



Annual Report

2020



ANNUAL REPORT

2020

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INTRODUCTION BY THE GOVERNOR



Dear Readers,

In the Annual Report, which you are reading, we have presented the most important measures and activities undertaken by the Central Bank of Bosnia and Herzegovina during 2020 in order to fulfil its objective defined by the law – maintenance of the local currency stability according to the selected model of monetary policy known as currency board.

By implementing its authorities consistently, the Central Bank of Bosnia and Herzegovina has maintained the local currency stability, contributing to the overall financial stability in the country. The Central Bank of Bosnia and Herzegovina has been working continuously on the performance of the tasks from the Strategic Plan.

Banks' required reserve was maintained according to the regulations, the foreign exchange reserves were primarily managed on the principles of safety, the country's payment systems, as an important factor of financial stability, were functioning without interruptions with all the transactions performed regularly, all the needs of banks and economy were met in respect of cash supply, and the function of fiscal

and banking agent for the state of Bosnia and Herzegovina and other public institutions was carried out properly.

In March 2020, the global coronavirus pandemic has been declared, which significantly changed local and international economic circumstances.

The slowdown and interruption of the global flow of goods and services, due to the effect of the coronavirus pandemic spreading, brought about a record decline of economic activities in 2020. The COVID-19 pandemic resulted in strong disturbances in economies worldwide. In March, there was a complete lockdown in most countries, due to the fast spreading of the epidemic, which made health systems in some European countries almost collapse. The lockdown of economies appeared to be necessary, but also unprecedented in recent history. The price of the lockdown was of course a huge decline of economic activities and GDP.

In Bosnia and Herzegovina, the decline of GDP was around -4.5%, being particularly strong in industry, trade, transport and tourism. Real sector of economy, industrial production and service sector activities were particularly affected. A decline of GDP had a negative impact on fiscal indicators in respect of decline of revenues and growth of expenses of the authorities in Bosnia and Herzegovina. At different levels of authorities, sets of measures were adopted aimed at preserving jobs and supporting health sector.

Unfortunately, the pandemic caused a strong contraction of foreign trade and significant deterioration of balance of payments position in 2020. The most significant decrease in foreign trade in 2020 was recorded in decrease of exports of services and decrease of imports.

Banking sector remained stable and liquid, faced with the challenges of the pandemic and measures undertaken by the Banking Agencies as regulators. Lending declined, moratorium on loan repayment was introduced with purpose of facilitating the settlement of loan liabilities and also other measures with purpose of maintaining customers' operations. Deposits in commercial banks increased by 4.8% compared to earlier years.

The operations of the Central Bank of Bosnia and Herzegovina since the day when natural and other disaster was declared, on 17 March 2020, have been carried out in

uncertain and more difficult conditions for the performance of tasks and activities. In circumstances of almost complete lockdown and restriction on movement, the Central Bank of Bosnia and Herzegovina was faced with the challenge to ensure the continuity of its operations, taking care also of safety and health of its staff. By careful planning, following up with the instructions of the relevant authorities, and the implementation of the contingency operating plan, safe work environment was provided as well as the continuity of all business processes without any interruptions during 2020.

The maintenance of monetary stability and contribution to financial stability by the Central Bank of Bosnia and Herzegovina was seen by the expert and general public, as well as international community, the Central Bank of Bosnia and Herzegovina gaining a number of recognitions for such efforts during 2020.

The successful performance of all the tasks and activities in 2020 would not have been possible without maximum professionalism and engagement of all the members of the staff of the Central Bank of Bosnia and Herzegovina, particularly in work conditions imposed by the pandemic.

On this occasion, I would like to thank all the members of the Governing Board, the Management and employees for their professionalism and contribution to the achievement of the set tasks.

The Annual Report for 2020 was approved at the meeting of the Governing Board of the Central Bank of Bosnia and Herzegovina held on 29 March 2021.

Senad Softić, Ph.D.
Governor



LEGAL STATUS

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

- to achieve and maintain the stability of the local currency (convertible mark) by issuing it with the full coverage in free convertible foreign exchange funds, according to the arrangement known as currency board, according to the fixed exchange rate: one convertible mark for one Deutsche Mark. Since 1 January 2002, the convertible mark has been pegged to the euro at the exchange rate: one convertible mark for 0.511292 euro or one euro is 1.955830 convertible mark;
- to define and control the implementation of the monetary policy of Bosnia and Herzegovina;
- to hold the official foreign exchange reserves and manage them in a safe and profitable manner;
- to maintain appropriate payment and settlement systems;
- to coordinate the activities of the Entities' Banking Agencies responsible for issuing banking licenses and supervising banks;
- to receive deposits from institutions at the level of Bosnia and Herzegovina, i.e. deposits of the Entities and their public institutions on the basis of the joint decision of the Entities, as well as deposits of commercial banks;
- to issue regulations and guidelines for performing the activities of the Central Bank of Bosnia and Herzegovina within the mandate set by the Law on the Central Bank of Bosnia and Herzegovina;
- to participate in the work of international organizations strengthening the financial and economic stability and to represent Bosnia and Herzegovina in intergovernmental organizations related to monetary policy issues.

The Central Bank of Bosnia and Herzegovina is completely independent from the Federation of Bosnia and Herzegovina, Republika Srpska or any public agency or body, with the purpose of objective implementation of its tasks.

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

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

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

¹ "Official Gazette of BH", 1/97, 29/02, 13/03, 14/03, 9/05, 76/06 and 32/07.

ECONOMIC TRENDS IN 2020

1 ECONOMIC TRENDS IN 2020

1.1 INTERNATIONAL ECONOMIC ENVIRONMENT

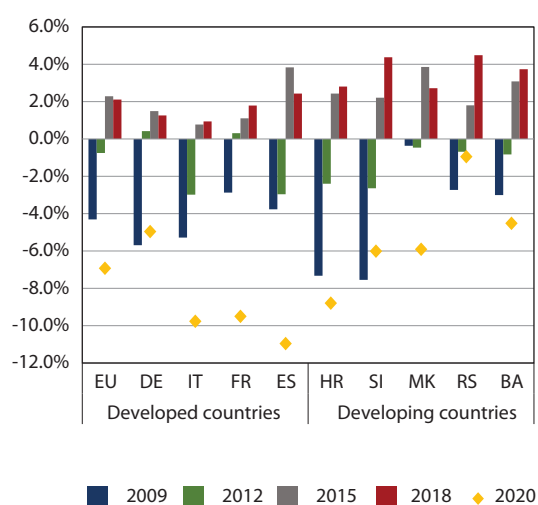
The slowdown and halt in the global flow of goods and services, due to the effect of the coronavirus pandemic spreading, brought about the record decline of economic activities in 2020. The decrease of demand for products, the growth of unemployment and a significant decline of oil price affected the global decrease of inflation pressures throughout the year. The coronavirus pandemic had a strong impact on labour market, particularly in the countries without significant government assistance in preserving jobs. Since the beginning of 2020, the ECB Governing Council confirmed its commitment to highly expansionary monetary policy for a long period of time. Due to such direction and intensity of monetary policy, yield to maturity rates went down significantly, even for the bonds of euro area countries with quite high public debt levels. The coronavirus pandemic had a strong effect on the monetary developments and measures in the euro area. Since the beginning of the pandemic, the FED was using highly expansionary monetary policy measures to support US economy, which were mainly adjusted with purpose of providing support to households and economy through more favourable lending and providing liquidity to domestic sector.

The period after the global financial crisis was marked with long-term economic stagnation, followed by a period of slow growth of economic activities, which was suddenly interrupted by a strong effect of the corona shock. Having made positive contributions to the GDP growth in earlier years, the activity of trade, accommodation and transport recorded the largest losses in the reporting year due to restriction on movement of citizens, which was particularly

reflected on countries significantly dependent on tourism² in their economic structure (Graph 1.1).

Global activity indicators show that during the crisis, the trade sector recorded a larger decline than industrial production. Industrial production decreased at the global level by 10.0% in the first half of the year, with its recovery registered in the second half of the year. The trade monthly volume index remained below the level from 2018 until the end of 2020 (Graph 1.2).

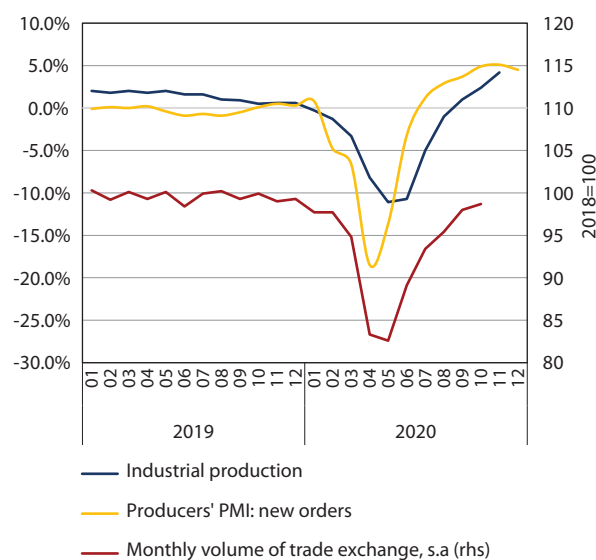
Graph 1.1: Annual Changes of the Real GDP in Selected Countries



Source: EUROSTAT

Note: Data of developing countries, and EU and IT for 2020 are referring to the annual growth in the first three quarters compared to the same period of the last year.

Graph 1.2: Indicators of the Global Activity in 2020, Three Months Volatility Average, Annual Changes

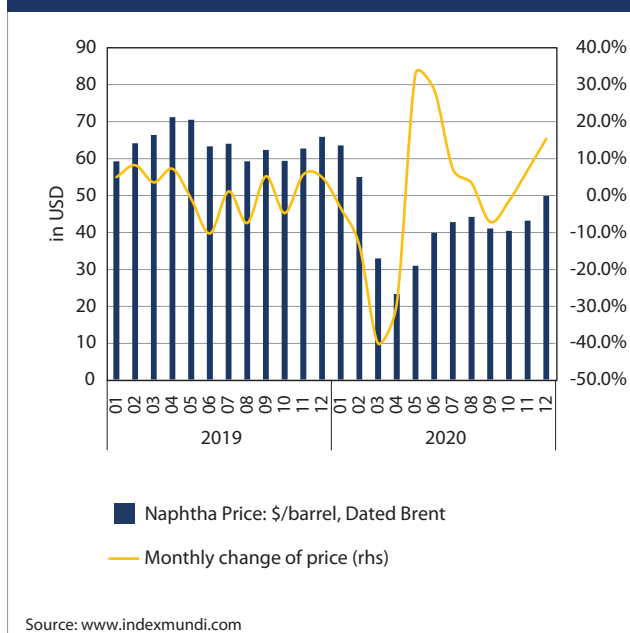


Source: WEO, IMF

² According to the data of the World Travel and Tourism Council (WTTC), including the estimate of contribution of tourism and transport on GDP, this sector had a global share of 10.3% in GDP in 2019 (USD 8.9 billion), while, according to the first estimate, the expected decline in 2020 was 17.0% compared to the earlier year (USD 7.4 billion). Among the countries with significant contribution of this sector, the countries in Graph 1.1. stand out (IT, FR, ES, HR).

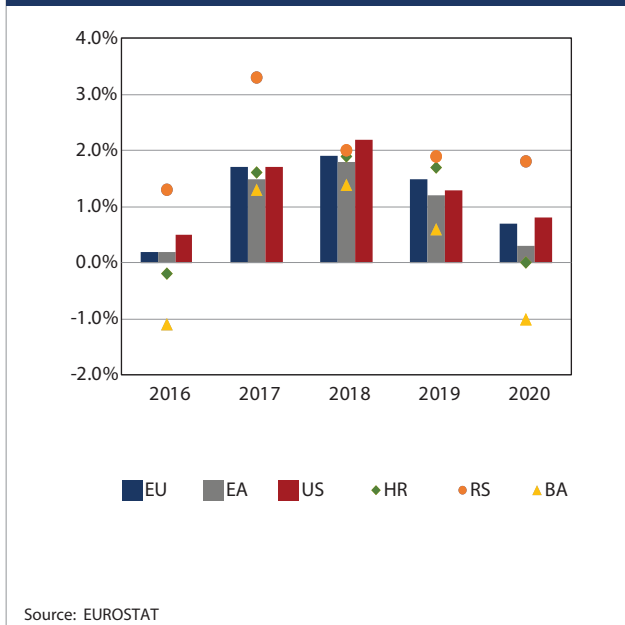
In 2020, the prices of all stock exchange goods (particularly oil), except for gold, declined, which is a feature of the times of crises. The COVID-19 pandemic brought about an exceptionally strong contraction of demand for oil, the consequence being decreased production, which brought about a strong imbalance in market. The global demand for oil in the pandemic year went down by 8.6%, which was the strongest decrease of demand for this energy source over the previous thirty years, while the oil price, upon the declaring of the pandemic, was lower by 50.0% compared to the end of 2019. By the end of the year, the oil price slightly increased, the demand for this energy source staying quite below the pre-crisis level (Graph 1.3).

Graph 1.3: Trends of Naphtha Prices at Global Market



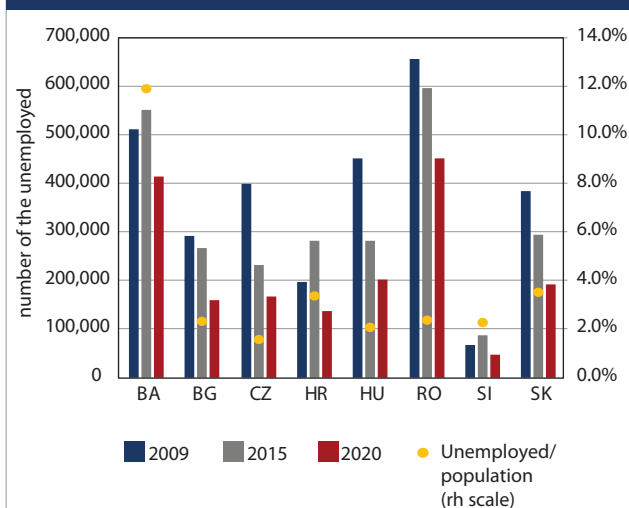
The average consumer prices in developed countries, and also most of developing countries, recorded a slow growth, being significantly below the target inflation level despite the continuous expansionary monetary policy of leading central banks. Observing the trend of average consumer prices internationally and regionally, BH market was constantly recording the lowest inflation, i.e. the highest deflation (Graph 1.4).

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



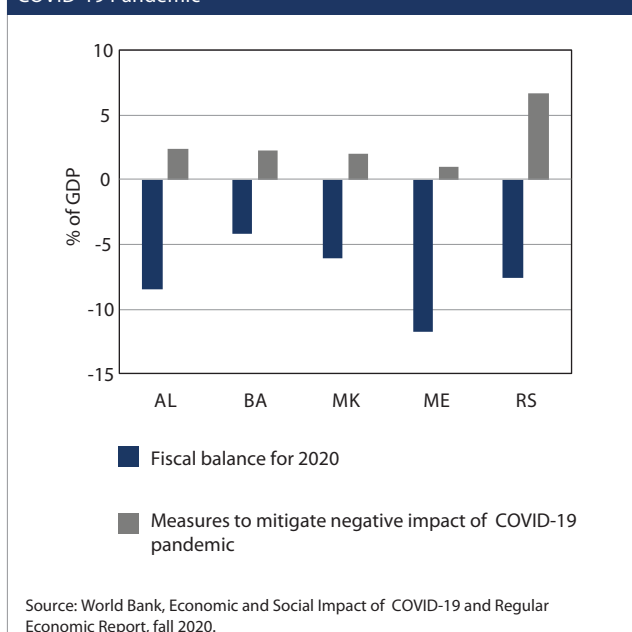
The unemployment rate in the EU at year end was 7.5%, being higher by only 1.0 percentage point compared to the same period in 2019, resulting from considerable government assistance in preserving jobs (Graph 1.5). Although the unemployment rate was not growing equally in the surrounding countries, resulting from structural economic differences, numerous countries recorded a significant decrease of the number of unemployed persons compared to the global financial crisis. At the same time, BH was constantly recording the highest number of the unemployed compared to the estimated population.

Graph 1.5: Number of the Unemployed in Selected Countries



In order to mitigate health and economic consequences of the COVID-19 pandemic, the governments in the region adopted significant financial measures, representing additional burdens for fiscal balance, i.e. impacting the fiscal deficit deepening, which was projected for BH for 2020 at 4.2% in percents of GDP (Graph 1.6). Most countries decided to provide financial support measures so that cash flows of economic enterprises could be running smoothly during the periods of restrictions and lockdowns. Significant funds were planned to help health systems (for procurement of equipment and tests), and social care of employees. The Entity Governments in BH planned in their budgets to allocate funds in the amount of 2.3% of GDP for these purposes.

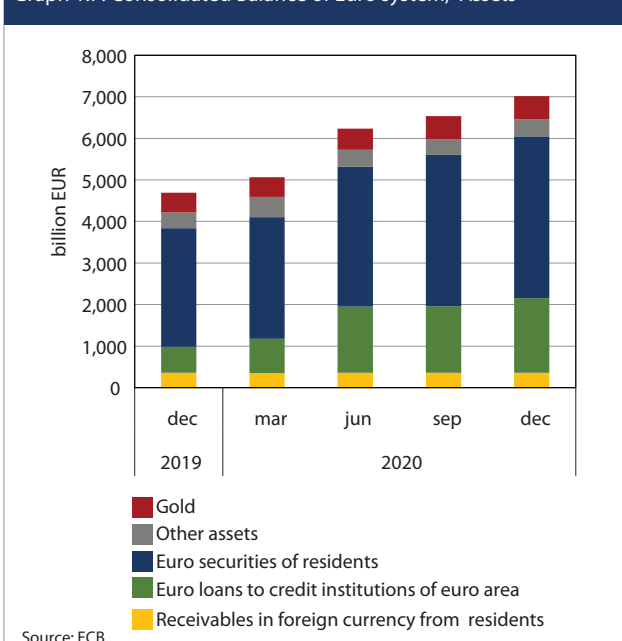
Graph 1.6: Fiscal Balance and Measures to Mitigate Impact of COVID-19 Pandemic



Since the beginning of 2020, the ECB Governing Council confirmed its commitment to highly expansionary monetary policy for a quite long period of time. The coronavirus pandemic had a considerable impact on monetary trends and measures in the euro area. The growth of the broadest monetary aggregate (M3) was supported by continuous purchases of securities carried out by the euro system, which became the most important source of broad money creation. Consequently, the ECB assets during 2020 increased by very high 50.0% to amount to EUR 7.01 trillion as of the end of December 2020. The most significant asset growth was recorded in the second quarter of 2020, followed by the stabilisation of growth during the third and fourth quarters, still at growth rates higher than those recorded before the coronavirus pandemic. The ECB monetary policy measures, together with the measures adopted by the national governments and European institutions, were of crucial importance for terms of lending and easier access to funding, particularly for those most affected by the consequences of the pandemic. The ECB responded by a decisive set of complementary measures, which were structured in two

key operations: credit operations and asset purchases. Providing of abundant central bank liquidity, as support to credit flow in real economy, was decisive for the response of the ECB monetary policy to the COVID-19 crisis. As early as in March, provisional implementation of additional Longer-Term Refinancing Operation (LTRO) started, in order to provide liquidity support to the euro area financial system, without delay. These emergency LTRO operations were used to bridge the period to the Targeted Longer term Refinancing Operations of the third series (TLTRO III) in June 2020. Longer-Term Refinancing Operations (TLTRO III) supported the providing of additional liquidity during the pandemic. The ECB also conducted the third, the fourth and the fifth (out of the total of seven) new Pandemic Emergency Longer-Term Refinancing Operations (PELTRO) which were announced in April 2020. These operations were focused on offering support to undisturbed functioning of money market. PELTRO operations injected additional EUR 7.5 billion of liquidity. Resulting from these operations, the growth of loans was significant and met the needs of companies for liquidity and supported their current activities. The total liquidity injected by these operations increased the item loans to the euro area credit institutions in euro by EUR 1.16 trillion compared to December 2019. The other key tool of the ECB monetary policy during the unprecedented shock was the Pandemic Emergency Purchase Programme (PEPP). PEPP was started with the initial tranche of EUR 750 billion in March, and was increased by EUR 600 billion in June. This measure had a double aim: to stabilise markets and ensure undisturbed transfer of monetary policy and help return inflation in due time to the projected rate of 2.0%. With market stabilisation, the role of PEPP in mitigating monetary policy measures in the end of the year was becoming increasingly important. The growth of this item of assets in the end of the year amounted to EUR 1.04 trillion compared to the same period of 2019 (Graph 1.7).

Graph 1.7: Consolidated Balance of Euro system, Assets

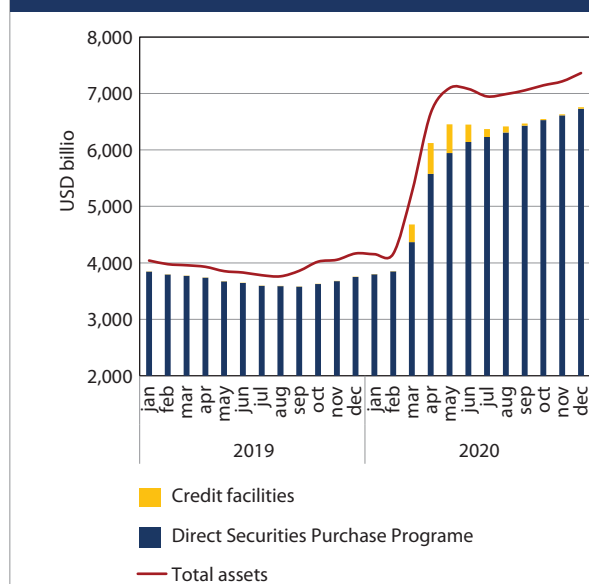


The interest rate on main refinancing operations and interest rates on the central bank standing lending facility and the central bank standing deposit facility, remained unchanged at the levels of 0.00%, 0.25%, i.e. -0.50%. The ECB in the end of the year stressed that key interest rates would be kept at the same levels, until inflation outlooks came quite near the level of close but below 2.0%.

Since the beginning of the pandemic, the FED was also using measures of very expansionary monetary policy to support US economy. The Federal Open Market Committee (FOMC) at its two sessions in March, decreased the target range of rate on federal funds, firstly by 50, then by 100 bp until the end of 2020, while the spread of target interest rate from 0 to 0.25 per cents was kept until the end of 2020. The measures conducted by the FED during 2020 were mainly adjusted, with purpose of providing support to households and economy through more favourable lending and ensuring liquidity to domestic sector.

The US Federal Reserve throughout the year conducted the measures of purchasing government securities, and also mortgage securities of agencies. Also, overnight and forward repo operations were continued. In the end of March and beginning of April, the FED measures for stabilisation of financial markets contributed to a stronger increase of the total assets. As conditions in the financial markets throughout the world started to improve, the pace of purchase of securities slowed down, with repo and swap withdrawals significantly decreasing during the third and fourth quarters. The assets of the FED increased from USD 4.3 trillion in mid March to USD 7.36 trillion in the end of December (Graph 1.8).

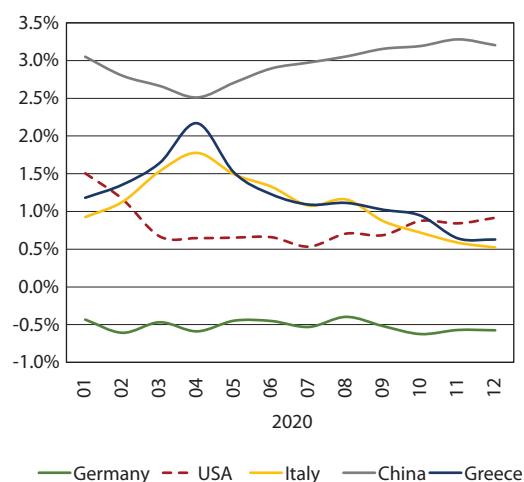
Graph 1.8: Assets of FED, Selected Items



Source: FED

During the first months of the implementation of the ECB PEPP (March and April 2020), the rates of yield on bonds of the euro area countries with the public debt levels above the average increased sharply. The modification of yield rates on ten year bonds of the euro area countries with the highest levels of debts took place later. Compared to the beginning of the year, low and negative yield to maturity rates in the euro area countries with the best economic performances went further down (Graph 1.9), while converging to zero in countries with high public debt levels. Yield to maturity rate in one year period (12/2020 – 12/2019) on ten year government bonds of Germany and USA decreased by 38 bp and 100 bp, respectively, and that on Italian and Greek ones by 90 bp and 0.83 bp, despite huge disruptions in global and all national economies. In the second half of the year, there was divergence in the trends of yield rates on Chinese and US bonds on one hand and yield rates in the EU countries on the other hand.

Graph 1.9: Yield to Maturity of 10 - year Bonds of Certain Countries at Secondary Market



Source: EUROSTAT

Last year's changes in the values of global stock exchange indices did not repeat, and in some key global markets, market capitalisation of stocks decreased. The reaction to monetary stimulations, in the year when the decline of national economies due to social-economic restrictions was stronger than during the global financial crisis, was the strongest in US and Japanese markets, and weakest in British market. Japanese (Nikkei 225) and US market (Standard & Poor 500) had almost the same growth (16.0%), which was approximately the amount of decline of English FTSE (-14.3%). The European stock market index (Euro Stoxx 50) decreased by 5.1%, while German DAX increased by 3.5%. The leading Chinese stock market index Heng-Seng lost in this year 3.4% compared to the previous year. Chinese stock market showed a different trend than US market, although Chinese economy recorded a growth unlike US economy.

1.2 Report on situation in BH economy

A strong impact of the pandemic on economy was reflected in decline of GDP. The most significant decline of real gross value added was recorded in industry, and in trade, transport and accommodation. Real sector of economy was marked by a strong decrease of industrial production, and a strong decrease in service sector activities, depending largely on arrivals of foreign tourists and citizens living abroad. In the reporting year, works in construction intensified, primarily in civil engineering, which resulted in the growth of construction works at the annual level. The general price trend indicates that deflation was recorded in the local market, while the countries in international surrounding recorded low inflations rates. A strong growth of the number of the unemployed was recorded in labour market, with increasingly unfavourable age structure of active population.

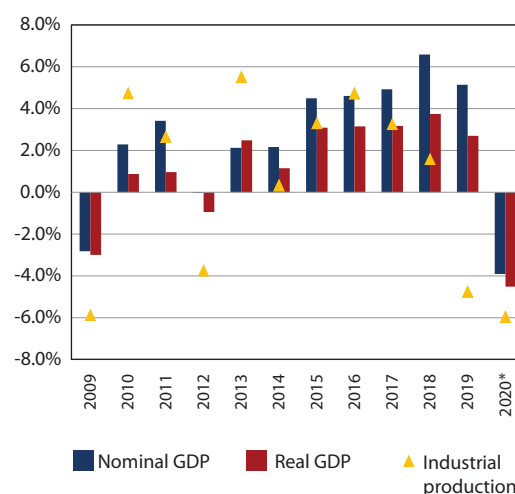
The outbreak of the COVID-19 pandemic had a strong impact on fiscal trends in BH. The Entity Governments abandoned the planned fiscal consolidation and started implementing expansionary fiscal policy in order to mitigate economic consequences of the pandemic.

Balance of payments position deteriorated compared to the pre-pandemic period. Current account deficit deepened, while the main generator of the reserve asset growth was external borrowing by the government sector.

According to the CBBH projection³ from November 2020, nominal GDP was estimated at KM 35.36 billion for 2020. At the annual level, the projected growth rate of real GDP was -4.6%, which is almost equal to the rate in the first three quarters according to BHAS (Graph 1.10). According to the same projection, the next two years will be marked by a slow recovery, due to the outbreak of new waves which caused the tightening of the existing restrictive measures. The period of health and economic crisis and long-term stagnation will be felt in all the sectors of society and economy, so the growth of real GDP can be expected not to exceed 3.0% in the next two years. At such moderate growth rates, it is possible to reach the pre-crisis level of economic activity as early as in the end of 2022.

³ The official autumn projection of key macroeconomic indicators, according to medium term macroeconomic model.

Graph 1.10: Annual Changes of GDP and Industrial Production

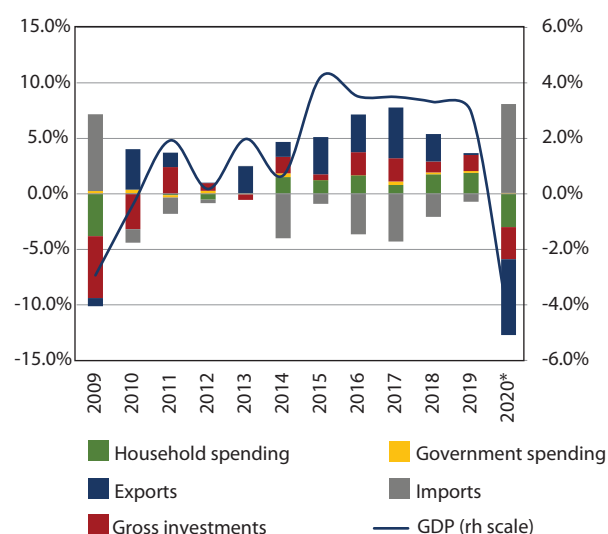


Source: BHAS

Note: Data for 2020 include the annual growth for the first three quarters, compared to the same period of 2019.

Most components of expenditure calculation (Graph 1.11) recorded a negative contribution to economic activity, except for state spending imperceptibly growing, and imports, the record decrease of which slowing down further deepening of trade deficit with foreign countries. In the period of the first three quarters, a two digit decrease was recorded by investments, mainly in private sector, exports, and imports of goods and services. Record decline of exports was affected by decreased exports of goods and restriction on movement of foreign tourists whose arrivals decreased by 83.6% at the annual level. A significant growth of unemployment, decreased inflow of remittances and general insecurity contributed to the decline of household spending, and consequently, the decline of the overall economic activity.

Graph 1.11 Contribution of the GDP Annual Growth Rate, Spending - Wise



Source: BHAS

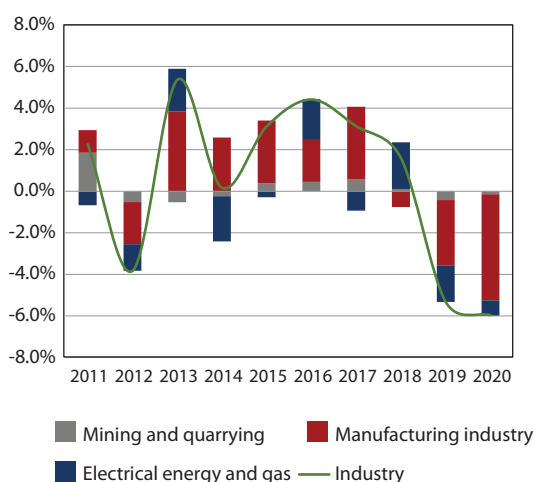
Note: Data for 2020 include annual growth for the first three quarters, relative for the same period in 2019.

1.2.1 Real sector

I Industrial production and construction

After the strongest decline of industrial production in the last decade had been recorded in 2019, due to the halt of operations of some strategic companies and decreased competitiveness of the sector, in the year of crisis 2020, the industrial production contraction deepened. By the areas of activity, the annual decline of industrial production (Graph 1.12) was primarily impacted by a strong contraction of manufacturing industry and decreased production and distribution of electric energy and gas. Yet, this activity in the last quarter recorded a slow growth at the annual level, indicating a faster recovery of industry compared to service activities.

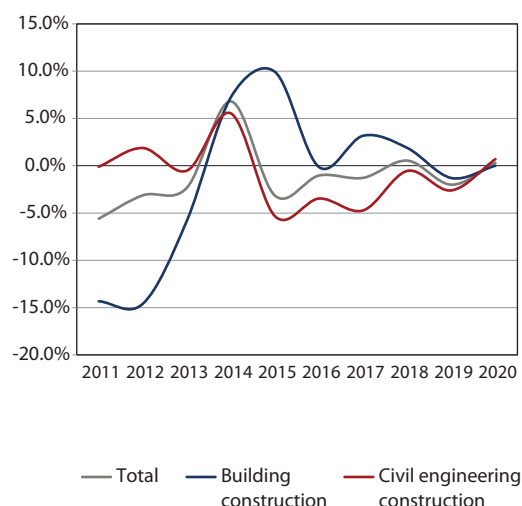
Graph 1.12: Contribution to the Annual Changes of Industrial Production per Sectors



Source: BHAS

Although the coronavirus pandemic had a negative effect on the most important branches of economy, industry and trade, a number of activities recorded an increase of output in the year of the crisis, such as agriculture, health activities or construction. Following the stagnation of the total construction works in recent years, due to the slow implementation of capital projects, a slight increase of works was recorded in the reporting year, firstly in civil engineering construction (Graph 1.13). Having in mind that operations in all the activities were partly interrupted, including the defined restrictive measures in business premises which also slowed down the pace of works, the recovery of construction and industry in the final part of the year represent a good way for a faster growth of the total economic activity.

Graph 1.13: Annual Changes of the Output of Construction Sector

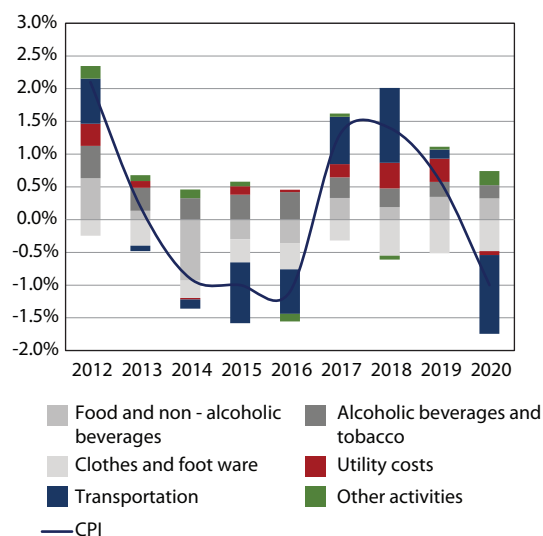


Source: BHAS

II Prices

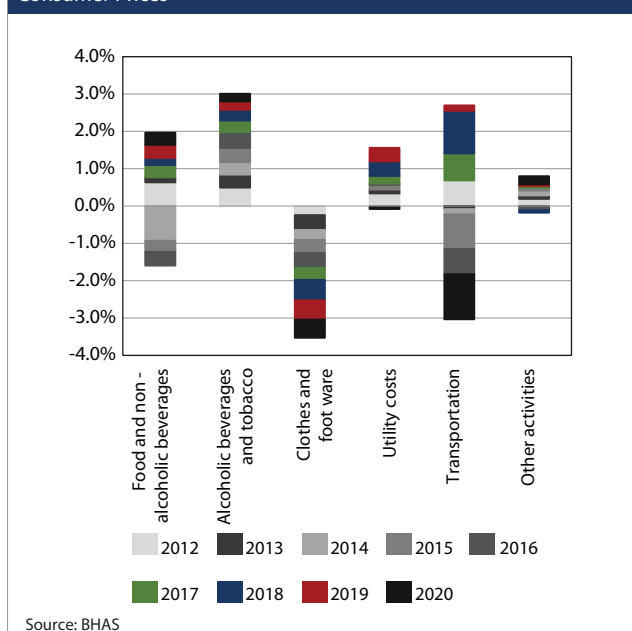
In the reporting year, the annual deflation of 1.0% was recorded, resulting from negative contribution of categories of transport and clothes and footwear (Graph 1.14). On the other hand, positive contributions were recorded in the categories of food and non-alcoholic beverages, health care, hotels and restaurants, and alcohol beverages and tobacco. Observing the accumulated contribution of categories, a positive contribution of the prices of alcohol beverages and tobacco (Graph 1.15), due to the continuous growth of excise duties, and the growth of utility costs are obvious. At the same time, only the prices of clothes and footwear made a constant negative pressure on the general price level. Over the observed period, the average growth of consumer prices was only 0.2%.

Graph 1.14: Contribution to the Annual Rate of Inflation/Deflation



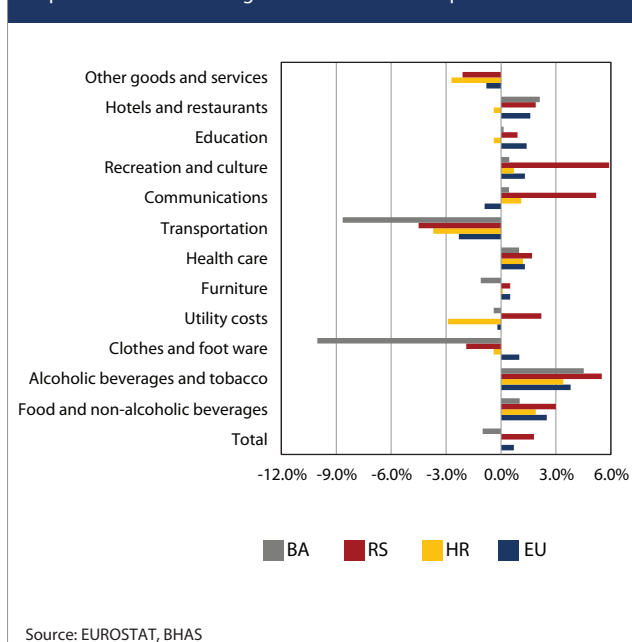
Source: BHAS

Graph 1.15: Cumulative Contribution of the Sections to Average Consumer Prices



Observing the annual trend of consumer prices by categories in the selected countries⁴ (Graph 1.16), a similar trend in almost all the categories is visible. The prices of transport and the prices of other goods and services declined. A significant deviation was only recorded in the category of clothes and footwear in BH, consequently influencing the decline of the general price level, being present only in the local market, although the share of this category is rather low in the structure of the total index of consumer prices (4.8 % in the index structure).

Graph 1.16: Annual Change of Consumer Prices per Sections

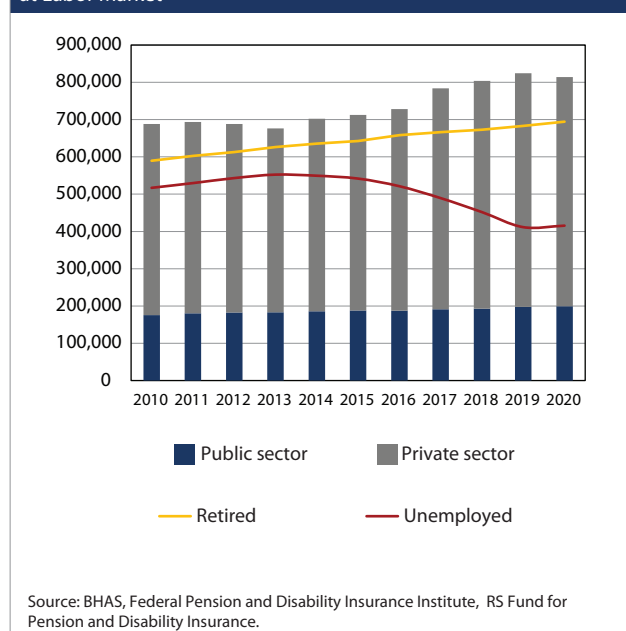


⁴ EUROSTAT uses the Harmonised Index of Consumer Prices (HICP) for the inflation comparability data, while CPI is most often used as a measure of national inflation. HICP and CPI take into account the same representative baskets of goods and services, the basic difference being the coverage of population and sources for the weight structure. As HICP data are not yet officially available, CPI data are used for BH.

III Employment and wages

According to the latest data from the Labour Survey from the end of the first half of 2020, the unemployment rate was 16.0%. Administrative and survey unemployment rates were considerably different due to different approaches in definition and recording⁵, but the trend of change of unemployment rate was almost identical according to both methodologies. Observing the number of persons in labour market, the employment trend obviously in different sectors⁶ followed a similar trend as the growth of the number of retired persons (Graph 1.17). At the same time, a large difference is noticeable between the total number of employees and retired and unemployed persons, also using the social care benefits. In the reporting year, the number of employees decreased, while on the other hand, the number of retired persons was growing constantly, resulting in the deterioration of pension fund coverage ratio, coming down to 1.17 employees to one retired person. The budget deficit of pension funds at the end of the reporting year was 1.0% of GDP and was deteriorated compared to the earlier year, due to a faster growth of the amount for pensions compared to the growth of nominal GDP.

Graph 1.17: Number of Employees per Sectors and other Persons at Labor Market



Operations of pension and social funds was made more complex due to increasingly negative demographic changes reflected in decreased share of active population and increased share of supported population (Graph 1.18). Official projection of population developments⁷, including the continuation of negative trend of natural growth of

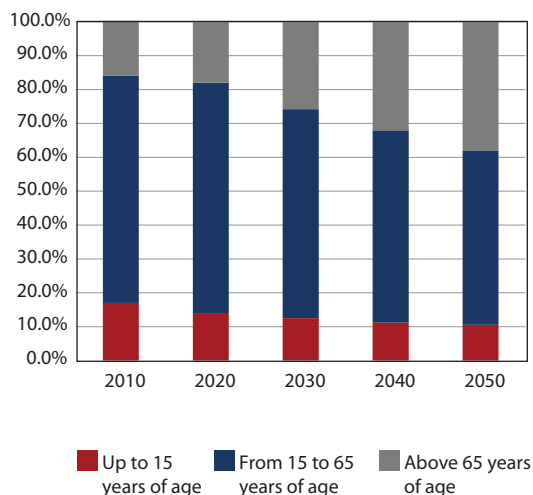
⁵ Administrative data on the unemployed include the total number of the unemployed from records of BH Employment Agency while the data from Labour Survey are derived from data once a year which were collected through surveys on households according to international definitions. Source: BHAS; Labour Survey, II quarter 2020.

⁶ Public sector includes the activities: O (Public administration and defence, mandatory social insurance), P (Education) i Q (Activities of health care and social help). Private sector includes other activities.

⁷ Analysis of the population trends and projection of population for the period 2020-2070 in Bosnia and Herzegovina has been performed by the United Nations Population Fund in cooperation with BHAS, FIS and RSIS.

population, increase of life expectancy and relevant data on migrations of the EUROSTAT and other sources indicate a dramatic decline of active population in the decades to come. By 2050, the decrease of the total population is estimated to be 22.5%.

Graph 1.18: Projection in terms of Age Structure of Population

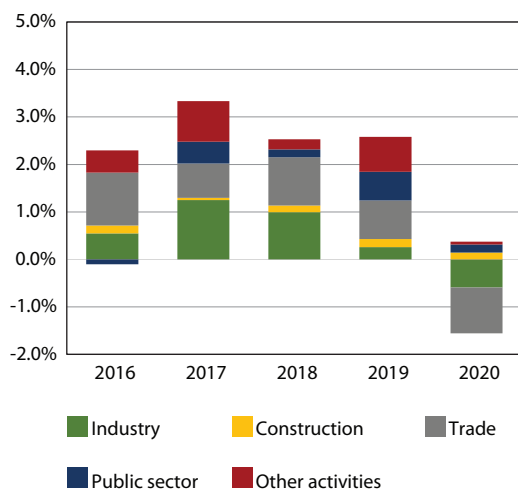


Source: BHAS

Note: Data for 2010 are taken from the Labor Force Survey, and for the rest of the years data are taken from the Analysis of the population status and population projections for the period 2020-2070.

According to the trend of employees by activities (Graph 1.19), the strongest decline of the number of employees at the annual level was recorded in the activities of trade, transport and accommodation and industrial activities. A slow growth of employment was recorded in public sector activities, firstly health care and public administration, communication and construction.

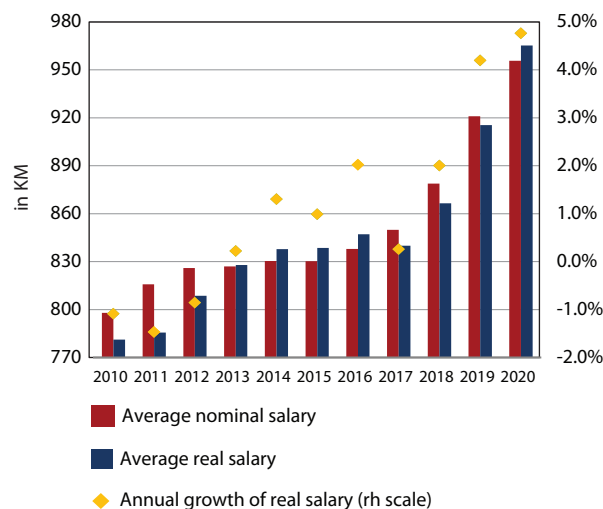
Graph 1.19: Contribution to Annual Changes of the Employed Number per Sectors



Source: BHAS

Despite a negative pandemic effect on most indicators, the upward trend of the average nominal net wage was continued in the reporting year (Graph 1.20), partly influenced by the increase of the minimum wage in RS in the beginning of the year⁸, but also a decrease of low qualifications jobs associated with wages under the average level. Taking into account the presented annual deflation, real net wages recorded faster growth rates than nominal ones. Labour market was marked by a considerable increase of nominal wages in almost all the activities and the decline of average productivity⁹ (Graph 1.21). A strong decrease of productivity was especially visible in trade, transport and hotel industry, while, on the other hand, a strong growth of productivity was recorded in construction, making the importance of infrastructure investment visible, which had also been considerable in 2014 when large floods took place as well as a decline of the general economic activity.

Graph 1.20: Amount and percentage of change in annual average net salary



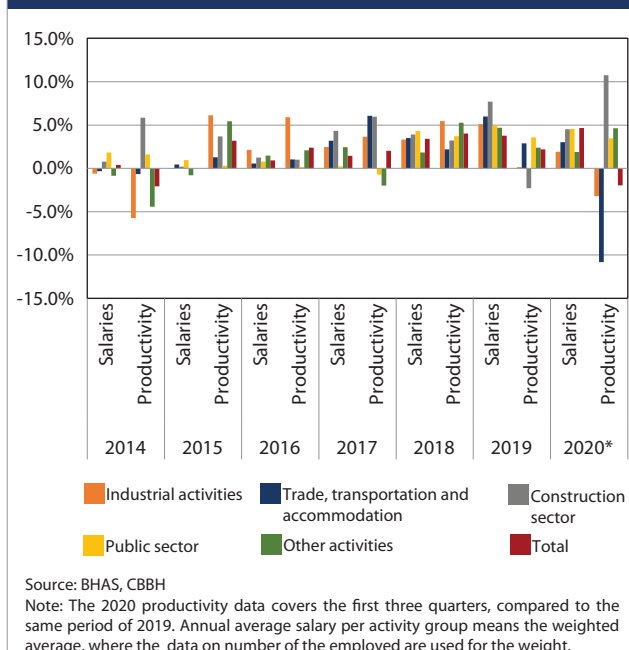
Source: BHAS

Note: Annual average salary means the arithmetic average of average salaries per months.

⁸ The average nominal wages in RS in the end of the year were higher by 5.5%, while in FBH they were higher by 3.5%.

⁹ Estimated productivity includes the ratio of nominal GVA and the number of employees by activities.

Graph 1.21: Annual Growth of Salaries and Productivity per Activities



1.2.2 Fiscal sector

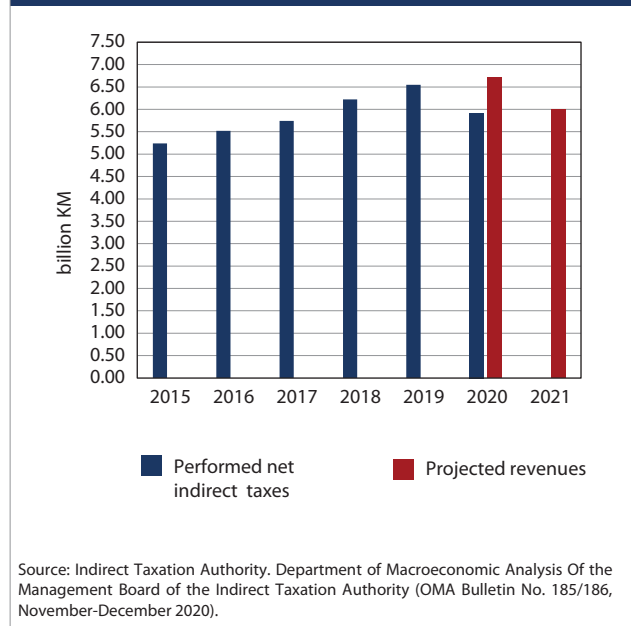
The outbreak of the COVID-19 pandemic had a strong effect on fiscal indicators. Strong economic contraction automatically brought about a decline of revenues and the growth of expenses of the general government sector. The Entity Governments adopted a number of measures to mitigate the consequences of the pandemic on economy, which included reallocation of budget funds. The implementation of a set of measures contributed to the creation of fiscal space for the costs of subsidies for wages as the most important measure to preserve jobs and support to health sector (see Text box 1).

Amendments and supplements in the Entity budgets adopted in the second quarter of 2020 (in RS, the second budget revision was carried out in December 2020), adjusted budget funds with the effects of economic contraction and adopted measures. The revenue and expense sides of the budget were significantly changed compared to the initial plan. Therefore, in 2020, a considerable deficit in the general government budget was recorded and also increase of the public debt level, which brought about fiscal imbalance deepening in BH. After the outbreak of the pandemic, the several year long upward trend of revenues from indirect taxes was stopped. A strong decline of private spending, imports and transport, caused a significant decrease of revenues on this basis (Graph 1.22). The amount of net collected revenues (KM 5.92 billion) was the lowest in the previous four years, and in 2020 it was lower by 9.6% (KM 628.8 million) compared to 2019. The decline of revenues was brought about primarily by a decline of revenues from VAT (KM 274.3 million compared to the previous year), resulting from strong contraction of private spending and the absence of foreign tourists' spending. Revenues from excise

duties, after VAT, had the largest share in the total revenues from indirect taxes, their annual decline amounting to KM 229.6 million in 2020. The mentioned decline was mainly caused by a strong decline of revenues from excise duties on tobacco products and oil derivatives. The collection of revenues on the basis of tolls at the annual level was lower by KM 67.4 million. Upon finalisation of foreign trade liberalisation in BH (CEFTA and SSP) revenues from customs duties had a lower significance in the total collection of indirect taxes taking into account that fewer countries are subject to customs payment. Besides, a considerable decline of imports was recorded in the second quarter of the year, which resulted in the annual decline of revenues based on customs duties in the amount of KM 38.2 million.

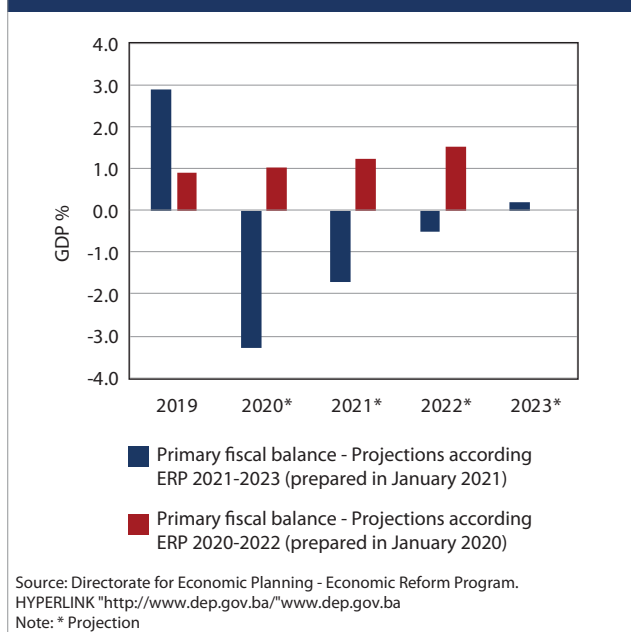
According to the latest projections of the Indirect Taxation Authority (from November 2020, the source stated below the graph), a slight recovery of revenues is projected for the next year and also their annual growth of 2.8%, this remaining below the level of the revenues from 2019 (by KM 100 million). The assumption of positive trends in the indirect tax collection in medium term is conditioned with the pandemic duration. On the other hand, the two largest items within government spending, allocations for social payments and wages of employees, increased significantly in 2020 (KM 330 million – the latest available data for Q3, 2020).

Graph 1.22: Indirect Taxation Revenues



Due to several year long fiscal consolidation and restrictive fiscal policy before the outbreak of the pandemic, the Entity Governments created a fiscal space to act with the aim of mitigating the negative consequences of the pandemic, firstly by reallocating funds to the affected sectors.

Graph 1.23: Primary Fiscal Balance



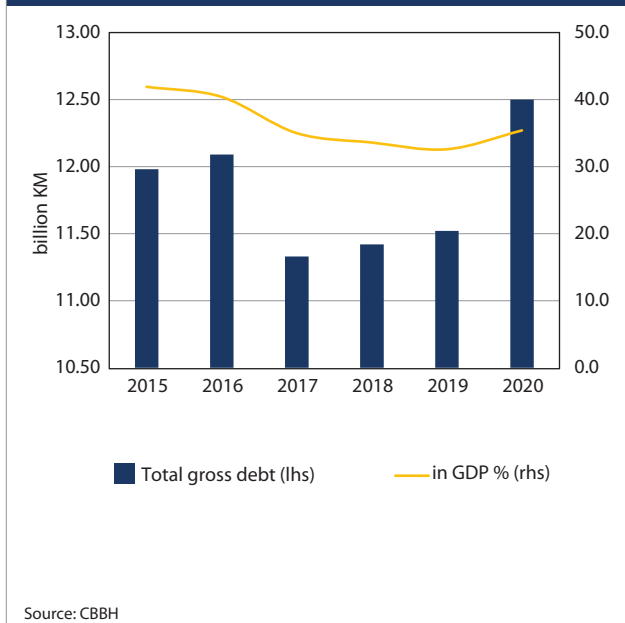
The revised primary fiscal balance from the Economic Reform Programme, was made in January 2021, clearly showing the seriousness of the corona shock effect on fiscal sector (Graph 1.23). Namely, significant deviations in planned expenses (the growth of KM 1.36 billion) with simultaneous strong decline of public revenues (KM 778 million) created huge pressure on the Entity budgets in respect of financing, which required significant increase of the plan of borrowing from foreign creditors. Regarding expenses, deviations from the plan were the largest in item subsidies and social payments (KM 736 million). In 2020, the primary fiscal deficit is expected to be around 3.3% of GDP as a result of these effects. According to the mentioned Programme, primary deficit is expected to go down as early as in 2021 with the controlled growth of government spending. Due to the pandemic, expenses for public investments in 2020 were lower compared to the plan (KM 93 million less compared to the previous year). Before the outbreak of the COVID-19 pandemic, funds for infrastructure projects and projects in electric energy sector were allocated in the total amount of KM 2.42 billion KM¹⁰. (BH Public investment programme for the period 2020-2022) therefore, positive effect of public investments on overall economic activity is expected in the period ahead.

