

CENTRALNA BANKA
BOSNE I HERCEGOVINE



ЦЕНТРАЛНА БАНКА
БОСНЕ И ХЕРЦЕГОВИНЕ

INFO CBBH



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DOCUMENT MANAGEMENT SYSTEM – DMS IMPLEMENTED IN THE CBBH



During 2016, the Central Bank of Bosnia and Herzegovina (CBBH) has started the implementation of the process digitalization of documents and acts management in office and filing operations called the Document Management System - DMS. This project was realized with the assistance of the German Association for International Cooperation (Deutsche Gesellschaft für Internationale Zusammenarbeit GmbH - GIZ), which purchased the OWIS software for the CBBH needs, installed by the company ORKA Ltd. Implementation of the Project in the CBBH premises was led by the Implementation Team.

During the first phase, which officially began in mid-2016, the installation of the software was done, while the mail offices staff in the Head Office and Main Units and Branches has been trained to manage the documents, and in the same time, 100 user licenses, provided with the system, were installed. During this process, the contractor implemented all elements of the documents flow in accordance with the needs, practices and

regulations of the CBBH. As for the Central Bank, we worked on equipping the current mail offices with adequate equipment for scanning and processing of documents, and we initiated the activities to amend the corresponding internal enactments.

By early 2017, the one-year test period will start - the period during which the documents are going to be recorded simultaneously, in "traditional" way through documents and acts' mail book and through electronic document management, with the aim to start sole electronic document management by beginning of 2018. The aim of the transitional period is to detect and eliminate possible disadvantages during "live" work, and to develop the additional modules which are related in their operations to the DMS - module for procurement, module for sessions management and module for notices on CBBH visitors. Since the documents flow process within an institution includes all employees, during the year the CBBH will undertake activities to include all the CBBH employees into the DMS.

Advantages of this system introduction are multiple - it eliminates the need for manual distribution of a document, by producing a large number of copies in case it should be sent to multiple users, which can result in significant savings. This system also makes it easier to track the status of a document, defining of deadlines for each document and makes easier the search old documents. When fully operational, this system should be a big support to more efficient and faster performing of everyday tasks in the CBBH.

SENIOR OFFICIAL FROM REPUBLIC OF FRANCE FINANCE MINISTRY VISITED THE CBBH

On June 10, 2016, Mr. Jean-Marie Demange, Minister - Counselor for Economic Affairs in Finance Ministry of Republic of France and Head of the Office for Economic Affairs in the Danube-Balkan Region, seated in Sofia, visited the Central Bank of Bosnia and Herzegovina (CBBH).

The senior official of the French Ministry of Finance talked with CBBH Chief Economist, Belma Čolaković, Ph.D. and he was interested in the overall macroeconomic situation in the country. The CBBH Chief Economist highlighted the positive developments in Bosnia and Herzegovina, from a step forward in the process of accession to the European Union, the signing of the Extended Fund Facility with the International Monetary Fund (IMF), inflation trends, economic activity and policies of commercial banks, the expected and initiate investment projects, primarily in the area of infrastructure and the energy sector, fiscal consolidation and

the connection between financial and fiscal sectors, to the country's credit rating.

They talked about the impacts of the dynamics of Reform Agenda implementation, and the guest from France was interested in trends in the banking sector, and he was also informed on changes in the CBBH required reserves policy and the objectives of these changes.

Regarding the issues on the process of asset quality revision (AQR) in banks and allegations of the CBBH exposure to banks in the euro area, the Chief Economist, Belma Čolaković explained that AQR had been a precondition for the approval of the IMF Extended Fund Facility to Bosnia and Herzegovina. She also explained the basic characteristics of the CBBH investment process of foreign exchange reserves and the nature and amount of the exposure to Deutsche Bank.

THE RESULTS OF PROGRAM OF BILATERAL ASSISTANCE AND CAPACITY BUILDING BETWEEN THE CBBH AND SWISS GOVERNMENT HAVE BEEN PRESENTED



Today, on October 25, 2016, the results of the Central Banks' Program of Bilateral Assistance and Capacity Building were presented in the premises of the Central Bank of Bosnia and Herzegovina (CBBH). The Program was supported by the Swiss Government and implemented by the Institute for International Studies (Graduate Institute of International Studies - GIIIS) from Geneva.

