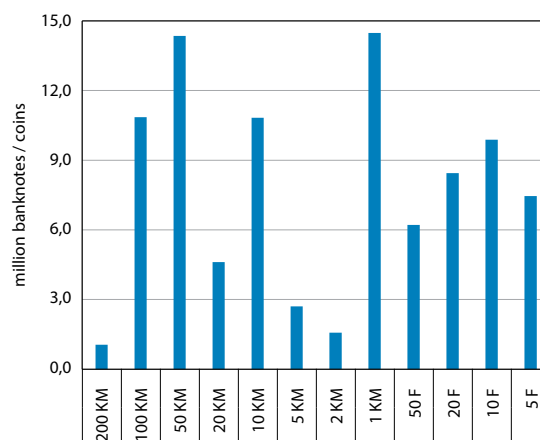


Source: CBBH

The supply of commercial banks with cash was carried out by the field vaults of the CBBH main units and branches, located in Sarajevo, Banja Luka, Mostar and Brčko, with the strict adherence to the currency board arrangement. During 2019, 41.7 million pieces of banknotes and 50.7 million

pieces of coins in the total value of KM 2.25 billion was issued to commercial banks during 2019 (Graph 2.15).

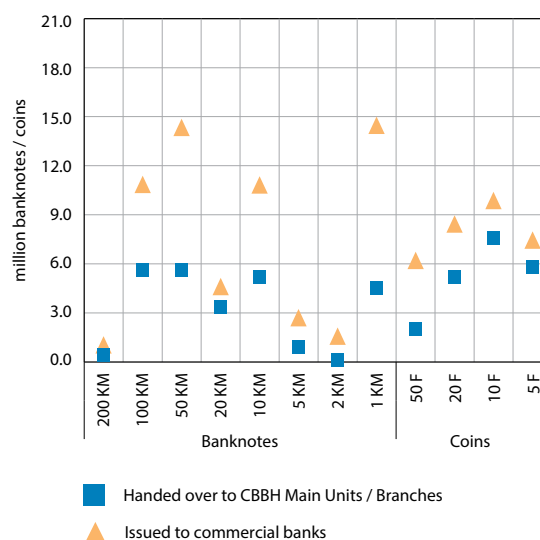
Graph 2.15: Banknotes and Coins Issued in 2019, per Denomination Structure



Source: CBBH

Over the same period, 20.2 million pieces of banknotes and 26.1 million pieces of coins in the total value of KM 1.05 billion was issued from the HO Cash Management Department to the main units and Brčko Branch (subsidiaries). Graph 2.16 below implies that the CBBH took care of commercial banks' claims for cash in the appropriate denomination structure. As commercial banks also returned significant amounts of cash into the CBBH vaults, subsidies to the CBBH main units/branches were considerably lower, as rule.

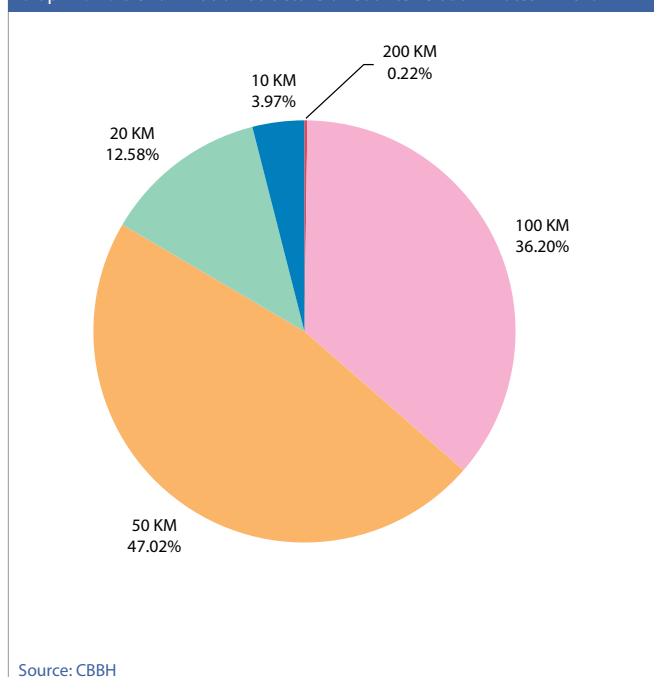
Graph 2.16: Issuance and Hands-over of Cash (KM) in 2019



Source: CBBH

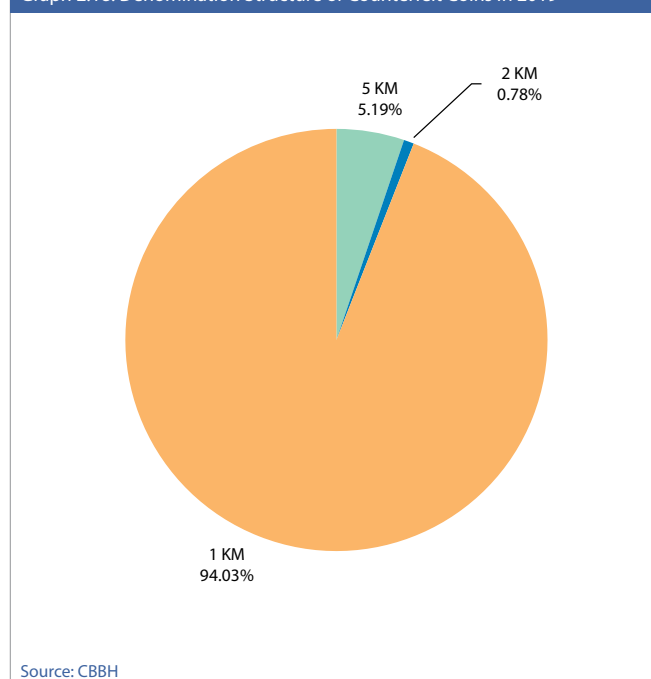
The CBBH continuously withdraws banknotes unfit for circulation, which are destroyed according to the applicable regulations. By withdrawing unfit banknotes and putting banknotes of new series into circulation, the CBBH maintains the appropriate quality of money in circulation. In 2019, 10.5 million of pieces of banknotes and 5,484 coins unfit for circulation were destroyed.

Graph 2.17: Denomination Structure of Counterfeit Banknotes in 2019



In 2019, 453 counterfeited banknotes of KM were registered in the CBBH, which was lower by 14.8% compared to 2018. 1,156 of counterfeited KM coins were registered, which was lower by 24.8% compared to 2018. According to the denomination structure, most counterfeited banknotes were recorded in the denomination of KM 50 (Graph 2.17), and most counterfeited coins in the denomination of KM 1 (Graph 2.18).

Graph 2.18: Denomination Structure of Counterfeit Coins in 2019



2.5 PAYMENT SYSTEMS MAINTENANCE

The legal obligation of maintaining appropriate payment and settlement systems was met by the CBBH in 2019 as well: the payment system in the country was functioning smoothly, through the systems of giro clearing and real time gross settlement (RTGS); the Central Registry of Credits (CRC) and Single Registry of Business Entities' Accounts (SRBEA) were maintained, and international clearing of payments with foreign countries was performed as well.

In 2019, a decline of the number of transactions was recorded, along with the increase of the total value of transactions in the payment system compared to the previous year (Table 2.2). Compared to 2018, the growth of both the number and the value of interbank transactions through the systems of giro clearing and RTGS was recorded (Table 20 in Statistical Appendix). As in earlier periods, most transactions in interbank payment system was carried out in a lower number of banks, 50.99% of the total value and 52.30% of the total number of transactions in the payment system in 2019 was carried out through five banks.

Table 2.2: Payment Transactions through Commercial Banks

	Interbank Transactions	Change Compared to the Previous Year	Transactions within a Bank	Change Compared to the Previous Year	Total	Change Compared to the Previous Year
Number, in millions						
2016	40.0	2.3%	63.7	0.8%	103.7	1.4%
2017	41.1	2.8%	68.4	7.4%	109.5	5.6%
2018	42.3	3.0%	58.8	-14.0%	101.2	-7.6%
2019	43.6	3.0%	56.8	-3.5%	100.4	-0.8%
Value, in KM billion						
2016	88.38	3.8%	92.74	-7.0%	181.12	-2.0%
2017	96.24	8.9%	117.10	26.3%	219.77	17.8%
2018	102.67	6.7%	115.44	-1.4%	218.11	-0.8%
2019	123.04	19.8%	113.37	-1.8%	236.41	8.4%

Source: CBBH

Since 2019, card payments by internet were included in the survey on card transactions (Table 2.2). Card payments increased compared to 2018. Out of the total increased turnover at ATMs compared to 2018 (KM 585.1 million; Table 2.3), 48.4% was related to transactions made by cards issued in BH (Table 2.4). Out of KM 127.9 million (Table 2.4) of the increase of turnover on POS terminals compared to 2018, KM 111.9 million (87.6%) was related to the annual growth of transactions made by cards issued in BH.

Since 2018, the card brand with the largest share in use in BH has been Mastercard (Table 2.5). The highest number of issued cards were still debit cards, the share of which was 80.8% in 2019.

Banks worked constantly on introducing a higher number of ATMs and POS terminals. Out of the total of 31,290 devices for card payments and cash withdrawals, 1,640 were ATMs (+43 compared to 2017), 28,796 were POS terminals for trade (+1315 compared to 2018), and 854 devices were POS cash terminals (+96 compared to 2018). A strong upward trend of the number of internet banking users or users of some kind of e-banking, particularly for households, continued. Compared to 2018, the number of e-banking users increased by more than 114 thousand customers (17.0%).

The CBBH contributed to financial stability also by maintaining the Central Registry of Credits (CRC) which, during 2019, was updated on daily basis by 25 banks, 33 microcredit organisations and 17 leasing companies and other institutions. Compared to 2018, the number of access points increased by even 190 to the number of 1,720. The

Table 2.3: Survey of Transactions by Cards at ATMs and POS terminals

	2015	2016	2017	2018	2019
POS, in KM billion	1.96	2.55	2.76	3.12	3.25
Change compared to the previous year	7.0%	30.2%	8.2%	13.2%	8.2%
ATMs, in KM billion	5.71	6.24	6.75	7.16	7.75
Change compared to the previous year	6.7%	4.9%	8.2%	6.1%	4.3%
Total, in KM billion					157.4
Change compared to the previous year	7.66	8.79	9.51	10.29	11.16
Promjena u odnosu na prethodnu godinu	0.07%	0.11%	0.08%	0.08%	0.09%

Source: CBBH

Table 2.4: Realized Values by Cards on Residence Principle

Year	Withdrawal of Cash		Purchase of Goods and Services at POS Terminals	Total
	ATMs	POS terminals		
Realised values of foreign cards in BH, in KM million				
2015	911.9	61.3	327.8	1,300.9
2016	995.4	79.6	394.7	1,469.7
2017	1,177.9	35.0	527.3	1,740.2
2018	1,346.7	43.7	650.2	2,040.6
2019	1,648.8	59.6	833.5	2,542.0

Realised values in foreign countries of cards issued in BH, in KM million

2015	143.3	8.0	277.5	430.8
2016	155.5	1.9	336.2	493.7
2017	147.4	1.7	380.3	529.5
2018	146.7	2.0	474.0	622.7
2019	165.3	3.0	426.8	595.1

Source: CBBH

Table 2.5: Shares of Cards by Brands

Year	Visa	Mastercard	American	BamCard	Diners	Total
2015	1,253,784	742,265	6,913	10,094	163	2,013,219
2016	1,124,181	898,914	7,471	11,714	0	2,042,280
2017	1,001,137	983,194	7,246	9,844	3,792	2,005,213
2018	870,018	1,252,486	7,123	10,369	13,350	2,153,346
2019	757,775	1,348,275	7,304	12,280	12,970	2,138,604

Source: CBBH

change in the number of access points was mainly caused by the increase of the number in commercial banks, which, with 1,445 access points (81 more than in 2018) remained the most significant users of the information stored in CRC.

In SRBEA, there were 239,188 active and 95,593 blocked accounts in the end of 2019. SRBEA was accessed via 1,946 access points, out of them, 1,760 belonging to banks, 38 to MCOs, 29 to leasing companies and insurance companies and 119 to other institutions. During the previous year, the CBBH organisational units issued the total of 9,289 statements from SRBEA.

In 2019, the CBBH also performed the international clearing of payments between BH and Serbian banks. Through the clearing system of international payments with Serbia, the total of 11,931 orders were sent (+9.93% compared to 2018), the value of which was EUR 265.126 million (+18.30% compared to 2018).

2.6 FISCAL AGENT ROLE

According to the Law on the CBBH (Article 4) and the Law on Debt, Debt Issuance and Guarantees of BH, it has been defined that the CBBH would provide banking services, i.e. perform transactions at the order of the Ministry of Finance and Treasury of BH (MFT BH) related to BH foreign debt servicing and act as a fiscal agent for the membership of BH in international financial institutions. On the basis of the Agreement on Performance of the Banking and Fiscal Agent Operations between the CBBH and the MFT BH, the CBBH continued to carry out the banker, depositary, representative in payments and fiscal agent duties in 2019. Such service in 2019 included local and foreign payment transactions, deposit account management, and the conversions of funds related to loans and donations based on contracts concluded by the BH Council of Ministers with international financial institutions, the operations arising from arrangements and membership of BH in international financial institutions and foreign debt servicing. Due to rather unfavourable conditions in international financial markets during 2019, MFT BH did not send any orders for investing foreign exchange funds.

The CBBH provides banking services and performs transactions at the order of the MFT BH related to BH foreign debt servicing. The MFT BH is in charge of implementing the procedures for issuing debt and managing sovereign debt, it provides the coverage of the liabilities in the local currency and keeps the data base on BH foreign debt. The roles of the CBBH and the MFT BH related to BH foreign debt servicing are defined by the CBBH Law and the Law on Debt Issuance, Debt and Guarantees of BH, the Law on BH Institutions Financing, the Law on BH Indirect Taxation System and the Law on the Payments in the Single Account and the Revenue Allocation.

The operations, tasks, competences and mutual relations between the MFT BH and the CBBH have been defined by the bilateral Agreement on BH Foreign Debt Servicing, concluded by the two institutions for the first time in 2001 (the latest version concluded in 2013). According to the provisions of the mentioned Agreement, the CBBH is in charge of:

- Timely providing of the needed amounts in foreign currencies for the payment of due liabilities;
- Timely and accurate performance of payments on the basis of orders/instructions of the BH Ministry;
- Correspondence with foreign banks and creditors related to the payment of liabilities, and;
- Reporting to the MFT BH on all the performed transactions.

The funds needed for the foreign debt servicing in the local currency are provided by the MFT BH from the Indirect Taxation Authority (ITA) and/or through direct payments of the end users of loans. The Annual Plan of the funds needed for foreign debt servicing is a part of the document "Budget of BH Institutions and International Liabilities", which is adopted by the Parliamentary Assembly of BH. According to the concluded Agreement on Performance of the Banking and Fiscal Agent Operations between the CBBH and the ITA, and on the basis of the Law on the Payments in the Single Account and the Revenue Allocation, the keeping of the single ITA account for collecting the revenues from indirect taxes was continued during 2019. According to this arrangement, commercial banks transfer, on daily basis, all the collected revenues in the account for recording, holding and allocation of the ITA revenues with the CBBH, and then, those revenues, at the order of the ITA, are allocated on daily basis to several accounts based on various purposes according to the legal regulations and the order of the ITA. On the basis of the Law on Excise Duties, the process of collecting funds paid on the basis of tolls in the account of the ITA with the CBBH was continued in 2019, as well as the allocation of these funds at the order of the ITA to the entities and Brčko District.

The CBBH is a fiscal agent and has performed transactions related to the membership and arrangements of BH with the IMF since 2002, on the basis of the decision of the Council of Ministers of BH which was published officially in the official gazettes of BH. The mutual relations, competences and proceeding of the five institutions in BH (the CBBH, the MFT BH, the Federal Ministry of Finance, the Ministry of Finance of Republika Srpska and the ITA) regarding the financial arrangements with the IMF have been defined by the Memorandum of Understanding (the first one was concluded in 2002, the one in effect is from 2016). The CBBH is a depositary for accounts (cash and securities) held by the IMF with the fiscal agents (usually central banks) of all the members according to the Articles of Agreement of the IMF. With the purpose of performing the transactions of approval of the funds from the IMF and the payment of the liabilities towards the IMF, the CBBH keeps the earmarked Deposit Account for Transactions with the IMF, with the sub-accounts of the Federation of BH, Republika Srpska and Brčko District. The CBBH performs transactions with the IMF after the competent BH institutions provide the full coverage in the local currency in the mentioned account/sub-accounts. The BH quota, which is the paid and subscribed "capital" of each member country in the General Resources of the IMF is SDR 265.2 million.

According to the World Bank Articles of Agreement, the CBBH is a depositary for the members of the World Bank Group: IBRD, IDA and MIGA. At the order of the mentioned members, the CBBH carries out the transactions of purchase and sale of foreign currency for the local currency and performs payments /transfers to end users in the domestic payment system.

In 2019, according to the Agreement concluded with the Deposit Insurance Agency of BH, the CBBH performed the record keeping of this institution's securities portfolio which, according to the Agreement of the Deposit Insurance Agency with an external portfolio manager, is managed by an external portfolio manager.

Also, the CBBH, according to the concluded agreements, continued to act as a banking and fiscal agent of the FBH Banking Agency, the RS Banking Agency, Brčko District, the Federal Ministry of Finance and for the entities registries of securities. The service of using e-banking, which had been introduced in 2011 with purpose of improving the banking and fiscal agent services, was provided in 2019 as well.

2.7 COMPILATION OF STATISTICS

In addition to regular statistics activities related to compilation, processing and publishing of statistics in the three wide areas (monetary and financial sector statistics, balance of payments statistics and government finance and financial sector statistics), an important segment of work is a continuous expanding of operations and adjustment with international standards. In respect of methodology, we are guided to the highest extent possible by the applicable international methodologies and compilation standards, as it is a precondition for the quality and acceptance of our statistics. Production of statistics starts with the compilation of various kinds of source data: administrative data from public institutions, the data obtained from direct compilation from numerous reporting units (companies and banks) and also data from other statistical institutions.

Over the previous years, the CBBH, like other statistical institutions, has been strongly engaged in the harmonisation with the EU standards. In that respect, BH still needs to make large steps in order to reach the level and quality of the production in other member countries.

The most important steps made in respect of the statistics production were:

- The introduction of quarterly statistics on balance sheets of non-banking financial institutions, which is based on the processing of data from over 100 financial institutions in BH.
- Establishing the quarterly statistics of international investment position calculating the financial position in relation to foreign countries. Such statistics had been prepared on annual basis so far, and published after the eight-month period, become now quarterly statistics with a significantly shorter publishing period. In this way, the adjustment with the EU requirements in this area was made.

- Government finance statistics development was continued following the concepts and classification based on ESA 2010 and the regular submission of data to Eurostat started according to transmission programme and the obligations taken over by our country towards the EU institutions.

- In respect of the foreign direct investment statistics, improvements were made enabling a more comprehensive breakdown of quarterly data by countries and activities, so that the users could have a complete insight into the volume and structure of flows for each quarter,

- Research on inflationary expectations was initiated, providing information on the inflation forecasts by financial institutions over the next two years. The introduction of such research was suggested by the European Central Bank as inflationary expectations are a very useful indicator to estimate the perception in the market and give a signal to monetary authorities on what needs to be done.

- The first Eurostat technical mission was organised in November, during which the situation related to government finance statistics was considered and a number of suggestions for improvements was defined. In this way, the cooperation of the CBBH with the Eurostat was raised to a higher level and the CBBH obtained specific obligations which would be monitored.

- Methodology changes were made related to the classification of instruments indexed to a foreign currency, resulting from the new 2016 Monetary and Financial Statistics Manual.

The implementation of the multi-user IPA 2015 technical assistance programme was completed successfully, all the three components on which the CBBH was working (government finance statistics- further upgrade and adjustment of ESA 2010 and EDP, international trade in services and macroeconomic imbalance indicators were estimated as successful and with good quality results. The IPA 2015 twinning project implementation came close to its end, within which the CBBH was working on the establishing a Report on the quality of balance of payments statistics and the introduction of quarterly statistics of international investment position. During the project, the work scope was expanded, so the CBBH received additional support and technical assistance related to R-language encoding and development of several new reporting applications.

Expert cooperation and cooperation in the field of organisation of statistics production was continued with the BH Statistics Agency, data exchange and support in work was expanded between our institutions. We have a continuing dialogue and provide mutual support.

At the international level, efforts have been invested continuously through the participation in forums (EC-BH Sub-committee, working groups of the Eurostat, the ECB, the BIS statistics committee, countries from the region) through which we follow up with new requirements and adjust

our practices. Within international obligations, the CBBH regularly submits large sets of statistics data (the IMF, the World Bank, the European Central Bank, the European Bank for Reconstruction and Development -EBRD, the UNCTAD, the Eurostat, the BIS, the UN Statistics Department). A particularly intensive exchange of data takes place with the Eurostat, as the CBBH regularly reports within the EU statistics requirements compliance monitoring (SIMS) and the annual (two round) compilation of data for the countries in the enlargement process.

The CBBH was also committed to supporting the work of other domestic institutions and prepare additional statistical reports for them (BH Fiscal Council, the CEFTA Secretariat, the Economic Planning Directorate, the Foreign Investment Promotion Agency, the Ministry of Finance and Treasury of BH, the Ministry of Economic Relations and Regional Cooperation of RS, the Federal Ministry of Trade of FBH).

2.8 MONITORING SYSTEMIC RISKS IN THE FINANCIAL SYSTEM

The CBBH monitors financial stability which means the timely identification of vulnerabilities in the country's financial system. The purpose of the CBBH activities in this area is the improvement of the understanding of the cause and effect relations between the financial system and macroeconomic circumstances, warning the financial institutions and other participants in the market of the existing risks, the starting of the dialogue on risks and undertaking of remedy measures which will mitigate the consequences of risk materializations. The CBBH activities in the field of monitoring the financial system stability include also the specialized communication with the relevant domestic and international institutions which ensures a continuous process of systemic risk monitoring, and also the communication on the financial stability risks with the general public. The CBBH contributes to the keeping of the financial stability through its membership in the Standing Committee for Financial Stability of BH, which, beside the Governor of the CBBH and Managers of the Banking Agencies, includes also the members of BH Fiscal Council and the Manager of the Deposit Insurance Agency of Bosnia and Herzegovina.

The CBBH informs the general public on the risks for the financial stability through its regular annual publication, the Financial Stability Report, which has been published on the CBBH web site since 2007. By publishing the Financial Stability Report, the CBBH wants to point out to the public the consequences of the earlier macroeconomic trends and the trends in the financial, firstly banking sector for the risks and challenges which the financial system will face in the periods ahead. The results of the analyses for monitoring systemic risks, which are developed and implemented in the Financial Stability Department are regularly presented in reports.

The compilation and publishing of the set of the basic financial soundness indicators according to the IMF methodology is also an important communication channel of the CBBH with the general public. Financial soundness indicators are

published on quarterly basis on the CBBH web site since mid 2009, and also on the IMF web site since September 2011. In 2019, due to amendments of legal and regulatory provisions, methodological changes for the capitalisation indicators compilation were made. For analytic purposes, it is important to mention that, due to methodological changes in the calculation of Tier I and Tier II capital and the total risk exposure, the indicators: *Tier I capital to the total risk exposure*, *Tier II capital to the total risk exposure*, *Non-performing assets net of provisions to Tier I*, *Non-performing loans net of provisions to Tier I* and *Net open position* since Q4 deviate from the values presented for the previous periods.

Stress tests are done on quarterly basis in the CBBH and they represent the basic tool for the quantification of the systemic risk effects on the banking system. The detailed results of stress tests are exchanged with the Banking Agencies, which also receive the Report on the stress test results, where systemic risks and future trends are described. The results of the stress tests in the appropriate form of the Report on stress test results are also reported to the Standing Committee for Financial Stability. The aggregate stress test results with the end year data are published in the Financial Stability Report. Due to the changes in the regulatory framework of BH banking sector, which took effect in 2018, related to the harmonisation in calculating Tier II and capital requirements for credit, operative and market risk with the Basle III framework, and also the preparations for the entry into effect of the regulations for the classification and valuation of financial assets and credit risk management according to the requirements of the International Financial Reporting Standard (IFRS) 9, it appeared needed to improve the top-down stress testing framework in the CBBH. With the technical assistance mission within the FINRA project, which lasted in the period from September 2018 to April 2019, a new stress test tool was created, in methodological terms partly based on the Guidelines of the European Banking Agency (EBA) for stress test from 2018. Important methodological changes are related to: expanding the time horizon from two to three years, in order to take into account a delayed effect of some macroeconomic shocks, expanding the coverage of macroeconomic scenarios, integration of interbank contagion risk effects, and the introduction of satellite models for credit risk modelling performed as a function of the set of macroeconomic variables. Modelling losses based on credit risk was improved compared to previous stress tests and it was done on the basis of risk parameters: probability of default (PD) and loss generated by default (LGD). Another important novelty is the introduction of additional stress scenario, so stress tests consist of the basic, moderate extreme and very strong extreme scenario, thus obtaining the possibility to test the banks' resilience to various kinds of shocks. The first stress testing with the use of a new tool was carried out with the 2018 end data, and has been regularly used ever since.

During 2019, cooperation with the ECB was continued, related to the updating of information related to "Report on financial stability for candidate and potential candidate countries for the EU membership", which is reflected in regular annual submission of a comprehensive set of data,

information and explanations of the current situation and trends in the local financial sector. Such publication is aimed at contributing to better understanding of systemic risks in the region and BH position compared to other countries, it is done once in two years and it is updated annually with new information.

A continuous cooperation with other relevant local and international institutions and upgrade of the existing analytic capacities of the CBBH in the field of financial stability through the education and technical assistance programmes ensures the harmonisation of the approach to systemic risk analyses with the best practices and current trends, and also a timely identification of systemic risks.

The implementation of the tasks arising from the coordination of the activities of the entities' banking agencies in charge of issuing bank licences and bank supervision, in 2019, was continued, the same as in the previous years. The cooperation and exchange of data and information of the CBBH with the Entities' Banking Agencies was continuous and timely in various areas of regular cooperation. The CBBH Governor and Directors of the Banking Agencies held meetings where they discussed important issues on the situation in the banking sector and leasing sector and microcredit sector. Also, they discussed relevant subjects from monetary area, supervisory issues, including, among other issues, bank regulations, improvement of cooperation in the field of financial stability etc... At the Governor's invitation, Director of BH Deposit Insurance Agency also attended those meetings, which contributed to the regular informing of participants in the coordination on the situation related to insured deposits and the activities of this agency which beside the CBBH and the banking agencies, is an important participant in the financial safety network.

2.9 COOPERATION WITH INTERNATIONAL INSTITUTIONS AND RATING AGENCIES

The CBBH continually implements the activities aimed at fulfilling the recommendations and obligations from the Stabilisation and Association Agreement. During the previous year, the representatives of the CBBH continued to contribute regularly to BH European integration process through the preparation of information, reports and data structured according to the requests and methodology of the EC. The CBBH participated in the work and prepared the materials from its competence for the meetings of the Sub-committee for economic and financial issues and statistics, the Sub-committee for internal market and competition and also for the Economic Reform Programme of Bosnia and Herzegovina. Based on the consultations with the ECB, the EC and conclusions of the Council for Economic and Financial Issues of the EU (ECOFIN), the CBBH took a number of steps to improve analytic capacities and quality of statistics. The CBBH started to analyse inflationary expectations of financial institutions on semi-annual basis, and the survey on banks' lending also started with the support of the National Bank of Austria (OeNB) within the regional EU Programme for strengthening capacities of central banks of Western Balkans.

The harmonisation with the EU and international standards in the area of statistics was done with great commitments and efforts of the CBBH, but also with the support of several multi-user programmes financed from the EU IPA funds.

Following intensive preparations and adjustment of project documents, on 26 March 2019, the two-year Regional programme for strengthening central bank capacities and bodies in charge of supervision from six countries of the Western Balkans with purpose of their future inclusion in the European System of Central Banks (ESCB) was started. The programme was implemented by 19 central banks members of the European System of Central Banks (ESCB) and the ECB, through a coordinated approach and chairmanship by Deutsche Bundesbank. The aim of the programme was strengthening institutional capacities of Western Balkans central banks firstly through the transfer of knowledge and practices of international and European central banking standards. During 2019, within the programme, 20 employees of the CBBH participated in training, workshops in the following areas: financial inclusion and consumer protection, statistics, accounting, financial stability, payment systems and European integration. In cooperation with the Bank of the Netherlands, a study visit was carried out in the field of foreign exchange reserve management. Additionally, a bilateral cooperation with the Austrian National Bank was made with purpose of starting a Survey on banks' lending, as one of the recommendations of the European Central Bank (ECB) and the European Commission as stated in the Economic Dialogue Conclusions. The ESCB programme was estimated by all the participants as very useful as it ensures a better approach to the best EU knowledge, practices and methodologies, strengthening at the same time and expanding the partner platform and network of contacts with the ECB /ESCB.

After the successful first stage of "The Bilateral Assistance and Capacity Building Programme" the signing of project document on 13 February 2019 started the implementation of the second stage of the Programme financed by the Swiss Secretariat for Economic Affairs –SECO, and implemented by the Graduate Institute of International and Development Studies from Geneva. The programme is to last until the end of 2022. In the preparatory part of the programme, the CBBH needs analyses was done, and priority work areas were defined, similar to the first stage, as additional capacity building was needed with purpose of implementing the results achieved in the first stage of the programme. The work fields within the Programme where: the analysis and implementation of monetary policy (foreign exchange reserve management and research capacities), macroeconomic accounting and statistics (storage of data and time series methodology), human resource management (evaluation system) and the additional field operative risks: improvement of business continuity plans.

The programme is realized through the following activities: i) technical assistance and capacity building missions in the CBBH; ii) Research coaching and visiting programmes aimed at improving research capacities and applied research, iii) conferences in Switzerland and partner countries, as a forum

for the promotion of exchange of knowledge, research results and technical assistance activities, peer-to-peer, and also by the academic community and leading international experts and practitioners.

Five technical missions were realized in the CBBH during 2019, out of them, two were in the area of foreign exchange reserve management, one in the area of statistics, human resources and operative risks (business impact analysis). Around 120 employees of the CBBH participated in technical missions and the accompanying presentations. The CBBH participated in the pilot edition of on-line education: "Interaction with international financial institutions" and all the other components of the Programme, with a particular stress on research work with purpose of strengthening and presenting to the public the research priorities in the CBBH.

Text box 2:

The CBBH role in the process of the EU accession

Preserving the currency board arrangement and independence of the Central Bank are the priorities which the EC stresses in its reports, identifying at the same time the priorities, obligations and necessary improvements which the Central Bank should implement in the EU integration process.

„Chapter 17: Economic and monetary policy: „Monetary policy has contributed to the maintenance of stability, on the basis of the currency board arrangement, as the key stability factor. At the same time, the currency board arrangement means that the burden of adjustment to external shocks needs to be distributed also to other strategic areas, including particularly fiscal policy. The independence of the Central Bank must be ensured and preserved. Although monetary policy has so far supported economic stability, substantial additional efforts are required to advance preparations for participation in the third stage of the Economic and Monetary Union as a Member State with derogation“. *Opinion of the European Commission on Bosnia and Herzegovina's application for the European Union membership, May 2019.*

„Safeguard the integrity of the currency board arrangement and the independence of the central bank in order to maintain monetary stability. Enhance the analytical and forecasting capacity of the central bank and develop its toolkit by establishing a bank lending survey and inflationary expectations survey.“ *Conclusions of the Economic and Financial Dialogue between the EU and Western Balkans and Turkey, May 2019.*

During 2019, the CBBH continued its cooperation with the US Agency for International Development (USAID) through the FINRA project (Financial Sector Reform Activity), focused on the strengthening and stability of financial sector in BH and its adjustment with the EU standards. Within this project, the Strategy of research function development in the CBBH was defined, including the development of the areas of special importance for the CBBH through technical cooperation. According to the mentioned strategy plan in 2019, the Report

on macroeconomic imbalances in BH was completed. The basic findings of the Report were presented at the international research conference entitled „Macroeconomic Imbalances and Convergence to the EU“. Within the FINRA project, a workshop on writing business reports in the CBBH was held.

In the organisation of the CBBH, during 2019, the missions of international rating agencies Standard & Poor's and Moody's Investors Service with the relevant international and local institutions in BH took place with purpose of assessing the sovereign credit rating of BH. The main topics for discussion during the assessment of BH credit rating included political situation, budget, foreign debt servicing, relations with international financial institutions and financial stability. During 2019, agency Standard & Poor's affirmed the sovereign credit rating of Bosnia and Herzegovina at the level of "B" and changed the outlook "from stable to positive" while agency Moody's Investors Service affirmed BH sovereign credit rating at „B3 / with Stable Outlook“.

2.10 INTERNAL AUDIT PROCESS

The legal basis for performing the internal audit function includes: the Law on the CBBH, the By-law on Internal Audit in the Central Bank, Internal Audit Operations Manual in the Central Bank and the obligatory guidelines of the International Framework of Professional Internal Audit Practice (hereinafter: the international framework). The By-law on Internal Audit in the CBBH regulates that the Chief Audit Executive submits an annual work report of the Office of Chief Audit Executive (OCAE), which is considered by the Audit Committee and adopted by the GB CBBH.

During 2019, the business activities of the OCAE were focused on performing the duties as defined by the CBBH Law and the realization of operations and tasks as defined by the Strategic Plan of Internal Audit for the period 2018-2021 and the Internal Audit Plan for 2019. In performing its duties, the OCAE assesses the efficiency and effectiveness of the management and control mechanisms, consistency in implementing applicable laws and regulations related to the CBBH and contributes by its activity to the improvement of operations, achievement of the set strategic objectives and formulation of plans, setting up an efficient system of risk management, preserving the integrity of assets and other resources and undertaking measures against potential losses due to abuses, bad management, mistakes, frauds and irregularities. The role of the OCAE is preventive, not repressive, and in that respect its role in identifying and preventing corruption and fraud should be seen. The OCAE contributes to the struggle against fraud and corruption by checking if internal control systems have been established and functioning properly so as to prevent fraud and corruption or reduce possibilities for those.

In the beginning of 2019, external assessors sent their final Report on the assessment of the internal audit function quality in the CBBH. The results of the assessment showed that the internal audit function in the CBBH in all substantial elements "generally conforms" with the Obligatory Guidelines of the International Framework. The CBBH has received a certificate confirming the internal audit conformance.

According to the mentioned plans, audits of some functions, business processes and activities of the CBBH were carried out, in the organisational units/forms, with purpose of the assessment of adequacy and efficiency of internal control systems, assessment of the compliance of operations with the laws and regulations applicable to the CBBH and internal enactments, plans, set procedures, instructions, and the assessment of the business process risk exposure.

Napomena: mr. Trivo Marinković i dr. Ljubiša Vladušić, bili su članovi Upravnog vijeća do 19.06.2019. godine sa kojim danom su razriješeni od strane Predsjedništva Bosne i Hercegovine, te od 20.07.2019. godine privremenom mjerom Suda Bosne i Hercegovine vraćeni u članstvo do 04.10.2019. godine, kada je Sud Bosne i Hercegovine ukinuo privremenu mjeru.

2.11 OTHER

2.11.1 Human resources management

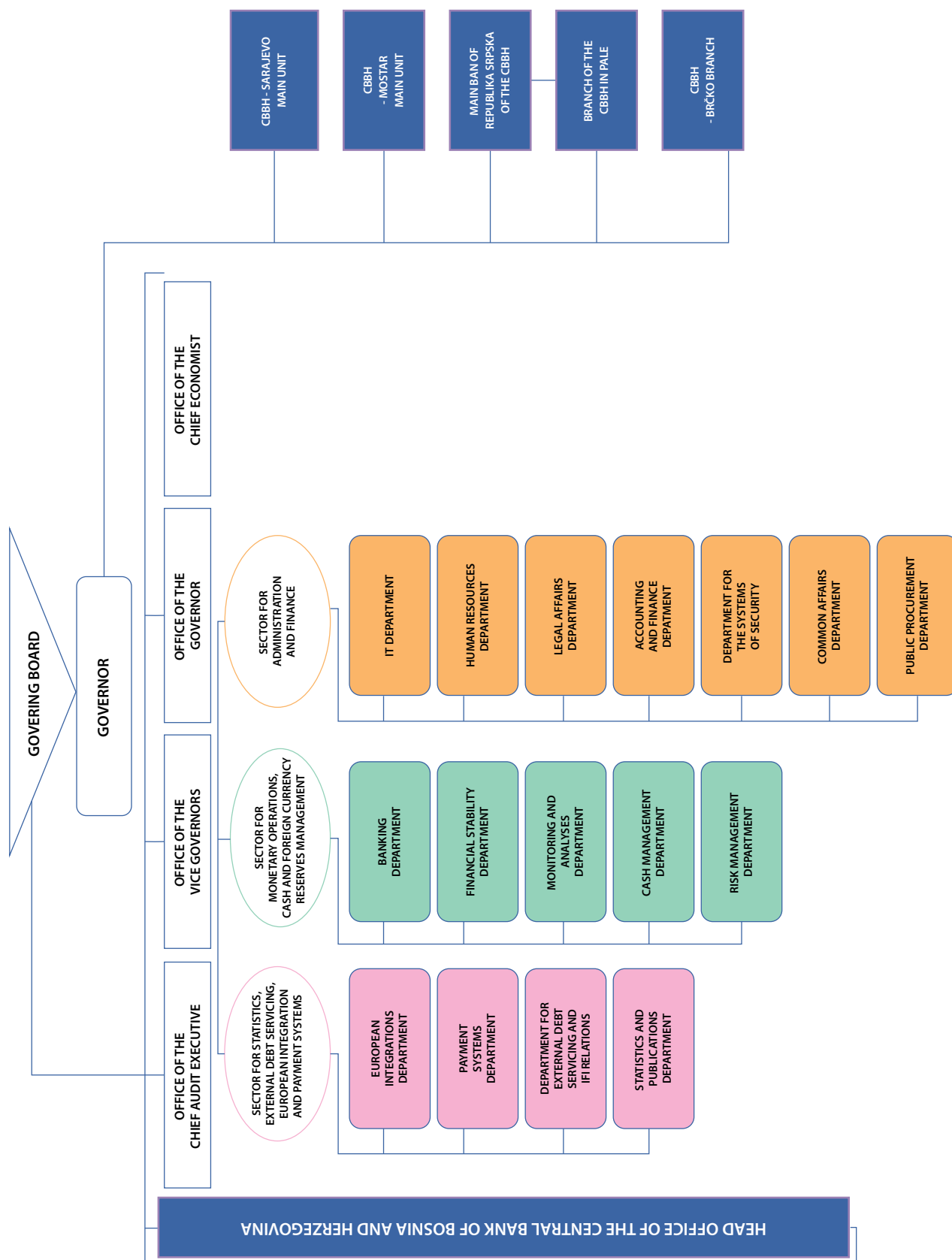
The highest body of the CBBH is the Governing Board, which is in charge of defining monetary policy and control of its implementation, organisation and strategy of the CBBH according to the mandate defined by the Law. The Governing Board includes the Governor, who chairs the Board and four members (Table 2.6). The Management of the Central Bank includes Governor and three Vice Governors appointed by Governor with the approval of the Governing Board. The task of the Management is the management of the Central Bank operations. Each Vice Governor is directly in charge of the operations of one sector of the Central Bank (see the organisational chart of the CBBH).

Table 2.6: Management Structure of the CBBH at 2019

Governing Board of the CBBH	Senad Softić, Ph.D., Chairman
	Ankica Kolobarić, M.Sc., Member
	Šerif Isović, Ph.D., Member
	Trivo Marinković, M.Sc., Member (to 04/10/2019)
	dr. Ljubiša Vladušić, član (to 04/10/2019)
Management of the CBBH	Senad Softić, Ph.D., Chief Executive Officer of the CBBH
	Ernadina Bajrović, M.A., Vice Governor in charge of Administration and Finance Sector
	Milica Lakić, Ph.D., Vice Governor in charge of the Sector for Monetary Operations, Foreign Exchange Reserve Management and Cash Management
	Želimira Raspudić, Vice Governor in charge of the Sector for Statistics, Foreign Debt Servicing, European Integrations and Payment Systems

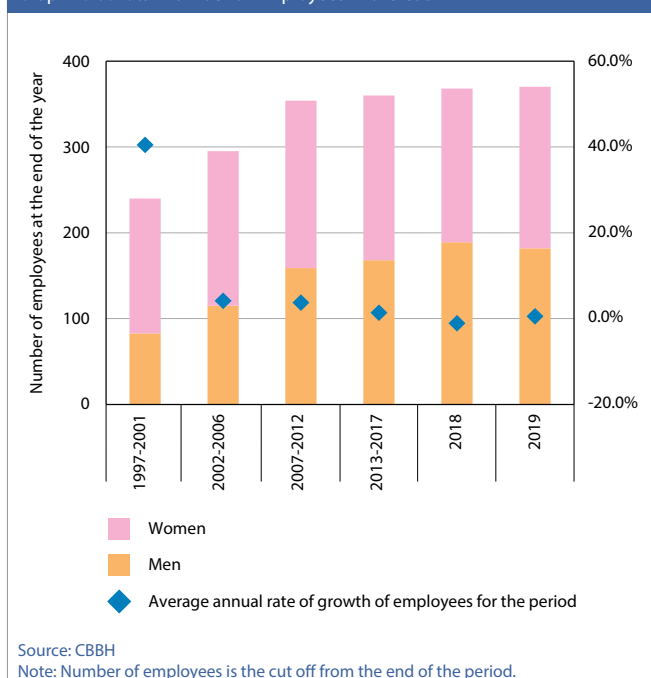
Source: CBBH

ORGANIZATIONAL CHART OF THE CENTRAL BANK OF BOSNIA AND HERZEGOVINA
December 31, 2019



The staff number in the years immediately following the establishment of the CBBH was increasing quite fast as the number of the functions taken over by the CBBH was increasing as well (Graph 2.19). On 31 December 2019, 370 staff members were employed in the CBBH permanently and temporarily, and eight employees with the suspended rights and obligations arising from employment due to the use of unpaid leaves of absence. Out of the total number of employees, 78.11% were those with university degrees, out of them, 10 with Ph.D. degrees and 66 with master's degrees. The average age of an employee was 43, with 50.81% women in the total staff number in the end of 2019.

Graph 2.19: Total Number of Employees in the CBBH



During 2019, the CBBH continued investing in the development of its employees, improvement of their knowledge and skills with purpose of improving business processes and overall operations and enhancing the motivation of staff. Employees participated in education on subjects closely related to the work scopes of the organisational parts and forms where they were assigned, the strategic objectives of the CBBH, areas of special interest as defined by 2019 Training Programme and the CBBH needs. The education of employees was realized according to education programmes organised by external providers, with a significant part of funded programmes, and the CBBH, by engaging natural persons, legal persons or CBBH employees having the necessary knowledge and skills.

2.11.2 Communication with the public and socially responsible behaviour

During 2019, the CBBH continually informed the public on its regular activities and also other events which the media were interested in. Therefore, through the media, which represent the primary communication channel of the CBBH with the public, a high number of enquiries was received, mostly related to the foreign exchange reserves, credits, interest rates, investments, remittances from foreign countries, blocked accounts and counterfeits.

