Centralna banka
BOSNE I HERCEGOVINE
Централна банка
БОСНЕ И ХЕРЦЕГОВИНЕ

CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 SEPTEMBER 2026

(unaudited)

in accordance with the requirements of International Accounting Standard 34

Sarajevo, 29 October 2026

This version of the condensed interim financial statements is a translation of the original, which was prepared in the Bosnian/Croatian/Serbian language. All possible care has been taken to ensure that the translation is an accurate representation of the original. However, in all matters of interpretation of information, views or opinions, the original language version of the financial statements takes precedence over this translation.



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FINANCIAL REPORTING RESPONSIBILITY

The Management of the Central Bank of Bosnia and Herzegovina is responsible for the preparation of condensed interim financial statements, in accordance with the Law on the Central Bank of Bosnia and Herzegovina and International Accounting Standard 34: "Interim Financial Reporting".

The Management is responsible for the consistent application of selected accounting policies, making judgements and estimates that are reasonable and prudent and for maintaining proper accounting records that enable the preparation of financial statements at any time. The Management has a general responsibility for taking steps which are reasonably available and for implementing such internal controls to safeguard the assets of the Central Bank of Bosnia and Herzegovina and to prevent and detect fraud and other irregularities.

The Governing Board oversees the Central Bank of Bosnia and Herzegovina financial reporting process. In overseeing the financial reporting process, the Governing Board is assisted by the Audit Committee, which consists of three independent members. The Audit Committee reviews the condensed interim financial statements, which are then considered and approved by the Governing Board and submitted to the Presidency of Bosnia and Herzegovina.

These unaudited condensed interim financial statements present fairly, in all material respects, the financial position, financial performance and cash flows of the Central Bank of Bosnia and Herzegovina, as at the date of and for the periods presented in these condensed interim financial statements.

The accompanying unaudited condensed interim financial statements set out on pages 2 to 49 were approved by the Governing Board on 29 October 2026.

Jasmina Selimović Ph.D.
Chairwoman of the Governing Board
Governor

Meliha Smajlagić
Head of Accounting and Finance Department

STATEMENT OF FINANCIAL POSITION (UNAUDITED)

In thousands of KM	Note	As at 30 September 2026	As at 31 December 2025
ASSETS			
Cash in foreign currencies	6	448,836	557,531
Deposits with foreign banks	7	3,710,492	5,968,038
Special Drawing Rights with the IMF	8, 31	831	6,346
Debt instruments at fair value through other comprehensive income	9	13,954,990	9,799,906
Monetary gold	10	803,657	804,614
Debt instruments at amortised cost	11	984,361	1,077,111
Other assets	12	31,162	19,229
Property and equipment		48,141	46,647
Intangible assets		429	569
Other investments		27,813	27,813
TOTAL ASSETS		**20,010,712**	**18,307,804**
LIABILITIES AND EQUITY			
LIABILITIES			
Banknotes and coins in circulation	13	9,074,311	8,538,481
Deposits from banks	14	8,489,970	7,326,204
Deposits from the Government and other public institutions	15	751,626	689,339
Provisions		17,264	18,194
Other liabilities	16	4,937	189,622
Total liabilities		**18,338,108**	**16,761,840**
EQUITY			
Initial capital		25,000	25,000
Reserves		1,326,304	1,520,964
Net profit for the period		321,300	-
Total equity	27	**1,672,604**	**1,545,964**
TOTAL LIABILITIES AND EQUITY		**20,010,712**	**18,307,804**

The selected notes on pages 9 to 49 are an integral part of these condensed interim financial statements.

STATEMENT OF PROFIT OR LOSS (UNAUDITED)

In thousands of KM	Note	For the period 01/07 - 30/09 2026	01/07 - 30/09 2025	01/01 - 30/09 2026	01/01 - 30/09 2025
Interest income		107,071	87,309	287,168	275,878
Interest expense		(4,729)	(4,097)	(13,357)	(11,772)
NET INTEREST INCOME	17	**102,342**	**83,212**	**273,811**	**264,106**
Fee and commission income		6,828	6,231	19,180	18,182
Fee and commission expense		(575)	(477)	(1,553)	(1,414)
NET FEE AND COMMISSION INCOME	18	**6,253**	**5,754**	**17,627**	**16,768**
Net (expenses) / income from seigniorage	19	(1,623)	-	66,903	-
Net realised (losses) / gains from sale of debt instruments at fair value through other comprehensive income	20	(61)	719	(332)	1,079
Net foreign exchange gains / (losses)	21	308	85	2,984	(11,249)
Net increases in / decreases of impairment on financial assets	22	568	(82)	(237)	(694)
Other net income	23	95	289	891	1,408
OPERATING INCOME		**107,882**	**89,977**	**361,647**	**271,418**
Personnel expenses	24	(9,667)	(7,568)	(21,769)	(20,287)
Administrative and other operating expenses	25	(2,925)	(2,170)	(11,234)	(6,206)
Costs of production of banknotes and coins	26	(1,319)	(1,313)	(4,127)	(4,040)
Depreciation and amortisation charge		(1,082)	(1,056)	(3,217)	(3,201)
OPERATING EXPENSES		**(14,993)**	**(12,107)**	**(40,347)**	**(33,734)**
NET PROFIT FOR THE PERIOD		**92,889**	**77,870**	**321,300**	**237,684**

The selected notes on pages 9 to 49 are an integral part of these condensed interim financial statements.

STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED)

In thousands of KM	Note	For the period 01/07 - 30/09 2026	01/07 - 30/09 2025	01/01 - 30/09 2026	01/01 - 30/09 2025
NET PROFIT FOR THE PERIOD		**92,889**	**77,870**	**321,300**	**237,684**
Other comprehensive (loss) / income					
Items that are or may be reclassified subsequently to profit or loss:					
Debt instruments at fair value through other comprehensive income					
Net change in fair value during the period	9	(155,680)	(22,700)	(195,136)	(5,567)
Net change in provisions for expected credit losses recognised in profit or loss during the period	5.1.1.	262	54	1,101	152
Reclassification to profit or loss from sale of debt instruments	20	61	(719)	332	(1,079)
		(155,357)	**(23,365)**	**(193,703)**	**(6,494)**
Monetary gold					
Net change in fair value during the period	10	35,077	106,366	(957)	165,157
		35,077	**106,366**	**(957)**	**165,157**
Total other comprehensive (loss) / income		**(120,280)**	**83,001**	**(194,660)**	**158,663**
TOTAL COMPREHENSIVE (LOSS) / INCOME FOR THE PERIOD		**(27,391)**	**160,871**	**126,640**	**396,347**

The selected notes on pages 9 to 49 are an integral part of these condensed interim financial statements.

STATEMENT OF CHANGES IN EQUITY (UNAUDITED)

In thousands of KM	Initial capital	Fair value reserves for debt and equity instruments	Fair value reserves for monetary gold	Reserves for unrealised foreign exchange differences	Other reserves	General reserves (Retained earnings)	Total reserves	Net profit for the period	Total equity
Balance at 1 January 2026	**25,000**	**20,731**	**389,752**	**4,628**	**31,300**	**1,074,553**	**1,520,964**	**-**	**1,545,964**
Total comprehensive (loss) / income for the period	**-**	**(193,703)**	**(957)**	**-**	**-**	**-**	**(194,660)**	**321,300**	**126,640**
Net profit for the period	-	-	-	-	-	-	-	321,300	321,300
Other comprehensive (loss) for the period	**-**	**(193,703)**	**(957)**	**-**	**-**	**-**	**(194,660)**	**-**	**(194,660)**
Net (decrease) of fair value for debt instruments	-	*(195,136)*	-	-	-	-	*(195,136)*	-	*(195,136)*
Net increases in provisions for expected credit losses for debt instruments recognised in profit or loss	-	*1,101*	-	-	-	-	*1,101*	-	*1,101*
Reclassification to profit or loss from sale of debt instruments	-	*332*	-	-	-	-	*332*	-	*332*
Net (decrease) of fair value for monetary gold	-	-	*(957)*	-	-	-	*(957)*	-	*(957)*
Balance at 30 September 2026	**25,000**	**(172,972)**	**388,795**	**4,628**	**31,300**	**1,074,553**	**1,326,304**	**321,300**	**1,672,604**

The selected notes on pages 9 to 49 are an integral part of these condensed interim financial statements.

STATEMENT OF CHANGES IN EQUITY (UNAUDITED) (CONTINUED)

In thousands of KM	Initial capital	Fair value reserves for debt and equity instruments	Fair value reserves for monetary gold	Reserves for unrealised foreign exchange differences	Other reserves	General reserves (Retained earnings)	Total reserves	Net profit for the period	Total equity
Balance at 1 January 2025	**25,000**	**45,354**	**140,295**	**4,628**	**31,300**	**951,606**	**1,173,183**	**-**	**1,198,183**
Total comprehensive (loss) / income for the period	**-**	**(6,494)**	**165,157**	**-**	**-**	**-**	**158,663**	**237,684**	**396,347**
Net profit for the period	-	-	-	-	-	-	-	237,684	237,684
Other comprehensive (loss) / income for the period	**-**	**(6,494)**	**165,157**	**-**	**-**	**-**	**158,663**	**-**	**158,663**
Net (decrease) of fair value for debt instruments	-	*(5,567)*	-	-	-	-	*(5,567)*	-	*(5,567)*
Net increases in provisions for expected credit losses for debt instruments recognised in profit or loss	-	*152*	-	-	-	-	*152*	-	*152*
Reclassification to profit or loss from sale of debt instruments	-	*(1,079)*	-	-	-	-	*(1,079)*	-	*(1,079)*
Net increase in fair value for monetary gold	-	-	*165,157*	-	-	-	*165,157*	-	*165,157*
Balance at 30 September 2025	**25,000**	**38,860**	**305,452**	**4,628**	**31,300**	**951,606**	**1,331,846**	**237,684**	**1,594,530**

The selected notes on pages 9 to 49 are an integral part of these condensed interim financial statements.

