

CENTRAL BANK  
OF BOSNIA AND HERZEGOVINA  
No: 101-17-2-4148/11  
Sarajevo, 20 December 2011

In accordance with the Article 53 of the Rule Book of the Central Bank of Bosnia and Herzegovina, UV No. 120/5 of 29 June 2005, 100-UV No: 66/10 of 29 April 2010 and 100-UV No: 130/11 of 30 March 2011, the Governor of the Central Bank of Bosnia and Herzegovina adopted the following:

## **I N S T R U C T I O N**

### **for compilation and presentation of the monetary and financial sector statistics on the basis of standardized reporting forms (SRF)**

#### **INTRODUCTION**

1. This Instruction sets out the basic rules and concepts for compilation and presentation of the statistics of the monetary and financial sectors in alignment with the International Monetary Fund (hereinafter: IMF).
2. Application of the rules and concepts from the previous paragraph, the single approach to identification, classification and recording of financial and non-financial asset and liability positions of the financial sectors is conducted in order to promote consistency with the lender and borrower data on the international level, ensure consistency with other sets of macro statistics and permits comparison between countries.
3. Monetary statistics contains the data on the stock and flows of financial and non-financial assets and liabilities of a country's financial sector.
4. The monetary statistics compiled and published by the Central Bank of Bosnia and Herzegovina (hereinafter: the Central Bank) produces harmonized data on the stock of financial and non-financial assets and liabilities of the financial sector of Bosnia and Herzegovina.
5. For the purposes of this Instruction, the BH financial sector consists of:
  - a) the Central Bank – which means the Central Bank of Bosnia and Herzegovina established by the Law on the Central Bank of Bosnia and Herzegovina,

b) commercial banks – which means legal persons conducting the business of receiving monetary deposits issuing credit and other business in accordance with valid entity banking laws, and

c) other financial institutions from Bosnia and Herzegovina (hereinafter: OFI) – which means legal persons whose competences, business and operations are regulated by entity laws and which perform financial intermediation activities, contribute to functioning of different segments of the financial system and which do not collect deposits.

6. For the purposes of this Instruction, OFI include: insurance companies, investment funds, leasing companies, microcredit organizations, brokerage houses and stock exchanges.

### ***Methodological concept***

7. The Standardized Report Forms (hereinafter: SRFs) are basic reports for compilation of monetary statistics. Compilation and presentation of the SRFs, which effectively represent balance sheets, further aggregation and grouping of sectoral balance sheets into consolidated surveys are based on international standards of statistical reporting and recommendations, published in:

- Monetary and Financial Statistics Manual, IMF, 2000
- Guide for Compilation of Monetary and Financial Statistics, IMF, 2007
- System of National Accounts, SNA 93, UN
- Report of the IMF Monetary and Financial Statistics Mission to BH of April 2011.

### ***Reporting units***

8. The Central Bank of Bosnia and Herzegovina, BH commercial banks, OFIs, as well as the FBH Development Bank, whose competences, business and operations are defined by the Law on the FBH Development Bank, are reporting units for compilation of monetary statistics.

### ***Compilation and publication of data***

9. Data compilation for preparation of monetary statistics from above mentioned reporting units is conducted by preparation of SRFs. Data is collected and submitted to the Monetary and Financial Sector Statistics Section (hereinafter: «the Section») of the Central Bank of Bosnia and Herzegovina electronically in the Excel format and other electronic formats as needed.

10. The 1SR Report is submitted to the Section by the CBBH Accounting Division, no later than 20 calendar days after the end of the reporting month. The 2SR Report is submitted by commercial banks to the appropriate main unit of the Central Bank, for checking and processing, no later than 15 calendar days after the end of the reporting month. The main units submit processed reports to the Section within no more than 5 following calendar days.

11. As an exception from previously stated deadlines, the data for December of the reporting year is submitted as preliminary and final data. For commercial banks, the deadline for submission of preliminary data for December of the reporting year is extended by 5-7 calendar days relative to above state deadlines, with final December data due the first week of March.