In its communication with the public, the CBBH was working on raising awareness of the successful performance of the CBBH in fulfilling its mandate according to the CBBH Law (maintaining the currency board, stability of the currency) and other obligations (contributions to financial stability, payment system stability, international cooperation and European integration, transparency in work). A particular stress during 2019 was placed on presenting improvements in the CBBH operations, which was related to the payment system modernisation.

The CBBH, in cooperation with the International Agency for International Development (USAID) organised in the end of 2019 an international research conference entitled „Macroeconomic Imbalances and Convergence with the EU“. The intention of the CBBH was to stimulate scientifically based discussion on the current BH macroeconomic circumstances, current directions of development and to identify some areas where changes are desirable and should be planned. Therefore, participants in the conference were the authors of interesting research papers from the field of macroeconomic imbalances and convergence processes and representatives of relevant international institutions focused on the analysis of macroeconomic imbalances.

Communication with citizens was also carried out directly, via the official e-mail address, so in this way, the CBBH tried to help the citizens and provide answers if they were in the competence of the institution. Citizens also made enquiries based on the Law of free access to information of BH, so, during 2019, a high number of requests was processed and the relevant decisions issued.

Having in mind the popularity of social networks, an institution such as the CBBH needs to be present on digital platforms, and in social networks. Therefore, a proposal was given for the regulation of online communication of the CBBH analysing social networks of interest for the CBBH and proposal was given to introduce new channels. The realisation of the recommendations of the analysis was scheduled for 2020.

In mid 2019, the CBBH received an award „Business move of the year 2018“ in the financial sector, for the upgrade of Single Registry of Business Entities' Accounts in BH. Such project was recognised as the most successful in financial sector by portal Indikator.ba and the Chamber of Economy of the Federation of BH, which was partly a result of proactive work with the media.

In 2019, the Central Bank was also building its positive reputation through the training of internship students. Every year, students are assigned to particular organisational forms and have mentors with a task to explain to students, within the period of 20 working days, the basic role of the CBBH and business processes of the relevant organisational form where they have an opportunity to gain knowledge in practice. On the occasion of the Worlds Savings Day, elementary and high school pupils visited the CBBH and were given the traditional presentation on the role of the CBBH and money saving.

**3 FINANCIAL STATEMENTS
AND INDEPENDENT EXTERNAL
AUDITOR'S REPORT**

CENTRAL BANK OF BOSNIA AND HERZEGOVINA
Financial statements for the year ended 31 December 2019

Responsibility of the Management and the Governing Board for the preparation and approval of the annual financial statements

The Management is required to prepare financial statements for each financial year which give a true and fair view of the financial position of the Central Bank of Bosnia and Herzegovina and of the results of its operations and cash flows, in accordance with International Financial Reporting Standards, as published by the International Accounting Standards Board. The Management is responsible for maintaining proper accounting records to enable the preparation of such financial statements at any time. The Management has a general responsibility for taking such steps as are reasonably available to it to safeguard the assets of the Central Bank of Bosnia and Herzegovina and to prevent and detect fraud and other irregularities.

The Governing Board is responsible for selecting suitable accounting policies to conform to applicable International Financial Reporting Standards and the Management is responsible for their consistent application, making judgements and estimates that are reasonable and prudent and for preparing the financial statements on a going concern basis.

The Management is responsible for the submission to the Governing Board of its annual financial statements, following which the Governing Board is required to approve the annual financial statements for submission to the Parliamentary Assembly of Bosnia and Herzegovina.

The accompanying financial statements set out on pages 5 to 69 were approved by the Governing Board on 30 March 2020 and are signed, on its behalf by:

Senad Softić, Ph.D.
Chairman of the Governing Board

The block contains a handwritten signature in blue ink that reads "Softić Senad". To the right of the signature is a circular official seal of the Central Bank of Bosnia and Herzegovina. The seal features the coat of arms of Bosnia and Herzegovina in the center, surrounded by the text "CENTRAL BANK OF BOSNIA AND HERZEGOVINA" and "BOSNA I HERCEGOVINA" in Bosnian.

Edis Kovačević, M.Sc.

Head of Accounting and Finance Department

The block contains a handwritten signature in blue ink that reads "Edis Kovačević".



Independent Auditor's Report

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To the Governing Board of the Central Bank of Bosnia and Herzegovina

Opinion

We have audited the accompanying financial statements of the Central Bank of Bosnia and Herzegovina (hereinafter: the "Central Bank"), which comprise the Statement of financial position as at 31 December 2019 and the Statement of profit or loss, Statement of comprehensive income, Statement of changes in equity and Statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Central Bank as at 31 December 2019, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (hereinafter: "ISAs"). 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 Central Bank in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) together with the ethical requirements that are relevant to our audit of the financial statements of the Central Bank, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of the Management and the Governing Board of the Central Bank for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards, and for such internal control as the 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, the Management is responsible for assessing the Central 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.

The Governing Board of the Central Bank is responsible for overseeing the Central Bank's financial reporting process.

Auditor's Responsibilities 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 auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but it is not a guarantee that an audit conducted in accordance with ISAs 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 ISAs, we exercise professional judgment and maintain professional scepticism 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 a 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 Central Bank's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management.
- Conclude on the appropriateness of the 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 Central 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 Central 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 the Governing Board of the Central Bank 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.

Aleksandar Džombić, PhD

Director
Grant Thornton d.o.o.

Banja Luka, 30 March 2020

Nevena Milinković

Certified Auditor
Grant Thornton d.o.o.

Banja Luka, 30 March 2020

Suzana Stavrić, Partner

Grant Thornton d.o.o.

Skopje, 30 March 2020

Kledian Kodra, Partner

Grant Thornton sh.p.k.

Tirana, 30 March 2020

CENTRAL BANK OF BOSNIA AND HERZEGOVINA
Financial statements for the year ended 31 December 2019

STATEMENT OF PROFIT OR LOSS

In thousands of KM	Note	For the year ended 31 December	
		2019	2018
Interest income		51,178	48,186
Interest expense		(26,358)	(24,393)
NET INTEREST INCOME	4	24,820	23,793
Fee and commission income		17,665	17,209
Fee and commission expenses		(653)	(636)
NET FEE AND COMMISSION INCOME	5	17,012	16,573
Net realised gains from sale of debt instruments at fair value through other comprehensive income	6	238	4,277
Net foreign exchange gains	7	267	151
Other income	8	895	1,522
OPERATING INCOME		43,232	46,316
Personnel expenses	9	(19,670)	(19,034)
Administrative and other operating expenses	10	(7,950)	(8,250)
Depreciation and amortisation charge	17	(2,446)	(2,426)
OPERATING EXPENSES		(30,066)	(29,710)
FINANCIAL RESULT BEFORE PROVISIONS FOR EXPECTED CREDIT LOSSES		13,166	16,606
Provisions for expected credit losses, net decrease / (increase)	11	9,409	(8,175)
NET PROFIT FOR THE YEAR		22,575	8,431

The accompanying notes on pages 58 to 115 are an integral part of these financial statements.

CENTRAL BANK OF BOSNIA AND HERZEGOVINA
Financial statements for the year ended 31 December 2019

STATEMENT OF COMPREHENSIVE INCOME

In thousands of KM	Note	For the year ended 31 December	
		2019	2018
NET PROFIT FOR THE YEAR		22,575	8,431
Other comprehensive income			
<i>Items that are or may be reclassified subsequently to profit or loss:</i>			
Debt instruments at fair value through other comprehensive income			
Net change in fair value during the year	14	77,863	(6,390)
Net change in provisions for expected credit losses recognized in profit or loss during the year	29.1.1.	(7,598)	7,301
Reclassification to profit or loss from sale of debt instruments	6	(238)	(4,277)
		70,027	(3,366)
Monetary gold			
Net change in fair value during the year	15	44,092	6,138
		44,092	6,138
Total other comprehensive income		114,119	2,772
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		136,694	11,203

The accompanying notes on pages 58 to 115 are an integral part of these financial statements.

CENTRAL BANK OF BOSNIA AND HERZEGOVINA
Financial statements for the year ended 31 December 2019

STATEMENT OF FINANCIAL POSITION

In thousands of KM	Note	31 December 2019	As at 31 December 2018
ASSETS			
Foreign currency in cash	12	322,599	274,099
Deposits with foreign banks	13	3,102,765	2,911,448
Debt instruments	14	8,917,413	8,225,439
Monetary gold	15	254,088	209,996
Special Drawing Rights with the IMF	26, 31	230	2,236
Other assets	16	11,457	10,554
Property and equipment	17	48,314	44,677
Intangible assets	17	1,563	1,342
Other investments	18	27,813	27,813
TOTAL ASSETS		12,686,242	11,707,604
LIABILITIES AND EQUITY			
LIABILITIES			
Currency in circulation	19	5,199,916	4,750,614
Deposits from banks	20	5,743,619	5,523,290
Deposits from the Government and other public depositors	21	880,675	709,367
Provisions for liabilities and charges	22	1,394	1,259
Other liabilities	23	4,097	3,227
Total liabilities		11,829,701	10,987,757
EQUITY			
Initial capital		25,000	25,000
Reserves		831,541	694,847
Total equity	24	856,541	719,847
TOTAL LIABILITIES AND EQUITY		12,686,242	11,707,604

The accompanying notes on pages 58 to 115 are an integral part of these financial statements.

CENTRAL BANK OF BOSNIA AND HERZEGOVINA
Financial statements for the year ended 31 December 2019

STATEMENT OF CHANGES IN EQUITY

In thousands of KM	Initial capital	General reserves (Retained earnings)	Other reserves	Fair value reserves for debt and equity instruments at fair value through other comprehensive income	Provisions for expected credit losses	Fair value reserves for monetary gold	Total reserves	Total equity
Balance at 1 January 2019	25,000	514,720	31,300	133,696	8,993	6,138	694,847	719,847
Total comprehensive income for the year	-	22,575	-	77,677	(7,650)	44,092	136,694	136,694
Net profit for the year (Note 25)	-	22,575	-	-	-	-	22,575	22,575
Other comprehensive income	-	-	-	77,677	(7,650)	44,092	114,119	114,119
Net unrealised positive changes in fair value for debt instruments	-	-	-	77,863	-	-	77,863	77,863
Net realised positive changes in fair value for debt instruments transferred to profit or loss	-	-	-	(186)	-	-	(186)	(186)
Net release of provisions for expected credit losses for debt instruments recognised in profit or loss	-	-	-	-	(7,598)	-	(7,598)	(7,598)
Net release of provisions for expected credit losses transferred to profit or loss for debt instruments sold	-	-	-	-	(52)	-	(52)	(52)
Net unrealised positive changes in fair value for monetary gold	-	-	-	-	-	44,092	44,092	44,092
Balance at 31 December 2019	25,000	537,295	31,300	211,373	1,343	50,230	831,541	856,541

The accompanying notes on pages 58 to 115 are an integral part of these financial statements.

CENTRAL BANK OF BOSNIA AND HERZEGOVINA
Financial statements for the year ended 31 December 2019

STATEMENT OF CHANGES IN EQUITY (CONTINUED)

In thousands of KM	Initial capital	General reserves (Retained earnings)	Other reserves	Fair value reserves for debt and equity instruments at fair value through other comprehensive income	Provisions for expected credit losses	Fair value reserves for available-for-sale financial assets	Fair value reserves for monetary gold	Total reserves	Total equity
As at 31 December 2017 - as stated	25,000	542,766	31,300	-	-	93,120	(39,551)	627,635	652,635
Impact of adopting IFRS 9	-	(36,477)	-	141,765	4,290	(93,120)	39,551	56,009	56,009
As at 1 January 2018 - restated	25,000	506,289	31,300	141,765	4,290	-	-	683,644	708,644
Total comprehensive income for the year	-	8,431	-	(8,069)	4,703	-	6,138	11,203	11,203
Net profit for the year (Note 25)	-	8,431	-	-	-	-	-	8,431	8,431
Other comprehensive income	-	-	-	(8,069)	4,703	-	6,138	2,772	2,772
Net unrealised negative changes in fair value for debt instruments	-	-	-	(6,390)	-	-	-	(6,390)	(6,390)
Net realised positive changes in fair value for debt instruments transferred to profit or loss	-	-	-	(1,679)	-	-	-	(1,679)	(1,679)
Net increase in provisions for expected credit losses for debt instruments recognized in profit or loss	-	-	-	-	7,301	-	-	7,301	7,301
Net release of provisions for expected credit losses transferred to profit or loss for debt instruments sold	-	-	-	-	(2,598)	-	-	(2,598)	(2,598)
Net unrealised positive changes in fair value for monetary gold	-	-	-	-	-	-	6,138	6,138	6,138
Balance at 31 December 2018	25,000	514,720	31,300	133,696	8,993	-	6,138	694,847	719,847

The accompanying notes on pages 58 to 115 are an integral part of these financial statements.

CENTRAL BANK OF BOSNIA AND HERZEGOVINA
Financial statements for the year ended 31 December 2019

STATEMENT OF CASH FLOWS

		For the year ended	
		31 December	
	Note	2019	2018
In thousands of KM			
CASH FLOWS FROM OPERATING ACTIVITIES			
Net profit for the year		22,575	8,431
Adjusted for:			
Interest income	4	(51,178)	(48,186)
Interest expense	4	26,358	24,393
Provisions for expected credit losses, net (decrease) / increase	11	(9,409)	8,175
Net realised (gains) from sale of debt instruments at fair value through other comprehensive income	6	(238)	(4,277)
Net foreign exchange (gains)	7	(267)	(151)
Income from grants	8	(98)	(144)
Provisions for liabilities and charges, net increase / (decrease)	9, 22	277	(222)
Net loss / (gain) on disposal of property and equipment		8	(3)
Dividend income recognized in profit or loss	8	(623)	(589)
Depreciation and amortisation charge	17	2,446	2,426
Net cash flows from operating activities before changes in operating assets and liabilities		(10,149)	(10,147)
Changes in operating assets and liabilities			
Decrease / (increase) in term deposits with foreign banks		584,828	(640,581)
(Increase) in debt instruments		(614,111)	(757,972)
(Increase) / decrease in other assets		(882)	1,214
Increase in currency in circulation		449,302	431,254
Increase in deposits from banks, Government and other public depositors		392,941	575,397
Increase / (decrease) in other liabilities		938	(566)
Payments from provisions for liabilities and charges	22	(142)	(169)
Interest received		49,875	47,672
Interest paid		(25,586)	(22,250)
Net cash from operating activities		827,014	(376,148)
CASH FLOWS FROM INVESTING ACTIVITIES			
Proceeds from sale of property and equipment		-	5
Purchases of property, equipment and intangible assets		(6,311)	(1,910)
Dividends received		623	589
Net cash used in investing activities		(5,688)	(1,316)

CENTRAL BANK OF BOSNIA AND HERZEGOVINA
Financial statements for the year ended 31 December 2019

STATEMENT OF CASH FLOWS (CONTINUED)

In thousands of KM	Note	For the year ended 31 December	
		2019	2018
CASH FLOWS FROM FINANCING ACTIVITIES			
Distribution of profit to the state budget		-	(7,311)
Net cash used in financing activities		-	(7,311)
Effect from changes in impairment for expected credit losses on cash and cash equivalents		990	(336)
Effects of exchange rate fluctuations on cash and cash equivalents held		296	187
Net increase / (decrease) in cash and cash equivalents		822,612	(384,924)
Cash and cash equivalents at 1 January		1,676,360	2,061,284
Cash and cash equivalents at 31 December	26	2,498,972	1,676,360

The accompanying notes on pages 58 to 115 are an integral part of these financial statements.

CENTRAL BANK OF BOSNIA AND HERZEGOVINA
Notes to the financial statements for the year ended 31 December 2019

NOTES TO THE FINANCIAL STATEMENTS

1. GENERAL INFORMATION

The Central Bank of Bosnia and Herzegovina (the "Central Bank") is the supreme monetary authority of Bosnia and Herzegovina state ("BH"). Its status has been defined by the Law on the Central Bank of Bosnia and Herzegovina (the "Law on the Central Bank"), adopted by the Parliamentary Assembly of Bosnia and Herzegovina on 20 June 1997, according to the General Framework Peace Agreement in Bosnia and Herzegovina.

The Central Bank started its operations on 11 August 1997.

The Central Bank operates through its Head Office, three main units located in Sarajevo, Mostar, and Banja Luka, and two branches, one in Brčko and other in Pale, the latter of which operates under the authorisation of the main unit in Banja Luka.

Head Office of the Central Bank is located in Sarajevo, Maršala Tita Street, No. 25.

The main objective of the Central Bank is to achieve and maintain the stability of the domestic currency by issuing it to the rule known as a currency board. The currency board rule, required by the Law on the Central Bank, implies that the domestic currency may be issued only with full coverage in convertible foreign currency assets. Nevertheless, the Central Bank has an obligation to purchase and sell Convertible Mark (KM) for Euro (EUR) on demand, without any restrictions, within the territory of BH, at the official exchange rate of KM EUR as KM 1.95583 = EUR 1, prescribed by the Law on the Central Bank.

The tasks performed by the Central Bank as provided by the Law on the Central Bank include:

- determining, adopting and controlling the monetary policy of BH by issuing the domestic currency at the prescribed exchange rate with the full coverage in convertible foreign currency assets;
- holding and managing the official foreign currency reserves of the Central Bank in a safe and profitable manner;
- establishing and maintaining adequate payment and settlement systems;
- issuing provisions and guidelines for the performance of the Central Bank's operations, in accordance with the Law on the Central Bank;
- coordinating the activities of the banking agencies, which are in charge of issuing banking licences and supervising banks in the entities;
- receiving deposits from the state and public institutions of BH and from commercial banks to fulfill their required reserve obligations;
- putting and withdrawing from circulation the domestic currency, including legal tender banknotes and coins, adhering strictly to the currency board rule;
- taking part in the operations of international organisations working on strengthening the financial and economic stability of the country;
- representing BH in international organisations regarding monetary policy issues.

Within the limits of its authority prescribed by the Law on the Central Bank, the Central Bank is entirely independent from the entities, public agencies and any other authority in the pursuit of its objective and tasks.

CENTRAL BANK OF BOSNIA AND HERZEGOVINA
Notes to the financial statements for the year ended 31 December 2019

1. GENERAL INFORMATION (CONTINUED)

The highest body of the Central Bank is the Governing Board, which is in charge of defining monetary policy and the control of its implementation, and the organisation and the strategy of the Central Bank in accordance with the Law on the Central Bank.

The Management of the Central Bank consists of the Governor and Vicegovernors, appointed by the Governor with the approval of the Governing Board. The Management operationally manages the Central Bank's activities.

According to the Law on the Central Bank, all powers that are not specifically reserved for the Governing Board are vested in the Governor.

The Central Bank has established the Audit Committee consisting of three independent members appointed by the Governing Board. The Audit Committee is in charge of overseeing financial reporting of the Central Bank, monitoring the external audit process of annual financial statements and overseeing the election process of the Central Bank's independent auditors. Due to monitoring and maintaining appropriate risk management framework in the Central Bank, the Audit Committee also evaluates adequacy and efficiency of internal controls and procedures as a risk management instrument as well as the functions of internal audit.

During the course of 2018 and 2019 and up to the date of this report, the Governing Board, the Management and the Audit Committee members are:

Governing Board

Senad Softić Ph.D.	Chairman
Ankica Kolobarić M.Sc.	Member
Šerif Isović M.Sc.	Member
Trivo Marinković M.Sc.	Member (until 19 June 2019 and from 19 July 2019 until 4 October 2019)
Ljubiša Vladušić Ph.D.	Member (until 19 June 2019 and from 19 July 2019 until 4 October 2019)

Management

Senad Softić Ph.D.	Governor
Ernadina Bajrović M.Sc.	Vicegovernor
Milica Lakić Ph.D.	Vicegovernor
Želimira Raspudić	Vicegovernor

Audit Committee

Ph.D Elvir Čizmić	Member (from 1 September 2018)
Ph.D Sead Kreso	Member (until 31 August 2018)
Ph.D Miša Gadžić	Member
Radomir Repija	Member

CENTRAL BANK OF BOSNIA AND HERZEGOVINA
Notes to the financial statements for the year ended 31 December 2019

2. BASIS OF PREPARATION

2.1. Statement of compliance

The financial statements of the Central Bank have been prepared in accordance with International Financial Reporting Standards ("IFRS") as published by the International Accounting Standards Board ("IASB").

2.2. Basis of measurement

These financial statements have been prepared on a historical cost, except for the following material items:

Item	Basis of measurement
Financial assets at fair value through other comprehensive income	Fair value
Monetary gold	Fair value

2.3. Functional and presentational currency

The Central Bank's financial statements are stated in the official national currency of BH which is the KM. All financial information has been rounded to the nearest thousand (unless otherwise stated).

2.4. Standards, interpretations and amendments to published standards that are effective in the current period

The following standards, amendments to the existing standards and interpretations issued by the IASB are effective for the current period:

- IFRS 16: "Leases" (effective for annual periods beginning on or after 1 January 2019),
- IFRIC 23: "Uncertainty over tax treatments" (effective for annual periods beginning on or after 1 January 2019),
- Amendments to IFRS 9: "Financial instruments - Prepayment Features with negative compensation (effective for annual periods beginning on or after 1 January 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 1 January 2019),
- Annual improvements to IFRS standards 2015-2017 Cycle (effective for annual periods beginning on or after 1 January 2019),
- Amendments to IAS 19: "Employee benefits – Plan amendments, curtailment or settlement" (effective for annual periods beginning on or after 1 January 2019).

The application of these standards, amendments and interpretations has no significant impact on the financial statements of the Central Bank in the current period.

CENTRAL BANK OF BOSNIA AND HERZEGOVINA
Notes to the financial statements for the year ended 31 December 2019

2. BASIS OF PREPARATION (CONTINUED)

2.5. Standards and Interpretations in issue not yet adopted

As at the date of authorization of these financial statements the following standards, revisions and interpretations have been published by the IASB, but are not yet effective and have not been adopted early by the Central Bank:

- Amendments to references to the Conceptual framework in IFRS standards (effective for annual periods beginning on or after 1 January 2020),
- Amendments to IFRS 3: "Business combinations – Definition of business" (effective for annual periods beginning on or after 1 January 2020),
- 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),
- IFRS 17: "Insurance Contracts" (effective for annual periods beginning on or after 1 January 2021),
- Amendments to IFRS 9: "Financial instruments" and IFRS 7: "Disclosures – Interest rate benchmark reform" (effective for annual periods beginning on or after 1 January 2022),
- Amendments to IAS 1: "Presentation of financial statements – Classification of liabilities as current or non-current" (effective for annual periods beginning on or after 1 January 2022).

The Central Bank has elected not to adopt these standards, revisions and interpretations in advance of their effective dates. The Central Bank anticipates that the adoption of these standards, revisions and interpretations will not have a significant impact on the financial statements of the Central Bank.

3. SIGNIFICANT ACCOUNTING POLICIES

Accounting policies set out below have been applied consistently to all periods presented in these financial statements.

3.1. Income and expense recognition

3.1.1. Interest income and expenses

Effective interest rate

Interest income and expenses are recorded in profit or loss using the effective interest rate method. The "effective interest rate" is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument to:

- gross carrying amount of the financial assets or
- the amortised cost of the financial liability.

The "amortised cost" of a financial assets or financial liability is the amount at which the financial assets or financial liability is measured on initial recognition minus the principal repayments, plus or minus the cumulative amortisation using the effective interest method of any difference between the initial amount and, for financial assets, adjusted for any expected credit loss allowance.

The gross carrying amount of a financial asset is the amortised cost of a financial asset before adjusted for any expected credit loss allowance.

CENTRAL BANK OF BOSNIA AND HERZEGOVINA
Notes to the financial statements for the year ended 31 December 2019

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.1. Income and expense recognition (continued)

3.1.1. Interest income and expenses (continued)

When calculating the effective interest rate for financial instrument, the Central Bank estimates future cash flows considering all contractual terms of the financial instruments, but not expected credit losses. The calculation includes all fees and points paid or received between the Central Bank and other party that are an integral part of the effective interest rate, transaction costs, and all other discounts and premiums.

The effective interest rate method is the method that is used in the calculation of the amortised cost (gross carrying amount) of a financial assets or financial liabilities and allocation and recognition of interest income or expense in profit or loss over the relevant period.

The Central Bank's interest income calculated using the effective interest rate method includes interest income on financial assets at amortised cost and financial assets at fair value through other comprehensive income.

Accrued interest on financial assets with negative interest rate is recognised as an interest expense in profit or loss and arises from deposits with foreign banks and debt instruments at fair value through other comprehensive income.

Accrued interest on financial liabilities with negative interest rate is recognized as an interest income in profit or loss and arises from deposits from domestic commercial banks.

3.1.2. Fee and commission income and expenses

Fee and commission income is earned from the services provided by the Central Bank and is recognized in profit or loss when the service is provided. The Central Bank calculates fee and commission income under determined tariffs for its services.

Fee and commission expense arises from fees spent on foreign payment transactions and is recognized in profit or loss when the service is received.

3.1.3. Foreign currency transactions and exchange differences

On initial recognition, a foreign currency transactions are recorded into the KM, by applying to the foreign currency amount the spot exchange rate between the KM and the foreign currency at the date of the transaction.

Monetary items denominated in foreign currencies are translated to the KM by applying the Central Bank's exchange rate at the reporting date. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated by applying the exchange rate at the date of transaction. Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was measured.

Exchange differences arising on the settlement of monetary items or on translating monetary items at rates different from those at which they were translated on initial recognition during the period or in previous reporting date, are recognized in profit or loss when they arise. Due to the currency board rule, there are no exchange differences from monetary items denominated in EUR currency.

CENTRAL BANK OF BOSNIA AND HERZEGOVINA
Notes to the financial statements for the year ended 31 December 2019

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.1. Income and expense recognition (continued)

3.1.3. Foreign currency transactions and exchange differences (continued)

Middle exchange rate of most relevant currencies are provided below:

Middle exchange rate:	31 December 2019	31 December 2018
	KM	KM
USD	1.747994	1.707552
SDR	2.417171	2.374847

3.1.4. Dividend income

Dividend income from equity instruments is recognized in profit or loss when the Central Bank's right to receive dividend is established.

3.2. Financial assets and financial liabilities

3.2.1. Recognition and initial measurement of financial assets and financial liabilities

Financial assets and financial liabilities are recognized in the statement of financial position when, and only when, the Central Bank becomes a party to the contractual provisions of the financial asset or liability.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities, except those classified at fair value through profit and loss, are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognized directly in profit or loss.

All financial assets are initially recognised at the settlement date which is the date that an asset is obtained from, or delivered to, the Central Bank.

CENTRAL BANK OF BOSNIA AND HERZEGOVINA
Notes to the financial statements for the year ended 31 December 2019

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.2. Financial assets and financial liabilities (continued)

3.2.2. Classification and subsequent measurement

3.2.2.1. Financial assets

The Central Bank can classify its financial assets in the following measurement categories:

- Fair value through other comprehensive income
- Amortised cost and
- Fair value through profit or loss.

As at reporting dates, the Central Bank did not have any financial assets categorised at fair value through profit or loss.

The classification of financial asset is determined by both:

- The Central Bank's business model for managing the financial asset
- The contractual cash flow characteristics of the financial assets.

Business model

The business model reflects how the Central Bank manages the assets in order to generate cash flows. That is, whether the Central Bank's objective is solely to collect the contractual cash flows or to collect both, contractual cash flows and cash flows arising from the sale of assets. If neither of these is applicable, then the financial assets are classified as part of "Other" business model and measured at fair value through profit or loss. As at reporting dates, the Central Bank manages its assets through following business models:

1. "Hold to collect contractual cash flows" model for financial assets that generate contractual cash flows during its lifetime and
2. "Hold to collect contractual cash flows and sell" model for financial assets that generate contractual cash flows during its lifetime and by selling.

Contractual cash flows from debt instruments can be managed by both business models. As at reporting dates, the Central Bank's objective is to collect both contractual cash flows and cash flows arising from the sale for all debt foreign government instruments.

For financial assets that are managed through these models, the Central Bank assesses whether the contractual cash flows associated with the financial asset are solely payments of principal and interest on the principal amount outstanding. The assessment is made at a portfolio level because this best reflects the way the business is managed. For the purpose of assessment, "principal" is defined as fair value of the financial asset on initial recognition. "Interest" is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time, and for other basic lending risks and costs related to the holding the financial asset.

CENTRAL BANK OF BOSNIA AND HERZEGOVINA
Notes to the financial statements for the year ended 31 December 2019

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.2. Financial assets and financial liabilities (continued)

3.2.2. Classification and subsequent measurement (continued)

3.2.2.1. Financial assets (continued)

In assessing whether the contractual cash flows are “solely payment of principal and interest”, the Central Bank considers the contractual cash flows of the instrument. Only financial assets that satisfies “solely payment of principal and interest” requirement can be classified into category of financial assets measured at amortised cost or financial assets measured at fair value through other comprehensive income.

The Central Bank’s financial assets are recognised at: amortised cost or at fair value through other comprehensive income based on assessments of the Central Bank’s business model. Financial assets meet the “solely payment of principal and interest” requirement as at reporting dates.

Financial assets at amortised cost

Financial assets are measured at amortised cost if the assets meet the following conditions:

- they are held within the business model whose objective is to hold the financial assets and collect its contractual cash flows and
- the contractual terms of the financial assets give rise on specified dates to cash flows that are solely payments of principal and interest of the principal amount outstanding.

After initial recognition, financial assets are measured at amortised cost using the effective interest rate method on the gross carrying amount of the asset. Effects of subsequent measurement of financial assets at amortised cost are recognised in profit or loss as interest income or interest expense in the period they occurred.

As at reporting dates, the Central Bank’s giro accounts, foreign currency in cash, deposits with foreign banks, special drawing rights with the IMF and other financial assets fall into this category of financial instruments.

Financial assets at fair value through other comprehensive income

Financial assets are measured at fair value through other comprehensive income if the assets meet the following conditions:

- they are held within the business model whose objective is achieved by both collecting contractual cash flows and selling financial asset and
- the contractual terms of the financial assets give rise on specified dates to cash flows that are solely payments of principal and interest of the principal amount outstanding.

CENTRAL BANK OF BOSNIA AND HERZEGOVINA
Notes to the financial statements for the year ended 31 December 2019

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.2. Financial assets and financial liabilities (continued)

3.2.2. Classification and subsequent measurement (continued)

3.2.2.1. Financial assets (continued)

Debt instruments

After initial recognition, debt instruments are measured at fair value through other comprehensive income using the effective interest rate method on the gross carrying amount of the asset and are adjusted to the fair value of the instrument at each reporting date. For the period of holding, effects of subsequent measurement of debt instruments at fair value through other comprehensive income are recognised as follows:

- Interest income or interest expense is recognised in profit or loss in the period they occurred
- Fair value adjustments are recognised in other comprehensive income in the period they occurred.

When debt instruments at fair value through other comprehensive income are derecognised, the cumulative gain or loss previously recognised in other comprehensive income is reclassified from equity to profit or loss, including previously recognised impairment gains or losses.

As at reporting dates, the Central Bank's debt instruments fall into this category of financial instruments.

Equity instruments

The Central Bank has made an irrevocable election to present in other comprehensive income subsequent changes in the fair value of equity instruments that are not held for trading due to their specific characteristics and absence of non-active market for trading. Equity instruments are initially measured at cost which is considered to be their fair value.

As at reporting dates, the Central Bank's all equity instruments at fair value through other comprehensive income are composed of Bank for International Settlement (BIS) and SWIFT shares.

3.2.2.2. Financial liabilities

The Central Bank classifies all its financial liabilities as measured at amortised cost using the effective interest rate method. Interest income or interest expense from financial liabilities measured at amortised cost are recognised in profit or loss.

Financial liabilities measured at amortised cost include currency in circulation, deposits from domestic commercial banks, deposits from the Government and other public depositors and other financial liabilities.

CENTRAL BANK OF BOSNIA AND HERZEGOVINA
Notes to the financial statements for the year ended 31 December 2019

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.2. Financial assets and financial liabilities (continued)

3.2.3. Impairment of financial assets

Impairment requirements of financial assets use more forward-looking information to recognise expected credit losses. Instruments within the scope of these requirements include financial assets measured at amortised cost i.e. deposits with foreign banks, special drawing rights with the IMF and debt instruments measured at fair value through other comprehensive income. The Central Bank uses a simplified approach in calculation of expected credit losses for other receivables. Equity instruments measured at fair value through other comprehensive income are not subject of impairment.

The Central Bank recognises a loss allowance for these losses at each reporting date. The measurement of expected credit losses reflects:

- An unbiased and probability-weighted amount that is determined by evaluating a range of possible outcomes,
- The time value of money and
- Reasonable and supportable information that is available without undue cost or effort at the reporting date about past events, current conditions and forecasts of future economic conditions.

Note 29.1. provides more information about how the expected credit loss allowance is measured.

Loss allowances for expected credit losses are calculated and presented in the statement of financial position as follows:

- Financial assets measured at amortised cost: Expected credit losses are calculated on the gross carrying amount of the assets and recorded as a deduction from the gross carrying amount of the assets and
- Debt instruments at fair value through other comprehensive income: Expected credit losses are calculated on the gross carrying amount of the assets, but loss allowance is recognised in other comprehensive income and does not reduce the carrying amount of the financial assets in the statement of financial position.

Impairment gains and losses are recorded in profit or loss regardless of classification of financial assets at each reporting date.

3.2.4. Derecognition of financial assets and financial liabilities

The Central Bank derecognizes a financial asset only when the contractual rights to the cash flows from the asset expire; or it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity.

A financial liability is derecognised when it is extinguished, discharged or expires.

3.3. Monetary gold

Monetary gold is part of foreign currency reserves of the Central Bank and it is classified as a financial asset. Monetary gold is initially recognized at fair value, including transaction cost directly attributable to the acquisition of the monetary gold.

CENTRAL BANK OF BOSNIA AND HERZEGOVINA
Notes to the financial statements for the year ended 31 December 2019

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.3. Monetary gold (continued)

After initial recognition, monetary gold is re-measured at fair value. Unrealized gains and losses arising from changes in fair value, referring to the price changes of monetary gold, are recognized in the fair value reserve account within other comprehensive income. In the event that unrealized losses exceed the balance in the fair value reserve for monetary gold at the end of the financial year, the Central Bank shall charge the excess against the period's profit.

On the sale of monetary gold, the Central Bank shall recycle existing unrealized gains and losses through profit and loss.

The fair value of monetary gold is expressed in EUR, converted at the fixed rate of KM at the reporting date and is measured at the last quoted bid price for one ounce of gold (Oz).

3.4. Offsetting

Financial assets and financial liabilities are offset and the net amount is reported in the statement of financial position on a net basis, only where there is a legally enforceable right to offset the recognized amounts and when there is an intention to present or settle the transactions on the net basis.

Income and expenses are presented on a net basis only when permitted under IFRSs, or for gains and losses arising from a group of similar transactions.

3.5. Cash and cash equivalents

For the purpose of reporting cash flows, cash and cash equivalents comprise the following categories: giro accounts, foreign currency in cash, foreign currency demand deposits, foreign currency deposits with maturity up to three months or less from the date of acquisition and special drawing rights with the IMF.

3.6. Property, equipment and intangible assets

Property, equipment and intangible assets consist of assets obtained from the Central Bank's own funds and cash and non-cash grants.

Property, equipment and intangible assets are stated at cost, less accumulated amortization and any recognized accumulated impairment losses. Cost includes the purchase price and all costs directly related to bringing the asset into operating condition for its intended use. Maintenance and repairs, replacements and improvements of minor importance are expensed as incurred. Significant improvements and replacement of assets are capitalized.

Assets under construction are reported at their cost of construction including costs charged by third parties. Upon completion, all accumulated costs of the asset are transferred to the relevant property, equipment and intangible assets category and subsequently subject to the applicable depreciation rates.

Depreciation and amortization of property, equipment and intangible assets is provided on all assets, except land and assets in the course of construction, on a straight-line basis at prescribed rate designed to write off the cost of the assets over their estimated useful lives. The estimated depreciation and amortization rates during 2018 and 2019 were as follows:

CENTRAL BANK OF BOSNIA AND HERZEGOVINA
Notes to the financial statements for the year ended 31 December 2019

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.6. Property, equipment and intangible assets (continued)

Software	20.0%
Other intangible assets	20.0%
Buildings	1.3% to 4.0%
Equipment	11.0% to 20.0%
Furniture	10.0% to 12.5%
Vehicles	15.5%

Gains and losses on disposal of property and equipment and intangible assets are recognized in profit or loss.

The useful life of the property, equipment and intangible assets is reviewed and adjusted on an annual basis at minimum, if necessary, and it is applied prospectively.

3.7. Impairment of non-financial assets

The carrying amounts of the Central Bank's non-financial assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated. An impairment loss is recognized whenever the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. Impairment losses are recognized in profit or loss.

The recoverable amount of other assets is the greater of their value in use and fair value less cost to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

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, net of amortisation, as if no impairment loss had been recognized.

3.8. Provisions for liabilities and charges

Provisions are recognized when the Central Bank has a present legal or constructive obligation as a result of past events for which 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. Provisions are determined by discounting the expected future cash flows at a rate that reflects current market assessments of the time value of money and the risks specific to the liability.

Provisions for liabilities and charges are maintained at the level that the Central Bank's management considers sufficient for absorption of incurred losses. The Management determines the sufficiency of provisions on the basis of insight into specific items, current economic circumstances, risk characteristics of certain transaction categories, as well as other relevant factors.

Provisions are released only for such expenditure in respect of which provisions are recognized at inception. If the outflow of economic benefits to settle the obligations is no longer probable, the provision is reversed.

CENTRAL BANK OF BOSNIA AND HERZEGOVINA
Notes to the financial statements for the year ended 31 December 2019

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.9. Grants

Grants related to assets, including non-cash grants, are initially recognized as deferred income at fair value and are then recognized as income from grants on a systematic basis over the useful life of the assets. Grants that compensate the Central Bank for expenses incurred are recognized in profit or loss as income from grants on a systematic basis in the same periods in which the expenses are recognized.

3.10. Taxes

The Central Bank is obliged to pay Value Added Tax for all goods and services purchased. These payables are part of the Central Bank's administrative and other operating expenses. According to the laws on corporate income tax (both Federation of Bosnia and Herzegovina and Republic of Srpska), the Central Bank is excluded from income tax payables.

3.11. Currency in circulation

The Central Bank administers the issue and withdrawal of domestic banknotes and coins. The corresponding liability from the issued currency in circulation is recorded in the statement of financial position.

When currency is withdrawn from circulation, it is recognized as a liability as part of currency in circulation, until the formal date of withdrawal. Any outstanding amount not withdrawn, after the formal due date, is recognized as income.

Costs related to the production and design of banknotes and coins are initially recognized as deferred costs which are subsequently amortised through other operating expenses over the period of five years.

3.12. Domestic deposits

Domestic deposits include deposits from banks and deposits from the Government and other public depositors. These deposits are the Central Bank's financial liabilities that are initially recognised at fair value and subsequently measured at amortised cost. Domestic deposits include domestic commercial banks' deposits arising from required reserve policy of the Central Bank, other bank deposits, deposits from BH institutions and deposits from other public institutions in BH. The Central Bank's role as a depository and as well as the banker, adviser and fiscal agent are prescribed under the Law on the Central Bank.

3.13. Managed funds for and on behalf of third parties

The Central Bank also maintains certain accounts in foreign currencies related to agreements concluded between the governments in BH and its constituent entities and foreign governments and financial organisations, as well as foreign currency accounts of state institutions and agencies, and of commercial banks, for which the Central Bank acts as an agent.

CENTRAL BANK OF BOSNIA AND HERZEGOVINA
Notes to the financial statements for the year ended 31 December 2019

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.14. Employee benefits

Short-term employee benefits

In accordance with local regulations, on behalf of its employees, the Central Bank pays personal income tax and contributions for pension, disability, health and unemployment insurance, on and from salaries, which are calculated as per the set legal rates during the course of the year on the gross salary. The Central Bank pays those tax and contributions in the favour of the institutions of the Federation of Bosnia and Herzegovina (on federal and cantonal levels), Republic of Srpska and Brčko District.

In addition, meal allowances, transport allowances and vacation bonuses are paid in accordance with the domestic legislation requirements. These expenses are recognized in profit or loss in the period in which the expense is incurred.

Long-term employee benefits

According to local legal requirements, employees of the Central Bank are entitled to receive a one-time benefit on retirement, provided legal conditions are met, such as the age or years of service, which in accordance with the Central Bank's internal Acts is based on six regular monthly salaries paid to the respective employee in the last six months.

Such payments are treated as long-term employee benefits which are calculated annually by independent actuaries using the projected unit credit method. The discount rate used in the calculation of the liability is based on interest rates of domestic corporate bonds and government bonds which exist on the market.

3.15. Financial arrangements of Bosnia and Herzegovina with the International Monetary Fund

According to the financial arrangements made at the end of 2002 between BH and the International Monetary Fund ("IMF"), the statement of financial position of the Central Bank includes the following items related to BH's membership of the IMF: holdings of special drawing rights, accrued interest on such holdings and the IMF No. 1 account and IMF No. 2 account.

Other assets and liabilities related to the IMF, belonging to or being the responsibility of BH, are recorded in a special Trust Fund within off-balance-sheet records (see also Note 31).

3.16. Assumptions and estimation uncertainties

The preparation of financial statements in conformity with IFRSs requires the Management to make judgements, estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure contingent assets and liabilities at the date of the financial statements and their reported amounts of revenues and expenses during the reporting period. Actual results could differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Changes in accounting estimates are recognized in the period in which the estimate is changed if the change affects only that period or in the period of change and future periods if the change affects both current and future periods.

CENTRAL BANK OF BOSNIA AND HERZEGOVINA
Notes to the financial statements for the year ended 31 December 2019

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.16. Assumptions and estimation uncertainties (continued)

Key assumptions and estimates relating to material statement of financial position items are presented below:

Business model

Note 3.2.2.1.: Determination of the business model within which the assets are held and assessment of contractual terms of financial assets regarding the "Solely payment of principal and interest" requirement. These assessments determine the classification of financial assets.

Impairment of financial assets

The Central Bank calculates the expected credit losses for certain classes of financial assets measured at amortised cost and debt instruments measured at fair value through other comprehensive income. Note 29.1 describes assumptions made in the determination of the inputs into the expected credit loss measurement model, including the forward-looking view information that were used in the reporting periods.

Fair value of assets and liabilities

The Central Bank's policy is to disclose fair value information on those financial assets and financial liabilities for which public market information is readily available or such value may be calculated by applying some alternative valuation techniques, and whose fair value is materially different from their recorded amounts. According to the Central Bank's management, amounts presented in the financial statements reflect the most reliable and useful estimate of fair value for financial reporting purposes, in accordance with IFRS. For more information about fair value measurement of financial assets and financial liabilities see Note 30.

Depreciation and amortisation charge and rates applied

The calculation of depreciation and amortisation, as well as depreciation and amortisation rates are based on the assessed economic useful life of property, equipment and intangible assets. Once a year, the Central Bank assesses economic useful life based on current assumptions.

