



info



Dear colleagues,

You have certainly noticed that, since the previous edition, the CBBH Info is issued in the electronic form, instead of the printed form and this will be the only way of publishing of the CBBH newsletter. We hope this will not affect the quantity and quality of texts and the information that we bring to you.

There were many important events recently, which needed to be recorded. The Governor of the CBBH participated at the 19th Meeting of Board of Directors and Governors of the European Bank for Reconstruction and Development (EBRD) and at the Business Forum of the EBRD held in Zagreb, and held the presentation within the session of state presentation. With the aim of highlighting the role of educating clients, the CBBH and the World Bank organized the conference entitled «Diagnostic review of the consumer protection and financial literacy in banking services», with the participation of the representatives of the banking agencies, consumer associations, the Institution of Consumer Protection Ombudsman, and the Administration for Inspection Affairs. Another international conference, on the protection and transportation of money in BH, was held in Međugorje, where the meeting of the working group of representatives of the CBBH, the National Bank of Serbia and the National Bank of Montenegro was held too.

The SWIFT Regional Manager, Stephan Kraft visited the CBBH, and from conversation with him, which is published in this edition, you can find out more about the features of SWIFT, its development and functioning, how the current crisis in the world affected SWIFT, and where BH is, in terms of SWIFT messages, compared to the region and the wider area.

We recorded some visits to our institution, like the one by students of the Faculty of Economics from Banja Luka, or by the delegation of bankers from the United Arab Emirates.

Public Relations Section

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S. KRAFT: BH RECORDS AN INCREASE OF SWIFT MESSAGES

Within the regular activities, the SWIFT Senior Account Director for Eastern and Central Europe Stephan Kraft visited the Central Bank of Bosnia and Herzegovina (CBBH) and held a meeting with representatives of commercial banks and the CBBH. This is the regular meeting, organized at least once a year. The aim is to maintain contact with all commercial banks and the CBBH and to share all the news about SWIFT, such as new solutions that exist and which are related to payment or securities, and also to discuss the needs of banks in order to see how SWIFT can support them.



Kraft's professional career began at the IBM, where he had various functions. Before he joined the SWIFT in 2009, he was the Head of the Department for Banking Solutions for Central Europe, the Near East and Africa. Now he is the SWIFT Senior Account Director for Eastern and Central Europe and is responsible, among other for BH as well, and the seat of the Regional Office is in Vienna. In an interview, Kraft explains the function and basic characteristics of SWIFT, its development and way of functioning, advantages of SWIFT, how the current global crisis has influenced SWIFT as well, and talks about the future development.

SWIFT was founded in the 70's of the last century, and its function can be, in simple terms, defined as a kind of the post office for financial industry, meaning the transfer of financial messages. «This is a good comparison; sometimes it is really said it is the post office of the financial system, which means that we take care about delivering of any kind of financial information. Historically, this is primarily related to payments, but in the meantime we began to transmit the information related to securities, shares, share capital, commercial papers, and then all information related to the stock markets, the financial markets, as well as trade finance, letters of credit etc. Therefore, the main reason for existence of SWIFT is not that it applies only to the payment, but the same infrastructure is used for any kind of information that financial institutions share with each other», says Kraft. According to his wor-

ds, SWIFT is growing because, in general, the whole industry is becoming globally oriented, meaning it has an international character. He illustrated that with the explanation that, if international investors wish to join the local market, they want to use the same standards, regardless of whether they are in Bosnian, Romanian or Austrian institution. Therefore, an increasing need for international standardization and harmonization is evident, Kraft says.

Today, there are more than 9300 institutions that are associated with SWIFT. The large majority of that number is financial institutions, however, there are about 600 corporate clients, firms, companies like Microsoft, Siemens and others that are also directly linked to SWIFT network and share financial information with their partners, banks. SWIFT is present in almost all the countries of the world.

