



THE GOVERNING BOARD OF THE CBBH

Goals that were set out in the Strategic Plan fulfilled in the first five months of this year

The Governing Board of the Central Bank of BH, during its session which was held on June 24 in Mostar, concluded that the CBBH, during the first five months of this year successfully accomplished all goals that were set out in the Strategic Plan for 2003. During the discussion about the Report on the implementation of the Strategic Plan from January until May of 2003, the Governing Board confirmed that the rules of the Currency Board Arrangement were fully respected. As of April 30, net foreign reserves were at KM 138,4 million. Managing of foreign reserves was carried out adequately and in accordance with the CBBH's guidelines on foreign reserves investing. At the end of April, foreign reserves of the CBBH were KM 2.165,3 million. Incomes and expenditures of the CBBH were controlled regularly. Total incomes were KM 22,3 million, while the expenditures were KM

7,6 million, which means that the income was KM 14,7 million, which is 23,8% more than it was planned. Financial reports for 2002 and for the first quarter of 2003, as well as the Annual Report for 2002 were completed during the first five months of this year. The Governing Board also concluded that the Forth International Conference entitled "The Role of the Currency Board in the Monetary Policy: History or Practice" was successful. Parliamentary Assembly of BH has adopted the amendments to the CBBH Law that are related to the Required Reserves. Among activities that were successfully completed in the above mentioned five-month period is the beginning of functioning and the startup of the "live work" of the backup payments system. Management of the information systems was improved, the database was expanded and reporting was improved, which means publishing

of the monthly and quarterly reports in the new form. All activities regarding the issuing of the new volume of 2 KM coins were completed, while activities regarding the issuing of the jubilee 5 KM coin were halted according to the Decision of the Governing Board. Reorganization of the Accounting Department was completed, content of the bank's web page was improved and additional measures were implemented to increase the overall security. CBBH's representatives and representatives of banking agencies from both entities signed the Memo on cooperation and the exchange of information and continuation of discussions on banking supervision. The Council for Capital Market was established. Cooperation of the CBBH with institutions and international financial organizations is still developing. During the first five months of this year, internal and external audit were carried out regularly.

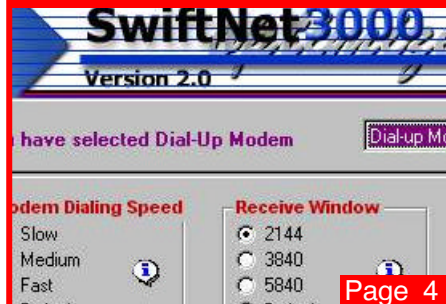
WASHINGTON AND NEW YORK:

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PRESENTATIONS

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AWARDS:

"Golden BAM" to Governor Nicholl



Final meeting of the representatives of CBBH and "Aster" Company on functioning of the implemented system

The Project Team of the Central Bank of BH (CBBH) for the accounting-banking software "Aster" went to Slovenia where it held the final meeting with representatives of the Slovenian Company "Aster". During the meeting, functioning of the accounting-banking software that is installed in the CBBH was presented. This software is operating as of January 1, 2003, and it efficiently combines and integrates business functions of the CBBH, provides higher quality and more efficiency in communication with the surrounding, faster processing of the business transactions and information flow, which is in function of fulfilling of the business goals of the CBBH. During the first part of the presentation, which was done with the active participation of the representatives of the CBBH's Project Team and "Aster" Company, complete work of the banking part of software was explained, i.e., banking applications, followed by the accounting part of the software, which means accounting applications and hardware IT solutions, which are implemented in the entire CBBH. Currently, activities are underway in the CBBH of installation of the parallel server which will support accounting-banking software. During the second part of the presentation, "Aster" presented "Document Management Software", which is being developed by this company and which is implemented in several companies around Slovenia. That is the software solution which enables complete replacement of paper documents with electronic documents that also contain electronic signatures, which presents the change in the system of work of companies or legal entities. Namely, countries that are in the first round of the EU entry were ordered by the Union to accept the electronic signatures. This presentation resulted in the idea of CBBH representatives to, until the proper legal regulation gets adopted, make the internal bylaw which would regulate acceptance of the electronic signature. Representatives of the CBBH devoted special attention to the part of the presentation of the software which was devoted to the electronic archiving of the data. In that sense it was stated that the CBBH, with the respect of the internal procedures on investments into fixed assets, could be ready to take steps in order to implement electronic archiving of data that would replace paper archiving in a brief period of time.

Conferences on investments and trade

The Presidency of BH have announced that the Currency Board Arrangement will be continued as one of the main features of the monetary policy in BH and that the most important reason for this is that the policy has produced major economic and social benefits, said Governor of the CBBH

Peter Nicholl during two conferences on investment and trade in BH, which were held in Washington D.C. and New York on June 17 and June 19, respectively. During his presentation at these conferences, which were organized with the aim to improve bilateral-trade relations and promote investments between USA and BH, the CBBH Governor stated that implementation of the Currency Board Arrangement not only brought exchange rate stability and low inflation, but it has also positioned BH economy closer to the economy of the EU. "The KM is already tied to the euro and it would be sensible to maintain this link, since the exit strategy for BH from the Currency Board Arrangement will be eventual adoption of the euro as the currency of BH", Nicholl said and added that those two elements of stability are essential in attracting of foreign investments. The Governor added that the reform process in the BH banking sector has gone further and faster than reform in any other sector of the economy. "Proportionally, foreign investment in the banking sector has been higher than in any other sector in BH. Confidence is coming back and depositors are now prepared to put their savings in the banks rather than keep them at

home in foreign cash under the mattress", Nicholl said and added that the BH banking sector seems to be closer to the banking system that can be seen in any other western country, which is another positive sign for the eventual foreign investors. Nicholl summarized that BH now has the



Peter Nicholl

firm base for its financial system with the sound Central Bank, stable currency and rapidly improving commercial banking sector, however there are many things left to be done. "The challenges for the next two years are to maintain financial stability and to develop the capital and securities markets so as to broaden the range of financial services available to savers and investors in BH", said Nicholl and added that BH has already moved forward in that direction with establishment of the National Capital Markets Council, that there are ongoing activities in order to improve condition in the domain of banking supervision and that, by the end of 2003, BH should have its own credit rating. The Governor concluded his presentation with the remark that BH still has a long way to go in the reform process, but invited investors to come to BH, since "the balance between risk and opportunity now favours opportunity". In addition to the Governor of the CBBH, President of the Council of Ministers of BH **Adnan Terzić**, Minister of the Foreign Affairs of BH **Mladen Ivanić** and US Ambassador in BH **Clifford Bond** participated at this conference, which featured representatives of the US administration, as well as businessmen from BH and USA.