12. The 4SR Reports are submitted by the OFIs directly to the Section no later than three months after the conclusion of the reporting period. The reports submitted are considered final, except in the case of data revision. To check reliability, signed reports in paper form are also collected, unless the option of scanning signed reports is available.

13. Compilation of standardized reporting forms for balance sheets and consolidated surveys is organized in two levels.

14. The first level of compilation implies data collection through standardized reporting forms on the asset and liability position of each individual reporting unit. Aggregation of reporting units into sectoral balance sheets is the next phase. Sectoral balances include detailed data on the financial and nonfinancial assets and liabilities' position in the subsectoral balance sheet of the Central Bank, commercial banks (depository institutions) and other financial institutions (OFIs). The following standardized reporting forms are completed:

**1SR– CBBH balance sheet**

**2SR– Commercial banks' balance sheet**

**4SR– Balance sheet of OFIs.**

15. The second level of compilation includes data consolidation from sectoral balance sheets into consolidated surveys. The Monetary Survey is a consolidated survey on depository institutions with its components: the consolidated survey of the central bank (monetary authorities) and the consolidated survey on commercial banks. The Monetary Survey contains the essence of the data for macroeconomic analysis, such as the data on the liability positions of commercial banks, which, according to the national definition, constitute a component of broad money, the claims of commercial banks on other sectors of the economy, as well as claims and liabilities with nonresidents, as well as other assets and liabilities. The Monetary Survey permits monitoring of the mechanisms of multiplication of monetary base in the aggregate broad money at the national level. The Monetary Survey is a basic tool for creators of monetary policy in the process of formulation and controlling the guidelines of monetary policy.

16. There are following consolidated surveys:

- CBBH Balance Sheet (monetary authorities),
- Consolidated Survey on commercial banks in Bosnia and Herzegovina,
- Monetary Survey (Consolidated Survey of Monetary Authorities, Consolidated Survey of BH Commercial Banks),
- Consolidated Survey of OFI in Bosnia and Herzegovina, and
- Consolidated Survey of the Financial Sector in Bosnia and Herzegovina (Monetary Survey, Consolidated Survey of OFI in Bosnia and Herzegovina).

### ***Data revision***

17. Revision of published data is conducted in the first following reporting month, in the event of:

- submission of new corrected information and data by reporting units,
- and
- methodological changes in the compilation procedures of balance sheets and consolidated surveys.

18. Revised data is footnoted to explain the changes that occurred. Data in data series is revised from the time of the occurrence of the change which caused the change to the data series, if necessary conditions exist. If a change in presentation occurs, such as: publication of a new indicator, instrument etc., the historical data series is revised from the moment of introduction of the new indicator, if necessary conditions exist.

### ***Rules, concepts and principles for compilation of balance sheets and consolidated surveys***

19. The following rules and concepts are observed in the process of compilation of standardized reporting forms for balance sheets and consolidated surveys:

a) The standardized unit of account for monetary and financial statistics is the national currency unit (domestic currency, convertible mark KM). Therefore, it is necessary to convert all foreign-currency-denominated stocks into national currency amounts. Stocks denominated in foreign currency are converted into domestic currency at the midpoint exchange rate for the appropriate currency from the Central Bank's Exchange Rate List on the last day of the reporting month covered by the balance sheets in question.

b) Valuation - the basic principle for valuation of financial assets and liabilities in reports is to use market prices or estimates of market prices for valuing financial assets and liabilities in the balance sheet. This valuation principle applies to assets and liabilities in the form of deposits and loans, as well as most categories of other claims/liabilities and to liabilities in the form of shares and securities. In accordance with the IMF's Monetary and Financial Statistics Manual (2000), accrued interest on deposits, loans and securities, other than shares, are included in the outstanding financial assets or liabilities, instead of being treated as part of other assets or other liabilities. Service charges, fees, commissions and similar payments are considered income flows and, therefore, should be excluded from the valuation following this principle. Stocks of financial assets and liabilities are valued on the basis of market prices prevailing at the time of preparation of the balance sheet.

c) Residency – to ensure proper preparation of the balance sheet, it is of primary importance to define the differences between residents and non-residents. Residency of clients is determined on the basis of the economic center of interest of the institutional unit. All units that have a residence, headquarters, a site where operations are conducted, fixed assets, centers of economic interests in the territory of the reporting country in which they engage in a significant amount of economic activities in the reporting country are considered residents.