CENTRAL BANK OF BOSNIA AND HERZEGOVINA
Notes to the financial statements for the year ended 31 December 2019

4. NET INTEREST INCOME

In thousands of KM

	For the year ended 31 December	
	2019	2018
Interest income arising from:		
Debt instruments (Note 14)	40,042	42,334
Effects of negative deposit interest rates on deposits from domestic commercial banks	11,093	5,784
Deposits with foreign banks	29	37
Other financial assets at amortised cost	14	31
Total	51,178	48,186
Interest expense arising from:		
Effects of negative interest rates from debt instruments (Note 14)	(13,553)	(13,613)
Effects of negative interest rates from deposits with foreign banks	(12,805)	(10,780)
Total	(26,358)	(24,393)
Net interest income	24,820	23,793

The base for calculation of interest on deposits from domestic commercial banks includes the total deposits of commercial banks on reserve accounts during the ten day settlement period, which consists of required reserve amounts and excess above the required reserves.

The base for the required reserve calculation for domestic commercial banks consists of deposits and borrowings regardless of fund currency expressed. Also, the unique required reserve ratio of 10% is established to be applied by the Central Bank on the required reserve base.

The Central Bank does not calculate fee on the required reserve amount while the calculation of fee on the amount exceeding the required reserve is linked to the European Central Bank deposit facility rate. Up to 1 May 2019, the fee on the amount exceeding required reserves was calculated by the rate equal to 50% of the European Central Bank deposit facility rate. Starting from 1 May 2019, the fee on the amount exceeding required reserves is calculated by deposit facility rate of European Central Bank.

Effects of negative interest rates on deposits from local commercial banks are result of the negative interest rate for domestic commercial banks on the amount exceeding the required reserve. During the reporting periods the fees on the amount exceeding the required reserve were as follows:

Period	Interest rate	European Central Bank deposit facility rate
2019		
from 1 January to 30 April	(0.20)%	(0.40)%
from 1 May to 11 September	(0.40)%	(0.40)%
from 12 September to 31 December	(0.50)%	(0.50)%
2018		
from 1 January to 31 December	(0.20)%	(0.40)%

CENTRAL BANK OF BOSNIA AND HERZEGOVINA
Notes to the financial statements for the year ended 31 December 2019

4. NET INTEREST INCOME (CONTINUED)

Effects of negative interest rates from deposits with foreign banks include the amount of KM 10,018 thousand on term deposits and the amount of KM 2,787 thousand on demand deposits (2018: included the amount of KM 8,507 thousand on term deposits and the amount of KM 2,273 thousand on demand deposits).

Effects of negative interest rates from interest-bearing financial assets are result of the negative interest rates calculated on deposits with foreign banks and debt instruments that could not be avoided according to current market circumstances.

5. NET FEE AND COMMISSION INCOME

	For the year ended 31 December	
In thousands of KM	2019	2018
Fee and commission income arising from:		
services for local commercial banks	16,089	16,047
services for the Government and other non-banking clients	1,576	1,162
Total	17,665	17,209
Fee and commission expenses arising from:		
transactions with foreign banks	(653)	(636)
Total	(653)	(636)
Net fee and commission income	17,012	16,573

6. NET REALISED GAINS FROM SALE OF DEBT INSTRUMENTS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

	For the year ended 31 December	
In thousands of KM	2019	2018
Realised gains	238	4,277
Realised losses	-	-
Net realised gains from sale of debt instruments at fair value through other comprehensive income	238	4,277

Net realised gains from sale of debt instruments at fair value through other comprehensive income include net amount comprised of closing balance in fair value reserves in the amount of KM 186 thousand and provisions for expected credit losses in the amount of KM 52 thousand for the year ended 31 December 2019 (For the year ended 31 December 2018: net realised gains from sale of debt instruments at fair value through other comprehensive income included net amount comprising from closing balance in fair value reserves in the amount of KM 1,679 thousand and in provisions for expected credit losses in the amount of KM 2,598 thousand). For more information see Note 29.1.1.

CENTRAL BANK OF BOSNIA AND HERZEGOVINA
Notes to the financial statements for the year ended 31 December 2019

7. NET FOREIGN EXCHANGE GAINS

	For the year ended 31 December	
In thousands of KM	2019	2018
Gains from foreign exchange differences	722	727
Losses from foreign exchange differences	(455)	(576)
Net foreign exchange gains	267	151

8. OTHER INCOME

	For the year ended 31 December	
In thousands of KM	2019	2018
Dividend income (Note 18)	623	589
Income from grants	98	144
Other income	174	789
TOTAL	895	1,522

9. PERSONNEL EXPENSES

	For the year ended 31 December	
In thousands of KM	2019	2018
Salaries	10,645	10,515
Contributions and other fees on salaries	6,064	5,977
Other employee benefits	2,019	2,024
Contributions and other fees on other employee benefits	665	670
Net provisions for severance payments, net increase / (decrease) (Note 22)	277	(152)
TOTAL	19,670	19,034

Personnel expenses include KM 3,749 thousand (2018: KM 3,702 thousand) of defined pension contributions paid into the public pension funds in BH. Contributions are calculated as percentage of the gross salary. As at 31 December 2019 the Bank had 370 employees (2018: 368 employees).

Other employee benefits are mainly comprised of expenses arising from meal allowances, transport services and vacation bonuses.

CENTRAL BANK OF BOSNIA AND HERZEGOVINA
Notes to the financial statements for the year ended 31 December 2019

10. ADMINISTRATIVE AND OTHER OPERATING EXPENSES

	For the year ended 31 December	
In thousands of KM	2019	2018
Maintenance costs	2,134	2,695
Expenses for production and design of banknotes and coins	1,959	1,751
Other administrative and operating expenses	3,857	3,804
TOTAL	7,950	8,250

11. PROVISIONS FOR EXPECTED CREDIT LOSSES, NET DECREASE / (INCREASE)

	For the year ended 31 December	
In thousands of KM	2019	2018
Gains from expected credit losses arising from:		
Debt instruments:	8,022	15,122
<i>Change in PD calculation (Notes 29.1. and 29.1.1)</i>	7,704	-
<i>Change in credit risk</i>	318	15,122
Deposits with foreign banks	4,940	9,266
<i>Change in PD calculation (Notes 29.1. and 29.1.1)</i>	2,117	-
<i>Change in credit risk</i>	2,823	9,266
Other financial assets	7	64
<i>Change in credit risk</i>	7	64
Special drawing rights with the IMF	-	3
<i>Change in credit risk</i>	-	3
	12,969	24,455
Allowance for expected credit losses arising from:		
Debt instruments	(424)	(22,423)
Deposits with foreign banks	(3,129)	(10,165)
Other financial assets	(7)	(39)
Special drawing rights with the IMF	-	(3)
	(3,560)	(32,630)
Provisions for expected credit losses, net decrease / (increase)	9,409	(8,175)

CENTRAL BANK OF BOSNIA AND HERZEGOVINA
Notes to the financial statements for the year ended 31 December 2019

12. FOREIGN CURRENCY IN CASH

Foreign currency in cash relates to:

In thousands of KM	31 December 2019	31 December 2018
Cash in vaults per currency:		
- EUR	322,523	274,025
- CHF	39	38
- USD	20	20
- GBP	17	16
TOTAL	322,599	274,099

13. DEPOSITS WITH FOREIGN BANKS

Term and demand deposits with foreign banks, analysed by type of currency, are as follows:

In thousands of KM	31 December 2019	31 December 2018
Term deposits:		
- EUR	2,308,476	2,118,444
Less impairment for expected credit losses	(495)	(2,064)
	2,307,981	2,116,380
Demand deposits:		
- EUR	784,914	788,997
- CHF	5,999	3,741
- GBP	2,220	36
- USD	1,880	2,765
Less impairment for expected credit losses	(229)	(471)
	794,784	795,068
TOTAL	3,102,765	2,911,448

Term deposits with foreign banks, analysed by remaining contractual maturity, are as follows:

In thousands of KM	31 December 2019	31 December 2018
Up to 1 month	1,184,603	777,266
From 1 to 2 months	155,675	349,106
From 2 to 3 months	272,789	583,230
From 3 to 4 months	192,865	155,532
From 4 to 12 months	502,544	253,310
Total	2,308,476	2,118,444
Less impairment for expected credit losses	(495)	(2,064)
TOTAL	2,307,981	2,116,380

CENTRAL BANK OF BOSNIA AND HERZEGOVINA
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13. DEPOSITS WITH FOREIGN BANKS (CONTINUED)

During the year 2019 the negative interest rates on demand deposits denominated in EUR ranged from 0.75% p.a. to 0.30% p.a. (2018: negative interest rates from 0.72% p.a. to 0.08% p.a.) and on term deposits negative interest rates ranged from 0.52% p.a. to 0.34% p.a. (2018: from 0.48% p.a. to 0.17% p.a.).

Deposits with foreign banks include negative accrued interest in the amount KM 1,423 thousand as at 31 December 2019 (2018: included negative accrued interest in the amount KM 2,395 thousand).

The average negative effective yield rate on deposits with foreign banks amounted to 0.42% p.a. (2018: average negative effective yield rate 0.42% p.a.).

Deposits with foreign banks analysed by the type of the bank invested in, are as follows:

In thousands of KM	31 December 2019	31 December 2018
Central banks	1,594,746	2,009,539
Commercial banks	1,508,743	904,444
Less impairment for expected credit losses (Note 29.1.1)	(724)	(2,535)
TOTAL	3,102,765	2,911,448

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13. DEPOSITS WITH FOREIGN BANKS (CONTINUED)

Deposits with foreign banks can be analysed on a geographical basis as follows:

In thousands of KM	31 December 2019	31 December 2018
Luxembourg		
Term deposits	869,747	1,224,011
Demand deposits	234,598	234,620
	1,104,345	1,458,631
Switzerland		
Term deposits	482,345	484,453
Demand deposits	101	1,000
	482,446	485,453
France		
Term deposits	391,166	-
Demand deposits	78,200	78,206
	469,366	78,206
Germany		
Term deposits	-	-
Demand deposits	421,679	479,941
	421,679	479,941
Great Britain		
Term deposits	408,933	409,980
Demand deposits	-	-
	408,933	409,980
Slovakia		
Term deposits	156,285	-
Demand deposits	-	-
	156,285	-
Netherlands		
Term deposits	-	-
Demand deposits	58,649	-
	58,649	-
USA		
Term deposits	-	-
Demand deposits	1,786	1,772
	1,786	1,772
Total term deposits	2,308,476	2,118,444
Total demand deposits	795,013	795,539
Less impairment for expected credit losses	(724)	(2,535)
TOTAL	3,102,765	2,911,448

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14. DEBT INSTRUMENTS

Debt instruments are classified at fair value through other comprehensive income, composed of sovereign government bonds with a high degree of marketability and liquidity, with a credit rating from AAA to BBB (See Note 29.1.). The portfolio includes short-term and long-term government bonds with a fixed interest rate. Debt instruments at fair value through other comprehensive income are denominated in EUR.

The structure of debt instruments at fair value through other comprehensive income is as follows:

In thousands of KM	31 December 2019	31 December 2018
Sovereign government bonds	8,848,981	8,153,320
Accrued interest	68,432	72,119
TOTAL	8,917,413	8,225,439

The average effective yield rate on debt instruments at fair value through other comprehensive income amounted to 0.31% p.a. (2018: the average effective yield rate amounted to 0.41% p.a.)

Debt instruments at fair value through other comprehensive income can be analysed on a geographical basis as follows:

	31 December 2019		31 December 2018	
	In thousands of KM	%	In thousands of KM	%
<i>France</i>	2,977,360	33.39	2,211,257	26.87
<i>Germany</i>	1,448,191	16.24	1,504,585	18.29
<i>Belgium</i>	1,010,563	11.33	1,083,041	13.17
<i>Spain</i>	840,620	9.43	844,614	10.27
<i>Netherlands</i>	742,561	8.33	568,172	6.91
<i>Austria</i>	689,066	7.73	950,959	11.56
<i>Italy</i>	624,905	7.01	549,084	6.68
<i>Finland</i>	584,147	6.54	513,727	6.25
TOTAL	8,917,413	100.00	8,225,439	100.00

Movements in fair value of debt instruments at fair value through other comprehensive income can be analysed as follows:

In thousands of KM	2019	2018
As at 1 January	8,225,439	7,473,857
Purchases during the year	3,156,187	3,766,969
Sales during the year	(258,849)	(653,879)
Interest income recognized during the year (Note 4)	40,042	42,334
Effects of negative interest rates recognized during the year (Note 4)	(13,553)	(13,613)
Maturities of debt instruments	(2,198,367)	(2,265,677)
Maturities of coupon	(111,349)	(118,162)
Net change in fair value during the year	77,863	(6,390)
As at 31 December	8,917,413	8,225,439

CENTRAL BANK OF BOSNIA AND HERZEGOVINA
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14. DEBT INSTRUMENTS (CONTINUED)

No expected credit loss allowance is recognised in the statement of financial position for debt instruments measured at fair value through other comprehensive income. Provisions for expected credit losses for debt instruments measured at fair value through other comprehensive income are part of the Central Bank's equity. Movements in provisions for expected credit losses for debt instruments measured at fair value through other comprehensive income during the year are provided in Note 29.1.1.

15. MONETARY GOLD

Fair value of the monetary gold as at 31 December 2019 amounts to KM 254,088 thousand, representing 96,000 ounces of gold at KM 2,647 per ounce (2018: KM 209,996 thousand representing 96,000 ounces of gold at KM 2,187 per ounce).

Movements in fair value of monetary gold can be analysed as follows:

In thousands of KM	2019	2018
As at 1 January – as stated	209,996	203,908
Change in accounting policy as at 1 January	-	(50)
As at 1 January - restated	209,996	203,858
Net change in fair value during the year	44,092	6,138
As at 31 December	254,088	209,996

16. OTHER ASSETS

In thousands of KM	31 December 2019	31 December 2018
Prepaid expenses	7,539	6,811
Receivables from domestic banks	1,833	1,735
Numismatic collections	840	741
Other miscellaneous assets	620	597
Giro accounts	575	553
Loans to employees	55	122
Receivables from employee based on domestic currency deficit	600	600
Less impairment of other receivables	(600)	(600)
Less impairment for expected credit losses	(5)	(5)
TOTAL	11,457	10,554

As at 31 December 2019, prepaid expenses include expenditure of KM 6,973 thousand incurred on the production of banknotes and coins (31 December 2018: KM 5,816 thousand incurred on the production of banknotes and coins). As explained in Note 3.11, such costs are initially deferred and subsequently amortized over a period of five years.

17. PROPERTY, EQUIPMENT AND INTANGIBLE ASSETS

In thousands of KM

	Land and buildings	Equipment and furniture	Vehicles	Other	Assets under construction	Property and equipment total	Software and other intangible assets	Intangible assets under construction	Intangible assets total
Cost									
As at 1 January 2018	44,368	24,026	1,924	1,010	682	72,010	14,500	237	14,737
Additions	-	-	-	-	1,322	1,322	-	588	588
Brought into use	-	1,894	45	36	(1,975)	-	541	(541)	-
Write offs and disposals	-	(333)	(59)	(5)	-	(397)	(24)	-	(24)
As at 31 December 2018	44,368	25,587	1,910	1,041	29	72,935	15,017	284	15,301
Additions	-	-	-	-	5,620	5,620	-	691	691
Brought into use	-	804	-	30	(834)	-	616	(616)	-
Write offs	-	(1,415)	(47)	(2)	-	(1,464)	(172)	-	(172)
As at 31 December 2019	44,368	24,976	1,863	1,069	4,815	77,091	15,461	359	15,820
Accumulated depreciation and amortization									
As at 1 January 2018	4,640	19,685	1,492	728	-	26,545	13,665	-	13,665
Charge for the year	755	1,198	97	58	-	2,108	318	-	318
Write offs and disposals	-	(331)	(59)	(5)	-	(395)	(24)	-	(24)
As at 31 December 2018	5,395	20,552	1,530	781	-	28,258	13,959	-	13,959
Charge for the year	579	1,255	93	49	-	1,976	470	-	470
Write offs and disposals	-	(1,408)	(47)	(2)	-	(1,457)	(172)	-	(172)
As at 31 December 2019	5,974	20,399	1,576	828	-	28,777	14,257	-	14,257
Net book value									
As at 1 January 2019	38,973	5,035	380	260	29	44,677	1,058	284	1,342
As at 31 December 2019	38,394	4,577	287	241	4,815	48,314	1,204	359	1,563

Assets under construction relate mainly to acquisition of the land for new business premises for Main Unit of Sarajevo of the Central Bank in the amount of KM 4,767 thousand as at 31 December 2019.

As at 31 December 2019 and 2018, the Central Bank has no encumbrances over its property, equipment and intangible assets.

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18. OTHER INVESTMENTS

The structure of other investments is as follows:

In thousands of KM	31 December 2019	31 December 2018
<i>Equity instruments:</i>		
Shares in BIS (Note 24)	27,803	27,803
Shares in SWIFT	10	10
TOTAL	27,813	27,813

Equity instruments are composed of ordinary BIS shares with a nominal value of SDR 5,000 per share (paid up at 25% of their nominal value by former Yugoslavia). In accordance with the Statute of BIS, remaining 75% of the share's nominal value is payable upon call for payment from BIS by the Central Bank.

SWIFT shares are composed of two ordinary shares and their total value is KM 10 thousand.

BIS and SWIFT shares represent unquoted equity instruments whose fair value cannot be reliably determined.

During the year the Central Bank received dividend income from BIS in the amount of KM 623 thousand (2018: KM 589 thousand) (Note 8).

19. CURRENCY IN CIRCULATION

Currency in circulation can be analysed as follows:

In thousands of KM	2019	2018
Currency placed into circulation - as at 1 January	4,750,614	4,319,360
Increase in currency in circulation during the year	449,302	431,254
Currency placed into circulation - as at 31 December	5,199,916	4,750,614

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19. CURRENCY IN CIRCULATION (CONTINUED)

		31 December 2019		31 December 2018	
	Nominal value	Pieces	Value in thousands of KM	Pieces	Value in thousands of KM
Coins	0.05	77,246,288	3,862	70,591,960	3,529
Coins	0.10	112,021,868	11,202	103,899,364	10,390
Coins	0.20	81,275,215	16,255	75,154,592	15,031
Coins	0.50	38,932,789	19,466	36,191,317	18,096
Coins	1	57,804,822	57,805	52,287,706	52,288
Coins	2	14,951,396	29,903	14,653,353	29,307
Coins	5	11,945,662	59,728	10,871,548	54,358
Banknotes	10	13,746,862	137,469	12,889,248	128,891
Banknotes	20	8,762,192	175,244	8,354,535	167,091
Banknotes	50	20,561,074	1,028,054	19,623,638	981,182
Banknotes	100	27,672,872	2,767,287	24,249,404	2,424,940
Banknotes	200	4,468,203	893,641	4,327,553	865,511
TOTAL		469,389,243	5,199,916	433,094,218	4,750,614

20. DEPOSITS FROM BANKS

The structure of deposits from banks is provided in the following table:

In thousands of KM	31 December 2019	31 December 2018
Deposits of domestic commercial banks	5,743,011	5,522,701
Reserve accounts of organizational units of the Central Bank	575	553
Special deposit of domestic commercial banks – blocked funds	33	36
TOTAL	5,743,619	5,523,290

Deposits of domestic commercial banks are placed in accordance with required reserve requirements for those banks to meet obligations for settling debts and for the transactions between commercial banks and the Central Bank. As at 31 December 2019 the total amount of KM 5,743,011 thousand represents deposits of 24 banks (2018: KM 5,522,701 thousand represented deposits of 24 banks).

Interest on deposits from domestic commercial banks is calculated according to the Law on the Central Bank on the amount exceeding the required reserve. Calculation policy for interest rate on deposits placed by domestic commercial banks during the reporting periods is provided in Note 4.

Deposits from banks include negative accrued interest in the amount KM 1,304 thousand as at 31 December 2019 (31 December 2018: included negative accrued interest in the amount KM 513 thousand).

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21. DEPOSITS FROM THE GOVERNMENT AND OTHER PUBLIC DEPOSITORS

The structure of deposits from the Government and other public depositors is provided in the following table:

In thousands of KM	31 December 2019	31 December 2018
Deposits for the budget of BH Institutions	553,745	494,575
Deposits of other public institutions	176,640	125,501
Deposits of other governments and government institutions	150,285	89,286
Deposit account under the IMF transactions	5	5
TOTAL	880,675	709,367

22. PROVISIONS FOR LIABILITIES AND CHARGES

Provisions for liabilities and charges relate to provisions for employees' severance payments and provisions for potential liabilities on litigations.

Litigations

The Central Bank is a defendant in few legal proceedings arising from its operations. The Central Bank contests this claims and based on legal advice considers that no material liabilities will be incurred.

Movement in provisions for liabilities and charges is presented below:

In thousands of KM

	Litigations	Severance payments	2019 Total
As at 1 January	-	1,259	1,259
Released provisions	-	(7)	(7)
Increase in provisions	-	284	284
Total recognized in profit or loss	-	277	277
Amounts paid	-	(142)	(142)
As at 31 December	-	1,394	1,394

In thousands of KM

	Litigations	Severance payments	2018 Total
As at 1 January	150	1,500	1,650
Released provisions	(70)	(152)	(222)
Increase in provisions	-	-	-
Total recognized in profit or loss	(70)	(152)	(222)
Amounts paid	(80)	(89)	(169)
As at 31 December	-	1,259	1,259

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23. OTHER LIABILITIES

The structure of other liabilities is presented in the following table:

In thousands of KM	31 December 2019	31 December 2018
Suppliers	2,095	1,036
IMF Accounts No. 1 and 2 (Note 31)	1,657	1,628
Accrued expenses and other liabilities	224	177
Deferred income	69	167
World bank deposits	52	184
Liabilities to employees	-	35
TOTAL	4,097	3,227

24. EQUITY

The structure of equity is presented in the following table:

In thousands of KM	31 December 2019	31 December 2018
Initial capital	25,000	25,000
General reserves (Retained earnings)	537,295	514,720
Other reserves	31,300	31,300
Fair value reserves for debt and equity instruments at fair value through other comprehensive income	211,373	133,696
Provisions for expected credit losses	1,343	8,993
Fair value reserves for monetary gold	50,230	6,138
TOTAL	856,541	719,847

Initial capital

Initial capital represents nominal capital paid in on 12 June 1998 in accordance with the Law on Central Bank.

General reserves (Retained earnings)

General reserves (Retained earnings) comprise accumulated undistributed profits of the Central Bank since the beginning of its operations on 11 August 1997. Status of General reserves (Retained earnings) is in jurisdiction of the Central Bank's Governing Board. General reserves (Retained earnings) are primary used for the Central Bank's net loss allocation, as prescribed under the Article 28 of the Law on the Central Bank.

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24. EQUITY (CONTINUED)

Other reserves

Other reserves relate to following:

- Special reserves from grants in the amount of KM 3,497 thousand, which relate to grants received in cash from the Council of Ministers of Bosnia and Herzegovina on 12 June 1998. The status of these reserves is regulated by the Decision of the Governing Board of the Central Bank with the approval of the Presidency of Bosnia and Herzegovina. The right to utilise the reserves from grants fall within the competence of the Governing Board of the Central Bank.
- Amounts received in accordance with the Succession Agreement of the former Yugoslavia in the amount of KM 27,803 thousand and relates to shares in BIS (see Note 18).

25. PROFIT ALLOCATION

The allocation of the net profit is carried out in accordance with the Law on the Central Bank.

The provisions of the Law on the Central Bank define the criteria of the net profit allocation, according to which the Central Bank allocates 60% of the current profit to the account of the institution responsible for the Budget of BH, provided that the amount of the initial capital and general reserves (retained earnings) is equal to 5.00% of the total monetary liabilities.

This ratio, before the profit allocation in 2019 amounted to 4.56% (2018: 4.84%). According to the Decision of the Governing Board, total amount of net profit for the 2019 financial year in the amount of KM 22,575 thousand is allocated to the general reserves (retained earnings) of the Central Bank (2018: total of the net profit for the 2018 financial year in the amount of KM 8,431 thousand was allocated to the general reserves (retained earnings) of the Central Bank).

2019

Before profit allocation

	(In thousands of KM)
Monetary liabilities	11,824,210
Initial capital and general reserves (retained earnings)	539,720
Ratio - initial capital and general reserves (retained earnings) / monetary liabilities	4.56%

Profit allocation

	(In thousands of KM)
Net profit before allocation	22,575
Allocation of profit to general reserves (retained earnings)	22,575

After profit allocation

	(In thousands of KM)
Monetary liabilities	11,824,210
Initial capital and general reserves (retained earnings)	562,295
Ratio - Initial capital and general reserves (retained earnings) / monetary liabilities	4.76%

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25. PROFIT ALLOCATION (CONTINUED)

2018

Before profit allocation

	(In thousands of KM)
Monetary liabilities	10,983,271
Initial capital and general reserves (retained earnings)	531,289
Ratio - initial capital and general reserves (retained earnings) / monetary liabilities	4.84%

Profit allocation

	(In thousands of KM)
Net profit before allocation	8,431
Allocation of profit to general reserves (retained earnings)	8,431

After profit allocation

	(In thousands of KM)
Monetary liabilities	10,983,271
Initial capital and general reserves (retained earnings)	539,720
Ratio - Initial capital and general reserves (retained earnings) / monetary liabilities	4.91%

26. CASH AND CASH EQUIVALENTS

For the purposes of the cash flow statement, cash and cash equivalents comprise of:

In thousands of KM	31 December 2019	31 December 2018
Foreign currency deposits with maturity up to three months or less from the date of acquisition	1,381,184	605,552
Foreign currency demand deposits	795,013	795,539
Foreign currency in cash	322,599	274,099
Giro accounts	575	553
Special Drawing Rights with the IMF	230	2,236
Total	2,499,601	1,677,979
Less impairment for expected credit losses	(629)	(1,619)
TOTAL	2,498,972	1,676,360

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26. CASH AND CASH EQUIVALENTS (CONTINUED)

Movements in expected credit losses on cash and cash equivalents in the reporting periods are provided below:

In thousands of KM	2019	2018
As at 1 January - stated	1,619	-
Effects from expected credit losses on cash and cash equivalents under IFRS 9	-	1,283
As at 1 January - restated	1,619	1,283
Foreign currency demand deposits	(242)	(92)
Foreign currency deposits with maturity up to three months or less from the date of acquisition	(748)	428
Foreign currency in cash	-	-
Special Drawing Rights with the IMF	-	-
Giro accounts	-	-
As at 31 December	629	1,619

27. CURRENCY BOARD ARRANGEMENT

The Law on the Central Bank defines the operational rules for a "Currency Board" to be used for issuing KM, according to which KM is issued only full coverage in net foreign currency reserves.

Article 31 of the Law on the Central Bank requires that the aggregate amount of its monetary liabilities shall at no time exceed its net foreign currency reserves.

Details of compliance with the rule are as follows:

In thousands of KM	31 December 2019	31 December 2018
Gross foreign currency reserves	12,597,095	11,623,218
Foreign currency in cash	322,599	274,099
Deposits with foreign banks	3,102,765	2,911,448
Debt instruments	8,917,413	8,225,439
Monetary gold	254,088	209,996
Special drawing rights with the IMF	230	2,236
Liabilities to non-residents	1,709	1,812
Net foreign currency reserves (gross foreign currency reserves less liabilities to non-residents)	12,595,386	11,621,406
Monetary liabilities	11,824,210	10,983,271
Currency in circulation	5,199,916	4,750,614
Deposits from banks	5,743,619	5,523,290
Deposits from the Government and other public depositors	880,675	709,367
NET FOREIGN ASSETS (net foreign currency reserves less monetary liabilities)	771,176	638,135

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28. RELATED PARTY TRANSACTIONS

In the normal course of its operations, the Central Bank enters into transactions with related parties. Having in mind that the Central Bank has been established by a Legal Act passed by Parliamentary Assembly of Bosnia and Herzegovina and that the initial capital has been paid up by the Council of Ministers of Bosnia and Herzegovina, transactions performed as part of regular operations of the Central Bank with the state and state institutions represent related party transactions. According to the Law on Central Bank, the Central Bank acts as an agent for the BH state and for the other state institutions. The Central Bank receives deposits from the BH state and other state institutions and acts strictly on depositors behalf.

Transactions with the state and state institutions are disclosed in the following table:

In thousands of KM

2019	<u>Liabilities</u>
State	546,735
<i>State institutions</i>	
BH Indirect taxation authority	85,844
BH Deposit Insurance Agency	<u>165,033</u>
TOTAL	<u>797,612</u>

In thousands of KM

2018	<u>Liabilities</u>
State	505,897
<i>State institutions</i>	
BH Indirect taxation authority	45,635
BH Deposit Insurance Agency	<u>90,975</u>
TOTAL	<u>642,507</u>

The Central Bank considers that it has an immediate related party relationship with its key management personnel, close family members of key management personnel, and entities controlled, jointly controlled or significantly influenced by key management personnel and their close family members.

Remuneration of key management members

The total remuneration of the members of the key personnel (members of Management and Governing Board) in 2019 amounted to KM 932 thousand, out of which KM 579 thousand was related to salaries and other remuneration and KM 353 thousand to taxes and contributions (in 2018 out of total amount of KM 964 thousand the amount of KM 590 thousand was related to salaries and other remuneration and KM 374 thousand was related to taxes and contributions).

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29. FINANCIAL RISK MANAGEMENT

Financial assets which represents the Central Bank's exposure to financial risks (credit risk, market risks and liquidity risk) are:

- Foreign currency in cash,
- Deposits with foreign banks (central banks, commercial banks and BIS),
- Debt instruments,
- Monetary gold,
- Special drawing rights with the IMF,
- Other financial assets (domestic banks' receivables, employees' loans and other receivables) and
- Other investments.

29.1. Credit risk

Credit risk represents the risk of default on the contractual obligations of other counterparty or the issuer of fixed income debt securities, where the counterparty is an entity where, in accordance with the Central Bank's regulations, foreign currency reserves are held or invested. The management of this risk is performed through:

- limiting the scope of financial instruments,
- limiting counterparties and issuers to those with acceptable composite credit rating,
- defining concentration limits for investments with an individual counterparty,
- limiting the maximum amount to be invested into individual types of financial instruments,
- limiting the size of the issue of individual securities and
- limiting maturities.

For the funds recorded in off-balance sheet records, the Central Bank is not exposed to credit risk, as all the risk, which may result from the investments of these funds, is to be borne contractually by the owners of these funds (see also Note 31).

Expected credit loss measurement

Financial assets for which the Central Bank calculates the expected credit losses includes:

- deposits with foreign banks,
- debt instruments,
- Special drawing rights with IMF and
- other financial assets (domestic banks' receivables, employees' loans and other receivables).

The basic criteria for defining the limit of exposure to credit risk is the composite credit rating. Composite credit rating is the average of current ratings assigned to a certain entity by at least two out of three credit rating agencies (Standard and Poor's, Fitch ratings or Moody's).

Financial assets which have the composite credit rating AA minus (AA-) or higher, the Central Bank treats as low credit risk exposure.

Financial assets which have the composite credit rating from BBB minus (BBB-) to A plus (A+), the Central Bank treats as medium credit risk exposure.

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29. FINANCIAL RISK MANAGEMENT (CONTINUED)

29.1. Credit risk (continued)

Financial assets which have the composite credit rating below BBB minus (BBB-), the Central Bank treats as high credit risk exposure.

In the absence of credit rating, the Central Bank estimates the borrower's capacity to properly repay his contractual cash obligations.

Model for impairment of financial assets defines three stages based on the credit risk level at the initial recognition and changes in credit quality after initial recognition as summarized below:

1. Stage 1 of exposure distribution – Financial assets which are treated as the low or medium credit risk exposure are allocated to Stage 1 at initial recognition. In accordance with internal Central Bank's regulations, investments of foreign currency reserves are not allowed to the high credit risk exposure. Each investment of foreign currency reserves at initial recognition is allocated to Stage 1 of exposure distribution.
2. Stage 2 of exposure distribution – If a significant increase in credit risk since initial recognition is identified, financial assets which were allocated to Stage 1 will be transferred to Stage 2.
3. Stage 3 of exposure distribution – The criteria for movement into the Stage 3 is assigning the default status to financial assets.

The calculation of expected credit losses is measured on a 12-month basis or a lifetime basis, depending on financial asset's composite credit rating level, if the significant increase in credit risk has occurred from the moment of financial assets' initial recognition and depending on if the financial asset is credit-impaired.

For financial assets allocated in Stage 1, the expected credit losses are measured on a 12-month basis, while for financial assets allocated in Stage 2 or Stage 3 the expected credit losses are measured on a lifetime basis.

Significant increase in credit risk

Significant increase in credit risk, as criteria for transfer of exposure into Stage 2, represents:

- decrease in composite credit rating for more than two notches in relation to initial recognition date, excluding the financial assets which even after the decrease in composite credit rating is treated as the low credit risk exposure at reporting date or
- decrease in composite credit rating of financial assets below investment level of composite credit rating, i.e. below the BBB minus (BBB-) rating.

Financial assets cannot be allocated from Stage 1 to Stage 2 if the Central Bank considers that the debtor, which does not have credit rating assigned, has high capacity to settle all matured contractual obligations. Financial assets cannot be allocated to Stage 2 if, even after the decrease in the level of composite credit rating, the financial assets have rating AA minus (AA-) or higher, considering that it is treated as low credit risk exposure.

If financial instrument is consisted of multiple tranches that were initially recognized in different periods, and which in different periods had different composite credit ratings, by using the conservative approach, the Central Bank will take as relevant the calculated increase in credit risk from the highest notch.

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Notes to the financial statements for the year ended 31 December 2019

29. FINANCIAL RISK MANAGEMENT (CONTINUED)

29.1. Credit risk (continued)

If the change in credit risk rating occurred due to the change in certain credit rating agency methodology and the significant increase in credit risk did not occur related to initially estimated risks, the exposures will not be classified into the Stage 2.

The Central Bank, based on its analysis, can determine the allocation of every individual financial asset into the Stage 2 or Stage 3. If the causes that led to the transfer of financial asset in Stage 2 have been removed, the exposure can be reverted to Stage 1, but at least 90 days after removal of the cause.

In addition to the criteria mentioned above, stage classification can be performed based on assumption that the significant increase in risk has occurred if the payment is delayed for 30 days or more, where the financial asset will be classified to Stage 2 (underperforming) if the payment is delayed for 30 to 89 days. Financial assets will be classified to the Stage 3 (nonperforming) if payment is delayed for 90 days or more.

Definition of default

Default criteria are objective evidences of impairment and especially:

- Significant financial difficulties of securities' issuers,
- Breach of contractual obligations in terms of delinquency on principal and interest,
- Any restructuring or modification of the existing terms of servicing obligations arising from financial instrument debt for reasons related to financial difficulties of the issuer,
- Probability of bankruptcy and/or liquidation or other form of financial reorganization and/or
- Disappearance of an active trading market.

Expected credit loss calculation

Expected credit losses are calculated as the product of three variables: the Probability of Default (PD), Loss Given Default (LGD) and Exposure at Default (EAD), defined as follows:

- **Probability of Default** is an estimate of the probability that another counter party will not be able to meet its debt obligations.

In relation to year 2018, the Central Bank has changed the methodology for calculation of expected credit losses, according to which the calculation of probability of default was based on CDS contracts market prices (CDS Spread – Credit Default Swap Spread) (see Note 29.1.1). The reasons for changing the methodology are:

- expressed volatility of market prices of CDS contracts, whereby it is not possible to clearly distinguish which part of volatility is a consequence of changes in financial instruments issuer credibility on the basis of which CDS contracts are issued,
- the Central Bank's portfolio structure where exposures are mostly to countries with investible sovereign credit rating level and
- compliance with the best practices in other central banks.

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*Notes to the financial statements for the year ended 31 December 2019***29. FINANCIAL RISK MANAGEMENT (CONTINUED)****29.1. Credit risk (continued)**

For the impairment calculation, in accordance with best practices in other central banks in region and European Union, which are obliged to comply with IFRS, in year 2019, the Central Bank, as parameter of the probability of default, uses the estimates based on data from transition matrices which are published by credit rating agencies and expert judgement in the form of fixed percentages of probability of default.

For probability of default calculation, the estimates are based on transition matrices for corporations on a global level which contain data on one year transition average rate of long term credit rating level in status "D" i.e. default or status "SD", i.e. selective default. Based on data mentioned above, the probability of default estimates are calculated for exposures to foreign commercial banks and foreign countries, respectively foreign central banks and governments, for which it is possible to calculate composite credit rating.

For probability of default estimates of exposures to foreign countries, respectively foreign central banks and governments, the first non-zero data on one year transition rate of sovereign ratings is taken into account in status "D" i.e. default or status "SD" i.e. selective default from transition matrices for sovereign rating. In year 2018, for exposures for which it was possible to calculate the composite credit ratings, the calculation of probability of default was based on CDS contracts market prices, as a market risk indicator which includes the implicit probability of issuer bankruptcy in a manner in which market evaluates it, and expert judgements of probability of default. For exposures for which the composite credit rating cannot be calculated, in both reporting periods, expert judgements in terms of fixed percentages are used, respectively the simplified approach in accordance with the current situation analysis and former experience.

- **Loss Given Default** is an estimate of the percentage of exposure to the issuer/entity which cannot be collected if a default event occurs. For loss given default, the Central Bank uses constant value of one-year LGD, 45 per cent (45%), in accordance with the article 161. of the Regulation (EU) No 575/2013 of the European Parliament and of the Council of 26 June 2013 (Capital Requirements Regulations i.e. CRR).
- **Exposure at Default** represents the book value of the financial asset, i.e. the carrying amount at the date of the initial recognition/on the reporting date.

For impairment, the Central Bank uses individual and collective approach.

Considering the portfolio structure and classification, the Central Bank will every exposure for which the objective impairment is determined, respectively the default is determined, consider as individually significant exposure and will use the individual estimation approach. For an individual approach to impairment assessment, three different scenarios are used. It is not necessary to determine each possible scenario to measure expected credit losses, but it needs to be taken into the consideration the risk or likelihood of a credit loss occurring in a way that reflects the probability of a credit loss and the probability that there will be no credit loss, even when the probability of credit loss is very low.

CENTRAL BANK OF BOSNIA AND HERZEGOVINA
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29. FINANCIAL RISK MANAGEMENT (CONTINUED)

29.1. Credit risk (continued)

Impairment amount for exposures that are the subject of individual evaluation approach is calculated as difference between the financial asset carrying amount and probability weighted present value of the estimated cash flows, discounted at the effective interest rate, where the expected credit losses are discounted on reporting date, not on the date of expected default or any other date.

For the purpose of determining a significant increase in credit risk and the recognition of impairment provisions on a collective basis, financial instruments may be grouped on the basis of common credit risk characteristics to facilitate the timely analysis of significant increase in credit risk determination.

Impairment calculation on a collective basis for financial instruments allocated in Stage 1 is carried out on a 12-month basis, while for exposures allocated in Stage 2, the lifetime credit loss is calculated.

Forward-looking information incorporation

The purpose of the impairment is to recognize expected credit losses on a lifetime basis for financial assets that had a significant increase in credit risk compared to initially estimated risks, whether the estimation is on individual or collective basis, taking into account all reasonable and substantiated information including those related to the future. If the reasonable and confirmed information are available without necessary cost or effort, it is not possible to rely solely on past information when the Central Bank is determining if there was a significant increase in credit risk in relation to initial evaluation.

In accordance with the above, incorporation of forward-looking information in expected credit losses calculation is done by adjusting the probability of default.

Given that the Central Bank in its portfolio has financial instruments of issuers that are different by structure as well as by geographical distribution, in relation to incorporating forward looking information in expected credit losses calculation, the Central Bank relies on predicting changes in credit ratings for individual financial instruments, respectively issuers.

Predictions of credit rating movement directions on calculated probability of default of three biggest credit rating agencies: positive, stable or negative outlook, is incorporated in probability of default by the principle of equal probabilities.

29.1.1. Credit risk exposure

The following table shows the reconciliation from the opening to the closing balance of the loss allowance for expected credit losses for financial assets at reporting dates:

29. FINANCIAL RISK MANAGEMENT (CONTINUED)

29.1. Credit risk (continued)

29.1.1. Credit risk exposure (continued)

In thousands of KM

	2019				2018			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
1. Debt instruments								
As at 1 January - stated	8,993	-	-	8,993	4,290	-	-	4,290
Change in PD calculation at 1 January (Note 11)	(7,704)	-	-	(7,704)	-	-	-	-
As at 1 January - restated	1,289	-	-	1,289	4,290	-	-	4,290
Increases due to change in credit risk	424	-	-	424	22,423	-	-	22,423
Decreases due to change in credit risk	(97)	-	-	(97)	(13,841)	-	-	(13,841)
Decreases due to debt instruments matured	(221)	-	-	(221)	(1,281)	-	-	(1,281)
<i>Net (decrease) / increase during the year</i>	(7,598)	-	-	(7,598)	7,301	-	-	7,301
Decreases due to debt instruments sold	(52)	-	-	(52)	(2,598)	-	-	(2,598)
As at 31 December	1,343	-	-	1,343	8,993	-	-	8,993
2. Deposits with foreign banks								
As at 1 January - stated	2,535	-	-	2,535	1,635	-	-	1,635
Change in PD calculation at 1 January (Note 11)	(2,117)	-	-	(2,117)	-	-	-	-
As at 1 January - restated	418	-	-	418	1,635	-	-	1,635
Increases due to change in credit risk	3,129	-	-	3,129	10,165	-	-	10,165
Decreases due to change in credit risk	(158)	-	-	(158)	(5,202)	-	-	(5,202)
Decreases due to derecognition of term deposits	(2,665)	-	-	(2,665)	(4,063)	-	-	(4,063)
As at 31 December	724	-	-	724	2,535	-	-	2,535

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29. FINANCIAL RISK MANAGEMENT (CONTINUED)

29.1. Credit risk (continued)

29.1.1. Credit risk exposure (continued)

	2019				2018			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
3. Special drawing rights with the IMF								
As at 1 January	-	-	-	-	-	-	-	-
Increases due to change in credit risk	-	-	-	-	3	-	-	3
Decreases due to change in credit risk	-	-	-	-	(3)	-	-	(3)
As at 31 December	-	-	-	-	-	-	-	-
4. Other financial assets								
As at 1 January	5	-	600	605	30	-	600	630
Increases due to change in credit risk	7	-	-	7	39	-	-	39
Decreases due to change in credit risk	(7)	-	-	(7)	(64)	-	-	(64)
As at 31 December	5	-	600	605	5	-	600	605
Total opening balance at 1 January	11,533	-	600	12,133	5,955	-	600	6,555
Total change in PD calculation	(9,821)	-	-	(9,821)	-	-	-	-
Total net increase due to change in credit risk	360	-	-	360	5,578	-	-	5,578
Total closing balance at 31 December	2,072	-	600	2,672	11,533	-	600	12,133

29. FINANCIAL RISK MANAGEMENT (CONTINUED)

29.1. Credit risk (continued)

29.1.2. Credit risk concentration

a) Maximum exposure to credit risk - financial instruments subject to impairment

The following table shows the maximum exposure to credit risk for the Central Bank's financial assets, analysed by the classes of financial instruments for which the expected credit losses are calculated and recognized:

In thousands of KM	2019				2018			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Classes of financial instruments								
Foreign currency in cash								
Gross carrying amount	322,599	-	-	322,599	274,099	-	-	274,099
Loss allowance	-	-	-	-	-	-	-	-
Carrying amount	322,599	-	-	322,599	274,099	-	-	274,099
Deposits with foreign banks								
Gross carrying amount	3,103,489	-	-	3,103,489	2,913,983	-	-	2,913,983
Loss allowance	(724)	-	-	(724)	(2,535)	-	-	(2,535)
Carrying amount	3,102,765	-	-	3,102,765	2,911,448	-	-	2,911,448
Debt instruments								
Gross carrying amount	8,917,413	-	-	8,917,413	8,225,439	-	-	8,225,439
Provisions for expected credit losses (recognized in other comprehensive income)	(1,343)	-	-	(1,343)	(8,993)	-	-	(8,993)
Carrying amount	8,917,413	-	-	8,917,413	8,225,439	-	-	8,225,439
Special drawing rights with the IMF								
Gross carrying amount	230	-	-	230	2,236	-	-	2,236
Loss allowance	-	-	-	-	-	-	-	-
Carrying amount	230	-	-	230	2,236	-	-	2,236
Other financial assets								
Gross carrying amount	2,827	-	600	3,427	2,693	-	600	3,293
Loss allowance	(5)	-	(600)	(605)	(5)	-	(600)	(605)
Carrying amount	2,822	-	-	2,822	2,688	-	-	2,688

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Notes to the financial statements for the year ended 31 December 2019

29. FINANCIAL RISK MANAGEMENT (CONTINUED)

29.1. Credit risk (continued)

29.1.2. Credit risk concentration (continued)

b) Maximum exposure to credit risk - financial assets not subject to impairment

In thousands of KM	31 December 2019	31 December 2018
Carrying amounts		
Monetary gold	254,088	209,996
Other investments	27,813	27,813
TOTAL	281,901	237,809

The Central Bank does not hold any collateral or other credit enhancements to cover this credit risk. As at 31 December 2019 the Bank does not have any assets that are past due and does have impaired assets in the amount of KM 600 thousand (31 December 2018: the Central Bank did not have any assets that are past due and had impaired assets in the amount of KM 600 thousand).