CBBH's Annual Report for 2002 adopted

During a session, which was held on June 27 2003, representatives in the Representative House of the Parliamentary Assembly of BH adopted the Annual Report of the Central Bank of BH (CBBH) for 2002. According to the CBBH's Governor **Peter Nicholl**, year 2002 was another successful year for the CBBH. Because of the successful operating of the Currency Board, arrangement in which monetary policy in BH is conducted, inflation in BH remained low during the entire year. During 2002, the currency board requirements of full convertibility and full foreign exchange coverage for the CBBH's KM liabilities were met at all times. The CBBH balance sheet continued to gain in strength during 2002 as the 'free foreign exchange reserves' (i.e. those that are above the level needed to cover all the KM liabilities) increased from KM 75 million at the beginning of the year to KM 118 million at the end of 2002. The outflow of DEM banknotes continued in the first four months of 2002, during which the CBBH sent another DEM 2.3 billion back to Germany. The CBBH brought euro 300 million into BH to assist the conversion process and the commercial banks brought in a similar amount. The euro is used to a small degree as a transactions currency in BH but not to the extent like the DEM was. As a consequence, over the remainder of 2002, the CBBH sent euro 285 million back to our correspondent banks. The euro does how-

ever play a major role in the denomination of savings in BH, with just over 50% of the commercial banks' deposits in BH denominated in euro. In 2002, the foreign currency reserves fell by KM 232 million, or by 8,6%. This was not because of a fall in the amount of KM in circulation. During 2002, the amount of KM currency in circulation grew slightly from KM 1,806 million to KM 1,869 million. The fall in overall KM liabilities and our foreign reserves was due to a sharp drop in the level of commercial banks' deposits at the CBBH. It is significant that the net growth of the CBBH's foreign reserves over the two years 2001 and 2002 was more than KM 1.4 billion, which means that the level grew by around 140%. The CBBH reserves at the end of 2002 represented three and a half months of import covering. The new payments system continued to operate very effectively. As of December 31 2002 the payments system included 41 commercial banks and the CBBH. During the first two years of its operations, 2001 and 2002, the system handled over 27 million of transactions with a value of KM 39,3 billion. In December 2002, the CBBH took over the function of fiscal agent for BH in its relations with the International Monetary Fund (IMF). In 2002, the CBBH formed a Governing Board Audit Committee in order to further improve the internal control system and culture within the CBBH. The audit committee quickly established a very important role in ensuring the

CBBH maintains an appropriate framework for risk management and expenditure control within the CBBH. The most important development in the institutional framework of the banking sector in BH in 2002 was the establishment of the State Deposit Insurance Agency. The soundness and economic role of the banking sector continued to improve in 2002. Minimum level of capital a bank was increased from KM 10 million to KM 15 million. The process of privatisation of the state-owned banks finally began to make significant progress in 2002. The degree of foreign ownership also continued to increase, and the number of banks continued to decrease through mergers or closures. The banks showed a clear preference for lending to households than to the business sector, with lending to households growing an astonishing 119% in 2002. The banks strongly believe that the level of risk is significantly less in lending to households than lending to business in BH. The CBBH's financial results were again very positive in 2002. The profit from operations was KM 58 million, which was 58% higher than the previous year. The CBBH's capital and reserves grew strongly because of this good profit performance. On December 31 2002 the level was KM 181 million, compared to KM 121 million a year earlier. The CBBH received positive report from its external auditors for its financial operations and reports.

ROUND TABLE ON REQUIRED RESERVES

Privredna Bank AD Srpsko Sarajevo hasn't fulfilled Reserve Requirements

All banks, except for the Privredna Bank AD Srpsko Sarajevo, fulfilled their obligations in maintenance of the Required Reserves (RR)", said Governor of the Central Bank of BH (CBBH) **Peter Nicholl** during the round table which covered implementation of the new Decision on establishing and maintenance of the RR, and compensations on the amount of reserves after the ten-day calculation in June. Compensation on the RR that CBBH pays to the banks was KM 202.040 and, according to the assessment of the Governor that was stated during the Round Table that was held on June 14 2003 in Neum, banks should be satisfied with this income. Explaining the compensation category, the Governor said that this is the compensation that CBBH calculates and pays to the banks,

while the banks make the decision whether to treat this as the compensation or the inter-



est. The Governor also formed the Working Group which will have the assignment to provide necessary explanations to the banks regarding the new Decision on the RR maintenance, which became effective as of June 1, 2003. This Working Group will answer all queries of the commercial banks in written

form. The Working Group has already sent explanation to the banks regarding the foreign credits that are excluded from the base for calculation of the RR, as well as additional explanations regarding the balance positions that are the basics for the calculation of the RR. The Vice Governor of the CBBH **Dragan Kovačević** informed the bankers about the possibility of the controlling of the reports for the calculation of the required RR through the direct audit in banks, which would be carried out by the CBBH. During the Round Table, which was organized as the part of the event entitled "Sports Meetings of BH Bankers", representatives of banks started discussions about other issues related to the money laundering, exchange risk and impossibility to charge due claims.

Transfer to the SWIFTNet FIN

A large task is underway worldwide for banks and financial institutions - the transfer to the new IP oriented network of applications which are called FIN storing and transfer of the data from the X.25

network which is currently being used. That was just one of the reasons why SWIFT held the presentation about the transfer to SWIFTNet on June 24 2003 in the premises of the Central Bank of BH (CBBH). Regional Director of SWIFT organization **Judith Baracs** explained the entire procedure of

sending and receiving of messages through the new IP network to the representatives of BH banks. Representative of SWIFT network explained why banks should transfer to the new system within the provided timeframe, which was set out for all banks in each country. X.25 network is outdated and in the future it will be a limiting factor. For those who fail to comply with the timeframe, extended usage of the current FIN application of messages sent through the old network will be charged in accordance with the special price list, or more precisely, with penalty tariffs. New network, which is IP oriented, leans on the protocols which are being used by the "network of all networks" - the Internet. With the transfer to the new network and the new net protocols, SWIFT introduces all new modern technologies and experiences. Current service for storage and sending of messages - FIN - was introduced in 1977 and provided the basis for the upgrade of the future FIN through the SWIFTNet network, but with the much more advanced possibilities. The most important trait of SWIFTNet is interactivity. Based on the new system called InterAct, new "cash reporting" message will introduce interactivity of SWIFTNet with Back