20. The following principles apply for compilation of balance sheets and further consolidation:

a) Aggregation - the aggregation principle implies aggregation of data on stocks or positions for all institutional units within sectors or subsectors, or aggregation of assets and liabilities by standardized categories.

b) Consolidation - the consolidation principle implies elimination of positions that occur between reporting units, or between residents within the same group. Institutional units include headquarters or branches, with data consolidated by elimination of mutual claims and liabilities.

c) Netting - according to the IMF MFS Manual, the basic principle for compilation of monetary statistics is that data should be collected on the gross basis, which means that claims on a certain client need not be offset with liabilities towards the same client. In exceptional cases, it is necessary to compile data on the net basis, as data on the gross basis is not available, but it is important to note the difference between compiling and presentation of data on the net basis, for analytical value of such data (e. g. some data categories in the Monetary Survey, such as foreign assets, claims on general government and other items, are for analytical purposes presented on the net basis for practical reasons.

#### ***Compilation of Standardized Reporting Forms 1SR, 2SR and 4SR***

21. Three types of Standardized Reporting Forms are collected which, in essence, represent balance sheets, i. e. surveys of financial assets and liabilities, as well as nonfinancial assets of certain subsectors within the financial sector, harmonized with the methodology recommended in the IMF's Monetary and Financial Statistics manual (2000) as follows:

a) 1SR - Central Bank balance sheet - the 1SR Report includes data on financial and nonfinancial assets and liabilities of the Central Bank, including assets and liabilities of the Main Office of the Central Bank and all main units and branches of the Central Bank.

b) 2SR - Balance sheet of commercial banks - the 2SR Report includes financial and nonfinancial assets and liabilities of commercial banks which hold operating licences on the basis of the decision of the appropriate banking agency, as well as financial and nonfinancial assets and liabilities of the Federation of Bosnia and Herzegovina Development Bank. For submission of their data, commercial banks use the 2SR Report - Expanded, which, relative to the original version of 2SR Report, includes a more detailed division by sectors and instruments. The purpose of this report is to produce harmonized data on the stock of financial and nonfinancial assets and liabilities of all resident units of the financial sector that create liabilities included in the national definition of broad money. This report also needs to incorporate the calculation of assets for banks undergoing reorganization or liquidation.

c) 4SR - Balance sheet of OFI - the 4SR Report includes data on financial and nonfinancial assets and liabilities of all other resident financial institutions from BH and produces harmonized data for the entire sector of OFI in BH. This report should, if possible, incorporate data for all units in the sector of financial institutions, except depository institutions, which are covered by reports 1SR and 2SR.

22. Above mentioned balance sheets represent assets and liabilities, including shares and other assets, as of end-of-period. All assets and liabilities are reported on the basis of the client's residency status, and are presented in the national currency units (convertible mark - KM).

***Classification of financial assets and liabilities  
by financial instruments in Standardized Reporting Forms***

23. Financial assets and liabilities in Standardized Reporting Forms, i. e. balance sheet, is presented in accordance with the standardized classification of financial instruments provided in the Monetary and Financial Statistics Manual (consistent with classification in SNA 93 and ESA 95). In line with this classification, financial assets and liabilities in the monetary balance sheet are presented by type of financial instrument, as follows:

- Monetary gold and special drawing rights (SDR);
- Currency and deposits (including transferable and other deposits);
- Securities, other than shares;
- Loans;
- Shares and other equity;
- Other claims and liabilities (including trade credit, advances and other accounts);
- Nonfinancial assets is identified as special category of assets for the purpose of compiling a balance sheet.

24. For currency, deposits and securities, other than shares, position on financial instruments are divided in positions on currencies (domestic and foreign currency), on the basis of whether they are included/excluded in the national definition of broad money.

25. The balance sheets of the Central Bank (1SR), commercial banks (2SR) and OFI (4SR) contains the following financial instruments:.

