



Centralna banka
BOSNE I HERCEGOVINE
Централна банка
БОСНЕ И ХЕРЦЕГОВИНЕ



CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 MARCH 2026

(unaudited)

in accordance with the requirements of International Accounting Standard 34

Sarajevo, 27 April 2026

This version of the condensed interim financial statements is a translation of the original, which was prepared in the Bosnian/Croatian/Serbian language. All possible care has been taken to ensure that the translation is an accurate representation of the original. However, in all matters of interpretation of information, views or opinions, the original language version of the financial statements takes precedence over this translation.



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CENTRAL BANK OF BOSNIA AND HERZEGOVINA
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FINANCIAL REPORTING RESPONSIBILITY

The Management of the Central Bank of Bosnia and Herzegovina is responsible for the preparation of condensed interim financial statements, in accordance with the Law on the Central Bank of Bosnia and Herzegovina and International Accounting Standard 34: “Interim Financial Reporting”.

The Management is responsible for the consistent application of selected accounting policies, making judgements and estimates that are reasonable and prudent and for maintaining proper accounting records that enable the preparation of financial statements at any time. The Management has a general responsibility for taking steps which are reasonably available and for implementing such internal controls to safeguard the assets of the Central Bank of Bosnia and Herzegovina and to prevent and detect fraud and other irregularities.

The Governing Board oversees the Central Bank of Bosnia and Herzegovina financial reporting process. In overseeing the financial reporting process, the Governing Board is assisted by the Audit Committee, which is consisted of three independent members. The Audit Committee reviews the condensed interim financial statements, which are then considered and approved by the Governing Board and submitted to the Presidency of Bosnia and Herzegovina.

These unaudited condensed interim financial statements present fairly, in all material respects, the financial position, financial performance and cash flows of the Central Bank of Bosnia and Herzegovina, as at the date of and for the periods presented in these condensed interim financial statements.

The accompanying unaudited condensed interim financial statements set out on pages 2 to 48 were approved by the Governing Board on 27 April 2026.



Jasmina Selimović, Ph.D.

**Chairwoman of the Governing Board
Governor**



Meliha Smajlagić

Head of Accounting and Finance Department

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STATEMENT OF FINANCIAL POSITION (UNAUDITED)

In thousands of KM	Note	31 March 2026	As at 31 December 2025
ASSETS			
Cash in foreign currencies	6	500,721	557,531
Deposits with foreign banks	7	4,878,038	5,968,038
Special Drawing Rights with the IMF	8, 30	6,856	6,346
Debt instruments at fair value through other comprehensive income	9	10,618,321	9,799,906
Monetary gold	10	885,458	804,614
Debt instruments at amortised cost	11	1,077,238	1,077,111
Other assets	12	30,368	19,229
Property and equipment		46,453	46,647
Intangible assets		489	569
Other investments		27,813	27,813
TOTAL ASSETS		18,071,755	18,307,804
LIABILITIES AND EQUITY			
LIABILITIES			
Banknotes and coins in circulation	13	8,550,618	8,538,481
Deposits from banks	14	6,993,319	7,326,204
Deposits from the Government and other public institutions	15	613,324	689,339
Provisions		18,103	18,194
Other liabilities	16	192,121	189,622
Total liabilities		16,367,485	16,761,840
EQUITY			
Initial capital		25,000	25,000
Reserves		1,526,203	1,520,964
Net profit for the period		153,067	-
Total equity	26	1,704,270	1,545,964
TOTAL LIABILITIES AND EQUITY		18,071,755	18,307,804

The selected notes on pages 9 to 48 are an integral part of these condensed interim financial statements.

CENTRAL BANK OF BOSNIA AND HERZEGOVINA
Condensed Interim Financial Statements for the period ended 31 March 2026

STATEMENT OF PROFIT OR LOSS (UNAUDITED)

In thousands of KM	Note	01/01 - 31/03 2026	For the period 01/01 - 31/03 2025
Interest income		86,562	99,347
Interest expense		(4,219)	(3,787)
NET INTEREST INCOME	<u>17</u>	82,343	95,560
Fee and commission income		5,980	5,818
Fee and commission expense		(482)	(469)
NET FEE AND COMMISSION INCOME	<u>18</u>	5,498	5,349
Net income from seigniorage	<u>19</u>	73,053	-
Net realised gains / (losses) from sale of debt instruments at fair value through other comprehensive income	<u>20</u>	92	(103)
Net foreign exchange gains / (losses)	<u>21</u>	2,112	(3,548)
Net decreases of impairment on financial assets	<u>22</u>	(48)	(6)
Other income		212	214
OPERATING INCOME		163,262	97,466
Personnel expenses	<u>23</u>	(5,756)	(6,131)
Administrative and other operating expenses	<u>24</u>	(1,944)	(1,866)
Costs of production of banknotes and coins	<u>25</u>	(1,435)	(1,346)
Depreciation and amortisation charge		(1,060)	(1,079)
OPERATING EXPENSES		(10,195)	(10,422)
NET PROFIT FOR THE PERIOD		153,067	87,044

The selected notes on pages 9 to 48 are an integral part of these condensed interim financial statements.

CENTRAL BANK OF BOSNIA AND HERZEGOVINA
Condensed Interim Financial Statements for the period ended 31 March 2026

STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED)

In thousands of KM	Note	01/01 - 31/03 2026	For the period 01/01 - 31/03 2025
NET PROFIT FOR THE PERIOD		153,067	87,044
Other comprehensive (loss) / income			
<i>Items that are or may be reclassified subsequently to profit or loss:</i>			
Debt instruments at fair value through other comprehensive income			
Net change in fair value during the period	9	(75,724)	(1,993)
Net change in provisions for expected credit losses recognised in profit or loss during the period	5.1.1.	211	102
Reclassification to profit or loss from sale of debt instruments	20	(92)	103
		(75,605)	(1,788)
Monetary gold			
Net change in fair value during the period	10	80,844	77,286
		80,844	77,286
Total other comprehensive income		5,239	75,498
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		158,306	162,542

The selected notes on pages 9 to 48 are an integral part of these condensed interim financial statements.

STATEMENT OF CHANGES IN EQUITY (UNAUDITED)

In thousands of KM	Initial capital	Fair value reserves for debt and equity instruments	Fair value reserves for monetary gold	Reserves for unrealised foreign exchange differences	Other reserves	General reserves (Retained earnings)	Total reserves	Net profit for the period	Total equity
Balance at 1 January 2026	25,000	20,731	389,752	4,628	31,300	1,074,553	1,520,964	-	1,545,964
Total comprehensive (loss) / income for the period	-	(75,605)	80,844	-	-	-	5,239	153,067	158,306
Net profit for the period	-	-	-	-	-	-	-	153,067	153,067
Other comprehensive (loss) / income for the period	-	(75,605)	80,844	-	-	-	5,239	-	5,239
<i>Net decrease of fair value for debt instruments</i>	-	(75,724)	-	-	-	-	(75,724)	-	(75,724)
<i>Net increases in provisions for expected credit losses for debt instruments recognised in profit or loss</i>	-	211	-	-	-	-	211	-	211
<i>Reclassification to profit or loss from sale of debt instruments</i>	-	(92)	-	-	-	-	(92)	-	(92)
<i>Net increase in fair value for monetary gold</i>	-	-	80,844	-	-	-	80,844	-	80,844
Balance at 31 March 2026	25,000	(54,874)	470,596	4,628	31,300	1,074,553	1,526,203	153,067	1,704,270

The selected notes on pages 9 to 48 are an integral part of these condensed interim financial statements.

STATEMENT OF CHANGES IN EQUITY (UNAUDITED) (CONTINUED)

In thousands of KM	Initial capital	Fair value reserves for debt and equity instruments	Fair value reserves for monetary gold	Reserves for unrealised foreign exchange differences	Other reserves	General reserves (Retained earnings)	Total reserves	Net profit for the period	Total equity
Balance at 1 January 2025	25,000	45,354	140,295	4,628	31,300	951,606	1,173,183	-	1,198,183
Total comprehensive (loss) / income for the period	-	(1,788)	77,286	-	-	-	75,498	87,044	162,542
Net profit for the period	-	-	-	-	-	-	-	87,044	87,044
Other comprehensive (loss) / income for the period	-	(1,788)	77,286	-	-	-	75,498	-	75,498
<i>Net decrease of fair value for debt instruments</i>	-	(1,993)	-	-	-	-	(1,993)	-	(1,993)
<i>Net increases in provisions for expected credit losses for debt instruments recognised in profit or loss</i>	-	102	-	-	-	-	102	-	102
<i>Reclassification to profit or loss from sale of debt instruments</i>	-	103	-	-	-	-	103	-	103
<i>Net increase in fair value for monetary gold</i>	-	-	77,286	-	-	-	77,286	-	77,286
Balance at 31 March 2025	25,000	43,566	217,581	4,628	31,300	951,606	1,248,681	87,044	1,360,725

The selected notes on pages 9 to 48 are an integral part of these condensed interim financial statements.

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STATEMENT OF CASH FLOWS (UNAUDITED)

	Note	For the period	
		01/01 - 31/03 2026	01/01 - 31/03 2025
In thousands of KM			
CASH FLOWS FROM OPERATING ACTIVITIES			
Net profit for the period		153,067	87,044
Adjusted for:			
Interest income	17	(86,562)	(99,347)
Interest expense	17	4,219	3,787
Net decreases of impairment on financial assets	22	48	6
Net realised (gains) / losses from sale of debt instruments at fair value through other comprehensive income	20	(92)	103
Net foreign exchange (gains) / losses	21	(2,112)	3,548
Provisions, net increases in		8	4
Depreciation and amortisation charge		1,060	1,079
Net cash flows from operating activities before changes in operating assets and liabilities		69,636	(3,776)
Changes in operating assets and liabilities			
Decrease of term deposits with foreign banks		2,602	687,444
(Increase) in debt instruments at fair value through other comprehensive income		(892,080)	(377,227)
(Increase) in debt instruments at amortised cost		(124)	(255)
(Increase) in other assets		(3,135)	(2,719)
Increase in / (decrease) of banknotes and coins in circulation	13	12,137	(28,297)
(Decrease) of deposits from banks		(334,343)	(737,713)
(Decrease) of deposits from the Government and other public institutions		(76,015)	(131,492)
Increase in / (decrease) of other liabilities		2,470	(2,548)
Payments from provisions		(99)	(114)
Interest received		79,367	91,251
Interest paid		(2,761)	(2,480)
Net cash from operating activities		(1,142,345)	(507,926)
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchases of property, equipment and intangible assets		(786)	(295)
Net cash from investing activities		(786)	(295)
Net effects from impairment for expected credit losses on cash and cash equivalents		189	(111)
Net effects of exchange rates on cash and cash equivalents held		82	(457)
Net (decrease) of cash and cash equivalents		(1,142,860)	(508,789)
Cash and cash equivalents at the beginning of the period		5,490,451	5,653,214
Cash and cash equivalents at the end of the period	27	4,347,591	5,144,425

The selected notes on pages 9 to 48 are an integral part of these condensed interim financial statements.