By **Sead Bijedić**,
Giro-Clearing
Section Coordinator

Office systems and applications in banks. Many banks will gladly accept the possibility of this service when they figure out that instant reporting on balances in foreign banks and the condition in the RTGS system provides flexibility in the real management of assets. New InterAct service will make the current account information instant, which will make management of bank's assets easier. With the real insight in the balance of these accounts at their correspondents abroad, bank will manage assets more

rationally and avoid short-termed debiting and they will also have the opportunity to transfer the surplus of money to the accounts where they will have much larger interest rate. SWIFTNet FileAct is the service for the file transfer. Content of the data has no meaning for this service, so those data can contain payment orders, as well as anything else. The essence of this is that SWIFTNet users can use the existing network infrastructure for many purposes. Instead of engaging and paying for the special communication networks for the data transfer between dislocated departments of the one bank, it is possible to use the SWIFTNet network instead. This will be used by the larger banks and clearing houses because this means that both ends of connection need to have access points to SWIFTNet. FileAct provides everything which is necessary for the safety of payment transactions: authenticity, integrity, trustworthiness and irrevocability. Manipulation with the transfer is simple through the web oriented graphic stations. Usage of this service has no fixed costs, only the volume of transferred data will be charged. Representative of SWIFT devoted the large part of her presentation to procedures that banks have to go through during the

transfer to SWIFTNet. Firstly, banks have to decide on SWIFT connection type - Dial Up or the permanent connection. The first type of connections is at call connections. When user decides that he/she needs the connections, than the connection gets established. It is recommended to banks with up to 1.000 messages daily. If the number is larger, than banks have to think about the permanent leased line. The decision on this issue will not be made by the IT experts in the bank - it will be made by the business management. SWIFT is well prepared for the job in which 7.000 institutions in more than 190 countries will have to be migrated to the SWIFTNet, and SWIFT is trying to make this job as easy as possible. So, the SWIFT provided so-called "configuration tool" on its web site which interactively leads user in the procedure of the selection of connection type. User has to answer questions about the number of messages, desirable recovery system in case of emergency, platform which he/she will use for operation and in return, he/she will get info about which type of connection is recommended as well as price for the chosen solution. Data about how to order hardware and software components were also provided. The most important part of the meeting was related to the timeframe for the migration. The provided timeframe consists of two weeks in January 2004, to be more precise, from January 12 until January 23. That period is the best time for the banks to transfer to SWIFTNet and there are several reasons for this. One of them is that the SWIFT staff will be available to banks in order to provide all possible kinds of help to all banks through web site, fax, as well as through SWIFT business partners. The second reason is that the banks that don't transfer to the new FIN will have to pay increased fees for the usage of the old X.25 network.

Stability of the monetary policy and good banking system for the better economic development

The Vice Governor of the Central Bank of BH (CBBH) **Dragan Kovačević** said he is convinced that the stability in the monetary policy and the good banking system will be better used in the future as the starting point for the larger and better economic development. He stated this during the First international meeting of the businesspeople



from Sarajevo and Mostar with businesspeople from cities from the former Yugoslavia. During the presentation he delivered during this meeting, which was held from June 19 until June 21 2003 in Sarajevo, Vice Governor Kovačević pointed to the changes in the monetary policy and the development of banking during the transition period. Monetary policy and the banking system contain stimulus instead of restriction for the development of the business arrangements and the economic relations in general. Vice Governor Kovačević stated that the monetary policy and banking in BH have reached the level which is required by the market economy in which the competitive business can be carried out in the stable conditions. "We have all left behind the unstable currency and high inflation. In BH, the KM has had the same exchange rate against the DEM for the last five years, which was also the case against the euro for the last year and a half", said Kovačević. This means that it is possible to make contracts without the exchange rate risks, so it doesn't matter whether the payment will be carried out in the KM or in euros. Vice Governor also stressed that the inflation, which was 27% at the time when CBBH commenced its operations in 1997, fell to 0,4%, which was the level that was

recorded at the end of 2002. "Just these two results, namely stable currency and low inflation, together with the transparency of the monetary policy, speak enough about what was

done so far and about the chances that opened the doors, not only for exchange of goods, but also for the other forms of the economic cooperation, joint and direct investments", Vice Governor Kovačević estimated. During the speech about the reform of banking, he stated the fact that the banking system, which was fragmented and mostly state owned, today enlarged and privatized, with the banking supervision which is being carried out in accordance with the world standards. As of August this year, all banks will have insured deposits. Minimum capital requirements were

set to KM 15 million. Banks have taken over the payments system and they all have S W I F T . Laws on banking and supervision of

banks are harmonized at the level of the entity regulations and there is a project of uniting of the banking agencies under the umbrella of the CBBH. "The banks have become the natural carriers of the payments transactions. Nova Bank from Bijeljina already has the daughter-bank in

Serbia and Montenegro. This means that we already have payments between two countries based on the principle of the internal payments transactions", said Vice Governor Kovačević. According to his judgment, what we did so far gives us the right to be optimistic and to expect soon the direct inter-banking transactions without mediators between the countries of the former Yugoslavia. Vice Governor of the CBBH **Kemal Kozarić** who, together with the CBBH Governor **Peter Nicholl**, was honorary sponsor of the of the International Meeting, said that the CBBH runs the long-term policy of the Currency Board Arrangement in BH and that the "CBBH will do anything to keep the Convertible Mark the way it is". According to Kozarić, BH has the unfavorable trade deficit with the surrounding countries, but at the same time, this deficit is smallest with Serbia and Montenegro. The goal of the First international meeting of the businesspeople from Sarajevo and Mostar with businesspeople from cities from the former Yugoslavia was the implementation of the Free Trade agreements that was signed between the Council of Ministers of BH and newly

formed countries in the former Yugoslavia region. Besides representatives of the international community in BH, CBBH and managers, business



meeting was attended by the representatives of banks, judiciary experts, experts in finances and foreign policy, as well as economic advisors of embassies. The General Sponsor was the Major of Sarajevo **Muhidin Hamamdžić** and the organizer was businessmen **Kemal Derdžić**.

