



Centralna banka  
BOSNE I HERCEGOVINE  
Централна банка  
БОСНЕ И ХЕРЦЕГОВИНЕ

# Annual Report 2024



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## ABBREVIATIONS

|            |   |
|------------|---|
| APP        | Asset Purchase Programme  |
| BHAS       | Bosnia and Herzegovina Agency for Statistics  |
| BH         | Bosnia and Herzegovina  |
| bp         | basis point   |
| CBBH       | Central Bank of Bosnia and Herzegovina  |
| CPI        | Consumer price index  |
| EC         | European Commission   |
| ECB        | European Central Bank   |
| ERP BiH    | Economic Reform Programme for BiH   |
| ESG        | Environmental, social and governance  |
| ESCB       | European System of Central Banks  |
| EU         | European Union  |
| FBH        | Federation of Bosnia and Herzegovina  |
| FDI        | Foreign direct investment   |
| FED        | US Federal Reserves System  |
| GAV        | Gross added value   |
| GDP        | Gross domestic product  |
| GFFBP- BiH | Global Framework of Fiscal Balance and Policies in BiH                              |
| HICP       | Harmonized Index of Consumer Prices   |
| IBRD       | International Bank for Reconstruction and Development                               |
| KM         | Convertible mark  |
| IMF        | International Monetary Fund   |
| ITA        | Indirect Taxation Authority   |
| LNG        | Liquid Natural Gas  |
| LOHN       | Jobs on goods processing and manufacturing  |
| MFT BiH    | Ministry of Finance and Treasury of BiH   |
| MWh        | Megawatt hour   |
| NEER       | nominal effective exchange rate   |
| NEET       | Not in Education, Employment, or Training   |
| NGFS       | The Network for Greening the Financial System                                       |
| OPEC       | Organization of the Petroleum Exporting Countries and other oil exporting countries |
| PEPP       | Pandemic Emergency Purchase Programme   |
| PMI        | Purchasing Managers' Index  |
| pp         | percentage point  |

|      |  |
|------|--|
| RAMP | Reserves and Advisory Management Partnership |
| REER | Real effective exchange rate                 |
| RS   | Republika Srpska                             |
| SBFN | The Sustainable Banking and Finance Network  |
| SCFS | Standing Committee for Financial Stability   |
| SDR  | Special drawing rights                       |
| SPPI | Services Producer Price Index                |
| TTF  | "Title Transfer Facility" Dutch gas hub      |
| USA  | United States of America                     |

### ISO country code

|    |                        |
|----|------------------------|
| BA | Bosnia and Herzegovina |
| EA | euro area              |
| EU | European Union         |

### Currency code

|     |                  |
|-----|------------------|
| CHF | Swiss franc      |
| CNY | Chinese yen      |
| CZK | Check krone      |
| EUR | euro             |
| HUF | Hungarian forint |
| MKD | Macedonian denar |
| PLN | Polish zloty     |
| RON | Romanian leu     |
| RSD | Serbian dinar    |
| TRL | Turkish lira     |
| USD | US dollar        |



## INTRODUCTION BY THE GOVERNOR



You are presented with the Annual Report 2024 of the Central Bank of Bosnia and Herzegovina (Central Bank), which provides a comprehensive overview of the activities, achievements and challenges we faced in the past year. After several turbulent years and numerous global economic shocks, 2024 was marked by modest, but positive economic growth, stabilization of inflation and adjustment of monetary policies of leading central banks. Due to the slowdown in economic activity in the EU, geopolitical tensions and floods that affected our country, modest growth in real economic activity was recorded in BH in the last quarter. On the other hand, investments, personal and government consumption made a positive contribution to the growth of economic activity.

Although global economic conditions remained volatile during the previous year, the Central Bank continued to consistently manage foreign exchange reserves in a safe and profitable manner, in accordance with its legal goals and objectives, and to fulfil successfully its key mandate. In 2024, the Central Bank achieved significant results thanks to a timely and adequate investment strategy, which contributed to the growth of income and the preservation of assets safety. Consequently, at the end of the year, the coverage ratio of monetary liabilities to foreign exchange reserves, as a key indicator of the currency board stability increased to 108.4%, which further strengthened monetary stability and increased resilience to potential risks. It was precisely the efficient management of foreign exchange reserves that resulted in the achievement of significant net profit for our institution.

The required reserves of banks were maintained in accordance with legal regulations, and with the beginning of 2024, additional flexibility was introduced in the required reserve policy, which enabled a more efficient calibration of the targeted effects of monetary policy.

In the year behind us, the Central Bank, among other things, significantly contributed to the strengthening of financial stability, the harmonization of the regulatory framework with European and international standards, and the further development of its institutional capacities. These activities were significantly supported by regular meetings of the Coordination of Banking Supervision and the Standing Committee on Financial Stability. Active cooperation with key international financial institutions, including the European Central Bank, the International Monetary Fund and the World Bank, continued, thus upgrading and extending the cooperation in the areas of environmental, social and governance standards (ESG), financial inclusion and cybersecurity. In line with the recommendations of the European Union, a Policy on Managing Climate Change Challenges was adopted, and the Central Bank became a member of the Network for Greening the Financial System (NGFS) and the Sustainable Banking and Finance Network (SBFN). Following ESG standards, within its legal authority, the Central Bank made a step forward in the field of investment by investing a part of its portfolio in "green" bonds, aiming to raise the awareness of the importance of adequate management of climate and social risks. By joining the World Bank's Reserve Advisory & Management Partnership (RAMP), the capacities for efficient management of foreign exchange reserves have been strengthened. As part of the continuous work on improving financial literacy, numerous educational activities for pupils and students have been organized, cooperation with educational institutions and partners has been established, and for its activities in the field of financial education, our institution was awarded the prestigious domestic award "Golden BAM".

One of the key focuses in 2024 was the further development of payment systems, with a special emphasis on preparing Bosnia and Herzegovina for integration into the Single Euro Payments Area (SEPA). This step represents one of the priorities of the Growth Plan for the Western Balkans and a significant step forward in the modernization and digitalization of payment transactions in the country, which will increase the efficiency and security of financial transactions, as well as improve the functionality of the domestic payment system.

Aware of its key role in stabilizing and developing the economy of Bosnia and Herzegovina, the Central Bank remains committed to preserving the stability of the currency board, strengthening the resilience of the financial system and supporting economic development, through proactive monetary policy management, modernizing the financial sector and strengthening international cooperation. In this regard, we have also improved the visibility of the Central Bank by participating in numerous conferences in the region and around the world, and by hosting a high number of representatives of embassies, local officials and representatives of international institutions.

Finally, I would like to thank all members of the Governing Board, the Management and the employees of the Central Bank for their dedicated work, expertise and professionalism in the implementation of all tasks and activities. I am sure that we shall, jointly continue to work on stability and reputation of our institution aiming towards well being of citizens and economy of Bosnia and Herzegovina



Jasmina Selimović, Ph.D.  
Governor



## LEGAL STATUS

According to the Constitution - Annex 4 of the General Framework Agreement for Peace in Bosnia and Herzegovina, the Central Bank of Bosnia and Herzegovina is an institution of Bosnia and Herzegovina established by the Law on the Central Bank of Bosnia and Herzegovina, adopted by the Parliament of Bosnia and Herzegovina on 20 June 1997<sup>1</sup> and it has commenced its operations on 11 August 1997. The main objectives and tasks of the Central Bank of Bosnia and Herzegovina, as defined by the Law on the Central Bank of Bosnia and Herzegovina, are the following:

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

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

The Governing Board of the Central Bank of Bosnia and Herzegovina is a body of the Central Bank of Bosnia and Herzegovina in charge of defining monetary policy and control of its implementation, organization and strategy of the Central Bank of Bosnia and Herzegovina, according to its mandate stipulated by the Law on the Central Bank of Bosnia and Herzegovina.

The Presidency of Bosnia and Herzegovina appoints the Governing Board of the Central Bank of Bosnia and Herzegovina featuring five members who elect the Governor among themselves, who is at the same time the Chairman of the CBBH Governing Board and of the Management. The Governor is the chief executive officer in charge of daily operations of the Central Bank of Bosnia and Herzegovina. The Management of the CBBH which includes Governor and three Vice Governors (appointed by Governor, with the approval of the Governing Board of the Central Bank of Bosnia and Herzegovina) at the request of the Governor, as the chief executive officer, carries out the activities of the Central Bank of Bosnia and Herzegovina and harmonizes the activities of the organizational units.

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

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

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





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## Economic Trends in 2024



## 1. Economic Trends in 2024

### 1.1 International Economic Environment

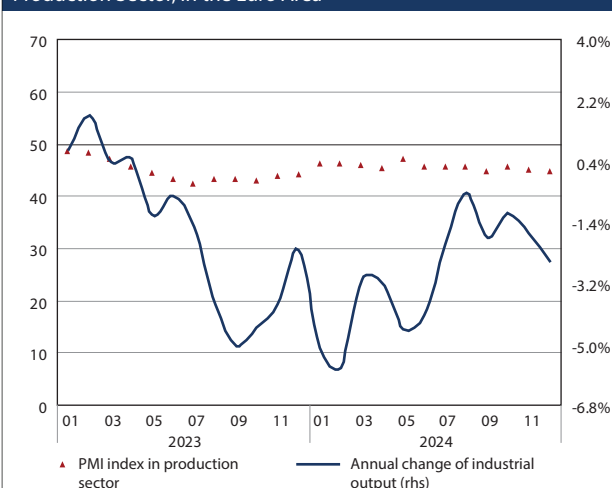
After several turbulent years and numerous shocks that followed the pandemic, the year 2024 was marked by a modest but still positive growth in economic activity. Geopolitical tensions were still quite pronounced, especially in connection with the war in Ukraine, but disruptions in supply chains have mostly stabilised, compared to the previous few years. Disinflation continued gradually in most countries, but core inflation remained a challenge. A large number of central banks therefore maintained a relatively restrictive monetary policy, in order to achieve a balance between stabilising prices and preserving economic growth. In such circumstances, for the year 2024, a moderate global growth of economic activity of 2.7% was estimated<sup>2</sup>.

The key factor that distinguishes the year 2024, compared to the previous two years, is the relative stabilisation of the energy market. Although energy prices are still higher than before the pandemic, the instability that was present at the height of the pandemic disruptions and in the early stages of the war in Ukraine has been significantly reduced. Stabilisation on the energy market resulted in a slowdown in headline inflation, especially in segments that are highly exposed to fuel and transport costs. Furthermore, Europe has additionally adapted to reduced gas imports from Russia, owing to the infrastructure for liquefied natural gas (LNG) and alternative gas pipelines, which reduced the risk of acute shortages<sup>3</sup>. Nevertheless, average energy prices in Europe are still above the level before the outbreak of the war<sup>4</sup>.

Economic growth in 2024 was uneven by region, so that, for example, in the United States of America (USA) real GDP growth of 2.8% was estimated for 2024<sup>5</sup>, while much lower growth rates were recorded in Europe. The growth of economic activity in the USA is the result of strong final consumption, low unemployment rates and growth in nominal wages. On the other hand, economic activity in the Euro area and the EU recorded very modest growth rates, so that at the level of 2024, real GDP growth was estimated at 0.7% and 0.9%, respectively<sup>6</sup>. Weaker external demand, a decline in the volume of industrial production, as well as tighter financing conditions, are some of the factors that resulted in the slowdown of the growth of the EU economy.

At the same time, there are significant differences between EU member states, where Spain stood out during 2024 as one of the countries that was the driving force behind EU growth. On the other hand, according to the first estimates, the German economy recorded a decline in economic activity (0.2%), for the second year in a row<sup>7</sup>. Looking at sectors, in 2024 the manufacturing sector continued to record a decline in activity, while the service sector recorded expansion. In 2024, a decline in the volume of industrial production was recorded, both at the level of the EU and the euro area, of 2.3% and 3.0%, respectively. Certain indicators, such as the Purchasing Managers' Index (PMI) for the manufacturing sector, have recorded values below 50 every month in a row for two and a half years, which also signalled that the euro area economy is stagnating (Graph 1.1)<sup>8</sup>. On the other hand, the same index for the service sector recorded values that indicate expansion. Although the data for the first quarter of 2025 is incomplete, the aforementioned indices already signal a continuation of such trends in early 2025<sup>9</sup>.

Graph 1.1: Annual Change of Industrial Output and PMI Index in Production Sector, in the Euro Area



Source: Eurostat, S&P Global Market Intelligence  
Note: data for industrial output are seasonally and calendar adjusted.

Despite all the foregoing challenges, the labour market in the euro area was relatively stable in 2024, marked by historically low unemployment rates in many member states. However, the mismatch of skills with the needs of the labour market is increasingly becoming apparent, especially in the areas of information technology and the so-called "green energy", which would require retraining of the workforce<sup>10</sup>. In parallel, wage growth in certain industries has accelerated, reflecting the rise in the cost of living, while real wages in some countries have barely kept pace with inflation over the past two years.

<sup>2</sup> World Bank – Global Economic Prospects, January 2025

<sup>3</sup> Source: <https://www.consilium.europa.eu/en/infographics/Infra-structure-in-the-eu/>

<sup>4</sup> Energy prices in the EU recorded a decrease of 1.6% compared to 2023, but also an increase of 33.0% compared to 2021, i.e. before the outbreak of the war in Ukraine.

<sup>5</sup> Source: <https://www.bea.gov/>

<sup>6</sup> Source: Eurostat preliminary estimates, February 2025.

<sup>7</sup> Source: [https://www.destatis.de/EN/Press/2025/01/PE25\\_019\\_811.html](https://www.destatis.de/EN/Press/2025/01/PE25_019_811.html), German Federal Statistical Office.

<sup>8</sup> PMI Releases, S&P Global. The PMI (Purchasing Managers' Index) value for the manufacturing sector above 50 indicates an expansion, and a value below 50 indicates a contraction of economic activity.

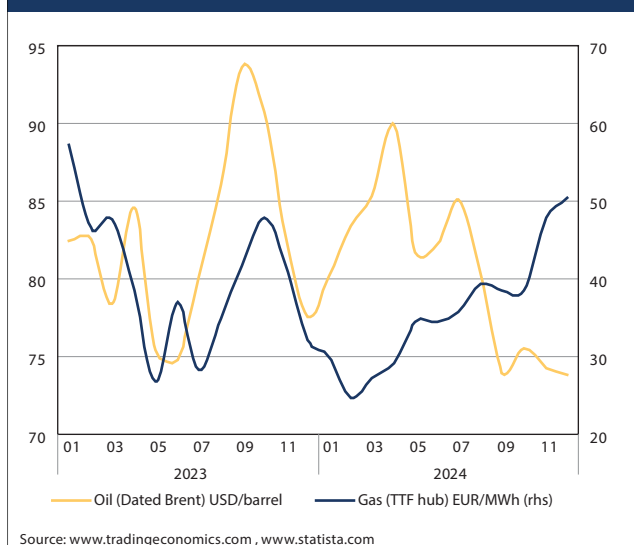
<sup>9</sup> ECB Economic Bulletin, February 2025.

<sup>10</sup> Source: European Commission, [https://employment-social-affairs.ec.europa.eu/policies-and-activities/skills-and-qualifications/european-skills-agenda\\_en](https://employment-social-affairs.ec.europa.eu/policies-and-activities/skills-and-qualifications/european-skills-agenda_en)

In the medium term, global real GDP growth is estimated at 2.7%, i.e. 0.4 pp below the 2010-2019 average<sup>11</sup>. However, this pace of growth is not sufficient to stimulate sustainable economic development, nor can it compensate for the damage caused by numerous shocks in the past years. According to the latest autumn projections of the European Commission, the growth of economic activity in the euro area and the EU in 2025 was estimated at 1.3% and 1.5%, respectively<sup>12</sup>. In 2026, economic activity is expected to grow by 1.3% in the euro area and 1.8% in the EU, mostly as a result of stronger household consumption. The increase in trade barriers and the decrease in competitiveness, along with geopolitical uncertainties, represent the biggest limiting factors for the growth of economic activity in the EU in the coming period.

The trends of energy prices in 2024 was influenced by pronounced geopolitical tensions, but also by reduced demand. Brent oil prices, after a marked increase in the first half of the year, recorded a significant decrease in the second, so in December oil was traded at an average price of USD 73.9 per barrel, which is the lowest price in the last two years (Graph 1.2). Weak demand, especially in the markets of leading economies, and relatively high supply outside the OPEC+ countries contributed to a relatively narrow range of crude oil trading prices despite geopolitical tensions in the Middle East and disruptions in transportation in the Red Sea. Postponing the production increase of the OPEC+ countries also helped to keep prices from falling further. The average trading price of Brent oil in 2024 was USD 80.5 per barrel, which is 2.4% lower than the level in 2023, reflecting weak global economic growth, but also long-term trends in the transport sector in China and a shift towards cleaner fuels for transporting goods.

Graph 1.2: Energy Prices in International Market



On the other hand, the prices of natural gas in 2024, with less oscillations, moved on an upward trajectory so that in December at the Dutch TTF hub, gas was traded at an average price of EUR 50.5 per megawatt hour (Graph 1.2), reflecting pronounced uncertainties in supply, as well as the low level of occupancy of European warehouses. At the beginning of 2025, gas reserves in European warehouses were at the level of 24 billion cubic meters, which is by 36% lower compared to the same period of the previous year, due to colder weather compared to the previous two winters<sup>13</sup>. Also, unfavourable weather conditions for electricity production using wind and solar power plants put additional pressure on natural gas prices in 2024.

In the USA, in 2024, an inflation rate of 2.0% was registered, which is by 1 pp lower than in 2023. In the euro area and the EU, during 2024, a weakening of inflationary pressure was also recorded, with registered annual inflation rates of 2.4% and 2.6%, respectively (which is by 3.0 pp and by 3.8 pp lower compared to the previous year). The prices of services, which make up 44.9% of household consumption in the euro area, were by far the most significant contributor to the overall growth of average consumer prices, and recorded an annual growth of 4.0% (Graph 1.3).

Food prices recorded a much lower growth rate compared to the previous year (2.9% for 2024, after 10.9% for 2023). After the recorded decrease in prices in 2023, energy prices also recorded a decrease in 2024 (by 2.2%). Core inflation in the euro area continues to be above the headline inflation rate, which is one of the challenges for monetary policymakers in the euro area, with a high degree of uncertainty surrounding economic activity. According to the latest autumn projections of the European Commission<sup>14</sup>, the inflation rate in 2025 is estimated at 2.4% for the EU and 2.1% for the euro area. According to the same projections, inflation rates for 2026 for the EU and the euro area are expected to be 2.0% and 1.9%, respectively.

<sup>11</sup> World Bank – Global Economic Prospects, January 2025.

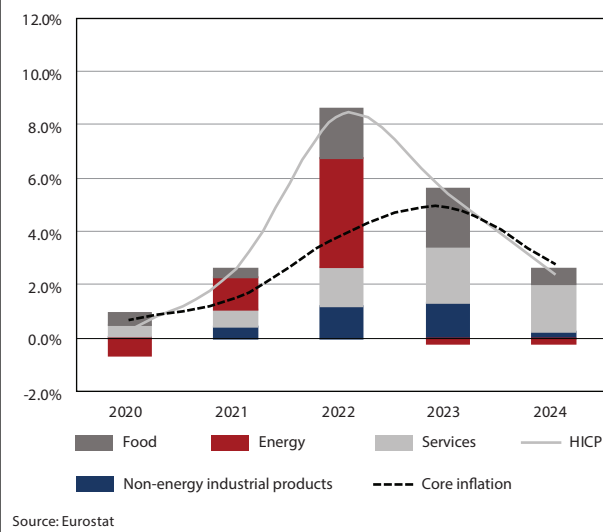
<sup>12</sup> European Commission: Autumn 2024 Economic Forecast, November 2024.

<sup>13</sup> Gergely Molnar and Peter Zeniewski; Februar 23, 2025; „European gas market volatility puts continued pressure on competitiveness and cost of living“; URL: <https://www.iea.org/commentaries/european-gas-market-volatility-puts-continued-pressure-on-competitiveness-and-cost-of-living>

<sup>14</sup> European Commission – Autumn 2024 Economic Forecast, November 2024.

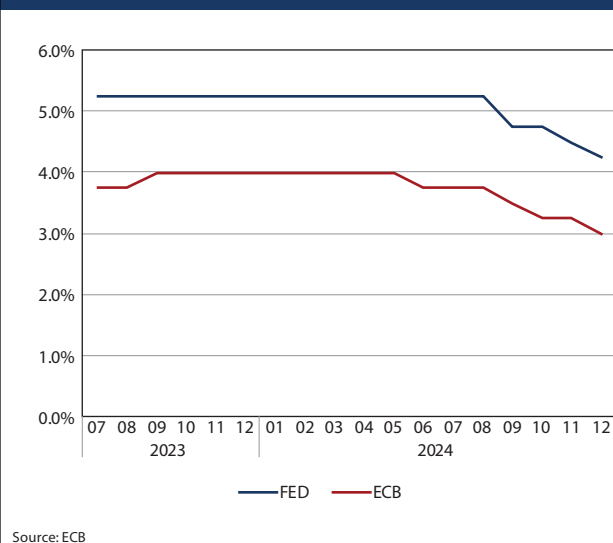


Graph 1.3: Contributions of Components to the Change of Consumer Price Index in the Euro Area



During 2024, both the US Federal Reserves System (FED) and the European Central Bank (ECB) adjusted their monetary policies in response to changing economic conditions, with both institutions reducing interest rates, but at different pace and intensity (Graph 1.4). The ECB has been doing this more intensively in an attempt to stimulate economic growth. On the other hand, the FED took a more cautious approach to tapering, focusing on maintaining price stability while supporting economic growth. These differences in monetary policy approaches reflected different economic challenges in the US and the euro area, but also had a significant impact on foreign exchange markets, interest rate movements and investor expectations around the world.

Graph 1.4: Reference Rates of Leading Central Banks



During 2024, the euro area continued to face weak domestic demand and relatively low wage growth. The European Central Bank (ECB), after the end of the cycle of increasing its key interest rates in September 2023, maintained an extremely restrictive monetary policy until the middle of 2024. Considering that economic activity showed signs of stagnation, the ECB decided to loosen monetary policy more quickly to stimulate lending and consumption. The ECB decided to ease monetary policy in June 2024 by cutting key interest rates by 25 basis points. The turnaround in monetary policy is explained by the weakening of inflationary pressures and a general slowdown in inflation, which was to a large extent the result of the previously conducted restrictive monetary policy. Although some progress was made, inflationary pressures related to the labour market remained pronounced, especially in the services sector, which required a further cautious approach to monetary policy. In the second half of 2024, the ECB's monetary policy was aimed at a careful balancing between stimulating economic growth and curbing inflation. After the June reduction, the ECB again lowered the ECB deposit rate three times by an additional 25 bp each, to a level of 3% at the end of December 2024. At the same time, from the beginning of the year, the ECB continued to gradually reduce its balance sheet, following a pre-defined plan. The reduction of the portfolio of securities purchased through the Asset Purchase Programme (APP) took place through the suspension of the reinvestment of the principal of the securities due. In the first quarter of 2024, the ECB continued with the full reinvestment of maturing securities within the framework of the Pandemic Emergency Purchase Programme (PEPP), while in the second quarter it began a gradual reduction of the portfolio, with the aim of completely suspending reinvestment by the end of the year. Further expectations of Euro area analysts are that the ECB's deposit rate will fall to a neutral level of 2% by the end of 2025.

On the other hand, the FED took a more cautious approach, cutting interest rates much later. The US economy showed greater resilience, with a stronger labour market and more stable consumption growth. Inflation remained relatively persistent in the US, so the FED tried to avoid easing monetary policy too quickly in order not to encourage price growth again. The FED gradually, between September and December 2024, reduced the reference interest rates, by a total of one percentage point, responding to the reduction of inflationary pressures and with the aim of making monetary policy less burdensome on economic growth. At the end of the year, the target federal funds rate was in the range of 4.25% to 4.50%.

Regardless of strong recessionary pressures in the world's leading currency areas, and ever-present geopolitical tensions, most of the most important global stock markets recorded growth. The growth of stock market indices in the USA<sup>15</sup> and in most of the EU took place in parallel with, still, extremely high interest rates.

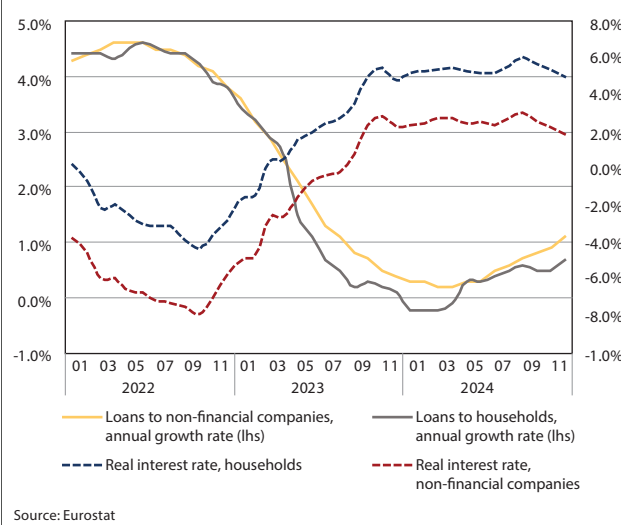
<sup>15</sup> In the EU, France is an exception to the large European economies.

The average annual growth of the American stock market (S&P 500 Dow Jones Industrial Average and Nasdaq Composite) was very close to last year's level of 22%, and also like last year, the stock market was under the influence of technology companies and their main product, artificial intelligence, which is expected to generate high revenues and increase in profitability (Nasdaq Composite rose by 28.6%). The Euro Stoxx 50 index indicates that the European stock market grew (8.3%) more than both inflation and nominal GDP in the EU, but also that it is only a third of the growth of the American stock market. Despite the crisis in the German automotive industry, extremely low economic growth, bad business climate and weak consumer sentiment, the German DAX rose by 18.8%, approximately the same as last year<sup>16</sup>. The low growth of the European stock market includes expectations of low economic growth in the EU in 2025 due to only a partial adjustment to the energy shock (which was brought about by the transfer of a part of the production capacity to more expensive liquid gas compared to cheaper natural gas), reduced exports from the EU, the growth of the Chinese auto industry (electric cars), demographic problems and high public debt in some of the largest EU countries. The growth of the FTSE 100 (5.7%), for the fourth year in a row, is the result of cyclical and structural factors, with companies from the aviation industry, banking, energy and healthcare sectors being the main drivers of market growth, the largest since 2021.

In anticipation of a reduction in ECB interest rates, yields on short-term bonds of euro area countries began to decline from mid-2024. In the second part of the year, the market reacted to the announced changes in the economic policy of France related to tax policy and public debt by increasing the spread between the yields on German and French yields on ten-year bonds<sup>17</sup>, while on the other hand, this spread in relation to the bonds of Italy, which also has an above-average public debt, remained stable and decreased. The growth of yields on ten-year bonds was registered mainly in peripheral EU countries outside the euro area (Czech Republic, Poland, Hungary, Romania).

The reduction of the reference interest rates of the ECB was reflected in the interest rates of the banks, but not in the credit markets in the euro area to a greater extent (Graph 1.5). The still extremely low average credit growth in the EU is under the influence of high real interest rates, pessimism of European consumers, and the bad business climate in the leading countries of the Union. However, the demand for loans in peripheral EU countries is still high.

Graph 1.5: Annual Change of the Level of Loans in the Euro Area



## 1.2 Report on the situation in BH economy

### 1.2.1 Real sector

According to the autumn round of medium-term macroeconomic projections from November 2024, the CBBH<sup>18</sup> projects real GDP growth in 2024 at the level of 2.4%. Based on currently available information, a moderate growth in economic activity and stabilisation of inflationary pressures are expected in the medium term (Table 1.1). In 2024, the continuation of the modest growth of real economic activity was recorded, which was caused by the decrease in foreign demand, as well as the sequence of the effect of floods on economic activity in the last quarter. The decrease in foreign demand followed the deterioration of global trade conditions and the tightening of monetary conditions, as a result of high inflationary pressures. On the other hand, investments, personal and state consumption had a positive contribution to growth, taking into account the payment of social assistance and the increase in wages and services, due to natural disasters and long-term inflationary pressures. The growth of private sector investments is influenced by the domestic interest rates, which are still lower than the interest rates in the euro area, and the retained financial profit from the previous year, in which many companies recorded a high net profit. The state's investment spending is caused by works on large infrastructure projects, which, among other things, were recorded in 2024 due to local elections. At the same time, the growth in personal consumption was driven by a significant increase in wages, in line with indexation with previously high inflation rates.

<sup>16</sup> A significant share in this Index, in addition to industrial companies, has companies engaged in the production of software, providing financial services, as well as companies from telecommunications and defence.

<sup>17</sup> This period in France was marked by political instability, the fall of the government, extraordinary elections, the gap between the results of the elections for the European and national parliaments.

<sup>18</sup> Economic activity and inflation projections in the medium term are available on the website of the CBBH: <https://cbbh.ba/press/ShowNews/1628>.

**Table 1.1: Medium-term Projections of the CBBH from November 2024**

|                               | 2020                                | 2021   | 2022  | 2023  | 2024*  | 2025* | 2026* |
|-------------------------------|-------------------------------------|--------|-------|-------|--------|-------|-------|
|                               | Changes on annual level             |        |       |       |        |       |       |
| Real GDP                      | -2.9%                               | 7.6%   | 3.7%  | 1.9%  | 2.4%   | 2.6%  | 2.8%  |
| Inflation (consumer prices)** | -1.1%                               | 2.0%   | 14.0% | 6.1%  | 1.7%   | 1.9%  | 2.0%  |
|                               | Share in GDP (expenditure approach) |        |       |       |        |       |       |
| Individual spending           | 68.6%                               | 66.5%  | 65.3% | 64.7% | 65.3%  | 64.7% | 64.2% |
| Government spending           | 19.8%                               | 18.9%  | 18.5% | 18.5% | 18.5%  | 18.3% | 17.9% |
| Investments                   | 22.3%                               | 25.4%  | 25.1% | 25.1% | 26.6%  | 26.0% | 26.4% |
| Net exports                   | -11.1%                              | -10.8% | -8.8% | -8.6% | -10.3% | -9.1% | -8.6% |

Source: BHAS

Note: official data on GDP for the period 2020–2023 at the moment of preparing the projections.  
 \*The period of the CBBH projections is marked with \*\*. Inflation for 2024 is based on the latest published official data from the beginning of 2025, being almost identical with the projection from November (1.8%).

In 2025, an almost identical growth in economic activity (2.6%) is expected, assuming a prolongation of existing inflationary shocks, growth in personal consumption and improved trade opportunities for domestic industrial production and exports. Inflation in 2025 is expected to be 1.9%, where once again the biggest contribution to the growth structure will be basic inflation and food prices. In 2025, downside risks to economic activity prevail, particularly those related to the global economy, i.e. the decline in the competitiveness of the European economy, which will have consequential effects on domestic demand. On the other hand, inflation growth is increasingly influenced by core inflation, especially after the increase in the minimum wage in the previous period<sup>19</sup>, the increase in electricity prices, de-globalisation and climate change. At the end of the projection horizon, if the announcements about the start of application from January 2026 come true, it is expected that the introduction of the CBAM (Carbon Border Adjustment Mechanism) will have a significant impact on prices and real economic activity, which will cause an increase in the prices of products based on fossil energy, which will form an additional challenge to the main domestic industries such as the production of base metals. The next round of medium-term macroeconomic projections, for the period 2025–2027, will be published by the CBBH in May 2025.

At the time of the preparation of the Annual Report, official statistical data on the structure and level of GDP according to the production and expenditure approach, ending with the third quarter of 2024, were available.

In the first nine months of 2024, a moderate annual growth of real GDP of 2.5% was recorded, due to the slowdown of economic activity and unfavourable trends in the external environment, weak growth in the main foreign trade partner countries, geopolitical instability, and the still relatively restrictive nature of monetary policy. In the observed period, a significant decrease in the annual growth rate of nominal GDP was recorded (to the level of 2.9%), due to the stabilisation of inflation (the GDP deflator for the first nine months of 2024 was 0.5%, according to the production approach<sup>20</sup>).

Observed by areas of activity classification, the growth of real GAV (Gross added value) is a consequence of the growth of service activities, while production activities recorded an annual decline or negligible growth rates<sup>21</sup>. The exception to the above is the production activity of Mining, which recorded a significant annual growth rate in the first three quarters, but the participation of this activity in the total gross added value was negligible (1.2 pp). In addition, the activities that recorded the most pronounced growth in real economic activity are the activities of Construction and Wholesale and Retail Trade (which had the largest share in the total annual increase in GAV). On the other hand, the activity of the Manufacturing industry, which is also a significant component of GAV, recorded a significant rate of decline (6.7%) in the observed period.

Looking at the GDP structure according to the expenditure approach, gross investments had the largest positive contribution to real GDP growth in the first three quarters of 2024 (Graph 1.6). In the same period, gross investments recorded an extremely high annual real growth rate (15.6%). Historically, the largest part of total gross investments refers to gross investments in fixed assets (88.5% in 2023). From this amount, viewed according to the technical structure, more than half of the total value of gross investment in fixed assets refers to investments in construction facilities. Therefore, the high growth rates of total gross investments can be partially attributed to the strong economic activity in the construction sector (for more details, see the subsection Domestic service activities, except for financial intermediation). Taking into account that the inventory item includes a statistical discrepancy in the calculation of GDP according to the production and expenditure approach, as well as the expressed volatility of the inventory item<sup>22</sup>, a certain part of the growth of total gross investments can be attributed to this category, as well.

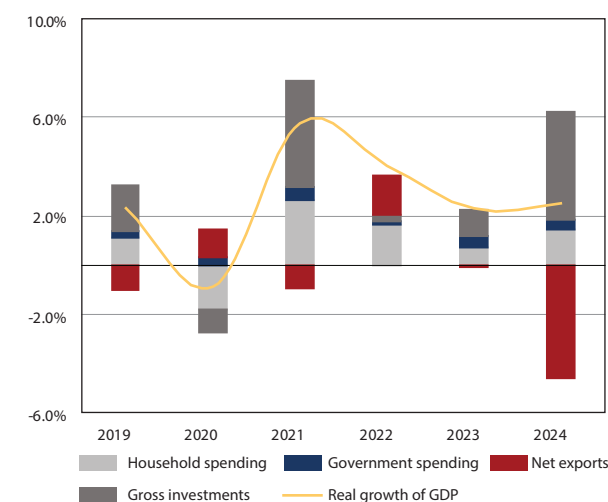
<sup>19</sup> At the beginning of 2024, the minimum wage increased in the FBH by 3.9% and in RS by as much as 28.6%. Considering that after the preparation of the autumn round, the minimum wage was additionally increased in both entities for 2025, the growth of which was particularly pronounced in the FBH (61.6%), the macroeconomic effects of this change will certainly be revised in the next round of projections. The official announcement by BHAS on the increase in inflation in January 2025 of 3.3%, among other things, indicates the price effects of the increase in the minimum wage.

<sup>20</sup> The GDP deflator for the first three quarters of 2023 was 8.7%.

<sup>21</sup> The share of industrial production (which includes Mining, Manufacturing, and Production and supply of electricity and gas) in the gross added value for the first three quarters of 2024 was 16.7%. According to the latest data from BHAS Structural Business Statistics, 15.8% of companies and entrepreneurs are from the field of industrial activities, while 22.8% of employees are involved in industrial activities.

<sup>22</sup> The share of inventories in total gross investments, in real terms, ranged from 3.8% in 2015, 19.4% in 2022, or 11.5% in 2023. Source: BHAS, Gross domestic product, according to the production, revenue and expenditure approach for 2023, January 2025.

Graph 1.6: Contributions to Annual Rate of Change of GDP Components according to Expenditure Approach for the First Three Quarters



Source: BHAS

The weakening of inflationary pressures in the goods sections, which constitute a significant item of household expenditure, contributed to the continued growth of household consumption, and an annual growth rate of 2.2% was recorded in household consumption<sup>23</sup>. Favourable trends in household consumption can be linked to the continuous growth of employment and real wages, but also to the growth of remittances from abroad (see External sector, Balance of payments). On the other hand, the negative contribution of net exports to overall GDP growth can be attributed to weak external demand, a change in the demand structure (growth in demand for services compared to goods, which is especially pronounced after the pandemic), and, consequently, the slowdown in the economic activity of our main trading partners<sup>24</sup>.

## I. Industrial production

In 2024, the downward trend in the volume of industrial production in Bosnia and Herzegovina continued. The slowdown of economic activity in the EU, as well as global geopolitical tensions, influenced the reduction of demand on the markets of BH's main trading partners, which resulted in a reduced volume of industrial production in 2024. Industrial production recorded an annual decline of 3.9% in 2024, compared to the previous year.

The decline in industrial production, as well as the decline in employment in the industry sector<sup>25</sup>, indicate a decrease in the competitiveness of domestic industry. At the same time, the decline in the share of industry in the gross added value<sup>26</sup> indicates structural changes, where the service sector is becoming more dominant (see the subchapter Domestic service activities, except for financial intermediation).

Trends in activities that make up industrial production remained relatively unchanged compared to the previous year (Graph 1.7). All major activities recorded an annual decline in the volume of industrial production in 2024. Certainly, the activity of the Manufacturing industry stands out, which recorded a slightly lower annual decline compared to the previous year, but considering its large participation in the index of industrial production, the mentioned activity had the greatest impact on the total annual decline of industrial production<sup>27</sup>. The decline of the manufacturing industry can also be explained by the reduced demand for domestic products abroad (more information in the sections on the external sector: the structure of foreign trade exchange, and the balance of payments, the category of services for finishing and processing goods for export), because the production of intermediate products and non-durable products for mass consumption recorded a decline in 2024 as well (by 4.7% and 0.4%, respectively). Given that the said industrial groups Intermediate and Non-durable products for mass consumption together have a share of 57.0% in the total index of industrial production, their influence on the decline in the total volume of industrial production is also understandable.

Mining activity<sup>28</sup> recorded a decline in production volume (7.8% on an annual basis) for the sixth year in a row, with strong intra-year cyclicity.

Production and supply of electricity and gas<sup>29</sup> also recorded a decrease (2.0%) in 2024. The aforementioned activity has shown a highly cyclical behaviour for years, strongly influenced by certain factors, such as activities in the domestic mining industry, the characteristics of electricity export contracts<sup>30</sup>, and climatic conditions as well.

<sup>23</sup> The share of household consumption in the total GDP, in the first three quarters, was 64.5%.

<sup>24</sup> In the first three quarters of 2024, exports of goods and services recorded an annual decline of 4.4%, while imports recorded an annual growth of 2.7% in the same period. The share of exports in the total GDP, in the first three quarters, was 41.3%, and the share of imports was 52.5%.

<sup>25</sup> The number of employees in the industry sector (which includes Mining, Manufacturing, and Production and supply of electricity and gas) decreased by 2.2% in 2024, compared to 2023.

<sup>26</sup> The share of the industry sector in the Gross added value, for the first three quarters of 2024, compared to the same period of 2023, is lower by 2.3 pp.

<sup>27</sup> The weight of the manufacturing industry in the Index of industrial production (January 2025) was 74.6%.

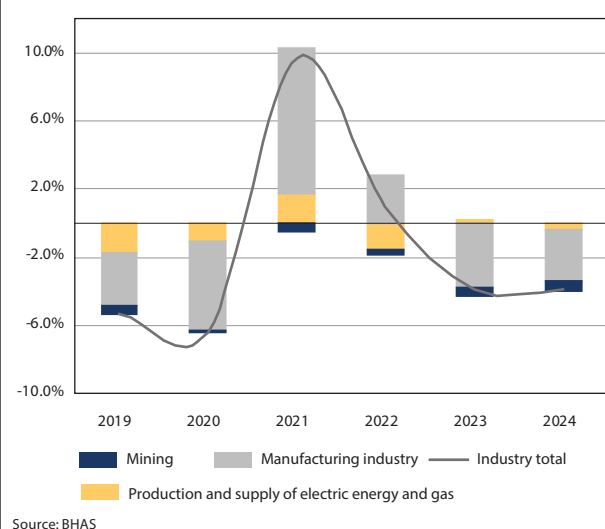
<sup>28</sup> The weight of the Mining activity in the index of industrial production (January 2025) was 7.4%

<sup>29</sup> The weight of the activity of production and supply of electricity and gas in the index of industrial production (January 2025) was 18.0%.

<sup>30</sup> In terms of quantity, because, according to BHAS (Index of Industry Turnover), the Energy group (which also includes the activity of Production and supply of electricity and gas) recorded a 4.5% decrease in sales on the domestic market, and a 31.2% decrease on the foreign market, in 2024, compared to 2023.



Graph 1.7: Contributions to Annual Changes of Industrial Output by Areas, Source Indices

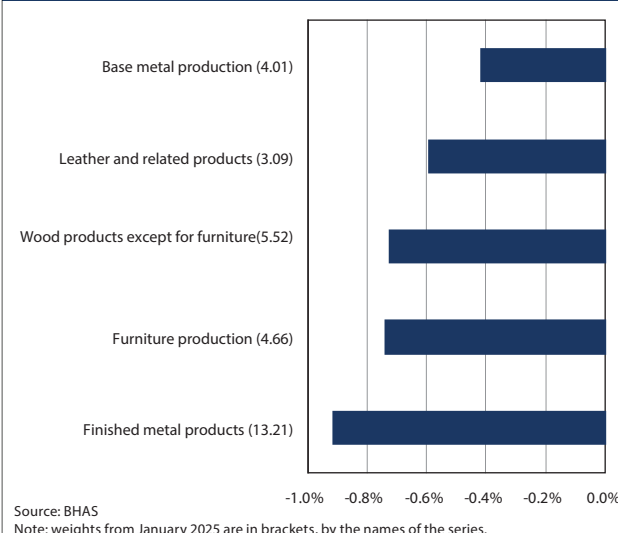


Graph 1.8 below shows the activities within the Manufacturing industry, which most significantly contributed to the decline in industrial production in 2024, either because of their importance for the industry (size of weighting), or because of the decline in the volume of production. In 2024, the decline in the volume of production of finished metal products had the greatest impact on the overall decline in industrial production. The production of finished metal products recorded an annual decline of 6.9%, which directly affected the decline in the value of exports<sup>31</sup>. Furniture production also made a major contribution to the decline in total production in 2024.

In 2024, the decline in the volume of production of base metals continued, and an annual decline in production of 10.4% was recorded<sup>32</sup>. The decline in the volume of production directly affected the value of exports of base metals, which recorded an annual decline of 5.0% in 2024, which indicates a decrease in demand on the markets of the main foreign trade partners. The decline in demand for steel in the EU is estimated at 2.3% for 2024<sup>33</sup>, mostly due to the decline in activity in the construction and automotive industries. The aforementioned decline in activity in the automotive industry in the EU also had a negative impact on the leather industry in BH, which is strongly linked<sup>34</sup>.

Some of the activities within the Manufacturing industry (such as the production of electrical equipment, and the printing and duplicating of recorded records) recorded high production growth rates in 2024, however their weight in the total industrial production is low, therefore their impact on the total volume was weak.

Graph 1.8: Contributions of the Most Significant Activities for the Manufacturing Industry Decline in 2024



## II. Domestic service activities, except for financial intermediation

Service activities play a key role in the economic development of Bosnia and Herzegovina, significantly generating employment and stimulating economic growth. As industrial production and agriculture have limited capacity for expansion, and their main export groups of products are strongly influenced by economic activity in developed countries, the service sector becomes the main driver of economic dynamics. The growth of economic activity was influenced by increased economic activity in the service sector, supported by strong post-pandemic demand, as well as significant activity in the trade and construction sectors (Graph 1.9).

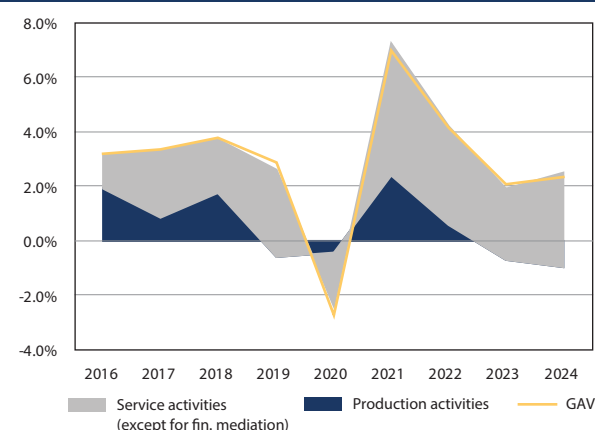
<sup>31</sup> According to the announcement of BHAS (Statistics of trade of BH with foreign countries, January 2025), finished metal products recorded an annual decrease in the value of exports of 4.2%.

<sup>32</sup> In 2023, a 29.7% annual decline in the production volume of base metals was recorded, largely due to a temporary halt in the production of one of the largest steel production plants, which in 2024 was among the three largest exporters in BH, according to data from the BH Indirect Taxation Authority. The share of companies involved in the production of base metals is only 0.07%, according to the latest data from the BHAS Structural Business Statistics.

<sup>33</sup> Economic and Steel Market Outlook, February 2025.

<sup>34</sup> The annual decline in the volume of production in the leather industry amounted to 19.2% in 2024.

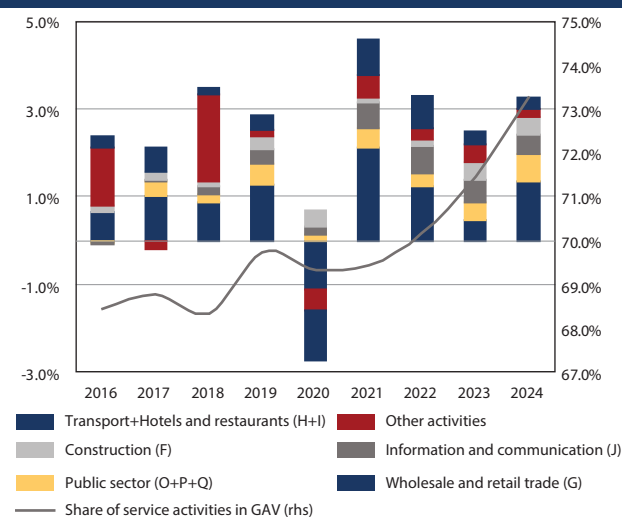
Graph 1.9: Contributions of Production and Service Activities to Real Growth of GAV



Source: BHAS, CBBH

Note: Service activities include: construction; wholesale and retail trade; transport and warehousing; hotel and catering industry; information and communication; real estate business; expert, scientific and technical activities; administrative and auxiliary service activities; public administration and defence, mandatory social insurance; education; health and social care; art, entertainment and recreation and other service activities (except for financial mediation).

Graph 1.10: Contributions to Growth of Real GAV, Selected Activities



Source: BHAS, CBBH

Observed by activity, the largest contribution to real GAV growth was recorded in the activity of wholesale and retail trade (Graph 1.10), which recorded an annual growth of 7.4% in 2024, which is mostly based on domestic consumption due to positive trends in the labour market and growth in net wages, but also various forms of transfers from abroad (employee compensation, direct transfers and pensions)<sup>35</sup>. The significant contribution of other service activities (information and communication activities, transport and hotels and restaurants) is based to a significant extent on foreign demand, i.e. the export of various types of services<sup>36</sup>. The information and communications activity (annual growth of 6.9%) is the one that in the last four years has recorded extremely high annual growth rates of gross added value, which can mostly be linked to significant demand from abroad for this type of service, so that, according to balance of payments data, the export of this type of service in the first three quarters of 2024 recorded an annual nominal growth of 6.7%. The good results of this activity reflect the gradual digital transformation in BH, the increase in investment in IT infrastructure and the growing demand for digital services. The public sector<sup>37</sup> has a significant contribution to economic activity in Bosnia and Herzegovina, considering that it accounts for about a quarter of the total number of employees, while the contribution to real GDP growth was 60 bp. Also, transport activities, as well as hotels and restaurants, i.e. activities that are directly related to the arrival and consumption of foreign tourists, recorded a contribution to the growth of real GDP of 30 bp.

The construction sector recorded significant growth in 2024 (7.4%), which is slightly below the level of 2023. These indicators in the construction sector are largely the result of demand still being higher than supply. This is supported by the weaker transmission mechanism of high interest rates from the euro area to the domestic market, as well as the lack of alternative investment opportunities. In 2024, a significant increase in the volume of production in the construction sector (6.0%) was recorded<sup>38</sup>, which is in line with the strong growth of gross investments recorded in the first three quarters of 2024. The mentioned increase in the volume of works refers to both main segments of construction, both high-rise construction (residential construction) and low-rise construction (civil engineering). Housing construction increased by 17.6% in the number of completed apartments, and 16.1% in the built area. In civil engineering, in 2024, a significant increase in the volume of production was also recorded (7.0%), primarily due to the intensity of works such as those on sections of the Corridor Vc motorway. At the same time, the prices of contractor works in civil engineering recorded a growth of 5.3%, compared to the year 2023 (growth was recorded for all types of buildings: main roads, motorways, bridges and tunnels). The rise in the prices of contractor works shows that there have been cost pressures as well. It is worth noting that the construction sector in BH has been facing a shortage of skilled labour for years, which can further contribute to increased labour costs during periods of more intensive construction.

<sup>35</sup> For more details, see Chapter 1.2.4 External sector, Balance of Payments

<sup>36</sup> For more details, see Chapter 1.2.4 External sector, Balance of Payments

<sup>37</sup> The public sector includes activities: O (Public administration and defence; mandatory social insurance), P (Education) and Q (Health and social protection activities).

<sup>38</sup> Source: BH Statistics Agency, 25 February 2025. year; Production index in construction.