The aim of the Program is to provide to the CBBH the technical expertise and the best international practices in the following areas: monetary policy, process of upgrading the foreign exchange reserves management, statistics and human resources management through training in econometrics, development of financial models, improving the quality of statistical data analysis and improvement of analytical and research capacities. The results anticipated by the Agreement on Bilateral Assistance Program and Capacity Building of the Central Banks are evident, and the Central Bank has shown the interest in the extension of the Agreement and the continuation of the Program by the end of 2017. Particularly important is the strengthening of the analytical and research capacities in terms of acquiring technical expertise through econometric knowledge in the workshops and seminars realized under the Program. In doing so, the impact of internal and external shocks on BH economy was analyzed, and the next stage in the projections development shall be done in accordance with the best practices applicable in central banks.

"Switzerland has an excellent cooperation with the Central Bank of Bosnia and Herzegovina over the past years. We are very pleased with the interest and commitment of employees in the Central Bank to expand their knowledge in several areas, and exchange experience with other central banks, including

the Swiss National Bank. Our cooperation is not limited to this project. With the Central Bank, we are working in the area of remittances and financial statistics of Governments through projects carried out by our partners, the World Bank and International Monetary Fund", it was said by the Deputy Director for Cooperation of the Swiss Embassy in BH, David Kramer.

In his address during the results presentation, CBBH Governor Senad Softić, Ph.D. pointed out that the special qualities of the Program were very open partners' dialogue and practical approach, based on a full understanding of the CBBH specific features and needs, as well as the excellent cooperation with the Institute of Geneva and the transfer of knowledge from high level experts and esteemed professors. Governor Softić recalled the extremely useful training for the CBBH management in order to improve the skills of leadership and management. In addition, all the seminars and interactive workshops, held within the Program have encouraged the exchange of information, knowledge and experience between different Departments and they resulted in improving the overall performance.

The CBBH continuously improves the institutional and technical capacities to comply with international and European standards of the central banking, and this successful project is an additional incentive to continue the further actions to strengthen the knowledge, professional cooperation and exchange of experience.

"I appreciate that our Swiss partners recognized the importance of the CBBH in the reform process and in the process of European integration, and I hope to have the further support and to continue our cooperation in 2017", said the Governor during the presentation of the Program results.

THE SECOND FINANCIAL CONFERENCE FINCONF HELD IN SARAJEVO



The Second Financial Conference FinConf, addressing the current events and new developments in financial sector was organized by the magazine "Banks in BH", from 6 to 7 October 2016 in Sarajevo. Along with the leaders of the largest commercial banks in BH, representative of the Central Bank of Bosnia and Herzegovina (CBBH), the entity Banking Agencies, this conference was featured by academics and financial experts from European Union and the world.

This Conference, among other things, dealt with the issues, which BH is facing, related to investments and capital projects, with special emphasis on the environment of the financial sector.

The Conference was also an opportunity to present macroeconomic indicators for Bosnia and Herzegovina, and it was emphasized that GDP per capita amounted to 30 percent of the EU countries average, that unemployment has been unacceptably high and that the economy has not been competitive in comparison to other countries' economies.

The banking sector is adequately capitalized and stable, but there are present vulnerable segments, as well as non-performing loans.

One of the panels was dedicated to Bosnia and Herzegovina's and its financial sector road on the way to the European integrations and obligations that shall be implemented in order to have the local standards raised to EU level. Within this panel, on behalf of the CBBH, Renata Barić, Head of the CBBH European Integrations Department took part.

During the Conference, the most successful banks in 2015 were awarded with the "Golden BAM", which the magazine "Banks in BH" has already been awarding for 14 years. The Awards were given to UniCredit Bank d.d. Mostar, Nova banka a.d. Banja Luka, Raiffeisen Bank d.d. Sarajevo and Union Bank. UniCredit Bank received four awards, for the highest assets, total equity, ROE - return on equity and ROA - return on assets. The "Golden BAM" for the largest share capital was presented to the Raiffeisen Bank in Bosnia and Herzegovina, and the award for the highest assets, among banks with predominantly domestic capital, was presented to Nova banka a.d. Banja Luka. Union Bank was stated to be the best bank by the percentage deposits' growth in 2015.

Ranking of banks was made on the basis of seven criteria and on the basis of publicly released audit reports for the last year.

ACTIVITIES OF THE CBBH OFFICIALS



At the invitation of the Central Bank of Montenegro, Governor of the Central Bank of Bosnia and Herzegovina (CBBH) Senad Softić, Ph.D. participated in the work of the international seminar on banking operations in the current macroeconomic conditions, which is held in Budva, Montenegro, on September 23, 2016. This seminar, held in co-organization of Central Banks of Montenegro and Slovenia and the Faculty of Economics from Ljubljana, attracted the most important stakeholders in

the world of finance in the region and it serves as a platform for the exchange of experiences between representatives of the banking industry, monetary authorities and the academic community.

