



## CONTRACT SIGNED WITH SIEMENS

# New equipment for the main vault

On February 8 2002, the Governor of the Central Bank of Bosnia and Herzegovina, **Peter Nicholl**, signed the contract with the reputable German company, Siemens, on the delivery and installation of equipment for the main vault of the Central Bank. The Director of Siemens for BH, **Ranko Atias**, signed the contract in the name of the contractor during the ceremony, which was attended by CBBH officials and representatives of the Austrian Chamber of Commerce. Thirteen companies from 9 European countries bid for tender, according to which the contract was signed. The obligations from the contract will be carried out on a "turn-key" basis. *Continued on page 2.*



## ADDITIONAL PRINTING OF KM BANKNOTES

# INCREASED DEMAND FOR KM



On February 13 of this year, the Governor of the Central Bank of Bosnia and Herzegovina, **Peter Nicholl**, signed an agreement on the additional printing of the 50 KM and 100 KM banknotes that should arrive in BH by the end of March. This is the first additional printing of KM banknotes, since the release of KM into circulation. Three million banknotes will be printed for each denomination. Printing was entrusted to the French printing company "Francois-Charles Oberthur", which is the same company that printed the first KM banknotes.

*Continued on page 2.*

## "ECONOMIST" ROUND TABLE

# CURRENCY BOARD HAS NO ALTERNATIVE

Governor of the Central Bank of Bosnia and Herzegovina **Peter Nicholl** gave the presentation on monetary policy and the banking sector in BH at the round table called "Towards stability: economic progress and business opportunities" that was organized by the "Economist" magazine in Sarajevo on February 21 and 22.



*Continued on page 2.*

# Currency Board has no alternative

Governor of the Central Bank of Bosnia and Herzegovina **Peter Nicholl** gave the presentation on monetary policy and the banking sector in BH at the round table that was organized by the "Economist" magazine in Sarajevo on February 21 and 22. Representatives of the BH institutions, numerous local and foreign economists, representatives of foreign investors and domestic companies attended this conference.

Governor underlined that he believes that usage of the Currency Board arrangement must continue in Bosnia and Herzegovina. "Stability in a country's exchange rate and inflation rate are extremely important economic and social benefits. They allow people to plan their economic decisions ahead with more confidence. That is particularly important for investment", Governor Nicholl said.

Stability of the local currency and the inflation are also important for the banking sector, which wouldn't be able to make any significant progress without it. It is also important for the socially handicapped classes that would suffer even more from the adverse affects of the devaluation or the inflation. Studies show that there is a widespread public support for the Currency Board. Surveys also suggest that the citizens of BH have a low level of trust in their institutions. The survey also says that CBBH, operating as a Currency Board, is an exception and has a high level of trust from the citizens ("Early Warning System"; UNDP publication - obj.a.).

The second main reason why the Currency Board should be retained is that there is no sensible alternative given the present state of the BH economy and its institutions. "It would be risky to change it", said Governor Nicholl to the conference attendees. He stressed that there are some people advocating change, but none of them have made their alternative clear. "I do not see how a discretionary form of monetary policy would work in BH. The politicians are unlikely to be prepared to give the discretionary powers to an official. But given that there is still a lack of trust among political groups, I do not see how politicians would be able to make these decisions. Any alternative types of monetary policy are much more likely to generate inflation rather than economic growth or to lead to little action but a lot of confusion and uncertainty. The one thing that financial markets hate the most is uncertainty. The currency board gives them and the people certainty", Nicholl said.

Governor Nicholl thinks that the Currency Board should be retained, since the long-term goal of BH policy is to take the economy closer to Europe. The KM is already tied to the euro. It would therefore seem sensible to maintain this link. "The exit strategy for BH from the Currency Board should therefore be the eventual adoption of the euro", said Governor Peter Nicholl at the conference in the organization of the British "Economist".