Business of the RS banking sector in the first quarter of 2003

By Ljiljana Marjanović, Coordinator for the Banking Supervision

Business of the Republika Srpska (RS) banking sector in the first quarter of 2003 was marked with the process of consolidation, bank mergers and attempts to cover inherited losses as well as with the increase in capital in order to provide minimum capital requirement that was set out in the Law. During the first quarter of 2003, the RS Banking Agency introduced provisional administration in the Privredna Bank AD Dobož. Four banks went bankrupt. As of March 31 2003, 11 banks operated in RS (which is the same number of banks which operated at the end of 2002). All banks are private owned. Branch office of the one foreign bank is operating in RS, as well as branches of five banks from BH Federation. All banks had licenses for performing of payment transactions.

Capital of commercial banks

Total capital of commercial banks in RS as of March 31 2003 was KM 246 million and compared to the end of 2002 was smaller by KM seven million, or by three percent. Reductive item of capital was KM 52 million, while net capital was KM 194 million and compared to the end of 2002 it was one percent smaller. In the structure of the total capital, the share of the core capital was 93 percent, while the share of the supplemental capital was seven percent. Share capital as of March 31 2003 was KM 198 million, which is three percent smaller compared to the end of 2002. Share of the state capital in total capital was one percent, share of the private capital was 98 percent (local capital - 27 percent, foreign capital - 71 percent) and the share of the cooperative capital was one percent. Foreign capital in total private capital participated with 73 percent, while local capital participated with 27 percent. Structure of share capital is as follows:

In millions KM:

	December 31 2001		December 31 2002		March 31 2003	
	Amount	Share	Amount	Share	Amount	Share
TOTAL CAPITAL	168	100 %	205	100 %	198	100 %
STATE CAPITAL	53	31%	3	1%	3	1%
PRIVATE CAPITAL	112	67%	200	98%	193	98%
Of that:						
- foreign capital	56		133		141	
- local capital	56		67		52	
COOPERATIVE CAPITAL	3	2%	2	1%	2	1%

Banks assets

Total assets of banks were KM 950 million, which, in comparison to the end of 2002, was higher by KM 11 million, or one percent. In assets structure, the most important share is taken by credits with 58 percent. Money funds participated with 24 percent, fixed assets with 12 percent, other assets five percent and investments in other banks one percent. In structure of money funds the most important share is taken by deposits at accounts with depository institutions abroad - 48 percent. This share increased six percent compared to the end of 2002. At accounts abroad banks hold KM 109,7 million, which is 13 percent higher in respect to the end of 2002.

Banks liabilities

In total bank liabilities commitments were 74 percent, capital 20 percent and reserves for potential losses six percent. Compared to the end of 2002, the structure of liabilities hasn't changed significantly at the end of March. If we look at the nominal amounts, we can see that deposits increased two percent, liabilities under the taken loans increased 17 percent, while capital reduced two percent. Total deposits as of March 31 2003 were KM 639,7 million which was two percent higher compared to the deposits at the end of 2002. If we consider deposit structure by sectors, the most important share was taken citizens' deposits with 25 percent, then banking institutions with 24 percent, then private companies and enterprises with 21 percent, followed by government institutions 16 percent and other deposits 14 percent. Foreign exchange deposits increased three percent, while the KM deposits remained at the same level they were at the end of 2002. At the end of March, participation of foreign exchange deposits in total deposits was 52 percent, while the KM deposits participated with 48 percent share. Short termed deposits took 76 percent of the total deposits share, while 24 percent was taken by the long-term deposits. Share of the long-term deposits increased three percent compared to the end of 2002.

Citizens' savings was KM 128 million as of March 31, which is two percent more compared to the end of 2002. 91 percent of all savings was concentrated in six banks. If we consider savings structure, 27 percent of all savings were KM savings, while 73 percent share belonged to the foreign exchange savings. Compared to the structure of savings which was recorded at the end of 2002, KM savings increased one percent. Ratio between the long-term and short-term savings was 40:60, which means that it remained the same compared to the end of 2002

Credits

Total amount of extended loans in the first quarter of 2003 was KM 555 million, which is six percent higher compared to the end of 2002. If we look at the structure of loans by sectors, loans extended to private companies took 46 percent; loans to citizens took 33 of the share, followed by public enterprises with 17 percent, while the other sector got four percent of all loans. Loans extended to citizens increased 18 percent, to private owned companies 13 percent, while credits to public enterprises reduced 17 percent.

Bank size according to assets:	
-above 150 million KM	three banks
-from 50 –100 million KM	three banks
-from 25 –50 million KM	four banks
-bellow 25 million KM	one bank

Visit of the students from the Management School from Lausanne

Students from the Management School from Lausanne visited Central Bank of BH (CBBH) as the part of the "Study Tour" program, which consists of visits to companies and institutions. The main topic of the "Study Tour" was "Challenges in Attracting of the Foreign Investments in BH", where students work on the complex study about the improvement of the direct foreign investments in BH. After the completion, the study will be handed to the Foreign Investment Promotion Agency in BH (FIPA). During their visit, students met with the CBBH's Vice Governor **Dragan Kovačević**, who informed them about the activities of the CBBH and about the banking system in BH in general. "Besides the fact that BH has the stable currency and low inflation, it also has the strong banking system" said Vice Governor Kovačević. He stated that the Currency Board Arrangement is the best solution for BH, considering the current circumstances and the fact that BH had bad experiences in the past. He also pointed out the problems in real sector, especially problem of export and import, production, end of the privatization process, inadequate legal system and employment. There is the black market in BH, especially in the domain of trade, since BH borders are not entirely covered.



According to Vice Governor, the largest level of reforms was recorded in the banking sector, while the stability of currency enables planning of future activities. "Some people want to use the monetary policy in order to strengthen the economy. There is the issue how to provide credits if the real sector does not provide production", Vice Governor said and added that banks extend more loans to citizens than to the economy. Privatization process in the banking sector is nearing to its end; it is completed in the small and medium sized business sectors, but the problem of privatization of large companies remains. Representatives of the Management School organized the Round Table, which was held in Sarajevo on June 24, entitled "*Finances and Development in BH*", which featured presentation by the Economic Analyst in the CBBH's Department for Economic Research **Damir Čosić**. During this presentation, the CBBH's role in the stability of the financial system was presented, reforms that were implemented in the banking sector and the upcoming reforms aiming to strengthen the capital market. Representative from the World Bank **Jean Luc Bernasconi** and representative of the EBRD **Serban Ghinescu** participated in work of the Round Table.