Governor Softić took part in the panel discussion entitled "Current Challenges for Monetary Policy and Financial Stability", where with his fellow Governors and Vice Governors of the Central Banks of Montenegro, Croatia, Macedonia and Slovenia tackled the ongoing challenges of monetary policy, especially in terms of the negative interest rates of the European Central Bank (ECB) and their impact on the economic developments of the regional countries, being largely euroized. During the discussion, the deflation and the danger from recession were addressed, as well as the challenges to preserve the financial stability and the future directions of monetary policy. The Governor also talked about approved three years Extended Fund Facility between Bosnia and Herzegovina and International Monetary Fund (IMF), where he especially emphasized the provisions related to maintenance of the financial stability in the country and the increase of the banks' credit activities.

Along with the panel discussions on the topic of monetary policy, this year's seminar tackled the current issues, such as the impact of the EU Banking Union, with a particular focus on the effects of unified supervision of EU banks, then the management of NPL's and creation of future business strategies of banks at low interest rates and high liquidity.

From October 8 to 10, 2016, Governor of the CBBH Senad Softić, Ph.D. and the member of the CBBH Governing Board Ankica Kolobarić M.Sc. were in Washington where, as the member of the delegation of Bosnia and Herzegovina, led by Chairman of the Council of Ministers of BH Denis Zvizdić and Minister of Finance and Treasury of BH Vjekoslav Bevanda, attended the Annual Meeting of the International Monetary Fund and World Bank.

After the Annual Meeting, a number of bilateral meetings with high representatives of the International Monetary Fund and World Bank was held, and during these meetings there were talks about the newest macroeconomic trends, monetary policy and recently approved three-years Extended Fund Facility between BH and International Monetary Fund. During discussion with the Chief of the International Monetary Fund

Mission for BH Nadeem Ilahi there were talks about Letter of Intent and reports of technical missions of the International Monetary Fund in the CBBH, as well as the activities that should be performed as stated in the Letter of Intent and in reports of technical missions. During these meetings, it was pointed out the importance of the maintenance of the Currency Board and monetary stability, as well as the stability of the banking and financial sector in general. Governor Softić and the member of the Governing Board A. Kolobarić attended the meeting of the Constituency of the International Monetary Fund and World Bank, and also the debate of ministers of finance and governors of central banks about the economic challenges in the Central, East and South East Europe that was organized by the initiative of Paul Thomsen, Director of the International Monetary Fund Department for Europe.

During their stay in Washington, Governor Softić and the Governing Board member, Ankica Kolobarić, had a special meeting with the Director of the International Monetary Fund for Statistics during which they pointed out the importance of the further improvement of statistics in the CBBH, as one of the important function of the CBBH.

THE WORLD SAVINGS DAY IN THE CBBH



In accordance with the practice that has already become traditional, the Central Bank of Bosnia and Herzegovina (CBBH) marked the World Savings Day in company with children.

Each year, the World Savings Day is celebrated as of October 31, and already for years, on this very date, the CBBH has been hosting pupils of primary and secondary schools from the territory of Bosnia and Herzegovina, using this opportunity to educate them about the CBBH and money, in an adequate way, and to encourage savings. Thus, Sberbank BH brought the pupils from primary school "Safvet-beg Bašagić" from Sarajevo to visit the CBBH in order to learn about the institution which "safeguard the money", but also about the historical facts related to BH money.

"We are pleased that we have organized children's visit to the Central Bank of Bosnia and Herzegovina, where they visited an exhibition of old coins and paper money. Informing

about currency throughout history is the first step towards acknowledging the significance of money, and saving it, too", said Vedran Peršić, Director of Marketing and Communications in Sberbank BH.

For the pupils from Sarajevo Elementary School "Vladislav Skarić" the quiz was organized, during which the children could show their knowledge on the CBBH and money, and learn the meaning of saving and how to save. For high school students from Bijeljina, Posušje and Gradačac who also visited the CBBH on the Day of Savings, a quiz of financial literacy was organized, which was prepared and conducted by representatives of the Association for Responsible Personal Finance "U Plusu".

Speaking to High School students, CBBH Vice Governor Ernadina Bajrović, M.A. pointed out the CBBH cooperation with educational institutions, stressing the role of the CBBH in financial inclusion and financial literacy carried out in the form of training, lectures, marking the World Savings Day, releasing the publications. The CBBH organizes for full-time students the internships, while for students of postgraduate studies we organize the working practice. The CBBH publications and statistical web portal, as well as the CBBH website, providing a number of information and data, are available to all.

The CBBH has supported the activities and programs of financial education, for several years now, and a part of these activities are visits of the pupils and students, whose number increases every year and who expressed their wish to visit the CBBH and interest in its activities.