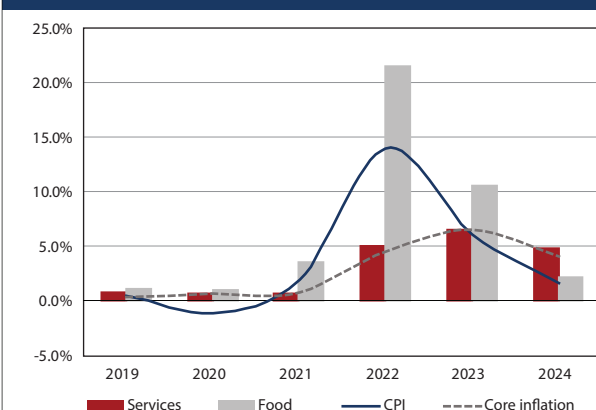
### III. Prices

The slowdown in inflation, which began in the last quarter of 2023, continued in 2024. In 2024, inflation was 1.7%. In the previous periods, inflationary pressure differed significantly in BH from that in the euro area, both in the contributions of individual sections and in the strength of the inflationary pressure itself. However, in 2024, a harmonisation of price growth is observed, with annual inflation in the euro area amounting to 2.4%<sup>39</sup>. According to the latest medium-term projections of the CBBH, we expect the growth of average consumer prices to remain at the level of up to 2%<sup>40</sup>.

Core inflation<sup>41</sup> for 2024 is estimated at 4.0% (Graph 1.11). The rate of estimated core inflation was twice as high as the headline inflation, which shows that price growth in 2024 was not only influenced by the growth of exogenous prices, but it was also under increasing pressure from domestic prices. The persistently high rates of core inflation, which have already been above the rates of headline inflation since the end of the first half of 2023, could cause further union pressure to align real income with the growth of living costs. Core inflation is already under the influence of a significant increase in real wages, which recorded a growth of 7.7% in 2024 (for more details see the section Employment and wages).

The trends of core inflation was very much in line with the movement of services inflation in 2024, which in fact also suggests that domestic inflationary pressures are on the rise. The growth of domestic inflationary pressures can have a negative impact on the competitiveness of domestic industry, in the medium and long term, as well as an impact on the volume of industrial production. Inflation in the service sector<sup>42</sup> has been continuously high for the last three years, and we estimate it at 4.8% in 2024. Among the services that recorded the most pronounced price increases are restaurant and hotel services<sup>43</sup>, rental prices, and apartment repair and renovation services. All of the foregoing indicates that price increases were not only recorded in categories that are traditionally affected by strong fluctuations in international markets, such as food and energy.

Graph 1.11: Annual Changes of Average Consumer Prices in BH



Source: BHAS

Note: The calculation of core inflation according to the EUROSTAT methodology in relation to the CBBH methodology additionally excludes the section of alcoholic beverages and tobacco and excludes the prices of electricity within energy sources. As the domestic prices for these sections are formed administratively, and as they are not so dependent on exogenous prices, the calculation of the domestic core inflation differs on the abovementioned grounds, which is a very common practice in certain countries that create the methodology based on the economic specificities of the country.

Observing the growth of average consumer prices by category, the highest price growth in 2024 was recorded for the categories of restaurant and hotel services (7.2%), and for other products and services (5.3%), among which the prices of financial services stand out. The category of food and non-alcoholic beverages, in 2024, recorded a price increase of 2.1%. The prices of overhead expenses remained at the level of the previous year, despite the increase in the price of electricity for households in FBH<sup>44</sup>. We expect that in the coming period the prices of overhead costs will create additional inflationary pressure, considering that in RS since the beginning of 2025, the prices of electricity for citizens have increased by 7.7%. According to official data, the electrical energy subsection recorded an annual growth of 1.8% in 2024, at the level of BH. Bearing in mind the aforementioned increases in electricity prices, further inflationary pressure is expected not only in this section, but also in all other sections, due to the fact that the increase in electricity prices has an impact on other sections as well.

The transport category recorded a slight annual decrease (0.1%) in 2024. Other categories recorded annual growth, with the exception of the clothing and footwear category, which continuously has a deflationary effect on the total average consumer prices, over a fifteen-year period. This trend of price growth, which was recorded in most categories in 2024, and especially in the service sector, will probably be under additional pressure caused by the growth of overhead costs in the coming period. The largest contribution to the overall increase in prices in 2024 was made by the section of food and non-alcoholic beverages, followed by other products and services, and restaurant and hotel services (Graph 1.12).

<sup>39</sup> In the euro area, HICP is used to calculate inflation, and since the harmonised index is not yet officially available for BH, only CPI data are used. The key methodological difference is based on the fact that HICP includes consumption by non-residents, while CPI includes consumption by domestic private households only, which results in different shares of individual components in the consumer basket for the calculation of CPI and HICP.

<sup>40</sup> CBBH autumn medium-term macroeconomic projections, November 2024.

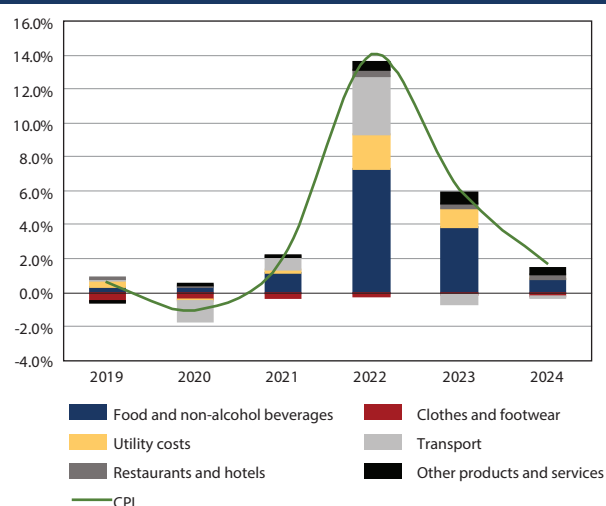
<sup>41</sup> Core inflation is the estimate of the CBBH.

<sup>42</sup> Inflation of services is an estimate of the CBBH.

<sup>43</sup> The total wage bill increased by 10.5% in 2024, compared to 2023, in the hospitality and catering sector.

<sup>44</sup> Electricity prices for households in the FBH increased by 10%, and by about 8% for small businesses, which materialised from 1 August 2024.

Graph 1.12: Contributions to Annual Rates of Change of Consumer Prices in BH



Source: BHAS

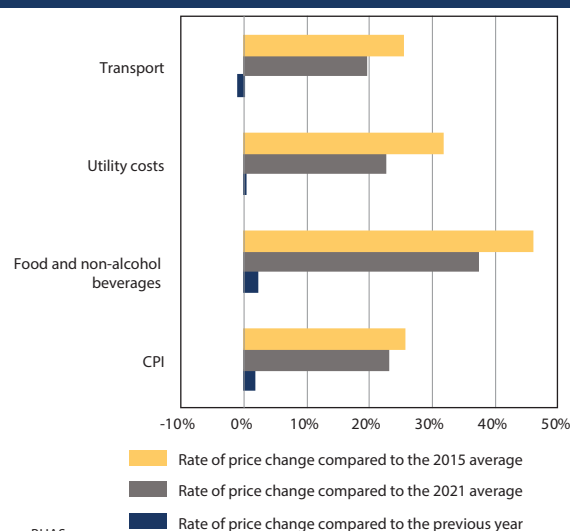
### Text box 1: Change in the level of average consumer prices of the main sections, in relation to the periods before the inflationary shocks

After strong inflationary shocks, from the second half of 2023, a rapid slowdown in the growth of domestic consumer prices began. Nevertheless, the index of average consumer prices has recorded high levels since the official collection of price data in BH, whereby at the end of December an average price increase of 24.4% was recorded, compared to the average of 2021, i.e. before the period of strong inflationary shocks.

It is important to keep this in mind from the perspective of disposable income, because, although inflation is slowing down, average consumer prices are still higher than in previous periods. In this context, it is also important to emphasise that developing countries are particularly sensitive to inflation, especially to increases in the prices of basic necessities such as food, fuel and utilities. In developed countries, the increase in food prices is not as dramatic as in countries with lower average per capita income, where even small changes in food prices have a large impact on the quality of life of the population. The increase in average consumer prices has the greatest impact on households with lower incomes, because such households tend to spend the largest part of their income on food products and other basic foodstuffs. Due to lower disposable income, it is precisely the weight for the category Food and Non-alcoholic Beverages that is by far the most significant from the aspect of measuring inflation in the case of BH<sup>45</sup>.

Graph 1.13 shows the annual price changes for the food and non-alcoholic beverages, overhead costs, and transportation sections, compared to 2021 and 2015. Looking at the three main sections in total household consumption, which account for 64.6% of the total structure by consumption share, significant price growth rates are clearly visible compared to the 2021 average, and especially compared to the 2015 average. The most significant price growth, compared to the 2021 average, was recorded for the food and non-alcoholic beverages category (of 37.2%), and compared to 2015, as much as 45.9%. Also, although overhead costs stagnated in 2024, and transportation prices even recorded a decline, prices in the above sections increased by 22.6% and 19.4%, respectively, compared to the 2021 average<sup>46</sup>.

Graph 1.13: Changes of Average Consumer Prices of the Main Categories



Source: BHAS

Observed on a more detailed level, although some subsections recorded a much slower price growth in 2024, and some a price decrease, compared to 2023, their price level is considerably higher compared to the average of 2015 (Graph 1.14). For example, the Fruit subsection recorded a price increase of 4.3% compared to 2023, but also a 39.7% increase compared to 2015<sup>47</sup>. Within the aforementioned subsection, pear prices stagnated in 2024, but recorded an increase of as much as 112.1%, compared to the average in 2015. Also, the Solid Fuels subsection (within overhead costs) recorded a price decrease of 4.7% in 2024, however, compared to the average in 2015, it recorded an increase of 58.0%. Some of the other subsections that recorded a significant increase in price levels are oils and fats, bakery products, taxis and road transport, maintenance and repair of carpentry, and services in restaurants and hotels.

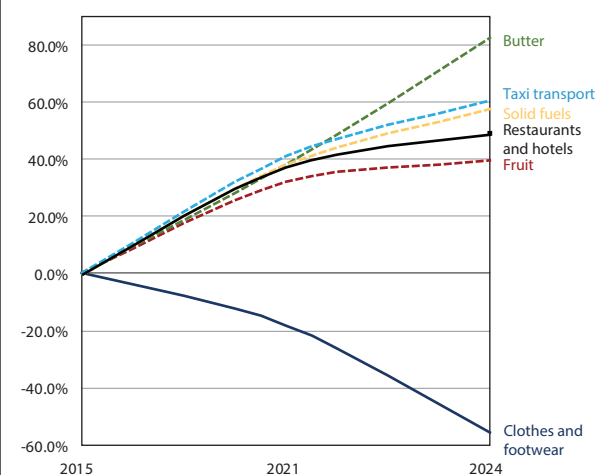
<sup>45</sup> The weighting for the Food and non-alcoholic beverages category for 2024 was 36.9% in BH, and 16.9% in the EU.

<sup>46</sup> In 2024, the average net salary in BH increased by 38.5%, compared to the average in 2021. According to the latest data from the Labour Force Survey, the share of the active population in the total working-age population is 49.5%, while in 2021 it was 48.0%.

<sup>47</sup> The amount of imported fruit in 2024 decreased by 3.3%, while the value of fruit imports increased by 8.0%, which indicates a price effect, i.e. an increase in fruit prices on the international market.

On the other hand, the clothing and footwear section has continuously recorded a price decline over a period of fifteen years, with a price decline of 55.7% recorded in 2024, compared to the average in 2015.

Graph 1.14: Change in the Price Level for the Selected Sub-categories, Compared to 2015 Average



Source: BHAS

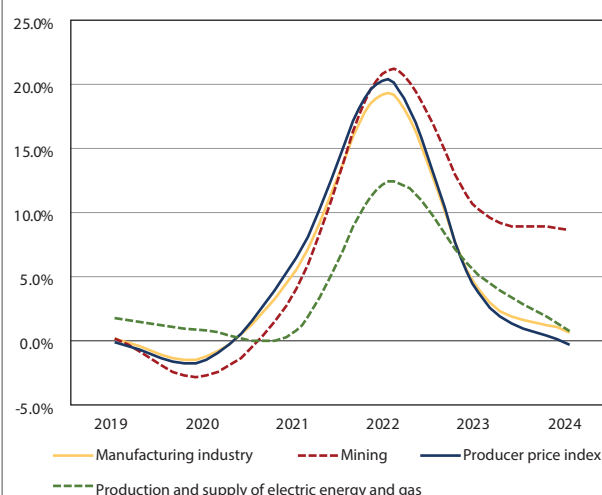
According to the latest Eurostat data, per capita GDP, according to purchasing power parity, in BH in 2023 was only 36% of that of the EU. In other words, when differences in price levels are also taken into account, in 2023, 36% of the value generated in the EU was generated per inhabitant in BH. At the same time, according to the same source, real individual consumption (as an indicator of the material well-being of households) in BH in the same year per inhabitant amounted to 42% of the EU average. In 2023, the population of BH consumed food and

non-alcoholic beverages in the amount of 23.9% of GDP, while in the EU this percentage was significantly lower (6.8%). If we ignore the different inflation rates in the referenced sections, as well as the fact that the price indices in BH and the EU are not directly comparable, it is clear that inflationary pressures on basic necessities of life have a much stronger effect on disposable income in countries at a lower level of economic development. Although, during 2024 in BH, the temporary measures to lock the prices of basic necessities of life have been extended, such temporary interventions on the prices of goods and services cannot have too strong an effect, and can only momentarily ease the pressure on household budgets<sup>48</sup>.

<sup>48</sup> At the proposal of the FBiH Ministry of Trade, the Government of the Federation of BH adopted the launch of the Project "We lock in prices" at the end of 2023, for a duration of three months for 40 products, which include food and hygiene items. From 1 October 2024, the FBiH Ministry of Commerce announced the fourth wave of the voluntary project, which lasted until the end of 2024, where the list of products with a reduced and locked price was expanded to 56 products. From 1 August, the Ministry of Trade and Tourism of Republika Srpska continued the voluntary price locking action as part of the "Socially Responsible" campaign, which was launched during 2023. The CBBH's analysis of the effects of the previous measures did not indicate a reduction in headline inflation.

In 2024, prices of industrial producers in BH also recorded a slowdown in growth (Graph 1.15), compared to the previous year (0.7% in 2024, compared to 4.0% in 2023). Although producer prices in Mining and Production and supply of electricity and gas recorded growth (by 8.7% and 0.8%, respectively), the Manufacturing Industry recorded a slight price decrease (0.3%), which may indicate weak demand for industrial products (see subsection Industrial production and construction). Observed by main groups, all groups recorded an increase in producer prices, except for intermediate products, which recorded a decrease of 1.2%. Further division by market indicates that producer prices for the domestic market recorded a growth of 2.3%, while for the non-domestic market they recorded a slight decrease of 0.8%. This information suggests that domestic producers are constrained in raising prices to remain competitive in the international market, while rising costs, such as wages and electricity, put pressure on prices for the domestic market. The producer prices of services increased the most for architectural and engineering activities, and for the activities of road transport of goods, which is the dominant form of transport in Bosnia and Herzegovina<sup>49</sup>.

Graph 1.15: Annual Changes of Producer Prices in BH, by Activities



Source: BHAS

<sup>49</sup> According to the latest available data, an increase in prices for architectural and engineering activities of 8.1% was recorded, and for road transport of goods, an increase of 4.3%, compared to 2023..

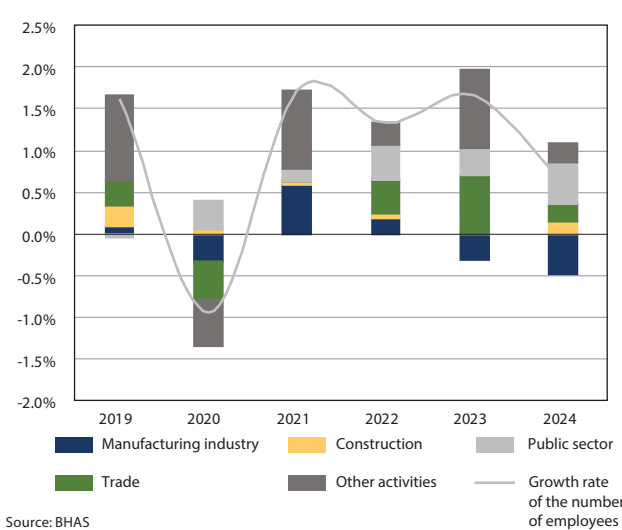
## IV. Employment and wages

The basic structural characteristics of the labour market in BH, in 2024, are relatively unchanged compared to previous years<sup>50</sup>: low activity of the working-age population, high long-term unemployment, and youth unemployment. According to the latest data from the Labour Force Survey<sup>51</sup>, the unemployment rate in the third quarter of 2024 was 12.2% (in 2023 it was 13.2%). The employment rate (persons aged 15-89) was only 43.6%, with a significant gender gap. Despite the downward trend in recent years, the unemployment rate is still higher compared to EU countries, especially among young people. According to the latest available data, the share of young people who are not in Education, Employment, or Training (the so-called NEET rate<sup>52</sup>) in BH was 15.7%, while in the EU this share was 10.9%. The long-term unemployment rate<sup>53</sup> is also significantly higher in BH compared to EU countries (8.6% in BH, compared to 1.9% in the EU), which further indicates structural problems in the labour market, such as the mismatch of knowledge and skills with the real needs of the labour market. According to data from the Labour Force Survey for the third quarter of 2024, 70.8% of the unemployed have been looking for a job for more than a year.

In the structure of the labour force, the largest share is held by people with secondary school and specialisation (69.1% in the third quarter of 2024). Persons with secondary school and specialisation have difficulty integrating into the labour market, and make up as much as 44.5% of the inactive population. Although official data record an increase in the activity rate of the working-age population compared to 2023, in 2024 it is still below 50% (49.6% in the third quarter of 2024). The age group 25-49 years old makes up 65.2% of the active population, although a significant part of the total number of unemployed persons (62.7%) also belongs to this age group. Official data also indicate a decrease in the number of people outside the labour force (1.45 million registered persons outside the labour force at the end of the third quarter of 2024), with over 60% of the inactive population in the age group over 50 years old.

According to administrative data<sup>54</sup>, a continuous decline in the number of unemployed persons was recorded, and at the end of December the number of unemployed persons was 320,969 (a decrease of 6.6% on an annual basis). In December 2024, there was an increase in the number of employed persons, on a cumulative basis, i.e. 5,230 newly employed persons. The largest share in the total number of employed persons, in December 2024 (over 60%), concerned employees in the public sector, manufacturing industry, and wholesale and retail trade (Graph 1.16). The number of employees in the public sector (public administration and defence, mandatory social insurance, education, and health care and social assistance activities) accounted for almost one quarter of the total number of employees, where the highest cumulative increase in the number of employees was recorded, compared to the same month of the previous year (4,089 new employees). Significant growth in the number of employees was also achieved in the activities of wholesale and retail trade, education, and construction. On the other hand, the largest decrease in the number of employed persons was recorded in the Manufacturing industry.

Graph 1.16: Contributions to Annual Changes of the Number of Employees by Areas, at Year End



In 2024, average nominal wages continued to grow, and an average annual growth rate of 9.4% was recorded, which is a lower rate compared to 2023 (12.6%). The slowdown in the growth of inflation, along with the growth of nominal wages, resulted in a significant growth of real wages in 2024, of 7.7% on an annual basis (Graph 1.17).

<sup>50</sup> There is no progress in improving labour market statistics and social statistics, and in creating regulations that are a prerequisite for the next population census. It is necessary to improve administrative data, which do not provide a comprehensive representation of the dynamics of the labour market. At the same time, methodological changes in the production of the Labor Force Survey, which is conducted on a quarterly and annual basis by BHAS, make it difficult to compare historical series of survey data.

<sup>51</sup> Labour Force Survey, third quarter of 2024, December 2024.

<sup>52</sup> The NEET rate is the share of people aged 15 to 24 who are not in employment, education, or training in the total population of that age.

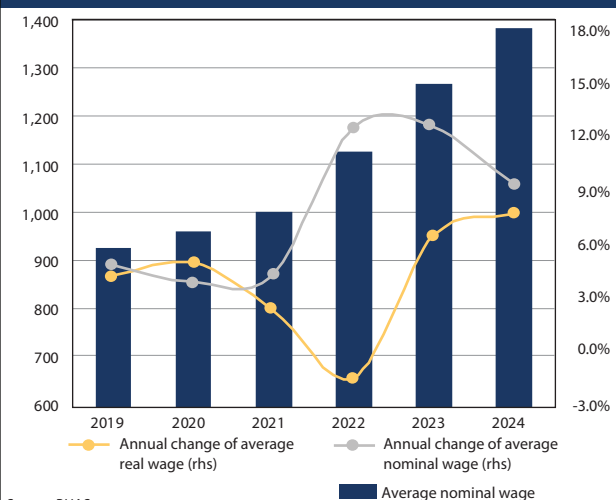
<sup>53</sup> The long-term unemployment rate is the share of unemployed persons for one year or longer in the active population.

<sup>54</sup> Data source: Agency for Labour and Employment of Bosnia and Herzegovina. Administrative data are based on the records of the unemployed registered at the employment offices. Any person who fulfills the conditions prescribed by law and is registered in one of the Employment Offices is considered an unemployed person. Bearing in mind the negative demographic trends and the continuous outflow of the workforce, due to the migration of qualified workers, the available administrative data should be interpreted with care.



At the beginning of 2024, the minimum wage increased in the FBH by 3.9% and in RS by as much as 28.6%. In the coming period, it is expected that real wages will continue to grow, especially bearing in mind that in 2025 the minimum wage was additionally increased in both entities, and the growth of which was particularly pronounced in the FBH (61.6%). Average consumer prices are not growing at the same rate as expected due to such changes in production costs. It is possible that the initial effect has been absorbed by profit margins, and that the full effect on economic activity and prices will only be reflected in the coming period. We also expect the trend of decreasing unemployment to continue in the coming period, which could have a positive impact on personal consumption, with the already present increase in average nominal wages. However, this effect refers to the case where the decrease in unemployment is not the result of an increase in the number of inactive working-age population.

Graph 1.17: Average Annual Net Wages

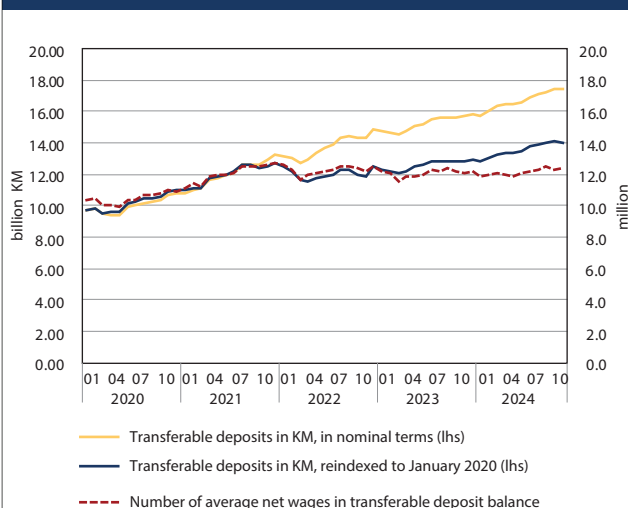


Source: BHAS

Note: Real wage is adjusted with average consumer prices. Average annual wage means arithmetic average of average wages by months.ima.

As a result of adjustment of wages, demand deposits and transaction accounts in KM grew<sup>55</sup> (Graph 1.18). It is noticeable that in the last period, since more intensive adjustment of wages to inflation began, the number of average wages in the form of transferable deposits in KM has not increased significantly. In other words, the most important category of deposits is growing, primarily due to the adjustment of wages, probably also pensions, to inflation, along with the slowdown in the number of employees.

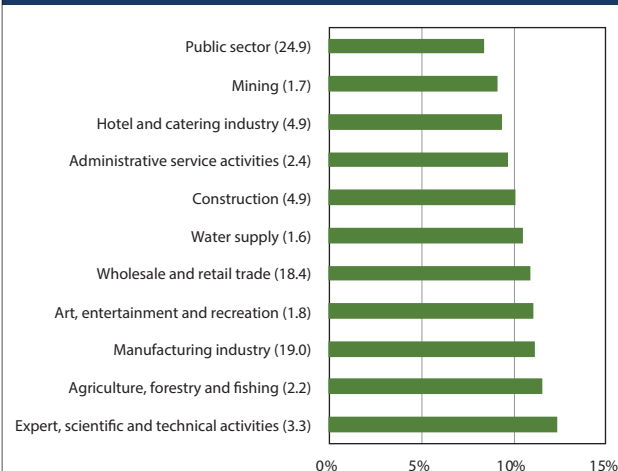
Graph 1.18: Transferable Deposits in KM and Wages



Source: CBBH, BHAS

The nominal growth of average net wages was recorded in all activities in 2024, with the most pronounced growth recorded for Professional, Scientific and Technical activities (12.3%), Agriculture, Forestry and Fishing (11.5%), and for the Manufacturing industry (11.1%) (Graph 1.19). It should be borne in mind that the average net wage in the Manufacturing industry, which, according to official statistics, employed almost a fifth of all employees in BH in December 2024, is still significantly below the average net wage in BH (81.0% in December 2024). The continuous departure of young and qualified workers, along with the demographic challenge of an aging population, can in theory result in wage growth in the short term. However, the reduction of the working-age population and productivity may result in a slowdown in wage growth in the long term.

Graph 1.19: Average Annual Growth of Nominal Net Wages, by Activities



Source: BHAS

Note: In brackets, beside the name of the series, the share in the total number of employees has been shown, in per cents, at 2024 end.

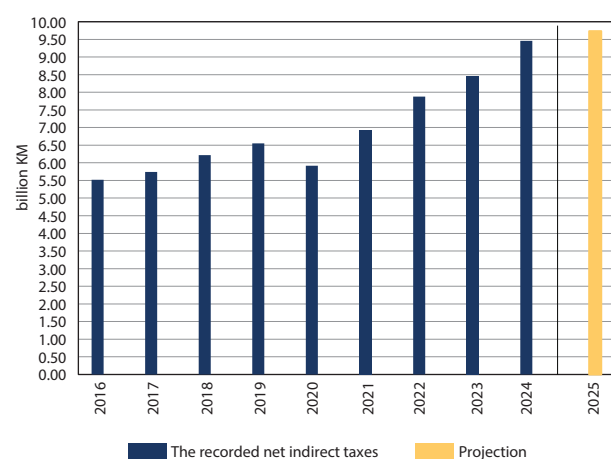
<sup>55</sup> Total transferable deposits in KM, at the end of 2024, had a share of about 53% in total deposits in the system.

## 1.2.2 Fiscal sector

Fiscal indicators in 2024 indicate a strong growth of revenues and expenditures, with a somewhat stronger intensity of growth in public expenditure. The higher intensity of expenditure growth can be explained by the increase in current consumption of the government sector, which represented a fiscal response to mitigating the consequences of high prices for vulnerable categories of the population. Government spending was focused on higher nominal allocations for pensions, wages in the public sector, as well as one-time cash payments to vulnerable categories. Given that the emphasis of the government was on preserving the standard of living of vulnerable categories of the population, there were no significant investments as well as withdrawals of funds from foreign creditors under concessional conditions, so that the public debt of the general government according to the Maastricht criteria slightly increased in 2024.

In 2024, net revenues from indirect taxes recorded strong annual growth (Graph 1.20). The amount of collected net revenues in 2024 (KM 9.45 billion) is the highest since the establishment of the indirect taxation system. Compared to the previous year alone, this amount increased by KM 1.01 billion or 11.9%. The main contribution to the stated revenue growth comes from significant household consumption, maintaining prices at a high level, increasing the specific excise tax on cigarettes by 15%, increasing the growth of nominal wages, as well as increasing prices in the service sector.

Graph 1.20: Indirect Tax Revenues

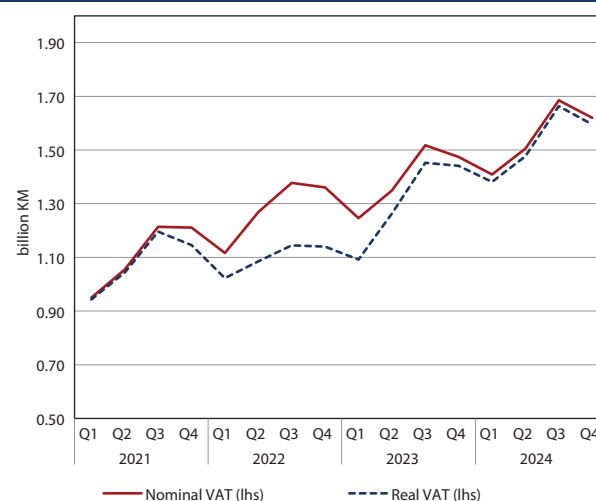


Source: Global framework of fiscal balance and policies in Bosnia and Herzegovina (GFFBP BH) for the period 2025-2027 (adopted in March 2025)

The record high growth of total revenues is the result of the growth of VAT (value added tax), as the largest item in the revenue structure. The net revenues from VAT amounted to KM 6.22 billion in 2024, which is by 11.3% more than the previous year.

The main factor of the stated income growth on this basis is the maintenance of the general level of prices at a high level, the increase in wages and employment through private consumption, but also the increase in the prices of services related to the tourism sector (Graph 1.21).

Graph 1.21: Inflation Impact on the Growth of VAT Revenues



Source: BH Agency for Statistics, Indirect Taxation Authority (ITA), CBBH

In 2024, there were several changes in the field of tax policy. In response to inflationary pressures, the government of the Federation of BH increased the minimum wage to the amount of KM 1,000 in the Federation of Bosnia and Herzegovina, effective from 31 January 2025. This change, as announced, is part of a wider package of social policies aimed at improving the standard of living for workers and contributing to the reduction of poverty, with direct implications for the collection of tax revenues, especially personal income tax. Revenues from personal income tax make up a smaller part of total tax revenues, and in the Federation of BH they currently make about 8.5% of total tax revenues. Also, one of the changes in the tax policy is the increase of the specific excise tax on cigarettes by 15%. This change led to higher retail prices, which, despite a slight decrease in consumption, contributed to an approximate annual increase in revenues from excise duties in the amount of KM 101 to KM 131 million.

The total revenue collection from excise taxes in 2024 recorded a strong annual growth of 15.5% and the said growth mainly comes from excise taxes on tobacco. Revenues on this basis recorded a significant increase, especially due to the increase in consumption and the rise in the prices of products subject to the aforementioned excise duties. Net revenues based on tolls recorded annual growth (8.0%), which can be explained by the higher number of trips.



Also, every year, the Indirect Taxation Authority issues a Decision on the amount of diesel fuel on which tolls are not paid<sup>56</sup>. Revenues from customs duties are closely related to imports, so the growth of imports influenced the growth of customs revenues in the amount of KM 73.5 million (14.5%) compared to 2023. The growth of revenues on this basis is related to the growth of prices of energy, raw materials, food and other imported goods.

According to the Global Framework of Fiscal Balance and Policies in Bosnia and Herzegovina (GFFBP- BIH) for the period 2025-2027<sup>57</sup>, which was adopted in March 2025, a growth of indirect taxes of 3.9% on an annual level or 18.1% of the projected value of nominal GDP is projected. The risks to the realisation of these projections are significant, primarily due to the uncertainty regarding the global situation related to the war activities in Ukraine, then possible changes to the indirect taxation policy (differentiated VAT rate, temporary abolition of excise duties on derivatives, requests for exemption or payment of refunds for traffic in the country)<sup>58</sup>.

Despite the record high revenues, a deficit was planned in the entity budgets for 2024, because of a significant increase in expenditures due to the allocation of funds for pay growth in the public sector, as well as the adjustment of pensions in accordance with the growth of GDP and the consumer price index. The Government of Republika Srpska performed a budget rebalance for 2024, which increased the budget by KM 75 million or 1.3% compared to the original budget for 2024, which was KM 5.73 billion. The Government of Republika Srpska allocated about KM 28 million for pensioners, about KM 20 million for investments, and the rest for other consumption and material expenses from the aforementioned rebalancing. The rebalancing is planned based on the increase in revenues of this entity (increase in revenues amounted to KM 350 million in this year). On the other hand, the FBH Government, although in July 2024 it launched an urgent initiative to adopt the rebalance, it was withdrawn from the agenda of the House of Representatives of the Parliament of the Federation of BH. However, the FBH Government passed the Decree on one-time assistance to pensioners, in order to mitigate the negative consequences of the lack of budget rebalancing for this category of population.

Although the Public Investment Strategies in both entities were aimed at intensifying investments in infrastructure projects and the energy sector, in the first nine months of 2024 only a slight increase in the realisation of capital investments was recorded. Accordingly, public investments in the first nine months of the current year are KM 28.9 million higher than in the same period of the previous year. In the mentioned period, KM 239.3 million of public investments were realised through the budgets. The Entities' budgets for 2025 were adopted on time.

In December 2024, the National Assembly of RS adopted the RS Budget for 2025 in the amount of KM 6.07 billion<sup>59</sup>, which is an increase of KM 260 million (4.5%) compared to the amount provided for in the Budget Rebalancing from November 2024. A budget deficit of KM 98.4 million is foreseen for 2025. In January 2025, the House of Representatives of the FBH Parliament adopted the FBH Budget in the amount of KM 8.25 billion. The budget provides funds in the amount of KM 100 million to business entities for the purpose of overcoming the transitional period from fiscal interventions to fiscal reforms. Also, KM 50 million will be allocated from the budget for areas flooded in October 2024. Furthermore, KM 332 million are planned from the budget for the Pension and Disability Fund in 2025.

In December 2024, the Government of the Federation of BH passed a Decision according to which the minimum wage will be KM 1,000 in the FBH (see Graph 1.17 in the Employment and wages chapter), which will apply from 1 January to 31 December 2025<sup>60</sup>. This means that in FBH the minimum wage will increase by KM 381. Also, in order to overcome potential problems for craftsmen and small businesses, the Government of the Federation of BH has announced a subsidy programme from the budget of the Federation of BH (subsidies make up about 5% of total expenditures). Namely, to craftsmen and small businesses, the FBH Government will pay subsidies for contributions, and in order to preserve jobs that are possibly threatened due to the increase in the minimum wage and income.

The level of public debt of the general government sector at the end of the third quarter of 2024 compared to the end of 2023 has increased in nominal amount by KM 61.5 million. In 2024, there was no significant borrowing by the Government of the Entities with international financial institutions, while borrowing on the domestic capital market was somewhat more intense. The total public debt of the general government sector at the end of the third quarter of 2024 was 24.5% expressed as a percentage of GDP (Graph 1.22).

<sup>56</sup> <https://www.uino.gov.ba/portal/bs/akciza-i-putarina/putarina/>

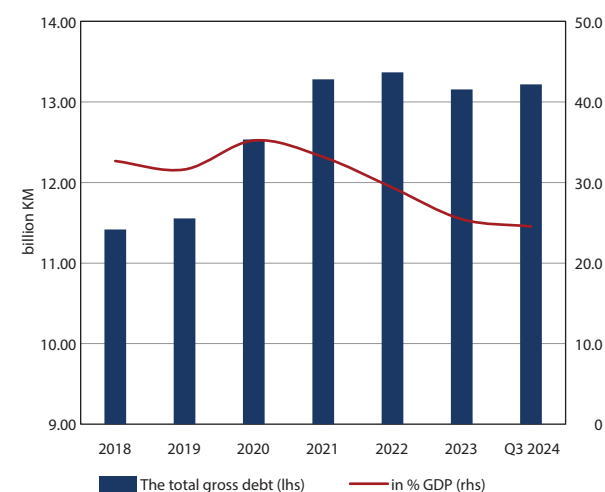
<sup>57</sup> <https://www.mft.gov.ba>

<sup>58</sup> [http://www.oma.uino.gov.ba/bilteni/Oma\\_Bilten\\_bos\\_233\\_234.pdf](http://www.oma.uino.gov.ba/bilteni/Oma_Bilten_bos_233_234.pdf)

<sup>59</sup> <https://www.narodnaskupstinars.net/?q=la/vijesti/narodna-skup%C5%A1tina-usvojila-bud%C5%BEet-republike-srpske-za-2025-godinu-i-program-ekonomskih-reformi-republike-srpske-za-period-2025-2027>

<sup>60</sup> <https://fbhvlada.gov.ba/bs/vlada-fbh-radnicima-vise-plate-poslodavcima-subvencije>

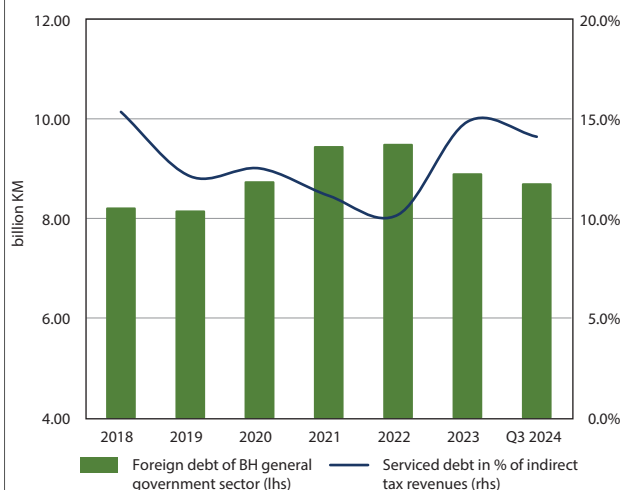
Graph 1.22: The Total Public Debt of General Government Sector



Source: CBBH

At the level of consolidated BH, in 2025, the withdrawal of foreign loans in the amount of KM 1.81 billion is planned<sup>61</sup>, while on the domestic market, borrowing of KM 928 million is planned. At the same time, bearing in mind that at the level of consolidated BH in 2025, the total budget financing needs amount to KM 858.1 million, it is certain to expect a further increase in government obligations in 2025. The external debt of the general government sector recorded a further annual decline in 2024 (KM 179.4 million or 2.0%) and at the end of the third quarter of 2024 it amounted to KM 8.69 billion (Graph 1.23).

Graph 1.23: Foreign Debt of General Government Sector



Source: CBBH, Indirect Taxation Authority and Ministry of Finance and Treasury of BH

In 2024, the total amount of funds withdrawn from international financial institutions amounted to KM 798.6 million, although the planned withdrawal of funds amounted to KM 2.00 billion<sup>62</sup>. In 2024, there was no significant withdrawal of funds from foreign creditors. The largest withdrawal was recorded in the first quarter of 2024 (KM 332.2 million), of which the largest individual amount related to the financing of corridor Vc (about KM 118 million).

The repayment of the external debt of the general government sector was significantly higher than the amount of new withdrawn funds in 2024. From the total serviced funds to foreign creditors (KM 1.33 billion), according to the International Monetary Fund - IMF and the World Bank - IDA, the largest amounts of KM 434.2 million and KM 223.4 million were serviced, respectively. For servicing the external debt of the general government sector in 2025, funds in the amount of KM 1.23 billion are planned, which is 12.6% of projected revenues from indirect taxes for 2025<sup>63</sup> (in 2024, this percentage was higher and amounted to 14.1%).

The debt of the government sector to commercial banks recorded a significant annual growth based on securities (KM 274.4 million), as well as on the basis of loans (KM 182.4 million) (Graph 1.24). In the second half of 2024, entity governments made significant new debts on the capital market. In November 2024, the Government of Republika Srpska accepted a debt of 100 million euros with a ten-year repayment period, including a one-year grace period, and with an interest rate of 5%. The RS Government used these funds to finance the budget deficit and refinance part of the existing debt<sup>64</sup>. In December 2024, the FBH Government issued seven-year bonds in the amount of KM 150 million, with an average interest rate of 3.76%. FBH borrowed about KM 700 million on the capital market in 2024, while it set aside KM 443.9 million for repayment in the same period. These debts also enabled the Government of the Federation of BH to finance the budget deficit and refinance part of the existing debt. The exposure of the banking sector to the government sector has not changed significantly and at the end of 2024 it was 8.9% of the total assets of the banking sector. In 2025, on the basis of internal debt repayment, the FBH and RS should allocate a total of KM 1.05 billion (Federation of BH KM 454.0 million and Republika Srpska KM 590.5 million)<sup>65</sup>.

<sup>62</sup> Global framework of the fiscal balance and policies in BH for the period 2024-2026, January 2024.

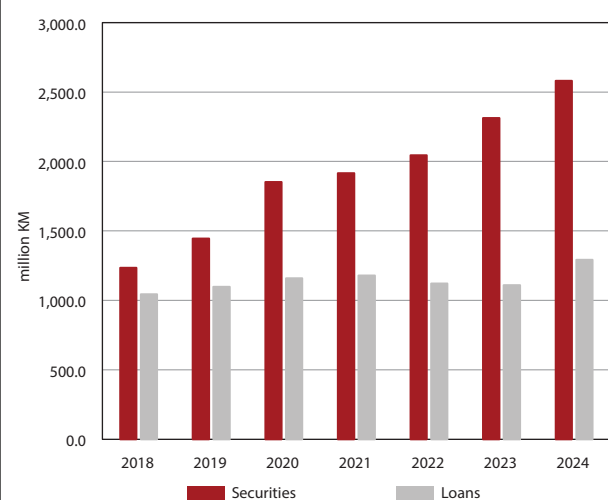
<sup>63</sup> Source: Ministry of Finance and Treasury of Bosnia and Herzegovina (External Debt Servicing Plan in 2025) and Department for Macroeconomic Analysis of the Management Board of the Indirect Taxation Authority (OMA Bulletin No. 233/234, November-December 2024).

<sup>64</sup> Source: <https://www.sglasnik.org/cyr/aktuelno/obavjestenja/objaviben-je-sluzhbeni-glasnik-republike-srpske-broj-10024>

<sup>65</sup> <https://www.mft.gov.ba/> Global framework of the fiscal balance and policies in BH for the period 2025-2027.

<sup>61</sup> <https://www.mft.gov.ba/> Global framework of the fiscal balance and policies in BH for the period 2025-2027.

Graph 1.24: General Government Debt with Commercial Banks



Source: CBBH

### Text box 2: Fiscal measures of entity governments and their impact on public revenues and expenditures

In 2024, the Governments of the Federation of Bosnia and Herzegovina and Republika Srpska adopted a series of fiscal measures aimed at improving the economic conditions of the population and increasing public revenues. One of the key measures implemented by the entity governments included an increase in wages in the public sector, in order to improve the living standards of civil servants. These measures had a significant impact on the increase in expenditures in the budgets of the Federation of Bosnia and Herzegovina and RS. The total cost resulting from the pay increase in the public sector in 2024 in RS is estimated at around KM 221 million. Furthermore, support was provided to small and medium-sized enterprises through the reduction of certain tax burdens and incentives for investments in sectors such as IT, agriculture and production, with the aim of stimulating the growth and competitiveness of the economy. In its document on the framework budget for the period 2024-2026, the Government of FBH stressed the priority of creating a better business environment through reducing the workload and suppressing the informal economy, which directly affects small and medium-sized enterprises. Also, increases in social transfers, such as pensions and cash benefits, were introduced with the aim of reducing poverty and helping socially vulnerable categories of the population. At the end of 2024, the Government of the Federation of BH passed a Decision on the minimum wage in the Federation of Bosnia and Herzegovina in the amount of KM 1,000. The FBH Government is in the process of passing a set of fiscal laws with the aim of facilitating business operations for companies in the Federation of BH, after the increase in the minimum wage.

During 2024, the Government of Republika Srpska adopted several fiscal measures that had a significant impact on public revenues and expenditures. One of these measures is the introduction of fiscalisation for additional taxpayers. Namely, the Tax Administration of Republika Srpska announced a public call for the initiation of the initial fiscalisation procedure for another group of taxpayers, including wholesale, craft activities and postal services. Taxpayers are obliged to complete fiscalisation by 31 March 2025. This measure was aimed at increasing revenue through better traffic control and reducing the grey economy. Also, the RS Government adopted a decree on the awarding of incentives for increasing workers' wages, refunding 70% of overpaid contributions, a maximum of KM 1,000 per worker. These incentives were calculated for two half-year periods, with the application deadline 1 March 2025, for the period from 1 July to 31 December 2024. This measure increased budget expenditures due to the payment of incentives, but had a positive impact on public revenues through an increase in gross salaries and contributions. The aforementioned measures in both entities were aimed at increasing revenues through better fiscal control and stimulating the economy, while increases in expenditures through wage incentives were aimed at improving the living standards of workers and increasing contributions to social funds.

The turnover on the domestic markets of Bosnia and Herzegovina in 2024 was extremely high. In almost all years since the entity's public debt issue began, the total turnover on the stock exchanges was dominated by the entity's primary debt securities market, and unlike last year, this year was dominated by the issues of the Federation of Bosnia and Herzegovina.

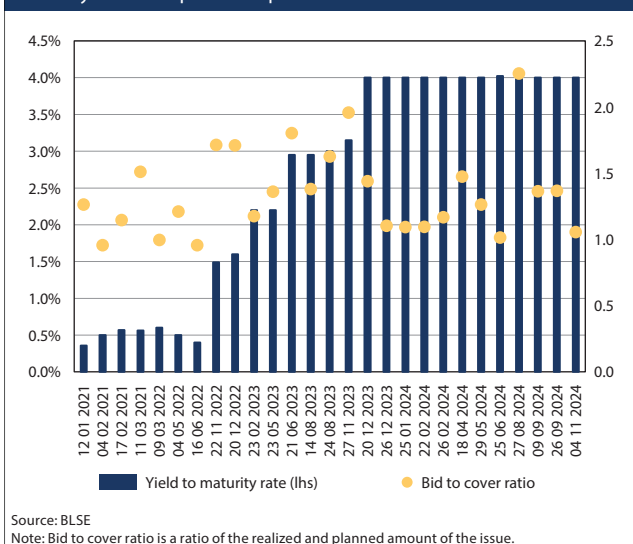
The total value of traded financial instruments amounted to KM 1.52 billion and is higher than the previous year by only 3%. Despite the high and growing market capitalisation of joint-stock companies on the SASE, in the total structure of turnover, equity securities accounted for about 13%. During 2024, public debt issues were made in a total of nine maturity segments (last year in ten maturity segments). Like last year, in addition to five-year bond issues, there were mostly issues of six-month treasury bills. In 2024, there were no issues of two-month treasury bills and two-year and six-year bonds, but three-month treasury bills and eight-year bonds were therefore issued. The average issue coverage ratio of Republika Srpska (the ratio between received and accepted offers) was almost at the level of last year, 1.1, while in the Federation of Bosnia and Herzegovina, as in the last few years, it was much higher at 1.8 (2 last year). In the previous two years, Republika Srpska led the way in terms of the number and value of issues (Table 1.2), and this year the value of public debt issues of the Federation of Bosnia and Herzegovina is about a third higher.

**Table 1.2: The Entities' Public Debt Issues in 2024**

| Maturity, in months                  | 3    | 6     | 9    | 12   | 36    | 60    | 84   | 96   | 120  | Total   |
|--------------------------------------|------|-------|------|------|-------|-------|------|------|------|---------|
| Republika Srpska                     |      | 10    |      |      |       | 8     |      |      |      | 18      |
| Federation of Bosnia and Herzegovina | 1    | 2     | 2    | 2    | 3     | 3     | 2    | 2    | 2    | 19      |
| Total                                | 1    | 12    | 2    | 2    | 3     | 11    | 2    | 2    | 2    | 37      |
| Value of issues (million KM)         | 29.2 | 342.8 | 58.3 | 29.0 | 119.9 | 470.9 | 90.0 | 48.0 | 44.4 | 1,232.4 |

Source: BLSE and SASE

The financing of the Republika Srpska budget in 2024, like last year, took place in an environment of high and stable yield rates on the financial markets, which is particularly noticeable on the market of six-month treasury bills (Graph 1.25) and on the market of five-year bonds of Republika Srpska. In almost all issues, the yield to maturity rate on six-month treasury bills and five-year bonds was 4% and 6%, respectively.

**Graph 1.25: Yield to Maturity Rate in the Primary Market of Six Month Treasury Bills of Republika Srpska**

The amount of public debt by entity has especially this year influenced the lower borrowing costs of the Federation of Bosnia and Herzegovina compared to Republika Srpska (Table 1.3). All comparable yields to maturity on the primary market of six-month treasury bills and bonds were significantly lower in 2024 in the Federation of Bosnia and Herzegovina. However, this difference decreased in the market of six-month treasury bills (70 bp), and increased in the market of five-year bonds. As in previous years, towards the end of 2023, Republika Srpska adopted a decision on the maximum interest rate on certain categories of public debt in 2024 from the aspect of the type of creditors, which it again tied to the amount of the six-month or twelve-month Euribor<sup>66</sup>. Maximum interest rate on long-term debt with BH creditor, foreign creditor and on the international financial market, is determined as a reference the interest rate to which a fixed margin of 400 bp, 550 bp and 750 bp is added respectively.

<sup>66</sup> Decision on the long-term borrowing of Republika Srpska for 2024. OGRS 112/23, December 2023.

**Table 1.3: Average Yield to Maturity Rate in the Primary Market of Entities' Public Debt in 2024**

| Maturity, per month                  | 3    | 6    | 9    | 12   | 24 | 36   | 60   | 84   | 96   | 120  |
|--------------------------------------|------|------|------|------|----|------|------|------|------|------|
| Republika Srpska                     |      | 4.00 |      |      |    |      | 5.97 |      |      |      |
| Federation of Bosnia and Herzegovina | 3.84 | 3.29 | 3.86 | 3.66 |    | 4.00 | 3.77 | 3.85 | 4.89 | 4.90 |

Source: SASE and BLSE

After three years of consecutive growth, the value of BIRS decreased by 5.3%. The decline of the stock market indices took place under the influence of the change in the dividend policy in the telecommunications sector, the lost court cases in the electric power sector and the suspension of work in thermal power plants. On the other hand, after growing by 10% in the previous year, the SASX-30 grew by 15% in 2024.