SELECTED NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 MARCH 2026 (UNAUDITED)**1. GENERAL INFORMATION**

The Central Bank of Bosnia and Herzegovina (the “Central Bank”) is the supreme monetary authority of Bosnia and Herzegovina (“BH”). Its establishment, organisation and operations have been defined by the Law on the Central Bank of Bosnia and Herzegovina, Official Gazette BH no: 1/97, 29/02, 08/03, 13/03, 14/03, 09/05, 76/06 and 32/07 (the “Law on the Central Bank”), adopted by the Parliamentary Assembly of Bosnia and Herzegovina, according to the General Framework Peace Agreement in Bosnia and Herzegovina (the “BH Constitution”).

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

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

The guaranteed convertibility of KM and full coverage of monetary liabilities with convertible foreign currency reserves according to the currency board rule are the primary objectives of the Central Bank. All activities and operations of the Central Bank are undertaken in order to achieve the legally set goals and objectives with reference to preservation of the monetary stability in accordance with the currency board rule and are not, at any moment, aimed at profit maximization.

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

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

The key management members of the Central Bank are:

The Governing Board

Jasmina Selimović Ph.D.	Chairwoman
Radomir Božić Ph.D.	Member
Mirza Kršo Ph.D.	Member
Danijela Martinović Ph.D.	Member
Darko Tomaš Ph.D.	Member

The Management

Jasmina Selimović Ph.D.	Governor
Emir Kurtić Ph.D.	Vice Governor
Tomislav Ivanković M.Sc.	Vice Governor (from 1 January 2026)
Marko Vidaković M.Sc.	Vice Governor (until 28 February 2026 and from 20 March 2026)

In the current reporting period, there have been no changes in the status of the Audit Committee members compared to the information disclosed in the latest audited financial statements of the Central Bank for the year ended 31 December 2025.

2. BASIS OF PREPARATION

2.1. Statement of compliance

These condensed interim financial statements have been prepared in accordance with International Accounting Standard 34 (“IAS 34”): “Interim Financial Reporting” as issued by the International Accounting Standards Board (“IASB”). The condensed interim financial statements do not include all the information required for the complete set of financial statements prepared in accordance with International Financial Reporting Standards (“IFRS”) and should be read in conjunction with the latest audited financial statements of the Central Bank for the year ended 31 December 2025 (“annual financial statements”).

The selected notes to these condensed interim financial statements clarify events and transactions that are significant for understanding the changes in the financial position and performance of the Central Bank in relation to the latest annual financial statements.

These condensed interim financial statements have been prepared using the going concern assumption. More information on conditions in the environment under which the Central Bank’s operations have been performed in the reporting period, significantly affecting the Central Bank’s reported balances of assets, liabilities, income and expenses, is disclosed in [Note 2.7](#).

The results of the Central Bank operations for the reporting period and as at reporting date presented in these condensed interim financial statements are not necessarily indicative for the results of the Central Bank operations that can be expected for 2026.

2.2. Basis of measurement

These condensed interim financial statements have been prepared under the accrual base of accounting and using the historical cost as a measurement base, except for the following significant items:

Item	Basis of measurement
Debt instruments at fair value through other comprehensive income	Fair value
Monetary gold	Fair value

2.3. Functional and presentation currency

The condensed interim financial statements of the Central Bank are stated in the BH monetary unit which is the KM. All financial information has been rounded to the nearest thousand (unless otherwise stated).

2.4. Amendments to IFRSs

At the date of approval of these condensed interim financial statements, certain amendments and interpretations to the existing standards are effective from 1 January 2026. Their implementation has no significant impact on condensed interim financial statements of the Central Bank.

2.5. Accounting policies

The Central Bank’s condensed interim financial statements have been prepared in accordance with the same accounting policies used in preparation of the latest annual financial statements.

2.6. Significant accounting judgements and estimates

The preparation of financial statements in accordance with IFRS requires the Management to make judgments, estimates and assumptions that affect the implementation of accounting policies and reported amounts of assets, liabilities, income, expenses and other disclosed information in these condensed interim financial statements. Actual amounts may differ from these estimates.

The estimates and related assumptions used by the Management in the preparation of these condensed interim financial statements are based on the latest available and reliable information and are reviewed on an ongoing basis.

2. BASIS OF PREPARATION (CONTINUED)

2.6. Significant accounting judgements and estimates (continued)

These condensed interim financial statements have been prepared based upon conditions existing at 31 March 2026. Future conditions may differ from those that resulted in the financial information disclosed in these condensed interim financial statements.

2.7. Conditions in the environment for performing the Central Bank's operations for the period 01/01 - 31/03/2026

During the current reporting period, the Central Bank's operations have been performed under conditions of heightened uncertainties in the international financial market. Although the global economy, including the eurozone economy, recorded moderate growth, the key negative factors were linked to the trade policy of the United States of America ("USA") and geopolitical tensions. The escalation of the conflict between Iran, Israel and the USA in the Middle East region represented the key negative factor of uncertainty and a significant source of risk, increasing the overall level of macroeconomic instability. The Governing Council of the European Central Bank ("ECB") did not change the key interest rates in the current reporting period.

As at reporting date, the Central Bank invested foreign currency reserves to a large extent in the portfolio of debt instruments at fair value through other comprehensive income, as well as in deposits with foreign banks.

The Central Bank continuously adjusted its investment and reinvestment activities in foreign currency reserves to changes in market conditions, which was reflected in the Central Bank's key financial indicators and further contributed to the stabilisation of the currency board arrangement.

The Central Bank's key financial indicators for the period during the year which ended 31 March 2026 are as follows:

The Central Bank's net foreign assets amount to KM 1,807,026 thousand as at 31 March 2026,

The Central Bank's total equity amounts to KM 1,704,270 thousand as at 31 March 2026 and

The Central Bank's net profit amounts to KM 153,067 thousand for the period 01/01 - 31/3/2026.

Net profit for the period was generated primarily from interest income arising from the interest-bearing components of the Central Bank's foreign currency reserves, with the largest share attributable to interest income from the portfolio of debt instruments at fair value through other comprehensive income and deposits with foreign banks.

The resulting structure of foreign currency interest income reflects the investment strategy particularly focused on preserving safety and liquidity, and achieving targeted returns on the Central Bank's foreign currency reserves, in line with the prevailing conditions in the eurozone financial market.

As at 20 January 2026, which was also the deadline for the submission of out-of-circulation banknotes, the Central Bank accounted for unwithdrawn out-of-circulation banknotes in denominations of 10, 20, 50 and 100 Convertible Marks, which were issued into circulation between 1998 and 2009 and ceased to be legal tender as at 1 January 2025. On this basis, income from seigniorage was recognized in the amount of KM 85,233 thousand. Out-of-circulation banknotes submitted and which will be submitted after this deadline are recognized as an expense arising from the adjustment to the Central Bank's seigniorage income.

The net effect of these transactions also significantly determined the net profit in the current reporting period, particularly in comparison with the net profit of the corresponding reporting period ([Note 19](#)).

2. BASIS OF PREPARATION (CONTINUED)

2.7. Conditions in the environment for performing the Central Bank's operations for the period 01/01 - 31/03/2026 (continued)

The net change in fair value of financial assets subsequently measured at fair value recorded a net decrease for debt instruments due to net increase in market yields in the current reporting period, while the net change of the monetary gold was positive. Other comprehensive income for the period amounts to KM 5,239 thousand for the current reporting period. Together with the net profit for the period, the Central Bank generated total comprehensive income, i.e., an increase in total equity amounting to KM 158,306 thousand for the current reporting period.

As at 31 March 2026, a portion of the Central Bank's foreign currency reserves entrusted to an external portfolio manager for management amounts to KM 589,278 thousand, with the majority of these funds being invested in debt instruments denominated in EUR and USD currencies.

More information on balances and changes in significant foreign currency reserves components that have affected net profit for the period and equity of the Central Bank is disclosed in the following notes:

Note	Title
7	Deposits with foreign banks
9	Debt instruments at fair value through other comprehensive income
10	Monetary gold
17	Net interest income
19	Net income from seigniorage
26	Equity

The cumulative net decrease in monetary liabilities compared to 31 December 2025 was primarily the result of the net financial effects from KM sale and purchase transactions with resident banks and for the Central Bank's depositors which resulted in net purchases in the current reporting period. In addition, the net decrease in monetary liabilities was also influenced by the net income from seigniorage, while the net cash inflow on the resident banks' euro reserve accounts was recorded.

All resident banks have regularly fulfilled the required reserve in accordance with the Central Bank's legal regulations.

More information on balances and changes in monetary liabilities' components and the required reserve policy applied by the Central Bank is disclosed in the following Notes:

Note	Title
13	Banknotes and coins in circulation
14	Deposits from banks
15	Deposits from the Government and other public institutions
17	Net interest income

CENTRAL BANK OF BOSNIA AND HERZEGOVINA

Selected Notes to the Condensed Interim Financial Statements for the period ended 31 March 2026

3. CURRENCY BOARD ARRANGEMENT

The Law on the Central Bank defines the rule “currency board” for issuing the currency, according to which the Central Bank is obliged to ensure that total amount of its monetary liabilities never exceeds the equivalent amount (expressed in KM) of its net foreign currency reserves.

The following table presents analytics of the components of compliance with that rule:

In thousands of KM	31 March 2026	31 December 2025
Official foreign currency reserves		
Cash in foreign currencies	500,721	557,531
Deposits with foreign banks	4,878,038	5,968,038
Special Drawing Rights with the IMF	6,856	6,346
Debt instruments	11,695,559	10,877,017
Monetary gold	885,458	804,614
TOTAL	17,966,632	18,213,546
Liabilities to non-residents	2,345	2,206
Net foreign currency reserves		
(Official foreign currency reserves less liabilities to non-residents)	17,964,287	18,211,340
Monetary liabilities		
Banknotes and coins in circulation	8,550,618	8,538,481
Deposits from banks	6,993,319	7,326,204
Deposits from the Government and other public institutions	613,324	689,339
TOTAL	16,157,261	16,554,024
NET FOREIGN ASSETS		
(Net foreign currency reserves less monetary liabilities)	1,807,026	1,657,316

Disclosed amounts of all components of the currency board represent their carrying amounts as at reporting dates.