Individual credit risk concentration

Deposits with foreign banks in total amounted to KM 3,102,765 thousand as at 31 December 2019 (2018: KM 2,911,448 thousand). The largest portion of these funds is invested in one foreign bank with individual exposure exceeding total equity and reserves of the Central Bank (2018: one foreign bank had individual exposure exceeding total equity and reserves of the Bank).

Individual credit risk concentration exceeding total Central Bank's equity:

31 December 2019			31 December 2018		
Bank rating	In thousands of KM	% of total deposits	Bank rating	In thousands of KM	% of total deposits
AAA	1,104,271	35.59%	AAA	1,457,747	50.07%

CENTRAL BANK OF BOSNIA AND HERZEGOVINA
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29. FINANCIAL RISK MANAGEMENT (CONTINUED)

29.1. Credit risk (continued)

29.1.2. Credit risk concentration (continued)

Concentration per credit rating

The table below presents an analysis of the Central Bank's concentration per credit rating for its financial assets as at 31 December 2019:

In thousands of KM

31 December 2019

Credit rating	Foreign Currency in Cash	Deposits with foreign banks	Debt instruments	Monetary Gold	Special drawing rights with the IMF	Other financial assets	Other investments	Total
AAA	-	1,842,449	2,190,752	-	-	-	-	4,033,201
AA+	-	-	1,273,212	-	-	-	-	1,273,212
AA	-	78,191	2,977,360	-	-	-	-	3,055,551
AA-	-	-	1,010,563	-	-	-	-	1,010,563
A+	-	547,273	-	-	-	-	-	547,273
A	-	408,740	-	-	-	-	-	408,740
A-	-	-	840,621	-	-	-	-	840,621
II ¹	-	101	-	254,088	230	-	27,813	282,232
BBB+	-	226,011	-	-	-	-	-	226,011
BBB	-	-	624,905	-	-	-	-	624,905
Unrated	322,599	-	-	-	-	2,822	-	325,421
TOTAL	322,599	3,102,765	8,917,413	254,088	230	2,822	27,813	12,627,730

¹ International institutions

CENTRAL BANK OF BOSNIA AND HERZEGOVINA
Notes to the financial statements for the year ended 31 December 2019

29. FINANCIAL RISK MANAGEMENT (CONTINUED)

29.1. Credit risk (continued)

29.1.2. Credit risk concentration (continued)

The table below presents an analysis of the Central Bank's concentration per credit rating for its financial assets as at 31 December 2018:

In thousands of KM

								31 December 2018
Credit rating	Foreign Currency in Cash	Deposits with foreign banks	Debt instruments	Monetary Gold	Special drawing rights with the IMF	Other financial assets	Other investments	Total
AAA	-	2,414,436	2,072,757	-	-	-	-	4,487,193
AA+	-	-	1,464,686	-	-	-	-	1,464,686
AA	-	78,140	2,211,257	-	-	-	-	2,289,397
AA-	-	-	1,083,041	-	-	-	-	1,083,041
A+	-	-	-	-	-	-	-	-
A	-	408,951	-	-	-	-	-	408,951
A-	-	-	844,614	-	-	-	-	844,614
II ²	-	1,000	-	209,996	2,236	-	27,813	241,045
BBB+	-	8,921	-	-	-	-	-	8,921
BBB	-	-	549,084	-	-	-	-	549,084
Unrated	274,099	-	-	-	-	2,688	-	276,787
TOTAL	274,099	2,911,448	8,225,439	209,996	2,236	2,688	27,813	11,653,719

²International institutions

CENTRAL BANK OF BOSNIA AND HERZEGOVINA

Notes to the financial statements for the year ended 31 December 2019

29. FINANCIAL RISK MANAGEMENT (CONTINUED)

29.1. Credit risk (continued)

29.1.2. Credit risk concentration (continued)

Geographical concentration of risks of financial assets with credit risk exposure

The following table breaks down the Central Bank's main credit risk exposure at their carrying amounts, as categorized by geographical region as at 31 December 2019 and 2018. For the purposes of this disclosure, the Central Bank has allocated exposures to regions based on the country of domicile of its counterparties:

In thousands of KM	EU countries	Non-EU member countries	Bosnia and Herzegovina	Total
Foreign currency in cash	-	-	322,599	322,599
Deposits with foreign banks	2,618,598	484,167	-	3,102,765
Debt instruments	8,917,413	-	-	8,917,413
Monetary gold	-	254,088	-	254,088
Special drawing rights with the IMF	-	230	-	230
Other financial assets	-	-	2,822	2,822
Other investments	10	27,803	-	27,813
31 December 2019	11,536,021	766,288	325,421	12,627,730

In thousands of KM	EU countries	Non-EU member countries	Bosnia and Herzegovina	Total
Foreign currency in cash	-	-	274,099	274,099
Deposits with foreign banks	2,424,518	486,930	-	2,911,448
Debt instruments	8,225,439	-	-	8,225,439
Monetary gold	-	209,996	-	209,996
Special drawing rights with the IMF	-	2,236	-	2,236
Other financial assets	-	-	2,688	2,688
Other investments	10	27,803	-	27,813
31 December 2018	10,649,967	726,965	276,787	11,653,719

CENTRAL BANK OF BOSNIA AND HERZEGOVINA

*Notes to the financial statements for the year ended 31 December 2019***29. FINANCIAL RISK MANAGEMENT (CONTINUED)****29.2. Market risk**

Market risk is the risk that change of prices on the market, such as interest rates, financial assets prices and foreign exchange rates, will affect the Central Bank's income or the value of investment in financial assets. Basic market risks, which Central Bank follows and manages, are foreign exchange risk and interest rate risk. The objective of market risk management is to manage and control market risk exposures with acceptable parameters, while optimising the return on risk.

For the purpose of quantifying the market risks effect on the currency reserves value, the Central Bank applies the Value at Risk (VaR) concept. VaR represents a statistical measure which shows the maximum loss that can occur in foreign currency reserves portfolio due to the changes in the financial instruments prices and the foreign exchange rates, given a certain level of confidence and a particular time horizon. VaR value for market risk is calculated by analytical (parametric) method, based on the mean value of gain/loss or yield rate of observed portfolio and standard deviation of observed data. The Central Bank, when calculating VaR, applies a level of confidence of 99% and a 10-day horizon.

For calculating VaR value of foreign currency reserves portfolio of the Central Bank, all positions which are exposed to market risks in foreign currency reserves portfolio are taken into account, respectively foreign exchange risk, interest rate risk and price risk. As at 31 December 2019, the exposure of the Central Bank's foreign currency reserves (Value at Risk at a level of confidence of 99% for a 10-day horizon), including fluctuations of the prices of financial instruments and foreign exchange rates against the KM, equals to KM 76,418 thousands (2018: KM 53,655 thousand), or 0,61% of the total financial assets (2018: 0,46% of the total financial assets).

VaR value as at 31 December 2019 and 31 December 2018 is calculated as the sum of componential VaR values:

- for deposits with foreign banks (currency VaR due to changes in foreign exchange rates),
- for debt instruments at fair value through other comprehensive income (interest rate VaR due to changes in market yields, i.e. changes in market prices of debt instruments and
- for monetary gold (VaR due to changes in EUR price of the monetary gold).

In thousands of KM	31 December 2019	31 December 2018
Currency risk	277	362
Interest rate risk	67,443	47,358
Risk of change in EUR price of the monetary gold	8,698	5,935
Total VaR	76,418	53,655

29.2.1. Foreign exchange risk

Foreign exchange risk is the risk of changes in foreign exchange assets and liabilities due to the changes in foreign exchange rates. The Central Bank is exposed to foreign exchange risk through transactions in foreign currencies. Foreign exchange risk is primarily managed through reconciling currency structure of assets and liabilities of the Central Bank, as well as through setting the quantitative limits for exposure to foreign exchange risk.

CENTRAL BANK OF BOSNIA AND HERZEGOVINA
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29. FINANCIAL RISK MANAGEMENT (CONTINUED)

29.2. Market risk (continued)

29.2.1. Foreign exchange risk (continued)

The control and management of the foreign exchange risk is based on the strict adherence to the provisions of the Law on the Central Bank and the Central Bank's internal regulations.

The largest part of gross foreign currency reserves is held in EUR, and the maximum amount that can be held in convertible currencies other than EUR, must not exceed the equivalent of 50% of the total amount of the unimpaired capital and reserves of the Central Bank.

The Central Bank had the following foreign currency position as at 31 December 2019 and 31 December 2018:

31 December 2019

In thousands of KM	EUR	USD	Other foreign currencies	KM	Total
Foreign currency in cash	322,523	20	56	-	322,599
Deposits with foreign banks	3,092,673	1,880	8,212	-	3,102,765
Debt instruments	8,917,413	-	-	-	8,917,413
Monetary gold	254,088	-	-	-	254,088
Special drawing rights with the IMF	-	-	230	-	230
Other financial assets	31	-	-	2,791	2,822
Other investments	10	-	-	27,803	27,813
Total financial assets	12,586,738	1,900	8,498	30,594	12,627,730
Currency in circulation	-	-	-	5,199,916	5,199,916
Deposits from banks	-	-	-	5,743,619	5,743,619
Deposits from the Government and other public depositors	-	-	-	880,675	880,675
Other financial liabilities	1,193	13	-	2,610	3,816
Total financial liabilities	1,193	13	-	11,826,820	11,828,026
NET FOREIGN EXCHANGE POSITION	12,585,545	1,887	8,498	(11,796,226)	799,704

CENTRAL BANK OF BOSNIA AND HERZEGOVINA
Notes to the financial statements for the year ended 31 December 2019

29. FINANCIAL RISK MANAGEMENT (CONTINUED)

29.2. Market risk (continued)

29.2.1. Foreign exchange risk (continued)

31 December 2018

In thousands of KM	EUR	USD	Other foreign currencies	KM	Total
Foreign currency in cash	274,025	20	54	-	274,099
Deposits with foreign banks	2,904,946	2,763	3,739	-	2,911,448
Debt instruments	8,225,439	-	-	-	8,225,439
Monetary gold	209,996	-	-	-	209,996
Special drawing rights with the IMF	-	-	2,236	-	2,236
Other financial assets	22	-	-	2,666	2,688
Other investments	10	-	-	27,803	27,813
Total financial assets	11,614,438	2,783	6,029	30,469	11,653,719
Currency in circulation	-	-	-	4,750,614	4,750,614
Deposits from banks	-	-	-	5,523,290	5,523,290
Deposits from the Government and other public depositors	-	-	-	709,367	709,367
Other financial liabilities	586	13	-	2,294	2,893
Total financial liabilities	586	13	-	10,985,565	10,986,164
NET FOREIGN EXCHANGE POSITION	11,613,852	2,770	6,029	(10,955,096)	667,555

The Central Bank is not exposed to EUR foreign currency risk due to Currency Board Arrangement aligning KM to EUR at fixed exchange rate of EUR 1: KM 1.95583.

29.2.2. Interest rate risk

Interest rate risk is the risk of changes in market value of the financial assets due to the adverse movements of interest rates. Interest rate risk is managed by determining the acceptable term duration and maturity of financial instruments in which Central Bank invests. The longer the maturity of financial instruments in which foreign currency reserves are invested, the greater and the associated risk of changes in their market value. Maximum term for investing deposits with foreign banks is one year, while maximum term of investing debt instruments with fixed income is ten years.

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29. FINANCIAL RISK MANAGEMENT (CONTINUED)

29.2. Market risk (continued)

29.2.2. Interest rate risk (continued)

The tables below summarize the Central Bank's exposure to interest rate risk at 31 December 2019 and 31 December 2018:

31 December 2019	Up to 3 months	From 3 to 12 months	From 1 to 3 years	Over 3 Years	Non-interest bearing	Total
In thousands of KM						
Foreign currency in cash	-	-	-	-	322,599	322,599
Deposits with foreign banks	2,176,220	927,968	-	-	(1,423)	3,102,765
Debt instruments	1,828,701	7,020,280	-	-	68,432	8,917,413
Monetary gold	-	-	-	-	254,088	254,088
Special drawing rights with the IMF	230	-	-	-	-	230
Other financial assets	10	29	15	-	2,768	2,822
Other investments	-	-	-	-	27,813	27,813
Total financial assets	4,005,161	7,948,277	15	-	674,277	12,627,730
Currency in circulation	-	-	-	-	5,199,916	5,199,916
Deposits from banks	3,014,461	-	-	-	2,729,158	5,743,619
Deposits from the Government and other public depositors	-	-	-	-	880,675	880,675
Other liabilities	-	-	-	-	3,816	3,816
Total financial liabilities	3,014,461	-	-	-	8,813,565	11,828,026
INTEREST RATE GAP	990,700	7,948,277	15	-	(8,139,288)	799,704

CENTRAL BANK OF BOSNIA AND HERZEGOVINA
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29. FINANCIAL RISK MANAGEMENT (CONTINUED)

29.2. Market risk (continued)

29.2.2. Interest rate risk (continued)

31 December 2018						
In thousands of KM	Up to 3 months	From 3 to 12 months	From 1 to 3 years	Over 3 Years	Non-interest bearing	Total
Foreign currency in cash	-	-	-	-	274,099	274,099
Deposits with foreign banks	1,399,725	1,514,118	-	-	(2,395)	2,911,448
Debt instruments	1,879,504	6,273,816	-	-	72,119	8,225,439
Monetary gold	-	-	-	-	209,996	209,996
Special drawing rights with the IMF	2,236	-	-	-	-	2,236
Other financial assets	20	43	59	-	2,566	2,688
Other investments	-	-	-	-	27,813	27,813
Total financial assets	3,281,485	7,787,977	59	-	584,198	11,653,719
Currency in circulation	-	-	-	-	4,750,614	4,750,614
Deposits from banks	3,037,591	-	-	-	2,485,699	5,523,290
Deposits from the Government and other public depositors	-	-	-	-	709,367	709,367
Other liabilities	-	-	-	-	2,893	2,893
Total financial liabilities	3,037,591	-	-	-	7,948,573	10,986,164
INTEREST RATE GAP	243,894	7,787,977	59	-	(7,364,375)	667,555

29.3. Liquidity risk

Liquidity risk refers to the possible difficulties in liquidating a portion of assets quickly, when it is necessary, mostly when market conditions are unfavorable or when there is no opportunity to obtain the appropriate price of the financial asset on financial market.

Liquid assets are defined as those assets whose conversion into cash causes minimal transaction costs and whose value is the closest to market value.

Considering the need of guaranteeing the KM convertibility, the daily liquidity should be provided by the maturity adjustment of the Central Bank foreign currency reserves.

The liquidity framework should match the forecasted potential liquidity needs with identified liquid instruments. The liquidity of each financial instrument eligible for investment must be duly considered before the investment in the instrument is made.

CENTRAL BANK OF BOSNIA AND HERZEGOVINA
Notes to the financial statements for the year ended 31 December 2019

29. FINANCIAL RISK MANAGEMENT (CONTINUED)

29.3. Liquidity risk (continued)

Maturity analysis

Tables below present the financial liabilities of the Central Bank as at 31 December 2019 and 2018 classified into relevant maturity groupings based on the remaining period from the reporting date to the contractual maturity date.

Currency in circulation has been classified in the maturity period within three months.

31 December 2019

In thousands of KM	Up to 3 months	From 3 to 12 months	From 1 to 3 years	Over 3 years	Without specified maturity	Total
Currency in circulation	5,199,916	-	-	-	-	5,199,916
Deposits from banks	5,743,619	-	-	-	-	5,743,619
Deposits from the Government and other public depositors	880,675	-	-	-	-	880,675
Other financial liabilities	3,816	-	-	-	-	3,816
TOTAL FINANCIAL LIABILITIES	11,828,026	-	-	-	-	11,828,026

31 December 2018

In thousands of KM	Up to 3 months	From 3 to 12 months	From 1 to 3 years	Over 3 years	Without specified maturity	Total
Currency in circulation	4,750,614	-	-	-	-	4,750,614
Deposits from banks	5,523,290	-	-	-	-	5,523,290
Deposits from the Government and other public depositors	709,367	-	-	-	-	709,367
Other financial liabilities	2,893	-	-	-	-	2,893
TOTAL FINANCIAL LIABILITIES	10,986,164	-	-	-	-	10,986,164

CENTRAL BANK OF BOSNIA AND HERZEGOVINA
Notes to the financial statements for the year ended 31 December 2019

30. FAIR VALUE MEASUREMENT OF FINANCIAL ASSETS AND FINANCIAL LIABILITIES

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or liability, the Central Bank takes into account the characteristics of the asset or liability which market participants would take into account when pricing the asset or liability at the measurement date.

The estimated fair values of the Central Bank's financial assets and financial liabilities have been determined using available market information, where it exists, and appropriate valuation methodologies.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the Central Bank can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included in Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

30.1. Financial assets measured at fair value

The following table analyses financial assets measured at fair value at each reporting date, by the level in the fair value hierarchy into which the fair value measurement is categorised. These amounts are based on the values recognised in the statement of financial position.

In thousands of KM

	31 December 2019			
	Level 1	Level 2	Level 3	Total
Financial assets measured at fair value				
Debt instruments	8,917,413	-	-	8,917,413
Monetary gold	254,088	-	-	254,088
TOTAL	9,171,501	-	-	9,171,501

CENTRAL BANK OF BOSNIA AND HERZEGOVINA
Notes to the financial statements for the year ended 31 December 2019

30. FAIR VALUE MEASUREMENT OF FINANCIAL ASSETS AND FINANCIAL LIABILITIES (CONTINUED)

30.1. Financial assets measured at fair value (continued)

In thousands of KM

	31 December 2018			
	Level 1	Level 2	Level 3	Total
Financial assets measured at fair value				
Debt instruments	8,225,439	-	-	8,225,439
Monetary gold	209,996	-	-	209,996
TOTAL	8,435,435	-	-	8,435,435

Financial assets are measured at fair value in statement of financial statement using the quoted bid prices in an active market which correspond to Level 1 hierarchy as at reporting dates.

30.2. Financial assets and financial liabilities not measured at fair value

In thousands of KM

	31 December 2019	
	Carrying amount	Fair value
Financial assets		
<i>Financial assets measured at amortized cost:</i>		
Foreign currency in cash	322,599	322,599
Deposits with foreign banks	3,102,765	3,094,695
Special drawing rights with the IMF	230	230
Other financial assets	2,822	2,822
	3,428,416	3,420,346
<i>Financial assets at fair value through other comprehensive income:</i>		
Other investments	27,813	27,813
	27,813	27,813
Total	3,456,229	3,448,159
Financial liabilities		
<i>Financial liabilities measured at amortized cost:</i>		
Currency in circulation	5,199,916	5,199,916
Deposits from banks	5,743,619	5,729,302
Deposits from the Government and other public depositors	880,675	878,480
Other financial liabilities	3,816	3,816
Total	11,828,026	11,811,514

CENTRAL BANK OF BOSNIA AND HERZEGOVINA
Notes to the financial statements for the year ended 31 December 2019

30. FAIR VALUE MEASUREMENT OF FINANCIAL ASSETS AND FINANCIAL LIABILITIES (CONTINUED)

30.2. Financial assets and financial liabilities not measured at fair value (continued)

In thousands of KM

31 December 2018

	Carrying amount	Fair value
Financial assets		
<i>Financial assets measured at amortized cost:</i>		
Foreign currency in cash	274,099	274,099
Deposits with foreign banks	2,911,448	2,904,460
Special drawing rights with the IMF	2,236	2,236
Other financial assets	2,688	2,688
	<u>3,190,471</u>	<u>3,183,483</u>
<i>Financial assets at fair value through other comprehensive income:</i>		
Other investments	27,813	27,813
	<u>27,813</u>	<u>27,813</u>
Total	<u>3,218,284</u>	<u>3,211,296</u>
Financial liabilities		
<i>Financial liabilities measured at amortized cost:</i>		
Currency in circulation	4,750,614	4,750,614
Deposits from banks	5,523,290	5,512,943
Deposits from the Government and other public depositors	709,367	708,038
Other financial liabilities	2,893	2,893
Total	<u>10,986,164</u>	<u>10,974,488</u>

The Management considers that the carrying amounts of foreign currency in cash, special drawing rights with the IMF, other financial assets, other investments, currency in circulation and other financial liabilities recognized in the financial statements approximate their fair values as at reporting dates.

As at reporting dates, fair values of financial assets and financial liabilities not measured at fair value are included in Level 2 category and have been determined in accordance with generally accepted pricing models based on a discounted cash flow analysis, with the most significant inputs being the discount rate that reflects the credit risk of counterparties. As discount rate, the Central Bank has used weighted average interest rate on corporate deposits for whole banking market in BH.

31. OFF-BALANCE SHEET ITEMS

The Central Bank maintains certain accounts in foreign currencies related to agreements concluded between the governments in BH and foreign governments and financial organizations. As these accounts do not represent either assets or liabilities of the Central Bank, they have not been included within the Central Bank's statement of financial position.

Off-balance sheet items also include foreign currency accounts of the state institutions and agencies, as well as at commercial banks, for which the Central Bank acts as an agent.

CENTRAL BANK OF BOSNIA AND HERZEGOVINA
Notes to the financial statements for the year ended 31 December 2019

31. OFF-BALANCE SHEET ITEMS (CONTINUED)

Off-balance sheet items consist of:

In thousands of KM	31 December 2019	31 December 2018
Deposits of USAID	2,497	3,042
Deposits of non-residents	2,497	3,042
Deposits of the Council of Ministers of BH:	10,582	30,964
<i>Deposits of the Council of Ministers of BH on the basis of succession</i>	46	44
<i>Deposits of the Council of Ministers of BH regarding the servicing of foreign debt</i>	8,641	9,227
<i>Deposits of the Council of Ministers of BH regarding the Budget of BH institution</i>	1,622	1,543
<i>Other deposits of the Council of Ministers of BH</i>	273	20,150
Deposits of other residents:	15,305	4,048
<i>Deposits - Retirement allowance from Germany</i>	5	12
<i>Deposit accounts of banks</i>	15,300	4,036
Deposits of residents	25,887	35,012
Investments related to securities – Deposit Insurance Agency of BH	70,356	37,499
Investments of residents related to securities	70,356	37,499
TOTAL	98,740	75,553

USAID Deposits

On the basis of the Agreement regarding financial assistance between BH and the United States of America for the financing of the reconstruction, special interest bearing accounts have been opened. The Central Bank does not charge and does not collect any interest or fees on these accounts.

Residents' investments related to securities

The Central Bank enabled the BH Deposit Insurance Agency to invest in securities by opening cash and custody accounts in the name of the Central Bank and the BH Deposit Insurance Agency. All transactions on the accounts are performed between the BH Deposit Insurance Agency and the Asset Manager. The Central Bank does not charge any interest on such accounts.

BH membership with the IMF

According to arrangements concluded between BH and the IMF signed in December 2002, the Central Bank is designated as a fiscal agent and depository for BH membership with the IMF. The Central Bank's role as a fiscal agent is specific due to "Currency Board" arrangement. The Central Bank acts on behalf of the BH in dealing with the IMF but does not have any responsibility for assets and liabilities related to the membership.

The Central Bank maintains special drawing rights with the IMF account, IMF account No.1 and IMF account No.2 in the statement of financial position. The Central Bank also provides a custody service for the BH Promissory notes issued to support IMF membership and repurchase obligations that are recorded off-balance.

CENTRAL BANK OF BOSNIA AND HERZEGOVINA
Notes to the financial statements for the year ended 31 December 2019

31. OFF-BALANCE SHEET ITEMS (CONTINUED)

Special drawing rights with the IMF are demand funds denominated in SDR on the account opened with the IMF for the BH. The Central Bank holds special drawing rights as a part of its foreign currency reserve management function. These funds are interest-bearing for the Central Bank.

IMF account No. 1 is the IMF account with the Central Bank that is used for transactions with the IMF related to utilization and repayment of IMF loans. IMF account No. 2 is the IMF account with the Central Bank that is used by the IMF for receipts and administrative disbursements in KM. These accounts are part of the Central Bank's liabilities and are expressed in KM.

The quota balance is a specific type of asset which represents BH's subscription as a member of the IMF, denominated in SDRs. The quota represents BH's voting powers in the IMF, the limits to access to financial resources of the IMF and a BH's share in the allocation of SDRs which are the IMF's unit of account.

Promissory notes are issued by the Ministry of Finance and Treasury of BH and are substituted for KM. These securities are payable on demand by the IMF.

SDR allocation is also interest-bearing. Ministry of Finance and Treasury of BH pays interest on special drawing rights allocation.

The Central Bank uses net method in presentation of BH financial position with the IMF which is provided below:

In thousands of KM

	31 December 2019	31 December 2018
Quota	641,034	629,809
Special drawing rights with the IMF	230	2,236
TOTAL ASSETS	641,264	632,045
IMF account No.1	1,603	1,575
IMF account No.2	54	53
Securities	945,780	1,042,166
SDR allocation	388,890	382,080
Accrued interest on SDR allocation	506	685
Accounts of payable charges	912	1,601
TOTAL LIABILITIES	1,337,745	1,428,160
 BH NET POSITION WITH THE IMF	 696,481	 796,115

CENTRAL BANK OF BOSNIA AND HERZEGOVINA
Notes to the financial statements for the year ended 31 December 2019

31. OFF-BALANCE SHEET ITEMS (CONTINUED)

As at reporting dates, BH quota with the IMF amounted to SDR 265,200 thousand. The quota does not earn interest.

Promissory notes account, IMF account No.1 and IMF account No. 2 are subject of valuation adjustments whenever the currency is used in financial transactions between the IMF and BH. At least once each year, at the end of the IMF's financial year (30 April), all IMF currency holding are revalued based on the prevailing SDR exchange rate. These valuation adjustments are included in account balances stated.

32. DOMESTIC PAYMENT AND SETTLEMENT SYSTEM

On the basis of the Law on the Central Bank, the Central Bank has established the systems by which interbank payments in convertible marks in BH are performed.

Since January 2001, the interbank clearing and settlement system is organized through two payment systems owned and administered by the Central Bank. Those are Real-Time Gross Settlement (RTGS) and Giro Clearing system (GC).

RTGS is a system through which real-time payment orders are settled through settlement accounts that participants have opened with the Central Bank. All the banks licenced to perform payment operations are participants, as well as the Central Bank. Settlement is final and irrevocable at the moment that settlement account of ordering bank is debited with the same amount that beneficiary's bank settlement account is credited in RTGS. Transactions processed through system are above 10 thousand convertible marks, and its use for lower amounts is optional.

The GC System is an interbank clearing system (bilateral and multilateral) for transactions in the amounts lower or equal to KM 10 thousand. The settlement of net positions of participants in GC is carried out through settlement accounts in RTGS as well as settlement of transactions of legal persons acting as clearing agents, such as card transaction operators. Participants of the system are banks licenced to perform payment operations that are RTGS participants, as well as the Central Bank.

Since June 2019, the system is improved and adjusted to SEPA standard, i.e. ISO 20022. The clearing of payment orders of all the GC participants is carried out by defining the net position of each individual participant as a result of the settlement of all credits and debits of participants for each clearing cycle.

Credit risk

Each participant in the payment systems is obliged to provide funds on its settlement account in RTGS prior to settlement of payment orders.

Pursuant to the role of the Central Bank as defined by the Law on the Central Bank, the Central Bank is not allowed to provide any credits to RTGS and GC System participants which would provide liquidity to the system in any form.

CENTRAL BANK OF BOSNIA AND HERZEGOVINA
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32. DOMESTIC PAYMENT AND SETTLEMENT SYSTEM (CONTINUED)

Operational risk

In order to minimize the operational risk of the smooth functioning of payment systems, Operational Rules for the RTGS and GC System have been issued, as accompanying Decisions setting minimum security standards for the functioning of the system.

Relevant security objectives, policies and procedures aim to ensure security measures and features. The computer systems and the networks are operated according to established objectives and policies. The security objectives and policies are reviewed periodically. Each direct participant is also required to have appropriate security measures and controls for processing payments.

The Central Bank has defined the following Contingency Settlement Procedures:

- **Contingency plans and measures:** The Central Bank has defined contingency measures in order to ensure continuity of reliable, correct and lawful operation of the payment and settlement systems in the event of disruption to the regular payment and settlement system, or other contingency events.
- **Backup system in primary location and DR location:** To support the primary location for the payment systems with redundant systems (if case of system falling, switching to another one on the primary location is done), the Central Bank has also established functional DR (Disaster Recovery) system located in Main Bank in Banja Luka.

The systems were available 99.99%, by which was fully performed the Central Bank's legal obligation to enable the orderly and timely functioning of payment transactions in the country.

The Central Bank's management believes that the systems have sufficient capacity to maintain operational reliability.

33. POST-REPORTING DATE EVENTS

The spread of Coronavirus (COVID-19) will affect the business of the Central Bank in the next period. It is not yet possible to estimate the impact of Coronavirus spread and its implications on financial position and performance of the Central Bank.

Except as disclosed above, no adjusting or other non-adjusting events have occurred between the 31 December 2019 and the date of authorization of these financial statements.

4 PUBLICATIONS AND WEB SERVICES

Monthly Economic Report	A brief information on the latest trends in macroeconomic environment which has been published on the CBBH web site since May 2013. Publication was internal by that time.
Bulletin	Quarterly publication, includes monetary and financial statistics, information on payment transactions, data on real sector and balance of payments data of Bosnia and Herzegovina
Annual Report	The publication contains the report on business operations of the CBBH during the year and the financial statement, which the CBBH submits to the Presidency of BH and the Parliamentary Assembly of Bosnia and Herzegovina.
Financial Stability Report	Annual publication contains assessment of risks arising from macroeconomic environment and the trends in the financial system, and assessment of the system resistance to identified risks.
Special Research Topics	Occasional publication published on the CBBH web site.
Monograph of the CBBH	Jubilee publication on the occasion of marking the twentieth anniversary of the CBBH
<p>WEB SITE</p> <p>www.cbbh.ba</p> <p>e-mail:</p> <p>contact@cbbh.ba</p> <p>pr@cbbh.ba</p> <p>TWITTER @CBBiH</p>	<p>The CBBH considers transparency and disclosure of business operations to be very important for credibility, public accountability and confidence that the CBBH enjoys among the population and in BH institutions as well as among international institutions. On the basis of the CBBH Rule Book on Operations, the CBBH is required to inform the public about its operations by providing timely information, publishing reports, issuing official publications, organizing press conferences.</p> <p>Web site of the CBBH has existed since 1998. It contains the basic data on the CBBH, the CBBH Law, presents the banknotes and coins of Bosnia and Herzegovina and numismatic issues of the CBBH, and also a high number of publications and statistical data (annual reports, monthly balance sheets, quarterly bulletins, financial stability report, BH balance of payments, payment system data....) and the list of all commercial banks in BH.</p> <p>Publications and statistics are published in generally accepted formats, DOC, XLS and PDF. The site also includes the exchange rate list, which is changed on daily basis and other relevant news and press releases.</p> <p>Documents are published in Bosnian, Croatian, Serb and English.</p> <p>In 2013, with purpose of increasing openness and transparency, and communicating with wider public, the CBBH has created its official profile on the social network Twitter.</p> <p>Via that profile, the data, also published on the web site of the bank www.cbbh.ba are republished, with the additional information and data which are estimated to be relevant.</p> <p>The way of communicating is adjusted to the target public.</p>

5. STATISTICAL TABLES

T01	Main Economic Indicators							
	2012	2013	2014	2015	2016	2017	2018	2019*
BH Nominal GDP (in KM million) ¹⁾ current prices	26,223	26,779	27,359	28,589	29,904	31,376	33,444	34,852
Real GDP annual growth (in %) ¹⁾	-1.0	2.5	1.2	3.1	3.2	3.2	3.7	2.8
Consumer prices growth rate in BH ²⁾	in percentage							
Average annual growth rate of CPI	2.1	-0.1	-0.9	-1.0	-1.1	1.2	1.4	0.6
Annual growth rate of CPI for December	1.8	-1.2	-0.4	-1.3	-0.3	1.3	1.6	-0.1
General government budget ³⁾	as percentage of GDP							
Revenues	43.8	42.7	43.8	43.0	42.7	43.1	43.1	...
Expenditures ⁴⁾	45.8	44.8	45.8	42.3	41.5	40.5	40.9	...
Overall balance	-2.0	-2.2	-2.0	0.7	1.2	2.6	2.2	...
Money and credit	as percentage of GDP							
Broad money (M2)	56.9	60.1	63.1	65.2	67.6	70.5	72.3	75.6
Credit to non-government sector	56.1	56.5	56.2	55.0	54.3	55.8	55.6	56.0
Balance of payments								
Gross official reserves								
In KM million	6,509	7,068	7,826	8,606	9,531	10,557	11,623	12,597
In USD million	4,274	4,797	5,309	4,883	5,391	6,083	7,012	7,210
In months of imports of goods and services	5.3	5.8	6.1	6.7	7.2	7.1	7.3	7.8
Current account balance								
In KM million	-2,266	-1,425	-1,983	-1,450	-1,409	-1,363	-1,239	-1,236
In USD million	-1,488	-967	-1,345	-823	-797	-785	-747	-707
As a percentage of GDP	-8.6	-5.3	-7.2	-5.1	-4.7	-4.3	-3.7	-3.5
Trade balance								
In KM million	-7,779	-7,099	-7,874	-7,176	-7,089	-7,417	-7,494	-7,972
In USD million	-5,108	-4,817	-5,342	-4,071	-4,010	-4,274	-4,521	-4,563
As a percentage of GDP	-29.7	-26.5	-28.8	-25.1	-23.7	-23.6	-22	-23
External debt of government sector*								
In KM million	7,212	7,563	8,442	8,691	8,871	8,147	8,198	8,099
In USD million	4,861	5,330	5,249	4,855	4,781	4,995	4,790	4,633
As a percentage of GDP	27.5	28.2	30.9	30.4	29.2	26.0	24.5	23.2
External debt servicing ⁵⁾								
In KM million	413	685	761	581	723	983	955	794
In USD million	271	465	516	330	409	567	576	454
As a percentage of exports of goods and services	4.9	7.6	8.2	5.7	6.7	7.7	6.8	5.6

Note:

1) Source: Agency for Statistics of Bosnia and Herzegovina, Gross Domestic Product by Production, Income and Expenditure approach 2018, February 2019.

*GDP for 2019 is an assessment of International Monetary Fund and it is used as preliminary data, until the announcement of the official GDP by the BH Statistics Agency.

2) Source: BH Agency of Statistics

3) Source: GFS, Central Bank of BH

4) Expenditures also include net acquisition of fixed assets.

5) Source: BH Ministry of Finance and Treasury.

** The data have been revised since 2009, in accordance with the report from BH Ministry of Finance and Treasury dated 1st. February 2019 and include the loan of PC Roads RS and direct debt of Brčko District.

T02	Gross Domestic Product of Bosnia and Herzegovina (Current Prices)							
	2012	2013	2014	2015	2016	2017	2018	2019*
Nominal GDP (in KM million)	26,223	26,779	27,359	28,589	29,904	31,376	33,444	34,852
Nominal GDP (in USD million)	17,221	18,173	18,566	16,220	16,914	18,079	20,177	19,947
GDP per capita (in KM)	7,418	7,584	7,759	8,127	8,517	8,954	9,566	9,991
GDP per capita (in USD)	4,872	5,147	5,265	4,611	4,818	5,160	5,771	5,719
Real GDP annual growth (in %)	-1.0	2.5	1.2	3.1	3.2	3.2	3.7	2.8
Population (in thousands) ¹⁾	3,535	3,531	3,526	3,518	3,511	3,504	3,496	3,488
Annual average exchange rate of BAM/USD	1.523	1.474	1.474	1.763	1.768	1.735	1.657	1.747

Source:

Agency for Statistics of Bosnia and Herzegovina, Gross Domestic Product by Production, Income and Expenditure approach 2018, February 2019. The data on the average annual exchange rate BAM/USD, the source is the CBBH.

1) The estimate of the number of citizens for 2019 includes the available data on the natural growth in the end of September 2019; Source: BH Statistics Agency.

* GDP for 2019 is an assessment of International Monetary Fund and it is used as preliminary data, until the announcement of the official GDP by the BH Statistics Agency.

T03 Index of Industrial Production							
Month/Same Month of the Previous Year				Period/Same Period of the Previous Year			
Year	Month	FBH	RS	BH	FBH	RS	BH
2006	12	106.7	128.5	...	110.4	119.1	...
2007	12	98.4	102.0	...	108.6	101.4	106.6
2008	12	109.4	199.6	...	107.9	116.8	107.3
2009	12	90.1	121.0	95.5	88.4	119.0	96.7
2010	12	112.7	114.1	108.7	104.2	105.0	101.6
2011	12	93.6	93.9	100.4	102.5	104.7	105.6
2012	12	99.6	98.5	95.2	95.7	95.8	94.8
2013	12	107.7	104.7	107.0	107.4	104.1	106.4
2014	12	97.9	99.8	98.7	100.1	100.6	100.2
2015	12	101.7	99.5	101.7	102.2	103.0	101.9
2016	12	103.0	120.0	107.5	102.6	108.2	104.4
2017	12	101.5	97.3	99.6	103.8	101.2	103.1
2018	12	98.2	96.9	97.7	100.8	104.2	101.6
2019	12	97.4	92.4	95.5	97.3	88.1	94.7
2019	01	95.3	88.3	93.5	95.3	88.3	93.5
	02	99.8	88.3	96.5	97.5	88.3	95.0
	03	100.7	84.5	94.8	98.6	86.9	95.0
	04	102.2	73.8	95.5	99.5	83.3	95.1
	05	103.2	81.8	96.5	100.2	83.0	95.3
	06	100.5	91.8	97.5	100.3	84.5	95.7
	07	98.3	91.2	95.9	100.0	85.5	95.7
	08	89.8	102.8	93.8	98.7	87.4	95.5
	09	93.1	90.8	93.2	98.0	87.8	95.2
	10	92.4	82.7	89.8	97.5	87.3	94.6
	11	95.2	91.9	94.2	97.3	87.7	94.6
	12	97.4	92.4	95.5	97.3	88.1	94.7

Source:

BH Agency for Statistics, Federal Statistics Bureau of FBH and RS Republic Statistics Bureau

Industrial production index for a period/the same period of the previous year for December represents annual index in comparison to the previous year

T04 Consumer Price Index for BH (CPI)				
Year	Month	Month/Previous Month of the Current Year	Month/The Same Month of Previous Year	Period/The Same Period of Previous Year
2006	12	...	104.6	106.1
2007	12	...	104.9	101.5
2008	12	...	103.8	107.4
2009	12	...	100.0	99.6
2010	12	...	103.1	102.1
2011	12	...	103.1	103.7
2012	12	...	101.8	102.1
2013	12	...	98.8	99.9
2014	12	...	99.6	99.1
2015	12	...	98.8	99.0
2016	12	...	99.7	98.9
2017	12	...	101.3	101.2
2018	12		101.6	101.4
2019	12		99.9	100.6
2019	01	100.1	101.5	101.5
	02	100.4	100.9	101.2
	03	100.1	100.7	101.0
	04	99.7	100.8	101.0
	05	100.2	100.8	100.9
	06	99.5	100.3	100.8
	07	99.4	100.5	100.8
	08	99.7	100.3	100.7
	09	100.5	100.3	100.7
	10	100.8	100.1	100.6
	11	100.1	100.1	100.6
	12	100.3	99.9	100.6

Source:

BH Agency for Statistics since 2006, but until 2006 Federal Statistics Bureau of FBH and RS Republic Statistics Bureau.

Note:

Retail price index is presented until 2006 at BH level, which is calculated as a weighted average of Entities' monthly prices indices where the weights are the shares of the Entities in the GDP (note T01).

For 2006 and following periods consumer price index is presented.

Price index for a period/the same period of previous year for December represents annual index in comparison to the previous year.

T05		Average Gross and Net Wages and Pensions (in KM)										
		Gross Wages				Net Wages				Pensions		
Year	Month	FBH	RS	Brčko	BH	FBH	RS	Brčko	BH	FBH	RS	Brčko
2006		887	793	1,048	869	603	521	674	586	238	215	208
2007		974	875	1,088	935	662	585	684	645	284	230	243
2008		1,105	1,132	1,139	1,113	751	755	730	752	340	309	310
2009		1,204	1,204	1,194	1,204	792	788	769	790	346	335	326
2010		1,223	1,199	1,234	1,217	804	784	797	798	341	321	316
2011		1,248	1,326	1,262	1,271	819	809	800	816	349	321	319
2012		1,266	1,349	1,271	1,290	830	818	819	826	351	312	311
2013		1,275	1,333	1,266	1,291	835	808	817	827	348	318	310
2014		1,272	1,334	1,265	1,183	833	825	814	830	367	333	323
2015		1,269	1,339	1,275	1,289	830	831	821	830	368	343	327
2016		1,283	1,343	1,290	1,301	839	836	830	838	370	342	326
2017		1,318	1,331	1,304	1,321	860	831	838	851	372	344	326
2018		1,365	1,357	1,363	1,363	888	857	872	879	395	361	342
2019		1,420	1,407	1,426	1,421	923	906	915	921	415	378	357
2019	01	1,422	1,377	1,401	1,408	924	887	897	913	401	375	351
	02	1,372	1,391	1,374	1,378	895	896	879	895	407	375	353
	03	1,407	1,373	1,319	1,397	916	886	890	907	407	374	353
	04	1,353	1,392	1,403	1,413	881	896	896	916	420	374	351
	05	1,443	1,401	1,414	1,430	938	903	907	926	419	374	353
	06	1,400	1,413	1,405	1,404	911	910	901	910	419	374	353
	07	1,447	1,417	1,478	1,439	940	912	943	932	418	382	362
	08	1,434	1,414	1,469	1,429	932	910	938	925	418	382	361
	09	1,415	1,411	1,456	1,415	919	909	929	916	418	382	362
	10	1,451	1,412	1,472	1,440	942	910	938	932	417	382	361
	11	1,436	1,424	1,454	1,433	932	917	925	928	417	382	362
	12	1,475	1,461	1,465	1,470	958	939	934	951	416	381	361

Source:

BH Agency for Statistics, Federal Statistics Bureau of FBH, RS Republic Statistics Bureau and Statistics Bureau of Brčko District.