SWIFT is not the only system of cross-border payments. «There is always an alternative and that is, essentially, good. However, SWIFT is the only network that is so widespread in the world», Kraft said. Answering the question which the advantages of SWIFT are, he said: «SWIFT is a corporation, we are owned by banks, which means that we are in a very close relationship with our owners, i.e. our users. So, in this way we serve the financial industry in a better way, which means that all the earned profit, we return again to banks, i.e. our users. Secondly, because of the strong financial background, SWIFT is able to guarantee the delivery of messages. So, in this way we take over the financial responsibility for each message sent to SWIFT. It is very important for banks, because it is a kind of insurance, if you want to say it like that. This is a unique advantage that only SWIFT can provide».

As it was said earlier, a precondition for operation of SWIFT is standardization. SWIFT is responsible for defining standards, in cooperation with the International Organization for

Standardization (ISO). However, it is always done in partnership with the community. «For example, if you propose some changes, there is always voting of countries, which means that any country where SWIFT is present, should agree with the proposal. This is another advantage of SWIFT, that there are very strong institutions, therefore we cannot go in the direction that the community would not like», explains the regional SWIFT Manager.

Answering the question whether all the members, since that there are also smaller and weaker countries, have equal rights in this sense and how the interests of smaller members are represented, Kraft says that there is the Board. The size of the Board and participation in it depend on the size of income that each country participates with. Smaller countries are gathered in the European SWIFT Association (ESA), which is intended for small countries like BH, which means that the interests of smaller countries, in comparison with larger countries such as the USA, Germany or France, are also taken into consideration when the strategy is prepared. Another important issue is that when it comes to issuing new standards, which is in November every year, the whole community and each country are asked to agree or disagree with the proposed amendments. «In this way we ensure that the big countries, meaning important institutions, as well as small countries, are taken into consideration», Kraft explains.

Talking about statistics or the number of messages that are transferred via SWIFT, these are millions of messages. Maximum value recorded last year was 18 million messages only in one day. The global crisis influenced the SWIFT system, so 2009 was the first year in the history of SWIFT when the number of messages decreased comparing with the previous year. In the first quarter of 2010, there was again an increase of about 10%. BH is in accordance with the trends in terms of growth, so in the first quarter of this year, BH had the total of about 600,000



sent messages, which is an increase of about 2.6%. This is approximately the same level as it is in the neighbouring countries, says Kraft.

Talking about the differences between the financial markets which BH belongs to, i.e. South-Eastern Europe, and Central and Western Europe, Kraft emphasized that for this region a high percentage of messages related to payment is typical, while in the countries such as Austria, Germany and France, the ratio between the messages related to payments and messages related to securities is approximately 1:1. «In BH and countries like Bosnia and Herzegovina, about 97% of all messages transmitted by SWIFT are still related to payments», says Kraft. The SWIFT Strategy is to reduce the prices by 50% every five years, which it does regardless of the current crisis and problems in the financial markets. «Our Board has decided that until 2015, comparing prices from 2010, the prices will be reduced, most likely by 30%, and maybe even by 50%», Kraft points out. SWIFT is a fully safe system for payment. In

the history of SWIFT, since its establishment in 1973, there was never a lost message.

SWIFT is obviously changing; it is the post office of the financial industry, but it wants to expand and to enter some new areas. «We have worked a lot in various areas, and with central banks, central depositories, in various parts of the world in order to see how we can build the appropriate main system, how to open ourselves so that the market can become as transparent as possible, how to place the country as a whole in relation to international competition. We want to offer this knowledge and this experience to other countries through consulting services, which means that we are working on research market studies, which may be connected with payments, and securities», concluded Kraft.