Central Bank’s net foreign assets are the main financial indicator of achieving and maintaining the stability of domestic currency in BH and its main financial performance measure. It represents the part of official foreign currency reserves which can be used only for purposes and needs determined by the Law on the Central Bank.

Net foreign assets are the amounts that guarantee the domestic currency stability, respectively monetary stability and absorb potential financial risks arising from official foreign currency reserves management. As at 31 March 2026, the financial balance of net foreign assets amounts to KM 1,807,026 thousand ensuring the full stability of domestic currency (31 December 2025: KM 1,657,316 thousand).

More information on financial risks to which the Central Bank has been exposed in foreign currency reserves management is disclosed in [Note 5](#).

CENTRAL BANK OF BOSNIA AND HERZEGOVINA

Selected Notes to the Condensed Interim Financial Statements for the period ended 31 March 2026

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

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

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

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

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

4.1. Financial assets measured at fair value**In thousands of KM**

	31 March 2026	31 December 2025
Financial assets		
<i>Financial assets measured at fair value through other comprehensive income</i>		
Debt instruments	10,618,321	9,799,906
Monetary gold	885,458	804,614
TOTAL	11,503,779	10,604,520

Financial assets measured at fair value correspond to Level 1 of fair value measurement as at reporting dates.

CENTRAL BANK OF BOSNIA AND HERZEGOVINA

Selected Notes to the Condensed Interim Financial Statements for the period ended 31 March 2026

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

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

In thousands of KM

	Carrying amount	31 March 2026 Fair value
Financial assets		
<i>Financial assets measured at amortised cost:</i>		
Cash in foreign currencies	500,721	500,721
Deposits with foreign banks	4,878,038	4,878,038
Special Drawing Rights with the IMF	6,856	6,856
Debt instruments at amortised cost	1,077,238	995,242
Other financial assets	11,383	11,383
	6,474,236	6,392,240
<i>Financial assets measured at fair value through other comprehensive income - cost choice:</i>		
Other investments	27,813	27,813
	27,813	27,813
Total	6,502,049	6,420,053
 Financial liabilities		
<i>Financial liabilities measured at amortised cost:</i>		
Banknotes and coins in circulation	8,550,618	8,550,618
Deposits from banks	6,993,319	6,993,319
Deposits from the Government and other public institutions	613,324	613,324
Other financial liabilities	192,077	192,077
Total	16,349,338	16,349,338

CENTRAL BANK OF BOSNIA AND HERZEGOVINA

Selected Notes to the Condensed Interim Financial Statements for the period ended 31 March 2026

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

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

In thousands of KM

	31 December 2025	
	Carrying amount	Fair value
Financial assets		
<i>Financial assets measured at amortised cost:</i>		
Cash in foreign currencies	557,531	557,531
Deposits with foreign banks	5,968,038	5,968,038
Special Drawing Rights with the IMF	6,346	6,346
Debt instruments at amortised cost	1,077,111	1,001,666
Other financial assets	3,739	3,739
	7,612,765	7,537,320
<i>Financial assets measured at fair value through other comprehensive income - cost choice:</i>		
Other investments	27,813	27,813
	27,813	27,813
Total	7,640,578	7,565,133
Financial liabilities		
<i>Financial liabilities measured at amortised cost:</i>		
Banknotes and coins in circulation	8,538,481	8,538,481
Deposits from banks	7,326,204	7,326,204
Deposits from the Government and other public institutions	689,339	689,339
Other financial liabilities	189,409	189,409
Total	16,743,433	16,743,433

As at reporting dates, financial assets and financial liabilities not measured at fair value correspond to Level 2 of fair value measurement, except for debt instruments at amortised cost which correspond to Level 1 because their fair value is determined with the same measurement technique used for debt instruments measured at fair value through other comprehensive income.

5. FINANCIAL RISK MANAGEMENT

The main financial risks to which the Central Bank is exposed in its daily operations are:

- Credit risk,
- Market risk (interest rate risk, gold price risk and foreign exchange risk) and
- Liquidity risk.

5.1. Credit risk

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

Credit risk management is performed through the selection of the counterparties with the investible credit rating level, by limiting terms and controlling the volume and dynamics of investments. Credit ratings represent the basic criterium for defining credit risk exposure limits and are continuously monitored on a daily basis.

For the funds recorded in off-balance sheet records, the Central Bank is not exposed to credit risk, as all the risk, which may result from the investments of these funds, is to be borne contractually by the owners of these funds (see [Notes 29](#) and [30](#)).

In the process of foreign currency reserves management, the management of foreign currency reserves and the management of financial risks are significantly influenced by trends in the financial markets, primarily those in the eurozone financial market, which are influenced by a large number of different factors, the most important of which are the measures of the ECB and other leading central banks worldwide.

The main determinant of the ECB's monetary policy remains the eurozone inflation level, with a clearly defined medium-term target of 2.00%. The ECB Governing Council emphasizes that, it does not decide in advance on a specific path for interest rates changes, but applies an approach based on the latest macroeconomic and financial data. Decisions on interest rates depend on the assessment of future inflationary trends, core inflation and the strength of monetary policy transmission. The ECB deposit facility rate remains stable at the level of 2.00%, reflecting the view that further developments need to be monitored before any potential adjustments. Furthermore, the ECB Governing Council warns that trade tensions and geopolitical uncertainty may negatively impact export and investments, while at the same time assessing that the eurozone economy will show a gradual recovery in the period ahead.

5. FINANCIAL RISK MANAGEMENT (CONTINUED)

5.1. Credit risk (continued)

5.1.1 Credit risk exposure

The following table presents the reconciliation from the opening to the closing balance for the impairment as well as the provisions for expected credit losses for financial assets during the reporting periods:

In thousands of KM

	2026				2025			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
1. Deposits with foreign banks								
As at 1 January	2,502	-	-	2,502	2,331	-	-	2,331
Increases in expected credit losses	5,681	-	-	5,681	4,314	-	-	4,314
Releases of expected credit losses	(510)	-	-	(510)	(97)	-	-	(97)
Releases due to derecognition of term deposits	(5,330)	-	-	(5,330)	(4,315)	-	-	(4,315)
As at 31 March	2,343	-	-	2,343	2,233	-	-	2,233
2. Special Drawing Rights with the IMF								
As at 1 January	-	-	-	-	-	-	-	-
Increases in expected credit losses	-	-	-	-	-	-	-	-
Releases of expected credit losses	-	-	-	-	-	-	-	-
As at 31 March	-	-	-	-	-	-	-	-
3. Debt instruments at fair value through other comprehensive income								
As at 1 January	2,635	-	-	2,635	2,514	-	-	2,514
Increases in expected credit losses	421	-	-	421	565	-	-	565
Releases of expected credit losses	(46)	-	-	(46)	(9)	-	-	(9)
Releases due to debt instruments matured	(164)	-	-	(164)	(454)	-	-	(454)
<i>Net increases during the period</i>	<i>211</i>	-	-	<i>211</i>	<i>102</i>	-	-	<i>102</i>
Net releases due to debt instruments sold	(34)	-	-	(34)	(44)	-	-	(44)
As at 31 March	2,812	-	-	2,812	2,572	-	-	2,572

5. FINANCIAL RISK MANAGEMENT (CONTINUED)

5.1. Credit risk (continued)

5.1.1. Credit risk exposure (continued)

In thousands of KM

	2026				2025			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
4. Debt instruments at amortised cost								
As at 1 January	357	-	-	357	380	-	-	380
Increases in expected credit losses	1	-	-	1	3	-	-	3
Releases of expected credit losses	(4)	-	-	(4)	-	-	-	-
As at 31 March	354	-	-	354	383	-	-	383
5. Other financial assets								
As at 1 January	6	-	601	607	6	-	601	607
Increases in expected credit losses	2	-	-	2	2	-	-	2
Releases of expected credit losses	(3)	-	-	(3)	(3)	-	-	(3)
As at 31 March	5	-	601	606	5	-	601	606
Total opening balance at 1 January	5,500	-	601	6,101	5,231	-	601	5,832
Total net increases in / (releases) of expected credit losses during the period	14	-	-	14	(38)	-	-	(38)
Total closing balance at 31 March	5,514	-	601	6,115	5,193	-	601	5,794

5. FINANCIAL RISK MANAGEMENT (CONTINUED)

5.1. Credit risk (continued)

5.1.2 Credit risk concentration

a) Maximum exposure to credit risk - Financial assets subject to impairment

The following table presents the maximum exposure to credit risk for the Central Bank's financial assets as at reporting dates, analysed by the classes of financial instruments for which the expected credit losses are calculated and recognised:

In thousands of KM Classes of financial instruments	31 March 2026				31 December 2025			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Cash in foreign currencies								
Gross carrying amount	500,721	-	-	500,721	557,531	-	-	557,531
Impairment	-	-	-	-	-	-	-	-
Carrying amount	500,721	-	-	500,721	557,531	-	-	557,531
Deposits with foreign banks								
Gross carrying amount	4,880,381	-	-	4,880,381	5,970,540	-	-	5,970,540
Impairment	(2,343)	-	-	(2,343)	(2,502)	-	-	(2,502)
Carrying amount	4,878,038	-	-	4,878,038	5,968,038	-	-	5,968,038
Special Drawing Rights with the IMF								
Gross carrying amount	6,856	-	-	6,856	6,346	-	-	6,346
Impairment	-	-	-	-	-	-	-	-
Carrying amount	6,856	-	-	6,856	6,346	-	-	6,346
Debt instruments at fair value through other comprehensive income								
Gross carrying amount	10,618,321	-	-	10,618,321	9,799,906	-	-	9,799,906
Provisions for expected credit losses (recognised in other comprehensive income)	2,812	-	-	2,812	2,635	-	-	2,635
Gross carrying amount	10,618,321	-	-	10,618,321	9,799,906	-	-	9,799,906