Note:

Since 1 January 2006, gross and net wages for BH level include Brčko District.

T06 Monetary Aggregates (end of period, in KM million)													
Year	Month	Currency Outside Monetary Authorities	Banks Deposits With Monetary Authorities	Transf. dep. of Other Resident Sectors With Monetary Authorities	Cash Outside Banks	Transf. Deposits in Domestic Currency	Other Deposits in Domestic Currency	Transf. Deposits in Foreign Currency	Other Deposits in Foreign Currency	Reserve Money	M1	QM	M2
1	2	3	4	5	6	7	8	9	10	11 = 3+4+5	12 = 6+7	13 = 8+9+10	14 = 12+13
2006	12	2,154.2	2,891.9	10.5	1,978.3	2,761.4	1,365.4	691.3	3,105.4	5,056.6	4,739.8	5,162.0	9,901.8
2007	12	2,439.7	3,777.1	12.2	2,185.3	3,546.6	1,726.5	833.8	3,661.1	6,229.0	5,731.9	6,221.3	11,953.2
2008	12	2,552.4	3,144.2	7.4	2,302.4	3,388.8	1,776.2	1,107.2	3,864.7	5,704.0	5,691.2	6,748.1	12,439.3
2009	12	2,267.7	3,375.1	6.0	2,009.5	3,536.3	1,844.3	1,078.0	4,241.0	5,648.9	5,545.8	7,163.3	12,709.1
2010	12	2,497.5	3,393.5	8.7	2,210.8	3,689.2	1,991.0	1,209.8	4,526.4	5,899.7	5,900.0	7,727.2	13,627.1
2011	12	2,645.1	3,192.8	11.1	2,366.4	3,819.0	2,285.7	1,100.1	4,846.1	5,848.9	6,185.5	8,231.9	14,417.4
2012	12	2,747.5	3,040.6	13.5	2,414.3	3,728.4	2,672.7	1,052.9	5,041.4	5,801.7	6,142.7	8,767.0	14,909.7
2013	12	2,909.9	3,475.3	15.9	2,542.3	4,153.3	3,006.3	1,189.3	5,202.4	6,401.0	6,695.6	9,398.0	16,093.6
2014	12	3,210.5	3,751.1	38.3	2,814.0	4,496.4	3,377.3	1,301.2	5,280.0	6,999.9	7,310.4	9,958.5	17,268.9
2015	12	3,499.5	4,063.5	51.7	3,055.3	5,125.6	3,562.6	1,360.4	5,543.3	7,614.7	8,180.9	10,466.3	18,647.2
2016	12	4,066.8	4,269.1	52.0	3,401.2	5,899.8	3,883.0	1,535.6	5,478.0	8,387.9	9,301.0	10,896.6	20,197.6
2017	12	4,319.4	5,033.1	76.1	3,648.1	6,924.4	4,091.6	1,816.2	5,636.1	9,428.5	10,572.5	11,543.8	22,116.3
2018	12	4,750.6	5,523.3	125.5	3,977.2	8,166.4	4,302.2	1,961.5	5,782.3	10,399.4	12,143.7	12,046.0	24,189.6
2019	12	5,199.9	5,743.6	176.6	4,330.1	8,921.1	2,998.0	2,490.3	7,593.2	11,120.2	13,251.2	13,081.5	26,332.7
2019	01	4,719.9	5,518.6	137.7	3,914.7	8,034.5	2,626.2	2,203.4	7,432.6	10,376.2	11,949.2	12,262.2	24,211.4
	02	4,743.1	5,443.7	136.8	3,959.1	7,992.0	2,591.3	2,174.5	7,525.9	10,323.6	11,951.2	12,291.6	24,242.8
	03	4,782.7	5,214.4	135.8	4,007.7	7,920.8	2,699.6	2,300.4	7,460.6	10,132.9	11,928.5	12,460.6	24,389.1
	04	4,875.2	5,447.3	149.4	4,038.7	8,078.6	2,700.7	2,375.8	7,467.5	10,471.9	12,117.2	12,544.0	24,661.2
	05	4,882.6	5,478.2	148.8	4,101.6	8,119.4	2,746.4	2,349.6	7,438.5	10,509.6	12,221.0	12,534.6	24,755.6
	06	4,924.0	5,495.8	149.8	4,126.6	8,208.0	2,786.6	2,387.5	7,440.0	10,569.6	12,334.6	12,614.1	24,948.6
	07	5,031.9	5,533.0	162.2	4,226.4	8,447.6	2,806.5	2,476.8	7,458.1	10,727.1	12,674.1	12,741.4	25,415.5
	08	5,131.7	5,759.3	161.3	4,313.2	8,623.3	2,847.5	2,460.6	7,492.1	11,052.3	12,936.6	12,800.2	25,736.7
	09	5,114.2	5,683.8	162.0	4,268.5	8,628.2	2,907.6	2,481.7	7,481.8	10,960.0	12,896.7	12,871.1	25,767.8
	10	5,068.5	5,670.8	175.6	4,243.1	8,706.0	2,936.2	2,524.5	7,507.1	10,915.0	12,949.1	12,967.8	25,916.9
	11	5,061.4	5,701.2	175.3	4,241.1	8,716.6	2,955.4	2,562.0	7,514.3	10,937.9	12,957.7	13,031.7	25,989.4
	12	5,199.9	5,743.6	176.6	4,330.1	8,921.1	2,998.0	2,490.3	7,593.2	11,120.2	13,251.2	13,081.5	26,332.7

Since January 2019, the currency structure of financial instruments (loans, deposits, securities) presented originally in KM and indexed in foreign currency has been reclassified from local currency positions to foreign currency positions in monetary statistics reports according to the recommendations from the IMF Manual and Monetary and Financial Statistics: Compilation Guide from 2016.

Monetary data updated according to the IMF methodology (Monetary and Financial Statistics Manual, 2000), from January 2006.

See note on page 162

Note:

The cash outside monetary authorities is taken from the CBBH Balance Sheet and it consists of cash outside the Central Bank (monetary authorities). Deposits of commercial banks are commercial banks' funds in the accounts with the CBBH. Transferable deposits of other domestic sectors with monetary authorities are deposits of other domestic sectors (except for the central government deposits). The central government consists of BH institutions, Entity governments, Entities' social security funds and those of Brčko District. Social security funds on Entity level (from Federation of BH: Pension Fund of FBH, Health Care Fund of FBH, Employment Fund of FBH, and from Republika Srpska: Pension and Disability Insurance Fund of RS, Health Care Fund of RS, Employment Fund of RS and Fund for Child Protection of RS) are classified at the central government level.

The cash outside banks is taken from the CBBH Balance Sheet (Table 08) and consists of cash in circulation out of the Central Bank (monetary authorities), as well as cash outside the commercial banks. Transferable deposits in the domestic currency are taken from the Monetary Survey (Table 07). They consist of deposits of non-central government (deposits of cantons and municipalities), deposits of public and private enterprises, of other financial institutions and deposits of other domestic sectors (households, non-profit institutions and other non-classified sectors).

Other deposits in the domestic currency, transferable and other deposits in foreign currency are taken over from the Monetary Survey (Table 07). They consist of deposits of non central government (deposits of cantons and municipalities), deposits of public and private enterprises, other financial institutions and deposits of other domestic sectors (households, non-profit institutions and other non-classified sectors).

Reserve money (primary money or monetary base) is taken entirely from the CBBH Balance Sheet (Table 08). It consists of cash outside the monetary authorities, deposits of commercial banks and deposits of other domestic sectors (except for deposits of the central government) with the monetary authorities. According to the national definition, money supply comprises all transferable and other deposits of domestic nonbank and nongovernment sectors, as well as, sectors of local government in domestic and foreign currency. Deposits of Entities' social security funds are included in those of the central government on Entity level and by that they are excluded from the Money Supply or Monetary Aggregates. Monetary aggregate M1 comprises cash outside banks and transferable deposits in domestic currency of all domestic sectors (except for deposits of the central government). Monetary aggregate QM is defined in the same way as the corresponding item in the Monetary Survey (Table 07). It consists of other deposits in domestic currency, transferable and other deposits in a foreign currency of all domestic sectors (except for deposits of the central government). Money supply M2 comprises monetary aggregates, M1 and QM.

T07 Monetary Survey (end of period, KM million)												
ASSETS												
Year	Month	Foreign Assets (net)			Claims on Domestic Sectors						Total	
		Foreign Assets	Foreign Liabilities		Claims on Central Government (net)	Claims on Cantons and Municipalities	Claims on Public Non-financial Enterprises	Claims on Private Non-financial Enterprises	Claims on Other Financial Institutions	Claims on Other Domestic Sectors		
1	2	3	4	5 = 3+4	6	7	8	9	10	11	12 = 6+...+11	13 = 5+12
2006	12	7,835.7	-3,696.4	4,139.3	-971.9	62.3	248.3	4,086.1	89.4	4,450.8	7,965.0	12,104.3
2007	12	10,285.0	-4,818.5	5,466.5	-2,378.4	96.1	271.3	5,315.7	159.6	5,793.5	9,257.9	14,724.4
2008	12	9,429.7	-6,000.0	3,429.7	-1,655.8	148.3	256.4	6,751.6	169.2	6,804.5	12,474.1	15,903.8
2009	12	9,430.9	-5,386.9	4,043.9	-1,294.6	195.6	268.2	6,682.5	103.0	6,411.3	12,365.8	16,409.8
2010	12	9,300.8	-4,397.0	4,903.8	-996.9	270.8	351.3	6,965.5	80.2	6,424.3	13,095.3	17,999.1
2011	12	9,175.9	-3,779.7	5,396.2	-440.3	323.1	360.2	7,166.9	94.0	6,770.1	14,274.0	19,670.2
2012	12	9,044.2	-3,559.7	5,484.4	-182.6	386.3	390.9	7,473.1	73.7	6,874.4	15,015.8	20,500.2
2013	12	9,733.5	-3,330.9	6,402.6	-19.1	422.5	451.6	7,556.4	67.4	7,133.6	15,612.5	22,015.1
2014	12	10,479.7	-2,961.1	7,518.6	71.0	509.1	443.6	7,452.0	61.3	7,502.5	16,039.4	23,557.9
2015	12	11,107.9	-2,614.6	8,493.3	160.1	537.2	400.0	7,452.6	74.6	7,875.3	16,499.8	24,993.1
2016	12	12,199.0	-2,476.4	9,722.6	101.8	517.8	375.6	7,743.9	67.2	8,155.8	16,962.0	26,684.6
2017	12	13,372.4	-2,589.5	10,782.9	-148.7	511.5	406.2	8,354.5	96.5	8,689.3	17,909.4	28,692.2
2018	12	15,505.5	-3,041.0	12,464.5	-461.2	496.5	428.0	8,655.0	136.8	9,315.0	18,570.1	31,034.5
2019	12	17,069.9	-3,120.0	13,949.9	-679.3	506.7	509.3	9,070.9	152.2	10,024.9	19,584.7	33,534.6
2019	01	15,455.6	-2,877.2	12,578.3	-447.7	486.1	425.0	8,651.1	122.8	9,302.8	18,540.2	31,118.5
	02	15,417.9	-2,844.6	12,573.3	-435.8	476.7	423.3	8,713.4	126.0	9,350.7	18,654.4	31,227.7
	03	15,508.1	-2,800.1	12,707.9	-492.7	476.0	426.5	8,789.8	124.4	9,461.6	18,785.6	31,493.5
	04	15,712.8	-2,931.5	12,781.3	-493.6	467.7	422.4	8,889.6	129.7	9,552.0	18,967.7	31,749.1
	05	15,698.7	-2,947.0	12,751.7	-438.8	482.2	431.0	8,912.7	128.5	9,643.9	19,159.6	31,911.3
	06	15,990.1	-3,098.1	12,892.0	-584.4	488.1	429.2	9,011.0	151.2	9,724.2	19,219.2	32,111.3
	07	16,403.1	-3,050.2	13,353.0	-560.3	478.7	415.6	9,009.3	133.4	9,812.1	19,288.8	32,641.8
	08	16,877.3	-2,969.2	13,908.1	-655.4	475.6	423.2	8,927.6	139.0	9,854.9	19,165.0	33,073.1
	09	16,813.5	-2,983.5	13,830.0	-678.8	495.1	427.9	8,967.4	148.5	9,923.3	19,283.5	33,113.4
	10	16,754.3	-2,891.4	13,862.9	-726.3	492.1	433.8	9,002.1	148.5	9,983.2	19,333.3	33,196.2
	11	16,750.5	-2,869.1	13,881.3	-771.6	493.8	497.0	9,045.3	142.5	10,006.7	19,413.7	33,295.0
	12	17,069.9	-3,120.0	13,949.9	-679.3	506.7	509.3	9,070.9	152.2	10,024.9	19,584.7	33,534.6

Since January 2019, the currency structure of financial instruments (loans, deposits, securities) presented originally in KM and indexed in foreign currency has been reclassified from local currency positions to foreign currency positions in monetary statistics reports according to the recommendations from the IMF Manual and Monetary and Financial Statistics Compilation Guide from 2016.

Monetary data updated according to the IMF methodology (Monetary and Financial Statistics Manual, 2000), from January 2006.
See note on page 162

Note:

The monetary survey presents the consolidated data from the Balance Sheet of the CBBH - monetary authorities (table 08) and the consolidated balance sheet of commercial banks of Bosnia and Herzegovina (table 09). Foreign assets (net) represent the difference between total CBBH foreign assets - the monetary authorities and commercial banks and CBBH total foreign liabilities - the monetary authorities and commercial banks of BH. Claims on domestic sectors represent commercial banks' claims on all domestic sectors, but it should be noted that claims on central government are presented in net amounts, i.e. they are reduced by the deposits of central government with the CBBH and with BH commercial banks. The central government consists of BH institutions, Entities' governments, Entities' social security funds and those of Brčko District. According to new methodology, social security funds are classified on the central government level as the Entities' off-budget funds, which has a direct impact on data about net claims on the central government in Monetary Survey.

T07 Monetary Survey (end of period, in KM million)														
LIABILITIES														
Broad money (M2)														
Money (M1)					Quasi money (QM)									
Year	Month	Cash Outside Banks	Transferable Deposits in Dom. Curr.		Transferable Deposits in Foreign Curr.	Other Deposits in Dom. Curr.	Other Deposits in Foreign Curr.			Securities	Loans	Shares and Other Equity	Other Items (net)	Total
1	2	3	4	5 = 3+4	6	7	8	9=6+7+8	10=5+9	11	12=6+...+11	13 = 5+12	14	15=10+...+14
2006	12	1,978.3	2,761.4	4,739.8	691.3	1,365.4	3,105.4	5,162.0	9,901.8	0.0	114.0	1,897.3	191.2	12,104.3
2007	12	2,185.3	3,546.6	5,731.9	833.8	1,726.5	3,661.1	6,221.3	11,953.2	5.2	106.1	2,355.0	304.9	14,724.4
2008	12	2,302.4	3,388.8	5,691.2	1,107.2	1,776.2	3,864.7	6,748.1	12,439.3	17.9	264.3	2,770.9	411.4	15,903.8
2009	12	2,009.5	3,536.3	5,545.8	1,078.0	1,844.3	4,241.0	7,163.3	12,709.1	13.6	446.7	2,821.8	418.5	16,409.8
2010	12	2,210.8	3,689.2	5,900.0	1,209.8	1,991.0	4,526.4	7,727.2	13,627.1	9.1	595.1	3,042.3	725.4	17,999.1
2011	12	2,366.4	3,819.0	6,185.5	1,100.1	2,285.7	4,846.1	8,231.9	14,417.4	0.0	675.3	3,592.8	984.7	19,670.2
2012	12	2,414.3	3,728.4	6,142.7	1,052.9	2,672.7	5,041.4	8,767.0	14,909.7	0.0	712.4	3,767.1	1,111.1	20,500.2
2013	12	2,542.3	4,153.3	6,695.6	1,189.3	3,006.3	5,202.4	9,398.0	16,093.6	0.0	707.9	3,815.2	1,398.4	22,015.1
2014	12	2,814.0	4,496.4	7,310.4	1,301.2	3,377.3	5,280.0	9,958.5	17,268.9	0.0	681.0	3,993.5	1,614.5	23,557.9
2015	12	3,055.3	5,125.6	8,180.9	1,360.4	3,562.6	5,543.3	10,466.3	18,647.2	8.0	599.2	4,148.0	1,590.7	24,993.1
2016	12	3,401.2	5,899.8	9,301.0	1,535.6	3,883.0	5,478.0	10,896.6	20,197.6	8.0	510.0	4,440.4	1,528.6	26,684.6
2017	12	3,648.1	6,924.4	10,572.5	1,816.2	4,091.6	5,636.1	11,543.8	22,116.3	8.0	460.0	4,659.5	1,448.4	28,692.2
2018	12	3,977.2	8,166.4	12,143.7	1,961.5	4,302.2	5,782.3	12,046.0	24,189.6	8.0	467.5	4,867.2	1,502.3	31,034.5
2019	12	4,330.1	8,921.1	13,251.2	2,490.3	2,998.0	7,593.2	13,081.5	26,332.7	8.0	532.4	5,228.3	1,433.2	33,534.6
2019	01	3,914.7	8,034.5	11,949.2	2,203.4	2,626.2	7,432.6	12,262.2	24,211.4	8.0	470.3	4,927.3	1,501.6	31,118.5
	02	3,959.1	7,992.0	11,951.2	2,174.5	2,591.3	7,525.9	12,291.6	24,242.8	7.9	479.6	4,962.0	1,535.3	31,227.7
	03	4,007.7	7,920.8	11,928.5	2,300.4	2,699.6	7,460.6	12,460.6	24,389.1	7.9	499.3	5,061.6	1,535.6	31,493.5
	04	4,038.7	8,078.6	12,117.2	2,375.8	2,700.7	7,467.5	12,544.0	24,661.2	8.0	490.5	5,082.5	1,507.0	31,749.1
	05	4,101.6	8,119.4	12,221.0	2,349.6	2,746.4	7,438.5	12,534.6	24,755.6	8.0	495.6	5,115.9	1,536.2	31,911.3
	06	4,126.6	8,208.0	12,334.6	2,387.5	2,786.6	7,440.0	12,614.1	24,948.6	8.0	503.9	5,141.3	1,509.5	32,111.3
	07	4,226.4	8,447.6	12,674.1	2,476.8	2,806.5	7,458.1	12,741.4	25,415.5	8.0	504.5	5,241.5	1,472.3	32,641.8
	08	4,313.2	8,623.3	12,936.6	2,460.6	2,847.5	7,492.1	12,800.2	25,736.7	7.9	520.6	5,350.1	1,457.7	33,073.1
	09	4,268.5	8,628.2	12,896.7	2,481.7	2,907.6	7,481.8	12,871.1	25,767.8	7.9	511.7	5,313.1	1,512.9	33,113.4
	10	4,243.1	8,706.0	12,949.1	2,524.5	2,936.2	7,507.1	12,967.8	25,916.9	8.0	516.8	5,298.8	1,455.8	33,196.2
	11	4,241.1	8,716.6	12,957.7	2,562.0	2,955.4	7,514.3	13,031.7	25,989.4	8.0	523.3	5,260.4	1,513.9	33,295.0
	12	4,330.1	8,921.1	13,251.2	2,490.3	2,998.0	7,593.2	13,081.5	26,332.7	8.0	532.4	5,228.3	1,433.2	33,534.6

Since January 2019, the currency structure of financial instruments (loans, deposits, securities) presented originally in KM and indexed in foreign currency has been reclassified from local currency positions to foreign currency positions in monetary statistics reports according to the recommendations from the IMF Manual and Monetary and Financial Statistics Compilation Guide from 2016.

Monetary data updated according to the IMF methodology (Monetary and Financial Statistics Manual, 2000), from January 2006.

See note on page 162

Note:

Money M1 includes cash outside banks, transferable deposits in the domestic currency of all domestic sectors (except the deposits of the central government). Quasi money QM comprises other deposits in the domestic currency, transferable and other deposits in foreign currency of all domestic sectors (except the deposits of the central government). Money supply M2 includes monetary aggregates, money M1 and quasi money QM. Other liabilities include securities, loans, shares and other equity and other items (net). According to a new methodology, as separate financial instruments on the side of liabilities, loans (with which the calculated interest is added) are presented, along with shares and other equity. Other items (net) are unallocated items of liabilities reduced by the unallocated items of assets. Other items (net) also include restricted deposits, counter-items of funds and government lending funds.

T08 Balance Sheet of the CBBH (end of period, in KM million)											
ASSETS						LIABILITIES					
Reserve Money											
Year	Month	Foreign Assets	Claims on Domestic Sectors	Total	Cash outside Monetary Authorities		Foreign Liabilities	Deposits of Central Government	Shares and Other Equity	Other Items (net)	Total
1	2	3	4	5 = 3+4	6	7	8	9	10	11	12 = 7+...+11
2006	12	5,479.5	2.3	5,481.8	2,154.2	5,056.6	1.0	126.1	301.0	-2.9	5,481.8
2007	12	6,726.3	2.2	6,728.5	2,439.7	6,229.0	0.9	74.8	386.4	37.4	6,728.5
2008	12	6,323.6	2.1	6,325.6	2,552.4	5,704.0	1.0	23.4	499.3	97.9	6,325.6
2009	12	6,239.9	1.9	6,241.8	2,267.7	5,648.9	0.9	56.7	502.5	33.0	6,241.8
2010	12	6,485.5	1.8	6,487.3	2,497.5	5,899.7	1.4	69.8	533.9	-17.5	6,487.3
2011	12	6,451.4	1.6	6,453.0	2,645.1	5,848.9	1.1	66.2	547.6	-10.8	6,453.0
2012	12	6,536.4	1.6	6,538.0	2,747.5	5,801.7	1.2	185.3	575.7	-25.9	6,538.0
2013	12	7,096.2	1.7	7,097.8	2,909.9	6,401.0	1.0	258.2	466.3	-28.7	7,097.8
2014	12	7,853.4	1.6	7,855.1	3,210.5	6,999.9	1.1	293.2	585.0	-24.2	7,855.1
2015	12	8,634.1	1.5	8,635.7	3,499.5	7,614.7	1.3	449.9	593.7	-24.0	8,635.7
2016	12	9,559.0	1.5	9,560.4	4,066.8	8,387.9	2.2	538.4	667.4	-35.5	9,560.4
2017	12	10,584.4	2.2	10,586.6	4,319.4	9,428.5	1.6	548.6	652.6	-44.8	10,586.6
2018	12	11,651.0	2.1	11,653.1	4,750.6	10,399.4	1.8	583.9	720.0	-51.9	11,653.1
2019	12	12,624.9	2.2	12,627.1	5,199.9	11,120.2	1.7	704.0	856.5	-55.4	12,627.1
2019	01	11,602.6	1.4	11,604.0	4,719.9	10,376.2	2.6	516.7	760.8	-52.2	11,604.0
	02	11,566.0	1.6	11,567.6	4,743.1	10,323.6	2.1	543.5	750.1	-51.7	11,567.6
	03	11,501.2	1.9	11,503.1	4,782.7	10,132.9	1.7	607.9	812.1	-51.5	11,503.1
	04	11,818.9	1.6	11,820.5	4,875.2	10,471.9	3.2	599.6	796.9	-51.2	11,820.5
	05	11,893.4	1.8	11,895.2	4,882.6	10,509.6	1.9	596.3	838.2	-50.8	11,895.2
	06	12,050.0	2.0	12,052.0	4,924.0	10,569.6	2.4	632.7	897.7	-50.3	12,052.0
	07	12,230.7	1.7	12,232.4	5,031.9	10,727.1	2.0	607.7	945.5	-50.0	12,232.4
	08	12,622.9	1.8	12,624.7	5,131.7	11,052.3	2.8	603.1	1,016.1	-49.8	12,624.7
	09	12,480.7	2.0	12,482.7	5,114.2	10,960.0	2.5	602.7	966.8	-49.4	12,482.7
	10	12,418.3	1.6	12,419.9	5,068.5	10,915.0	2.1	635.1	919.6	-51.8	12,419.9
	11	12,419.8	1.7	12,421.5	5,061.4	10,937.9	2.1	638.2	894.6	-51.3	12,421.5
	12	12,624.9	2.2	12,627.1	5,199.9	11,120.2	1.7	704.0	856.5	-55.4	12,627.1

Monetary data updated according to the IMF methodology (Monetary and Financial Statistics Manual, 2000), from January 2006.

Note:

The CBBH (monetary authorities) foreign assets comprise gold, foreign currency in the CBBH vault, foreign currency deposits with foreign banks, SDR holdings, foreign securities and other. Claims on domestic sectors consist of claims on employees of the CBBH for the extended long-term loans and claims on commercial banks on the basis of settlement accounts.

Reserve money (primary money or monetary base) is comprised of cash outside monetary authorities, deposits of commercial banks and deposits of other domestic sectors (except for the central government) with monetary authorities. Cash outside banks represents cash in circulation outside the Central Bank (monetary authorities) and cash outside commercial banks. The CBBH foreign liabilities are comprised of short-term liabilities towards non-residents, deposits of non-residents and other short-term liabilities towards non-residents and liabilities towards the IMF (Accounts 1 and 2).

Deposits of central government with the CBBH are transferable and other deposits of BH Institutions, Entity Governments, Entity Social Security Funds and those of Brčko District in the local currency. Shares and other equity comprise the equity, current year result, general and special reserves and adjustment/revaluation. Other items (net) are unallocated items of liabilities reduced by the unallocated items of assets.

T09 Consolidated Balance Sheet of Commercial Banks in BH (end of period, in KM million)									
ASSETS									
Year	Month	Reserves	Foreign Assets	Claims on General Government	Claims on Public Non-financial Enterprises	Claims on Private Non-financial Enterprises	Claims on Other Financial Institutions	Claims on Other Domestic Sectors	Total
1	2	3	4	5	6	7	8	9	10 = 3+...+9
2006	12	3,063.6	2,356.1	69.8	248.3	4,086.1	89.4	4,448.9	14,362.2
2007	12	4,022.9	3,558.6	127.5	271.3	5,315.7	159.6	5,791.7	19,247.3
2008	12	3,393.3	3,106.1	265.5	256.4	6,751.6	169.2	6,802.8	20,744.9
2009	12	3,632.0	3,190.3	355.5	268.2	6,682.5	103.0	6,409.8	20,641.1
2010	12	3,679.8	2,814.2	465.4	351.3	6,965.5	80.2	6,423.0	20,779.3
2011	12	3,469.7	2,724.5	904.7	360.2	7,166.9	94.0	6,768.9	21,488.9
2012	12	3,370.4	2,507.8	1,236.2	390.9	7,473.1	73.7	6,873.3	21,925.4
2013	12	3,843.7	2,637.3	1,379.4	451.6	7,556.4	67.4	7,131.8	23,067.7
2014	12	4,115.0	2,626.3	1,854.5	443.6	7,452.0	61.3	7,501.7	24,054.3
2015	12	4,511.7	2,473.8	2,161.1	400.0	7,452.6	74.6	7,874.7	24,948.5
2016	12	4,936.6	2,640.0	2,179.1	375.6	7,743.9	67.2	8,155.4	26,097.7
2017	12	5,711.7	2,787.9	2,197.0	406.2	8,354.5	96.5	8,688.8	28,242.7
2018	12	6,298.3	3,854.5	2,285.0	428.0	8,655.0	136.8	9,314.6	30,972.1
2019	12	6,627.0	4,445.0	2,551.9	509.3	9,070.9	152.2	10,024.5	33,380.9
2019	01	6,383.7	3,853.0	2,290.9	425.0	8,651.1	122.8	9,302.6	31,029.1
	02	6,269.3	3,851.9	2,293.0	423.3	8,713.4	126.0	9,350.5	31,027.6
	03	5,987.6	4,006.9	2,360.4	426.5	8,789.8	124.4	9,461.2	31,156.8
	04	6,297.5	3,893.9	2,384.5	422.4	8,889.6	129.7	9,551.8	31,569.5
	05	6,272.5	3,805.3	2,443.7	431.0	8,912.7	128.5	9,643.7	31,637.4
	06	6,305.2	3,940.7	2,400.2	429.2	9,011.0	151.2	9,723.8	31,961.3
	07	6,344.4	4,172.4	2,356.9	415.6	9,009.3	133.4	9,811.9	32,243.9
	08	6,581.8	4,254.4	2,364.6	423.2	8,927.6	139.0	9,854.6	32,545.3
	09	6,532.6	4,332.8	2,477.7	427.9	8,967.4	148.5	9,923.0	32,809.9
	10	6,500.2	4,336.0	2,469.3	433.8	9,002.1	148.5	9,983.0	32,872.9
	11	6,524.4	4,330.7	2,502.1	497.0	9,045.3	142.5	10,006.4	33,048.4
	12	6,627.0	4,445.0	2,551.9	509.3	9,070.9	152.2	10,024.5	33,380.9

Monetary data updated according to the IMF methodology (Monetary and Financial Statistics Manual, 2000), from January 2006.

See note on page 162

Note:

Consolidated balance sheet of commercial banks includes consolidated balance sheets of commercial banks covered by Main Unit Sarajevo, Main Unit Mostar, Main Bank RS, Brčko District (from July 2001 until November 2002), NBRS (until December 1998) and the NBBH (until November 2002). Mutual claims and liabilities among the commercial banks have been consolidated. Banks' reserves consist of cash in the banks' vaults and banks' deposits with the CBBH.

Foreign assets of commercial banks include: foreign currency in the vaults, transferable and other deposits in foreign currency with nonresidents, loans to nonresidents, securities of non-residents in foreign currency, and other claims on non-residents. Claims on general government include claims on all levels of government: the central government (BH Institutions, Entities' Governments, Entity Social Security Funds and those of Brčko District) and non-central governments (canton and municipality governments). Claims on other domestic sectors include: claims on public non-financial enterprises, private non-financial enterprises, other financial institutions and claims on other domestic sectors (households, non-profit institutions and other non-classified sectors).

Balance sheets of commercial banks of Federation of BH in addition to active sub-balance sheets includes data from passive sub-balance sheets as well. Passive sub-balance sheets include liabilities arising from foreign loans as well as liabilities arising from frozen foreign currency savings deposits of citizens until 31 March 1992. These liabilities will be taken over, in the process of privatisation, by Ministry of Finance of BH Federation in accordance with the Entity Law on Opening Balance Sheets of Enterprises and Banks and Entity Law on Privatisation.

T09 Consolidated Balance Sheet of Commercial Banks in BH (end of period, in KM million)												
LIABILITIES												
Year	Month	Deposits of Central Government	Transf. Dep. of Other Domestic Sectors in Dom. Curr.	Transf. Dep. of Other Domestic Sectors in For. Curr.	Other Dep. of Other Domestic Sectors in Dom. Curr.	Other Dep. of Other Domestic Sectors in For. Curr.	Securities	Loans	Foreign Liabilities	Shares and Other Equity	Other Items (net)	Total
1	2	3	4	5	6	7	8	9	10	11	12	13=3+...+12
2006	12	853.3	2,751.0	691.3	1,365.4	3,105.4	0.0	114.0	3,695.4	1,596.3	190.2	14,362.2
2007	12	2,335.0	3,534.4	833.8	1,726.5	3,661.1	5.2	106.1	4,817.5	1,968.6	259.1	19,247.3
2008	12	1,749.7	3,381.4	1,107.2	1,776.2	3,864.7	17.9	264.3	5,999.0	2,271.6	312.9	20,744.9
2009	12	1,397.9	3,530.3	1,078.0	1,844.3	4,241.0	13.6	446.7	5,386.1	2,319.4	383.9	20,641.1
2010	12	1,121.7	3,680.5	1,209.8	1,991.0	4,526.4	9.1	595.1	4,395.7	2,508.4	741.7	20,779.3
2011	12	955.7	3,807.9	1,100.1	2,285.7	4,846.1	0.0	675.3	3,778.6	3,045.1	994.3	21,488.9
2012	12	847.2	3,714.8	1,052.9	2,672.7	5,041.4	0.0	712.4	3,558.6	3,191.3	1,134.1	21,925.4
2013	12	717.8	4,137.4	1,189.3	3,006.3	5,202.4	0.0	707.9	3,329.9	3,348.9	1,427.8	23,067.7
2014	12	981.3	4,458.2	1,301.2	3,377.3	5,280.0	0.0	681.0	2,960.0	3,408.5	1,606.8	24,054.3
2015	12	1,014.1	5,073.9	1,360.4	3,562.6	5,543.3	8.0	599.2	2,613.3	3,554.3	1,619.5	24,948.5
2016	12	1,021.3	5,847.8	1,535.6	3,883.0	5,478.0	8.0	510.0	2,474.2	3,773.0	1,566.9	26,097.7
2017	12	1,285.6	6,848.3	1,816.2	4,091.6	5,636.1	8.0	460.0	2,587.9	4,006.8	1,502.2	28,242.7
2018	12	1,665.9	8,040.9	1,961.5	4,302.2	5,782.3	8.0	467.5	3,039.2	4,147.2	1,557.4	30,972.1
2019	12	2,020.5	8,744.5	2,490.3	2,998.0	7,593.2	8.0	532.4	3,118.3	4,371.8	1,504.0	33,380.9
2019	01	1,735.8	7,896.8	2,203.4	2,626.2	7,432.6	8.0	470.3	2,874.7	4,166.6	1,614.8	31,029.1
	02	1,708.8	7,855.3	2,174.5	2,591.3	7,525.9	7.9	479.6	2,842.4	4,212.0	1,629.9	31,027.6
	03	1,769.2	7,785.0	2,300.4	2,699.6	7,460.6	7.9	499.3	2,798.4	4,249.5	1,586.9	31,156.8
	04	1,810.9	7,929.2	2,375.8	2,700.7	7,467.5	8.0	490.5	2,928.2	4,285.5	1,573.2	31,569.5
	05	1,804.0	7,970.6	2,349.6	2,746.4	7,438.5	8.0	495.6	2,945.0	4,277.7	1,601.9	31,637.4
	06	1,863.9	8,058.2	2,387.5	2,786.6	7,440.0	8.0	503.9	3,095.7	4,243.6	1,574.0	31,961.3
	07	1,830.8	8,285.4	2,476.8	2,806.5	7,458.1	8.0	504.5	3,048.1	4,296.0	1,529.8	32,243.9
	08	1,941.3	8,462.0	2,460.6	2,847.5	7,492.1	7.9	520.6	2,966.4	4,333.9	1,513.0	32,545.3
	09	2,058.7	8,466.2	2,481.7	2,907.6	7,481.8	7.9	511.7	2,981.0	4,346.3	1,566.9	32,809.9
	10	2,068.4	8,530.4	2,524.5	2,936.2	7,507.1	8.0	516.8	2,889.3	4,379.2	1,513.0	32,872.9
	11	2,141.7	8,541.3	2,562.0	2,955.4	7,514.3	8.0	523.3	2,867.1	4,365.8	1,569.5	33,048.4
	12	2,020.5	8,744.5	2,490.3	2,998.0	7,593.2	8.0	532.4	3,118.3	4,371.8	1,504.0	33,380.9

Since January 2019, the currency structure of financial instruments (loans, deposits, securities) presented originally in KM and indexed in foreign currency has been reclassified from local currency positions to foreign currency positions in monetary statistics reports according to the recommendations from the IMF Manual and Monetary and Financial Statistics Compilation Guide from 2016.

Monetary data updated according to the IMF methodology (Monetary and Financial Statistics Manual, 2000), from January 2006.

See note on page 162

Note:

Central government deposits include transferable and other deposits in the local and foreign currency of BH Institutions, Entity Governments, Entity Social Security Funds and those of Brčko District. Transferable and other deposits of other domestic sectors in domestic and foreign currency represent banks liabilities towards non-central government (canton and municipality governments), public non financial enterprises, private non financial enterprises, other financial institutions and other domestic sectors (households, nonprofit institutions and other non-classified sectors). Foreign liabilities of commercial banks include banks liabilities to nonresidents based on transferable and other deposits, loans, securities, trade loans and advance payments and other accounts payable. According to a new methodology, loans are presented in liabilities as a separate financial instrument, with which the calculated interest is added. Shares and other equity comprises equity, retained earnings, current year result, general and special reserves and adjustment/revaluation. Other items (net) are unallocated items of liabilities reduced by the unallocated items of assets. Restricted deposits are also included in other items (net).

T10 Interest Rates on Loans to Households (percentages per annum)																	
Households																	
		Loans in KM				Loans in KM Indexed to Foreign Currency									Revolving Loans, Overdrafts and Credit Cards (Loan Facility)*		
		For Consumption		For Other Purposes		For Consumption	For Housing Purchases				For Other Purposes			Loans in KM		Loans in KM Indexed to Foreign Currency	
Year	Period	Floating Interest Rates and up to 1 Year IRF	Over 1 up to 5 Years IRF	Floating Interest Rates up to 1 Year IRF	Over 1 up to 5 Years IRF	Floating Interest Rates up to 1 Year IRF	Over 1 up to 5 Years IRF	Floating Interest Rates and up to 1 Year IRF	Over 1 up to 5 Years IRF	Over 5 Years IRF	Over 10 Years IRF	Floating Interest Rates up to 1 Year IRF	Over 1 up to 5 Years IRF	Over 5 Years IRF	Overdrafts	Credit Card with Extended Credit	Overdrafts
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18
Weighted monthly averages																	
2015	12	7.797	4.790	7.236	6.819	...	6.919	5.609	6.163	6.081	5.822	7.616	7.163	7.436	12.367	14.706	12.740
2016	12	8.150	6.060	6.986	6.214	...	7.349	5.221	5.981	5.330	5.277	7.745	6.714	6.450	12.456	14.688	11.680
2017	12	4.159	...	5.944	6.261	...	7.169	4.327	4.240	4.617	4.705	6.384	5.992	6.364	12.253	14.668	11.191
2018	12	5.817	3.701	5.479	5.262	...	...	3.637	3.166	3.820	4.022	6.632	5.616	5.469	12.202	14.619	10.880
2019	12	3.917	3.380	5.863	5.580	...	...	3.502	3.353	3.826	3.875	6.152	5.637	5.668	12.042	14.674	10.467
2019	01	5.590	4.250	5.768	5.437	...	...	3.667	3.472	3.797	3.735	6.523	5.328	5.791	12.221	14.609	10.817
	02	...	5.343	5.638	5.501	...	...	3.535	3.461	3.598	3.987	6.341	5.458	5.886	12.216	14.618	10.796
	03	5.608	4.671	5.507	5.443	...	...	3.698	3.764	3.643	3.648	6.213	5.484	5.602	12.240	14.632	10.799
	04	4.509	4.625	5.532	5.288	...	...	3.512	3.220	3.621	4.041	6.112	5.702	5.580	12.228	14.628	10.817
	05	4.958	4.483	5.461	5.362	...	5.423	3.440	...	3.694	3.683	6.194	5.531	5.598	12.228	14.626	10.742
	06	4.424	4.331	5.519	5.447	...	...	3.555	...	3.794	3.815	6.224	5.692	5.837	12.239	14.642	10.737
	07	4.368	4.558	5.622	5.731	...	...	3.577	...	3.932	3.746	6.202	5.007	5.958	12.226	14.624	10.773
	08	4.029	4.524	5.699	5.859	...	...	3.575	...	3.887	3.768	6.310	5.731	5.963	12.223	14.620	10.750
	09	3.825	4.670	5.551	5.676	6.908	...	3.740	3.847	3.765	3.984	6.536	5.473	5.984	12.204	14.650	10.742
	10	3.762	4.943	5.858	5.555	...	...	3.467	3.740	3.915	3.742	6.539	5.491	5.841	12.203	14.646	10.607
	11	3.717	5.110	5.596	5.580	...	...	3.495	...	3.720	3.799	6.496	5.302	5.873	12.116	14.642	10.556
	12	3.917	3.380	5.863	5.580	...	...	3.502	3.353	3.826	3.875	6.152	5.637	5.668	12.042	14.674	10.467
Loan amount (new business)																	
KM thousand																	
2015	12	51	292	34,379	18,377	...	118	10,486	432	990	4,021	112,780	14,553	15,293	530,393	100,377	56,325
2016	12	37	207	55,519	23,435	...	491	11,206	961	1,275	5,159	64,833	23,133	18,529	521,185	93,033	59,127
2017	12	483	...	49,832	14,785	...	569	17,187	395	3,826	8,180	74,945	23,401	36,446	522,643	89,901	56,786
2018	12	34	346	66,009	27,336	...	...	17,610	155	3,340	9,211	47,731	10,078	27,896	526,750	85,550	55,624
2019	12	149	225	53,829	26,426	...	...	21,834	288	4,641	13,531	66,117	8,097	27,474	521,600	79,533	55,217
2019	01	28	252	56,641	22,235	...	...	20,048	552	3,177	8,187	43,919	9,035	32,596	529,297	85,147	55,006
	02	-	421	73,979	31,400	...	...	17,058	432	3,140	9,999	53,920	10,071	37,467	518,220	84,324	54,391
	03	111	301	90,498	38,691	...	...	14,428	365	4,918	14,313	63,333	13,137	32,553	529,423	83,653	54,317
	04	20	330	96,542	42,649	...	...	23,378	627	9,256	11,520	68,669	12,926	32,260	527,760	83,257	54,396
	05	14	296	86,943	41,985	...	30	29,856	...	7,011	9,165	61,052	11,926	27,273	529,546	82,936	54,283
	06	169	182	77,245	35,696	...	...	18,307	...	4,152	13,330	58,649	10,501	25,461	532,419	81,041	54,383
	07	112	227	86,387	32,050	...	...	19,036	...	3,914	15,944	66,592	2,981	28,074	539,561	82,551	55,209
	08	137	323	63,903	27,822	...	...	18,958	...	3,514	12,526	46,894	8,460	22,383	545,624	81,944	55,442
	09	163	178	74,568	31,663	797	...	19,163	707	2,699	12,927	47,159	8,378	22,320	552,372	82,109	55,578
	10	190	169	75,848	34,715	...	...	21,984	438	3,974	14,103	54,985	10,011	27,307	554,634	82,146	55,459
	11	188	95	63,713	25,566	...	...	22,670	...	3,085	15,421	47,612	9,195	24,799	554,031	80,527	55,177
	12	149	225	53,829	26,426	...	...	21,834	288	4,641	13,531	66,117	8,097	27,474	521,600	79,533	55,217

Note:

*Interest rates in table for revolving loans and credit cards and their amounts refer to the outstanding amounts.

IRF – initial rate fixation

... insufficient data to be published

The interest rate on the revolving loans and credit cards, includes data on credit cards with loan facility. Considering that credit cards with loan facility imply an interest free deferred payment (0% ir), they are not published.

No data for interest rates on loans in foreign currency based on credit cards and overdrafts to households.