By Zijada Kovač,
Public Relations Section Coordinator

THE FIRST INTERNATIONAL CONFERENCE «TRANSPORT AND PROTECTION OF MONEY IN BH»

In order to improve the situation in the area of money transport protection, it is necessary to establish a system of coordinated action of all participants in the process of transport of money and its protection. By the establishment of such a coordinated system and with more precise definition of the Regulation on the Measures for Protection of Financial Institutions, the risk and costs would be reduced, the interbank money market would be used in a better manner and preventive security measures would be improved. These are the conclusions of the First International Conference on Protection and Transport of Money, which was organized by the Agency Studio Switch and BH Banks Association (UBBH) on April, 8 and 9, 2010 in Međugorje. The Conference was attended by the representatives of the Central Bank of Bosnia and Herzegovina (CBBH), security agencies and other security structures in our country, insurance companies, companies for the production of banknotes and equipment for transport, cash management experts from the country and abroad, and representatives of the academic community, commercial banks, micro-credit sector, post offices and major shopping centres.

The Conference was an opportunity to observe all aspects of protection of cash in transport, with a special emphasis on the necessity of coordinated actions of all participants in this process in order to protect the lives of people who are directly affected in a case of robbery and theft, as well as attacks on money transports.

The CBBH Governor Kemal Kozarić, Ph.D. said that about 90% of payment transactions in BH are still performed by cash payment. The reasons for such a strong dominance of cash payments in relation to other forms of payment

are the acquired habits and standard of living, undeveloped non-cash payments channels, and lack of trust of citizens in such channels of payment. An interesting fact presented by Governor Kozarić shows that, despite the economic crisis in 2009, the decrease of the number of robberies was recorded, which represents a kind of a paradox since in economic crisis, it is natural to expect the increase of crime in all its forms, and he added that the new crime trends are forced entries in post offices and banks. The improvement of safety measures, improved cooperation and joint actions of security authorities in breaking up criminal groups, the introduction of measures of crypto-protection of data related to the transports of valuables, and the establishment of the interbank gyro and cash market were mentioned as possible reasons for the decrease of the number of robberies.





Statistics show that during the first six months of the last year, KM 321,000 was stolen, out of which, in only one robbery, the amount of KM 319,000 was stolen and that the majority of robberies occur on Saturdays and Mondays. Methods of stealing money are becoming more sophisticated, the number of attacks on ATMs, and counterfeiting of banking cards increased, stressed Governor Kozarić.

The Manager of the AWG Group Mr. Mirsad Ćatić talked about the responsibility of security agencies in money transport and pointed out that there was no association of security agencies at the level of the BH Federation, or at the state level, that the mutual cooperation is inadequate and that, talking about the scope of procedures that the participants in money transport must comply with, the security agencies have the largest responsibility. According to his words, a smaller share of responsibility is that of customers and in the entire chain, insurers have the smallest share of responsibility, and therefore they are exempt from the procedures. The same relationship exists with regard to the scope of consequences in case of an attack on the transport and stealing of

money. Ćatić warned that security agencies cannot contribute by themselves to the improvement of the situation, but they need help of the insurers, banks and authorized institutions, which would result in reduction of risks for all participants in this process.

The Chairman of the BH Banks Association Mr. Radovan Bajić spoke about the role of money in the payment system of BH, and, referring to the appearance, development and the role of money and banks throughout history, he especially emphasized the payment system function.

The conference participants assessed that it is necessary to work continuously on the improving of preventive measures in the security area, by using new technologies in communication among participants (encrypted messages), by using intelligent systems of physical, technical and chemical protection, and GPS surveillance system.

By Moamer Halvadžija, Coordinator of Coins and Banknotes Analyses Section

THE CLIENTS EDUCATION IS A KEY ISSUE AND THERE IS NO ALTERNATIVE FOR IT

The round table on consumers protection and their financial literacy, organized by the Central Bank of Bosnia and Herzegovina (CBBH) and the World Bank Office in Bosnia and Herzegovina, was held in Sarajevo on June 16, 2010. At the meeting, the draft report «Diagnostic review of the consumer protection and financial literacy in banking services» was presented. The diagnostic review, as stated during the round table, was prepared at the initiative of BH government. The team of experts worked on this review, in coordination with the World Bank, and under the auspices of the Ministry of Finance and Treasury of BH. Also, during the creation of the review, they consulted persons from government, and private and NGO sectors. The draft report was presented to the audience by the Governor of the CBBH, Kemal Kozarić, Ph.D. and by the Head of the World Bank Office in the BH, Marco Mantovanelli.