5. FINANCIAL RISK MANAGEMENT (CONTINUED)

5.1. Credit risk (continued)

5.1.2. Credit risk concentration (continued)

In thousands of KM	31 March 2026				31 December 2025			
Classes of financial instruments	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Debt instruments at amortised cost								
Gross carrying amount	1,077,592	-	-	1,077,592	1,077,468	-	-	1,077,468
Impairment	(354)	-	-	(354)	(357)	-	-	(357)
Carrying amount	1,077,238	-	-	1,077,238	1,077,111	-	-	1,077,111
Other financial assets								
Gross carrying amount	11,388	-	601	11,989	3,745	-	601	4,346
Impairment	(5)	-	(601)	(606)	(6)	-	(601)	(607)
Carrying amount	11,383	-	-	11,383	3,739	-	-	3,739

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5. FINANCIAL RISK MANAGEMENT (CONTINUED)

5.1. Credit risk (continued)

5.1.2. Credit risk concentration (continued)

b) Maximum exposure to credit risk - Financial assets not subject to impairment

In thousands of KM	31 March 2026	31 December 2025
Carrying amount		
Monetary gold	885,458	804,614
Other investments	27,813	27,813
TOTAL	913,271	832,427

Concentration per credit rating

The tables below present an analysis of the Central Bank's concentration of deposits with foreign banks, debt instruments at fair value through other comprehensive income and debt instruments at amortised cost per composite credit rating to the counterparty as at reporting dates:

Deposits with foreign banks

In thousands of KM	31 March 2026	31 December 2025
Credit rating		
AAA	1,499,368	2,343,365
AA+	737,857	158,240
AA	8,924	7,331
AA-	962,375	964,627
A+	1,126,547	1,395,071
A	479,271	557,228
A-	-	-
II ¹	66,039	544,678
BBB+	-	-
BBB	-	-
BBB-	-	-
Total	4,880,381	5,970,540
Impairment	(2,343)	(2,502)
TOTAL	4,878,038	5,968,038

¹ International institutions

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5. FINANCIAL RISK MANAGEMENT (CONTINUED)

5.1. Credit risk (continued)

5.1.2. Credit risk concentration (continued)

Debt instruments at fair value through other comprehensive income

In thousands of KM

Credit rating	31 March 2026	31 December 2025
AAA	3,046,653	2,844,188
AA+	2,780,489	2,536,213
AA	56,423	56,745
AA-	1,585,865	1,434,952
A+	1,585,893	1,454,919
A	824,840	729,265
A-	-	-
BBB+	738,158	-
BBB	-	743,624
BBB-	-	-
TOTAL	10,618,321²	9,799,906

Debt instruments at amortised cost

In thousands of KM

Credit rating	31 March 2026	31 December 2025
AAA	84,912	84,698
AA+	285,479	286,435
AA	55,986	55,870
AA-	93,492	93,306
A+	225,938	225,471
A	234,322	234,464
A-	-	-
BBB+	97,463	-
BBB	-	97,224
BBB-	-	-
Total	1,077,592	1,077,468
Impairment	(354)	(357)
TOTAL	1,077,238	1,077,111

² Provisions for expected credit losses do not reduce the gross carrying amount of debt instruments at fair value through other comprehensive income

5. FINANCIAL RISK MANAGEMENT (CONTINUED)

5.2. Market risk

Market risk is the risk of market value change in the financial assets and instruments due to the changes in the financial market conditions. The market risks that the Central Bank is exposed to in its operations are: foreign exchange risk, interest rate risk and gold price risk. The goal of market risk management is to control and manage risks within acceptable parameters, with the aim of optimising the return.

For the purpose of quantifying the market risk effects on the foreign currency reserves value, the Central Bank applies the Value at Risk (VaR) concept. The Value at Risk represents a statistical measure that indicates the greatest possible loss of the portfolio of foreign currency reserves that may occur due to changes in financial instrument prices and exchange rates, at a given confidence level over a specified time interval. VaR value for market risk is calculated using the analytical (parametric) method, based on the mean value of gain/loss or yield rate of observed portfolio and standard deviation of observed data. The Central Bank, when calculating VaR, applies a level of confidence of 99% for a 10-day horizon.

When calculating VaR value for the Central Bank's foreign currency reserves portfolio, all positions in the foreign currency reserves portfolio exposed to market risks, i.e., gold price risk, interest rate risk and foreign exchange risk are taken into consideration. As at 31 March 2026, the exposure of the Central Bank's foreign currency reserves (VaR with a level of confidence of 99% for a 10-day horizon) including fluctuations in the financial instrument prices and changes of foreign exchange rates against the KM, amounts to KM 150,992 thousand (31 December 2025: KM 108,829 thousand), which represents the equivalent of 0.84% of total financial assets (31 December 2025: 0.60% of the total financial assets).

As at 31 March 2026, Value at Risk increased by 38.74% compared to 31 December 2025, primarily due to higher monetary gold price risk (contribution to the increase in VaR is 78.20%), as well as an increase in interest rate risk within the Central Bank's foreign currency reserves portfolio (contribution to the increase in VaR is 21.70%). As at 31 March 2026, gold price risk accounts for 73.16% of VaR value (31 December 2025: 71.21%), while interest rate risk accounts for 26.66% of VaR value (31 December 2025: 28.58%). The contribution of foreign exchange risk to VaR value remains negligible.

VaR values as at reporting dates are calculated as the sum of componential VaR values:

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

As at reporting dates, VaR values are provided in the following table:

In thousands of KM	31 March 2026	31 December 2025
Gold price risk	110,473	77,500
Interest rate risk	40,247	31,099
Foreign exchange risk	272	230
Total VaR	150,992	108,829

5. FINANCIAL RISK MANAGEMENT (CONTINUED)

5.2. Market risk (continued)

5.2.1. Foreign exchange risk

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

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

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

The Central Bank is not exposed to EUR foreign exchange rate risk due to the currency board arrangement, under which the KM is pegged to the EUR at a fixed exchange rate of EUR 1 = KM 1.95583.

5.2.2. Interest rate risk

Interest rate risk is the risk of change in market value of the financial assets due to the unfavourable movements of interest rates, i.e., unfavourable trends in market interest rates and bond market yields in the Central Bank's portfolio. Market interest rates (Euribor) and bond market yields in the eurozone are largely influenced by changes in the ECB's key interest rates, with this impact being more pronounced for deposits or debt instruments with shorter remaining maturities.

The ECB Governing Council kept its key interest rates unchanged at its last two meetings held in February and March 2026, in line with expectations. The ECB deposit facility rate, which serves as the key interest rate for foreign currency reserves investments, amounts to 2.00%. The main driver of this trend in the ECB monetary policy is the increase in inflation expectations due to the war in the Middle East. In addition, the United States Federal Reserve System (Fed) did not change its target range for the key interest rate (3.50%–3.75%) in the first quarter of 2026.

In the current reporting period, Euribor market interest rates did not record any significant changes, as there were no changes in the ECB key interest rates, which largely determine trends in short-term market interest rates. Euribor rates remained at approximately the same level as at the reporting dates.

EUR-denominated government bond yields increased on a net basis in the range of 15–55 basis points, depending on their remaining maturity, in the current reporting period.

The medium-term bonds (with remaining maturity of one to three years) had the strongest yield net increases, by 50–55 basis points, while short-term bonds (up to one year) had net market yield increases by 15–35 basis points. Bonds with remaining maturities longer than three years had net increase by 20–35 basis points.

Despite a somewhat more pronounced net increase in medium-term bond yields, the yield curve of eurozone government securities have a normal shape in the current reporting period, implying that a longer-term government bond yields are higher than short-term market yields and short-term interest rates in the eurozone financial market.

Interest rate risk is managed by determining the targeted modified duration of the invested foreign currency reserves, by monitoring Value at Risk, and by selecting the appropriate market index which, with the necessary adjustments, represents the reference portfolio (benchmark) and by setting the maximum amount of the allowed deviation of the portfolio's return from the return of corresponding benchmark (tracking error).

5. FINANCIAL RISK MANAGEMENT (CONTINUED)

5.2. Market risk (continued)

5.2.2. Interest rate risk (continued)

The targeted modified duration is shortened or extended by the appropriate regulations of the Central Bank, depending on the current structure of the foreign currency reserves portfolio, current market conditions and available expectations and forecasts, and in accordance with the strategic determination that the maximum allowed term for investing in debt instruments with fixed income is ten years, while the maximum allowed term for investing in deposits with foreign banks is one year.

According to the regulations valid at the reporting dates, the target modified duration of the total portfolio of foreign currency reserves amounts to 1.20 years, with permitted deviations of +/- 0.40 years.

For the portfolio of debt instruments at fair value through other comprehensive income with the remaining maturity of more than one year, the permitted deviation of the modified duration is +/- 0.30 years from the determined benchmark.

For foreign currency reserves funds entrusted to an external portfolio manager for management under an agreement concluded with the World Bank as part of the RAMP Program, the modified duration deviation allowance is +/- 0.25 years from the respective benchmarks for the USD and EUR portfolios of debt instruments at fair value through other comprehensive income.

The Central Bank uses a modified duration of debt instruments at fair value through other comprehensive income as a key measure of interest rate risk exposure. The modified duration is a measure of the price sensitivity of a financial instrument to changes in interest rates, i.e., the market yield of a debt instrument. Modified duration is expressed as the number of years and the longer the duration, the higher the interest rate risk. The modified duration of the portfolio is calculated as a weighted average of the maturities of cash flows of individual financial instruments in the portfolio, where the weight is the present value of the cash flow.

In the current reporting period, the modified duration of debt instruments at fair value through other comprehensive income, including foreign currency reserves funds entrusted to an external portfolio manager for management, was slightly extended and amounts to 1.82 years as at 31 March 2026 (As at 31 December 2025: 1.78 years), reflecting improved stability of the currency board arrangement.