## Increased demand for KM purchase

*Continuation from page 1*

The need for additional printing of KM banknotes has occurred because of the increased demands for the usage of KM. From September 2001 until mid-February, the Central Bank of BH received DEM 2.8 billion from commercial banks in Bosnia and Herzegovina. One part of that money has been converted into KM and deposited in BH banks, which led to the significant growth in the country's official foreign reserves, but it also led to the increase in volume of KM in circulation. "In the last three months of 2001, KM in circulation rose by 920 million KM or 104%. That means we issued more KM in the last three months of 2001 than we had in the previous three years", said Governor Nicholl during the contract signing ceremony.

Governor Nicholl emphasized that the strong increase in the number of KM banknotes in circulation in the last three months will not have an inflationary effect, since the KM was used as a substitute for DEM that was in circulation until now. Also, none of the KM banknotes will be released into circulation without the strict respect for the currency board arrangement, which means that every issued KM banknote will have full backing in convertible foreign currency at the fixed exchange rate of 1KM = 0,51129 euro. "These KM banknotes, that we are supposed to acquire, will only be issued in exchange for convertible foreign currency", said Governor Nicholl.

## New equipment for the main vault

*Continuation from page 1*



During the contract signing ceremony it was stressed that the improvement of the vault operations and its safety to the highest world level is a strategic issue of the CBBH work. "The largest risk that the Central Bank could face is a breach of the Currency Board arrangement. That would ruin our reputation. The other great risk is the danger of losing the money from our vaults. People would find it hard to trust an institution that is not capable of protecting its own money", said Peter Nicholl during the contract signing ceremony.

The officials of the Central Bank of Bosnia and Herzegovina pointed out that local companies would carry out the large part of this major project. To be more specific, Siemens is going into this venture as the leader of a consortium that is made from two other companies, both from Bosnia and Herzegovina: EGV Sarajevo and GP Butmir from Sarajevo. According to the contract, the shipper has a 30-day deadline to provide project documentation, while the deadline for the delivery of the equipment is 120 days after the signing of the contract.

## Increase the number of transactions

During its session that was held in Mostar on February 19, the Payment Council of BH made the decision that work to establish the central register of the accounts of legal persons in BH needs to be accelerated. In other words, every legal person has the right to open up an account in each of the commercial banks that participate in the payment system. Establishment of the central register would allow the insight of balance and number of accounts of each



legal person that performs payment transactions within the country. This would prevent misuses. In other words, it would make possible to see whether the banks' clients fulfill their assumed commitments.

The officials of the Finance Ministry of the BH Federation informed attendees that the central register has been established in the Tax Administration of the BH Federation, and they added that the Finance Ministry of the Republika Srpska informed them that similar activities are being carried out in that entity as well. Therefore, the Payment Council decided that the next step should be the establishment of a unique registry on the state level. This registry is necessary, considering that an increasing number of banks and companies conduct their business in both entities. The Governor of the Central Bank of BH, **Peter Nicholl**, stressed that CBBH will participate in activities regarding the establishment of the unique state registry only if entities, in other words entity governments want that. The Working Group for the legal issues of the Payment Council will analyze everything that has been done so far and give their recommendation for further activities on the establishment of the account registry at the state level.

Governor Nicholl stressed that the current level of commissions that CBBH charges to commercial banks for the transactions in giro and RTGS systems cannot cover the expenses that CBBH has for the maintenance of these systems. The price of the transaction in giro clearing is 0,05 KM, while the price in RTGS system is 1,20 KM per transaction. These are the lowest prices in Europe. However, the Governing Board of the CBBH decided not to

increase commissions; instead it will rather try to use certain methods in order to increase the number of transactions. Governor Nicholl said that intensifying card business would increase the number of payment transactions. Transaction settlements at the BH stock exchanges, when they start with their operations, can be also carried out through the CBBH system. CBBH also suggested the issuing of the short-term securities, which would also enable the enlargement of the number of transactions.