### 1.2.3 Banking sector

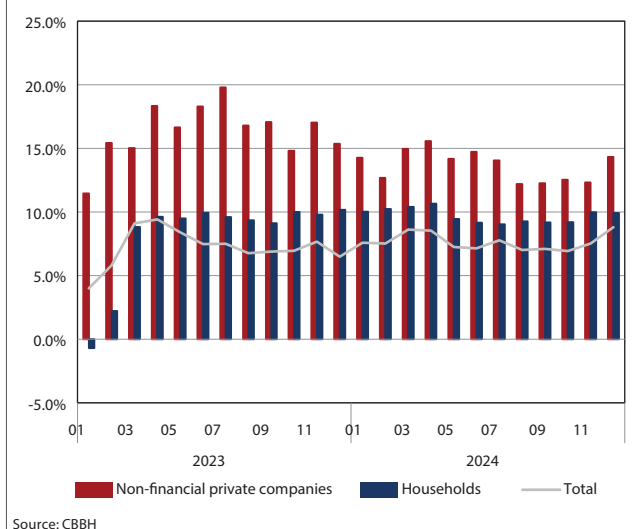
Throughout 2024, the banking sector was stable, historically the most profitable, without a significant increase in credit risk<sup>67</sup>. Above-average profitability was achieved with continued high liquidity, a reduction in the value of non-performing loans, and in conditions of high growth in bank assets. Most indicators of financial health have improved compared to the previous year<sup>68</sup>. The share of banks with majority domestic ownership in share capital in total banking sector assets increased slightly compared to the previous year and at the end of 2024 it amounted to 28.25%. The growth of deposits in 2024 (Graph 1.26) took place in conditions of weakening inflationary pressures and intensive lending activities of banks. The largest contribution to the growth of deposits in 2024 was made by the household sector, partly due to the increase in wages (for more details see the Employment and Wages chapter) and the sector of non-financial private companies, which almost entirely participated in the annual growth of deposits of 8.9%.

<sup>67</sup> In the first half of the year, the return on assets was 2.5%, non-performing loans are at the historically lowest level since 2009, and indexed loans are only 33.3% of total loans (Q3 2024).

<sup>68</sup> For more details about the numerical indicators of the financial health of the banking sector of Bosnia and Herzegovina see the portal of the Central Bank of Bosnia and Herzegovina, [www.cbbh.ba](http://www.cbbh.ba)



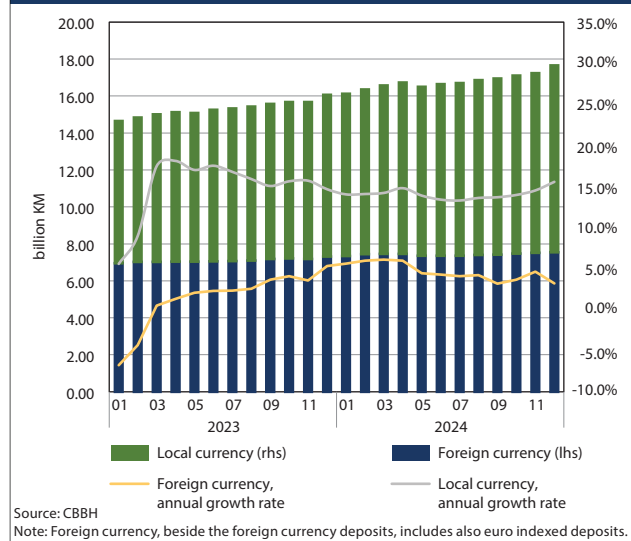
Graph 1.26: Annual Deposit Growth Rate



In addition to the sector of non-financial private companies, which is characterised by an extremely high and multi-year growth rate of deposits, a double-digit growth rate of deposits was also registered in the sector of non-profit organisations and other sectors, but which, due to their size, did not have a significant impact on the growth rate of total deposits<sup>69</sup>.

One of the main positive characteristics in the movement of deposits, from the currency aspect, is the increasingly favourable structure of household deposits, as there are no indications of a strengthening of euroisation (Graph 1.27). The much faster growth of deposits in domestic currency further reduced the share of deposits in foreign currency in total household deposits to below 43% in 2024<sup>70</sup>. If deposits in KM with a currency clause were excluded from foreign currency deposits, this share would be even lower<sup>71</sup>. The currency structure of deposits of non-financial companies also shows an improvement compared to the previous year, but in the longer term the changes in the currency structure are not as pronounced as in the household sector. On the other hand, the term structure of household deposits indicates that during 2024, the multi-year trend of a decrease in the share of household term deposits in total household deposits continued.

Graph 1.27: Household Deposits, Currency Structure



In contrast to the term structure of deposits of households, the term structure of deposits of non-financial companies has improved and is at the level of 2020<sup>72</sup>, indicating the increased sensitivity of this sector to the growth of passive interest rates of banks and, on average, better management of funds in the sector of non-financial companies.

A very moderate growth of active interest rates with, on average, satisfactory loan granting conditions and high demand for loans, as well as constant growth of domestic sources of financing, were some of the main determinants of credit growth (Graph 1.28). Surveys conducted by the CBBH among banks<sup>73</sup> indicated that the perception of risk in banks was increasing and that the willingness to take risks was decreasing. However, despite this fact, as well as in addition to the tightening of credit standards for non-financial companies<sup>74</sup>, and in conditions of a slight increase in the cost of bank financing sources, credit growth in BH in 2024 was very high<sup>75</sup> primarily due to the maintenance of high demand for loans. Considering the moderate economic growth in Bosnia and Herzegovina, an extremely high credit growth of 9.8% was achieved, which was realised almost entirely in the sector of private non-financial companies and the household sector. Within loans to households, the highest growth was recorded in housing loans for the purchase of new housing units (see more on loans to households at the end of this chapter). The structure of loans to households has not changed significantly compared to the previous year, and the trend of credit growth has continued.

<sup>69</sup> These deposits make up 2.6% of total deposits, and their contribution to the annual growth of deposits in 2024 was 0.5 pp.

<sup>70</sup> Before the corona pandemic, deposits in foreign currency accounted for 57% of total household deposits (12/2019).

<sup>71</sup> In Q4 2024, the average foreign exchange base in KM with a currency clause for calculating the required reserve at the level of the banking system was 28%.

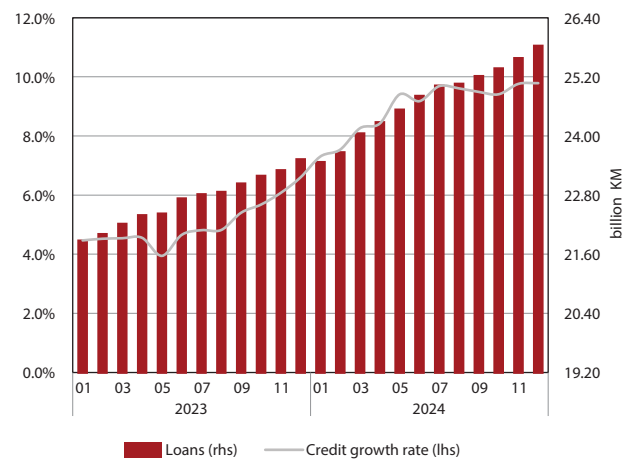
<sup>72</sup> The share of time deposits of non-financial companies in the total deposits of non-financial companies is again 23.5%.

<sup>73</sup> Surveys on credit activity of banks in Bosnia and Herzegovina for the first, second and third quarters of 2024.

<sup>74</sup> The last survey on banks' credit activity refers to the third quarter of 2024.

<sup>75</sup> Credit growth in 2024 is the highest since the end of the global financial crisis (2007 - 2009).

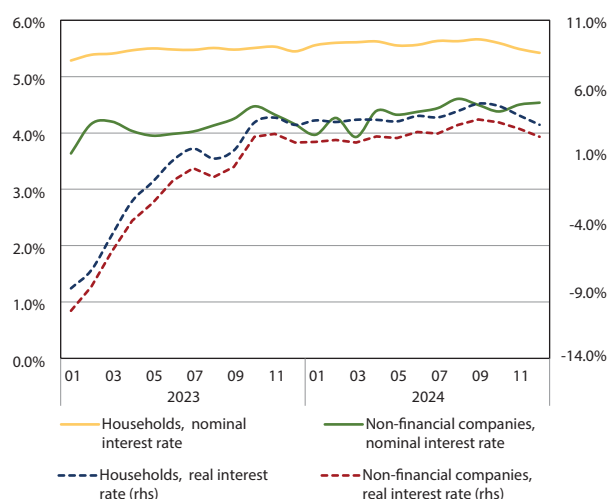
Graph 1.28: Annual Credit Growth Rate



Source: CBBH

Compared to last year, the average nominal active interest rate in the household sector is almost unchanged in 2024. On the other hand, interest rates in the sector of non-financial companies grew, but not significantly. With the continuation of the decrease in inflation, real interest rates continued to rise throughout the year and their difference in relation to nominal interest rates reached the level from the period before the start of inflation (Graph 1.29). The tightening of credit standards in the sector of non-financial companies only partially affected the growth of interest rates in this market. Some of the causes of the limited transmission of the ECB's monetary policy to bank interest rates are the dominance of domestic short-term sources of financing in bank liabilities and the bank-centricity of the BH financial system, which does not contain enough investment alternatives for bank deposits on the BH financial market. At the end of 2024, the average interest rate on housing loans, loans to non-financial companies and non-purpose consumer loans to the population was 3.97%, 4.54% and 5.76% respectively.

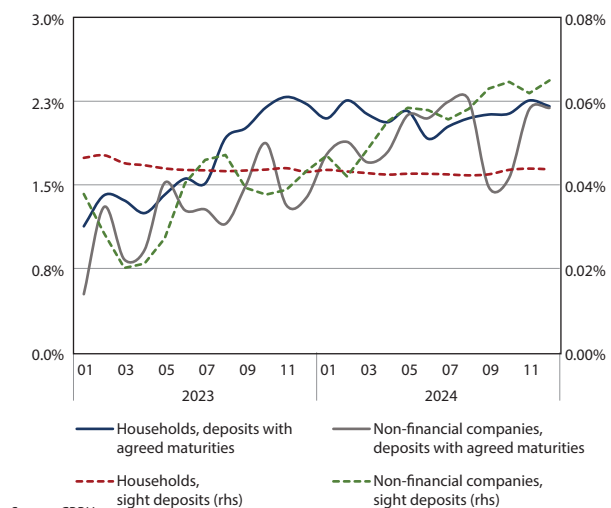
Graph 1.29: Interest Rates on Newly Approved Loans



Source: CBBH

The change in interest rates on newly approved loans is slightly smaller than the changes in interest rates on deposits with an agreed maturity. It is crucial for understanding the impact of passive interest rates at the level of active interest rates that interest rates on demand deposits of households and non-financial companies (which make up 58% of total deposits) are still extremely low (Graph 1.30). In October 2022, the CBBH began publishing information on bank funding costs (Reference rate for average weighted banks' funding cost in BH - RRFC) which banks can use as a reference rate instead of Euribor in contracts with a variable interest rate. These statistics, as well as data on the interest rate on demand deposits of non-financial companies, show that there have been changes in bank financing costs, not only in the lowest period of observation (up to 3 months), but also in periods of 6 and 12 months<sup>76</sup>. However, this growth was only marginally transferred to the active interest rates of banks and exclusively on the market of loans to non-financial companies.

Graph 1.30: Interest Rates on Deposits



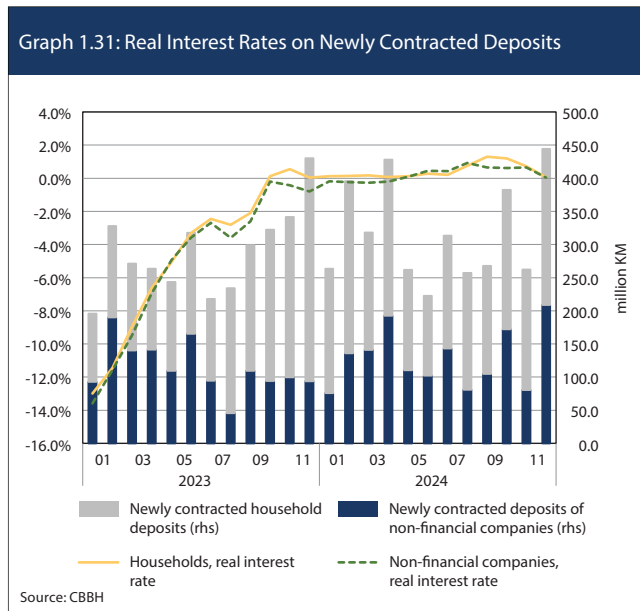
Source: CBBH

On average, the interest rate on total newly contracted retail deposits has not changed and remained at the level of 2.2%. During 2024, the interest rate on newly contracted deposits of non-financial companies increased by 80 bp and equalled the interest rate on newly contracted household deposits.

The difference in the foreign (euro area) and domestic average interest rate on household deposits and deposits of non-financial companies has significantly decreased compared to 2023. After passive interest rates in the euro area reached their peak at the end of 2023, they began to fall, especially after the change in the direction of the ECB's monetary policy (6/2024). At its peak, in October 2023, it reached 90 bp, and at the end of 2024, on the market of household deposits and deposits of non-financial companies, it was 25 bp and 60 bp respectively.

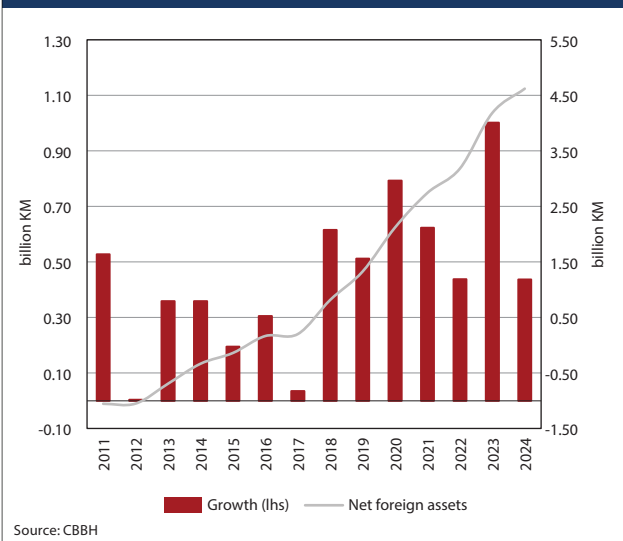
<sup>76</sup> RRFC increased the most for financing sources in euros for a period of up to 3 months, 46 bp (Q4 2023 – Q3 2024).

Considering that the lowest level of real interest rates was reached in 2022 in a strong inflationary environment, due to the decrease in inflation, they had a steady growth trend in 2023, only to increase slightly in the second half of 2024 (Graph 1.31). During the year 2024, an 8.7% higher value of total new household deposits was contracted compared to the previous year<sup>77</sup>, and the balance of total deposits at the end of the year (KM 33.9 billion) is a historical maximum.



As in 2024, the increase in net foreign assets in 2024 (Graph 1.32) is the result of still high and growing foreign assets, and still relatively low foreign liabilities, which also increased. During 2024, in November, the historically highest amount of net foreign assets was recorded (KM 4.79 billion), and foreign liabilities increased for the first time since 2019. The biggest contribution to the growth of banks' foreign assets was again made by other deposits held by banks in the form of time deposits with non-residents, whose participation in foreign assets increased significantly due to the still high level of interest rates in the euro area. The annual growth of securities, in the structure of banks' foreign assets, was not so pronounced, because it was partially limited by the new banking regulations<sup>78</sup>.

Graph 1.32: Net Foreign Assets



At the end of 2024, foreign assets with specified maturity<sup>79</sup> comprised the largest amount of foreign assets so far, 78%. By increasing interest-bearing assets in the structure of foreign assets, banks were able to increase profitability, while not exposing themselves to the risk of foreign currency liquidity due to the still high share of currency and transferable deposits with non-residents in foreign assets. At the end of the previous year, the balance of foreign currency and transferable deposits with non-residents was greater than the balance of foreign liabilities, and at the end of 2024 it was less by about 30%, however, this did not impair the liquidity of this part of the foreign exchange sub-balance.

The annual growth of foreign liabilities, the first in the last five years, still does not represent a sign of a turnaround in capital flows. The largest individual contribution to the growth of foreign liabilities came from the position of other loans from non-residents. They increased by 51%, and their share in foreign liabilities is 63%. An additional quality to the growth of foreign liabilities is given by the high share of fixed-term funds<sup>80</sup>, which at the end of 2024 were 77% of foreign liabilities, which makes this source of funding banking operations very stable.

<sup>77</sup> In 2023, the annual growth of newly contracted deposits was 49.4%.

<sup>78</sup> Both Entity Agencies made a decision to limit banks' exposure to foreign central banks and foreign central governments up to 100% of eligible capital.

<sup>79</sup> Other deposits with non-residents, securities of non-residents (except shares), other loans to non-residents and other receivables.

<sup>80</sup> In addition to loans to non-residents, this group of assets includes others, i.e. term deposits of non-residents.



### Text box 3: Trends in non-purpose consumer and housing loans

Personal consumption plays a significant role in shaping economic trends in Bosnia and Herzegovina, which makes loans to the population an important instrument of economic growth. Through the generation of consumption, these loans directly affect the rate of economic growth, as well as the direction and intensity of economic dynamics.

In the structure of consumer loans, until the corona virus pandemic, there was a constant increase in the share of non-purpose consumer loans, which amounted to three quarters of these loans, and at their peak, during 2019, they amounted to 76% of total loans. The dominance of these loans is the main characteristic of the structure of loans to households. Due to the increase in credit risk, growth of debt, impact on financial stability and growth in consumption, this phenomenon motivated Entity Banking Agencies to limit both the amount and maturity of these loans. Limiting non-purpose loans to 50 thousand KM and for a term of 10 years did not significantly affect their dynamics, and their share is still above 70%.

The second characteristic concerns the completely different behaviour of housing and non-purpose loans in a crisis environment such as that of the first year of the pandemic. The resistance shown by housing loans to the large drop in economic activity caused by the closure of BH and the world economy is a consequence of the extremely high collateralisation of these loans and, on that basis, the lower credit risk that allows banks to continue with the expansion of these loans. The next reason for the extremely high resilience of housing loans is the constantly high demand for these loans because they do not represent luxury spending but the existential need to provide basic conditions for family life. Regardless of the relatively quick recovery of this market after the big drop in the first year of the pandemic (growth in 2019 and 2020 was 7.9% and -0.8% respectively), it took three years for the growth of housing loans to return to the pre-pandemic level. As a consequence of the multi-year increase in real estate prices, the share of housing loans and their contribution to the growth of this credit segment rose sharply in 2024. On the other hand, we cannot ignore the still favourable lending conditions. Although interest rates on loans were on a slight rise in the previous period, they still remained relatively affordable compared to the historical average and their movement in the international environment.

The current term structure of household deposits, in which demand funds prevail (70%), exposes banks to an increased risk of maturity transformation, because more than 90% of the banks' credit portfolio related to households is of a long-term nature. Long-term household deposits have been continuously falling since 2013, when they reached their peak (52% of household deposits) until the beginning of 2024. Growth in long-term deposits occurred only in

the second quarter of 2024<sup>81</sup>. Given that the change in the maturity structure of household deposits did not continue in the second half of the year, we cannot yet treat this event as a significant change in the relationship of the household sector to deposit yields that would stimulate a significant growth in long-term household deposits. The existing maturity structure of household deposits, due to the low price of this part of banking liabilities, has the effect of maintaining a high difference between active and passive interest rates.

Annual changes in credit activity of the population, observed through the prism of purpose and term structure, have implications for the banking sector, as well as for reactions to economic crises and imbalances in the economic system. In this context, trends in non-purpose consumer and housing loans are particularly significant, which, depending on economic circumstances, showed different dynamics and resistance to crisis periods.

## 1.2.4. External sector

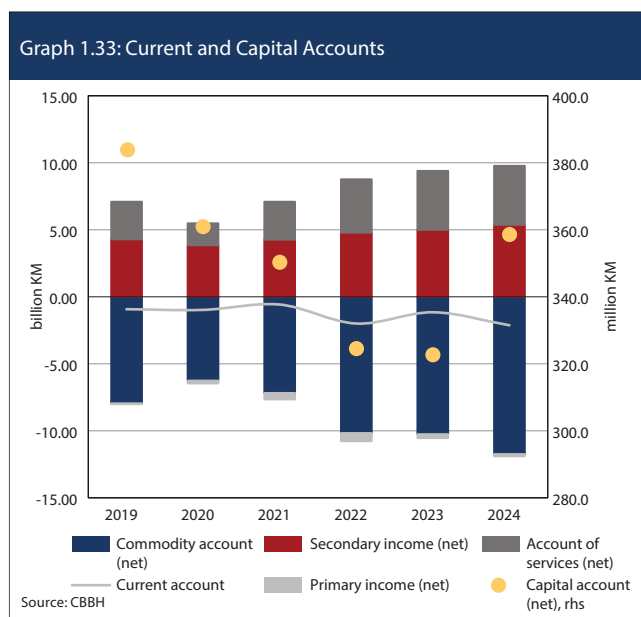
### I. Balance of payments

The modest volume of economic activity in the countries that are main trading partners of BH influenced the decline in the value of exports of goods in 2024, while, on the other hand, relatively strong domestic consumption, both investment and final, influenced the growth in the value of goods imports. Observed in absolute terms, in 2024, a current account deficit of KM 2.13 billion was recorded<sup>82</sup> (Graph 1.33), which represents a growth of 84.0% compared to 2023. As in previous years, the deficit on the current account was mostly the result of a significant deficit on the goods account, while services and inflows based on transfers from abroad had a positive impact. Due to the significantly higher nominal growth of the current account deficit compared to the nominal GDP growth in 2024<sup>83</sup>, the current account deficit as a percentage of GDP increased by 1.7 percentage points to 4.0%.

<sup>81</sup> About KM 400 million demand deposits in foreign currency were converted into long-term deposits in foreign currency.

<sup>82</sup> Balance of payments statistics, preliminary data

<sup>83</sup> Nominal GDP for 2024 is the CBBH projection from November 2024



In 2024, a decline in the value of exports of goods from BH was recorded, accompanied by an increase in the value of imports, which, together with BH's position as a net importer in the international goods market, resulted in a record goods trade deficit. Despite the decline in industrial production, relatively strong domestic consumption, accompanied by a nominal increase in wages and remittances from abroad, resulted in an increase of goods imports into BH<sup>84</sup>.

According to balance of payments data, the value of imported goods amounted to KM 26.93 billion, which represents an annual growth of 4.5%. On the other hand, a decline in foreign demand for the most important export product groups resulted in a decline in the value of exports of 2.1%. Exports of goods were realized in the value of KM 15.19 billion, and over 73.0% of the value of exports of goods was realized on the market of the EU countries (Table 1.4)<sup>85</sup>.

**Table 1.4: BH Commodity Foreign Trade, by the Most Significant Trade Partners, in billion KM**

|                 | Exports |       |       | Imports |       |       |
|-----------------|---------|-------|-------|---------|-------|-------|
|                 | 2022    | 2023  | 2024  | 2022    | 2023  | 2024  |
| EU              | 13.23   | 12.19 | 11.75 | 16.30   | 16.37 | 16.95 |
| CEFTA           | 3.30    | 3.12  | 2.78  | 3.52    | 3.24  | 3.45  |
| Other countries | 1.44    | 1.39  | 1.54  | 8.82    | 8.15  | 8.26  |
| TOTAL           | 17.97   | 16.70 | 16.07 | 28.64   | 27.77 | 28.65 |

Source: BHAS

Note: the data in the table represent foreign trade statistical data by the BH Agency for Statistics

<sup>84</sup> According to foreign trade statistics, both total and regular imports of goods (imports after excluding the value of goods imported for internal processing) recorded positive growth rates, which indicates that LOHN jobs had a significant, but not dominant, contribution to the growth of import values.

<sup>85</sup> Despite the interruption of rail traffic to the port of Ploče in the fourth quarter of 2024 due to floods, the data of foreign trade statistics do not indicate a significant impact on the volume of foreign trade, given that both imports and exports recorded an annual increase in value in the fourth quarter of 2024

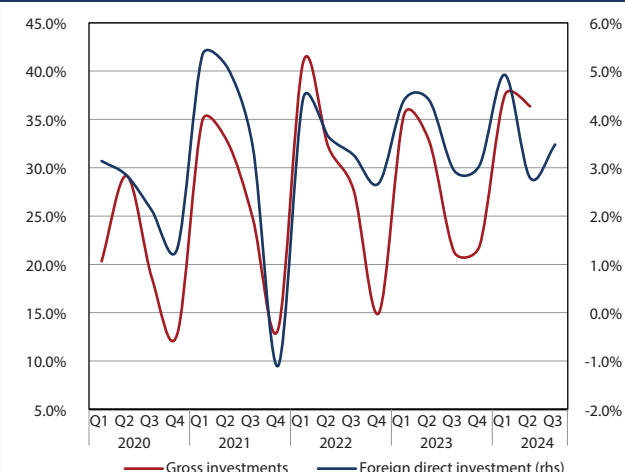
Observed by product groups, BH is a net importer of the four most important product groups from the aspect of foreign trade: base metals, machinery and apparatus, mineral origin products and chemical industry products. Unfavorable trends on the international market have led to a continuous increase in the trade deficit of the above product groups. On the other hand, BH is a net exporter of wood industry products and furniture, with a relatively stable trade surplus in the last few years.

#### **Text box 4: The impact of foreign direct investment on domestic investment activity**

Foreign direct investment (FDI) is one of the key drivers of economic growth in BH, providing the necessary capital, new jobs and technology transfer that together increase the country's economic resilience. The key mechanism by which foreign investment contributes to GDP growth through gross investment growth is done through the growth of physical capital by financing new investment projects (manufacturing industry), improving the efficiency of capital-intensive sectors by applying advanced technologies and innovations, as well as long-term economic sustainability by investing in renewable energy sources, infrastructure and industrial zones. Of the total inflows from foreign direct investment in BH, more than half is in the form of retained earnings from the previous period, while a smaller part is in the form of equity and debt instruments. The largest share of foreign direct investment in the form of retained earnings relates to investments in the financial sector, which attracted the most significant amount of total foreign direct investment in BH. Assuming that there is a certain time lag between the moment of FDI inflow and the moment of the implementation of a particular investment, historical data on FDI and gross investment in the country indicate a clear correlation (Graph 1.34).

In 2024, FDI in BH amounted to KM 2.04 billion, representing an annual growth of 8.8%. Although 61.5% of this amount is in the form of reinvested earnings, this type of investment can be seen through the expansion of existing capacities (part of the investment related to the manufacturing industry) and the confidence of the present foreign investors.

Graph 1.34: Foreign Direct Investment and Gross Investments, in % of GDP, Current Prices



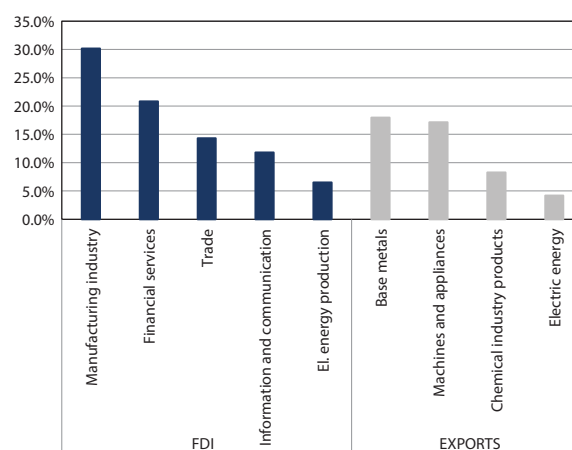
Source: CBBH, BHAS

Note: Data on gross investments are shifted one quarter backwards with purpose of easier interpretation and assumed time gap in the investment realization

Observing the balances<sup>86</sup>, foreign direct investment in BH is concentrated in a few key sectors, directly correlating with the country's main export sectors (Graph.1.35).

As of December 2023<sup>87</sup>, the manufacturing industry attracted the largest share of foreign investment (KM 5.85 billion), contributing to the increase in industrial and export capacities. At the same time, the products of the manufacturing industry represent the most important export product groups: base metals and their products, machinery and equipment, chemical industry products, as well as parts for the automotive industry and electricity, which make up the largest share of total goods exports of BH. Electricity generation is a strategic sector in BH, and foreign investments in this sector (1.26 billion) play a key role in the modernization of infrastructure and the expansion of renewable energy sources. The electricity generation and distribution sector is experiencing an increasing inflow of foreign investment, especially in wind and solar power plant projects. Within the service sector, the most significant inflow of foreign investment was recorded in financial intermediation (KM 4.04 billion), wholesale and retail trade (KM 2.78 billion) and information and communication activities (KM 2.29 billion). The financial sector in BH has recorded the second most significant inflow of foreign investment with significant investments in the banking, insurance and capital market sectors increasing liquidity in the banking sector and improving access to credit for businesses and consumers. The information and communication sector is one of the fastest growing sectors, and foreign investment in this sector has significantly contributed to the digital transformation in BH and made it one of the most significant exporters of services.

Graph 1.35: The Share of Individual Activities/Groups of Products in the Total FDI/Exports



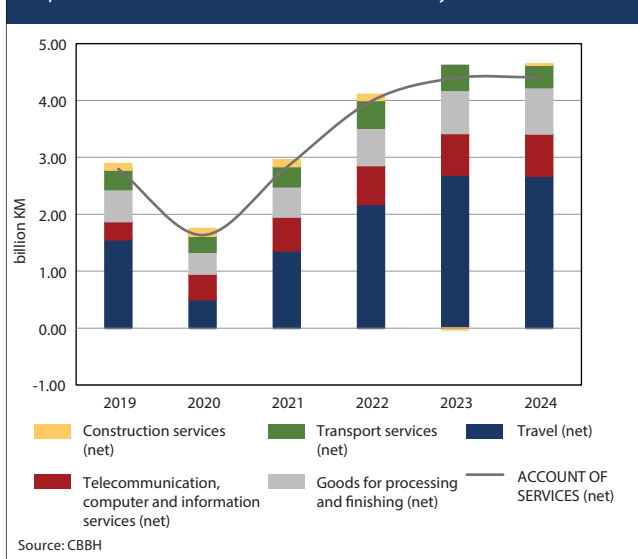
Source: CBBH, BHAS

The largest part of the deficit in the goods account was covered by net inflows in the services account, which in 2024 were recorded in the value of KM 4.40 billion, which is slightly above the level in 2023 (0.3%). In more detail, the most significant net inflow in the services account was achieved based on the arrivals and consumption of foreign tourists (KM 2.67 billion) and is slightly lower compared to 2023 (Graph 1.36). It should be noted that net inflows on this basis were significantly reduced by the consumption of domestic tourists abroad, which recorded a growth of 26.0% in 2024. Despite the decline in the volume of industrial production and the decrease in the number of orders in developed countries, net inflows based on the processing and finishing of goods recorded a growth of 8.0% in the reporting year, while telecommunications, computer and information services, which have been recording continuous growth in recent years, were recorded in the value of KM 739.9 million. Transport services, caused by a contraction in exports of goods from BH, as well as the interruption of one of the most important railway communications due to floods, recorded a decline of 9.1% compared to 2023 values.

<sup>86</sup> The latest available data on the balance of foreign direct investments, by activity, refer to 2023, while the data on the export of certain product groups refer to 2024.

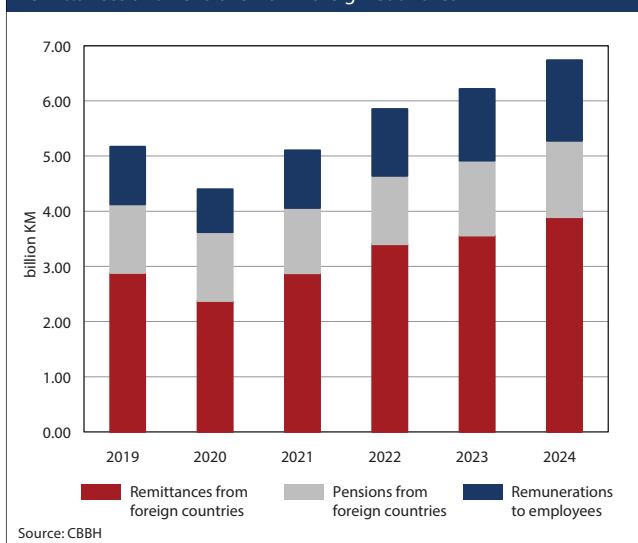
<sup>87</sup> The latest available data

Graph 1.36: Account of Services in Balance of Payments



In addition to the surplus in the services account, the second most significant net inflow that significantly contributed to the reduction of the current account deficit was realized in the secondary income account, primarily based on workers' remittances from abroad (Graph 1.37). Nominal wage growth in developed countries significantly compensated for the modest level of economic activity, so that net inflows based on workers' remittances in 2024 were recorded in the value of KM 3.89 billion, which represents a growth of 9.2%. In addition to workers' remittances, pensions from abroad, as the second most significant category of secondary income, also achieved a growth of 2.1% compared to 2023. In addition to the above, a significant contribution to the reduction of the current account deficit was also made by net inflows based on salaries of residents abroad, which were realized in the value of KM 1.46 billion.

Graph 1.37: Remunerations to Employees in Foreign Countries, Remittances and Pensions from Foreign Countries



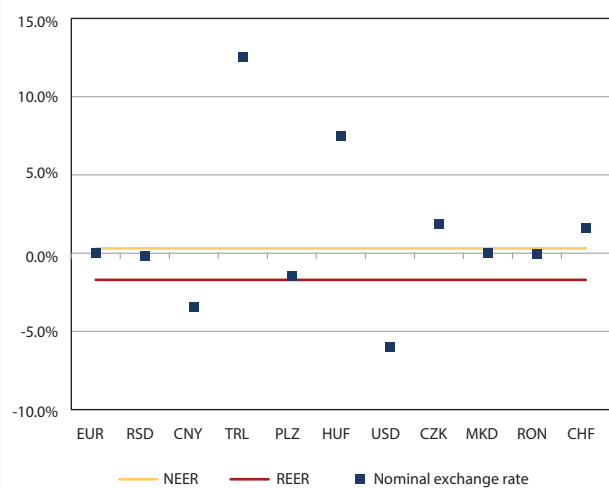
In 2024, the current account deficit was largely financed by net inflows from foreign direct investment, as well as by borrowing by the private and government sectors from international creditors. Net inflows from foreign direct investment were recorded at KM 1.89 billion, which represents the second largest net inflow on this basis since 2007. It should be noted that 62.4% of this value refers to reinvested earnings, while the rest represents investments in debt instruments. Within the framework of portfolio investments, in 2024, the trend of investments in debt securities of foreign issuers in the amount of KM 378.1 million continued, mostly realized by commercial banks and other financial institutions.

Within other investments, in the reporting year, a net inflow of KM 1.12 billion was recorded, mostly as a result of borrowing by domestic entities through loans and trade credits and advances. In 2024, the general government sector reduced its debt to the IMF by KM 368.4 million, with new long-term debt to other international creditors of KM 671.3 million, while other sectors also increased their debt based on loans. Despite the decline in exports of goods from BH, significant import activity resulted in net inflows from trade credits and advances of KM 599.9 million, which is 1.4% more than in 2023. In terms of currencies and deposits, significant activity was recorded in 2024 in the form of an increase or decrease in foreign assets of banks and non-financial companies, which ultimately resulted in net inflows of KM 71.0 million.

## II. Nominal and real effective exchange rates

The NEER appreciated in 2024, continuing the trend of previous years, with significantly lower annual growth rates in the second half of the year. At the end of 2024, the NEER recorded an annual appreciation of 0.3%. The NEER appreciation is a consequence of the nominal appreciation of the euro, our anchor currency, against the Turkish lira (12.5%), the Hungarian forint (7.5%), the Czech koruna (1.9%) and the Swiss franc (1.6%) (Graph 1.38). On the other hand, the real effective exchange rate, where the consumer price index was used as a deflator (REER-CPI), had a depreciation trend throughout 2024, thus reflecting significantly lower inflation rates in BH (1.7%) compared to its main trading partner countries: Serbia (4.8%), Croatia (4.0%), Austria (2.9%) and Germany (2.5%). At the end of the reporting year, the REER-CPI recorded an annual depreciation of 1.7%.

Graph 1.38: Annual Changes of KM Foreign Exchange Rate, December 2024



Source: CBBH

Note: Currencies are listed by the country's significance in trade exchange in 2024



Centralna banka  
BOSNE I HERCEGOVINE

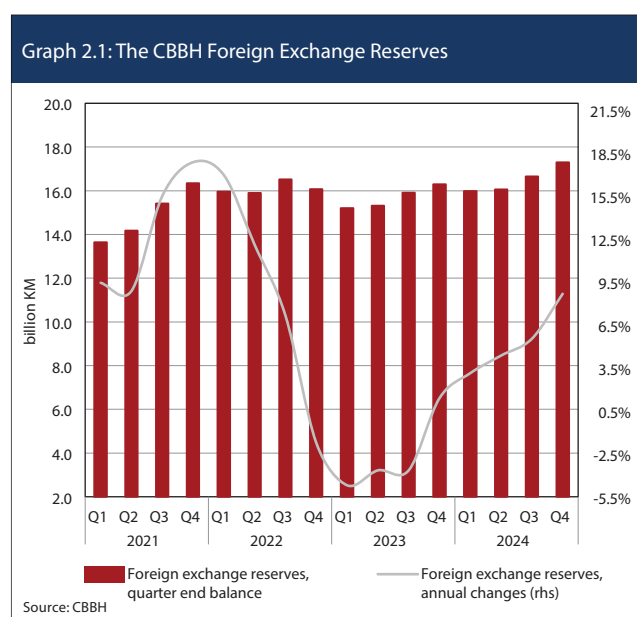
## Report on the CBBH Activities in 2024





## 2. Report on the CBBH activities in 2024

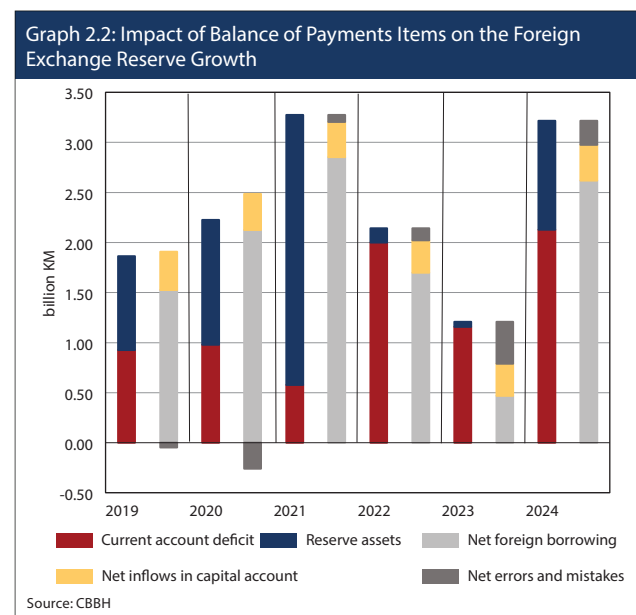
At the end of December 2024, net foreign exchange reserves amounted to KM 17.64 billion and are higher by KM 1.35 billion (8.30%) compared to the same period of the previous year (Graph 2.1). A positive annual growth rate of foreign exchange reserves characterized the entire 2024. The movements of foreign exchange reserves in 2024 were influenced by external debt servicing, the absence of foreign borrowing, inflows from remittances, and inflows of direct foreign investments. The slight decrease in foreign exchange reserves recorded in the first quarter is not unusual, and to a significant extent it is the result of the realized negative cumulative balance of purchases and sales with commercial banks and internal depositors. In the third and fourth quarters, the growth of foreign exchange reserves was recorded, to the greatest extent caused by the positive balance of the purchase and sale of KM, due to the influence of the tourist season. In the last three months of 2024, a significant increase in foreign exchange reserves was recorded (see Chapter 1.2.4).



All transactions that affect the level of foreign exchange reserves are reflected, at the aggregate level, through the movement of KM purchases and sales with the CBBH, which forms the basis for their formation. The contribution to the growth or decline of foreign exchange reserves is most pronounced through the purchases and sales of commercial banks and depositors with the CBBH, while other changes, such as the effects of investing foreign exchange reserves, usually have a smaller impact. During 2024, the CBBH achieved a positive cumulative balance of KM purchases and sales with commercial banks and internal depositors in the amount of KM 323.18 million. Repayment of external debt in 2024 amounted to KM 1.33 billion. Changes in the value of the CBBH portfolio due to favorable market conditions had a positive impact on foreign exchange reserves in 2024 (see Chapter 2.3).

Graph 2.2 shows changes in the CBBH foreign exchange reserves in terms of balance of payments. The left column shows reserve assets and the current account deficit, which represent cash flows towards abroad, while the right column shows inflows from abroad: net foreign borrowing, net capital account inflows, and net errors and omissions.

A part of the current account deficit not covered by net capital account inflows is financed by net borrowing from non-residents, which can be in form of FDI, being, from a macroeconomic perspective, a preferred way of borrowing, or in form of external borrowing by the government sector, the financial sector, or a non-financial company. In 2024, net foreign borrowing from non-residents was above the current account deficit, which, together with net capital account inflows and net errors and omissions, which from a balance of payments perspective compensate for part of the current account deficit, led to an increase in reserve assets by KM 1.09 billion.

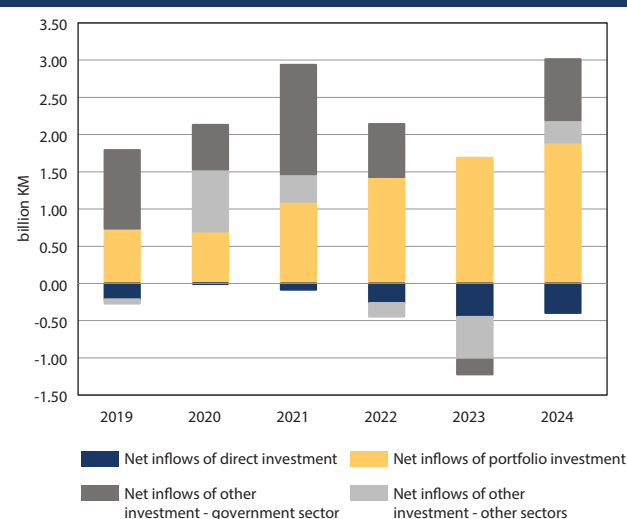


Net foreign borrowing in 2024 was significantly higher than in 2023 (an increase of KM 2.15 billion), and the structure of borrowing itself was significantly different (Graph 2.3). The most significant impact on the growth of net foreign borrowing was recorded by net inflows from foreign direct investments, which recorded an increase of KM 204.2 million in 2024, most of which related to reinvested earnings. Despite a significant decrease in debt to the IMF, the Government sector increased net foreign borrowing in 2024 thanks to new long-term loans from international financial creditors<sup>88</sup>.

<sup>88</sup> In 2024, the BH Government sector had new borrowings, the most significant of which are those with the International Bank for Reconstruction and Development, the European Investment Bank, as well as other public creditors (Government and government agencies)

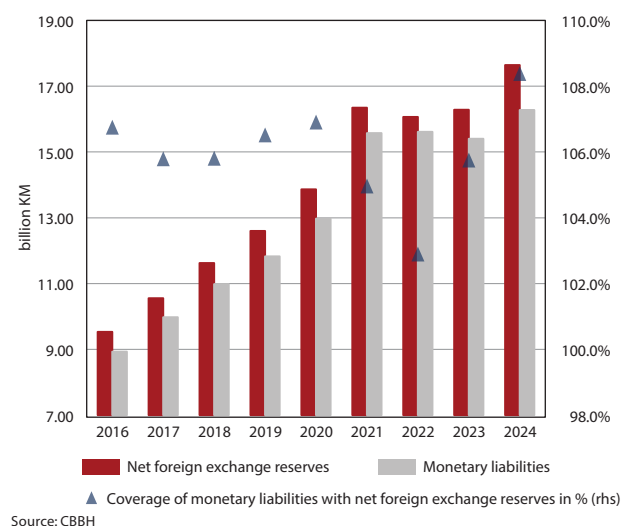
Within other investments, net inflows from the private sector had a positive effect on the growth of reserve assets, mostly in the form of trade credits and advances, and to a lesser extent in the form of loans to non-financial companies. On the other hand, a net outflow of funds in the observed period was recorded on the basis of portfolio investments, as a result of investments by companies from the financial sector in debt securities of non-residents.

Graph 2.3: Structure of Net Foreign Borrowing



The coverage ratio of monetary liabilities by foreign exchange reserves at the end of 2024 was significantly higher compared to the end of the previous year and amounted to 108.4% (Graph 2.4). The growth in the coverage ratio is a consequence of the adequate positioning of the foreign exchange reserve portfolio for the expected increase in the ECB's reference rates and yields on debt securities of euro area governments (see Chapter 2.3).

Graph 2.4: Coverage of Monetary Liabilities with Net Foreign Exchange Reserves



## 2.1. Monetary policy

In 2024 too, the CBBH also met the objective defined by the Law, namely the issuance of domestic currency under a currency board arrangement. In accordance with Article 31 of the Law on the CBBH, the CBBH is obliged to ensure that the total amount of its monetary liabilities never exceeds the equivalent amount of its net foreign exchange reserves, which has been fully met.

In accordance with the Law, the total amount of the monetary liabilities of the Central Bank is always the sum of: (A) all banknotes and coins put into circulation by the Head Office, Main Units and Branches of the Central Bank, and (B) credit balances of all accounts held in the books of the Central Bank and its organizational units by resident account holders.

At the end of 2024, net foreign assets amounted to KM 1.36 billion, which is KM 478.9 million more than at the end of 2023. The CBBH's net foreign assets provide protection against market shocks that may have a negative impact on the fair value of financial instruments in which foreign exchange reserves are invested. Net foreign exchange reserves, at the end of 2024, amounted to KM 17.64 billion and increased by KM 1.35 billion compared to the same period of the previous year. Monetary liabilities recorded an increase of KM 873.5 million in the same period, due to a significant increase in the total holdings of banks in reserve accounts with the CBBH.

## 2.2. Reserve accounts with the CBBH

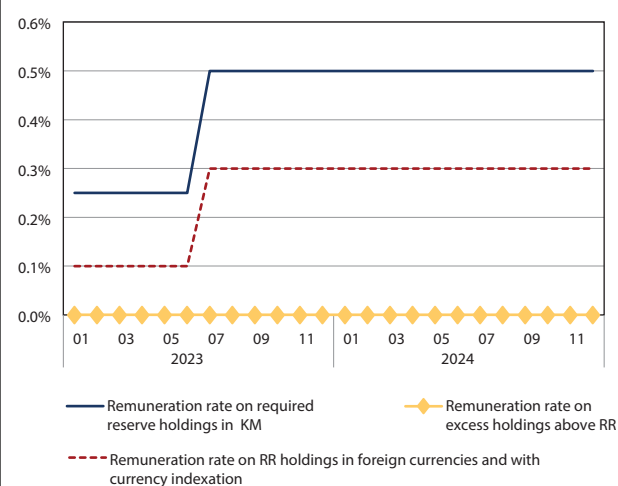
The only monetary policy instrument of the CBBH is the required reserve. During 2024, the CBBH did not change the required reserve rate or the coverage of the required reserve base. The required reserve rate was maintained at 10%, and is applied to all domestic and foreign liabilities of banks. On the required reserve funds with the KM domestic currency base, the commercial banks are paid the remuneration at the rate of 50 basis points (0.50%), on reserve requirement funds with the foreign currencies base and with the domestic currency with a currency clause base - a remuneration is paid at a rate of 30 basis points (0.30%). On the excess required reserves, no remuneration is calculated (Graph 2.3).

Since the beginning of 2024, the CBBH has introduced changes to the required reserve policy, which imply greater flexibility in the calibration of monetary policy. The key change relates to the obligation to allocate the required reserve from the base for calculating the required reserve in foreign currency. With the aim of an easier transition, especially from the aspect of managing the net open position of banks, but also taking into account the effects on the investment policy of CBBH, it was decided to proceed with the implementation in phases. This Decision defines that during the transition period, banks maintain the calculated required reserve in EUR by keeping 5% of the calculated required reserve in EUR at the EUR reserve account, while the rest will be maintained in KM.

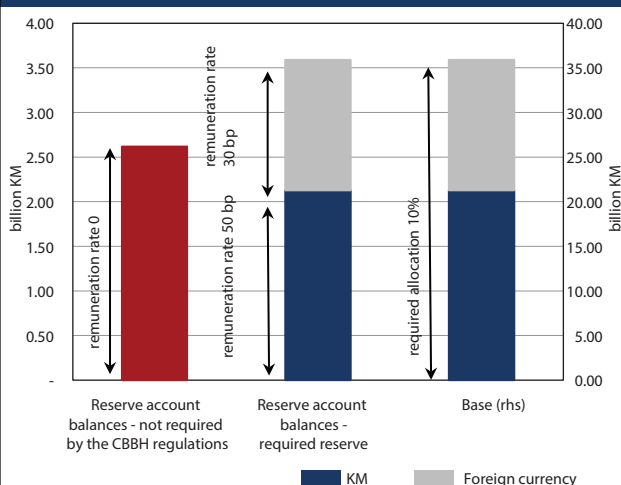
During 2024, a part of the required reserve from the foreign currency base was allocated in foreign currency in the amount of 5%. This way of maintaining and allocating required reserve has been additionally extended until June 30, 2025. The Central Bank of Bosnia and Herzegovina did not change its remuneration policy during 2024, so the required reserve rate applied by the Central Bank was 10% for all currency and maturity categories (Graph 2.5).

Throughout 2024, the commercial banks were remunerated at a rate of 50 basis points (0.50%) on required reserve funds with the KM domestic currency base, but the remuneration was paid at the rate of 30 basis points on required reserve funds with the foreign currencies base and with the domestic currency with a currency clause base, a (0.30%). No remuneration was paid out for excess required reserve (Graph 2.6).