In 2020, a three year downward trend of the total debt of the government sector was interrupted, so, in the end of 2020, its growth was recorded in the nominal amount of KM 941.7 million. The Entity Governments borrowed from foreign creditors (the IMF, the World Bank, the EU) and in the local capital markets. In 2020, the total amount

of withdrawn funds from foreign creditors was KM 1.39 billion, although withdrawal of funds in the amount of KM 1.85 billion was planned¹¹. The largest amount of withdrawn funds of KM 797.6 million was recorded in the second quarter, due to the concluding of the Rapid Financing Instrument with the IMF in April, in the amount of KM 642 million, for a three year repayment period (2023-2025). A major part of withdrawn funds was allocated to the mitigation of economic and health consequences caused by the COVID-19 pandemic.

During 2020, more funds were withdrawn from foreign creditors than repaid, so external debt at 2020 end recorded a considerable annual growth (KM 546 million or 6.3%). So, the total gross debt increased to 35.4% of GDP in 2020 (Graph 1.24). External debt of the general government sector at 2020 end amounted to KM 8.69 billion (Graph 1.25) and it was mainly related to concession debt.

Graph 1.24: Total Gross Debt of Government Sector



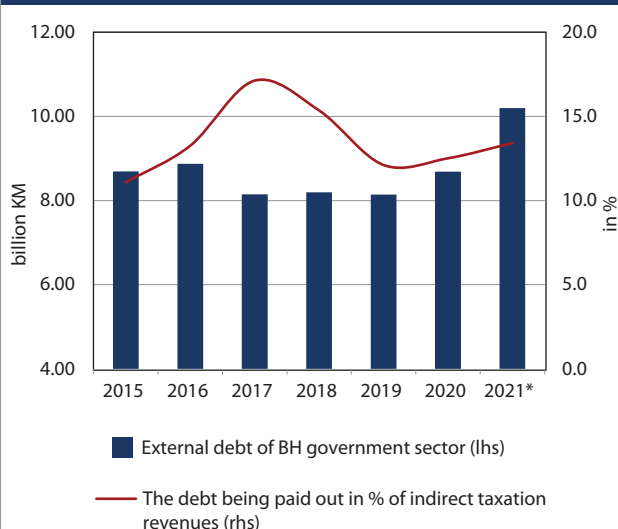
Net debt of the government sector in 2020 amounted to KM 648.9 million. Out of the total funds serviced to foreign creditors (KM 741.1 million), the highest individual amounts were serviced to the World Bank – IDA and the European Bank for Reconstruction and Development – EBRD, those being KM 162.5 million and KM 119.3 million, respectively. For servicing external debt of general government in 2021, funds were planned in the amount of KM 803.7 million, which is 13.4% of projected revenues from indirect taxes for 2021¹² (in 2019, that percentage was lower, being 12.4%).

¹⁰ Programme of public investments of Republika Srpska for the period 2020-2022 Decembar 2019.
Programme of public investments of the Federation of BH for the period 2020-2022 October 2019.

¹¹ Global framework of fiscal balance and policies in BH for the period 2021.-2023, August 2020

¹² Source: Ministry of Finance and Treasury of BH (Plan of foreign debt servicing in 2021) and Macroeconomic Unit of the Governing Board of Indirect Taxation Authority (Bulletin no.185/186, November-December 2020).

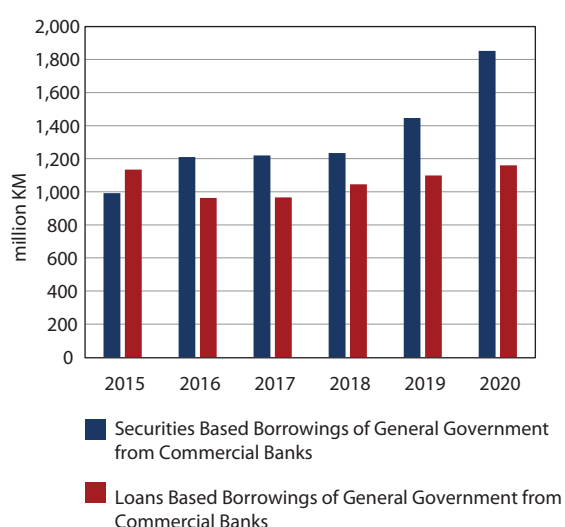
Graph 1.25: External Debt of Government Sector



Source: CBBH and Indirect Taxation Authority
Note: * Projection

The government sector debt with commercial banks increased significantly at the annual level, both on the basis of securities and loans (Graph 1.26). During 2020, Entity Governments issued the total of KM 787.8 million in the market of securities, (RS KM 488.2 million and FBH KM 299.6 million), while the net debt on this basis amounted to KM 74.0 million. In 2021, on the basis of internal debt repayment, FBH and RS should allocate KM 885.6 million (the Federation of BH KM 564.6 million and Republika Srpska KM 321.0 million). Bank exposure to the government sector at 2020 end was 8.9% of the total banking sector assets.

Graph 1.26: Borrowings of General Government from Commercial Banks



Source: CBBH

Text box 1: Measures of the Governments of Republika Srpska and the Federation of BH as a response to the global challenge of the COVID-19 pandemic

The COVID-19 pandemic brought about strong disturbances in economies worldwide. Most countries locked down their economies completely in March, due to the fast spreading of the epidemic, which made health systems in some European countries almost collapse. The lockdown of economies appeared necessary but also unprecedented in recent history. The price of the lockdown is off course a large decline of economic activities. All the countries which were locked down had to take a number of measures to save economies and health systems, including our country. Governments of both Entities adopted budget revisions (RS Government twice). Expenses were primarily planned to help health sector and to deal with the economic consequences of the pandemic.

Governments of both Entities allocated around KM 50 million (around 0.15% of GDP) for procurement of medical equipment and stocks of medical equipment. The Government of the Federation of BH transferred KM 30 million (0.1% of GDP) to hospitals.

The RS Government took the obligation that the health fund would cover all the costs of medical treatment for all the patients, regardless whether they are insured, and prolonged the payment of tax obligations until the end of June, and at the same time it accelerated the process of reimbursement of contributions and taxes.

The measures taken by the RS Government to solve the economic consequences of the pandemic are related to the takeover of the liability to pay contributions for health and pension insurance for around 40,000 employees who had been directly affected by the lockdown, i.e. government measures, in the amount of KM 50 million or 0.15% in GDP%. The Government also took the obligation to pay the minimum wage for April, for all the employees of the sectors which were affected by Government measures, with KM 53 million or 0.16% in % of GDP allocated for this purpose, and KM 25 million (0.08% in % GDP) transferred to the Unemployment Fund. In order to ensure the liquidity of companies, the Government is also working on the development of loan guarantee model.

The Government of the Federation of BH, within the economic measures of help, took the obligation to provide subsidies for the payment of contributions for pension and health insurance for the employees affected by the lockdown. It also took the obligation to pay minimum wage to employees in the companies feeling the consequences of the lockdown. The Government of the Federation of BH allocated around KM one billion to help economy, through establishing of a special Economy Stabilisation Fund, which KM 500 million was allocated for, and the establishment of Guarantee Fund in the Development Bank, which will be used to maintain and improve the liquidity of companies affected by the pandemic, which around KM 100 million was allocated for.

Governments of both Entities published also the measures named COVID 2. The second set of measures was focused on the most affected sectors: tourism, airports, health care and for exports of manufacturing industry, which around KM 100 million was planned.

Due to a higher number of public debt issues of BH Entities (Table 1.1.), in higher nominal values, trading on BH stock exchanges during 2020 exceeded the trading recorded during 2019. The total trading on BH stock exchanges in 2020 in the amount of KM 1.27 billion, was higher by 41.0% than in the previous year. The structure of trading, in which BLSE accounted for 58.0% of trading, was determined by a significantly higher number of public debt issues of Republika Srpska compared to the Federation of BH.

Table 1.1: Issues of BH Entities' Public Debt in 2020

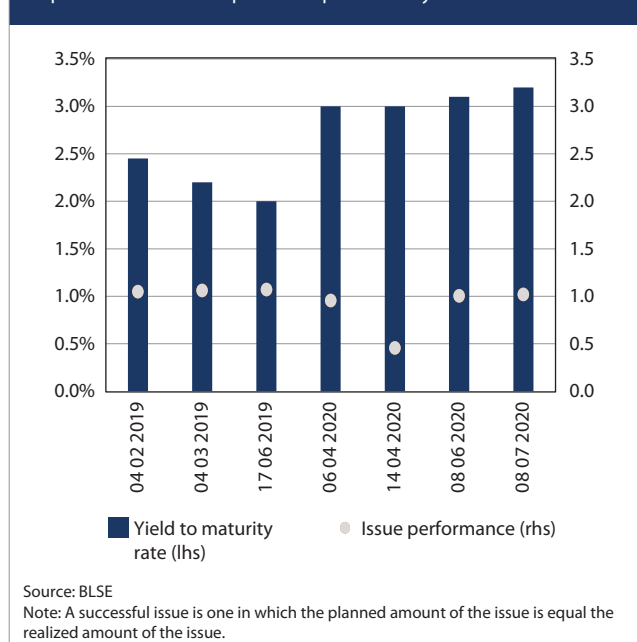
Maturity, per month	6	12	60	72	84	120	180	Total
Republika Srpska	5	2	4		1	1		13
Federation of Bosnia and Herzegovina	2	1	2	1	2		1	9
Total	7	3	6	1	3	1	1	22
Nominal value of issues (million KM)	276	120	291	50	106	31	30	905

Source: BLSE and SASE

During the year, there was approximately the same number of issues of treasury bills (10) and bonds (12), and due to higher denominations of issues with maturities longer than one year in the value structure of issues, bonds were prevailing (56.0%). Out of the total value of issues in Republika Srpska, bonds accounted for 55.0%, and in the Federation of BH, they accounted for 58.0%.

The previously mentioned more intensive activities of Republika Srpska in the primary market of public debt were carried out in two key market segments, the market of six month treasury bills and market of five year bonds. Until the outbreak of the pandemic, all the issues of Republika Srpska public debt had been successful, and after the outbreak of the pandemic, there was one less successful issue (Graph 1.27) with high denomination.

Graph 1.27: Issues of Republika Srpska Five - year Bonds



A lower interest of investors for the issues of this Entity was temporary and in the other part of the year, the realized amounts of the issues were equal to planned ones.

The Federation of Bosnia and Herzegovina, to a much higher extent than Republika Srpska, was focused on the bond market with maturities longer than five years. All the issues were successful, and due to satisfactory fiscal position, even six public debt issues were cancelled during 2020 (one issue of treasury bills and five issues of bonds). Although slightly increasing, the costs of borrowing of the Federation of Bosnia and Herzegovina remained significantly lower than in Republika Srpska (Table 1.2.). On the average, higher demand for the issues of the Federation of Bosnia and Herzegovina, as in the previous year, brought about a significant difference in yield to maturity rates in the Entity public debt markets. The difference in demand for issues was the most striking in the market of six month treasury bills, in which demand on the average exceeded the offer by 34.0% (Republika Srpska), i.e. by 80.0% (the Federation of Bosnia and Herzegovina).

Table 1.2: Average Yield to Maturity Rate in the Primary Market of BH Entities' Public Debt in 2020

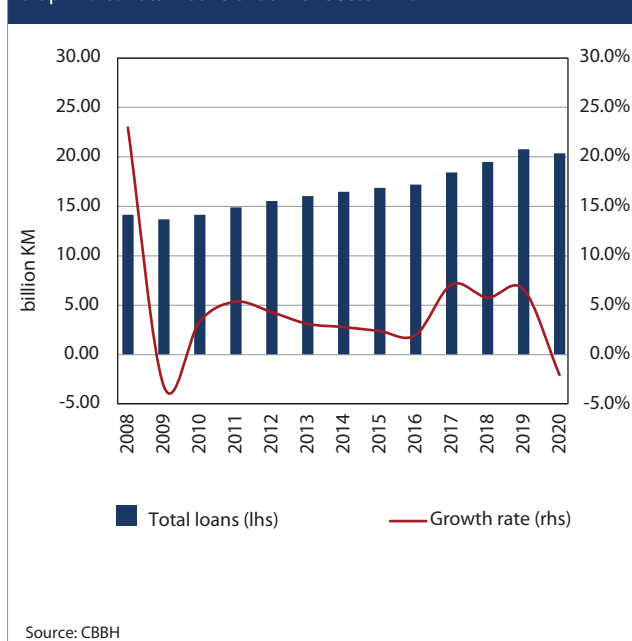
Maturity, per month	6	12	60	72	84	120	180
Republika Srpska	0.32%	1.00%	3.08%		1.74%	2.96%	
Federation of Bosnia and Herzegovina	0.08%	0.11%	0.94%	0.96%	1.24%		3.23%

Source: BLSE and SASE

1.2.3 Banking sector

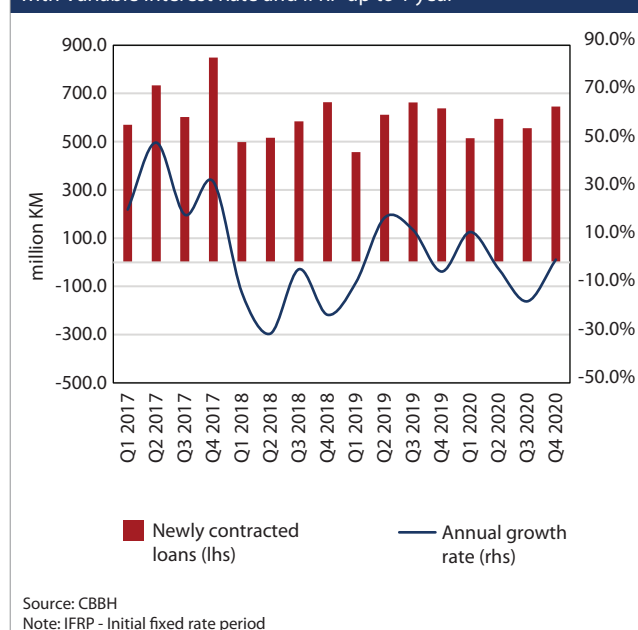
The reporting period was marked by a decline of lending particularly with regard to private non-financial companies and renewal of banks' deposit potential after mass withdrawal of deposits in the beginning of the pandemic. According to the new regulation adopted in 2019, which took effect on 01 January 2020, the decrease of credit balance in the beginning of the year was impacted by the transfer of non-performing loans from records (around KM 400 million). After moving loans from records, global restriction of social-economic activities additionally weakened banks' lending in the country, so, for the first time after 10 years, a decline of loans was recorded (Graph 1.28). The write-off of non-performing loans in accounting records, which was made possible by new regulations, and, on the other hand, moratorium on loans, on the other hand, resulted in no considerable decline of the level of loans being recorded in 2020, as it had happened in 2009.

Graph 1.28: Total Loans of Banks' Sector in BH



As the decline of lending was partly caused by the removal of a part of non-performing loans from the balance sheet in the beginning of the reporting year, that now being performed continuously, upon the fulfilment of the defined conditions, the decline of lending in 2020 cannot still be called a credit breakdown, although the credit growth in the previous year was 6.5%. Due to the effects of offer and demand for bank loans, the slowdown of credit growth was not equally distributed by sectors. Decisions on moratorium on loan liabilities, adopted by the Entity Agencies due to the mitigation of effects of the pandemic on debtors, partly prevented the deterioration of asset quality and even stronger decrease of lending than the existing one.

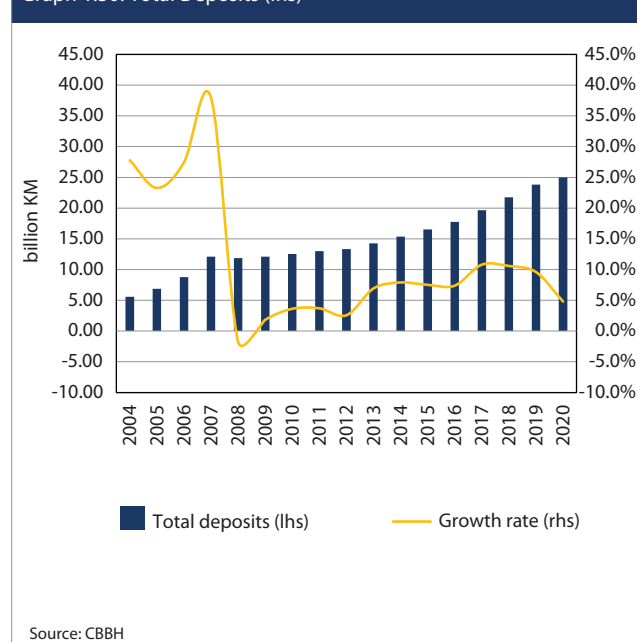
Graph 1.29: Newly Contracted Loans to Non-financial Companies with Variable Interest Rate and IFRP up to 1 year



In 2020, a very slow and weak recovery was observed in case of loans with variable interest rates and initial interest rate fixation period up to one year, making the largest part of newly granted loans to companies (in 2020, 85.0%) as early as in the last quarter (Graph 1.29). Significant improvement of the situation in this part of credit market during the year was not affected by a one year decline of the average interest rate, showing that the obstacle for stronger lending is not related to offer.

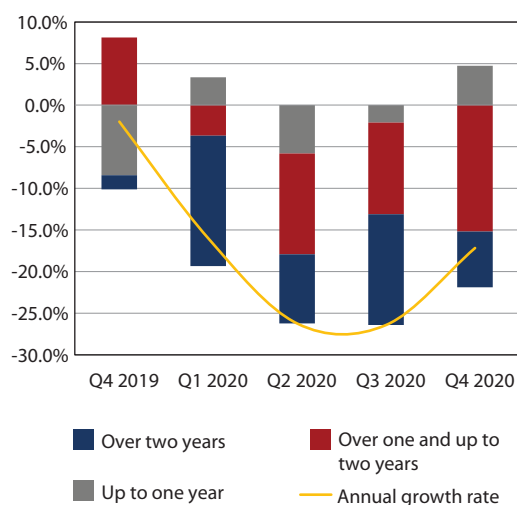
Unlike the period of the global financial crisis, when banks' deposit potential had decreased (2008), during 2020, bank deposits were growing (Graph 1.30). During the first three months since the beginning of the first wave of the pandemic (March – May 2020) banks' deposit potential decreased by KM 600 million, and after that, the decline of deposits was stopped. The growth of the total BH banks' deposit potential was affected by deposits of non-financial private companies which after 2 months of decline (March – April) started to grow quickly. The growth of these deposits (16.0%) in the year when the loans to non-financial companies decreased by around 5.0% are possible indicators that economic investment dynamics was at a low level, and that companies delayed investments due to caution and slowed down economic activity.

Graph 1.30: Total Deposits (lhs)



The annual value of newly contracted household deposits in 2020 decreased by around one fifth compared to the previous year, and the entire year 2020 was marked by a decrease of newly contracted household deposits (Graph 1.31). Yet, during the year, the balance of household deposits increased (3.9%) and also the total deposit balance (4.8%), although banks did not raise the average interest rate on deposits. The market of newly contracted deposits with maturities up to one year recorded the fastest recovery.

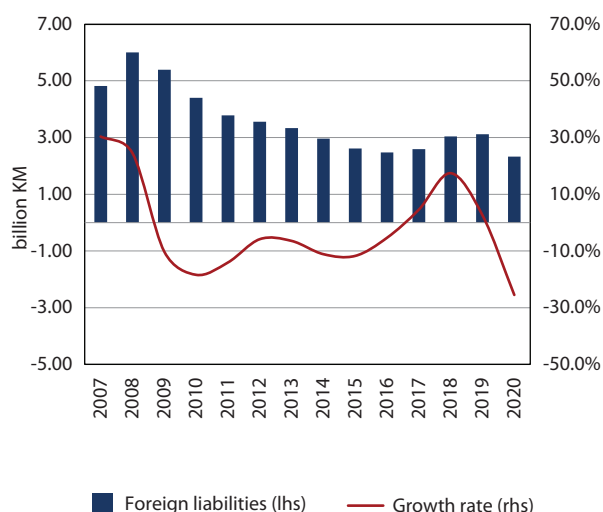
Graph 1.31: Contribution to the Annual Growth Rate of Newly Contracted Household Deposits per Maturity Segments



Source: CBBH

The same as during the global financial crisis, the crisis brought about by the pandemic had a negative impact on the part of banks' balance sheets related to non-residents (Graph 1.32). In the last quarter of 2020, the decrease of foreign liabilities stopped, but the huge annual decline (-25.5%) was significantly higher compared to 2009 (-10.2%). Banks in BH, without any delays or mass purchases of foreign exchange funds from the Central Bank of Bosnia and Herzegovina, responded to foreign demand for foreign exchange funds, so in one year, foreign liabilities decreased by KM 794 million.

Graph 1.32: Foreign Liabilities of BH Banking Sector



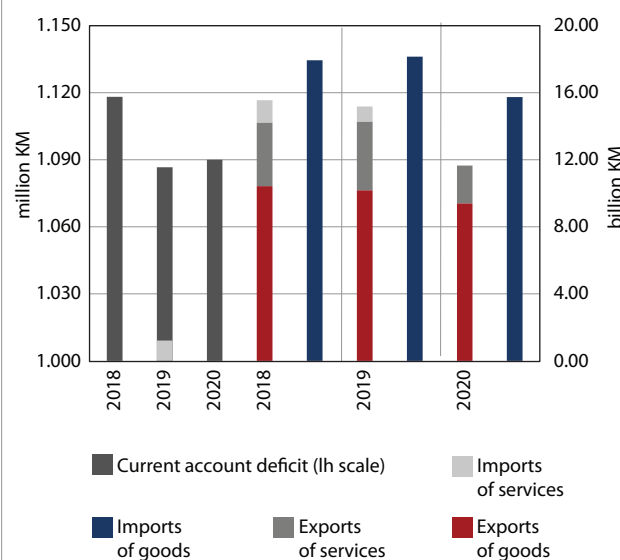
Source: CBBH

1.2.4 External sector

I Balance of payments

The pandemic brought about a strong contraction in foreign trade and significant deterioration of the balance of payments position in 2020. In absolute amounts, the current account deficit was almost unchanged compared to 2019 (Graph 1.33). However, the deficit expressed in per cents of GDP is expected to be significantly higher in 2020, due to a dramatic decline of economic activity. According to preliminary data, as of the first three quarters of 2020, the current account deficit, in per cents of GDP, increased by 57 bp, to the level of 3.52%, compared to the same period of 2019.

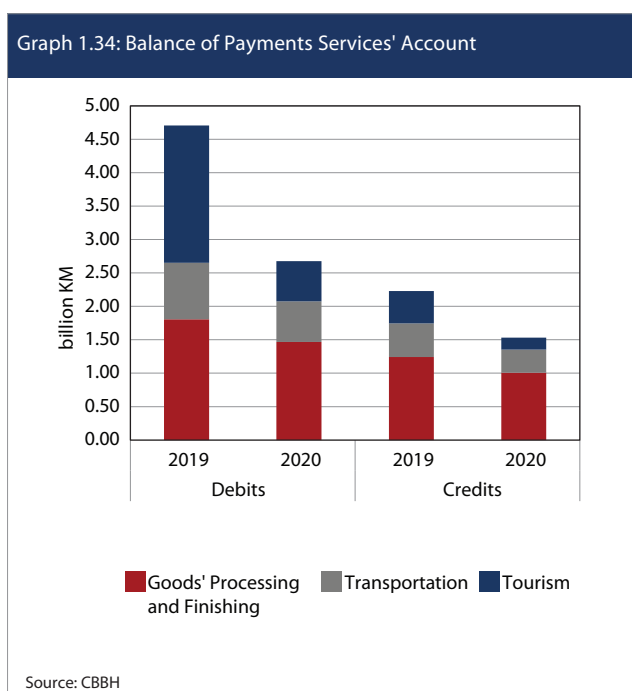
Graph 1.33: Current Account Deficit



Source: CBBH

The most significant decrease of foreign trade in 2020 was recorded in the decrease of exports of services and decrease of imports (Graph 1.33 above). Surplus in the account of services was lower by half compared to 2019, with the most significant decrease recorded in the categories of tourism, transport and services of goods processing in the country, primarily regarding demand, i.e. our exports of the mentioned services. Due to the epidemiological situation in the country and the world, resulting in global closing of national borders for international travel, decline of income from foreign tourists in BH was dramatic (Graph 1.34 below). Although much weaker compared to tourism, the decline of income from goods processing in the country was equally serious. Due to the interruption of production chains and more difficult cross-border movement of goods, particularly in spring 2020, the volume of exports after processing in BH decreased by KM 613 million (19.0%) compared to 2019. The annual decrease of regular exports was much lower (KM 366.9 million, or 4.4%). The extent to which the recovery of BH economy in the post-pandemic period depends on the recovery in the EU countries and

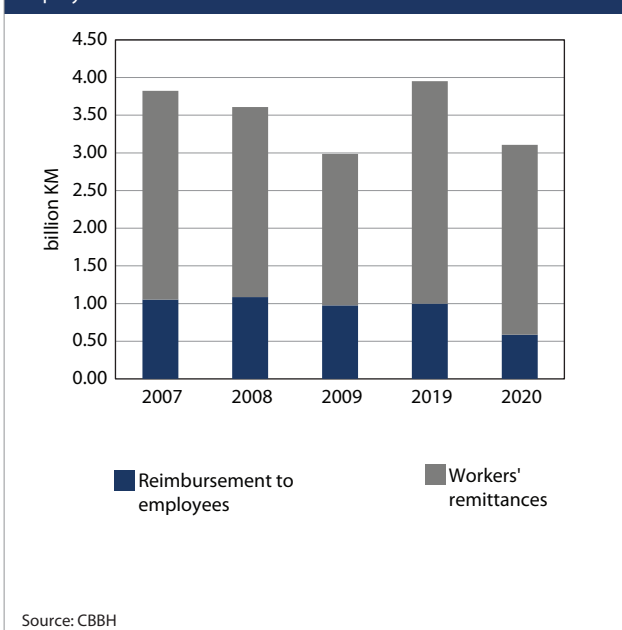
reintegration into global production chains, is shown by the fact that the decrease of BH exports into the EU member countries accounted for even 78.8% of decrease of exports in 2020.



Out of the total annual decrease of imports (KM 2.4 billion according to balance of payments data), KM 1.09 billion was related to the decrease of imports of energy, i.e. mineral fuels. Average oil prices in the world markets in 2020 were much below those recorded in 2019, but imported quantities, mainly due to the complete lockdown of the economy for two months in spring 2020, were much lower. Imports of other goods, classified by economic purpose, decreased, but much less than those of energy sources.

Net inflows based on secondary income, traditionally covered a significant part of trade deficit, decreasing the current account deficit. The most important item of inflows from foreign countries were workers' remittances. The second important item of inflow with the identical effect on the current account deficit was residents' wages in foreign countries. Both kinds of inflows from foreign countries significantly decreased in 2020 (Graph 1.35). The total inflows based on these two items in 2020 were roughly at the level of inflows from 2009, the level recorded after two years of decrease upon the outbreak of the financial crisis in developed countries in 2007. The feature of 2020 was also a strong decrease of remunerations of employees in foreign countries, which had not been registered before. Due to restrictions on movement in Europe, a significantly lower number of workers from BH received wages in foreign countries. If the trend continues, which could be a consequence of delay in the COVID-19 immunisation in comparison to the EU, and also immunisation by vaccines not registered in the EU, the current account deficit could additionally deepen.

Graph 1.35: Workers' Remittances and Reimbursement to Employees Abroad

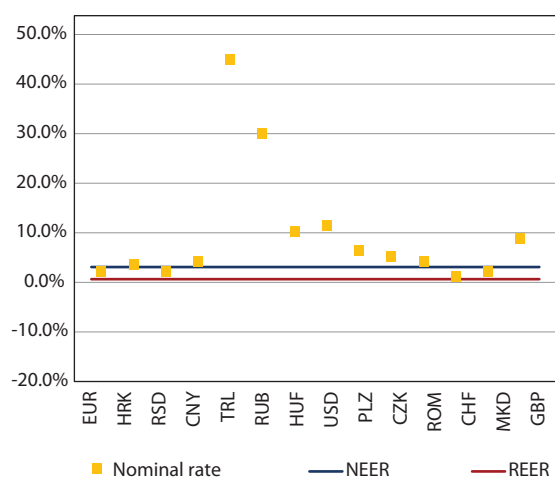


The current account deficit in 2020 was financed primarily by the government sector borrowing from foreign creditors (see the section 1.2.2), and, to a lower extent, by inflows based on foreign direct investment. Data on the structure of foreign direct investment by countries, industries and type for 2020 will not be available until the moment of the publishing of the CBBH Annual Report. According to the information on the structure of foreign direct investment for the first three quarters, it is concluded that a significant share is taken by retained profit in the area of financial mediation, which is related to the ban on dividend payments in banking sector from 2019 profits. Net borrowing from abroad in 2020 exceeded the current account deficit, which resulted in the increase of reserve assets compared to 2019 (see section 2).

II. Nominal and real effective exchange rates

Nominal effective exchange rate (NEER) over the previous five years recorded a clear appreciation trend, with the exception of the second half of 2019, when the trend briefly changed. Both real effective exchange rate, where the consumer price index was used as deflator (REER-CPI), and NEER, indicated the appreciation of KM against the currencies of the main trading partners (0.6% and 3.0% respectively) over the previous year (Graph 1.36). The appreciation of NEER was brought about by the nominal appreciation of KM against the developing countries' currencies, resulting from strengthening of EUR (our peg currency) to US dollar (USD), which was particularly strong in the second half of 2020. USD weakened in relation to EUR during 2020 by 9.2%, which is the strongest decrease of dollar recorded since 2017. Decline of dollar is favourable for US exporters, but it is also a consequence of the global decline of economic activity and is one of the factors bringing about the growth of prices of raw materials.

Graph 1.36: Annual Changes of Exchange Rate, December 2020



Source: CBBH

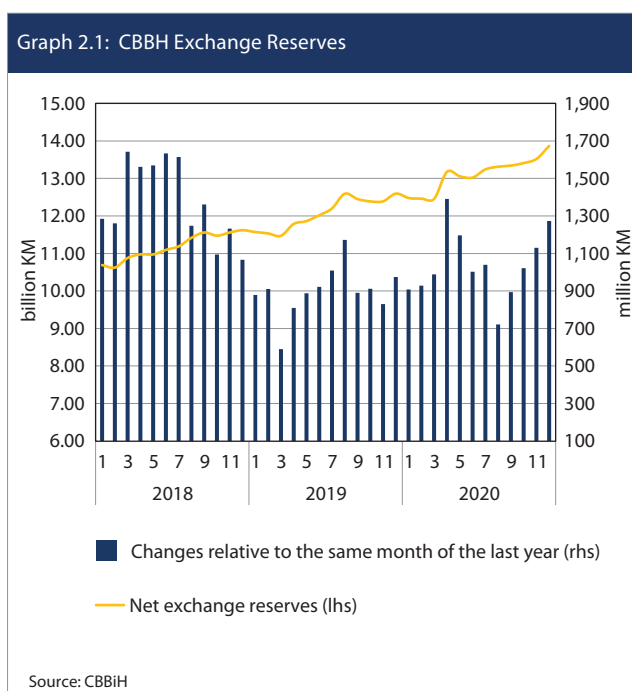
Note: Currencies are ranked according to the importance of the country in trade in 2020.

REER-CPI had a depreciation trend over the previous five years, due to a lower inflation in BH, than recorded in the countries, which are our main trade partners.

REPORT ON THE CBBH ACTIVITIES IN 2020

2. REPORT ON THE CBBH ACTIVITIES IN 2020

Outlook for global economic growth in 2020 deteriorated, and the risk raised as a direct consequence of the COVID-19 pandemic, as well as the accompanying, almost complete lockdown of economic activities, which significantly changed the factors which impacted the level of foreign exchange reserves during 2020. The changes of the foreign exchange reserve positions in 2020 were affected by the changes in foreign trade deficit, decrease of inflow from tourism, decrease of inflow from remittances and decrease of inflow of foreign direct investment, foreign debt repayment, new foreign debt of government, change of the investment portfolio fair value. The upward trend of foreign exchange reserves was continued in 2020. On the average, each month of 2020, the annual growth of more than KM 700 million was recorded, even before the inflow of funds based on the latest arrangement with the IMF. An obvious decrease of foreign exchange reserves in the beginning of the year was not unusual, mainly caused by decreased renewal of due foreign liabilities of banks. In December 2020, net foreign exchange reserves amounted to KM 13.86 billion, which was higher by KM 1.27 billion (10.09%) compared to December 2019, mainly impacted by the inflow of funds from the IMF during the second quarter (Graph 2.1).

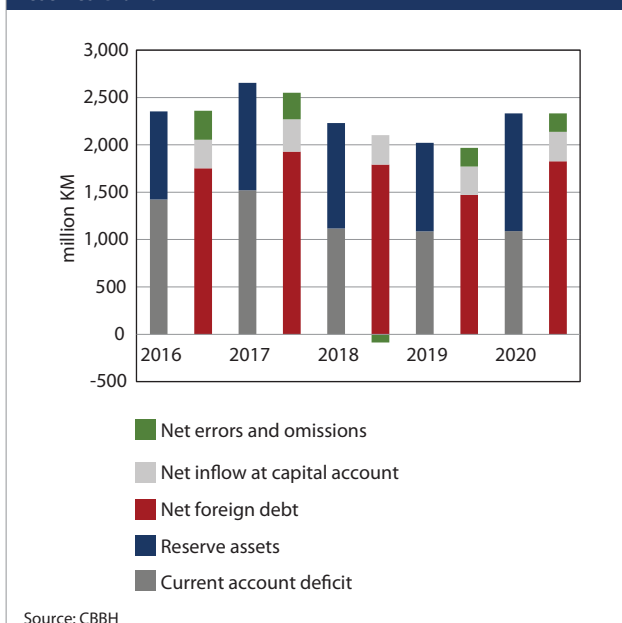


All the transactions which directly impact the level of foreign exchange reserves can be observed through the trend of KM purchase and sale with the CBBH, which is the base for their creation. Contribution to the growth or decline of the foreign exchange reserves is mainly seen through the purchase and sale of commercial banks and depositors with the CBBH, with other changes having much weaker effect. During 2020, the CBBH recorded a positive balance of KM purchase and sale with commercial banks and internal depositors in the amount of KM 1.16 billion. The foreign debt repayment in 2020 accounted for KM 740.1 million. Changes in the value of the CBBH

portfolio due to market conditions in 2020 had a positive impact on foreign exchange reserves in the value of KM 118.3 million in 2020, which will be described in detail in Section 2.3.

Graph 2.2 below illustrates the changes in reserve assets, which, from the balance of payments view, mainly includes the CBBH foreign exchange reserves. From the balance of payments point of view, our current account deficit can be observed as BH debt to foreign countries. In simpler terms, such debt is financed by net foreign borrowing from non-residents by the amount not covered with net inflows in capital account. Net foreign borrowing can be in the form of foreign direct investment, which is a preferred form from macroeconomic point of view, as it is not subject to the obligation of repayment and it enhances local capacities, or in the form of external borrowing by the sector of government, corporates or financial sector. All the amount of net foreign debt exceeding the current account deficit increases reserve assets, i.e. foreign exchange reserves in the observed period. As they are invested in foreign countries, even when a part is held in cash in foreign currencies in the CBBH vaults in the country, the graph below shows them in the column with current account deficit. From the balance of payments point of view, foreign exchange reserves should be observed as higher inflows from foreign countries in the observed period, in relation to our debt to foreign countries. Net foreign borrowing from non-residents significantly exceeded the current account deficit in 2020, so a strong growth of foreign exchange reserves of the CBBH was recorded in relation to 2019 (see Graph 2.1 above).

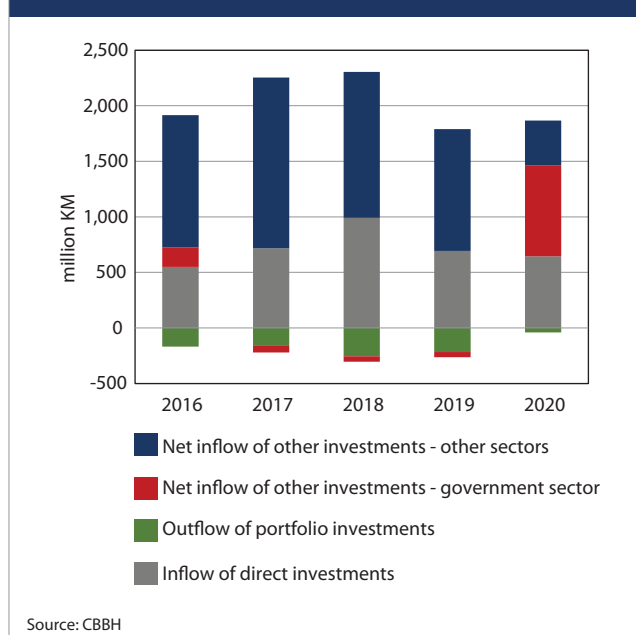
Graph 2.2: Impact of the Balance of Payments Items on Exchange Reserves Growth



Although the amount of net foreign debt in 2020 was close to the last year's level, the structure was significantly different compared to earlier years (Graph 2.3 below). Government sector borrowing from foreign creditors

(mainly from the IMF in the form of arrangement of Rapid Financing Instrument, see section 1.2.2) was a key factor for the reserve assets growth. Although net inflows of foreign direct investment seem unchanged compared to 2019, which should be unexpected positive signal in the year of the pandemic, the structure is also important. Due to the measures adopted by the Banking Agencies with purpose of strengthening capitalisation and banking system resilience in the emergency shock periods, the payment of dividends in banking sector was banned in 2020. Therefore, exceptionally high profit of banking sector from 2019 increased retained earnings, which is a category of foreign direct investment. Details on the structure of foreign direct investment in 2020 are not available yet, but, according to the CBBH data on the flows for the first three quarters of 2020, retained earnings of companies from the area of financial service activities, except for insurance and pension funds, amounted to KM 183.2 million. Dramatic decrease of net inflow of other investments in other sectors resulted from non-renewal of due banks' liabilities towards non-residents (see Section 1.2.3) and decrease of trade loans of local companies in foreign countries. In the period of the pandemic, banks did not need additional sources of long-term financing, while trade with foreign countries was carried out at a lower level (see Section 1.2.4).

Graph 2.3: Structure of Net External Debt



2.1 Monetary policy

In 2020, the CBBH fulfilled the objective defined by the Law, the issue of the local currency according to the currency board arrangement. According to Article 31 of the CBBH Law, it is obliged to ensure that the total amount of its monetary liabilities should never exceed the equivalent amount of its net foreign exchange reserves, which was completely fulfilled.

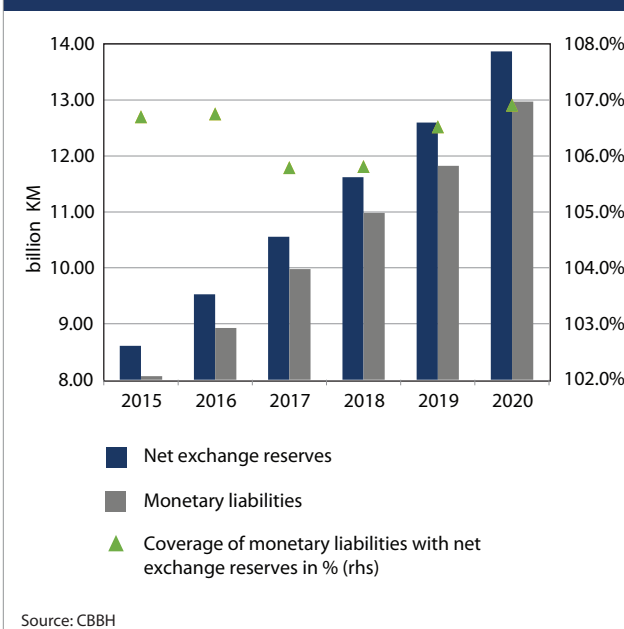
According to the Law, the total amount of the monetary liabilities of the Central Bank is always the sum of:

(A) all the banknotes and coins put into circulation by the

Head Office, Main Units and other Branches of the Central Bank, and (B) credit balances of all accounts held in the books of the Central Bank and its organisational parts by resident account holders.

In the end of 2020, net foreign assets amounted to KM 895.7 million, which is higher by KM 124.5 million (16.14%) compared to the balance at 2019 end. Net foreign exchange reserves at 2020 end amounted to KM 13.866 billion, having increased by KM 1.27 billion (10.09%) compared to 2019 end. Monetary liabilities in the same period increased by 9.69%, i.e. KM 1.14 billion. Net foreign assets are a buffer from shocks which might have a negative impact on the market value of financial instruments which foreign exchange reserves are invested in. The rate of coverage of currency board at 2020 end was higher compared to the end of the previous year (Graph 2.4).

Graph 2.4: Coverage of Monetary Liabilities with Net Exchange Reserves



2.2 Reserve accounts with the CBBH

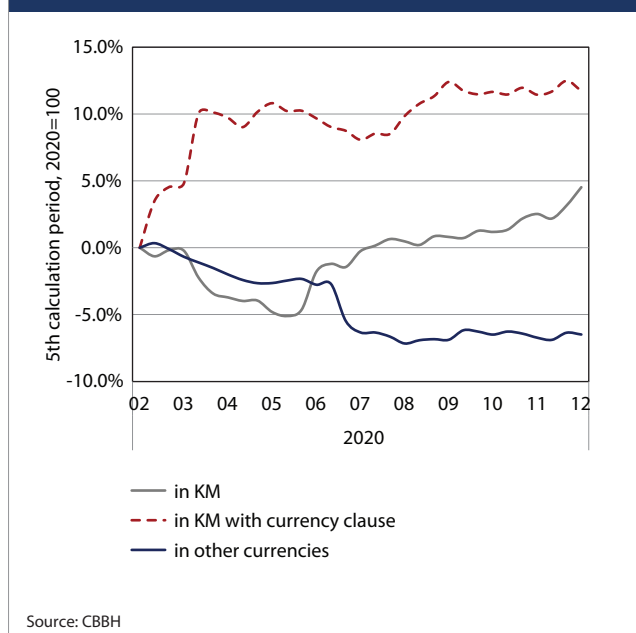
The only instrument of the CBBH monetary policy is required reserve. During 2020, the CBBH did not change the required reserve rate or the coverage of the required reserve base. The required reserve rate was kept at 10.0%, being applied on all domestic and foreign liabilities of banks. The remuneration rate on excess holdings above the required reserve was equal to the ECB deposit rate, amounting to -50 bp. The remuneration rate on required reserve remained unchanged at 0.0%.

The required reserve system in 2020 includes 24 banks, all of them having fulfilled the reserve requirement. Although there were periods in the year when the required reserve base (RR) decreased, the base was increasing since August, such trend continuing until the end of 2020. In the last calculation period in 2020, the required reserve base amounted to KM 27.27 billion, with the annual increase of KM 3.39 billion. Consequently, the growth of the average

required reserve was recorded in accounts with the CBBH. Based on the above, it can be concluded that the sources of bank financing were stable and that the COVID-19 pandemic had no significant persistent effects on the total RR base.

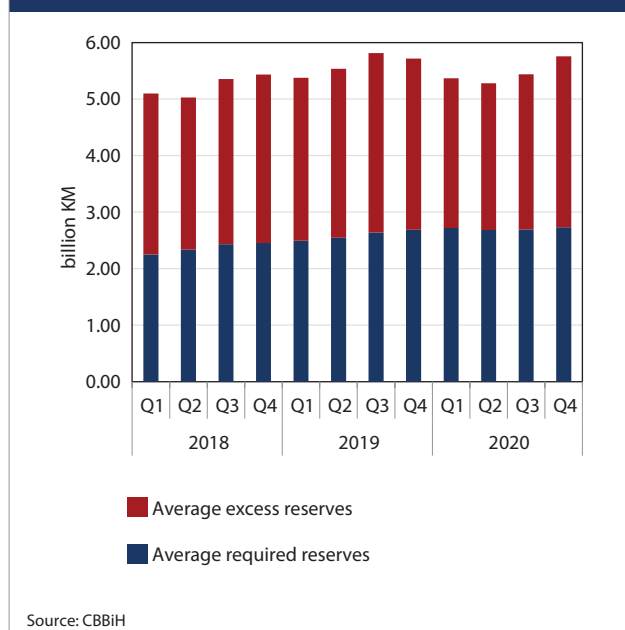
In respect of the currency structure of the required reserve base, the upward trend of KM base was evident since June, which in the last calculation period in 2020 accounted for 52.6% of the total base. A certain level of banks' liabilities in foreign currencies, and also assets in foreign currencies, in BH is natural due to the currency board arrangement, the structure of banks' funding sources and regulatory requirements related to the management of banks' foreign exchange risk. Decline of the base in foreign currencies mainly resulted from a decline of banks' foreign liabilities, i.e. liabilities to non-residents. As there was no strong demand for long-term loans, banks did not renew due foreign liabilities in 2020. On the other hand, as banks need to meet the regulations on foreign exchange exposure (mainly related to net open position), the decline of foreign liabilities was compensated by banks through the increase of indexed deposits in KM (Graph 2.5). When the decline of banks' foreign liabilities was stabilized, the base in KM, indexed to EUR, stopped growing as well. The total banks'

Graph 2.5: Currency Structure of RR Calculation Base



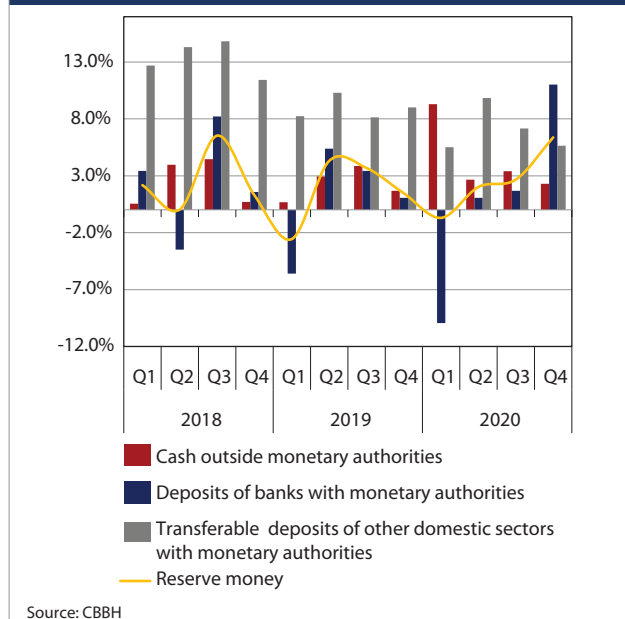
liabilities were growing, indicating that banks, during 2020, did not have problems with the sources of financing. The reserve account balance amounted to KM 5.75 billion (Graph 2.6) in the last calculation period in 2020, so, compared to the same period of the previous year, it increased by KM 39.31 million. Excess holdings above the required reserve represent only one component of highly liquid banking system assets, and in the very peak of the pandemic, high liquidity of banking sector was recorded, so, accordingly, the CBBH kept the required reserve policy unchanged. Excess reserves at 2020 end amounted to KM 3.03 billion, returning completely to the pre-crisis level.

Graph 2.6: Balance of Reserves Accounts with the CBBH



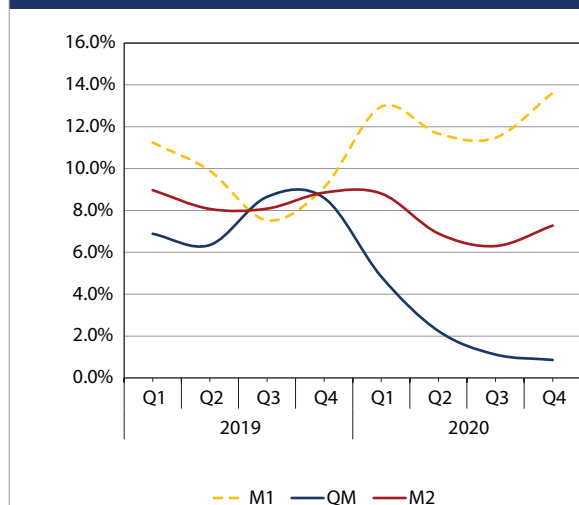
The coronavirus pandemic brought about a significant change of reserve money structure, the effects being noticeable even at 2020 end. In the structure of reserve money, cash outside monetary authorities continued its growth trend, its amount at the year end exceeding KM 6.00 billion. Banks' deposits with monetary authorities, following a considerable decrease in the first quarter of 2020, in the end of the year recorded a growth of KM 972.5 million compared to the previous year. Consequently, the annual growth of reserve money in the amount of KM 1.18 billion (10.66%) was mainly affected by the growth of deposits with monetary authorities. It was firstly the result of the required reserve growth, and also the holding of banks' deposits above the amount of required reserve with monetary authorities in the end of 2020. Reserve money in the end of 2020 amounted to KM 12.31 billion (Graph 2.7).

Graph 2.7: Changes in the Reserve Money Components Relative to the End of Previous Quarter



Although the slowdown of economic growth contributed also to the slowdown of growth of the broadest monetary aggregate, the increase of money supply (M2) was still mainly conditioned by aggregate M1, which includes the most liquid components of money supply (transferable deposits and cash outside banks). The total money supply in the end of the year amounted to KM 28.25 billion, which was an increase of 7.28% compared to the same period of the previous year. A part of this continuous strong growth came from maturities of term-deposits and also households restraining from spending due to the pandemic. Due to low interest rates on term-deposits, households and corporates often did not decide to renew term-deposits, but preferred to keep funds as transferable deposits available at any moment. On the other hand, slow lending activity, brought about by the coronavirus pandemic, did not create any banks' needs for additional long-term sources of financing (see the Section on banking sector). Speaking of broader monetary aggregate quasi money (QM), their slow growth at the end of the year was completely the result of the growth of transferable deposits in foreign currency (Graph 2.8.). With the deposit growth rate remaining considerably lower compared to the period before the pandemic, the highest increase of transferable deposits in KM was still recorded with household sector.

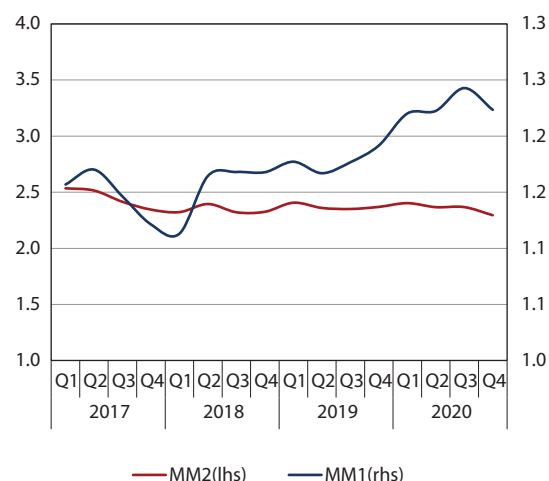
Graph 2.8: Annual Changes in Monetary Aggregates



Source: CBBH

Changes in the trend of money supply components, and also changes in reserve money, were also reflected in monetary multiplication. Regardless of primary money growth, monetary multiplier for M2 did not record any larger oscillations during the previous year. Although there were some oscillations related to M2, they were mainly related to seasonal effects, so the stagnation of money multiplication was present here as well. Due to a faster growth of monetary aggregate M1 compared to the primary money growth, monetary multiplier for M1 showed a slow growth over the previous year (Graph 2.9.).

Graph 2.9: Monetary Multiplication



Source: CBBH

In the end of September 2020, all the liquidity indicators were changed compared to the end of 2019, which might be partly estimated as a consequence of economic crisis brought about by the pandemic. The share of short-term financial liabilities in the total financial liabilities remained high, but the share of liquid assets in net assets stayed satisfactory (Table 2.1). Although slow (under the impact of the coronavirus pandemic), the growth of cash and transferable deposits again (the same as in the previous year) impacted the improvement of liquidity indicators showing the ratio of liquid assets to the total assets. Liquid assets to short-term financial liabilities recorded a decline of the ratio compared to the same period of the previous year. Short-term financial liabilities represent the total financial liabilities with the remaining maturity up to one year and increased compared to the end of 2019, mainly resulting from the previously mentioned growth of transferable deposits. So, the ratio of short-term financial to the total financial liabilities increased compared to the previous year. A very high percentage of short-term to the total financial liabilities of banks pointed out a maturity structure of sources, at the moment not in favour of a strong growth of long-term loans. Stagnation of loans was mainly the result of the slowdown of banks' lending, brought about by the general decline of economic activity, and also by regulations of the Banking Agencies enabling the approval of moratorium on loans for natural and legal persons whose operations are directly or indirectly affected by the coronavirus pandemic. Consequently, a stronger growth of deposits compared to lending resulted in the total deposit amount exceeding the total loan amount during the entire 2020. Deposits to loan indicator on 30 September 2020 was 117.8%, which was higher by 0.05 percentage points compared to the end of 2019, still being satisfactory.