- a) Assets
  - Monetary gold and SDRs,
  - Currency and deposits,
  - Securities, other than shares,
  - Loans,
  - Shares and other equity,
  - Insurance technical reserves,
  - Financial derivatives,
  - Other assets
  - Nonfinancial assets.
- b) Liabilities
  - Currency in circulation,
  - Deposits included in broad money,
  - Deposits excluded from broad money,
  - Securities, other than shares, included in broad money,
  - Securities, other than shares, excluded from broad money,
  - Loans
  - Insurance technical reserves,

- Other liabilities
- Shares and other equity

### ***Assets***

#### ***Monetary gold and Special Drawing Rights (SDR)***

26. Monetary gold is the gold held by the central bank as part of official foreign currency reserves. Gold holdings that are not part of official reserves are classified as nonfinancial assets. SDR holdings represent international reserve assets established by the IMF in order to supplement existing official reserves. SDR holdings represent unconditional rights to obtain foreign exchange or other reserve assets from other IMF members. This category is relevant only for the Report 1SR. Monetary gold and SDRs are included only in the 1 SR Report – Balance Sheet of the Central Bank.

#### ***Currency and deposits***

27. Currency means notes and coins that are of fixed nominal values, are issued by the central bank and are accepted as legal tender in the domestic economy. Gold or commemorative coins that are held for intrinsic or numismatic value and that are not in active circulation should be classified as nonfinancial assets. Currency also includes foreign currency, i. e. notes and coins issued by nonresidents, chiefly central banks or foreign governments.

28. Deposits are categorized in two basic components – transferable and other deposits:

a) Transferable deposits include:

- Deposits exchangeable on demand at par and without penalty or restriction of any kind;
- deposits directly usable for making payments by check, draft, giro order etc.
- transferable deposits include special savings accounts with a possibility of direct payments to third parties, savings account balances subject to automatic conversion into regular transferable deposits, as well as fund.

b) Other deposits include:

- demand deposits (which permit cash withdrawals but not third-party transfers);
- savings and fixed-term deposits;
- other deposits - other.

29. Valuation of deposits differs from the basic principle of valuation, as deposits are recorded at their book value (outstanding amount plus accrued interest).

#### ***Securities other than shares***

30. Securities, other than shares, are negotiable instruments serving as evidence that units have obligations to be settled by means of a cash payment or

transfer of a financial instrument or some other item of economic value. Typically, this group includes: government treasury bills, government bonds, corporate bonds and debentures, commercial paper, and negotiable certificates of deposits.

### **Loans (Credits)**

31. Credits are financial assets that are created when a creditor lends directly to a debtor, for or without a specified purpose, with the obligation of the beneficiary to repay the received amount with contracted amount of interest, which is evidenced by non-negotiable documents.

32. A loan is created when a person – a lender, undertakes to transfer into possession of another person – a borrower, a specified amount of cash or other negotiable instruments, and the borrower undertakes to repay the same amount of cash or instruments within the specified time limit, with or without compensation.

33. Loans and deposits are differentiated by the types of accompanying evidentiary documentation. This category of credits includes commercial loans, mortgage loans, consumer loans, hire-purchase credit, loans to finance trade credit, financial leasing, securities repurchase agreements, and other types of loan arrangements. The valuation of loans is an exception to valuation based on market price or fair value. The valuation of loans denominated in national currency units should be based on the book value of creditors' outstanding claims (outstanding principal plus accrued interest) without adjustment for expected loan losses. (Data on expected loan losses are included in the memorandum items for the Report and data on provisions on loans and other impaired financial assets are shown in the other accounts payable – other.) The valuation of loans denominated in foreign currency should be based on the book value in foreign currency multiplied by the official midpoint exchange rate as of the last day of the reporting month.

34. Other liabilities include information on expected credit losses, loan provisioning and on other financial assets.

35. Banks in Bosnia and Herzegovina are required to apply International Accounting Standardizeds and International Financial Reporting Standardizeds, which prescribe a new way of recording credits, i. e. to restore the loans categorized as “E” category, interest on bad assets from off-balance sheet to the balance sheet and changes in calculation of general and special provisioning.

### ***Shares and other equity***

36. This category covers all instruments that grant the owner a right to a share of the assets and income, as well as to a share of net assets in the event of the liquidation of the legal person that issued the shares.