Graph 2.5: Required Reserve Policy in Respect of Remuneration Changes



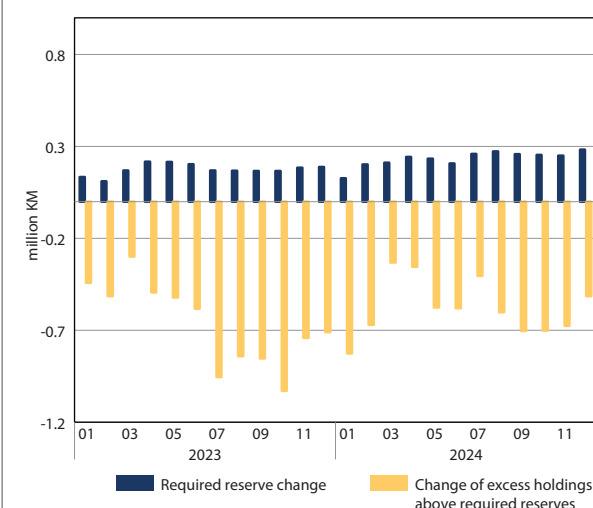
Graph 2.6: Required Reserve Policy with Regard to Positions in the Last Calculation Period in 2024



The required reserve system included 22 banks in 2024. All banks fulfilled the obligation to allocate to the required reserve account. The strong growth of domestic sector deposits continues to be the dominant factor in the growth of the required reserve calculation base. The required reserve calculation base, at the end of the reporting period, amounted to KM 35.71 billion, and compared to the same period last year, it is higher by KM 2.8 billion. The base structure is dominated by the KM base with a share of over 59% at the end of the last calculation period in 2024. The share of the KM base in the total required reserve calculation base is higher by 0.5% compared to the same period last year. This modest growth in the KM base did not significantly change the percentage share of the base in foreign currencies.

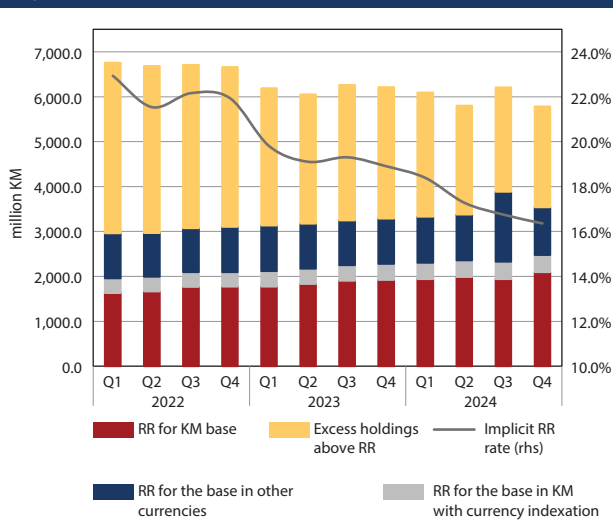
During 2024, the required reserve base recorded continuous monthly growth (Graph 2.7). The growth trend in foreign assets of banks (KM 420.12 million in 2024) was reflected in the excess required reserve, where a continuous monthly decline was recorded during 2024 (Graph 2.7).

Graph 2.7: Monthly Changes of Required Reserves and Excess Holdings above Required Reserve



Total funds in reserve accounts with the CBBH at the end of December 2024 amounted to KM 6.20 billion and are only KM 8.4 million lower compared to the last calculation period in 2023. Consequently, the implicit required reserve rate is lower by 1.1% and at the end of the last calculation period in 2024, it amounted to 17.3% (Graph 2.8). At the end of December, the average excess required reserve amounted to KM 2.62 billion.

Graph 2.8: Balance of Reserve Accounts with the CBBH and RR Implicit Rate



Source: CBBH

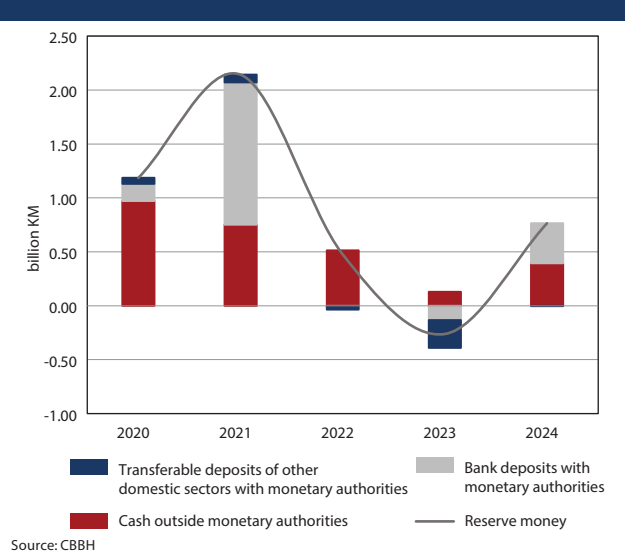
The decrease of the excess RR that began in the fourth quarter of 2022 and lasted throughout 2023, also continued throughout 2024 with a somewhat milder intensity. Thus, the decrease of the excess required reserve during 2024 amounted to KM 514.46 million, which is still less than the decrease recorded in the previous year (KM 709.86 million). The decrease of the excess required reserve recorded in the previous two years is noticeable in most banks, not just a few, and we can conclude that this is a systemic phenomenon, and not just the business policy of individual banks. The causes of these changes are numerous, but the changes in the financial markets of the euro area, as well as the significant changes in the ECB's monetary policy, that occurred in the previous year, stand out in particular.

Excess required reserve represent only one component of the highly liquid assets of the banking system, and it was precisely during 2024 that high liquidity of the banking sector was recorded.

Reserve money at the end of 2024 amounted to approximately KM 15.43 billion, representing an annual growth of KM 764.7 million or 5.21% in relative terms (Graph 2.9). About 96% of the growth of this indicator on an annual basis occurred in the second half of 2024. On an annual basis, the item of banks' deposits with monetary authorities recorded an increase of KM 372.2 million. On the other hand, cash outside monetary authorities, as the most significant component of reserve money, recorded an annual growth of KM 394.1 million. Most of the growth of this component of reserve money occurred during the summer months and the tourist season when the seasonal impact of the increase in cash outside monetary authorities is most pronounced.

Transferable deposits of other domestic sectors with monetary authorities, as traditionally the smallest item of reserve money, recorded an annual decline of 9.43% (KM 1.6 million in absolute terms). Since the other two items recorded significantly higher annual growth, the decline in this item had a negligible impact on the final annual change in total reserve money.

Graph 2.9: Annual Changes in Reserve Money Components

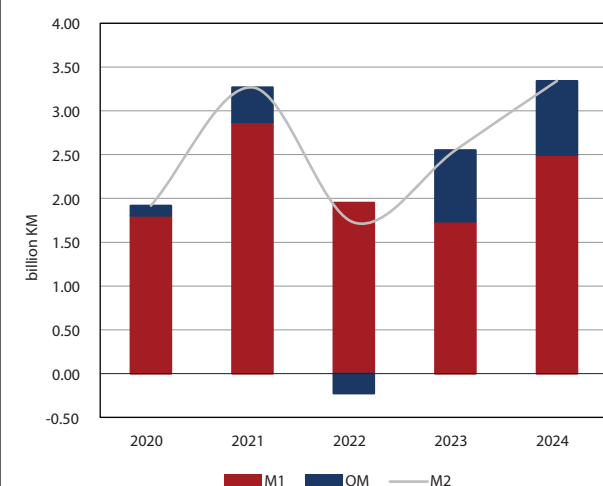


Source: CBBH

During 2024, the M2 monetary aggregate grew by KM 3.34 billion (9.34%), which is, historically, moderate growth (Graph 2.10). On the other hand, the M1 monetary aggregate, as the dominant component of the M2 aggregate, recorded an annual growth of KM 2.5 billion, which represents an annual growth rate of 11.55%. The increase in transferable deposits in domestic currency of KM 2.17 billion was the main cause of the growth of monetary aggregates, and is responsible for 87.1% and 65% of the growth of M1 and M2 monetary aggregates, respectively. Such developments reflect a multi-year trend of strong growth in transferable deposits of households and corporates in the BH banking sector.

Cash outside banks, as the second component of the M1 monetary aggregate, recorded an annual growth of KM 322.7 million. Quasi-money (QM) recorded an annual growth of KM 846.1 million, mainly due to the growth of other foreign currency deposits in the amount of KM 458.5 million.

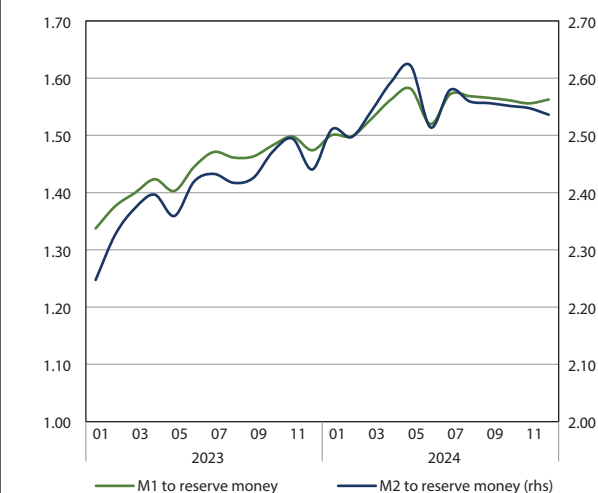
Graph 2.10: Annual Changes of Monetary Aggregates



Source: CBBH

Changes in the trends of the components of the money supply, as well as changes in reserve money recorded during 2024, were also reflected in the monetary multiplication. Due to the faster growth of monetary aggregates compared to the growth of reserve money, monetary multipliers recorded growth in 2024, with the most pronounced growth in the first half of the year (Graph 2.11). The monetary multiplier for the M1 aggregate recorded more intensive growth compared to the multiplier for the M2 aggregate, which was due to the strong growth of transferable deposits in domestic currency.

Graph 2.11: Monetary Multiplication



Source: CBBH

Regulatory data from the commercial banking sector also indicate the importance of short-term liabilities in the banking sector's liabilities (Table 2.1). The data also suggest that the growth in transferable deposits in the banking sector has increased the amount of liquid assets by approximately the same amount, as is evident from the fact that the ratio of liquid assets to short-term financial liabilities of the banking sector has remained relatively stable with very little change since the end of 2023. The percentage of short-term to total financial liabilities of banks, which is still at a high level, indicates an unfavorable maturity structure of sources that is not conducive to stronger growth in long-term credit placements. Furthermore, strong demand for loans and consequently stronger growth in credit placements compared to deposit growth has led to a slight decline in the deposit-to-loan ratio.

According to the latest available data, Liquidity Coverage Ratio (LCR)<sup>89</sup> at the end of the third quarter of 2024 at the level of the banking system was 234.1%, and almost all banks in the system recorded significantly higher values of the indicator than the minimal requirement.

In line with the valuable regulatory requirements, the banks were obliged to report to the Agencies about Net stable funding ratio (NSFR)<sup>90</sup>, by the end of Q4 2021, and to meet the requirements related to the NSFR by the end of 2022. The minimum required level of the Net stable funding ratio according to the Basel Committee is 100% on a daily basis. This indicator was 159% at the end of the third quarter of 2024, which represents a slight decrease compared to the end of 2023, when this ratio was 159.9%. In addition to the adequate amount of this indicator at the banking system level, all banks individually record significantly higher indicator values than the minimal requirement.

<sup>89</sup> The Liquidity Coverage Ratio (LCR) measures the ability of banks to withstand a 30-day liquidity stress scenario and is calculated as the ratio between the liquidity buffer, which are the assets that would be liquid in times of stress, and the net liquidity outflows calculated in accordance with the established scenario parameters over the next 30 calendar days. Banks are required to maintain a LCR of at least 100%.

<sup>90</sup> The Net Stable Funding Ratio (NSFR) is a new FSI that measures the ability of banks to withstand market disruptions over a period of one year. This FSI is calculated as the ratio of available stable funding to required stable funding.



Table 2.1: Liquidity Indicators of BH Banking Sector

|      |    | Liquid assets to total assets | Liquid assets to short term financial liabilities | Deposits to credits | Short term financial liabilities to total financial liabilities |
|------|----|-------------------------------|---|---------------------|---|
| 2020 | Q1 | 27.7%                         | 57.5%   | 113.2%              | 56.3%   |
|      | Q2 | 26.9%                         | 52.7%   | 114.9%              | 59.7%   |
|      | Q3 | 27.6%                         | 49.8%   | 117.8%              | 64.9%   |
|      | Q4 | 28.6%                         | 51.3%   | 120.7%              | 65.4%   |
| 2021 | Q1 | 28.5%                         | 51.2%   | 122.3%              | 65.5%   |
|      | Q2 | 27.8%                         | 49.0%   | 125.4%              | 66.5%   |
|      | Q3 | 28.5%                         | 49.9%   | 127.7%              | 67.2%   |
|      | Q4 | 30.7%                         | 51.3%   | 130.3%              | 68.8%   |
| 2022 | Q1 | 29.3%                         | 49.2%   | 124.6%              | 68.9%   |
|      | Q2 | 29.6%                         | 48.7%   | 126.1%              | 70.3%   |
|      | Q3 | 30.8%                         | 49.8%   | 129.3%              | 71.5%   |
|      | Q4 | 30.5%                         | 48.4%   | 130.8%              | 72.6%   |
| 2023 | Q1 | 29.4%                         | 48.0%   | 129.8%              | 70.9%   |
|      | Q2 | 28.8%                         | 47.0%   | 130.0%              | 71.0%   |
|      | Q3 | 30.3%                         | 49.5%   | 132.0%              | 71.3%   |
|      | Q4 | 29.0%                         | 47.2%   | 131.0%              | 71.1%   |
| 2024 | Q1 | 28.5%                         | 46.5%   | 131.3%              | 71.3%   |
|      | Q2 | 28.2%                         | 46.4%   | 128.1%              | 70.6%   |
|      | Q3 | 28.8%                         | 47.1%   | 129.1%              | 71.2%   |

Source: CBBH

### 2.3. Foreign exchange management

In accordance with the Law on the CBBH and the relevant internal acts (investment guidelines, strategic assets allocation and risk rules and parameters), the CBBH manages its foreign exchange reserves based primarily on the principles of safety and liquidity. Given that, according to Article 34 of the Law on the CBBH, it is not possible to invest more than the equivalent of 50% of the total undiminished capital and reserves in currencies other than EUR, the CBBH invests more than 99% of its foreign exchange reserves in financial instruments denominated in EUR. A series of investment decisions made in the previous period, including the timely and adequate restructuring of the foreign exchange reserve portfolio in 2023 and 2024, enabled it to take advantage of the environment of high (or favourable) interest rates and yields on securities in the financial markets of the euro area. Consequently, in 2024, 40% more net interest income in foreign currency was generated, compared to the previous year.

Decisions on the management and investment of foreign exchange reserves are made at three levels within the CBBH organization: strategic – the Governing Board; tactical – the Investment Committee, and operational – the relevant departments of the Monetary Operations, Foreign

Exchange and Cash Management Sector. The Governing Board establishes investment guidelines, which define the maximum risk tolerance, optimal trade-off, strategic asset allocation, investment limits, investment period and benchmark for performance assessment. The Investment Committee operates within the framework of binding legal restrictions, foreign exchange reserve management policies and investment guidelines adopted by the Governing Board, and the rules and risk parameters related to the investment of foreign exchange reserves, adopted by the Governor. Decision-making and responsibility for the day-to-day management of foreign exchange reserves lies at the operational level, which operates in accordance with the policy, guidelines, and risk rules and parameters.

In the process of managing foreign exchange reserves, during 2024, available information from relevant money and capital markets in the euro area and the world were continuously considered, as well as available forecasts that could affect the investment of foreign exchange reserves in the current year, but also in the following period. Also, the possibilities and modalities of the investment policy and management of the CBBH foreign exchange reserves were analysed, and appropriate changes to the investment policy were initiated in order to adapt to new market conditions in the euro area. We also continuously analysed the information on ratings of foreign banks with which the CBBH has term deposits and current account funds, and countries that are issuers of securities represented in the CBBH foreign exchange reserves portfolio.

The CBBH foreign exchange reserves portfolio is primarily exposed to financial risks (interest rate, credit and liquidity risk), foreign exchange risk, and gold price risk. Interest rate risk management, i.e. the risk of a decrease in the market value of the foreign exchange reserve portfolio due to hypothetical, unfavourable movements in interest rates, includes: prescribing a target modified duration of the foreign exchange reserve portfolio, and a permitted deviation of the investment portfolio duration, as well as for the total foreign exchange reserve portfolio, and monitoring of Value at Risk.

The CBBH limits its exposure to credit risk by investing in bonds of selected euro area countries, and by placing deposits in: selected central banks in the euro area, the Bank for International Settlements (BIS), and selected commercial foreign banks, provided that they meet counterparty eligibility standards. The basic principle in credit risk management is appropriate criteria for selecting counterparties and fixed-income debt securities, and avoiding excessive concentration of credit risk exposure to a single counterparty. The aforementioned standards and limitations are reviewed and updated as necessary, taking into account official ratings from leading global rating agencies, as well as indicators obtained through the application of internal methods for assessing credit risk. Liquidity risk management is based on the assessment of potential liquidity needs and the identification of liquid

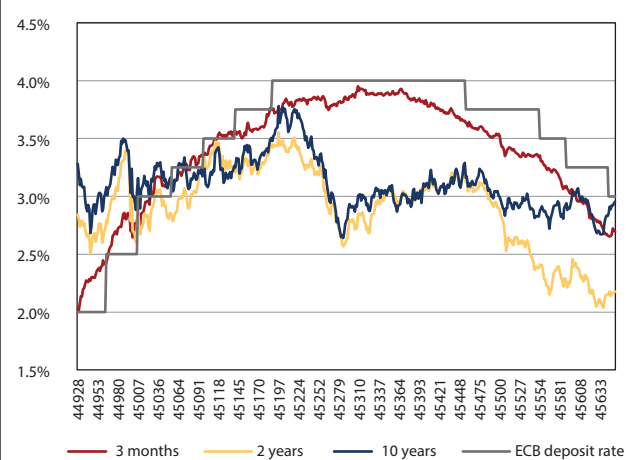


financial instruments. Instruments used to ensure daily liquidity are overnight deposits and current account balances with counterparties that meet credit risk criteria, as well as maturing funds per all instruments.

Foreign exchange risk represents the risk of changes in the value of foreign exchange assets and liabilities due to changes in the exchange rates in which foreign exchange reserves are held and transactions are made, relative to the domestic currency. Foreign exchange risk management is carried out primarily through the adjustment of the currency structure of the CBBH's assets and liabilities, as well as by setting quantitative limits for exposure to foreign exchange risk.

Leading central banks have, since mid-2024, replaced restrictive monetary policy with expansionary one (Chapter 1.1). The ECB has reduced its reference interest rates four times in total, during 2024, and the FED three times, each by a total of 100 bp. Despite the relatively weak growth of economic activity in the euro area, the inversion of the yield curve<sup>91</sup> on Eurobonds was lower compared to 2023, which was reflected in the increase in average market yields on three-month bonds of euro area countries compared to 2023. Average market yields on bonds of euro area countries with longer maturities were lower compared to 2023 (Graph 2.12). During 2024, yields on European long-term government bonds (ten-year bonds) recorded smaller oscillations, and at the end of the year, they were 17 basis points higher than at the beginning of the year. Unlike long-term bonds, market yields on European short-term government bonds followed the trend of the ECB deposit rate. Compared to the beginning of 2024, at the end of the year, yields on three-month bonds were lower by 110 bp, and in the case of two-year bonds, yields were lower by 44 bp.

Graph 2.12: Average Daily Market Yields on the Euro Area Sovereign Bonds, and the ECB Deposit Rates in 2023 and 2024



Source: ECB

<sup>91</sup> An atypical market situation that occurs when short-term debt instruments of the same credit profile have higher yields than long-term debt instruments. An inverted yield curve typically signals that markets expect a recession in the near term.

The growth of market yields in 2023 enabled the generation of significantly higher amounts of interest income not only in that year, but also in 2024. Therefore, the weighted average net interest rates (specified as WANIR in Table 2.2; calculated as the ratio of realized net interest income/expenses and the average balance of foreign exchange reserves in the observed period) in 2023 and 2024 were significantly higher compared to the previous 10 years. Observed by quarters in 2024, WANIR amounted to 3.05%, 3.03%, 2.98%, and 2.75% respectively.

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

|      | WANIR, % | ECB - deposit facility rate, % | ECB - main refinancing operations, % | Euribor, % |       | EUR bonds, % |       |       |       |       |      |
|------|----------|--------------------------------|--------------------------------------|------------|-------|--------------|-------|-------|-------|-------|------|
|      |          |                                |                                      | 1 m        | 3 m   | months       |       | years |       |       |      |
|      |          |                                |                                      |            |       |              | 6     | 1     | 2     | 5     | 10   |
| 2016 | 0.22     | -0.38                          | 0.01                                 | -0.34      | -0.27 | -0.42        | -0.39 | -0.36 | -0.32 | 0.01  | 0.77 |
| 2017 | 0.18     | -0.40                          | 0.00                                 | -0.37      | -0.41 | -0.54        | -0.52 | -0.49 | -0.39 | 0.18  | 1.09 |
| 2018 | 0.16     | -0.40                          | 0.00                                 | -0.37      | -0.32 | -0.48        | -0.43 | -0.33 | -0.13 | 0.46  | 1.14 |
| 2019 | 0.11     | -0.43                          | 0.00                                 | -0.40      | -0.36 | -0.46        | -0.42 | -0.37 | -0.27 | -0.02 | 0.40 |
| 2020 | 0.04     | -0.50                          | 0.00                                 | -0.50      | -0.43 | -0.50        | -0.49 | -0.47 | -0.43 | -0.27 | 0.08 |
| 2021 | -0.08    | -0.50                          | 0.00                                 | -0.56      | -0.55 | -0.64        | -0.63 | -0.62 | -0.58 | -0.37 | 0.10 |
| 2022 | 0.09     | 0.08                           | 0.58                                 | 0.09       | 0.35  | 0.15         | 0.35  | 0.66  | 0.97  | 1.44  | 1.91 |
| 2023 | 2.14     | 3.30                           | 3.80                                 | 3.25       | 3.43  | 3.28         | 3.33  | 3.27  | 3.08  | 2.99  | 3.24 |
| 2024 | 2.95     | 3.74                           | 4.14                                 | 3.56       | 3.57  | 3.49         | 3.30  | 3.02  | 2.72  | 2.66  | 2.98 |

Change (in bp) in 2024, compared to:

|      |     |     |     |     |     |     |     |     |     |     |     |
|------|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|
| 2023 | 81  | 44  | 34  | 32  | 14  | 21  | -3  | -25 | -36 | -33 | -26 |
| 2020 | 291 | 424 | 414 | 406 | 400 | 399 | 379 | 349 | 315 | 293 | 290 |

Source: ECB, CBBH

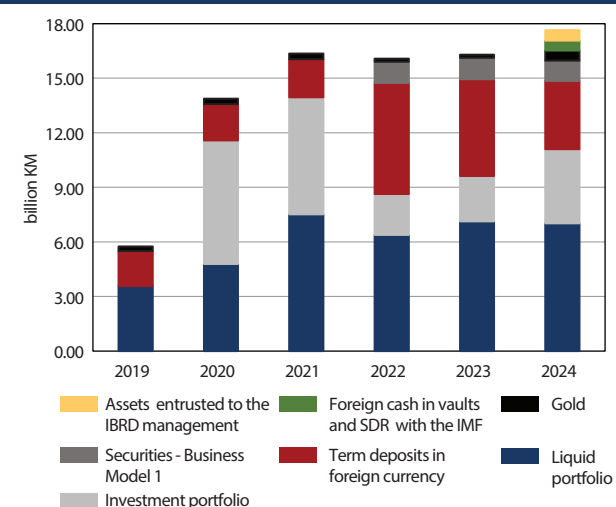
Note: Average annual interest rates and market yields are calculated as the average of daily interest rates and market yields in the observed year. In 2024, the ECB's deposit rate has been reduced from an initial 4% to 3%.

The structure of foreign exchange reserves at the end of 2024 (Graph 2.13) consisted of: term deposits with a share of 21.24%; liquid portfolio with share of 39.80%; investment portfolio (securities with over one year remaining maturity) with a share of 23.09%; securities in Business Model 1<sup>92</sup> with a share of 6.40%; gold with a share of 3.14%, and a new component of foreign exchange reserves, funds entrusted to the management of the International Bank for Reconstruction and Development (IBRD), with 3.32%<sup>93</sup>. At the end of 2024, the liquid portfolio consisted of: current accounts with banks and overnight deposits (22.61% of total foreign exchange reserves), and securities with a remaining maturity of one year or less (22.47% of total foreign exchange reserves). As of 2024, foreign cash in vaults (2.98% of total foreign exchange reserves) and Special drawing rights (SDRs) with the International Monetary Fund (IMF), amounting to 0.03% of total foreign exchange reserves, are separate components of foreign exchange reserves and are not part of the liquid portfolio.

<sup>92</sup> Part of the securities portfolio classified according to the amortized cost method.

<sup>93</sup> In 2024, the CBBH joined the World Bank Reserves and Advisory Management Program (RAMP), and within it, the CBBH entrusted a small part of its portfolio of foreign exchange reserves to the management of the IBRD. More information in Chapter 2.9.

Graph 2.13: The Structure of the CBBH Foreign Exchange Reserve Investment at Year End



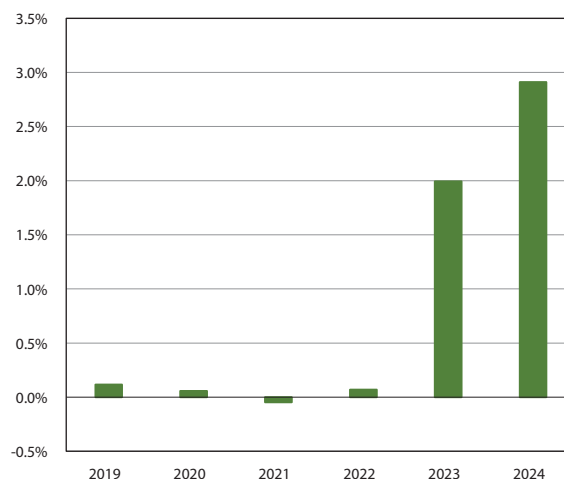
Source: CBBH

At the end of 2024, securities with fixed income made up 55.37% of total foreign exchange reserves, which is more compared to their share in foreign exchange reserves at the end of 2023 (44.99%). In order to mitigate the credit risk, investments are made in the securities of selected European countries, with restrictions on the minimum acceptable threshold of the composite credit rating and the required average credit rating of the portfolio. Funds deposited with non-resident banks at the end of 2024 accounted for 38.48% (51.12% at the end of 2023). The share of gold at the end of 2024 (3.14%) has increased compared to the end of the previous year (1.08%), while foreign assets in vaults and SDRs with the IMF have remained at approximately the same levels.

Net effect of investment of CBBH's foreign currency funds in convertible foreign currency on the income statement for the period 1 January – 31 December 2024 is KM 455.2 million, and expressed as an effective yield rate<sup>94</sup> is 2.91% (Graph 2.14). In 2024, too, the CBBH remained consistent with its investment policy in accordance with legally defined goals and objectives, which implies that official foreign exchange reserves are managed in a safe and profitable manner.

<sup>94</sup> The effective yield rate is calculated by dividing the net effect of investing foreign exchange reserves by the average balance of foreign exchange reserves in the observed period. When calculating the total net effect of investing foreign exchange reserves, we took in account all net income from interest on securities and deposits in foreign currency, as well as realized net capital gains/losses due to the sale of securities from the CBBH foreign exchange reserves portfolio.

Graph 2.14: Annual Yield Rates on the CBBH Foreign Exchange Reserves

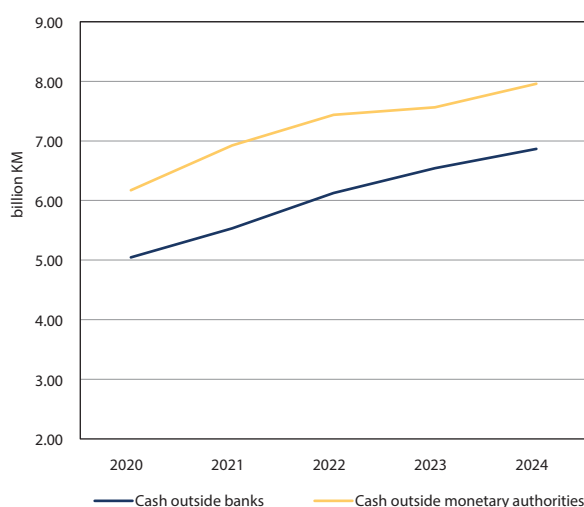


Source: CBBH

## 2.4. Cash management

The upward trend of cash in circulation (outside banks) from previous years has continued. As of 31 December 2024, cash in circulation outside banks amounted to KM 6.87 billion (Graph 2.15), which is higher by 4.98% than in 2023. The reasons for the increased demand for KM are activities in the tourism sector and the related service activities (see Chapter 1.2.4), but also the overall economic activity growth. The strong growth trend of cash outside the CBBH continued in 2024 (Graph 2.15). The demand for cash by banks is a consequence of customers' demands for cash.

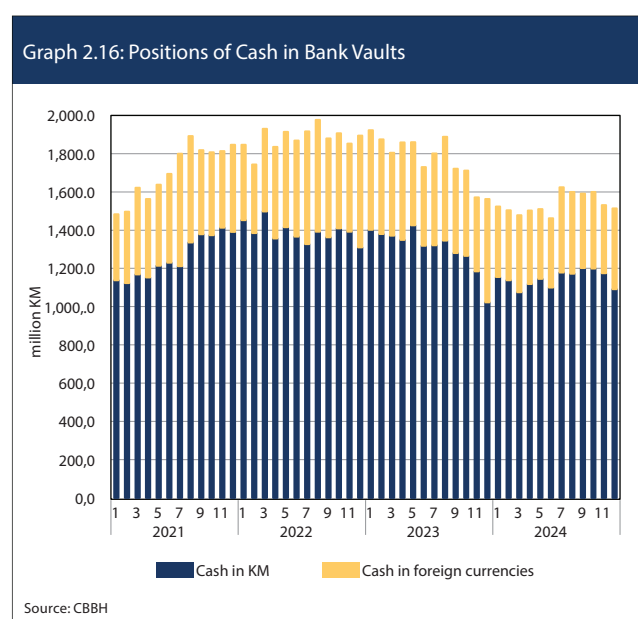
Graph 2.15: Cash outside Monetary Authorities and Banks



Source: CBBH

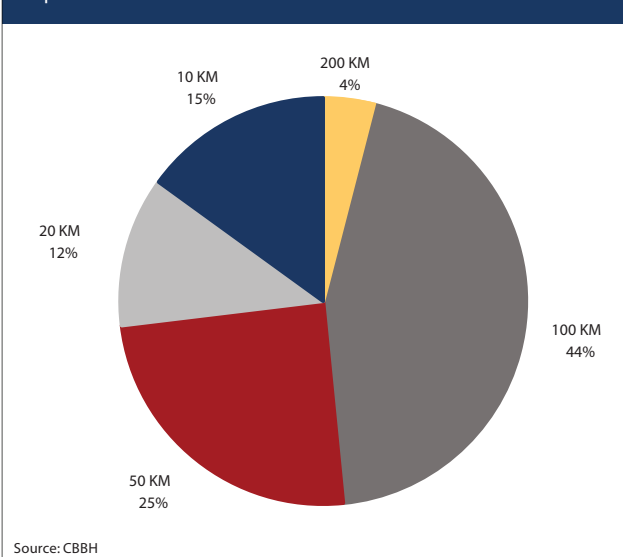
Unlike previous years, commercial banks reduced the cash amounts in their vaults in 2024 (Graph 2.16). Such change is certainly not concerning, because there is no shortage of cash in the system, either with banks or with their clients. This is supported by decreased cash withdrawals at POS terminals in BH and increased non-cash payments, confirming further digitalisation of payment transactions (see Chapter 2.5).

Banks' financial soundness indicators in 2024 show an improvement of the banking sector liquidity indicators.<sup>95</sup> Having in mind the significant differences between the yields on the domestic and foreign markets (see Chapter 2.3) and the remunerations paid by the CBBH to banks on their holdings in reserve accounts (see Chapter 2.2), it is certain that banks redirected a part of the cash in the vaults, as well as a part of excess reserves (Chapter 2.2), to foreign assets with foreign banks. With regard to the decrease of cash in foreign currencies, a part of cash in foreign currencies in bank vaults is likely to have been decreased, together with the part of the required reserve that has been allocated in the amount of 5% in EUR reserve accounts since 1 January 2024 (Chapter 2.2).

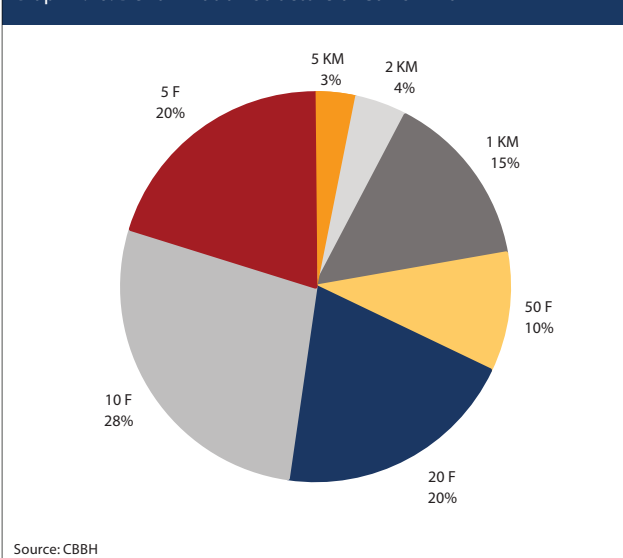


At 2024 end, there were 111.6 million KM banknotes and 544.5 million KM coins outside the CBBH, in the total value of KM 7.96 billion, which is higher by 5.2% compared to 2023. In terms of the denomination structure of currency outside the CBBH, the largest shares were taken by 100 KM and 50 KM banknotes, and 10 F denomination regarding coins (Graphs 2.17 and 2.18).

**Graph 2.17: Denomination Structure of Banknotes in 2024**



**Graph 2.18: Denomination Structure of Coins in 2024**

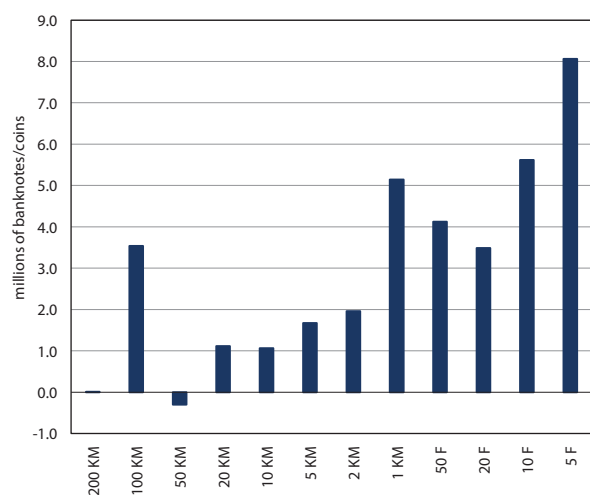


The number of banknotes in the denomination of KM 100, which were in circulation at the end of 2024, increased by 3.5 million (7.7%) compared to the end of 2023.

Compared to 2023, the quantity of banknotes outside the CBBH increased by 5.42 million pieces (5.1%), in the total value of KM 372.97 million (Graph 2.19). In the same period, the quantity of coins outside the CBBH increased by 30.06 million pieces (5.84%), in the total value of KM 21.14 million (Graph 2.20).

<sup>95</sup> See the *Financial Soundness Indicators*, the *Financial Stability Risk Assessment*, and the *Financial Stability Report*, all available on the CBBH website.

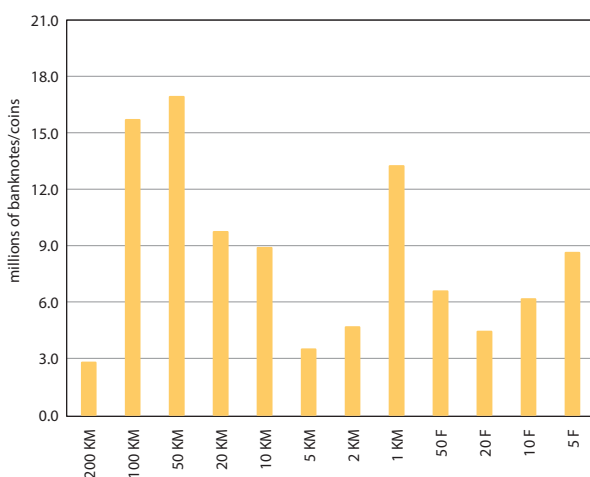
Graph 2.19: Change in the Number of Banknotes and Coins by Denominations Compared to 2023



Source: CBBH

The supply of commercial banks with cash is carried out through the vaults of the Main Units and Branches of the CBBH, located in Sarajevo, Banja Luka, Mostar and Brčko, with strict adherence to the currency board arrangement. In 2024, 53.97 million pieces of banknotes and 47.11 million pieces of coins were issued to commercial banks, in the total value of KM 3.30 billion (Graph 2.21).

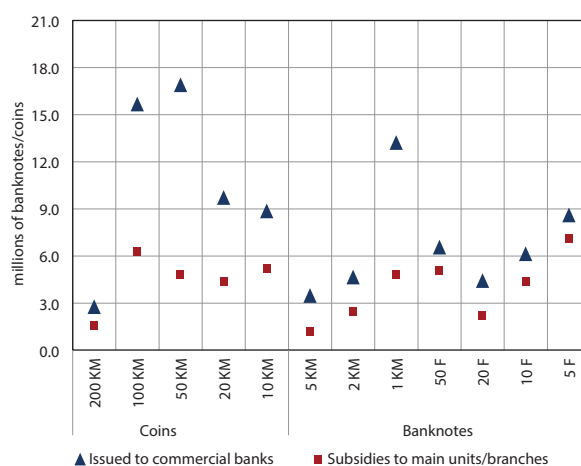
Graph 2.20: Banknotes and Coins Issued in 2024, by Denominations



Source: CBBH

In the same period, 22.18 million pieces of banknotes and 27.18 million pieces of coins, in the total value of KM 1.34 billion, were issued (subsides) from the Cash Management Department of the Head Office to the Main Units and the Brčko Branch. Graph 2.21 implies that the CBBH took into account the requests of commercial banks for cash in the appropriate denomination structure. Since commercial banks' returns of cash to the CBBH vaults are significant, the subsidies to the CBBH Main Units/Branches are, as a rule, significantly lower.

Graph 2.21: Cash (KM) Outflows in 2024



Source: CBBH

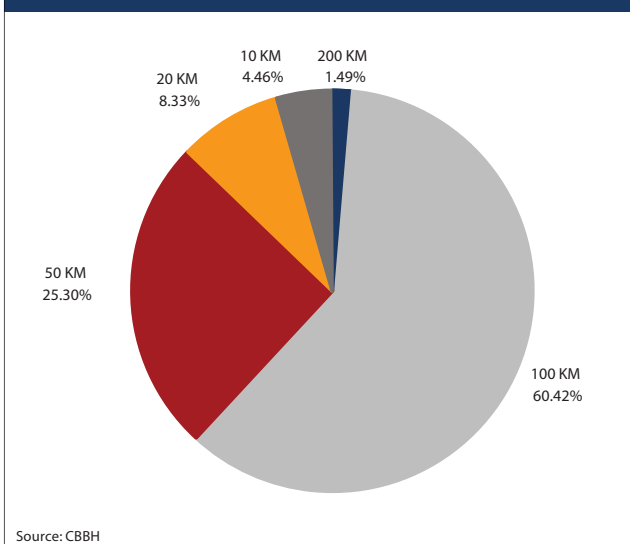
The CBBH continuously withdraws banknotes unfit for circulation, which are destroyed in accordance with the applicable regulations. By withdrawing unsuitable banknotes and putting into circulation banknotes of new series, the CBBH maintains a satisfactory quality of currency in circulation. In 2024, 12.69 million pieces of banknotes and 13,407 pieces of coins unfit for circulation were destroyed.

In 2024, the CBBH adopted the Decision on the withdrawal from circulation of the banknotes in the denominations of 10, 20, 50 and 100 convertible marks which had been put into circulation in the period from 1998 to 2009, Official Gazette of BH, No. 27/24 as of 19 April 2024. The deadlines for the use of banknotes in circulation were determined, as well as the deadlines and the manner of their exchange at commercial banks, i.e. at the CBBH. Convertible mark banknotes in the denominations of 10 KM, 20 KM, 50 KM and 100 KM put into circulation in the period from 1998 to 2009 could be used in cash transactions until 31 December 2024, ceasing to be legal tender after 1 January 2025 and being subject exclusively to the exchange procedure at commercial banks, for one year, more precisely, until 31 December 2025, and after that for 10 years in the CBBH, starting from 1 January 2026, ending on 31 December 2035. The procedure of withdrawing banknotes of older issues is very important because only banknotes that have identical and improved security features against counterfeiting will remain in circulation, which will facilitate authentication for the public, persons who perform manual processing of banknotes, as well as that on banknote receiving and processing machines. Also, an increased level of quality of banknotes in circulation will be ensured, as banknotes withdrawn from circulation will be replaced with new banknotes of high quality.

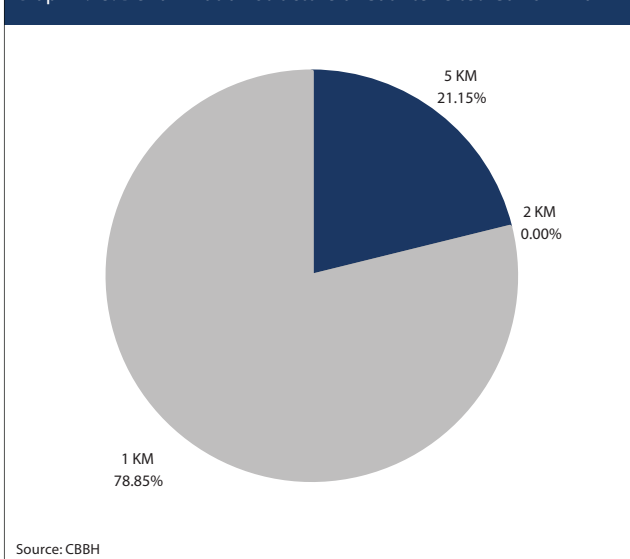
In accordance with the analyses conducted by the CBBH, the quantity of banknotes of older issues being withdrawn from circulation is currently estimated at 7.3 million pieces of KM banknotes (compared to the total quantity of banknotes outside the CBBH being 111 million pieces, banknotes of older issues participate with a percentage of about 6%).

In 2024, 336 counterfeited convertible mark banknotes were registered in the CBBH, which is lower by 4% than in 2023. There were 383 registered counterfeited convertible mark coins, which is lower by 9.4% than in 2023. According to the denomination structure, most counterfeited banknotes were in the denomination of KM 100 (see Graph 2.22), and counterfeited coins in the denomination of KM 1 (Graph 2.23).

Graph 2.22: Denomination Structure of Counterfeited Banknotes in 2024



Graph 2.23: Denomination Structure of Counterfeited Coins in 2024



## 2.5. Payment system maintenance

The CBBH has met the legal obligation to maintain the relevant payment and clearing systems in 2024: payment transactions in the country were carried out smoothly, through giro clearing and real time gross settlement systems (RTGS); the Central Register of Credits (CRC) and the Single Register of Business Entities Accounts (SRBEA) were maintained and improved; and international clearing of payments with foreign countries was also performed. Recognizing macroeconomic importance and the importance of safe and efficient payment systems for financial stability, the CBBH worked intensively to strengthen the capacities and to operationalise the function of the payment systems' oversight during 2024.

Data for 2024 indicate the continuing positive trends in the payment system, with a stable growth of the number and value of transactions (Table 2.3). The total number of transactions increased by 6.3%, from 113.5 million to 120.6 million. Compared to 2023, the growth was particularly strong in the number and value of transactions carried out through the real-time gross settlement system (Table 21 in the Statistical Appendix). The growth was stronger in intrabank transactions (+7.2%) than in interbank transactions (+5.1%), indicating an increased activity within individual banks and stronger digitalization of payment transactions. The value of transactions also recorded a growth of 9.2%, reaching KM 333.2 billion in 2024. Interbank transactions increased by 12.2%, while the value of intrabank transactions increased by 5.7%, indicating an increased use of banking services among clients. As in previous periods, most transactions in interbank payments were carried out in a low number of banks; 67.52% of the total value and 72.28% of the total number of payment transactions in 2024 were made through five banks.

Table 2.3: Payment Transactions via Commercial Banks

|                      | Interbank transactions | Change compared to the previous year | Intrabank transactions | Change compared to the previous year | Total  | Change compared to the previous year |
|----------------------|------------------------|--------------------------------------|------------------------|--------------------------------------|--------|--------------------------------------|
| Number, in millions  |                        |                                      |                        |                                      |        |                                      |
| 2019                 | 43.6                   | 3.0%                                 | 56.9                   | -3.3%                                | 100.5  | -0.7%                                |
| 2020                 | 43.8                   | 0.4%                                 | 53.9                   | -5.2%                                | 97.7   | -2.8%                                |
| 2021                 | 48.0                   | 9.6%                                 | 56.3                   | 4.4%                                 | 104.3  | 6.8%                                 |
| 2022                 | 49.7                   | 3.6%                                 | 58.7                   | 4.3%                                 | 108.4  | 4.0%                                 |
| 2023                 | 50.8                   | 2.3%                                 | 62.7                   | 6.7%                                 | 113.5  | 4.7%                                 |
| 2024                 | 53.4                   | 5.1%                                 | 67.2                   | 7.2%                                 | 120.6  | 6.3%                                 |
| Value, in billion KM |                        |                                      |                        |                                      |        |                                      |
| 2019                 | 123.05                 | 19.8%                                | 113.37                 | -1.8%                                | 236.42 | 8.4%                                 |
| 2020                 | 105.13                 | -14.6%                               | 100.43                 | -11.4%                               | 205.56 | -13.1%                               |
| 2021                 | 122.40                 | 16.4%                                | 110.47                 | 10.0%                                | 232.87 | 13.3%                                |
| 2022                 | 145.83                 | 19.1%                                | 128.13                 | 16.0%                                | 273.95 | 17.6%                                |
| 2023                 | 163.10                 | 11.8%                                | 142.03                 | 10.8%                                | 305.12 | 11.4%                                |
| 2024                 | 183.04                 | 12.2%                                | 150.16                 | 5.7%                                 | 333.20 | 9.2%                                 |

Source: CBBH



In 2024, a far higher number of both interbank and intrabank transactions were carried out by legal entities (84% and 68% respectively). Therefore, and taking into account the average size of orders of legal entities, this type of clients accounted for over 91% of the total intrabank transactions value, and over 96% of the total interbank transactions value. Regarding the type of transaction initiation, in 2024, paper orders were more common in intrabank payment transactions (49.97% of the total number of orders), while 50.03% of interbank transactions were initiated by electronic orders. In 2024, the trend of significant growth of the number of electronic banking clients continued, especially in the segment of natural persons (12.2%, to the number of 1.63 million users), with the largest part related to mobile banking. However, the number of active electronic banking clients was significantly lower; only 34.6% of natural persons who are registered users actively used electronic banking in 2024. In 2024, the number of legal entities, active clients of electronic banking, was significantly higher than in the case of natural persons (70.08% of the total number of registered users). In 2024, the value of electronic banking transactions reached KM 165.53 billion, of which internet banking of legal entities accounted for even 95.78% of the total value of electronic banking transactions.

Transactions at POS terminals (point of sale) continued to increase in 2024. The value of realized transactions at POS terminals in 2024 amounted to KM 5.17 billion (Table 2.4). Internet sales were slightly lower compared to the growth from the previous year, but still growing (25.13%), which was certainly affected by the new policies of retail chains in the country, the continuing active use of delivery services in the food and catering industry, but also the beginning of delivery in BH by some of the world's largest online stores. Online sales abroad accounted for 64.10% of the total online sales in 2024. Transactions on ATM devices (automated teller machines) also continued to grow strongly (11.67% compared to 2023), which was expected, given the nominal wages growth (Chapter 1.2.1, Part IV), and the growth of the number of employees in 2024.

**Table 2.4: Survey of ATM and POS Card Transactions**

|                                      | 2019  | 2020  | 2021  | 2022  | 2023  | 2024  |
|--------------------------------------|-------|-------|-------|-------|-------|-------|
| POS, in billion KM                   | 3.26  | 3.19  | 2.94  | 3.77  | 4.42  | 5.17  |
| Change compared to the previous year | 4.3%  | -2.1% | -7.7% | 28.3% | 17.1% | 17.1% |
| ATM, in billion KM                   | 7.75  | 8.17  | 8.75  | 9.88  | 11.13 | 12.44 |
| Change compared to the previous year | 8.2%  | 5.3%  | 7.2%  | 12.9% | 12.6% | 11.8% |
| Internet, in million KM              | 157.4 | 180.6 | 265.0 | 448.2 | 651.7 | 815.5 |
| Total, in billion KM                 | 11.17 | 11.54 | 11.96 | 14.10 | 16.20 | 18.43 |
| Change compared to the previous year | 8.6%  | 3.3%  | 3.7%  | 17.9% | 14.8% | 13.8% |

Source: CBBH

A strong growth in the tourism sector and the related service activities in 2024 is best reflected in the strong growth of realized values of foreign cards in BH (Table 2.5). Transactions by foreign cards in BH, for the purchase of goods and services at POS terminals, compared to 2023, increased by even 22.09%. Cash withdrawals at ATMs in the country, using cards issued abroad, also increased compared to the previous year. On the other hand, the transactions realized abroad, by cards issued in BH, increased significantly compared to the previous year. The downward trend of cash withdrawals at POS terminals in BH and an increase of non-cash payments confirms further digitalisation of payment transactions.