Table 2.1. Liquidity Indicators of BH Banking Sector

		Liquid assets to total assets	Liquid assets to short term financial liabilities	Deposits to credits	Short term financial liabilities to total financial liabilities
2017	Q1	23.5%	41.6%	101.2%	72.8%
	Q2	38.8%	42.1%	101.1%	72.8%
	Q3	20.6%	43.8%	103.5%	74.4%
	Q4	28.7%	44.3%	105.1%	75.2%
2018	Q1	29.0%	44.0%	106.0%	75.8%
	Q2	32.7%	43.2%	107.0%	78.0%
	Q3	29.2%	44.4%	108.5%	78.0%
	Q4	29.7%	44.6%	109.5%	77.3%
2019	Q1	28.8%	44.0%	109.7%	76.3%
	Q2	28.7%	43.8%	109.6%	76.1%
	Q3	30.0%	46.2%	112.5%	75.4%
	Q4	29.6%	45.5%	112.7%	75.3%
2020	Q1	28.1%	43.0%	113.2%	75.4%
	Q2	27.3%	40.7%	114.9%	77.5%
	Q3	28.0%	41.3%	117.8%	78.4%

Source: CBBH

2.3 Foreign exchange reserve management

The process and results of the CBBH foreign exchange reserve management have been mainly determined by the trends in financial markets where foreign convertible currency funds are invested in, according to the CBBH Law and the defined strategic reserve structure. The downward trend of short-term interest rates continued in 2020 (Table 2.2). The downward trend was even stronger in case of the yields on medium-term and long-term government

bonds of the euro area countries (Table 2.2), mainly due to the ECB policy (see Chapter 1.1.2), which relied on non-standard monetary policy measures, but also due to quite adverse global macroeconomic conditions. Decline of the market yields (Graph 2.10 below) resulted in further decrease of the weighted average net interest rate on the CBBH foreign exchange reserves (WAIR net) in 2020 (Table 2.2).

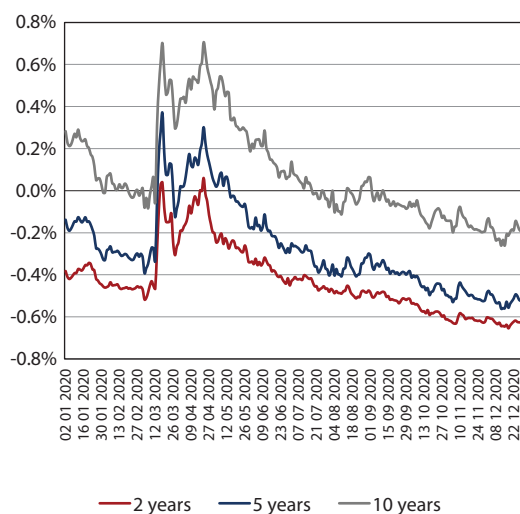
Table 2.2: Weighted Average Interest Rate on the CBBH Foreign Exchange Reserves and Average Market Interest Rates and Yields on Sovereign Bonds in the Euro Area

	WAIR, %	ECB - main refinancing operations (MROR), %	Euribor, %		EUR bonds, %		
			1m	3m	2 years	3 years	5 years
2015	0.34	0.05	-0.07	-0.02	-0.04	0.40	1.18
2016	0.22	0.01	-0.34	-0.26	-0.32	0.01	0.77
2017	0.18	0.00	-0.37	-0.33	-0.39	0.18	1.09
2018	0.16	0.00	-0.37	-0.32	-0.13	0.46	1.14
2019	0.11	0.00	-0.40	-0.36	-0.27	-0.02	0.39
2020	0.04	0.00	-0.50	-0.43	-0.43	-0.27	0.07

Source: Financial Terminals, CBBH

Note: WAIR means the weighted average interest rate (net) at the CBBH foreign exchange.

Graph 2.10: Average Market Yields at Government Bonds in Euro Area during 2020



Source: Financial terminals

According to the CBBH Law, and the appropriate internal regulations (investment guidelines, strategic asset allocation and risk rules and parameters), the CBBH manages its foreign exchange reserves mainly based on the investment safety and liquidity principles. With purpose of decreasing the risk for the currency board sustainability, Article 34 of the CBBH Law forbids investing more than 50.0% of the total unimpaired capital and reserves in currencies other than peg currency. On the basis of this rule, the CBBH invests more than 95.0% of its foreign exchange reserves into financial instruments denominated in EUR. Having in mind the yields in international markets (Table 2.2 and Graph 2.10 above), in the context of the mentioned legal restrictions, lower net income from the foreign exchange reserve investment was inevitable in 2020.

Decisions on the management and investment of the foreign exchange reserves are made at three levels of the CBBH organization: strategic – the Governing Board; tactic – the Investment Committee, and; operative – competent organisational forms of the Sector for Monetary Operations, Management of Foreign Exchange Reserves and Cash. The Governing Board defines the investment guidelines determining: maximum risk appetite, the optimal risk and return trade-off, strategic asset allocation, investment restrictions, investment period and benchmark for performance assessment. In 2020, after the expiry of the validity of the previous investment guidelines, a new investment strategy for the next three years was adopted. The CBBH has kept its conservative approach to investment, based on the expected trends on financial markets and macroeconomic circumstances in medium term. Such risk profile is characteristic of central banks, and in case of currency board, it is particularly important due to the obligation to provide full coverage for the monetary liabilities of the CBBH. The Investment Committee operates

within the mandatory legal restrictions and investment guidelines adopted by the Governing Board, and risk rules and parameters related to the foreign exchange reserve investment. Decision making and responsibility for every day management of foreign exchange reserves is at the operative level, which acts according to the guidelines and risk rules and parameters.

In the process of the foreign exchange reserve management in 2020, available information from the relevant money and capital markets in the euro area and the world were considered, as well as available forecasts which would affect the foreign exchange reserve investment in the current year and the period ahead. Possibilities and models of the policy of management and investment of the CBBH foreign exchange reserves were also analysed and appropriate changes of investment policy were initiated with purpose of adjustment to market conditions in the euro area. Additionally, the information on the ratings of foreign banks where the CBBH had term deposits and funds in current accounts and also the countries issuing securities included in the CBBH foreign exchange portfolio was analysed.

The foreign exchange reserve portfolio is mainly exposed to financial risks, as it follows: interest risk, credit risk, liquidity risk and foreign exchange risk. With purpose of managing interest risk, i.e. risk of decrease of the market value of foreign exchange reserve portfolio due to adverse interest rate trends, target modified duration of the foreign exchange reserve portfolio is defined as well as allowed deviation, Value at Risk is monitored, and the maximum amount of the allowed deviation of the return on the portfolio in relation to the benchmark portfolio return is defined. The CBBH restricts the exposure to credit risk by investing firstly into the bonds of the selected euro area countries and by investing deposits in the selected central banks in the euro area and the Bank for International Settlements (BIS), as well as selected foreign commercial banks which meet the counterparty eligibility condition. The basic principle in credit risk management is the appropriate criterion for selecting counterparties and debt fixed income securities and avoiding too high credit risk exposure concentration to individual counterparty. The mentioned standards and restrictions are considered and if needed updated, taking care of official assessments of the leading rating agencies in the world, and indicators obtained by internal methods for credit risk assessment. The foreign exchange risk is a risk of the change of the value of foreign exchange assets and liabilities due to the changes of currency exchange rates where foreign exchange reserves are held in relation to the local currency. The foreign exchange risk management is implemented through the adjustment of the currency structure of assets and liabilities of the CBBH.

Liquidity risk management is based on the assessment of potential needs for liquidity and identification of liquid financial instruments. The instruments ensuring daily liquidity are overnight deposits and funds in current

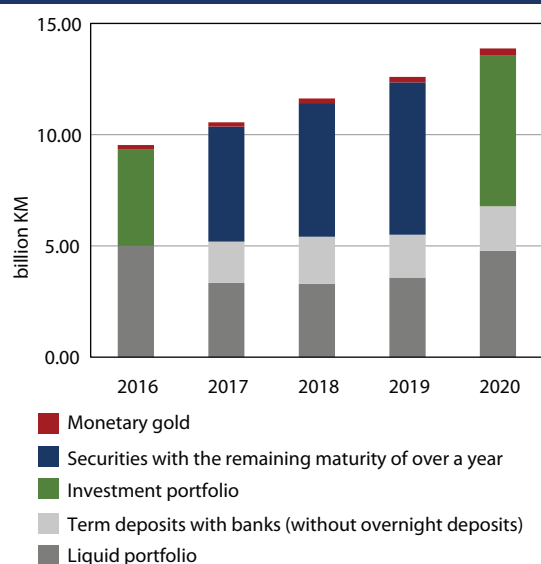
accounts with counterparties which meet the criteria related to credit risk, and due funds on all instruments.

The structure of the foreign exchange reserves at 2020 end included (Graph 2.11): term deposits with banks (without overnight deposits), with the share of 14.42%; liquid portfolio, with the share of 34.47%; investment portfolio (securities with more than one year to maturity), with the share of 49.01%, and; gold, with the share of 2.10%. At 2020 end, liquid portfolio included: current accounts with banks (10.39% of the total foreign exchange reserves); overnight deposits (2.82% of the total foreign exchange reserves); cash in the vaults of the CBBH (1.03% of the total foreign exchange reserves); IMF special drawing rights (0.01% of the total foreign exchange reserves), and; securities with one year or less to maturity (20.22% of the total foreign exchange reserves). The securities with one year or less to maturity, as the largest liquid portfolio item, amounted to KM 2.80 billion at 2020 end. Current accounts with banks, as the second largest liquid portfolio item, at 2020 end, amounted to KM 1.44 billion.

Fixed income securities, presented at market value, at 2020 end, accounted for 69.23% of the total foreign exchange reserves, which was lower by 1.56% compared to the 2019 end. With purpose of protection against credit risk, investments are made in securities of the selected European Union countries, with the restricted maximum share of debt instruments for each individual country.

Funds deposited with non-resident banks at 2020 end increased at annual level by KM 729.39 million KM (23.50%), while the funds invested in fixed income securities increased by KM 683.90 million (7.67%).

Graph 2.11: CBBH Exchange Reserves ' Investment Structure

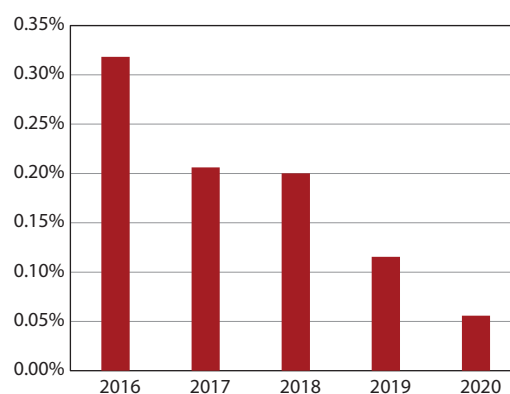


Source: CBBH

Note: Investment portfolio, as a reporting category, by the end of 2016 it contained securities available for sale with a maturity of more than one year and the entire portfolio of securities held to maturity. The investment portfolio is from 2020. year again reporting category, but contains securities that are to maturity more than a year left.

The net effect of the CBBH foreign exchange funds investment on the profit and loss statement for the period 01 January-31 December 2020, was KM 7.3 million. Presented by the effective yield rate¹³, the net effect of the investment was 0.06% (Graph 2.12). The increasing decline of return rates on investments in foreign convertible currency resulted from negative interest rates on short term euro deposits (Table 2.2 above) and investments in securities with negative yield rates in purchases over the previous several years (Table 2.2 above). Besides, the decline of income was significantly affected by the maturities of securities purchased at positive yields in earlier years.

Graph 2.12: Annual Average Yield Rates of CBBH Exchange Reserves



Source: CBBH

2.4 Cash management

Trend of growth of cash in circulation (outside banks) from previous years was further intensified. On 31 December 2020, the balance of cash in circulation outside banks was KM 5.04 billion (Graph 2.13), which was higher by even 16.48% compared to 2019. The growth of demand for cash by banks remained the consequence of increased demands of clients for cash.

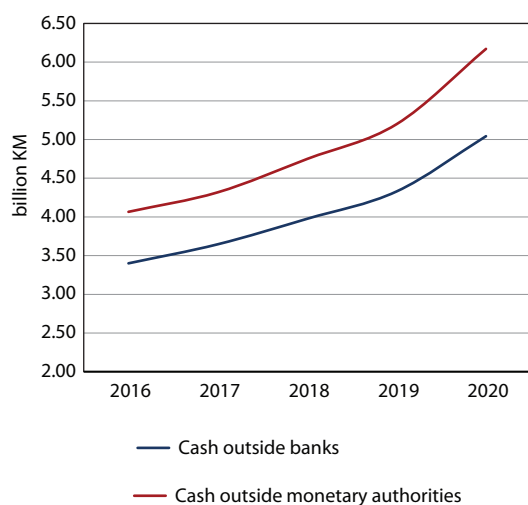
Upon the declaring of emergency and natural disaster situation in March 2020, commercial banks additionally increased cash amounts in their vaults (Graph 2.13), decreasing funds in reserve accounts with the CBBH. From the view of liquidity risk management in banks, there is no difference between cash and balances of reserve accounts. However, in mid March, banks could not estimate the demand of their depositors for cash, so

¹³Effective yield rate is calculated by dividing the net effect of foreign exchange reserve investment with the average foreign exchange reserve positions in the observed period. In calculating the total net effects of foreign exchange reserve investment, all net income from interest on securities and deposits were taken into account, and also realized net capital gains/losses due to the sale of securities from the CBBH foreign exchange reserve portfolio.

a significant quantity of KM cash was withdrawn from the CBBH on daily basis. The funds withdrawn at that time were not completely returned to accounts with the CBBH, partly because of the charging of negative remuneration on holdings above the reserve requirement. Yet, reserve account balances resumed the growth trend from June, exceeding the pre-pandemic levels by the end of the year (Chapter 2.2). At the end of 2020, KM cash in bank vaults amounted to KM 1.13 billion, which is an increase of almost 30.0% compared to the end of 2019 (Graph 2.14).

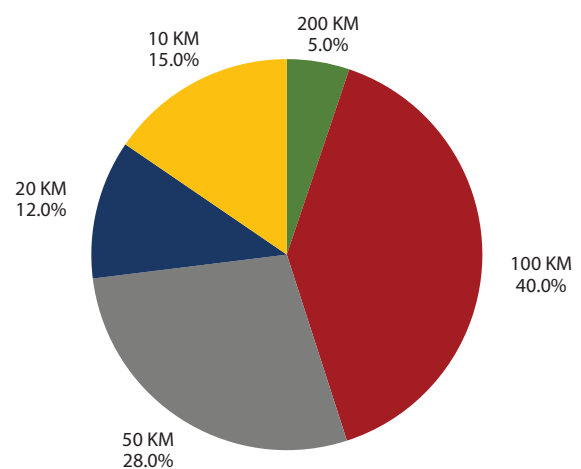
Outside the CBBH, in the end of 2020, there were 87.6 million of KM banknotes and 413.6 million of KM coins, in the total value of KM 6.17 billion, which was higher by even 18.7% compared to 2019. In respect of the denomination structure of currency outside the CBBH, the banknotes of 100 KM and 50 KM had the largest shares, and speaking of the coins, it was the denomination of 10 F (Graphs 2.15 and 2.16). The number of banknotes in the denomination of 100 KM, which were in circulation in the end of 2020, was higher by 7.3 million (26.2%) compared to the end of 2019, which additionally illustrates an increased demand by banks, having in mind the physical capacities of their vaults.

Graph 2.13: Cash outside Monetary Authorities and Banks



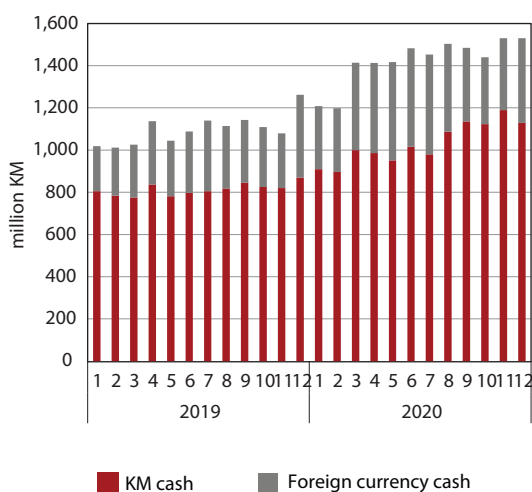
Source: CBBH

Graph 2.15: Banknotes' Denomination Structure



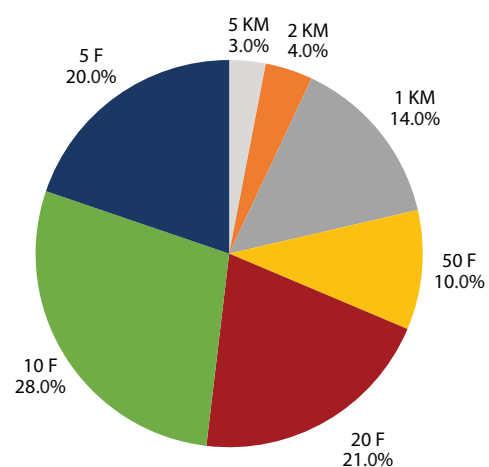
Source: CBBH

Graph 2.14: Cash Balance in Banks' Vaults



Source: CBBH

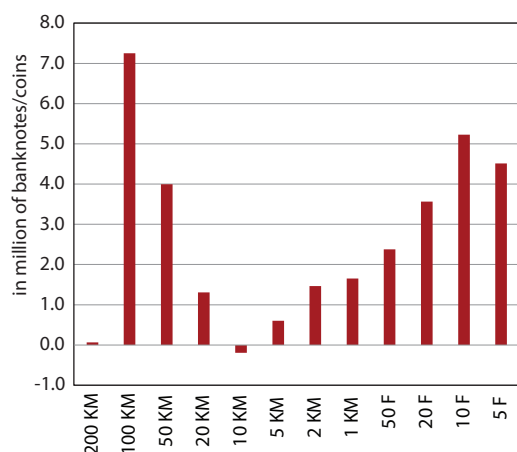
Graph 2.16: Coins' Denomination Structure



Source: CBBH

Compared to 2019, the number of banknotes outside the CBBH increased by 12.4 million pieces (16.5%), in the total value of KM 962.3 million (Graph 2.17). The quantity of coins outside the CBBH in the same period increased by 19.4 million pieces (4.9%), in the total value of KM 10.3 million (Graph 2.17).

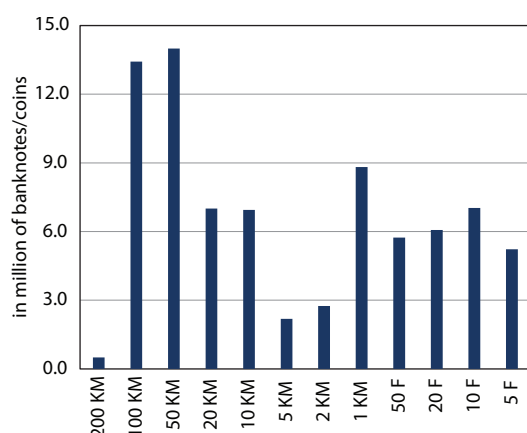
Graph 2.17: Change of Banknotes and Coins Number, per Denomination, relative to 2019



Source: CBBH

Supply of commercial banks with cash is carried out through the vaults of the CBBH Main Units and Branches, located in Sarajevo, Banja Luka, Mostar and Brčko, with the strict adherence to the currency board arrangement. During 2020, 41.9 million pieces of banknotes and 37.8 million pieces of coins were issued to commercial banks in the total value of KM 2.38 billion (Graph 2.18).

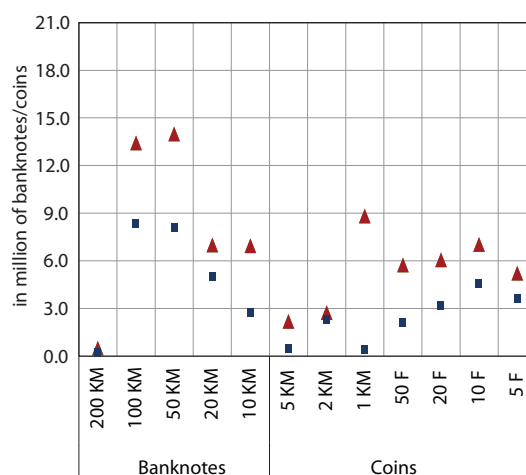
Graph 2.18: Banknotes and Coins Supplies by the Central Bank in 2020, per denomination



Source: CBBH

In the same period, 24.4 million pieces of banknotes and 16.4 million pieces of coins were issued from the Cash Management Department of Head Office to the Main Units and Brčko Branch (subsidiaries), in the total value of KM 1.42 billion. Graph 2.19 below implies that the CBBH took care of demands of commercial banks for cash in adequate denomination structure. As commercial banks also return significant amounts of cash into the CBBH vaults, subsidiaries to the CBBH Main Units/Branches are, as rule, much lower.

Graph 2.19: Cash Supplies (KM) of Central Bank in 2020

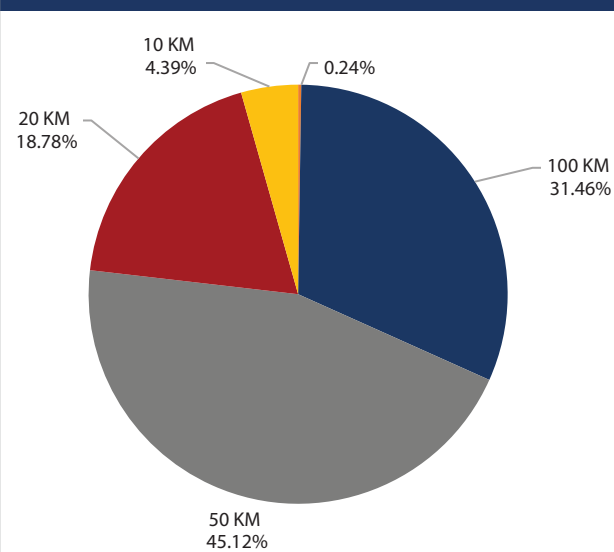


Source: CBBH

The CBBH continuously withdraws banknotes unfit for circulation, which are destroyed according to applicable regulations. By withdrawing unfit banknotes and putting into circulation banknotes of new series, the CBBH maintains a satisfactory quality of currency in circulation. In 2020, 9.6 million pieces of banknotes and 13,625 pieces of coins unfit for circulation were destroyed.

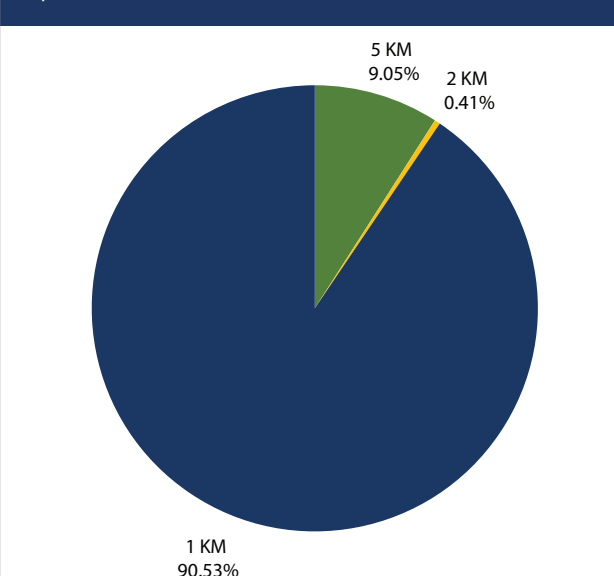
In 2020, 410 counterfeited convertible mark banknotes were registered by the CBBH, which was lower by 9.5% compared to 2019. 729 pieces of counterfeited convertible mark coins were registered, which was lower by 36.9% compared to 2019. According to denomination structure, the highest number of counterfeited banknotes was in the denomination of 50 KM (Graph 2.20), and that of counterfeited coins in the denomination of 1 KM (Graph 2.21).

Graph 2.20: Denomination Structure of Banknotes' Counterfeits in 2020



Source: CBBH

Graph 2.21: Denomination Structure of Coins' Counterfeits in 2020



Source: CBBH

2.5 Payment systems maintenance

The legal obligation of the maintenance of appropriate payment and settlement systems was fulfilled by the CBBH in 2020: payment transactions in the country were carried out smoothly, through the systems of giro clearing and real time gross settlement (RTGS); the Central Registry of Credits (CRC) and Single Registry of Business Entities' Accounts (SRBEA) were maintained; and international clearing of payments with foreign countries was carried out as well.

Due to the pandemic, a considerable decline of the number and value of transactions was recorded in the payment system compared to the previous year (Table 2.3). Compared to 2019, the decline was particularly strong in case of the number and also the value of transactions through the RTGS (Table 21 in Statistics Appendix). As in earlier periods, most transactions in interbank payment system was carried out in a few banks, 51.53% of the total value and 52.99% of the total number of transactions in payment system was carried out through five banks in 2020.

The data on card transactions also reflect the strength of the macroeconomic shock due to the pandemic in 2020. The strong upward trend of POS transactions was interrupted (Table 2.4). Internet sale increased significantly (14.7%) compared to 2019 (Table 2.4), and ATM transactions significantly increased. Decreased inflow of foreign tourists due to the measures introduced because of deteriorated epidemiological situation in the country and the world resulted in decreased cash withdrawals by foreign cards from ATMs in the country by almost one third (Table 2.5 below), and equally dramatic decrease of the purchase of goods and services at POS terminals in the country by 47.9% (Table 2.5 below). Transactions in foreign countries by cards issued in BH decreased compared to 2019, but not so dramatically (Table 2.5 below). MasterCard remained the card brand most frequently used in BH (Table 2.6).

Table 2.3: Payment Transactions via Commercial Banks

	Interbank transactions	Change compared to the previous year	Intrabank transactions	Change compared to the previous year	Total	Change compared to the previous year
Number, in million						
2016	40.0	2.3%	63.7	0.8%	103.7	1.4%
2017	41.1	2.8%	68.4	7.4%	109.5	5.6%
2018	42.3	3.0%	58.8	-14.0%	101.2	-7.6%
2019	43.6	3.0%	56.9	-3.3%	100.5	-0.7%
2020	43.8	0.4%	53.9	-5.2%	97.7	-2.8%
Value, in billion KM						
2016	88.38	3.8%	92.74	-7.0%	181.12	-2.0%
2017	96.24	8.9%	117.10	26.3%	213.34	17.8%
2018	102.67	6.7%	115.44	-1.4%	218.11	2.2%
2019	123.05	19.8%	113.37	-1.8%	236.42	8.4%
2020	105.13	-14.6%	100.43	-11.4%	205.56	-13.1%

Source: CBBH

Table 2.4: Survey of ATM and POS Card Transactions

	2016	2017	2018	2019	2020
POS, in billion KM	2.55	2.76	3.12	3.25	3.19
Change compared to the previous year	30.2%	8.2%	13.2%	8.2%	-1.9%
ATM, in billion KM	6.24	6.75	7.16	7.75	8.17
Change compared to the previous year	4.9%	8.2%	6.1%	4.3%	5.4%
Internet, in million KM				157.4	180.64
Total, in billion KM	8.79	9.51	10.29	11.16	11.54
Change compared to the previous year	11.3%	8.2%	8.2%	8.6%	3.4%

Source: CBBH

Table 2.5: Realized Values by Means of Cards on Residence Principle

Year	Cash withdrawals		Purchase of goods and services at POS terminals	Total
	Bankomati	POS terminali		
Realized values by foreign cards in BH, in million KM				
2016	995.4	79.6	394.7	1,469.7
2017	1,177.9	35.0	527.3	1,740.2
2018	1,346.7	43.7	650.2	2,040.6
2019	1,648.8	59.6	833.5	2,542.0
2020	1,117.6	59.7	399.3	1,576.6
Realized values abroad by cards issued in BH, in million KM				
2016	155.5	1.9	336.2	493.7
2017	147.4	1.7	380.3	529.5
2018	146.7	2.0	474.0	622.7
2019	165.3	3.0	426.8	595.1
2020	162.3	4.0	355.7	522.0

Source: CBBH

Table 2.6: Shares of Card Brands

Year	Visa	Mastercard	American	BamCard	Diners	Total
2015	1,253,784	742,265	6,913	10,094	163	2,013,219
2016	1,124,181	898,914	7,471	11,714	0	2,042,280
2017	1,001,137	983,194	7,246	9,844	3,792	2,005,213
2018	870,018	1,252,486	7,123	10,369	13,350	2,153,346
2019	757,775	1,348,275	7,304	12,280	12,970	2,138,604
2020	736,947	1,410,718	6,901	9,666	6,324	2,170,556

Source: CBBH

The CBBH contributed to financial stability also by maintaining the Central Registry of Credits, which, during 2020, on daily basis, was updated by data of 25 banks, 34 microcredit organisations and 18 leasing companies and other institutions. Compared to 2019, the number of access points decreased by 167, to 1,553. The change in the number of access points was mainly due to the decreased number in commercial banks, which, with 1,323 access points (122 less than in 2019) remained by far the most significant users of the information stored in CRC. Decreased need for the number of the CRC access points in banks reflects the decreased demand for loans in the period since the declaring of the pandemic. Consequently, the number of accesses to CRC in 2020 was much lower compared to the previous year (42.7 thousand accesses less or -14.99%).

In SRBEA, there were 240,131 active and 97,410 blocked accounts in the end of 2020. SRBEA was accessed from 1,413 access points (even 527 less than in 2019), out of that, 1,278 belonged to banks, 33 to MCOs, 19 to leasing companies and insurance companies and 89 to other institutions. The CBBH organisational units issued the total of 9,320 reports from SRBEA during the previous year.

In 2020, the CBBH carried out the international clearing of payments between BH and Serbian banks. Through the clearing system for international payments with Serbia, the total of 10,622 orders were sent (-10.97% compared to 2019), the value of which was EUR 235.1 million (-11.30% compared to 2019).

2.6 The role of the fiscal agent

According to the Law on the CBBH (Article 4) and the Law on Debt, Debt Issuance and Guarantees of BH, it has been defined that the CBBH would provide banking services, i.e. perform transactions at the order of the Ministry of Finance and Treasury of BH (MFT BH) related to BH foreign debt servicing and act as a fiscal agent for the membership of BH in international financial institutions. On the basis of the Agreement on Performance of the Banking and Fiscal Agent Operations between the CBBH and the MFT BH, the CBBH continued to carry out the banker, depositary, representative in payments and fiscal agent duties in 2020, too. Such service in 2020 included local and foreign payment transactions, deposit account management, and the conversions of funds related to loans and donations based on contracts concluded by the BH Council of Ministers with international financial institutions, the operations arising from arrangements and membership of BH in international financial institutions and foreign debt servicing. Due to rather unfavourable conditions in international financial markets during 2020, MFT BH did not send any orders for investing foreign exchange funds.

The CBBH provides banking services and performs transactions at the order of the MFT BH related to BH foreign debt servicing. The MFT BH is in charge of implementing

the procedures for issuing debt and managing sovereign debt, it provides the coverage of the liabilities in the local currency and keeps the data base on BH foreign debt. The roles of the CBBH and the MFT BH related to BH foreign debt servicing are defined by the CBBH Law and also by the Law on Debt Issuance, Debt and Guarantees of BH, the Law on BH Institutions Financing, the Law on BH Indirect Taxation System and the Law on the Payments in the Single Account and the Revenues Allocation.

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

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

The funds needed for the foreign debt servicing in the local currency are provided by the MFT BH from the Indirect Taxation Authority (ITA) and/or through direct payments of the end users of loans. The Annual Plan of the funds needed for foreign debt servicing is an integral part of the document "Budget of BH Institutions and International Liabilities", which is adopted by the Parliamentary Assembly of BH. According to the concluded Agreement on Performance of the Banking and Fiscal Agent Operations between the CBBH and the ITA, and on the basis of the Law on the Payments in the Single Account and the Revenue Allocation, the management of the single ITA account for collecting the revenues from indirect taxes was continued during 2020. According to this arrangement, commercial banks transfer, on daily basis, all the collected revenues in the account for recording, holding and allocation of the ITA revenues with the CBBH, and then, those revenues, at the order of the ITA, are allocated on daily basis to several accounts based on various purposes according to the legal regulations and the order of the ITA. On the basis of the Law on Excise Duties, the collecting funds paid on the basis of tolls in the account of the ITA with the CBBH was continued in 2020, as well as the allocation of these funds at the order of the ITA to the Entities and Brčko District.

All liabilities on the external debt of BH during the past year were serviced properly and in a timely manner. Commitments have been made to: the International Monetary Fund (IMF), the World Bank (IBRD, IDA), the Paris Club, the European Bank for Reconstruction and Development (EBRD), the London Club of Creditors, the Council of Europe Development Bank (CEB), the Saudi Reconstruction Fund and Development, the European

Investment Bank (EIB), the European Commission, the German Development Bank (KfW), the Export-Import Bank of Korea, the OFID Fund, the International Fund for Agricultural Development (IFAD), the Labor and Economic Bank and the Austrian Postal Savings Bank (BAWAG), EUOFIMA, the Kuwait Fund for Arab Economic Development, the Government of Japan, the Government of Belgium, the Government of Spain and other public and private creditors.

The CBBH is a fiscal agent and has performed transactions related to the membership and arrangements of BH with the IMF since 2002, on the basis of the decision of the Council of Ministers of BH which was published officially in the official gazettes of BH. The mutual relations, competences and proceeding of the five institutions in BH (the CBBH, the MFT BH, the Federal Ministry of Finance, the Ministry of Finance of Republika Srpska and the ITA) regarding the financial arrangements with the IMF have been defined by the Memorandum of Understanding (the first one was concluded in 2002, the one in effect is from 2016 and the one from 2020). The CBBH is a depositary for accounts (cash and securities) held by the IMF with the fiscal agents (usually central banks) of all the members according to the Articles of Agreement of the IMF. With the purpose of performing the transactions of approval of the funds from the IMF and the payment of the liabilities towards the IMF, the CBBH keeps the earmarked Deposit Account for Transactions with the IMF, with the sub-accounts of the Federation of BH, Republika Srpska and Brčko District. The CBBH performs transactions with the IMF after the competent BH institutions provide the full coverage in the local currency in the mentioned account/sub-accounts. The BH quota, which is the paid and subscribed "capital" of each member country in the General Resources of the IMF is SDR 265.2 million.

According to the World Bank Articles of Agreement, the CBBH is a depositary for the members of the World Bank Group: IBRD, IDA and MIGA. At the order of the mentioned members, the CBBH carries out the transactions of purchase and sale of foreign currency for the local currency and performs payments /transfers to end users in the domestic payment system. During 2020, the World Bank continued to finance projects in BH. Funding of four projects has been approved: Real estate registration - additional funding; Emergency support project for COVID-19; Private Employment Support Program in Bosnia and Herzegovina, and; Project for recovery and support to companies in Bosnia and Herzegovina.

In 2020, according to the Agreement concluded with the Deposit Insurance Agency of BH, the CBBH performed the record keeping of this institution's securities portfolio which, according to the Agreement of the Deposit Insurance Agency with an external portfolio manager, is managed by an external portfolio manager. Also, the CBBH, according to the concluded agreements, continued to act as a banking and fiscal agent of the FBH

Banking Agency, the RS Banking Agency, Brčko District, the Federal Ministry of Finance and for the Entities Registries of Securities. The service of using e-banking, which had been introduced in 2011 with purpose of improving the banking and fiscal agent services, was provided in 2020, as well.

2.7 Compilation of statistics

Statistical activities in 2020 were significantly hampered by pandemic conditions, which limited and slowed down data collection and processing. In the first spring wave, the deadlines for submitting data were extended, while banks did not adjust to the new way of doing business, and it was more difficult to collect data and carry out controls from other data sources. Despite these new circumstances, all planned statistical surveys have been completed and all planned publications and data deliveries in the areas of monetary and financial sector statistics, balance of payments statistics and government finance and financial accounts statistics have been completed. The CBBH, within its statistical activities, continued to engage significantly in the expansion and harmonization with EU requirements.

In addition to regular work on difficult conditions, improvements have been made in the following segments:

- Regular transmission of data on government finances according to EUROSTAT has been initiated, which takes place in the set April and October deadlines. In this way, BH is involved in the transmission process like other member states and candidate countries. Data were prepared according to the required methodology prescribed through the transmission tables from the ESA 2010 and EDP procedures. This process also includes subsequent methodological comments and instructions from EUROSTAT, to which responses should be prepared and data refined.
- Work has begun on expanding interest rate statistics, and in this sense the volume of data collected from banks has significantly increased, in order to meet all the indicators prescribed by the relevant ECB methodology.
- A new generic IT application for monetary and financial statistics has been developed.
- Regarding direct investment statistics, the transmission of data according to EUROSTAT has started for the first time, which will be further expanded in the coming period.
- Preparations were made for the quarterly Survey on Bank Lending Activities and data collection began at the end of 2020. The methodology for this survey was dictated by a similar survey conducted in the euro area, and experiences from other countries in our region were also used. The publication of results, on the basis of which it will be possible to more accurately monitor the supply and demand of loans by various categories, is expected in 2021.

IPA projects continuously support the expansion of statistical production and raising quality and harmonization with EU standards. The implementation of the multi-beneficiary IPA 2017 technical assistance program continued on all three components worked on by the CBBH (government finance statistics - further upgrading and adjustment of ESA 2010 and EDP, international trade in services and MIP indicators of macroeconomic imbalances). However, the activities are significantly complicated to implement compared to previous periods, because expert missions and workshops must take place without direct contact of participants.

The CBBH also continued to participate in the regional project for external statistics (Cross-Border Statistics on Situations), funded by the EU and implemented by the IMF for countries in our region, within which we are actively involved in presenting our methods and data at workshops and discussing experts on possible improvements.

Cooperation in the field of professional collaboration and organization with the Agency for Statistics of BH has further advanced, the exchange of data has been expanded and the preparation of planning documents for the statistical system. In the past period, we have contributed to the preparation of documents Statistical Program of Bosnia and Herzegovina 2021-2024 and Strategic Directions for the Development of Statistics of Bosnia and Herzegovina 2030.

At the international level, efforts are continuously made through participation in forums (EC-BH Subcommittee, EUROSTAT working groups, ECB, BIS Irving Fisher Statistics Committee, countries in the region through various projects and conferences). As part of its international obligations, the CBBH regularly submits extensive sets of statistical data, and seeks to further expand them (IMF, World Bank, European Central Bank, European Bank for Reconstruction and Development - EBRD, UNCTAD, EUROSTAT, BIS, UN Statistics Department). Particularly emphasized exchange of information is realized with EUROSTAT, because the CBBH regularly reports within the Monitoring of Compliance (SIMS) with EU statistical requirements and annual (two-round) data collection for countries in the enlargement process.

The CBBH additionally engaged and prepared additional statistical reports for the needs of the Fiscal Council of BH, CEFTA Secretariat, Directorate for Economic Planning, Agency for Promotion of Foreign Investments, Ministry of Finance and Treasury of BiH, Ministry of Economic Relations and Regional Cooperation of RS, Ministry of Trade of FBiH, all with the aim of being able to better monitor economic trends and take appropriate measures.

2.8 Monitoring systemic risks in the financial system

The CBBH monitors financial stability which means the timely identification of vulnerabilities in the country's financial system. The purpose of the CBBH activities in this area is the improvement of the understanding of the

cause-effect relations between the financial system and macroeconomic environment, the warning the financial institutions and other participants in the market of the existing risks, the starting of the dialogue on risks and undertaking of remedy measures which will mitigate the consequences of risk materialization. The CBBH activities in the field of monitoring the financial system stability include also the specialized communication with the relevant domestic and international institutions, which ensures a continuous process of systemic risk monitoring, and also the communication about the financial stability risks with the general public. The CBBH contributes to the keeping of the financial stability through its membership in the Standing Committee for Financial Stability of BH, which, beside the Governor of the CBBH and Managers of the Banking Agencies, includes also the members of BH Fiscal Council and the Manager of the Deposit Insurance Agency of Bosnia and Herzegovina.

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

The compilation and publishing of the set of the basic financial soundness indicators, according to the IMF methodology, is also an important communication channel of the CBBH with the general public. Financial soundness indicators are published on quarterly basis on the CBBH web site since mid 2009, and also on the IMF web site since September 2011.

In 2020, the CBBH continued to carry out the macroeconomic stress tests. Stress tests are done on quarterly basis in the CBBH and they represent the basic tool for the quantification of the systemic risk effects on the banking system. The detailed results of stress tests are exchanged with the Banking Agencies, which also receive the Report on the stress test results, where systemic risks and future trends are described. The results of the stress tests in the appropriate form of the Report on stress test results are also reported to the Standing Committee for Financial Stability. The aggregate stress test results with the end year data are published in the Financial Stability Report.

During 2020, cooperation with the ECB continued, related to the updating of information for "Financial Stability Report for candidate and potential candidate countries for EU membership", which is reflected in the delivery of a comprehensive set of data, information and clarifications of the current situation and trends in the domestic financial sector. The aim of this publication is to contribute to a better understanding of systemic risks in the region through analyzes of trends in the financial systems of these

countries and through an assessment of current challenges to financial stability. The report is produced every two years and the information is updated for the needs of the ECB on an annual basis.

Continuous cooperation with other relevant domestic and international institutions and upgrading the existing analytical capacities of the CBBH in the field of financial stability continued in 2020, mostly through online communication channels, in accordance with the situation caused by the COVID-19 pandemic. Education and technical assistance programs ensure that the approach to analyzing and identifying systemic risk is in line with best practices and trends in the world, as well as the timely identification of systemic risks.

The tasks arising from the coordination of the activities of the Banking Agencies of the Entities responsible for issuing banking licenses and supervising banks continued to be implemented in 2020, as well. Cooperation and exchange of data and information of the CBBH with the Entities' Banking Agencies took place continuously in various areas of regular cooperation. The Governor of the CBBH and the Directors of Banking Agencies held meetings to discuss important issues on the situation in the banking sector and the leasing and microcredit sector, especially in the context of the current situation with the COVID-19 pandemic, the challenges facing these sectors and measures undertaken in 2020 to mitigate the effects of the pandemic. Other relevant topics in the monetary field were also discussed, such as supervisory issues which, among other things, include regulations on the banks operations, improvement of cooperation in the field of financial stability, etc. At the invitation of the Governor, the meetings were attended by the Director of the Deposit Insurance Agency in BH, which contributed to regularly informing the coordinating participants about the state of insured deposits in BH and the activities of this Agency, which along with the CBBH, and the Banking Agencies, represent an important stakeholder in the financial security network.

2.9 Cooperation with international institutions and rating agencies

Over the past year, the CBBH, like all central banks, has faced major challenges in the context of the COVID-19 pandemic, reaffirming more than ever the need and importance of dialogue, coordinated response and global cooperation. Despite extraordinary circumstances, the CBBH continued via virtual forms the intensive communication and cooperation with the EU institutions, central banks of EU member states and other counterparts, fulfilling all obligations in the process of BH's accession to the European Union and improving business in accordance with the EU recommendations and new circumstances. At the end of the year, BH began drafting a four-year Program of BH's to EU Integration. Through a coordinated approach and membership in working groups for European integration (area: Economic Criteria; Free Movement of Capital; Financial Services; Economic and Monetary Policy; Statistics; Financial

Supervision, and; Financial and Budgetary Provisions), the CBBH, in accordance with its competencies, actively involved in the development of the Program of BH's to EU Integration.

Representatives of the Central Bank participated in the work of bodies established to monitor the implementation of contractual obligations under the Stabilization and Association Agreement and the preparation of materials for the annual meetings of the Subcommittee on Internal Market and Competition and the Subcommittee on Economic and Financial Affairs and Statistics. The Central Bank contributed to the development of the Economic Reform Program and participated in consultations within the Economic and Financial Dialogue with the EU in May 2020.

One of the common conclusions of the Economic and Financial Dialogue with the EU from May 2020 reads: "Preserve the integrity of the Currency Board and the independence of the Central Bank, while improving analytical capacity through the establishment of macroeconomic projections." Since the beginning of the year, the CBBH has been working on the development of a semi structural model for making macroeconomic projections, which is used in other central banks. With the support of the USAID partner institution, through the FINRA program, the process of making medium-term macroeconomic projections in the CBBH was formalized, achieving significant improvements in the field of economic research, which is one of the recommendations in the EU accession process. Since 2020, the CBBH publishes key macroeconomic projections for BH twice a year, in May and November. The model was developed in the first half of 2020, with the exceptional efforts of the CBBH staff and consultants, because it was done in extraordinary circumstances caused by a pandemic. Due to the flexibility of working hours and the timely transition to on line work as for analytical tasks, all planned activities were completed on schedule, without loss of efficiency or quality. The model was formally presented to relevant domestic and international institutions in early 2021 via online presentation. By the end of the first quarter of 2021, the publication of the technical paper on the CBBH website is expected, which will explain in detail to the professional public the macroeconomic blocks in the model and the connections between them.

Part of the activities to strengthen analytical capacity, initially funded by USAID FINRA, was taken over by the Swiss Secretariat for Economic Affairs (SECO) at the end of 2020, along with the Institute for International and Development Studies in Geneva. The model for medium-term macroeconomic projections has been further improved with the second round of projections in 2020, and preparatory activities have been done to formalize the nowcasting with the key macroeconomic variables in BH. This project was successfully implemented at the beginning of 2021, and the model is already in operation in the CBBH, which will further improve the medium-term macroeconomic projections of the CBBH. In addition to nowcasting of the domestic economy, in 2020, the preparatory activities were carried out for the implementation of the project in cooperation

with the Joint Vienna Institute during the first half of 2021, with the aim of formalizing the framework for assessing macroeconomic imbalances in BH. By implementing the listed projects in the field of applied economic research, we expect that the CBBH, by the mid of 2021, will have a standard set of tools for nowcasting the country's macroeconomic position of and medium-term trends, which are used by all central banks.

Bilateral assistance and capacity building program of central banks, financed by SECO, after the successful first phase in the period 2014-2017, has been extended until 2022. It covers the following areas of central banking: monetary policy analysis and implementation (segments: foreign exchange reserve management and research capacity building); macroeconomic accounting and statistics; human resource management, and; area of operational risk, including improving business continuity. At the beginning of 2020, the technical mission in the CBBH in the field of foreign exchange reserve management was carried out, while during the year all program activities were realized through online work and education, in accordance with the needs of the CBBH. With the support of the BCC program, an e-learning platform was created with educational material on the topic of competence within the assessment process. In accordance with the needs of the CBBH, the following online trainings were held: Economic Forecasts for Introductory, Intermediate and Advanced level; Business Continuity Planning in the Light of the COVID-19 Pandemic, and Interaction with International Financial Institutions.

During 2020, the implementation of activities within the multi-states program "Strengthening the Institutional Capacity of the Western Balkans Central Banks" continued, with the aim of joining the European System of Central Banks (ESCB). The program is implemented by the European System of Central Banks through a coordinated approach and chairing of the Deutsche Bundesbank. During 2020, with the support of the Austrian National Bank, as part of the work on establishing a survey on bank lending activities, being one of the obligations in accordance with the Conclusions and Recommendations of the Economic and Financial Dialogue, the first round of CBBH surveys was completed, with the participation of eight banks. All meetings of the Program Steering Committee were held regularly, chaired by the Deutsche Bundesbank and attended by all partner national central banks, eight end-user institutions and the EC. A framework agreement was reached that, given the COVID-19 circumstances, the implementation of the Program will be extended until the end of 2021, while carrying out the seminars on line. At the same time, within the IPA III programming cycle, preparatory activities and consultations with the Deutsche Bundesbank and the EC have begun in order to continue the 2022 Program.

Organized by the CBBH, at the beginning of 2020, a mission of the international rating agency Standard & Poor's (S&P) was carried out, through contacts with relevant international and domestic institutions in BH in order to assess the sovereign credit rating of BH. The main topics of discussion

in determining BH's credit rating have been the political situation, the budget, external debt service, relations with international financial institutions and financial stability. From April to December 2020, the CBBH, in order to determine the credit rating of BH, held virtual meetings and regular contacts with the rating agencies S&P and Moody's.

During 2020, the S&P rating agency affirmed BH's sovereign credit rating of "B" and changed its outlook from "positive to stable". The rating agency Moody's Investors Service confirmed BH's sovereign credit rating of "B3 / with a stable outlook".

2.10 Internal audit process

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

Based on the risk assessment, and according to the criteria established by the CBBH Risk Assessment Methodology, the Chief Audit Executive has developed the Strategic Plan of Internal Audit for the period 2018-2021 and the Internal Audit Plan for 2020. Due to the extraordinary working conditions caused by the pandemic, repeated risk assessment of the audit universe was conducted in early May and, accordingly, revised Internal Audit Plans for 2020 were prepared and adopted by the Governing Board.

In performing its duties, the OCAE assesses the efficiency and effectiveness of the management and control mechanisms, consistency in implementing applicable laws and regulations related to the CBBH and contributes by its activity to the improvement of operations, achievement of the set strategic objectives and formulation of plans, setting up an efficient system of risk management, preserving the integrity of assets and other resources and undertaking measures against potential losses due to abuses, bad management, mistakes, frauds and irregularities. In 2020, the activity of periodic evaluation of the internal audit function continued by collecting answers through a written questionnaire filled out by the heads of the audited areas. In OCAE, continuous supervision of the work of audit teams during the audit engagement was established, and in the last quarter of 2020, an internal assessment (self-assessment) of the quality of the internal audit function was performed.

The role of the OCAE is preventive, not repressive, and in that respect its role in identifying and preventing corruption and fraud should be recognized. The OCAE contributes to the struggle against fraud and corruption by checking if internal control systems have been established and functioning

properly so as to prevent fraud and corruption or reduce possibilities for those.

In November 2020, the International Monetary Fund (IMF) performed an assessment of the internal audit function in the CBBH as part of the Safeguard Assessment mission. In accordance with the IMF recommendations, OCAE will establish supervision over the implementation of the given recommendations. In accordance with the given recommendation, the By Law on Internal Audit in the CBBH has already been updated.

2.11 Other

2.11.1 Human resources management

During the pandemic, the continuity of the CBBH operations and the execution of all goals and tasks were ensured, many of which were more ambitious compared to 2019. Having in mind the significant increase of diseases caused by coronavirus in BH, since March 2020, the CBBH was guided by the recommendations of competent institutions and bodies in the country and the practices of a large number of domestic and international institutions and legal entities, and thus, it developed the Contingency Plan on Operations and Risk Management in COVID-19 Pandemic Conditions. In accordance with the Plan, the CBBH Crisis Team was carrying out a continuous assessment of the current impact of the pandemic on the CBBH operations, and activated action plans, which, among other things, included individual implementation or a combination of the following measures:

- Introduction of flexible working hours;
- Ensuring leave of absence for chronic patients and risk groups;
- Reduction of regular working hours in order to reduce the risk of transporting employees during traffic jams;
- introduction of on line work, where business processes allow it, or reduction of the number of employees who are physically present in the premises of the CBBH by introducing shifts, i.e. teams in processes where physical presence in the premises of the CBBH is necessary.

The internal acts of the CBBH regulate the manner of work organizing, which implies the introduction of the on-line work and working hours reduction for employees of the Central Bank of Bosnia and Herzegovina, as well as the rights and obligations of the CBBH employees during such periods of work. Until the end of 2020, even during the work performed on spot in the CBBH premises, most of the internal meetings of all levels, as well as meetings with external contacts, were conducted using online platforms. Rapid adjustment to the circumstances prevented a significant spread of the infection in the CBBH, with a negligible loss of efficiency, which was quickly compensated. In addition to regular meetings, during 2020, the staff attended numerous online seminars, workshops and trainings, which allowed to keep pace with the best world practices, but also to implement completely new projects and business processes, developed with the involvement of consultants and fully virtual and interactive way of working and preparing them. Particularly strong steps forward in 2020 are visible in the areas of strengthening analytical capacities and making macroeconomic projections, as well as the comprehensiveness and quality of statistical reporting, which are significant contributions to the BH-EU integration process. Also, the visibility of the CBBH has been strongly enhanced through the organization of a virtual international research conference and the improvement of the communication strategy with the public, with a much stronger use of modern communication channels.