### ***Insurance technical reserves***



37. Insurance technical reserves include net equity of households in life insurance reserves and pension funds and prepayments of premiums and reserves against outstanding claims. On the asset side of financial institutions, this category records prepaid insurance premiums, which are relatively small amounts. Insurance technical reserves appears only in the 4SR Report for insurance companies.

### ***Financial derivatives***

38. Financial derivatives are financial instruments that are linked to a specific financial instrument, indicator or commodity, and which permit specific financial risks (such as interest-rate, currency, equity, commodity-price, or credit risk) to be traded in their own right in financial markets. The value of a financial derivative derives from the price of an underlying item.

39. Financial derivatives include:

- a) forward-type contracts, where two parties to a contract agree to exchange a specified amount of goods (real or financial), at the price agreed in advance, on a specific date, and
- b) option contracts, where the buyer purchases from the seller the right to buy and sell specific goods, at the price specified in advance, on or before an exact specified date.

### ***Other claims***

40. Other claims include:

- a) Trade credit and advances (advances for work in progress or to be undertaken or prepayment for goods and services). Unlike loans, trade credit is a non-interest bearing instrument. When trade credit is provided to financial institutions, it typically concerns financial services to other financial and nonfinancial institutions.
- b) Other – the category Other includes all other items not included in other classes of financial assets: settlement accounts, dividends receivable, items in the process of collection, and other claims - other.

41. Settlement accounts include accounts used to account for differences in the time of recording: purchases or sales of financial assets, on the *trade dates* when the ownership change occurs and future payments for financial assets bought or sold. Claims arising from dividends receivable occur when the dividend is recorded at the time when the dividend is declared and future payments for financial assets bought or sold. Items in the process of collection include assets that are posted directly to depositors' accounts, but remain unavailable for use until the completion of the clearing process. This data appears only in Report 1SR. The IMF quota subscription should be used for recording the quota determined on the basis of the IMF membership, which is increased periodically.

42. Miscellaneous asset items is the category that covers all accounts not included elsewhere in depository institutions' balance sheets. This category

mainly includes suspense accounts, deferred tax assets and prepayment of rent or other operating expenses.

### ***Nonfinancial assets***

43. Nonfinancial assets consist of: tangible assets (both produced and nonproduced) and intangible assets as follows:

a) Tangible assets may be produced and non-produced. Produced assets include fixed assets and minor inventories. Fixed assets include only those assets that are related to the activity of the reporting financial institution. Fixed assets are recorded at their book value excluding accumulated depreciation of fixed assets, which is recorded in other accounts payable – other.

b) Intangible assets are assets for which no corresponding liabilities are recorded.

44. Nonfinancial assets include gold that is not part of official reserves, holdings of commemorative gold coins and coins, works of art, and assets other than financial instruments, that was claimed from institutions as collateral for certain claims.

### ***Liabilities***

#### ***Currency in circulation***

45. Currency in circulation includes notes and coins that are of fixed nominal values and are issued by the central bank as legal tender as in the domestic economy. In calculating the amount of currency in circulation, central bank holdings of currency are deducted from the total amount of currency issued. This category appears only in 1SR Report.

#### ***Deposits included in broad money***

46. Deposits included in broad money include transferable deposits and other deposits of domestic depository institutions that are included in the national definition of broad money. This category includes all deposits of domestic institutional sectors, except central government deposits, deposits of depository institutions and deposits of nonresidents.

#### ***Deposits excluded from broad money***

47. Deposits excluded from broad money include transferable and other deposits that are not included in the national definition of broad money. This category includes deposits of the central government, depository institutions and deposits of nonresidents (including IMF Accounts No. 1 and No. 2, which appear only in 1SR Report – Central Bank Balance Sheet)

#### ***Securities other than shares, included in broad money***

48. This category includes negotiable financial instruments included in the national definition of broad money. It covers securities, other than shares, of all

domestic institutional sectors, except the central government sector, depository institutions and deposits of nonresidents.