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5. FINANCIAL RISK MANAGEMENT (CONTINUED)

5.2. Market risk (continued)

5.2.2. Interest rate risk (continued)

The following tables present the Central Bank's exposure to interest rate risk as at reporting dates by the financial instrument's carrying amount, categorised (classified into maturity classes) under criteria of re-determining interest rate dates in accordance with contractual arrangements (contractual cashflows, such as coupon payments) or the maturity date of the instruments. Accordingly, the criteria for classifying instruments into maturity classes for coupon debt instruments at fair value through other comprehensive income is the maturity date of the first subsequent coupon payment, while discount debt instruments at fair value through other comprehensive income, debt instruments at amortised cost and deposits with foreign banks are classified into maturity classes according to the maturity date of the instrument:

31 March 2026	Up to 3	From 3	From 1	Over 3	Non-	Total
In thousands of KM	months	to 12	to 3	years	interest	
		months	years	years	bearing	
Cash in foreign currencies	-	-	-	-	500,721	500,721
Deposits with foreign banks	4,659,854	208,888	-	-	9,296	4,878,038
Special Drawing Rights with the IMF	6,826	-	-	-	30	6,856
Debt instruments at fair value through other comprehensive income	4,695,807	5,860,785	-	-	61,729	10,618,321
Monetary gold	-	-	-	-	885,458	885,458
Debt instruments at amortised cost	-	233,487	57,006	786,128	617	1,077,238
Other financial assets	-	-	-	-	11,383	11,383
Other investments	-	-	-	-	27,813	27,813
Total financial assets	9,362,487	6,303,160	57,006	786,128	1,497,047	18,005,828
Banknotes and coins in circulation	-	-	-	-	8,550,618	8,550,618
Deposits from banks	6,984,598	-	-	-	8,721	6,993,319
Deposits from the Government and other public institutions	-	-	-	-	613,324	613,324
Other financial liabilities	-	-	-	-	192,077	192,077
Total financial liabilities	6,984,598	-	-	-	9,364,740	16,349,338
INTEREST RATE GAP	2,377,889	6,303,160	57,006	786,128	(7,867,693)	1,656,490

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5. FINANCIAL RISK MANAGEMENT (CONTINUED)

5.2. Market risk (continued)

5.2.2. Interest rate risk (continued)

31 December 2025		From 3	From 1		Non-	
In thousands of KM	Up to 3	to 12	to 3	Over 3	interest	Total
	months	months	years	years	bearing	
Cash in foreign currencies	-	-	-	-	557,531	557,531
Deposits with foreign banks	5,129,190	830,433	-	-	8,415	5,968,038
Special Drawing Rights with the IMF	6,317	-	-	-	29	6,346
Debt instruments at fair value through other comprehensive income	2,466,873	7,267,447	-	-	65,586	9,799,906
Monetary gold	-	-	-	-	804,614	804,614
Debt instruments at amortised cost	-	97,154	135,873	841,837	2,247	1,077,111
Other financial assets	-	-	-	-	3,739	3,739
Other investments	-	-	-	-	27,813	27,813
Total financial assets	7,602,380	8,195,034	135,873	841,837	1,469,974	18,245,098
Banknotes and coins in circulation	-	-	-	-	8,538,481	8,538,481
Deposits from banks	7,325,543	-	-	-	661	7,326,204
Deposits from the Government and other public institutions	-	-	-	-	689,339	689,339
Other financial liabilities	-	-	-	-	189,409	189,409
Total financial liabilities	7,325,543	-	-	-	9,417,890	16,743,433
INTEREST RATE GAP	276,837	8,195,034	135,873	841,837	(7,947,916)	1,501,665

Sensitivity analysis based on scenarios of predefined changes in market yields

In order to quantify the effects of exposure of foreign currency reserves to interest rate risk, in addition to the VaR analysis, a stress test (sensitivity analysis) is used, which, based on the modified duration of the portfolio of debt instruments, predicts the possible effect of changes in interest rates (market yields) on the financial assets of the Central Bank.

For the Central Bank, the most important scenario is a possible unexpected increase in interest rates (decline in market prices of debt instruments), so the impact on financial assets is calculated in the event of an increase in interest rates (upward shift of the yield curve on euro bonds) according to the assumed scenario (predefined increases).

Interest rate risk sensitivity analysis based on scenarios of predefined changes in market yields (interest rates) expressed in basis points (bp) shows the effects of changes in the level of the bond yield curve in the eurozone (the yield curve on euro bonds) on the value of the Central Bank's financial assets as at reporting dates.

The effects of a change in the level of the euro yield curve represent a fall in the market values of debt instruments for predefined increases in interest rates by 1, 50, 100 or 200 basis points. This analysis assumes that all other variables remain unchanged at observed reporting dates.

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Selected Notes to the Condensed Interim Financial Statements for the period ended 31 March 2026

5. FINANCIAL RISK MANAGEMENT (CONTINUED)**5.2. Market risk (continued)****5.2.2. Interest rate risk (continued)**Sensitivity analysis - scenarios of assumed changes in market yields as at 31 March 2026

Change in market yields	+/- 1 bp	+/- 50 bp	+/- 100 bp	+/- 200 bp
Change of the financial assets				
(In thousands of KM)	(1,931)/1,931	(96,548)/96,548	(193,095)/193,095	(386,191)/386,191

Sensitivity analysis - scenarios of assumed changes in market yields as at 31 December 2025

Change in market yields	+/- 1 bp	+/- 50 bp	+/- 100 bp	+/- 200 bp
Change of the financial assets				
(In thousands of KM)	(1,745)/1,745	(87,240)/87,240	(174,480)/174,480	(348,960)/348,960

In the scenario event of an upward shift in euro bond yield curve by 1 bp (0.01%), the financial assets of the Central Bank would be decreased by KM 1,931 thousand as at 31 March 2026 (As at 31 December 2025: KM 1,745 thousand).

In the scenario event of a downward shift in the euro bond yield curve by 1 bp (0.01%), the financial assets of the Central Bank would be higher by KM 1,931 thousand as at 31 March 2026 (As at 31 December 2025: KM 1,745 thousand).

The effects on the value of financial assets in the scenario events of larger shifts (+/- 50 bp, +/- 100 bp, or +/-200 bp) in the euro bond yield curve, would be proportional to the effects of the change in the value of financial assets caused by the mentioned shifts in the yield curve of +/- 1 bp (+/- 0.01%).

5.2.3. Gold price risk

As at 31 March 2026, the total quantity of monetary gold in the Central Bank's assets amounts to 112,000 fine ounces (31 December 2025: 112,000 fine ounces). In the current reporting period, due to a combination of geopolitical instability, USD depreciation, stimulative monetary policies of the leading world central banks, increased gold purchases by central banks and rising investor demand, the market gold price increased by 10.05%, reaching a level of 7,905.88 KM/oz as at 31 March 2026, compared to 7,184.05 KM/oz as at 31 December 2025.

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5. FINANCIAL RISK MANAGEMENT (CONTINUED)

5.2. Market risk (continued)

5.2.3. Gold price risk (continued)

Sensitivity analysis based on the scenarios of predefined changes in market gold price

In order to quantify the effects of exposure of foreign currency reserves to gold price risk, in addition to the VaR analysis, a stress test (sensitivity analysis) is used, which estimates the possible impact of changes in market gold price on the financial assets of the Central Bank.

For the Central Bank, the most important scenario is a possible unexpected decline in gold price so the impact on financial assets is calculated in the event of a decrease in gold price according to the assumed scenario (predefined percentage decreases of market gold price expressed in KM equivalents/oz).

Gold price sensitivity analysis based on scenarios of predefined changes in market gold price in KM/oz, expressed in percentages (%) shows the effects of changes in the level of the gold price on the value of the Central Bank's financial assets as at reporting dates.

The effects of changes in the level of the gold price represent a decrease in fair value of monetary gold in the assets of the Central Bank for predefined decreases in market gold price by 1, 10, 20 or 50 percentages. This analysis assumes that the gold quantity in the assets of the Central Bank and all other variables are unchanged at observed reporting dates.

Sensitivity analysis - scenarios of assumed percentage changes in market gold price as at 31 March 2026

Change in market gold price (In KM/oz)	+/- 1%	+/- 10 %	+/- 20%	+/- 50%
Change of the financial assets (In thousand KM)	8,855/(8,855)	88,546/(88,546)	177,092/(177,092)	442,729/(442,729)

Sensitivity analysis - scenarios of assumed percentage changes in market gold price as at 31 December 2025

Change in market gold price (In KM/oz)	+/- 1%	+/- 10 %	+/- 20%	+/- 50%
Change of the financial assets (In thousand KM)	8,046/(8,046)	80,461/(80,461)	160,923/(160,923)	402,307/(402,307)

In the case of the scenario of an increase of the market gold price expressed in KM equivalents per fine ounce (KM/oz) by 1%, financial assets of the Central Bank would be increased by KM 8,855 thousand as at 31 March 2026 (As at 31 December 2025: KM 8,046 thousand).

In the case of the scenario of a decrease of the market gold price expressed in KM equivalents per fine ounce (KM/oz) by 1%, the financial assets of the Central Bank would be decreased by KM 8,855 thousand as at 31 March 2026 (As at 31 December 2025: KM 8,046 thousand).

The effects on the value of financial assets in the case of a scenario of larger changes of the gold price (+/- 10%, +/- 20%, or +/- 50%), would be proportional to the effects of the change in the value of financial assets caused by the mentioned changes in the market gold price expressed in KM equivalents per fine ounce (KM/oz) for +/- 1%.

CENTRAL BANK OF BOSNIA AND HERZEGOVINA

Selected Notes to the Condensed Interim Financial Statements for the period ended 31 March 2026

5. FINANCIAL RISK MANAGEMENT (CONTINUED)

5.3. Liquidity risk

Liquidity risk refers to the possible difficulties in liquidating a portion of assets quickly, which is possible when market conditions are unfavourable and also when there is an unfavourable price movement. The liquidity of foreign currency reserves portfolio is ensured by holding a sufficient funds of liquid instruments in the portfolio.

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

Tables below present the maturity of the Central Bank's financial liabilities as at reporting dates based on the remaining contractual maturity from the reporting dates:

31 March 2026						
In thousands of KM	Up to 3 months	From 3 to 12 months	From 1 to 3 years	Over 3 years	Without specified maturity	Total
Banknotes and coins in circulation	8,550,618	-	-	-	-	8,550,618
Deposits from banks	6,993,319	-	-	-	-	6,993,319
Deposits from the Government and other public institutions	613,324	-	-	-	-	613,324
Other financial liabilities	192,077	-	-	-	-	192,077
TOTAL FINANCIAL LIABILITIES	16,349,338	-	-	-	-	16,349,338

31 December 2025						
In thousands of KM	Up to 3 months	From 3 to 12 months	From 1 to 3 years	Over 3 years	Without specified maturity	Total
Banknotes and coins in circulation	8,538,481	-	-	-	-	8,538,481
Deposits from banks	7,326,204	-	-	-	-	7,326,204
Deposits from the Government and other public institutions	689,339	-	-	-	-	689,339
Other financial liabilities	4,989	184,420	-	-	-	189,409
TOTAL FINANCIAL LIABILITIES	16,559,013	184,420	-	-	-	16,743,433

CENTRAL BANK OF BOSNIA AND HERZEGOVINA

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6. CASH IN FOREIGN CURRENCIES

Cash in foreign currencies represents foreign currency reserve funds held in the Central Bank's vaults. As at reporting dates, total cash in foreign currencies is denominated in EUR currency and amounts to KM 500,721 thousand (31 December 2025: KM 557,531 thousand).