The Governing Board also pledged its support for the decision that will identify the elements for the authenticity of the electronic signature, as well as the other decisions on minimal requirements that a certification body that issues certificates for the electronic signature needs to fulfill. Considering that e-banking already exists in Bosnia and Herzegovina, and considering that there is no regulation law covering it, the existing condition needs to be valorized. These decisions would be applied only in the domain of the internal payment transactions, and the competent institutions should regulate the entire domain of the e-business with the law regulations. The Governing Board of the CBBH will discuss proposals on these decisions.

## Trust in KM

*Governor of the Central Bank of BH, Peter Nicholl reminded the BH citizens that February 15 was the final deadline for the exchange of DEM and other currencies of the euro zone under the same exchange conditions that were used in the last few months at the press conference that was held shortly before the end of deadline.*

*Governor Nicholl used that opportunity to point out that the euro changeover has gone very smoothly.*

*"Although DEM was widely-used and trusted as the anchor currency for our Currency Board, BH citizens have converted their DEM quickly and calmly showing that they have confidence in the KM and the euro", said Nicholl.*

*Bearing in mind that the DEM and the other national currencies of the euro zone cease to be legal tenders in the countries of their origin on March 1, their exchange in BH will be slower and more expensive. The Governor stressed that from September 2001 until February 12, CBBH has received 2,8 billion DEM.. In the last three months the amount of KM in circulation rose by 920 million KM, or 104%, which shows that significant amount of the DEM has been exchanged into local currency.*

*He also stressed that citizens' bank deposits coincidentally also grew by 104%. Over the last two months, CBBH has brought 315 million euro, and the largest portion of that money was distributed to the commercial banks in BH. On December 31, 2001, foreign reserves were 2,66 billion KM, a growth of 127% since the end of September 2001. This year, once the euro banknotes became available, there was a small reduction, but by February 11 the reserves were still 2,58 billion KM, still 120% above the level of September 2001.*

*Although the KM money supply has doubled in the last three months of the last year, Nicholl stressed that there will be no increase of inflation. "KM has substituted for the money that was already in BH - in DEM. So, the actual money supply has not really changed", said Governor at the end of his speech.*





Marko Škreb, CBBH advisor, Professor at the Faculty of Economics of the University of Zagreb and former Governor of the National Bank of Croatia

## Is Currency Board an obstacle to a faster growth?

There is a widespread opinion in Bosnia and Herzegovina that the Currency Board was a "good thing" at the beginning, since it brought stability, but as time goes on it is becoming the obstacle to faster economic growth. This opinion comes with the additional thesis that independent monetary policy, in other words, policy by which the Central bank can give loans to the state and commercial banks ex nihilo, could stipulate development, increase the GDP growth rate, and with that it would solve series of many objectively very hard problems in Bosnia and Herzegovina, primarily high unemployment and low living standard. It would be a great thing if the real problems could be solved with the money printing! What needs to be said right at the beginning is that those opinions don't have backing in theory or in practice. There is no proof that Currency Board hampers development, or that money printing stipulates development. Of course, this relates to the sustainable and real growth over the medium term, not to the growth of nominal values, which is something that happens in inflation (salaries get higher each month, but the actual purchasing power is decreasing). Let's look at those two theses more detailed.

The **first** question is whether the Currency Board hampers economic growth. There is a large number of Currency Board arrangements in the world, while in Europe (which is closer for comparison), besides Bosnia and Herzegovina, there are three of them: Bulgaria, Estonia and Lithuania. It is