***Securities other than shares, excluded from broad money***

49. Securities, excluded from broad money, constitute negotiable financial instruments that are excluded from the national definition of broad money. This category includes securities other than shares that are held by the central government, depository institutions, and nonresidents.

***Loans***

50. On the liability side, this category covers all categories of loans (except trade credit) and advances by various institutional sectors.

***Insurance technical reserves***

51. Insurance technical reserves is net equity of households in life insurance reserves and pension funds, as well as prepayments of premiums and reserves against outstanding claims. These items are considered assets of beneficiaries and policyholders. Net equity of households in life insurance reserves and pension funds comprises policyholders's claims on the reserves of insurance institutions and pension funds. Prepayments of insurance premiums and reserves against outstanding claims are current claims of policyholders and beneficiaries rather than net equity of insurance institutions.

52. Other liabilities include:

a) Trade credit, which includes trade credit received for purchasing goods and services directly from corporations, nonprofit institutions and households, and advances received for work in progress (or to be undertaken) or prepayments received for goods and services,

b) Settlement accounts that record payment obligations for future settlements dates, for assets already purchased,

c) Liabilities arising from dividends payable - arising from the recording of dividends on a financial institution's shares at the time when the dividends are declared, rather than paid,

d) Provisions for loan losses, accumulated depreciation and impairment losses and other items are recorded in the *other liabilities – other* in accordance with the rules for compiling monetary statistics, while by national accounting standardized and the International Accounting Standardized, these categories are not recorded on the liability side of the balance sheet, but are instead deducted from outstanding amounts of assets,

e) Miscellaneous liability items - all accounts not classified elsewhere in the depository institutions' balance sheets. This category mainly covers suspense accounts, *provisioning* (unrelated to provisions for losses on impaired assets), various tax liabilities, accrued wages, rents, due liabilities, other operating expenses and issuance of commemorative notes and coins (this item appears only in Report ISR –the Central Bank Balance Sheet).

53. Shares and other equity include:

a) Contributed capital that includes the initial issuance of shares and shares issued in other forms of ownership of corporations. Contributed capital is recorded at nominal value.

b) Retained earnings constitute net (after-tax) earnings that have not been distributed to shareholders as dividend or appropriated as general or special reserves. Retained earnings are valued at their nominal amount.

c) The current year result includes accumulated revenues less current-year expenses, if such profit or loss has not been included in retained earnings. The current-year result is valued as the nominal amount of revenues less expenses.

d) General and special reserves are appropriations of retained earnings. General and special reserves are valued at the nominal amounts of such reserves.

e) SDR allocations are the counterpart to the assets in the form of SDRs that were provided to the Central Bank by the IMF. This component of shares and other equity appears only in ISR Report, but in the ISR Report, this amount is not included in the Central Bank's Balance Sheet, but is reported as a memorandum item in the Report on Net Position of Bosnia and Herzegovina with the IMF. SDR allocations is valued on the basis of the market exchange rate as of the balance sheet date (or may be valued at nominal amount, in accordance with the national practice).

f) Valuation adjustments are the net values of all changes in the values of assets and liabilities on the balance sheets of depository institutions, except for valuation changes recorded in the income statement. The valuation adjustments are valued at market value.

### ***Classification of institutional units by sectors for preparation of Standardized Reporting Forms***

54. Sectorization of institutional units is a crucial element for compilation and presentation of monetary and financial statistics, as it identifies the sectors that hold funds and the sectors that transferred funds. Institutional units differ by their economic goals, functions and operations, and they are grouped together in sectors characterized by similar features.

55. As per SNA 93 and ESA95, institutional units are classified into the following sectors:

a) Nonresidents

b) Financial institutions, including: Central Bank, other depository institutions, other financial institutions, insurance companies and pension funds, other financial intermediaries, except insurance companies and pension funds, financial intermediaries

c) Nonfinancial institutions are classified into:

- public nonfinancial institutions that are controlled and established by the state with a share of at least 50 per cent, performing functions of general interest.