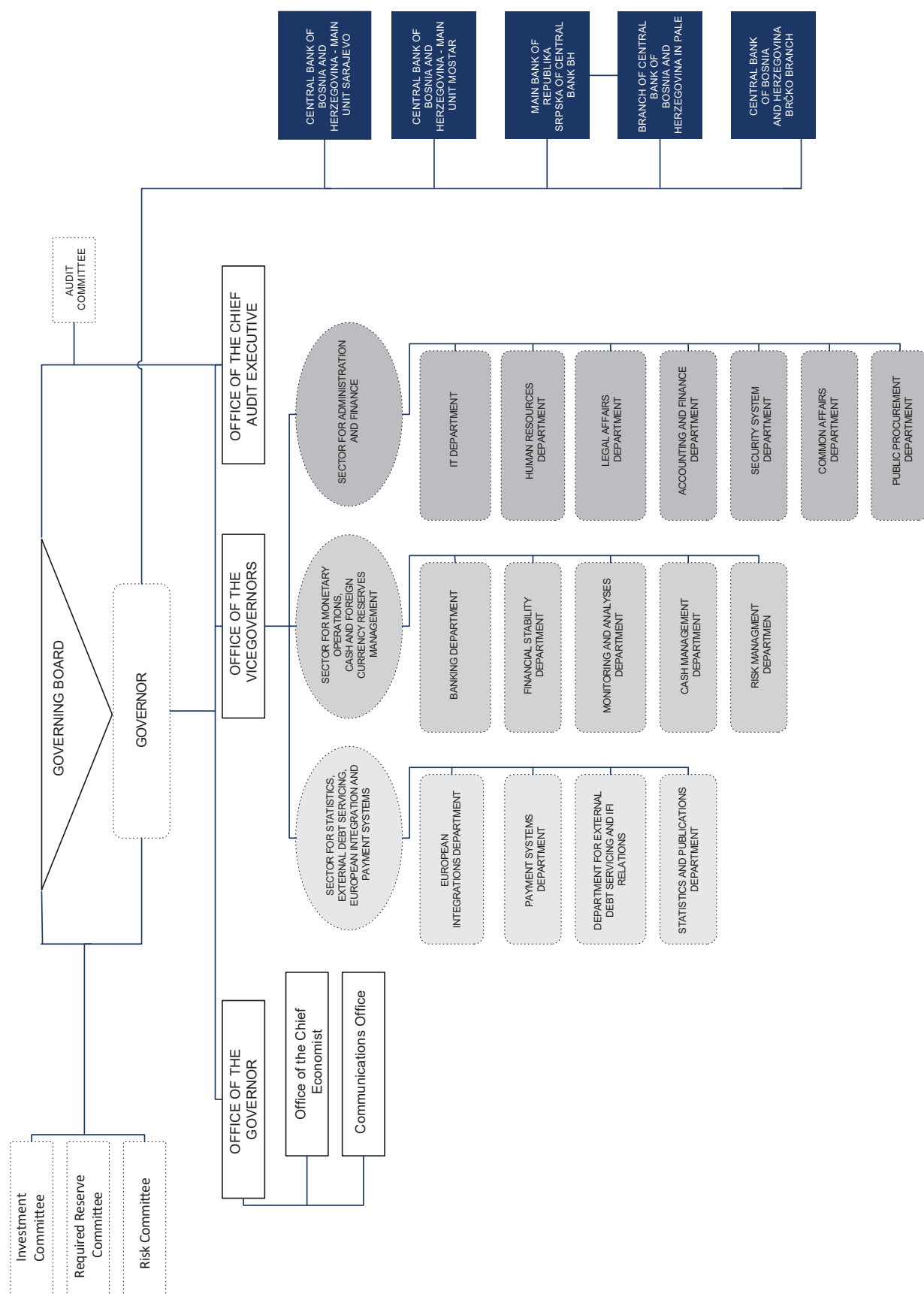
The highest body of the CBBH is the Governing Board, which is in charge of defining monetary policy and control of its implementation, organisation and strategy of the CBBH according to the authorities defined by the Law. The Governing Board includes the Governor, who chairs the Board, and four members (Table 2.4). The Management of the Central Bank includes Governor and three Vice Governors, appointed by Governor with the approval of the Governing Board. The task of the Management is the management of the Central Bank operations. Each Vice Governor is directly in charge of the operations of one sector of the Central Bank (see the Organisational Chart of the CBBH).

Table 2.7: The CBBH Management Structure at 2020 End

The CBBH Governing Board	Senad Softić, Ph.D., chairman Radomir Božić, Ph.D., member Šerif Isović, M.Sc., member Dragan Kulina, Ph.D., member Danijela Martinović, Ph.D., member
The CBBH Management	Senad Softić, Ph.D., Governor Ernadina Bajrović, M.A., Vice Governor in charge of the Administration and Finance Sector Milica Lakić, Ph.D., Vice Governor in charge of the Sector for Monetary Operations, Cash and Foreign currency reserves management Želimira Raspudić, Vice Governor in charge of the Sector for Statistics, External Debt Servicing, European Integration and Payment Systems

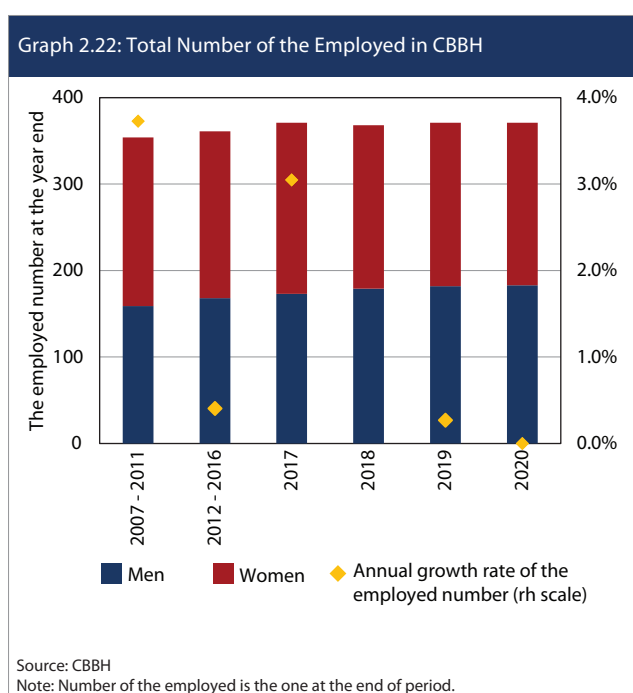
Source: CBBH

ORGANIZATIONAL CHART OF THE CENTRAL BANK OF BOSNIA AND HERZEGOVINA



The number of employees in the CBBH has remained almost unchanged in recent years (Graph 2.22), which is a consequence of more efficient engagement of existing human resources based on the 2019-2021 Human Resources Management Strategy. The hiring of new staff was done in accordance with the operational needs (introduction of new tasks, increase of workload or filling in for employees being retired), in order to ensure the optimal process and organization of work. The hiring of new employees was done in a number equal to the planned retirements during 2020. On 31 December 2020, the CBBH had 371 staff members employed permanently and temporary.

Out of the total number of employees, 78.98% were those with university degrees, out of them, 11 with Ph.D. degree and 71 with Master degree. The average age of an employee was 46 years, with 50.67% women in the total staff number at the end of 2020.



2.11.2 Communication with the public

The year 2020 was extremely challenging in terms of communication with the public, since the entire business of the CBBH, and thus communication, took place in extremely difficult circumstances caused by the pandemic. Despite the work challenges, it should be noted that the function of communication with the public in the CBBH has undergone the greatest transformation since its establishment, both organizationally and in terms of workload.

Following global trends, the CBBH has fully incorporated communication through social networks into a full-fledged part of the Bank's communication strategy. Since the beginning of the second quarter of 2020, the CBBH has

active accounts on Facebook, LinkedIn, and the contents on the existing YouTube channel and Twitter account have been improved. The website received new, additional content, and in order to give more space to an increasingly important activity in the field of financial education and inclusion, a subsite fined.cbbh.ba was created, dedicated exclusively to that activity.

Most of the year is dedicated to crisis communication with the aim of presenting the activities of the CBBH in the circumstances of the pandemic. Addresses through the media mostly referred to the role of the CBBH in strengthening economic activities and preserving financial stability in the country during the period of partial and complete closure of the economy and restriction of movement. A proactive approach to the media was used in order for the public to have a clear perception of the role and mandate of the CBBH, what it can do in a given situation and that the public can count on the CBBH to perform its tasks even under difficult circumstances.

Most of the media activities were almost impossible to do in the usual way, because the safety measures included a complete ban on the arrival of journalist teams in the Bank premises, as well as meetings and contacts of CBBH officials, in addition to the essential ones. In order to respond to the new circumstances, the new practices of working with media representatives have been introduced, such as the organization of video interviews or the production and dissemination of self-arranged video statements.

Despite the circumstances, the CBBH remained active in the field of financial education and inclusion of BH citizens. Objective circumstances have changed the dynamics of action and made it impossible for some activities to be done, especially those related to direct contact with educational institutions and the implementation of training programs for lecturers. However, during this period, the CBBH found a way to stay active - the previously mentioned website fined.cbbh.ba was fully completed and operational, and it was used for certain activities, such as publishing useful texts on the benefits of using digital services and avoiding going to commercial banks' branches in order to preserve health, as well as texts intended for the diaspora and solving the problem of sending remittances during the period of closed borders. The texts and their placement further received a quality response and redistribution through other channels, which brought significant benefits to both citizens and the CBBH. In 2020, the epidemiological measures have made it impossible for the World Savings Day, which is celebrated every year on October 31, to be marked by traditional student visits to the CBBH. Activities in the field of financial education were carried out with the support of the European Fund for Southeast Europe - Development Facility (EFSE DF).

On November, 2020, in cooperation with USAID FINRA, the CBBH organized the third annual international research conference entitled "Challenges for Central Banks in the

Circumstances of Low Interest Rates", which was held virtually. Although the transition to a virtual format of this type conferences is a suboptimal solution compared to the traditional format of conference organization, doing this, we have ensured the continuity of its organization and participation of a significantly larger number of participants from the country and abroad that would not be possible if the conference was organized live. The conference enabled an active discussion of the participants after the presentation of the applied research papers of the representatives from the European Central Bank, the Central Banks of Albania, Bulgaria, Croatia and Turkey and the University of Skopje.

This professional and proactive approach has been recognized by the public, and even in 2020, the awards were not lacking. Among the 150 nominees in the field of economy, finance, politics and society from BH and the region, the Governor of the CBBH Senad Softić, Ph.D. was awarded with "Večernjak Seal" award. It is one of the most important social events and one of the largest events in BH and the region, and the award to the Governor is a kind of recognition and confirmation for the CBBH for its professional and responsible work, at the benefit of BH and its citizens.

Corporate social responsibility of the CBBH, compared to previous years, was limited, but still significant. Within the project "Think on Nature", implemented with the support of the Government of Sweden, by the Center for the Promotion of Civil Society and a local portal and radio station, the CBBH was recognized as one of the institutions in which were launched the initiatives for separation and disposal of packaging / recycling waste. Thus, the CBBH responded to the invitation and presented to the public its good environmental practices in the disposal of packaging / recycling waste. In addition to the desire to contribute to environmental protection, the additional importance of this project is its contribution to the implementation of European Union requirements and international agreements in the field of environment, climate and energy, that BH has ratified. The intention of the CBBH is to continue with such positive practices in the future.

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

3 FINANCIAL STATEMENTS AND INDEPENDENT EXTERNAL AUDITOR'S REPORT

CENTRAL BANK OF BOSNIA AND HERZEGOVINA

Financial statements for the year ended 31 December 2020

FINANCIAL REPORTING RESPONSIBILITY

The Management of the Central Bank of Bosnia and Herzegovina is responsible to prepare financial statements for each financial year which give a true and fair view of the financial position and of the results of its operations and cash flows, in accordance with the Law on the Central Bank of Bosnia and Herzegovina and International Financial Reporting Standards, as published by the International Accounting Standards Board.

The Governing Board, as a highest body of the Central Bank of the Bosnia and Herzegovina, is responsible for the approval of policies and supervision of their application, administration and operations of the Central Bank of Bosnia and Herzegovina. The Governing Board is responsible for selecting suitable accounting policies to conform to applicable International Financial Reporting Standards and for overseeing the financial reporting process.

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 to enable the preparation of such financial statements at any time. The Management has a general responsibility for taking such steps as are reasonably available and for implementation of 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 exercises its overseeing function for the financial reporting process also through the Audit Committee, formed as a body of the Governing Board. After reviewing the annual financial statements by the Audit Committee, the same are approved by the Governing Board and submitted to the Parliamentary Assembly of Bosnia and Herzegovina.

These 2020 financial statements have been audited by the independent auditors of the Central Bank of Bosnia and Herzegovina and their report is presented on pages 2 to 4. The independent auditors have been provided with full and unrestricted access to all information and communication needed to implement and discuss their audit procedures.

The accompanying financial statements set out on pages 5 to 77 are approved by the Governing Board on 29 March 2021 and are signed, on its behalf by:


Senad Softić, Ph.D.

Chairman of the Governing Board




Edis Kovačević, M.Sc.

Head of Accounting and Finance Department

**Grant Thornton**

Independent Auditor's Report

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

Opinion

We have audited the accompanying financial statements of the Central Bank of Bosnia and Herzegovina (hereinafter: the "Central Bank"), which comprise the Statement of financial position as at 31 December 2020 and the Statement of profit or loss, Statement of comprehensive income, Statement of changes in equity and Statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Central Bank of Bosnia and Herzegovina as at 31 December 2020, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (hereinafter: "ISAs"). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Central Bank in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) together with the ethical requirements that are relevant to our audit of the financial statements of the Central Bank in Bosnia and Herzegovina, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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

Management is responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards, and for such internal control as the Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.



In preparing the financial statements, the Management is responsible for assessing the Central Bank's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting.

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

Auditor's Responsibilities for the Audit of the Financial Statements

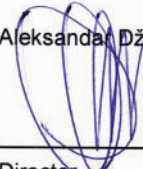
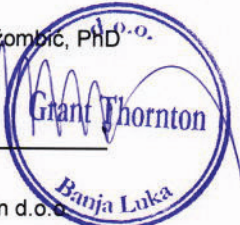
Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but it is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from a fraud is higher, than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Central Bank's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management.
- Conclude on the appropriateness of the Management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Central Bank's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Central Bank to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

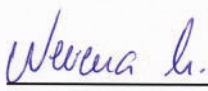


We communicate with the Governing Board of the Central Bank regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Aleksandar Džombić, PHD

Director
Grant Thornton d.o.o.


Banja Luka, 29 March 2021

Nevena Milinković


Certified Auditor
Grant Thornton d.o.o.

Banja Luka, 29 March 2021

Suzana Stavrikj, Partner

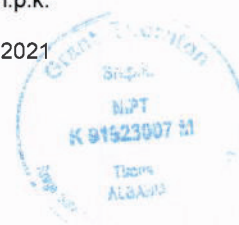

Grant Thornton d.o.o.

Skopje, 29 March 2021

Kledian Kodra, Partner


Grant Thornton sh.p.k.

Tirana, 29 March 2021



CENTRAL BANK OF BOSNIA AND HERZEGOVINA
Financial statements for the year ended 31 December 2020

STATEMENT OF PROFIT OR LOSS

In thousands of KM	Note	For the year ended 31 December	
		2020	2019
Interest income		51,721	51,178
Interest expense		(32,197)	(26,358)
NET INTEREST INCOME	7	19,524	24,820
Fee and commission income		18,061	17,665
Fee and commission expenses		(689)	(646)
NET FEE AND COMMISSION INCOME	8	17,372	17,019
Net realised gains from sale of debt instruments at fair value through other comprehensive income	9	1,578	238
Net foreign exchange (losses) / gains	10	(184)	307
Other income	11	245	850
OPERATING INCOME		38,535	43,234
Personnel expenses	12	(18,578)	(19,670)
Administrative and other operating expenses	13	(9,107)	(7,952)
Depreciation and amortisation charge	20	(2,532)	(2,446)
OPERATING EXPENSES		(30,217)	(30,068)
FINANCIAL RESULT BEFORE PROVISIONS FOR EXPECTED CREDIT LOSSES		8,318	13,166
Provisions for expected credit losses, net (increase) / release	14	(410)	9,409
NET PROFIT FOR THE YEAR	28	7,908	22,575

The accompanying notes on pages 12 to 77 are an integral part of these financial statements.

CENTRAL BANK OF BOSNIA AND HERZEGOVINA
Financial statements for the year ended 31 December 2020

STATEMENT OF COMPREHENSIVE INCOME

In thousands of KM	Note	For the year ended 31 December	
		2020	2019
NET PROFIT FOR THE YEAR		7,908	22,575
Other comprehensive income			
<i>Items that are or may be reclassified subsequently to profit or loss:</i>			
Debt instruments at fair value through other comprehensive income			
Net change in fair value during the year	17	81,673	77,863
Net change in provisions for expected credit losses recognized in profit or loss during the year	6.1.1., 14	314	(7,598)
Reclassification to profit or loss from sale of debt instruments	9	(1,578)	(238)
		80,409	70,027
Monetary gold			
Net change in fair value during the year	18	37,473	44,092
		37,473	44,092
Total other comprehensive income		117,882	114,119
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		125,790	136,694

The accompanying notes on pages 12 to 77 are an integral part of these financial statements.

CENTRAL BANK OF BOSNIA AND HERZEGOVINA
Financial statements for the year ended 31 December 2020

STATEMENT OF FINANCIAL POSITION

In thousands of KM	Note	31 December 2020	As at 31 December 2019
ASSETS			
Cash in foreign currencies	15	142,202	322,599
Deposits with foreign banks	16	3,832,072	3,102,765
Debt instruments	17	9,601,315	8,917,413
Monetary gold	18	291,561	254,088
Special Drawing Rights with the IMF	30, 33	879	230
Other assets	19	12,671	11,457
Property and equipment	20	48,560	48,314
Intangible assets	20	1,234	1,563
Other investments	21	27,813	27,813
TOTAL ASSETS		13,958,307	12,686,242
LIABILITIES AND EQUITY			
LIABILITIES			
Banknotes and coins in circulation	22	6,172,457	5,199,916
Deposits from banks	23	5,901,142	5,743,619
Deposits from the Government and other public institutions	24	897,044	880,675
Provisions	25	1,414	1,394
Other liabilities	27	3,919	4,097
Total liabilities		12,975,976	11,829,701
EQUITY			
Initial capital		25,000	25,000
Reserves		957,331	831,541
Total equity	29	982,331	856,541
TOTAL LIABILITIES AND EQUITY		13,958,307	12,686,242

The accompanying notes on pages 12 to 77 are an integral part of these financial statements.

CENTRAL BANK OF BOSNIA AND HERZEGOVINA
Financial statements for the year ended 31 December 2020

STATEMENT OF CHANGES IN EQUITY

In thousands of KM

	Initial capital	General reserves (Retained earnings)	Other reserves	Fair value reserves for debt and equity instruments at fair value through other comprehensive income	Provisions for expected credit losses	Fair value reserves for monetary gold	Total reserves	Total equity
Balance at 1 January 2020	25,000	537,295	31,300	211,373	1,343	50,230	831,541	856,541
Total comprehensive income for the year	-	7,908	-	80,154	255	37,473	125,790	125,790
Net profit for the year	-	7,908	-	-	-	-	7,908	7,908
Other comprehensive income	-	-	-	80,154	255	37,473	117,882	117,882
Net unrealised positive changes in fair value for debt instruments	-	-	-	81,673	-	-	81,673	81,673
Net realised positive changes in fair value for debt instruments transferred to profit or loss	-	-	-	(1,519)	-	-	(1,519)	(1,519)
Net increase of provisions for expected credit losses for debt instruments recognised in profit or loss	-	-	-	-	314	-	314	314
Net release of provisions for expected credit losses transferred to profit or loss	-	-	-	-	(59)	-	(59)	(59)
for debt instruments sold	-	-	-	-	-	-	-	-
Net unrealised positive changes in fair value for monetary gold	-	-	-	-	-	37,473	37,473	37,473
Balance at 31 December 2020	25,000	545,203	31,300	291,527	1,598	87,703	957,331	982,331

The accompanying notes on pages 12 to 77 are an integral part of these financial statements.

CENTRAL BANK OF BOSNIA AND HERZEGOVINA
Financial statements for the year ended 31 December 2020

STATEMENT OF CHANGES IN EQUITY (CONTINUED)

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

The accompanying notes on pages 12 to 77 are an integral part of these financial statements.

CENTRAL BANK OF BOSNIA AND HERZEGOVINA
Financial statements for the year ended 31 December 2020

STATEMENT OF CASH FLOWS

		For the year ended 31 December	
	Note	2020	2019
In thousands of KM			
CASH FLOWS FROM OPERATING ACTIVITIES			
Net profit for the year		7,908	22,575
Adjusted for:			
Interest income	7	(51,721)	(51,178)
Interest expense	7	32,197	26,358
Provisions for expected credit losses, net increase / (release)	14	410	(9,409)
Net realised (gains) from sale of debt instruments at fair value through other comprehensive income	9	(1,578)	(238)
Net foreign exchange losses / (gains)	10	184	(307)
Income from grants	11	(50)	(98)
Provisions, net increase	12, 25	151	277
Net loss on disposal of property, equipment and intangible assets		2	8
Dividend income recognized in profit or loss	11	-	(623)
Depreciation and amortisation charge	20	2,532	2,446
Net cash flows used in operating activities before changes in operating assets and liabilities		(9,965)	(10,189)
Changes in operating assets and liabilities			
(Increase) / decrease in term deposits with foreign banks		(139,779)	584,828
(Increase) in debt instruments		(602,229)	(614,111)
(Increase) in other assets		(1,391)	(882)
Increase in banknotes and coins in circulation	22	972,541	449,302
Increase in deposits from banks		158,825	221,633
Increase in deposits from the Government and other public institutions		16,369	171,308
(Decrease) / increase in other liabilities		(197)	938
Payments from provisions	25	(131)	(142)
Interest received		50,419	49,875
Interest paid		(31,135)	(25,586)
Net cash from operating activities		413,327	826,974
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchases of property, equipment and intangible assets		(2,451)	(6,311)
Dividends received		-	623
Net cash used in investing activities		(2,451)	(5,688)

CENTRAL BANK OF BOSNIA AND HERZEGOVINA
Financial statements for the year ended 31 December 2020

STATEMENT OF CASH FLOWS (CONTINUED)

In thousands of KM	Note	For the year ended 31 December	
		2020	2019
Effects from changes in impairment for expected credit losses on cash and cash equivalents		(45)	990
Effects of exchange rate fluctuations on cash and cash equivalents held		(115)	336
Net increase in cash and cash equivalents		410,716	822,612
Cash and cash equivalents at the beginning of the year		2,498,972	1,676,360
Cash and cash equivalents at the end of the year	30	2,909,688	2,498,972

The accompanying notes on pages 12 to 77 are an integral part of these financial statements

NOTES TO THE FINANCIAL STATEMENTS

1. GENERAL INFORMATION

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

The Central Bank started its operations on 11 August 1997.

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

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

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

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

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

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

CENTRAL BANK OF BOSNIA AND HERZEGOVINA

*Notes to the financial statements for the year ended 31 December 2020***1. GENERAL INFORMATION (CONTINUED)**

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

According to the Law on the Central Bank, all powers that are not specifically reserved for the Governing Board are vested in the Governor. The Governor is the chairman of the Governing Board and the chairman of the Management.

The Management of the Central Bank, in addition to the Governor, consists of three vice governors who are appointed by the Governor with the approval of the Governing Board. The Management operationally manages the Central Bank's activities.

During the course of 2019 and 2020 and up to the date of this report, key management members of the Central Bank are:

The Governing Board

Senad Softić Ph.D.	Chairman
Šerif Isović M.Sc.	Member
Radomir Božić Ph.D.	Member (from 30 April 2020)
Dragan Kulina Ph.D.	Member (from 30 April 2020)
Danijela Martinović Ph.D.	Member (from 30 April 2020)
Ankica Kolobarić M.Sc.	Member (until 30 April 2020)
Trivo Marinković M.Sc.	Member (until 19 June 2019 and from 19 July 2019 until 4 October 2019)
Ljubiša Vladušić Ph.D.	Member (until 19 June 2019 and from 19 July 2019 until 4 October 2019)

The Management

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

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

The Audit Committee

Mila Gadžić Ph.D.	Chairman
Elvir Čizmić Ph.D.	Member
Radomir Repija	Member

2. BASIS OF PREPARATION

2.1. Statement of compliance

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

These financial statements have been prepared using the going concern assumption.

More information about circumstances caused by the global pandemic of COVID-19 that affected Central Bank's operations and activities in 2020 is disclosed in Note 3.16. These circumstances did not affect the appropriateness of the going concern assumption of the Central Bank.

2.2. Basis of measurement

These financial statements have been prepared under the accrual base of accounting and using the historical cost as a measurement base, except for the following material items which are measured on the following basis at each reporting date:

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

2.3. Functional and presentational currency

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

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

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

- Amendments to IFRS 3: "Business combinations" - Definition of a Business (effective for annual periods beginning on or after 1 January 2020),
- Amendments to IAS 1: "Presentation of financial statements" and IAS 8: "Accounting policies, changes in accounting estimates and errors" - Definition of Material (effective for annual periods beginning on or after 1 January 2020),
- Amendments to IFRS 9: "Financial instruments", IAS 39: "Financial instruments: Recognition and Measurement" and IFRS 7: "Financial Instruments: Disclosures" - Interest Rate Benchmark Reform (effective for annual periods beginning on or after 1 January 2020),
- Amendments to references to the Conceptual framework in IFRS standards (effective for annual periods beginning on or after 1 January 2020),
- Amendments to IFRS 16: "Leases" – COVID-19 Rent Related Concessions (effective for annual periods beginning on or after 1 January 2020).

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

CENTRAL BANK OF BOSNIA AND HERZEGOVINA

*Notes to the financial statements for the year ended 31 December 2020***2. BASIS OF PREPARATION (CONTINUED)****2.5. Standards and Interpretations in issue not yet adopted**

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

- Amendments to IFRS 9: “Financial instruments”, IAS 39: “Financial instruments: Recognition and Measurement”, IFRS 7: “Financial Instruments: Disclosures”, IFRS 4: “Insurance Contracts” and IFRS 16: “Leases” - Interest Rate Benchmark Reform Phase 2 (effective for annual periods beginning on or after 1 January 2021),
- Amendments to IFRS 17: “Insurance contracts” and IFRS 4: “Insurance contracts” (effective for annual periods beginning on or after 1 January 2021),
- References to the Conceptual Framework (effective for annual periods beginning on or after 1 January 2022),
- Annual improvements to IFRS standards 2018-2020 Cycle (effective for annual periods beginning on or after 1 January 2022),
- Amendments to IAS 16: “Property, Plant and Equipment” - Proceeds before intended use (effective for annual periods beginning on or after 1 January 2022),
- Amendments to IAS 37: “Provisions, Contingent Liabilities and Contingent Assets” - Onerous Contracts - Cost of Fulfilling a Contracts (effective for annual periods beginning on or after 1 January 2022),
- IFRS 17: “Insurance Contracts” (effective for annual periods beginning on or after 1 January 2023),
- Amendments to IAS 1: “Presentation of financial statements” – Classification of liabilities as current or non-current (effective for annual periods beginning on or after 1 January 2023).

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

2.6. Reclassification of financial information

Certain not significant comparative balances in these financial statements have been reclassified to align with the presentation used in the current reporting period. These reclassifications have no impact on the Central Bank’s overall financial performance and position for the comparative period and are made only for the purpose of improved disclosures.

3. SIGNIFICANT ACCOUNTING POLICIES

Accounting policies set out below have been applied consistently to all periods presented in these financial statements. Material accounting policies relate to the Central Bank's financial assets and financial liabilities which comprise the largest part of total Central Bank's assets and liabilities. Other accounting policies disclosed below are considered to be relevant due to specifics arising from the Central Bank's operations and purpose.

3.1. Income and expense recognition

3.1.1. Interest income and expenses

Effective interest rate

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

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

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

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

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

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

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

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

Accrued interest on financial liabilities with negative interest rate is recognized as an interest income in profit or loss and arises from deposits from domestic commercial banks due to the reserve requirement policy of the Central Bank applied.

CENTRAL BANK OF BOSNIA AND HERZEGOVINA

*Notes to the financial statements for the year ended 31 December 2020***3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)****3.1. Income and expense recognition (continued)****3.1.2. Fee and commission income and expenses**

Fee and commission income is earned from the services provided by the Central Bank and is recognized in profit or loss when the service is provided. The Central Bank calculates fee and commission income under determined tariffs for its services. Services provided by the Central Bank include services to domestic banks, depositors and other non-banking clients. They arise from payment system transactions, cash processing, conversion transactions and other services.

Fee and commission expense arises from received services related from Central Bank's foreign currency reserves management and is recognized in profit or loss when the service is received.

3.1.3. Foreign currency transactions and exchange differences

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

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

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

Middle exchange rates of most relevant currencies are provided below:

Middle exchange rate:	31 December 2020	31 December 2019
	KM	KM
CHF	1.801446	1.799126
GBP	2.165757	2.295360
USD	1.592566	1.747994
XDR	2.315409	2.417171

3.1.4. Dividend income

Dividend income from equity instruments is recognized in profit or loss when the Central Bank's right to receive dividend is established. Dividend income arises from BIS shares held by the Central Bank (Note 21).

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.2. Financial assets and financial liabilities

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

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

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

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

3.2.2. Classification and subsequent measurement

3.2.2.1. Financial assets

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

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

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

The classification of financial asset is determined by both:

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

Business model

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

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

CENTRAL BANK OF BOSNIA AND HERZEGOVINA

*Notes to the financial statements for the year ended 31 December 2020***3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)****3.2. Financial assets and financial liabilities (continued)****3.2.2. Classification and subsequent measurement (continued)****3.2.2.1. Financial assets (continued)**

The goals of these models are set to generate cash flows and to maintain the liquidity of the Central Bank in order to implement the Central bank's monetary policy.

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

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

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

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

Financial assets at amortised cost

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

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

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

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

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.2. Financial assets and financial liabilities (continued)

3.2.2. Classification and subsequent measurement (continued)

3.2.2.1. Financial assets (continued)

Financial assets at fair value through other comprehensive income

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

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

Debt instruments

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

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

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

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

Equity instruments

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

As at reporting dates, the Central Bank's all equity instruments at fair value through other comprehensive income are composed of Bank for International Settlements (BIS) and SWIFT shares (Note 21).

CENTRAL BANK OF BOSNIA AND HERZEGOVINA

*Notes to the financial statements for the year ended 31 December 2020***3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)****3.2. Financial assets and financial liabilities (continued)****3.2.2. Classification and subsequent measurement (continued)****3.2.2.2. Financial liabilities**

The Central Bank classifies all its financial liabilities as subsequently measured at amortised cost, with the exception of banknotes and coins in circulation which are measured at their nominal value.

Interest income or interest expense arising from financial liabilities measured at amortised cost are recognised in profit or loss using the effective interest rate method. Fee and commission income arising from financial liabilities is recognised when service is provided.

Financial liabilities measured at amortised cost include banknotes and coins in circulation, deposits from banks, deposits from the Government and other public institutions and other financial liabilities.

3.2.3. Impairment of financial assets

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

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

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

Note 6.1. provides more information about how the expected credit loss allowance is measured.

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

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

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

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.2. Financial assets and financial liabilities (continued)

3.2.4. Derecognition of financial assets and financial liabilities

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

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

3.3. Monetary gold

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

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

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

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

3.4. Offsetting

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

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

3.5. Cash and cash equivalents

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

CENTRAL BANK OF BOSNIA AND HERZEGOVINA

*Notes to the financial statements for the year ended 31 December 2020***3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)****3.6. Property, equipment and intangible assets**

Property, equipment and intangible assets consist of assets obtained from the Central Bank's own funds and cash and non-cash grants. Property, equipment and intangible assets are stated at cost, less accumulated amortization and any recognized accumulated impairment losses. Cost includes the purchase price and all costs directly related to bringing the asset into operating condition for its intended use. Maintenance and repairs, replacements and improvements of minor importance are expensed as incurred. Significant improvements and replacement of assets are capitalized.

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

Depreciation and amortization of property, equipment and intangible assets is provided on all assets, except land and assets in the course of construction, on a straight-line basis at prescribed rate designed to write off the cost of the assets over their estimated useful lives. The estimated depreciation and amortization rates during 2019 and 2020 were as follows:

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

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

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

3.7. Impairment of non-financial assets

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

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

An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of amortisation, as if no impairment loss had been recognized.

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.8. Provisions

Provisions are recognized when the Central Bank has a present legal or constructive obligation as a result of past events for which it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate of the amount of the obligation can be made. Provisions are determined by discounting the expected future cash flows at a rate that reflects current market assessments of the time value of money and the risks specific to the liability.

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

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

3.9. Taxes

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

3.10. Banknotes and coins in circulation

The Central Bank is the only institution in BH authorised for issuing and withdrawing KM banknotes and coins, acting strictly under the Currency Board rule.

In accordance with the Law on the Central Bank, aggregate amount of banknotes and coins in circulation is recorded as the Central Bank's financial liability in the statement of financial position. Banknotes and coins in circulation include only KM banknotes and coins outside of Central Bank's vaults.

When banknotes and coins are withdrawn from circulation, they are recognized as a liability as part of banknotes and coins in circulation, until the formal date of withdrawal. Any outstanding amount not withdrawn, after the formal due date, is recognized as income.

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

CENTRAL BANK OF BOSNIA AND HERZEGOVINA
Notes to the financial statements for the year ended 31 December 2020

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.11. Domestic deposits

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

3.12. Employee benefits

Short-term employee benefits

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

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

Long-term employee benefits

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

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

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

According to the financial arrangements concluded between BH, the Central Bank and the International Monetary Fund ("IMF"), the statement of financial position of the Central Bank includes the following items related to BH's membership with the IMF: Special drawing rights with the IMF which are part of foreign currency reserves of the Central Bank and are interest-bearing and the IMF No. 1 account and IMF No. 2 account that are part of Central Bank's financial liabilities. These accounts are also included in Currency Board compliance (Note 4).

Other assets and liabilities related to the IMF, belonging to or being the responsibility of BH, are recorded in a special Trust Fund within off-balance-sheet records. Central Bank has an obligation to keep proper records arising from transactions between BH and the IMF, but adhering strictly to the Law on the Central Bank and local legislation in BH that regulates foreign borrowing of BH (Note 33).

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.14. Managed funds for and on behalf of third parties

The Central Bank also maintains certain accounts in foreign currencies related to agreements concluded between the governments in BH and its entities and foreign governments and financial organisations, as well as foreign currency accounts of state institutions and agencies, and of commercial banks, for which the Central Bank acts as an agent (Note 32).

3.15. Significant accounting judgements and estimates

In preparing the Central Bank's financial statements in accordance with IFRSs, the Management applies judgments and make estimates that are evaluated continually. In evaluation of significant judgments and estimates, the Management considers assumptions based on historical experience and expectations about future that are believed to be reasonable under the circumstances.

Significant judgements and estimates effect the reported amounts of assets and liabilities, contingent assets and liabilities and related disclosures at the date of the financial statements as well as the reported amounts of revenues and expenses during the reporting period. Actual results could differ from these estimates. Changes in Central Bank's accounting policies are applied retrospectively when applicable in accordance with IFRSs. Changes in accounting estimates are recognized in the period in which the estimate is changed if the change affects only that period or in the period of change and future periods if the change affects both current and future periods. No changes have been made in applied accounting policies and accounting estimates in these financial statements.

These financial statements have been prepared based upon conditions existing at 31 December 2020. Conditions in the future may be different from those that resulted in the financial information disclosed in these financial statements. The Management do consider the current uncertainty regarding the impact of global pandemic of COVID-19 in respect of potential material impact on Central Bank's overall financial position and performance.

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

Business model

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

Impairment of financial assets

The Central Bank calculates the expected credit losses for certain classes of financial assets measured at amortised cost and debt instruments measured at fair value through other comprehensive income. Note 6.1 describes assumptions made in the determination of the inputs into the expected credit loss measurement model, including the forward-looking view information that were used in the reporting periods.

CENTRAL BANK OF BOSNIA AND HERZEGOVINA
Notes to the financial statements for the year ended 31 December 2020

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.15. Significant accounting judgements and estimates (continued)

Fair value of assets and liabilities

The Central Bank's policy is to disclose fair value information on those financial assets and financial liabilities for which public market information is readily available or such value may be calculated by applying some alternative valuation techniques, and whose fair value is materially different from their recorded amounts. According to the Central Bank's management, amounts presented in the financial statements reflect the most reliable and useful estimate of fair value for financial reporting purposes, in accordance with IFRSs. For more information about fair value measurement of financial assets and financial liabilities see Note 5.

Depreciation and amortisation charge and rates applied

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

3.16. General implications of COVID-19 spread and related issues for significant accounting judgements and estimates

On 11 March 2020 the World Health Organisation declared a global pandemic as a result of the outbreak and spread of Novel Coronavirus (COVID-19). Consequently, the condition of natural and other disaster has been declared in BH on 17 March 2020. Following this, BH introduced a series of containment measures in the country. The limitations included a ban on all travels outside of the country, limitations on the travels within the country during certain hours of the day and an interruption in the public transport. This lockdown was in effect by the end of May, followed by a gradual relaxation of the measures, but certain limitations and work protocols for certain business activities are still in force.

Throughout 2020, the business activities of the Central Bank were implemented under uncertain and difficult conditions while performing tasks and operations. The same required continuous review and assessment of the situation and adjustment of the Central Bank's operations to the new negative circumstances. Maintaining the stability of the domestic currency under the Currency Board arrangement and fulfilling the legal requirements of the Central bank in the conditions of global pandemic of COVID-19 have required application of specific measures.

The information below is conceived through an overview of the impact of the global pandemic of COVID-19 on the business processes and activities of the Central Bank, which should be considered individually and in relation to each other. Considering the fact that the issues related to the significant judgements and estimations are different in 2020 comparing to 2019, their impact on the reported amounts on assets, liabilities, income and expenses of the Central Bank have been included in the preparation of these financial statements.

1. Cash management: The declaration of the condition of natural and other disaster in BH on 17 March 2020 has led to the increased temporary demand for KM banknotes and EUR banknotes by domestic commercial banks. The sudden increase in demand for KM banknotes and EUR banknotes was successfully realised through the Central Bank's vaults and commercial bank's reserve accounts. Disposal of sufficient amount of cash in vaults enabled the Central Bank unhindered and fulfilled execution of legal requirements regarding the guaranteed convertibility of KM. The process was not endangered at any time. Additionally, in the implementation of the activities related to the cash withdrawal, the Central Bank has adopted health care measures to protect all participants in the cash handling process. For more information see Notes 15 and 22.

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.16. General implications of COVID-19 spread and related issues for significant accounting judgements and estimates (continued)

2. Required reserve of the commercial banks and relations with commercial banks: The required reserve of the commercial banks is the only instrument which can be used by the Central Bank in conducting the monetary policy. During 2020, the Central Bank has continuously monitored the maintaining of the required reserve and liquidity of the banking system and was prepared to provide additional liquidity to the banking system by reducing the required reserve ratio. However, besides the regular fulfillment of required reserve requirements, commercial banks have placed significant amounts of funds on their accounts at the Central Bank above the required reserves. All transactions on the reserve accounts of the commercial banks have been regularly executed by the Central bank during 2020. Reduced credit activities of the commercial banks further influenced the Central Bank's required reserve policy to remain unchanged during 2020. For more information see Note 23.

3. Guaranteed convertibility of KM: KM has been convertible in EUR at any time, without restrictions, and every request of commercial banks, the needs of citizens and economy in BH for the supply of cash have been fully met.

4. Foreign currency reserves of the Central Bank: During 2020, the Central Bank has continued to implement the foreign currency reserves investment policy with a primary emphasis on security and liquidity of investments which ensured full coverage of KM in freely convertible foreign currency. In terms of investing Central Bank's foreign currency reserves, global pandemic of COVID-19 has additionally worsened existing volatile environment of negative interest rates which reflected generating of net interest income on invested foreign currency reserves in 2020. On the other hand, the increase in negative interest rates had a positive implication on the fair value of debt instruments held by the Central Bank. Domestic currency has been fully covered by net foreign currency reserves that have been in the investible credit range at every moment. For more information see Notes 4, 6, 7 and 17.

5. Implementation of the function of banking and fiscal agent and depository: The Central Bank has executed all transactions, orderly and without delay, from its depositors. Servicing of the external debt of BH has been implemented in accordance with servicing plan and submitted orders by the Ministry of Finance and Treasury of BH. The Central Bank has realised the role of the banker, fiscal agent and depository of BH, and allocated the funds to the recipients in accordance with the Law on Central Bank under the Rapid Financing Instrument ("RFI") arrangement concluded between BH and IMF. These funds have been intended for BH to fight against global pandemic of COVID-19 and mitigate adverse effects on the economy. For more information see Note 33.

6. Payment systems: The payment systems, owned and managed by the Central Bank, have been properly functioning all the time, all transactions through payment system have been executed in accordance with the schedule. A stable payment system in BH and regular execution of all payment orders are one of the basic preconditions for the overall financial stability of the country and has not been endangered at any time. For more information see Notes 8 and 34.

CENTRAL BANK OF BOSNIA AND HERZEGOVINA

*Notes to the financial statements for the year ended 31 December 2020***3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)****3.16. General implications of COVID-19 spread and related issues for significant accounting judgements and estimates (continued)**

7. The Central Bank internal controls: The impact of the COVID-19 pandemic through the potential health issues of more employees of the Central Bank who have been responsible for the implementation of the established internal controls has been a major risk to providing its efficiency. The reorganization of the work, activation of the crisis management plan and separation of employees into the teams has ensured the continuity in implementing the business activities of the Central Bank and there has been no downtimes due to the absence of more employees.

Due to the more difficult conditions in which the Central Bank conducted its business activities in 2020 compared to 2019, certain disclosures in these financial statements have been supplemented, where necessary, with additional quantitative and/or qualitative information. Additional attention has been drawn to the significant changes during 2020 compared to 2019. The significance of the change has been considered taking into account the nature of the change, the amount of the change, or both, which was caused by the impact of the COVID-19 global pandemic.

CENTRAL BANK OF BOSNIA AND HERZEGOVINA
Notes to the financial statements for the year ended 31 December 2020

4. CURRENCY BOARD ARRANGEMENT

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

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

Details of compliance with the rule are as follows:

In thousands of KM	31 December 2020	31 December 2019
Gross foreign currency reserves	13,868,029	12,597,095
Cash in foreign currencies	142,202	322,599
Deposits with foreign banks	3,832,072	3,102,765
Debt instruments	9,601,315	8,917,413
Monetary gold	291,561	254,088
Special drawing rights with the IMF	879	230
Liabilities to non-residents	1,688	1,709
Net foreign currency reserves (Gross foreign currency reserves less liabilities to non-residents)	13,866,341	12,595,386
Monetary liabilities	12,970,643	11,824,210
Banknotes and coins in circulation	6,172,457	5,199,916
Deposits from banks	5,901,142	5,743,619
Deposits from the Government and other public institutions	897,044	880,675
NET FOREIGN ASSETS (Net foreign currency reserves less monetary liabilities)	895,698	771,176

The Central Bank is not a profit-oriented institution so its performance measures are specific due to its functions of the prime monetary authority in BH. Net foreign assets are the Central Bank’s main financial indicator of achieving and maintaining the stability of domestic currency in BH and its main financial performance measure. Being the part of gross foreign currency reserves, the amount of net foreign assets cannot be assumed as the amount available for fiscal purposes, but the amount that guarantees the stability of domestic currency and absorbs the potential financial risks arising from gross foreign currency reserves management.

During the course of 2020, global pandemic of COVID-19 impacted the Central Bank’s basic goal in controlling the monetary policy in BH, both on assets and liabilities side that generate the Currency Board compliance. Central Bank’s monetary liabilities increased primary because of increased demand for KM banknotes and holding significant amounts exceeding the required reserve by domestic commercial banks as well as received funds from RFI arrangement concluded between BH and IMF. Gross foreign currency reserves primary increased due to RFI arrangement and financial assets measured at fair value respectively. These fair value effects resulted in increased net foreign assets at 31 December 2020 compared to 31 December 2019.

More information about financial risks to which the Central Bank is exposed when managing gross foreign currency reserves is disclosed in Note 6.

CENTRAL BANK OF BOSNIA AND HERZEGOVINA

Notes to the financial statements for the year ended 31 December 2020

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

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

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

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

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

Fair value for measurement and/or disclosure purposes in these financial statements is determined on such basis, except for measurement that have some similarities to fair value but are not fair value, such as net realisable value in IAS 2 or value in use in IAS 36. Historical cost is generally based on the fair value of the consideration given in exchange for assets.

5.1. Financial assets measured at fair value

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

In thousands of KM

31 December 2020

	Level 1	Level 2	Level 3	Total
Financial assets				
<i>Financial assets measured at fair value through other comprehensive income</i>				
Debt instruments	9,601,315	-	-	9,601,315
Monetary gold	291,561	-	-	291,561
TOTAL	9,892,876	-	-	9,892,876

CENTRAL BANK OF BOSNIA AND HERZEGOVINA
Notes to the financial statements for the year ended 31 December 2020

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

5.1. Financial assets measured at fair value (continued)

In thousands of KM

	31 December 2019			
	Level 1	Level 2	Level 3	Total
Financial assets				
<i>Financial assets measured at fair value through other comprehensive income</i>				
Debt instruments	8,917,413	-	-	8,917,413
Monetary gold	254,088	-	-	254,088
TOTAL	9,171,501	-	-	9,171,501

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

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

In thousands of KM

	31 December 2020	
	Carrying amount	Fair value
Financial assets		
<i>Financial assets measured at amortized cost:</i>		
Cash in foreign currencies	142,202	142,202
Deposits with foreign banks	3,832,072	3,823,212
Special drawing rights with the IMF	879	879
Other financial assets	2,496	2,496
	<u>3,977,649</u>	<u>3,968,789</u>
<i>Financial assets at measured at fair value through other comprehensive income:</i>		
Other investments	27,813	27,813
	<u>27,813</u>	<u>27,813</u>
Total	4,005,462	3,996,602
Financial liabilities		
<i>Financial liabilities measured at amortized cost:</i>		
Banknotes and coins in circulation	6,172,457	6,172,457
Deposits from banks	5,901,142	5,887,547
Deposits from the Government and other public institutions	897,044	894,977
Other financial liabilities	3,759	3,759
Total	12,974,402	12,958,740

CENTRAL BANK OF BOSNIA AND HERZEGOVINA
Notes to the financial statements for the year ended 31 December 2020

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

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

In thousands of KM

31 December 2019

	Carrying amount	Fair value
Financial assets		
<i>Financial assets measured at amortized cost:</i>		
Cash in foreign currencies	322,599	322,599
Deposits with foreign banks	3,102,765	3,095,367
Special drawing rights with the IMF	230	230
Other financial assets	2,822	2,822
	<u>3,428,416</u>	<u>3,421,018</u>
<i>Financial assets at measured at fair value through other comprehensive income:</i>		
Other investments	27,813	27,813
	<u>27,813</u>	<u>27,813</u>
Total	<u>3,456,229</u>	<u>3,448,831</u>
Financial liabilities		
<i>Financial liabilities measured at amortized cost:</i>		
Banknotes and coins in circulation	5,199,916	5,199,916
Deposits from banks	5,743,619	5,730,552
Deposits from the Government and other public institutions	880,675	878,671
Other financial liabilities	3,904	3,904
Total	<u>11,828,114</u>	<u>11,813,043</u>

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

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

6. FINANCIAL RISK MANAGEMENT

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

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

Due to the sudden impact caused by the global pandemic of COVID 19 at the beginning of March 2020, the European Central Bank has taken further non-standard monetary policy measures, with the aim of stabilizing the current conditions on financial markets. However, it has become clear that market yields will remain at a very low level for a long time. For the reason of Currency Board stability, the Central Bank significantly shortened the modified duration of the debt instruments portfolio and thus reduced its exposure to interest rate risk. Certain adjustments were made to the credit risk limits, whereby it was taken into account that there was no significant increase in credit risk, bearing in mind that the national central banks from the ECB's system are repurchasing the debt instruments of the Eurozone countries.

6.1. Credit risk

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

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

For the funds recorded in off-balance sheet records, the Central Bank is not exposed to credit risk, as all the risk, which may result from the investments of these funds, is to be borne contractually by the owners of these funds (see also Notes 32 and 33).

Expected credit loss measurement

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

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

CENTRAL BANK OF BOSNIA AND HERZEGOVINA

*Notes to the financial statements for the year ended 31 December 2020***6. FINANCIAL RISK MANAGEMENT (CONTINUED)****6.1. Credit risk (continued)**

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

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

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

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

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

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

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

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

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

6. FINANCIAL RISK MANAGEMENT (CONTINUED)

6.1. Credit risk (continued)

Significant increase in credit risk

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

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

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

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

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

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

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

Definition of default

Default criteria are objective evidences of impairment and especially:

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

CENTRAL BANK OF BOSNIA AND HERZEGOVINA

*Notes to the financial statements for the year ended 31 December 2020***6. FINANCIAL RISK MANAGEMENT (CONTINUED)****6.1. Credit risk (continued)****Expected credit loss calculation**

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

- **Probability of Default** is an estimate of the probability that another counterparty will not be able to meet its debt obligations. In the reporting periods, the same PD calculation method was used, in accordance with the Central Bank's methodology for expected credit losses calculation which was introduced on 1 January 2019. For the impairment calculation, in accordance with best practices in other central banks in region and European Union, which are obliged to comply with IFRS, the Central Bank, as parameter of the probability of default, uses the estimates based on data from transition matrices which are published by credit rating agencies and expert judgement in the form of fixed percentages of probability of default.
For probability of default calculation, the estimates are based on transition matrices for corporations on a global level which contain data on one year transition average rate of long-term credit rating level in status "D" i.e. default or status "SD", i.e. selective default. Based on data mentioned above, the probability of default estimates is calculated for exposures to foreign commercial banks and foreign countries, respectively foreign central banks and governments, for which it is possible to calculate composite credit rating.
For probability of default estimates of exposures to foreign countries, respectively foreign central banks and governments, the first non-zero data on one year transition rate of sovereign ratings is taken into account in status "D" i.e. default or status "SD" i.e. selective default from transition matrices for sovereign rating. For exposures for which the composite credit rating cannot be calculated, expert judgements in terms of fixed percentages are used, respectively the simplified approach in accordance with the current situation analysis and former experience.
- **Loss Given Default** is an estimate of the percentage of exposure to the issuer/entity which cannot be collected if a default event occurs. For loss given default, the Central Bank uses constant value of one-year LGD, 45 per cent (45%), in accordance with the article 161. of the Regulation (EU) No 575/2013 of the European Parliament and of the Council of 26 June 2013 (Capital Requirements Regulations i.e. CRR).
- **Exposure at Default** represents the book value of the financial asset, i.e. the carrying amount at the date of the initial recognition/on the reporting date.

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

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

6. FINANCIAL RISK MANAGEMENT (CONTINUED)

6.1. Credit risk (continued)

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

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

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

Forward-looking information incorporation

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

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

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

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

6.1.1. Credit risk exposure

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

6. FINANCIAL RISK MANAGEMENT (CONTINUED)

6.1. Credit risk (continued)

6.1.1. Credit risk exposure (continued)

In thousands of KM

	2020				2019			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
1. Debt instruments								
As at 1 January - stated	1,343	-	-	1,343	8,993	-	-	8,993
Change in PD calculation at 1 January (Note 14)	-	-	-	-	(7,704)	-	-	(7,704)
As at 1 January - restated	1,343	-	-	1,343	1,289	-	-	1,289
Increases in expected credit losses	713	-	-	713	424	-	-	424
Releases of expected credit losses	(74)	-	-	(74)	(97)	-	-	(97)
Releases due to debt instruments matured	(325)	-	-	(325)	(221)	-	-	(221)
<i>Net increase / (release) during the year</i>	314	-	-	314	(7,598)	-	-	(7,598)
Releases due to debt instruments sold	(59)	-	-	(59)	(52)	-	-	(52)
As at 31 December	1,598	-	-	1,598	1,343	-	-	1,343
2. Deposits with foreign banks								
As at 1 January - stated	724	-	-	724	2,535	-	-	2,535
Change in PD calculation at 1 January (Note 14)	-	-	-	-	(2,117)	-	-	(2,117)
As at 1 January - restated	724	-	-	724	418	-	-	418
Increases in expected credit losses	4,620	-	-	4,620	3,129	-	-	3,129
Releases of expected credit losses	(1,078)	-	-	(1,078)	(158)	-	-	(158)
Releases due to derecognition of term deposits	(3,459)	-	-	(3,459)	(2,665)	-	-	(2,665)
As at 31 December	807	-	-	807	724	-	-	724

CENTRAL BANK OF BOSNIA AND HERZEGOVINA
Notes to the financial statements for the year ended 31 December 2020

6. FINANCIAL RISK MANAGEMENT (CONTINUED)

6.1. Credit risk (continued)

6.1.1. Credit risk exposure (continued)

In thousands of KM

3. Special drawing rights with the IMF

As at 1 January

Increases in expected credit losses

Releases of expected credit losses

As at 31 December

4. Other financial assets

As at 1 January

Increases in expected credit losses

Releases of expected credit losses

As at 31 December

Total opening balance at 1 January

Total change in PD calculation

Total net increase in expected credit losses

Total closing balance at 31 December

	2020				2019			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
5	5	-	600	605	5	-	600	605
7	7	-	13	20	7	-	-	7
(7)	(7)	-	-	(7)	(7)	-	-	(7)
5	5	-	613	618	5	-	600	605
2,072	2,072	-	600	2,672	11,533	-	600	12,133
-	-	-	-	-	(9,821)	-	-	(9,821)
338	338	-	13	351	360	-	-	360
2,410	2,410	-	613	3,023	2,072	-	600	2,672

6. FINANCIAL RISK MANAGEMENT (CONTINUED)

6.1. Credit risk (continued)

6.1.2. Credit risk concentration

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

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

In thousands of KM	2020				2019			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Classes of financial instruments								
Cash in foreign currencies								
Gross carrying amount	142,202	-	-	142,202	322,599	-	-	322,599
Loss allowance	-	-	-	-	-	-	-	-
Carrying amount	142,202	-	-	142,202	322,599	-	-	322,599
Deposits with foreign banks								
Gross carrying amount	3,832,879	-	-	3,832,879	3,103,489	-	-	3,103,489
Loss allowance	(807)	-	-	(807)	(724)	-	-	(724)
Carrying amount	3,832,072	-	-	3,832,072	3,102,765	-	-	3,102,765
Debt instruments								
Gross carrying amount	9,601,315	-	-	9,601,315	8,917,413	-	-	8,917,413
Provisions for expected credit losses (recognized in other comprehensive income)	(1,598)	-	-	(1,598)	(1,343)	-	-	(1,343)
Carrying amount	9,601,315	-	-	9,601,315	8,917,413	-	-	8,917,413
Special drawing rights with the IMF								
Gross carrying amount	879	-	-	879	230	-	-	230
Loss allowance	-	-	-	-	-	-	-	-
Carrying amount	879	-	-	879	230	-	-	230
Other financial assets								
Gross carrying amount	2,501	-	613	3,114	2,827	-	600	3,427
Loss allowance	(5)	-	(613)	(618)	(5)	-	(600)	(605)
Carrying amount	2,496	-	-	2,496	2,822	-	-	2,822

CENTRAL BANK OF BOSNIA AND HERZEGOVINA

*Notes to the financial statements for the year ended 31 December 2020***6. FINANCIAL RISK MANAGEMENT (CONTINUED)****6.1. Credit risk (continued)****6.1.2. Credit risk concentration (continued)****b) Maximum exposure to credit risk - financial assets not subject to impairment**

In thousands of KM	31 December 2020	31 December 2019
Carrying amounts		
Monetary gold	291,561	254,088
Other investments	27,813	27,813
TOTAL	319,374	281,901

The Central Bank does not hold any collateral or other credit enhancements to cover this credit risk. As at 31 December 2020 the Central Bank does not have any assets that are past due and does have impaired assets in the amount of KM 613 thousand (31 December 2019: The Central Bank did not have any assets that are past due and had impaired assets in the amount of KM 600 thousand).