**Table 2.5: Realized Values in Card Transactions Based on Residence Principle**

| Year  | Cash withdrawals |      | Purchase of goods and services at POS terminals | Total   |
|---|------------------|------|---|---------|
|   | ATMs             | POS  |   |         |
| Realized values by foreign cards in BH, in million KM       |                  |      |   |         |
| 2019  | 1,648.8          | 59.7 | 833.5   | 2,542.0 |
| 2020  | 1,117.6          | 59.7 | 399.3   | 1,576.6 |
| 2021  | 1,360.7          | 39.3 | 619.3   | 2,019.3 |
| 2022  | 1,793.1          | 63.0 | 1,105.1   | 2,961.1 |
| 2023  | 1,933.3          | 28.7 | 1,396.0   | 3,358.0 |
| 2024  | 2,020.5          | 16.1 | 1,704.4   | 3,741.0 |
| Realized values abroad by cards issued in BH, in million KM |                  |      |   |         |
| 2019  | 165,3            | 3.0  | 426.8   | 595,1   |
| 2020  | 162,3            | 4.0  | 355.7   | 522,0   |
| 2021  | 143,4            | 3.4  | 447.0   | 593,8   |
| 2022  | 142,9            | 2.8  | 644.1   | 789,7   |
| 2023  | 153,4            | 3.0  | 594.0   | 750,3   |
| 2024  | 307,2            | 3.0  | 697.6   | 1,007.8 |

Source: CBBH

Mastercard is still by far the most present card brand in BH (Table 2.6). The reason is that banks in BH generally accept Mastercard and Visa card brands at ATMs and POS terminals. Other brands were present in a very small number of banks. During 2024, due to changes in the market of Bosnia and Herzegovina, the operations related to the issuance and acceptance of Diners cards were completely suspended. The number of contactless card transactions in BH at ATMs and POS terminals in 2024 was higher than contact transactions (134.38 vs. 68.30 million), but the value of transactions realized by contact cards was significantly higher (KM 11.92 billion, or 62.07% of the total value).



**Table 2.6: Shares of Card Brands**

| Year | Visa    | Mastercard | American | BamCard | Diners | Total     |
|------|---------|------------|----------|---------|--------|-----------|
| 2019 | 757,775 | 1,348,275  | 7,304    | 12,280  | 12,970 | 2,138,604 |
| 2020 | 736,947 | 1,410,718  | 6,901    | 9,666   | 6,324  | 2,170,556 |
| 2021 | 749,874 | 1,452,272  | 6,382    | 10,371  | 30     | 2,218,929 |
| 2022 | 773,691 | 1,541,267  | 5,984    | 10,890  | 1,299  | 2,333,131 |
| 2023 | 831,883 | 1,601,158  | 5,682    | 13,953  | 1,674  | 2,454,350 |
| 2024 | 853,656 | 1,711,867  | 5,447    | 14,449  |        | 2,585,419 |

Source: CBBH

In 2024, the CBBH continued to perform international clearing of payments between BH and Serbian banks. The total of 12,779 orders (+9.64% compared to 2023) were placed through the clearing system for international payments with Serbia, the value of which was EUR 392.18 million (-77.51% compared to 2023).

## 2.6. Fiscal agent role

The Law on the CBBH (Article 52) and the Law on Debt, Borrowing and Guarantees of BH define that the CBBH provides the banking agent services, and performs transactions at the order of the Ministry of Finance and Treasury of BH (MFT BH) in relation with the BH foreign debt servicing, and acts as a fiscal agent for BH membership in international financial institutions. In accordance with the Agreement on the performance of banking and fiscal agent tasks between the CBBH and the Ministry of Finance and Treasury of BH, the Central Bank of BH also performed the tasks of banker, depositary, payment agent and fiscal agent during 2024. In 2024, this service included payment transactions in the country and abroad, management of deposit accounts and conversion of funds related to loans and donations according to contracts concluded by the Council of Ministers of Bosnia and Herzegovina with international financial institutions, tasks arising from arrangements and membership of Bosnia and Herzegovina in international financial institutions, and tasks of foreign debt servicing. During 2024, the Ministry used favourable conditions in the international financial markets, and submitted orders for the investment of a part of the available foreign exchange funds.

The CBBH provides banking services and carries out transactions at the order of the MFT BH, related to BH foreign debt servicing. The MFT BH is in charge of conducting the procedures for borrowing and managing the government debt, providing the coverage of liabilities in the domestic currency and maintaining the database on BH foreign debt. The roles of the CBBH and the MFT BH, related to BH foreign debt servicing operations, are defined, in addition to the above-mentioned laws, by the Law on the Financing of Institutions of BH, the Law on the Indirect Taxation System in BH and the Law on Payments to the Single Account and Revenue Distribution.

The duties, tasks, competences and mutual relations between the MFT BH and the CBBH have been defined by bilateral agreements specifying that the CBBH is in charge of:

- timely provision of the necessary amounts in foreign currencies for the payment of due liabilities;
- timely and accurate performance of payments based on orders/instructions of the MFT BH;
- correspondence with foreign banks and creditors regarding the payment of liabilities, and;
- reporting to the MFT BH on all the performed transactions.

The funds needed to service the foreign debt in domestic currency are provided by the MFT BH from the Indirect Taxation Authority (ITA) and/or direct payments from the end users of the loans. The Annual plan of funds needed to service the foreign debt is an integral part of the document "Budget of BH Institutions and International Obligations of BH" adopted by the Parliamentary Assembly of BH. In accordance with the concluded Agreement on the performance of banking and fiscal agent tasks between the CBBH and the ITA, and based on the Law on Payments to Single Account and Revenue Distribution, the maintaining of the single ITA account for the collection of indirect taxes revenues during 2024 was continued. According to this Arrangement, the commercial banks, on daily basis, transfer all the collected revenues to the ITA account for the revenue recording, holding and distribution with the CBBH, and then, at order of the ITA, these revenues are allocated on daily basis, to several accounts for different purposes in accordance with the legal regulation and the ITA order. Based on the Excise Law, in 2024, the process of collecting funds from the paid tolls to the ITA account with the CBBH was continued, as well as the distribution of these funds at the order of the ITA to the Entities and the Brčko District.

All liabilities based on BH foreign debt during the past year were serviced regularly and on time. In accordance with the maturities of liabilities and the programmed dynamics of debt repayment, obligations were met towards: the International Monetary Fund (IMF), the World Bank (IBRD, IDA), the Paris Club, the European Bank for Reconstruction and Development (EBRD), the London Club of creditors, the Council of Europe Development Bank (CEB), the Saudi Fund for Reconstruction and Development, the European Investment Bank (EIB), the European Commission, the German Development Bank (KfW), the Export-Import Bank of Korea, the OFID, the International Fund for Agricultural Development (IFAD), the Bank for Work and Economy and the Austrian Postal Savings Bank (B.A.W.A.G.), EUROFIMA, the Kuwait Fund for Arab Economic Development, the Government of Japan, the Government of Belgium, the Government of Spain, and other public and private creditors.

The CBBH is a fiscal agent and carries out transactions related to the membership and arrangements of BH in the IMF since 2002, based on the decision of the Council of Ministers of BH. Mutual relations, competences and actions

of five institutions in BH (CBBH, MFT BH, Federal Ministry of Finance, Ministry of Finance of Republika Srpska and ITA) regarding financial arrangements with the IMF are defined in the Memorandum of Understanding. The first one was concluded in 2002, and those from 2016 and 2020 are in effect. The CBBH is the depositary for accounts (cash and securities) held by the IMF with the fiscal agent of all members in accordance with the IMF Articles of Agreement. In order to carry out the crediting transactions of the IMF funds and the payment of liabilities to the IMF, CBBH maintains an earmarked Deposit account for transactions with the IMF, with the sub-accounts of the Federation of BH, Republika Srpska and Brčko District. The CBBH carries out transactions with the IMF after the relevant institutions in BH provide the full coverage in domestic currency in the mentioned account/sub-accounts. The BH's quota, which represents the paid and recorded "capital" of each member country in the general source of the IMF funds, amounts to SDR 265.2 million. The SDR allocation for BH amounts to SDR 415.1 million, and the obligation of the member country is to pay quarterly expenses to the IMF on this basis.

In accordance with the World Bank's Articles of Agreement, the CBBH is the depositary for the members of the World Bank group: IBRD, IDA and MIGA. At the order of the mentioned members, the CBBH carries out the transactions of buying and selling the foreign currency in exchange for the domestic currency and carries out payments / transfers to end users in the domestic payment transactions.

In 2024, according to the Agreement concluded with the Deposit Insurance Agency of BH, the CBBH kept the records on this institution's securities portfolio, managed by an external portfolio manager, according to the Contract concluded with the Deposit Insurance Agency. Also, based on the concluded agreements between the CBBH and the Federal Ministry of Finance, the banking and fiscal agent tasks are carried out. In accordance with the concluded agreements, the CBBH continued to act as a banking agent for the Banking Agency of the Federation of BH, the Banking Agency of RS, Brčko District, and for the Entities' Registries of Securities.

The providing of electronic banking service to depositors was continued during 2024. With the aim to stimulate a larger number of depositors to become electronic banking users, in 2024, the CBBH amended the Decision on setting fee tariffs for the services carried out for its depositors, making electronic banking services much cheaper. The CBBH undertakes daily activities to improve its operations with depositors, with regard to process automation, mutual communication, all aimed at achieving the greatest possible efficiency in work.

## 2.7. Compilation and creation of statistics

The CBBH, together with the Agency for Statistics of BH, is the producer of official statistics at the level of BH. In that respect, it is obliged to produce and publish the BH official statistics indicators within the CBBH competences, which refer to the monetary and financial sector statistics, external sector statistics, and government finance statistics for BH. All produced statistics of the CBBH are included in the Statistical Activities Plan of Bosnia and Herzegovina. Within the Statistics Working Group, in the EU integration process, the list of priorities for statistical system in BH has been analysed and defined on several occasions. It is continuously invested in improving the compilation methods, expanding the number of source data (administrative and direct compilation), and the implementation of internationally agreed methodologies. In the last few years, particular emphasis has been placed on the introduction of statistical standards and methodologies that are in effect within the EU, because the CBBH will have an increased accountability in the preparation and delivery of data as a candidate country.

In 2024, the CBBH successfully implemented the transition from GDDS (General Data Dissemination System) to SDDS (Special Data Dissemination Standard) reporting system to the IMF. The transition to SDDS will further improve the timeliness and comprehensiveness of available statistics, in line with international standards. At the end of 2024, two two-year projects were started as part of the IPA projects. The first, multi-beneficiary project is related to the development of direct investment statistics in accordance with the EU standards. The other is a twinning project related to the development of the monthly balance of payments, which is implemented in cooperation with the statistics of Denmark, Finland and Italy. During 2024, a survey on foreign branches was started as part of OFATS (Outward Foreign Affiliates Statistics). The aim of this research is to develop a completely new detailed set of statistics related to foreign investments in BH. In 2024, the process of expanding interest rate statistics in line with the ECB methodology has also begun. The new interest rate statistics is expected to be published in early 2025.

With the use of available data sources and the application of the required methodologies, the regular delivery of data on BH foreign debt to the World Bank is continued. The exchange of information with Eurostat was strengthened, and further improved, which includes regular methodological controls and analyses, as well as regular reporting within the Monitoring of compliance with the EU statistical requirements (SIMS), and the annual (two-round) data collection for countries in the enlargement process.

On the international level, continuous efforts are made to improve the quantity and quality of statistics, through participation in forums (European Commission Subcommittee, working groups of the Eurostat, the ECB, the BIS Irving Fischer Committee for Statistics, and in the countries from the region through various projects and conferences).

The planned statistical surveys have been largely completed, and the data were published on time and submitted to international and domestic institutions, in accordance with the obligations of the CBBH in the relevant area of statistics. The CBBH regularly delivers extensive sets of statistical data to international and regional institutions, through which BH is represented in international statistical databases (the Eurostat, the IMF, the World Bank, the European Central Bank, the European Bank for Reconstruction and Development - EBRD, UNCTAD, BIS, UN Statistics). The CBBH prepares and delivers data for the needs of BH Fiscal Council, the CEFTA Secretariat, the Economic Planning Directorate, the Agency for the Promotion of Foreign Investments, the Ministry of Finance and Treasury of BH, the Ministry of Economy and Entrepreneurship of RS, and the Ministry of Trade of the FBH.

## 2.8. Monitoring systemic risks in financial system

The CBBH performs the financial stability monitoring function, which implies timely identification of vulnerabilities in the country's financial system. The goal of the CBBH's activities in this area is to improve the understanding of the cause-and-effect relationships between the financial system and the macroeconomic environment, to warn financial institutions and other market participants of existing risks, to initiate a dialogue about risks and to take corrective measures that will reduce the consequences of the risks materialisation. The CBBH activities in the area of monitoring the financial system stability include specialised communication with relevant domestic and international institutions, which ensures the continuity of the process of monitoring systemic risks, as well as communicating on financial stability risks with the general public. The CBBH contributes to the financial stability preservation through its membership in the BH Standing Committee for Financial Stability (SCFS) which, in addition to the CBBH Governor and the Directors of the Banking Agencies, also includes the Minister of Finance and Treasury of BH, the Entities' Ministers of Finance, and the Director of the Deposit Insurance Agency of BH.

The CBBH informs the general public about financial stability risks through a regular annual publication, the Financial Stability Report. By publishing the Financial Stability Report, the CBBH wants to draw the attention of the public to the financial system risks, as well as those from the macroeconomic environment and to the challenges that the financial system, and especially the banking

sector, will face in the coming periods. The reports regularly present the results of analyses on monitoring systemic risks.

Since 2023, the CBBH has been publishing a new annual publication, Financial Stability Risk Assessment, which contains a survey of the main macroeconomic trends in the financial sector in the first half of the year, the results of analyses for risk assessment and the banking sector resilience to risks based on data for the first half of the year, as well as information on improvements in the financial infrastructure and the most important changes in the regulatory framework for bank operations in Bosnia and Herzegovina. The purpose of these publications is to promote the awareness of the general public and financial institutions about issues in the area of financial stability, and in particular to point out potential risks to financial stability in BH.

The compilation and publication of the set of basic financial soundness indicators according to the IMF methodology is also an important channel of communication between the CBBH and the general public. Financial soundness indicators are published quarterly on the CBBH statistical web portal and on the IMF website. The reporting has been fully methodologically aligned with the IMF's 2019 Compilation Guide on Financial Soundness Indicators. In addition to financial soundness indicators, since September 2023, the CBBH statistical web portal has been also publishing reference rates of the average cost of banks financing operating in the territory of BH - RSTF3<sup>96</sup>, as well as aggregated data on banks' interest costs for the main sources of funds and data on the balances of these sources of funds at the end of each month. The frequency of publication of the data is on a quarterly basis. Information on the average financing cost in BH in longer time horizon can be useful to banks, but also to other participants in financial markets for analysis and business decision-making. Also, domestic banks have been offered the choice of using these rates as benchmarks in loan agreements with variable interest rates, with the aim of better managing interest-induced credit risk.

In 2024, the CBBH continued to carry out solvency and liquidity stress testing, as two important tools for risk assessment in the banking sector of BH, as well as the preparation of regular quarterly reports on stress tests results. The findings arising from solvency and liquidity stress tests, and reports on the stress test results are shared with the Banking Agencies. The SCFS is also informed about the results of the solvency stress tests through the appropriate form of the Report on the stress test results. The aggregated results of the solvency and liquidity stress tests, conducted with the data from the end of the year, are published in the Financial Stability Report, while the aggregated results of the stress test conducted on the basis of data from the end of the first half of the year are published in the Financial Stability Risk Assessment report.

<sup>96</sup> RSTF3 is the reference rate of the weighted average of bank funding cost for all sources of funds received from households, non-financial companies and financial institutions.

At the end of 2024, the CBBH has begun to carry out preparatory activities to create a framework for conducting stress tests for climate risks. The climate risk stress tests should enable the assessment of the ability of the banking sector in BH to absorb climate-related risks, being either physical or transitional risks. The introduction of a new tool for assessing risks related to climate change shows the CBBH clear commitment to integrating environmental, social and governance (ESG) factors into all the CBBH business processes.

The tasks arising from the coordination of the activities of the Entities' Banking Agencies responsible for issuing banking licenses and supervision of banks continued to be implemented in 2024. At the beginning of the year, a new modality of cooperation was agreed, establishing a channel for simpler, more direct and more efficient mutual communication. Banking coordination meetings were held on a monthly basis, and representatives of the Deposit Insurance Agency in BH regularly attended the meetings upon invitation. In this way, the participants in the banking supervision coordination were provided with regular information on the state of the insured deposit fund in BH and the activities of this Agency. In addition to the main topics including the discussion on the situation in the banking sector and the ongoing and planned activities of the Banking Agencies and the CBBH, it was agreed to establish inter-institutional cooperation in the process of our country's accession to the SEPA area, collecting information on cyber risks, activities in the field of financial education and inclusion, which expanded the regular areas of cooperation. At the end of 2024, the CBBH started preparing macroeconomic scenarios for the supervisory stress test, to be conducted by the Banking Agencies in 2025.

## 2.9. Cooperation with international institutions and rating agencies

During 2024, the CBBH continued intensive activities related to the fulfilment of BH obligations arising from the EU accession process. Through dialogue and cooperation with the institutions of the European Union, the EU central banks and other partners, improving business processes in accordance with the EU recommendations, the CBBH has confirmed its strong commitment to the European perspective of BH.

Through several reporting cycles, the CBBH has prepared information and reports for the BH material for the European Commission's (EC) Annual Report, which is the most important document on the basis of which the EC assesses the country's progress in the EU integration process. In the last year's Report, the EC positively evaluated the activities of the CBBH, with special emphasis on the need to ensure the independence of the CBBH and the monetary policy integrity. The importance of the CBBH in the EU integration process was also recognized in another strategic EU

document: the Joint Conclusions of the Annual Ministerial Dialogue within the Economic and Financial Dialogue of the EU Member States, the European Commission and the European Central Bank, as well as the Ministries of Finance and Central Banks of the candidate and potential candidate countries. In this document, as well as in the European Commission Report, the key recommendation for the CBBH is: "Continue to preserve the integrity of the currency board arrangement and the independence of the central bank," emphasizing that the monetary policy of the currency board has high credibility in the general public.

The Ministerial Dialogue was preceded by regular annual activities within the development of BH Economic Reform Programme (ERP), including participation in consultations and meetings with the ECB and the EC, as part of the economic policy dialogue within the Economic and Financial Affairs Council of the EU (ECOFIN). With purpose of improving the efficiency of the European integration process, through the fulfilment of the EC recommendations related to the need to increase the quality of the ERP document, in 2024, the CBBH signed a Memorandum of Understanding and Cooperation with the Economic Planning Directorate in the field of meeting the requirements related to analytic reporting to the institutions of the European Union, in the process of European integration. Based on the signed memorandum, the contribution of the CBBH, primarily in the form of a part of the necessary projections and statistical data, is significantly larger already in the process of preparing the Economic Reform Programme for the period 2025 – 2027.

The projections submitted by the CBBH for the ERP are consistent with the medium-term macroeconomic projections from the November 2024 round of projections, which were discussed in details in terms of analysis, as well as basic assumptions, at expert meetings for macroeconomic projections between the EC and candidate countries and potential candidates for the EU membership. From 2023, representatives of the CBBH have participated in expert meetings for macroeconomic projections between the EC and candidate countries. This is standard procedure for all the EU candidate countries, with meetings held twice a year, before the Progress Report for the candidate countries, in parallel with the EC spring and autumn rounds of macroeconomic projections. Reporting and discussions take place according to the EC format. In this way, the years long activities of the CBBH on the preparation of macroeconomic projections and nowcasts have gained additional importance. In 2024, a two-year IMF technical assistance project was finalized, within which a quarterly gap model was developed, fully adapted to the characteristics of BH, consistent with the IMF's Financial Programming and Policy Framework (FPP). The contributions to the Economic Reform Program for the period 2025-2027 were based on a combination of the CBBH projections based on the model developed in cooperation with the IMF, and the model currently used for medium-term macroeconomic projections. In addition to the model developed with the help of the IMF, the range of models for macroeconomic



projections and analyses has been enriched in 2024 with the potential GDP estimate model, developed through the Bilateral Assistance and Capacity Building Program of Central Banks, which is being implemented with the support of the Government of Switzerland. The CBBH will publish potential GDP and GDP gap estimates, together with the relevant technical documentation, with the spring round of medium-term macroeconomic projections in 2025. Finally, in 2024, most of the activities on the development of macroeconomic projection model, funded by the EC (and implemented by the World Bank) for regional candidate countries for the EU membership, has been completed, with the aim of ensuring better comparability of the projections submitted by countries for expert meetings for macroeconomic projections between the EC and candidate countries. Consequently, during 2025, the CBBH will have a fully active basic set of macroeconomic projection models used by modern central banks.

Within the working groups in the EU integration process, the CBBH has an active role in the following chapters: 4. Free movement of capital; 9. Financial services; 17. Economic and monetary policy; 18. Statistics; 32. Financial control (protection of the euro against counterfeiting); 33. Financial and budgetary provisions, and; The economic criterion. In their work, the representatives of the CBBH made a significant contribution to the preparation of documents and materials that are of key importance for further progress of BH in the EU accession process. The CBBH representatives participated in the work and preparation of materials for regular annual meetings of working bodies established to monitor the implementation of contractual obligations under the Stabilization and Association Agreement (SAA): the Subcommittee on Economic and Financial Affairs and Statistics and the Subcommittee on Internal Market.

In 2024, the function of banking supervision coordination was improved and strengthened, the cooperation within banking coordination being expanded to include the following topics: ESG, financial inclusion and cyber security in financial system. In accordance with EU recommendations in the field of sustainable finance, the CBBH has adopted the Climate Change Challenge Management Policy, and has become a full member of two internationally recognized networks – the Network for Greening the Financial System (NGFS), and the Sustainable Banking and Finance Network (SBFN), which has been recognized in the EC Report.

In 2024, the technical cooperation programmes were implemented on a bilateral basis based on the two central banks agreement and financed from one's own budget, but also through participation in multi-institutional regional and multilateral projects financed by the EU grants from the IPA Pre-Access Financial Instrument. The institutional dialogue of central banks has been confirmed as the best and most efficient platform for knowledge transfer and an important instrument for integration into the ESCB structures. A special value of this type of cooperation is the continuous expanding and strengthening of the network

of the existing and the establishment of new professional contacts. Regarding the international cooperation programs, which the CBBH financed from its own budget, it is important to mention the joining of the Reserve Advisory and Management Partnership (RAMP) of the World Bank. Within the RAMP programme, which aims to strengthen institutional capacities in the field of foreign exchange reserve management, the CBBH will use advisory, training and asset management services. By joining this program, the CBBH has joined a global network of over 70 public institutions and central banks.

It is worth to mention the three-year IPA Capacity Building Programme for the Central Banks of the Western Balkans (for the period 2022-2025) with the aim of integration into the European System of Central Banks (ESCB) led by the Deutsche Bundesbank, with the support of the ECB and 19 other central banks of the ESCB. The purpose of the Programme is to strengthen monetary and financial stability in the region through further strengthening of the institutional capacities of the 6 central banks of the Western Balkans and the banking supervisory agencies in BH, as well as strengthening the dialogue between central banks, at two levels: regional and the EU. Within this programme, the CBBH representatives participated in trainings in the following areas: consumer financial protection, financial inclusion and financial education, accounting, EU integration and legal aspects, monetary policy and research, payment systems policies and supervisory issues and statistics, and also two high-level workshops on payment systems and cash management policies. Within the programme, the internship activity at the Bank of France at the International Banking and Finance Institute (IBFI) was implemented, whose role is to promote financial and monetary stability by providing training and technical assistance to central banks, while the other part of the internship will be realized at the representative office of the Austrian National Bank in Brussels. Within the same programme, in 2024, the CBBH implemented direct bilateral cooperation with the Central Bank of Luxembourg in order to improve the process of managing foreign exchange reserves. Finally, in 2024, the first workshop on the EU accession process was held at the CBBH, which marked the beginning of bilateral cooperation with the Croatian National Bank regarding the transfer of the CNB's experience on the central bank's preparations for EU/ESCB membership and the preparation of the CBBH Roadmap on the path to the EU.

During 2024, the implementation of Phase III (2023 - 2028) of Bilateral Assistance and Capacity Building for Central Banks (BCC) continued, which is implemented with the support of the Government of Switzerland / Swiss Secretariat for Economic Affairs (SECO). The cooperation addresses the following areas:

1. Analysis and implementation of monetary policy
  - a. Foreign exchange reserves management
  - b. Research strategy in line with the EU requirements
  - c. Communications

2. Statistics and databases
3. Financial stability
4. Resilience and risk management
5. Human resource management

Within the programme, in October 2024, the CBBH organized a traditional international annual research conference entitled "Informal Economy: Measurement and Effects." A workshop of BCC partner central banks was also held on the topic of unregistered economy in the CBBH.

An online mission of the rating agency Standard & Poor's was held during 2024 in the organisation of the CBBH, as well as missions to BH by rating agencies Standard & Poor's and Moody's Investors Service with relevant international and domestic institutions in BH, with the aim of assessing the sovereign credit rating of BH. During 2024, Standard & Poor's affirmed BH's credit rating "B+/with a stable outlook", Moody's Investors Service affirmed BH's credit rating "B3/with a stable outlook".

## 2.10. Risk management

Risk management is the process of developing, implementing and reviewing policies, methods, means and tools for identifying, assessing, responding to and monitoring risks in order to achieve the objectives and perform the tasks of the CBBH. The activities of the CBBH risk management process are the development and implementation of measures that contribute to the timely response to risks arising in the CBBH operations, with the monitoring of international standards in risk management and the implementation of the best business practices. The general approach and regulatory framework for risk management is defined by the Integrated Risk Management Policy in the CBBH. The general risk management framework defines the objectives and principles of risk management, organization, risk profile, acceptable levels, risk classification, and the key stages of the risk management process, including risk monitoring and reporting.

Risk management in the CBBH is based on a three-line model. The first line includes organisational forms that are directly involved in business processes and manage risks arising from the regular operational activities of business processes. The second line includes expert bodies responsible for risk management, specialized experts who perform strategic, methodological and control functions of risk management, and the organizational form in charge of risk management. The role of the second line is to regularly monitor, coordinate and provide timely information on the risk management process. Internal audit, as the third line, establishes and maintains appropriate procedures and instruments for risk control and supervises their implementation.

In 2024, the Risk Committee proactively and systematically carried out all activities to establish adequate coordination and an appropriate framework for the risk management process, with a special focus on operational, information security and compliance risks. During 2024, it carried out activities aimed at defining and implementing the operational risk management process, defining measures to prevent the occurrence of adverse consequences of risk exposure, timely and adequate response to risks, and establishing an effective and efficient incident reporting process, as one of the basic indicators for monitoring exposure to operational risks. The Investment Committee discussed issues related to financial risks arising from the CBBH foreign exchange reserves management process.

During 2024, operational risk management was carried out in accordance with the defined regulatory framework for operational risk management, which consists of the following internal acts: Operational Risk Management and Business Continuity Policy in the CBBH, Operational Risk Management Methodology in the CBBH, and Methodology for Incident Data Collection and Calculation of Operational Value under Risk. During 2024, additional improvements were made to the operational risk management process, which ensured the implementation of activities of providing reasonable assurance that the CBBH will achieve its mission and goals, and protect its reputation and financial resources in accordance with the risk tolerance policy.

The regulatory framework for performing the internal audit function is the Law on the Central Bank of Bosnia and Herzegovina, the By-law on Internal Audit in the CBBH, the Guide on Internal Audit Work in the CBBH, and the binding guidelines of the International Framework for the Professional Practice of Internal Audit. The objective of internal audit is to assist the institution in achieving its strategic objectives and efficient performance of its tasks, by examining if the implementation of management and control mechanisms is adequate, cost-effective and consistent in relation to legal regulations, internal acts and other regulations. Internal audit provides opinions, recommendations and advice regarding the activities subject to audit. In 2024, the activities were aimed at fulfilling the duties defined in Article 20 of the Law on the Central Bank of Bosnia and Herzegovina, the Strategic Internal Audit Plan for the period 2022-2024, the Internal Audit Plan for 2024 and the implementation of operations and tasks determined by the CBBH Work Plan for 2024.

In 2024, the CBBH started implementing activities aimed at preserving environment, limiting risks associated with climate changes, and reducing the adverse consequences of climate changes on financial system and the overall life quality. By adopting the Climate Change Challenge Management Policy in the CBBH, as a socially responsible institution, in accordance with its mandate to preserve monetary and financial stability, the CBBH seeks to raise awareness of the complexity and importance of sustainable finance, and encourage more active engagement of all



participants in the financial market and their mutual partnership in further development. Guided by this commitment, the CBBH has become a member of two internationally recognized networks - The Network for Greening the Financial System (NGFS) and the Sustainable Banking and Finance Network (SBFN). Membership in these networks enables the CBBH to improve business standards in the field of central banking through the implementation of the best practices in international environment, with the aim of preserving environment and reducing climate risks, as one of the biggest challenges of today. Active participation in the activities of these internationally recognized networks contributes to better and more efficient management of climate change and the related risks, through the exchange of knowledge and experience in the analysis, identification and proactive decision-making in the field of climate change risk management. In this way, the CBBH contributes to directing the financial system, as a key factor of economic stability and development, towards a sustainable economy, in accordance with the best practices and experiences of other central banks.

## 2.11. Other

### 2.11.1. Human resources management

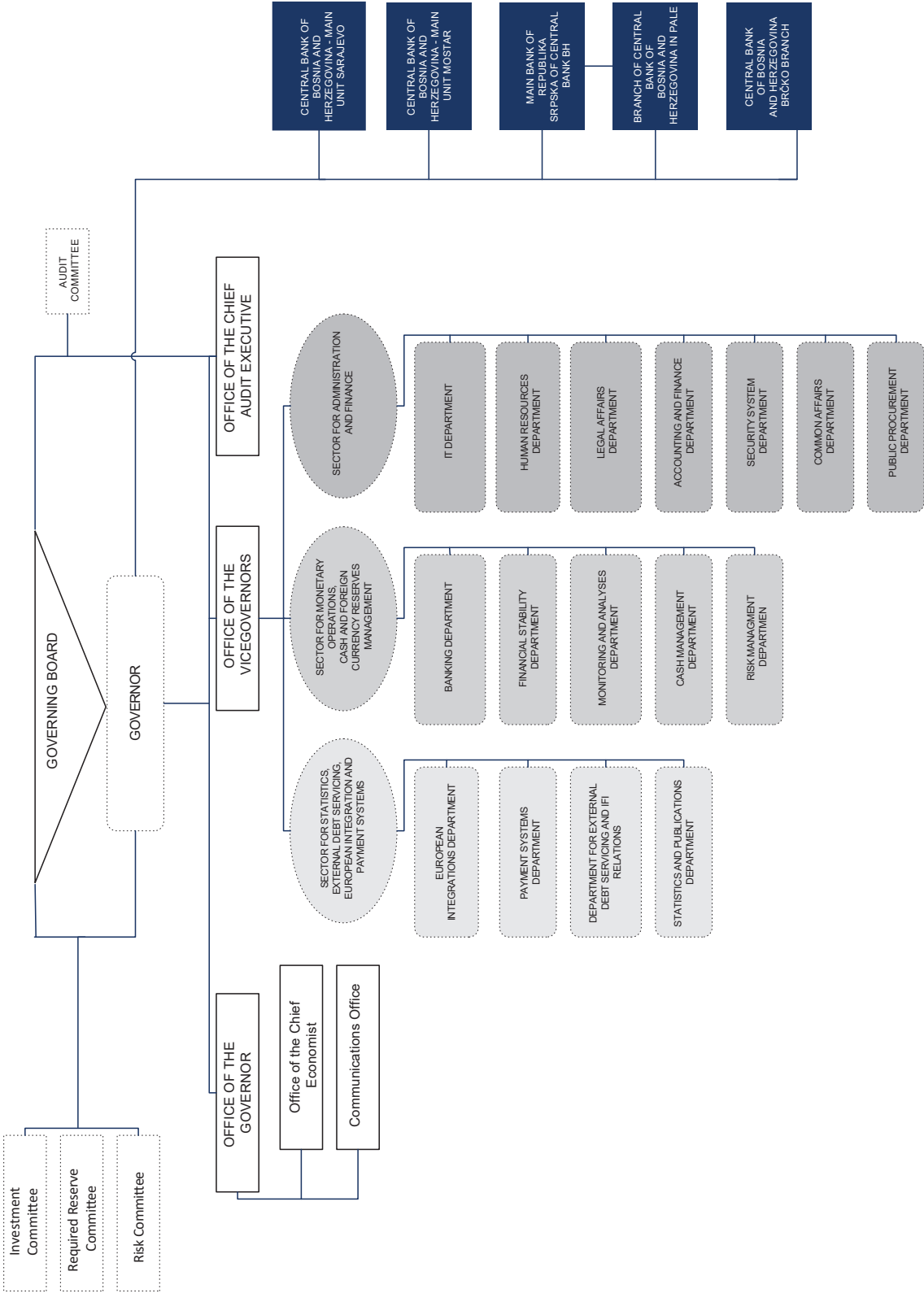
The highest body of the CBBH is the Governing Board (GB), which is in charge of defining monetary policy and controlling its implementation, organisation and strategy of the CBBH in accordance with the authorities established by the Law. The Governing Board includes the Governor, who chairs the Board, and four members (Table 2.7). The Management of the Central Bank includes the Governor and three Vice Governors appointed by the Governor, with the approval of the Governing Board. The task of the Management is to manage the operations of the Central Bank. Each Vice Governor is directly responsible for the work of one sector of the Central Bank (see the CBBH organisational chart).

**Table 2.7: The CBBH Management Structure at 2024 End**

|                          |   |
|--------------------------|---|
| The CBBH Governing Board | Jasmina Selimović, Ph.D., chair and Governor  |
|                          | Danijela Martinović, Ph.D., member  |
|                          | Radomir Božić, Ph.D., member  |
|                          | Darko Tomaš, Ph.D., member  |
| The CBBH Management      | Mirza Kršo, Ph.D., member   |
|                          | Jasmina Selimović, Ph.D., Governor  |
|                          | Ernadina Bajrović, M.A., Vice Governor in charge of the Sector for Statistics, Foreign Debt Servicing, European Integration and Payment Systems |
|                          | Željko Marić, Ph.D., Vice Governor in charge of the Administration and Finance Sector   |
|                          | Marko Vidaković, M. Sc., Vice Governor in charge of the Sector for Monetary Operations, Management of Foreign Exchange Reserves and Cash        |

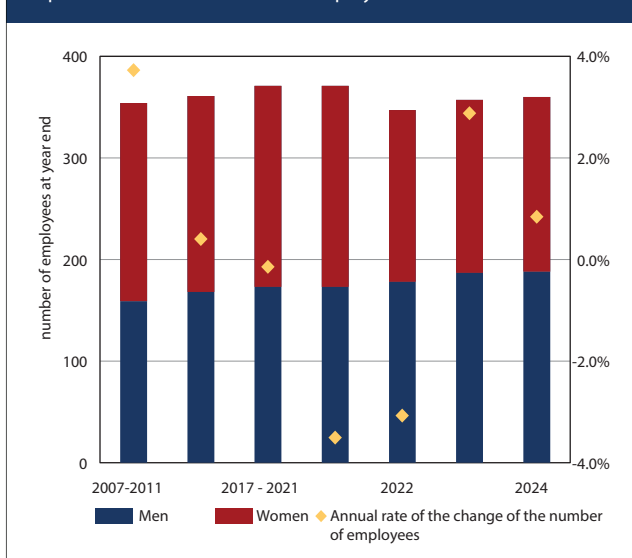
Source: CBBH

ORGANIZATIONAL CHART OF THE CENTRAL BANK OF BOSNIA AND HERZEGOVINA



With regard to the nature and specific features of central bank operations, as well as their market role, the CBBH is committed to an efficiency strategy, with the aim of maintaining and continuously improving human resources, with the modernisation of the human resources management process, which enables the efficient implementation of all activities. During 2024, there was a natural circulation of staff, due to retirements or agreement based terminations of employment, while the employment of new staff members did not exceed the planned total number of staff. As of 31 December 2024, there were the total of 360 employees in the CBBH (Graph 2.24). Of the total number of employees, 77.5% had university degrees, including eight doctors of science and seventy-seven masters. The average employee age was 47 years, and in the total number of employees at the end of 2024, 52.2% were men. With the support of the European Fund for South-East Europe (EFSE), the CBBH has started working on the development of internal policies and changing the way of submitting statistics, in order to promote gender equality. Although the policy implemented so far has been highly sensitive in terms of maintaining gender equality (including the gender structure in managerial positions), from now on gender policies will be clearly incorporated into the CBBH regulations.

Graph 2.24: The Total Number of Employees in the CBBH



One of the CBBH missions is to assist university education institutions in BH, which is reflected in the signed cooperation agreements with several faculties of economics in BH, and giving students, postgraduates and academic researchers the opportunity to gain much-needed experience through internships in the CBBH. Internships for students and postgraduates were also implemented during 2024.

In order to improve the process of continuous learning of employees, the bank has become a member of the European Foundation for Management Development (EFMD). Through this membership, the CBBH undertakes activities to improve the internal processes of acquiring, sharing and preserving institutional knowledge, as part of a broader transformation into a learning organisation and agile organisation. The reporting year was one of the most active in the field of education. The number of employees attending trainings in 2024 increased by 12% compared to the year before, while online education accounted for 19.6% of the total number of trainings. A significant number of courses was in-house training. In terms of areas, the largest number of trainings was related to economic research, information technology, financial and accounting affairs, banking, payment systems, financial stability, and information security.

### 2.11.2. Communication with the public

Following the key principles of the public – the right to information, transparency, openness and availability – the CBBH has, in 2024, significantly improved its visibility, while strengthening the reputation of the institution and public confidence. As an institution that acts in accordance with what it says and takes responsibility for what it does, the CBBH has positioned itself as a reliable partner for both citizens and the media. This approach resulted in a professional attitude towards the institution, with publications that were mostly neutral or positive, further strengthening its reputation in the public.

During 2024, more than 80 press releases were published, further strengthening the role of the CBBH in transparent and responsible communication with the public. More than 100 media requests were processed, thus providing the public with timely and accurate information. Social media, playing a key role in modern communication, enabled the CBBH to have a direct and interactive approach to the public. Using these benefits, in 2024, 160 posts were published on Instagram, Facebook, LinkedIn, X and Flickr, which is more by 50% than a year earlier, further increasing transparency and availability of information. The total reach of posts reached 4,500,000, which is a growth of 229.2% compared to 2023, and indicates a significantly larger visibility and audience engagement. Content views amounted to 1,198,040, with the increase of 294.7%, showing greater interest in published information. Interactions with published content increased to 47,900, recording a growth of 437.7%, confirming the active engagement of the audience in communication. The total number of followers increased to 30,000, with the increase of 300.4%, showing a continuous increase of interest in the CBBH work.

Other communication channels used also have an important place in the efficient and fast transmission of information, so during 2024, more than 160 pieces of information for the media was announced through the Viber Group, which significantly contributed to timely information and strengthening relations with the media and indirectly, with the public. The intranet page has been enriched with texts and publications for the purpose of informing the CBBH employees, and the procedure for the redesign of the website has been initiated, which will be implemented in 2025.

Financial education has been improved and raised to a higher level, with strengthening of financial literacy and inclusion listed as one of the important strategic goals of the institution in the Strategic Plan for the period 2025-2027. In addition to organising a large number of trainings for primary and secondary school students and university students and the regular activity - Marking the World Savings Day, the CBBH organized the marking of the Global Money Week by organizing debates of high school students throughout BH. During 2024, the Head Office of the CBBH, main units and branches were visited by 1,452 students. Two publications for primary school children were designed and created, which enriched financial education, all aimed at teaching the youngest population about savings and money through game. In order to introduce financial education to faculties, cooperation with public faculties of economics in BH, the Entity Banking Agencies and Insurance Agencies has been initiated.

As part of its socially responsible activities, the CBBH signed a Memorandum of Cooperation in the field of financial education and inclusion with SOS Children's Villages of Bosnia and Herzegovina. The Memorandum has defined the cooperation between the CBBH and SOS Children's Villages of Bosnia and Herzegovina in the implementation of educational activities in the field of financial literacy for children, young people and parents from the care and support of Children's Villages of Bosnia and Herzegovina. Thus, the CBBH, in cooperation with SOS Children's Villages of Bosnia and Herzegovina, will work on strengthening the capacities of young people with the skills needed for preparations for the labour market, and implement programmes and activities for young people with the aim of empowering them, motivating them and helping them become independent through internships, mentorships, workshops, visits to the CBBH and other forms of work aimed at improving the development of both personal and professional competences, with special focus on financial literacy.

The CBBH representatives attended the annual meeting of the Organization for Economic Cooperation and Development (OECD) Technical Support for Financial Education Project within the Belgian-Dutch constituency countries, which was held in Montenegro. At the panel "Cooperation for the successful implementation of financial education programmes", the CBBH presented models of cooperation with educational institutions in BH, with special emphasis on the "Train the Trainer" model, which has proven to be a practical way of conducting financial education in schools. This model brought about great interest of other central banks and strengthened the reputation of the CBBH as a pioneer in the field of educating young people on financial topics.

In 2024, the CBBH became a member of the EFMD Global Network for the Introduction of Distance Learning and Transmission Standards, and for its activities in the financial education field, the institution was awarded the prestigious domestic recognition "Zlatni BAM" ("Golden BAM"). The CBBH launched the project Promoting Gender Inclusive Finance: Reporting and Policy Development, funded by the European Fund for South-East Europe (EFSE), contributing to the strategic goals of the CBBH by supporting the development of more inclusive financial policies.

Keeping up with the EU standards, and respecting the rules of global environmental awareness, the CBBH stops printing all the CBBH publications, and switches to publishing in exclusively digital form. This will result in quality and innovative technical preparation, and timely announcement of the publications and other CBBH information on the CBBH website.

s and Web Services



Centralna banka  
BOSNE I HERCEGOVINE  
Централна банка

## Financial Statements and the Independent Auditor's Report





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### 3. FINANCIAL STATEMENTS AND INDEPENDENT AUDITOR'S REPORT FOR THE YEAR ENDED 31 DECEMBER 2024

CENTRAL BANK OF BOSNIA AND HERZEGOVINA  
Financial statements for the year ended 31 December 2024

#### FINANCIAL REPORTING RESPONSIBILITY

The Management of the Central Bank of Bosnia and Herzegovina is responsible for preparation of the annual financial statements in accordance with the Law on the Central Bank of Bosnia and Herzegovina and International Financial Reporting Standards.

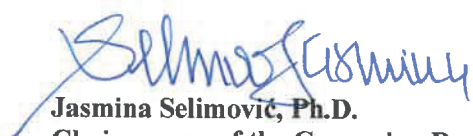
The Management is responsible for the consistent application of selected accounting policies, making judgements and estimates that are reasonable and prudent and for maintaining proper accounting records to enable the preparation of the financial statements at any time. The Management has a general responsibility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

The Governing Board is responsible for selecting suitable accounting policies to conform to applicable International Financial Reporting Standards. The Governing Board considers the financial statements and 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 annual financial statements are considered and approved by the Governing Board and submitted to the Parliamentary Assembly of Bosnia and Herzegovina and the Presidency of Bosnia and Herzegovina.

These 2024 financial statements have been audited by the independent auditor of the Central Bank of Bosnia and Herzegovina ERNST & YOUNG d.o.o. Sarajevo and its report is presented on pages 2 to 4. The independent auditor has been provided with full and unrestricted access to all information and communication necessary to perform and discuss its audit procedures.

The accompanying financial statements set out on pages 5 to 85 are approved by the Governing Board on 27 March 2025.



**Jasmina Selimović, Ph.D.**  
Chairwoman of the Governing Board  
Governor





**Meliha Smajlagić**  
Head of Accounting and Finance Department



Ernst & Young d.o.o. Sarajevo  
Vrbanja 1 (SCC - Sarajevo City Center)  
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## Independent auditor's report

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

#### Opinion

We have audited the financial statements of Central Bank of Bosnia and Herzegovina (the Central Bank), which comprise the Statement of Financial Position as at 31 December 2024, and the Statement of Profit or Loss, Statement of Comprehensive Income, Statement of Changes in Equity and Statement of Cash Flows for the year then ended, and notes to the financial statements, including material accounting policy information.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Central Bank as at 31 December 2024, and its financial performance and its cash flows for the year then ended in accordance with the International Financial Reporting Standards (IFRS).

#### Basis for Opinion

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### Responsibilities of the Management, the Governing Board and the Audit Committee for the Financial Statements

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

In preparing the financial statements, the Management is responsible for assessing the Central Bank's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Central Bank or to cease operations, or has no realistic alternative but to do so.

The Governing Board is responsible for overseeing the Central Bank's financial reporting process. The Audit Committee assists the Governing Board in overseeing the financial reporting process.



## Independent auditor's report (*continued*)

### Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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



## Independent auditor's report (*continued*)

### Auditor's Responsibilities for the Audit of the Financial Statements (*continued*)

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

Danijela Mirković, procurator



Ernst & Young d.o.o. Sarajevo  
Vrbanja 1 (SCC - Sarajevo City Center)  
71000 Sarajevo  
Bosnia and Herzegovina

Sarajevo, 27 March 2025

Tarik Alijagić, licensed auditor

Ernst & Young d.o.o. Sarajevo  
Vrbanja 1 (SCC - Sarajevo City Center)  
71000 Sarajevo  
Bosnia and Herzegovina

Sarajevo, 27 March 2025

Nikola Ribar, partner

Ernst & Young d.o.o. Beograd  
Vladimira Popovića 8a  
11070 Belgrade  
Republic of Serbia

Belgrade, 27 March 2025



**CENTRAL BANK OF BOSNIA AND HERZEGOVINA**  
Financial statements for the year ended 31 December 2024

## STATEMENT OF FINANCIAL POSITION

| In thousands of KM  | Note                  | 31 December<br>2024 | As at<br>31 December<br>2023 |
|---|-----------------------|---------------------|------------------------------|
| <b>ASSETS</b>   |                       |                     |                              |
| Cash in foreign currencies  | <a href="#">7</a>     | 525,980             | 455,191                      |
| Deposits with foreign banks                                       | <a href="#">8</a>     | 6,786,228           | 8,326,590                    |
| Special Drawing Rights with the IMF                               | <a href="#">9, 36</a> | 4,771               | 2,073                        |
| Debt instruments at fair value through other comprehensive income | <a href="#">10</a>    | 8,639,813           | 6,150,130                    |
| Monetary gold   | <a href="#">11</a>    | 555,157             | 175,459                      |
| Debt instruments at amortised cost                                | <a href="#">12</a>    | 1,128,901           | 1,180,421                    |
| Other assets  | <a href="#">13</a>    | 18,461              | 17,384                       |
| Property and equipment  | <a href="#">14</a>    | 48,451              | 47,310                       |
| Intangible assets   | <a href="#">15</a>    | 912                 | 864                          |
| Other investments   | <a href="#">16</a>    | 27,813              | 27,813                       |
| <b>TOTAL ASSETS</b>   |                       | <b>17,736,487</b>   | <b>16,383,235</b>            |
| <b>LIABILITIES AND EQUITY</b>                                     |                       |                     |                              |
| <b>LIABILITIES</b>  |                       |                     |                              |
| Banknotes and coins in circulation                                | <a href="#">17</a>    | 7,959,215           | 7,565,108                    |
| Deposits from banks   | <a href="#">18</a>    | 7,455,395           | 7,083,235                    |
| Deposits from the Government and other public institutions        | <a href="#">19</a>    | 860,083             | 752,898                      |
| Provisions  | <a href="#">20</a>    | 13,119              | 2,025                        |
| Other liabilities   | <a href="#">21</a>    | 250,492             | 68,669                       |
| <b>Total liabilities</b>  |                       | <b>16,538,304</b>   | <b>15,471,935</b>            |
| <b>EQUITY</b>   |                       |                     |                              |
| Initial capital   |                       | 25,000              | 25,000                       |
| Reserves  |                       | 1,173,183           | 886,300                      |
| <b>Total equity</b>   | <a href="#">32</a>    | <b>1,198,183</b>    | <b>911,300</b>               |
| <b>TOTAL LIABILITIES AND EQUITY</b>                               |                       | <b>17,736,487</b>   | <b>16,383,235</b>            |

The accompanying notes on pages 12 to 85 are an integral part of these financial statements.

**CENTRAL BANK OF BOSNIA AND HERZEGOVINA**  
Financial statements for the year ended 31 December 2024

**STATEMENT OF PROFIT OR LOSS**

| In thousands of KM   | Note                   | For the year ended<br>31 December |                 |
|--|------------------------|-----------------------------------|-----------------|
|  |                        | 2024                              | 2023            |
| Interest income  |                        | 461,179                           | 330,687         |
| Interest expense   |                        | (14,557)                          | (14,269)        |
| <b>NET INTEREST INCOME</b>   | <a href="#">22</a>     | <b>446,622</b>                    | <b>316,418</b>  |
| Fee and commission income  |                        | 23,173                            | 21,945          |
| Fee and commission expenses  |                        | (970)                             | (534)           |
| <b>NET FEE AND COMMISSION INCOME</b>   | <a href="#">23</a>     | <b>22,203</b>                     | <b>21,411</b>   |
| Net realised (losses) from sale of debt instruments at fair value through other comprehensive income | <a href="#">24</a>     | (6,019)                           | (22,487)        |
| Net foreign exchange gains / (losses)  | <a href="#">25</a>     | 6,794                             | (202)           |
| Net decreases of / increases in impairment on financial assets                                       | <a href="#">26</a>     | (2,482)                           | 100             |
| Other income   | <a href="#">27</a>     | 1,353                             | 793             |
| <b>OPERATING INCOME</b>  |                        | <b>468,471</b>                    | <b>316,033</b>  |
| Personnel expenses   | <a href="#">28</a>     | (38,256)                          | (23,074)        |
| Administrative and other operating expenses  | <a href="#">29</a>     | (9,724)                           | (7,500)         |
| Costs of production of banknotes and coins   | <a href="#">30</a>     | (5,272)                           | (4,404)         |
| Depreciation and amortisation charge   | <a href="#">14, 15</a> | (2,619)                           | (2,794)         |
| <b>OPERATING EXPENSES</b>  |                        | <b>(55,871)</b>                   | <b>(37,772)</b> |
| <b>NET PROFIT FOR THE YEAR</b>   | <a href="#">31</a>     | <b>412,600</b>                    | <b>278,261</b>  |

The accompanying notes on pages 12 to 85 are an integral part of these financial statements.