T11		Interest Rates on Loans to Non-financial Corporations (percentages per annum)													
		Non-financial Corporations													
		Loans in KM				Loans in KM Indexed to Foreign Currency								Revolving Loans and Overdrafts*	
		Up to an Amount of EUR 0.25 Million		Over an Amount of EUR 0.25 Million and up to EUR 1 Million	Over an Amount of EUR 1 Million	Up to an Amount of EUR 0.25 Million			Over an Amount of EUR 0.25 Million up to EUR 1 Million			Over an Amount ofEUR 1 Million			
Year	Period	Floating Interest Rates up to 1 Year IRF	Over 1 up to 5 Years IRF	Floating Interest Rates up to 1 Year IRF	Floating Interest Rates up to 1 Year IRF	Floating Interest Rates up to 1 Year IRF	Over 1 up to 5 Years IRF	Over 5 Years IRF	Floating Interest Rates up to 1 Year IRF	Over 1 up to 5 Years IRF	Over 5 Years IRF	Floating Interest Rates up to 1 Year IRF	Loans in KM	Loans in KM Indexed to Foreign Currency	
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	
Weighted monthly averages															
2015	12	6.608	6.409	4.988	5.626	6.687	5.816	6.189	5.812	5.902	6.260	5.953	5.519	5.955	
2016	12	5.977	5.420	4.623	4.315	5.845	4.882	5.008	5.628	4.448	4.854	4.463	4.707	4.868	
2017	12	4.881	4.823	3.507	3.249	4.647	4.348	5.302	4.388	3.772	4.601	3.518	4.011	4.131	
2018	12	4.247	4.069	3.100	3.253	4.204	3.910	3.672	3.800	3.321	3.571	4.480	3.497	3.594	
2019	12	3.753	4.095	2.881	2.470	4.127	4.166	4.757	3.944	3.161	3.248	4.133	3.167	3.168	
2019	01	4.364	4.468	2.954	3.327	4.223	3.656	4.346	4.079	3.667	3.578	3.320	3.416	3.535	
	02	4.004	4.566	2.906	3.795	4.284	4.089	4.972	3.912	3.023	3.804	3.736	3.380	3.499	
	03	4.031	4.367	3.155	3.267	4.008	4.350	4.354	4.077	3.118	4.103	3.593	3.388	3.474	
	04	4.188	4.315	2.869	2.974	4.129	4.133	4.506	4.056	3.210	4.196	3.657	3.348	3.436	
	05	4.294	4.319	2.967	3.116	4.060	3.777	4.597	4.097	3.339	4.086	3.505	3.322	3.418	
	06	4.217	4.395	2.813	3.024	4.307	3.906	4.650	3.821	3.071	3.994	3.155	3.287	3.345	
	07	4.020	4.294	2.893	2.266	4.004	3.891	4.170	3.781	3.028	4.744	3.545	3.255	3.301	
	08	3.971	4.431	2.989	2.351	4.036	4.049	4.695	4.101	2.921	...	3.240	3.270	3.259	
	09	4.201	4.161	3.041	2.375	4.032	4.550	4.433	4.456	...	3.839	3.165	3.267	3.261	
	10	3.995	4.012	3.027	2.356	4.255	3.875	4.827	4.839	2.985	3.312	3.338	3.206	3.237	
	11	4.405	4.065	2.932	2.115	4.543	3.778	4.468	4.560	3.030	3.850	4.110	3.184	3.200	
	12	3.753	4.095	2.881	2.470	4.127	4.166	4.757	3.944	3.161	3.248	4.133	3.167	3.168	
Loan amount (new business)													KM thousand		
2015	12	50,117	14,157	56,173	42,450	17,594	13,003	6,571	30,490	19,323	14,047	35,546	1,667,461	534,778	
2016	12	48,482	19,022	68,596	35,951	18,266	15,794	5,580	10,638	6,238	18,458	45,779	1,865,259	461,392	
2017	12	61,618	15,167	78,915	70,622	16,356	12,180	4,747	18,699	19,145	20,480	164,874	2,127,013	418,315	
2018	12	51,404	26,718	62,726	79,085	8,815	14,021	3,637	23,544	11,311	9,906	25,588	2,367,482	686,874	
2019	12	64,463	19,573	71,859	51,384	9,787	11,485	2,785	22,801	6,636	7,045	69,916	2,655,796	687,510	
2019	01	27,280	11,317	40,127	9,500	5,582	8,243	3,673	13,085	5,040	9,181	17,100	2,402,212	677,951	
	02	42,333	14,896	43,008	10,070	6,620	10,008	1,607	23,785	10,301	6,582	15,036	2,468,233	671,193	
	03	52,434	19,332	34,536	55,712	9,334	13,092	4,994	29,924	9,390	3,051	21,566	2,559,856	661,606	
	04	52,145	23,659	63,295	37,040	8,739	7,683	3,128	23,608	5,590	13,728	42,343	2,629,111	655,892	
	05	44,681	17,033	42,586	37,867	10,785	8,470	4,948	24,221	6,535	16,081	36,937	2,621,433	660,096	
	06	44,763	15,394	48,013	31,180	8,624	6,261	3,032	23,777	7,450	9,434	31,300	2,698,407	672,905	
	07	55,214	14,100	70,802	49,605	9,217	8,709	5,586	17,317	7,877	4,451	30,450	2,661,271	682,302	
	08	41,102	9,170	43,524	44,326	8,161	5,176	2,370	17,542	7,936	...	21,000	2,606,130	685,155	
	09	45,601	17,317	67,434	66,944	4,543	4,290	3,318	17,453	...	4,456	52,754	2,620,146	678,912	
	10	45,515	14,546	31,668	43,950	7,564	10,835	1,909	13,081	8,685	7,392	35,383	2,669,842	674,124	
	11	49,934	15,781	45,491	29,080	6,446	9,107	3,278	20,121	10,265	9,068	19,975	2,672,974	683,913	
	12	64,463	19,573	71,859	51,384	9,787	11,485	2,785	22,801	6,636	7,045	69,916	2,655,796	687,510	

Note:

* Interest rates in table for revolving loans and credit cards and their amounts refer to outstanding amounts.

IRF – initial rate fixation

... insufficient data to be published

The interest rate on the revolving loans and credit cards, includes data on credit cards with loan facility. Considering that credit cards with loan facility imply an interest free deferred payment (0% ir), they are not published.

No data for interest rates on loans in foreign currency on the basis of credit cards and overdrafts to non-financial corporations.

T12 Interest Rates on Deposits of Households and Non-financial Corporations (percentage per annum)																				
		Households										Non-financial Corporations								
		Deposits in KM and Indexed to Foreign Currency				Deposits in EUR				Deposits in Foreign Currency		Deposits in KM and Indexed to Foreign Currency				Deposits in EUR				Deposits in Foreign Currency
		With Agreed Maturity				With Agreed Maturity						With Agreed Maturity				With Agreed Maturity				
Year	Period	Up to 1 Year Maturity	Over 1 and up to 2 Years Maturity	Over 2 Years Maturity	Overnight Deposits*	Up to 1 Year Maturity	Over 1 and up to 2 Years Maturity	Over 2 Years Maturity	Overnight Deposits*	With Agreed Maturity	Overnight Deposits*	Up to 1 Year Maturity	Over 1 and up to 2 Years Maturity	Over 2 Years Maturity	Overnight Deposits*	Up to 1 Year Maturity	Over 1 and up to 2 Years Maturity	Over 2 Years Maturity	Overnight Deposits*	Overnight Deposits*
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21
Weighted monthly averages																				
2015	12	1.062	2.164	2.358	0.091	1.236	2.128	2.684	0.129	0.966	0.061	0.930	1.428	1.937	0.122	0.609	2.469	...	0.097	0.057
2016	12	0.548	1.698	2.102	0.093	0.545	1.525	2.211	0.106	0.423	0.057	0.456	1.393	1.822	0.085	0.915	...	2.124	0.083	0.048
2017	12	0.234	1.346	1.458	0.065	0.309	1.265	1.533	0.062	0.572	0.046	0.708	1.588	...	0.045	0.588	...	...	0.019	0.033
2018	12	0.344	1.262	1.448	0.053	0.252	1.368	1.658	0.055	1.036	0.042	0.706	1.136	1.958	0.082	1.003	0.973	...	0.027	0.043
2019	12	0.299	1.137	1.232	0.061	0.378	1.106	1.570	0.051	0.944	0.040	0.445	1.229	1.491	0.031	0.864	...	1.305	0.029	0.028
2019	01	0.304	1.052	1.290	0.051	0.225	1.083	1.577	0.056	0.915	0.043	0.452	0.997	2.056	0.033	0.970	...	...	0.032	0.045
	02	0.321	1.126	1.405	0.063	0.298	1.080	1.862	0.056	0.867	0.043	0.343	0.864	1.978	0.032	...	0.966	...	0.023	0.037
	03	0.311	1.083	1.296	0.065	0.275	1.010	1.331	0.054	0.730	0.043	0.420	1.745	1.774	0.031	0.807	1.150	...	0.031	0.043
	04	0.236	0.989	1.402	0.061	0.291	0.956	1.268	0.054	0.976	0.043	0.427	0.835	1.897	0.080	0.397	1.052	...	0.027	0.039
	05	0.434	1.007	1.496	0.061	0.300	0.949	1.503	0.054	0.672	0.043	0.186	1.265	1.139	0.025	...	...	...	0.028	0.046
	06	0.313	1.024	1.241	0.061	0.346	1.118	1.601	0.053	0.705	0.042	0.517	1.242	1.050	0.029	0.346	...	...	0.033	0.030
	07	0.335	0.942	1.419	0.060	0.390	1.023	1.556	0.052	0.485	0.042	0.857	1.578	1.287	0.028	0.041	...	...	0.022	0.040
	08	0.327	1.135	1.435	0.060	0.783	1.043	1.443	0.052	0.725	0.041	0.722	1.387	1.212	0.030	...	...	...	0.025	0.035
	09	0.427	0.944	1.365	0.062	0.391	0.982	1.530	0.053	0.862	0.041	0.782	1.060	1.834	0.030	0.465	...	...	0.030	0.031
	10	0.239	1.046	1.320	0.060	0.341	1.051	1.329	0.052	0.862	0.041	0.960	1.021	1.518	0.033	0.838	1.465	...	0.026	0.026
	11	0.528	1.084	1.324	0.061	0.593	0.929	1.536	0.051	0.879	0.040	0.585	0.723	1.415	0.034	0.980	1.104	...	0.025	0.032
	12	0.299	1.137	1.232	0.061	0.378	1.158	1.570	0.051	0.944	0.040	0.445	1.229	1.491	0.031	0.864	1.012	1.305	0.029	0.028
Deposit amount (new business)																				
KM thousand																				
2015	12	15,246	29,802	27,103	2,540,711	22,363	57,842	54,185	921,532	7,180	233,901	16,591	61,505	8,118	2,029,544	3,118	10,252	...	475,393	63,119
2016	12	12,326	33,407	37,407	3,052,215	15,650	50,354	53,399	1,046,384	3,090	261,142	19,822	14,794	8,874	2,168,102	1,663	...	17,116	523,643	75,169
2017	12	11,394	24,378	19,272	3,375,019	11,119	50,394	38,014	1,248,762	3,981	287,026	9,762	16,772	...	2,653,618	1,663	...	...	677,882	89,421
2018	12	13,211	26,379	34,047	3,938,041	9,431	50,050	73,670	1,482,740	4,001	319,831	54,947	9,111	39,381	3,229,644	10,788	3,815	...	741,850	64,148
2019	12	16,084	22,228	28,581	4,537,961	10,740	66,052	70,124	1,658,352	4,723	345,752	36,636	31,437	16,943	3,552,249	7,182	...	2,265	709,023	86,536
2019	01	7,868	19,615	29,052	4,025,574	12,908	43,278	61,083	1,508,836	5,471	321,359	13,284	17,436	26,425	3,275,169	11,666	...	...	761,814	61,657
	02	6,628	23,388	28,925	4,109,172	11,592	37,469	96,213	1,528,070	2,478	323,552	2,733	4,111	2,841	3,136,753	...	...	...	712,341	59,994
	03	7,525	20,609	31,948	4,135,828	9,721	31,208	46,410	1,598,878	2,473	326,522	14,981	53,909	11,038	3,058,858	39,411	1,775	...	738,413	63,474
	04	7,272	16,820	38,713	4,175,142	10,422	33,576	52,218	1,608,517	4,487	325,880	4,662	9,884	48,568	3,176,951	5,996	2,386	...	730,733	59,832
	05	9,008	21,105	42,690	4,238,484	9,379	30,804	50,728	1,621,669	3,579	330,473	2,914	36,468	5,468	3,112,024	...	...	...	657,172	63,189
	06	6,939	16,596	22,702	4,266,965	11,583	31,698	34,863	1,622,784	1,704	330,867	4,315	22,558	24,841	3,236,078	630	...	...	699,894	61,807
	07	7,609	29,924	35,623	4,269,225	11,746	36,352	49,177	1,622,959	3,809	334,606	23,755	17,191	9,134	3,412,506	22,978	...	...	781,418	69,390
	08	7,089	22,771	31,474	4,304,015	36,364	36,889	58,406	1,611,868	4,998	335,822	5,724	46,684	24,535	3,508,078	...	...	...	783,161	61,521
	09	8,790	23,579	30,868	4,206,077	10,256	31,695	47,962	1,579,862	3,919	340,016	28,752	11,984	3,800	3,461,213	1,839	...	...	782,047	63,467
	10	9,977	20,872	31,068	4,442,894	9,864	30,676	47,505	1,638,093	3,010	340,470	2,433	3,357	8,763	3,524,923	822	49,485	...	758,871	94,671
	11	9,673	19,712	30,780	4,404,062	13,841	32,953	43,113	1,665,877	7,330	342,044	7,856	3,277	23,045	3,461,441	10,065	6,954	...	785,131	88,222
	12	16,084	22,228	28,581	4,537,961	10,740	44,538	70,124	1,658,352	4,723	345,752	36,636	31,437	16,943	3,552,249	7,182	23,959	2,265	709,023	86,536

Note:

* Interest rates on sight deposits and their amounts refer to the outstanding amounts.
 Interest rates on deposit with agreed maturity and their amounts refer to new business.
 Deposits in foreign currency include all foreign currencies except EUR.

T13 Total Deposits and Loans of Commercial Banks (end of period, in KM million)							
		DEPOSITS			LOANS		
Year	Month	Transferable Deposits	Other Deposits	Total Deposits	Short - term Loans	Long - term Loans	Total Loans
1	2	3	4	5(3+4)	6	7	8(6+7)
2006	12	4,004.4	4,758.1	8,762.5	2,057.0	6,755.6	8,812.6
2007	12	5,105.8	6,980.7	12,086.5	2,541.4	8,954.2	11,495.5
2008	12	4,904.3	6,970.0	11,874.4	3,427.5	10,708.6	14,136.1
2009	12	5,214.4	6,877.0	12,091.4	3,391.5	10,293.3	13,684.8
2010	12	5,556.9	6,972.4	12,529.3	3,614.8	10,530.3	14,145.1
2011	12	5,518.1	7,474.1	12,992.2	3,972.1	10,929.9	14,901.9
2012	12	5,306.9	8,018.8	13,325.8	4,271.2	11,271.3	15,542.5
2013	12	5,771.9	8,477.3	14,249.2	4,318.6	11,707.7	16,026.4
2014	12	6,292.8	9,082.5	15,375.2	4,170.2	12,303.3	16,473.5
2015	12	7,038.7	9,492.1	16,530.8	4,164.9	12,701.9	16,866.8
2016	12	8,056.6	9,695.5	17,752.1	4,152.6	13,048.5	17,201.1
2017	12	9,558.1	10,111.0	19,669.1	4,261.5	14,160.9	18,422.4
2018	12	11,318.5	10,431.3	21,749.8	4,289.8	15,196.1	19,485.8
2019	12	12,566.6	11,253.8	23,820.4	4,651.2	16,121.5	20,772.8
2019	01	11,457.3	10,436.4	21,893.7	4,283.7	15,159.5	19,443.2
	02	11,360.0	10,494.6	21,854.6	4,353.5	15,180.4	19,533.9
	03	11,479.5	10,534.2	22,013.7	4,410.2	15,343.8	19,754.1
	04	11,743.8	10,514.2	22,258.0	4,496.9	15,442.9	19,939.8
	05	11,653.1	10,630.1	22,283.1	4,505.1	15,568.9	20,074.0
	06	11,790.3	10,719.7	22,510.0	4,539.7	15,683.6	20,223.3
	07	12,085.0	10,746.5	22,831.5	4,535.0	15,716.7	20,251.6
	08	12,310.6	10,866.8	23,177.3	4,516.8	15,701.0	20,217.8
	09	12,304.9	11,065.0	23,369.9	4,559.8	15,882.2	20,442.0
	10	12,371.9	11,168.7	23,540.6	4,588.7	15,938.5	20,527.1
	11	12,470.4	11,218.2	23,688.6	4,643.5	16,004.3	20,647.8
	12	12,566.6	11,253.8	23,820.4	4,651.2	16,121.5	20,772.8

Since January 2019, the currency structure of financial instruments (loans, deposits, securities) presented originally in KM and indexed in foreign currency has been reclassified from local currency positions to foreign currency positions in monetary statistics reports according to the recommendations from the IMF Manual and Monetary and Financial Statistics Compilation Guide from 2016.

Monetary data updated according to the IMF methodology (Monetary and Financial Statistics Manual, 2000), from January 2006.

See note on page 162

Note:

Total deposits represent liabilities of commercial banks of BH towards all domestic institutional sectors in domestic and foreign currency. Total loans represent claims of commercial banks of BH on all institutional sectors, in domestic and foreign currency.

T14 Structure of Transferable Deposits in Commercial Banks by Sectors (end of period, in KM million)													
DEPOSITS OF ALL DOMESTIC INSTITUTIONAL SECTORS													
Year	Month	Deposits of BH Institutions	Entity Governments' Deposits	Deposits of Cantonal Governments	Deposits of Municipal Governments	Deposits of Social Security Funds	Deposits of Other Financial Institutions	Deposits of Non-financial Public Enterprises	Deposits of Non-financial Private Enterprises	Deposits of Non-profit Organisations	Deposits of Households	Other Deposits	Total
1	2	3	4	5	6	7	8	9	10	11	12	13	14=3+...+13
2006	12	44.2	393.7	348.6	169.8	124.3	156.0	697.6	1,067.2	139.6	853.3	10.1	4,004.4
2007	12	45.7	544.5	381.0	242.0	147.5	186.2	740.3	1,321.0	176.2	1,311.7	9.6	5,105.8
2008	12	52.3	255.2	271.7	204.0	108.2	137.5	781.8	1,328.9	161.3	1,558.8	44.7	4,904.3
2009	12	41.4	416.0	352.7	187.9	148.6	146.5	852.2	1,280.0	173.1	1,601.4	14.5	5,214.4
2010	12	58.8	458.1	291.0	194.6	149.7	144.2	723.8	1,444.3	172.4	1,904.0	16.1	5,556.9
2011	12	42.2	413.1	290.9	190.0	154.8	176.9	688.5	1,447.8	182.1	1,917.2	14.7	5,518.1
2012	12	94.0	339.2	231.1	195.2	105.9	161.5	517.5	1,443.4	186.5	2,015.3	17.0	5,306.9
2013	12	65.3	300.8	228.1	172.4	79.0	209.7	615.2	1,667.4	194.4	2,226.8	12.8	5,771.9
2014	12	60.0	412.1	261.4	176.9	61.4	171.5	470.8	1,954.4	247.9	2,462.7	13.7	6,292.8
2015	12	102.2	468.3	312.0	209.3	33.9	198.7	498.8	2,104.8	245.0	2,841.6	24.2	7,038.7
2016	12	94.9	520.2	399.6	255.6	58.1	190.1	523.9	2,313.6	251.1	3,431.4	18.0	8,056.6
2017	12	150.8	612.8	575.2	305.9	130.0	230.2	618.1	2,775.5	281.5	3,858.3	19.6	9,558.1
2018	12	122.8	932.2	691.9	365.7	261.0	273.7	724.0	3,095.3	303.2	4,523.7	24.9	11,318.5
2019	12	122.1	885.8	823.8	395.1	323.9	284.6	684.7	3,437.2	345.1	5,242.8	21.5	12,566.6
2019	01	140.2	939.9	671.5	390.1	277.0	265.2	728.9	3,101.0	333.8	4,586.1	23.5	11,457.3
	02	141.1	925.7	689.3	390.6	263.5	265.6	738.1	2,900.8	336.2	4,686.1	23.0	11,360.0
	03	131.5	948.0	727.6	403.0	314.7	263.0	667.3	2,879.5	331.1	4,784.1	29.8	11,479.5
	04	121.2	1,040.8	759.4	401.0	276.8	238.0	714.7	2,976.6	318.9	4,856.0	40.4	11,743.8
	05	117.9	952.6	772.1	397.7	262.3	252.1	704.9	2,920.4	339.9	4,911.6	21.6	11,653.1
	06	88.9	990.6	754.3	393.4	265.2	258.4	665.7	3,072.7	343.4	4,936.3	21.4	11,790.3
	07	99.1	936.0	793.1	395.4	287.6	273.8	757.4	3,234.0	345.4	4,942.4	20.7	12,085.0
	08	119.8	983.1	828.0	388.0	285.1	260.2	760.0	3,362.6	344.2	4,957.5	22.1	12,310.6
	09	134.5	938.0	880.8	377.8	284.4	266.0	779.8	3,292.2	340.4	4,989.0	22.2	12,304.9
	10	122.6	881.0	902.6	385.9	313.4	240.4	742.9	3,377.6	352.1	5,029.8	23.8	12,371.9
	11	140.0	886.5	899.4	389.2	340.7	263.8	702.7	3,377.6	358.7	5,089.6	22.1	12,470.4
	12	122.1	885.8	823.8	395.1	323.9	284.6	684.7	3,437.2	345.1	5,242.8	21.5	12,566.6

Since January 2019, the currency structure of financial instruments (loans, deposits, securities) presented originally in KM and indexed in foreign currency has been reclassified from local currency positions to foreign currency positions in monetary statistics reports according to the recommendations from the IMF Manual and Monetary and Financial Statistics Compilation Guide from 2016. Monetary data updated according to the IMF methodology (Monetary and Financial Statistics Manual, 2000), from January 2006.

See note on page 162

Note:

Transferable deposits are available on demand without restrictions and charges, directly useable for payments to third parties, special savings accounts from which funds may be transferred to transferable deposits.

T15 Structure of Other Deposits in Commercial Banks by Sectors (end of period, in KM million)													
DEPOSITS OF ALL DOMESTIC INSTITUTIONAL SECTORS													
Year	Month	Deposits of BH Institutions	Entity Governments' Deposits	Deposits of Cantonal Governments	Deposits of Municipal Governments	Deposits of Social Security Funds	Deposits of Other Financial Institutions	Deposits of Non-financial Public Enterprises	Deposits of Non-financial Private Enterprises	Deposits of Non-profit Organisations	Deposits of Households	Other Deposits	Total
1	2	3	4	5	6	7	8	9	10	11	12	13	14=3+...+13
2006	12	22.7	222.3	35.6	33.0	42.4	168.3	405.0	516.0	50.9	3,246.9	15.1	4,758.1
2007	12	11.8	1,457.4	56.4	47.4	124.0	217.5	537.8	595.4	59.8	3,854.2	18.9	6,980.7
2008	12	16.0	1,211.7	21.3	50.1	101.5	334.0	758.5	743.7	78.1	3,647.0	8.2	6,970.0
2009	12	4.7	725.3	20.9	48.8	61.7	478.8	753.5	606.0	100.5	4,062.0	14.8	6,877.0
2010	12	22.5	383.2	16.8	41.2	49.2	438.8	825.0	504.5	91.2	4,580.4	19.6	6,972.4
2011	12	62.8	237.8	24.0	30.0	41.7	567.5	816.3	471.5	79.1	5,134.1	9.2	7,474.1
2012	12	31.7	242.0	21.4	27.6	31.0	598.3	778.9	537.8	87.1	5,639.9	23.0	8,018.8
2013	12	62.7	170.8	21.0	26.6	35.0	651.4	724.0	531.1	100.3	6,137.1	17.1	8,477.3
2014	12	127.1	266.0	36.8	36.0	32.0	674.0	669.6	529.3	115.6	6,579.3	16.6	9,082.5
2015	12	129.7	224.7	25.0	36.3	31.9	693.0	688.7	501.9	120.7	7,023.2	17.0	9,492.1
2016	12	73.4	226.3	26.4	22.3	34.7	771.4	695.9	474.2	123.4	7,229.7	17.6	9,695.5
2017	12	116.6	243.8	24.3	34.4	22.9	816.8	766.7	554.4	102.6	7,412.8	15.7	10,111.0
2018	12	62.6	267.5	41.9	37.4	16.7	873.7	758.4	627.8	95.7	7,622.7	26.9	10,431.3
2019	12	51.7	582.1	90.8	51.2	28.8	870.8	826.0	615.4	102.4	7,998.1	36.6	11,253.8
2019	01	102.2	261.9	41.1	37.0	13.5	873.3	771.7	553.8	93.3	7,669.3	19.4	10,436.4
	02	102.9	259.4	40.3	37.0	15.1	869.7	793.5	537.7	93.5	7,726.4	19.1	10,494.6
	03	100.7	259.3	40.8	37.1	13.9	871.0	845.0	529.0	93.5	7,724.4	19.5	10,534.2
	04	100.1	230.9	41.3	37.1	15.0	873.4	852.0	514.2	98.6	7,729.9	21.6	10,514.2
	05	98.5	330.3	41.6	37.9	16.4	867.2	838.7	518.5	98.8	7,759.1	23.3	10,630.1
	06	96.5	365.0	41.9	45.9	31.8	899.5	833.5	515.0	93.8	7,773.6	23.5	10,719.7
	07	94.7	358.9	41.8	50.0	28.3	917.5	794.9	529.3	100.0	7,796.7	34.5	10,746.5
	08	93.0	401.4	43.1	49.1	32.8	908.8	805.9	528.1	101.2	7,864.4	39.0	10,866.8
	09	94.1	551.8	45.1	56.2	29.8	898.4	764.5	572.7	107.0	7,903.4	42.1	11,065.0
	10	92.9	608.8	44.2	52.6	23.7	891.5	808.1	579.1	103.9	7,922.4	41.5	11,168.7
	11	94.2	629.6	42.6	53.2	24.7	892.6	809.1	591.7	100.3	7,941.7	38.5	11,218.2
	12	51.7	582.1	90.8	51.2	28.8	870.8	826.0	615.4	102.4	7,998.1	36.6	11,253.8

Since January 2019, the currency structure of financial instruments (loans, deposits, securities) presented originally in KM and indexed in foreign currency has been reclassified from local currency positions to foreign currency positions in monetary statistics reports according to the recommendations from the IMF Manual and Monetary and Financial Statistics Compilation Guide from 2016. Monetary data updated according to the IMF methodology (Monetary and Financial Statistics Manual, 2000), from January 2006.

See note on page 162

Note:

Other deposits allow automatic withdrawals of funds but not payment to third parties, time and savings deposits, other deposits-other.

T16 Structure of Short-Term Loans of Commercial Banks by Sectors (end of period, in KM million)													
LOANS TO DOMESTIC INSTITUTIONAL SECTORS													
Year	Month	Loans to BH Institutions	Loans to Entity Governments	Loans to Cantonal Governments	Loans to Municipal Governments	Loans to Social Security Funds	Loans to Other Financial Institutions	Loans to Non-financial Public Enterprises	Loans to Non-financial Private Enterprises	Loans to Non-profit Organizations	Loans to Households	Other Loans	Total
1	2	3	4	5	6	7	8	9	10	11	12	13	14=3+...+13
2006	12	0.1	6.2	2.2	1.4	0.1	30.1	77.6	1,453.4	11.8	466.6	7.5	2,057.0
2007	12	0.0	6.3	2.3	0.3	0.0	53.5	73.8	1,819.0	17.0	564.5	4.6	2,541.4
2008	12	0.0	6.0	2.3	10.4	0.1	69.8	76.5	2,579.8	32.8	645.7	4.2	3,427.5
2009	12	3.2	8.7	2.2	31.7	33.5	33.4	80.0	2,459.8	10.6	716.4	12.0	3,391.5
2010	12	0.1	6.1	2.3	21.9	40.6	28.1	69.1	2,624.0	13.5	801.9	7.1	3,614.8
2011	12	0.0	11.9	1.4	21.5	26.0	37.4	70.1	2,935.2	5.9	858.4	4.2	3,972.1
2012	12	0.0	2.6	0.7	22.2	9.9	41.1	73.8	3,188.4	6.7	919.5	6.3	4,271.2
2013	12	0.0	12.9	0.6	40.1	35.3	28.5	89.2	3,152.2	5.5	942.2	12.1	4,318.6
2014	12	0.0	26.7	4.0	45.3	26.0	27.4	90.7	2,989.7	4.9	936.4	19.0	4,170.2
2015	12	0.0	72.0	4.8	22.0	39.4	28.3	86.4	2,944.8	4.2	937.0	26.0	4,164.9
2016	12	0.0	48.0	1.6	19.8	8.5	27.2	90.4	3,030.0	7.2	904.9	14.9	4,152.6
2017	12	0.0	44.3	1.4	15.7	7.8	33.8	73.2	3,163.2	10.2	896.4	15.4	4,261.5
2018	12	0.0	60.2	1.1	12.8	4.3	40.6	89.6	3,151.5	6.2	911.3	12.1	4,289.8
2019	12	0.0	17.3	0.1	12.5	2.0	49.3	104.1	3,537.7	6.8	919.8	1.7	4,651.2
2019	01	0.0	58.6	0.7	12.1	2.5	32.1	88.1	3,184.6	6.2	898.0	0.9	4,283.7
	02	0.0	53.0	0.7	13.7	2.5	29.5	93.8	3,266.5	6.0	887.1	0.8	4,353.5
	03	0.0	52.7	0.6	12.8	2.5	32.1	92.9	3,302.1	8.0	905.5	1.1	4,410.2
	04	0.0	57.5	0.9	12.7	2.5	34.7	91.0	3,388.4	8.3	899.5	1.1	4,496.9
	05	0.0	57.6	0.9	12.5	2.5	33.4	92.7	3,397.1	8.7	898.8	0.9	4,505.1
	06	0.0	19.2	0.6	12.7	2.5	54.2	95.5	3,441.6	9.1	903.2	1.1	4,539.7
	07	0.0	17.5	0.6	13.8	2.5	37.6	84.0	3,454.0	9.6	913.3	2.1	4,535.0
	08	0.0	17.4	0.4	14.1	2.5	41.8	86.2	3,425.2	9.5	918.4	1.3	4,516.8
	09	0.0	16.3	0.9	14.0	2.7	49.1	97.2	3,441.5	7.8	929.0	1.4	4,559.8
	10	0.0	17.4	0.6	11.5	1.4	46.1	100.4	3,479.2	5.6	925.3	1.2	4,588.7
	11	0.0	17.6	0.3	14.7	1.7	41.6	105.2	3,534.8	5.1	921.1	1.4	4,643.5
	12	0.0	17.3	0.1	12.5	2.0	49.3	104.1	3,537.7	6.8	919.8	1.7	4,651.2

Since January 2019, the currency structure of financial instruments (loans, deposits, securities) presented originally in KM and indexed in foreign currency has been reclassified from local currency positions to foreign currency positions in monetary statistics reports according to the recommendations from the IMF Manual and Monetary and Financial Statistics Compilation Guide from 2016. Monetary data updated according to the IMF methodology (Monetary and Financial Statistics Manual, 2000), from January 2006.

See note on page 162

Note:

By 2006, the total claims on all level governments and funds (short-term and long-term) are shown in Table of short-term loans (columns 3,4,5,6,7) in the total amount because source data do not provide maturity structure of claims for governments and funds. Short – terms loans represent claims of commercial banks on all domestic institutional sectors up to one year, in domestic and foreign currency.

T17 Structure of Long -Term Loans f Commercial Banks by Sectors (end of period, in KM million)													
LOANS TO ALL DOMESTIC INSTITUTIONAL SECTORS													
Year	Month	Loans to BH Institutions	Loans to Entity Governments	Loans to Cantonal Governments	Loans to Municipal Governments	Loans to Social Security Funds	Loans to Other Financial Institutions	Loans to Non-financial Public Enterprises	Loans to Non-financial Private Enterprises	Loans to Non-profit Organizations	Loans to Households	Other Loans	Total
1	2	3	4	5	6	7	8	9	10	11	12	13	14=3+...+13
2006	12	0.0	0.4	1.3	56.2	0.6	31.8	167.7	2,592.7	10.3	3,893.0	1.5	6,755.6
2007	12	0.7	8.8	1.1	92.3	15.5	77.9	195.0	3,439.2	18.5	5,104.4	0.9	8,954.2
2008	12	1.7	95.6	0.9	132.5	13.5	73.9	177.2	4,142.2	19.5	6,051.1	0.5	10,708.6
2009	12	1.4	89.2	2.1	155.5	19.7	43.6	185.8	4,186.9	17.4	5,590.8	0.9	10,293.3
2010	12	0.1	105.8	40.2	201.6	26.5	27.0	270.8	4,309.5	17.4	5,522.3	9.1	10,530.3
2011	12	0.0	233.2	42.8	251.1	38.8	25.4	285.3	4,186.7	12.7	5,846.4	7.5	10,929.9
2012	12	0.0	404.3	68.7	289.5	28.4	19.3	313.0	4,248.8	16.3	5,875.2	7.9	11,271.3
2013	12	0.0	418.6	77.9	299.4	17.5	23.4	361.5	4,369.0	15.0	6,123.0	2.5	11,707.7
2014	12	0.0	465.2	161.2	295.2	77.1	20.0	351.4	4,429.6	9.7	6,491.7	2.3	12,303.3
2015	12	0.0	418.3	225.5	281.7	99.0	31.8	310.3	4,473.4	12.5	6,847.2	2.2	12,701.9
2016	12	0.0	295.5	231.5	262.0	95.7	25.2	281.5	4,673.3	11.9	7,171.4	0.5	13,048.5
2017	12	0.0	333.7	207.8	276.3	79.5	49.6	328.4	5,156.5	11.6	7,717.3	0.2	14,160.9
2018	12	0.0	328.5	185.7	279.4	169.9	85.0	331.7	5,471.5	14.1	8,330.0	0.4	15,196.1
2019	12	0.0	399.2	168.6	301.0	197.5	95.3	393.5	5,496.3	13.8	9,055.8	0.5	16,121.5
2019	01	0.0	327.2	179.5	276.5	169.0	79.8	325.7	5,433.1	13.5	8,354.8	0.4	15,159.5
	02	0.0	318.2	175.9	269.3	178.8	78.8	318.2	5,413.8	13.0	8,413.7	0.4	15,180.4
	03	0.0	355.0	171.8	267.4	179.4	80.6	322.4	5,453.5	13.3	8,500.2	0.4	15,343.8
	04	0.0	362.5	163.6	267.4	178.9	82.2	320.1	5,468.7	13.1	8,586.1	0.4	15,442.9
	05	0.0	356.1	160.7	285.2	177.7	87.5	327.1	5,478.7	12.9	8,682.8	0.3	15,568.9
	06	0.0	342.2	155.8	293.6	175.8	89.2	322.1	5,532.3	13.5	8,758.7	0.3	15,683.6
	07	0.0	335.4	148.0	293.1	173.9	88.2	319.9	5,514.2	13.4	8,830.3	0.3	15,716.7
	08	0.0	334.7	145.6	292.1	173.2	89.5	325.3	5,456.4	13.4	8,870.5	0.3	15,701.0
	09	0.0	419.6	164.4	292.3	171.8	91.6	319.0	5,480.8	13.4	8,929.0	0.3	15,882.2
	10	0.0	416.3	160.2	296.7	170.1	95.2	321.8	5,475.8	13.6	8,988.4	0.3	15,938.5
	11	0.0	411.8	158.8	297.0	168.8	92.6	380.1	5,463.9	13.7	9,017.3	0.3	16,004.3
	12	0.0	399.2	168.6	301.0	197.5	95.3	393.5	5,496.3	13.8	9,055.8	0.5	16,121.5

Since January 2019, the currency structure of financial instruments (loans, deposits, securities) presented originally in KM and indexed in foreign currency has been reclassified from local currency positions to foreign currency positions in monetary statistics reports according to the recommendations from the IMF Manual and Monetary and Financial Statistics Compilation Guide from 2016. Monetary data updated according to the IMF methodology (Monetary and Financial Statistics Manual, 2000), from January 2006.

See note on page 162

Note:

By 2006, the total claims on all level governments and funds (short-term and long term) are shown in Table of short-term loans (columns 3,4,5,6,7) in the total amount, because source data do not provide maturity structure of claims for governments and funds. Long – terms loans represent claims of commercial banks on all domestic institutional sectors over one year in domestic and foreign currency.

T18	Purchase and Sale of Convertible Mark (in KM thousand)					
	Year	Month	Sale	Purchase	Balance	Cumulative Balance
	1	2	3	4	5 (3-4)	6
	2006		3,316,074	2,181,712	1,134,362	4,880,802
	2007		3,878,146	2,822,867	1,055,279	5,936,081
	2008		4,933,211	5,564,318	-631,108	5,304,973
	2009		4,197,642	4,234,491	-36,849	5,268,124
	2010		5,273,777	5,014,550	259,227	5,527,351
	2011		5,088,041	5,162,710	-74,669	5,452,682
	2012		5,511,162	5,491,846	19,316	5,471,998
	2013		4,588,615	3,918,598	670,017	6,142,015
	2014		5,065,358	4,379,047	686,312	6,828,327
	2015		5,470,552	4,699,060	771,492	7,599,818
	2016		7,485,849	6,622,039	863,811	8,463,629
	2017		8,476,378	7,421,186	1,055,192	9,518,821
	2018		10,792,432	9,780,514	1,011,918	10,530,740
	2019		11,385,556	10,533,525	852,031	11,382,771
	2019	01	1,036,312	1,129,614	-93,302	10,437,437
		02	762,888	784,795	-21,907	10,415,531
		03	814,865	997,379	-182,514	10,233,017
		04	1,252,277	867,879	384,398	10,617,415
		05	967,429	928,455	38,974	10,656,389
		06	851,020	806,473	44,547	10,700,936
		07	1,011,937	828,952	182,985	10,883,920
		08	1,049,168	725,280	323,889	11,207,809
		09	758,706	849,100	-90,394	11,117,415
		10	859,959	874,260	-14,301	11,103,114
		11	860,935	830,668	30,267	11,133,381
		12	1,160,061	910,670	249,390	11,382,771

T19 Average Reserve Requirements (in KM thousand)					
Year	Month	Base for Required Reserve Calculation*	Average Reserve Requirement	Average Balance on the Required Reserve Accounts with the CBBiH	Balance
1	2	3	4	5	6=5-4
2008	12	17,320,130	2,961,865	3,630,571	668,706
2009	12	16,194,265	1,754,398	3,010,417	1,256,019
2010	12	15,617,849	1,624,905	3,154,793	1,529,888
2011	12	15,227,393	1,323,886	2,959,315	1,635,429
2012	12	14,755,574	1,257,850	2,711,013	1,453,163
2013	12	15,162,241	1,290,758	3,103,865	1,813,107
2014	12	15,999,278	1,370,137	3,577,824	2,207,688
2015	12	16,664,525	1,432,593	3,770,500	2,337,907
2016	12	18,494,243	1,734,081	4,057,613	2,323,532
2017	12	21,224,853	2,122,485	4,303,340	2,180,855
2018	12	23,537,084	2,353,708	5,205,234	2,851,526
2019	12	25,752,968	2,575,297	5,589,021	3,013,724
2019	01	24,910,437	2,491,044	5,554,253	3,063,209
	02	24,936,342	2,493,634	5,526,285	3,032,651
	03	24,923,712	2,492,371	5,377,859	2,885,487
	04	25,230,323	2,523,032	5,477,014	2,953,982
	05	25,333,594	2,533,359	5,511,661	2,978,302
	06	25,473,415	2,547,342	5,534,936	2,987,594
	07	25,759,327	2,575,933	5,502,711	2,926,778
	08	26,075,857	2,607,586	5,675,195	3,067,609
	09	26,387,142	2,638,714	5,812,973	3,174,259
	10	26,507,574	2,650,757	5,672,488	3,021,731
	11	26,630,066	2,663,007	5,704,901	3,041,894
	12	26,867,825	2,686,782	5,717,970	3,031,188

Note:

From 1 July 2016, the required reserves rate applied by the CBBH to the base for calculation of required reserves is 10%.

From 1 July 2016, the CBBH applies the new rates for the calculation of fees to the funds in the banks' reserves accounts : in the accounting period, the Central Bank does not charge a fee on the amount of required reserves in commercial banks' reserves accounts, and on the amount of excess reserves, the CBBH charges the fee at the rate equal to 50% of the rate applied to commercial banks' deposits (deposit facility rate) by the European Central Bank.

From 01 May 2015, the Central Bank has calculated the compensation for a bank on the amount of the bank's funds in the reserve account with the Central Bank in the calculation period, as it follows:

- on the reserve requirement amount – the average of EONIA recorded in the same period on the market reduced by 10 basis points, or minimum zero,
- on the amount of the funds exceeding the reserve requirement – zero rate of compensation.

The zero rate of compensation on the reserve requirement is applied in case the average EONIA decreased by 10 basis points has a negative value.

From 1 September 2014, the remuneration rate has been calculated on the basis of the weighted average interest rate which was earned by the Central Bank of BH on the market in the same period on deposits invested up to a month ; and 70% is calculated on the amount of required reserve or minimum 0, while 90% of the mentioned rate is calculated on the amount of excess reserves or minimum 0.

From August 1st 2011, the remuneration rate is calculated by the weighted average interest rate which were earned by the Central Bank on deposits invested up to a month in the same period; 70% of this rate is calculated on the amount of required reserves while 90% of the same rate is calculated on the amount of excess reserves.

From February 1st, 2011 the required reserves rate on deposits and borrowed assets with contracted term of maturity up to one year was declined from 14% to 10%, while the required reserves rate on deposits and borrowed assets with contracted term of maturity over one year is not changed.

From July 1st, 2010 remuneration rate on the amount of required reserves is changed and calculated as an average of interest rates, which were earned by the Central bank on overnight deposits in the same period, while remuneration rate on the amount of excess reserves is not changed.

From May 1st, 2009 the required reserves rate is 7% on deposits and borrowed assets with contracted term of maturity over one year.

From April 1st, 2009 remuneration rate is calculated as:- On the amount of required reserves is 0,5%,- On the amount of excess reserves on the rate calculated as an average of interest rates, which were earned by the Central bank on deposits invested up to a month.

From January 1st, 2009 the required reserves rate is 14% on deposits and borrowed assets with contracted term of maturity up to one year and 10% on deposits and borrowed assets with contracted term of maturity over one year.

From October 11th, 2008 required reserves rate was declined from 18% to 14%.

From January 1st, 2008 required reserves rate was increased from 15% to 18%.

*The base for calculation of required reserves includes deposits and borrowed funds in domestic and other currency expressed in KM.