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6. FINANCIAL RISK MANAGEMENT (CONTINUED)

6.1. Credit risk (continued)

6.1.2. Credit risk concentration (continued)

Concentration per credit rating

The tables below present an analysis of the Central Bank's concentration per composite credit rating to the counterparty for its financial assets as at 31 December 2020 and 31 December 2019:

In thousands of KM

31 December 2020

Credit rating	Cash in foreign currencies	Deposits with foreign banks	Debt instruments	Monetary Gold	Special drawing rights with the IMF	Other financial assets	Other investments	Total
AAA	-	1,743,280	2,164,263	-	-	-	-	3,907,543
AA+	-	-	1,283,772	-	-	-	-	1,283,772
AA	-	722,841	3,170,119	-	-	-	-	3,892,960
AA-	-	-	1,269,603	-	-	-	-	1,269,603
A+	-	391,013	-	-	-	-	-	391,013
A	-	875,542	-	-	-	-	-	875,542
A-	-	-	1,095,368	-	-	-	-	1,095,368
II ¹	-	410	-	291,561	879	-	27,813	320,663
BBB+	-	98,986	-	-	-	-	-	98,986
BBB	-	-	-	-	-	-	-	-
BBB-	-	-	618,190	-	-	-	-	618,190
Unrated	142,202	-	-	-	-	2,496	-	144,698
TOTAL	142,202	3,832,072	9,601,315	291,561	879	2,496	27,813	13,898,338

¹ International institutions

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

6.1. Credit risk (continued)

6.1.2. Credit risk concentration (continued)

In thousands of KM

								31 December 2019
Credit rating	Cash in foreign currencies	Deposits with foreign banks	Debt instruments	Monetary Gold	Special drawing rights with the IMF	Other financial assets	Other investments	Total
AAA	-	1,842,449	2,190,752	-	-	-	-	4,033,201
AA+	-	-	1,273,212	-	-	-	-	1,273,212
AA	-	78,191	2,977,360	-	-	-	-	3,055,551
AA-	-	-	1,010,563	-	-	-	-	1,010,563
A+	-	547,273	-	-	-	-	-	547,273
A	-	408,740	-	-	-	-	-	408,740
A-	-	-	840,621	-	-	-	-	840,621
II ²	-	101	-	254,088	230	-	27,813	282,232
BBB+	-	226,011	-	-	-	-	-	226,011
BBB	-	-	624,905	-	-	-	-	624,905
BBB-	-	-	-	-	-	-	-	-
Unrated	322,599	-	-	-	-	2,822	-	325,421
TOTAL	322,599	3,102,765	8,917,413	254,088	230	2,822	27,813	12,627,730

² International institutions

CENTRAL BANK OF BOSNIA AND HERZEGOVINA

Notes to the financial statements for the year ended 31 December 2020

6. FINANCIAL RISK MANAGEMENT (CONTINUED)

6.1. Credit risk (continued)

6.1.2. Credit risk concentration (continued)

Geographical concentration of risks of financial assets with credit risk exposure

The following tables break down the Central Bank's main credit risk exposure at their carrying amounts, as categorized by geographical region as at 31 December 2020 and 2019. For the purposes of this disclosure, the Central Bank has allocated exposures to regions based on the country of domicile of its counterparties:

In thousands of KM	EU countries	Non-EU member countries	Bosnia and Herzegovina	Total
Cash in foreign currencies	-	-	142,202	142,202
Deposits with foreign banks	2,864,987	967,085	-	3,832,072
Debt instruments	9,601,315	-	-	9,601,315
Monetary gold	-	291,561	-	291,561
Special drawing rights with the IMF	-	879	-	879
Other financial assets	-	-	2,496	2,496
Other investments	10	27,803	-	27,813
31 December 2020	12,466,312	1,287,328	144,698	13,898,338

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

CENTRAL BANK OF BOSNIA AND HERZEGOVINA

*Notes to the financial statements for the year ended 31 December 2020***6. FINANCIAL RISK MANAGEMENT (CONTINUED)****6.2. Market risk**

Market risk is the risk of changes in the financial assets and instruments market value due to the changes in the financial market conditions. The market risks that the Central bank faces in its operations are: foreign exchange risk, interest rate risk and gold price risk. The objective of market risk management is to manage and control market risk exposures with acceptable parameters, while optimising the return on risk.

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

For calculating VaR value of foreign currency reserves portfolio of the Central Bank, all positions which are exposed to market risks in foreign currency reserves portfolio are taken into account. As at 31 December 2020, the exposure of the Central Bank's foreign currency reserves (Value at Risk at a level of confidence of 99% for a 10-day horizon), including fluctuations of the prices of financial instruments and foreign exchange rates against the KM, equals to KM 61,117 thousand (2019: KM 76,418 thousand), or 0.44% of the total financial assets (2019: 0.61% of the total financial assets).

VaR value as at 31 December 2020 and 31 December 2019 is calculated as the sum of componential VaR values:

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

In thousands of KM	31 December 2020	31 December 2019
Interest rate risk	44,722	67,443
Risk of change in EUR price of the monetary gold	16,097	8,699
Foreign exchange risk	298	276
Total VaR	61,117	76,418

6.2.1. Foreign exchange risk

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

CENTRAL BANK OF BOSNIA AND HERZEGOVINA

*Notes to the financial statements for the year ended 31 December 2020***6. FINANCIAL RISK MANAGEMENT (CONTINUED)****6.2. Market risk (continued)****6.2.1. Foreign exchange risk (continued)**

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

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

The Central Bank had the following foreign currency position as at 31 December 2020 and 31 December 2019:

31 December 2020

In thousands of KM	EUR	USD	Other foreign currencies	KM	Total
Cash in foreign currencies	142,128	18	56	-	142,202
Deposits with foreign banks	3,821,811	1,101	9,160	-	3,832,072
Debt instruments	9,601,315	-	-	-	9,601,315
Monetary gold	291,561	-	-	-	291,561
Special drawing rights with the IMF	-	-	879	-	879
Other financial assets	24	-	-	2,472	2,496
Other investments	10	-	-	27,803	27,813
Total financial assets	13,856,849	1,119	10,095	30,275	13,898,338
Banknotes and coins in circulation	-	-	-	6,172,457	6,172,457
Deposits from banks	-	-	-	5,901,142	5,901,142
Deposits from the Government and other public institutions	-	-	-	897,044	897,044
Other financial liabilities	1,549	28	1	2,181	3,759
Total financial liabilities	1,549	28	1	12,972,824	12,974,402
NET FOREIGN EXCHANGE POSITION	13,855,300	1,091	10,094	(12,942,549)	923,936

CENTRAL BANK OF BOSNIA AND HERZEGOVINA
Notes to the financial statements for the year ended 31 December 2020

6. FINANCIAL RISK MANAGEMENT (CONTINUED)

6.2. Market risk (continued)

6.2.1. Foreign exchange risk (continued)

31 December 2019

In thousands of KM	EUR	USD	Other foreign currencies	KM	Total
Cash in foreign currencies	322,523	20	56	-	322,599
Deposits with foreign banks	3,092,673	1,880	8,212	-	3,102,765
Debt instruments	8,917,413	-	-	-	8,917,413
Monetary gold	254,088	-	-	-	254,088
Special drawing rights with the IMF	-	-	230	-	230
Other financial assets	31	-	-	2,791	2,822
Other investments	10	-	-	27,803	27,813
Total financial assets	12,586,738	1,900	8,498	30,594	12,627,730
Banknotes and coins in circulation	-	-	-	5,199,916	5,199,916
Deposits from banks	-	-	-	5,743,619	5,743,619
Deposits from the Government and other public institutions	-	-	-	880,675	880,675
Other financial liabilities	1,194	13	1	2,696	3,904
Total financial liabilities	1,194	13	1	11,826,906	11,828,114
NET FOREIGN EXCHANGE POSITION	12,585,544	1,887	8,497	(11,796,312)	799,616

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

6.2.2. Interest rate risk

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

CENTRAL BANK OF BOSNIA AND HERZEGOVINA

Notes to the financial statements for the year ended 31 December 2020

6. FINANCIAL RISK MANAGEMENT (CONTINUED)

6.2. Market risk (continued)

6.2.2. Interest rate risk (continued)

The Central Bank uses a modified duration of debts instruments 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 cash flows' maturities of individual financial instruments in the portfolio, where the weight is the present value of the cash flow. During 2020 modified duration was shortened and amounts to 3.40 as at 31 December 2020 (31 December 2019: 3.93) in order to decrease the interest rate risk and further improve the Currency Board stability.

The tables below summarize the Central Bank's exposure to interest rate risk at 31 December 2020 and 31 December 2019:

31 December 2020

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	-	-	-	-	142,202	142,202
Deposits with foreign banks	2,767,073	1,066,938	-	-	(1,939)	3,832,072
Debt instruments	1,877,063	7,652,849	-	-	71,403	9,601,315
Monetary gold	-	-	-	-	291,561	291,561
Special drawing rights with the IMF	879	-	-	-	-	879
Other financial assets	8	5	-	-	2,483	2,496
Other investments	-	-	-	-	27,813	27,813
Total financial assets	4,645,023	8,719,792	-	-	533,523	13,898,338
Banknotes and coins in circulation	-	-	-	-	6,172,457	6,172,457
Deposits from banks	3,109,052	-	-	-	2,792,090	5,901,142
Deposits from the Government and other public institutions	-	-	-	-	897,044	897,044
Other liabilities	-	-	-	-	3,759	3,759
Total financial liabilities	3,109,052	-	-	-	9,865,350	12,974,402
INTEREST RATE GAP	1,535,971	8,719,792	-	-	(9,331,827)	923,936

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6. FINANCIAL RISK MANAGEMENT (CONTINUED)

6.2. Market risk (continued)

6.2.2. Interest rate risk (continued)

31 December 2019						
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	-	-	-	-	322,599	322,599
Deposits with foreign banks	2,176,220	927,968	-	-	(1,423)	3,102,765
Debt instruments	1,828,701	7,020,280	-	-	68,432	8,917,413
Monetary gold	-	-	-	-	254,088	254,088
Special drawing rights with the IMF	230	-	-	-	-	230
Other financial assets	10	29	15	-	2,768	2,822
Other investments	-	-	-	-	27,813	27,813
Total financial assets	4,005,161	7,948,277	15	-	674,277	12,627,730
Banknotes and coins in circulation	-	-	-	-	5,199,916	5,199,916
Deposits from banks	3,014,461	-	-	-	2,729,158	5,743,619
Deposits from the Government and other public institutions	-	-	-	-	880,675	880,675
Other liabilities	-	-	-	-	3,904	3,904
Total financial liabilities	3,014,461	-	-	-	8,813,653	11,828,114
INTEREST RATE GAP	990,700	7,948,277	15	-	(8,139,376)	799,616

6.3. Liquidity risk

Liquidity risk refers to the possible difficulties in liquidating a portion of assets quickly, which is possible in situation where market conditions are unfavorable and when there is unfavorable movement in prices.

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

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

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

CENTRAL BANK OF BOSNIA AND HERZEGOVINA

Notes to the financial statements for the year ended 31 December 2020

6. FINANCIAL RISK MANAGEMENT (CONTINUED)

6.3. Liquidity risk (continued)

Maturity analysis

Tables below present the financial liabilities of the Central Bank as at 31 December 2020 and 2019 classified into relevant maturity groupings based on the remaining period from the reporting date to the contractual maturity date.

Banknotes and coins in circulation has been classified in the maturity period within three months.

31 December 2020

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	6,172,457					6,172,457
Deposits from banks	5,901,142					5,901,142
Deposits from the Government and other public institutions	897,044					897,044
Other financial liabilities	3,759	-	-	-		3,759
TOTAL FINANCIAL LIABILITIES	12,974,402	-	-	-	-	12,974,402

31 December 2019

In thousands of KM	Up to 3 months	From 3 to 12 months	From 1 to 3 years	Over 3 years	Without specified maturity	Total
Banknotes and coins in circulation	5,199,916	-	-	-	-	5,199,916
Deposits from banks	5,743,619	-	-	-	-	5,743,619
Deposits from the Government and other public institutions	880,675	-	-	-	-	880,675
Other financial liabilities	3,904	-	-	-		3,904
TOTAL FINANCIAL LIABILITIES	11,828,114	-	-	-	-	11,828,114

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7. NET INTEREST INCOME

In thousands of KM

	For the year ended 31 December	
	2020	2019
Interest income arising from:		
Debt instruments (Note 17)	37,922	40,042
Effects of negative deposit interest rates on deposits from domestic commercial banks	13,789	11,093
Financial assets at amortised cost	10	43
Total	51,721	51,178
Interest expense arising from:		
Effects of negative interest rates from deposits with foreign banks	(17,573)	(12,805)
Effects of negative interest rates from debt instruments (Note 17)	(14,624)	(13,553)
Total	(32,197)	(26,358)
Net interest income	19,524	24,820

The base for calculation of interest income on deposits from domestic commercial banks is generated from the total amount of deposits of domestic commercial banks on reserve accounts during the ten day calculation period, which consists of required reserve amounts and the amounts exceeding the required reserves.

The Central Bank does not apply fee rate on the required reserve amount while the fee rate applied on the amount exceeding the required reserve is linked to the European Central Bank deposit facility rate. Up to 1 May 2019, the fee on the amount exceeding required reserves was calculated by the rate equal to 50% of the European Central Bank deposit facility rate. Starting from 1 May 2019, the fee on the amount exceeding required reserves is calculated by deposit facility rate of European Central Bank. Average balance of amounts exceeding the required reserves for 2020 amounts to KM 2,713,272 thousand (2019: KM 3,013,724 thousand).

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

Period	Interest rate	European Central Bank deposit facility rate
2020		
From 1 January to 31 December	(0.50)%	(0.50)%
2019		
From 1 January to 30 April	(0.20)%	(0.40)%
From 1 May to 11 September	(0.40)%	(0.40)%
From 12 September to 31 December	(0.50)%	(0.50)%

More information regarding the required reserve policy of the Central Bank is disclosed in Note 23.

Effects of negative interest rates from interest-bearing financial assets are the result of the negative interest rates and yields calculated on deposits with foreign banks and debt instruments that could not be avoided according to current market circumstances and allowed legal requirements for investing Central Bank's foreign currency reserves.

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Notes to the financial statements for the year ended 31 December 2020

7. NET INTEREST INCOME (CONTINUED)

Effects of negative interest rates from deposits with foreign banks include the amount of KM 12,605 thousand on term deposits and the amount of KM 4,968 thousand on demand deposits (2019: included the amount of KM 10,018 thousand on term deposits and the amount of KM 2,787 thousand on demand deposits).

8. NET FEE AND COMMISSION INCOME

In thousands of KM	For the year ended 31 December	
	2020	2019
Fee and commission income arising from:		
services for local commercial banks	16,765	16,377
services for the Government and other non-banking clients	1,296	1,288
Total	18,061	17,665
Fee and commission expenses arising from:		
Custodian and other expenses for debt instruments	(649)	(605)
Transactions with foreign banks	(34)	(34)
Other fee and commission expenses	(6)	(7)
Total	(689)	(646)
Net fee and commission income	17,372	17,019

The Central Bank calculates fee and commission income under determined tariffs for its services (Note 3.1.2.). Fee and commission income from services for local commercial banks are dominantly generating from providing payment and settlement system services. During the 2020, these services generated fee and commission income in the amount of KM 13,656 thousand (2019: KM 13,661 thousand).

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

In thousands of KM	For the year ended 31 December	
	2020	2019
Realised gains	1,578	238
Realised losses	-	-
Net realised gains from sale of debt instruments at fair value through other comprehensive income	1,578	238

The corresponding amounts of realized gains from released provisions for expected credit losses for debt instruments sold are presented in Note 6.1.1.

CENTRAL BANK OF BOSNIA AND HERZEGOVINA

Notes to the financial statements for the year ended 31 December 2020

10. NET FOREIGN EXCHANGE (LOSSES) / GAINS

	For the year ended 31 December	
In thousands of KM	2020	2019
Net unrealised foreign exchange (losses) / gains	(328)	267
Net realised foreign exchange gains	144	40
Net foreign exchange (losses) / gains	(184)	307

11. OTHER INCOME

	For the year ended 31 December	
In thousands of KM	2020	2019
Net effects of numismatic collections value adjustments	147	109
Income from grants	50	98
Other income	48	20
Dividend income (Note 21)	-	623
TOTAL	245	850

12. PERSONNEL EXPENSES

	For the year ended 31 December	
In thousands of KM	2020	2019
Salaries	9,990	10,645
Contributions and other fees on salaries	5,679	6,064
Other employee benefits	2,093	2,019
Contributions and other fees on other employee benefits	665	665
Net provisions for severance payments, net increase (Note 25)	151	277
TOTAL	18,578	19,670

Personnel expenses include KM 3,544 thousand (2019: KM 3,749 thousand) of defined pension contributions paid into the public pension funds in BH. Contributions are calculated as percentage of the gross salary.

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

During 2020, the average number of employees was 366 (2019: 371).

CENTRAL BANK OF BOSNIA AND HERZEGOVINA

Notes to the financial statements for the year ended 31 December 2020

13. ADMINISTRATIVE AND OTHER OPERATING EXPENSES

In thousands of KM	For the year ended 31 December	
	2020	2019
Expenses for production and design of banknotes and coins	2,855	1,959
Payment systems maintenance expenses	1,613	1,426
IT infrastructure expenses	781	765
Maintenance expenses	648	497
Other administrative and operating expenses	3,210	3,305
TOTAL	9,107	7,952

14. PROVISIONS FOR EXPECTED CREDIT LOSSES, NET (INCREASE) / RELEASE

In thousands of KM	For the year ended 31 December	
	2020	2019
Gains from expected credit losses arising from:		
Deposits with foreign banks	4,537	4,940
<i>Change in PD calculation (Notes 6.1. and 6.1.1)</i>	-	2,117
<i>Release of provisions for expected credit losses</i>	4,537	2,823
Debt instruments:	399	8,022
<i>Change in PD calculation (Notes 6.1. and 6.1.1)</i>	-	7,704
<i>Release of provisions for expected credit losses</i>	399	318
Other financial assets	7	7
<i>Release of provisions for expected credit losses</i>	7	7
Special drawing rights with the IMF	-	-
<i>Release of provisions for expected credit losses</i>	-	-
	4,943	12,969
Allowance for expected credit losses arising from:		
Deposits with foreign banks	(4,620)	(3,129)
Debt instruments	(713)	(424)
Other financial assets	(20)	(7)
Special drawing rights with the IMF	-	-
	(5,353)	(3,560)
Provisions for expected credit losses, net (increase) / release	(410)	9,409

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Notes to the financial statements for the year ended 31 December 2020

15. CASH IN FOREIGN CURRENCIES

Cash in foreign currencies are held in Central Bank's vaults. Cash in foreign currencies, analysed by type of currency, are as follows:

In thousands of KM	31 December 2020	31 December 2019
Cash in foreign currencies		
- EUR	142,128	322,523
- CHF	39	39
- USD	18	20
- GBP	17	17
TOTAL	142,202	322,599

16. DEPOSITS WITH FOREIGN BANKS

Deposits with foreign banks represent Central Bank's invested foreign currency reserves held on the foreign central and commercial banks accounts. They include demand deposits and term deposits.

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

In thousands of KM	31 December 2020	31 December 2019
Term deposits:		
- EUR	2,391,656	2,308,476
Less impairment for expected credit losses	(628)	(495)
	2,391,028	2,307,981
Demand deposits:		
- EUR	1,430,953	784,914
- CHF	7,089	5,999
- GBP	2,080	2,220
- USD	1,101	1,880
	1,441,223	795,013
Less impairment for expected credit losses	(179)	(229)
	1,441,044	794,784
TOTAL	3,832,072	3,102,765

CENTRAL BANK OF BOSNIA AND HERZEGOVINA

Notes to the financial statements for the year ended 31 December 2020

16. DEPOSITS WITH FOREIGN BANKS (CONTINUED)

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

In thousands of KM	31 December 2020	31 December 2019
Up to 1 month	1,032,703	1,184,603
From 1 to 2 months	253,800	155,675
From 2 to 3 months	525,637	272,789
From 3 to 4 months	96,154	192,865
From 4 to 12 months	483,362	502,544
Total	2,391,656	2,308,476
Less impairment for expected credit losses	(628)	(495)
TOTAL	2,391,028	2,307,981

During the year 2020 the negative interest rates on demand deposits denominated in EUR ranged from 0.75% p.a. to 0.40% p.a. (2019: negative interest rates from 0.75% p.a. to 0.30% p.a.) and on term deposits negative interest rates ranged from 0.60% p.a. to 0.33% p.a. (2019: from 0.52% p.a. to 0.34% p.a.).

Deposits with foreign banks include negative accrued interest in the amount KM 1,939 thousand as at 31 December 2020 (2019: included negative accrued interest in the amount KM 1,423 thousand).

The average negative effective yield rate on deposits with foreign banks amounted to 0.50% p.a. (2019: 0.42% p.a.).

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

In thousands of KM	31 December 2020	31 December 2019
Foreign central banks	2,375,955	1,594,746
Foreign commercial banks	1,456,924	1,508,743
Less impairment for expected credit losses (Note 6.1.1)	(807)	(724)
TOTAL	3,832,072	3,102,765

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 6.1.2.

CENTRAL BANK OF BOSNIA AND HERZEGOVINA
Notes to the financial statements for the year ended 31 December 2020

16. DEPOSITS WITH FOREIGN BANKS (CONTINUED)

Deposits with foreign banks, analysed by country where funds are invested, are as follows:

In thousands of KM	31 December 2020	31 December 2019
France		
Term deposits	1,035,892	391,166
Demand deposits	78,200	78,200
	1,114,092	469,366
Germany		
Term deposits	-	-
Demand deposits	1,068,666	421,679
	1,068,666	421,679
Great Britain		
Term deposits	486,390	408,933
Demand deposits	-	-
	486,390	408,933
Switzerland		
Term deposits	479,888	482,345
Demand deposits	410	101
	480,298	482,446
Slovakia		
Term deposits	389,486	156,285
Demand deposits	-	-
	389,486	156,285
Luxembourg		
Term deposits	-	869,747
Demand deposits	234,599	234,598
	234,599	1,104,345
Netherlands		
Term deposits	-	-
Demand deposits	58,650	58,649
	58,650	58,649
USA		
Term deposits	-	-
Demand deposits	698	1,786
	698	1,786
Total term deposits	2,391,656	2,308,476
Total demand deposits	1,441,223	795,013
Less impairment for expected credit losses	(807)	(724)
TOTAL	3,832,072	3,102,765

CENTRAL BANK OF BOSNIA AND HERZEGOVINA

Notes to the financial statements for the year ended 31 December 2020

17. DEBT INSTRUMENTS

All debt instruments are classified at fair value through other comprehensive income, representing the foreign currency reserve funds invested in liquid sovereign government bonds of Eurozone countries. The portfolio includes short-term and long-term government bonds with a fixed interest rate. Debt instruments at fair value through other comprehensive income are denominated in EUR.

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

In thousands of KM	31 December 2020	31 December 2019
Coupon debt instruments	8,522,422	8,848,981
Accrued interest on coupon debt instruments	67,513	68,432
	8,589,935	8,917,413
Discount debt instruments	1,007,490	-
Net premium on discount debt instruments	3,890	-
	1,011,380	-
TOTAL	9,601,315	8,917,413

As at 31 December 2020, provisions for expected credit losses for debt instruments, recognized in other comprehensive income, amount to KM 1,598 thousand (31 December 2019: KM 1,343 thousand). The net allowance for expected credit losses for the year ended 31 December 2020 recognized in profit or loss amounts to KM 314 thousand (2019: net gain of KM 7,598 thousand) (Note 14).

The average effective yield rate on debt instruments at fair value through other comprehensive income amounted to 0.27% p.a. (2019: the average effective yield rate amounted to 0.32% p.a.).

Debt instruments at fair value through other comprehensive income, analysed by country where funds are invested, are as follows:

	31 December 2020		31 December 2019	
	In thousands of KM	%	In thousands of KM	%
France	3,170,119	33.02	2,977,360	33.39
Germany	1,442,399	15.02	1,448,191	16.24
Belgium	1,269,603	13.22	1,010,563	11.33
Spain	1,095,368	11.41	840,620	9.43
Netherlands	721,864	7.52	742,561	8.33
Austria	716,421	7.46	689,066	7.73
Italy	618,190	6.44	624,905	7.01
Finland	567,351	5.91	584,147	6.54
TOTAL	9.601.315	100.00	8.917.413	100.00

More information about the Central Bank's composite credit rating range and credit risk concentration for debt instruments as at reporting dates is disclosed in Note 6.1.2.

CENTRAL BANK OF BOSNIA AND HERZEGOVINA
Notes to the financial statements for the year ended 31 December 2020

17. DEBT INSTRUMENTS (CONTINUED)

Movements in debt instruments at fair value through other comprehensive income during the reporting periods is provided in the following table:

In thousands of KM	2020	2019
As at 1 January	8,917,413	8,225,439
Purchases during the year	3,077,979	3,156,187
Sales during the year	(316,129)	(258,849)
Interest income recognized during the year (Note 7)	37,922	40,042
Effects of negative interest rates recognized during the year (Note 7)	(14,624)	(13,553)
Maturities of debt instruments	(2,065,454)	(2,198,367)
Maturities of coupon	(117,465)	(111,349)
Net unrealised change in fair value during the year	81,673	77,863
As at 31 December	9,601,315	8,917,413

Debt instruments, analysed by their remaining contractual maturity, are as follows:

In thousands of KM	31 December 2020	31 December 2019
Up to 3 months	422,511	413,804
From 3 to 12 months	2,382,176	1,657,217
From 1 to 3 years	1,750,147	1,694,727
Over 3 years	5,046,481	5,151,665
TOTAL	9,601,315	8,917,413

Regardless of contractual maturities of debt instruments, they are considered to be liquid for meeting the liquidity needs at any time. Diversification of investments in debt instruments with different maturities is done because of existing sufficient liquid financial assets of the Central Bank in foreign currency. This diversification does not limit selling of debt instruments if needed.

CENTRAL BANK OF BOSNIA AND HERZEGOVINA

Notes to the financial statements for the year ended 31 December 2020

18. MONETARY GOLD

As at 31 December 2020, fair value of monetary gold amounts to KM 291,561 thousand, representing 96,000 ounces of gold at KM 3,037 per ounce (31 December 2019: KM 254,088 thousand, representing 96,000 ounces of gold at KM 2,647 per ounce). Monetary gold is denominated in EUR.

Effects of fair value changes in monetary gold during the reporting periods is provided in the following table:

In thousands of KM	2020	2019
Opening balance	254,088	209,996
Net change in fair value during the year	37,473	44,092
Closing balance	291,561	254,088

19. OTHER ASSETS

In thousands of KM	31 December 2020	31 December 2019
Receivables from domestic banks	1,756	1,833
Receivables from employee based on domestic currency deficit	600	600
Giro accounts	411	575
Other miscellaneous financial assets	347	419
Total	3,114	3,427
Less impairment for expected credit losses	(618)	(605)
Total other financial assets	2,496	2,822
Prepaid expenses	8,933	7,539
Numismatic collections	986	840
Other miscellaneous nonfinancial assets	256	256
Total other nonfinancial assets	10,175	8,635
TOTAL	12,671	11,457

As at 31 December 2020, prepaid expenses include expenditure of KM 7,860 thousand incurred on the production of banknotes and coins (31 December 2019: KM 6,973 thousand incurred on the production of banknotes and coins). As explained in Note 3.10, such costs are initially deferred and subsequently amortized over a period of five years.

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Notes to the financial statements for the year ended 31 December 2020

20. PROPERTY, EQUIPMENT AND INTANGIBLE ASSETS

In thousands of KM	Land and buildings	Equipment and furniture	Vehicles	Other	Assets under construction	Property and equipment total	Software and other intangible assets	Intangible assets under construction	Intangible assets total
Cost									
As at 1 January 2019	44,368	25,587	1,910	1,041	29	72,935	15,017	284	15,301
Additions	-	-	-	-	5,620	5,620	-	691	691
Brought into use	-	804	-	30	(834)	-	616	(616)	-
Write offs and disposals	-	(1,415)	(47)	(2)	-	(1,464)	(172)	-	(172)
As at 31 December 2019	44,368	24,976	1,863	1,069	4,815	77,091	15,461	359	15,820
Additions	-	-	-	-	2,289	2,289	-	162	162
Brought into use	-	1,845	-	20	(1,866)	(1)	150	(150)	-
Write offs and disposals	-	(816)	(183)	-	-	(999)	(3)	-	(3)
As at 31 December 2020	44,368	26,005	1,680	1,089	5,238	78,380	15,608	371	15,979
Accumulated depreciation and amortization									
As at 1 January 2019	5,395	20,552	1,530	781	-	28,258	13,959	-	13,959
Charge for the year	579	1,255	93	49	-	1,976	470	-	470
Write offs and disposals	-	(1,408)	(47)	(2)	-	(1,457)	(172)	-	(172)
As at 31 December 2019	5,974	20,399	1,576	828	-	28,777	14,257	-	14,257
Charge for the year	579	1,346	78	38	-	2,041	491	-	491
Write offs and disposals	-	(815)	(183)	-	-	(998)	(3)	-	(3)
As at 31 December 2020	6,553	20,930	1,471	866	-	29,820	14,745	-	14,745
Net book value									
As at 1 January 2020	38,394	4,577	287	241	4,815	48,314	1,204	359	1,563
As at 31 December 2020	37,815	5,075	209	223	5,238	48,560	863	371	1,234

Assets under construction relate mainly to acquisition of the land for new business premises for Main Unit of Sarajevo of the Central Bank. As at reporting dates, the Central Bank has no encumbrances over its property, equipment and intangible assets.

CENTRAL BANK OF BOSNIA AND HERZEGOVINA
Notes to the financial statements for the year ended 31 December 2020

21. OTHER INVESTMENTS

The structure of other investments is as follows:

In thousands of KM	31 December 2020	31 December 2019
<i>Equity instruments:</i>		
Shares in BIS (Note 29)	27,803	27,803
Shares in SWIFT	10	10
TOTAL	27,813	27,813

Equity instruments are composed of ordinary BIS shares with a nominal value of SDR 5,000 per share (paid up at 25% of their nominal value by former Yugoslavia). In accordance with the Statue of BIS, remaining 75% of the share's nominal value is payable upon call for payment from BIS by the Central Bank. BIS shares are owned exclusively by the central banks and monetary authorities, including the Central Bank. BIS Shares are not tradable.

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

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

During the year the Central Bank did not receive a dividend from BIS bank due to its decision to transfer all BIS annual profit to appropriate reserves (2019: the Central Bank received the dividend in the amount of KM 623 thousand) (Note 11).

22. BANKNOTES AND COINS IN CIRCULATION

Banknotes and coins in circulation can be analysed as follows:

In thousands of KM	2020	2019
Banknotes and coins in circulation at 1 January	5,199,916	4,750,614
Net increase during the year	972,541	449,302
Banknotes and coins in circulation at 31 December	6,172,457	5,199,916

CENTRAL BANK OF BOSNIA AND HERZEGOVINA

Notes to the financial statements for the year ended 31 December 2020

22. BANKNOTES AND COINS IN CIRCULATION (CONTINUED)

		31 December 2020		31 December 2019	
Denomination	Pieces	Value in thousands of KM	Pieces	Value in thousands of KM	
Coins	0.05	81,761,386	4,088	77,246,288	3,862
Coins	0.10	117,249,537	11,725	112,021,868	11,202
Coins	0.20	84,840,207	16,968	81,275,215	16,255
Coins	0.50	41,308,086	20,654	38,932,789	19,466
Coins	1	59,456,249	59,456	57,804,822	57,805
Coins	2	16,415,974	32,832	14,951,396	29,903
Coins	5	12,548,849	62,744	11,945,662	59,728
Total coins		413,580,288	208,467	394,178,040	198,221
Banknotes	10	13,551,703	135,517	13,746,862	137,469
Banknotes	20	10,068,856	201,377	8,762,192	175,244
Banknotes	50	24,556,493	1,227,825	20,561,074	1,028,054
Banknotes	100	34,926,392	3,492,639	27,672,872	2,767,287
Banknotes	200	4,533,156	906,632	4,468,203	893,641
Total banknotes		87,636,600	5,963,990	75,211,203	5,001,695
TOTAL		501,216,888	6,172,457	469,389,243	5,199,916

23. DEPOSITS FROM BANKS

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

In thousands of KM	31 December 2020	31 December 2019
Deposits of domestic commercial banks	5,900,698	5,743,011
Reserve accounts of the Central Bank organizational units	411	575
Special deposit of domestic commercial banks – blocked funds	33	33
TOTAL	5,901,142	5,743,619

Deposits of domestic commercial banks are placed in accordance with reserve requirement policy of the Central Bank as well as to meet obligations for settling payment transactions between commercial banks mutually as with the Central Bank. As at 31 December 2020 the total amount of KM 5,900,698 thousand represents deposits of 24 banks (2019: KM 5,743,011 thousand represented deposits of 24 banks).

Deposits from banks include negative accrued interest in the amount KM 1,302 thousand as at 31 December 2020 (31 December 2019: included negative accrued interest in the amount KM 1,304 thousand).

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Notes to the financial statements for the year ended 31 December 2020

23. DEPOSITS FROM BANKS (CONTINUED)

The base for the required reserve calculation for domestic commercial banks consists of deposits and borrowings regardless of fund currency expressed.

The unique required reserve ratio is established to be applied by the Central Bank on the required reserve base equally to all domestic commercial banks. Required reserve ratio amounts to 10% as at the reporting dates and for the reporting periods.

Amounts exceeding the required reserve are deposits that domestic commercial banks voluntary hold on their reserve accounts. The Central Bank calculates interest on that deposits. Calculation policy for interest rate on deposits placed by domestic commercial banks during the reporting periods is provided in Note 7.

The global pandemic of COVID-19 did not lead to withdrawing amounts exceeding the required reserve by domestic commercial banks. As stated before, these amounts represent funds that domestic commercial banks have chosen to hold on their reserve accounts, without any limits by the Central Bank (Note 3.16.)

24. DEPOSITS FROM THE GOVERNMENT AND OTHER PUBLIC INSTITUTIONS

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

In thousands of KM	31 December 2020	31 December 2019
Budgetary deposits of BH institutions	579,869	553,745
Deposits of other public institutions	231,805	176,640
Deposits of other local governments and government institutions	85,047	150,285
Deposit account under the IMF transactions	323	5
TOTAL	897,044	880,675

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Notes to the financial statements for the year ended 31 December 2020

25. PROVISIONS

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

Movement in provisions is presented below:

In thousands of KM

	Litigations	Severance payments	2020 Total
As at 1 January	-	1,394	1,394
Released provisions	-	(13)	(13)
Increase in provisions	-	164	164
Total recognized in profit or loss	-	151	151
Amounts paid	-	(131)	(131)
As at 31 December	-	1,414	1,414

In thousands of KM

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

26. COMMITMENTS AND CONTINGENCIES

Litigations

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

Commitments

As at 31 December 2020 and 2019, the Central Bank has no unrecognised contractual commitments.

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Notes to the financial statements for the year ended 31 December 2020

27. OTHER LIABILITIES

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

In thousands of KM	31 December 2020	31 December 2019
Suppliers	1,932	2,095
IMF Accounts No. 1 and 2 (Note 33)	1,587	1,657
Accrued liabilities for current period costs	135	88
World bank deposits	101	52
Other financial liabilities	4	12
Total other financial liabilities	3,759	3,904
Non-financial liabilities on various bases	106	95
Collected and deferred income	54	98
Total other nonfinancial liabilities	160	193
TOTAL	3,919	4,097

28. NET PROFIT FOR THE YEAR AND PROFIT ALLOCATION

The following table presents the components of profit and loss account for the reporting periods to which additional disclosure is given for complete understanding of the Central Bank achieved result for the year:

In thousands of KM	2020	2019
FINANCIAL RESULT BEFORE PROVISIONS FOR EXPECTED CREDIT LOSSES	8,318	13,166
Provisions for expected credit losses, net (increase) / release	(410)	9,409
NET PROFIT FOR THE YEAR	7,908	22,575

Decline in Financial result before provisions for expected credit losses in 2020 compared to 2019 reflects the consequences of Central Bank's operations that were undertaken in order to safeguard the stability of domestic currency, guarantee KM convertibility and contribute to the overall financial stability in BH. Significant increase in Central Bank's monetary liabilities, dominantly caused by RFI arrangement, exposed the Central Bank's gross foreign reserves to additional interest expense.

Taking into account the Central Bank function, basic goals and tasks, the amount of net profit cannot be used as a financial measure of Central Bank's successfully operating and this financial information is given only for financial disclosure purpose. Currency Board compliance is the financial measure of Central Bank's successful operations (Note 4).

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28. NET PROFIT FOR THE YEAR AND PROFIT ALLOCATION (CONTINUED)

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

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

This ratio, before the profit allocation in 2020 amounted to 4.34% (2019: 4.56%). According to the Decision of the Governing Board, total amount of net profit for the 2020 financial year in the amount of KM 7,908 thousand is allocated to the general reserves (retained earnings) of the Central Bank (2019: total of the net profit for the 2019 financial year in the amount of KM 22,575 thousand was allocated to the general reserves (retained earnings) of the Central Bank).

2020

Before profit allocation

	(In thousands of KM)
Monetary liabilities	12,970,643
Initial capital and general reserves (retained earnings)	562,295
Ratio - initial capital and general reserves (retained earnings) / monetary liabilities	4.34%

Profit allocation

	(In thousands of KM)
Net profit before allocation	7,908
Allocation of profit to general reserves (retained earnings)	7,908

After profit allocation

	(In thousands of KM)
Monetary liabilities	12,970,643
Initial capital and general reserves (retained earnings)	570,203
Ratio - Initial capital and general reserves (retained earnings) / monetary liabilities	4.40%

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Notes to the financial statements for the year ended 31 December 2020

28. NET PROFIT FOR THE YEAR AND PROFIT ALLOCATION (CONTINUED)

2019

Before profit allocation

(In thousands of KM)

Monetary liabilities

11,824,210

Initial capital and general reserves (retained earnings)

539,720

Ratio - initial capital and general reserves (retained earnings) / monetary liabilities

4.56%

Profit allocation

(In thousands of KM)

Net profit before allocation

22,575

Allocation of profit to general reserves (retained earnings)

22,575

After profit allocation

(In thousands of KM)

Monetary liabilities

11,824,210

Initial capital and general reserves (retained earnings)

562,295

Ratio - Initial capital and general reserves (retained earnings) / monetary liabilities

4.76%

29. EQUITY

The structure of equity is presented in the following table:

In thousands of KM	31 December 2020	31 December 2019
Initial capital	25,000	25,000
General reserves (Retained earnings)	545,203	537,295
Other reserves	31,300	31,300
Fair value reserves for debt and equity instruments at fair value through other comprehensive income	291,527	211,373
Provisions for expected credit losses	1,598	1,343
Fair value reserves for monetary gold	87,703	50,230
TOTAL	982,331	856,541

Initial capital

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

General reserves (Retained earnings)

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

CENTRAL BANK OF BOSNIA AND HERZEGOVINA
Notes to the financial statements for the year ended 31 December 2020

29. EQUITY (CONTINUED)

Other reserves

Other reserves relate to following:

- Special reserves from grants in the amount of KM 3,497 thousand, which relate to grants received in cash from the Council of Ministers of Bosnia and Herzegovina on 12 June 1998. The status of these reserves is regulated by the Decision of the Governing Board of the Central Bank with the approval of the Presidency of Bosnia and Herzegovina. The right to utilise the reserves from grants fall within the competence of the Governing Board of the Central Bank.
- Amounts received in accordance with the Succession Agreement of the former Yugoslavia in the amount of KM 27,803 thousand and relates to shares in BIS (Note 21).

Fair value reserves

Fair value reserves for debt instruments and monetary gold represent cumulative unrealised gains and losses arising from changes in fair value of these financial assets during the holding period. Such gains and losses are not available for any distribution. Increase in fair value reserves dominantly generate total comprehensive income in the reporting periods.

Provisions for expected credit losses

Provisions for expected credit losses relate to debt instruments measured at fair value through other comprehensive income. For more information see note 6.1.1.

30. CASH AND CASH EQUIVALENTS

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

In thousands of KM	31 December 2020	31 December 2019
Foreign currency deposits with maturity up to three months or less from the date of acquisition	1,325,647	1,381,184
Foreign currency demand deposits	1,441,223	795,013
Cash in foreign currencies	142,202	322,599
Special Drawing Rights with the IMF	879	230
Giro accounts	411	575
Total	2,910,362	2,499,601
Less impairment for expected credit losses	(674)	(629)
TOTAL	2,909,688	2,498,972

CENTRAL BANK OF BOSNIA AND HERZEGOVINA

*Notes to the financial statements for the year ended 31 December 2020***30. CASH AND CASH EQUIVALENTS (CONTINUED)**

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

In thousands of KM

	2020	2019
As at 1 January	629	1,619
Foreign currency demand deposits	(50)	(242)
Foreign currency deposits with maturity up to three months or less from the date of acquisition	95	(748)
Cash in foreign currencies	-	-
Special Drawing Rights with the IMF	-	-
Giro accounts	-	-
As at 31 December	674	629

31. RELATED PARTY TRANSACTIONS

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

CENTRAL BANK OF BOSNIA AND HERZEGOVINA
Notes to the financial statements for the year ended 31 December 2020

31. RELATED PARTY TRANSACTIONS (CONTINUED)

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

In thousands of KM
2020

	BH Ministry of Finance and Treasury	BH Deposit Insurance Agency	BH Indirect Taxation Authority	Total
ASSETS				
Other assets	25	1	1	27
TOTAL	25	1	1	27
LIABILITIES				
Deposits from depositors	527,159	214,696	122,622	864,477
TOTAL	527,159	214,696	122,622	864,477
INCOME				
Fee and commission income	35	12	4	51
TOTAL	35	12	4	51

In thousands of KM
2019

	BH Ministry of Finance and Treasury	BH Deposit Insurance Agency	BH Indirect Taxation Authority	Total
ASSETS				
Other assets	24	1	-	25
TOTAL	24	1	-	25
LIABILITIES				
Deposits from depositors	546,735	165,033	85,844	797,612
Other liabilities	-	-	1	1
TOTAL	546,735	165,033	85,845	797,613
INCOME				
Fee and commission income	35	12	4	51
TOTAL	35	12	4	51

In executing its functions of the banker, the depository and the fiscal agent prescribed by the Law on the Central Bank, the Central Bank also maintains certain bookkeeping and executes transactions for the State and state institutions that are recorded off-balance. More information about these off-balance records is disclosed in Notes 32 and 33.

CENTRAL BANK OF BOSNIA AND HERZEGOVINA

Notes to the financial statements for the year ended 31 December 2020

31. RELATED PARTY TRANSACTIONS (CONTINUED)

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

Remuneration of key management members

The total remuneration of the members of the key management personnel in 2020 amounted to KM 889 thousand, out of which KM 556 thousand was related to salaries and other remuneration and KM 333 thousand to taxes and contributions (in 2019 out of total amount of KM 932 thousand the amount of KM 579 thousand was related to salaries and other remuneration and KM 353 thousand was related to taxes and contributions).

32. OFF-BALANCE SHEET ITEMS

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

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

Off-balance sheet items consist of:

In thousands of KM	31 December 2020	31 December 2019
Deposits of USAID	2,497	2,497
Deposits of non-residents	2,497	2,497
Deposits of the Council of Ministers of BH:	8,556	10,582
<i>Deposits of the Council of Ministers of BH on the basis of succession</i>	41	46
<i>Deposits of the Council of Ministers of BH regarding the servicing of foreign debt</i>	6,738	8,641
<i>Deposits of the Council of Ministers of BH regarding the Budget of BH institution</i>	1,528	1,622
<i>Other deposits of the Council of Ministers of BH</i>	249	273
Deposits of other residents:	13,459	15,305
<i>Deposits - Retirement allowance from Germany</i>	-	5
<i>Deposit accounts of banks</i>	13,459	15,300
Deposits of residents	22,015	25,887
Deposit Insurance Agency of BH cash account	73,684	70,356
Total – BH public institutions	73,684	70,356
TOTAL	98,196	98,740

BH Ministry of Finance and Treasury is the institution that acts on behalf of Council of Ministers of BH and state in deposit management and coordination in the presented table. As at 31 December 2020 the total of these funds amount to KM 11,053 thousand (2019: KM 13,079 thousand).

32. OFF-BALANCE SHEET ITEMS (CONTINUED)**USAID Deposits**

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

Residents' investments related to securities

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

33. BH MEMBERSHIP WITH THE IMF

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. By performing the function of fiscal agent defined by the Law on the Central Bank and by the Law on the borrowing, debt and guarantees in Bosnia and Herzegovina, the Central Bank is not obliged in any way to pay any debt of BH nor can be attributed to pay such debt nor its foreign currency reserves can in no way be considered as a guarantee for the payment of such debt. 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.

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

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

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

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

CENTRAL BANK OF BOSNIA AND HERZEGOVINA

*Notes to the financial statements for the year ended 31 December 2020***33. BH MEMBERSHIP WITH THE IMF (CONTINUED)**

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

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

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

In thousands of KM

	31 December 2020	31 December 2019
Quota	614,046	641,034
Special drawing rights with the IMF	879	230
TOTAL ASSETS	614,925	641,264
IMF account No.1	1,535	1,603
IMF account No.2	52	54
Securities	1,520,009	945,780
SDR allocation	372,517	388,890
Accrued interest on SDR allocation	65	506
Accounts of payable charges	1,670	912
TOTAL LIABILITIES	1,895,848	1,337,745
BH NET POSITION WITH THE IMF	1,280,923	696,481

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

BH net position with the IMF is increased due to remittances under the RFI arrangement concluded between BH and the IMF. Based on the remitted funds, a security (Promissory Note) was issued by the BH Ministry of Finance and Treasury as a guarantee for the assumed obligations of BH to the IMF and delivered to the Central Bank for the custody.

The Central Bank received funds on behalf of BH based on the approved loan to the BH under the RFI arrangement to mitigate the economic consequences of the global pandemic of COVID-19 on 22 April 2020. Received funds increased the Central Bank gross foreign currency reserves and the financial liabilities in the approximate amount of KM 651,291 thousand.

34. DOMESTIC PAYMENT AND SETTLEMENT SYSTEM

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

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

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

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

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

Credit risk

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

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

Operational risk

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

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

CENTRAL BANK OF BOSNIA AND HERZEGOVINA

*Notes to the financial statements for the year ended 31 December 2020***34. DOMESTIC PAYMENT AND SETTLEMENT SYSTEM (CONTINUED)**

The Central Bank has defined the following Contingency Settlement Procedures:

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

During the global pandemic of COVID-19, the Central Bank successfully responded to all tasks when it comes to the stable functioning of the system. All transactions were performed during the system working hours.

35. EVENTS AFTER THE REPORTING PERIOD

No adjusting or non-adjusting events have occurred between 31 December 2020 and the date of authorization of these financial statements.

STATISTICAL TABLES

T01: Main Economic Indicators

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
BH Nominal GDP (in KM million)¹⁾ Current Prices	26,231	26,223	26,779	27,359	28,589	29,904	31,376	33,444	35,296	35,360*
Real GDP Annual Growth (in %)¹⁾	1,0	-1,0	2,5	1,2	3,1	3,2	3,2	3,7	2,8	-4,6*
Consumer Prices Growth Rate in BH²⁾	in percentage									
Average Annual growth Rate of CPI	3.7	2.1	-0.1	-0.9	-1.0	-1.1	1.2	1.4	0.6	-1.6
Annual Growth Rate of CPI for December	3.1	1.8	-1.2	-0.4	-1.3	-0.3	0.7	1.6	0.3	-1.0
General Government Budget³⁾	in percentage of GDP									
Revenues	43.3	43.8	42.7	43.8	43.0	42.7	43.1	43.1	42.5	...
Expenditures ⁴⁾	44.6	45.8	44.8	45.8	42.3	41.5	40.5	40.9	40.6	...
Overall Balance	-1.2	-2.0	-2.2	-2.0	0.7	1.2	2.6	2.2	1.9	...
Money and Credit	in percentage of GDP									
Broad Money (M2)	55.0	56.9	60.1	63.1	65.2	67.5	70.5	72.3	74.6	79.9
Credit to Non-government Sector	54.4	56.1	56.5	56.2	55.0	54.3	55.6	55.1	55.7	54.3
Balance of Payments										
Gross Official Reserves										
In KM million	6,424	6,509	7,068	7,826	8,606	9,531	10,557	11,623	12,597	13,868
In USD million	4,568	4,274	4,797	5,309	4,883	5,391	6,083	7,012	7,210	8,079
In Months of Imports of Goods and Services	5.3	5.3	5.8	6.1	6.7	7.2	7.1	7.3	7.8	10.0
Current Account Balance										
In KM million	-2,483	-2,266	-1,425	-1,983	-1,458	-1,424	-1,520	-1,118	-1,087	-1,090
In USD million	-1,766	-1,488	-967	-1,345	-827	-805	-876	-675	-622	-635
As a percentage of GDP	-9.5	-8.6	-5.3	-7.2	-5.1	-4.8	-4.8	-3.3	-3.1	-3.1
Trade balance										
In KM million	-7,827	-7,779	-7,099	-7,874	-7,176	-7,089	-7,417	-7,521	-7,965	-6,329
In USD million	-5,566	-5,108	-4,817	-5,342	-4,071	-4,010	-4,274	-4,538	-4,559	-3,687
As a percentage of GDP	-29.8	-29.7	-26.5	-28.8	-25.1	-23.7	-23.6	-22	-23	-18
External Debt of Government Sector**										
In KM million	6,663	7,212	7,563	8,442	8,691	8,871	8,147	8,198	8,140	8,687
In USD million	4,408	4,861	5,330	5,249	4,855	4,781	4,995	4,790	4,657	5,455
As a percentage of GDP	25.4	27.5	28.2	30.9	30.4	29.2	26.0	24.5	23.1	24.6
External Debt Servicing⁵⁾										
In KM million	340	413	685	761	581	723	983	955	794	741
In USD million	242	271	465	516	330	409	567	576	454	432
As a percentage of Exports of Goods and Services	4.0	4.9	7.6	8.2	5.7	6.7	7.7	6.8	5.6	6.4

Note:

1) Source: Agency for Statistics of Bosnia and Herzegovina, Gross Domestic Product by Production, Income and Expenditure approach 2019, February 2021.

2) Source: Agency for Statistics of Bosnia and Herzegovina

3) Source: Central Bank of Bosnia and Herzegovina

4) Expenditures also include net acquisition of fixed assets.

5) Source: BH Ministry of Finance and Treasury

* GDP for 2020 is an assessment of CBBH and it is used as preliminary data, until the announcement of the official GDP by the Agency for Statistics of Bosnia and Herzegovina.

** The data have been revised since 2009. in accordance with the report from BH Ministry of Finance and Treasury dated 26st. February 2020 and include the loan of PC Roads RS and direct debt of Brčko District.

T02: Gross Domestic Product of Bosnia and Herzegovina (Current Prices)

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Nominal GDP (in KM million)	25,365	26,231	26,223	26,779	27,359	28,589	29,904	31,376	33,444	35,296	35,360*
Nominal GDP (in USD million)	17,174	18,655	17,221	18,173	18,566	16,220	16,914	18,079	20,177	20,201	20,595*
GDP per capita (in KM)	7,165	7,414	7,418	7,584	7,759	8,127	8,517	8,954	9,566	10,128	10,175*
GDP per capita (in USD)	4,851	5,273	4,872	5,147	5,265	4,611	4,818	5,160	5,771	5,797	5,927*
Real GDP Annual Growth (in %)	0.9	1.0	-1.0	2.5	1.2	3.1	3.2	3.2	3.7	2.8	-4.6*
Population (in thousands) ¹⁾	3,541	3,538	3,535	3,531	3,526	3,518	3,511	3,504	3,496	3,485	3,475
Annual Average Exchange Rate of BAM/USD	1.477	1.406	1.523	1.474	1.474	1.763	1.768	1.735	1.657	1.747	1.717

Source:

Agency for Statistics of Bosnia and Herzegovina. Gross Domestic Product by Production. Income and Expenditure approach 2019. February 2021.
The data on the average annual exchange rate BAM/USD the source is the CBBH.

Note:

* GDP for 2020 is an assessment of CBBH and it is used as preliminary data. until the announcement of the official GDP by the Agency for Statistics of Bosnia and Herzegovina.

1) The estimate of the number of citizens for 2020 includes the available data on the natural growth in the end of September 2020; Source: Agency for Statistics of Bosnia and Herzegovina.