CENTRAL BANK OF BOSNIA AND HERZEGOVINA  
Financial statements for the year ended 31 December 2024

## STATEMENT OF COMPREHENSIVE INCOME

| In thousands of KM   | Note  | For the year ended<br>31 December |                |
|--|---|-----------------------------------|----------------|
|  |   | 2024                              | 2023           |
| <b>NET PROFIT FOR THE YEAR</b>   |   | <b>412,600</b>                    | <b>278,261</b> |
| <b>Other comprehensive income</b>  |   |                                   |                |
| <i>Items that are or may be reclassified subsequently to profit or loss:</i>                     |   |                                   |                |
| <b>Debt instruments at fair value through other comprehensive income</b>                         |   |                                   |                |
| Net change in fair value during the year   | <a href="#">10</a>                          | 44,159                            | 113,948        |
| Net change in provisions for expected credit losses recognised in profit or loss during the year | <a href="#">6.1.1.</a> , <a href="#">26</a> | 1,647                             | 99             |
| Reclassification to profit or loss from sale of debt instruments                                 | <a href="#">24</a>                          | 6,019                             | 22,487         |
|  |   | <b>51,825</b>                     | <b>136,534</b> |
| <b>Monetary gold</b>   |   |                                   |                |
| Net change in fair value during the year   | <a href="#">11</a>                          | 66,765                            | 15,419         |
|  |   | <b>66,765</b>                     | <b>15,419</b>  |
| <b>Total other comprehensive income</b>  |   | <b>118,590</b>                    | <b>151,953</b> |
| <b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR</b>   |   | <b>531,190</b>                    | <b>430,214</b> |

The accompanying notes on pages 12 to 85 are an integral part of these financial statements.

## STATEMENT OF CHANGES IN EQUITY

| 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 | Total equity |
|---|-----------------|---|---------------------------------------|--|----------------|--------------------------------------|----------------|--------------|
| <b>Balance at 1 January 2024</b>  | 25,000          | (6,471)   | 73,530                                | -  | 31,300         | 787,941                              | 886,300        | 911,300      |
| <b>Total comprehensive income for the year</b>  | -               | 51,825  | 66,765                                | -  | -              | 412,600                              | 531,190        | 531,190      |
| Net profit for the year ( <a href="#">Note 31</a> )   | -               | -   | -                                     | -  | -              | 412,600                              | 412,600        | 412,600      |
| <b>Other comprehensive income</b>   | -               | 51,825  | 66,765                                | -  | -              | -                                    | 118,590        | 118,590      |
| <i>Net increase in fair value for debt instruments</i>  | -               | 44,159  | -                                     | -  | -              | -                                    | 44,159         | 44,159       |
| <i>Net increases in provisions for expected credit losses for debt instruments recognised in profit or loss</i> | -               | 1,647   | -                                     | -  | -              | -                                    | 1,647          | 1,647        |
| <i>Reclassification to profit or loss from sale of debt instruments</i>   | -               | 6,019   | -                                     | -  | -              | -                                    | 6,019          | 6,019        |
| <i>Net increase in fair value for monetary gold</i>   | -               | -   | 66,765                                | -  | -              | -                                    | 66,765         | 66,765       |
| Transfer of net unrealised foreign exchange gains ( <a href="#">Note 31</a> )                                   | -               | -   | -                                     | 4,628  | -              | (4,628)                              | -              | -            |
| Profit allocation to the budget of Bosnia and Herzegovina ( <a href="#">Note 31</a> )                           | -               | -   | -                                     | -  | -              | (244,307)                            | (244,307)      | (244,307)    |
| <b>Balance at 31 December 2024</b>  | 25,000          | 45,354  | 140,295                               | 4,628  | 31,300         | 951,606                              | 1,173,183      | 1,198,183    |

The accompanying notes on pages 12 to 85 are an integral part of these financial statements.

**CENTRAL BANK OF BOSNIA AND HERZEGOVINA**  
Financial statements for the year ended 31 December 2024

**STATEMENT OF CHANGES IN EQUITY (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 | Total equity |
|--|-----------------|---|---------------------------------------|--|----------------|--------------------------------------|----------------|--------------|
| Balance at 1 January 2023  | 25,000          | (143,005)   | 58,111                                | -  | 31,300         | 573,999                              | 520,405        | 545,405      |
| Total comprehensive income for the year  | -               | 136,534   | 15,419                                | -  | -              | 278,261                              | 430,214        | 430,214      |
| Net profit for the year ( <a href="#">Note 31</a> )  | -               | -   | -                                     | -  | -              | 278,261                              | 278,261        | 278,261      |
| Other comprehensive income   | -               | 136,534   | 15,419                                | -  | -              | -                                    | 151,953        | 151,953      |
| Net increase in fair value for debt instruments  | -               | 113,948   | -                                     | -  | -              | -                                    | 113,948        | 113,948      |
| Net increases in provisions for expected credit losses for debt instruments recognised in profit or loss | -               | 99  | -                                     | -  | -              | -                                    | 99             | 99           |
| Reclassification to profit or loss from sale of debt instruments   | -               | 22,487  | -                                     | -  | -              | -                                    | 22,487         | 22,487       |
| Net increase in fair value for monetary gold   | -               | -   | 15,419                                | -  | -              | -                                    | 15,419         | 15,419       |
| Transfer of net unrealised foreign exchange gains  | -               | -   | -                                     | -  | -              | -                                    | -              | -            |
| Profit allocation to the budget of Bosnia and Herzegovina ( <a href="#">Note 31</a> )                    | -               | -   | -                                     | -  | -              | (64,319)                             | (64,319)       | (64,319)     |
| Balance at 31 December 2023  | 25,000          | (6,471)   | 73,530                                | -  | 31,300         | 787,941                              | 886,300        | 911,300      |

The accompanying notes on pages 12 to 85 are an integral part of these financial statements.

CENTRAL BANK OF BOSNIA AND HERZEGOVINA  
Financial statements for the year ended 31 December 2024

## STATEMENT OF CASH FLOWS

|  |        | For the year ended<br>31 December |           |
|--|--------|-----------------------------------|-----------|
|  | Note   | 2024                              | 2023      |
| In thousands of KM   |        |                                   |           |
| CASH FLOWS FROM OPERATING ACTIVITIES   |        |                                   |           |
| Net profit for the year  |        | 412,600                           | 278,261   |
| Adjusted for:  |        |                                   |           |
| Interest income  | 22     | (461,179)                         | (330,687) |
| Interest expense   | 22     | 14,557                            | 14,269    |
| Net decreases of / (increases) in impairment on financial assets                                   | 26     | 2,482                             | (100)     |
| Net realised losses from sale of debt instruments at fair value through other comprehensive income | 24     | 6,019                             | 22,487    |
| Net foreign exchange (gains) / losses  | 25     | (6,794)                           | 202       |
| Income from grants   |        | -                                 | (3)       |
| Provisions, net increases  | 20, 28 | 11,300                            | 1,255     |
| Net (gains) on disposal of property, equipment and intangible assets                               |        | (40)                              | (2)       |
| Dividend income recognised in profit or loss   | 27     | (940)                             | (721)     |
| Depreciation and amortisation charge   | 14, 15 | 2,619                             | 2,794     |
| Net cash flows used in operating activities before changes in operating assets and liabilities     |        | (19,376)                          | (12,245)  |
| Changes in operating assets and liabilities  |        |                                   |           |
| Decrease / (increase) in term deposits with foreign banks  |        | 123,704                           | (748,816) |
| (Increase) in debt instruments at fair value through other comprehensive income                    |        | (2,439,362)                       | (148,593) |
| Decrease / (increase) in debt instruments at amortised cost  |        | 51,359                            | (7,553)   |
| (Increase) in monetary gold  |        | (312,933)                         | -         |
| (Increase) / decrease in other assets  |        | (637)                             | 1,107     |
| Increase in banknotes and coins in circulation   | 17     | 394,107                           | 129,011   |
| Increase / (decrease) in deposits from banks   |        | 370,874                           | (135,333) |
| Increase / (decrease) in deposits from the Government and other public institutions                |        | 107,185                           | (205,347) |
| Increase in other liabilities  |        | 1,766                             | 116       |
| Payments from provisions   | 20     | (206)                             | (127)     |
| Interest received  |        | 444,221                           | 307,731   |
| Interest paid  |        | (13,271)                          | (13,088)  |
| Net cash from operating activities   |        | (1,292,569)                       | (833,137) |
| CASH FLOWS FROM INVESTING ACTIVITIES   |        |                                   |           |
| Proceeds from sale of property and equipment   |        | 40                                | 3         |
| Purchases of property, equipment and intangible assets   | 14, 15 | (3,806)                           | (1,594)   |
| Dividend received  |        | 940                               | 721       |
| Net cash used in investing activities  |        | (2,826)                           | (870)     |



**CENTRAL BANK OF BOSNIA AND HERZEGOVINA**  
Financial statements for the year ended 31 December 2024

**STATEMENT OF CASH FLOWS (CONTINUED)**

| In thousands of KM  | Note | For the year ended<br>31 December |                  |
|---|------|-----------------------------------|------------------|
|   |      | 2024                              | 2023             |
| <b>CASH FLOWS FROM FINANCING ACTIVITES</b>  |      |                                   |                  |
| Transfer of the part of annual net profit to the BH budget                          |      | (64,319)                          | -                |
| <b>Net cash from financing activities</b>   |      | <b>(64,319)</b>                   | <b>-</b>         |
|   |      |                                   |                  |
| Net effects from impairment for expected credit losses on cash and cash equivalents |      | (397)                             | 266              |
| Net effects of foreign exchange rates on cash and cash equivalents                  |      | 699                               | (266)            |
| <b>Net (decrease) in cash and cash equivalents</b>                                  |      | <b>(1,359,412)</b>                | <b>(834,007)</b> |
| <b>Cash and cash equivalents at the beginning of the year</b>                       |      | <b>7,012,626</b>                  | <b>7,846,633</b> |
| <b>Cash and cash equivalents at the end of the year</b>                             | 33   | <b>5,653,214</b>                  | <b>7,012,626</b> |

The accompanying notes on pages 12 to 85 are an integral part of these financial statements.

**CENTRAL BANK OF BOSNIA AND HERZEGOVINA**  
Notes to the financial statements for the year ended 31 December 2024

## NOTES TO THE FINANCIAL STATEMENTS

### 1. GENERAL INFORMATION

The Central Bank of Bosnia and Herzegovina (the “Central Bank”) is the supreme monetary authority of Bosnia and Herzegovina (“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 Constitution).

The Central Bank has been established on 20 June 1997 and started its operations on 11 August 1997.

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

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

The main objective of the Central Bank is to achieve and maintain the stability of the domestic currency (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 the 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  $\text{KM } 1.95583 = \text{EUR } 1$ , prescribed by the Law on the Central Bank.

The guaranteed convertibility 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 mandated goals and objectives with reference to preserve the monetary stability in accordance with the currency board rule and are not, at any moment, aimed at profit maximization.

The Central Bank’s main tasks, as defined by the Law on the Central Bank, include:

- determining, adopting and controlling the monetary policy of BH by issuing the domestic currency (Convertible Mark) at the prescribed exchange rate with the full coverage in free convertible foreign currency reserves;
- holding and managing the official foreign currency reserves of the Central Bank in a safe and profitable manner;
- establishing and maintaining adequate payment and settlement systems;
- issuing provisions and guidelines for the performance of the Central Bank’s operations, in accordance with the Law on the Central Bank;
- coordinating the activities of the banking agencies, which are in charge of issuing banking licences and supervising banks;
- receiving deposits from BH institutions and public agencies, entities’ institutions and agencies and deposits from resident banks to fulfil their required reserve obligations;
- putting and withdrawing from circulation the domestic currency, including legal tender banknotes and coins, adhering strictly to the currency board rule;
- participating in the operations of international organisations working on strengthening the financial and economic stability through international monetary cooperation;
- representing BH in all intergovernmental meetings, bodies and organisations regarding monetary policy and other issues within its competence.

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

**CENTRAL BANK OF BOSNIA AND HERZEGOVINA**  
Notes to the financial statements for the year ended 31 December 2024

## 1. GENERAL INFORMATION (CONTINUED)

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

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

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

During 2023 and 2024, including the period up to the issuing date of these statements, the key management members of the Central Bank are:

### The Governing Board

|                           |                                  |
|---------------------------|----------------------------------|
| Jasmina Selimović Ph.D.   | Chairwoman (from 3 January 2024) |
| Senad Softić Ph.D.        | Chairman (until 3 January 2024)  |
| Radomir Božić Ph.D.       | Member                           |
| Danijela Martinović Ph.D. | Member                           |
| Mirza Kršo Ph.D.          | Member (from 3 January 2024)     |
| Darko Tomaš Ph.D.         | Member (from 3 January 2024)     |
| Šerif Išović M.Sc.        | Member (until 3 January 2024)    |
| Dragan Kulina Ph.D.       | Member (until 3 January 2024)    |

### The Management

|                         |  |
|-------------------------|--|
| Jasmina Selimović Ph.D. | Governor (from 3 January 2024)         |
| Senad Softić Ph.D.      | Governor (until 3 January 2024)        |
| Ernadina Bajrović M.Sc. | Vice Governor (until 31 December 2024) |
| Željko Marić Ph.D.      | Vice Governor                          |
| Marko Vidaković M.Sc.   | Vice Governor                          |
| Emir Kurtić Ph.D.       | Vice Governor (from 1 January 2025)    |

The Audit Committee evaluates the overall adequacy and the effectiveness of the financial reporting process of the Central Bank, reviews financial statements prior to their consideration and approval by the Governing Board as well as oversees the process of the external audit of the annual financial statements and the election process of the Central Bank's independent auditors. The supervisory functions of the Audit Committee also include supervision of the risk management framework and the system of internal controls, supervision of the compliance function and supervision of the internal audit function.

During 2023 and 2024, including the period up to the issuing date of these statements, the Audit Committee members of the Central Bank are:

### The Audit Committee

|                       |                                   |
|-----------------------|-----------------------------------|
| Elvir Čizmić Ph.D.    | Chairman (until 31 December 2024) |
| Dijana Ćavar Ph.D.    | Member (until 31 December 2024)   |
| Vasilj Žarković Ph.D. | Member (until 28 February 2025)   |

**CENTRAL BANK OF BOSNIA AND HERZEGOVINA**  
Notes to the financial statements for the year ended 31 December 2024

## 2. BASIS OF PREPARATION

### 2.1. Statement of compliance

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

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

More information on the environmental conditions under which the Central Bank’s operations have been performed in 2024, significantly affecting the Central Bank’s reported balances of assets, liabilities, income and expenses, is disclosed in [Note 3.13.](#)

### 2.2. Basis of measurement

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

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

### 2.3. Functional and presentational currency

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

### 2.4. Changes in accounting policy and disclosures

#### 2.4.1. New and amended standards

The adopted accounting policies are consistent with those of the previous financial year except for the following IFRS amendments which have been adopted by the Central Bank as of 1 January 2024:

- **IAS 1 Presentation of Financial Statements: Classification of Liabilities as Current or Non-current (Amendments)**

The amendments are effective for annual reporting periods beginning on or after 1 January 2024 and are applied retrospectively. The objective of the amendments is to clarify the principles in IAS 1 for the classification of liabilities as either current or non-current. The amendments clarify the meaning of a right to defer settlement, the requirement for this right to exist at the end of the reporting period, that the management intent does not affect current or non-current classification, that options by the counterparty that could result in settlement by the transfer of the entity’s own equity instruments do not affect current or non-current classification. Also, the amendments specify that only covenants with which an entity must comply on or before the reporting date will affect a liability’s classification. Additional disclosures are also required for non-current liabilities arising from loan arrangements that are subject to covenants to be complied with within twelve months after the reporting period. The newly adopted IFRS and amendments to IFRS did not have a material impact on the Central Bank’s accounting policies.

- **IFRS 16 Leases: Lease Liabilities in a Sale and Leaseback (Amendments)**

The amendments are effective for annual reporting periods beginning on or after 1 January 2024. The amendments are intended to improve the requirements that a seller-lessee uses in measuring the lease liability arising in a sale and leaseback transaction in IFRS 16, while it does not change the accounting for leases unrelated to sale and leaseback transactions. In particular, the seller-lessee determines ‘lease payments’ or ‘revised lease payments’ in such a way that the seller-lessee would not recognise any amount of the gain or loss that relates to the right of use it retains. Applying these requirements does not prevent the seller-lessee from recognising, in profit or loss, any gain or loss relating to the partial or full termination of a lease.

**CENTRAL BANK OF BOSNIA AND HERZEGOVINA**  
Notes to the financial statements for the year ended 31 December 2024

## **2. BASIS OF PREPARATION (CONTINUED)**

### **2.4. Changes in accounting policy and disclosures (continued)**

#### **2.4.1. New and amended standards (continued)**

The seller-lessee applies the amendments retrospectively to sale and leaseback transactions entered into after the date of initial application, being the beginning of the annual reporting period in which an entity first applied IFRS 16. The newly adopted IFRS and amendments to IFRS did not have a material impact on the Bank's accounting policies.

- **IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments Disclosure - Supplier Finance Arrangements (Amendments)**

The amendments are effective for annual reporting periods beginning on or after 1 January 2024. The amendments supplement requirements already in IFRS and require an entity to disclose the terms and conditions of supplier finance arrangements. Additionally, entities are required to disclose at the beginning and end of reporting period the carrying amounts of supplier finance arrangement financial liabilities and the line items in which those liabilities are presented as well as the carrying amounts of financial liabilities and line items, for which the finance providers have already settled the corresponding trade payables. Entities should also disclose the type and effect of non-cash changes in the carrying amounts of supplier finance arrangement financial liabilities, which prevent the carrying amounts of the financial liabilities from being comparable. Furthermore, the amendments require an entity to disclose as at the beginning and end of the reporting period the range of payment due dates for financial liabilities owed to the finance providers and for comparable trade payables that are not part of those arrangements. The newly adopted IFRS and amendments to IFRS did not have a material impact on the Central Bank's accounting policies.

#### **2.4.2. Standards issued but not yet effective and not early adopted**

- **IAS 21 The Effects of Changes in Foreign Exchange Rates: Lack of Exchangeability (Amendments)**

The amendments are effective for annual reporting periods beginning on or after 1 January 2025, with earlier application permitted. The amendments specify how an entity should assess whether a currency is exchangeable and how it should determine a spot exchange rate when exchangeability is lacking. A currency is considered to be exchangeable into another currency when an entity is able to obtain the other currency within a time frame that allows for a normal administrative delay and through a market or exchange mechanism in which an exchange transaction would create enforceable rights and obligations. If the currency is not exchangeable into another currency, an entity is required to estimate the spot exchange rate at the measurement date. An entity's objective in estimating the spot exchange rate is to reflect the rate at which an orderly exchange transaction would take place at the measurement date between market participants under prevailing economic conditions. The amendments note that an entity can use an observable exchange rate without adjustment or another estimation technique. The requirements of this standard are not expected to have a material impact on the Central Bank's financial statements.

- **IFRS 9 Financial Instruments and IFRS 7 Financial Instruments: Disclosures - Classification and Measurement of Financial Instruments (Amendments)**

The amendments are effective for annual reporting periods beginning on or after 1 January 2026. Early adoption of amendments related to the classification of financial assets and the related disclosures is permitted, with the option to apply the other amendments at a later date. The amendments clarify that a financial liability is derecognised on the 'settlement date', when the obligation is paid, cancelled, expired, or otherwise qualifies for derecognition. They introduce an accounting policy option to derecognise liabilities settled via electronic payment systems before the settlement date, subject to specific conditions. They also provide guidance on assessing the contractual cash flow characteristics of financial assets with environmental, social and governance (ESG)-linked features or other similar contingent features. Additionally, they clarify the treatment of non-recourse assets and contractually linked instruments and require additional disclosures under IFRS 7 for financial assets and liabilities with contingent event references (including ESG-linked) and equity instruments classified at fair value through other comprehensive income.

## 2. BASIS OF PREPARATION (CONTINUED)

### 2.4. Changes in accounting policy and disclosures (continued)

#### 2.4.2. Standards issued but not yet effective and not early adopted (continued)

The requirements of this standard are not expected to have a material impact on the Central Bank's financial statements.

- **IFRS 9 Financial Instruments and IFRS 7 Financial Instruments: Disclosures - Contracts Referencing Nature-dependent Electricity (Amendments)**

The amendments are effective for annual reporting periods beginning on or after 1 January 2026, with earlier application permitted. The amendments include clarifying the application of the 'own-use' requirements, permitting hedge accounting if contracts in scope of the amendments are used as hedging instruments, and introduce new disclosure requirements to enable investors to understand the impact of these contracts on a company's financial performance and cash flows. The clarifications regarding the 'own-use' requirements must be applied retrospectively, but the guidance permitting hedge accounting have to be applied prospectively to new hedging relationships designated on or after the date of initial application. The requirements of this standard are not expected to have a material impact on the Central Bank's financial statements.

- **IFRS 18 Presentation and Disclosure in Financial Statements**

IFRS 18 introduces new requirements on presentation within the statement of profit or loss. It requires an entity to classify all income and expenses within its statement of profit or loss into one of the five categories: operating, investing, financing, income taxes and discontinued operations. These categories are complemented by the requirements to present subtotals and totals for 'operating profit or loss', 'profit or loss before financing and income taxes' and 'profit or loss'. It also requires disclosure of management-defined performance measures and includes new requirements for aggregation and disaggregation of financial information based on the identified 'roles' of the primary financial statements and the notes. In addition, there are consequential amendments to other accounting standards. IFRS 18 is effective for reporting periods beginning on or after 1 January 2027, with earlier application permitted. Retrospective application is required in both annual and interim financial statements. In the following reporting periods, the Management will analyse the requirements of this newly issued standard and assess its impact.

- **IFRS 19 Subsidiaries without Public Accountability: Disclosures**

IFRS 19 permits subsidiaries without public accountability to use reduced disclosure requirements if their parent company (either ultimate or intermediate) prepares publicly available consolidated financial statements in compliance with IFRS accounting standards. These subsidiaries must still apply the recognition, measurement and presentation requirements in other IFRS accounting standards. Unless otherwise specified, eligible entities that elect to apply IFRS 19 will not need to apply the disclosure requirements in other IFRS accounting standards. IFRS 19 is effective for reporting periods beginning on or after 1 January 2027, with earlier application permitted. The requirements of this standard are not expected to have a material impact on the Central Bank's financial statements.

- **Annual Improvements to IFRS Accounting Standards – Volume 11**

The IASB's annual improvements process deals with non-urgent, but necessary, clarifications and amendments to IFRS. In July 2024, the IASB issued Annual Improvements to IFRS Accounting Standards — Volume 11. An entity shall apply those amendments for annual reporting periods beginning on or after 1 January 2026. The Annual Improvements to IFRS Accounting Standards - Volume 11, includes amendments to IFRS 1, IFRS 7, IFRS 9, IFRS 10, and IAS 7. These amendments aim to clarify wording, correct minor unintended consequences, oversights, or conflicts between requirements in the standards. The requirements of this standard are not expected to have a material impact on the Central Bank's financial statements.



**CENTRAL BANK OF BOSNIA AND HERZEGOVINA**  
Notes to the financial statements for the year ended 31 December 2024

**2. BASIS OF PREPARATION (CONTINUED)**

**2.4. Changes in accounting policy and disclosures (continued)**

**2.4.2. Standards issued but not yet effective and not early adopted (continued)**

- **Amendment in IFRS 10 Consolidated Financial Statements and IAS 28 Investments in Associates and Joint Ventures: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture**

The amendments address an acknowledged inconsistency between the requirements in IFRS 10 and those in IAS 28, in dealing with the sale or contribution of assets between an investor and its associate or joint venture. The main consequence of the amendments is that a full gain or loss is recognised when a transaction involves a business (whether it is housed in a subsidiary or not). A partial gain or loss is recognised when a transaction involves assets that do not constitute a business, even if these assets are housed in a subsidiary. In December 2015 the IASB postponed the effective date of this amendment indefinitely pending the outcome of its research project on the equity method of accounting. The requirements of this standard are not expected to have a material impact on the Central Bank's financial statements.

**CENTRAL BANK OF BOSNIA AND HERZEGOVINA**  
Notes to the financial statements for the year ended 31 December 2024

### **3. SIGNIFICANT ACCOUNTING POLICY INFORMATION**

Disclosed significant accounting policies have been applied by the Central Bank consistently to all periods presented in these financial statements.

#### **3.1 Financial assets and financial liabilities**

##### **3.1.1. Classification of financial assets and financial liabilities**

The classification of financial assets and financial liabilities is determined at initial recognition.

##### **A Financial assets**

The Central Bank can classify its financial assets in one of the following three categories at initial recognition:

- Financial assets subsequently measured at amortised cost,
- Financial assets subsequently measured at fair value through other comprehensive income and
- Financial assets subsequently measured at fair value through profit or loss.

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

The classification of financial asset is determined by:

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

##### ***Business model***

The business model reflects how the Central Bank manages financial assets in order to generate cash flows. As at reporting dates, the Central Bank manages its assets through following business models:

1. "Hold to collect contractual cash flows" model for financial assets that generate contractual cash flows during its lifetime and
2. "Hold to collect contractual cash flows and sell" model for financial assets that generate contractual cash flows during its lifetime and cash flows arising at the moment of sale.

Management of contractual cash flows from investments in debt instruments can be carried out through both business models.

The Central Bank is obliged to reclassify all financial assets affected by the change in the business model, only if changing its business model for financial assets management.

**CENTRAL BANK OF BOSNIA AND HERZEGOVINA**  
Notes to the financial statements for the year ended 31 December 2024

### **3. SIGNIFICANT ACCOUNTING POLICY INFORMATION (CONTINUED)**

#### **3.1. Financial assets and financial liabilities (continued)**

##### **3.1.1. Classification of financial assets and financial liabilities (continued)**

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

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

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

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

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

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

#### **B Financial liabilities**

The Central Bank classifies its financial liabilities as subsequently measured at amortised cost, with the exception of banknotes and coins in circulation which are measured at their nominal value ([Note 3.6](#)). Financial liabilities are not reclassified.

As at reporting dates, the Central Bank did not have financial liabilities classified under the category of subsequent measurement at fair value through profit and loss.

##### **3.1.2. Initial recognition of financial assets and financial liabilities**

Financial assets and financial liabilities are recognised in the statement of financial position only when the Central Bank becomes one of the counterparties to which the contractual terms of the financial instrument are applied.

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

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

**CENTRAL BANK OF BOSNIA AND HERZEGOVINA**  
Notes to the financial statements for the year ended 31 December 2024

### **3. SIGNIFICANT ACCOUNTING POLICY INFORMATION (CONTINUED)**

#### **3.1. Financial assets and financial liabilities (continued)**

##### **3.1.3. Subsequent measurement of financial assets and financial liabilities**

Subsequent measurement is determined by the selected classification of financial assets and financial liabilities.

The amortised cost of financial assets or financial liability is the amount at which financial assets or financial liability is measured on initial recognition decreased by the principal repayments, increased or decreased by the cumulative amortisation using the effective interest rate method on all differences between the initial amount and amount to maturity and, for financial assets, adjusted for any expected credit losses.

The gross carrying amount of financial assets is the amortised cost of financial assets before adjustment for impairment for expected credit losses.

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

#### **A Financial assets**

##### **Financial assets at amortised cost**

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

As at reporting dates, cash in foreign currencies, deposits with foreign banks, Special Drawing Rights with the IMF, debt instruments at amortised cost and other financial assets fall into category of financial assets at amortised cost.

##### **Financial assets at fair value through other comprehensive income**

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

- Interest income or interest expense arising from the effects of negative interest rates are recognised in profit or loss in the period they occurred.
- Fair value adjustments are recognised in other comprehensive income in the period they occurred.

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

As at reporting dates, the Central Bank's debt instruments fall into the category of financial assets at fair value through other comprehensive income.

**CENTRAL BANK OF BOSNIA AND HERZEGOVINA**  
Notes to the financial statements for the year ended 31 December 2024

### 3. SIGNIFICANT ACCOUNTING POLICY INFORMATION (CONTINUED)

#### 3.1. Financial assets and financial liabilities (continued)

##### 3.1.3. Subsequent measurement of financial assets and financial liabilities (continued)

##### Equity instruments

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

As at reporting dates, the Central Bank's equity instruments at fair value through other comprehensive income are composed of The Bank for International Settlements (BIS) and SWIFT (Society for Worldwide Interbank Financial Telecommunication) shares ([Note 16](#)).

##### Impairment of financial assets

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

The Central Bank recognises an impairment for these losses at each reporting date. The measurement of expected credit losses reflects:

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

[Note 6.1.](#) provides more information about how the expected credit losses are measured.

Impairment for expected credit losses is calculated and presented in the statement of financial position as follows:

**Financial assets measured at amortised cost:** Expected credit losses are calculated on the gross carrying amount of the assets and recorded as a deduction from the gross carrying amount of the assets.

**Debt instruments at fair value through other comprehensive income:** Expected credit losses are calculated on the gross carrying amount of the assets, but impairment is recognised in other comprehensive income as provisions for expected credit losses that do not reduce the carrying amount of the financial assets in the statement of financial position.

Impairment of financial assets is recognised in profit or loss regardless of classification of financial assets at each reporting date.

CENTRAL BANK OF BOSNIA AND HERZEGOVINA  
Notes to the financial statements for the year ended 31 December 2024

### 3. SIGNIFICANT ACCOUNTING POLICY INFORMATION (CONTINUED)

#### 3.1. Financial assets and financial liabilities (continued)

##### 3.1.3. Subsequent measurement of financial assets and financial liabilities (continued)

##### B Financial liabilities

Interest income or interest expense arising from financial liabilities measured at amortised cost are recognised in profit or loss using the effective interest rate method.

Fee and commission income arising from financial liabilities is recognised when service is provided.

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

##### 3.1.4. Derecognition of financial assets and financial liabilities

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

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

#### 3.2. Offsetting

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

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

#### 3.3. Cash and cash equivalents

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

#### 3.4. Monetary gold

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

After initial recognition, monetary gold is subsequently measured at fair value. Unrealised gains and losses arising from changes in fair value, referring to the price changes of monetary gold, are recognised in the fair value reserve account within other comprehensive income. Prior to the annual profit allocation, if unrealised losses exceed the balance of the fair value reserves for monetary gold, the Central Bank recognises the amount of negative balance in the profit or loss account which is then included in the profit available for distribution if the legally prescribed conditions for profit distributions are met.

On the sale of monetary gold, unrealised gains and losses from other comprehensive income are transferred to profit or loss.

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



**CENTRAL BANK OF BOSNIA AND HERZEGOVINA**  
Notes to the financial statements for the year ended 31 December 2024

### 3. SIGNIFICANT ACCOUNTING POLICY INFORMATION (CONTINUED)

#### 3.5. Property, equipment and intangible assets

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

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

Depreciation and amortisation of property, equipment and intangible assets are calculated on all assets, except land and assets in the course of construction, on a straight-line basis at prescribed rate designed to write off the cost of the assets over their estimated useful lives. The estimated depreciation and amortisation rates during 2024 and 2023 were as follows:

##### **Property and equipment**

|           |                |
|-----------|----------------|
| Buildings | 1.3% to 4.0%   |
| Equipment | 11.0% to 20.0% |
| Furniture | 10.0% to 12.5% |
| Vehicles  | 15.5%          |

##### **Intangible assets**

|                         |       |
|-------------------------|-------|
| Software                | 20.0% |
| Other intangible assets | 20.0% |

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

##### **Impairment of non-financial assets**

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

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

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

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

**CENTRAL BANK OF BOSNIA AND HERZEGOVINA**  
Notes to the financial statements for the year ended 31 December 2024

### **3. SIGNIFICANT ACCOUNTING POLICY INFORMATION (CONTINUED)**

#### **3.6. Banknotes and coins in circulation**

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

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

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

#### **3.7. Deposits of banks and depositors**

These deposits include received deposits from resident banks and deposits from the Government and other public institutions and represent the Central Bank's financial liabilities that are initially recognised at fair value and subsequently measured at amortised cost. Deposits from banks include resident banks' deposits arising from required reserve policy of the Central Bank and other resident banks' deposits. Deposits from the Government and other public institutions represent received deposits from BH institutions and other public BH agencies, and entities' institutions and agencies.

The Central Bank's role as a depository, banker, adviser and fiscal agent is prescribed by the Law on the Central Bank.

#### **3.8. Provisions**

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

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

Provisions may include the amounts subject to the requirements of IAS 19: Employee Benefits and the requirements of IAS 37: Provisions, Contingent Liabilities and Contingent Assets. Provisions are released only for such expenditure for which provisions are recognised at inception. If the outflow of economic benefits to settle the obligations is no longer probable, the provision is reversed.

#### **3.9. Income and expense recognition**

##### **Interest income and expenses**

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

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

When calculating the effective interest rate for financial instruments, the Central Bank estimates future cash flows considering all contractual terms of the financial instrument, but excluding the expected credit losses. The calculation includes all fees and amounts paid or received between the Central Bank and other counterparty that are an integral part of the effective interest rate, transaction costs, and all other discounts and premiums.

**CENTRAL BANK OF BOSNIA AND HERZEGOVINA**  
Notes to the financial statements for the year ended 31 December 2024

### 3. SIGNIFICANT ACCOUNTING POLICY INFORMATION (CONTINUED)

#### 3.9. Income and expense recognition (continued)

Accrued interest on financial assets with positive interest rate, i.e., yield is recognised in profit or loss as interest income. Accrued interest on financial assets with negative interest rate, i.e., yield is recognised in profit or loss as the effects of negative interest rates within the interest expense. As at reporting dates, interest income includes interest income from deposits with foreign banks, debt instruments at fair value through other comprehensive income, debt instruments at amortised cost and Special Drawing Rights with the IMF. The effects of negative interest rates on financial assets arose from debt instruments at fair value through other comprehensive income in the comparative period.

Accrued interest on financial liabilities at amortised cost is recognised in profit or loss as interest expense, i.e., as the effects of negative deposit interest rates on financial liabilities within the interest income. As at reporting dates, the accrued interests on financial liabilities include interest expenses on deposits from resident banks based on the required reserve policy.

#### Fee and commission income and expenses

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

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

#### Foreign currency transactions and foreign exchange differences

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

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

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

Middle exchange rates of most relevant currencies are provided below:

| Middle exchange rate: | 31 December 2024 | 31 December 2023 |
|-----------------------|------------------|------------------|
|                       | KM               | KM               |
| EUR                   | 1.95583          | 1.95583          |
| CHF                   | 2.072952         | 2.112127         |
| GBP                   | 2.357842         | 2.250538         |
| USD                   | 1.872683         | 1.769982         |
| XDR                   | 2.454215         | 2.381282         |

**CENTRAL BANK OF BOSNIA AND HERZEGOVINA**  
Notes to the financial statements for the year ended 31 December 2024

### 3. SIGNIFICANT ACCOUNTING POLICY INFORMATION (CONTINUED)

#### 3.9. Income and expense recognition (continued)

##### **Dividend income**

Dividend income from equity instruments is recognised in profit or loss when the Central Bank's right to receive dividend is established. Dividend income arises from BIS shares held by the Central Bank ([Notes 16](#) and [27](#)).

##### **Employee benefits**

###### *Short-term employee benefits*

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

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

###### *Long-term employee benefits*

According to local legal requirements, upon retirement employees of the Central Bank are entitled to receive severance pay, when provided legal conditions are met, such as the age or years of service, which in accordance with the Central Bank's internal acts is granted in an amount equal to six regular monthly salaries paid to the respective employee in the last six months. Such payments are treated as long-term employee benefits. The Central Bank engages the certified actuary for preparing an actuarial calculation using the projected unit credit method.

##### **Costs of production of banknotes and coins**

Costs related to the production and design of banknotes and coins are initially recognised as deferred costs which are part of Central Bank's other assets and are subsequently amortised by their expense recognition through profit or loss over the period of five years.

##### **Taxes**

The Central Bank is obliged to pay Value Added Tax for all goods and services purchased. These payables are part of the Central Bank's administrative and other operating expenses. According to the Law on the Central Bank, the Central Bank is excluded from income tax payables.

#### 3.10. Fund management for and on behalf of third parties

The Central Bank also maintains certain accounts in foreign currencies related to agreements concluded between the governments in BH and its entities and foreign governments and financial organisations, as well as foreign currency accounts of the BH institutions and agencies, and resident banks, for which the Central Bank acts as an agent ([Note 35](#)).

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

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

**CENTRAL BANK OF BOSNIA AND HERZEGOVINA**  
Notes to the financial statements for the year ended 31 December 2024

### **3. SIGNIFICANT ACCOUNTING POLICY INFORMATION (CONTINUED)**

#### **3.11. Financial arrangements of Bosnia and Herzegovina with the International Monetary Fund (continued)**

Other assets and liabilities related to the IMF, belonging to or being the responsibility of BH, are recorded in a separate Trust Fund within off-balance-sheet records. Central Bank has an obligation to keep proper records arising from transactions between BH and the IMF, but strictly adhering to the Law on the Central Bank and local legislation in BH that regulates foreign borrowing of BH ([Note 36](#)).

#### **3.12. Significant accounting judgements and estimates**

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

Significant judgements and estimates effect the reported amounts of assets and liabilities, as well as disclosure of the amounts of contingent assets and liabilities as at reporting date, and the corresponding amounts of revenues and expenses for the reporting period. Actual amounts could differ from these estimates. Changes in Central Bank's accounting policies are applied retrospectively when applicable in accordance with IFRSs. Changes in accounting estimates are recognised prospectively in the period in which the estimate is changed if the change affects only that period or in the period of change and future periods if the change affects both current and future periods.

These financial statements have been prepared based upon conditions existing at 31 December 2024. Future conditions may be different from those that resulted in the financial information disclosed in these financial statements. The Management continuously monitors the increased factors of uncertainty that may significantly impact the financial performances of the Central Bank in the upcoming period.

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

##### *Business model*

[Note 3.1.1.](#): Determination of the business model within the financial assets are held and assessment of contractual terms of financial assets regarding the "Solely payment of principal and interest" requirement. These assessments determine the classification of financial assets.

##### *Impairment of financial assets*

The Central Bank calculates the expected credit losses for certain classes of financial assets measured at amortised cost and debt instruments measured at fair value through other comprehensive income.

In 2024, the Central Bank revised and updated the methodology for calculation of expected credit losses in terms of certain parameters of input variables used in the calculation for expected credit losses for specific classes of financial instruments.

[Note 6.1.](#) describes assumptions and updates used in the determination of the inputs into the expected credit loss measurement model, including the forward-looking view information in the reporting periods.

##### *Fair value of assets and liabilities*

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

**3. SIGNIFICANT ACCOUNTING POLICY INFORMATION (CONTINUED)****3.12. Significant accounting judgements and estimates (continued)***Depreciation and amortisation charge and rates applied*

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

*The impact of climate changes and sustainable development on the Central Bank's financial reporting*

In accordance with the requirements of IFRS S1: General Requirements for Disclosures of Sustainability-related Financial Information and IFRS S2: Climate-related Disclosures, the Central Bank has recognised the risks associated with sustainable development and climate changes as potential source of uncertainty in the future period.

In response to the identified climate and sustainability uncertainties, the Central Bank has intensified activities aimed at creating conditions for proactive management of these sources of uncertainty. During 2024, the Central Bank became a member of the Network for Greening the Financial System (NGFS) and the Sustainable Banking and Finance Network (SBFN) which are two internationally recognised networks. Membership in these networks enables the improvement of business standards in central banking and the application of internationally recognised best practices with the aim of protecting the environment and reducing climate risks. Furthermore, the Central Bank has defined a policy for managing the challenges posed by climate changes, creating a foundational basis for proactive management of these risks, their quantification and the assessment of their impact on financial operations in the future period.

As at reporting dates, the Central Bank considers that these sources of uncertainty do not have a significant impact on the Central Bank's financial position and performance.

**3.13. Conditions in the environment for performing the Central Bank's operations in 2024**

In 2024, the Central Bank's operations were performed in conditions of moderate recovery of the global economy and the economy of the eurozone, despite the presence of macroeconomic and, particularly, geopolitical uncertainties. Decisions and announcements by leading central banks, particularly the European Central Bank ("ECB"), significantly impacted the business environment and conditions in the financial markets of the eurozone. Throughout 2024, the ECB continued to ease its restrictive monetary policy measures, by lowering key interest rates on four occasions – in June, September, October and December. The deposit facility rate was reduced by a total of 100 basis points in 2024.

In 2024, the Central Bank invested and reinvested foreign currency reserves funds in an environment of favourable market circumstances and conditions, which had positive influence on the Central Bank's key financial indicators and enabled further stabilization of the currency board. The Central Bank's key financial indicators and results as at and for the year ending 31 December 2024 are as follows:

The Central Bank's net foreign assets amount to KM 1,363,695 thousand as at 31 December 2024,

The Central Bank's net profit amounts to KM 412,600 thousand for 2024,

The amount of annual net profit to be transferred to the budget of Bosnia and Herzegovina is KM 244,307 thousand and represents the Central Bank's liability as at 31 December 2024 and

The Central Bank's equity, after the allocation of the annual net profit, amounts to KM 1,198,183 thousand as at 31 December 2024.

Throughout 2024, the Central Bank directed more of its foreign currency reserves funds into a portfolio of debt instruments at fair value through other comprehensive income and additionally purchased 64,000 ounces of monetary gold. Meanwhile, the interest income arising from interest-bearing components of foreign currency reserves was the main income generator for the Central Bank's net profit in 2024.



**CENTRAL BANK OF BOSNIA AND HERZEGOVINA**  
Notes to the financial statements for the year ended 31 December 2024

### 3. SIGNIFICANT ACCOUNTING POLICY INFORMATION (CONTINUED)

#### 3.13. Conditions in the environment for performing the Central Bank's operations in 2024 (continued)

The total equity of the Central Bank for 2024 was primarily increased by the financial results of the foreign currency reserve investment process, which included the growth of interest income and the financial effects of changes in the market values of the components of foreign currency reserves that are subsequently measured at fair value. The net changes in the fair value of debt instruments at fair value through other comprehensive income, as well as monetary gold, amount to KM 118,590 thousand for 2024. These, along with the achieved annual net profit, resulted in a total comprehensive income of KM 531,190 thousand.

In 2024, the Central Bank concluded an agreement with the World Bank to join the Reserve Advisory & Management Partnership (RAMP), and a part of the Central Bank's foreign currency reserves funds was redirected to an external portfolio manager for management on this basis. As at 31 December 2024, the external portfolio manager has invested the entrusted foreign currency reserve funds in debt instruments denominated in EUR and USD currency.

More information on changes and analytical balances of significant foreign currency reserves components, as well as the corresponding amounts that have affected net foreign assets, annual net profit and equity of the Central Bank are disclosed in the following notes:

| Note               | Title   |
|--------------------|---|
| <a href="#">4</a>  | Currency board arrangement  |
| <a href="#">8</a>  | Deposits with foreign banks                                       |
| <a href="#">10</a> | Debt instruments at fair value through other comprehensive income |
| <a href="#">11</a> | Monetary gold   |
| <a href="#">22</a> | Net interest income   |
| <a href="#">32</a> | Equity  |

The increase in the amount of monetary liabilities in 2024 is primarily the result of the net financial effects of performed transactions of KM purchases and sales with resident banks and for Central Bank's depositors, as well as net foreign currency inflows from the resident banks into EUR reserve accounts, to fulfil the required reserve requirements in accordance with the new required reserve framework. In addition, resident banks have been withdrawing and returning KM banknotes and coins through the Central Bank's dislocated vaults with a non-cyclical intensity, which resulted in cumulative net increase in KM banknotes and coins in circulation compared to 31 December 2023 with simultaneous net decrease of resident bank's reserve accounts on this basis.

All resident banks have regularly fulfilled the required reserve in accordance with the Central Bank's legal regulations. From 1 January 2024, the Central Bank has applied new required reserve framework for resident banks. The new framework defines the remuneration rates arising from the required reserves funds which are calculated and paid to resident banks. During 2024, The Central Bank did not change the remuneration rates.

More information on changes and analytical balances of monetary liabilities components and applied Central Bank's required reserve policy are disclosed in the following Notes:

| Note               | Title  |
|--------------------|--|
| <a href="#">17</a> | Banknotes and coins in circulation                         |
| <a href="#">18</a> | Deposits from banks  |
| <a href="#">19</a> | Deposits from the Government and other public institutions |
| <a href="#">22</a> | Net interest income  |

**CENTRAL BANK OF BOSNIA AND HERZEGOVINA**  
Notes to the financial statements for the year ended 31 December 2024

#### 4. CURRENCY BOARD ARRANGEMENT

The currency board is an arrangement with a fixed foreign currency exchange rate which is tied to a stable foreign currency, known as the reserve currency, where the total amount of domestic currency can be freely converted to reserve currency at any time. Each issued KM has full coverage in foreign currency to which it is tied at the fixed EUR foreign currency exchange rate. The Law on the Central Bank defines the rule “currency board” for issuing currency, under which the Central Bank is obliged to ensure that total amount of its monetary liabilities never exceed the equivalent amount (expressed in KM) of its net foreign currency reserves.

Details of compliance with that rule are as follows:

| In thousands of KM   | 31 December<br>2024 | 31 December<br>2023 |
|--|---------------------|---------------------|
| <b>Official foreign currency reserves</b>  |                     |                     |
| Cash in foreign currencies   | 525,980             | 455,191             |
| Deposits with foreign banks  | 6,786,228           | 8,326,590           |
| Special Drawing Rights with the IMF  | 4,771               | 2,073               |
| Debt instruments   | 9,768,714           | 7,330,551           |
| Monetary gold  | 555,157             | 175,459             |
| <b>TOTAL</b>   | <b>17,640,850</b>   | <b>16,289,864</b>   |
| <b>Liabilities to non-residents</b>  | <b>2,462</b>        | <b>2,454</b>        |
| <b>Net foreign currency reserves</b><br>(Official foreign currency reserves less liabilities to non-residents) | <b>17,638,388</b>   | <b>16,287,410</b>   |
| <b>Monetary liabilities</b>  |                     |                     |
| Banknotes and coins in circulation   | 7,959,215           | 7,565,108           |
| Deposits from banks  | 7,455,395           | 7,083,235           |
| Deposits from the Government and other public institutions   | 860,083             | 752,898             |
| <b>TOTAL</b>   | <b>16,274,693</b>   | <b>15,401,241</b>   |
| <b>NET FOREIGN ASSETS</b><br>(Net foreign currency reserves less monetary liabilities)                         | <b>1,363,695</b>    | <b>886,169</b>      |

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

Net foreign assets are the Central Bank’s main financial indicator of achieving and maintaining the stability of domestic currency in BH and its main financial performance measure. 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 stability of domestic currency, respectively monetary stability and absorb potential financial risks arising from official currency reserves management. Significantly improved financial performances of the Central Bank have led to the increase in the Central Bank’s net foreign assets in 2024, as a main indicator of the currency board stability. As at 31 December 2024, the financial balance of net foreign assets amounts to KM 1,363,695 thousand and the stability of domestic currency is completely provided (31 December 2023: KM 886,169 thousand).

**CENTRAL BANK OF BOSNIA AND HERZEGOVINA**  
Notes to the financial statements for the year ended 31 December 2024

**4. CURRENCY BOARD ARRANGEMENT (CONTINUED)**

More information on financial risks to which the Central Bank has been exposed in foreign currency reserves management is disclosed in [Note 6](#).

As at reporting dates, the Central Bank's adequate capitalisation level has ensured implementation of its functions prescribed by the Law on Central Bank. For more information see [Note 32](#).

**5. 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 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.

**CENTRAL BANK OF BOSNIA AND HERZEGOVINA**  
Notes to the financial statements for the year ended 31 December 2024

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

**5.1. Financial assets measured at fair value**

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

**In thousands of KM**

|   | <b>31 December 2024</b> |                |                |                  |
|---|-------------------------|----------------|----------------|------------------|
|   | <b>Level 1</b>          | <b>Level 2</b> | <b>Level 3</b> | <b>Total</b>     |
| <b>Financial assets</b>   |                         |                |                |                  |
| <i>Financial assets measured at fair value through other comprehensive income</i> |                         |                |                |                  |
| Debt instruments  | 8,639,813               | -              | -              | 8,639,813        |
| Monetary gold   | 555,157                 | -              | -              | 555,157          |
| <b>TOTAL</b>  | <b>9,194,970</b>        | <b>-</b>       | <b>-</b>       | <b>9,194,970</b> |

**In thousands of KM**

|   | <b>31 December 2023</b> |                |                |                  |
|---|-------------------------|----------------|----------------|------------------|
|   | <b>Level 1</b>          | <b>Level 2</b> | <b>Level 3</b> | <b>Total</b>     |
| <b>Financial assets</b>   |                         |                |                |                  |
| <i>Financial assets measured at fair value through other comprehensive income</i> |                         |                |                |                  |
| Debt instruments  | 6,150,130               | -              | -              | 6,150,130        |
| Monetary gold   | 175,459                 | -              | -              | 175,459          |
| <b>TOTAL</b>  | <b>6,325,589</b>        | <b>-</b>       | <b>-</b>       | <b>6,325,589</b> |

Financial assets are measured at fair value in the statement of financial position using the last quoted bid prices in an active market, taken from official services, which correspond to Level 1 hierarchy as at reporting dates. Market prices from the official service Bloomberg are used for fair value measurement of debt instruments. Market prices from the official service Reuters are used for fair value measurement of monetary gold.