Delegation of Austrian investors visited CBBH

The delegation of Austrian investors, led by the General Director for the Foreign Trade Relations of the Federal Ministry of Economy and Work of Austria **Johann Sachs** and the Trade Counselor in the Embassy of Austria **Michael Schertz**, visited the Central Bank of BH (CBBH). The Governor of the CBBH **Peter Nicholl** and the Vice Governor of the CBBH **Kemal Kozarić** spoke with the investors that are thinking about the expanding of the economic cooperation and potential investing in BH. Sachs stated that the most important thing for investments is stability, while Governor Nicholl, during his speech on the macroeconomic situation, informed the Austrian delegation that the implementation of the Currency Board Arrangement will be continued and the Decision about this was made by the BH Presidency. "Stability of the BH currency and the low inflation are favorable for the foreign investments", Governor said. Vice Governor Kozarić stated his pleasure with the large number of

people who came with the Austrian delegation as well as with the fact that the interest in BH has not reduced. During the discussion, it was stated that the current coverage of imports with exports in BH is 27% and that, according to the official data, 40% of the people in the country are unemployed. As it was stated, activities of the Austrians in the BH banking sector are encircled, and Austrian investors, who expressed their interest in telecommunications and insurance sector, also announced possibility of the entrance of their insurance companies to the BH market. So far, the CBBH had positive experiences with the Austrian companies, such as Wertheim, which worked on the equipping of the vault, SIEMENS, which made the security system, as well as OeBS - the company which printed BH banknotes. Members of the Austrian investors delegation was extremely pleased with discussions they had with the management of the CBBH, and marked those discussions as very useful.

Golden "BAM" to Governor Nicholl

Governor of the Central Bank of BH (CBBH) **Peter Nicholl**, the Banking Agency of BH Federation, as well as five



most successful banks in BH are receivers of the "Golden BAM" award (Bosnian Mark), which was awarded to them by the oldest financial magazine in BH "Banke u BiH" ("Banks in BH"). Governor Nicholl was awarded with the "Golden BAM" - the appropriate symbol for the banking activity - for his enormous contribution in the establishment and development of the CBBH, for the introduction of the payment systems in the commercial banks and for the affirmation of the Convertible Mark. The Banking Agency of BH Federation was awarded for the enormous contribution in consolidation, stabilization and implementation of the international standards in the banking sector of BH Federation. According to the rank-orders that were published in the Magazine "Banke u BiH", which is published by the NIP "Privredna štampa" ("Economic Press" d.d.) Sarajevo, the most successful banks in BH in 2002 were the Raiffeisen Bank BH d.d. Sarajevo, UPI Bank d.d. Sarajevo, Commercial-Investment Bank d.d. Velika Kladuša, New Banjalučka Bank a.d. Banja Luka and Hypo-Alpe-Adria Bank d.d. Mostar. The Raiffeisen Bank BH received three "Golden BAM" awards: for the highest bank assets in BH, for the highest amount of the total capital and for the highest return on shareholder capital. In 2002, the UPI Bank had the highest assets. Conditionally speaking, it is the largest local bank, which directed 75% of its total credits into the economy. The Commercial-Investment Bank d.d. Velika Kladuša had the largest return on assets, while New Banjalučka Bank in 2002 recorded the fastest growing level of deposits. And finally, the "Golden BAM" award was also awarded to the Hypo-Alpe-Adria Bank, which increased its shareholder capital during the last year, which is the highest level of the foreign owned shareholder capital invested in BH banks. Governor Nicholl thanked for the award on behalf of all winners and pointed out the fact that the banking sector made significant progress during the last two years and added that the following step in the development of the financial market will be establishment and development of the capital market.

THE CBBH REMINDS NEW RESERVE REQUIREMENT REGULATIONS TOOK EFFECT

The Central Bank of Bosnia and Herzegovina (CBBH) reminds that the new regulations on Required Reserves became effective as of June 1, 2003. According to these new rules, the reserve base is now extended to include the foreign deposits currencies, not only the KM deposits as it has been the case so far. KM cash that banks hold in vaults is no longer being used as an eligible asset for meeting a bank reserve requirement. The Governing Board of the CBBH has recently decided that the reserve ratio would be five percent. Also the CBBH will pay banks compensation on their total reserve deposits at the CBBH. The new Reserve Requirement Regulations required the amendments to the Article 36 of the Law on the CBBH which were accepted by the BH Presidency and both Houses of the State Parliament.

SLIGHT IMPROVEMENT IN CURRENT ACCOUNT DEFICIT

Regarding the release of the Balance of Payments statistics for the first quarter of 2003, the Governor of the Central Bank of Bosnia and Herzegovina (CBBH) **Peter Nicholl** welcomed the six percent improvement (i.e. reduction) in the negative Balance of Trade. The current account deficit in the first quarter of this year was still high at 839 million KM. However, Governor Nicholl stated that this was still five percent improvement compared to the first quarter of 2002. 236 million KM fall in foreign reserves was noted in the first quarter of 2003, but the level of reserves in the second quarter to date is much more stable. The improvement in the Balance of Trade in goods in the first quarter 2003 compared with the corresponding quarter of the previous year reflected an eight percent boost in exports combined with a fall of two percent in imports, both good signs of improving health in BH Balance of Payments. Another highlight in the latest Balance of Payments, the Governor said, was continued strong growth in foreign

direct investment in BiH, which increased 29 percent compared to the corresponding period of 2002, which indicates growing of foreign investor interest in this country.

CBBH RELEASES NEW IMPROVED STATISTICS ON MONTHLY EXPORTS AND IMPORTS

The Governor of the Central Bank of Bosnia and Herzegovina (CBBH) **Peter Nicholl** announced on June 10, 2003 the release of a new series of monthly statistics on exports and imports of goods on a balance of payments basis, seasonally adjusted, commencing from January 2000. These statistics provide important new monthly indicators of foreign trade activity, noting that balance of payments statistics are only available quarterly. These statistics differ in three ways from data provided by statistical offices in BH. First, they are adjusted to a balance of payments basis (various adjustments are made for coverage, valuation, timing and classification to conform to balance of payments concepts and to ensure a more complete coverage of foreign trade). Second, the series is on a discrete month to month basis whereas statistical office data are generally on a cumulative basis i.e. year to date. A discrete basis is considered more useful for economic analysis. The third difference between this new series and foreign trade statistics published by statistical offices is that the CBBH series is seasonally adjusted, which means that the effects of regular seasonal influences are removed, facilitating economic analysis of month to month changes. This will be the first time that seasonally adjusted official economic statistics have been released in BH. The new series, together with explanatory notes, are on the CBBH website (www.cbbh.ba) since June 10, 2003 and updated monthly.