T20		Payments System Transactions (in KM million)					
		RTGS		GYRO CLEARING		TOTAL	
Year	Month	No of Transactions	Amount	No of Transactions	Amount	No of Transactions	Amount
1	2	3	4	5	6	7=3+5	8=4+6
2006		591,823	37,280	24,309,113	10,448	24,900,936	47,728
2007		704,702	48,174	27,662,395	12,018	28,367,097	60,193
2008		766,690	57,335	28,831,882	13,009	29,598,572	70,345
2009		692,669	52,283	28,346,898	12,175	29,039,567	64,458
2010		713,755	55,281	31,060,911	12,498	31,774,666	67,779
2011		760,459	63,608	31,729,367	13,046	32,489,826	76,653
2012		763,522	68,310	33,073,839	13,223	33,837,361	81,533
2013		773,099	63,232	35,026,526	13,373	35,799,626	76,605
2014		821,897	73,897	37,108,440	13,961	37,930,337	87,858
2015		874,575	70,655	38,212,073	14,451	39,086,648	85,106
2016		935,319	72,876	39,068,883	15,509	40,004,202	88,380
2017		996,043	79,855	40,111,318	16,388	41,107,361	96,243
2018		1,067,256	85,393	41,266,770	17,277	42,334,026	102,670
2019		1,105,320	104,826	42,496,286	18,221	43,601,606	123,056
2019	01	77,464	7,201	3,123,517	1,268	3,200,981	8,470
	02	81,295	6,749	3,248,746	1,310	3,330,041	8,059
	03	86,963	7,732	3,477,089	1,442	3,564,052	9,173
	04	96,913	8,740	3,738,055	1,583	3,834,968	10,323
	05	94,080	8,738	3,649,821	1,544	3,743,901	10,291
	06	86,261	8,091	3,337,580	1,431	3,423,841	9,522
	07	99,251	10,323	3,874,625	1,659	3,973,876	11,982
	08	90,528	9,132	3,438,388	1,523	3,528,916	10,655
	09	91,307	9,150	3,521,747	1,529	3,613,054	10,680
	10	101,189	10,193	3,805,296	1,669	3,906,485	11,862
	11	92,028	8,135	3,402,086	1,504	3,494,114	9,639
	12	108,041	10,641	3,879,336	1,759	3,987,377	12,400

T21	BH Balance of Payments (in KM million)							
Year	CURRENT AND CAPITAL ACCOUNT				Total	FINANCIAL ACCOUNT	NET ERRORS AND OMISSIONS	
	Current account							Capital Account
	Goods	Services	Primary Income	Secondary Income				
2007	-8,480	1,862	670	3,901	415	-1,632	-1,766	-134
2008	-10,197	1,912	943	3,827	383	-3,132	-3,300	-167
2009	-7,436	1,552	955	3,341	350	-1,238	-1,131	107
2010	-7,186	1,713	413	3,529	389	-1,142	-957	184
2011	-7,827	1,593	211	3,540	357	-2,127	-2,039	88
2012	-7,779	1,631	205	3,676	334	-1,933	-1,806	127
2013	-7,099	1,624	357	3,694	337	-1,088	-909	179
2014	-7,874	1,698	224	3,969	442	-1,541	-1,428	113
2015	-7,176	1,959	194	3,573	364	-1,086	-885	201
2016	-7,089	2,133	40	3,507	300	-1,109	-822	286
2017	-7,417	2,330	-114	3,838	342	-1,021	-792	229
2018	-7,494	2,483	-97	3,868	315	-924	-683	241
2019	-7,972	2,635	-56	4,157	316	-919	-539	381
2013 Q1	-1,607	338	83	837	78	-272	-449	-177
Q2	-1,618	436	-106	926	80	-282	-215	67
Q3	-1,869	481	128	951	91	-218	-25	192
Q4	-2,005	370	251	980	89	-316	-220	96
2014 Q1	-1,733	393	81	833	76	-351	-472	-122
Q2	-1,912	402	-86	989	85	-522	-367	155
Q3	-2,135	513	68	1,071	153	-330	-172	158
Q4	-2,094	390	161	1,076	128	-338	-417	-78
2015 Q1	-1,560	373	52	880	100	-156	-276	-120
Q2	-1,876	514	-35	901	99	-397	-286	111
Q3	-1,934	652	-17	891	83	-325	-209	116
Q4	-1,805	420	193	901	82	-209	-114	94
2016 Q1	-1,543	421	31	745	70	-276	-361	-85
Q2	-1,866	567	-28	904	77	-345	-204	141
Q3	-1,796	649	13	927	78	-129	53	182
Q4	-1,885	497	23	931	75	-359	-310	49
2017 Q1	-1,610	458	28	852	82	-191	-314	-123
Q2	-1,984	614	-129	1,005	86	-408	-211	197
Q3	-1,884	726	-77	993	88	-155	33	188
Q4	-1,938	532	65	988	86	-268	-300	-33
2018 Q1	-1,683	431	-8	854	72	-334	-446	-112
Q2	-1,902	655	-59	1,019	76	-211	-60	151
Q3	-1,989	815	-46	1,016	86	-118	30	148
Q4	-1,920	583	16	979	80	-262	-208	54
2019 Q1	-1,874	489	5	917	78	-385	-427	-42
Q2	-2,083	741	-105	1,081	80	-287	-160	127
Q3	-1,988	843	-9	1,063	80	-12	133	145
Q4	-2,026	561	54	1,096	79	-235	-84	151

Note:

The BH Balance of Payments is compiled in accordance with the IMF methodology (Balance of Payments and International Investment Position Manual, 6th edition – BPM6). The detailed methodological information can be found on the web, at www.cbbh.ba/statistics

T22	BH Balance of Payments: Current Account and Capital Account (in KM million)													
	CURRENT ACCOUNT											CAPITAL ACCOUNT		
	Total			Goods		Services		Primary Income		Secondary Income		Credit	Debit	Balance
	Credit	Debit	Balance	Credit	Debit	Credit	Debit	Credit	Debit	Credit	Debit			
Period														
2007	11,764	13,811	-2,047	3,542	12,022	2,569	707	1,553	883	4,101	200	415	0	415
2008	12,543	16,058	-3,515	4,158	14,355	2,694	782	1,656	713	4,036	209	383	0	383
2009	11,046	12,634	-1,588	3,756	11,193	2,446	894	1,265	309	3,579	238	350	0	350
2010	12,200	13,731	-1,531	5,015	12,201	2,518	804	881	468	3,787	257	389	0	389
2011	13,157	15,640	-2,483	6,029	13,856	2,374	781	935	725	3,818	278	357	0	357
2012	13,311	15,577	-2,266	6,067	13,846	2,416	785	874	669	3,954	277	334	0	334
2013	13,873	15,297	-1,425	6,645	13,743	2,391	768	864	507	3,973	279	337	0	337
2014	14,521	16,504	-1,983	6,847	14,721	2,452	754	955	731	4,267	298	442	0	442
2015	14,997	16,447	-1,450	7,196	14,372	2,964	1,004	928	734	3,909	336	364	0	364
2016	15,650	17,059	-1,409	7,700	14,789	3,170	1,037	929	889	3,852	345	300	0	300
2017	17,973	19,336	-1,363	9,341	16,758	3,470	1,141	962	1,076	4,200	362	342	0	342
2018	19,289	20,528	-1,239	10,418	17,912	3,669	1,185	940	1,036	4,262	394	315	0	315
2019	19,679	20,915	-1,236	10,174	18,146	3,937	1,302	1,004	1,060	4,565	407	316	0	316
2013 Q1	3,082	3,432	-350	1,491	3,098	478	141	207	123	906	70	78	0	78
Q2	3,646	4,007	-361	1,806	3,424	625	190	218	323	996	70	80	0	80
Q3	3,689	3,998	-308	1,683	3,552	755	274	231	103	1,019	68	91	0	91
Q4	3,455	3,860	-405	1,664	3,669	532	163	208	-43	1,051	71	89	0	89
2014 Q1	3,198	3,625	-427	1,546	3,279	525	132	225	144	903	70	76	0	76
Q2	3,582	4,189	-607	1,698	3,610	586	184	238	324	1,060	71	85	0	85
Q3	3,990	4,473	-483	1,792	3,927	790	277	258	190	1,151	80	153	0	153
Q4	3,750	4,216	-466	1,811	3,905	551	161	235	73	1,153	76	128	0	128
2015 Q1	3,420	3,676	-255	1,666	3,227	566	194	238	186	949	69	100	0	100
Q2	3,766	4,262	-496	1,803	3,679	756	241	219	254	989	88	99	0	99
Q3	4,107	4,515	-408	1,870	3,804	1,010	358	249	266	979	88	83	0	83
Q4	3,703	3,994	-291	1,858	3,663	632	212	222	28	992	91	82	0	82
2016 Q1	3,325	3,671	-346	1,657	3,200	617	195	221	190	830	85	70	0	70
Q2	3,955	4,377	-422	1,950	3,816	794	227	223	250	988	84	77	0	77
Q3	4,292	4,498	-207	1,985	3,781	1,040	391	256	242	1,011	84	78	0	78
Q4	4,079	4,513	-434	2,107	3,992	719	223	229	206	1,023	91	75	0	75
2017 Q1	3,876	4,149	-273	2,043	3,653	659	202	232	204	942	90	82	0	82
Q2	4,517	5,011	-494	2,302	4,287	882	268	240	369	1,092	87	86	0	86
Q3	4,990	5,232	-242	2,491	4,375	1,157	431	256	334	1,086	92	88	0	88
Q4	4,591	4,945	-354	2,505	4,442	772	241	234	170	1,080	92	86	0	86
2018 Q1	4,244	4,650	-406	2,391	4,073	674	243	233	241	946	92	72	0	72
Q2	4,950	5,237	-287	2,672	4,574	932	278	230	289	1,115	96	76	0	76
Q3	5,280	5,484	-204	2,692	4,681	1,238	423	241	287	1,109	94	86	0	86
Q4	4,816	5,157	-342	2,664	4,584	824	241	236	219	1,092	113	80	0	80
2019 Q1	4,360	4,823	-463	2,367	4,241	731	242	255	249	1,008	91	78	0	78
Q2	5,161	5,528	-367	2,692	4,775	1,056	315	234	339	1,179	99	80	0	80
Q3	5,303	5,394	-91	2,584	4,572	1,307	464	242	251	1,170	106	80	0	80
Q4	4,855	5,170	-314	2,531	4,557	843	282	273	219	1,208	111	79	0	79

Note:

The BH Balance of Payments is compiled in accordance with the IMF methodology (Balance of Payments and International Investment Position Manual, 6 th edition – BPM6).
The detailed methodological information can be found on the web, at www.cbbh.ba/statistics

T23	BH Balance of Payments: Financial Account (in KM million)					
Year	FINANCIAL ACCOUNT					Total*
	Direct Investment	Portfolio Investment	Financial derivatives	Other Investment	Reserve Assets	
2007	-2,560	4	0	-453	1,242	-1,766
2008	-1,315	29	0	-1,551	-462	-3,300
2009	-344	274	0	-957	-104	-1,131
2010	-532	173	0	-857	258	-957
2011	-674	46	0	-1,378	-33	-2,039
2012	-506	19	0	-1,391	73	-1,806
2013	-342	144	0	-1,420	709	-909
2014	-784	107	0	-1,463	712	-1,428
2015	-509	110	0	-1,366	881	-885
2016	-550	167	1	-1,370	930	-822
2017	-645	157	1	-1,440	1,136	-792
2018	-838	255	-5	-1,209	1,114	-683
2019	-939	229	-1	-762	935	-539
2013 Q1	-295	51	0	-37	-168	-449
Q2	-164	26	0	-317	241	-215
Q3	4	21	0	-498	447	-25
Q4	113	46	0	-568	189	-220
2014 Q1	-250	13	0	-75	-161	-472
Q2	-230	31	0	-330	163	-367
Q3	-116	-20	0	-661	625	-172
Q4	-189	83	0	-396	85	-417
2015 Q1	-105	-14	0	-106	-52	-276
Q2	-210	-44	0	-245	213	-286
Q3	-105	77	0	-558	378	-209
Q4	-89	91	0	-458	342	-114
2016 Q1	-172	1	0	-129	-62	-361
Q2	-59	47	0	-344	152	-204
Q3	-123	80	0	-596	692	53
Q4	-197	39	0	-301	148	-310
2017 Q1	-303	68	1	178	-257	-314
Q2	-87	22	0	-405	260	-211
Q3	-141	64	0	-637	747	33
Q4	-114	4	0	-576	386	-300
2018 Q1	-293	-19	0	-437	304	-446
Q2	-148	23	-1	-168	233	-60
Q3	-264	82	-1	-342	555	30
Q4	-132	168	-3	-262	22	-208
2019 Q1	-270	65	0	4	-225	-427
Q2	-402	112	0	-363	492	-160
Q3	-176	13	-1	-85	382	133
Q4	-91	39	0	-318	286	-84

Note:

The BH Balance of Payments is compiled in accordance with the IMF methodology (Balance of Payments and International Investment Position Manual, 6th edition – BPM6). The detailed methodological information can be found on the web, at www.cbbh.ba/statistics

T24	Government Sector Foreign Debt Servicing (in KM thousand)						
	Creditor	2015	2016	2017	2018	2019	
						Principal	Total
Public creditors		515,617	648,016	909,078	918,240	627,300	756,735
International and regional organizations		425,697	549,724	785,931	773,242	491,537	596,376
European Investment Bank		59,051	79,346	88,995	98,079	78,476	100,344
European Bank for Reconstr. and Development		121,045	112,893	89,765	117,528	110,760	118,638
World Bank - IDA		67,968	104,563	142,855	130,584	105,880	144,276
World Bank - IBRD ¹⁾		51,235	52,836	52,520	52,785	46,998	64,732
Council of Europe Development Bank ¹⁾		4,112	4,740	5,306	5,390	4,340	5,817
International Fund of Agriculture Development		3,784	4,113	4,241	4,033	3,479	4,157
MMF		106,677	179,498	390,523	353,116	114,223	127,129
EUROFIMA		0	0	0	0	0	0
European Commision		11,824	11,735	11,726	11,726	27,382	31,284
Government and government agencies		89,919	98,293	123,147	144,997	135,763	160,359
Paris Club ¹⁾		38,344	40,906	43,055	46,256	41,952	50,203
Saudi Development Fund		6,698	7,818	9,680	9,895	8,556	10,380
Other bilateral ²⁾		44,877	49,568	70,411	88,846	85,255	99,776
Private creditors		65,706	75,090	74,155	37,079	36,377	36,897
London Club ¹⁾		65,706	75,090	74,155	37,079	36,377	36,897
Total		581,323	723,106	983,233	955,319	663,677	793,632

Source:

BH Ministry of Finance and Treasury

1) Debt incurred before 1992.

2) Other bilateral includes: Fortis Bank, Government of Japan, OPEC, KFW, Government of Spain, Export-Import Bank of Korea, Bank Austria, Belgium, Bank for Labour and Economy (BAWAG) and Raiffeisen Bank.

T25	General government gross debt (Maastricht debt) - end of period, in millions KM -			
GENERAL GOVERNMENT GROSS DEBT (Maastricht debt)				
Year	EXTERNAL DEBT			Maastricht debt
	Total	Public creditors	Private creditors	
1	2=3+4	3	4	5
2009	5,236.3	4,511.3	725.0	6,427.1
2010	6,291.0	5,601.2	689.9	7,657.6
2011	6,663.1	6,014.6	648.5	8,605.0
2012	7,211.8	6,598.6	613.2	9,576.6
2013	7,563.0	6,995.1	567.9	10,069.5
2014	8,442.3	7,928.6	513.7	11,381.0
2015	8,692.6	8,238.5	454.1	11,982.1
2016	8,872.5	8,504.4	368.1	12,094.8
2017	8,147.0	7,870.1	276.9	11,325.8
2018	8,198.1	7,935.6	262.6	11,424.6
2019	8,098.8	7,892.3	206.5	11,520.0

Note:

The statistical definition of debt is as defined in the Maastricht Treaty. The data are published on non-consolidated basis according to the Eurostat requirements.

Source: External debt report of BH Ministry of finance and Treasury, CBBH Data base of debt securities – Government finance statistics and financial accounts and Monetary and financial statistics

T26 Foreign Reserves of the CBBH (end of period, in KM million)											
GROSS FOREIGN RESERVES									Net Foreign Reserves	Monetary Liabilities	Net Foreign Assets of CBBH
Year	Month	Gold	Holdings of SDR	Foreign Currency in CBBH Vault	Deposits with Non-resident Banks	Other	Investment in Securities				
1	2	3	4	5	6	7	8	9=3+...+8	10	11	12=10-11
2006	12	0.0	0.6	55.2	5,002.7	0.0	393.3	5,451.7	5,450.7	5,182.6	268.1
2007	12	0.0	0.4	40.1	5,971.1	80.7	606.2	6,698.5	6,697.6	6,303.9	393.7
2008	12	0.0	0.4	212.2	4,727.9	49.9	1,305.3	6,295.7	6,294.8	5,727.5	567.3
2009	12	63.3	5.7	107.4	3,298.0	2.2	2,735.4	6,212.1	6,211.2	5,705.5	505.7
2010	12	66.9	0.0	102.2	3,000.8	2.7	3,285.1	6,457.7	6,456.3	5,969.6	486.8
2011	12	151.3	1.1	93.6	4,385.6	0.0	1,792.0	6,423.6	6,422.5	5,915.1	507.4
2012	12	159.0	4.5	133.2	2,334.5	0.0	3,877.4	6,508.6	6,507.4	5,987.0	520.4
2013	12	164.1	2.7	91.6	2,217.6	0.0	4,592.3	7,068.3	7,067.3	6,659.2	408.1
2014	12	182.7	5.2	71.8	2,181.7	0.0	5,384.1	7,825.6	7,824.5	7,293.1	531.4
2015	12	182.3	3.8	128.5	1,003.6	0.0	7,288.1	8,606.3	8,605.0	8,064.6	540.4
2016	12	205.1	2.6	194.8	2,970.4	0.0	6,158.2	9,531.1	9,529.0	8,926.3	602.6
2017	12	203.9	1.5	236.4	2,698.6	0.0	7,416.1	10,556.6	10,555.0	9,977.1	577.8
2018	12	210.0	2.2	274.1	2,911.4	0.0	8,225.4	11,623.2	11,621.4	10,983.3	638.1
2019	12	254.1	0.2	322.6	3,102.8	0.0	8,917.4	12,597.1	12,595.4	11,824.2	771.2
2019	01	216.7	3.4	287.0	2,706.7	0.0	8,360.9	11,574.8	11,572.2	10,892.9	679.3
	02	216.8	0.0	286.9	2,782.7	0.0	8,251.7	11,538.2	11,536.0	10,867.1	669.0
	03	216.2	0.0	286.2	2,672.5	0.0	8,298.3	11,473.3	11,471.6	10,740.8	730.8
	04	214.9	3.6	288.1	2,887.5	0.0	8,397.0	11,791.0	11,787.8	11,071.5	716.3
	05	219.5	0.5	294.7	2,900.1	0.0	8,450.7	11,865.6	11,863.6	11,105.9	757.7
	06	232.7	0.5	294.8	2,947.0	0.0	8,547.2	12,022.2	12,019.9	11,202.3	817.6
	07	239.7	4.1	294.9	3,078.7	0.0	8,585.5	12,202.9	12,200.8	11,334.9	866.0
	08	259.7	1.3	304.3	3,262.0	0.0	8,767.8	12,595.1	12,592.3	11,655.5	936.8
	09	253.6	0.1	304.2	2,981.1	0.0	8,913.9	12,452.9	12,450.4	11,562.7	887.7
	10	254.8	2.6	304.9	2,935.9	0.0	8,892.4	12,390.5	12,388.4	11,550.1	838.4
	11	249.5	0.2	304.9	2,889.2	0.0	8,948.2	12,392.0	12,389.9	11,576.1	813.8
	12	254.1	0.2	322.6	3,102.8	0.0	8,917.4	12,597.1	12,595.4	11,824.2	771.2

Monetary data updated according to the IMF methodology (Monetary and Financial Statistics Manual, 2000), from January 2006.

Note:

Gross foreign reserves consist of balance sheet positions of short-term foreign assets of the CBBH (gold, CBBH SDR holdings, foreign currency in the CBBH vault, transferable deposits in foreign currency with non-resident banks and other) and investment in securities according to the CBBH Investment Committee Decision from July 2006. Net foreign reserves represent a difference between gross foreign reserves and liabilities to non-residents. Monetary liabilities of the CBBH include currency outside monetary authorities and deposits of residents with monetary authorities. Net foreign assets of the CBBH represent a difference between net foreign exchange reserves and monetary liabilities of the CBBH.

T27	Foreign Trade Balance of BH (in KM million)				
Year	Month	Exports of Goods	Imports of Goods	Export and Import Balance	Coverage of Imports by Exports in %
1	2	3	4	5=(3-4)	6=(3/4)x100
2006		5,164	11,389	-6,224	45.3
2007		5,937	13,898	-7,962	42.7
2008		6,712	16,293	-9,581	41.2
2009		5,530	12,348	-6,818	44.8
2010		7,096	13,616	-6,521	52.1
2011		8,222	15,525	-7,303	53.0
2012		7,858	15,253	-7,395	51.5
2013		8,380	15,170	-6,790	55.2
2014		8,682	16,199	-7,518	53.6
2015		8,987	15,852	-6,864	56.7
2016		9,418	16,161	-6,743	58.3
2017		11,055	18,186	-7,130	60.8
2018		11,900	19,270	-7,370	61.8
2019		11,492	19,498	-8,006	58.9
2019	01	856	1,293	-437	66.2
	02	926	1,550	-623	59.8
	03	989	1,773	-784	55.8
	04	1,035	1,750	-716	59.1
	05	1,028	1,809	-781	56.8
	06	996	1,608	-613	61.9
	07	1,006	1,746	-740	57.6
	08	845	1,526	-681	55.4
	09	984	1,573	-589	62.6
	10	1,013	1,709	-695	59.3
	11	981	1,609	-628	61.0
	12	833	1,553	-720	53.6

Note:

The latest data of Statistics Agency of Bosnia and Herzegovina were used on exports and imports of goods in Special Trade System and the adjustments of coverage and value, done for the BoP reporting purposes, are not included.

T28 BH Exports by Country of Destination (in KM thousand)											
Year	Month	Germany	Croatia	Italy	Serbia	Slovenia	Austria	Turkey	Montenegro*	Other Countries	Total
2006		668,733	965,258	713,413	681,764	629,633	313,807	11,619	-	1,191,688	5,164,296
2007		762,169	1,090,120	779,102	770,717	645,369	369,608	25,072	155,707	1,363,793	5,936,584
2008		913,488	1,156,836	843,065	942,277	614,875	415,224	20,524	231,444	1,594,482	6,711,690
2009		814,110	944,144	702,356	741,441	463,129	325,370	51,853	229,506	1,311,143	5,531,199
2010		1,085,936	1,070,626	862,022	894,775	611,744	470,584	81,662	310,180	1,789,638	7,095,505
2011		1,215,957	1,204,440	963,546	1,001,879	706,818	619,042	150,054	300,430	2,210,001	8,222,112
2012		1,210,103	1,165,019	939,241	710,002	653,304	654,764	182,874	249,230	2,276,299	7,857,962
2013		1,310,844	1,194,637	1,003,294	766,745	686,503	687,565	174,625	270,745	2,459,942	8,380,275
2014		1,317,490	955,047	1,195,438	800,690	697,785	755,827	234,392	293,818	2,665,647	8,681,742
2015		1,412,906	925,166	1,214,930	770,695	748,870	743,062	354,630	262,844	2,908,721	8,987,194
2016		1,479,411	985,360	1,131,096	822,846	807,200	730,590	401,047	240,751	3,220,854	9,418,109
2017		1,595,704	1,284,200	1,209,035	1,093,685	973,397	899,235	431,094	352,507	3,647,618	11,055,383
2018		1,741,537	1,464,040	1,352,791	1,251,801	1,057,052	1,020,991	323,223	401,455	3,610,622	11,900,289
2019		1,675,709	1,399,922	1,300,534	1,308,885	1,006,226	1,089,881	292,554	407,211	3,011,551	11,492,472
2019	01	141,013	117,423	102,243	88,048	79,858	80,092	15,091	24,901	207,708	856,376
	02	146,489	116,717	108,255	100,785	83,465	81,297	25,806	29,847	233,781	926,443
	03	145,097	128,767	118,382	109,851	89,241	92,203	29,582	32,883	243,127	989,133
	04	147,533	132,146	118,803	113,634	85,889	100,722	24,350	32,027	279,763	1,034,867
	05	143,735	123,540	117,458	111,123	88,330	102,362	25,813	41,170	274,632	1,028,163
	06	135,534	113,298	139,819	103,998	82,513	91,049	21,020	35,732	272,639	995,601
	07	143,879	123,312	125,687	124,417	90,746	97,842	19,180	36,910	243,688	1,005,663
	08	126,514	103,501	66,934	105,959	65,956	105,144	15,636	31,722	223,537	844,904
	09	144,909	113,886	109,967	113,234	89,980	94,500	30,561	36,695	249,987	983,719
	10	148,655	114,153	110,603	111,347	86,423	91,369	27,651	36,315	286,941	1,013,456
	11	147,936	111,165	103,499	104,426	93,364	87,639	29,441	34,150	269,800	981,420
	12	104,414	102,014	78,884	122,062	70,460	65,663	28,424	34,859	225,947	832,728

Note:

Criteria for presenting country is the share of export of the country in total three-year BH export (2016,2017,2018).

Thus, all countries with share higher than 3.0% are separately presented, while the other countries are presented as sum in the column "Other countries".

T29 BH Imports by Country of Origin (in KM thousand)												
Year	Month	Germany	Italy	Serbia	Croatia	China	Slovenia	Russian Federation	Turkey	Austria	Other Countries	Total
2006		1,417,257	1,020,542	1,116,167	1,946,914	391,090	860,684	254,626	320,717	456,213	3,309,988	11,388,785
2007		1,742,880	1,255,982	1,408,588	2,449,198	597,930	884,579	277,902	806,002	535,957	3,967,610	13,898,242
2008		1,914,630	1,520,914	1,726,195	2,779,927	748,615	963,337	344,006	863,067	606,290	4,444,452	16,292,516
2009		1,395,705	1,243,234	1,283,006	1,855,136	557,106	758,953	865,684	366,818	455,395	3,214,517	12,355,179
2010		1,424,980	1,210,391	1,429,477	2,058,946	655,539	808,852	1,189,105	379,083	489,083	3,447,593	13,616,238
2011		1,648,403	1,381,687	1,465,645	2,226,507	774,881	828,564	1,635,091	450,110	491,679	4,067,045	15,525,428
2012		1,725,796	1,429,362	1,431,534	2,202,545	816,377	803,360	1,493,885	449,381	504,094	4,044,863	15,252,942
2013		1,734,842	1,482,256	1,485,608	1,956,353	914,082	754,344	1,505,995	493,202	519,291	3,990,634	15,169,793
2014		1,869,564	1,653,565	1,629,521	1,851,693	1,359,548	763,235	1,292,467	582,203	532,109	4,338,562	16,199,278
2015		1,914,225	1,758,289	1,728,490	1,673,161	1,091,670	773,559	910,072	644,698	560,924	4,588,564	15,851,692
2016		1,998,877	1,899,582	1,828,142	1,617,713	1,091,966	831,403	729,427	687,349	556,399	4,874,484	16,161,014
2017		2,103,758	2,062,127	2,029,997	1,828,432	1,186,073	912,704	907,315	766,728	618,743	5,499,863	18,185,642
2018		2,297,072	2,170,785	2,070,768	1,915,158	1,339,232	917,011	892,371	874,490	672,990	6,124,091	19,273,968
2019		2,337,749	2,333,081	2,150,167	2,020,594	1,449,423	906,606	451,192	964,624	721,547	6,163,499	19,498,482
2019	01	147,119	142,410	130,473	130,691	104,409	62,362	48,704	56,385	49,871	420,476	1,292,899
	02	186,490	172,430	159,383	147,783	123,304	70,278	48,109	73,291	54,425	514,121	1,549,613
	03	223,823	198,350	187,433	168,514	133,524	83,596	52,885	88,363	65,383	570,987	1,772,859
	04	217,596	203,748	169,297	191,425	108,378	82,021	56,380	92,345	59,610	569,649	1,750,450
	05	232,852	214,051	186,874	188,149	133,109	80,179	56,134	86,112	65,807	565,833	1,809,099
	06	186,541	199,997	178,740	162,943	115,622	75,299	38,482	75,221	60,316	515,319	1,608,480
	07	212,594	216,021	192,463	201,885	125,654	77,760	24,767	78,468	61,173	554,724	1,745,508
	08	181,887	166,813	192,833	176,504	120,587	65,039	22,319	79,591	57,712	463,095	1,526,382
	09	187,016	204,584	188,749	160,143	113,678	72,935	22,608	79,091	54,181	489,621	1,572,606
	10	193,844	228,854	195,962	177,327	132,142	82,159	24,650	86,817	67,676	519,128	1,708,558
	11	187,228	199,133	182,926	162,168	127,898	85,467	30,130	81,201	66,672	486,529	1,609,352
	12	180,759	186,691	185,033	153,062	111,118	69,511	26,023	87,741	58,722	494,017	1,552,677

Note:

Criteria for presenting country is the share of import of the country in total three-year BH import (2016,2017,2018).

Thus, all countries with share higher than 3,0% are separately presented, while the other countries are presented as sum in the column "Other countries".

T30	Composition of Goods Exports and Imports by Products (in KM million)									
	Exports of Goods					Imports of Goods				
Products Group	2015	2016	2017	2018	2019	2015	2016	2017	2018	2019
Total	8,987.3	9,418.1	11,055.4	11,900.3	11,492.5	15,851.9	16,161.0	18,185.6	19,274.0	19,498.5
Animals and animal origin products	189.1	171.8	173.0	170.7	149.6	520.4	488.1	509.7	544.5	587.1
Proizvodi biljnog porijekla	202.1	264.7	302.4	224.4	218.9	756.8	765.6	816.0	757.8	762.2
Vegetable origin products	118.6	142.5	170.2	113.9	124.0	167.3	206.5	262.5	207.3	185.9
Food products	307.8	355.3	363.5	319.3	307.0	1,446.5	1,489.8	1,536.8	1,576.2	1,658.4
Mineral origin products	738.3	748.9	1,051.1	1,299.6	1,070.0	2,258.0	2,036.4	2,749.0	2,979.4	2,882.3
Chemical products and related industry products	705.0	772.3	958.3	991.9	936.5	1,571.9	1,594.0	1,680.9	1,786.5	1,752.5
Plastic, caoutchouc and rubber products	284.1	319.1	359.1	415.2	499.9	1,007.3	1,075.0	1,179.0	1,254.9	1,311.9
Fur and leather	161.8	155.6	197.8	191.7	143.9	462.8	465.8	488.9	448.9	377.4
Wood and wood products	668.9	729.1	783.8	801.7	756.3	206.2	237.1	258.1	291.3	315.8
Cellulose, paper, cardboard and products thereof	260.1	241.2	279.1	324.7	281.4	387.7	405.4	409.6	454.3	452.0
Textile and textile products	494.7	507.4	565.8	627.2	636.5	1,023.5	1,103.2	1,192.6	1,232.5	1,236.2
Footwear, headwear and similar products	639.9	673.4	707.6	757.0	765.9	335.7	330.1	336.7	343.0	370.7
Stone, plaster, cement, ceramics, glass products and similar	52.9	65.6	81.4	89.8	144.2	313.8	340.3	352.5	383.4	397.7
Pearls, precious metals and products thereof, prec. or semi-prec. stones	12.1	12.3	11.4	12.2	21.5	12.7	14.3	17.2	18.4	30.9
Base metals and products thereof	1,652.0	1,571.1	1,975.8	2,289.4	2,100.1	1,536.0	1,574.4	1,955.0	2,203.2	2,152.7
Machinery and mechanical/electric appliances	1,018.1	1,046.3	1,290.1	1,437.1	1,590.2	2,198.3	2,243.9	2,526.1	2,664.2	2,758.6
Vehicles and transportation equipment	317.2	319.7	334.6	370.8	381.3	1,070.5	1,160.6	1,258.6	1,354.6	1,468.1
Watches, musical and medical instruments, measuring tools	20.6	25.1	29.9	31.7	34.8	218.8	220.8	222.9	290.6	285.9
Arms and ammunition; parts and accessories thereof	136.1	171.2	193.9	205.1	212.8	7.0	10.4	14.1	12.4	14.6
Miscellaneous products	1,007.7	1,125.2	1,226.7	1,227.1	1,114.8	350.1	399.0	419.1	469.8	495.0
Works of art, collectors' pieces and antiques	0.2	0.1	0.0	0.0	0.2	0.4	0.4	0.3	0.5	0.4
Unclassified	0.0	0.0	0.0	0.0	3.0	0.0	0.0	0.0	0.0	2.1

Note:

- The source of this data is the Agency for Statistics of Bosnia and Herzegovina.
- The data on exports and imports of goods are classified in accordance with World Trade Organization's Harmonized System codes.

T31 Average Middle Exchange Rates of Convertible Mark												
Year	Month	EMU	Croatia	Czech R	Hungary	Japan	Switzerland	Turkey	UK	USA	China	Serbia
		EUR	HRK	CZK	HUF	JPY	CHF	TRY	GBP	USD	CNY	RSD
		1	100	1	100	100	1	1	1	1	1	100
2006		1.955830	26.703006	0.069019	0.741214	1.340471	1.243337	1.090541	2.869188	1.559433	...	2.327066
2007		1.955830	26.653716	0.070501	0.778418	1.213767	1.190857	1.095670	2.858739	1.429542	...	2.446287
2008		1.955830	27.072193	0.078403	0.778567	1.299707	1.233196	1.030147	2.462700	1.336615	...	2.406718
2009		1.955830	26.641714	0.074058	0.698858	1.504078	1.295257	0.904894	2.195821	1.406763	...	2.083674
2010		1.955830	26.836049	0.077335	0.710646	1.684634	1.417637	0.979613	2.280434	1.476950	...	1.903300
2011		1.955830	26.296474	0.079574	0.702511	1.765578	1.589068	0.840993	2.253721	1.406117	...	1.918824
2012		1.955830	26.003868	0.077784	0.676389	1.909803	1.622699	0.845478	2.412276	1.522668	...	1.732491
2013		1.955830	25.806786	0.075328	0.658705	1.512911	1.589326	0.775940	2.304432	1.473557	0.239647	1.729721
2014		1.955830	25.619449	0.071033	0.633710	1.393940	1.610337	0.673375	2.426325	1.474019	0.239264	1.668863
2015		1.955830	25.688577	0.071687	0.631327	1.456462	1.832914	0.650180	2.694477	1.762605	0.280568	1.619915
2016		1.955830	25.960428	0.072346	0.627987	1.628845	1.794449	0.586378	2.396405	1.768011	0.266189	1.588875
2017		1.955830	26.205454	0.074317	0.632480	1.546889	1.761597	0.476205	2.232882	1.735482	0.256628	1.611317
2018		1.955830	26.365492	0.076267	0.613697	1.500585	1.693763	0.351884	2.210985	1.657498	0.250633	1.653621
2019		1.955830	26.365089	0.076197	0.601572	1.603053	1.758109	0.307940	2.230125	1.747204	0.252963	1.659447
2019	01	1.955830	26.329803	0.076262	0.611273	1.571137	1.731634	0.318838	2.205778	1.712804	0.251960	1.652127
	02	1.955830	26.378612	0.076015	0.615150	1.563371	1.720479	0.326976	2.236997	1.722720	0.255591	1.653868
	03	1.955830	26.354816	0.076174	0.618919	1.556451	1.729315	0.315762	2.279141	1.730207	0.257779	1.656751
	04	1.955830	26.326537	0.076172	0.609198	1.558495	1.728201	0.302340	2.268819	1.740334	0.259146	1.657505
	05	1.955830	26.363667	0.075934	0.602190	1.587865	1.728039	0.288749	2.247635	1.748101	0.255348	1.657979
	06	1.955830	26.398150	0.076344	0.606053	1.603326	1.750965	0.297850	2.195732	1.733912	0.251246	1.658366
	07	1.955830	26.462391	0.076584	0.601501	1.610390	1.765626	0.307488	2.177709	1.742289	0.253344	1.660465
	08	1.955830	26.468486	0.075838	0.598628	1.653818	1.794798	0.312183	2.136978	1.758385	0.249481	1.660635
	09	1.955830	26.426230	0.075603	0.588602	1.652743	1.792853	0.311053	2.193658	1.775687	0.249560	1.663057
	10	1.955830	26.306640	0.076103	0.589948	1.637729	1.781706	0.306041	2.233663	1.770379	0.249278	1.663845
	11	1.955830	26.283935	0.076614	0.587002	1.625323	1.781388	0.308303	2.278912	1.768661	0.251940	1.664403
	12	1.955830	26.282289	0.076697	0.591211	1.613039	1.789342	0.301150	2.307678	1.761559	0.251137	1.664006

T32	Government Finance of BH - Government Sector Units (in KM million)											
	BH Institutions	FBH	RS	Brčko	Consolidated Revenues	BH Institutions	FBH	RS	Brčko	Consolidated Expenses	Net acquisition of Nonfinancial Assets	Net Surplus / Deficit
2006	801.8	5,177.2	2,525.6	201.0	8,586.4	713.3	4,590.0	2,187.5	174.3	7,546.0	489.6	550.9
2007	885.0	5,901.0	2,919.1	241.5	9,832.7	753.9	5,532.4	2,458.9	197.5	8,828.8	745.8	258.1
2008	980.7	6,537.5	3,264.5	236.6	10,903.1	876.4	6,651.2	3,003.7	184.5	10,599.6	842.8	-539.3
2009	1,086.6	6,074.6	3,080.3	210.9	10,342.5	975.5	6,292.4	3,316.6	189.9	10,664.5	748.0	-1,070.0
2010	1,009.8	6,474.1	3,234.6	235.7	10,862.6	996.5	6,324.5	3,410.6	200.4	10,840.3	634.2	-611.9
2011	968.6	6,571.2	3,685.6	237.4	11,357.1	983.6	6,449.7	3,372.1	209.1	10,908.7	771.1	-322.7
2012	1,045.6	6,642.8	3,652.6	246.1	11,459.5	952.9	6,595.9	3,534.1	215.5	11,170.8	815.7	-526.9
2013	1,069.8	6,608.6	3,604.4	232.6	11,406.5	939.0	6,474.5	3,415.1	219.2	10,938.8	1,046.8	-579.2
2014	1,109.8	6,972.1	3,769.8	223.7	11,961.7	940.3	6,652.2	3,652.3	219.0	11,350.1	1,166.8	-555.3
2015	1,088.4	7,196.5	3,931.3	232.0	12,335.1	935.9	6,843.5	3,700.6	220.1	11,587.0	559.1	188.9
2016	1,062.9	7,645.4	3,937.0	248.5	12,767.3	949.3	7,013.5	3,636.9	198.6	11,672.0	724.5	370.8
2017	1,049.4	8,150.9	4,141.8	263.7	13,479.2	967.0	7,164.3	3,696.0	212.8	11,913.4	759.7	806.0
2018	1,045.0	8,833.6	4,364.6	280.9	14,389.6	996.0	7,660.0	3,983.4	233.7	12,738.6	914.6	736.5
2012 Q1	207.6	1,320.0	669.7	49.7	2,230.2	208.6	1,348.7	664.7	36.4	2,241.7	28.8	-40.3
Q2	292.0	1,476.0	759.0	54.5	2,544.9	239.5	1,446.2	743.6	45.1	2,437.8	31.4	75.6
Q3	254.6	1,555.1	760.7	76.0	2,605.9	244.4	1,483.1	723.5	63.7	2,474.3	42.9	88.7
Q4	291.4	1,541.4	830.9	65.9	2,695.8	260.4	1,729.1	898.3	70.2	2,924.2	86.7	-315.2
2013 Q1	223.3	1,308.9	636.9	47.1	2,200.2	211.7	1,349.8	659.6	40.8	2,245.9	20.5	-66.2
Q2	288.1	1,533.2	764.2	64.3	2,620.6	233.4	1,448.7	701.4	57.8	2,412.0	32.8	175.7
Q3	241.1	1,494.2	761.6	61.6	2,542.2	220.5	1,425.0	731.2	59.0	2,419.5	49.4	73.3
Q4	317.2	1,538.8	854.9	59.7	2,726.9	273.3	1,702.3	854.2	61.6	2,847.9	94.6	-215.6
2014 Q1	238.3	1,387.7	761.7	49.2	2,416.8	220.9	1,376.7	695.9	39.7	2,313.1	21.8	81.8
Q2	274.5	1,577.2	744.0	54.4	2,620.4	222.9	1,464.7	746.7	50.5	2,455.0	32.4	133.0
Q3	256.6	1,602.1	784.7	58.8	2,680.1	220.9	1,528.9	805.6	58.9	2,592.2	56.3	31.5
Q4	340.1	1,635.5	883.3	61.3	2,878.6	277.6	1,693.7	917.6	69.9	2,917.3	252.2	-290.8
2015 Q1	241.1	1,440.2	738.2	51.8	2,448.9	215.3	1,378.9	706.6	46.2	2,324.7	24.1	100.1
Q2	293.0	1,532.0	818.4	57.6	2,670.8	226.1	1,446.6	757.9	47.2	2,447.5	26.5	196.8
Q3	252.9	1,685.4	850.7	61.8	2,826.7	229.3	1,523.4	803.0	60.1	2,591.8	51.2	183.7
Q4	301.4	1,642.6	829.5	60.9	2,798.6	265.3	1,793.5	914.3	66.6	3,003.9	137.2	-342.5
2016 Q1	242.5	1,498.3	706.4	54.9	2,478.4	226.3	1,430.0	687.6	43.1	2,363.4	24.0	91.0
Q2	288.3	1,622.2	813.1	57.9	2,745.9	230.2	1,521.8	747.5	43.6	2,507.4	51.7	186.7
Q3	256.6	1,761.1	812.0	62.4	2,867.4	227.9	1,494.9	776.2	41.0	2,515.2	105.3	246.9
Q4	275.6	1,791.9	897.5	65.6	2,990.8	265.0	1,818.6	882.6	67.9	2,994.2	166.0	-169.4
2017 Q1	251.8	1,621.7	747.1	51.7	2,646.9	223.9	1,457.0	688.7	31.9	2,376.1	30.0	240.9
Q2	273.3	1,792.9	827.2	61.1	2,920.7	231.1	1,556.0	747.9	44.0	2,545.1	70.1	305.4
Q3	252.0	1,931.1	940.7	64.5	3,162.1	238.7	1,587.4	767.1	56.3	2,623.1	31.6	507.3
Q4	272.3	1,851.2	887.8	76.2	3,050.0	273.3	1,863.6	906.1	77.0	3,082.6	204.3	-236.8
2018 Q1	277.7	1,762.1	816.9	57.0	2,882.0	231.4	1,499.4	728.4	34.3	2,462.0	30.9	389.0
Q2	242.8	1,914.5	884.1	61.4	3,075.2	231.7	1,683.3	784.4	51.8	2,723.4	66.5	285.3
Q3	400.3	1,951.9	861.7	69.0	3,250.5	243.9	1,651.7	835.0	56.0	2,754.4	91.2	404.9
Q4	124.1	2,138.2	960.8	75.4	3,259.2	289.0	2,104.9	983.4	78.9	3,416.8	237.9	-395.5
2019 Q1	238.9	1,899.1	845.3	60.2	3,013.8	225.9	1,600.5	806.8	42.5	2,646.0	26.0	341.9
Q2	261.7	1,990.1	902.3	67.3	3,187.1	239.2	1,770.8	789.9	63.1	2,828.7	71.9	286.5
Q3	270.0	2,092.6	924.2	71.6	3,322.6	253.8	1,800.7	823.5	54.3	2,896.5	78.9	347.2

Note:

Administrative data collected from: Ministries of Finance of all levels of government, Social Security Funds of all levels of government, Entities' Public Companies for Roads and Entities' Public Companies for Motorways. Annual data for consolidated revenues/expenses include local level of government (municipalities and towns), Public Company for Roads of all levels of government of FBH, Public Company for Roads of RS, Public Company for Motorways of FBH and Public Company for Motorways of RS, while quarterly data do not include them as the source data are not available.