**CENTRAL BANK OF BOSNIA AND HERZEGOVINA**  
Notes to the financial statements for the year ended 31 December 2024

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

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

In thousands of KM

|  | <b>31 December 2024</b>    |                          |
|--|----------------------------|--------------------------|
|  | <b>Carrying<br/>amount</b> | <b>Fair<br/>value</b>    |
| <b>Financial assets</b>  |                            |                          |
| <i>Financial assets measured at amortised cost:</i>  |                            |                          |
| Cash in foreign currencies   | 525,980                    | 525,980                  |
| Deposits with foreign banks  | 6,786,228                  | 6,786,228                |
| Special Drawing Rights with the IMF  | 4,771                      | 4,771                    |
| Debt instruments at amortised cost   | 1,128,901                  | 1,041,621                |
| Other financial assets   | 4,121                      | 4,121                    |
|  | <u>8,450,001</u>           | <u>8,362,721</u>         |
| <i>Financial assets measured at fair value<br/>through other comprehensive income - cost choice:</i> |                            |                          |
| Other investments  | 27,813                     | 27,813                   |
|  | <u>27,813</u>              | <u>27,813</u>            |
| <b>Total</b>   | <u><b>8,477,814</b></u>    | <u><b>8,390,534</b></u>  |
| <b>Financial liabilities</b>   |                            |                          |
| <i>Financial liabilities measured at amortised cost:</i>   |                            |                          |
| Banknotes and coins in circulation   | 7,959,215                  | 7,959,215                |
| Deposits from banks  | 7,455,395                  | 7,455,395                |
| Deposits from the Government and other public institutions   | 860,083                    | 860,083                  |
| Other financial liabilities  | 250,245                    | 250,245                  |
| <b>Total</b>   | <u><b>16,524,938</b></u>   | <u><b>16,524,938</b></u> |

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

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

In thousands of KM

|   | Carrying<br>amount       | 31 December 2023<br>Fair<br>value |
|---|--------------------------|-----------------------------------|
| <b>Financial assets</b>   |                          |                                   |
| <i>Financial assets measured at amortised cost:</i>   |                          |                                   |
| Cash in foreign currencies  | 455,191                  | 455,191                           |
| Deposits with foreign banks   | 8,326,590                | 8,326,590                         |
| Special Drawing Rights with the IMF   | 2,073                    | 2,073                             |
| Debt instruments at amortised cost  | 1,180,421                | 1,084,267                         |
| Other financial assets  | 3,539                    | 3,539                             |
|   | <u>9,967,814</u>         | <u>9,871,660</u>                  |
| <i>Financial assets at measured at fair value through other comprehensive income - cost choice:</i> |                          |                                   |
| Other investments   | 27,813                   | 27,813                            |
|   | <u>27,813</u>            | <u>27,813</u>                     |
| <b>Total</b>  | <u><b>9,995,627</b></u>  | <u><b>9,899,473</b></u>           |
| <b>Financial liabilities</b>  |                          |                                   |
| <i>Financial liabilities measured at amortised cost:</i>  |                          |                                   |
| Banknotes and coins in circulation  | 7,565,108                | 7,565,108                         |
| Deposits from banks   | 7,083,235                | 7,083,235                         |
| Deposits from the Government and other public institutions  | 752,898                  | 752,898                           |
| Other financial liabilities   | 68,423                   | 68,423                            |
| <b>Total</b>  | <u><b>15,469,664</b></u> | <u><b>15,469,664</b></u>          |

For financial assets and financial liabilities not measured at fair value, fair value of these components is considered for the purpose of disclosing information on their estimated fair value. The Management considers that carrying amounts of financial assets at amortised cost, other investments and financial liabilities at amortised cost, except for debt instruments at amortised cost, represent reasonable estimation of their fair value as at reporting dates. The above-mentioned estimate is made considering the specific position of the Central Bank as the supreme monetary authority operating under currency board arrangement, as well as dominant short-term nature of these components. For more information see [Notes 6.3.](#) and [8.](#)

As at reporting dates, financial assets and financial liabilities not measured at fair value are included in Level 2 of fair value measurement, except for debt instruments at amortised cost which are included in 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.



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## 6. FINANCIAL RISK MANAGEMENT

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

- Cash in foreign currencies,
- Deposits with foreign banks (central banks, commercial banks and BIS),
- Special Drawing Rights with the IMF,
- Debt instruments at fair value through other comprehensive income,
- Monetary gold,
- Debt instruments at amortised cost,
- Other financial assets (resident banks' receivables, employees' loans and other receivables) and
- Other investments.

The management of foreign currency reserves and the management of financial risks in the process of managing foreign currency reserves are significantly influenced by movements in financial markets, primarily movements in the eurozone financial market, which are affected by a large number of different factors, with the most important being the measures taken by the ECB and other leading central banks at the global level.

All three key ECB interest rates were reduced in June, September, October and December 2024. Deposit facility rate was reduced from 4.00%, at the beginning of the year, to 3.00% by the end of the year. Main refinancing operations rate was reduced from 4.50% to 3.15%, while marginal lending facility rate was reduced from 4.75% to 3.40%. The primary determinant of the ECB's monetary policy remains the eurozone inflation level, with an aim of achieving medium-term targeted inflation level of 2.00%. The ECB's Governing Council emphasizes that, when determining monetary policy, it does not decide on certain changes in interest rates dynamics in advance, but it applies an approach based on the most recent available data. The ECB's Governing Council decisions on interest rates, as they stated, will depend on the assessment of future inflation movements based on the most recent macroeconomic and financial data, as well as the dynamics of core inflation and strength of monetary policy transmission.

The reduction in key interest rates in the eurozone, as in previous years, has reflected on the movement of market interest rates (Euribor) and market yields on euro-denominated bonds in 2024. In the middle of the year, there was a more pronounced decline in bond yields of eurozone member states, while the yields on the short-term bonds have mostly maintained this trend until the end of the year. On the other hand, yields on medium-term and long-term bonds recorded a slight upward correction at the end of the year due to the expectations that the future ECB interest rate cuts are unlikely to be as intensive.

In addition, the expectations regarding the future monetary policy of the US Federal Reserve System (Fed) had an impact on these movements of yields. During 2024, the US central bank, reduced the reference interest rate three times (in September, November and December) by a total of 100 basis points.

The yield curve for government bonds in the eurozone financial market still remains inverse in the current reporting period, that is, the yields on government bonds of longer remaining maturities are still lower than short-term market yields and short-term interest rates in the eurozone financial market.

## 6. FINANCIAL RISK MANAGEMENT (CONTINUED)

### 6.1. Credit risk

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

The management of credit risk is performed through:

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

For the funds recorded in off-balance sheet records, the Central Bank is not exposed to credit risk, since all the risk, which may result from the investments of these funds, are borne contractually by the owners of these funds (see [Notes 35](#) and [36](#)).

#### Expected credit loss measurement

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

- Deposits with foreign banks,
- Special Drawing Rights with IMF,
- Debt instruments at fair value through other comprehensive income,
- Debt instruments at amortised cost and
- Other financial assets (resident banks' receivables, employees' loans and other receivables).

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

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

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

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

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

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

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## **6. FINANCIAL RISK MANAGEMENT (CONTINUED)**

### **6.1. Credit risk (continued)**

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

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

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

#### **Significant increase in credit risk**

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

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

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

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

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

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

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

**6. FINANCIAL RISK MANAGEMENT (CONTINUED)****6.1. Credit risk (continued)****Definition of default**

Default criteria are objective evidences of impairment, especially:

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

**Expected credit loss calculation**

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

- **Probability of Default (PD)** is an estimate of the probability that another counterparty will not be able to meet its debt obligations. In the reporting periods, the same PD calculation method was used, in accordance with the Central Bank's methodology for expected credit losses calculation which was introduced on 1 January 2019.

During 2024, the parameters for calculating the probability of default for exposures to foreign banks and exposures to foreign debt instruments were updated, in light of the perception of an increased credit risks due to the intensification of geopolitical tensions and their impact on the global economy. This led to a higher probability of default for all exposures that have been assigned sovereign and corporate ratings by the global leading rating agencies, which has caused higher amounts of expected credit losses. For the impairment calculation, in accordance with best practices in other central banks in region and European Union, which are obliged to comply with IFRS, the Central Bank, as a parameter of the probability of default, uses the estimates based on data from transition matrices which are published by credit rating agencies and expert judgement in the form of fixed percentages of probability of default.

For probability of default calculation, the estimates are based on transition matrices for corporations on a global level which contain data on one-year transition average rate of long-term credit rating level in status "D" i.e., default or status "SD", i.e., selective default. Based on data mentioned above, the probability of default estimates is calculated for exposures to foreign commercial banks and foreign countries, respectively foreign central banks and governments, for which it is possible to calculate composite credit rating. For probability of default estimates of exposures to foreign countries, respectively foreign central banks and governments, the first non-zero data on one-year transition rate of sovereign ratings is taken into consideration in status "D" i.e., default or status "SD" i.e., selective default from transition matrices for sovereign rating. For exposures for which the composite credit rating cannot be calculated, in both reporting periods, expert judgements in terms of fixed percentages are used, respectively the simplified approach in accordance with the current situation analysis and former experience.

- **Loss Given Default (LGD)** is an estimate of the percentage of exposure to the issuer/entity which cannot be collected if a default event occurs. For loss given default, the Central Bank uses constant value of one-year LGD, 45 per cent (45%), in accordance with the article 161. of the Regulation No 575/2013 of the European Parliament and of the Council of 26 June 2013 (Capital Requirements Regulations i.e., CRR).

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## **6. FINANCIAL RISK MANAGEMENT (CONTINUED)**

### **6.1. Credit risk (continued)**

- **Exposure at Default (EAD)** represents the carrying amount of the financial assets, i.e., the carrying amount at the initial recognition date/at the reporting date.

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

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

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

#### **Forward-looking information incorporation**

The purpose of the impairment is to recognise expected credit losses on a lifetime basis for financial assets that had a significant increase in credit risk compared to initially estimated risks, whether the estimation is on individual or collective basis, considering all reasonable and substantiated information including those related to the future.

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

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

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

The Central Bank uses individual and collective approach for impairment.

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

#### **6.1.1. Credit risk exposure**

The following table shows the reconciliation from the opening to the closing balance for the impairment as well as the provisions for expected credit losses for financial assets at the reporting dates:

## CENTRAL BANK OF BOSNIA AND HERZEGOVINA

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## 6. FINANCIAL RISK MANAGEMENT (CONTINUED)

## 6.1. Credit risk (continued)

## 6.1.1. Credit risk exposure (continued)

In thousands of KM

|   | 2024         |          |          |              | 2023         |          |          |              |
|---|--------------|----------|----------|--------------|--------------|----------|----------|--------------|
|   | Stage 1      | Stage 2  | Stage 3  | Total        | Stage 1      | Stage 2  | Stage 3  | Total        |
| <b>1. Deposits with foreign banks</b>                                       |              |          |          |              |              |          |          |              |
| As at 1 January   | 1,657        | -        | -        | 1,657        | 1,850        | -        | -        | 1,850        |
| Increases in expected credit losses   | 10,472       | -        | -        | 10,472       | 13,096       | -        | -        | 13,096       |
| Releases of expected credit losses  | (183)        | -        | -        | (183)        | (139)        | -        | -        | (139)        |
| Releases due to derecognition of term deposits                              | (9,615)      | -        | -        | (9,615)      | (13,150)     | -        | -        | (13,150)     |
| <b>As at 31 December</b>  | <b>2,331</b> | <b>-</b> | <b>-</b> | <b>2,331</b> | <b>1,657</b> | <b>-</b> | <b>-</b> | <b>1,657</b> |
| <b>2. Special Drawing Rights with the IMF</b>                               |              |          |          |              |              |          |          |              |
| As at 1 January   | -            | -        | -        | -            | -            | -        | -        | -            |
| Increases in expected credit losses   | -            | -        | -        | -            | -            | -        | -        | -            |
| Releases of expected credit losses  | -            | -        | -        | -            | -            | -        | -        | -            |
| <b>As at 31 December</b>  | <b>-</b>     | <b>-</b> | <b>-</b> | <b>-</b>     | <b>-</b>     | <b>-</b> | <b>-</b> | <b>-</b>     |
| <b>3. Debt instruments at fair value through other comprehensive income</b> |              |          |          |              |              |          |          |              |
| As at 1 January   | 904          | -        | -        | 904          | 910          | -        | -        | 910          |
| Increases in expected credit losses   | 2,299        | -        | -        | 2,299        | 619          | -        | -        | 619          |
| Releases of expected credit losses  | (46)         | -        | -        | (46)         | (28)         | -        | -        | (28)         |
| Releases due to debt instruments matured                                    | (606)        | -        | -        | (606)        | (492)        | -        | -        | (492)        |
| <i>Net increases during the year</i>  | <i>1,647</i> | <i>-</i> | <i>-</i> | <i>1,647</i> | <i>99</i>    | <i>-</i> | <i>-</i> | <i>99</i>    |
| Net releases due to debt instruments sold                                   | (37)         | -        | -        | (37)         | (105)        | -        | -        | (105)        |
| <b>As at 31 December</b>  | <b>2,514</b> | <b>-</b> | <b>-</b> | <b>2,514</b> | <b>904</b>   | <b>-</b> | <b>-</b> | <b>904</b>   |



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**6. FINANCIAL RISK MANAGEMENT (CONTINUED)**

**6.1. Credit risk (continued)**

**6.1.1. Credit risk exposure (continued)**

In thousands of KM

|   | 2024         |          |            |              | 2023         |          |            |              |
|---|--------------|----------|------------|--------------|--------------|----------|------------|--------------|
|   | Stage 1      | Stage 2  | Stage 3    | Total        | Stage 1      | Stage 2  | Stage 3    | Total        |
| <b>4. Debt instruments at amortised cost</b>                                  |              |          |            |              |              |          |            |              |
| As at 1 January   | 219          | -        | -          | 219          | 225          | -        | -          | 225          |
| Increases in expected credit losses   | 199          | -        | -          | 199          | 3            | -        | -          | 3            |
| Releases of expected credit losses  | (12)         | -        | -          | (12)         | (9)          | -        | -          | (9)          |
| Releases due to debt instruments matured                                      | (26)         | -        | -          | (26)         | -            | -        | -          | -            |
| <b>As at 31 December</b>  | <b>380</b>   | <b>-</b> | <b>-</b>   | <b>380</b>   | <b>219</b>   | <b>-</b> | <b>-</b>   | <b>219</b>   |
| <b>5. Other financial assets</b>  |              |          |            |              |              |          |            |              |
| As at 1 January   | 6            | -        | 601        | 607          | 6            | -        | 601        | 607          |
| Increases in expected credit losses   | 6            | -        | -          | 6            | 7            | -        | -          | 7            |
| Releases of expected credit losses  | (6)          | -        | -          | (6)          | (7)          | -        | -          | (7)          |
| <b>As at 31 December</b>  | <b>6</b>     | <b>-</b> | <b>601</b> | <b>607</b>   | <b>6</b>     | <b>-</b> | <b>601</b> | <b>607</b>   |
| <b>Total opening balance at 1 January</b>                                     | <b>2,786</b> | <b>-</b> | <b>601</b> | <b>3,387</b> | <b>2,991</b> | <b>-</b> | <b>601</b> | <b>3,592</b> |
| Total net increases in / (releases) of expected credit losses during the year | 2,445        | -        | -          | 2,445        | (205)        | -        | -          | (205)        |
| <b>Total closing balance at 31 December</b>                                   | <b>5,231</b> | <b>-</b> | <b>601</b> | <b>5,832</b> | <b>2,786</b> | <b>-</b> | <b>601</b> | <b>3,387</b> |

**6. FINANCIAL RISK MANAGEMENT (CONTINUED)****6.1. Credit risk (continued)****6.1.2. Credit risk concentration****a) Maximum exposure to credit risk - financial instruments subject to impairment**

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

| In thousands of KM<br>Classes of financial instruments                                 | 31 December 2024 |         |         | 31 December 2023 |           |         |         |           |
|--|------------------|---------|---------|------------------|-----------|---------|---------|-----------|
|  | Stage 1          | Stage 2 | Stage 3 | Total            | Stage 1   | Stage 2 | Stage 3 | Total     |
| Cash in foreign currencies   |                  |         |         |                  |           |         |         |           |
| Gross carrying amount  | 525,980          | -       | -       | 525,980          | 455,191   | -       | -       | 455,191   |
| Impairment   | -                | -       | -       | -                | -         | -       | -       | -         |
| Carrying amount  | 525,980          | -       | -       | 525,980          | 455,191   | -       | -       | 455,191   |
| Deposits with foreign banks  |                  |         |         |                  |           |         |         |           |
| Gross carrying amount  | 6,788,559        | -       | -       | 6,788,559        | 8,328,247 | -       | -       | 8,328,247 |
| Impairment   | (2,331)          | -       | -       | (2,331)          | (1,657)   | -       | -       | (1,657)   |
| Carrying amount  | 6,786,228        | -       | -       | 6,786,228        | 8,326,590 | -       | -       | 8,326,590 |
| Special Drawing Rights with the IMF  |                  |         |         |                  |           |         |         |           |
| Gross carrying amount  | 4,771            | -       | -       | 4,771            | 2,073     | -       | -       | 2,073     |
| Impairment   | -                | -       | -       | -                | -         | -       | -       | -         |
| Carrying amount  | 4,771            | -       | -       | 4,771            | 2,073     | -       | -       | 2,073     |
| Debt instruments at fair value<br>through other comprehensive income                   |                  |         |         |                  |           |         |         |           |
| Gross carrying amount  | 8,639,813        | -       | -       | 8,639,813        | 6,150,130 | -       | -       | 6,150,130 |
| Provisions for expected credit losses<br>(recognised in other comprehensive<br>income) | 2,514            | -       | -       | 2,514            | 904       | -       | -       | 904       |
| Gross carrying amount  | 8,639,813        | -       | -       | 8,639,813        | 6,150,130 | -       | -       | 6,150,130 |

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**6. FINANCIAL RISK MANAGEMENT (CONTINUED)**

**6.1. Credit risk (continued)**

**6.1.2. Credit risk concentration (continued)**

**In thousands of KM**

| Classes of financial instruments          | 31 December 2024 |          |          | 31 December 2023 |          |          |
|---|------------------|----------|----------|------------------|----------|----------|
|   | Stage 1          | Stage 2  | Stage 3  | Stage 1          | Stage 2  | Stage 3  |
| <b>Debt instruments at amortised cost</b> |                  |          |          |                  |          |          |
| Gross carrying amount                     | 1,129,281        | -        | -        | 1,180,640        | -        | -        |
| Impairment                                | (380)            | -        | -        | (219)            | -        | -        |
| <b>Carrying amount</b>                    | <b>1,128,901</b> | <b>-</b> | <b>-</b> | <b>1,180,421</b> | <b>-</b> | <b>-</b> |
| <b>Other financial assets</b>             |                  |          |          |                  |          |          |
| Gross carrying amount                     | 4,127            | -        | 601      | 3,545            | -        | 601      |
| Impairment                                | (6)              | -        | (601)    | (6)              | -        | (601)    |
| <b>Carrying amount</b>                    | <b>4,121</b>     | <b>-</b> | <b>-</b> | <b>3,539</b>     | <b>-</b> | <b>-</b> |

**3,539**

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**6. FINANCIAL RISK MANAGEMENT (CONTINUED)**

**6.1. Credit risk (continued)**

**6.1.2. Credit risk concentration (continued)**

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

| In thousands of KM      | 31 December<br>2024 | 31 December<br>2023 |
|-------------------------|---------------------|---------------------|
| <b>Carrying amounts</b> |                     |                     |
| Monetary gold           | 555,157             | 175,459             |
| Other investments       | 27,813              | 27,813              |
| <b>TOTAL</b>            | <b>582,970</b>      | <b>203,272</b>      |

The Central Bank does not hold any collateral or other credit enhancements for the credit risk coverage. As at 31 December 2024 the Central Bank does not have any assets that are past due but unpaid, and has impaired assets in the amount of KM 601 thousand (31 December 2023: The Central Bank did not have any assets that are past due but unpaid, and had impaired assets in the amount of KM 601 thousand).

**CENTRAL BANK OF BOSNIA AND HERZEGOVINA**  
Notes to the financial statements for the year ended 31 December 2024

**6. FINANCIAL RISK MANAGEMENT (CONTINUED)**

**6.1. Credit risk (continued)**

**6.1.2. Credit risk concentration (continued)**

**Concentration per credit rating**

The tables below present an analysis of the Central Bank's concentration per composite credit rating to the counterparty for its financial assets as at reporting dates:

| <b>In thousands of KM</b> |                                   |                                    |  |  |                |                  |                      |   |                               | <b>31 December 2024</b>  |                   |  |
|---------------------------|-----------------------------------|------------------------------------|--|--|----------------|------------------|----------------------|---|-------------------------------|--------------------------|-------------------|--|
| <b>Credit rating</b>      | <b>Cash in foreign currencies</b> | <b>Deposits with foreign banks</b> | <b>Special Drawing Rights with the IMF</b> | <b>Debt instruments at fair value through other comprehensive income</b> |                |                  | <b>Monetary gold</b> | <b>Debt instruments at amortised cost</b> | <b>Other financial assets</b> | <b>Other investments</b> | <b>Total</b>      |  |
| AAA                       | -                                 | 3,590,164                          | -  | 2,413,995  | -              | 142,730          | -                    | -   | -                             | -                        | 6,146,889         |  |
| AA+                       | -                                 | 601                                | -  | 1,830,820  | -              | 285,063          | -                    | -   | -                             | -                        | 2,116,484         |  |
| AA                        | -                                 | 8,625                              | -  | 61,464   | -              | 55,400           | -                    | -   | -                             | -                        | 125,489           |  |
| AA-                       | -                                 | 1,406,504                          | -  | 2,778,154  | -              | 316,143          | -                    | -   | -                             | -                        | 4,500,801         |  |
| A+                        | -                                 | 877,999                            | -  | -  | -              | -                | -                    | -   | -                             | -                        | 877,999           |  |
| A                         | -                                 | 472,428                            | -  | 131,506  | -              | 41,279           | -                    | -   | -                             | -                        | 645,213           |  |
| A-                        | -                                 | -                                  | -  | 781,479  | -              | 192,408          | -                    | -   | -                             | -                        | 973,887           |  |
| II <sup>1</sup>           | -                                 | 432,238                            | 4,771                                      | -  | -              | 555,157          | -                    | -   | -                             | 27,813                   | 1,019,979         |  |
| BBB+                      | -                                 | -                                  | -  | -  | -              | -                | -                    | -   | -                             | -                        | -                 |  |
| BBB                       | -                                 | -                                  | -  | 642,395  | -              | 96,258           | -                    | -   | -                             | -                        | 738,653           |  |
| BBB-                      | -                                 | -                                  | -  | -  | -              | -                | -                    | -   | -                             | -                        | -                 |  |
| Unrated                   | 525,980                           | -                                  | -  | -  | -              | -                | -                    | -   | 4,728                         | -                        | 530,708           |  |
| <b>Total</b>              | <b>525,980</b>                    | <b>6,788,559</b>                   | <b>4,771</b>                               | <b>8,639,813</b>   | <b>555,157</b> | <b>1,129,281</b> | <b>4,728</b>         | <b>27,813</b>                             | <b>4,728</b>                  | <b>27,813</b>            | <b>17,676,102</b> |  |
| Impairment                | -                                 | (2,331)                            | -  | -  | -              | (380)            | (607)                | -   | -                             | -                        | (3,318)           |  |
| <b>TOTAL</b>              | <b>525,980</b>                    | <b>6,786,228</b>                   | <b>4,771</b>                               | <b>8,639,813<sup>2</sup></b>   | <b>555,157</b> | <b>1,128,901</b> | <b>4,121</b>         | <b>27,813</b>                             | <b>4,121</b>                  | <b>27,813</b>            | <b>17,672,784</b> |  |

<sup>1</sup> International institutions

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

**6. FINANCIAL RISK MANAGEMENT (CONTINUED)****6.1. Credit risk (continued)****6.1.2. Credit risk concentration (continued)**

In thousands of KM

| 31 December 2023 |                            |   |                                     |                        |                        |                   |                                    |        |            |       |
|------------------|----------------------------|---|-------------------------------------|------------------------|------------------------|-------------------|------------------------------------|--------|------------|-------|
| Credit rating    | Cash in foreign currencies | Debt instruments at fair value through other comprehensive income |                                     |                        |                        |                   | Debt instruments at amortised cost |        |            | Total |
|                  |                            | Deposits with foreign banks                                       | Special Drawing Rights with the IMF | Monetary gold          | Other financial assets | Other investments |                                    |        |            |       |
| AAA              | -                          | 3,914,210   | -                                   | 2,015,799              | -                      | 141,871           | -                                  | -      | 6,071,880  |       |
| AA+              | -                          | 431   | -                                   | 653,467                | -                      | 283,696           | -                                  | -      | 937,594    |       |
| AA               | -                          | 836,324   | -                                   | 1,578,434              | -                      | 221,715           | -                                  | -      | 2,636,473  |       |
| AA-              | -                          | 806,995   | -                                   | 723,414                | -                      | 146,741           | -                                  | -      | 1,677,150  |       |
| A+               | -                          | -   | -                                   | -                      | -                      | -                 | -                                  | -      | -          |       |
| A                | -                          | 2,224,953   | -                                   | 37,616                 | -                      | 41,528            | -                                  | -      | 2,304,097  |       |
| A-               | -                          | -   | -                                   | 683,479                | -                      | 191,383           | -                                  | -      | 874,862    |       |
| II <sup>3</sup>  | -                          | 545,334   | 2,073                               | -                      | 175,459                | -                 | -                                  | 27,813 | 750,679    |       |
| BBB+             | -                          | -   | -                                   | -                      | -                      | -                 | -                                  | -      | -          |       |
| BBB              | -                          | -   | -                                   | 457,921                | -                      | 153,706           | -                                  | -      | 611,627    |       |
| BBB-             | -                          | -   | -                                   | -                      | -                      | -                 | -                                  | -      | -          |       |
| Unrated          | 455,191                    | -   | -                                   | -                      | -                      | -                 | 4,146                              | -      | 459,337    |       |
| Total            | 455,191                    | 8,328,247   | 2,073                               | 6,150,130              | 175,459                | 1,180,640         | 4,146                              | 27,813 | 16,323,699 |       |
| Impairment       | -                          | (1,657)   | -                                   | -                      | -                      | (219)             | (607)                              | -      | (2,483)    |       |
| TOTAL            | 455,191                    | 8,326,590   | 2,073                               | 6,150,130 <sup>4</sup> | 175,459                | 1,180,421         | 3,539                              | 27,813 | 16,321,216 |       |

<sup>3</sup> International institutions<sup>4</sup> Provisions for expected credit losses do not reduce the gross carrying amount of debt instruments at fair value through other comprehensive income



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

**6.1. Credit risk (continued)**

**6.1.2. Credit risk concentration (continued)**

**Geographical concentration of risks of financial assets with credit risk exposure**

The following tables provide the information on the Central Bank's main credit risk exposure at their gross carrying amounts, categorized by geographical region as at reporting dates. For the purposes of this disclosure, the Central Bank has allocated exposures to regions based on the country of domicile of its counterparties:

**31 December 2024**

| <b>In thousands of KM</b>   | <b>EU countries</b> | <b>Non-EU member countries</b> | <b>Bosnia and Herzegovina</b> | <b>Total</b>      |
|---|---------------------|--------------------------------|-------------------------------|-------------------|
| Cash in foreign currencies  | -                   | -                              | 525,980                       | 525,980           |
| Deposits with foreign banks                                       | 3,834,332           | 2,954,227                      | -                             | 6,788,559         |
| Special Drawing Rights with the IMF                               | -                   | 4,771                          | -                             | 4,771             |
| Debt instruments at fair value through other comprehensive income | 8,553,500           | 86,313                         | -                             | 8,639,813         |
| Monetary gold   | -                   | 555,157                        | -                             | 555,157           |
| Debt instruments at amortised cost                                | 1,129,281           | -                              | -                             | 1,129,281         |
| Other financial assets  | -                   | -                              | 4,728                         | 4,728             |
| Other investments   | 10                  | 27,803                         | -                             | 27,813            |
| <b>Total</b>  | <b>13,517,123</b>   | <b>3,628,271</b>               | <b>530,708</b>                | <b>17,676,102</b> |
|   |                     |                                | Impairment                    | (3,318)           |
|   |                     |                                | <b>TOTAL</b>                  | <b>17,672,784</b> |

**31 December 2023**

| <b>In thousands of KM</b>   | <b>EU countries</b> | <b>Non-EU member countries</b> | <b>Bosnia and Herzegovina</b> | <b>Total</b>      |
|---|---------------------|--------------------------------|-------------------------------|-------------------|
| Cash in foreign currencies  | -                   | -                              | 455,191                       | 455,191           |
| Deposits with foreign banks                                       | 4,967,125           | 3,361,122                      | -                             | 8,328,247         |
| Special Drawing Rights with the IMF                               | -                   | 2,073                          | -                             | 2,073             |
| Debt instruments at fair value through other comprehensive income | 6,150,130           | -                              | -                             | 6,150,130         |
| Monetary gold   | -                   | 175,459                        | -                             | 175,459           |
| Debt instruments at amortised cost                                | 1,180,640           | -                              | -                             | 1,180,640         |
| Other financial assets  | -                   | -                              | 4,146                         | 4,146             |
| Other investments   | 10                  | 27,803                         | -                             | 27,813            |
| <b>Total</b>  | <b>12,297,905</b>   | <b>3,566,457</b>               | <b>459,337</b>                | <b>16,323,699</b> |
|   |                     |                                | Impairment                    | (2,483)           |
|   |                     |                                | <b>TOTAL</b>                  | <b>16,321,216</b> |

Interest-bearing components of foreign currency reserves, analysed by the country where the funds are invested, are disclosed in [Notes 8, 10](#) and [12](#).

**CENTRAL BANK OF BOSNIA AND HERZEGOVINA**  
Notes to the financial statements for the year ended 31 December 2024

## 6. FINANCIAL RISK MANAGEMENT (CONTINUED)

### 6.2. Market risk

Market risk is the risk of market value changes in the financial assets and instruments due to the changes in the financial market conditions. The market risks that the Central Bank is exposed in its operations are: foreign exchange risk, interest rate risk and gold price risk. The goal of market risk management is to manage and control market risk exposures within acceptable parameters, while 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. VaR represents a statistical measure which shows the maximum loss that can occur in foreign currency reserves portfolio due to the changes in the financial instruments prices and the foreign exchange rates, given a certain level of confidence and a particular time horizon. VaR value for market risk is calculated by analytical (parametric) method, based on the mean value of gain/loss or yield rate of observed portfolio and standard deviation of observed data. The Central Bank, when calculating VaR, applies a level of confidence of 99% for a 10-day horizon.

For the calculation of VaR of the Central Bank's foreign currency reserves portfolio, all positions which are exposed to market risks, i.e., foreign exchange risk, interest rate risk and price risk, in foreign currency reserves portfolio are considered. As at 31 December 2024, the exposure of the Central Bank's foreign currency reserves (VaR at a level of confidence of 99% for a 10-day horizon), including fluctuations of the prices of financial instruments and foreign exchange rates against the KM, equals to KM 73,590 thousand (2023: KM 29,493 thousand), which represents the equivalent of 0.42% of the total financial assets (2023: 0.18% of the total financial assets).

The Value at Risk, in relation to 2023, increased primarily due to the increased risk of changes in EUR price of monetary gold (contribution to increase in VaR is 63.13%) and due to the increased interest rate risk of the Central bank's foreign currency reserves portfolio (contribution to increase in VaR is 36.03%).

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

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

| In thousands of KM                           | 31 December 2024 | 31 December 2023 |
|--|------------------|------------------|
| Interest rate risk                           | 37,528           | 21,641           |
| Risk of change in EUR price of monetary gold | 35,314           | 7,477            |
| Foreign exchange risk                        | 748              | 375              |
| <b>Total VaR</b>                             | <b>73,590</b>    | <b>29,493</b>    |

#### 6.2.1. Foreign exchange risk

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

**CENTRAL BANK OF BOSNIA AND HERZEGOVINA**  
Notes to the financial statements for the year ended 31 December 2024

**6. FINANCIAL RISK MANAGEMENT (CONTINUED)**

**6.2. Market risk (continued)**

**6.2.1. Foreign exchange risk (continued)**

The control and management of 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 unimpaired equity and reserves of the Central Bank.

The following table shows foreign currency position as at 31 December 2024 and 31 December 2023:

**31 December 2024**

| <b>In thousands of KM</b>   | <b>EUR</b>        | <b>USD</b>     | <b>Other<br/>foreign<br/>currencies</b> | <b>KM</b>           | <b>Total</b>      |
|---|-------------------|----------------|---|---------------------|-------------------|
| Cash in foreign currencies  | 525,980           | -              | -                                       | -                   | 525,980           |
| Deposits with foreign banks                                       | 6,761,143         | 17,083         | 8,002                                   | -                   | 6,786,228         |
| Special Drawing Rights with the IMF                               | -                 | -              | 4,771                                   | -                   | 4,771             |
| Debt instruments at fair value through other comprehensive income | 8,553,500         | 86,313         | -                                       | -                   | 8,639,813         |
| Monetary gold   | 555,157           | -              | -                                       | -                   | 555,157           |
| Debt instruments at amortised cost                                | 1,128,901         | -              | -                                       | -                   | 1,128,901         |
| Other financial assets  | 66                | -              | -                                       | 4,055               | 4,121             |
| Other investments   | 10                | -              | -                                       | 27,803              | 27,813            |
| <b>Total financial assets</b>                                     | <b>17,524,757</b> | <b>103,396</b> | <b>12,773</b>                           | <b>31,858</b>       | <b>17,672,784</b> |
| Banknotes and coins in circulation                                | -                 | -              | -                                       | 7,959,215           | 7,959,215         |
| Deposits from banks   | 623,510           | -              | -                                       | 6,831,885           | 7,455,395         |
| Deposits from the Government and other public institutions        | -                 | -              | -                                       | 860,083             | 860,083           |
| Other financial liabilities                                       | 745               | 263            | 1                                       | 249,236             | 250,245           |
| <b>Total financial liabilities</b>                                | <b>624,255</b>    | <b>263</b>     | <b>1</b>                                | <b>15,900,419</b>   | <b>16,524,938</b> |
| <b>NET FOREIGN EXCHANGE POSITION</b>                              | <b>16,900,502</b> | <b>103,133</b> | <b>12,772</b>                           | <b>(15,868,561)</b> | <b>1,147,846</b>  |

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## 6. FINANCIAL RISK MANAGEMENT (CONTINUED)

### 6.2. Market risk (continued)

#### 6.2.1. Foreign exchange risk (continued)

31 December 2023

| In thousands of KM   | EUR               | USD          | Other<br>foreign<br>currencies | KM                  | Total             |
|--|-------------------|--------------|--------------------------------|---------------------|-------------------|
| Cash in foreign currencies   | 455,191           | -            | -                              | -                   | 455,191           |
| Deposits with foreign banks  | 8,313,378         | 6,829        | 6,383                          | -                   | 8,326,590         |
| Special Drawing Rights with the IMF                                  | -                 | -            | 2,073                          | -                   | 2,073             |
| Debt instruments at fair value through other<br>comprehensive income | 6,150,130         | -            | -                              | -                   | 6,150,130         |
| Monetary gold  | 175,459           | -            | -                              | -                   | 175,459           |
| Debt instruments at amortised cost                                   | 1,180,421         | -            | -                              | -                   | 1,180,421         |
| Other financial assets   | 63                | -            | -                              | 3,476               | 3,539             |
| Other investments  | 10                | -            | -                              | 27,803              | 27,813            |
| <b>Total financial assets</b>  | <b>16,274,652</b> | <b>6,829</b> | <b>8,456</b>                   | <b>31,279</b>       | <b>16,321,216</b> |
| Banknotes and coins in circulation                                   | -                 | -            | -                              | 7,565,108           | 7,565,108         |
| Deposits from banks  | -                 | -            | -                              | 7,083,235           | 7,083,235         |
| Deposits from the Government and other<br>public institutions        | -                 | -            | -                              | 752,898             | 752,898           |
| Other financial liabilities  | 561               | 23           | 1                              | 67,838              | 68,423            |
| <b>Total financial liabilities</b>                                   | <b>561</b>        | <b>23</b>    | <b>1</b>                       | <b>15,469,079</b>   | <b>15,469,664</b> |
| <b>NET FOREIGN EXCHANGE<br/>POSITION</b>                             | <b>16,274,091</b> | <b>6,806</b> | <b>8,455</b>                   | <b>(15,437,800)</b> | <b>851,552</b>    |

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

#### 6.2.2. Interest rate risk

Interest rate risk is the risk of changes in market value of the financial assets due to the unfavourable movements of interest rates.

The interest rate risk is managed by defining a target modified duration of invested foreign currency reserves, monitoring the value at risk, and selecting an appropriate market index which, with the necessary adjustments, represents the reference portfolio (benchmark) and prescribing the maximum amount of permitted deviation of the portfolio's return from the return of the corresponding benchmark (tracking error).

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

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## **6. FINANCIAL RISK MANAGEMENT (CONTINUED)**

### **6.2 Market risk (continued)**

#### **6.2.2. Interest rate risk (continued)**

According to the regulations valid at the reporting dates, the target modified duration of the total portfolio of foreign currency reserves managed by the Central bank amounts to 1.10 years, with permitted deviations of +/- 0.40 years, while the target modified duration of the portfolio of debt instruments at fair value through other comprehensive income with the remaining term to maturity of more than one-year amounts to 2.20 years with permitted deviations of +/- 0.30 years.

For foreign currency reserve 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 portfolio of debt instruments at fair value through other comprehensive income ([Note 10](#)).

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 cash flows' maturities of individual financial instruments in the portfolio, where the weight is the present value of the cash flow. During the fourth quarter of 2024, the modified duration of debt instruments at fair value through other comprehensive income, including funds of foreign currency reserves funds entrusted an external portfolio manager for management, was slightly extended and amounts to 1.35 years on 31 December 2024 (31 December 2023: 0.97 years), given the improved stability of the currency board.

The following tables present the Central Bank's exposure to interest rate risk as at reporting dates by the financial instrument's carrying amount, categorized (classified into maturity classes) under criteria of re-determining interest rate dates in accordance with contractual arrangements (contractual cash flows, 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, and debt instruments at amortised cost and deposits with foreign banks are classified into maturity classes according to the maturity date of the instrument:

**CENTRAL BANK OF BOSNIA AND HERZEGOVINA**  
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**6. FINANCIAL RISK MANAGEMENT (CONTINUED)****6.2 Market risk (continued)****6.2.2. Interest rate risk (continued)**

| <b>31 December 2024</b>  |                           |                                    |                                  |                         |                                      |                   |
|--|---------------------------|------------------------------------|----------------------------------|-------------------------|--------------------------------------|-------------------|
| <b>In thousands of KM</b>  | <b>Up to 3<br/>months</b> | <b>From 3<br/>to 12<br/>months</b> | <b>From 1<br/>to 3<br/>years</b> | <b>Over 3<br/>Years</b> | <b>Non-<br/>interest<br/>bearing</b> | <b>Total</b>      |
| Cash in foreign currencies   | -                         | -                                  | -                                | -                       | 525,980                              | 525,980           |
| Deposits with foreign banks  | 6,193,032                 | 571,034                            | -                                | -                       | 22,162                               | 6,786,228         |
| Special Drawing Rights with the IMF                                  | 4,742                     | -                                  | -                                | -                       | 29                                   | 4,771             |
| Debt instruments at fair value through<br>other comprehensive income | 2,986,605                 | 5,602,376                          | -                                | -                       | 50,832                               | 8,639,813         |
| Monetary gold  | -                         | -                                  | -                                | -                       | 555,157                              | 555,157           |
| Debt instruments at amortised cost                                   | -                         | 58,664                             | 231,159                          | 836,608                 | 2,470                                | 1,128,901         |
| Other financial assets   | -                         | -                                  | -                                | -                       | 4,121                                | 4,121             |
| Other investments  | -                         | -                                  | -                                | -                       | 27,813                               | 27,813            |
| <b>Total financial assets</b>  | <b>9,184,379</b>          | <b>6,232,074</b>                   | <b>231,159</b>                   | <b>836,608</b>          | <b>1,188,564</b>                     | <b>17,672,784</b> |
| Banknotes and coins in circulation                                   | -                         | -                                  | -                                | -                       | 7,959,215                            | 7,959,215         |
| Deposits from banks  | 7,454,281                 | -                                  | -                                | -                       | 1,114                                | 7,455,395         |
| Deposits from the Government<br>and other public institutions        | -                         | -                                  | -                                | -                       | 860,083                              | 860,083           |
| Other financial liabilities  | -                         | -                                  | -                                | -                       | 250,245                              | 250,245           |
| <b>Total financial liabilities</b>                                   | <b>7,454,281</b>          | <b>-</b>                           | <b>-</b>                         | <b>-</b>                | <b>9,070,657</b>                     | <b>16,524,938</b> |
| <b>INTEREST RATE GAP</b>   | <b>1,730,098</b>          | <b>6,232,074</b>                   | <b>231,159</b>                   | <b>836,608</b>          | <b>(7,882,093)</b>                   | <b>1,147,846</b>  |



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Notes to the financial statements for the year ended 31 December 2024

**6. FINANCIAL RISK MANAGEMENT (CONTINUED)**

**6.2. Market risk (continued)**

**6.2.2. Interest rate risk (continued)**

| <b>31 December 2023</b>   |                       |                            |                          |                     |                             |                   |
|---|-----------------------|----------------------------|--------------------------|---------------------|-----------------------------|-------------------|
| <b>In thousands of KM</b>   | <b>Up to 3 months</b> | <b>From 3 to 12 months</b> | <b>From 1 to 3 years</b> | <b>Over 3 Years</b> | <b>Non-interest bearing</b> | <b>Total</b>      |
| Cash in foreign currencies  | -                     | -                          | -                        | -                   | 455,191                     | 455,191           |
| Deposits with foreign banks                                       | 7,465,786             | 824,722                    | -                        | -                   | 36,082                      | 8,326,590         |
| Special Drawing Rights with the IMF                               | 2,053                 | -                          | -                        | -                   | 20                          | 2,073             |
| Debt instruments at fair value through other comprehensive income | 1,321,372             | 4,827,264                  | -                        | -                   | 1,494                       | 6,150,130         |
| Monetary gold   | -                     | -                          | -                        | -                   | 175,459                     | 175,459           |
| Debt instruments at amortised cost                                | -                     | 58,271                     | 153,916                  | 965,658             | 2,576                       | 1,180,421         |
| Other financial assets  | -                     | -                          | -                        | -                   | 3,539                       | 3,539             |
| Other investments   | -                     | -                          | -                        | -                   | 27,813                      | 27,813            |
| <b>Total financial assets</b>                                     | <b>8,789,211</b>      | <b>5,710,257</b>           | <b>153,916</b>           | <b>965,658</b>      | <b>702,174</b>              | <b>16,321,216</b> |
| Banknotes and coins in circulation                                | -                     | -                          | -                        | -                   | 7,565,108                   | 7,565,108         |
| Deposits from banks   | 7,082,560             | -                          | -                        | -                   | 675                         | 7,083,235         |
| Deposits from the Government and other public institutions        | -                     | -                          | -                        | -                   | 752,898                     | 752,898           |
| Other financial liabilities                                       | -                     | -                          | -                        | -                   | 68,423                      | 68,423            |
| <b>Total financial liabilities</b>                                | <b>7,082,560</b>      | <b>-</b>                   | <b>-</b>                 | <b>-</b>            | <b>8,387,104</b>            | <b>15,469,664</b> |
| <b>INTEREST RATE GAP</b>  | <b>1,706,651</b>      | <b>5,710,257</b>           | <b>153,916</b>           | <b>965,658</b>      | <b>(7,684,930)</b>          | <b>851,552</b>    |

*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, as an 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 growth in interest rates (fall 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 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 are unchanged at observed reporting dates.

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## 6. FINANCIAL RISK MANAGEMENT (CONTINUED)

### 6.2. Market risk (continued)

#### 6.2.2. Interest rate risk (continued)

Sensitivity analysis - scenarios of assumed changes in market yields as at 31 December 2024

| Change in market yields  | +/- 1 bp      | +/- 50 bp       | +/- 100 bp        | +/- 200 bp        |
|--|---------------|-----------------|-------------------|-------------------|
| <b>Change of the financial assets value (in thousands of KM)</b> | (1,048)/1,048 | (52,419)/52,419 | (104,837)/104,837 | (209,674)/209,674 |

Sensitivity analysis - scenarios of assumed changes in market yields as at 31 December 2023

| Change in market yields  | +/- 1 bp  | +/- 50 bp       | +/- 100 bp      | +/- 200 bp        |
|--|-----------|-----------------|-----------------|-------------------|
| <b>Change of the financial assets value (in thousands of KM)</b> | (595)/595 | (29,739)/29,739 | (59,478)/59,478 | (118,957)/118,957 |

In the case of the scenario of an upward shift of the yield curve on euro bonds by 1 bp (0.01%), the financial assets of the Central Bank would be decreased by KM 1,048 thousand as at 31 December 2024 (As at 31 December 2023: KM 595 thousand).

In the case of the scenario of a downward shift of the yield curve on euro bonds by 1 bp (0.01%), the financial assets of the Central Bank would be higher by KM 1,048 thousand as at 31 December 2024 (As at 31 December 2023: KM 595 thousand).

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

### 6.3. Liquidity risk

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

The liquidity of the foreign currency reserves portfolio is provided by holding a sufficient amount of liquid instruments in the portfolio.

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

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

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

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

### 6.3. Liquidity risk (continued)

Maturity analysis

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

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

| <b>31 December 2024</b>                                    |                       |                            |                          |                     |                                   |                   |
|--|-----------------------|----------------------------|--------------------------|---------------------|-----------------------------------|-------------------|
| <b>In thousands of KM</b>                                  | <b>Up to 3 months</b> | <b>From 3 to 12 months</b> | <b>From 1 to 3 years</b> | <b>Over 3 years</b> | <b>Without specified maturity</b> | <b>Total</b>      |
| Banknotes and coins in circulation                         | 7,959,215             | -                          | -                        | -                   | -                                 | 7,959,215         |
| Deposits from banks  | 7,455,395             | -                          | -                        | -                   | -                                 | 7,455,395         |
| Deposits from the Government and other public institutions | 860,083               | -                          | -                        | -                   | -                                 | 860,083           |
| Other financial liabilities                                | 5,938                 | 244,307                    | -                        | -                   | -                                 | 250,245           |
| <b>TOTAL FINANCIAL LIABILITIES</b>                         | <b>16,280,631</b>     | <b>244,307</b>             | <b>-</b>                 | <b>-</b>            | <b>-</b>                          | <b>16,524,938</b> |

| <b>31 December 2023</b>                                    |                       |                            |                          |                     |                                   |                   |
|--|-----------------------|----------------------------|--------------------------|---------------------|-----------------------------------|-------------------|
| <b>In thousands of KM</b>                                  | <b>Up to 3 months</b> | <b>From 3 to 12 months</b> | <b>From 1 to 3 years</b> | <b>Over 3 years</b> | <b>Without specified maturity</b> | <b>Total</b>      |
| Banknotes and coins in circulation                         | 7,565,108             | -                          | -                        | -                   | -                                 | 7,565,108         |
| Deposits from banks  | 7,083,235             | -                          | -                        | -                   | -                                 | 7,083,235         |
| Deposits from the Government and other public institutions | 752,898               | -                          | -                        | -                   | -                                 | 752,898           |
| Other financial liabilities                                | 4,104                 | 64,319                     | -                        | -                   | -                                 | 68,423            |
| <b>TOTAL FINANCIAL LIABILITIES</b>                         | <b>15,405,345</b>     | <b>64,319</b>              | <b>-</b>                 | <b>-</b>            | <b>-</b>                          | <b>15,469,664</b> |

The interest-bearing components of foreign currency reserves, analysed by their remaining contractual maturities in relation to the reporting dates, are disclosed in [Notes 8](#), [10](#) and [12](#).

**CENTRAL BANK OF BOSNIA AND HERZEGOVINA**  
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## 7. CASH IN FOREIGN CURRENCIES

Cash in foreign currencies represents cash held in the Central Bank's vaults. As at reporting dates, the total amount of cash in foreign currencies is held in EUR currency (31 December 2023: The total amount of cash in foreign currencies was held in EUR currency).

For the purpose of cash flow reporting, cash in foreign currencies is included in cash and cash equivalents ([Note 33](#)).

## 8. DEPOSITS WITH FOREIGN BANKS

Deposits with foreign banks represent the Central Bank's invested foreign currency reserves funds held in 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 ([Note 6.1.2.](#)).

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 December<br>2024  | 31 December<br>2023  |
|---|----------------------|----------------------|
| Demand deposits   | 1,547,796            | 1,811,641            |
| Term deposits with maturity up to three months or less from the date of acquisition | 3,575,469            | 4,744,565            |
| Impairment  | (1,884)              | (1,486)              |
| <b>Included in cash and cash equivalents (<a href="#">Note 33</a>)</b>              | <b>5,121,381</b>     | <b>6,554,720</b>     |
| <br>Term deposits with maturity over three months from the date of acquisition      | <br>1,665,294        | <br>1,772,041        |
| Impairment  | (447)                | (171)                |
| <b>Total</b>  | <b>1,664,847</b>     | <b>1,771,870</b>     |
| <br><b>TOTAL</b>  | <br><b>6,786,228</b> | <br><b>8,326,590</b> |

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## 8. 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 December<br>2024 | 31 December<br>2023 |
|--------------------|---------------------|---------------------|
| Term deposits:     |                     |                     |
| EUR                | 5,240,763           | 6,512,976           |
| USD                | -                   | 3,630               |
|                    | <b>5,240,763</b>    | <b>6,516,606</b>    |
| Impairment         | (2,117)             | (1,520)             |
| <b>Total</b>       | <b>5,238,646</b>    | <b>6,515,086</b>    |
| Demand deposits:   |                     |                     |
| EUR                | 1,522,704           | 1,802,057           |
| USD                | 17,087              | 3,199               |
| CHF                | 5,893               | 4,325               |
| GBP                | 2,112               | 2,060               |
|                    | <b>1,547,796</b>    | <b>1,811,641</b>    |
| Impairment         | (214)               | (137)               |
| <b>Total</b>       | <b>1,547,582</b>    | <b>1,811,504</b>    |
| <b>TOTAL</b>       | <b>6,786,228</b>    | <b>8,326,590</b>    |

The average interest rates on term deposits denominated in EUR currency range from 2.21% to 4.03% p.a. in 2024 (2023: The average interest rates on term deposits denominated in EUR currency ranged from 1.95% to 4.12% p.a.).