FUNDS OF THE STAND-BY ARRANGEMENT THIRD INSTALLMENT REMITTED

On June 11, 2003, the amount of Euro 20.520.025, 73 or SDR 17 million of the third installment of the Stand-By Arrangement have been transferred to the account of the CBBH. The remain-

ing SDR seven million funds will be in account of SDR funds. On August 2, 2002 the International Monetary Fund (IMF) approved the Stand-By Arrangement for BiH in amount of SDR 67,6 million (around US\$ 96 million). So far, Bosnia and Herzegovina has drawn SDR 31.6 million (about US\$ 45 million) within the two tranches. The entire Arrangement should be completed by November 1, 2003.

ALL ACTIVITIES OF THE CBBH REALIZED ACCORDING TO THE STRATEGIC PLAN

At the session held in Mostar, 24 June 2003, the Governing Board of the Central Bank of BH (CBBH) concluded that realization of the CBBH Strategic Plan for period January-May 2003 went as planned and all activities were realized in accordance to the Plan. The CBBH Governing Board is informed about Report on the Final Audit of the Account for servicing of the foreign debt of BH for 2002, prepared by the Office for the Audit of the financial operating of the BH Institutions. In May 2003, the authorized auditor controlled the documentation of the CBBH Office for Relations with the International Financial Institutions and gave positive assessment. According to the international auditor, the CBBH operated taking into consideration all important aspects of the Agreement on servicing of the foreign debt, concluded on 31 December 2002. Audit was made in accordance to the generally accepted standards of the auditor and International Organization of the supreme Auditor institution (INO-SAI). These standards set out that audit should be planned and made in the way to convince the Audit Office of the BH institutions that the CBBH operated in accordance to regulations of Agreement which defines payment of the foreign debt's annuities, inform the Ministry for finances and treasury about performed transactions and notification of accounts. The CBBH Governing Board selected the building of the Federation BH Economic Chamber of the Federation BH as the best offer for the new premises of the CBBH Main Unit Mostar. The public bid for the best offer was announced and the Federal Economic Chamber was chosen, because its building provided good treasury conditions.

NEWS FROM THE MAIN UNITS AND BRANCHES

MAIN UNIT SARAJEVO

Calculation of the Required Reserve (RR) was carried out twice during June, so all banks that opened reserve account in the Main Unit Sarajevo fulfilled the Reserve Requirement. Deposit base for the calculation period from June 11 until June 20 was KM 2.755.343.071,89, the average required reserve was KM 137.767.153,60, while the average balance on the reserves accounts was KM 227.820.605,83. This means that banks held KM 90.053.452,23 of "surplus" at the reserves accounts. It is obvious that the banks are trying to keep as much assets at the reserves accounts as possible because of the fee, which was calculated with the 2,1% rate for this period, which is KM 132.895,34. Detailed analysis of the implementation of the Decision on Required Reserves will be made in the next two months. As it was announced earlier, implementation of the Decision on the RR and establishment and maintenance of the compensation started on June 1 2003. New Decision sets out that the RR rate will be five percent, that the calculation basis includes deposits and loaned assets regardless of currency and that the Central Bank of BH (CBBH) pays compensation to the bank on the total amount of assets at the reserve account.

MAIN UNIT MOSTAR

The Governing Board of the CBBH held its eight session in Mostar on June 24. During the session, with the full respect to the legal procedure, a choice was made for the best offerer of the office premises for the Mostar Main Unit. The Decision was made to purchase the

office building from the Chamber of Economics of the BH Federation which, compared to the other offers, offered the best conditions for the treasury operations. The Comptroller General of the CBBH Jasmina Halilbegović and her Deputy Anton Salapić carried out the audit of the Mostar Main Unit business operations from June 3 until June 6. A total of 114.102 transactions were processed at the level of Mostar Main Unit in May, out of which, 112.109 transactions were carried out in giro-clearing, while remaining 1.993 transactions were carried out in the RTGS. Employees of the Mostar Main Unit participated at the "Sports Meetings of BH Bankers", which were held in Neum from June 13 until June 15.

MBRS BANJA LUKA

Large inflow of cash is still present in the Treasury Operations Section. 280 cash transactions were carried out during June and some 2.600.000 banknotes were received, which, as in the previous months, is around 50% of the total amount of cash which was deposited by the commercial banks into the CBBH. Thanks to the maximum effort of the existing workers, all activities are being finished on time. After the demand of several commercial banks, a meeting was held, during which issues regarding quality and safety of cash transactions was held.

PALE BRANCH

With the Decision dating from June 19, the Banking Agency of RS appointed Mile Maksimović as the provisional administrator in the Privredna Bank AD Srpsko Sarajevo.

Also with the Decision of the Banking Agency of RS dating from May, status change of the Privredna Bank AD Doboј was through its joining to the Pavlović International Bank AD Bijeljina. Regarding that, an inter-banking transfer of balance of reserve account of the Privredna Bank AD Doboј was made to the reserve account of the Pavlović International Bank, Bijeljina.

BRCKO BRANCH

After the the Book of Regulations on the conditions, procedures and documentation which is necessary for the signing into the register of banks, subsidiaries, branches and representative offices in Brčko District BH was published in the official gazettes of BH Federation, RS and Brčko District, Brčko Branch commenced managing of the Register of Banks in Brčko District. The Comptroller General of the CBBH Jasmina Halilbegović and her Deputy Anton Salapić carried out the audit of the Brčko Branch business operations from June 18 until June 19. Manager of Brčko Branch Mirzeta Arnautović attended the presentation of the Draft of the Securities Law of Brčko District of BH, which was organized on June 20 by the Regional Office of the HR in Brčko. She also participated in the work of the Round Table which was held as the part of the event entitled "Meeting of BH Bankers" that was held in Neum. The identical number of the KM and euro transactions was carried during June in the Branch vault compared to the previous month. From June 1 until June 24, the value of the KM inflow was 74,29% compared to the previous month, while the value of the euro inflow was 101,87%. KM outflow index was 97,51. Regular statistical and accounting operations continued during this month.

SPORTS MEETINGS OF BH BANKERS

Contestants from the CBBH won two first places

The Tuzlanska Bank is the total winner of the sporting event entitled "Sports Meetings of BH Bankers",



while the contestants from the Central Bank of BH (CBBH) won first places

in chess (men) and volleyball (women). Contestants from Tuzlanska Bank won first places in men's and women's table tennis, women's chess and indoor soccer. In addition to the participants from the CBBH, participants from 18 commercial banks, banking agencies from both entities and Agency for Deposit Insurance of BH participated at this event. The official part of this event was the round table entitled "Implementation of the Decision on establishing and maintenance

of the required reserves". "Sports Meetings of BH Bankers" were



held from June 13 until June 15, 2003, and for the first time the organizer of the event was the CBBH.