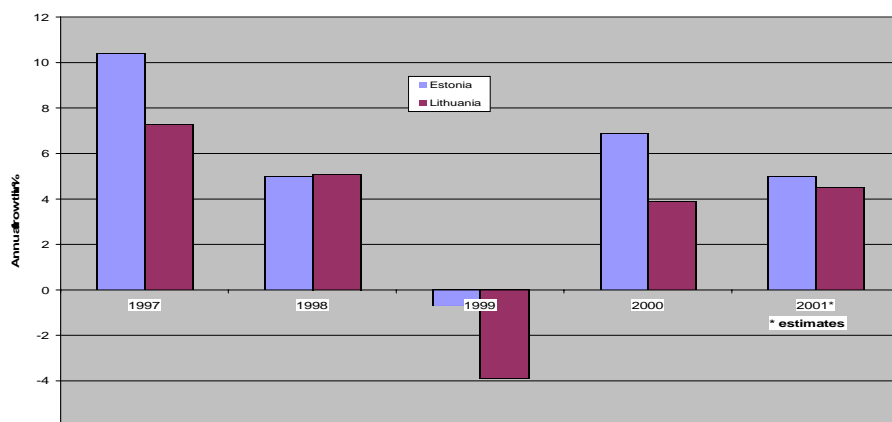
useful to look at the experiences of the Estonia and Lithuania, since they have Currency Board in place for the longer time (Estonia from 1992, Lithuania from 1994). It is obvious that both countries have high economic growth in the five-year period, with the exception of 1999, which is the consequence of the so-called "contagion" of the Russian crisis in August 1998. Since this year presents the classic example of the "external shock", it can be ignored in this analysis. Without that year, the average GDP growth rate would be 6,8% for Estonia and 5,2% for Lithuania, which is very high.

Further on, a recently published paper clearly shows that countries with Currency Board not only have lower inflation rate compared to the countries without that arrangement (which is expected), but they also have the higher growth rate compared to those countries (Gulde et al, 2000). With all due reservations that are pointed by the authors, the unambiguous conclusion of this work is that Currency Board does not hamper the development.

The **second** question is: would "money printing" stimulate the faster development in Bosnia and Herzegovina than it would be with Currency Board? Without giving any speculative answers, we need to mention three things. First, if money printing is the "success recipe" which will provide the higher standard to everyone, than why is it not applied in other countries? Let's imagine how it would be nice to use "printing" to provide: new jobs, higher consumption, more roads, hospitals,

faster rebuilding of the country, etc. Why bother then with restructuring, new technologies, investments, foreign markets if all of that could be so simple? Second if the money printing and constant devaluations (depreciations) are true success recipes, than wouldn't the former country, SFRY, be among the most developed countries in the world? Is it so easy to forget the 80's era, hyperinflation, daily runs for the "old prices", shortages of goods, "intrusions into monetary system", drastic decrease in life standard, especially among the poorest people? There is an old saying that says, "Those who forget the past will have to live through it again". **Third**, the consequence of the "printing of the money without backing" is always inflation, which is hard to control on some "desirable" level. There are no existing scientific works that are recorded in economic literature that display the high inflation rate as a good thing for the economic development. However, there are many works that stress that relatively low inflation in the medium term stipulates sustainable economic growth in transition countries (Fischer, 2000, Wyplosz, 2000). In conclusion, monetary policy and the price stability (not zero inflation) with structural reforms, careful fiscal policy and with the stable institutional framework that will stipulate the economy are necessary prerequisites of the long-term prosperity of each country. Creation of the (monetary) illusions needs to be left to those who are doing it professionally: magicians and speculators, not to the central bankers.

GDP growth in Estonia and Lithuania



Data source: [www.imf.org](http://www.imf.org) PIN Lithuania - 02/4 PIN Estonia - 01/62

### Literature:

Gulde, Anne-Marie, Juha Kahkonen, Juha and Keller, Peter (2000): *Pros and Cons of Currency Board Arrangements in the Lead-up to EU Accession and Participation in the Euro Zone*. IMF PDP/00/1.

Fischer, Stanley and Sahay, Ratna (2000): *The Transition Economies After Ten Years*. IMF Working Paper, February.

Wyplosz, Charles (2000): "Ten Years of Transformation: Macroeconomic Lessons". *The World Bank Policy Research Working Paper 2288*. February.