STATEMENT OF CASH FLOWS (UNAUDITED)

In thousands of KM	Note	For the period 01/01 - 30/09 2026	For the period 01/01 - 30/09 2025
CASH FLOWS FROM OPERATING ACTIVITIES			
Net profit for the period		**321,300**	**237,684**
Adjusted for:			
Interest income	17	(287,168)	(275,878)
Interest expense	17	13,357	11,772
Net decreases of impairment on financial assets	22	237	694
Net realised losses / (gains) from sale of debt instruments at fair value through other comprehensive income	20	332	(1,079)
Net foreign exchange (gains) / losses	21	(2,984)	11,249
Provisions, net increases in / (decreases) of		17	(4)
(Gain) on disposal of property and equipment		(18)	-
Dividend income recognised in profit or loss		(962)	(920)
Depreciation and amortisation charge		3,217	3,201
Net cash flows from operating activities before changes in operating assets and liabilities		**47,328**	**(13,281)**
Changes in operating assets and liabilities			
Decrease of term deposits with foreign banks		410,556	997,327
(Increase) in debt instruments at fair value through other comprehensive income		(4,347,183)	(799,899)
Decrease of debt instruments at amortised cost		92,812	53,802
(Increase) in other assets		(2,606)	(1,192)
Increase in banknotes and coins in circulation	13	535,830	437,551
Increase in / (decrease) of deposits from banks		1,162,216	(170,834)
Increase in / (decrease) of deposits from the Government and other public institutions		62,287	(138,475)
(Decrease) of other liabilities		(322)	(2,295)
Payments from provisions		(947)	(921)
Interest received		282,155	270,958
Interest paid		(11,807)	(10,416)
Net cash from operating activities		**(1,769,681)**	**622,325**
CASH FLOWS FROM INVESTING ACTIVITIES			
Proceeds from sale of property and equipment		18	-
Purchases of property, equipment and intangible assets		(4,571)	(778)
Dividends received		962	920
Net cash from investing activities		**(3,591)**	**142**

STATEMENT OF CASH FLOWS (UNAUDITED) (CONTINUED)

In thousands of KM	Note	For the period 01/01 - 30/09 2026	For the period 01/01 - 30/09 2025
CASH FLOWS FROM FINANCING ACTIVITIES			
Transfer of a portion of annual net profit to the BH budget		(184,420)	(244,307)
Net cash from financing activities		**(184,420)**	**(244,307)**
Net effects from impairment for expected credit losses on cash and cash equivalents		721	(864)
Net effects of exchange rates on cash and cash equivalents held		4	(1,144)
Net (decrease) of / increase in cash and cash equivalents		**(1,956,967)**	**376,152**
Cash and cash equivalents at the beginning of the period		**5,490,451**	**5,653,214**
Cash and cash equivalents at the end of the period	28	**3,533,484**	**6,029,366**

The selected notes on pages 9 to 49 are an integral part of these condensed interim financial statements.

SELECTED NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 SEPTEMBER 2026 (UNAUDITED)

1. GENERAL INFORMATION

The Central Bank of Bosnia and Herzegovina (the "Central Bank") is the supreme monetary authority of Bosnia and Herzegovina ("BH"). Its establishment, organisation and operations have been defined by the Law on the Central Bank of Bosnia and Herzegovina, Official Gazette BH no: 1/97, 29/02, 08/03, 13/03, 14/03, 09/05, 76/06 and 32/07 (the "Law on the Central Bank"), adopted by the Parliamentary Assembly of Bosnia and Herzegovina, in accordance with the Constitution of Bosnia and Herzegovina.

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 domestic currency (Convertible Mark) by issuing Convertible Mark (KM) in accordance with the currency board rule. The currency board rule, defined by the Law on the Central Bank, implies that KM must be issued only with full coverage in freely convertible foreign currency reserves. In addition, the Central Bank has an obligation to purchase and sell KM for euro (EUR) on demand, without any restrictions, at the official exchange rate of KM to EUR as KM 1.95583 = EUR 1, as prescribed by the Law on the Central Bank.

The guaranteed convertibility of KM and full coverage of monetary liabilities with convertible foreign currency reserves according to the currency board rule are the primary objectives of the Central Bank. All activities and operations of the Central Bank are undertaken in order to achieve the legally set goals and objectives i.e. to preserve monetary stability in accordance with the currency board rule and are not, at any moment, aimed at profit maximisation.

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 objectives and tasks.

The key management of the Central Bank consists of two bodies: the Governing Board and the Management.

The key management members of the Central Bank are:

The Governing Board

Jasmina Selimović Ph.D.	Chairwoman
Radomir Božić Ph.D.	Member
Mirza Kršo Ph.D.	Member
Danijela Martinović Ph.D.	Member
Darko Tomaš Ph.D.	Member

The Management

Jasmina Selimović Ph.D.	Governor
Emir Kurtić Ph.D.	Vice Governor
Tomislav Ivanković M.Sc.	Vice Governor (from 1 January 2026)
Marko Vidaković M.Sc.	Vice Governor (until 28 February 2026 and from 20 March 2026)

In the current reporting period, there have been no changes in the status of the Audit Committee members compared to the information disclosed in the latest audited financial statements of the Central Bank for the year ended 31 December 2025.

2. BASIS OF PREPARATION

2.1. Statement of compliance

These condensed interim financial statements have been prepared in accordance with International Accounting Standard 34 ("IAS 34"): "Interim Financial Reporting" as issued by the International Accounting Standards Board ("IASB"). The condensed interim financial statements do not include all the information required for the complete set of financial statements prepared in accordance with International Financial Reporting Standards ("IFRS") and should be read in conjunction with the latest audited financial statements of the Central Bank for the year ended 31 December 2025 ("annual financial statements").

The selected notes to these condensed interim financial statements clarify events and transactions that are significant for understanding the changes in the financial position and performance of the Central Bank in relation to the latest annual financial statements.

These condensed interim financial statements have been prepared using the going concern assumption. More information on conditions in the environment under which the Central Bank's operations have been performed in the reporting period, significantly affecting the Central Bank's reported balances of assets, liabilities, income and expenses, is disclosed in Note 2.7.

The results of the Central Bank operations for the reporting period and as at reporting date presented in these condensed interim financial statements are not necessarily indicative of the results of the Central Bank operations that can be expected for 2026.

2.2. Basis of measurement

These condensed interim financial statements have been prepared under the accrual basis of accounting and using the historical cost as a measurement basis, except for the following significant items:

Item	Measurement basis
Debt instruments at fair value through other comprehensive income	Fair value
Monetary gold	Fair value

2.3. Functional and presentation currency

The condensed interim financial statements of the Central Bank are stated in the BH monetary unit which is the KM. All financial information has been rounded to the nearest thousand (unless otherwise stated).

2.4. Amendments to IFRSs

At the date of approval of these condensed interim financial statements, certain amendments and interpretations to the existing standards are effective from 1 January 2026. Their implementation has no significant impact on condensed interim financial statements of the Central Bank.

2.5. Accounting policies

The Central Bank's condensed interim financial statements have been prepared in accordance with the same accounting policies used in preparation of the latest annual financial statements.

2.6. Significant accounting judgements and estimates

The preparation of financial statements in accordance with IFRS requires the Management to make judgements, estimates and assumptions that affect the implementation of accounting policies and reported amounts of assets, liabilities, income, expenses and other disclosed information in these condensed interim financial statements. Actual amounts may differ from these estimates.

The estimates and related assumptions used by the Management in the preparation of these condensed interim financial statements are based on the latest available and reliable information and are reviewed on an ongoing basis.

2. BASIS OF PREPARATION (CONTINUED)

2.6. Significant accounting judgements and estimates (continued)

These condensed interim financial statements have been prepared based upon conditions existing at 30 September 2026. Future conditions may differ from those that resulted in the financial information disclosed in these condensed interim financial statements.

2.7. Conditions in the environment for performing the Central Bank's operations for the period 01/01 - 30/09/2026

During the current reporting period, the Central Bank's operations have been conducted under conditions of heightened uncertainties in the international financial markets, due to the simultaneous effect of geopolitical tensions, energy price movements, trade policy measures and changes in expectations regarding the monetary policy of major central banks. Although the global economy and eurozone economy recorded moderate growth, the key negative factors remained linked to the trade policy of the United States of America ("USA") and geopolitical tensions, primarily in the Middle East.

The Governing Council of the European Central Bank ("ECB") increased its key interest rates on two occasions, at June and September meetings, by 25 basis points each i.e., by a total of 50 basis points compared to the end of the previous year.

As at reporting date, the Central Bank invested the majority of its foreign currency reserves in the portfolio of debt instruments at fair value through other comprehensive income, as well as in deposits with foreign banks. The Central Bank additionally allocated a portion of its foreign currency reserves funds to the portfolio of debt instruments at fair value through other comprehensive income adjusting to market conditions.

The Central Bank continuously adjusted its investment and reinvestment activities in foreign currency reserves to changes in market conditions, which was reflected in the Central Bank's key financial indicators and further contributed to preserving the stability of the currency board arrangement.

The Central Bank's key financial indicators for the period ended 30 September 2026 are as follows:

- The Central Bank's net foreign assets amount to KM 1,584,312 thousand as at 30 September 2026,
- The Central Bank's total equity amounts to KM 1,672,604 thousand as at 30 September 2026 and
- The Central Bank's net profit amounts to KM 321,300 thousand for the period 01/01 - 30/09/2026.

The net profit for the period was primarily generated from interest income amounting to KM 287,168 thousand arising from the interest-bearing components of the Central Bank's foreign currency reserves, out of which KM 216,079 thousand (75.24%) refers to debt instruments at fair value through other comprehensive income, and KM 63,503 thousand (22.11%) to deposits with foreign banks.

The resulting structure of foreign currency interest income reflects the investment strategy primarily focused on preserving safety and liquidity, followed by achieving targeted returns on the invested Central Bank's foreign currency reserves, in line with the prevailing conditions in the eurozone financial market.

On 20 January 2026, which was also the deadline for the submission of out-of-circulation banknotes by resident banks, the Central Bank accounted for unwithdrawn out-of-circulation banknotes in denominations of 10, 20, 50 and 100 Convertible Marks, which were issued into circulation between 1998 and 2009 and ceased to be legal tender as at 1 January 2025. On this basis, income from seigniorage was recognised in the amount of KM 85,233 thousand. Out-of-circulation banknotes received by the Central Bank from individuals and legal entities from 5 January 2026 were recognised as expenses arising from the withdrawal of out-of-circulation banknotes, i.e. as expenses arising from the adjustment to the Central Bank's seigniorage income.

The net income from seigniorage in the amount of KM 66,903 thousand had a significant impact on the net profit of the current reporting period, accounting for 80.01% of the net increase in net profit compared to the corresponding reporting period (Note 19).

2. BASIS OF PREPARATION (CONTINUED)

2.7. Conditions in the environment for performing the Central Bank's operations for the period 01/01 - 30/09/2026 (continued)

Other comprehensive loss for the period in the amount of KM (194,660) thousand primarily reflects the decrease in the fair value of debt instruments at fair value through other comprehensive income due to the increase in market yields. Together with the net profit generated for the period, the total comprehensive income for the period amounts to KM 126,640 thousand, resulting in an equivalent increase in the total equity of the Central Bank.

As at 30 September 2026, the Central Bank's foreign currency reserves entrusted to an external portfolio manager for management amount to KM 591,716 thousand, with the majority of these funds being invested in debt instruments denominated in EUR and USD currencies.

More information on balances and changes in significant foreign currency reserves components and corresponding amounts that have affected net profit for the period and equity of the Central Bank is disclosed in the following notes:

Note	Title
7	Deposits with foreign banks
9	Debt instruments at fair value through other comprehensive income
10	Monetary gold
17	Net interest income
19	Net (expenses) / income from seigniorage
27	Equity

Monetary liabilities of the Central Bank increased by KM 1,761,883 thousand (10.64%) compared to 31 December 2025, primarily as the result of the net financial effects from KM purchase and sale transactions with resident banks and for Central Bank depositors, which resulted in total net KM sales in the current reporting period. In addition, the net cash inflow on the resident banks' euro reserve accounts was recorded.

In the current reporting period, the Central Bank transferred a portion of net profit for 2025 in the amount of KM 184,420 thousand, to the account of the institution responsible for the budget of Bosnia and Herzegovina.

All resident banks duly met their reserve requirements in accordance with the Central Bank's legal regulations.

More information on balances and changes in monetary liabilities' components and the required reserve policy applied by the Central Bank is disclosed in the following Notes:

Note	Title
13	Banknotes and coins in circulation
14	Deposits from banks
15	Deposits from the Government and other public institutions
17	Net interest income

3. CURRENCY BOARD ARRANGEMENT

The Law on the Central Bank defines the rule "currency board" for issuing the currency, according to which the Central Bank is obliged to ensure that total amount of its monetary liabilities never exceeds the equivalent amount (expressed in KM) of its net foreign currency reserves.