Ten new employees and new assignments from June 1st

As of June 1st 2003, the Central Bank of BH has ten new employees and nine of them are employed for indefinite time period. Those people are: **Vedran Milisav** assigned to the post Coordinator in the Section for the Statistics of the Government Finances, Foreign Debt and Real Sector in Economics Research and Statistics Department, **Slavka Deretić** and **Marija Mirković**, liquidators in Treasury Operations Section of the Main Bank of RS of the CBBH in Banja Luka, **Slavica Švraka**, Receptionist in Accounting, General and Administrative Affairs Section, **Stevan Bojić**, **Zoran Delić**, **Eniz Džonlić**, **Nenad Marčeta** and **Goran Trivić**, Security Guards in Accounting, General and Administrative Affairs Section of the Main Bank of RS of the CBBH Banja Luka. **Biljana**

Teletina has a one year contract, from June 1st 2003 to May 31st 2004 and she will be working as Market Evaluation Economist I in the Branch Pale of the Main Bank of RS of the CBBH. Beside those new hirings, the larger number of employees was shifted to



Krstinja Tošović

the new posts. After seven trainees passed the trainee exam on April 23rd 2003, they are allocated to the following posts: **Dejan Kovačević** will work as the Economic Analyst in Economic Research and Statistic Department, **Suzana Kozinović** as the Economist II in Section for the Balance of Payment Statistics in Economic Research and Statistic Department, **Maja Tepavčević** as the Economist II in Department for Relations with International Financial Institutions, **Bojan Čajić** as the Assistant Analyst in Monitoring and Analyses Division and **Ines Đulabić** as the Financial

Accountant-Controller in the Financial Bookkeeping Section. **Tanja Vukić** was assigned to the post Economist for Gyro Clearing in the Market Evaluation Section in the Main Bank of RS of the CBBH in Banja Luka, while **Almira Žilić** was assigned to the post Banking Economist in the CBBH Brčko Branch. Due to allocation of new trainees some employees had been transferred to the new posts as well.

Jasminka Burić was assigned to the post Coordinator for Treasury Operations in the same branch.

Dženana Serdarević, Economist II in Relations with International Financial Institutions Division of the Banking Division is now working as Economist I in the same



Meliha Drinčić

Division. **Suzana Žuža**, Assistant for Analyses in Monitoring and Analyses Division is now Monitoring and Analyses Economist. Based on the generally adopted Decision on Systematization in the CBBH, from May 21st 2003, the Accounting Division in

Administration and Finance Department is reorganized in Accounting and Finances Division with three sections and according to that employees from that Division were shifted as follows: **Ninoslav Gregović** is Manager of the Accounting and Finances Division, **Krstinja Tošović** is the Coordinator of the Accounting and Finances Division, **Meho Kaltak** is Coordinator for the Financial Bookkeeping Section, **Ćamila Hadžiisaković** is Accountant for salaries and personnel expenses, **Šemsa Kadrić** is Accountant for material accounting in the Financial Bookkeeping Section of the

Accounting and Finance Department, **Enida Šovšić** is Accountant for the gyro account and Liquidator of the cash office, **Haša Mulaosmanović** is Accountant-Cashier in the Financial Bookkeeping Section, **Zdravka Andjelić** is Accountant-Supplier, **Sadeta Halilbašić** is temporary shifted, from June 1st to August 1st 2003,

to the post Coordinator of the Account Section and from August 2nd to December 31st 2003 she will be Accountant-Balance in Account Section when she have the status of unallocated employee, because of fulfillment of retirement conditions.

Meliha Drinčić is temporary posted from 1st June to 1st august 2003 as the Accountant- Balance in Account Section and from 2nd August 2003 she will work as the Coordinator of the Account Section in Accounting and Finance Department. **Ramiza Alibegović** was posted as the Accountant for foreign Accounts in Account Section and **Alma Briga** was temporary posted, from 1st June to 1st August 2003, as the Accountant for Location and Recording in Account Section, while from 2nd August 2003 she will work as the Accountant-Balance in Account Section. **Šefika Omeragić** and **Almedina Tarahija** were shifted to the post as the Accountant- data entry in Account Section and **Muhamed Kapo** is assigned to the post of Coordinator of the Information and Control Section. The CBBH has 263 employees, out of which 260 are employed permanently, while three employees are employed for the definite period of time. Out of 260 permanently employed persons, one employee-trainee is on unpaid leave.

Seminars and internships

In June the CBBH employees continuously attended seminars and courses in the country and abroad. The CBBH Vice Governor **Ljubiša**

Vladušić attended a seminar entitled "*Support to the economic growth in Europe*", which was organized by the Austrian National Bank from 12 to 13 June in Vienna. The CBBH Vice Governor M.A. **Dragan Kovačević** attended a seminar entitled



Ljubiša Vladušić

entitled "*Efficiency of the monetary policy in replacement of the currency*", which was organized by the Bulgarian National Bank from 4 to 5 June in Sofia. Economist I in Section for Monetary and Financial Sector Statistic of the Economic Research and Statistic Department **Nevena Čosić** attended, from 9 to 11 June, a seminar

entitled "*Macroeconomic analyses and policy*", which was organized by the International Monetary Fund in Vienna. Technician for Computer Network in Computer Network Section **Kemal Hajdarević** attend-



Kemal Hajdarević

ed a seminar entitled "*New Information Technology- Cesure Pix Firewall Advanced*" which was held from 9 to 13 June in Wakefield, Great Britain. Deputy Comptroller in the Office of the General Comptroller **Jasmina Novalija** attended a seminar entitled "*Basic principles of the internal controls and audit*", which was held from 16 to 19 June in Amsterdam, Kingdom of Netherlands. "*Specialized seminars for the Statistics of the Governmental finances*" is the name of seminar which was attended by the Coordinator of the Section for the Statistics of the Government finances,

Foreign Debt and the Real Sector **Vedran Milisav** and Economist I in the same Section **Milica Krajišnik**.