For the purpose of cash flow reporting, cash in foreign currencies is included in cash and cash equivalents ([Note 27](#)).

7. DEPOSITS WITH FOREIGN BANKS

Deposits with foreign banks represent the Central Bank's invested portion of foreign currency reserve funds held on the accounts with foreign banks and international financial institutions. Deposits with foreign banks include demand deposits and term deposits and are held with foreign banks of eurozone and non-eurozone countries.

For the purpose of cash flow reporting, demand deposits in foreign currency and deposits in foreign currency with maturity up to three months or less, from the date of acquisition, are included in cash and cash equivalents. The following table presents the analysis of deposits with foreign banks for the purpose of cash flow reporting:

In thousands of KM	31 March 2026	31 December 2025
Demand deposits	42,757	544,809
Term deposits with maturity up to 3 months or less from the date of acquisition	3,790,827	4,383,527
Total	3,833,584	4,928,336
Impairment	(2,060)	(2,249)
Included in cash and cash equivalents (Note 27)	3,831,524	4,926,087
Term deposits with maturity over 3 months from the date of acquisition	1,046,797	1,042,204
Impairment	(283)	(253)
Total	1,046,514	1,041,951
TOTAL	4,878,038	5,968,038

CENTRAL BANK OF BOSNIA AND HERZEGOVINA

Selected Notes to the Condensed Interim Financial Statements for the period ended 31 March 2026

7. DEPOSITS WITH FOREIGN BANKS (CONTINUED)

The following table presents balances of term and demand deposits, with an analytical presentation by type of currency:

In thousands of KM	31 March 2026	31 December 2025
Term deposits:		
EUR	4,837,624	5,425,731
Impairment	(2,329)	(2,421)
Total	4,835,295	5,423,310
Demand deposits:		
EUR	28,189	533,917
USD	9,172	7,166
CHF	3,469	1,769
GBP	1,927	1,957
	42,757	544,809
Impairment	(14)	(81)
Total	42,743	544,728
TOTAL	4,878,038	5,968,038

Deposits with foreign banks include net accrued interest in the amount of KM 9,296 thousand as at 31 March 2026 (31 December 2025: Included net accrued interest in the amount of KM 8,415 thousand).

The following table presents the analysis of term deposits with foreign banks, by the remaining contractual maturity in relation to reporting dates:

In thousands of KM	31 March 2026	31 December 2025
Up to 1 month	3,513,820	3,357,805
From 1 to 2 months	493,155	775,787
From 2 to 3 months	621,395	458,825
From 3 to 4 months	-	463,492
From 4 to 12 months	209,254	369,822
Total	4,837,624	5,425,731
Impairment	(2,329)	(2,421)
TOTAL	4,835,295	5,423,310

CENTRAL BANK OF BOSNIA AND HERZEGOVINA

Selected Notes to the Condensed Interim Financial Statements for the period ended 31 March 2026

7. DEPOSITS WITH FOREIGN BANKS (CONTINUED)

Deposits with foreign banks, analysed by the type of the financial institution in which the funds are invested, are provided in the following table:

In thousands of KM	31 March 2026	31 December 2025
Foreign commercial banks		
Term deposits	2,201,238	2,637,177
Overnight deposits	2,059,506	1,389,617
Demand deposits	20,200	17,162
	4,280,944	4,043,956
Foreign central banks		
Term deposits	517,111	859,952
Overnight deposits	-	-
Demand deposits	16,287	521,954
	533,398	1,381,906
International financial institutions		
Term deposits	59,769	538,985
Overnight deposits	-	-
Demand deposits	6,270	5,693
	66,039	544,678
Total	4,880,381	5,970,540
Impairment (Note 5.1.1.)	(2,343)	(2,502)
TOTAL	4,878,038	5,968,038

More information about the Central Bank's composite credit rating range and credit risk concentration for deposits with foreign banks as at reporting dates is disclosed in [Note 5.1.2.](#)

Deposits with foreign banks, analysed by the country where the funds are invested, are presented in the following table:

In thousands of KM	31 March 2026	31 December 2025
Switzerland	2,812,580	2,807,292
France	1,118,700	1,388,358
Luxembourg	437,355	623,521
Netherlands	339,106	476,510
Germany	82,920	587,035
Great Britain	80,308	79,888
Belgium	8,924	7,331
USA	488	605
Total	4,880,381	5,970,540
Impairment	(2,343)	(2,502)
TOTAL	4,878,038	5,968,038

CENTRAL BANK OF BOSNIA AND HERZEGOVINA

Selected Notes to the Condensed Interim Financial Statements for the period ended 31 March 2026

8. SPECIAL DRAWING RIGHTS WITH THE IMF

In thousands of KM	31 March 2026	31 December 2025
Account of Special Drawing Rights with the IMF	6,826	6,317
Accrued interest	30	29
Total	6,856	6,346
Impairment	-	-
TOTAL	6,856	6,346

For the purpose of cash flow reporting, Special Drawing Rights with the IMF are included in cash and cash equivalents ([Note 27](#)).

9. DEBT INSTRUMENTS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

Debt instruments at fair value through other comprehensive income represent the Central Bank's foreign currency reserve funds invested in liquid sovereign government bonds of the eurozone countries and non-eurozone countries. The portfolio of these debt instruments includes short-term and long-term government bonds with a fixed interest rate.

Debt instruments at fair value through other comprehensive income are denominated in EUR and USD currencies.

The structure of investments in debt instruments at fair value through other comprehensive income is presented in the following table:

In thousands of KM	31 March 2026	31 December 2025
Coupon debt instruments	8,822,527	8,427,578
Accrued interest on coupon debt instruments	84,429	78,554
Total	8,906,956	8,506,132
Discount debt instruments	1,734,065	1,306,742
Accrued (discount) on discount debt instruments	(22,700)	(12,968)
Total	1,711,365	1,293,774
TOTAL	10,618,321	9,799,906

The structure of the portfolio of debt instruments at fair value through other comprehensive income, depending on whether the foreign currency reserves funds are managed by the Central Bank or entrusted to an external portfolio manager for management is presented in the following table:

In thousands of KM	31 March 2026	31 December 2025
Debt instruments managed by the Central Bank	10,037,963	9,218,955
Debt instruments entrusted to an external portfolio manager for management	580,358	580,951
TOTAL	10,618,321	9,799,906

CENTRAL BANK OF BOSNIA AND HERZEGOVINA

Selected Notes to the Condensed Interim Financial Statements for the period ended 31 March 2026

9. DEBT INSTRUMENTS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME (CONTINUED)

The following table presents balances of debt instruments at fair value through other comprehensive income, with an analytical presentation by type of currency:

In thousands of KM	31 March 2026	31 December 2025
Debt instruments at fair value through other comprehensive income:		
EUR	10,537,494	9,718,233
USD	80,827	81,673
TOTAL	10,618,321	9,799,906

As at 31 March 2026, debt instruments at fair value through other comprehensive income managed by the external portfolio manager amount to KM 580,358 thousand, out of which KM 499,531 thousand are held in EUR currency and KM 80,827 thousand in USD currency (31 December 2025: Debt instruments at fair value through other comprehensive income managed by the external portfolio manager amounted to KM 580,951, out of which KM 499,278 thousand were held in EUR currency and KM 81,673 thousand in USD currency).

As at 31 March 2026, provisions for expected credit losses for debt instruments at fair value through other comprehensive income amount to KM 2,812 thousand (31 December 2025: KM 2,635 thousand). During the reporting period, net increases in provisions for expected credit losses, recognised in profit or loss for the period, amount to KM 211 thousand (01/01 - 31/03/2025: Net increases amounting to KM 102 thousand). More information about these changes in the reporting periods is disclosed in [Notes 5.1.1.](#) and [22.](#)

Debt instruments at fair value through other comprehensive income, analysed by the country where the funds are invested, are presented in the following table:

	31 March 2026		31 December 2025	
	In thousands of KM	%	In thousands of KM	%
Germany	2,017,493	19.00	1,591,954	16.24
France	1,585,893	14.94	1,454,919	14.85
Belgium	1,585,865	14.94	1,434,952	14.64
Finland	1,391,743	13.11	1,133,353	11.56
Austria	1,307,920	12.32	1,321,186	13.48
Netherlands	971,360	9.15	1,194,141	12.19
Italy	738,158	6.95	743,624	7.59
Spain	711,125	6.70	615,407	6.28
Slovakia	113,715	1.07	113,858	1.16
USA	80,826	0.76	81,674	0.83
Luxembourg	57,800	0.54	58,093	0.60
Ireland	56,423	0.52	56,745	0.58
TOTAL	10,618,321	100.00	9,799,906	100.00

CENTRAL BANK OF BOSNIA AND HERZEGOVINA

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9. DEBT INSTRUMENTS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME (CONTINUED)

Changes in debt instruments at fair value through other comprehensive income during the reporting periods are presented in the following table:

In thousands of KM	01/01 - 31/03 2026	For the period 01/01 - 31/03 2025
As at	9,799,906	8,639,813
Purchases during the period	1,769,955	2,117,913
Sales during the period	(131,733)	(172,755)
Interest income recognised during the period (Note 17)	60,414	62,073
Maturities of debt instruments	(779,254)	(1,595,947)
Maturities of coupons	(27,305)	(34,059)
Net unrealised change in fair value during the period	(75,724)	(1,992)
Net foreign exchange gains / (losses)	2,059	(3,136)
Transaction costs	3	2
As at	10,618,321	9,011,912

More information about the Central Bank's composite credit rating range and credit risk concentration for debt instruments at fair value through other comprehensive income as at reporting dates is disclosed in [Note 5.1.2](#). Debt instruments at fair value through other comprehensive income, analysed by their remaining contractual maturity in relation to reporting dates, are presented in the following table:

In thousands of KM	31 March 2026	31 December 2025
Up to 3 months	1,014,765	775,304
From 3 to 12 months	3,086,320	2,809,481
From 1 to 3 years	3,751,038	4,063,454
Over 3 years	2,766,198	2,151,667
TOTAL	10,618,321	9,799,906

10. MONETARY GOLD

Monetary gold is denominated in EUR currency. As at reporting dates, input values used for fair value calculation of monetary gold are provided in the following table:

As at	Quantity of ounces	Price per fine ounce in KM equivalent (KM/oz)	Fair value of monetary gold as at date in thousands of KM
31 March 2026	112,000	7,905.88	885,458
31 December 2025	112,000	7,184.05	804,614
31 March 2025	112,000	5,646.81	632,443

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10. MONETARY GOLD (CONTINUED)

Changes in monetary gold during the reporting periods are provided in the following table:

In thousands of KM	01/01 - 31/03 2026	For the period 01/01 - 31/03 2025
As at	804,614	555,157
Net unrealised change in fair value during the period	80,844	77,286
As at	885,458	632,443

11. DEBT INSTRUMENTS AT AMORTISED COST

Debt instruments at amortised cost represent Central Bank's foreign currency reserve funds invested in liquid sovereign government bonds of the eurozone countries with the intention of holding them until maturity. As at reporting date, this portfolio consists of short-term and long-term coupon government bonds with a fixed interest rate. Debt instruments at amortised cost are denominated in EUR currency.