The following table presents analytics of the components of compliance with that rule:

In thousands of KM	30 September 2026	31 December 2025
Official foreign currency reserves		
Cash in foreign currencies	448,836	557,531
Deposits with foreign banks	3,710,492	5,968,038
Special Drawing Rights with the IMF	831	6,346
Debt instruments	14,939,351	10,877,017
Monetary gold	803,657	804,614
TOTAL	**19,903,167**	**18,213,546**
Liabilities to non-residents	**2,948**	**2,206**
Net foreign currency reserves (Official foreign currency reserves less liabilities to non-residents)	**19,900,219**	**18,211,340**
Monetary liabilities		
Banknotes and coins in circulation	9,074,311	8,538,481
Deposits from banks	8,489,970	7,326,204
Deposits from the Government and other public institutions	751,626	689,339
TOTAL	**18,315,907**	**16,554,024**
NET FOREIGN ASSETS (Net foreign currency reserves less monetary liabilities)	**1,584,312**	**1,657,316**

Disclosed amounts of all components of the currency board represent their carrying amounts as at reporting dates.

The Central Bank's net foreign assets are the main financial indicator of achieving and maintaining the stability of domestic currency in BH and its main financial performance measure. They represent the part of official foreign currency reserves which can be used only for purposes and needs determined by the Law on the Central Bank.

Net foreign assets are the amounts that guarantee the domestic currency stability i.e. monetary stability and absorb potential financial risks arising from official foreign currency reserves management. As at 30 September 2026, the financial balance of net foreign assets amounts to KM 1,584,312 thousand ensuring the full stability of domestic currency (31 December 2025: KM 1,657,316 thousand).

More information on financial risks to which the Central Bank has been exposed in official foreign currency reserves management is disclosed in Note 5.

4. CLASSIFICATION AND FAIR VALUE MEASUREMENT OF FINANCIAL ASSETS AND FINANCIAL LIABILITIES

Fair value is the price that would be received by selling 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 a liability, the Central Bank considers the characteristics of the asset or liability which market participants would consider 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.

4.1. Financial assets measured at fair value

In thousands of KM

	30 September 2026	31 December 2025
Financial assets		
Financial assets measured at fair value through other comprehensive income		
Debt instruments	13,954,990	9,799,906
Monetary gold	803,657	804,614
TOTAL	**14,758,647**	**10,604,520**

Financial assets measured at fair value correspond to Level 1 of fair value measurement as at reporting dates.

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

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

In thousands of KM

	30 September 2026	
	Carrying amount	**Fair value**
Financial assets		
Financial assets measured at amortised cost:		
Cash in foreign currencies	448,836	448,836
Deposits with foreign banks	3,710,492	3,710,492
Special Drawing Rights with the IMF	831	831
Debt instruments at amortised cost	984,361	889,380
Other financial assets	12,798	12,798
	5,157,318	*5,062,337*
Financial assets measured at fair value through other comprehensive income - cost choice:		
Other investments	27,813	27,813
	27,813	*27,813*
Total	**5,185,131**	**5,090,150**
Financial liabilities		
Financial liabilities measured at amortised cost:		
Banknotes and coins in circulation	9,074,311	9,074,311
Deposits from banks	8,489,970	8,489,970
Deposits from the Government and other public institutions	751,626	751,626
Other financial liabilities	4,752	4,752
Total	**18,320,659**	**18,320,659**

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

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

In thousands of KM

	31 December 2025	
	Carrying amount	**Fair value**
Financial assets		
Financial assets measured at amortised cost:		
Cash in foreign currencies	557,531	557,531
Deposits with foreign banks	5,968,038	5,968,038
Special Drawing Rights with the IMF	6,346	6,346
Debt instruments at amortised cost	1,077,111	1,001,666
Other financial assets	3,739	3,739
	7,612,765	*7,537,320*
Financial assets measured at fair value through other comprehensive income - cost choice:		
Other investments	27,813	27,813
	27,813	*27,813*
Total	**7,640,578**	**7,565,133**
Financial liabilities		
Financial liabilities measured at amortised cost:		
Banknotes and coins in circulation	8,538,481	8,538,481
Deposits from banks	7,326,204	7,326,204
Deposits from the Government and other public institutions	689,339	689,339
Other financial liabilities	189,409	189,409
Total	**16,743,433**	**16,743,433**

As at reporting dates, financial assets and financial liabilities not measured at fair value correspond to Level 2 of fair value measurement, except for debt instruments at amortised cost which correspond to Level 1 because their fair value is determined with the same measurement technique used for debt instruments measured at fair value through other comprehensive income.

5. FINANCIAL RISK MANAGEMENT

The main financial risks to which the Central Bank is exposed in its daily operations are:

- Credit risk,
- Market risk (interest rate risk, gold price risk and foreign exchange risk) and
- Liquidity risk.

5.1. Credit risk

Credit risk is the risk of default on the contractual obligations of the counterparty or the issuer of fixed income debt securities, where the counterparty is an entity with which, in accordance with the Central Bank's regulations, foreign currency reserves are held or invested.

Credit risk management is performed through the selection of the counterparties with the investment-grade credit rating, by limiting terms and controlling the volume and dynamics of investments. Credit ratings represent the basic criterion for defining credit risk exposure limits and are continuously monitored on a daily basis.

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 Notes 30 and 31).

In the process of foreign currency reserves management, the management of foreign currency reserves and the management of financial risks are significantly influenced by trends in the financial markets, primarily those in the eurozone financial market, which are influenced by a large number of different factors, the most important of which are the measures of the ECB and other leading central banks worldwide.

The main determinant of the ECB's monetary policy remains the eurozone inflation level, with a clearly defined medium-term target of 2.00%. Following the period of stability in February, March and April 2026, during which the deposit rate was maintained at the level of 2.00%, the ECB entered a cycle of monetary policy tightening, in line with the approach that monetary policy changes are based on the latest macroeconomic and financial data available at each meeting.

The first increase of 25 basis points was realised at the meeting held on 11 June 2026 (raising the deposit rate to 2.25%). Following a pause in July, the ECB Governing Council, at its meeting held on 10 September 2026, decided to increase the three key interest rates by 25 basis points, raising the deposit rate to 2.50%. This decision was made in response to renewed inflationary pressures and rising energy prices, as a result of which total inflation in the eurozone accelerated to 3.30% in August.

The main driver of inflation growth and the consequent tightening of monetary policy during 2026 remains the geopolitical conflict in the Middle East and the accompanying disruptions in oil and gas supply chains.

The ECB Governing Council continues to emphasise that it does not decide in advance for a certain dynamic of interest rate changes, but that the future decisions will directly depend on the assessment of inflationary trends, core inflation and the strength of monetary policy transmission. In addition, it was pointed out that geopolitical uncertainties, especially the conflict in the Middle East and trade tensions, continue to represent key risks that adversely affect price stability and economic growth in the eurozone.

Unlike the first six months when the US monetary policy was unchanged, the Federal Reserve System (Fed) unanimously decided to increase the reference interest rate by 25 basis points at its meeting held on 16 September 2026. This represents the first tightening of the Fed's monetary policy since July 2023, bringing the target range for the key interest rate to the level of 3.75% - 4.00%. The decision was made due to the resilience of domestic demand and persistent inflationary pressures caused by the global energy shock.

5. FINANCIAL RISK MANAGEMENT (CONTINUED)

5.1. Credit risk (continued)

5.1.1. Credit risk exposure

The following table presents the reconciliation from the opening to the closing balance for the impairment as well as the provisions for expected credit losses for financial assets during the reporting periods:

In thousands of KM

	2026				2025			
	Stage 1	**Stage 2**	**Stage 3**	**Total**	**Stage 1**	**Stage 2**	**Stage 3**	**Total**
1. Deposits with foreign banks								
As at 1 January	**2,502**	**-**	**-**	**2,502**	**2,331**	**-**	**-**	**2,331**
Increases in expected credit losses	14,620	-	-	14,620	16,480	-	-	16,480
Releases of expected credit losses	(558)	-	-	(558)	(300)	-	-	(300)
Releases due to derecognition of term deposits	(14,864)	-	-	(14,864)	(15,611)	-	-	(15,611)
As at 30 September	**1,700**	**-**	**-**	**1,700**	**2,900**	**-**	**-**	**2,900**
2. Special Drawing Rights with the IMF								
As at 1 January	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Increases in expected credit losses	-	-	-	-	-	-	-	-
Releases of expected credit losses	-	-	-	-	-	-	-	-
As at 30 September	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
3. Debt instruments at fair value through other comprehensive income								
As at 1 January	**2,635**	**-**	**-**	**2,635**	**2,514**	**-**	**-**	**2,514**
Increases in expected credit losses	2,167	-	-	2,167	1,596	-	-	1,596
Releases of expected credit losses	(123)	-	-	(123)	(117)	-	-	(117)
Releases due to debt instruments matured	(943)	-	-	(943)	(1,327)	-	-	(1,327)
Net increases during the period	*1,101*	-	-	*1,101*	*152*	-	-	*152*
Net releases due to debt instruments sold	(74)	-	-	(74)	(115)	-	-	(115)
As at 30 September	**3,662**	**-**	**-**	**3,662**	**2,551**	**-**	**-**	**2,551**

5. FINANCIAL RISK MANAGEMENT (CONTINUED)

5.1. Credit risk (continued)

5.1.1. Credit risk exposure (continued)

In thousands of KM

	2026				2025			
	Stage 1	**Stage 2**	**Stage 3**	**Total**	**Stage 1**	**Stage 2**	**Stage 3**	**Total**
4. Debt instruments at amortised cost								
As at 1 January	**357**	**-**	**-**	**357**	**380**	**-**	**-**	**380**
Increases in expected credit losses	13	-	-	13	7	-	-	7
Releases of expected credit losses	(9)	-	-	(9)	(26)	-	-	(26)
Releases due to debt instruments matured	(66)	-	-	(66)	(8)	-	-	(8)
As at 30 September	**295**	**-**	**-**	**295**	**353**	**-**	**-**	**353**
5. Other financial assets								
As at 1 January	**6**	**-**	**601**	**607**	**6**	**-**	**601**	**607**
Increases in expected credit losses	6	-	-	6	5	-	-	5
Releases of expected credit losses	(6)	-	-	(6)	(5)	-	-	(5)
As at 30 September	**6**	**-**	**601**	**607**	**6**	**-**	**601**	**607**
Total opening balance at 1 January	**5,500**	**-**	**601**	**6,101**	**5,231**	**-**	**601**	**5,832**
Total net increases in expected credit losses during the period	163	-	-	163	579	-	-	579
Total closing balance at 30 September	**5,663**	**-**	**601**	**6,264**	**5,810**	**-**	**601**	**6,411**

5. FINANCIAL RISK MANAGEMENT (CONTINUED)

5.1. Credit risk (continued)

5.1.2. Credit risk concentration

a) Maximum exposure to credit risk - Financial assets subject to impairment

The following table presents the maximum exposure to credit risk for the Central Bank's financial assets as at reporting dates, analysed by the classes of financial instruments for which the expected credit losses are calculated and recognised:

In thousands of KM	**30 September 2026**				**31 December 2025**			
Classes of financial instruments	**Stage 1**	**Stage 2**	**Stage 3**	**Total**	**Stage 1**	**Stage 2**	**Stage 3**	**Total**
Cash in foreign currencies								
Gross carrying amount	448,836	-	-	448,836	557,531	-	-	557,531
Impairment	-	-	-	-	-	-	-	-
Carrying amount	**448,836**	**-**	**-**	**448,836**	**557,531**	**-**	**-**	**557,531**
Deposits with foreign banks								
Gross carrying amount	3,712,192	-	-	3,712,192	5,970,540	-	-	5,970,540
Impairment	(1,700)	-	-	(1,700)	(2,502)	-	-	(2,502)
Carrying amount	**3,710,492**	**-**	**-**	**3,710,492**	**5,968,038**	**-**	**-**	**5,968,038**
Special Drawing Rights with the IMF								
Gross carrying amount	831	-	-	831	6,346	-	-	6,346
Impairment	-	-	-	-	-	-	-	-
Carrying amount	**831**	**-**	**-**	**831**	**6,346**	**-**	**-**	**6,346**
Debt instruments at fair value through other comprehensive income								
Gross carrying amount	13,954,990	-	-	13,954,990	9,799,906	-	-	9,799,906
Provisions for expected credit losses (recognised in other comprehensive income)	3,662	-	-	3,662	2,635	-	-	2,635
Gross carrying amount	**13,954,990**	**-**	**-**	**13,954,990**	**9,799,906**	**-**	**-**	**9,799,906**

5. FINANCIAL RISK MANAGEMENT (CONTINUED)

5.1. Credit risk (continued)

5.1.2. Credit risk concentration (continued)

In thousands of KM	30 September 2026				31 December 2025			
Classes of financial instruments	**Stage 1**	**Stage 2**	**Stage 3**	**Total**	**Stage 1**	**Stage 2**	**Stage 3**	**Total**
Debt instruments at amortised cost								
Gross carrying amount	984,656	-	-	984,656	1,077,468	-	-	1,077,468
Impairment	(295)	-	-	(295)	(357)	-	-	(357)
Carrying amount	**984,361**	**-**	**-**	**984,361**	**1,077,111**	**-**	**-**	**1,077,111**
Other financial assets								
Gross carrying amount	12,804	-	601	13,405	3,745	-	601	4,346
Impairment	(6)	-	(601)	(607)	(6)	-	(601)	(607)
Carrying amount	**12,798**	**-**	**-**	**12,798**	**3,739**	**-**	**-**	**3,739**

5. FINANCIAL RISK MANAGEMENT (CONTINUED)

5.1. Credit risk (continued)

5.1.2. Credit risk concentration (continued)

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

In thousands of KM	30 September 2026	31 December 2025
Carrying amount		
Monetary gold	803,657	804,614
Other investments	27,813	27,813
TOTAL	**831,470**	**832,427**

Concentration per credit rating

The tables below present an analysis of the Central Bank's concentration of deposits with foreign banks, debt instruments at fair value through other comprehensive income and debt instruments at amortised cost by composite credit rating of the counterparty as at reporting dates:

Deposits with foreign banks

In thousands of KM

Credit rating	30 September 2026	31 December 2025
AAA	965,971	2,343,365
AA+	851,165	158,240
AA	8,416	7,331
AA-	812,659	964,627
A+	768,717	1,395,071
A	240,233	557,228
A-	-	-
II[1]	65,031	544,678
BBB+	-	-
BBB	-	-
BBB-	-	-
Total	**3,712,192**	**5,970,540**
Impairment	(1,700)	(2,502)
TOTAL	**3,710,492**	**5,968,038**

[1] International institutions

5. FINANCIAL RISK MANAGEMENT (CONTINUED)

5.1. Credit risk (continued)

5.1.2. Credit risk concentration (continued)

Debt instruments at fair value through other comprehensive income

In thousands of KM

Credit rating	30 September 2026	31 December 2025
AAA	5,301,904	2,844,188
AA+	2,511,472	2,536,213
AA	55,826	56,745
AA-	-	1,434,952
A+	4,344,963	1,454,919
A	861,299	729,265
A-	113,936	-
BBB+	765,590	743,624
BBB	-	-
BBB-	-	-
TOTAL	**13,954,990**[2]	**9,799,906**

Debt instruments at amortised cost

In thousands of KM

Credit rating	30 September 2026	31 December 2025
AAA	85,348	84,698
AA+	286,994	286,435
AA	56,224	55,870
AA-	-	93,306
A+	320,763	225,471
A	194,651	234,464
A-	40,676	-
BBB+	-	97,224
BBB	-	-
BBB-	-	-
Total	**984,656**	**1,077,468**
Impairment	(295)	(357)
TOTAL	**984,361**	**1,077,111**

[2] Provisions for expected credit losses do not reduce the gross carrying amount of debt instruments at fair value through other comprehensive income

5. FINANCIAL RISK MANAGEMENT (CONTINUED)

5.2. Market risk

Market risk is the risk of market value change in the financial assets and instruments due to the changes in the financial market conditions. The market risks that the Central Bank is exposed to in its operations are: foreign exchange risk, interest rate risk and gold price risk. The goal of market risk management is to control and manage risks within acceptable parameters, with the aim of optimising the return.

For the purpose of quantifying the market risk effects on the foreign currency reserves value, the Central Bank applies the Value at Risk (VaR) concept. The Value at Risk represents a statistical measure that indicates the greatest possible loss of the portfolio of foreign currency reserves that may occur due to changes in financial instrument prices and exchange rates, at a given confidence level over a specified time interval. VaR value for market risk is calculated using the 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% for a 10-day horizon.

When calculating VaR value for the Central Bank's foreign currency reserves portfolio, all positions in the foreign currency reserves portfolio exposed to market risks, i.e., gold price risk, interest rate risk and foreign exchange risk are taken into consideration. As at 30 September 2026, the exposure of the Central Bank's foreign currency reserves (VaR with a level of confidence of 99% for a 10-day horizon) including fluctuations in the prices of financial instruments and monetary gold, as well as changes in foreign exchange rates against the KM, amounts to KM 172,596 thousand (31 December 2025: KM 108,829 thousand), which represents the equivalent of 0.87% of the total financial assets (31 December 2025: 0.60% of the total financial assets).

As at 30 September 2026, Value at Risk is higher by 58.59% compared to 31 December 2025, due to higher interest rate risk of the Central Bank's foreign currency reserves portfolio (contribution to the increase in VaR is 88.09%) as well as increased monetary gold price risk (contribution to the increase in VaR is 11.91%). As at 30 September 2026, interest rate risk accounts for 50.56% of VaR value (31 December 2025: 28.58%), while gold price risk accounts for 49.30% of VaR value (31 December 2025: 71.21%). The contribution of foreign exchange risk to VaR value remains negligible.

VaR values as at reporting dates are calculated as the sum of component VaR values:

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

As at reporting dates, VaR values are provided in the following table:

In thousands of KM	30 September 2026	31 December 2025
Interest rate risk	87,272	31,099
Gold price risk	85,095	77,500
Foreign exchange risk	229	230
Total VaR	**172,596**	**108,829**

5. FINANCIAL RISK MANAGEMENT (CONTINUED)

5.2. Market risk (continued)

5.2.1. Foreign exchange risk

Foreign exchange risk is the risk of changes in foreign exchange assets and liabilities due to changes in foreign exchange rate. 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.

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 portion of official 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 is not exposed to EUR foreign exchange rate risk due to the currency board arrangement, under which the KM is pegged to the EUR at a fixed exchange rate of EUR 1 = KM 1.95583.

5.2.2. Interest rate risk

Interest rate risk is the risk of change in market value of the financial assets due to the unfavourable movements in interest rates, i.e., unfavourable trends in market interest rates and bond market yields in the Central Bank's portfolio. Market interest rates (Euribor) and bond market yields in the eurozone are largely influenced by changes in the ECB's key interest rates, with this impact being more pronounced for deposits or debt instruments with shorter remaining maturities.

During January and February 2026, the Euribor rates remained stable, with the three-month Euribor standing at around 2.00% and the six-month Euribor at around 2.15%. As inflationary pressures intensified during March and April, the market began pricing in monetary policy tightening, which was reflected in a gradual increase in Euribor rates. By the beginning of June, the three-month Euribor had risen to 2.24%, while the six-month Euribor had risen to 2.52%. Immediately after the ECB's June decision to raise the key interest rates, market rates rose further: by mid-June, the three-month Euribor ranged between 2.31% and 2.41%, while the six-month Euribor reached the level of 2.63%. Euribor rates continued their upward trend during the third quarter, reflecting changes in market expectations regarding future monetary policy and inflation trends. At the end of September 2026, the three-month Euribor reached the level of 2.59%, while the six-month Euribor rose to 3.07%.

The yields of government bonds denominated in EUR have recorded a strong increase during the current reporting period. Net increases in average yields of government bonds denominated in EUR during the current reporting period ranged between 55 and 115 basis points, depending on the bonds' remaining maturity.

The short-term bonds (with a remaining maturity up to 1 year) recorded a net increase in average yields of 55–90 basis points during the current reporting period, reacting directly to the ECB's policy change.

The medium-term bonds (with a remaining maturity 1 to 3 years) recorded the highest increase in yields, of 100–115 basis points, as investors quickly adjusted their portfolios to expectations of a more prolonged period of higher interest rates.

The long-term bonds (with a remaining maturity of more than 3 years) denominated in EUR recorded a net increase in average yields ranging from 80 to 105 basis points.

Despite the more pronounced increase in yields in the medium-term segment, the yield curve of government bonds in the eurozone financial market has maintained its normal (upward) shape, i.e., long-term yields (e.g., on ten-year bonds) remained above medium-term and short-term market yields and current money market rates. This shape of the curve signals that investors, despite the rate increases in June and September, still expect economic activity to stabilise and for inflation to return towards targeted levels over the coming period.

5. FINANCIAL RISK MANAGEMENT (CONTINUED)

5.2. Market risk (continued)

5.2.2. Interest rate risk (continued)

Interest rate risk is managed by determining the targeted modified duration of the invested foreign currency reserves, by monitoring Value at Risk, and by selecting an appropriate market index which, with the necessary adjustments, represents the reference portfolio (benchmark) and by setting the maximum amount of the allowed deviation of the portfolio's return from the return of corresponding benchmark (tracking error).

The targeted modified duration is shortened or extended by the appropriate regulations of the Central Bank, depending on the current structure of the foreign currency reserves portfolio, current market conditions and available expectations and forecasts, and in accordance with the strategic determination that the maximum allowed term for investing in debt instruments with fixed income is ten years, while the maximum allowed term for investing in deposits with foreign banks is one year.

According to the regulations valid as at the reporting dates, the target modified duration of the total portfolio of foreign currency reserves amounts to 1.20 years, with permitted deviations of +/- 0.40 years.

For the portfolio of debt instruments at fair value through other comprehensive income with a remaining maturity of more than one year, the permitted deviation of the modified duration is +/- 0.30 years from the determined benchmark.

For foreign currency reserves funds entrusted to an external portfolio manager for management under an agreement concluded with the World Bank as part of the RAMP Program, the modified duration deviation allowance is +/- 0.25 years from the respective benchmarks for the USD and EUR portfolios of debt instruments at fair value through other comprehensive income.