In his opening speech, Governor Kozarić commented on the responsibility for some problems that have occurred during the crisis. He stressed that the clients must become again the center of attention of commercial banks, but not just commercial banks. All the others also need to contribute to the protection of clients, especially the Institution of Consumer Protection Ombudsman, the media, the Banking Agencies, as well as the CBBH. Governor Kozarić stressed the education as the main task, because it is a key issue in the protection of clients and their rights. It is necessary to increase the education level,

because only a well-educated client is a sufficiently protected client.

«During the crisis, the clients were somehow left alone, as they did not have sufficient level of education to recognize all potential risks arising from contracts with commercial banks. And because of that they were often in situations that they did not understand their liabilities, and commercial banks are not social institutions so these liabilities have to be settled, of course. We want to define the roles of all participants in that protection process, in order to prevent the repeating of problems we had in the past», said Kozarić.

He also stressed that almost all institutions failed to fulfill obligations within their authorities. The poor response of some (the Banking Agencies), led to interference of other (the inspection authorities), which have neither the capacity nor the sufficient expert skills to solve problems in this area. Furthermore, Governor Kozarić presented one of the proposals from the draft report, and that is the introduction of the Institution of Banking Ombudsman. He also said that more bank transparency is needed, as well as more competence in state institutions too, so he thinks that the code of business conduct for commercial banks should be established, and the Banking Association of BH should work on the development of such code. The Governor stressed that the CBBH, when it comes to consumers protection, is currently engaged in the Credit Registry improving, which should provide data in real time.



He drew attention to the NPL rate growth too, which is currently 7.1%. According to his words that is still better than in the neighbouring countries, but the concerning fact is that the rate of such loans increased by about 2 % in the first quarter of this year.





In his speech, the Head of the World Bank Office in BH, Marco Mantovanelli, emphasized five areas from the report, which may be significant for consumers protection. It is related to the strengthening of law and institutions, improving of consumer awareness, implementation of mechanisms to solve disputes, improving of banking practice and expanding of the programs of financial education. The clients protection has become one of the most important issues, as well as a global issue, because, during the economic crisis many disadvantages have become evident in this area, with regard to banking. This is a key issue for further development of the economy and for increasing of the consumers standard. He said that, without understanding of all items of the contract, nobody should take a loan. He stressed some of the possibilities for improving of consumer protection, as the establishment of departments for consumer complaints in banks, the introduction of a «hesitation period» in which customers could have a few days to consider the proposed loan

contract, and the introduction of financial education even in primary schools if possible.

During the round table, other participants also spoke: the representatives of consumer associations, state and entity Ministries of Finance, Banking Agencies, Inspection Administration Offices and the Institution of Consumer Protection Ombudsman. The organization of the round table, and the presentation of the draft report, proved to be very useful. There was a lot of disagreement on certain issues, but the discussion was triggered about the responsibility for events in the past, and also about the road that should be followed towards increasing consumer protection and the final arrangement of this area.

In their presentations, the representatives of the commercial banks remained at the position that they did not cause any problems, or violate any laws, and they expressed a wish for further participation in all actions aimed at arranging this area. They explained this with the fact that no bank should work against its client, because in that case it works against itself. On the other hand, the representatives of the Inspection Administration Offices and consumer associations still remained at their positions that the banks violated several legal provisions. They justified their involvement in such cases with slow reaction of the Banking Agencies, and with numerous cases that ended at court, and some of them already have the first instance court decisions. In their presentations, the representatives of the Banking Agencies expressed the opinion that the Banking Agencies work is good, timely and all of the issued regulations are harmonized with the European legislation.