The structure of investments in debt instruments at amortised cost is presented in the following table:

In thousands of KM	31 March 2026	31 December 2025
Coupon debt instruments	1,076,975	1,075,221
Accrued interest on coupon debt instruments	617	2,247
Total	1,077,592	1,077,468
Impairment	(354)	(357)
TOTAL	1,077,238	1,077,111

More information about the Central Bank's composite credit rating range and credit risk concentration for debt instruments at amortised cost as at reporting dates is disclosed in [Note 5.1.2.](#)

Debt instruments at amortised cost, analysed by their remaining contractual maturity in relation to reporting dates, are presented in the following table:

In thousands of KM	31 March 2026	31 December 2025
Up to 3 months	-	-
From 3 to 12 months	233,611	97,224
From 1 to 3 years	57,013	135,930
Over 3 years	786,968	844,314
Total	1,077,592	1,077,468
Impairment	(354)	(357)
TOTAL	1,077,238	1,077,111

As at reporting date, debt instruments at amortised cost, analysed by the country where the funds are invested, approximately correspond to the amounts disclosed in the latest annual financial statements since the Central Bank did not invest foreign currency reserves funds in this portfolio in current reporting period.

CENTRAL BANK OF BOSNIA AND HERZEGOVINA

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12. OTHER ASSETS

In thousands of KM	31 March 2026	31 December 2025
Gross carrying amount of other financial assets	11,989	4,346
Impairment	(606)	(607)
Other financial assets	11,383	3,739
Other non-financial assets	18,985	15,490
TOTAL	30,368	19,229

As at reporting date, other financial assets are mostly related to the Central Bank's giro accounts in the amount of KM 8,490 thousand, with the increase mainly resulting from the allocation of funds for financing the Employee Welfare and Protection Fund, established in accordance with the Law on the Central Bank.

As at reporting dates, other non-financial assets are mostly related to the prepaid expenses for banknotes and coins production in the amount of KM 15,018 thousand (31 December 2025: KM 11,774 thousand).

13. BANKNOTES AND COINS IN CIRCULATION

The amounts of banknotes and coins in circulation are presented in the following table:

In thousands of KM	31 March 2026	31 December 2025
Banknotes in circulation	8,239,086	8,231,118
Coins in circulation	311,532	307,363
TOTAL	8,550,618	8,538,481

Changes in banknotes and coins in circulation during the reporting periods are presented in the following table:

In thousands of KM	01/01 - 31/03 2026	For the period 01/01 - 31/03 2025
Banknotes and coins in circulation as at	8,538,481	7,959,215
Net increase in / (decrease) of value of banknotes and coins in circulation during the period	12,137	(28,297)
Banknotes and coins in circulation as at	8,550,618	7,930,918

14. DEPOSITS FROM BANKS

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

In thousands of KM	31 March 2026	31 December 2025
Deposits from resident banks:		
<i>KM</i>	6,846,820	7,185,096
<i>EUR</i>	137,778	140,447
	6,984,598	7,325,543
Reserve accounts of the Central Bank organizational units	8,490	487
Special deposits of resident banks - blocked funds	231	174
TOTAL	6,993,319	7,326,204

CENTRAL BANK OF BOSNIA AND HERZEGOVINA

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14. DEPOSITS FROM BANKS (CONTINUED)

Deposits from resident banks are placed in accordance with required reserve policy of the Central Bank, to meet obligations for settling payment transactions between resident banks as well as for transactions with the Central Bank. Resident banks are obliged to allocate and maintain required reserves in KM and EUR currencies on KM and EUR reserve accounts. Required reserve is calculated as KM required reserve on the domestic currency base and EUR required reserve on the foreign currency base, applying unique 10% rate to all bases. The EUR required reserve is maintained by allocating 5% of the amount of calculated EUR required reserve on EUR reserve account and by allocating and maintaining the 95% of the amount of calculated EUR required reserve in KM equivalent on KM reserve account. More information on the Central Bank's remuneration policy for the required reserve's instrument is disclosed in [Note 17](#).

Deposits from resident banks include accrued remuneration on the basis of required reserve policy in the amount of KM 1,458 thousand as at 31 March 2026 (31 December 2025: Included the accrued remuneration in the amount of KM 1,432 thousand).

15. DEPOSITS FROM THE GOVERNMENT AND OTHER PUBLIC INSTITUTIONS

In thousands of KM	31 March 2026	31 December 2025
Budgetary deposits from BH institutions	542,586	603,210
Deposits from other local governments and government institutions	53,759	65,589
Deposits from other public institutions	16,960	20,521
Deposit accounts under the IMF transactions	19	19
TOTAL	613,324	689,339

16. OTHER LIABILITIES

In thousands of KM	31 March 2026	31 December 2025
Other financial liabilities	192,077	189,409
Other non-financial liabilities	44	213
TOTAL	192,121	189,622

As at reporting dates, other financial liabilities include a liability arising from the allocation of a portion of net profit for 2025 to the BH budget in the amount of KM 184,420 thousand.

CENTRAL BANK OF BOSNIA AND HERZEGOVINA

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17. NET INTEREST INCOME

In thousands of KM	01/01 - 31/03 2026	For the period 01/01 - 31/03 2025
Interest income arising from:		
Debt instruments at fair value through other comprehensive income (Note 9)	60,414	62,073
Deposits with foreign banks (Note 7)	23,573	34,564
Debt instruments at amortised cost (Note 11)	2,521	2,650
Special Drawing Rights with the IMF	54	60
Total	86,562	99,347
Interest expense arising from:		
Deposits from resident banks	(4,217)	(3,787)
Effects of negative interest rates from deposits with foreign banks	(2)	-
Total	(4,219)	(3,787)
Net interest income	82,343	95,560

Total interest and similar income and expenses analysed by classes of interest-bearing financial instruments are presented in the following table:

In thousands of KM	01/01 - 31/03 2026	For the period 01/01 - 31/03 2025
1. Financial assets at amortised cost		
<i>Interest income arising from:</i>		
Deposits with foreign banks	23,573	34,564
Debt instruments at amortised cost	2,521	2,650
Special Drawing Rights with the IMF	54	60
	26,148	37,274
<i>Interest expense arising from:</i>		
Effects of negative interest rates from deposits with foreign banks	(2)	-
	(2)	-
Total	26,146	37,274
2. Debt instruments at fair value through other comprehensive income		
Interest income	60,414	62,073
Total	60,414	62,073
3. Financial liabilities at amortised cost		
Interest expenses arising from deposits from resident banks	(4,217)	(3,787)
Total	(4,217)	(3,787)
Net interest income	82,343	95,560

CENTRAL BANK OF BOSNIA AND HERZEGOVINA

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17. NET INTEREST INCOME (CONTINUED)

The following table presents interest income arising from deposits with foreign banks with an analytical breakdown of corresponding amounts by the maturity type:

In thousands of KM	For the period	
	01/01 - 31/03 2026	01/01 - 31/03 2025
Interest income		
Term deposits	23,425	32,932
Demand deposits	148	1,632
TOTAL	23,573	34,564

The average effective yield rate on deposits with foreign banks amounts to 2.03% in the period 01/01 - 31/03/2026 (01/01 - 31/03/2025: The average effective yield rate amounted to 2.89%).

The average effective yield rate on debt instruments at fair value through other comprehensive income amounts to 2.44% in the period 01/01 - 31/03/2026 (01/01 - 31/03/2025: The average effective yield rate amounted to 2.81%).

The average effective yield rate on debt instruments at amortised cost amounts to 0.95% in the period 01/01 - 31/03/2026 (01/01 - 31/03/2025: The average effective yield rate amounted to 0.95%).

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

As disclosed in [Note 14](#), the Central Bank prescribes the obligation for resident banks to allocate and maintain KM and EUR required reserves on KM and EUR reserve accounts.

The required reserve is calculated as KM required reserve on domestic currency base and EUR required reserve on foreign currency base applying unique 10% rate for all bases.

The Central Bank calculates and pays a remuneration to resident banks at prescribed rates on KM required reserves amounts, i.e., EUR currency required reserves amounts. The Central Bank applies the zero-remuneration rate on the amounts exceeding required reserves of the resident banks, regardless of required reserve currency allocation and maintenance.

During the reporting periods, the Central Bank's remuneration rates amount to:

Base for calculation of remuneration	The Central Bank's remuneration rate
Required reserves amounts	
<i>KM required reserve on domestic currency base</i>	0.50%
<i>EUR required reserve on foreign currency base</i>	0.30%
Amounts exceeding the required reserves	0.00%

Interest expense arising from deposits from resident banks include expenses from required reserves in the amount of KM 4,217 thousand for the period 01/01 - 31/03/2026 (01/01 - 31/03/2025: Interest expense arising from deposits from resident banks amounted to KM 3,787 thousand).

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Selected Notes to the Condensed Interim Financial Statements for the period ended 31 March 2026

18. NET FEE AND COMMISSION INCOME

In thousands of KM	01/01 - 31/03 2026	For the period 01/01 - 31/03 2025
Fee and commission income arising from:		
Services for resident banks	5,600	5,444
Services for the Government and other non-banking clients	380	374
Total	5,980	5,818
Fee and commission expenses arising from:		
Custodian and other expenses for debt instruments	(470)	(457)
Transactions with foreign banks	(9)	(10)
Other fee and commission expenses	(3)	(2)
Total	(482)	(469)
Net fee and commission income	5,498	5,349

19. NET INCOME FROM SEIGNIORAGE

In thousands of KM	01/01 - 31/03 2026	For the period 01/01 - 31/03 2025
Revenue from unwithdrawn out-of-circulation banknotes – seigniorage	85,233	-
Expenses arising from the subsequent submission of out-of-circulation banknotes – adjustment of seigniorage	(12,180)	-
TOTAL	73,053	-

In the reporting period, net income from seigniorage of KM 73,053 thousand is recognised, comprising income from unwithdrawn out-of-circulation banknotes and expenses of their subsequent adjustment. For more information see [Note 2.7](#).