The Central Bank uses a modified duration of debt instruments at fair value through other comprehensive income as a key measure of interest rate risk exposure. The modified duration is a measure of the price sensitivity of a financial instrument to changes in interest rates, i.e., the market yield of a debt instrument. Modified duration is expressed as the number of years and the longer the duration, the higher the interest rate risk. The modified duration of the portfolio is calculated as a weighted average of the maturities of cash flows of individual financial instruments in the portfolio, where the weight is the present value of the cash flow.

The modified duration of debt instruments at fair value through other comprehensive income, including foreign currency reserves funds entrusted to an external portfolio manager for management, amounts to 1.63 years as at 30 September 2026 (As at 31 December 2025: 1.78 years).

5. FINANCIAL RISK MANAGEMENT (CONTINUED)

5.2. Market risk (continued)

5.2.2. Interest rate risk (continued)

The following tables present the Central Bank's exposure to interest rate risk as at reporting dates by the financial instrument's carrying amount, categorised (classified into maturity classes) under criterion of re-determining interest rate dates in accordance with contractual arrangements (contractual cash flows, such as coupon payments) or the maturity date of the instruments. Accordingly, the criterion for classifying instruments into maturity classes for coupon debt instruments at fair value through other comprehensive income is the maturity date of the first subsequent coupon payment, while discount debt instruments at fair value through other comprehensive income, debt instruments at amortised cost and deposits with foreign banks are classified into maturity classes according to the maturity date of the instrument:

30 September 2026 **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**
Cash in foreign currencies	-	-	-	-	448,836	448,836
Deposits with foreign banks	3,603,489	100,189	-	-	6,814	3,710,492
Special Drawing Rights with the IMF	827	-	-	-	4	831
Debt instruments at fair value through other comprehensive income	3,509,205	10,399,337	-	-	46,448	13,954,990
Monetary gold	-	-	-	-	803,657	803,657
Debt instruments at amortised cost	-	136,536	57,300	788,473	2,052	984,361
Other financial assets	-	-	-	-	12,798	12,798
Other investments	-	-	-	-	27,813	27,813
Total financial assets	**7,113,521**	**10,636,062**	**57,300**	**788,473**	**1,348,422**	**19,943,778**
Banknotes and coins in circulation	-	-	-	-	9,074,311	9,074,311
Deposits from banks	8,479,744	-	-	-	10,226	8,489,970
Deposits from the Government and other public institutions	-	-	-	-	751,626	751,626
Other financial liabilities	-	-	-	-	4,752	4,752
Total financial liabilities	**8,479,744**	**-**	**-**	**-**	**9,840,915**	**18,320,659**
INTEREST RATE GAP	**(1,366,223)**	**10,636,062**	**57,300**	**788,473**	**(8,492,493)**	**1,623,119**

5. FINANCIAL RISK MANAGEMENT (CONTINUED)

5.2. Market risk (continued)

5.2.2. Interest rate risk (continued)

31 December 2025 **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**
Cash in foreign currencies	-	-	-	-	557,531	557,531
Deposits with foreign banks	5,129,190	830,433	-	-	8,415	5,968,038
Special Drawing Rights with the IMF	6,317	-	-	-	29	6,346
Debt instruments at fair value through other comprehensive income	2,254,926	7,479,394	-	-	65,586	9,799,906
Monetary gold	-	-	-	-	804,614	804,614
Debt instruments at amortised cost	-	97,154	135,873	841,837	2,247	1,077,111
Other financial assets	-	-	-	-	3,739	3,739
Other investments	-	-	-	-	27,813	27,813
Total financial assets	**7,390,433**	**8,406,981**	**135,873**	**841,837**	**1,469,974**	**18,245,098**
Banknotes and coins in circulation	-	-	-	-	8,538,481	8,538,481
Deposits from banks	7,325,543	-	-	-	661	7,326,204
Deposits from the Government and other public institutions	-	-	-	-	689,339	689,339
Other financial liabilities	-	-	-	-	189,409	189,409
Total financial liabilities	**7,325,543**	**-**	**-**	**-**	**9,417,890**	**16,743,433**
INTEREST RATE GAP	**64,890**	**8,406,981**	**135,873**	**841,837**	**(7,947,916)**	**1,501,665**

Sensitivity analysis based on scenarios of predefined changes in market yields

In order to quantify the effects of exposure of foreign currency reserves to interest rate risk, in addition to the VaR analysis, a stress test (sensitivity analysis) is used, which, based on the modified duration of the portfolio of debt instruments, predicts the possible effect of changes in interest rates (market yields) on the financial assets of the Central Bank.

For the Central Bank, the most important scenario is a possible unexpected increase in interest rates (decline in market prices of debt instruments), so the impact on financial assets is calculated in the event of an increase in interest rates (upward shift of the yield curve on euro bonds) according to the assumed scenario (predefined increases).

Interest rate risk sensitivity analysis based on scenarios of predefined changes in market yields (interest rates) expressed in basis points (bp) shows the effects of changes in the level of the bond yield curve in the eurozone (the yield curve on euro bonds) on the value of the Central Bank's financial assets as at reporting dates.

The effects of a change in the level of the euro yield curve represent a fall in the market values of debt instruments for predefined increases in interest rates by 1, 50, 100 or 200 basis points. This analysis assumes that all other variables remain unchanged at observed reporting dates.

5. FINANCIAL RISK MANAGEMENT (CONTINUED)

5.2. Market risk (continued)

5.2.2. Interest rate risk (continued)

Sensitivity analysis - scenarios of assumed changes in market yields as at 30 September 2026

Change in market yields	**+/- 1 bp**	**+/- 50 bp**	**+/- 100 bp**	**+/- 200 bp**
Change of the financial assets (In thousands of KM)	(2,278)/2,278	(113,901)/113,901	(227,801)/227,801	(455,603)/455,603

Sensitivity analysis - scenarios of assumed changes in market yields as at 31 December 2025

Change in market yields	**+/- 1 bp**	**+/- 50 bp**	**+/- 100 bp**	**+/- 200 bp**
Change of the financial assets (In thousands of KM)	(1,745)/1,745	(87,240)/87,240	(174,480)/174,480	(348,960)/348,960

In the scenario event of an upward shift in euro bond yield curve by 1 bp (0.01%), the financial assets of the Central Bank would be decreased by KM 2,278 thousand as at 30 September 2026 (As at 31 December 2025: KM 1,745 thousand).

In the scenario event of a downward shift in the euro bond yield curve by 1 bp (0.01%), the financial assets of the Central Bank would be higher by KM 2,278 thousand as at 30 September 2026 (As at 31 December 2025: KM 1,745 thousand).

The effects on the value of financial assets in the scenario events of larger shifts (+/- 50 bp, +/- 100 bp or +/-200 bp) in the euro bond yield curve, would be proportional to the effects of the change in the value of financial assets caused by the mentioned shifts in the yield curve of +/- 1 bp (+/- 0.01%).

5.2.3. Gold price risk

As at 30 September 2026, the total quantity of monetary gold in the Central Bank's assets amounts to 112,000 fine ounces (31 December 2025: 112,000 fine ounces). During the first nine months of 2026, the market gold price decreased by 0.12%, from 7,184.05 KM/oz as at 31 December 2025 to 7,175.51 KM/oz as at 30 September 2026. The aforementioned price movement is primarily the result of changes in global market conditions, including the strengthening of the US dollar, expectations of maintaining relatively high interest rates, and reduced demand for gold as a safe asset compared to the end of the previous year.

5. FINANCIAL RISK MANAGEMENT (CONTINUED)

5.2. Market risk (continued)

5.2.3. Gold price risk (continued)

Sensitivity analysis based on the scenarios of predefined changes in market gold price

In order to quantify the effects of exposure of foreign currency reserves to gold price risk, in addition to the VaR analysis, a stress test (sensitivity analysis) is used, which estimates the possible impact of changes in market gold price on the financial assets of the Central Bank.

For the Central Bank, the most important scenario is a possible unexpected decline in gold price so the impact on financial assets is calculated in the event of a decrease in gold price according to the assumed scenario (predefined percentage decreases of market gold price expressed in KM equivalents/oz).

Gold price sensitivity analysis based on scenarios of predefined changes in market gold price in KM/oz, expressed as percentages (%) shows the effects of changes in the level of the gold price on the value of the Central Bank's financial assets as at reporting dates.

The effects of changes in the level of the gold price represent a decrease in fair value of monetary gold in the assets of the Central Bank for predefined decreases in market gold price by 1, 10, 20 or 50 per cent. This analysis assumes that the gold quantity in the assets of the Central Bank and all other variables are unchanged at observed reporting dates.

Sensitivity analysis - scenarios of assumed percentage changes in market gold price as at 30 September 2026

Change in market gold price (In KM/oz)	**+/- 1%**	**+/- 10 %**	**+/- 20%**	**+/- 50%**
Change of the financial assets (In thousands of KM)	8,037/(8,037)	80,366/(80,366)	160,731/(160,731)	401,829/(401,829)

Sensitivity analysis - scenarios of assumed percentage changes in market gold price as at 31 December 2025

Change in market gold price (In KM/oz)	**+/- 1%**	**+/- 10 %**	**+/- 20%**	**+/- 50%**
Change of the financial assets (In thousands of KM)	8,046/(8,046)	80,461/(80,461)	160,923/(160,923)	402,307/(402,307)

In the case of the scenario of an increase of the market gold price expressed in KM equivalents per fine ounce (KM/oz) by 1%, financial assets of the Central Bank would be increased by KM 8,037 thousand as at 30 September 2026 (As at 31 December 2025: KM 8,046 thousand).

In the case of the scenario of a decrease of the market gold price expressed in KM equivalents per fine ounce (KM/oz) by 1%, the financial assets of the Central Bank would be decreased by KM 8,037 thousand as at 30 September 2026 (As at 31 December 2025: KM 8,046 thousand).

The effects on the value of financial assets in the case of a scenario of larger changes of the gold price (+/- 10%, +/- 20%, or +/- 50%), would be proportional to the effects of the change in the value of financial assets caused by the mentioned changes in the market gold price expressed in KM equivalents per fine ounce (KM/oz) for +/- 1%.

5. FINANCIAL RISK MANAGEMENT (CONTINUED)

5.3. Liquidity risk

Liquidity risk refers to the possible difficulties in liquidating a portion of assets quickly, which is possible when market conditions are unfavourable and also when there is an unfavourable price movement. The liquidity of the foreign currency reserves portfolio is ensured by holding a sufficient volume of liquid instruments in the portfolio.

Considering the obligation to guarantee KM convertibility, the daily liquidity must be ensured through maturity adjustment of the Central Bank's foreign currency reserves.

Tables below present the maturity of the Central Bank's financial liabilities as at reporting dates based on the remaining contractual maturity from the reporting dates:

30 September 2026 **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**
Banknotes and coins in circulation	9,074,311	-	-	-	-	9,074,311
Deposits from banks	8,489,970	-	-	-	-	8,489,970
Deposits from the Government and other public institutions	751,626	-	-	-	-	751,626
Other financial liabilities	4,752	-	-	-	-	4,752
TOTAL FINANCIAL LIABILITIES	**18,320,659**	**-**	**-**	**-**	**-**	**18,320,659**

31 December 2025 **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**
Banknotes and coins in circulation	8,538,481	-	-	-	-	8,538,481
Deposits from banks	7,326,204	-	-	-	-	7,326,204
Deposits from the Government and other public institutions	689,339	-	-	-	-	689,339
Other financial liabilities	4,989	184,420	-	-	-	189,409
TOTAL FINANCIAL LIABILITIES	**16,559,013**	**184,420**	**-**	**-**	**-**	**16,743,433**

6. CASH IN FOREIGN CURRENCIES

Cash in foreign currencies represents foreign currency reserve funds held in the Central Bank's vaults. As at reporting dates, total cash in foreign currencies is denominated in EUR currency and amounts to KM 448,836 thousand (31 December 2025: KM 557,531 thousand).