This seminar was held from 2 to 20 June in Lipice, Republic of Slovenia and it was organized by the IMF and the Center of Excellence in Finance. Manager of the Relations with International Financial Division in Banking Service Department **Verica Božić** participated

at the Conference about servicing of debt which was organized, from 12 to 13 June, by the UBS Warburg in cooperation with the Italian Treasury in Roma, Italy. The CBBH Vice Governors **Dragan Kovačević**,

Ljubiša Vladušić and **Kemal Kozarić** attended the International Meeting of Businessmen from Sarajevo and Mostar with businessmen from countries of ex-SFRY, which was held, from 19 to 21 June in Sarajevo. This meeting was

organized by the UNIPOL trading Limited- Nicosia in cooperation with Marketing and Business Center from Belgrade. Coordinator of the Section for Monetary and Financial Sector Statistics **Snežana Janjić** attended, from 2 to 6 June, a seminar entitled "*Writing and preparing of reports*", which was held in Ljubljana, Slovenia. Director of the CBBH Branch Brčko **Mirzeta Arnautović** and Coordinator for the Banking Supervision **Ljiljana Marjanović** were from 2 to 6 June

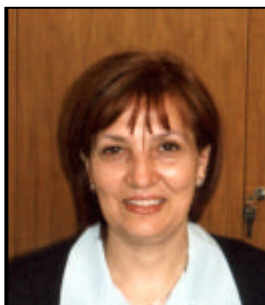
in Miločer, Serbia and Montenegro, where they attended the Second International Seminar for bankers. Seminar for the best practices in domain of finances about statistic of payment balance (CEF), which was organized by the IMF and CEF Ljubljana, was held from 17 to 19 June in Ljubljana. Coordinator of Section for the Balance of Payment Statistics M.A. **Vidosav Pantić** attended this seminar. The CBBH also organized internship for the postgraduate students. Economist- trainee



Vidosav Pantić

in Monitoring and Analyses Division **Maša Čengiđić**, who is enrolled in postgraduate studies entitled "*Management of the state and humanitarian affairs*" which is the study that was made on the basis of cooperation of the Sarajevo University and La Sapienza University in Roma, will complete internship in Monitoring and Analyses Division of the Banking Service Department. Her internship will last from 16 June to 27 June. Ismet Pašić, who is also enrolled in the postgraduate study "*Management of the state and humanitarian affairs*" in Roma, will

complete his internship in Banking Division of the Banking Service Department from June 16 until July 15. **Zinaida Zurapović**, who is enrolled in the postgraduate study at the University of Bologna, will complete her internship from June 16 until July 15,



Jasmina Novalija

in the Relations with International Financial Institution Division of the Banking Service Department of the CBBH. The topic of her postgraduate studies is "*Management and policies of the European integration*".



CENTRAL BANK OF BOSNIA AND HERZEGOVINA
Monthly Balance Sheet (temporary) as of 31st May, 2003
Explanation

Monthly Balance Sheet is being issued to provide information on the Central Bank of Bosnia and Herzegovina operations pursuant to the Currency Board rule, and to release some particular information as defined by the Law on the Central Bank of Bosnia and Herzegovina.

Some of specific features of the Balance Sheet as of 31st May are as follows:

On 31st May, the Bank met all requirements of the Currency Board rule as mentioned in the Article 31 of the Law. Status of Net Foreign Assets exceeds its Monetary Liabilities in Konvertibilna Marka (KM) by KM 139,665,146. This has been shown in the item Net Foreign Exchange Assets minus Monetary Liabilities.

Foreign Assets mainly consist of deposits held with the foreign banks.

The Balance Sheet also shows structure of the currencies holdings, differentiating them by EUR and other currencies.

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

Monetary liabilities, represent to larger extent the liability of the Bank for KM currency in circulation (KM 1,692,888,011) and resident banks, reserve deposits (KM 285,104,786).

Capital and reserves reflect initial capital and reserves, shares, and accumulated profit of the Bank since the beginning of its operation on 11th August 1997.

As depositary for membership of Bosnia and Herzegovina in the IMF, the Bank presents IMF accounts No.1 and No.2 as foreign liabilities in its Balance Sheet and holds securities of the Government of Bosnia and Herzegovina related to the membership. Acting in the same time also as fiscal agent on behalf of the Government in its relationship with the IMF, the Bank records the funds and liabilities of the Government related to the membership in the trust accounts separated from Balance Sheet. By consolidation of all accounts related to the membership of Bosnia and Herzegovina in the IMF, liability as net member position in the amount of KM 217,190,412 is calculated.

The Bank also maintains certain accounts in foreign currencies in terms of agreements concluded between the Government of Bosnia and Herzegovina and foreign governments and financial organisations, as well as foreign currency accounts of the state institutions and agencies for which the Bank acts as an agent. As these accounts does not appear to be either assets or liabilities of CBBH, they have not been included in the above mentioned balance sheet. Total amount of funds held in on these accounts was KM 242,545,235.

Any inquiry referred to the Monthly Balance Sheet can be addressed to the Administration and Finance Department, Accounting Section in Sarajevo, contact phone # (033) 27 81 19, fax # (033) 27 82 94. Media representatives can contact Public Relations Office, phone # (033) 27 81 23, fax # (033) 27 82 96.

The Central Bank of Bosnia and Herzegovina is independent monetary institution of BH and has no organisation relations with any commercial bank.

CENTRAL BANK OF BOSNIA AND HERZEGOVINA
Monthly Balance Sheet (temporary) as of 31st May, 2003
(amounts in KM equivalents)

ASSETS		Total Amount	EUR	Other Currencies
1	Foreign Exchange Assets	2.146.415.082	2.143.828.283	2.586.799
1.1	Cash	30.886.911	30.853.458	33.453
1.2	Short term deposits	2.114.071.944	2.112.974.825	1.097.119
1.3	SDR in the IMF	1.456.227	0	1.456.227
2	Other Assets	64.580.827		
TOTAL ASSETS (1 + 2)		2.210.995.909		

LIABILITIES		Total Amount
3	Monetary Liabilities	2.005.694.584
3.1	Currency in Circulation	1.692.888.011
3.2	Credit Balances of Resident Banks	285.104.786
3.3	Credit Balances of Other Residents	27.701.787
4	Liabilities to Non Residents	1.055.352
5	Other Liabilities	9.179.841
6	Capital And Reserves	195.066.132
TOTAL LIABILITIES (3+4+5+6)		2.210.995.909

Net Foreign Assets minus Monetary Liabilities (1 - 3 - 4)	139.665.146
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Jasmina Halilbegović
Comptroller General


P.W. Nicholl - 9
Governor
Sarajevo (date) 24.06.2003.