20. NET REALISED GAINS /(LOSSES) FROM SALE OF DEBT INSTRUMENTS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

In the current reporting period, the net realised gains from sale of debt instruments at fair value through other comprehensive income amounts to KM 92 thousand (01/01 - 31/03/2025: Net realised (losses) amounting to KM 103 thousand were incurred). The corresponding amounts of realised gains from released provisions for expected credit losses for debt instruments sold in the reporting period are presented in [Note 5.1.1](#).

21. NET FOREIGN EXCHANGE GAINS / (LOSSES)

In thousands of KM	01/01 - 31/03 2026	For the period 01/01 - 31/03 2025
Foreign exchange gains	3,618	741
Foreign exchange losses	(1,506)	(4,289)
TOTAL	2,112	(3,548)

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21. NET FOREIGN EXCHANGE GAINS / (LOSSES) (CONTINUED)

The following table presents foreign exchange differences from the perspective of realised and unrealised components:

In thousands of KM	01/01 - 31/03 2026	For the period 01/01 - 31/03 2025
Net unrealised foreign exchange gains / (losses)	2,121	(3,608)
Net realised foreign exchange (losses) / (gains)	(9)	60
TOTAL	2,112	(3,548)

22. NET DECREASES OF IMPAIRMENT ON FINANCIAL ASSETS

In thousands of KM	01/01 - 31/03 2026	For the period 01/01 - 31/03 2025
Net releases of impairment for deposits with foreign banks	159	98
Net (increases) in / releases of impairment for Special Drawing Rights with the IMF	-	-
Net (increases) in provisions for expected credit losses for debt instruments at fair value through other comprehensive income	(211)	(102)
Net releases of /(increases) in impairment for debt instruments at amortised cost	3	(3)
Net releases of impairment for other financial assets	1	1
TOTAL	(48)	(6)

23. PERSONNEL EXPENSES

In thousands of KM	01/01 - 31/03 2026	For the period 01/01 - 31/03 2025
Salaries	3,258	3,230
Contributions and other fees on salaries	1,639	1,802
Other employee benefits	689	890
Contributions and other fees on other employees' benefits	162	205
Total	5,748	6,127
Net increases in provisions under IAS 19	8	4
TOTAL	5,756	6,131

Personnel expenses include KM 1,011 thousand of defined pension contributions paid to the public pension funds in BH (01/01 - 31/03/2025: KM 1,022 thousand).

The average number of employees in the reporting period amounts to 368 (01/01 - 31/03/2025: 360 employees).

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24. ADMINISTRATIVE AND OTHER OPERATING EXPENSES

In thousands of KM	01/01 - 31/03	For the period
	2026	01/01 - 31/03
		2025
Overhead expenses	347	305
Payment systems maintenance expenses	275	464
IT infrastructure expenses	271	270
Access to official services expenses	260	256
Fixed assets maintenance expenses	194	94
Other administrative and operating expenses	597	477
TOTAL	1,944	1,866

25. COSTS OF PRODUCTION OF BANKNOTES AND COINS

In thousands of KM	01/01 - 31/03	For the period
	2026	01/01 - 31/03
		2025
Costs of production and design of banknotes	761	731
Costs of production and design of coins	674	615
TOTAL	1,435	1,346

26. EQUITY

The structure of equity is presented in the following table:

In thousands of KM	31 March	31 December
	2026	2025
Initial capital	25,000	25,000
Fair value reserves for debt and equity instruments	(54,874)	20,731
Fair value reserves for monetary gold	470,596	389,752
Reserves for unrealised foreign exchange differences	4,628	4,628
Other reserves	31,300	31,300
General reserves (Retained earnings)	1,074,553	1,074,553
Total reserves	1,526,203	1,520,964
Net profit for the period	153,067	-
TOTAL	1,704,270	1,545,964

As at reporting date, the main contribution to the increase in the Central Bank's equity was achieved through net profit for the period, and in its structure, the primary income generators are interest income arising from the interest-bearing components of the Central Bank's foreign currency reserves, as well as net income from seigniorage. More information on the circumstances and changes in the current reporting period that affected the increase in the Central Bank's equity is disclosed in [Notes 2.7](#) and [17](#).

CENTRAL BANK OF BOSNIA AND HERZEGOVINA

Selected Notes to the Condensed Interim Financial Statements for the period ended 31 March 2026

27. CASH AND CASH EQUIVALENTS

For the purposes of Cash Flow Statement, cash and cash equivalents comprise of:

In thousands of KM	31 March 2026	31 March 2025
Deposits in foreign currency with maturity up to three months or less from the date of acquisition (Note 7)	3,790,827	3,818,354
Cash in foreign currencies (Note 6)	500,721	465,248
Demand deposits in foreign currency (Note 7)	42,757	856,843
Giro accounts (Note 12)	8,490	577
Special Drawing Rights with the IMF (Note 8)	6,856	5,397
Total	4,349,651	5,146,419
Impairment	(2,060)	(1,994)
TOTAL	4,347,591	5,144,425

28. RELATED PARTIES TRANSACTIONS

Transactions with the State and BH institutions are presented in the following tables:

In thousands of KM

As at 31 March 2026	BH Ministry of Finance and Treasury	BH Indirect Taxation Authority	BH Deposit Insurance Agency	Total
ASSETS				
Other assets	8	2	-	10
TOTAL	8	2	-	10
LIABILITIES				
Deposits from depositors	444,429	108,428	39	552,896
Liabilities for allocation a portion of the profit to the BH budget	184,420	-	-	184,420
Other liabilities	-	50	-	50
TOTAL	628,849	108,478	39	737,366

In thousands of KM

As at 31 December 2025	BH Ministry of Finance and Treasury	BH Indirect Taxation Authority	BH Deposit Insurance Agency	Total
ASSETS				
Other assets	41	2	-	43
TOTAL	41	2	-	43
LIABILITIES				
Deposits from depositors	517,295	97,412	37	614,744
Liabilities for allocation a portion of the profit to the BH budget	184,420	-	-	184,420
Other liabilities	-	-	-	-
TOTAL	701,715	97,412	37	799,164

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28. RELATED PARTIES TRANSACTIONS (CONTINUED)

Generated income with the State and BH institutions is presented in the following table:

In thousands of KM

	01/01 - 31/03 2026	For the period 01/01 - 31/03 2025
Fee and commission income		
BH Ministry of Finance and Treasury	20	17
BH Indirect Taxation Authority	4	9
BH Deposit Insurance Agency	1	1
TOTAL	25	27

By performing its functions of the banker, the depository and the fiscal agent prescribed by the Law on the Central Bank, the Central Bank also keeps appropriate accounting records and performs transactions for the State and BH institutions that are recorded off-balance. More information about these off-balance records is disclosed in [Notes 29](#) and [30](#).

Remuneration of key management members

The total remuneration of the key management members, in the period 01/01 - 31/03/2026, amounts to KM 286 thousand, out of which KM 184 thousand is related to salaries and other remunerations and KM 102 thousand is related to taxes and contributions (01/01 - 31/03/2025: Out of the total amount of KM 294 thousand, the amount of KM 185 thousand was related to salaries and other remunerations and KM 109 thousand was related to taxes and contribution).

CENTRAL BANK OF BOSNIA AND HERZEGOVINA

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29. OFF-BALANCE SHEET DEPOSITS

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

Off-balance sheet deposits also include foreign currency accounts of the governments and BH government institutions and public agencies, for which the Central Bank acts as an agent, as well as resident banks foreign currency accounts.

Off-balance sheet deposits consist of:

In thousands of KM	31 March 2026	31 December 2025
Deposits of the Council of Ministers of BH for the Budget of BH institutions	324,742	323,021
Deposits of the Council of Ministers of BH for servicing of BH foreign debt	23,669	9,612
Other deposits of the Council of Ministers of BH	317	307
Deposits of the Council of Ministers of BH on the basis of succession	51	49
Total	348,779	332,989
Funds of the Deposit Insurance Agency of BH	32,328	1,720
Total	32,328	1,720
Budget deposits of the entities' governments - Federation BH	1	-
Total	1	-
Deposit accounts of resident banks	45,145	92,722
Deposits - Retirement allowance from Germany	155	-
Total	45,300	92,722
TOTAL	426,408	427,431

BH Ministry of Finance and Treasury is the institution that acts on behalf of the Council of Ministers of BH and State in deposit management and coordination. As at 31 March 2026 the total of these funds amount to KM 348,779 thousand (31 December 2025: KM 332,989 thousand).

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30. BOSNIA AND HERZEGOVINA MEMBERSHIP WITH THE INTERNATIONAL MONETARY FUND

According to arrangements concluded between BH and the IMF the Central Bank is designated as a fiscal agent and depository for BH membership with the IMF. The Central Bank's role as a fiscal agent is specific due to "currency board" arrangement. The Central Bank acts on behalf of the BH in dealing with the IMF but does not have any responsibility for assets and liabilities related to the membership.

The Central Bank maintains Special Drawing Rights with the IMF account, IMF account No.1 and IMF account No.2 in the statement of financial position. The Central Bank also provides a custody service for the BH Promissory notes issued to support IMF membership and repurchase obligations that are recorded off-balance.

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

In thousands of KM

	31 March 2026	31 December 2025
Quota	611,904	603,460
Special Drawing Rights with the IMF	6,856	6,346
TOTAL ASSETS	618,760	609,806
IMF account No.1	1,530	1,509
IMF account No.2	605	597
Securities	670,499	685,295
SDR allocation	957,701	944,485
Accrued interest on SDR allocation	4,180	4,304
Accounts of payable charges	377	467
TOTAL LIABILITIES	1,634,892	1,636,657
BH NET POSITION WITH THE IMF	1,016.132	1,026,851

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

31. EVENTS AFTER THE REPORTING PERIOD

There were no events in the period between 31 March 2026 and the date of approval of these condensed interim financial statements that would require adjustment or are material but do not require adjustment.