T03: Index of Industrial Production

Year	Month	Month/Same Month of the Previous Year			Period/Same Period of the Previous Year		
		FBH	RS	BH	FBH	RS	BH
2010	12	112.7	114.1	108.7	104.2	105.0	101.6
2011	12	93.6	93.9	100.4	102.5	104.7	105.6
2012	12	99.6	98.5	95.2	95.7	95.8	94.8
2013	12	107.7	104.7	107.0	107.4	104.1	106.4
2014	12	97.9	99.8	98.7	100.1	100.6	100.2
2015	12	101.7	99.5	101.7	102.2	103.0	101.9
2016	12	103.0	120.0	107.5	102.6	108.2	104.4
2017	12	101.5	97.3	99.6	103.8	101.2	103.1
2018	12	98.2	96.9	97.7	100.8	104.2	101.6
2019	12	97.4	92.4	95.5	97.3	88.1	94.7
2020	12	103.5	103.7	103.5	94.2	93.4	94.0
2020	01	101.4	104.8	102.3	101.4	104.8	102.3
	02	99.5	89.4	96.5	100.5	96.6	99.3
	03	88.5	96.6	91.0	96.2	96.6	96.4
	04	80.9	91.2	83.9	92.2	95.3	93.2
	05	82.9	85.6	83.6	90.3	93.2	91.2
	06	92.7	85.3	90.8	90.7	91.8	91.1
	07	92.8	87.2	90.9	91.0	91.0	91.1
	08	94.6	89.6	92.6	91.4	90.8	91.3
	09	99.8	90.6	97.1	92.4	90.8	91.9
	10	97.3	100.1	98.2	92.9	91.7	92.6
	11	98.1	98.2	99.1	93.4	92.4	93.2
	12	103.5	103.7	103.5	94.2	93.4	94.0

Source:

Agency for Statistics of Bosnia and Herzegovina, Institute for Statistics of Federation of Bosnia and Herzegovina and Republika Srpska Institute of Statistics

Note:

Index of Industrial Production for a period / the same period of the previous year for December represents a yearly index in comparison with the previous year.

T04: Consumer Price Index for BH (CPI)

Year	Month	Month/Previous Month of the Current Year	Month/Same Month of the Previous Year	Period/Same Period of the Previous Year
2010	12	...	103.1	102.1
2011	12	...	103.1	103.7
2012	12	...	101.8	102.1
2013	12	...	98.8	99.9
2014	12	...	99.6	99.1
2015	12	...	98.8	99.0
2016	12	...	99.7	98.9
2017	12	...	100.7	101.2
2018	12	...	101.6	101.4
2019	12	...	100.3	100.6
2020	12	...	98.4	99.0
2020	01	100.5	100.7	100.7
	02	100.1	100.3	100.5
	03	99.9	100.1	100.4
	04	98.9	98.8	100.0
	05	99.2	97.9	99.6
	06	100.1	98.5	99.4
	07	99.7	98.7	99.3
	08	99.8	98.8	99.2
	09	100.1	98.5	99.1
	10	100.7	98.4	99.1
	11	100.1	98.4	99.0
	12	99.8	98.4	99.0

Source:

Agency for Statistics of Bosnia and Herzegovina

Note:

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

T05: Average Gross and Net Wages and Pensions

- in KM -

Year	Month	Gross Wages				Net Wages				Pensions		
		FBH	RS	Brčko	BH	FBH	RS	Brčko	BH	FBH	RS	Brčko
		1,223	1,199	1,234	1,217	804	784	797	798	341	321	316
2011		1,248	1,326	1,262	1,271	819	809	800	816	349	321	319
2012		1,266	1,349	1,271	1,290	830	818	819	826	351	312	311
2013		1,275	1,333	1,266	1,291	835	808	817	827	348	318	310
2014		1,272	1,334	1,265	1,183	833	825	814	830	367	333	323
2015		1,269	1,339	1,275	1,289	830	831	821	830	368	343	327
2016		1,283	1,343	1,290	1,301	839	836	830	838	370	342	326
2017		1,318	1,331	1,304	1,321	860	831	838	851	372	344	326
2018		1,365	1,357	1,363	1,363	888	857	872	879	395	361	342
2019		1,420	1,407	1,426	1,421	923	906	915	921	415	378	357
2020		1,474	1,485	1,477	1,476	956	956	948	956	423	394	367
2020	01	1,477	1,421	1,496	1,460	958	914	953	945	419	393	367
	02	1,436	1,485	1,476	1,452	934	957	940	941	421	393	366
	03	1,457	1,485	1,488	1,466	947	956	948	950	420	393	366
	04	1,446	1,469	1,493	1,454	940	946	952	942	420	393	366
	05	1,438	1,475	1,484	1,450	935	950	946	940	419	393	366
	06	1,496	1,489	1,499	1,475	953	958	962	955	418	393	366
	07	1,498	1,482	1466	1,492	971	955	948	965	418	394	365
	08	1,462	1,494	1448	1,472	949	962	937	953	428	394	369
	09	1,480	1,498	1460	1,485	961	965	948	962	428	394	370
	10	1,481	1,494	1473	1,485	961	964	948	961	428	394	369
	11	1,489	1,503	1471	1,493	966	969	950	966	428	394	370
	12	1,532	1,520	1467	1,526	993	979	945	988	428	394	369

Source:

Agency for Statistics of Bosnia and Herzegovina, Institute for Statistics of Federation of Bosnia and Herzegovina, Republika Srpska Institute of Statistics

Note:

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

T06: Monetary Aggregates

- end of period, in KM million -

Year	Month	Currency outside Monetary Authorities	Bank Deposits with Monetary Authorities	Transf. Dep. of other Resident Sectors with Monetary Authorities	Cash Outside Banks	Transf. Deposits in Domestic Currency	Other Deposits in Domestic Currency	Transf. Deposits in Foreign Currency	Other Deposits in Foreign Currency	Reserve Money	M1	QM	M2
1	2	3	4	5	6	7	8	9	10	11=3+4+5	12=6+7	13=8+9+10	14= 12+13
2010	12	2,497.5	3,393.5	8.7	2,210.8	3,689.2	1,991.0	1,209.8	4,526.4	5,899.7	5,900.0	7,727.2	13,627.1
2011	12	2,645.1	3,192.8	11.1	2,366.4	3,819.0	2,285.7	1,100.1	4,846.1	5,848.9	6,185.5	8,231.9	14,417.4
2012	12	2,747.5	3,040.6	13.5	2,414.3	3,728.4	2,672.7	1,052.9	5,041.4	5,801.7	6,142.7	8,767.0	14,909.7
2013	12	2,909.9	3,475.3	15.9	2,542.3	4,153.3	3,006.3	1,189.3	5,202.4	6,401.0	6,695.6	9,398.0	16,093.6
2014	12	3,210.5	3,751.1	38.3	2,814.0	4,496.4	3,377.3	1,301.2	5,280.0	6,999.9	7,310.4	9,958.5	17,268.9
2015	12	3,499.5	4,063.5	51.7	3,055.3	5,125.6	3,562.6	1,360.4	5,543.3	7,614.7	8,180.9	10,466.3	18,647.2
2016	12	4,066.8	4,269.1	52.0	3,401.2	5,899.8	3,883.0	1,535.6	5,478.0	8,387.9	9,301.0	10,896.6	20,197.6
2017	12	4,319.4	5,033.1	76.1	3,648.1	6,924.4	4,091.6	1,816.2	5,636.1	9,428.5	10,572.5	11,543.8	22,116.3
2018	12	4,750.6	5,523.3	125.5	3,977.2	8,166.4	4,302.2	1,961.5	5,782.3	10,399.4	12,143.7	12,046.0	24,189.6
2019	12	5,199.9	5,743.6	176.6	4,330.1	8,921.1	2,998.0	2,490.3	7,593.2	11,120.2	13,251.2	13,081.5	26,332.7
2020	12	6,172.5	5,901.1	231.8	5,043.4	10,011.8	3,034.7	2,902.5	7,256.6	12,305.4	15,055.2	13,193.8	28,249.0
2020	01	5,172.3	5,569.7	187.9	4,262.7	8,934.2	3,047.9	2,519.4	7,597.0	10,929.9	13,196.9	13,164.3	26,361.2
	02	5,217.5	5,550.3	187.9	4,321.5	8,992.9	3,112.7	2,477.6	7,614.9	10,955.7	13,314.3	13,205.2	26,519.5
	03	5,684.0	5,172.4	186.4	4,683.9	8,790.1	3,023.2	2,564.2	7,476.0	11,042.7	13,474.0	13,063.5	26,537.5
	04	5,782.4	5,101.4	200.7	4,796.5	8,792.6	2,987.9	2,544.3	7,324.3	11,084.4	13,589.2	12,856.5	26,445.7
	05	5,821.2	4,914.6	203.5	4,870.5	8,767.3	2,954.0	2,622.8	7,311.4	10,939.3	13,637.7	12,888.2	26,525.9
	06	5,834.8	5,226.8	204.8	4,818.9	8,954.6	2,995.8	2,617.3	7,283.6	11,266.4	13,773.5	12,896.7	26,670.2
	07	5,908.5	5,313.9	215.9	4,928.7	9,129.9	2,979.5	2,652.6	7,301.0	11,438.3	14,058.6	12,933.2	26,991.8
	08	5,992.6	5,369.4	216.1	4,905.5	9,426.7	2,975.5	2,713.5	7,282.0	11,578.1	14,332.3	12,971.0	27,303.2
	09	6,033.0	5,314.8	219.4	4,896.9	9,479.6	2,984.9	2,766.2	7,263.8	11,567.2	14,376.5	13,014.9	27,391.4
	10	6,045.1	5,335.2	230.0	4,922.3	9,638.0	2,986.4	2,813.4	7,265.8	11,610.2	14,560.3	13,065.6	27,625.9
	11	6,102.9	5,612.5	229.9	4,913.3	9,769.2	3,012.5	2,920.3	7,174.8	11,945.3	14,682.5	13,107.6	27,790.1
	12	6,172.5	5,901.1	231.8	5,043.4	10,011.8	3,034.7	2,902.5	7,256.6	12,305.4	15,055.2	13,193.8	28,249.0

Note:

The cash outside monetary authorities is taken from the CBBH Balance Sheet and it consists of cash outside the Central Bank (monetary authorities). Deposits of commercial banks are commercial banks' funds in the accounts with the CBBH. Transferable deposits of other domestic sectors with monetary authorities are deposits of other domestic sectors (except for the central government deposits). The central government consists of BH institutions, Entity governments, Entities' social security funds and those of Brčko District. Social security funds on Entity level (from Federation of BH: Pension Fund of FBH, Health Care Fund of FBH, Employment Fund of FBH, and from Republika Srpska: Pension and Disability Insurance Fund of RS, Health Care Fund of RS, Employment Fund of RS and Fund for Child Protection of RS) are classified at the central government level. The cash outside banks is taken from the CBBH Balance Sheet (Table 08) and consists of cash in circulation out of the Central Bank (monetary authorities), as well as cash outside the commercial banks. Transferable deposits in the domestic currency are taken from the Monetary Survey (Table 07). They consist of deposits of non-central government (deposits of cantons and municipalities), deposits of public and private enterprises, of other financial institutions and deposits of other domestic sectors (households, non-profit institutions and other non-classified sectors). Other deposits in the domestic currency, transferable and other deposits in foreign currency are taken over from the Monetary Survey (Table 07). They consist of deposits of non central government (deposits of cantons and municipalities), deposits of public and private enterprises, other financial institutions and deposits of other domestic sectors (households, non-profit institutions and other non-classified sectors). Reserve money (primary money or monetary base) is taken entirely from the CBBH Balance Sheet (Table 08). It consists of cash outside the monetary authorities, deposits of commercial banks and deposits of other domestic sectors (except for deposits of the central government) with the monetary authorities. According to the national definition, money supply comprises all transferable and other deposits of domestic nonbank and nongovernment sectors, as well as, sectors of local government in domestic and foreign currency. Deposits of Entities' social security funds are included in those of the central government on Entity level and by that they are excluded from the Money Supply or Monetary Aggregates. Monetary aggregate M1 comprises cash outside banks and transferable deposits in domestic currency of all domestic sectors (except for deposits of the central government). Monetary aggregate QM is defined in the same way as the corresponding item in the Monetary Survey (Table 07). It consists of other deposits in domestic currency, transferable and other deposits in a foreign currency of all domestic sectors (except for deposits of the central government). Money supply M2 comprises monetary aggregates, M1 and QM.

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

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

See note on page 179

T07: Monetary Survey

- end of period, in KM million -

ASSETS												
Foreign Assets (Net)					Claims on Domestic Sectors							
Year	Month	Foreign Assets	Foreign Liabilities		Claims on Central Government (Net)	Claims on Cantons and Municipalities	Claims on Public Non-financial Enterprises	Claims on Private Non-financial Enterprises	Claims on Other Financial Institutions	Claims on Other Domestic Sectors		Total
1	2	3	4	5 = 3+4	6	7	8	9	10	11	12 = 6+...+11	13 = 5+12
2010	12	9,300.8	-4,397.0	4,903.8	-996.9	270.8	351.3	6,965.5	80.2	6,424.3	13,095.3	17,999.1
2011	12	9,175.9	-3,779.7	5,396.2	-440.3	323.1	360.2	7,166.9	94.0	6,770.1	14,274.0	19,670.2
2012	12	9,044.2	-3,559.7	5,484.4	-182.6	386.3	390.9	7,473.1	73.7	6,874.4	15,015.8	20,500.2
2013	12	9,733.5	-3,330.9	6,402.6	-19.1	422.5	451.6	7,556.4	67.4	7,133.6	15,612.5	22,015.1
2014	12	10,479.7	-2,961.1	7,518.6	71.0	509.1	443.6	7,452.0	61.3	7,502.5	16,039.4	23,557.9
2015	12	11,107.9	-2,614.6	8,493.3	160.1	537.2	400.0	7,452.6	74.6	7,875.3	16,499.8	24,993.1
2016	12	12,199.0	-2,476.4	9,722.6	101.8	517.8	375.6	7,743.9	67.2	8,155.8	16,962.0	26,684.6
2017	12	13,372.4	-2,589.5	10,782.9	-148.7	511.5	406.2	8354.5	96.5	8,689.3	17,909.4	28,692.2
2018	12	15,505.5	-3,041.0	12,464.5	-461.2	496.5	428.0	8655.0	136.8	9,315.0	18,570.1	31,034.5
2019	12	17,069.9	-3,120.0	13,949.9	-679.3	506.7	509.3	9070.9	152.2	10,024.9	19,584.7	33,534.6
2020	12	18,340.2	-2,326.3	16,013.9	-236.3	538.1	540.8	8618.1	155.0	9,937.9	19,553.6	35,567.5
2020	01	17,113.5	-2,977.8	14,135.7	-571.3	504.0	496.8	8801.7	141.9	9,868.5	19,241.5	33,377.1
	02	17,171.8	-2,942.4	14,229.4	-487.0	505.7	491.4	8,840.1	143.3	9,918.4	19,411.8	33,641.2
	03	16,899.0	-2,876.9	14,022.0	-448.3	508.7	486.9	8,876.1	147.4	9,938.5	19,509.3	33,531.4
	04	17,598.9	-2,943.7	14,655.3	-917.1	506.2	481.1	8,794.7	147.8	9,845.0	18,857.6	33,512.9
	05	17,619.5	-2,872.9	14,746.6	-871.2	503.1	477.7	8,772.8	143.0	9,837.7	18,863.1	33,609.7
	06	17,164.9	-2,517.5	14,647.4	-672.5	506.6	548.3	8,776.3	195.6	9,886.6	19,240.9	33,888.4
	07	17,361.8	-2,400.4	14,961.4	-534.4	502.6	548.7	8,763.0	163.1	9,930.5	19,373.5	34,334.8
	08	17,507.7	-2,314.7	15,193.1	-459.7	508.0	553.6	8,657.3	160.1	9,945.5	19,364.8	34,557.8
	09	17,555.3	-2,302.7	15,252.7	-405.2	523.6	550.4	8,660.5	154.0	9,968.1	19,451.6	34,704.3
	10	17,756.5	-2,258.2	15,498.3	-373.5	538.3	531.3	8,651.7	151.9	9,980.4	19,480.0	34,978.3
	11	17,965.6	-2,251.2	15,714.4	-413.9	542.2	534.1	8,651.8	143.2	9,973.4	19,430.8	35,145.2
	12	18,340.2	-2,326.3	16,013.9	-236.3	538.1	540.8	8,618.1	155.0	9,937.9	19,553.6	35,567.5

Note:

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

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

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

See note on page 179

T07: Monetary Survey

- end of period, in KM million -

LIABILITIES														
Year	Month	Broad money (M2)												
		Money (M1)		Broad money (M2)						Securities	Loans	Shares and Other Equity	Other Items (net)	Total
		Cash Outside Banks	Transferable Deposits in Dom. Curr.		Transferable Deposits in Foreign Curr.	Other Deposits in Dom. Curr.	Other Deposits in Foreign Curr.							
1	2	3	4	5=3+4	6	7	8	9=6+7+8	10=5+9	11	12	13	14	15=10+...+14
2010	12	2,210.8	3,689.2	5,900.0	1,209.8	1,991.0	4,526.4	7,727.2	13,627.1	9.1	595.1	3,042.3	725.4	17,999.1
2011	12	2,366.4	3,819.0	6,185.5	1,100.1	2,285.7	4,846.1	8,231.9	14,417.4	0.0	675.3	3,592.8	984.7	19,670.2
2012	12	2,414.3	3,728.4	6,142.7	1,052.9	2,672.7	5,041.4	8,767.0	14,909.7	0.0	712.4	3,767.1	1,111.1	20,500.2
2013	12	2,542.3	4,153.3	6,695.6	1,189.3	3,006.3	5,202.4	9,398.0	16,093.6	0.0	707.9	3,815.2	1,398.4	22,015.1
2014	12	2,814.0	4,496.4	7,310.4	1,301.2	3,377.3	5,280.0	9,958.5	17,268.9	0.0	681.0	3,993.5	1,614.5	23,557.9
2015	12	3,055.3	5,125.6	8,180.9	1,360.4	3,562.6	5,543.3	10,466.3	18,647.2	8.0	599.2	4,148.0	1,590.7	24,993.1
2016	12	3,401.2	5,899.8	9,301.0	1,535.6	3,883.0	5,478.0	10,896.6	20,197.6	8.0	510.0	4,440.4	1,528.6	26,684.6
2017	12	3,648.1	6,924.4	10,572.5	1,816.2	4,091.6	5,636.1	11,543.8	22,116.3	8.0	460.0	4,659.5	1,448.4	28,692.2
2018	12	3,977.2	8,166.4	12,143.7	1,961.5	4,302.2	5,782.3	12,046.0	24,189.6	8.0	467.5	4,867.2	1,502.3	31,034.5
2019	12	4,330.1	8,921.1	13,251.2	2,490.3	2,998.0	7,593.2	13,081.5	26,332.7	8.0	532.4	5,224.6	1,436.9	33,534.6
2020	12	5,043.4	10,011.8	15,055.2	2,902.5	3,034.7	7,256.6	13,193.8	28,249.0	0.0	606.7	5,307.8	1,404.0	35,567.5
2020	01	4,262.7	8,934.2	13,196.9	2,519.4	3,047.9	7,597.0	13,164.3	26,361.2	8.0	534.6	5,070.0	1,403.3	33,377.1
	02	4,321.5	8,992.9	13,314.3	2,477.6	3,112.7	7,614.9	13,205.2	26,519.5	7.9	544.1	5,117.2	1,452.4	33,641.2
	03	4,683.9	8,790.1	13,474.0	2,564.2	3,023.2	7,476.0	13,063.5	26,537.5	7.9	535.8	5,033.0	1,417.1	33,531.4
	04	4,796.5	8,792.6	13,589.2	2,544.3	2,987.9	7,324.3	12,856.5	26,445.7	8.0	545.0	5,093.8	1,420.4	33,512.9
	05	4,870.5	8,767.3	13,637.7	2,622.8	2,954.0	7,311.4	12,888.2	26,525.9	8.0	560.3	5,112.5	1,403.1	33,609.7
	06	4,818.9	8,954.6	13,773.5	2,617.3	2,995.8	7,283.6	12,896.7	26,670.2	8.0	576.5	5,161.5	1,472.2	33,888.4
	07	4,928.7	9,129.9	14,058.6	2,652.6	2,979.5	7,301.0	12,933.2	26,991.8	8.0	588.5	5,235.5	1,511.1	34,334.8
	08	4,905.5	9,426.7	14,332.3	2,713.5	2,975.5	7,282.0	12,971.0	27,303.2	4.9	594.8	5,239.4	1,415.5	34,557.8
	09	4,896.9	9,479.6	14,376.5	2,766.2	2,984.9	7,263.8	13,014.9	27,391.4	4.9	599.6	5,258.5	1,449.8	34,704.3
	10	4,922.3	9,638.0	14,560.3	2,813.4	2,986.4	7,265.8	13,065.6	27,625.9	4.9	609.9	5,314.0	1,423.6	34,978.3
	11	4,913.3	9,769.2	14,682.5	2,920.3	3,012.5	7,174.8	13,107.6	27,790.1	0.0	604.6	5,279.2	1,471.3	35,145.2
	12	5,043.4	10,011.8	15,055.2	2,902.5	3,034.7	7,256.6	13,193.8	28,249.0	0.0	606.7	5,307.8	1,404.0	35,567.5

Note:

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

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

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

See note on page 179

T08: Balance Sheet of the CBBH

- end of period, in KM million -

ASSETS					LIABILITIES								
Year	Month	Foreign Assets	Claims on Domestic Sectors	Total	Reserve Money			Total	Foreign Liabilities	Deposits of Central Government	Shares and Other Equity	Other Items (Net)	Total
					Cash outside Monetary Authorities	Deposits of Commercial Banks with Monetary Authorities	Deposits of Other Domestic Sectors with Monetary Authorities						
1	2	3	4	5=3+4	6	7	8	9=6+7+8	10	11	12	13	14=9+...+13
2010	12	6,485.5	1.8	6,487.3	2,497.5	3,393.5	8.7	5,899.7	1.4	69.8	533.9	-17.5	6,487.3
2011	12	6,451.4	1.6	6,453.0	2,645.1	3,192.8	11.1	5,848.9	1.1	66.2	547.6	-10.8	6,453.0
2012	12	6,536.4	1.6	6,538.0	2,747.5	3,040.6	13.5	5,801.7	1.2	185.3	575.7	-25.9	6,538.0
2013	12	7,096.2	1.7	7,097.8	2,909.9	3,475.3	15.9	6,401.0	1.0	258.2	466.3	-28.7	7,097.8
2014	12	7,853.4	1.6	7,855.1	3,210.5	3,751.1	38.3	6,999.9	1.1	293.2	585.0	-24.2	7,855.1
2015	12	8,634.1	1.5	8,635.7	3,499.5	4,063.5	51.7	7,614.7	1.3	449.9	593.7	-24.0	8,635.7
2016	12	9,559.0	1.5	9,560.4	4,066.8	4,269.1	52.0	8,387.9	2.2	538.4	667.4	-35.5	9,560.4
2017	12	10,584.4	2.2	10,586.6	4,319.4	5,033.1	76.1	9,428.5	1.6	548.6	652.6	-44.8	10,586.6
2018	12	11,651.0	2.1	11,653.1	4,750.6	5,523.3	125.5	10,399.4	1.8	583.9	720.0	-51.9	11,653.1
2019	12	12,624.9	2.2	12,627.1	5,199.9	5,743.6	176.6	11,120.2	1.7	704.0	856.5	-55.4	12,627.1
2020	12	13,895.8	2.0	13,897.9	6,172.5	5,901.1	231.8	12,305.4	1.7	665.2	982.3	-56.8	13,897.9
2020	01	12,508.1	1.4	12,509.6	5,172.3	5,569.7	187.9	10,929.9	2.5	689.9	943.5	-56.3	12,509.6
	02	12,492.5	1.8	12,494.3	5,217.5	5,550.3	187.9	10,955.7	2.1	623.9	968.4	-55.7	12,494.3
	03	12,488.4	2.6	12,491.0	5,684.0	5,172.4	186.4	11,042.7	1.9	618.7	884.0	-56.3	12,491.0
	04	13,206.4	1.3	13,207.6	5,782.4	5,101.4	200.7	11,084.4	2.6	1,238.6	938.4	-56.4	13,207.6
	05	13,088.1	1.5	13,089.6	5,821.2	4,914.6	203.5	10,939.3	2.2	1,275.9	928.3	-56.2	13,089.6
	06	13,050.5	1.9	13,052.4	5,834.8	5,226.8	204.8	11,266.4	1.8	881.4	961.4	-58.5	13,052.4
	07	13,268.6	1.6	13,270.2	5,908.5	5,313.9	215.9	11,438.3	1.8	893.2	995.5	-58.7	13,270.2
	08	13,341.1	1.6	13,342.8	5,992.6	5,369.4	216.1	11,578.1	1.9	856.6	964.4	-58.2	13,342.8
	09	13,371.7	2.1	13,373.8	6,033.0	5,314.8	219.4	11,567.2	2.2	876.4	985.8	-57.8	13,373.8
	10	13,437.4	1.5	13,438.9	6,045.1	5,335.2	230.0	11,610.2	1.7	874.0	1,010.5	-57.5	13,438.9
	11	13,547.5	1.6	13,549.1	6,102.9	5,612.5	229.9	11,945.3	1.9	685.1	974.2	-57.4	13,549.1
	12	13,895.8	2.0	13,897.9	6,172.5	5,901.1	231.8	12,305.4	1.7	665.2	982.3	-56.8	13,897.9

Note:

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

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

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

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

T09: Consolidated Balance Sheet of Commercial Banks in BH

- end of period, in KM million -

ASSETS									
Year	Month	Reserves	Foreign Assets	Claims on General Government	Claims on Public Non-financial Enterprises	Claims on Private Non-financial Enterprises	Claims on Other Financial Institutions	Claims on Other Domestic Sectors	Total
1	2	3	4	5	6	7	8	9	10 = 3+...+9
2010	12	3,679.8	2,814.2	465.4	351.3	6,965.5	80.2	6,423.0	20,779.3
2011	12	3,469.7	2,724.5	904.7	360.2	7,166.9	94.0	6,768.9	21,488.9
2012	12	3,370.4	2,507.8	1,236.2	390.9	7,473.1	73.7	6,873.3	21,925.4
2013	12	3,843.7	2,637.3	1,379.4	451.6	7,556.4	67.4	7,131.8	23,067.7
2014	12	4,115.0	2,626.3	1,854.5	443.6	7,452.0	61.3	7,501.7	24,054.3
2015	12	4,511.7	2,473.8	2,161.1	400.0	7,452.6	74.6	7,874.7	24,948.5
2016	12	4,936.6	2,640.0	2,179.1	375.6	7,743.9	67.2	8,155.4	26,097.7
2017	12	5,711.7	2,787.9	2,197.0	406.2	8,354.5	96.5	8,688.8	28,242.7
2018	12	6,298.3	3,854.5	2,285.0	428.0	8,655.0	136.8	9,314.6	30,972.1
2019	12	6,627.0	4,445.0	2,551.9	509.3	9,070.9	152.2	10,024.5	33,380.9
2020	12	7,099.6	4,444.3	3,015.4	540.8	8,618.1	155.0	9,937.6	33,810.8
2020	01	6,490.0	4,605.3	2,528.5	496.8	8,801.7	141.9	9,868.3	32,932.5
	02	6,451.5	4,679.4	2,627.5	491.4	8,840.1	143.3	9,918.1	33,151.2
	03	6,192.3	4,410.6	2,644.2	486.9	8,876.1	147.4	9,938.2	32,695.7
	04	6,099.7	4,392.6	2,791.1	481.1	8,794.7	147.8	9,844.8	32,551.9
	05	5,890.8	4,531.4	2,865.6	477.7	8,772.8	143.0	9,837.5	32,518.8
	06	6,284.1	4,114.4	2,896.7	548.3	8,776.3	195.6	9,886.3	32,701.6
	07	6,306.9	4,093.2	2,978.7	548.7	8,763.0	163.1	9,930.3	32,783.9
	08	6,479.8	4,166.6	2,958.6	553.6	8,657.3	160.1	9,945.3	32,921.3
	09	6,468.5	4,183.6	3,069.7	550.4	8,660.5	154.0	9,967.8	33,054.6
	10	6,472.3	4,319.1	3,090.6	531.3	8,651.7	151.9	9,980.3	33,197.2
	11	6,811.0	4,418.1	3,089.1	534.1	8,651.8	143.2	9,973.2	33,620.4
	12	7,099.6	4,444.3	3,015.4	540.8	8,618.1	155.0	9,937.6	33,810.8

Note:

Consolidated balance sheet of commercial banks includes consolidated balance sheets of commercial banks covered by Main Unit Sarajevo, Main Unit Mostar, Main Bank RS, Brčko District (from July 2001 until November 2002), NBRS (until December 1998) and the NBBH (until November 2002). Mutual claims and liabilities among the commercial banks have been consolidated. Banks' reserves consist of cash in the banks' vaults and banks' deposits with the CBBH. Foreign assets of commercial banks include: foreign currency in the vaults, transferable and other deposits in foreign currency with nonresidents, loans to nonresidents, securities of non-residents in foreign currency, and other claims on non-residents. Claims on general government include claims on all levels of government: the central government (BH Institutions, Entities' Governments, Entity Social Security Funds and those of Brčko District) and non-central governments (canton and municipality governments). Claims on other domestic sectors include: claims on public non-financial enterprises, private non-financial enterprises, other financial institutions and claims on other domestic sectors (households, non-profit institutions and other non-classified sectors). Balance sheets of commercial banks of Federation of BH in addition to active sub-balance sheets includes data from passive sub-balance sheets as well. Passive sub-balance sheets include liabilities arising from foreign loans as well as liabilities arising from frozen foreign currency savings deposits of citizens until 31 March 1992. These liabilities will be taken over, in the process of privatisation, by Ministry of Finance of BH Federation in accordance with the Entity Law on Opening Balance Sheets of Enterprises and Banks and Entity Law on Privatisation.

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

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

See note on page 179

T09: Consolidated Balance Sheet of Commercial Banks in BH

- end of period, in KM million -

LIABILITIES

Year	Month	Deposits of Central Government	Transf. Dep. of Other Domestic Sectors in Dom. Curr.	Transf. Dep. of Other Domestic Sectors in For. Curr.	Other Dep. of Other Domestic Sectors in Dom. Curr.	Other Dep. of Other Domestic Sectors in For. Curr.	Securities	Loans	Foreign Liabilities	Shares and Other Equity	Other Items (Net)	Total
1	2	3	4	5	6	7	8	9	10	11	12	13=3+...+12
2010	12	1,121.7	3,680.5	1,209.8	1,991.0	4,526.4	9.1	595.1	4,395.7	2,508.4	741.7	20,779.3
2011	12	955.7	3,807.9	1,100.1	2,285.7	4,846.1	0.0	675.3	3,778.6	3,045.1	994.3	21,488.9
2012	12	847.2	3,714.8	1,052.9	2,672.7	5,041.4	0.0	712.4	3,558.6	3,191.3	1,134.1	21,925.4
2013	12	717.8	4,137.4	1,189.3	3,006.3	5,202.4	0.0	707.9	3,329.9	3,348.9	1,427.8	23,067.7
2014	12	981.3	4,458.2	1,301.2	3,377.3	5,280.0	0.0	681.0	2,960.0	3,408.5	1,606.8	24,054.3
2015	12	1,014.1	5,073.9	1,360.4	3,562.6	5,543.3	8.0	599.2	2,613.3	3,554.3	1,619.5	24,948.5
2016	12	1,021.3	5,847.8	1,535.6	3,883.0	5,478.0	8.0	510.0	2,474.2	3,773.0	1,566.9	26,097.7
2017	12	1,285.6	6,848.3	1,816.2	4,091.6	5,636.1	8.0	460.0	2,587.9	4,006.8	1,502.2	28,242.7
2018	12	1,665.9	8,040.9	1,961.5	4,302.2	5,782.3	8.0	467.5	3,039.2	4,147.2	1,557.4	30,972.1
2019	12	2,020.5	8,744.5	2,490.3	2,998.0	7,593.2	8.0	532.4	3,118.3	4,368.0	1,507.7	33,380.9
2020	12	2,048.4	9,780.0	2,902.5	3,034.7	7,256.6	0.0	606.7	2,324.6	4,325.4	1,531.8	33,810.8
2020	01	1,906.0	8,746.3	2,519.4	3,047.9	7,597.0	8.0	534.6	2,975.3	4,126.6	1,471.5	32,932.5
	02	1,984.9	8,805.0	2,477.6	3,112.7	7,614.9	7.9	544.1	2,940.3	4,148.9	1,515.0	33,151.2
	03	1,965.1	8,603.7	2,564.2	3,023.2	7,476.0	7.9	535.8	2,875.0	4,149.0	1,495.6	32,695.7
	04	1,963.5	8,591.9	2,544.3	2,987.9	7,324.3	8.0	545.0	2,941.1	4,155.4	1,490.5	32,551.9
	05	1,957.8	8,563.8	2,622.8	2,954.0	7,311.4	8.0	560.3	2,870.7	4,184.1	1,485.9	32,518.8
	06	2,181.2	8,749.9	2,617.3	2,995.8	7,283.6	8.0	576.5	2,515.7	4,200.1	1,573.6	32,701.6
	07	2,117.3	8,914.0	2,652.6	2,979.5	7,301.0	8.0	588.5	2,398.6	4,239.9	1,584.4	32,783.9
	08	2,053.8	9,210.6	2,713.5	2,975.5	7,282.0	4.9	594.8	2,312.8	4,275.0	1,498.4	32,921.3
	09	2,074.8	9,260.1	2,766.2	2,984.9	7,263.8	4.9	599.6	2,300.5	4,272.7	1,527.0	33,054.6
	10	2,051.9	9,408.0	2,813.4	2,986.4	7,265.8	4.9	609.9	2,256.6	4,303.5	1,496.9	33,197.2
	11	2,275.6	9,539.3	2,920.3	3,012.5	7,174.8	0.0	604.6	2,249.3	4,305.0	1,539.0	33,620.4
	12	2,048.4	9,780.0	2,902.5	3,034.7	7,256.6	0.0	606.7	2,324.6	4,325.4	1,531.8	33,810.8

Note:

Central government deposits include transferable and other deposits in the local and foreign currency of BH Institutions, Entity Governments, Entity Social Security Funds and those of Brčko District. Transferable and other deposits of other domestic sectors in domestic and foreign currency represent banks liabilities towards non-central government (canton and municipality governments), public non financial enterprises, private non financial enterprises, other financial institutions and other domestic sectors (households, nonprofit institutions and other non-classified sectors).

Foreign liabilities of commercial banks include banks liabilities to nonresidents based on transferable and other deposits, loans, securities, trade loans and advance payments and other accounts payable. According to a new methodology, loans are presented in liabilities as a separate financial instrument, with which the calculated interest is added.

Shares and other equity comprises equity, retained earnings, current year result, general and special reserves and adjustment/revaluation. Other items (net) are unallocated items of liabilities reduced by the unallocated items of assets. Restricted deposits are also included in other items (net).

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

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

See note on page 179

T10: Interest Rates on Loans to Households
percentages per annum

		Households															
		Loans in KM						Loans in KM Indexed to Foreign Currency						Revolving Loans, Overdrafts and Credit Cards (Loan Facility) *			
		For Housing Purchases				For other Purposes		For Housing Purchases				For other Purposes		Loans in KM		Loans in KM Indexed to Foreign Currency	
Year	Period	Floating Interest Rates up to 1 Year IRF	Over 1 up to 5 Years IRF	Over 5 Years IRF	Over 10 Years IRF	Floating Interest Rates up to 1 Year IRF	Over 1 up to 5 Years IRF	Floating Interest Rates up to 1 Year IRF	Over 1 up to 5 Years IRF	Over 5 Years IRF	Over 10 Years IRF	Floating Interest Rates up to 1 Year IRF	Over 1 up to 5 Years IRF	Over 5 Years IRF	Overdrafts	Credit Card with Extended Credit	Overdrafts
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18
Weighted monthly averages																	
2015	12	5.495	7.163	...	...	7.236	6.819	5.609	6.163	6.081	5.822	7.616	7.163	7.436	12.367	14.706	12.740
2016	12	4.921	5.708	4.456	5.397	6.986	6.214	5.156	5.981	5.330	5.277	7.584	6.714	6.450	12.346	14.688	11.680
2017	12	3.844	3.319	...	...	5.944	6.261	4.327	4.240	4.617	4.705	6.384	5.992	6.364	12.253	14.668	11.191
2018	12	3.454	...	...	...	5.479	5.262	3.637	3.166	3.820	4.022	6.632	5.616	5.469	12.202	14.619	10.880
2019	12	3.877	4.168	3.395	5.279	5.863	5.580	3.502	3.353	3.826	3.875	6.152	5.637	5.668	12.042	14.674	10.467
2020	12	3.643	...	...	3.676	5.885	5.845	3.671	4.582	3.902	3.835	5.864	5.678	6.380	11.936	13.606	9.815
2020	01	3.610	4.010	...	...	5.805	5.576	3.534	3.590	3.865	3.785	6.041	5.458	5.952	12.102	14.701	10.375
	02	3.631	3.399	3.150	3.629	5.766	5.717	3.574	3.796	3.896	3.983	6.002	5.237	5.879	12.149	14.706	10.378
	03	3.473	...	...	3.684	5.800	5.583	3.527	3.535	3.664	3.753	6.119	5.251	5.847	12.211	14.696	10.397
	04	3.495	...	...	...	5.748	5.380	3.716	...	4.169	4.270	5.796	5.530	5.709	12.217	14.668	10.347
	05	3.393	...	...	...	5.665	5.674	3.764	...	4.215	4.033	5.542	5.910	6.051	12.236	14.698	10.303
	06	3.857	3.523	3.809	4.100	5.677	5.601	3.880	3.692	3.787	4.115	5.273	5.509	5.823	12.264	14.447	10.268
	07	3.835	...	3.527	3.755	5.847	5.663	3.858	4.123	3.827	3.490	5.852	5.414	6.276	11.512	13.375	10.186
	08	3.645	4.083	...	3.645	5.999	5.551	3.921	4.518	3.872	3.485	6.270	5.844	6.445	11.583	13.784	10.005
	09	3.808	...	3.387	3.945	6.083	5.836	3.726	4.472	3.900	3.517	5.945	5.739	6.595	12.273	13.725	9.994
	10	3.863	3.893	3.364	3.999	5.945	5.883	3.589	3.751	3.885	3.548	6.188	5.839	6.268	12.263	13.732	9.939
	11	3.678	3.787	...	3.969	5.788	5.747	3.591	3.689	3.855	3.772	5.820	5.950	6.229	12.098	13.721	9.875
	12	3.643	...	...	3.676	5.885	5.845	3.671	4.582	3.902	3.835	5.864	5.678	6.380	11.936	13.606	9.815
Loan amount (new business)																	- KM thousand -
2015	12	818	373	...	...	34,379	18,377	10,486	432	990	4,021	112,780	14,553	15,293	530,393	100,377	56,325
2016	12	2,046	424	1,118	1,825	55,519	23,435	10,141	961	1,275	5,159	70,540	23,133	18,529	521,185	93,033	59,127
2017	12	1,416	445	...	...	49,832	14,785	17,187	395	3,826	8,180	74,945	23,401	36,446	522,643	89,901	56,786
2018	12	2,597	...	...	...	66,009	27,336	17,610	155	3,340	9,211	47,731	10,078	27,896	526,750	85,550	55,624
2019	12	1,242	386	1,042	463	53,829	26,426	21,834	288	4,641	13,531	66,117	8,097	27,474	521,600	79,533	55,217
2020	12	3,468	-	-	532	39,970	19,333	16,057	265	3,729	5,229	38,688	7,916	19,056	547,793	112,952	48,920
2020	01	812	341	...	...	44,999	23,756	14,861	334	2,789	6,353	37,101	7,786	20,901	538,630	76,675	53,588
	02	1,926	278	885	990	58,715	36,159	17,465	155	2,356	7,640	52,727	11,828	35,580	529,994	75,392	52,929
	03	1,727	...	...	313	46,992	25,625	15,388	527	2,222	5,760	50,277	8,870	27,085	530,474	73,462	51,903
	04	893	...	...	...	14,168	7,541	9,410	...	2,773	5,983	25,423	2,886	6,901	502,821	71,257	49,777
	05	809	...	...	...	29,189	18,120	14,541	...	2,532	8,255	25,480	6,070	22,175	511,494	70,287	49,139
	06	2,386	266	359	937	58,257	31,135	15,225	513	4,175	9,701	46,350	11,487	22,921	523,944	95,273	49,190
	07	1,944	-	250	540	72,052	25,687	19,449	538	2,352	11,849	62,591	12,430	17,154	541,557	94,527	49,004
	08	2,679	1,028	-	435	59,324	22,480	21,468	276	2,853	9,815	53,621	10,579	13,333	565,642	113,622	50,608
	09	1,737	-	651	1,257	49,097	27,107	15,862	403	2,194	8,881	48,892	14,213	15,325	566,664	113,541	50,301
	10	2,186	412	471	1,073	47,039	30,424	17,815	348	3,333	8,867	49,234	9,843	27,399	565,455	112,869	50,534
	11	2,147	743	-	796	35,095	18,671	20,508	675	2,713	10,459	36,174	5,216	21,489	564,334	112,267	49,276
	12	3,468	-	-	532	39,970	19,333	16,057	265	3,729	5,229	38,688	7,916	19,056	547,793	112,952	48,920

Note:

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

IRF – initial rate fixation

... insufficient data to be published

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

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

T11: Interest Rates on Loans to Non-Financial Corporations
 percentages per annum

		Non-financial Corporations												
		Loans in KM				Loans in KM Indexed to Foreign Currency								
		Up to an Amount of EUR 0.25 Million		Over an Amount of EUR 0.25 Million and up to EUR 1 Million	Over an Amount of EUR 1 Million	Up to an Amount of EUR 0.25 Million			Over an Amount of EUR 0.25 Million and up to EUR 1 Million			Over an Amount of EUR 1 Million	Revolving Loans and Overdrafts *	
Year	Period	Floating Interest Rates up to 1 Year IRF	Over 1 up to 5 Years IRF	Floating Interest Rates up to 1 Year IRF	Floating Interest Rates up to 1 Year IRF	Floating Interest Rates up to 1 Year IRF	Over 1 up to 5 Years IRF	Over 5 Years IRF	Floating Interest Rates up to 1 Year IRF	Over 1 up to 5 Years IRF	Over 5 Years IRF	Floating Interest Rates up to 1 Year IRF	Loans in KM	Loans in KM Indexed to Foreign Currency
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
Weighted monthly averages														
2015	12	6.608	6.409	4.988	5.626	6.687	5.816	6.189	5.812	5.902	6.260	5.953	5.519	5.955
2016	12	5.977	5.420	4.623	4.315	5.845	4.882	5.008	5.628	4.448	4.854	4.463	4.707	4.868
2017	12	4.881	4.823	3.507	3.249	4.647	4.348	5.302	4.388	3.772	4.601	3.518	4.011	4.131
2018	12	4.247	4.069	3.100	3.253	4.204	3.910	3.672	3.800	3.321	3.571	4.480	3.497	3.594
2019	12	3.753	4.095	2.881	2.470	4.127	4.166	4.757	3.944	3.161	3.248	4.133	3.167	3.168
2020	12	3.901	3.990	2.871	2.871	4.402	4.013	3.707	4.090	3.566	3.702	3.193	2.940	2.962
2020	01	4.045	3.990	2.768	...	4.221	4.464	5.160	4.367	3.350	...	3.990	3.130	3.166
	02	3.797	4.221	2.614	2.222	4.179	4.109	4.380	3.985	3.400	...	3.643	3.014	3.139
	03	3.735	4.210	2.974	2.665	4.026	3.975	4.879	3.865	3.277	4.398	3.163	3.014	2.940
	04	3.867	4.303	2.805	2.582	4.062	4.239	4.210	4.042	...	...	3.235	2.999	2.966
	05	3.845	4.046	2.391	2.320	4.004	4.331	4.301	3.243	2.612	4.417	2.641	3.013	2.996
	06	4.000	4.485	2.652	2.680	4.303	4.489	4.784	3.783	3.612	3.961	3.166	3.058	3.001
	07	3.833	3.891	2.992	2.329	4.256	4.697	4.689	3.533	2.834	3.907	3.692	3.010	3.035
	08	3.662	4.395	2.933	2.436	4.718	4.309	5.206	3.565	...	3.388	3.555	3.041	3.139
	09	3.696	4.073	2.950	2.799	4.295	4.163	5.104	4.397	2.851	3.736	3.810	3.071	3.149
	10	3.816	4.226	2.957	2.760	4.256	4.254	4.261	4.369	2.957	4.894	4.375	3.067	3.131
	11	3.517	4.074	2.689	2.283	4.284	4.567	4.174	3.681	2.841	...	...	3.024	3.101
	12	3.901	3.990	2.871	2.871	4.402	4.013	3.707	4.090	3.566	3.702	3.193	2.940	2.962
Loan amount (new business)													- KM thousand -	
2015	12	50,117	14,157	56,173	42,450	17,594	13,003	6,571	30,490	19,323	14,047	35,546	1,667,461	534,778
2016	12	48,482	19,022	68,596	35,951	18,266	15,794	5,580	10,638	6,238	18,458	45,779	1,865,259	461,392
2017	12	61,618	15,167	78,915	70,622	16,356	12,180	4,747	18,699	19,145	20,480	164,874	2,127,013	418,315
2018	12	51,404	26,718	62,726	79,085	8,815	14,021	3,637	23,544	11,311	9,906	25,588	2,367,482	686,874
2019	12	64,463	19,573	71,859	51,384	9,787	11,485	2,785	22,801	6,636	7,045	69,916	2,655,796	687,510
2020	12	53,146	15,109	52,781	78,165	13,827	8,360	3,090	20,556	8,376	13,742	83,128	2,649,665	341,675
2020	01	29,705	9,303	28,386	...	6,424	3,347	1,043	11,334	3,100	...	14,792	2,630,696	666,601
	02	40,983	13,415	44,667	69,911	7,693	9,719	1,311	23,252	7,580	...	25,072	2,562,770	378,590
	03	53,930	13,172	67,567	25,386	3,242	7,626	2,785	15,499	3,850	7,741	46,514	2,583,159	385,311
	04	52,786	5,948	47,032	47,740	14,935	8,045	2,854	27,214	...	...	16,000	2,559,463	381,498
	05	43,894	10,784	37,153	22,848	13,398	12,771	3,499	30,790	3,806	5,815	34,449	2,543,971	371,556
	06	42,751	12,834	48,821	40,751	14,011	11,245	4,667	19,807	4,826	13,276	40,424	2,652,107	369,516
	07	42,308	18,590	49,848	27,391	12,442	6,047	2,997	28,821	3,866	10,694	47,192	2,673,723	360,478
	08	31,003	5,302	42,859	30,007	8,371	5,665	1,800	20,410	...	2,629	25,576	2,705,595	292,888
	09	42,008	14,882	52,620	64,939	5,583	7,113	2,279	16,559	2,820	2,490	53,523	2,768,328	358,492
	10	45,849	12,264	48,814	31,150	10,489	7,015	3,015	23,575	6,468	5,903	38,361	2,755,700	348,399
	11	47,844	12,306	49,386	18,704	8,682	8,222	1,003	21,027	4,001	-	-	2,749,461	331,379
	12	53,146	15,109	52,781	78,165	13,827	8,360	3,090	20,556	8,376	13,742	83,128	2,649,665	341,675

Note:

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

IRF – initial rate fixation

... insufficient data to be published

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

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

T12: Interest Rates on Deposits of Households
percentages per annum

Households											
Year	Period	Deposits in KM and Indexed to Foreign Currency				Deposits in EUR				Deposits in Foreign Currency	
		with Agreed Maturity				with Agreed Maturity				with Agreed Maturity	Overnight Deposits *
		up to 1 Year Maturity	Over 1 and up to 2 Years Maturity	Over 2 Years Maturity	Overnight Deposits *	up to 1 Year Maturity	Over 1 and up to 2 Years Maturity	Over 2 Years Maturity	Overnight Deposits *		
1	2	3	4	5	6	7	8	9	10	11	12
Weighted monthly averages											
2015	12	1.062	2.164	2.358	0.091	1.236	2.128	2.684	0.129	0.966	0.061
2016	12	0.548	1.698	2.102	0.093	0.545	1.525	2.211	0.106	0.423	0.057
2017	12	0.234	1.346	1.458	0.065	0.309	1.265	1.533	0.062	0.572	0.046
2018	12	0.344	1.262	1.448	0.053	0.252	1.368	1.658	0.055	1.036	0.042
2019	12	0.299	1.137	1.232	0.061	0.378	1.158	1.570	0.051	0.944	0.040
2020	12	0.178	1.027	1.139	0.070	0.176	1.155	1.273	0.049	0.525	0.035
2020	01	0.226	0.879	1.227	0.064	0.358	0.983	1.430	0.053	0.623	0.038
	02	0.290	0.821	1.385	0.071	0.529	1.202	1.180	0.053	0.527	0.040
	03	0.381	1.022	1.264	0.071	0.308	0.913	1.295	0.052	0.451	0.040
	04	0.416	0.981	1.141	0.071	0.418	0.897	1.379	0.052	0.253	0.040
	05	0.391	0.967	1.179	0.071	0.470	0.894	1.096	0.052	0.797	0.039
	06	0.488	0.827	1.323	0.076	0.581	1.057	1.175	0.050	0.505	0.038
	07	0.431	0.673	0.966	0.073	0.377	0.989	1.316	0.053	0.623	0.038
	08	0.291	0.764	1.057	0.071	0.335	1.042	1.237	0.048	0.479	0.038
	09	0.306	0.851	1.201	0.071	0.294	1.042	1.258	0.049	0.296	0.038
	10	0.485	0.801	1.117	0.071	0.299	0.968	1.203	0.048	0.443	0.036
	11	0.234	0.955	0.967	0.071	0.277	1.133	1.138	0.048	0.860	0.036
	12	0.178	1.027	1.139	0.070	0.176	1.155	1.273	0.049	0.525	0.035
Deposit amount (new business)											
2015	12	15,246	29,802	27,103	2,540,711	22,363	57,842	54,185	921,532	7,180	233,901
2016	12	12,326	33,407	37,407	3,052,215	15,650	50,354	53,399	1,046,384	3,090	261,142
2017	12	11,394	24,378	19,272	3,375,019	11,119	50,394	38,014	1,248,762	3,981	287,026
2018	12	13,211	26,379	34,047	3,938,041	9,431	50,050	73,670	1,482,740	4,001	319,831
2019	12	16,084	22,228	28,581	4,537,961	10,740	44,538	70,124	1,658,352	4,723	345,752
2020	12	7,866	35,574	21,887	5,176,206	6,995	40,426	37,131	1,952,225	4,433	368,081
2020	01	8,575	20,289	24,730	4,590,846	11,702	38,613	47,156	1,673,742	3,170	349,840
	02	7,877	22,482	31,084	4,715,874	39,704	49,767	30,230	1,672,173	1,353	346,685
	03	8,143	19,370	22,126	4,542,921	9,313	25,388	24,837	1,630,633	3,683	334,430
	04	8,503	12,844	13,753	4,619,674	12,964	17,442	26,436	1,647,110	1,343	344,706
	05	7,329	17,872	26,633	4,646,327	8,709	25,874	24,964	1,656,805	4,591	341,584
	06	9,957	13,057	21,828	4,627,582	13,160	37,250	31,222	1,758,451	5,086	342,649
	07	12,946	9,914	17,246	4,586,427	12,767	35,961	35,677	1,692,880	3,203	341,552
	08	8,255	11,065	14,355	4,735,948	11,860	33,565	27,389	1,866,710	3,483	337,464
	09	9,562	14,978	20,628	4,784,493	9,318	40,993	56,306	1,879,790	3,046	348,911
	10	13,138	13,205	20,060	4,872,967	10,223	33,783	46,193	1,912,653	1,683	363,388
	11	5,094	12,385	12,851	4,946,754	8,736	50,253	49,861	1,891,316	2,417	359,592
	12	7,866	35,574	21,887	5,176,206	6,995	40,426	37,131	1,952,225	4,433	368,081

Note:

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

T13: Interest Rates on Deposits of Non-financial Corporations
 percentages per annum