By Igor Soldo, Public Relations Senior Specialist – web master

GOVERNOR AT MEETING OF THE EBRD BOARD OF DIRECTORS AND GOVERNORS

The Governor of the Central Bank of Bosnia and Herzegovina (CBBH) Kemal Kozarić, Ph.D., as a member of BH delegation, participated at the 19th Meeting of the Board of Directors and Governors of the European Bank for Reconstruction and Development (EBRD) and at the Business Forum of the EBRD held in Zagreb, Croatia, on 14 and 15 May, 2010.

On the second day of the conference, Governor Kozarić, together with the BH Resident Governor at the EBRD, BH Minister of Foreign Affairs Sven Alkalaj, had a presentation on macroeconomic data for BH within the session of the country presentations, with the working title «Future Challenges for BH, After the Crisis».

The session, which gathered a respectable number of interested investors, media representatives and economic experts from the EBRD, was opened by Minister Alkalaj, and he thanked the EBRD for its continued presence in BH and for the projects that have contributed to easier overcoming of the consequences of the economic crisis, particularly putting in focus the planned investments in infrastructural projects for year 2010, amounting between EUR 150 and 200 million. On this occasion, the Minister informed those present in the meeting about the continuation of successful reforms in BH, that positively affect the investment climate, placing the special emphasize on obtaining an action plan for joining the NATO (MAP), fulfilling the obligations necessary for the liberalization of visa regime, and membership in the UN Security Council.

Governor Kozarić started the presentation of macroeconomic data for BH with comment that the global economic crisis caused a decline in all major economic indicators in BH, the most notable is decline in GDP in 2009, as opposed to the previous years when BH recorded a steady growth. On the other hand, the level of foreign exchange reserves remained stable throughout last year, as in the first quarter of this year. The inflation rate recorded in March this year amounted to 1.9%. «The monetary and price stability are preserved thanks to the fact that the EU countries are our major foreign trade partners», stressed the Governor.

The negative effects of the crisis were also felt in the domain of labour market, so the unemployment rate was 24.1% at the end of 2009, and that is the increase of unemployment by 0.7% compared to the end of 2008. Foreign direct investments are lower by half, remittances of BH citizens living abroad have fallen by 17%, the index of industrial production declined by 3.3%, while the budget deficit amounted to 4.7%, that is why BH entered into a new stand-by arrangement with the International Monetary Fund.

But, the foreign trade statistics brings some optimism. For the first quarter of 2010 it shows an increase in coverage of import by export to a high level of 56%, because the export increased during the first quarter of this year by 26.1%, while the import grew only by 1%. «All this tells us, that, unfortunately, we will have real growth in year 2011, when we should reach a 3% GDP growth, while in 2010 we expect growth to be only 0.5%», stressed Kozarić.

In his presentation, the Governor also talked about the problems of the banking system in crisis. Although there was no bank in BH that collapsed, the banks still faced certain problems related to profitability decline by even 90%, and the increase of share of non-performing loans to 7.1%, and as a result, nine banks ended 2009 in losses, for the first time in the last ten years. «According to the Vienna Initiative guidelines, we performed stress tests to determine the health of nine largest banks in BH. We found that the level of capitalization is sufficient, and some banks would require additional capital only in the case of extreme scenario, which is unlikely. On the other hand, these tests have shown how much efforts still need to be invested in the process of developing of better quality data. However, the positive thing is that this crisis has shown to everyone the importance of cross-border cooperation, which will surely be even larger in the future», said Governor Kozarić. He added that the CBBH helped in maintaining liquidity in the banking sector by reducing the level of reserve requirements for three times.