Difference between revenues on one side and expenses with net acquisition of non-financial assets on the other side, represents net surplus/deficit.

T33	Government Finance of BiH - Structure of Consolidated Revenues and Expenses (in KM million)											
	Taxes	Social Contributions	Grants and Other Revenues	Consolidated Revenues	Compensation of Employees	Use of Goods and Services	Interest	Subsidies	Social Benefits	Grants and Other Expenses	Consolidated Expenses	Net Acquisition of Non-financial Assets
2006	4,947.1	2,536.2	1,103.1	8,586.4	2,222.7	1,986.0	108.0	310.4	2,426.5	492.4	7,546.0	489.6
2007	5,536.5	2,908.9	1,387.3	9,832.7	2,534.7	2,220.9	110.8	378.2	3,030.6	553.5	8,828.8	745.8
2008	5,946.3	3,568.7	1,388.1	10,903.1	3,022.3	2,462.0	123.6	439.6	3,945.1	607.0	10,599.6	842.8
2009	5,351.9	3,638.6	1,352.0	10,342.5	3,155.2	2,489.4	123.9	418.5	3,951.0	526.5	10,664.5	748.0
2010	5,640.2	3,813.0	1,409.4	10,862.6	3,169.8	2,593.1	122.7	476.6	3,770.3	707.8	10,840.3	634.2
2011	6,032.2	4,036.4	1,288.5	11,357.1	3,336.9	2,088.2	161.4	402.8	4,330.3	589.1	10,908.7	771.1
2012	6,037.9	4,046.6	1,375.0	11,459.5	3,323.8	2,156.4	200.6	416.1	4,394.4	679.5	11,170.8	815.7
2013	5,917.2	4,105.2	1,384.1	11,406.5	3,278.1	2,122.7	201.1	383.9	4,423.7	529.3	10,938.8	1,046.8
2014	6,078.6	4,234.8	1,648.3	11,961.7	3,265.5	2,127.2	238.9	364.9	4,658.0	695.6	11,350.1	1,166.8
2015	6,439.7	4,329.6	1,565.8	12,335.1	3,294.3	2,138.8	264.3	384.8	4,729.5	775.4	11,587.0	559.1
2016	6,760.4	4,473.6	1,533.4	12,767.3	3,295.5	2,187.5	252.0	382.8	4,755.0	799.3	11,672.0	724.5
2017	7,151.1	4,734.2	1,594.0	13,479.2	3,312.6	2,230.7	223.0	444.0	4,758.5	834.7	11,913.4	759.7
2018	7,688.4	5,041.8	1,672.0	14,402.3	3,422.1	2,534.0	242.5	476.0	5,013.2	1,050.8	12,738.5	889.2
2012 Q1	1,132.0	931.4	166.9	2,230.2	702.6	367.7	34.2	32.3	1,028.2	76.7	2,241.7	28.8
Q2	1,279.5	1,021.9	243.4	2,544.9	704.3	429.3	52.4	52.0	1,048.0	151.8	2,437.8	31.4
Q3	1,359.3	1,007.0	239.7	2,605.9	697.5	397.7	36.4	109.0	1,091.2	142.4	2,474.3	42.9
Q4	1,438.7	1,086.4	170.8	2,695.8	731.7	521.0	51.8	175.4	1,138.8	305.5	2,924.2	86.7
2013 Q1	1,110.3	930.9	159.1	2,200.2	685.5	381.5	30.1	25.5	1,035.8	87.6	2,245.9	20.5
Q2	1,327.2	1,019.2	274.2	2,620.6	697.2	420.7	58.1	58.2	1,068.2	109.7	2,412.0	32.8
Q3	1,320.1	1,035.1	187.0	2,542.2	690.2	407.4	33.3	86.0	1,059.5	143.1	2,419.5	49.4
Q4	1,368.0	1,119.9	239.0	2,726.9	790.0	546.9	48.2	173.9	1,152.5	136.4	2,847.9	94.6
2014 Q1	1,207.3	961.3	248.2	2,416.8	697.3	387.9	38.3	31.8	1,080.3	77.5	2,313.1	21.8
Q2	1,262.3	1,050.0	308.1	2,620.4	710.0	417.4	50.5	62.7	1,091.1	123.3	2,455.0	32.4
Q3	1,352.4	1,077.4	250.3	2,680.1	708.7	427.1	32.5	87.9	1,155.2	180.7	2,592.2	56.3
Q4	1,433.2	1,146.1	299.4	2,878.6	735.3	495.4	79.7	138.2	1,202.0	266.6	2,917.3	252.2
2015 Q1	1,255.6	981.8	211.5	2,448.9	712.6	393.8	41.3	28.7	1,079.3	69.0	2,324.7	24.1
Q2	1,356.0	1,076.0	238.8	2,670.8	702.9	402.6	65.5	46.5	1,124.0	105.9	2,447.5	26.5
Q3	1,426.4	1,099.4	300.9	2,826.7	718.1	410.2	42.9	111.9	1,143.3	165.3	2,591.8	51.2
Q4	1,424.4	1,172.5	201.8	2,798.6	735.3	533.8	75.0	152.9	1,249.1	257.8	3,003.9	137.2
2016 Q1	1,290.0	998.7	189.6	2,478.4	711.1	400.5	44.3	30.4	1,097.8	79.3	2,363.4	24.0
Q2	1,412.5	1,095.5	237.8	2,745.9	706.1	418.8	71.8	66.5	1,135.6	108.6	2,507.4	51.7
Q3	1,468.4	1,136.0	262.9	2,867.4	702.8	409.8	42.8	65.3	1,163.2	131.3	2,515.2	105.3
Q4	1,612.0	1,243.2	135.5	2,990.8	732.8	552.0	56.9	160.9	1,220.8	270.8	2,994.2	166.0
2017 Q1	1,349.6	1,076.7	220.7	2,646.9	707.8	403.5	45.6	35.4	1,114.3	69.5	2,376.1	30.0
Q2	1,530.4	1,192.4	197.9	2,920.7	703.6	438.4	74.0	85.8	1,133.6	109.6	2,545.1	70.1
Q3	1,692.0	1,196.0	274.0	3,162.1	720.4	440.3	46.8	109.6	1,134.6	171.4	2,623.1	31.6
Q4	1,568.6	1,269.1	212.3	3,050.0	726.8	538.0	54.2	146.5	1,224.5	392.7	3,082.6	204.3
2018 Q1	1,526.1	1,153.2	202.7	2,882.0	719.0	432.2	47.4	42.4	1,136.3	84.9	2,462.0	30.9
Q2	1,597.5	1,243.8	234.0	3,075.2	742.6	464.6	65.0	108.2	1,198.7	144.2	2,723.4	66.5
Q3	1,787.5	1,241.5	221.6	3,250.5	730.6	470.6	46.4	103.1	1,224.5	179.2	2,754.4	91.2
Q4	1,570.5	1,403.3	285.4	3,259.2	766.9	587.9	56.2	148.4	1,295.6	561.8	3,416.8	237.9
2019 Q1	1,528.5	1,247.2	238.1	3,013.8	787.8	462.1	41.8	40.5	1,202.7	111.1	2,646.0	26.0
Q2	1,669.1	1,335.2	182.8	3,187.1	806.1	494.9	68.5	81.8	1,254.2	123.2	2,828.7	71.9
Q3	1,734.1	1,336.0	252.4	3,322.6	805.4	517.7	43.3	112.2	1,252.3	165.5	2,896.5	78.9

Note:

Administrative data collected from: Ministries of Finance of all levels of government, Social Security Funds of all levels of government, Entities' Public Companies for Roads and Entities' Public Companies for Motorways. Annual data for consolidated revenues/expenses include local level of government (municipalities and towns), Public Company for Roads of all levels of government of FBH, Public Company for Roads of RS, Public Company for Motorways of FBH and Public Company for Motorways of RS, while quarterly data do not include them as the source data are not available. Difference between revenues on one side and expenses with net acquisition of non-financial assets on the other side, represents net surplus/deficit.

T34	Government Finance of FBH - Government Sector Units (in KM million)									
	Federation BH Budget	Social Security Funds	Cantons	Consolidated Revenues	Federation BH Budget	Social Security Funds	Cantons	Consolidated Expenses	Net Acquisition of Non-financial Assets	Net Surplus / Deficit
2006	1,157.1	1,843.9	1,722.9	5,177.2	846.3	1,816.2	1,566.9	4,590.0	198.4	388.9
2007	1,319.8	2,265.9	1,895.9	5,901.0	1,254.3	2,216.5	1,815.0	5,532.4	248.1	120.5
2008	1,296.9	2,764.6	2,032.6	6,537.5	1,574.1	2,729.4	2,027.8	6,651.2	397.4	-511.1
2009	1,205.3	2,739.7	1,788.5	6,074.6	1,357.1	2,812.4	1,865.0	6,292.4	300.7	-518.5
2010	1,398.7	2,875.2	1,854.8	6,474.1	1,325.5	2,859.8	1,894.5	6,324.5	281.3	-131.7
2011	1,321.6	2,924.0	1,903.6	6,571.2	1,318.7	2,990.4	1,897.4	6,449.7	338.8	-217.3
2012	1,416.5	2,986.2	1,830.7	6,642.8	1,378.5	3,031.6	1,936.2	6,595.9	442.5	-395.5
2013	1,457.5	2,988.2	1,709.7	6,608.6	1,344.2	3,034.8	1,826.9	6,474.5	645.6	-511.5
2014	1,581.3	3,117.2	1,812.1	6,972.1	1,361.0	3,164.5	1,846.5	6,652.2	685.7	-365.8
2015	1,510.0	3,175.8	1,919.5	7,196.5	1,354.1	3,224.3	1,869.1	6,843.5	221.4	131.6
2016	1,652.8	3,323.4	2,012.1	7,645.4	1,380.2	3,314.2	1,885.5	7,013.5	248.1	383.7
2017	1,876.9	3,538.4	2,108.4	8,150.9	1,394.8	3,423.3	1,970.4	7,164.3	353.6	633.1
2018	2,008.2	3,815.7	2,292.5	8,833.6	1,552.7	3,660.1	2,075.7	7,660.0	426.4	747.2
2012 Q1	291.7	688.2	401.5	1,320.0	255.1	742.8	412.2	1,348.7	8.1	-36.8
Q2	351.1	737.3	448.8	1,476.0	306.4	749.9	451.1	1,446.2	11.0	18.9
Q3	382.8	768.6	489.4	1,555.1	353.2	757.1	458.6	1,483.1	12.3	59.7
Q4	390.9	786.8	442.2	1,541.4	463.8	776.6	567.2	1,729.1	26.8	-214.5
2013 Q1	276.9	706.4	386.8	1,308.9	267.4	746.0	397.6	1,349.8	3.3	-44.2
Q2	436.3	735.9	426.3	1,533.2	300.6	762.6	450.7	1,448.7	6.2	78.4
Q3	352.1	759.0	457.3	1,494.2	322.8	742.4	434.0	1,425.0	10.1	59.0
Q4	392.2	779.2	439.2	1,538.8	453.4	776.2	427.4	1,702.3	28.2	-191.7
2014 Q1	314.5	726.2	411.0	1,387.7	268.4	768.0	404.4	1,376.7	5.0	5.9
Q2	484.4	772.6	393.7	1,577.2	308.8	788.7	440.6	1,464.7	10.3	102.2
Q3	399.8	787.0	509.0	1,602.1	385.6	786.7	450.3	1,528.9	17.5	55.7
Q4	382.6	821.5	498.4	1,635.5	398.1	811.3	516.9	1,693.7	33.2	-91.3
2015 Q1	319.6	751.1	433.5	1,440.2	256.4	785.7	400.9	1,378.9	4.1	57.1
Q2	360.7	762.8	471.7	1,532.0	289.8	798.5	421.4	1,446.6	10.0	75.4
Q3	436.7	788.6	526.8	1,685.4	337.4	797.1	455.6	1,523.4	14.0	148.0
Q4	393.1	864.1	487.6	1,642.6	470.4	833.9	591.3	1,793.5	26.5	-177.3
2016 Q1	336.4	763.3	465.1	1,498.3	274.9	811.7	409.9	1,430.0	4.0	64.3
Q2	392.2	809.2	493.1	1,622.2	337.3	821.0	435.8	1,521.8	10.1	90.3
Q3	474.2	829.7	531.7	1,761.1	305.9	817.1	446.4	1,494.9	14.4	251.8
Q4	450.1	907.2	522.2	1,791.9	462.1	850.6	593.5	1,818.6	44.3	-71.1
2017 Q1	331.3	821.8	501.9	1,621.7	273.6	834.9	412.6	1,457.0	6.2	158.5
Q2	407.4	891.5	541.7	1,792.9	345.2	841.5	445.9	1,556.0	12.6	224.4
Q3	439.1	869.8	589.8	1,931.1	341.8	841.6	479.6	1,587.4	11.9	331.9
Q4	699.1	933.5	475.1	1,851.2	434.1	885.8	632.2	1,863.6	57.3	-69.7
2018 Q1	414.4	884.7	531.6	1,762.1	273.2	866.2	428.7	1,499.4	6.4	256.2
Q2	465.1	947.8	589.1	1,914.6	366.7	910.3	493.8	1,683.3	15.8	215.4
Q3	478.4	933.5	629.2	1,951.8	341.4	902.7	496.9	1,651.7	32.1	268.0
Q4	650.3	1,029.9	542.6	2,138.2	571.3	961.8	656.3	2,104.9	82.4	-49.1
2019 Q1	412.7	947.2	612.9	1,899.1	267.8	937.0	469.4	1,600.5	-4.7	303.3
Q2	459.2	1,017.7	605.2	1,990.1	351.5	986.1	525.1	1,770.8	35.9	183.5
Q3	491.1	1,010.4	691.2	2,092.6	379.3	987.6	533.9	1,800.7	21.0	270.9

Note:

Administrative data collected from: Ministries of Finance, Social Security Funds of all levels of government of FBH, Public Companies of Roads of all levels of government of FBH and Public Company of Motorways of FBH. Annual data for consolidated revenues/expenses include the local level of government (municipalities and towns), Public Companies of Roads of all levels of government of FBH and Public Company of Motorways of FBH, while quarterly data do not include them as the source data are not available. Difference between revenues on one side and expenses with net acquisition of non-financial assets on the other side represents net surplus/deficit.

T35	Government Finance of RS - Government Sector Units (in KM million)							
	Republika Srpska Budget	Social Security Funds	Consolidated Revenues	Republika Srpska Budget	Social Security Funds	Consolidated Expenses	Net Acquisition of Non-financial Assets	Net Surplus /Deficit
2006	1,211.3	950.2	2,525.6	1,049.1	944.1	2,187.5	212.0	126.2
2007	1,419.8	1,030.3	2,919.1	1,324.0	1,013.1	2,458.9	433.5	26.7
2008	1,547.1	1,348.9	3,264.5	1,602.6	1,313.9	3,003.7	329.4	-68.5
2009	1,349.4	1,377.9	3,080.3	1,676.0	1,517.4	3,316.6	310.0	-546.3
2010	1,422.8	1,488.1	3,234.6	1,676.3	1,552.0	3,410.6	241.8	-417.7
2011	1,656.4	1,573.7	3,685.6	1,628.8	1,497.8	3,372.1	372.6	-59.1
2012	1,666.5	1,566.5	3,652.6	1,647.9	1,595.1	3,534.1	307.7	-189.2
2013	1,638.4	1,616.9	3,604.4	1,546.7	1,637.1	3,415.1	310.3	-121.0
2014	1,778.7	1,683.3	3,769.8	1,749.3	1,704.1	3,652.3	360.5	-243.1
2015	1,804.1	1,713.5	3,931.3	1,707.5	1,754.9	3,700.6	235.3	-4.6
2016	2,556.5	744.4	3,937.0	2,415.9	749.7	3,636.9	366.3	-66.3
2017	2,713.7	780.7	4,141.8	2,422.3	746.2	3,696.0	268.7	177.1
2018	2,839.4	774.2	4,364.6	2,700.8	720.0	3,983.4	337.4	43.9
2012 Q1	360.1	359.6	669.7	338.7	376.0	664.7	15.9	-11.0
Q2	415.7	393.9	759.0	391.4	402.8	743.6	13.5	1.8
Q3	428.9	382.3	760.7	370.1	403.8	723.5	16.2	21.0
Q4	461.8	427.1	830.9	547.7	408.6	898.3	20.6	-88.0
2013 Q1	346.7	340.1	636.9	317.6	391.9	659.6	9.0	-31.7
Q2	419.6	405.7	764.2	352.3	410.2	701.4	12.5	50.3
Q3	419.6	397.5	761.6	390.4	396.3	731.2	15.8	14.6
Q4	452.5	469.3	854.9	486.4	434.8	854.2	21.3	-20.7
2014 Q1	454.2	352.3	761.7	336.5	404.1	695.9	10.7	55.1
Q2	402.3	413.9	744.0	405.1	413.8	746.7	18.0	-20.7
Q3	440.2	440.3	784.7	478.9	422.6	805.6	12.4	-33.3
Q4	481.9	471.9	883.3	528.8	459.4	917.6	134.9	-169.3
2015 Q1	435.4	359.7	738.2	352.3	411.2	706.6	6.0	25.6
Q2	449.3	428.6	818.4	397.1	420.4	757.9	9.2	51.3
Q3	484.2	443.5	850.7	446.7	433.3	803.0	17.4	30.3
Q4	435.2	477.4	829.5	511.5	486.0	914.3	49.5	-134.3
2016 Q1	574.5	138.4	706.4	537.3	156.8	687.6	13.3	5.4
Q2	658.7	165.1	813.1	578.4	179.7	747.5	31.0	34.6
Q3	633.4	207.3	812.0	604.3	200.5	776.2	70.5	-34.6
Q4	690.0	228.8	897.5	695.9	208.0	882.6	49.3	-34.4
2017 Q1	604.2	147.4	747.1	531.5	161.7	688.7	11.0	47.4
Q2	656.9	183.1	827.2	584.8	175.8	747.9	26.4	52.9
Q3	747.7	229.5	940.7	604.5	199.1	767.1	21.2	152.4
Q4	704.9	216.0	887.8	734.3	204.9	906.1	64.1	-82.4
2018 Q1	665.5	170.8	816.9	585.9	161.9	728.4	8.8	79.7
Q2	719.3	185.4	884.1	637.6	167.4	784.4	33.4	66.3
Q3	699.7	182.4	861.7	682.5	172.8	835.0	37.2	-10.5
Q4	754.9	230.4	960.8	794.8	213.1	983.4	80.0	-102.7
2019 Q1	677.6	192.4	845.3	666.6	164.9	806.8	26.1	12.4
Q2	724.1	204.3	902.3	643.5	172.7	789.9	30.6	81.7
Q3	743.8	210.1	924.2	677.1	176.2	823.5	46.3	54.4

Note:

Administrative data collected from: Ministry of Finance, Social Security Funds in RS, Public Company RS Roads and Public Company RS Motorways. Annual data for consolidated revenues/expenses include local level of authorities (municipalities and towns), Public Company RS Roads and Public Company RS Motorways, while quarterly data do not include them as the source data are not available. Difference between revenues on one side, and expenses with net acquisition of non-financial assets on the other side represents net surplus/deficit.

T36	Flows of Foreign Direct Investment in BH, Classified by Country of Origin of Foreign Investor (in KM million)												
	Year	Austria	Netherlands	Croatia	Italy	Germany	Russia	Slovenia	Serbia*	Switzerland	Turkey	Other Countries	Total
	2006	235.0	41.2	182.0	41.8	37.2	n/a	115.8	38.8	55.6	47.7	69.6	864.8
	2007	292.5	29.0	160.6	23.2	16.7	332.8	132.9	1,351.1	65.8	-0.6	195.9	2,599.8
	2008	242.9	36.0	103.0	47.7	28.8	339.4	210.3	213.3	40.6	5.8	69.6	1,337.5
	2009	79.6	-16.5	125.2	3.7	-9.1	129.2	58.9	3.4	-122.2	18.0	81.8	351.9
	2010	60.0	47.7	85.1	16.6	34.3	89.1	-22.8	40.5	83.6	46.4	119.2	599.7
	2011	137.6	14.5	32.7	4.7	38.3	140.3	64.5	110.0	-5.9	31.6	130.2	698.6
	2012	133.6	1.6	86.1	28.5	37.7	147.5	-81.1	81.8	8.7	-5.4	161.9	601.1
	2013	8.5	32.7	18.6	22.5	36.9	-82.8	-35.6	104.6	44.0	31.1	226.7	407.1
	2014	171.1	26.0	88.7	24.0	-6.1	195.8	-1.2	33.1	8.9	17.6	253.1	811.1
	2015	5.3	83.3	161.5	66.3	52.3	28.5	21.1	36.8	-33.5	56.1	159.2	636.9
	2016	112.8	57.6	142.5	25.2	2.0	-44.3	34.6	-25.8	11.3	34.6	267.7	618.4
	2017	128.9	-3.9	160.0	41.4	55.1	-6.7	88.9	50.7	29.4	2.6	234.4	780.6
	2018	87.1	94.0	106.1	23.4	83.7	140.2	32.6	-0.3	40.3	5.0	171.4	783.4
	Jan - Sep 2019	57.2	79.8	173.3	64.7	33.6	278.3	13.4	4.2	-3.2	0.0	159.9	861.1

Note:

Foreign Direct Investments (flows and stocks) are compiled in accordance with the most recent methodological instructions and recommendations of the International Monetary Fund (IMF) and Organization for Economic Cooperation and Development (OECD). Detailed methodological approach to compilation and presentation is included in the IMF Balance of Payments Manual, sixth edition and OECD Framework Definition of Foreign Direct Investments, fourth edition.

* Since 2007, the data are related to Serbia, while until 2007 the data included Serbia and Montenegro.

"n/a" in this industry/country there are less than three companies with direct investment and in accordance with statistical standards we are not able to present invested amounts.

T37 Flows of Foreign Direct Investment in BH by NACE Rev 2, Classification of Activities (in KM million)														
Year	Manufacture of Food Products	Manufacture of Wood and of Products of Wood and Cork, Except Furniture, Manufacture of Articles of Straw and Plaiting Materials	Manufacture of Coke and Refined Petroleum Products	Manufacture of Chemicals and Chemical Products	Manufacture of Other Non-metallic Mineral Products	Manufacture of Basic Metals	Manufacture of Motor Vehicles, Trailers and Semi-trailers	Wholesale Trade, except of Motor Vehicles and Motorcycles	Retail Trade, except of Motor Vehicles and Motorcycles	Telecommunications	Financial Service Activities, except Insurance and Pension Funding	Real Estate Activities	Other Industries	Total
2011	32.2	12.5	43.6	12.2	-7.3	-24.0	-5.2	125.3	63.8	10.8	165.4	78.7	190.6	698.6
2012	-5.9	-0.1	2.6	18.7	3.4	-26.0	7.0	144.8	40.2	6.4	130.2	12.1	267.7	601.1
2013	-4.0	2.2	-101.1	26.5	13.9	4.0	5.0	-44.4	73.7	46.1	138.5	19.7	226.9	407.1
2014	0.3	-5.7	180.6	3.0	-25.4	35.5	-59.4	64.1	37.3	6.8	138.4	187.1	248.5	811.1
2015	45.0	5.2	24.0	58.4	-4.4	-52.9	6.7	84.0	-29.3	57.8	116.8	89.5	236.1	636.9
2016	16.3	5.6	-52.0	51.9	-17.6	2.0	20.3	148.4	6.4	37.1	161.4	-9.8	248.4	618.4
2017	21.0	6.7	-26.0	1.1	-8.5	51.7	47.6	57.9	96.2	17.5	245.5	44.2	225.7	780.6
2018	12.9	1.8	135.8	32.8	12.2	52.0	39.0	87.7	9.5	7.3	145.6	33.4	213.3	783.4
Jan -Sep 2019	-4.0	16.0	n/a	n/a	n/a	49.4	27.7	72.6	24.3	-29.9	195.0	-1.3	511.3	861.1

Note:

The data on flows of direct foreign investments in BiH, according to NACE 1. Rev.1 Classification of the Activities, for the period 2004-2012, can be found on web site.

Foreign Direct Investments (flows and stocks) are compiled in accordance with the most recent methodological instructions and recommendations of the International Monetary Fund (IMF) and Organization for Economic Cooperation and Development (OECD). Detailed methodological approach to compilation and presentation is included in the IMF Balance of Payments Manual, sixth edition and OECD Framework Definition of Foreign Direct Investments, fourth edition.

"n/a" in this industry/country there are less than three companies with direct investment and in accordance with statistical standards we are not able to present invested amounts.

T38 International Investment Position (IIP) (in KM million)														
ASSETS														
Direct investment														
Other investment														
End of Year	End of Quarter	Net IIP	Total Assets	Total	Equity and Investment Fund Shares	Debt (Various Debt Instruments)	Portfolio Investment	Financial Derivatives	Total	Currency and Deposits	Loans	Trade Credits and Advances	Other Assets	Reserve Assets
1		2=3-15	3=4+7+8+9+14	4=5+6	5	6	7	8	9=10+11+12+13	10	11	12	13	14
2006		-5,336.1	9,635.3	245.5	79.3	166.2	28.8	0.0	3,881.4	3,225.8	130.2	461.9	63.4	5,479.5
2007		-6,922.0	12,919.1	382.2	152.1	230.1	33.4	0.0	5,804.9	4,613.4	181.4	751.3	258.8	6,698.5
2008		-11,032.4	12,761.3	453.6	180.7	272.8	57.8	0.0	5,954.5	4,366.7	161.6	1,165.0	261.2	6,295.4
2009		-12,980.6	12,521.0	322.9	180.8	142.1	318.6	0.0	5,667.5	3,980.2	154.9	1,277.1	255.3	6,212.1
2010		-13,628.7	12,244.8	451.8	256.9	194.9	449.7	0.0	4,885.6	3,360.0	173.8	1,076.8	275.0	6,457.7
2011		-14,737.9	11,963.8	441.4	274.8	166.5	438.9	0.0	4,659.9	3,151.4	71.0	1,156.0	281.5	6,423.6
2012		-15,177.8	12,320.7	560.1	297.3	262.8	466.3	0.0	4,785.7	2,984.7	329.1	1,177.4	294.5	6,508.6
2013		-15,100.8	13,466.5	695.1	290.9	404.2	532.2	0.0	5,170.9	3,287.7	333.9	1,181.4	367.8	7,068.3
2014		-15,509.2	13,983.2	708.5	298.8	409.7	569.1	0.0	4,880.0	2,982.0	311.4	1,200.6	386.1	7,825.6
2015		-15,654.0	14,635.6	878.1	361.7	516.4	620.6	0.1	4,530.5	2,870.2	231.8	1,025.8	402.7	8,606.3
2016		-15,244.1	15,861.2	932.6	370.3	562.4	719.0	1.6	4,676.9	3,126.9	157.7	990.3	402.0	9,531.1
2017		-14,774.7	16,951.0	1,098.1	421.7	676.4	812.3	0.2	4,426.0	3,098.5	176.0	955.2	196.3	10,614.3
2018		-14,619.3	18,808.8	1,025.5	438.0	587.5	1,017.8	0.3	5,139.5	3,887.3	118.3	943.6	190.4	11,625.7
2014	Q1	-15,380.2	13,228.1	708.5	280.7	427.8	545.2	0.0	5,020.6	3,093.2	340.5	1,202.1	384.8	6,953.8
	Q2	-15,401.3	13,422.9	694.2	294.8	399.4	545.5	0.0	5,039.5	3,106.0	324.1	1,224.6	384.8	7,143.8
	Q3	-15,595.8	14,081.1	713.1	294.6	418.5	522.7	0.0	5,108.6	3,164.5	310.6	1,246.1	387.4	7,736.7
	Q4	-15,509.2	13,983.2	708.5	298.8	409.7	569.1	0.0	4,880.0	2,982.0	311.4	1,200.6	386.1	7,825.6
2015	Q1	-16,387.4	13,580.9	762.3	315.8	446.5	555.5	0.0	4,466.3	2,572.9	268.7	1,221.9	402.8	7,796.8
	Q2	-16,929.4	13,750.1	806.5	323.2	483.3	483.6	0.0	4,547.7	2,640.6	273.0	1,244.5	389.5	7,912.3
	Q3	-16,838.6	14,284.3	847.4	326.3	521.1	560.9	0.1	4,599.9	2,700.3	243.5	1,268.9	387.2	8,276.0
	Q4	-15,654.0	14,635.6	878.1	361.7	516.4	620.6	0.1	4,530.5	2,870.2	231.8	1,025.8	402.7	8,606.3
2016	Q1	-15,755.4	14,469.9	944.1	367.3	576.9	621.9	0.6	4,309.9	2,650.5	247.5	1,027.6	384.2	8,593.3
	Q2	-15,801.1	14,646.5	945.1	367.2	577.9	633.2	1.0	4,294.4	2,683.2	204.8	1,018.4	388.0	8,772.7
	Q3	-15,600.1	15,267.5	989.6	379.2	610.4	716.3	1.7	4,114.6	2,557.9	187.2	998.4	371.1	9,445.3
	Q4	-15,244.1	15,861.2	932.6	370.3	562.4	719.0	1.6	4,676.9	3,126.9	157.7	990.3	402.0	9,531.1
2017	Q1	-15,557.0	15,588.8	958.1	373.8	584.2	792.2	0.3	4,597.1	3,034.8	150.7	986.7	424.8	9,241.2
	Q2	-15,363.2	15,851.3	998.3	375.8	622.5	778.6	0.2	4,558.6	3,002.8	166.8	974.6	414.4	9,515.5
	Q3	-14,758.1	16,749.1	1,084.4	426.9	657.5	841.6	1.8	4,565.3	3,231.4	162.8	959.0	212.2	10,256.0
	Q4	-14,774.7	16,951.0	1,098.1	421.7	676.4	812.3	0.2	4,426.0	3,098.5	176.0	955.2	196.3	10,614.3
2018	Q1	-15,048.3	17,101.7	1,086.1	425.0	661.1	794.1	0.3	4,334.3	2,977.2	214.5	953.8	188.8	10,886.9
	Q2	-15,031.8	17,817.9	1,084.1	427.5	656.5	838.2	3.1	4,790.2	3,457.6	190.5	947.8	194.3	11,102.3
	Q3	-14,661.2	18,460.8	1,072.1	425.7	646.4	879.8	3.2	4,942.1	3,648.8	160.1	942.9	190.3	11,563.7
	Q4	-14,619.3	18,808.8	1,025.5	438.0	587.5	1,017.8	0.3	5,139.5	3,887.3	118.3	943.6	190.4	11,625.7
2019	Q1	-14,700.9	19,035.3	1,032.2	448.9	583.3	1,083.8	1.4	5,444.1	4,155.0	163.8	930.3	195.0	11,473.8
	Q2	-14,895.7	19,444.6	1,085.9	498.6	587.3	1,178.4	1.4	5,156.8	3,870.6	178.3	916.6	191.3	12,022.2
	Q3	-14,289.9	20,215.6	1,072.1	511.1	561.0	1,203.4	0.6	5,486.1	4,296.9	109.7	891.2	188.3	12,453.4

Note:

International investment position (IIP) for BH is compiled in accordance with the latest International Monetary Fund Methodology for compilation of Balance of payments (BOP) and International investment position statistics, sixth edition (BPM6). In addition to the regular data revisions, which includes revision of data for previous two years, data are revised from the year 2007. The revision was made in accordance with the latest revisions of Monetary statistics, Direct investment statistics, as well as in accordance with the results of conducted annual surveys for trade credits and advances surveys. Introduction of new data sources for sector of other financial institution, the corresponding items of other investments were revised. Shortened versions of the applied methodological approach for the compilation of BH IIP statistics are available on the CBBH website.

T38 International Investment Position (IIP) (in KM million)										
LIABILITIES										
Direct investment						Other investment				
Total Liabilities	Total	Equity and Investment Fund Shares	Debt (Various Debt Instruments)	Portfolio Investment	Financial Derivatives	Total	Currency and Deposits	Loans	Trade Credits and Advances	Other Liabilities
15=16+19+20+21	16=17+18	17	18	19	20	21=22+23+24+25	22	23	24	25
14,971.4	4,911.2	4,217.5	693.7	251.5	0.0	9,808.7	2,136.1	6,669.7	769.2	233.7
19,841.0	7,380.4	6,484.5	895.9	307.1	0.0	12,153.5	2,673.5	8,444.3	823.1	212.6
23,793.8	8,817.2	7,289.8	1,527.4	408.9	0.0	14,567.7	3,387.1	9,867.6	1,101.5	211.5
25,501.6	9,512.6	7,467.5	2,045.2	835.5	0.0	15,153.5	3,226.8	9,813.8	1,565.2	547.6
25,873.5	9,963.1	7,473.3	2,489.8	787.1	0.0	15,123.3	2,618.9	10,043.5	1,969.0	491.9
26,701.7	10,883.7	7,885.6	2,998.1	726.8	0.0	15,091.2	2,135.8	10,371.8	2,093.3	490.3
27,498.5	11,323.7	8,006.0	3,317.6	702.9	0.0	15,472.0	2,052.6	10,758.4	2,179.1	481.9
28,567.3	12,231.2	8,871.6	3,359.6	543.7	0.0	15,792.5	1,933.9	11,113.0	2,230.8	514.8
29,492.3	12,252.8	8,449.4	3,803.4	473.5	0.0	16,766.0	1,653.0	12,309.9	2,284.0	519.1
30,289.6	13,062.8	9,515.7	3,547.1	348.6	0.0	16,878.2	1,594.7	12,631.8	2,118.6	533.2
31,105.3	13,382.2	9,698.2	3,684.0	298.9	1.5	17,422.6	1,488.8	13,080.6	2,341.2	512.1
31,725.7	14,008.7	10,396.8	3,612.0	239.9	0.1	17,476.9	1,554.3	12,880.4	2,574.4	467.7
33,428.2	14,447.7	11,004.1	3,443.6	234.5	0.2	18,745.7	2,750.9	12,631.6	2,870.7	492.4
28,608.3	12,394.7	8,807.8	3,586.9	540.3	0.0	15,673.3	1,546.4	11,256.1	2,340.6	530.2
28,824.2	12,371.4	8,734.4	3,637.1	509.4	0.0	15,943.4	1,622.1	11,300.6	2,463.5	557.1
29,676.9	12,464.3	8,782.6	3,681.8	507.0	0.0	16,705.5	1,584.9	11,976.2	2,608.5	535.9
29,492.3	12,252.8	8,449.4	3,803.4	473.5	0.0	16,766.0	1,653.0	12,309.9	2,284.0	519.1
29,968.3	12,502.2	8,661.8	3,840.4	508.9	0.0	16,957.2	1,388.7	12,614.4	2,402.0	552.1
30,679.5	13,004.2	9,004.4	3,999.8	471.4	0.0	17,203.9	1,404.8	12,646.5	2,537.3	615.3
31,122.9	13,200.2	9,244.5	3,955.7	440.1	0.0	17,482.5	1,436.1	12,832.6	2,673.7	540.1
30,289.6	13,062.8	9,515.7	3,547.1	348.6	0.0	16,878.2	1,594.7	12,631.8	2,118.6	533.2
30,225.3	13,338.0	9,751.0	3,586.9	355.8	0.6	16,530.9	1,325.2	12,495.5	2,191.3	518.9
30,447.6	13,344.3	9,671.5	3,672.8	320.8	1.2	16,781.3	1,342.0	12,611.9	2,245.0	582.5
30,867.6	13,499.3	9,850.8	3,648.5	319.3	1.8	17,047.3	1,207.3	13,046.6	2,282.2	511.2
31,105.3	13,382.2	9,698.2	3,684.0	298.9	1.5	17,422.6	1,488.8	13,080.6	2,341.2	512.1
31,145.8	13,720.6	9,914.0	3,806.6	319.2	0.0	17,105.9	1,227.4	12,984.6	2,413.5	480.4
31,214.4	13,777.6	10,095.0	3,682.6	287.1	0.3	17,149.5	1,385.9	12,827.5	2,463.6	472.5
31,507.2	13,982.0	10,283.9	3,698.1	287.7	0.1	17,237.4	1,311.9	12,954.4	2,505.2	466.0
31,725.7	14,008.7	10,396.8	3,612.0	239.9	0.1	17,476.9	1,554.3	12,880.4	2,574.4	467.7
32,149.9	14,242.3	10,526.0	3,716.4	257.9	0.0	17,649.6	1,408.5	13,114.6	2,651.0	475.6
32,849.7	14,316.2	10,700.3	3,615.9	279.9	0.0	18,253.5	1,809.3	13,234.5	2,721.3	488.4
33,122.0	14,475.3	10,904.5	3,570.9	281.5	0.0	18,365.1	2,493.7	12,565.0	2,790.6	515.7
33,428.2	14,447.7	11,004.1	3,443.6	234.5	0.2	18,745.7	2,750.9	12,631.6	2,870.7	492.4
33,736.2	14,725.1	11,155.6	3,569.5	229.9	0.0	18,781.1	2,513.5	12,836.3	2,916.1	515.2
34,340.3	15,119.7	11,532.3	3,587.4	230.5	0.6	18,989.6	2,695.0	12,743.0	2,955.3	596.3
34,505.6	15,315.0	11,706.5	3,608.5	217.5	0.3	18,972.7	2,649.7	12,828.2	2,951.8	543.0

T39 Nominal and Real Effective Exchange Rate of Convertible Mark			
Year	Month	NEER	REER
2010		97.65	105.54
2011		98.32	106.19
2012		98.51	105.08
2013		99.81	103.89
2014		101.10	103.04
2015		99.98	99.99
2016		101.18	98.89
2017		101.90	98.32
2018		103.59	99.00
2019		103.66	97.74
2019	01	103.80	100.55
	02	103.54	99.36
	03	103.50	98.62
	04	103.65	97.83
	05	103.89	98.01
	06	103.86	97.41
	07	103.55	96.70
	08	103.71	96.45
	09	103.63	96.68
	10	103.69	97.15
	11	103.56	97.31
	12	103.59	96.86

Note:
Detailed methodological explanations for compiling and calculating the nominal (NEER) and real (REER) effective exchange rate are available at the CBBH website <http://www.cbbh.ba/content/read/1109?lang=en>

T40 Cash outside Monetary Authorities and Banks				
Year	Cash outside Banks	Increase of Circulation Compared to the Previous Year	Cash outside Monetary Authorities	Currency in Commercial Banks
2006	1,978,348,296	14.4%	2,154,234,164	175,885,868
2007	2,185,269,011	10.5%	2,439,709,153	254,440,142
2008	2,302,419,302	5.4%	2,552,431,902	250,012,600
2009	2,009,480,115	-12.7%	2,267,734,115	258,254,000
2010	2,210,776,535	10.0%	2,497,501,445	286,724,910
2011	2,366,423,508	7.0%	2,645,055,508	278,632,000
2012	2,414,305,841	2.0%	2,747,511,841	333,206,000
2013	2,542,280,088	5.3%	2,909,858,088	367,578,000
2014	2,813,991,379	10.7%	3,210,508,379	396,517,000
2015	3,053,556,129	8.5%	3,499,468,129	445,912,000
2016	3,401,352,492	11.4%	4,066,804,492	665,452,000
2017	3,647,731,766	7.2%	4,319,359,766	671,628,000
2018	3,977,239,343	9.0%	4,750,614,343	773,375,000
2019	4,330,110,823	8.9%	5,199,915,823	869,805,000

Source: CBBH

Note: 6, 7, 9, 13, 14, 15, 16 i 17.

The revised data for the period January 2006 – November 2015 are based on the active sub-balance of the banks with majority state owned capital from the Federation of BH, with the passive sub-balance excluded. Through such supplement of statistics, the users are provided with higher analytical usefulness of data and objective indicators on the current operations of banks in BH. Passive sub-balance includes the liabilities based on foreign loans and old foreign exchange savings of citizens until 31 March 1992 and it does not reflect the current operations of the bank, so this sub-balance in the privatization process will be taken over by the Ministry of Finance of FBH according to the Law on Initial Balance Sheets of Banks and the Law on Privatization, as it has been done for the previously privatized banks. The performed revision mainly influenced the decrease of loans to public companies in a foreign currency, decrease of foreign liabilities, decrease of other items of assets and liabilities on the basis of old foreign exchange savings, and in considerably lower amounts, on items of loans to the Entity Government, fixed assets, non-residents' deposits, shares and capital.

The data on the „complete“ balance sheet, with the included passive sub-balance, are still available at:
http://statistics.cbbh.ba:4444/Panorama/novaview/SimpleLogin_bs.aspx

In November 2014, two banks realized the sale and transfer of a part of the loan portfolio which resulted in the increase in reserves with monetary authorities in the total amount of KM 64 million and decreases in the following items: claims on private enterprises by KM 260 million, foreign liabilities by KM 101 million and other items (net) by KM 95 million.

Due to the application of International Accounting Standards (IAS) and the International Financial Reporting Standards applied in BH Federation banks and the transfer of money flows in December 2011 data, the following changes have occurred at the assets side: Decrease of loans by KM 155 million, an increase in other assets by KM 10 million, at the liabilities side: decrease of liabilities to non-residents in the amount of KM 624 million, an increase in loan losses provisioning by KM 472 million and other liabilities increased by KM 7 million.

By order of the FBH Banking Agency, in June 2010, one bank made a reclassification of about KM 300 million claims based on securities of domestic institutional sector to the claims on nonresidents. In December 2010, the same bank made this reclassification retroactive in the respective amounts for the period from August 2009 when the error occurred, until May 2010. The above reclassification reflects an increase in foreign assets and decrease in other items net.

One bank from FBH made a reclassification of financial instruments in the foreign assets amounting to about KM 40 million for the period January - August 2010. Claims on loans to non-residents were reclassified in foreign securities of non-residents, which resulted in changes in the short term and long term foreign assets.

By order of the Banking Agency of Republika Srpska, one bank made a reclassification of financial instruments on the liabilities side, for the period of September 2008- November 2010, i.e. the decrease in time and savings deposits of non-bank financial institutions and government sector, and the increase in loans from the same sectors, respectively in such amounts, per month, ranging from KM 50-150 million.

In accordance with new regulations of the RS Banking Agency, published in the Official Gazette of RS, no.136/10, which provides a new manner of recording receivables classified in category "E", accounting and bookkeeping of recording interest on non-performing assets and calculation of provisions for loan losses, RS banks implemented mentioned regulations in the data for December 2010, and the transfer of these items from off-balance records into balance sheet. The correction is reflected on the assets side, as increase of loans in the amount of about KM 144 million, and increase of accrued interest of approximately KM 36 million, and on the liabilities side, as increase in provisioning for loan losses amounting to about KM 180 million on the capital account

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