For the purpose of cash flow reporting, cash in foreign currencies is included in cash and cash equivalents (Note 28).

7. DEPOSITS WITH FOREIGN BANKS

Deposits with foreign banks represent the Central Bank's invested portion of foreign currency reserve funds held on the accounts with foreign banks and international financial institutions. Deposits with foreign banks include demand deposits and term deposits and are held with foreign banks of eurozone and non-eurozone countries.

For the purpose of cash flow reporting, demand deposits in foreign currency and deposits in foreign currency with maturity up to three months or less, from the date of acquisition, are included in cash and cash equivalents. The following table presents the analysis of deposits with foreign banks for the purpose of cash flow reporting:

In thousands of KM	**30 September 2026**	**31 December 2025**
Demand deposits	160,945	544,809
Term deposits with maturity up to 3 months or less from the date of acquisition	2,914,585	4,383,527
Total	**3,075,530**	**4,928,336**
Impairment	(1,528)	(2,249)
Included in cash and cash equivalents (Note 28)	**3,074,002**	**4,926,087**
Term deposits with maturity over 3 months from the date of acquisition	636,662	1,042,204
Impairment	(172)	(253)
Total	**636,490**	**1,041,951**
TOTAL	**3,710,492**	**5,968,038**

7. DEPOSITS WITH FOREIGN BANKS (CONTINUED)

The following table presents balances of term and demand deposits, with an analytical presentation by type of currency:

In thousands of KM	30 September 2026	31 December 2025
Term deposits:		
EUR	3,549,180	5,425,731
USD	2,067	-
	3,551,247	**5,425,731**
Impairment	(1,601)	(2,421)
Total	**3,549,646**	**5,423,310**
Demand deposits:		
EUR	147,729	533,917
USD	7,595	7,166
CHF	3,691	1,769
GBP	1,930	1,957
	160,945	**544,809**
Impairment	(99)	(81)
Total	**160,846**	**544,728**
TOTAL	**3,710,492**	**5,968,038**

Deposits with foreign banks include net accrued interest in the amount of KM 6,814 thousand as at 30 September 2026 (31 December 2025: Included net accrued interest in the amount of KM 8,415 thousand).

The following table presents the analysis of term deposits with foreign banks, by the remaining contractual maturity in relation to reporting dates:

In thousands of KM	30 September 2026	31 December 2025
Up to 1 month	2,810,467	3,357,805
From 1 to 2 months	411,799	775,787
From 2 to 3 months	228,469	458,825
From 3 to 4 months	-	463,492
From 4 to 12 months	100,512	369,822
Total	**3,551,247**	**5,425,731**
Impairment	(1,601)	(2,421)
TOTAL	**3,549,646**	**5,423,310**

7. DEPOSITS WITH FOREIGN BANKS (CONTINUED)

Deposits with foreign banks, analysed by the type of the financial institution in which the funds are invested, are provided in the following table:

In thousands of KM	30 September 2026	31 December 2025
Foreign commercial banks		
Term deposits	1,713,153	2,637,177
Overnight deposits	1,557,930	1,389,617
Demand deposits	150,970	17,162
	3,422,053	**4,043,956**
Foreign central banks		
Term deposits	219,756	859,952
Overnight deposits	-	-
Demand deposits	5,352	521,954
	225,108	**1,381,906**
International financial institutions		
Term deposits	60,408	538,985
Overnight deposits	-	-
Demand deposits	4,623	5,693
	65,031	**544,678**
Total	**3,712,192**	**5,970,540**
Impairment (Note 5.1.1.)	(1,700)	(2,502)
TOTAL	**3,710,492**	**5,968,038**

More information about the Central Bank's composite credit rating range and credit risk concentration for deposits with foreign banks as at reporting dates is disclosed in Note 5.1.2.

Deposits with foreign banks, analysed by the country where the funds are invested, are presented in the following table:

In thousands of KM	30 September 2026	31 December 2025
Switzerland	2,467,906	2,807,292
France	566,747	1,388,358
Netherlands	240,588	476,510
Luxembourg	219,958	623,521
Germany	205,877	587,035
Belgium	8,416	7,331
USA	2,699	605
United Kingdom	1	79,888
Total	**3,712,192**	**5,970,540**
Impairment	(1,700)	(2,502)
TOTAL	**3,710,492**	**5,968,038**

8. SPECIAL DRAWING RIGHTS WITH THE IMF

In thousands of KM	30 September 2026	31 December 2025
Account of Special Drawing Rights with the IMF	827	6,317
Accrued interest	4	29
Total	**831**	**6,346**
Impairment	-	-
TOTAL	**831**	**6,346**

For the purpose of cash flow reporting, Special Drawing Rights with the IMF are included in cash and cash equivalents (Note 28).

9. DEBT INSTRUMENTS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

Debt instruments at fair value through other comprehensive income represent the Central Bank's foreign currency reserve funds invested in liquid sovereign government bonds of the eurozone countries and non-eurozone countries. The portfolio of these debt instruments 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 and USD currencies.

The structure of investments in debt instruments at fair value through other comprehensive income is presented in the following table:

In thousands of KM	30 September 2026	31 December 2025
Coupon debt instruments	10,260,919	8,427,578
Accrued interest on coupon debt instruments	94,278	78,554
Total	**10,355,197**	**8,506,132**
Discount debt instruments	3,647,623	1,306,742
Accrued (discount) on discount debt instruments	(47,830)	(12,968)
Total	**3,599,793**	**1,293,774**
TOTAL	**13,954,990**	**9,799,906**

The structure of the portfolio of debt instruments at fair value through other comprehensive income, depending on whether the foreign currency reserves funds are managed by the Central Bank or entrusted to an external portfolio manager for management is presented in the following table:

In thousands of KM	30 September 2026	31 December 2025
Debt instruments managed by the Central Bank	13,373,752	9,218,955
Debt instruments entrusted to an external portfolio manager for management	581,238	580,951
TOTAL	**13,954,990**	**9,799,906**

9. DEBT INSTRUMENTS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME (CONTINUED)

The following table presents balances of debt instruments at fair value through other comprehensive income, with an analytical presentation by type of currency:

In thousands of KM	30 September 2026	31 December 2025
Debt instruments at fair value through other comprehensive income:		
EUR	13,872,160	9,718,233
USD	82,830	81,673
TOTAL	**13,954,990**	**9,799,906**

As at 30 September 2026, debt instruments at fair value through other comprehensive income managed by the external portfolio manager amount to KM 581,238 thousand, out of which KM 498,408 thousand are held in EUR currency and KM 82,830 thousand in USD currency (31 December 2025: Debt instruments at fair value through other comprehensive income managed by the external portfolio manager amounted to KM 580,951 thousand, out of which KM 499,278 thousand were held in EUR currency and KM 81,673 thousand in USD currency).

As at 30 September 2026, provisions for expected credit losses for debt instruments at fair value through other comprehensive income amount to KM 3,662 thousand (31 December 2025: KM 2,635 thousand). During the reporting period, net increases in provisions for expected credit losses, recognised in profit or loss for the period, amount to KM 1,027 thousand (01/01 - 30/09/2025: Net increases amounting to KM 37 thousand). More information about these changes in the reporting periods is disclosed in Notes 5.1.1. and 22.

Debt instruments at fair value through other comprehensive income, analysed by the country where the funds are invested, are presented in the following table:

	30 September 2026		31 December 2025	
	In thousands of KM	%	In thousands of KM	%
Germany	3,892,712	27.89	1,591,954	16.24
France	3,070,286	22.00	1,454,919	14.85
Netherlands	1,350,702	9.68	1,194,141	12.19
Belgium	1,274,677	9.13	1,434,952	14.64
Finland	1,224,754	8.78	1,133,353	11.56
Austria	1,203,888	8.63	1,321,187	13.48
Spain	861,299	6.17	615,407	6.28
Italy	765,590	5.49	743,624	7.59
Slovakia	113,936	0.82	113,858	1.16
USA	82,830	0.59	81,673	0.83
Luxembourg	58,490	0.42	58,093	0.60
Ireland	55,826	0.40	56,745	0.58
TOTAL	**13,954,990**	**100.00**	**9,799,906**	**100.00**

9. DEBT INSTRUMENTS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME (CONTINUED)

Changes in debt instruments at fair value through other comprehensive income during the reporting periods are presented in the following table:

In thousands of KM	01/07 - 30/09 2026	01/07 - 30/09 2025	For the period 01/01 - 30/09 2026	01/01 - 30/09 2025
As at	**12,637,846**	**9,077,253**	**9,799,906**	**8,639,813**
Purchases during the period	2,928,328	2,040,450	7,815,135	6,119,194
Sales during the period	(31,049)	(175,874)	(334,682)	(457,660)
Interest income recognised during the period (Note 17)	85,781	58,114	216,079	179,402
Maturities of debt instruments	(1,466,483)	(1,508,525)	(3,250,409)	(4,933,977)
Maturities of coupons	(44,140)	(44,776)	(98,951)	(107,066)
Net unrealised change in fair value during the period	(155,680)	(22,700)	(195,136)	(5,567)
Net foreign exchange gains / (losses)	383	(58)	3,037	(10,259)
Transaction costs	4	2	11	6
As at	**13,954,990**	**9,423,886**	**13,954,990**	**9,423,886**

More information about the Central Bank's composite credit rating range and credit risk concentration for debt instruments at fair value through other comprehensive income as at reporting dates is disclosed in Note 5.1.2. Debt instruments at fair value through other comprehensive income, analysed by their remaining contractual maturity in relation to reporting dates, are presented in the following table:

In thousands of KM	30 September 2026	31 December 2025
Up to 3 months	1,336,014	775,304
From 3 to 12 months	4,838,838	2,809,481
From 1 to 3 years	4,936,046	4,063,454
Over 3 years	2,844,092	2,151,667
TOTAL	**13,954,990**	**9,799,906**

10. MONETARY GOLD

Monetary gold is denominated in EUR currency. As at reporting dates, input values used for fair value calculation of monetary gold are provided in the following table:

As at	Quantity of ounces	Price per fine ounce in KM equivalent (KM/oz)	Fair value of monetary gold as at date in thousands of KM
30 September 2026	112,000	7,175.51	803,657
31 December 2025	112,000	7,184.05	804,614
30 September 2025	112,000	6,431.38	720,314

10. MONETARY GOLD (CONTINUED)

Changes in monetary gold during the reporting periods are provided in the following table:

			For the period	
In thousands of KM	**01/07 - 30/09 2026**	**01/07 - 30/09 2025**	**01/01 - 30/09 2026**	**01/01 - 30/09 2025**
As at	**768,580**	**613,948**	**804,614**	**555,157**
Net unrealised change in fair value during the period	35,077	106,366	(957)	165,157
As at	**803,657**	**720,314**	**803,657**	**720,314**

11. DEBT INSTRUMENTS AT AMORTISED COST

Debt instruments at amortised cost represent the Central Bank's foreign currency reserve funds invested in liquid sovereign government bonds of the eurozone countries within the business model whose objective is to hold to collect contractual cash flows. As at reporting date, this portfolio consists of short-term and long-term coupon government bonds with a fixed interest rate. Debt instruments at amortised cost are denominated in EUR currency.