Non-financial Corporations										
Year	Period	Deposits in KM and Indexed to Foreign Currency				Deposits in EUR				Deposits in Foreign Currency
		with Agreed Maturity				with Agreed Maturity				Overnight Deposits *
		Up to 1 Year Maturity	Over 1 and up to 2 Years Maturity	Over 2 Years Maturity	Overnight Deposits *	up to 1 Year Maturity	Over 1 and up to 2 Years Maturity	Over 2 Years Maturity	Overnight Deposits *	
1	2	13	14	15	16	17	18	19	20	21
Weighted monthly averages										
2015	12	0.930	1.428	1.937	0.122	0.609	2.469	...	0.097	0.057
2016	12	0.456	1.393	1.822	0.085	0.915	...	2.124	0.083	0.048
2017	12	0.708	1.588	...	0.045	0.588	...	...	0.019	0.033
2018	12	0.706	1.137	1.958	0.082	1.003	0.973	...	0.027	0.043
2019	12	0.445	1.229	1.491	0.031	0.864	1.012	1.305	0.029	0.028
2020	12	0.922	1.358	1.474	0.028	0.372	1.267	1.218	0.010	0.025
2020	01	0.432	0.926	1.290	0.031	...	...	...	0.024	0.033
	02	0.369	0.493	1.603	0.026	...	0.815	...	0.018	0.033
	03	0.688	0.799	...	0.033	...	1.239	...	0.019	0.026
	04	0.421	1.023	...	0.029	...	...	...	0.013	0.022
	05	0.455	1.212	1.526	0.029	...	1.079	...	0.021	0.021
	06	0.406	0.601	1.190	0.031	1.041	0.454	1.746	0.010	0.021
	07	0.776	1.015	1.294	0.032	0.727	0.994	1.598	0.014	0.020
	08	0.956	1.199	...	0.031	0.353	1.068	1.834	0.021	0.020
	09	0.586	0.221	1.259	0.028	...	1.432	1.302	0.020	0.021
	10	0.284	0.502	1.008	0.027	0.241	0.888	1.900	0.033	0.029
	11	0.592	0.630	1.092	0.028	0.222	0.978	1.704	0.028	0.027
	12	0.922	1.358	1.474	0.028	0.372	1.267	1.218	0.010	0.025
Deposit amount (new business)										- KM thousand -
2015	12	16,591	61,505	8,118	2,029,544	3,118	10,252	...	475,393	63,119
2016	12	19,822	14,794	8,874	2,168,102	1,663	...	17,116	523,643	75,169
2017	12	9,762	16,772	...	2,653,618	1,663	...	...	677,882	89,421
2018	12	54,947	9,121	39,381	3,229,644	10,788	3,815	...	741,850	64,148
2019	12	36,636	31,437	16,943	3,552,249	7,182	23,959	2,265	709,023	86,536
2020	12	22,325	20,927	14,571	3,753,355	7,259	117,688	8,458	919,880	130,453
2019	01	13,926	42,857	5,348	3,423,232	...	...	...	726,107	79,567
	02	1,698	598	5,814	3,284,794	...	2,152	...	698,557	75,015
	03	22,927	31,450	...	2,985,306	...	6,962	...	719,569	96,078
	04	25,540	11,192	...	3,220,977	...	...	...	724,733	73,683
	05	5,786	15,223	3,502	3,189,436	...	2,466	...	749,371	84,396
	06	14,292	576	5,954	3,233,023	7,227	1,519	15,560	866,464	97,017
	07	17,392	7,018	527	3,198,946	908	3,935	10,041	800,293	126,871
	08	25,465	5,794	-	3,342,907	482	5,592	14,187	826,224	119,548
	09	12,894	792	11,746	3,410,982	-	7,539	1,198	922,911	100,609
	10	4,231	924	2,170	3,622,582	1,573	12,178	5,290	909,298	131,638
	11	4,721	4,693	2,351	3,728,894	4,768	7,393	519	974,754	129,805
	12	22,325	20,927	14,571	3,753,355	7,259	117,688	8,458	919,880	130,453

Note:

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

T14: Total Deposits and Loans of Commercial Banks

- end of period, in KM million -

Year	Month	Deposits			Loans		
		Transferable Deposits	Other Deposits	Total Deposits	Short - term Loans	Long - term Loans	Total Loans
1	2	3	4	5(3+4)	6	7	8(6+7)
2010	12	5,556.9	6,972.4	12,529.3	3,614.8	10,530.3	14,145.1
2011	12	5,518.1	7,474.1	12,992.2	3,972.1	10,929.9	14,901.9
2012	12	5,306.9	8,018.8	13,325.8	4,271.2	11,271.3	15,542.5
2013	12	5,771.9	8,477.3	14,249.2	4,318.6	11,707.7	16,026.4
2014	12	6,292.8	9,082.5	15,375.2	4,170.2	12,303.3	16,473.5
2015	12	7,038.7	9,492.1	16,530.8	4,164.9	12,701.9	16,866.8
2016	12	8,056.6	9,695.5	17,752.1	4,152.6	13,048.5	17,201.1
2017	12	9,558.1	10,111.0	19,669.1	4,261.5	14,160.9	18,422.4
2018	12	11,318.5	10,431.3	21,749.8	4,289.8	15,196.1	19,485.8
2019	12	12,566.6	11,253.8	23,820.4	4,651.2	16,121.5	20,772.8
2020	12	13,851.5	11,130.7	24,982.2	4,295.1	16,052.3	20,347.4
2020	01	12,484.0	11,306.5	23,790.5	4,434.3	15,893.7	20,327.9
	02	12,515.1	11,453.8	23,968.9	4,448.8	15,988.9	20,437.7
	03	12,268.9	11,337.3	23,606.2	4,468.9	16,021.6	20,490.5
	04	12,223.0	11,147.9	23,370.8	4,442.4	15,862.1	20,304.5
	05	12,269.9	11,098.8	23,368.7	4,452.2	15,807.9	20,260.2
	06	12,703.8	11,082.9	23,786.7	4,492.4	15,903.6	20,396.0
	07	12,851.0	11,072.4	23,923.4	4,488.1	15,943.1	20,431.2
	08	13,107.0	11,087.3	24,194.3	4,427.1	15,914.4	20,341.5
	09	13,216.8	11,093.0	24,309.8	4,441.6	15,927.8	20,369.4
	10	13,390.8	11,094.7	24,485.5	4,396.8	16,010.9	20,407.7
	11	13,856.7	11,025.8	24,882.5	4,380.4	16,020.7	20,401.1
	12	13,851.5	11,130.7	24,982.2	4,295.1	16,052.3	20,347.4

Note:

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

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

See note on page 179

T15: Structure of Transferable Deposits in Commercial Banks by Sectors

- end of period, in KM million -

DEPOSITS OF ALL DOMESTIC INSTITUTIONAL SECTORS													
Year	Month	Deposits of BH Institutions	Entity Governments' Deposits	Deposits of Cantonal Governments	Deposits of Municipal Governments	Deposits of Social Security Funds	Deposits of Other Financial Institutions	Deposits of Non-financial Public Enterprises	Deposits of Non-financial Private Enterprises	Deposits of Non-profit Organisations	Deposits of Households	Other Deposits	Total
1	2	3	4	5	6	7	8	9	10	11	12	13	14 = 3+...+13
2010	12	58.8	458.1	291.0	194.6	149.7	144.2	723.8	1,444.3	172.4	1,904.0	16.1	5,556.9
2011	12	42.2	413.1	290.9	190.0	154.8	176.9	688.5	1,447.8	182.1	1,917.2	14.7	5,518.1
2012	12	94.0	339.2	231.1	195.2	105.9	161.5	517.5	1,443.4	186.5	2,015.3	17.0	5,306.9
2013	12	65.3	300.8	228.1	172.4	79.0	209.7	615.2	1,667.4	194.4	2,226.8	12.8	5,771.9
2014	12	60.0	412.1	261.4	176.9	61.4	171.5	470.8	1,954.4	247.9	2,462.7	13.7	6,292.8
2015	12	102.2	468.3	312.0	209.3	33.9	198.7	498.8	2,104.8	245.0	2,841.6	24.2	7,038.7
2016	12	94.9	520.2	399.6	255.6	58.1	190.1	523.9	2,313.6	251.1	3,431.4	18.0	8,056.6
2017	12	150.8	612.8	575.2	305.9	130.0	230.2	618.1	2,775.5	281.5	3,858.3	19.6	9,558.1
2018	12	122.8	932.2	691.9	365.7	261.0	273.7	724.0	3,095.3	303.2	4,523.7	24.9	11,318.5
2019	12	122.1	885.8	823.8	395.1	323.9	284.6	684.7	3,437.2	345.1	5,242.8	21.5	12,566.6
2020	12	133.4	906.1	801.9	398.1	129.5	362.7	764.6	4,018.1	406.7	5,892.3	38.1	13,851.5
2020	01	116.5	900.8	776.5	428.6	200.9	290.4	686.0	3,414.7	360.2	5,284.2	25.2	12,484.0
	02	126.6	944.2	773.6	444.0	161.7	275.4	778.2	3,284.2	357.5	5,346.1	23.7	12,515.1
	03	126.9	812.0	788.3	466.3	162.1	261.2	789.1	3,277.5	364.4	5,197.0	24.2	12,268.9
	04	152.5	752.4	768.9	438.0	181.9	252.4	843.1	3,150.5	360.7	5,299.5	23.2	12,223.0
	05	145.4	800.0	745.1	415.1	137.8	279.8	745.0	3,291.8	367.5	5,324.1	18.0	12,269.9
	06	124.6	1,080.6	713.3	433.3	131.4	304.7	640.8	3,517.1	370.8	5,368.5	18.7	12,703.8
	07	102.6	1,044.1	740.7	437.5	137.7	267.4	730.7	3,532.6	394.3	5,444.4	19.0	12,851.0
	08	129.8	929.9	910.0	450.0	123.2	287.3	705.4	3,636.5	398.2	5,516.2	20.5	13,107.0
	09	119.0	945.3	906.2	441.6	126.1	285.7	708.6	3,697.7	402.7	5,563.2	20.6	13,216.8
	10	156.1	883.3	880.1	437.9	130.0	285.6	722.8	3,831.6	395.9	5,629.3	38.3	13,390.8
	11	152.5	1,081.0	851.5	414.0	163.6	294.7	831.3	3,946.0	396.6	5,689.0	36.6	13,856.7
	12	133.4	906.1	801.9	398.1	129.5	362.7	764.6	4,018.1	406.7	5,892.3	38.1	13,851.5

Note:

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

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

See note on page 179

T16: Structure of Other Deposits in Commercial Banks by Sectors

- end of period, in KM million -

DEPOSITS OF ALL DOMESTIC INSTITUTIONAL SECTORS													
Year	Month	Deposits of BH Institutions	Entity Governments' Deposits	Deposits of Cantonal Governments	Deposits of Municipal Governments	Deposits of Social Security Funds	Deposits of Other Financial Institutions	Deposits of Non-financial Public Enterprises	Deposits of Non-financial Private Enterprises	Deposits of Nonprofit Organisations	Deposits of Households	Other Deposits	Total
1	2	3	4	5	6	7	8	9	10	11	12	13	14 = 3+...+13
2010	12	22.5	383.2	16.8	41.2	49.2	438.8	825.0	504.5	91.2	4,580.4	19.6	6,972.4
2011	12	62.8	237.8	24.0	30.0	41.7	567.5	816.3	471.5	79.1	5,134.1	9.2	7,474.1
2012	12	31.7	242.0	21.4	27.6	31.0	598.3	778.9	537.8	87.1	5,639.9	23.0	8,018.8
2013	12	62.7	170.8	21.0	26.6	35.0	651.4	724.0	531.1	100.3	6,137.1	17.1	8,477.3
2014	12	127.1	266.0	36.8	36.0	32.0	674.0	669.6	529.3	115.6	6,579.3	16.6	9,082.5
2015	12	129.7	224.7	25.0	36.3	31.9	693.0	688.7	501.9	120.7	7,023.2	17.0	9,492.1
2016	12	73.4	226.3	26.4	22.3	34.7	771.4	695.9	474.2	123.4	7,229.7	17.6	9,695.5
2017	12	116.6	243.8	24.3	34.4	22.9	816.8	766.7	554.4	102.6	7,412.8	15.7	10,111.0
2018	12	62.6	267.5	41.9	37.4	16.7	873.7	758.4	627.8	95.7	7,622.7	26.9	10,431.3
2019	12	51.7	582.1	90.8	51.2	28.8	870.8	826.0	615.4	102.4	7,998.1	36.6	11,253.8
2020	12	85.7	725.0	30.1	25.4	28.8	768.5	791.5	688.8	93.3	7,868.4	25.3	11,130.7
2020	01	30.1	604.9	89.6	44.3	26.6	853.1	841.8	657.7	102.2	8,024.1	32.2	11,306.5
	02	89.5	615.2	111.4	47.3	21.6	876.9	857.8	647.5	100.3	8,053.0	33.4	11,453.8
	03	128.6	687.4	101.4	39.4	22.0	890.3	857.7	584.9	99.6	7,893.7	32.2	11,337.3
	04	128.4	676.6	79.2	39.2	30.5	856.8	844.9	584.9	97.7	7,776.4	33.2	11,147.9
	05	88.4	719.4	63.9	34.2	25.6	841.7	851.7	573.5	100.1	7,767.4	32.9	11,098.8
	06	88.6	682.2	62.9	37.0	32.7	815.8	847.4	623.0	105.2	7,757.5	30.7	11,082.9
	07	88.4	670.5	62.6	33.0	33.0	833.1	816.6	635.4	102.3	7,758.2	39.4	11,072.4
	08	88.1	711.6	61.7	33.3	30.1	801.5	815.7	657.0	99.9	7,756.3	32.0	11,087.3
	09	87.2	724.6	61.0	32.3	32.5	776.1	822.9	652.8	97.6	7,773.2	32.8	11,093.0
	10	86.0	719.5	60.1	29.5	37.0	791.8	798.1	671.9	95.5	7,778.6	26.7	11,094.7
	11	86.1	717.7	58.7	26.4	34.8	795.8	695.7	688.9	92.5	7,793.6	35.6	11,025.8
	12	85.7	725.0	30.1	25.4	28.8	768.5	791.5	688.8	93.3	7,868.4	25.3	11,130.7

Note:

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

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

See note on page 179

T17: Structure of Short-Term Loans of Commercial Banks by Sectors

- end of period, in KM million -

LOANS TO DOMESTIC INSTITUTIONAL SECTORS													
Year	Month	Loans to BH Institutions	Loans to Entity Governments	Loans to Cantonal Governments	Loans to Municipal Governments	Loans to Social Security Funds	Loans to Other Financial Institutions	Loans to Non-financial Public Enterprises	Loans to Non-financial Private Enterprises	Loans to Non-profit Organizations	Loans to Households	Other Loans	Total
1	2	3	4	5	6	7	8	9	10	11	12	13	14 = 3+...+13
2010	12	0.1	6.1	2.3	21.9	40.6	28.1	69.1	2,624.0	13.5	801.9	7.1	3,614.8
2011	12	0.0	11.9	1.4	21.5	26.0	37.4	70.1	2,935.2	5.9	858.4	4.2	3,972.1
2012	12	0.0	2.6	0.7	22.2	9.9	41.1	73.8	3,188.4	6.7	919.5	6.3	4,271.2
2013	12	0.0	12.9	0.6	40.1	35.3	28.5	89.2	3,152.2	5.5	942.2	12.1	4,318.6
2014	12	0.0	26.7	4.0	45.3	26.0	27.4	90.7	2,989.7	4.9	936.4	19.0	4,170.2
2015	12	0.0	72.0	4.8	22.0	39.4	28.3	86.4	2,944.8	4.2	937.0	26.0	4,164.9
2016	12	0.0	48.0	1.6	19.8	8.5	27.2	90.4	3,030.0	7.2	904.9	14.9	4,152.6
2017	12	0.0	44.3	1.4	15.7	7.8	33.8	73.2	3,163.2	10.2	896.4	15.4	4,261.5
2018	12	0.0	60.2	1.1	12.8	4.3	40.6	89.6	3,151.5	6.2	911.3	12.1	4,289.8
2019	12	0.0	17.3	0.1	12.5	2.0	49.3	104.1	3,537.7	6.8	919.8	1.7	4,651.2
2020	12	0.0	19.0	0.1	16.7	5.7	33.7	103.4	3,282.5	10.8	821.8	1.3	4,295.1
2020	01	0.0	17.2	0.1	13.1	2.2	44.2	99.3	3,409.8	6.9	840.4	1.1	4,434.3
	02	0.0	17.4	0.5	12.3	2.7	44.7	95.4	3,429.2	8.3	837.1	1.3	4,448.8
	03	0.0	16.5	0.5	11.9	3.3	39.9	98.2	3,450.7	7.9	839.0	1.1	4,468.9
	04	0.0	17.5	0.4	13.7	3.8	35.8	92.9	3,460.5	8.9	807.7	1.1	4,442.4
	05	0.0	20.7	0.5	14.3	4.4	30.0	93.9	3,452.2	11.6	823.3	1.4	4,452.2
	06	0.0	18.0	0.1	11.7	4.6	37.0	91.4	3,479.3	12.1	836.9	1.3	4,492.4
	07	0.0	13.8	0.3	12.6	5.2	37.1	91.9	3,470.6	12.7	842.4	1.3	4,488.1
	08	0.0	17.1	0.4	12.6	5.7	35.3	102.5	3,393.7	12.6	845.9	1.2	4,427.1
	09	0.0	17.1	0.6	13.3	6.0	34.4	111.9	3,400.6	12.1	844.4	1.1	4,441.6
	10	0.0	17.1	0.6	12.3	5.2	37.6	99.3	3,376.9	11.6	834.9	1.3	4,396.8
	11	0.0	17.4	1.0	17.7	5.4	31.1	102.9	3,358.8	10.9	833.5	1.7	4,380.4
	12	0.0	19.0	0.1	16.7	5.7	33.7	103.4	3,282.5	10.8	821.8	1.3	4,295.1

Note:

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

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

See note on page 179

T18: Structure of Long -Term Loans of Commercial Banks by Sectors

- end of period, in KM million -

LOANS TO ALL DOMESTIC INSTITUTIONAL SECTORS													
Year	Month	Loans to BH Institutions	Loans to Entity Governments	Loans to Cantonal Governments	Loans to Municipal Governments	Loans to Social Security Funds	Loans to other Financial Institutions	Loans to Nonfinancial Public Enterprises	Loans to Non-financial Private Enterprises	Loans to Non-profit Organizations	Loans to Households	Other Loans	Total
1	2	3	4	5	6	7	8	9	10	11	12	13	14 = 3+...+13
2010	12	0.1	105.8	40.2	201.6	26.5	27.0	270.8	4,309.5	17.4	5,522.3	9.1	10,530.3
2011	12	0.0	233.2	42.8	251.1	38.8	25.4	285.3	4,186.7	12.7	5,846.4	7.5	10,929.9
2012	12	0.0	404.3	68.7	289.5	28.4	19.3	313.0	4,248.8	16.3	5,875.2	7.9	11,271.3
2013	12	0.0	418.6	77.9	299.4	17.5	23.4	361.5	4,369.0	15.0	6,123.0	2.5	11,707.7
2014	12	0.0	465.2	161.2	295.2	77.1	20.0	351.4	4,429.6	9.7	6,491.7	2.3	12,303.3
2015	12	0.0	418.3	225.5	281.7	99.0	31.8	310.3	4,473.4	12.5	6,847.2	2.2	12,701.9
2016	12	0.0	295.5	231.5	262.0	95.7	25.2	281.5	4,673.3	11.9	7,171.4	0.5	13,048.5
2017	12	0.0	333.7	207.8	276.3	79.5	49.6	328.4	5,156.5	11.6	7,717.3	0.2	14,160.9
2018	12	0.0	328.5	185.7	279.4	169.9	85.0	331.7	5,471.5	14.1	8,330.0	0.4	15,196.1
2019	12	0.0	399.2	168.6	301.0	197.5	95.3	393.5	5,496.3	13.8	9,055.8	0.5	16,121.5
2020	12	11.6	403.1	142.1	357.4	205.5	111.1	432.3	5,305.9	9.7	9,073.0	0.7	16,052.3
2020	01	0.0	393.5	164.1	301.7	196.2	90.2	385.7	5,355.5	13.3	8,992.9	0.7	15,893.7
	02	0.0	388.2	162.6	305.6	224.6	90.8	384.2	5,375.5	13.1	9,043.6	0.6	15,988.9
	03	0.0	383.0	155.7	315.8	222.9	99.5	376.9	5,391.2	12.9	9,063.0	0.7	16,021.6
	04	0.0	378.7	152.4	315.4	221.4	103.7	376.5	5,300.8	13.2	8,999.3	0.7	15,862.1
	05	0.0	373.9	150.6	313.2	221.3	105.0	372.0	5,286.1	13.0	8,972.2	0.7	15,807.9
	06	0.0	373.8	143.3	330.5	219.9	110.4	444.5	5,261.6	11.3	9,007.6	0.7	15,903.6
	07	0.0	382.0	138.7	329.9	218.6	117.1	445.2	5,257.6	10.0	9,043.3	0.7	15,943.1
	08	0.0	375.6	137.3	336.5	216.1	115.6	439.4	5,228.8	10.3	9,054.0	0.7	15,914.4
	09	0.0	370.6	141.2	346.5	213.8	110.5	426.9	5,227.2	9.9	9,080.5	0.7	15,927.8
	10	0.0	411.1	148.4	356.4	210.1	105.2	420.3	5,245.6	9.9	9,103.1	0.7	16,010.9
	11	11.6	406.1	147.0	355.9	207.3	101.9	419.6	5,264.7	10.0	9,095.9	0.7	16,020.7
	12	11.6	403.1	142.1	357.4	205.5	111.1	432.3	5,305.9	9.7	9,073.0	0.7	16,052.3

Note:

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

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

See note on page 179

T19: Purchase and Sale of Convertible Mark
 - in KM thousand -

Year	Month	Sale	Purchase	Balance	Cumulative Balance
1	2	3	4	5(3-4)	6
2010		5,273,777	5,014,550	259,227	5,527,351
2011		5,088,041	5,162,710	-74,669	5,452,682
2012		5,511,162	5,491,846	19,316	5,471,998
2013		4,588,615	3,918,598	670,017	6,142,015
2014		5,065,358	4,379,047	686,312	6,828,327
2015		5,470,552	4,699,060	771,492	7,599,818
2016		7,485,849	6,622,039	863,811	8,463,629
2017		8,476,378	7,421,186	1,055,192	9,518,821
2018		10,792,432	9,780,514	1,011,918	10,530,740
2019		11,385,556	10,533,525	852,031	11,382,771
2020		11,344,462	10,184,558	1,159,904	12,542,676
2020	01	639,026	844,308	-205,282	11,177,489
	02	826,631	863,514	-36,883	11,140,606
	03	998,579	915,552	83,027	11,223,633
	04	664,826	652,487	12,339	11,235,972
	05	654,761	759,414	-104,653	11,131,319
	06	1,342,472	959,434	383,038	11,514,357
	07	988,186	805,887	182,299	11,696,656
	08	908,232	801,304	106,928	11,803,585
	09	987,579	977,448	10,131	11,813,715
	10	967,306	928,807	38,499	11,852,214
	11	1,108,933	759,972	348,961	12,201,175
	12	1,257,930	916,430	341,501	12,542,676

T20: Average Reserve Requirements
 - in KM thousand -

Year	Month	Base for Required Reserve Calculation*	Average Reserve Requirement	Average Balance on the Required Reserve Accounts with the CBBH	Balance
1	2	3	4	5	6=5-4
2010		15,617,849	1,624,905	3,154,793	1,529,888
2011		15,227,393	1,323,886	2,959,315	1,635,429
2012		14,755,574	1,257,850	2,711,013	1,453,163
2013		15,162,241	1,290,758	3,103,865	1,813,107
2014		15,999,278	1,370,137	3,577,824	2,207,688
2015		16,664,525	1,432,593	3,770,500	2,337,907
2016		18,494,243	1,734,081	4,057,613	2,323,532
2017		21,224,853	2,122,485	4,303,340	2,180,855
2018		23,537,084	2,353,708	5,205,234	2,851,526
2019		25,752,968	2,575,297	5,589,021	3,013,724
2020		26,950,173	2,695,017	5,409,751	2,714,733
2020	01	27,014,743	2,701,474	5,744,921	3,043,447
	02	27,228,745	2,722,875	5,645,575	2,922,701
	03	27,190,309	2,719,031	5,366,186	2,647,155
	04	26,744,903	2,674,490	5,110,349	2,435,859
	05	26,576,794	2,657,679	5,000,595	2,342,916
	06	26,835,873	2,683,587	5,279,947	2,596,360
	07	26,703,009	2,670,301	5,328,314	2,658,013
	08	26,773,288	2,677,329	5,394,600	2,717,271
	09	26,909,158	2,690,916	5,438,573	2,747,657
	10	26,995,796	2,699,580	5,380,750	2,681,170
	11	27,103,451	2,710,345	5,469,907	2,759,562
	12	27,326,008	2,732,601	5,757,292	3,024,691

Note:

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

From 1 July 2016, the CBBH applies the new rates for the calculation of fees to the funds in the banks' reserves accounts : in the accounting period, the Central Bank does not charge a fee on the amount of required reserves in commercial banks' reserves accounts, and on the amount of excess reserves, the CBBH charges the fee at the rate equal to 50% of the rate applied to commercial banks' deposits (deposit facility rate) by the European Central Bank. From 01 May 2015, the Central Bank has calculated the compensation for a bank on the amount of the bank's funds in the reserve account with the Central Bank in the calculation period, as it follows:

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

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

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

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

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

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

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

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

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

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

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

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

T21: Payments System Transactions
 - in KM million -

Year	Month	RTGS		GYRO CLEARING		TOTAL	
		Number of Transactions	Amount	Number of Transactions	Amount	Number of Transactions	Amount
1	2	3	4	5	6	7=3+5	8=4+6
2010		713,755	55,281	31,060,911	12,498	31,774,666	67,779
2011		760,459	63,608	31,729,367	13,046	32,489,826	76,653
2012		763,522	68,310	33,073,839	13,223	33,837,361	81,533
2013		773,099	63,232	35,026,526	13,373	35,799,626	76,605
2014		821,897	73,897	37,108,440	13,961	37,930,337	87,858
2015		874,575	70,655	38,212,073	14,451	39,086,648	85,106
2016		935,319	72,876	39,068,883	15,509	40,004,202	88,380
2017		996,043	79,855	40,111,318	16,388	41,107,361	96,243
2018		1,067,256	85,393	41,266,770	17,277	42,334,026	102,670
2019		1,105,320	104,826	42,496,286	18,221	43,601,606	123,056
2020		1,072,023	87,108	42,702,383	18,024	43,774,406	105,132
2020	01	83,697	8,242	3,304,329	1,381	3,388,026	9,623
	02	85,116	7,468	3,495,519	1,445	3,580,635	8,914
	03	89,986	6,968	3,339,918	1,472	3,429,904	8,440
	04	76,656	6,101	3,023,572	1,302	3,100,228	7,403
	05	75,891	5,575	3,158,000	1,292	3,233,891	6,867
	06	87,382	7,723	3,783,692	1,523	3,871,074	9,246
	07	94,242	7,671	3,942,184	1,618	4,036,426	9,289
	08	86,002	6,868	3,483,997	1,463	3,569,999	8,330
	09	93,257	7,230	3,759,842	1,598	3,853,099	8,828
	10	98,240	7,266	3,832,059	1,618	3,930,299	8,884
	11	90,997	7,371	3,505,921	1,510	3,596,918	8,881
	12	110,557	8,625	4,073,350	1,803	4,183,907	10,428

T22: BH Balance of Payments
 - in KM million -

Period	CURRENT ACCOUNT				Total	CAPITAL ACCOUNT	FINANCIAL ACCOUNT	NET ERRORS AND OMISSIONS
	Goods	Services	Primary Income	Secondary Income				
	1	2	3	4	5=1+2+3+4	6	7	8 = 7 - (5+6)
2010	-7,186	1,713	413	3,529	-1,531	389	-957	184
2011	-7,827	1,593	211	3,540	-2,483	357	-2,039	88
2012	-7,779	1,631	205	3,676	-2,266	334	-1,806	127
2013	-7,099	1,624	357	3,694	-1,425	337	-909	179
2014	-7,874	1,698	224	3,969	-1,983	442	-1,428	113
2015	-7,176	1,951	195	3,573	-1,458	364	-885	209
2016	-7,089	2,118	41	3,507	-1,424	300	-817	306
2017	-7,417	2,329	-263	3,831	-1,520	342	-898	281
2018	-7,521	2,592	-199	4,010	-1,118	311	-893	-86
2019	-7,965	2,770	-21	4,130	-1,087	298	-592	197
2020	-6,329	1,358	113	3,768	-1,090	310	-583	197
2014 Q1	-1,733	393	81	833	-427	76	-472	-122
Q2	-1,912	402	-86	989	-607	85	-367	155
Q3	-2,135	513	68	1,071	-483	153	-172	158
Q4	-2,094	390	161	1,076	-466	128	-417	-78
2015 Q1	-1,560	371	53	880	-257	100	-276	-119
Q2	-1,876	512	-35	901	-498	99	-286	114
Q3	-1,934	649	-17	891	-410	83	-209	118
Q4	-1,805	418	194	901	-293	82	-114	96
2016 Q1	-1,543	416	31	745	-351	70	-361	-80
Q2	-1,866	563	-27	904	-425	77	-203	145
Q3	-1,796	646	14	927	-210	78	54	185
Q4	-1,885	493	23	931	-438	75	-307	56
2017 Q1	-1,610	455	15	844	-296	82	-333	-119
Q2	-1,984	614	-189	1,005	-555	86	-259	210
Q3	-1,884	727	-127	993	-291	88	14	218
Q4	-1,938	533	38	988	-378	86	-320	-28
2018 Q1	-1,681	440	-19	894	-366	72	-515	-220
Q2	-1,902	698	-86	1,076	-214	76	-95	44
Q3	-2,015	865	-81	1,046	-185	85	-62	38
Q4	-1,923	590	-13	993	-352	79	-222	52
2019 Q1	-1,872	508	31	911	-422	73	-396	-47
Q2	-2,082	820	-101	1,075	-288	75	-290	-77
Q3	-1,987	871	-5	1,058	-63	75	179	166
Q4	-2,025	570	54	1,086	-314	75	-84	155
2020 Q1	-1,660	372	46	929	-313	66	-371	-124
Q2	-1,432	302	-10	900	-240	64	-270	-94
Q3	-1,633	336	8	955	-334	84	-32	218
Q4	-1,604	348	69	984	-203	96	90	198

Note:

The BH Balance of Payments is compiled in accordance with the IMF methodology (Balance of Payments and International Investment Position Manual, 6th edition – BPM6).

The detailed methodological information can be found on the web, at www.cbbh.ba/statistics

T23: BH Balance of Payments: Current Account and Capital Account
 - in KM million -

CURRENT ACCOUNT											CAPITAL ACCOUNT			
Period	Goods		Services		Primary Income		Secondary Income		Credit	Debit	Balance	Credit	Debit	Balance
	Credit	Debit	Credit	Debit	Credit	Debit	Credit	Debit						
	1	2	3	4	5	6	7	8	9 = 1+3+5+7	10 = 2+4+6+8	11 = 9-10	12	13	14 = 12 - 13
2010	5,015	12,201	2,518	804	881	468	3,787	257	12,200	13,731	-1,531	389	0	389
2011	6,029	13,856	2,374	781	935	725	3,818	278	13,157	15,640	-2,483	357	0	357
2012	6,067	13,846	2,416	785	874	669	3,954	277	13,311	15,577	-2,266	334	0	334
2013	6,645	13,743	2,391	768	864	507	3,973	279	13,873	15,297	-1,425	337	0	337
2014	6,847	14,721	2,452	754	955	731	4,267	298	14,521	16,504	-1,983	442	0	442
2015	7,196	14,372	2,962	1,012	929	734	3,909	336	14,997	16,454	-1,458	364	0	364
2016	7,700	14,789	3,168	1,051	929	889	3,852	345	15,649	17,073	-1,424	300	0	300
2017	9,341	16,758	3,484	1,154	969	1,233	4,192	362	17,986	19,506	-1,520	342	0	342
2018	10,418	17,940	3,802	1,209	1,026	1,226	4,404	394	19,651	20,769	-1,118	311	0	311
2019	10,179	18,145	4,107	1,337	1,133	1,154	4,543	412	19,961	21,048	-1,087	298	0	298
2020	9,403	15,733	2,242	884	699	586	4,201	433	16,545	17,635	-1,090	311	0	310
2014 Q1	1,546	3,279	525	132	225	144	903	70	3,198	3,625	-427	76	0	76
Q2	1,698	3,610	586	184	238	324	1,060	71	3,582	4,189	-607	85	0	85
Q3	1,792	3,927	790	277	258	190	1,151	80	3,990	4,473	-483	153	0	153
Q4	1,811	3,905	551	161	235	73	1,153	76	3,750	4,216	-466	128	0	128
2015 Q1	1,666	3,227	566	194	239	186	949	69	3,420	3,677	-257	100	0	100
Q2	1,803	3,679	755	243	219	254	989	88	3,766	4,264	-498	99	0	99
Q3	1,870	3,804	1,009	360	250	266	979	88	4,107	4,518	-410	83	0	83
Q4	1,858	3,663	632	214	222	28	992	91	3,704	3,996	-293	82	0	82
2016 Q1	1,657	3,200	616	200	221	190	830	85	3,324	3,675	-351	70	0	70
Q2	1,950	3,816	793	230	223	250	988	84	3,955	4,380	-425	77	0	77
Q3	1,985	3,781	1,040	394	256	242	1,011	84	4,292	4,501	-210	78	0	78
Q4	2,107	3,992	719	227	229	206	1,023	91	4,078	4,516	-438	75	0	75
2017 Q1	2,043	3,653	662	206	235	220	935	90	3,874	4,170	-296	82	0	82
Q2	2,302	4,287	885	272	240	429	1,092	87	4,520	5,074	-555	86	0	86
Q3	2,491	4,375	1,160	433	257	384	1,086	92	4,994	5,285	-291	88	0	88
Q4	2,505	4,442	776	243	238	199	1,080	92	4,598	4,977	-378	86	0	86
2018 Q1	2,390	4,072	683	243	252	270	986	92	4,311	4,677	-366	72	0	72
Q2	2,672	4,574	973	276	251	337	1,172	96	5,068	5,282	-214	76	0	76
Q3	2,692	4,707	1,309	444	259	340	1,140	94	5,400	5,586	-185	85	0	85
Q4	2,664	4,587	837	246	265	277	1,106	113	4,871	5,224	-352	79	0	79
2019 Q1	2,368	4,241	757	249	283	252	1,003	91	4,411	4,833	-422	73	0	73
Q2	2,694	4,775	1,136	317	260	361	1,174	99	5,263	5,551	-288	75	0	75
Q3	2,585	4,572	1,359	487	269	275	1,164	106	5,377	5,440	-63	75	0	75
Q4	2,532	4,557	855	284	321	267	1,202	116	4,910	5,224	-314	75	0	75
2020 Q1	2,340	4,000	611	239	233	187	1,029	100	4,214	4,526	-313	66	0	66
Q2	2,042	3,474	459	157	145	155	996	96	3,642	3,882	-240	64	0	64
Q3	2,383	4,016	595	259	159	150	1,073	118	4,210	4,544	-334	84	0	84
Q4	2,638	4,242	577	229	162	93	1,103	119	4,480	4,683	-203	96	0	96

Note:

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

T24: BH Balance of Payments: Financial Account
 - in KM million -

Period	FINANCIAL ACCOUNT					Total
	Direct investment	Portfolio investment	Financial derivatives	Other investment	Reserve assets	
	1	2	3	4	5	6 = 1+ ... + 5
2010	-532	173	0	-857	258	-957
2011	-674	46	0	-1,378	-33	-2,039
2012	-506	19	0	-1,391	73	-1,806
2013	-342	144	0	-1,420	709	-909
2014	-784	107	0	-1,463	712	-1,428
2015	-509	110	0	-1,366	881	-885
2016	-550	167	1	-1,365	930	-817
2017	-717	157	1	-1,473	1,136	-898
2018	-992	256	-5	-1,265	1,114	-893
2019	-693	216	-1	-1,048	935	-592
2020	-645	40	0	-1,221	1,244	-583
2014 Q1	-250	13	0	-75	-161	-472
Q2	-230	31	0	-330	163	-367
Q3	-116	-20	0	-661	625	-172
Q4	-189	83	0	-396	85	-417
2015 Q1	-105	-14	0	-106	-52	-276
Q2	-210	-44	0	-245	213	-286
Q3	-105	77	0	-558	378	-209
Q4	-89	91	0	-458	342	-114
2016 Q1	-172	1	0	-128	-62	-361
Q2	-59	47	0	-343	152	-203
Q3	-123	80	0	-595	692	54
Q4	-197	39	0	-298	148	-307
2017 Q1	-317	66	1	175	-257	-333
Q2	-118	22	0	-422	260	-259
Q3	-155	64	0	-642	747	14
Q4	-128	5	0	-583	386	-320
2018 Q1	-329	-19	0	-470	304	-515
Q2	-188	23	-1	-163	233	-95
Q3	-314	82	-1	-384	555	-62
Q4	-160	169	-3	-249	22	-222
2019 Q1	-265	64	0	30	-225	-396
Q2	-394	111	0	-500	492	-290
Q3	-86	14	-1	-131	382	179
Q4	52	27	0	-448	286	-84
2020 Q1	-243	-29	0	46	-145	-371
Q2	-151	27	0	-667	520	-270
Q3	-97	-1	-1	-255	322	-32
Q4	-155	43	1	-344	546	90

Note:

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

T25: Government Sector Foreign Debt Servicing
 - in KM thousand -

Creditor	2014	2015	2016	2017	2018	2019	2020		
							Principal	Interest	Total
Public creditors	693,718	515,617	648,016	909,078	918,240	756,735	578,320	126,057	704,376
International and regional organizations	620,692	425,697	549,724	785,931	773,242	596,376	416,168	103,145	519,313
European Investment Bank	51,583	59,051	79,346	88,995	98,079	100,344	96,765	21,963	118,727
European Bank for Reconstr. and Development	112,436	121,045	112,893	89,765	117,528	118,638	113,253	6,060	119,313
World Bank - IDA	56,489	67,968	104,563	142,855	130,584	144,276	120,654	41,804	162,458
World Bank - IBRD	43,490	51,235	52,836	52,520	52,785	64,732	51,864	19,050	70,914
Council of Europe Development Bank	3,086	4,112	4,740	5,306	5,390	5,817	6,706	1,460	8,166
International Fund of Agriculture Development	2,902	3,784	4,113	4,241	4,033	4,157	3,457	692	4,149
IMF	338,799	106,677	179,498	390,523	353,116	127,129	0	8,601	8,601
EUROFIMA	0	0	0	0	0	0	0	0	0
European Commission	11,907	11,824	11,735	11,726	11,726	31,284	23,470	3,516	26,986
Government and government agencies	73,026	89,919	98,293	123,147	144,997	160,359	162,152	22,911	185,063
Paris Club ¹⁾	33,811	38,344	40,906	43,055	46,256	50,203	46,712	6,713	53,425
Saudi Development Fund	4,505	6,698	7,818	9,680	9,895	10,380	8,522	1,886	10,408
Other bilateral ²⁾	34,710	44,877	49,568	70,411	88,846	99,776	106,918	14,312	121,230
Private creditors	67,177	65,706	75,090	74,155	37,079	36,897	36,377	314	36,691
London Club ¹⁾	67,177	65,706	75,090	74,155	37,079	36,897	36,377	314	36,691
Total	760,895	581,323	723,106	983,233	955,319	793,632	614,697	126,371	741,067

Source:

BH Ministry of Finance and Treasury

1) Debt incurred before 1992

2) Other bilateral contains the following creditors: Fortis Bank, Government of Japan, OPEC, KfW, Government of Spain, Export-Import Bank of Korea (EximBank), Austrian Bank, Belgium, Labor and Economy Bank (BAWAG), Raiffaisen Bank.

T26: General government gross debt (Maastricht debt)

-end of period, in KM million -

GENERAL GOVERNMENT GROSS DEBT (Maastricht debt)				
Year	EXTERNAL DEBT			Maastricht debt
	Total	Public creditors	Private creditors	
1	2=3+4	3	4	5
2010	6,291.0	5,601.2	689.9	7,657.6
2011	6,663.1	6,014.6	648.5	8,605.0
2012	7,211.8	6,598.6	613.2	9,576.6
2013	7,563.0	6,995.1	567.9	10,069.5
2014	8,442.3	7,928.6	513.7	11,381.0
2015	8,692.6	8,238.5	454.1	11,982.1
2016	8,872.5	8,504.4	368.1	12,094.8
2017	8,147.0	7,870.1	276.9	11,325.8
2018	8,198.1	7,935.6	262.6	11,424.6
2019*	8,140.1	7,933.6	206.5	11,561.2
2020**	8,686.8	8,538.2	148.6	12,502.9

Source:

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

*Data for 2019 has been revised

**Data for 2020 are provisional

Note:

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

T27: Foreign Reserves of the CBBH

- end of period, in KM million -

Year	Month	Gross Foreign Reserves							Net Foreign Reserves	Monetary Liabilities	Net Foreign Assets of CBBH
		Gold	Holdings of SDR	Foreign Currency in CBBH Vault	Deposits with Nonresident Banks	Other	Investment in Securities				
1	2	3	4	5	6	7	8	9=3+...+8	10	11	12=10-11
2010	12	66.9	0.0	102.2	3,000.8	2.7	3,285.1	6,457.7	6,456.3	5,969.6	486.8
2011	12	151.3	1.1	93.6	4,385.6	0.0	1,792.0	6,423.6	6,422.5	5,915.1	507.4
2012	12	159.0	4.5	133.2	2,334.5	0.0	3,877.4	6,508.6	6,507.4	5,987.0	520.4
2013	12	164.1	2.7	91.6	2,217.6	0.0	4,592.3	7,068.3	7,067.3	6,659.2	408.1
2014	12	182.7	5.2	71.8	2,181.7	0.0	5,384.1	7,825.6	7,824.5	7,293.1	531.4
2015	12	182.3	3.8	128.5	1,003.6	0.0	7,288.1	8,606.3	8,605.0	8,064.6	540.4
2016	12	205.1	2.6	194.8	2,970.4	0.0	6,158.2	9,531.1	9,529.0	8,926.3	602.6
2017	12	203.9	1.5	236.4	2,698.6	0.0	7,416.1	10,556.6	10,555.0	9,977.1	577.8
2018	12	210.0	2.2	274.1	2,911.4	0.0	8,225.4	11,623.2	11,621.4	10,983.3	638.1
2019	12	254.1	0.2	322.6	3,102.8	0.0	8,917.4	12,597.1	12,595.4	11,824.2	771.2
2020	12	291.6	0.9	142.2	3,832.1	0.0	9,601.3	13,868.0	13,866.3	12,970.6	895.7
2020	01	269.1	5.1	328.3	2,934.6	0.0	8,943.3	12,480.3	12,477.8	11,619.9	857.9
	02	269.9	3.0	328.2	3,084.8	0.0	8,778.9	12,464.7	12,462.5	11,579.6	883.0
	03	267.5	3.0	139.8	3,360.9	0.0	8,689.5	12,460.6	12,458.7	11,661.5	797.3
	04	288.0	4.7	127.6	3,445.1	0.0	9,313.3	13,178.5	13,175.9	12,323.0	853.0
	05	292.1	3.1	129.4	3,341.0	0.0	9,294.7	13,060.3	13,058.1	12,215.3	842.8
	06	297.7	3.1	135.6	3,270.3	0.0	9,316.1	13,022.7	13,020.9	12,147.7	873.2
	07	314.9	3.0	138.0	3,464.6	0.0	9,320.3	13,240.8	13,238.9	12,331.5	907.4
	08	309.9	0.5	137.8	3,571.1	0.0	9,294.1	13,313.3	13,311.4	12,434.7	876.8
	09	302.1	0.5	137.8	3,524.0	0.0	9,379.6	13,343.9	13,341.7	12,443.6	898.1
	10	302.7	3.5	137.8	3,745.0	0.0	9,220.5	13,409.5	13,407.9	12,484.2	923.7
	11	279.7	0.9	137.8	3,575.6	0.0	9,525.8	13,519.7	13,517.8	12,630.4	887.4
	12	291.6	0.9	142.2	3,832.1	0.0	9,601.3	13,868.0	13,866.3	12,970.6	895.7

Note:

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

T28: BH Exports by Country of Destination
 - in KM thousand -

Year	Month	Germany	Croatia	Italy	Serbia	Slovenia	Austria	Turkey	Monte-negro	Other Countries	Total
2010		1,085,936	1,070,626	862,022	894,775	611,744	470,584	81,662	310,180	1,789,638	7,095,505
2011		1,215,957	1,204,440	963,546	1,001,879	706,818	619,042	150,054	300,430	2,210,001	8,222,112
2012		1,210,103	1,165,019	939,241	710,002	653,304	654,764	182,874	249,230	2,276,299	7,857,962
2013		1,310,844	1,194,637	1,003,294	766,745	686,503	687,565	174,625	270,745	2,459,942	8,380,275
2014		1,317,490	955,047	1,195,438	800,690	697,785	755,827	234,392	293,818	2,665,647	8,681,742
2015		1,412,906	925,166	1,214,930	770,695	748,870	743,062	354,630	262,844	2,908,721	8,987,194
2016		1,479,411	985,360	1,131,096	822,846	807,200	730,590	401,047	240,751	3,220,854	9,418,109
2017		1,595,704	1,284,200	1,209,035	1,093,685	973,397	899,235	431,094	352,507	3,647,618	11,055,383
2018		1,741,537	1,464,002	1,352,791	1,251,474	1,057,052	1,020,991	323,223	402,113	3,287,069	11,900,251
2019		1,675,709	1,399,922	1,300,534	1,308,885	1,006,226	1,089,881	292,554	407,303	3,011,551	11,492,564
2020		1,630,632	1,362,907	1,015,184	1,152,068	954,078	1,005,474	314,249	293,098	2,787,605	10,515,296
2020	01	140,985	107,503	84,756	90,825	71,886	77,789	33,029	22,141	227,356	856,270
	02	149,502	121,264	89,989	91,294	88,020	88,510	27,954	34,913	231,564	923,011
	03	135,778	123,903	62,824	88,438	81,087	83,594	19,236	32,023	221,378	848,261
	04	112,808	109,722	53,771	79,734	58,964	73,166	12,983	23,413	171,914	696,474
	05	115,187	105,717	72,464	77,652	61,992	79,244	21,152	19,275	184,121	736,804
	06	133,116	113,843	95,333	96,074	71,874	86,124	21,117	23,681	246,942	888,104
	07	137,286	107,570	104,111	101,349	80,244	86,370	19,847	19,842	218,437	875,055
	08	124,107	101,435	59,981	93,251	72,247	81,094	21,129	20,169	201,807	775,220
	09	150,665	114,064	95,010	108,121	93,100	91,424	33,804	24,465	266,523	977,175
	10	154,027	124,912	103,632	108,103	96,165	91,590	42,948	22,075	276,173	1,019,625
	11	151,406	115,086	102,095	99,616	92,620	91,871	27,224	22,198	261,307	963,423
	12	125,768	117,888	91,217	117,611	85,879	74,698	33,826	28,903	280,083	955,873

Source:

Agency for Statistics of Bosnia and Herzegovina

Note:

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

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

T29: BH Imports by Country of Origin
- in KM thousand -

Year	Month	Germany	Italy	Serbia	Croatia	China	Slovenia	Russian Federation	Turkey	Austria	Other Countries	Total
2010		1,424,980	1,210,391	1,429,477	2,058,946	655,539	808,852	1,189,105	379,083	489,083	3,447,593	13,616,238
2011		1,648,403	1,381,687	1,465,645	2,226,507	774,881	828,564	1,635,091	450,110	491,679	4,067,045	15,525,428
2012.		1,725,796	1,429,362	1,431,534	2,202,545	816,377	803,360	1,493,885	449,381	504,094	4,044,863	15,252,942
2013		1,734,842	1,482,256	1,485,608	1,956,353	914,082	754,344	1,505,995	493,202	519,291	3,990,634	15,169,793
2014		1,869,564	1,653,565	1,629,521	1,851,693	1,359,548	763,235	1,292,467	582,203	532,109	4,338,562	16,199,278
2015		1,914,225	1,758,289	1,728,490	1,673,161	1,091,670	773,559	910,072	644,698	560,924	4,588,564	15,851,692
2016		1,998,877	1,899,582	1,828,142	1,617,713	1,091,966	831,403	729,427	687,349	556,399	4,874,484	16,161,014
2017		2,103,758	2,062,127	2,029,997	1,828,432	1,186,073	912,704	907,315	766,728	618,743	5,499,863	18,185,642
2018		2,297,072	2,170,785	2,070,768	1,915,158	1,339,232	917,011	892,371	874,490	672,990	6,124,091	19,273,968
2019		2,337,802	2,333,081	2,150,219	2,020,597	1,449,423	906,606	451,193	964,624	721,547	6,163,492	19,498,584
2020		2,074,765	1,949,079	1,895,712	1,523,367	1,355,872	840,875	359,086	896,725	682,570	5,308,199	16,886,250
2020	01	149,996	154,266	133,595	120,799	103,998	61,197	31,890	56,900	47,202	376,949	1,236,794
	02	199,161	185,885	158,717	130,004	130,966	74,565	38,579	79,250	57,499	513,023	1,567,650
	03	192,218	152,472	154,766	140,875	92,871	74,548	34,944	82,041	63,250	495,153	1,483,138
	04	135,100	112,724	142,422	100,489	87,770	57,726	32,077	55,911	49,406	359,802	1,133,427
	05	139,002	156,241	135,489	104,026	100,679	58,781	26,650	55,218	48,682	358,430	1,183,197
	06	176,045	167,764	162,576	124,406	115,329	64,601	23,579	76,139	53,522	452,626	1,416,588
	07	179,037	190,165	164,516	149,570	130,679	78,335	23,828	80,796	59,788	454,578	1,511,292
	08	167,761	130,970	164,395	123,529	115,047	59,080	23,957	65,068	50,955	406,210	1,306,971
	09	177,793	163,168	177,342	141,353	121,786	76,603	22,211	83,310	61,522	458,052	1,483,140
	10	191,452	191,765	173,339	136,548	121,421	85,879	22,833	87,126	65,451	524,973	1,600,786
	11	181,382	171,092	153,335	121,079	120,066	73,815	32,672	81,628	62,960	447,573	1,445,602
	12	185,816	172,567	175,220	130,692	115,261	75,746	45,865	93,339	62,332	460,828	1,517,666

Source:

Agency for Statistics of Bosnia and Herzegovina

Note:

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

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

T30: Composition of Goods Exports and Imports by Products
- in KM million -

Products group	Exports of Goods					Imports of Goods				
	2016	2017	2018	2019	2020	2016	2017	2018	2019	2020
Total	9,418.1	11,055.4	11,900.3	11,492.6	10,515.3	16,161.0	18,185.6	19,274.0	19,498.6	16,886.3
Animals and animal origin products	171.8	173.0	170.7	149.6	166.0	488.1	509.7	544.5	587.1	528.8
Vegetable origin products	264.7	302.4	224.4	218.9	254.6	765.6	816.0	757.8	762.2	768.1
Animal or vegetable fats and oils	142.5	170.2	113.9	124.0	108.3	206.5	262.5	207.3	185.9	148.5
Food products	355.3	363.5	319.3	307.0	328.0	1,489.8	1,536.8	1,576.2	1,658.4	1,603.8
Mineral origin products	748.9	1,051.1	1,299.6	1,070.1	870.2	2,036.4	2,749.0	2,979.4	2,882.3	1,747.2
Chemical products and related industry products	772.3	958.3	991.9	936.5	783.0	1,594.0	1,680.9	1,786.5	1,752.5	1,681.8
Plastic, caoutchouc and rubber products	319.1	359.1	415.2	499.9	521.3	1,075.0	1,179.0	1,254.9	1,311.9	1,237.9
Fur and leather	155.6	197.8	191.7	143.9	91.6	465.8	488.9	448.9	377.4	285.9
Wood and wood products	729.1	783.8	801.7	756.3	718.3	237.1	258.1	291.3	315.8	285.4
Cellulose, paper, cardboard and products thereof	241.2	279.1	324.7	281.4	291.5	405.4	409.6	454.3	452.0	411.4
Textile and textile products	507.4	565.8	627.2	636.5	600.3	1,103.2	1,192.6	1,232.5	1,236.2	1,124.7
Footwear, headwear and similar products	673.4	707.6	757.0	765.9	650.8	330.1	336.7	343.0	370.7	301.9
Stone, plaster, cement, ceramics, glass products and similar	65.6	81.4	89.8	144.2	118.4	340.3	352.5	383.4	397.7	355.6
Pearls, precious metals and products thereof, prec. or semi-prec. stones	12.3	11.4	12.2	21.5	35.4	14.3	17.2	18.4	30.9	35.3
Base metals and products thereof	1,571.1	1,975.8	2,289.4	2,100.1	1,740.0	1,574.4	1,955.0	2,203.2	2,152.7	1,997.9
Machinery and mechanical/electric appliances	1,046.3	1,290.1	1,437.1	1,590.2	1,582.7	2,243.9	2,526.1	2,664.2	2,758.6	2,516.5
Vehicles and transportation equipment	319.7	334.6	370.8	381.3	332.5	1,160.6	1,258.6	1,354.6	1,468.1	1,088.8
Watches, musical and medical instruments, measuring tools	25.1	29.9	31.7	34.8	32.7	220.8	222.9	290.6	285.9	317.5
Arms and ammunition; parts and accessories thereof	171.2	193.9	205.1	212.8	162.2	10.4	14.1	12.4	14.6	11.0
Miscellaneous products	1,125.2	1,226.7	1,227.1	1,114.8	1,127.4	399.0	419.1	469.8	495.0	436.1
Works of art, collectors' pieces and antiques	0.1	0.0	0.0	0.2	0.1	0.4	0.3	0.5	0.4	0.4
Unclassified	0.0	0.0	0.0	3.0	0.1	0.0	0.0	0.0	2.1	1.7

Source:

Agency for Statistics of Bosnia and Herzegovina

Note:

Data are classified in accordance with World Trade Organization's Harmonized Code System.