## DEM receive continues

In order to assist the commercial banks Central Bank of Bosnia and Herzegovina will continue to purchase DEM cash from them from March 1 2002 until May 31 2002. CBBH has made an arrangement with Deutsche Bundesbank (German Central Bank) on continued receive and transport of DEM banknotes for the next three months. CBBH will charge the banks 0,5 percent for the services of receive and transport of DEM banknotes to their country of origin. Governor of the Central Bank of Bosnia and Herzegovina **Peter Nicholl** believes that the commercial banks could continue to exchange DEM cash under the same conditions as they have done so far, which means that the provision of the commercial banks should not be higher than one percent.

Central Bank of Bosnia and Herzegovina emphasizes that in the period from March 1 until May 31 it will continue to **accept only DEM banknotes** from the commercial banks, but not the other national currencies of countries of the European Monetary Union.

Central Bank of BH will continue to provide sufficient amounts of euro banknotes to meet the needs of the commercial banks in BH. However, in the last week of February the orders for euro banknotes from the commercial banks have been lower than they were in the previous period. Today on February 25, for the first time one commercial bank sold euro for KM in Central Bank of Bosnia and Herzegovina. We believe that there will be more such transactions in next period of time.

## NEWS FROM THE MAIN UNITS AND BRANCHES

### MB RS BANJA LUKA

On February 21, the KM net sale in the RS was KM 1,15 billion, which is 17% higher compared to the balance from the last year. On February 7, the Republic Institute for Statistics organized the discussion in Banja Luka on the Draft of the program for the statistic research for 2002 and publishing of the data gathered through the program of the statistical research. Director of the MB RS CBBH Mirjana Jaćimović and Statistics Economist in the Banking Section Biljana Ninković attended this meeting.

### Main Unit Mostar

The large volume of the DEM deposits and the sale for the domestic currency was recorded in the period until February 15. The appearance of the larger number of the DEM and the KM counterfeits in deposits of commercial banks was recorded during the February, as well as the lack of the quality denomination structure of the KM banknotes. Working Group for the legal issues, presided by Director of the Main Unit Mostar Anka Musa, held its meeting on Jahorina on February 12 and 13. On this meeting, the Working Group has prepared drafts for two decisions: Decision on minimal requirements that a certification body that issues certificates for the electronic signature needs to fulfill and the Decision on the regulation of the rules for the identification of the elements for the authenticity of the electronic signature.



### Main Unit Sarajevo

Collecting of the large volumes of DEM banknotes and sale of the KM continued in February. At the same time, banks are withdrawing large volumes of the KM cash from their reserve accounts.

New accounting-banking software should start working by the end of this month, and for the certain period it will work alongside the old software. Newer and stronger UPS has been installed for the protection of the giro clearing centre as well as the other organizational parts from the work interruption during the electric power outage.

### Pale Branch

The number of the sales transactions of the KM for the DEM as well as the sale of the euro to the commercial banks from this area has increased significantly in February this year. Daily average in number of transactions is 73% higher this year compared to the December last year. Trend of growth of positive balance in KM net sales continued in the first half of February. That balance was KM 163.014.154 on February 18, and it is 27% higher compared to the January 31, 2002, or 103% compared to the balance on the December 31, 2001. Further increase in number of transactions is not expected in following period, since the DEM currency in this region has been mostly converted to the KM or the euro. New accounting-banking software has been installed only partially, since one part of the computer equipment requires additional upgrade. Trend of the growth in sale of the KM

### Brčko Branch

for the foreign currency continued in February. Many banks from the RS, branch offices of the banks from the BH Federation and the Privredna bank a.d. Brčko expressed significant needs for the euro cash, which was done in the largest part through the vault of the Brčko Branch Office. Brčko branch expressed the need for the hiring of the trainee in the Branch Office.