The structure of investments in debt instruments at amortised cost is presented in the following table:

In thousands of KM	**30 September 2026**	**31 December 2025**
Coupon debt instruments	982,604	1,075,221
Accrued interest on coupon debt instruments	2,052	2,247
Total	**984,656**	**1,077,468**
Impairment	(295)	(357)
TOTAL	**984,361**	**1,077,111**

More information about the Central Bank's composite credit rating range and credit risk concentration for debt instruments at amortised cost as at reporting dates is disclosed in Note 5.1.2.

Debt instruments at amortised cost, analysed by their remaining contractual maturity in relation to reporting dates, are presented in the following table:

In thousands of KM	**30 September 2026**	**31 December 2025**
Up to 3 months	-	-
From 3 to 12 months	136,592	97,224
From 1 to 3 years	57,308	135,930
Over 3 years	790,756	844,314
Total	**984,656**	**1,077,468**
Impairment	(295)	(357)
TOTAL	**984,361**	**1,077,111**

As at reporting date, debt instruments at amortised cost, analysed by the country where the funds are invested, differ from the amounts disclosed in the latest annual financial statements primarily due to the maturity of a debt instrument. The Central Bank did not invest foreign currency reserves funds in this portfolio in current reporting period.

12. OTHER ASSETS

In thousands of KM	30 September 2026	31 December 2025
Gross carrying amount of other financial assets	13,405	4,346
Impairment	(607)	(607)
Other financial assets	**12,798**	**3,739**
Other non-financial assets	**18,364**	**15,490**
TOTAL	**31,162**	**19,229**

As at reporting date, other financial assets are mostly related to the Central Bank's giro accounts in the amount of KM 9,815 thousand, with the increase mainly resulting from the allocation of funds for financing the Employee Welfare and Protection Fund, established in accordance with the Law on the Central Bank (31 December 2025: KM 487 thousand).

As at reporting dates, other non-financial assets are mostly related to the prepaid expenses for banknotes and coins production in the amount of KM 14,606 thousand (31 December 2025: KM 11,774 thousand).

13. BANKNOTES AND COINS IN CIRCULATION

The amounts of banknotes and coins in circulation are presented in the following table:

In thousands of KM	30 September 2026	31 December 2025
Banknotes in circulation	8,748,103	8,231,118
Coins in circulation	326,208	307,363
TOTAL	**9,074,311**	**8,538,481**

Changes in banknotes and coins in circulation during the reporting periods are presented in the following table:

			For the period	
In thousands of KM	01/07 - 30/09 2026	01/07 - 30/09 2025	01/01 - 30/09 2026	01/01 - 30/09 2025
Banknotes and coins in circulation as at	**8,776,005**	**8,149,801**	**8,538,481**	**7,959,215**
Net increase in value of banknotes and coins in circulation	298,306	246,965	535,830	437,551
Banknotes and coins in circulation as at	**9,074,311**	**8,396,766**	**9,074,311**	**8,396,766**

14. DEPOSITS FROM BANKS

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

In thousands of KM	30 September 2026	31 December 2025
Deposits from resident banks:		
KM	*8,310,060*	*7,185,096*
EUR	*169,684*	*140,447*
	8,479,744	7,325,543
Reserve accounts of the Central Bank organisational units	9,815	487
Special deposits of resident banks - blocked funds	411	174
TOTAL	**8,489,970**	**7,326,204**

14. DEPOSITS FROM BANKS (CONTINUED)

Deposits from resident banks serve to meet the Central Bank's reserve requirements, to settle payment transactions between resident banks and for resident banks' transactions with the Central Bank. Resident banks are obliged to allocate and maintain required reserves in KM and EUR currencies on KM and EUR reserve accounts. Required reserve is calculated as KM required reserve on the domestic currency base and EUR required reserve on the foreign currency base, applying a single 10% rate to all bases. The EUR required reserve is maintained by allocating 5% of the amount of calculated EUR required reserve on EUR reserve account and by allocating and maintaining the 95% of the amount of calculated EUR required reserve in KM equivalent on KM reserve account. More information on the Central Bank's remuneration policy for the required reserve's instrument is disclosed in Note 17.

Deposits from resident banks include accrued remuneration on the basis of required reserve policy in the amount of KM 1,550 thousand as at 30 September 2026 (31 December 2025: Included the accrued remuneration in the amount of KM 1,432 thousand).

15. DEPOSITS FROM THE GOVERNMENT AND OTHER PUBLIC INSTITUTIONS

In thousands of KM	30 September 2026	31 December 2025
Budgetary deposits from BH institutions	647,851	603,210
Deposits from other domestic governments and government institutions	78,215	65,589
Deposits from other public institutions	24,531	20,521
Deposits - BH foreign debt	1,010	-
Deposit accounts under the IMF transactions	19	19
TOTAL	**751,626**	**689,339**

16. OTHER LIABILITIES

In thousands of KM	30 September 2026	31 December 2025
Other financial liabilities	4,752	189,409
Other non-financial liabilities	185	213
TOTAL	**4,937**	**189,622**

During the current reporting period the Central Bank paid a portion of net profit for 2025 to the BH budget in the amount of KM 184,420 thousand, which was recognised as a liability within other financial liabilities as at 31 December 2025.

17. NET INTEREST INCOME

In thousands of KM	For the period 01/07 - 30/09 2026	01/07 - 30/09 2025	01/01 - 30/09 2026	01/01 - 30/09 2025
Interest income arising from:				
Debt instruments at fair value through other comprehensive income (Note 9)	85,781	58,114	216,079	179,402
Deposits with foreign banks (Note 7)	18,850	26,497	63,503	88,338
Debt instruments at amortised cost (Note 11)	2,425	2,645	7,498	7,978
Special Drawing Rights with the IMF	15	53	88	160
Total	**107,071**	**87,309**	**287,168**	**275,878**
Interest expense arising from:				
Deposits from resident banks	(4,724)	(4,092)	(13,345)	(11,767)
Effects of negative interest rates from deposits with foreign banks	(5)	(5)	(12)	(5)
Total	**(4,729)**	**(4,097)**	**(13,357)**	**(11,772)**
Net interest income	**102,342**	**83,212**	**273,811**	**264,106**

Total interest and similar income and expenses analysed by classes of interest-bearing financial instruments are presented in the following table:

In thousands of KM	For the period 01/07 - 30/09 2026	01/07 - 30/09 2025	01/01 - 30/09 2026	01/01 - 30/09 2025
1. Financial assets at amortised cost				
Interest income arising from:				
Deposits with foreign banks	18,850	26,497	63,503	88,338
Debt instruments at amortised cost	2,425	2,645	7,498	7,978
Special Drawing Rights with the IMF	15	53	88	160
	21,290	**29,195**	**71,089**	**96,476**
Interest expense arising from:				
Effects of negative interest rates from deposits with foreign banks	(5)	(5)	(12)	(5)
	(5)	**(5)**	**(12)**	**(5)**
Total	**21,285**	**29,190**	**71,077**	**96,471**
2. Debt instruments at fair value through other comprehensive income				
Interest income	85,781	58,114	216,079	179,402
Total	**85,781**	**58,114**	**216,079**	**179,402**
3. Financial liabilities at amortised cost				
Interest expenses arising from deposits from resident banks	(4,724)	(4,092)	(13,345)	(11,767)
Total	**(4,724)**	**(4,092)**	**(13,345)**	**(11,767)**
Net interest income	**102,342**	**83,212**	**273,811**	**264,106**

17. NET INTEREST INCOME (CONTINUED)

The following table presents interest income arising from deposits with foreign banks with an analytical breakdown of corresponding amounts by the maturity type:

	For the period			
In thousands of KM	**01/07 - 30/09 2026**	**01/07 - 30/09 2025**	**01/01 - 30/09 2026**	**01/01 - 30/09 2025**
Interest income				
Term deposits	18,778	26,419	63,228	85,934
Demand deposits	72	78	275	2,404
TOTAL	**18,850**	**26,497**	**63,503**	**88,338**

The average effective yield rate on deposits with foreign banks amounts to 2.15% in the period 01/01 - 30/09/2026 (01/01 - 30/09/2025: The average effective yield rate amounted to 2.38%).

The average effective yield rate on debt instruments at fair value through other comprehensive income amounts to 2.46% in the period 01/01 - 30/09/2026 (01/01 - 30/09/2025: The average effective yield rate amounted to 2.65%).

The average effective yield rate on debt instruments at amortised cost amounts to 0.95% in the period 01/01 - 30/09/2026 (01/01 - 30/09/2025: The average effective yield rate amounted to 0.95%).

The basis for calculating interest expense on deposits from resident banks is generated from the total amount of deposits of resident banks on reserve accounts during the ten-day calculation period, which consists of required reserve amounts and the amounts exceeding the required reserves.

As disclosed in Note 14, the Central Bank prescribes the obligation for resident banks to allocate and maintain KM and EUR required reserves on KM and EUR reserve accounts.

The required reserve is calculated as KM required reserve on domestic currency base and EUR required reserve on foreign currency base applying a single 10% rate to all bases.

The Central Bank calculates and pays a remuneration to resident banks at prescribed rates on KM required reserves amounts, i.e., EUR currency required reserves amounts. The Central Bank applies the zero-remuneration rate on the amounts exceeding required reserves of the resident banks, regardless of required reserve currency allocation and maintenance.

During the reporting periods, the Central Bank's remuneration rates amount to:

Basis for calculating remuneration	**The Central Bank's remuneration rate**
Required reserves amounts	
KM required reserve on domestic currency base	0.50%
EUR required reserve on foreign currency base	0.30%
Amounts exceeding the required reserves	0.00%

Interest expenses arising from deposits from resident banks include expenses from required reserves in the amount of KM 13,345 thousand for the period 01/01 - 30/09/2026 (01/01 - 30/09/2025: Interest expenses arising from deposits from resident banks amounted to KM 11,767 thousand).

18. NET FEE AND COMMISSION INCOME

In thousands of KM	01/07 - 30/09 2026	01/07 - 30/09 2025	For the period 01/01 - 30/09 2026	01/01 - 30/09 2025
Fee and commission income arising from:				
Services for resident banks	6,428	5,847	18,007	17,040
Services for the Government and other non-banking clients	400	384	1,173	1,142
Total	**6,828**	**6,231**	**19,180**	**18,182**
Fee and commission expenses arising from:				
Custodian and other expenses for debt instruments	(551)	(466)	(1,505)	(1,380)
Transactions with foreign banks	(10)	(9)	(29)	(28)
Other fee and commission expenses	(14)	(2)	(19)	(6)
Total	**(575)**	**(477)**	**(1,553)**	**(1,414)**
Net fee and commission income	**6,253**	**5,754**	**17,627**	**16,768**

19. NET (EXPENSES) / INCOME FROM SEIGNIORAGE

In thousands of KM	01/07 - 30/09 2026	01/07 - 30/09 2025	For the period 01/01 - 30/09 2026	01/01 - 30/09 2025
Income from unwithdrawn out-of-circulation banknotes – seigniorage	-	-	85,233	-
Expenses arising from the withdrawal of out-of-circulation banknotes from individuals before the calculation of seigniorage	-	-	(165)	-
Expenses arising from the subsequent submission of out-of-circulation banknotes – adjustment of seigniorage	(1,623)	-	(18,165)	-
TOTAL	**(1,623)**	**-**	**66,903**	**-**

In the current reporting period, net income from seigniorage amounting to KM 66,903 thousand is recognised, which includes income from unwithdrawn out-of-circulation banknotes and expenses arising from the withdrawal and subsequent submission of out-of-circulation banknotes. For more information see Note 2.7.