- other (private) nonfinancial institutions that produce and sell goods and services in the market are majority owned by private legal of physical persons and conduct their activities with the purpose of creating profits.

d) Government, which is divided into:

- Central government, for preparation of CBBH monetary statistics, the central government includes the BH Institutions, entity governments of the Federation of Bosnia and Herzegovina and Republika Srpska, the Government of the Brcko District of Bosnia and Herzegovina, social insurance funds at the entity level;

- Local government, for preparation of CBBH monetary statistics, local government in BH includes: cantonal governments and municipalities.

e) Households may consist of one or more persons who, through their own, or joint labor earn income by selling goods or services in the market and expend the earned income and share the place of residence. The household sector includes individuals, home industries, craft and trading shops etc.

f) Nonprofit institutions serve households and do not have profit-creation for its main purpose, although profits may be created through performance of their activities. The sector includes: humanitarian organizations, religious organizations, sports clubs, political parties, trade unions, chambers of commerce etc.

56. To ensure proper classification of the government sector in Bosnia and Herzegovina, in the Standardized Reporting Forms, financial institutions use the Instruction on Classification of Budget Users and Extrabudgetary Funds in Bosnia and Herzegovina, adopted by the Central Bank. In the standardized reporting forms, positions related to households and nonprofit institutions serving households are grouped together as other resident sectors.

### ***Structure of Standardized Forms of Consolidated Surveys***

57. Consolidated surveys present aggregated reports, where assets and liabilities of financial institutions are primarily classified by sectors holding financial instruments. Consolidated surveys are static and comprehensive sets of information about the position at the end of each month, representing data in accordance with basic principles of sectoral classification and aggregation of instruments into appropriate standardized categories.

### **Balance Sheet of the BH Central Bank - monetary authorities**

58. In the Balance Sheet of the BH Central Bank, assets and liabilities are presented in classification by sectors, as follows: nonresidents, central government, other resident sectors, including other financial institutions, local government, public and private nonfinancial institutions and other resident sectors). Assets and liabilities of each sectors are classified by standardized financial instruments. Valuation of instruments includes accrued interest, where such could be calculated.

### **Assets**

59. In the Central Bank Balance Sheet, the asset side presents foreign assets and claims on domestic sectors. Foreign assets of CBBH – monetary authorities include monetary gold, foreign currency in the CBBH vault, foreign currency deposits with foreign banks, SDR allocations, securities and other. Claims on

domestic sectors include claims on CBBH employees for long-term loans and claims on commercial banks arising from the operation of the settlement account.

## **Liabilities**

60. On the liability side, the CBBH Survey includes:

a) reserve money (monetary base) includes: currency in circulation, required reserves' accounts of commercial banks with the central bank, deposits of domestic sectors in domestic currency (except deposits of the central government),

b) foreign liabilities of CBBH include Accounts 1 and 2 for the membership of BH in the IMF, short-term liabilities towards nonresidents and deposits of nonresidents,

c) deposits of the central government with CBBH mainly include the deposits of the central government in the domestic currency,

d) shares and other capital include contributed capital and reserves, shares and the Bank's accumulated profits since its establishment,

e) the item Other (net) covers unallocated liability items less unallocated asset items.

## ***Consolidated survey of BH commercial banks***

61. The Consolidated Survey of Commercial Banks (depository institutions) in Bosnia and Herzegovina is produced by consolidation of interbank liabilities and claims, and thus represents assets and liabilities of commercial banks classified by sector. Assets and liabilities of each sector are classified by the standardized definition of financial instruments. Valuation of each instrument includes accrued interest due, where it can be calculated.

## **Assets**

62. Assets include the following major categories: foreign assets, reserve accounts of commercial banks, claims on the central bank, claims on the government, claims on other domestic sectors (nonfinancial public and private institutions, other financial institutions and other resident sectors), as follows:

a) foreign assets refer to claims of depository institutions on nonresidents, arising from foreign currency in vault, deposits with nonresidents in foreign currency, credit to nonresidents, claims on nonresidents arising from securities in foreign currency and other claims in foreign currency;

b) reserves refer to reserve accounts in domestic currency held with CBBH by commercial banks, as well as to cash in vault;

c) claims on the government sector include claims arising from credits to government institutions, securities issued by government sectors and other claims of the sector on all levels of the government sector: central government (BH Institutions, entity governments, entity social security funds and the Brcko District) and noncentral government (cantonal and municipal governments);

d) claims on other domestic sectors include claims arising from credit to these sectors: claims on nonfinancial public enterprises, nonfinancial private companies and associations, other financial institutions and other domestic sectors, which include households, nonprofit institutions and others. In addition

to claims arising from credit, these claims also include claims from holding securities of the mentioned sectors, claims arising from advances and guarantees provided to these sectors, as well as other due claims.