The Governor also mentioned the active role of the CBBH in ensuring financial stability in BH, and thanked to the EBRD for the engagement in BH so far, particularly for the projects successfully implemented in the financial sector. The Governor ended his presentation with the comment that «the crisis is an opportunity as well», and he invited the potential investors to consider the options that are available, especially in the fields of energy production, infrastructure building, food production and tourism.

The successful presentation performed by BH delegation was ended with the presentation of representative of the Foreign Investment Promotion Agency, who informed those interested, about the investment opportunities, and also about the amendments to legislation which should enable faster registration of new businesses, and the establishment of the fund for support to foreign investors.

In addition to participation in the presentation, the Governor attended a number of bilateral meetings, and among them the meeting of the BH delegation with the President of the EBRD, Thomas Mirrow, should be mentioned. During that meeting, the special focus was placed on future projects in energy sector, particularly in the field of renewable energy. The BH delegation met also with the representatives of the European Investment Bank (EIB), who reported that the value of projects in BH by the end of 2010 should be between EUR 150 and 200 million. The focus of interest of the EIB is the investment in rail infrastructure projects, wind power stations in the vicinity of Mostar, water supply and sewerage in RS, investment in projects of small and middle enterprises, and the Development Bank of FBH, similar as the last year project for the Development Bank of the RS. The possibilities of further financing the Corridor Vc, as well as highway Banja Luka-Gradiška were also discussed. The representatives of the EIB pointed out that over the coming months they are expecting the approval of funding projects for construction of new hospital in Bijeljina and for renewal of the Clinical Center in Banja Luka.

In addition to these meetings, the Governor also met the representatives of the Commerzbank and the UBS, and the focus of these meetings was the state of the financial sector and portfolio management.

Beside Kozarić and Alkalaj, the members of the BH delegation at the 19th Meeting of Board of Directors and Governors of the European Bank for Reconstruction and Development (EBRD) and at the Business Forum of the EBRD, were BH Minister of Finance and Treasury, Dragan Vrankić, Ph.D., FBH Minister of Finance, Vjekoslav Bevanda, RS Minister of Finance, Aleksandar Džombić, and the other representatives of the BH Ministry of Foreign Affairs and the CBBH.

By Almir Salihović,
M.Sc., Special Assistant to the Governor

E-LEADERSHIP PROGRAMME PARTICIPANTS VISITED THE CBBH

The e-Leadership Programme Conference for the Western Balkans was held on June 28 and 29, 2010 in Sarajevo. This conference was organized by the Secretariat of the Regional Cooperation Council (RCC) and the e-leadership for the Western Balkans, the UN Development Programme (UNDP), supported by the Italian Government. The aim of the conference was to help e-leaders in the implementation of reforms and the system of e-government (electronic government). Educational sessions at this conference were designed to strengthen the capacity of e-leaders from Southeast Europe. The importance of information and communication technology (ICT), and basic techniques of change management for proper use of ICT were the conference topics.