T31: KM Average Middle Exchange Rates of Convertible Mark

Year	Month	EMU	Croatia	Czech R	Hungary	Japan	Switzerland	Turkey	UK	USA	China	Serbia
		EUR	HRK	CZK	HUF	JPY	CHF	TRY	GBP	USD	CNY	RSD
		1	100	1	100	100	1	1	1	1	1	100
2010		1.955830	26.836049	0.077335	0.710646	1.684634	1.417637	0.979613	2.280434	1.476950	...	1.903300
2011		1.955830	26.296474	0.079574	0.702511	1.765578	1.589068	0.840993	2.253721	1.406117	...	1.918824
2012		1.955830	26.003868	0.077784	0.676389	1.909803	1.622699	0.845478	2.412276	1.522668	...	1.732491
2013		1.955830	25.806786	0.075328	0.658705	1.512911	1.589326	0.775940	2.304432	1.473557	0.239647	1.729721
2014		1.955830	25.619449	0.071033	0.633710	1.393940	1.610337	0.673375	2.426325	1.474019	0.239264	1.668863
2015		1.955830	25.688577	0.071687	0.631327	1.456462	1.832914	0.650180	2.694477	1.762605	0.280568	1.619915
2016		1.955830	25.960428	0.072346	0.627987	1.628845	1.794449	0.586378	2.396405	1.768011	0.266189	1.588875
2017		1.955830	26.205454	0.074317	0.632480	1.546889	1.761597	0.476205	2.232882	1.735482	0.256628	1.611317
2018		1.955830	26.365492	0.076267	0.613697	1.500585	1.693763	0.351884	2.210985	1.657498	0.250633	1.653621
2019		1.955830	26.365089	0.076197	0.601572	1.603053	1.758109	0.307940	2.230125	1.747204	0.252963	1.659447
2020		1.955830	25.946780	0.074002	0.557563	1.607387	1.827419	0.247515	2.201320	1.716607	0.248658	1.663431
2020	01	1.955830	26.279657	0.077513	0.585676	1.610655	1.815112	0.297118	2.302497	1.760392	0.254269	1.663573
	02	1.955830	26.243698	0.078077	0.580170	1.628638	1.835891	0.295843	2.327277	1.792315	0.256328	1.663504
	03	1.955830	25.862361	0.074014	0.567939	1.644355	1.846850	0.279727	2.194793	1.770131	0.252223	1.663610
	04	1.955830	25.748551	0.071812	0.548246	1.668842	1.854896	0.263592	2.233081	1.801671	0.254603	1.663619
	05	1.955830	25.819834	0.071776	0.557195	1.676773	1.850228	0.258844	2.210637	1.795166	0.252837	1.663244
	06	1.955830	25.843408	0.073279	0.562969	1.615352	1.825449	0.254617	2.176043	1.737783	0.245269	1.663322
	07	1.955830	25.959218	0.073674	0.556174	1.601932	1.827950	0.249369	2.161270	1.712728	0.244123	1.663329
	08	1.955830	26.058817	0.074744	0.561274	1.562030	1.816554	0.228075	2.171777	1.653798	0.238487	1.663319
	09	1.955830	25.936518	0.073265	0.543138	1.570128	1.813521	0.220043	2.151155	1.657624	0.243219	1.663341
	10	1.955830	25.822827	0.071908	0.540024	1.578348	1.820424	0.209445	2.154326	1.661116	0.246911	1.663397
	11	1.955830	25.857787	0.073772	0.543073	1.584313	1.814952	0.206866	2.181138	1.653100	0.250272	1.663496
	12	1.955830	25.934905	0.074334	0.545274	1.548943	1.807718	0.208306	2.157914	1.607823	0.245813	1.663429

T32: Government Finance of BH - Government Sector Units
- in KM million -

		BH Institutions	FBH	RS	Brčko District	Consolidated Revenues for BH	BH Institutions	FBH	RS	Brčko District	Consolidated Expenses for BH	Net Acquisition of Nonfinancial Assets	Net Surplus /Deficit
2010		1,009.8	6,474.1	3,234.6	235.7	10,862.6	996.5	6,324.5	3,410.6	200.4	10,840.3	634.2	-611.9
2011		968.6	6,571.2	3,685.6	237.4	11,357.1	983.6	6,449.7	3,372.1	209.1	10,908.7	771.1	-322.7
2012		1,045.6	6,642.8	3,652.6	246.1	11,459.5	952.9	6,595.9	3,534.1	215.5	11,170.8	815.7	-526.9
2013		1,069.8	6,608.6	3,604.4	232.6	11,406.5	939.0	6,474.5	3,415.1	219.2	10,938.8	1,046.8	-579.2
2014		1,109.8	6,972.1	3,769.8	223.7	11,961.7	940.3	6,652.2	3,652.3	219.0	11,350.1	1,166.8	-555.3
2015		1,088.4	7,196.5	3,931.3	232.0	12,335.1	935.9	6,843.5	3,700.6	220.1	11,587.0	559.1	188.9
2016		1,062.9	7,645.4	3,937.0	248.5	12,767.3	949.3	7,013.5	3,636.9	198.6	11,672.0	724.5	370.8
2017		1,049.4	8,150.9	4,141.8	263.7	13,479.2	967.0	7,164.3	3,696.0	212.8	11,913.4	759.7	806.0
2018		1,045.0	8,833.6	4,364.6	280.9	14,389.6	996.0	7,660.0	3,983.4	233.7	12,738.6	914.6	736.5
2019		1,051.4	9,217.5	4,584.0	288.8	15,018.1	985.5	8,120.3	4,097.6	254.6	13,334.3	1,006.6	677.2
2014	Q1	238.3	1,387.7	761.7	49.2	2,416.8	220.9	1,376.7	695.9	39.7	2,313.1	21.8	81.8
	Q2	274.5	1,577.2	744.0	54.4	2,620.4	222.9	1,464.7	746.7	50.5	2,455.0	32.4	133.0
	Q3	256.6	1,602.1	784.7	58.8	2,680.1	220.9	1,528.9	805.6	58.9	2,592.2	56.3	31.5
	Q4	340.1	1,635.5	883.3	61.3	2,878.6	277.6	1,693.7	917.6	69.9	2,917.3	252.2	-290.8
2015	Q1	241.1	1,440.2	738.2	51.8	2,448.9	215.3	1,378.9	706.6	46.2	2,324.7	24.1	100.1
	Q2	293.0	1,532.0	818.4	57.6	2,670.8	226.1	1,446.6	757.9	47.2	2,447.5	26.5	196.8
	Q3	252.9	1,685.4	850.7	61.8	2,826.7	229.3	1,523.4	803.0	60.1	2,591.8	51.2	183.7
	Q4	301.4	1,642.6	829.5	60.9	2,798.6	265.3	1,793.5	914.3	66.6	3,003.9	137.2	-342.5
2016	Q1	242.5	1,498.3	706.4	54.9	2,478.4	226.3	1,430.0	687.6	43.1	2,363.4	24.0	91.0
	Q2	288.3	1,622.2	813.1	57.9	2,745.9	230.2	1,521.8	747.5	43.6	2,507.4	51.7	186.7
	Q3	256.6	1,761.1	812.0	62.4	2,867.4	227.9	1,494.9	776.2	41.0	2,515.2	105.3	246.9
	Q4	275.6	1,791.9	897.5	65.6	2,990.8	265.0	1,818.6	882.6	67.9	2,994.2	166.0	-169.4
2017	Q1	251.8	1,621.7	747.1	51.7	2,646.9	223.9	1,457.0	688.7	31.9	2,376.1	30.0	240.9
	Q2	273.3	1,792.9	827.2	61.1	2,920.7	231.1	1,556.0	747.9	44.0	2,545.1	70.1	305.4
	Q3	252.0	1,931.1	940.7	64.5	3,162.1	238.7	1,587.4	767.1	56.3	2,623.1	31.6	507.3
	Q4	272.3	1,851.2	887.8	76.2	3,050.0	273.3	1,863.6	906.1	77.0	3,082.6	204.3	-236.8
2018	Q1	277.7	1,762.1	816.9	57.0	2,882.0	231.4	1,499.4	728.4	34.3	2,462.0	30.9	389.0
	Q2	242.8	1,914.5	884.1	61.4	3,075.2	231.7	1,683.3	784.4	51.8	2,723.4	66.5	285.3
	Q3	400.3	1,951.9	861.7	69.0	3,250.5	243.9	1,651.7	835.0	56.0	2,754.4	91.2	404.9
	Q4	124.1	2,138.2	960.8	75.4	3,259.2	289.0	2,104.9	983.4	78.9	3,416.8	237.9	-395.5
2019.	Q1	238.9	1,899.1	845.3	60.2	3,013.8	225.9	1,600.5	806.8	42.5	2,646.0	26.0	341.9
	Q2	261.7	1,990.1	902.3	67.3	3,187.1	239.2	1,770.8	789.9	63.1	2,828.7	71.9	286.5
	Q3	270.0	2,079.8	924.2	71.6	3,309.8	253.8	1,800.7	823.5	54.3	2,896.5	78.9	334.4
	Q4	280.8	2,080.5	1,015.2	72.2	3,412.9	266.6	2,177.5	972.4	81.1	3,461.9	210.4	-259.4
2020	Q1	286.0	1,906.0	862.8	59.7	3,081.9	235.6	1,695.3	877.3	42.7	2,818.4	40.6	222.9
	Q2	235.6	1,674.2	887.0	53.6	2,815.4	232.8	1,834.2	1,090.5	62.6	3,185.2	102.1	-471.9
	Q3	266.9	1,963.7	970.8	67.0	3,236.3	231.7	2,024.8	933.7	69.8	3,227.7	96.5	-88.0

Note:

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

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

T33: BH Government Finance of BH - Structure of Consolidated Revenues and Expenses
- in KM million -

		Taxes	Social Contributions	Grants and Other Revenues	Consolidated Revenues	Compensation of Employees	Use of Goods and Services	Interest	Subsidies	Social Benefits	Grants and Other Expenses	Consolidated Expenses	Net Acquisition of Non-financial Assets
2010		5,640.2	3,813.0	1,409.4	10,862.6	3,169.8	2,593.1	122.7	476.6	3,770.3	707.8	10,840.3	634.2
2011		6,032.2	4,036.4	1,288.5	11,357.1	3,336.9	2,088.2	161.4	402.8	4,330.3	589.1	10,908.7	771.1
2012		6,037.9	4,046.6	1,375.0	11,459.5	3,323.8	2,156.4	200.6	416.1	4,394.4	679.5	11,170.8	815.7
2013		5,917.2	4,105.2	1,384.1	11,406.5	3,278.1	2,122.7	201.1	383.9	4,423.7	529.3	10,938.8	1,046.8
2014		6,078.6	4,234.8	1,648.3	11,961.7	3,265.5	2,127.2	238.9	364.9	4,658.0	695.6	11,350.1	1,166.8
2015		6,439.7	4,329.6	1,565.8	12,335.1	3,294.3	2,138.8	264.3	384.8	4,729.5	775.4	11,587.0	559.1
2016		6,760.4	4,473.6	1,533.4	12,767.3	3,295.5	2,187.5	252.0	382.8	4,755.0	799.3	11,672.0	724.5
2017		7,151.1	4,734.2	1,594.0	13,479.2	3,312.6	2,230.7	223.0	444.0	4,758.5	834.7	11,913.4	759.7
2018		7,688.4	5,041.8	1,659.4	14,389.6	3,422.1	2,534.0	242.5	476.0	5,013.2	1,050.9	12,738.6	914.6
2019		8,014.1	5,345.7	1,658.4	15,018.1	3,738.1	2,688.3	241.1	507.3	5,223.4	936.1	13,334.3	1,006.6
2014	Q1	1,207.3	961.3	248.2	2,416.8	697.3	387.9	38.3	31.8	1,080.3	77.5	2,313.1	21.8
	Q2	1,262.3	1,050.0	308.1	2,620.4	710.0	417.4	50.5	62.7	1,091.1	123.3	2,455.0	32.4
	Q3	1,352.4	1,077.4	250.3	2,680.1	708.7	427.1	32.5	87.9	1,155.2	180.7	2,592.2	56.3
	Q4	1,433.2	1,146.1	299.4	2,878.6	735.3	495.4	79.7	138.2	1,202.0	266.6	2,917.3	252.2
2015	Q1	1,255.6	981.8	211.5	2,448.9	712.6	393.8	41.3	28.7	1,079.3	69.0	2,324.7	24.1
	Q2	1,356.0	1,076.0	238.8	2,670.8	702.9	402.6	65.5	46.5	1,124.0	105.9	2,447.5	26.5
	Q3	1,426.4	1,099.4	300.9	2,826.7	718.1	410.2	42.9	111.9	1,143.3	165.3	2,591.8	51.2
	Q4	1,424.4	1,172.5	201.8	2,798.6	735.3	533.8	75.0	152.9	1,249.1	257.8	3,003.9	137.2
2016	Q1	1,290.0	998.7	189.6	2,478.4	711.1	400.5	44.3	30.4	1,097.8	79.3	2,363.4	24.0
	Q2	1,412.5	1,095.5	237.8	2,745.9	706.1	418.8	71.8	66.5	1,135.6	108.6	2,507.4	51.7
	Q3	1,468.4	1,136.0	262.9	2,867.4	702.8	409.8	42.8	65.3	1,163.2	131.3	2,515.2	105.3
	Q4	1,612.0	1,243.2	135.5	2,990.8	732.8	552.0	56.9	160.9	1,220.8	270.8	2,994.2	166.0
2017	Q1	1,349.6	1,076.7	220.7	2,646.9	707.8	403.5	45.6	35.4	1,114.3	69.5	2,376.1	30.0
	Q2	1,530.4	1,192.4	197.9	2,920.7	703.6	438.4	74.0	85.8	1,133.6	109.6	2,545.1	70.1
	Q3	1,692.0	1,196.0	274.0	3,162.1	720.4	440.3	46.8	109.6	1,134.6	171.4	2,623.1	31.6
	Q4	1,568.6	1,269.1	212.3	3,050.0	726.8	538.0	54.2	146.5	1,224.5	392.7	3,082.6	204.3
2018	Q1	1,526.1	1,153.2	202.7	2,882.0	719.0	432.2	47.4	42.4	1,136.3	84.9	2,462.0	30.9
	Q2	1,597.5	1,243.8	234.0	3,075.2	742.6	464.6	65.0	108.2	1,198.7	144.2	2,723.4	66.5
	Q3	1,787.5	1,241.5	221.6	3,250.5	730.6	470.6	46.4	103.1	1,224.5	179.2	2,754.4	91.2
	Q4	1,570.5	1,403.3	285.4	3,259.2	766.9	587.9	56.2	148.4	1,295.6	561.8	3,416.8	237.9
2019	Q1	1,528.5	1,247.2	238.1	3,013.8	787.8	462.1	41.8	40.5	1,202.7	111.1	2,646.0	26.0
	Q2	1,669.1	1,335.2	182.8	3,187.1	806.1	494.9	68.5	81.8	1,254.2	123.2	2,828.7	71.9
	Q3	1,734.1	1,336.0	239.6	3,309.8	805.4	517.7	43.3	112.2	1,252.3	165.5	2,896.5	78.9
	Q4	1,904.0	1,427.3	81.6	3,412.9	850.7	617.2	52.5	189.6	1,349.2	402.7	3,461.9	210.4
2020	Q1	1,556.2	1,286.5	239.2	3,081.9	817.7	482.1	69.8	60.4	1,274.3	114.1	2,818.4	40.6
	Q2	1,327.2	1,223.4	264.8	2,815.4	861.7	495.5	43.3	157.1	1,277.1	350.5	3,185.2	102.1
	Q3	1,564.3	1,418.6	253.4	3,236.3	850.4	486.3	42.4	262.8	1,357.6	228.3	3,227.7	96.5

Note:

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

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

T34: Government Finance of FBH - Government Sector Units

- in KM million -

		Federation BH Budget	Social Security Funds	Cantons	Consolidated Revenues	Federation BH Budget	Social Security Funds	Cantons	Consolidated Expenses	Net Acquisition of Non-financial Assets	Net Surplus/ Deficit
2010		1,398.7	2,875.2	1,854.8	6,474.1	1,325.5	2,859.8	1,894.5	6,324.5	281.3	-131.7
2011		1,321.6	2,924.0	1,903.6	6,571.2	1,318.7	2,990.4	1,897.4	6,449.7	338.8	-217.3
2012		1,416.5	2,986.2	1,830.7	6,642.8	1,378.5	3,031.6	1,936.2	6,595.9	442.5	-395.5
2013		1,457.5	2,988.2	1,709.7	6,608.6	1,344.2	3,034.8	1,826.9	6,474.5	645.6	-511.5
2014		1,581.3	3,117.2	1,812.1	6,972.1	1,361.0	3,164.5	1,846.5	6,652.2	685.7	-365.8
2015		1,510.0	3,175.8	1,919.5	7,196.5	1,354.1	3,224.3	1,869.1	6,843.5	221.4	131.6
2016		1,652.8	3,323.4	2,012.1	7,645.4	1,380.2	3,314.2	1,885.5	7,013.5	248.1	383.7
2017		1,876.9	3,538.4	2,108.4	8,150.9	1,394.8	3,423.3	1,970.4	7,164.3	353.6	633.1
2018		2,008.2	3,815.7	2,292.5	8,833.6	1,552.7	3,660.1	2,075.7	7,660.0	426.4	747.2
2019		1,878.3	4,069.5	2,473.2	9,217.5	1,493.6	3,953.0	2,274.3	8,120.3	564.8	532.5
2014	Q1	314.5	726.2	411.0	1,387.7	268.4	768.0	404.4	1,376.7	5.0	5.9
	Q2	484.4	772.6	393.7	1,577.2	308.8	788.7	440.6	1,464.7	10.3	102.2
	Q3	399.8	787.0	509.0	1,602.1	385.6	786.7	450.3	1,528.9	17.5	55.7
	Q4	382.6	821.5	498.4	1,635.5	398.1	811.3	516.9	1,693.7	33.2	-91.3
2015	Q1	319.6	751.1	433.5	1,440.2	256.4	785.7	400.9	1,378.9	4.1	57.1
	Q2	360.7	762.8	471.7	1,532.0	289.8	798.5	421.4	1,446.6	10.0	75.4
	Q3	436.7	788.6	526.8	1,685.4	337.4	797.1	455.6	1,523.4	14.0	148.0
	Q4	393.1	864.1	487.6	1,642.6	470.4	833.9	591.3	1,793.5	26.5	-177.3
2016	Q1	336.4	763.3	465.1	1,498.3	274.9	811.7	409.9	1,430.0	4.0	64.3
	Q2	392.2	809.2	493.1	1,622.2	337.3	821.0	435.8	1,521.8	10.1	90.3
	Q3	474.2	829.7	531.7	1,761.1	305.9	817.1	446.4	1,494.9	14.4	251.8
	Q4	450.1	907.2	522.2	1,791.9	462.1	850.6	593.5	1,818.6	44.3	-71.1
2017	Q1	331.3	821.8	501.9	1,621.7	273.6	834.9	412.6	1,457.0	6.2	158.5
	Q2	407.4	891.5	541.7	1,792.9	345.2	841.5	445.9	1,556.0	12.6	224.4
	Q3	439.1	869.8	589.8	1,931.1	341.8	841.6	479.6	1,587.4	11.9	331.9
	Q4	699.1	933.5	475.1	1,851.2	434.1	885.8	632.2	1,863.6	57.3	-69.7
2018	Q1	414.4	884.7	531.6	1,762.1	273.2	866.2	428.7	1,499.4	6.4	256.2
	Q2	465.1	947.8	589.1	1,914.6	366.7	910.3	493.8	1,683.3	15.8	215.4
	Q3	478.4	933.5	629.2	1,951.8	341.4	902.7	496.9	1,651.7	32.1	268.0
	Q4	650.3	1,029.9	542.6	2,138.2	571.3	961.8	656.3	2,104.9	82.4	-49.1
2019	Q1	412.7	947.2	612.9	1,899.1	267.8	937.0	469.4	1,600.5	-4.7	303.3
	Q2	459.2	1,017.7	605.2	1,990.1	351.5	986.1	525.1	1,770.8	35.9	183.5
	Q3	491.1	1,010.4	678.4	2,079.8	379.3	987.6	533.9	1,800.7	21.0	258.1
	Q4	515.3	1,072.8	576.8	2,080.5	495.1	1,020.8	745.9	2,177.5	79.4	-176.4
2020	Q1	895.0	408.3	614.8	1,906.0	809.3	427.7	470.4	1,695.3	7.3	203.4
	Q2	823.9	388.3	482.2	1,674.2	882.4	426.8	545.2	1,834.2	28.6	-188.6
	Q3	971.5	444.0	757.0	1,963.7	1,233.7	431.2	568.7	2,024.8	29.7	-90.8

Note:

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

T35: Government Finance of RS - Government Sector Units
- in KM million -

		Republika Srpska Budget	Social Security Funds	Consolidated Revenues	Republika Srpska Budget	Social Security Funds	Consolidated Expenses	Net Acquisition of Nonfinancial Assets	Net Surplus / Deficit
2010		1,422.8	1,488.1	3,234.6	1,676.3	1,552.0	3,410.6	241.8	-417.7
2011		1,656.4	1,573.7	3,685.6	1,628.8	1,497.8	3,372.1	372.6	-59.1
2012		1,666.5	1,566.5	3,652.6	1,647.9	1,595.1	3,534.1	307.7	-189.2
2013		1,638.4	1,616.9	3,604.4	1,546.7	1,637.1	3,415.1	310.3	-121.0
2014		1,778.7	1,683.3	3,769.8	1,749.3	1,704.1	3,652.3	360.5	-243.1
2015		1,804.1	1,713.5	3,931.3	1,707.5	1,754.9	3,700.6	235.3	-4.6
2016		2,556.5	744.4	3,937.0	2,415.9	749.7	3,636.9	366.3	-66.3
2017		2,713.7	780.7	4,141.8	2,422.3	746.2	3,696.0	268.7	177.1
2018		2,839.4	774.2	4,364.6	2,700.8	720.0	3,983.4	337.4	43.9
2019		2,963.6	834.5	4,584.0	2,775.6	728.5	4,097.6	376.0	110.3
2014	Q1	454.2	352.3	761.7	336.5	404.1	695.9	10.7	55.1
	Q2	402.3	413.9	744.0	405.1	413.8	746.7	18.0	-20.7
	Q3	440.2	440.3	784.7	478.9	422.6	805.6	12.4	-33.3
	Q4	481.9	471.9	883.3	528.8	459.4	917.6	134.9	-169.3
2015	Q1	435.4	359.7	738.2	352.3	411.2	706.6	6.0	25.6
	Q2	449.3	428.6	818.4	397.1	420.4	757.9	9.2	51.3
	Q3	484.2	443.5	850.7	446.7	433.3	803.0	17.4	30.3
	Q4	435.2	477.4	829.5	511.5	486.0	914.3	49.5	-134.3
2016	Q1	574.5	138.4	706.4	537.3	156.8	687.6	13.3	5.4
	Q2	658.7	165.1	813.1	578.4	179.7	747.5	31.0	34.6
	Q3	633.4	207.3	812.0	604.3	200.5	776.2	70.5	-34.6
	Q4	690.0	228.8	897.5	695.9	208.0	882.6	49.3	-34.4
2017	Q1	604.2	147.4	747.1	531.5	161.7	688.7	11.0	47.4
	Q2	656.9	183.1	827.2	584.8	175.8	747.9	26.4	52.9
	Q3	747.7	229.5	940.7	604.5	199.1	767.1	21.2	152.4
	Q4	704.9	216.0	887.8	734.3	204.9	906.1	64.1	-82.4
2018	Q1	665.5	170.8	816.9	585.9	161.9	728.4	8.8	79.7
	Q2	719.3	185.4	884.1	637.6	167.4	784.4	33.4	66.3
	Q3	699.7	182.4	861.7	682.5	172.8	835.0	37.2	-10.5
	Q4	754.9	230.4	960.8	794.8	213.1	983.4	80.0	-102.7
2019	Q1	677.6	192.4	845.3	666.6	164.9	806.8	26.1	12.4
	Q2	724.1	204.3	902.3	643.5	172.7	789.9	30.6	81.7
	Q3	743.8	210.1	924.2	677.1	176.2	823.5	46.3	54.4
	Q4	818.1	222.2	1015.2	788.5	209.1	972.4	95.4	-52.6
2020	Q1	687.2	201.3	862.8	722.0	181.0	877.3	29.2	-43.7
	Q2	716.2	198.0	887.0	957.7	160.0	1090.5	56.3	-259.8
	Q3	780.2	249.8	970.8	801.3	191.6	933.7	46.4	-9.3

Note:

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

T36: Flows of Foreign Direct Investment in BH, Classified by Country of Origin of Foreign Investor
 - in KM million -

Year	Austria	The Netherlands	Croatia	Italy	Germany	Russia	Slovenia	Serbia	Switzerland	Turkey	Other Countries	Total
2010	60.0	47.7	85.1	16.6	34.3	89.1	-22.8	40.5	83.6	46.4	119.2	599.7
2011	137.6	14.5	32.7	4.7	38.3	140.3	64.5	110.0	-5.9	31.6	130.2	698.6
2012	133.6	1.6	86.1	28.5	37.7	147.5	-81.1	81.8	8.7	-5.4	161.9	601.1
2013	8.5	32.7	18.6	22.5	36.9	-82.8	-35.6	104.6	44.0	31.1	226.7	407.1
2014	171.1	26.0	88.7	24.0	-6.1	195.8	-1.2	33.1	8.9	17.6	253.1	811.1
2015	5.3	83.3	161.5	66.3	52.3	28.5	21.1	36.8	-33.5	56.1	159.2	636.9
2016	112.8	57.6	142.5	25.2	2.0	-44.3	34.6	-25.8	11.3	34.6	267.7	618.4
2017	84.1	-3.3	159.6	46.9	57.7	-6.8	101.1	56.9	30.6	-0.3	327.1	853.6
2018	88.7	96.6	115.0	20.8	87.2	141.9	37.2	0.4	42.3	5.3	316.3	951.7
2019	60.7	-2.8	117.2	14.2	16.1	211.9	20.4	16.6	-19.5	-3.8	267.9	699.0
Jan - Sep 2020	90.0	17.2	104.2	29.9	42.7	-14.5	58.0	10.8	-8.0	41.3	115.6	487.3

Note:

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

T37: Flows of Foreign Direct Investment in BH by NACE Rev 2, Classification of Activities
- in KM million -

Year	Manufacture of Food Products	Manufacture of Wood and of Products of Wood and Cork, except Furniture, Manufacture of Articles of Straw and Plaiting Materials	Manufacture of Coke and Refined Petroleum Products	Manufacture of Chemicals and Chemical Products	Manufacture of Other Non-metallic Mineral Products	Manufacture of Basic Metals	Manufacture of Motor Vehicles, Trailers and Semi-trailers	Wholesale Trade, except of Motor Vehicles and Motorcycles	Retail Trade, except of Motor Vehicles and Motorcycles	Telecommunications	Financial Service Activities, except Insurance and Pension Funding	Real Estate Activities	Other Industries	Total
2011	32.2	12.5	43.6	12.2	-7.3	-24.0	-5.2	125.3	63.8	10.8	165.4	78.7	190.6	698.6
2012	-5.9	-0.1	2.6	18.7	3.4	-26.0	7.0	144.8	40.2	6.4	130.2	12.1	267.7	601.1
2013	-4.0	2.2	-101.1	26.5	13.9	4.0	5.0	-44.4	73.7	46.1	138.5	19.7	226.9	407.1
2014	0.3	-5.7	180.6	3.0	-25.4	35.5	-59.4	64.1	37.3	6.8	138.4	187.1	248.5	811.1
2015	45.0	5.2	24.0	58.4	-4.4	-52.9	6.7	84.0	-29.3	57.8	116.8	89.5	236.1	636.9
2016	16.3	5.6	-52.0	51.9	-17.6	2.0	20.3	148.4	6.4	37.1	161.4	-9.8	248.4	618.4
2017	20.8	13.5	-26.0	1.2	-8.8	58.8	47.3	59.3	96.1	17.1	203.0	41.9	329.2	853.6
2018	30.8	8.0	135.8	33.4	12.3	66.9	38.7	98.1	8.3	7.2	140.7	19.8	351.7	951.7
2019	-7.0	13.4	201.6	27.9	5.2	-14.8	4.0	92.1	11.7	-17.2	154.1	12.5	215.4	699.0
Jan-Sep 2020	1.1	0.2	n/a	15.5	-2.2	-0.6	18.3	63.8	12.1	-12.3	175.9	47.3	168.3	487.3

Note:

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

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

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

T38: Stocks of direct investment in BH classified by country of foreign investor
 - in KM million -

Country	31 12 2017			31 12 2018			31 12 2019		
	Equity capital and reinvested earnings	Other capital	Total	Equity capital and reinvested earnings	Other capital	Total	Equity capital and reinvested earnings	Other capital	Total
Austria	2,385.7	231.5	2,617.2	2,432.1	240.0	2,672.1	2,486.0	236.8	2,722.8
Belgium	4.7	0.7	5.4	5.7	0.5	6.2	5.7	0.6	6.3
Montenegro	17.8	3.1	20.9	11.2	3.1	14.2	12.0	2.6	14.6
Czech Republic	20.3	3.5	23.8	23.3	0.3	23.7	20.9	1.2	22.1
Denmark	12.2	9.7	21.9	16.2	5.8	22.0	21.4	6.3	27.7
France	8.6	100.8	109.4	8.4	12.8	21.3	8.2	12.8	21.0
Netherlands	499.3	194.7	694.0	545.6	323.3	868.8	486.2	333.8	820.1
Croatia	2,038.2	299.5	2,337.8	2,156.5	164.1	2,320.6	2,282.2	152.2	2,434.4
Ireland	-2.7	13.7	11.0	-3.1	13.9	10.8	-3.6	14.3	10.7
Italy	499.3	104.7	604.0	532.3	101.8	634.1	549.9	92.9	642.7
Canada	-0.6	2.7	2.1	-0.4	2.9	2.4	0.1	2.9	3.0
Cyprus	117.5	6.8	124.3	121.6	7.1	128.6	136.5	5.0	141.4
Kuwait	153.6	70.2	223.9	154.1	78.2	232.3	160.6	81.4	242.0
Liechtenstein	-5.3	1.0	-4.3	-5.3	1.0	-4.4	-6.5	1.0	-5.5
Lithuania	2.0	0.0	2.0	2.2	0.0	2.2	2.4	0.0	2.4
Luxembourg	145.8	159.1	304.9	160.5	187.9	348.3	157.4	218.0	375.4
Hungary	28.1	6.0	34.1	30.1	1.7	31.8	36.2	1.5	37.6
Malaysia	-34.0	17.9	-16.2	8.0	24.6	32.6	9.6	26.1	35.7
Norway	6.3	4.4	10.7	7.0	3.9	10.9	4.5	3.6	8.1
Germany	503.8	112.8	616.7	532.0	148.4	680.4	571.6	180.6	752.2
Poland	18.4	4.3	22.7	25.0	5.7	30.7	31.1	10.0	41.1
Russia	-687.3	1,366.2	678.9	-569.4	1,273.4	704.0	-549.6	1,364.9	815.2
Saudi Arabia	195.4	70.8	266.2	204.3	71.7	276.0	222.0	72.0	293.9
Slovakia	0.1	20.7	20.8	0.7	21.0	21.7	0.8	20.9	21.7
Slovenia	924.1	134.7	1,058.8	952.6	145.1	1,097.7	938.6	145.2	1,083.8
Serbia	1,796.9	234.8	2,031.7	1,784.2	221.0	2,005.2	1,779.7	218.6	1,998.3
Spain	28.0	0.0	28.0	29.6	0.0	29.6	27.5	0.0	27.5
Switzerland	422.2	47.7	469.9	427.2	51.2	478.4	379.2	77.8	457.0
Sweden	31.9	38.4	70.3	40.6	36.2	76.8	40.4	36.3	76.7
Turkey	396.4	19.1	415.5	422.3	-14.0	408.3	431.2	-26.3	404.9
United Arabian Emirates	170.9	32.7	203.7	176.0	37.4	213.4	186.2	37.6	223.8
United States of America	55.3	15.9	71.3	46.6	15.5	62.1	26.5	11.1	37.6
Great Britain	436.5	13.2	449.7	458.9	65.9	524.8	510.5	84.6	595.1
Other countries	326.8	91.0	417.8	442.6	101.1	543.7	529.0	101.5	630.5
Total	10,516.6	3,432.4	13,949.0	11,178.9	3,352.5	14,531.4	11,494.3	3,527.7	15,021.9

T39: International Investment Position (IIP)

- in KM million -

Year	Net IIP	Total Assets	ASSETS											
			Direct Investment					Other investment						
			Total	Equity and Investment Fund Shares	Debt (Various Debt Instruments)	Portfolio Investment	Financial Derivatives	Total	Currency and Deposits	Loans	Trade Credits and Advances	Other Assets	Reserve Assets	
1	2=3-15	3=4+7+8+9+14	4=5+6	5	6	7	8	9=10+11+12+13	10	11	12	13	14	
2010	-13,628.7	12,244.8	451.8	256.9	194.9	449.7	0.0	4,885.6	3,360.0	173.8	1,076.8	275.0	6,457.7	
2011	-14,737.9	11,963.8	441.4	274.8	166.5	438.9	0.0	4,659.9	3,151.4	71.0	1,156.0	281.5	6,423.6	
2012	-15,177.8	12,320.7	560.1	297.3	262.8	466.3	0.0	4,785.7	2,984.7	329.1	1,177.4	294.5	6,508.6	
2013	-15,100.8	13,466.5	695.1	290.9	404.2	532.2	0.0	5,170.9	3,287.7	333.9	1,181.4	367.8	7,068.3	
2014	-15,509.2	13,983.2	708.5	298.8	409.7	569.1	0.0	4,880.0	2,982.0	311.4	1,200.6	386.1	7,825.6	
2015	-15,692.5	14,597.1	878.1	361.7	516.4	582.1	0.1	4,530.5	2,870.2	231.8	1,025.8	402.7	8,606.3	
2016	-15,282.2	15,816.2	932.6	370.3	562.4	673.9	1.6	4,676.9	3,126.9	157.7	990.3	402.0	9,531.1	
2017	-14,544.9	17,045.0	1,156.8	427.1	729.6	764.4	0.2	4,509.3	3,191.0	176.0	942.9	199.3	10,614.3	
2018	-14,193.2	19,189.4	1,123.1	469.1	654.0	1,017.9	0.3	5,422.3	3,953.9	255.4	1,021.2	191.8	11,625.7	
2019	-13,197.8	20,889.5	1,104.6	603.7	500.9	1,202.8	1.2	5,983.2	4,351.2	215.3	1,198.5	218.1	12,597.8	
2020	-12,082.7	21,985.2	1,084.9	634.4	450.6	1,208.1	0.1	5,823.3	4,323.3	239.1	1,045.9	215.1	13,868.8	
2016	Q1	-15,734.4	14,489.1	944.1	367.3	576.9	582.3	0.6	4,368.8	2,709.2	247.5	1,027.6	384.4	8,593.3
	Q2	-15,778.1	14,665.4	945.1	367.2	577.9	593.1	1.0	4,353.5	2,741.9	204.8	1,018.4	388.3	8,772.7
	Q3	-15,580.8	15,280.4	989.6	379.2	610.4	670.1	1.7	4,173.8	2,616.6	187.2	998.4	371.6	9,445.3
	Q4	-15,282.2	15,816.2	932.6	370.3	562.4	673.9	1.6	4,676.9	3,126.9	157.7	990.3	402.0	9,531.1
2017	Q1	-15,563.3	15,647.2	1,011.9	379.2	632.7	743.6	0.3	4,650.2	3,099.9	150.7	974.0	425.7	9,241.2
	Q2	-15,324.5	15,975.7	1,053.7	381.2	672.5	726.0	0.2	4,680.4	3,132.6	166.8	964.8	416.2	9,515.5
	Q3	-14,716.3	16,818.2	1,141.4	432.2	709.2	787.9	1.8	4,631.2	3,299.2	162.8	954.8	214.4	10,256.0
	Q4	-14,544.9	17,045.0	1,156.8	427.1	729.6	764.4	0.2	4,509.3	3,191.0	176.0	942.9	199.3	10,614.3
2018	Q1	-14,885.1	17,205.1	1,146.5	430.4	716.2	745.1	0.3	4,426.3	3,067.9	207.0	959.9	191.5	10,886.9
	Q2	-14,812.3	18,044.4	1,146.3	432.9	713.4	789.7	3.1	5,003.0	3,598.8	227.7	979.9	196.6	11,102.3
	Q3	-14,429.1	18,726.6	1,136.1	431.1	705.0	879.8	3.2	5,143.8	3,724.3	227.2	1,000.1	192.3	11,563.7
	Q4	-14,193.2	19,189.4	1,123.1	469.1	654.0	1,017.9	0.3	5,422.3	3,953.9	255.4	1,021.2	191.8	11,625.7
2019	Q1	-14,281.6	19,362.7	1,110.1	481.0	629.1	1,083.2	1.4	5,694.3	4,186.4	241.4	1,069.9	196.6	11,473.8
	Q2	-14,344.4	19,760.5	1,121.8	528.2	593.7	1,177.8	1.4	5,437.4	3,939.0	192.3	1,113.0	193.1	12,022.2
	Q3	-13,567.7	20,612.7	1,084.3	544.5	539.9	1,192.8	1.4	5,880.6	4,405.8	120.3	1,150.0	204.6	12,453.4
	Q4	-13,197.8	20,889.5	1,104.6	603.7	500.9	1,202.8	1.2	5,983.2	4,351.2	215.3	1,198.5	218.1	12,597.8
2020	Q1	-13,063.0	20,644.3	1,099.0	610.7	488.2	1,178.6	0.7	5,904.8	4,283.4	253.6	1,169.0	198.8	12,461.3
	Q2	-13,196.7	20,903.9	1,088.5	611.6	476.9	1,187.9	0.2	5,603.9	4,026.4	270.0	1,118.3	189.3	13,023.5
	Q3	-12,373.3	21,259.8	1,089.6	629.8	459.8	1,186.9	0.4	5,638.2	4,122.6	249.2	1,071.1	195.3	13,344.7
	Q4	-12,082.7	21,985.2	1,084.9	634.4	450.6	1,208.1	0.1	5,823.3	4,323.3	239.1	1,045.9	215.1	13,868.8

Note:

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

T39: International Investment Position (IIP)
- in KM million -

Total Liabilities	LIABILITIES									
	Direct Investment					Other investment				
	Total	Equity and Investment Fund Shares	Debt (Various Debt Instruments)	Portfolio Investment	Financial Derivatives	Total	Currency and Deposits	Loans	Trade Credits and Advances	Other Liabilities
15=16+19+20+21	16=17+18	17	18	19	20	21=22+23+24+25	22	23	24	25
25,873.5	9,963.1	7,473.3	2,489.8	787.1	0.0	15,123.3	2,618.9	10,043.5	1,969.0	491.9
26,701.7	10,883.7	7,885.6	2,998.1	726.8	0.0	15,091.2	2,135.8	10,371.8	2,093.3	490.3
27,498.5	11,323.7	8,006.0	3,317.6	702.9	0.0	15,472.0	2,052.6	10,758.4	2,179.1	481.9
28,567.3	12,231.2	8,871.6	3,359.6	543.7	0.0	15,792.5	1,933.9	11,113.0	2,230.8	514.8
29,492.3	12,252.8	8,449.4	3,803.4	473.5	0.0	16,766.0	1,653.0	12,309.9	2,284.0	519.1
30,289.6	13,062.8	9,515.7	3,547.1	348.6	0.0	16,878.2	1,594.7	12,631.8	2,118.6	533.2
31,098.4	13,382.2	9,698.2	3,684.0	298.9	1.5	17,415.7	1,488.8	13,073.7	2,341.2	512.1
31,589.9	14,166.0	10,516.6	3,649.3	239.7	0.1	17,184.1	1,554.3	12,889.5	2,242.7	497.5
33,382.6	14,742.7	11,178.9	3,563.8	245.9	0.2	18,393.8	2,750.9	12,665.5	2,434.9	542.5
34,087.3	15,210.5	11,494.3	3,716.2	193.8	0.7	18,682.3	2,826.4	12,766.8	2,550.3	538.8
34,067.9	15,191.9	11,711.5	3,480.4	149.5	2.3	18,724.1	2,015.0	13,606.4	2,570.3	532.4
30,223.5	13,338.0	9,751.0	3,586.9	355.8	0.6	16,529.1	1,325.2	12,494.6	2,191.3	518.0
30,443.6	13,344.3	9,671.5	3,672.8	320.8	1.2	16,777.2	1,342.0	12,609.5	2,245.0	580.7
30,861.3	13,499.3	9,850.8	3,648.5	319.3	1.8	17,041.0	1,207.3	13,042.6	2,282.2	508.9
31,098.4	13,382.2	9,698.2	3,684.0	298.9	1.5	17,415.7	1,488.8	13,073.7	2,341.2	512.1
31,210.5	13,872.8	10,066.7	3,806.2	319.2	0.0	17,018.4	1,227.4	12,977.6	2,306.6	506.9
31,300.2	13,937.5	10,235.6	3,701.9	287.1	0.3	17,075.4	1,385.9	12,831.3	2,284.3	573.9
31,534.5	14,206.5	10,486.1	3,720.4	287.7	0.1	17,040.3	1,311.9	12,961.4	2,269.3	497.8
31,589.9	14,166.0	10,516.6	3,649.3	239.7	0.1	17,184.1	1,554.3	12,889.5	2,242.7	497.5
32,090.3	14,472.8	10,699.9	3,772.8	259.4	0.0	17,358.1	1,408.5	13,146.3	2,293.7	509.6
32,856.7	14,576.2	10,885.2	3,691.0	283.4	0.0	17,997.1	1,809.3	13,265.8	2,341.2	580.8
33,155.7	14,788.9	11,123.9	3,665.0	285.7	0.0	18,081.1	2,493.7	12,643.2	2,387.0	557.1
33,382.6	14,742.7	11,178.9	3,563.8	245.9	0.2	18,393.8	2,750.9	12,665.5	2,434.9	542.5
33,644.3	14,963.3	11,252.9	3,710.4	261.3	0.0	18,419.7	2,513.5	12,876.1	2,465.2	564.9
34,104.9	15,283.3	11,550.6	3,732.7	253.4	0.6	18,567.6	2,695.0	12,741.2	2,493.1	638.3
34,180.4	15,319.2	11,571.4	3,747.8	240.3	0.4	18,620.5	2,649.7	12,872.2	2,522.7	575.9
34,087.3	15,210.5	11,494.3	3,716.2	193.8	0.7	18,682.3	2,826.4	12,766.8	2,550.3	538.8
33,707.3	14,990.3	11,490.9	3,499.5	205.0	1.1	18,510.9	2,582.5	12,801.1	2,572.5	554.8
34,100.6	15,212.4	11,535.4	3,677.0	181.6	1.4	18,705.2	2,217.7	13,393.2	2,543.8	550.5
33,633.1	15,026.1	11,555.9	3,470.1	177.8	0.7	18,428.6	2,008.3	13,358.7	2,536.2	525.3
34,067.9	15,191.9	11,711.5	3,480.4	149.5	2.3	18,724.1	2,015.0	13,606.4	2,570.3	532.4

Note:

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

T40: Real and Nominal KM effective exchange rate

Year	Month	NEER	REER
2010		97.65	105.54
2011		98.34	106.22
2012		98.51	105.08
2013		99.82	103.90
2014		101.10	103.04
2015		99.98	99.99
2016		101.19	98.89
2017		101.90	98.32
2018		103.59	99.01
2019		103.67	97.67
2020		105.41	97.06
2020	01	103.52	97.71
	02	103.43	97.42
	03	104.62	98.15
	04	104.94	96.86
	05	104.95	96.12
	06	105.21	96.04
	07	105.48	95.96
	08	106.12	96.59
	09	106.48	96.95
	10	106.76	97.64
	11	106.64	97.84
	12	106.78	97.48

Note:

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

T41: Cash outside Monetary Authorities and Banks

Year	Cash outside Banks	Increase of Circulation Compared to the Previous Year	Cash outside Monetary Authorities	Currency in Commercial Banks
2007	2,185,269,011	10.5%	2,439,709,153	254,440,142
2008	2,302,419,302	5.4%	2,552,431,902	250,012,600
2009	2,009,480,115	-12.7%	2,267,734,115	258,254,000
2010	2,210,776,535	10.0%	2,497,501,445	286,724,910
2011	2,366,423,508	7.0%	2,645,055,508	278,632,000
2012	2,414,305,841	2.0%	2,747,511,841	333,206,000
2013	2,542,280,088	5.3%	2,909,858,088	367,578,000
2014	2,813,991,379	10.7%	3,210,508,379	396,517,000
2015	3,053,556,129	8.5%	3,499,468,129	445,912,000
2016	3,401,352,492	11.4%	4,066,804,492	665,452,000
2017	3,647,731,766	7.2%	4,319,359,766	671,628,000
2018	3,977,239,343	9.0%	4,750,614,343	773,375,000
2019	4,330,110,823	8.9%	5,199,915,823	869,805,000
2020	5,043,622,750	16.5%	6,172,456,750	1,128,834,000

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PUBLICATIONS AND WEB SERVICES

Monthly Economic Overview	Brief information about the latest trends in the macroeconomic environment, which has been published on the website of the CBBH since May 2013. The publication had previously been internal.
Bulletin	A quarterly publication which includes monetary and financial statistics, information on payment transactions, data on the real sector and balance of payments data of Bosnia and Herzegovina.
Annual Report	The publication contains the report on the operations of the CBBH throughout the year and the financial report, which the CBBH submits to the Presidency of Bosnia and Herzegovina and the Parliamentary Assembly of Bosnia and Herzegovina.
Financial Stability Report	The annual publication contains an assessment of the risks arising from the macroeconomic environment and trends in the financial system, as well as an assessment of the resistance of the system to the identified risks.
Special research topics	An occasional publication published on the website of the CBBH.
CBBH Monography	Jubilee publication on the occasion of the CBBH twenty years anniversary.
WEBSITE www.cbbh.ba e-mail: contact@cbbh.ba pr@cbbh.ba TWITTER@CBBIH	<p>The openness and transparency of the CBBH operations is considered very important for the credibility, public accountability and trust, which it enjoys among the population and by other institutions in Bosnia and Herzegovina and by international institutions. On the basis of the CBBH Rules of Procedure, the CBBH has an obligation to inform the public about its work by providing timely information, publishing reports, issuing official publications and organizing press conferences.</p> <p>The website of the CBBH has existed since 1998. It contains basic information on the CBBH, the Law on the CBBH, presents the banknotes and coins of Bosnia and Herzegovina, as well as numismatic issues of the CBBH. On the website, there are also numerous publications and statistical data (Annual Reports, Monthly Balance Sheets, Quarterly Bulletins, Financial Stability Reports, Balance of Payments of BH, Payment Operations Reports ...) and a list of all commercial banks in BH. The publications and statistical data are published in generally accepted formats, DOC, XLS and PDF. On this page, the latest exchange rates, which are updated daily, and other relevant news and press releases are published.</p> <p>The material is published in Bosnian, Croatian, Serbian and English., In order to increase openness and transparency and to reach the public, as much as possible, the CBBH has launched an official profile on the social network Twitter. On this profile, we publish the data, usually published on the website of the Bank, www.cbbh.ba, as well as additional information and data, which are estimated as relevant. The way of communication is adjusted to the targeted audience.</p>

NOTE

The revised data for the period January 2006 – November 2015 are based on the active sub-balance of the banks with majority state owned capital from the Federation of BH, with the passive sub-balance excluded. Through such supplement of statistics, the users are provided with higher analytical usefulness of data and objective indicators on the current operations of banks in BH. Passive sub-balance includes the liabilities based on foreign loans and old foreign exchange savings of citizens until 31 March 1992 and it does not reflect the current operations of the bank, so this sub-balance in the privatization process will be taken over by the Ministry of Finance of FBH according to the Law on Initial Balance Sheets of Banks and the Law on Privatization, as it has been done for the previously privatized banks. The performed revision mainly influenced the decrease of loans to public companies in a foreign currency, decrease of foreign liabilities, decrease of other items of assets and liabilities on the basis of old foreign exchange savings, and in considerably lower amounts, on items of loans to the Entity Government, fixed assets, non-residents' deposits, shares and capital.

The data on the „complete“ balance sheet, with the included passive sub-balance, are still available at: http://statistics.cbbh.ba:4444/Panorama/novaview/SimpleLogin_bs.aspx

In November 2014, two banks have realized the sale and transfer of part of the loan portfolio which resulted with increase in reserves with monetary authorities in the amount of 64 million KM and a decrease in the following items: claims of non-financial private enterprises 260 million KM, foreign liabilities 101 million KM and other items (net) 95 million KM.

Due to the application of International Accounting Standards (IAS) and the International Financial Reporting Standards applied in BH Federation banks and the transfer of money flows in December 2011 data, the following changes have occurred at the assets side: decrease of loans by KM 155 million, an increase in other assets by KM 10 million, at the liabilities side: decrease of liabilities to non-residents in the amount of KM 624 million, an increase in loan loss provisions by KM 472 million and other liabilities increased by KM 7 million.

By order of the FBH Banking Agency, in June 2010, one bank made a reclassification of about KM 300 million of claims based on securities on domestic institutional sectors to the claims on non-residents. In December 2010, the same bank made this reclassification, retroactively, in the respective amounts for the period from August 2009 when the error occurred, until May 2010. The above reclassification was reflected in the increase in foreign assets and decrease in other items net.

One bank from FBH made a reclassification of financial instruments in the foreign assets amounting to about KM 40 million for the period January - August 2010. Claims on non-residents based on loans were reclassified in claims on non-residents on the basis of securities, which resulted in changes in the short- term and long- term foreign assets.

By order of the Banking Agency of Republika Srpska one bank made a reclassification of financial instruments on the liabilities side, for the period of September 2008 - November 2010, .i.e.. the decrease in time and savings deposits of non-bank financial institutions and government sector, and the increase in loans from the same sectors, respectively, in the appropriate amounts, by months, ranging from 50 - 150 million KM.

In accordance with new regulations of the RS Banking Agency, published in the Official Gazette of RS, no.136/10, which has regulated a new manner of recording receivables classified in category "E", accounting and bookkeeping of interest on non-performing assets and calculation of general and special provisions, RS banks, in the data for December 2010, implemented the mentioned regulations, by transferring these items from off-balance records into balance sheet. The correction was reflected on the assets side, as increase of loans in the amount of about KM 144 million, and increase of due interest in the amount of KM 36 million, and on the liabilities side, as increase in provisions for loan losses amounting to about KM 180 million within the capital account.

ABBREVIATIONS

AAA	Financial instruments with triple A credit rating
ABSPP	Asset-Backed Securities Purchase Programme
ATM	Automatic teller machine
BA	ISO Country Code for Bosnia and Herzegovina
BAM	Currency code of convertible mark
BCC	Bilateral Assistance and Capacity Building Program
BD	Brčko District of Bosnia and Herzegovina
BH	(Related to) Bosnia and Herzegovina
BHAS	Agency for Statistics of Bosnia and Herzegovina
BIS	Bank for International Settlements
BLSE	Banja Luka Stock Exchange
bp	basis point
CBBH	Central Bank of Bosnia and Herzegovina
CBPP3	Third Covered Bond Purchase Programme
Cca	Circa/approximately
CEFTA	Central European Free Trade Agreement
CIF	Cost, insurance, freight born by seller
COVID-19	Coronavirus disease 2019
Corridor Vc	Corridor Vc
CPI	Consumer price index
CRC	Central Registry of Credits
DB	District of Brčko
District	Brčko District of Bosnia and Herzegovina
EBRD	European Bank for Reconstruction and Development
EC	European Commission
ECB	European Central Bank
EDP	Excessive deficit procedure
EFSE DF	European Fund for Southeast Europe-Development Facility
EIB	European Investment Bank
EONIA	Euro Overnight Index Average
ERP	Economic Reforms Program for 2018-2020
ESA 2010	The European Standard Accounts 2010
ESCB	European System of Central Banks
EU	European Union
EUR	Currency of euro area
EURIBOR	Euro Interbank Offered Rate
EUROSTAT	Statistical Office of the European Union
FBH	Federation of Bosnia and Herzegovina
FED	Federal Reserves
FFR	Fed Fund Rate
FINRA	Financial Sector Reform Activity
FPDII	Federal Pension and Disability Insurance Institute
FOB	Free on board
FOMC	Federal Open Market Committee
GB	Governing Board

GDP	Gross domestic product
GEO6	6th level of geographical breakdown
GFS	Government finance statistics
GIIS	Graduate Institute of International Studies
GIZ	In German: Deutsche Gesellschaft für Internationale Zusammenarbeit/German Corporation for International Cooperation
GVA	Gross value added
HICP	Harmonised Index of Consumer Prices
HRMIS	Human Resources Management Information System
HO	Head Office
IMF	International Monetary Fund
IPA	Instrument for Pre-Accession Assistance – Programme
ISMS	Information Security Management System
IT	information technologies
ITA	Indirect Taxation Authority
KM	Currency symbol of convertible mark
LTRO	Longer-term Refinancing Operations
MCO	Microcredit organizations
MFT BiH	BiH Ministry of Finance and Treasury
MIP	Macroeconomic Imbalances Procedure
MU	Main Unit (of the Central Bank of BH)
NEER	Nominal effective exchange rate
Ø	Average
OFID	OPEC Fund for International Development
OCAE	Office of the Chief Audit Executive
pp	Percentage point
PELTRO	Pandemic emergency longer-term refinancing operations
PEPP	Pandemic emergency purchase programme
POS	Point of sale
PSPP	Public Sector Purchase Programme
QE	Quantitative Easing Programme
QMS	Quality Management System
RA	Reserve account with the Central Bank
REER	Real effective exchange rate
RR	Required reserves
RS	Republika Srpska
RS PDIF	Republika Srpska Pension-Disability Insurance Fund
RTGS	Real time gross settlement system
SAA	Stabilisation and Accession Agreement
SASE	Sarajevo Stock Exchange
SBA	Stand-by arrangement
SDR	Special drawing rights
SECO	State Secretariat for Economic Affairs
SIMS	Safety Information Monitoring System
SRBEA	Single Registry of Business Entities' Accounts
TLTRO	Targeted longer-term refinancing operations
UN	United Nations

UNCTAD	United Nation Conference for Trade and Development
USA	The United States of America
USAID	United States Agency for International Development
USD	US dollar , currency of USA
VAT	Value added tax
WAIR	Weighted average net interest rate
WEO	World Economic Outlook

Country codes:

AL	Albania
BA	Bosnia and Herzegovina
BG	Bulgaria
DE	Germany
EU	European Union
IT	Italy
HR	Croatia
ME	Montenegro
MK	North Macedonia
PL	Poland
RO	Romania
RS	Serbia
SL	Slovenia
UK	United Kingdom
US	United States of America

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