# "New culture" in research



The research function in the Central bank of Bosnia and Herzegovina, its present status and strategies for the future were the topics of the presentation that the Advisor for CBBH Research, **Marko Škreb**, held for the employees of the Research and Development Department of the CBBH. Škreb said that CBBH has a legal obligation to the government and public to evaluate the monetary and economic situation regularly. The Research and Development Department has 16 employees that are deployed in three divisions - Statistics and Publications Division, Balance of Payments Division and Analyses and Evaluation Division. It prepares and publishes many publications on regular basis, among them the most significant are: Quarterly Statistical Bulletins with the economic indicators for Bosnia and Herzegovina and Annual Reports of the CBBH. It also organizes numerous gatherings, such as banking conferences and round tables.

Research Advisor Marko Škreb, in his analysis of the work of the Department, said that it is necessary to make action plans, as well as medium-term plans, to analyse economic developments, and not only to compile, describe and publish statistical data. Today, research and statistical functions are not clearly defined and there is no overall macroeconomic approach in analysis. It is also necessary to establish a library and to improve access of information over the Internet. Among other things, it is also necessary to distribute the work differently and make some organizational changes. Research needs to be done in five different domains. Besides the analysis of the of the monetary sector, in which real and nominal trends need to be monitored, special attention needs to be paid to the external sector, which means that events in the euro zone (anchor currency) need to be followed as well as developments in main foreign trade partners (exchange rate, inflation rate). Special research domains are the fiscal sector (revenues, expenditures, deficit and public debt management), the real sector (Gross Domestic Product, employment and aggregate demand) and the

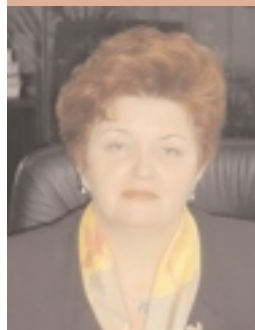
financial sector (financial markets broadly defined). Employees stressed that one of the largest problems that they are facing is the inadequate access to information, especially to the data from governments in BH. They also think that education, in other words further improvement, should be organized within the country, not abroad, which would enable the participation of a larger number of employees and reduce expenses. CBBH Advisor Marko Škreb concluded that the present condition does not satisfy the needs and that a new culture in macroeconomic analysis forecasts needs to be developed.



## CONFERENCES, SEMINARS...

# Training in new software

Coordinator for the Banking Section **Amra Barš** and the Coordinator of the Accounting Section of the



Main Unit Mostar **Mirna Kadić** attended the seminar on the implementation of the new accounting-banking software, which was held on February 7 in the Main Office of the CBBH in Sarajevo. Director of the Main Bank of Republika Srpska of the

Central Bank of BH Banja Luka **Mirjana Jaćimović** attended the seminar called "Expansion of the Financial Mediation and Risk Management" which was organized by the USAID in Zagreb on February 26 and 27.

## EMPLOYMENT

### Permanent employment for Jelena Obradović

On January 31 2002, **Jelena Obradović** passed trainee exam in front of the Examining Board of the Central Bank of Bosnia and Herzegovina, and therefore she was employed for the indefinite period as the Assistant for Research in the



Balance of Payments Division on February 1 2002. Economists

**Dragana Burić**, employed at Evaluation of Monetary

Policy Section and **Enver Paćuka**, employed at the Treasury Division of the Central Bank of BH, renewed their working contracts for another year.



## Cafeteria opened

*Cafeteria in the Central office of CBBH in Sarajevo started working on March 1. Employees can order coffee, tea and juices at very popular prices. Working hours of the new cafeteria are from 8:00 AM until 2:00 PM, every working day.*



## COME TO RECREATION

*Recreational practice of indoor soccer for the employees of the Central bank of BH is scheduled each Wednesday from 8:00 PM until 9:30 PM at the gym of the School for Physical Education in Sarajevo.*



*Bring your sports equipment!*



**CENTRAL BANK OF BOSNIA AND HERZEGOVINA**  
**Monthly Balance Sheet**  
**(provisional) as at 31st January, 2002**  
**Explanation**

Monthly balance sheet is being issued to provide information on the Central Bank of Bosnia and Herzegovina operations pursuant to the Currency Board rule, and to offer particular information ruled by the Law of the Central Bank of Bosnia and Herzegovina.