### **Liabilities**

63. The liability side of the Consolidated Balance Sheet of Commercial Banks includes the following essential items: foreign liabilities, deposits classified by type and liquidity (included in the standardized definition of broad money), government deposits, credit from domestic resident sectors, capital accounts and other unclassified liabilities, as follows:

a) foreign liabilities refer to liabilities of commercial banks to nonresidents and include foreign liabilities arising from transferable and other deposits of nonresidents, credit received from nonresidents, nonresidents' securities, nonresidents' trade credit and advances and other debit accounts;

b) the Consolidated Survey of Commercial Banks treats deposits of the central government separately, noting that these deposits are excluded from the definition of broad money;

c) deposits are classified as transferable and other deposits in domestic and foreign currency and include deposits of the local government, nonfinancial public enterprises and private companies, nonbank financial institutions and other resident sectors.

d) shares and other capital include contributed capital on the basis of ownership of banks, retained earnings, current year results, general and special reserves and currency adjustments.

e) other items (net) are unallocated liability items less unallocated asset items, also including limited deposits.

### ***Monetary Survey or Consolidated Survey of Depository Institutions***

64. This survey presents consolidated assets and liabilities of all institutional sectors included in the sector of depository institutions - CBBH and commercial banks. The Monetary Survey is suitable for analysis of the banking sector flows, as it represents the consolidated balance sheet of the banking system.

65. The major components of the Monetary Survey are net foreign assets, domestic credit, cash, deposits by maturity, capital accounts and other items, net as follows:

a) net foreign assets represents the difference between the total foreign assets of the Central Bank – Monetary Authorities and banks in Bosnia and Herzegovina and the total foreign liabilities of the Central Bank – Monetary Authorities and banks in Bosnia and Herzegovina,

b) domestic credit represents claims by banks from all domestic sectors, with the note that claims on central government are stated in the net, i. e. less the deposits of the central government with the CBBH and banks in Bosnia and Herzegovina,

c) M2 broad money comprises M1 aggregate money and QM quasi money:

– M1 money includes cash outside banks and transferable deposits in domestic currency of all domestic sectors, except deposits of the central government and banks deposits;

– QM quasi money includes other deposits in domestic currency, transferable and other deposits in foreign currency of all domestic sectors, except deposits of the central government and banks' deposits.

d) Other liabilities include bonds, credits, shares and other capital, and other items (net). Other items (net) are unallocated liability items less unallocated asset items. Other items also include limited deposits, funds' counterpart items and government credit funds.

### ***Data dissemination***

66. Data of the CBBH monetary statistics are produced on the basis of the new IMF monetary statistics methodology and are published in the IMF's monthly publication International Financial Statistics/IFS.

### ***CBBH website***

67. The CBBH website publishes the following reports:

- 1SR - Central Bank Balance Sheet, monthly,
- 2SR - Balance Sheet of BH Commercial Banks, monthly,
- 4SR - Balance Sheet of OFI in BH, semiannually.

68. In addition to the consolidated surveys, the CBBH website also contains:

- a set of accompanying tables on BH monetary sector published monthly, covering monetary aggregates, credit, deposits by maturity, currency and sectoral structure,
- Standardized Reporting Forms for data submission – 1SR, 2SR (2SR – Extended) and 4SR,
- archives of monetary sector data.

69. The data is published in accordance with the Data Publication Calendar of the BH Financial Sector, 4 to 5 weeks following the end of the reporting months for the monetary sector.

70. The monthly data is available through quarterly bulletins and annual reports, as well as through monthly CBBH information sheets, which are published on the CBBH website.

71. This Instruction enters into force on the day of its adoption.

**GOVERNOR**  
**Kemal Kozarić**