20. NET REALISED (LOSSES) / GAINS FROM SALE OF DEBT INSTRUMENTS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

In the current reporting period, net realised losses from sale of debt instruments at fair value through other comprehensive income amount to KM 332 thousand (01/01 - 30/09/2025: Net realised gains amounted to KM 1,079 thousand). The corresponding amounts of realised gains from released provisions for expected credit losses on debt instruments sold in the reporting periods are presented in Note 5.1.1.

21. NET FOREIGN EXCHANGE GAINS / (LOSSES)

In thousands of KM	01/07 - 30/09 2026	01/07 - 30/09 2025	For the period 01/01 - 30/09 2026	01/01 - 30/09 2025
Foreign exchange gains	2,357	1,844	8,417	3,259
Foreign exchange losses	(2,049)	(1,759)	(5,433)	(14,508)
TOTAL	**308**	**85**	**2,984**	**(11,249)**

21. NET FOREIGN EXCHANGE GAINS / (LOSSES) (CONTINUED)

The following table presents foreign exchange differences from the perspective of realised and unrealised components:

			For the period	
In thousands of KM	**01/07 - 30/09 2026**	**01/07 - 30/09 2025**	**01/01 - 30/09 2026**	**01/01 - 30/09 2025**
Net unrealised foreign exchange gains / (losses)	317	(36)	3,016	(11,533)
Net realised foreign exchange (losses) / gains	(9)	121	(32)	284
TOTAL	**308**	**85**	**2,984**	**(11,249)**

22. NET INCREASES IN / DECREASES OF IMPAIRMENT ON FINANCIAL ASSETS

			For the period	
In thousands of KM	**01/07 - 30/09 2026**	**01/07 - 30/09 2025**	**01/01 - 30/09 2026**	**01/01 - 30/09 2025**
Net releases of / (increases) in impairment for deposits with foreign banks	766	(53)	802	(569)
Net (increases) in / releases of impairment for Special Drawing Rights with the IMF	-	-	-	-
Net (increases) in provisions for expected credit losses for debt instruments at fair value through other comprehensive income	(262)	(54)	(1,101)	(152)
Net releases of impairment for debt instruments at amortised cost	65	26	62	27
Net (increases) in impairment for other financial assets	(1)	(1)	-	-
TOTAL	**568**	**(82)**	**(237)**	**(694)**

23. OTHER NET INCOME

			For the period	
In thousands of KM	**01/07 - 30/09 2026**	**01/07 - 30/09 2025**	**01/01 - 30/09 2026**	**01/01 - 30/09 2025**
Dividend income	-	-	962	920
Net effects of numismatic collections value adjustments	73	285	(127)	428
Other miscellaneous income	22	4	56	60
TOTAL	**95**	**289**	**891**	**1,408**

24. PERSONNEL EXPENSES

	For the period			
In thousands of KM	**01/07 - 30/09 2026**	**01/07 - 30/09 2025**	**01/01 - 30/09 2026**	**01/01 - 30/09 2025**
Salaries	5,811	4,269	11,661	10,070
Contributions and other fees on salaries	2,922	2,168	6,232	5,769
Other employee benefits	745	949	2,980	3,491
Contributions and other fees on other employees' benefits	189	185	879	961
Total	**9,667**	**7,571**	**21,752**	**20,291**
Net (releases) of / increases in provisions under IAS 19	-	(3)	17	(4)
TOTAL	**9,667**	**7,568**	**21,769**	**20,287**

Personnel expenses include KM 3,970 thousand of mandatory pension contributions paid to the public pension funds in BH (01/01 - 30/09/2025: KM 3,822 thousand).

The average number of employees in the reporting period amounts to 372 (01/01 - 30/09/2025: 361 employees).

25. ADMINISTRATIVE AND OTHER OPERATING EXPENSES

	For the period			
In thousands of KM	**01/07 - 30/09 2026**	**01/07 - 30/09 2025**	**01/01 - 30/09 2026**	**01/01 - 30/09 2025**
IT infrastructure expenses	507	292	4,159	858
Payment systems maintenance expenses	601	488	1,709	1,415
Overhead expenses	368	332	993	888
Access to official services expenses	284	260	859	761
Fixed assets maintenance expenses	235	158	834	374
Other administrative and operating expenses	930	640	2,680	1,910
TOTAL	**2,925**	**2,170**	**11,234**	**6,206**

In the current reporting period, the increase in IT infrastructure expenses mostly refers to the costs incurred on the basis of the implementation project of a new software solution for the improvement of the Central Bank's business processes.

26. COSTS OF PRODUCTION OF BANKNOTES AND COINS

	For the period			
In thousands of KM	**01/07 - 30/09 2026**	**01/07 - 30/09 2025**	**01/01 - 30/09 2026**	**01/01 - 30/09 2025**
Costs of production and design of banknotes	779	661	2,369	2,148
Costs of production and design of coins	540	652	1,758	1,892
TOTAL	**1,319**	**1,313**	**4,127**	**4,040**

27. EQUITY

The structure of equity is presented in the following table:

In thousands of KM	30 September 2026	31 December 2025
Initial capital	**25,000**	**25,000**
Fair value reserves for debt and equity instruments	(172,972)	20,731
Fair value reserves for monetary gold	388,795	389,752
Reserves for unrealised foreign exchange differences	4,628	4,628
Other reserves	31,300	31,300
General reserves (Retained earnings)	1,074,553	1,074,553
Total reserves	**1,326,304**	**1,520,964**
Net profit for the period	321,300	-
TOTAL	**1,672,604**	**1,545,964**

As at reporting date, the increase in the Central Bank's equity was primarily the result of the net profit generated for the period, the structure of which mostly consists of interest income arising from the interest-bearing components of the Central Bank's foreign currency reserves and net income from seigniorage. More information on the circumstances and changes in the current reporting period that affected the Central Bank's equity is disclosed in Notes 2.7, 17 and 19.

28. CASH AND CASH EQUIVALENTS

For the purposes of the Statement of Cash Flows, cash and cash equivalents comprise:

In thousands of KM	30 September 2026	30 September 2025
Deposits in foreign currency with maturity up to three months or less from the date of acquisition (Note 7)	2,914,585	5,532,439
Cash in foreign currencies (Note 6)	448,836	471,310
Demand deposits in foreign currency (Note 7)	160,945	21,733
Giro accounts (Note 12)	9,815	697
Special Drawing Rights with the IMF (Note 8)	831	5,934
Total	**3,535,012**	**6,032,113**
Impairment	(1,528)	(2,747)
TOTAL	**3,533,484**	**6,029,366**

29. RELATED PARTY TRANSACTIONS

Transactions with the State and BH institutions are presented in the following tables:

In thousands of KM

As at 30 September 2026	BH Ministry of Finance and Treasury	BH Indirect Taxation Authority	BH Deposit Insurance Agency	Total
ASSETS				
Other assets	6	2	-	8
TOTAL	**6**	**2**	**-**	**8**
LIABILITIES				
Deposits from depositors	531,499	132,254	79	663,832
TOTAL	**531,499**	**132,254**	**79**	**663,832**

In thousands of KM

As at 31 December 2025	BH Ministry of Finance and Treasury	BH Indirect Taxation Authority	BH Deposit Insurance Agency	Total
ASSETS				
Other assets	41	2	-	43
TOTAL	**41**	**2**	**-**	**43**
LIABILITIES				
Deposits from depositors	517,295	97,412	37	614,744
Liabilities for allocation a portion of the profit to the BH budget	184,420	-	-	184,420
TOTAL	**701,715**	**97,412**	**37**	**799,164**

Income generated from transactions with the State and BH institutions is presented in the following table:

In thousands of KM	01/07 - 30/09 2026	01/07 - 30/09 2025	For the period 01/01 - 30/09 2026	01/01 - 30/09 2025
Fee and commission income				
BH Ministry of Finance and Treasury	19	16	58	46
BH Indirect Taxation Authority	5	6	14	25
BH Deposit Insurance Agency	-	-	2	2
TOTAL	**24**	**22**	**74**	**73**

29. RELATED PARTY TRANSACTIONS (CONTINUED)

By performing its functions of the banker, the depository and the fiscal agent prescribed by the Law on the Central Bank, the Central Bank also keeps appropriate accounting records and performs transactions for the State and BH institutions that are recorded off-balance. More information about these off-balance records is disclosed in Notes 30 and 31.

Remuneration of key management members

The total remuneration of the key management members, in the period 01/01 - 30/09/2026, amounts to KM 1,113 thousand, out of which KM 719 thousand is related to salaries and other remunerations and KM 394 thousand is related to taxes and contributions (01/01 - 30/09/2025: KM 985 thousand, out of which the amount of KM 630 thousand was related to salaries and other remunerations and KM 355 thousand was related to taxes and contributions).

30. OFF-BALANCE SHEET DEPOSITS

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

Off-balance sheet deposits also include foreign currency accounts of the governments and BH government institutions and public agencies, for which the Central Bank acts as an agent, as well as resident banks foreign currency accounts.

Off-balance sheet deposits consist of:

In thousands of KM	**30 September 2026**	**31 December 2025**
Deposits of the Council of Ministers of BH for the Budget of BH institutions	328,341	323,021
Deposits of the Council of Ministers of BH for servicing of BH foreign debt	22,737	9,612
Other deposits of the Council of Ministers of BH	326	307
Deposits of the Council of Ministers of BH on the basis of succession	52	49
Total	**351,456**	**332,989**
Funds of the Deposit Insurance Agency of BH	1,802	1,720
Total	**1,802**	**1,720**
Budget deposits of the entities' governments - Federation BH	1	-
Total	**1**	**-**
Deposit accounts of resident banks	24,534	92,722
Total	**24,534**	**92,722**
TOTAL	**377,793**	**427,431**

BH Ministry of Finance and Treasury is the institution that acts on behalf of the Council of Ministers of BH and the State in deposit management and coordination. As at 30 September 2026 the total of these funds amounts to KM 351,456 thousand (31 December 2025: KM 332,989 thousand).

31. BOSNIA AND HERZEGOVINA MEMBERSHIP WITH THE INTERNATIONAL MONETARY FUND

According to arrangements concluded between BH and the IMF 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.

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

In thousands of KM

	30 September 2026	31 December 2025
Quota	619,903	603,460
Special Drawing Rights with the IMF	831	6,346
TOTAL ASSETS	**620,734**	**609,806**
IMF account No.1	1,550	1,509
IMF account No.2	613	597
Securities	654,559	685,295
SDR allocation	970,219	944,485
Accrued interest on SDR allocation	4,767	4,304
Accounts of payable charges	279	467
TOTAL LIABILITIES	**1,631,987**	**1,636,657**
BH NET POSITION WITH THE IMF	**1,011,253**	**1,026,851**

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

32. EVENTS AFTER THE REPORTING PERIOD

There were no events in the period between 30 September 2026 and the date of approval of these condensed interim financial statements that would require adjustment or are material but do not require adjustment.