Some of the specific features of the balance sheet as of 31<sup>st</sup> January are as follows:

**As on 31st January, the Bank met all requirements under the Currency Board rule** as mentioned in Article 31 of the Law. Net Foreign Assets exceeds its Monetary Liabilities in Konvertibilna Marka (KM) by 82,368,233 KM. This has been shown in the item Net Foreign Exchange Assets less Monetary Liabilities.

Foreign Assets mainly consists of deposits maintained with the foreign banks. The balance sheet also shows Composition of the currencies maintained, differentiating them by EUR and other currencies.

The Bank's foreign deposits incur income for the Bank from interest.

**Monetary liabilities**, represent to larger extent the liability of the Bank for KM currency in circulation, (2,008,586,597 KM) and resident banks' reserve deposits (423,563,139 KM).

**Positions showing relations between the Government and IMF** reflect claims and liabilities of Government of Bosnia and Herzegovina arising from the financial arrangement with IMF.

**Capital and reserves** reflect initial capital and reserves, shares and accumulated profit of the Bank since the beginning of its' operations on 11<sup>th</sup> August 1997.

The Bank also maintains certain accounts in foreign currencies in terms of agreements entered into among the Government of Bosnia and Herzegovina and foreign governments and financial organizations. As these accounts does not appear to be either assets or liabilities of CBBH, they have not been included in the above mentioned balance sheet. Total amount of resources maintained on these accounts was 324,322, 618 KM.

Any inquiries referring to the monthly balance sheet can be addressed to the Administration and Finance Department, Accounting Section in Sarajevo, contact telephone # (033) 278 119, fax # (033) 278 294. Media representative can contact Public Relations Office, contact phone (033) 278 123, fax (033) 278 296.

**The Central Bank of Bosnia and Herzegovina is independent monetary institution of BiH and has no organization relations with any commercial bank.**

**CENTRAL BANK OF BOSNIA AND HERZEGOVINA**  
**Monthly balance sheet (temporary) as at 31st January 2002**  
**(amounts in KM equivalents)**

ASSETS		Total Amount	EUR	Other Currencies
<b>1</b>	<b>Foreign Exchange Assets</b>	<b>2,572,122,107</b>	<b>2,566,127,256</b>	<b>5,994,851</b>
1.1	Cash	414,424,032	412,485,295	1,938,737
1.2	Investments	2,157,698,075	2,153,641,961	4,056,114
<b>2</b>	<b>Position of Government in the IMF</b>	<b>771,150,586</b>		
<b>3</b>	<b>Other Assets</b>	<b>56,865,638</b>		
	<b>TOTAL ASSETS (1+2+3)</b>	<b>3,400,138,331</b>		
LIABILITIES		Total Amount		
<b>4</b>	<b>Monetary Liabilities</b>	<b>2,488,656,468</b>		
4.1	Currency in Circulation	2,008,586,597		
4.2	Credit Balances of Resident Banks	423,563,139		
4.3	Credit Balances of Other Residents	56,506,732		
<b>5</b>	<b>Liabilities to Non Residents</b>	<b>1,097,406</b>		
<b>6</b>	<b>Liabilities of Government to the IMF</b>	<b>771,150,586</b>		
<b>7</b>	<b>Other Liabilities</b>	<b>11,843,249</b>		
<b>8</b>	<b>Capital and Reserves</b>	<b>127,390,622</b>		
	<b>TOTAL LIABILITIES (4+5+6+7+8)</b>	<b>3,400,138,331</b>		

Net Foreign Assets minus Monetary Liabilities (1 -4 -5)	82,368,233
---	------------

Position of Government in the IMF – Foreign Reserves –SDR Hold	13,461,207
Liabilities of Government to the IMF-IMF Accounts No 1 and 2	1,214,333
Net Foreign Reserves of Government in the IMF	12,246,874

P.W. Nicholl,  
Governor  
Sarajevo, February 22, 2002.

Anton Salapić  
Deputy to the Comptroller General