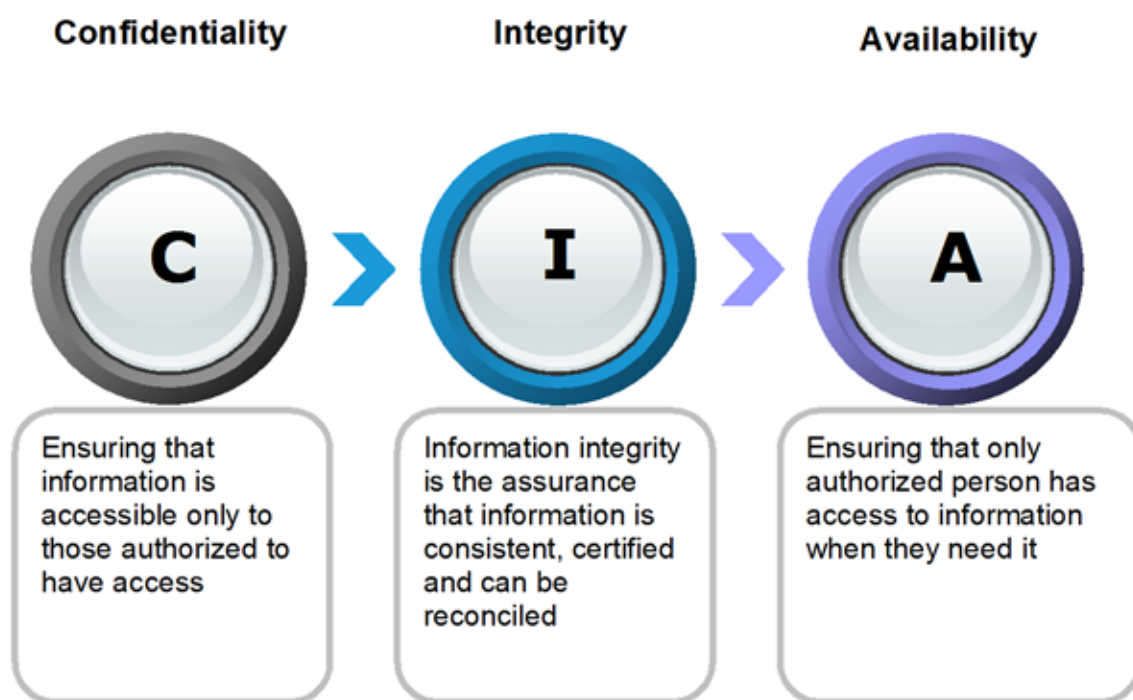
One of the sessions of this conference was dedicated to implementing and maintaining of the Information Security Management System (ISMS) of the Central Bank of Bosnia and Herzegovina (CBBH). This conference session was held at the premises of the CBBH on the first day of the conference. Representatives of the UNDP have chosen this specific topic since the CBBH is the first institution in Bosnia and Herzegovina and it is the only Central Bank in the region that has successfully completed the certification process for the ISO 27001:2005 standard. Over 30 participants attended this session from seven countries of Southeast Europe.

As the confirmation of the proper system ope-

rations after the audit certification process run in the CBBH by TUV auditors in June 2010, the CBBH was given permission to continue in using the certificate for this standard, since the recommendations of TUV auditors from previous audit were implemented and audit requirements were met. The ISMS system provides information security management with annual risk assessment and efficiency measurement of implemented controls. At the session held in the CBBH there were presented common reasons for ISMS implementation, methods of implementation of the system and individual controls, the key principles for implementation, the framework plan for business continuity operations and, specific business cases. This session introduced approaches for successful implementation of controls with the goal of preserving security (confidentiality, integrity, availability) of information and information assets.

It is important to emphasize that this is not the first visit to the CBBH, aimed at gathering knowledge on the ISMS implementation in the CBBH, since the representatives of the National Bank of Serbia (NBS) from Belgrade, visited CBBH on January 19 and 20, this year. The aim of the visit of NBS representatives was to acquire the necessary skills to implement ISMS in the NBS.

Information can be communicated, recorded, or transferred, using modern means of communication. Information security for all



organizations is very important which is confirmed in every day media reports which reveal information on security incident events in organizations that did not manage security of

information and information assets properly.

By Kemal Hajdarević Ph.D.,
Information Security Manager

«GOLDEN BAM» TO THE MOST SUCCESSFUL BANKS IN 2009

Financial and business magazine «Banks in BH» this year, as well, for the eighth time, awarded the prestigious prizes «Golden BAM» to the most successful banks in Bosnia and Herzegovina. The awarding ceremony was organized on June 16, 2010 in Sarajevo.

«Golden BAM» was awarded to UniCredit Bank Mostar, Raiffeisen Bank BiH, Bobar Bank Bijeljina, BOR Bank Sarajevo and Komercijalno-investiciona bank Velika Kladuša.





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«Golden BAM» was awarded to UniCredit Bank Mostar, Raiffeisen Bank BiH, Bobar Bank Bijeljina, BOR Bank Sarajevo and Komercijalno-investiciona bank Velika Kladuša. UniCredit Bank Mostar won two rewards «Golden BAM», for the overall capital and return on equity (ROE), which is the biggest ROE in BH in the amount of 24.64%, while

the overall capital of this bank in 2009 amounted to KM 368.8 million. The Governor of the Central Bank of Bosnia and Herzegovina (CBBH) Kemal Kozarić, Ph.D. awarded both prizes to this bank. Raiffeisen Bank BH also won two rewards «Golden BAM», for the highest assets in 2009 in the amount of KM 4.21 billion, and for the highest equity in 2009, in the amount of KM 237.38 million. Bobar Bank Bijeljina won «Golden BAM» for the highest assets among banks with mainly domestic capital, in the amount of KM 194.7 million, while BOR Bank Sarajevo won «Golden BAM» for the highest rate of deposit growth in 2009. The CBBH Vice Governor Radomir Božić, Ph.D. awarded a prize to Komercijalno-investiciona bank Velika Kladuša that won «Golden BAM» for the highest return on assets (ROA) of 1.98% in 2009.

The Editor in Chief of Magazine «Banks in BH» Mirsad Pehilj congratulated to the winners and emphasized that «Golden BAM» is a kind of an incentive for the banks to help clients and businessmen to overcome the consequences of the crises in the easiest possible way.

By Danijela Golijanin,
Public Relations Senior Clerk



GOVERNOR KOZARIĆ TALKED WITH THE BANKERS DELEGATION FROM THE UAE



On June 1, 2010, the Governor of the Central Bank of Bosnia and Herzegovina (CBBH) Kemal Kozarić, Ph.D., talked with the delegation of Persian Bank from Dubai, led by the bank owner A. Ranjbar, Ph.D.

Governor Kozarić informed the bank delegation on the activities, scope of work, history, and the basic tasks of the CBBH. Primarily, he informed them on the Currency Board Arrangement, and the fact that the interest rates are freely formed, on the basis of the principle of supply and demand. During the discussion the Governor informed his guests that one bank from Dubai already operates in BH, and that the Memorandum of Understanding was signed with the Central Bank of the United Arab Emirates. He welcomed the intention of investing in BH, and expressed his opinion that the citizens will have the same attitude.

The delegation presented the basic informati-

on about this commercial bank, which operates on the basis of the principles of the western banking. The Branch in Dubai was founded four years ago, they are mostly engaged in trade finance and consulting, and have around USD 2 billion available for that purpose. They also indicated that they represent the investors who are interested in investing in BH.

At the end, the guests from Dubai expressed their interest for opening a branch in BH, and as the next step, they will send the Letter of Intent to the FBH Banking Agency. Their priority is engagement in trade finance operations, and later in other aspects of banking business. They believe that they have no competition in this market. They also think that the market has already been formed, which is a favourable circumstance.

By Igor Soldo, Public Relations Senior Specialist – web master

THE STUDENTS OF THE FACULTY OF ECONOMICS FROM BANJA LUKA VISITED THE CBBH



The students of the Faculty of Economics from Banja Luka visited the Central Bank of Bosnia and Herzegovina (CBBH) on May 10, 2010, and the Governor of the CBBH, Kemal Kozarić, Ph.D., gave them a lecture about the role and activities of the CBBH. Along with the monetary policy conducted by the CBBH, the Governor referred to the credibility and the responsibility of the CBBH, the risks management, the money and the quality of money in circulation, and to the CBBH attitude towards

the release of information.

Visits of the students from all parts of BH and informing them about the CBBH activities, have become the practice, and the intention of the CBBH is to educate young people and to introduce them with the world of finance and central banking.

By Zijada Kovač,
Public Relations Section Coordinator