The average interest rates on demand deposits denominated in EUR currency range from 0.00% to 4.00% p.a. in 2024 (2023: The average interest rates on demand deposits denominated in EUR currency ranged from 0.00% to 4.00% p.a.).

Deposits with foreign banks include accrued interest in the amount KM 22,162 thousand as at 31 December 2024 (31 December 2023: Included net accrued interest in the amount KM 36,082 thousand).

The average effective yield rate on deposits with foreign banks amounts to 3.73% for 2024 (2023: The average effective yield rate amounted to 3.19%).

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

| In thousands of KM         | 31 December<br>2024 | 31 December<br>2023 |
|----------------------------|---------------------|---------------------|
| Up to one month            | 3,625,697           | 3,983,673           |
| From one to two months     | 514,532             | 960,845             |
| From two to three months   | 526,785             | 738,995             |
| From three to four months  | 267,875             | 298,167             |
| From four to twelve months | 305,874             | 534,926             |
| <b>Total</b>               | <b>5,240,763</b>    | <b>6,516,606</b>    |
| Impairment                 | (2,117)             | (1,520)             |
| <b>TOTAL</b>               | <b>5,238,646</b>    | <b>6,515,086</b>    |

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**8. 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 December<br>2024 | 31 December<br>2023 |
|---|---------------------|---------------------|
| <b>Foreign commercial banks</b>             |                     |                     |
| Term deposits                               | 1,906,111           | 2,739,866           |
| Overnight deposits                          | 1,493,276           | 1,199,902           |
| Demand deposits                             | 14,213              | 4,506               |
|   | <b>3,413,600</b>    | <b>3,944,274</b>    |
| <b>Foreign central banks</b>                |                     |                     |
| Term deposits                               | 1,423,857           | 2,038,953           |
| Overnight deposits                          | -                   | -                   |
| Demand deposits                             | 1,518,864           | 1,799,686           |
|   | <b>2,942,721</b>    | <b>3,838,639</b>    |
| <b>International financial institutions</b> |                     |                     |
| Term deposits                               | 417,519             | 537,885             |
| Overnight deposits                          | -                   | -                   |
| Demand deposits                             | 14,719              | 7,449               |
|   | <b>432,238</b>      | <b>545,334</b>      |
| <b>Total</b>                                | <b>6,788,559</b>    | <b>8,328,247</b>    |
| Impairment ( <a href="#">Note 6.1.1.</a> )  | (2,331)             | (1,657)             |
| <b>TOTAL</b>                                | <b>6,786,228</b>    | <b>8,326,590</b>    |

More information about the Central Bank's composite credit rating range and credit risk concentration for deposits with foreign banks as at reporting dates is disclosed in [Note 6.1.2.](#)

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**8. DEPOSITS WITH FOREIGN BANKS (CONTINUED)**

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

| In thousands of KM           | 31 December<br>2024 | 31 December<br>2023 |
|------------------------------|---------------------|---------------------|
| <i><b>Switzerland</b></i>    |                     |                     |
| Term deposits                | 2,472,067           | 2,257,205           |
| Demand deposits              | 14,719              | 7,449               |
|                              | <b>2,486,786</b>    | <b>2,264,654</b>    |
| <i><b>Germany</b></i>        |                     |                     |
| Term deposits                | 117,388             | -                   |
| Demand deposits              | 1,516,489           | 1,052,667           |
|                              | <b>1,633,877</b>    | <b>1,052,667</b>    |
| <i><b>France</b></i>         |                     |                     |
| Term deposits                | 1,405,081           | 1,682,242           |
| Demand deposits              | 2,180               | 278,492             |
|                              | <b>1,407,261</b>    | <b>1,960,734</b>    |
| <i><b>Luxembourg</b></i>     |                     |                     |
| Term deposits                | 779,388             | 1,481,122           |
| Demand deposits              | 2,940               | 374,134             |
|                              | <b>782,328</b>      | <b>1,855,256</b>    |
| <i><b>Great Britain</b></i>  |                     |                     |
| Term deposits                | 466,839             | 1,096,037           |
| Demand deposits              | -                   | -                   |
|                              | <b>466,839</b>      | <b>1,096,037</b>    |
| <i><b>Belgium</b></i>        |                     |                     |
| Term deposits                | -                   | -                   |
| Demand deposits              | 8,625               | -                   |
|                              | <b>8,625</b>        | -                   |
| <i><b>Netherlands</b></i>    |                     |                     |
| Term deposits                | -                   | -                   |
| Demand deposits              | 2,242               | 98,468              |
|                              | <b>2,242</b>        | <b>98,468</b>       |
| <i><b>USA</b></i>            |                     |                     |
| Term deposits                | -                   | -                   |
| Demand deposits              | 601                 | 431                 |
|                              | <b>601</b>          | <b>431</b>          |
| <b>Total term deposits</b>   | <b>5,240,763</b>    | <b>6,516,606</b>    |
| <b>Total demand deposits</b> | <b>1,547,796</b>    | <b>1,811,641</b>    |
| Impairment                   | (2,331)             | (1,657)             |
| <b>TOTAL</b>                 | <b>6,786,228</b>    | <b>8,326,590</b>    |



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**9. SPECIAL DRAWING RIGHTS WITH THE IMF**

| <b>In thousands of KM</b>                      | <b>31 December<br/>2024</b> | <b>31 December<br/>2023</b> |
|--|-----------------------------|-----------------------------|
| Account of Special Drawing Rights with the IMF | 4,742                       | 2,053                       |
| Accrued interest                               | 29                          | 20                          |
| <b>Total</b>                                   | <b>4,771</b>                | <b>2,073</b>                |
| Impairment                                     | -                           | -                           |
| <b>TOTAL</b>                                   | <b>4,771</b>                | <b>2,073</b>                |

Changes in Special Drawing Rights with the IMF in the reporting periods are presented in the following table:

| <b>In thousands of KM</b>                                | <b>2024</b>  | <b>2023</b>  |
|--|--------------|--------------|
| <b>As at 1 January</b>                                   | <b>2,073</b> | <b>149</b>   |
| Cash inflows on the account of Special Drawing Rights    | 68,282       | 75,937       |
| Cash outflows  | (65,830)     | (73,705)     |
| Interest income on the account of Special Drawing Rights | 240          | 189          |
| Collection of accrued interest                           | (232)        | (171)        |
| Net foreign exchange gains / (losses)                    | 238          | (326)        |
| <b>As at 31 December</b>                                 | <b>4,771</b> | <b>2,073</b> |

For the purpose of cash flow reporting, Special Drawing Rights with the IMF are included in cash and cash equivalents ([Note 33](#)).

**10. DEBT INSTRUMENTS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME**

Debt instruments at fair value through other comprehensive income represent Central Bank's foreign currency reserve funds invested in liquid sovereign government bonds of 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.

As at reporting date, debt instruments at fair value through other comprehensive income are denominated in EUR and USD currency (31 December 2023: Debt instruments at fair value through other comprehensive income were denominated in EUR).

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

| <b>In thousands of KM</b>                       | <b>31 December<br/>2024</b> | <b>31 December<br/>2023</b> |
|---|-----------------------------|-----------------------------|
| Coupon debt instruments                         | 6,781,033                   | 4,476,401                   |
| Accrued interest on coupon debt instruments     | 64,195                      | 29,919                      |
|   | <b>6,845,228</b>            | <b>4,506,320</b>            |
| Discount debt instruments                       | 1,807,948                   | 1,672,235                   |
| Accrued (discount) on discount debt instruments | (13,363)                    | (28,425)                    |
|   | <b>1,794,585</b>            | <b>1,643,810</b>            |
| <b>TOTAL</b>                                    | <b>8,639,813</b>            | <b>6,150,130</b>            |

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

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

| <b>In thousands of KM</b>  | <b>31 December<br/>2024</b> | <b>31 December<br/>2023</b> |
|--|-----------------------------|-----------------------------|
| Debt instruments managed by the Central Bank                               | 8,062,986                   | 6,150,130                   |
| Debt instruments entrusted to an external portfolio manager for management | 576,827                     | -                           |
| <b>TOTAL</b>   | <b>8,639,813</b>            | <b>6,150,130</b>            |

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

| <b>In thousands of KM</b>   | <b>31 December<br/>2024</b> | <b>31 December<br/>2023</b> |
|---|-----------------------------|-----------------------------|
| Debt instruments at fair value through other comprehensive income |                             |                             |
| EUR   | 8,553,500                   | 6,150,130                   |
| USD   | 86,313                      | -                           |
| <b>TOTAL</b>  | <b>8,639,813</b>            | <b>6,150,130</b>            |

As at reporting date, debt instruments at fair value through other comprehensive income managed by the external portfolio manager amount to KM 576,827 thousand and are held in EUR currency in the amount of KM 490,514 thousand and USD currency in the amount of KM 86,313 thousand.

As at 31 December 2024, provisions for expected credit losses for debt instruments, recognised in other comprehensive income, amount to KM 2,514 thousand (31 December 2023: KM 904 thousand). During 2024, the net increases in provisions for expected credit losses recognised in profit or loss, amount to KM 1,647 thousand (2023: Net increases of KM 99 thousand). For more information see [Notes 6.1.1.](#) and [26](#).

The average effective yield rate on debt instruments at fair value through other comprehensive income amounts to 2.79% for 2024 (2023: The average effective yield rate amounted to 0.75%).

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

|                    | <b>31 December 2024</b>   |               | <b>31 December 2023</b>   |               |
|--------------------|---------------------------|---------------|---------------------------|---------------|
|                    | <b>In thousands of KM</b> | <b>%</b>      | <b>In thousands of KM</b> | <b>%</b>      |
| <i>France</i>      | 1,977,683                 | 22.89         | 1,578,434                 | 25.67         |
| <i>Germany</i>     | 1,422,155                 | 16.46         | 1,842,371                 | 29.96         |
| <i>Austria</i>     | 916,221                   | 10.60         | 303,826                   | 4.94          |
| <i>Netherlands</i> | 905,753                   | 10.48         | 173,428                   | 2.82          |
| <i>Finland</i>     | 828,286                   | 9.59          | 349,641                   | 5.69          |
| <i>Belgium</i>     | 800,471                   | 9.26          | 683,296                   | 11.11         |
| <i>Spain</i>       | 781,479                   | 9.05          | 683,479                   | 11.11         |
| <i>Italy</i>       | 642,395                   | 7.44          | 457,921                   | 7.45          |
| <i>Slovakia</i>    | 131,506                   | 1.52          | 37,616                    | 0.60          |
| <i>USA</i>         | 86,313                    | 1.00          | -                         | -             |
| <i>Luxembourg</i>  | 86,087                    | 1.00          | -                         | -             |
| <i>Ireland</i>     | 61,464                    | 0.71          | 40,118                    | 0.65          |
| <b>TOTAL</b>       | <b>8,639,813</b>          | <b>100.00</b> | <b>6,150,130</b>          | <b>100.00</b> |

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

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 6.1.2.](#)

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  | 2024             | 2023             |
|---|------------------|------------------|
| <b>As at 1 January</b>  | <b>6,150,130</b> | <b>5,887,589</b> |
| Purchases during the year   | 7,004,418        | 4,741,235        |
| Sales during the year   | (290,228)        | (987,892)        |
| Interest income recognised during the year ( <a href="#">Note 22</a> )                    | 221,908          | 69,366           |
| Effects of negative interest rates recognised during the year ( <a href="#">Note 22</a> ) | -                | (4,427)          |
| Maturities of debt instruments  | (4,417,956)      | (3,640,509)      |
| Maturities of coupon  | (78,788)         | (29,186)         |
| Net unrealised change in fair value during the year                                       | 44,159           | 113,948          |
| Net foreign exchange gains  | 6,162            | -                |
| Transaction costs   | 8                | 6                |
| <b>As at 31 December</b>  | <b>8,639,813</b> | <b>6,150,130</b> |

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 December<br>2024 | 31 December<br>2023 |
|-----------------------------|---------------------|---------------------|
| Up to three months          | 1,604,277           | 716,892             |
| From three to twelve months | 2,595,687           | 2,943,406           |
| From one to three years     | 3,111,784           | 2,414,490           |
| Over three years            | 1,328,065           | 75,342              |
| <b>TOTAL</b>                | <b>8,639,813</b>    | <b>6,150,130</b>    |

**11. MONETARY GOLD**

As at reporting dates, the values of the input data for calculating the fair value of monetary gold are provided in the following table:

| As at            | Quantity of<br>ounces | Price per ounce in<br>KM | Fair value of monetary gold<br>as at in thousands of KM |
|------------------|-----------------------|--------------------------|---|
| 31 December 2024 | 112,000               | 4,956.76                 | 555,157   |
| 31 December 2023 | 48,000                | 3,655.40                 | 175,459   |

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## 11. MONETARY GOLD (CONTINUED)

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

| In thousands of KM                                  | 2024    | 2023    |
|---|---------|---------|
| As at 1 January                                     | 175,459 | 160,040 |
| Purchases during the year                           | 312,933 | -       |
| Net unrealised change in fair value during the year | 66,765  | 15,419  |
| As at 31 December                                   | 555,157 | 175,459 |

## 12. DEBT INSTRUMENTS AT AMORTISED COST

Debt instruments at amortised cost represent Central Bank's foreign currency reserves funds invested in liquid sovereign government bonds of the eurozone countries with the intention of holding them until maturity. As at reporting dates, 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 December<br>2024 | 31 December<br>2023 |
|---|---------------------|---------------------|
| Coupon debt instruments                     | 1,126,811           | 1,178,064           |
| Accrued interest on coupon debt instruments | 2,470               | 2,576               |
| <b>Total</b>                                | <b>1,129,281</b>    | <b>1,180,640</b>    |
| Impairment                                  | (380)               | (219)               |
| <b>TOTAL</b>                                | <b>1,128,901</b>    | <b>1,180,421</b>    |

The average effective yield rate on debt instruments at amortised cost amounts to 1.02% for 2024 (2023: 1.01%).

Debt instruments at amortised cost, analysed by the country where the funds are invested, are presented in the following table:

|                    | 31 December 2024   |               | 31 December 2023   |               |
|--------------------|--------------------|---------------|--------------------|---------------|
|                    | In thousands of KM | %             | In thousands of KM | %             |
| <i>France</i>      | 223,587            | 19.80         | 221,715            | 18.78         |
| <i>Spain</i>       | 192,408            | 17.04         | 191,383            | 16.21         |
| <i>Austria</i>     | 191,421            | 16.95         | 190,662            | 16.15         |
| <i>Italy</i>       | 96,258             | 8.52          | 153,706            | 13.02         |
| <i>Finland</i>     | 93,642             | 8.29          | 93,034             | 7.88          |
| <i>Belgium</i>     | 92,556             | 8.20          | 91,810             | 7.78          |
| <i>Germany</i>     | 58,893             | 5.22          | 58,887             | 4.99          |
| <i>Netherlands</i> | 56,288             | 4.98          | 55,710             | 4.72          |
| <i>Ireland</i>     | 55,400             | 4.91          | 54,933             | 4.65          |
| <i>Slovakia</i>    | 41,279             | 3.66          | 41,528             | 3.52          |
| <i>Luxembourg</i>  | 27,549             | 2.43          | 27,272             | 2.30          |
| <b>Total</b>       | <b>1,129,281</b>   | <b>100.00</b> | <b>1,180,640</b>   | <b>100.00</b> |
| Impairment         | (380)              |               | (219)              |               |
| <b>TOTAL</b>       | <b>1,128,901</b>   |               | <b>1,180,421</b>   |               |

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**12. DEBT INSTRUMENTS AT AMORTISED COST (CONTINUED)**

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 6.1.2.](#)

Changes in debt instruments at amortised cost during the reporting periods are presented in the following table:

| In thousands of KM   | 2024             | 2023             |
|--|------------------|------------------|
| <b>As at 1 January</b>   | <b>1,180,421</b> | <b>1,172,862</b> |
| Interest income recognised during the year ( <a href="#">Note 22</a> ) | 11,858           | 11,912           |
| Maturities of debt instruments   | (59,100)         | -                |
| Maturities of coupons  | (4,117)          | (4,359)          |
| Net decreases of / increases in impairment during the year             | (161)            | 6                |
| <b>As at 31 December</b>   | <b>1,128,901</b> | <b>1,180,421</b> |

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 December<br>2024 | 31 December<br>2023 |
|-----------------------------|---------------------|---------------------|
| Up to three months          | -                   | -                   |
| From three to twelve months | 58,893              | 58,406              |
| From one to three years     | 231,308             | 154,187             |
| Over three years            | 839,080             | 968,047             |
| <b>Total</b>                | <b>1,129,281</b>    | <b>1,180,640</b>    |
| Impairment                  | (380)               | (219)               |
| <b>TOTAL</b>                | <b>1,128,901</b>    | <b>1,180,421</b>    |

**13. OTHER ASSETS**

| In thousands of KM   | 31 December<br>2024 | 31 December<br>2023 |
|--|---------------------|---------------------|
| Receivables from resident banks                              | 2,596               | 2,526               |
| Giro accounts ( <a href="#">Note 33</a> )                    | 1,081               | 642                 |
| Receivables from employee based on domestic currency deficit | 601                 | 601                 |
| Other miscellaneous financial assets                         | 450                 | 377                 |
| <b>Total</b>   | <b>4,728</b>        | <b>4,146</b>        |
| Impairment   | (607)               | (607)               |
| <b>Total other financial assets</b>                          | <b>4,121</b>        | <b>3,539</b>        |
| Prepaid expenses for banknotes and coins production          | 10,902              | 11,062              |
| Prepaid expenses for business administration                 | 1,742               | 1,367               |
| Numismatic collections                                       | 1,468               | 1,198               |
| Other miscellaneous nonfinancial assets                      | 228                 | 218                 |
| <b>Total other nonfinancial assets</b>                       | <b>14,340</b>       | <b>13,845</b>       |
| <b>TOTAL</b>   | <b>18,461</b>       | <b>17,384</b>       |

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### 13. OTHER ASSETS (CONTINUED)

As disclosed in [Note 3.9](#), prepaid expenses for banknotes and coins production are initially recognised as accrued expenses and subsequently amortised by the expense recognising over the five years period. For more information see [Note 30](#).

### 14. PROPERTY AND EQUIPMENT

| In thousands of KM              | Land and buildings | Equipment and furniture | Vehicles     | Other        | Assets under construction | Property and equipment total |
|---------------------------------|--------------------|-------------------------|--------------|--------------|---------------------------|------------------------------|
| <b>Cost</b>                     |                    |                         |              |              |                           |                              |
| <b>As at 1 January 2023</b>     | <b>49,674</b>      | <b>26,469</b>           | <b>1,402</b> | <b>1,059</b> | <b>130</b>                | <b>78,734</b>                |
| Additions                       | -                  | -                       | -            | -            | 1,184                     | 1,184                        |
| Transferred to use              | -                  | 1,144                   | -            | 21           | (1,165)                   | -                            |
| Write offs and disposals        | -                  | (769)                   | (178)        | (8)          | -                         | (955)                        |
| <b>As at 31 December 2023</b>   | <b>49,674</b>      | <b>26,844</b>           | <b>1,224</b> | <b>1,072</b> | <b>149</b>                | <b>78,963</b>                |
| Additions                       | -                  | -                       | -            | -            | 3,417                     | 3,417                        |
| Transferred to use              | -                  | 3,049                   | 265          | 115          | (3,429)                   | -                            |
| Returned to use                 | -                  | 7                       | -            | -            | -                         | 7                            |
| Write offs and disposals        | -                  | (1,160)                 | -            | (1)          | -                         | (1,161)                      |
| <b>As at 31 December 2024</b>   | <b>49,674</b>      | <b>28,740</b>           | <b>1,489</b> | <b>1,186</b> | <b>137</b>                | <b>81,226</b>                |
| <b>Accumulated depreciation</b> |                    |                         |              |              |                           |                              |
| <b>As at 1 January 2023</b>     | <b>7,713</b>       | <b>20,231</b>           | <b>1,338</b> | <b>917</b>   | <b>-</b>                  | <b>30,199</b>                |
| Charge for the year             | 580                | 1,736                   | 61           | 27           | -                         | 2,404                        |
| Write offs and disposals        | -                  | (764)                   | (178)        | (8)          | -                         | (950)                        |
| <b>As at 31 December 2023</b>   | <b>8,293</b>       | <b>21,203</b>           | <b>1,221</b> | <b>936</b>   | <b>-</b>                  | <b>31,653</b>                |
| Charge for the year             | 580                | 1,668                   | 6            | 24           | -                         | 2,278                        |
| Returned to use                 | -                  | 4                       | -            | -            | -                         | 4                            |
| Write offs and disposals        | -                  | (1,159)                 | -            | (1)          | -                         | (1,160)                      |
| <b>As at 31 December 2024</b>   | <b>8,873</b>       | <b>21,716</b>           | <b>1,227</b> | <b>959</b>   | <b>-</b>                  | <b>32,775</b>                |
| <b>Net carrying amount</b>      |                    |                         |              |              |                           |                              |
| <b>As at 1 January 2024</b>     | <b>41,381</b>      | <b>5,641</b>            | <b>3</b>     | <b>136</b>   | <b>149</b>                | <b>47,310</b>                |
| <b>As at 31 December 2024</b>   | <b>40,801</b>      | <b>7,024</b>            | <b>262</b>   | <b>227</b>   | <b>137</b>                | <b>48,451</b>                |

The Central Bank purchased the land for the construction of the office building for the Main Unit Sarajevo under a contract with the Municipality Centar. The Municipality Centar subsequently issued a decision refusing to grant urban planning permission for the office building construction, which, after the second instance procedure, became final by the decision of the relevant cantonal Ministry.

As at reporting dates, the Central Bank is involved in two court proceedings regarding the purchased land, one of which concerns the termination of the land purchase contract with the Municipality Centar and the damage compensation, while the other relates to the annulment of the decision of the relevant cantonal Ministry. The Central Bank is the legal owner of the land and has no outstanding contractual obligations towards the Municipality Centar as the seller of the land.

As at reporting dates, except from the above mentioned, the Central Bank has no other encumbrances over its property and equipment.

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Notes to the financial statements for the year ended 31 December 2024

## 15. INTANGIBLE ASSETS

| In thousands of KM              | Software and<br>other intangible<br>assets | Intangible assets<br>under construction | Intangible<br>assets<br>total |
|---------------------------------|--|---|-------------------------------|
| <b>Cost</b>                     |  |   |                               |
| <b>As at 1 January 2023</b>     | <b>15,953</b>                              | -                                       | <b>15,953</b>                 |
| Additions                       | -  | 410                                     | 410                           |
| Transferred to use              | 410  | (410)                                   | -                             |
| Write offs and disposals        | (310)                                      | -                                       | (310)                         |
| <b>As at 31 December 2023</b>   | <b>16,053</b>                              | -                                       | <b>16,053</b>                 |
| Additions                       | -  | 389                                     | 389                           |
| Transferred to use              | 307  | (307)                                   | -                             |
| <b>As at 31 December 2024</b>   | <b>16,360</b>                              | <b>82</b>                               | <b>16,442</b>                 |
| <b>Accumulated amortisation</b> |  |   |                               |
| <b>As at 1 January 2023</b>     | <b>15,109</b>                              | -                                       | <b>15,109</b>                 |
| Charge for the year             | 390  | -                                       | 390                           |
| Write offs and disposals        | (310)                                      | -                                       | (310)                         |
| <b>As at 31 December 2023</b>   | <b>15,189</b>                              | -                                       | <b>15,189</b>                 |
| Charge for the year             | 341  | -                                       | 341                           |
| <b>As at 31 December 2024</b>   | <b>15,530</b>                              | -                                       | <b>15,530</b>                 |
| <b>Net carrying amount</b>      |  |   |                               |
| <b>As at 1 January 2024</b>     | <b>864</b>                                 | -                                       | <b>864</b>                    |
| <b>As at 31 December 2024</b>   | <b>830</b>                                 | <b>82</b>                               | <b>912</b>                    |

## 16. OTHER INVESTMENTS

The structure of other investments is as follows:

| In thousands of KM         | 31 December<br>2024 | 31 December<br>2023 |
|----------------------------|---------------------|---------------------|
| <i>Equity instruments:</i> |                     |                     |
| Shares in BIS              | 27,803              | 27,803              |
| Shares in SWIFT            | 10                  | 10                  |
| <b>TOTAL</b>               | <b>27,813</b>       | <b>27,813</b>       |

BIS is specialised international financial institution owned and managed by 63 central banks all over the world whose main role is to foster central banks' cooperation, ensure monetary and financial stability and mediate in financial transactions between central banks. BIS shares are exclusively owned by central banks and monetary authorities.

SWIFT is international cooperation owned by the financial institutions that are its members.

BIS and SWIFT shares are not tradable.



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## 16. OTHER INVESTMENTS (CONTINUED)

The Central Bank owns ordinary BIS shares with a nominal value of SDR 5,000 per share, paid up at 25% of their nominal value by former Yugoslavia. In accordance with the Statue of BIS, remaining 75% of the share's nominal value is payable by the Central Bank upon call for payment from BIS. The Central Bank has a dividend right arising from these shares ([Note 27](#)).

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

BIS and SWIFT shares represent unquoted equity instruments whose fair value cannot be reliably determined and therefore they are recorded at cost.

## 17. BANKNOTES AND COINS IN CIRCULATION

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

| In thousands of KM  | 2024      | 2023      |
|---|-----------|-----------|
| As at 1 January   | 7,565,108 | 7,436,097 |
| Net increase in value of banknotes and coins in circulation during the year | 394,107   | 129,011   |
| As at 31 December   | 7,959,215 | 7,565,108 |

The denomination structure and the quantity of banknotes and coins in circulation are presented in the following table:

| 31 December 2024       |             |                          | 31 December 2023 |                          |  |
|------------------------|-------------|--------------------------|------------------|--------------------------|--|
| Denomination           | Pieces      | Value in thousands of KM | Pieces           | Value in thousands of KM |  |
| Coins 0.05             | 109,898,527 | 5,495                    | 101,836,346      | 5,092                    |  |
| Coins 0.10             | 149,895,239 | 14,990                   | 144,279,167      | 14,428                   |  |
| Coins 0.20             | 109,885,948 | 21,977                   | 106,401,362      | 21,280                   |  |
| Coins 0.50             | 53,734,646  | 26,867                   | 49,610,221       | 24,805                   |  |
| Coins 1                | 79,209,267  | 79,209                   | 74,067,545       | 74,068                   |  |
| Coins 2                | 23,915,604  | 47,831                   | 21,957,007       | 43,914                   |  |
| Coins 5                | 17,972,643  | 89,863                   | 16,301,766       | 81,509                   |  |
| <b>Total coins</b>     |             | <b>286,232</b>           |                  | <b>265,096</b>           |  |
| Banknotes 10           | 16,767,446  | 167,674                  | 15,705,792       | 157,058                  |  |
| Banknotes 20           | 13,284,351  | 265,687                  | 12,168,451       | 243,369                  |  |
| Banknotes 50           | 27,517,579  | 1,375,879                | 27,815,563       | 1,390,778                |  |
| Banknotes 100          | 49,493,662  | 4,949,366                | 45,958,334       | 4,595,833                |  |
| Banknotes 200          | 4,571,881   | 914,377                  | 4,564,870        | 912,974                  |  |
| <b>Total banknotes</b> |             | <b>7,672,983</b>         |                  | <b>7,300,012</b>         |  |
| <b>TOTAL</b>           |             | <b>7,959,215</b>         |                  | <b>7,565,108</b>         |  |

**CENTRAL BANK OF BOSNIA AND HERZEGOVINA**  
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## 18. DEPOSITS FROM BANKS

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

| In thousands of KM  | 31 December<br>2024 | 31 December<br>2023 |
|---|---------------------|---------------------|
| Deposits from resident banks                              |                     |                     |
| KM  | 6,830,771           | 7,082,560           |
| EUR   | 623,510             | -                   |
|   | 7,454,281           | 7,082,560           |
| Reserve accounts of the Central Bank organizational units | 1,081               | 642                 |
| Special deposit of resident banks – blocked funds         | 33                  | 33                  |
| <b>TOTAL</b>  | <b>7,455,395</b>    | <b>7,083,235</b>    |

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 mutually as well as for transactions with the Central Bank. As at 31 December 2024 the total amount of KM 7,454,281 thousand represents deposits of 22 resident banks (31 December 2023: KM 7,082,560 thousand represented deposits of 22 banks).

Deposits from resident banks, on the basis of required reserve policy, include accrued remuneration in the amount KM 1,286 thousand as at 31 December 2024 (31 December 2023: Included accrued remuneration in the amount KM 1,181 thousand).

From 1 January 2024, the new required reserve framework for resident banks is applied by the Central Bank. The new required reserve framework prescribes the obligation for resident banks to allocate and maintain required reserve in KM and EUR currency 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 on all bases. The EUR currency 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.

In 2023, the basis for the calculation of the required reserve for resident banks consisted of deposits and borrowed funds no matter in which currency the funds were denominated. The required reserve rate of 10% was applied on the basis for calculation of required reserve. The required reserve was allocated and maintained in KM.

Amounts exceeding the required reserve are deposits which resident banks hold on their reserve accounts. More information on applied remuneration rates on the basis of required reserve instrument in the reporting periods is provided in [Note 22](#).

## 19. DEPOSITS FROM THE GOVERNMENT AND OTHER PUBLIC INSTITUTIONS

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

| In thousands of KM  | 31 December<br>2024 | 31 December<br>2023 |
|---|---------------------|---------------------|
| Budgetary deposits from BH institutions                           | 756,999             | 633,891             |
| Deposits from other local governments and government institutions | 87,770              | 85,101              |
| Deposits from other public institutions                           | 15,295              | 16,887              |
| Deposit account under the IMF transactions                        | 19                  | 17,019              |
| <b>TOTAL</b>  | <b>860,083</b>      | <b>752,898</b>      |

**CENTRAL BANK OF BOSNIA AND HERZEGOVINA**  
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## 20. PROVISIONS

Changes in provisions are presented in the following tables:

|   |              |                |                    |                |                     | 2024          |
|---|--------------|----------------|--------------------|----------------|---------------------|---------------|
| In thousands of KM                        |              |                |                    |                |                     |               |
|   | Litigations  | Life insurance | Severance payments | Jubilee awards | Unused annual leave | Total         |
| As at 1 January                           | 300          | -              | 1,419              | 306            | -                   | 2,025         |
| Releases of provisions                    | -            | -              | (18)               | -              | -                   | (18)          |
| Increases in provisions                   | 1,400        | 8,060          | 661                | 543            | 654                 | 11,318        |
| <b>Total recognised in profit or loss</b> | <b>1,400</b> | <b>8,060</b>   | <b>643</b>         | <b>543</b>     | <b>654</b>          | <b>11,300</b> |
| Amounts paid                              | (46)         | -              | (113)              | (47)           | -                   | (206)         |
| <b>As at 31 December</b>                  | <b>1,654</b> | <b>8,060</b>   | <b>1,949</b>       | <b>802</b>     | <b>654</b>          | <b>13,119</b> |

|   |             |                |                    |                |                     | 2023         |
|---|-------------|----------------|--------------------|----------------|---------------------|--------------|
| In thousands of KM                        |             |                |                    |                |                     |              |
|   | Litigations | Life insurance | Severance payments | Jubilee awards | Unused annual leave | Total        |
| As at 1 January                           | -           | -              | 860                | 37             | -                   | 897          |
| Releases of provisions                    | -           | -              | (15)               | -              | -                   | (15)         |
| Increases in provisions                   | 300         | -              | 689                | 281            | -                   | 1,270        |
| <b>Total recognised in profit or loss</b> | <b>300</b>  | <b>-</b>       | <b>674</b>         | <b>281</b>     | <b>-</b>            | <b>1,255</b> |
| Amounts paid                              | -           | -              | (115)              | (12)           | -                   | (127)        |
| <b>As at 31 December</b>                  | <b>300</b>  | <b>-</b>       | <b>1,419</b>       | <b>306</b>     | <b>-</b>            | <b>2,025</b> |

### *Provisions for employee benefits*

In 2024, in addition to provisions related to severance payments and jubilee awards for employees, the Central Bank made provisions for life insurance for employees and unused annual leave of employees. The actuarial calculation for formation of these provisions was performed by a certified actuary.

### *Litigations*

The Central Bank is a defendant in few legal proceedings arising from its operations. The Central Bank has additionally formed a provision for litigations in which it appears as the defendant in the amount of KM 1,400 thousand on a basis of uncertainty of the final outcome of litigations in 2024 (2023: The provisions for litigations amounted to KM 300 thousand).

### *Commitments*

As at reporting dates, the Central Bank has no unrecognised contractual commitments.

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## 21. OTHER LIABILITIES

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

| In thousands of KM  | 31 December<br>2024 | 31 December<br>2023 |
|---|---------------------|---------------------|
| Liabilities for allocation a portion of the profit to the BH budget ( <a href="#">Note 31</a> ) | 244,307             | 64,319              |
| Suppliers   | 2,471               | 1,527               |
| IMF Accounts No. 1 and 2 ( <a href="#">Note 36</a> )  | 2,271               | 2,203               |
| Accrued, but non-invoiced liabilities   | 937                 | 92                  |
| The World Bank deposits   | 191                 | 251                 |
| Other financial liabilities   | 68                  | 31                  |
| <b>Total other financial liabilities</b>  | <b>250,245</b>      | <b>68,423</b>       |
| Non-financial liabilities on various bases  | 205                 | 215                 |
| Collected and deferred income   | 42                  | 31                  |
| <b>Total other nonfinancial liabilities</b>   | <b>247</b>          | <b>246</b>          |
| <b>TOTAL</b>  | <b>250,492</b>      | <b>68,669</b>       |

## 22. NET INTEREST INCOME

| In thousands of KM  | For the year ended<br>31 December<br>2024 | 2023            |
|---|---|-----------------|
| <b>Interest income arising from:</b>  |   |                 |
| Deposits with foreign banks ( <a href="#">Note 8</a> )  | 227,173                                   | 249,220         |
| Debt instruments at fair value through other comprehensive income ( <a href="#">Note 10</a> )   | 221,908                                   | 69,366          |
| Debt instruments at amortised cost ( <a href="#">Note 12</a> )  | 11,858                                    | 11,912          |
| Special Drawing Rights with the IMF   | 240                                       | 189             |
| <b>Total</b>  | <b>461,179</b>                            | <b>330,687</b>  |
| <b>Interest expense arising from:</b>   |   |                 |
| Deposits from resident banks  | (14,557)                                  | (9,842)         |
| Effects of negative interest rates from debt instruments at fair value through other comprehensive income ( <a href="#">Note 10</a> ) | -   | (4,427)         |
| <b>Total</b>  | <b>(14,557)</b>                           | <b>(14,269)</b> |
| <b>Net interest income</b>  | <b>446,622</b>                            | <b>316,418</b>  |

**CENTRAL BANK OF BOSNIA AND HERZEGOVINA**  
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## 22. NET INTEREST INCOME (CONTINUED)

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

| In thousands of KM  | For the year ended<br>31 December |                |
|---|-----------------------------------|----------------|
|   | 2024                              | 2023           |
| <b>1. Financial assets at amortised cost</b>                                |                                   |                |
| <i>Interest income arising from:</i>  |                                   |                |
| Deposits with foreign banks   | 227,173                           | 249,220        |
| Debt instruments at amortised cost  | 11,858                            | 11,912         |
| Special Drawing Rights with the IMF   | 240                               | 189            |
| <b>Total</b>  | <b>239,271</b>                    | <b>261,321</b> |
| <b>2. Debt instruments at fair value through other comprehensive income</b> |                                   |                |
| Interest income   | 221,908                           | 69,366         |
| Effects of negative interest rates  | -                                 | (4,427)        |
| <b>Total</b>  | <b>221,908</b>                    | <b>64,939</b>  |
| <b>3. Financial liabilities at amortised cost</b>                           |                                   |                |
| Interest expense arising from deposits from resident banks                  | (14,557)                          | (9,842)        |
| <b>Total</b>  | <b>(14,557)</b>                   | <b>(9,842)</b> |
| <b>Net interest income</b>  | <b>446,622</b>                    | <b>316,418</b> |

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 18](#), the implementation of the new required reserve framework, from 1 January 2024, prescribes the obligation for resident banks to allocate and maintain required reserve in KM and EUR currency on KM and EUR reserve accounts.

In the period 01/01 - 31/12/2024, the Central Bank calculates and pays the remuneration to resident banks according to prescribed remuneration rates on the KM required reserves amounts, i.e., the EUR required reserves amounts. The zero-remuneration rate is applied by the Central Bank on the amounts exceeding required reserves, regardless of the currency allocation and the maintenance of required reserve.

In the period 01/01 - 31/12/2023, the Central Bank calculated and paid the remuneration to resident banks applying remuneration rates on the required reserves amounts generated from domestic currency base, i.e., on required reserve amounts generated from the foreign currency base and on the domestic currency with a currency clause base. The zero-remuneration rate is calculated by the Central Bank on the amounts exceeding required reserves.

**CENTRAL BANK OF BOSNIA AND HERZEGOVINA**  
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## 22. NET INTEREST INCOME (CONTINUED)

The following table presents applied Central Bank's remuneration rates during reporting periods:

| Base for calculation of remuneration          | The Central Bank remuneration rate for the period |               |
|---|---|---------------|
| 2024: New required reserve framework          |   |               |
| Required reserves amounts                     | 01/01 - 31/12                                     |               |
| KM required reserve on domestic currency base | 0.50%   |               |
| EUR required reserve on foreign currency base | 0.30%   |               |
| Amounts exceeding the required reserves       | 0.00%   |               |
| 2023: Previously required reserve framework   |   |               |
| Previously required reserve framework         | 01/01 - 30/6                                      | 01/07 - 31/12 |
| Domestic currency base                        | 0.25%   | 0.50%         |
| Foreign currency base                         | 0.10%   | 0.30%         |
| Domestic currency with currency clause base   | 0.10%   | 0.30%         |
| Amounts exceeding the required reserves       | 0.00%   | 0.00%         |

Interest expenses arising from deposits from resident banks include expenses arising from the required reserves funds in the amount of KM 14,557 thousand in 2024 (2023: The interest expenses arising from deposits from resident banks included expenses arising from required reserves funds in the amount of KM 9,842 thousand).

More information regarding the required reserves policy of the Central Bank is disclosed in [Note 18](#).

Following table presents interest income from deposits with foreign banks with an analytical presentation of corresponding amounts by the term type:

| In thousands of KM     | For the year ended<br>31 December |                |
|------------------------|-----------------------------------|----------------|
|                        | 2024                              | 2023           |
| <b>Interest income</b> |                                   |                |
| Term deposits          | 189,430                           | 214,020        |
| Demand deposits        | 37,743                            | 35,200         |
| <b>Total</b>           | <b>227,173</b>                    | <b>249,220</b> |

**CENTRAL BANK OF BOSNIA AND HERZEGOVINA**  
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**23. NET FEE AND COMMISSION INCOME**

| In thousands of KM  | For the year ended<br>31 December |               |
|---|-----------------------------------|---------------|
|   | 2024                              | 2023          |
| <b>Fee and commission income arising from:</b>            |                                   |               |
| Services for resident banks                               | 21,589                            | 20,465        |
| Services for the Government and other non-banking clients | 1,584                             | 1,480         |
| <b>Total</b>  | <b>23,173</b>                     | <b>21,945</b> |
| <b>Fee and commission expenses arising from:</b>          |                                   |               |
| Custodian and other expenses for debt instruments         | (935)                             | (499)         |
| Transactions with foreign banks                           | (31)                              | (32)          |
| Other fee and commission expenses                         | (4)                               | (3)           |
| <b>Total</b>  | <b>(970)</b>                      | <b>(534)</b>  |
| <b>Net fee and commission income</b>                      | <b>22,203</b>                     | <b>21,411</b> |

The Central Bank calculates fee and commission income under determined tariffs for its services ([Note 3.9](#)). Fee and commission income for resident banks are dominantly generated from transactions in the Real-Time Gross Settlement system and Gyro Clearing system. More information on payment systems functioning is disclosed in [Note 37](#).

**24. NET REALISED (LOSSES) FROM SALE OF DEBT INSTRUMENTS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME**

| In thousands of KM | For the year ended<br>31 December |                 |
|--------------------|-----------------------------------|-----------------|
|                    | 2024                              | 2023            |
| Realised gains     | 37                                | -               |
| Realised losses    | (6,056)                           | (22,487)        |
| <b>TOTAL</b>       | <b>(6,019)</b>                    | <b>(22,487)</b> |

The corresponding amounts of realised gains from released provisions for expected credit losses for debt instruments sold are presented in [Note 6.1.1](#).

**25. NET FOREIGN EXCHANGE GAINS / (LOSSES)**

| In thousands of KM                                      | For the year ended<br>31 December |              |
|---|-----------------------------------|--------------|
|   | 2024                              | 2023         |
| Unrealised foreign exchange gains                       | 6,378                             | 1,930        |
| Unrealised foreign exchange (losses)                    | (1,750)                           | (2,218)      |
| <b>Net unrealised foreign exchange gains / (losses)</b> | <b>4,628</b>                      | <b>(288)</b> |
| Realised foreign exchange gains                         | 2,376                             | 86           |
| Realised foreign exchange (losses)                      | (210)                             | -            |
| <b>Net unrealised foreign exchange gains</b>            | <b>2,166</b>                      | <b>86</b>    |
| <b>TOTAL</b>  | <b>6,794</b>                      | <b>(202)</b> |



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**26. IMPAIRMENT ON FINANCIAL ASSETS, NET DECREASES / INCREASES**

|  | <b>For the year ended<br/>31 December</b> |             |
|--|---|-------------|
| <b>In thousands of KM</b>  | <b>2024</b>                               | <b>2023</b> |
| Net (increases) in / releases of impairment for deposits with foreign banks  | (674)                                     | 193         |
| 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 | (1,647)                                   | (99)        |
| Net (increases) in / releases of provisions for impairment for debt instruments at amortised cost                              | (161)                                     | 6           |
| Net (increases) in / releases of impairment for other financial assets   | -   | -           |
| <b>TOTAL</b>   | <b>(2,482)</b>                            | <b>100</b>  |

More information on the gross amounts of gains and losses arising from increases and releases from expected credit losses in the reporting periods is disclosed in [Note 6.1.1](#).

**27. OTHER INCOME**

|   | <b>For the year ended<br/>31 December</b> |             |
|---|---|-------------|
| <b>In thousands of KM</b>                                   | <b>2024</b>                               | <b>2023</b> |
| Dividend income from BIS shares ( <a href="#">Note 16</a> ) | 940                                       | 721         |
| Net effects of numismatic collections value adjustments     | 289                                       | 29          |
| Other income  | 124                                       | 43          |
| <b>TOTAL</b>  | <b>1,353</b>                              | <b>793</b>  |

During 2024, the Central Bank received a dividend from BIS shares amounting to KM 940 thousand (2023: KM 721 thousand).

**28. PERSONNEL EXPENSES**

|   | <b>For the year ended<br/>31 December</b> |               |
|---|---|---------------|
| <b>In thousands of KM</b>   | <b>2024</b>                               | <b>2023</b>   |
| Salaries  | 15,666                                    | 12,530        |
| Contributions and other fees on salaries                            | 8,729                                     | 6,972         |
| Other employee benefits   | 3,229                                     | 2,086         |
| Contributions and other fees on other employee benefits             | 732                                       | 531           |
| <b>Total</b>  | <b>28,356</b>                             | <b>22,119</b> |
| Net increase in provisions under IAS 19 ( <a href="#">Note 20</a> ) | 9,900                                     | 955           |
| <b>TOTAL</b>  | <b>38,256</b>                             | <b>23,074</b> |

**CENTRAL BANK OF BOSNIA AND HERZEGOVINA**  
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**28. PERSONNEL EXPENSES (CONTINUED)**

Personnel expenses include KM 5,378 thousand (2023: KM 4,249 thousand) of defined pension contributions paid to the public pension funds in BH. Contributions are calculated as percentage of the gross salary.

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

The average number of employees amounts to 357 for 2024 (2023: 353).

In 2024, the discount rate of 3% is used for the calculation of provisions under IAS 19 (2023: 4%). More information on additional types of provisions made in 2024 is disclosed in [Note 20](#).

**29. ADMINISTRATIVE AND OTHER OPERATING EXPENSES**

|   | <b>For the year ended<br/>31 December</b> |              |
|---|---|--------------|
| <b>In thousands of KM</b>                   | <b>2024</b>                               | <b>2023</b>  |
| Payment systems maintenance expenses        | 1,825                                     | 1,794        |
| IT infrastructure expenses                  | 1,078                                     | 1,049        |
| Overhead expenses                           | 1,017                                     | 935          |
| Access to official services expenses        | 831                                       | 794          |
| Fixed assets maintenance expenses           | 601                                       | 608          |
| Other administrative and operating expenses | 4,372                                     | 2,320        |
| <b>TOTAL</b>                                | <b>9,724</b>                              | <b>7,500</b> |

**30. COSTS OF PRODUCTION OF BANKNOTES AND COINS**

|   | <b>For the year ended<br/>31 December</b> |              |
|---|---|--------------|
| <b>In thousands of KM</b>                   | <b>2024</b>                               | <b>2023</b>  |
| Costs of production and design of banknotes | 2,764                                     | 1,950        |
| Costs of production and design of coins     | 2,508                                     | 2,454        |
| <b>TOTAL</b>                                | <b>5,272</b>                              | <b>4,404</b> |

**31. ALLOCATION OF THE ANNUAL NET PROFIT**

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

The provisions of the Law on the Central Bank define the criteria of the annual net profit allocation, according to which the Central Bank allocates 60% of the current profit to the account of the institution responsible for the Budget of BH, provided that the amount of the initial capital and general reserves (retained earnings) is equal to 5.000% of the total monetary liabilities. After the condition that the amount of initial capital and general reserves (retained earnings) is equal to 5.000% of the total monetary liabilities is met, the remaining amount of net profit is reduced by the net unrealised gains which is allocated to reserve account for unrealised gains. The legally prescribed percentage distribution ratios are then applied to this adjusted amount.

**CENTRAL BANK OF BOSNIA AND HERZEGOVINA**  
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### 31. ALLOCATION OF THE ANNUAL NET PROFIT (CONTINUED)

The initial capital and general reserves (retained earnings) ratio before net profit allocation in 2024 amounts to 4.995% (2023: 3.889%). According to the Decision of the Governing Board and in accordance with the Law on the Central Bank, the amount of KM 794 thousand from achieved net profit for 2024 is allocated to general reserves (retained earnings), firstly fulfilling the legal criteria that the amount of initial capital and general reserves (retained earnings) equals to the amount of 5.000% of the total amount of monetary liabilities. The remaining net profit is reduced by KM 4,628 thousand due to net unrealised gains arising from foreign exchange differences, thereby determining the net profit available for distribution. From the remaining net profit for 2024 in the amount of KM 407,178 thousand, 60% is allocated to the BH budget in the amount of KM 244,307 thousand, and 40% is allocated to general reserves (retained earnings) in the amount of KM 162,871 thousand (2023: Net profit for 2023 in the amount of KM 278,261 thousand KM was allocated to general reserves in the total amount of KM 213,942 thousand and to the BH budget in the amount of KM 64,319 thousand).

#### 2024

##### Before profit allocation

|  |                      |
|--|----------------------|
|  | (In thousands of KM) |
| <b>Monetary liabilities</b>  | <b>16,274,693</b>    |
| Initial capital and general reserves (retained earnings)                                       | 812,941              |
| <b>Ratio - initial capital and general reserves (retained earnings) / monetary liabilities</b> | <b>4.995%</b>        |

##### Profit allocation

|  |                      |
|--|----------------------|
|  | (In thousands of KM) |
| <b>Net profit before allocation</b>  | <b>412,600</b>       |
| First allocation of profit to general reserves (retained earnings)                             | 794                  |
| Initial capital and general reserves (retained earnings) after first allocation                | 813,735              |
| <b>Ratio - initial capital and general reserves (retained earnings) / monetary liabilities</b> | <b>5.000%</b>        |

|  |                      |
|--|----------------------|
|  | (In thousands of KM) |
| <b>Net profit after first allocation</b>                     | <b>411,806</b>       |
| Net unrealised foreign exchange gains                        | 4,628                |
| <b>Net profit for allocation</b>                             | <b>407,178</b>       |
| Allocation of profit to the budget of BH                     | 244,307              |
| Allocation of profit to general reserves (retained earnings) | 162,871              |

|   |                      |
|---|----------------------|
| <b>Total net profit allocation for 2024</b>                         | (In thousands of KM) |
| <b>Allocation of profit to the BH budget</b>                        | <b>244,307</b>       |
| <i>Allocation of profit to general reserves (retained earnings)</i> | <i>163,665</i>       |
| <i>Transfer of net unrealised foreign exchange gains</i>            | <i>4,628</i>         |
| <b>Allocation of profit to the Central Bank's equity</b>            | <b>168,293</b>       |
| <b>Total</b>  | <b>412,600</b>       |

##### After profit allocation

|  |                      |
|--|----------------------|
|  | (In thousands of KM) |
| <b>Monetary liabilities</b>  | <b>16,274,693</b>    |
| Initial capital and general reserves (retained earnings)                                       | 976,606              |
| <b>Ratio - initial capital and general reserves (retained earnings) / monetary liabilities</b> | <b>6.001%</b>        |

**CENTRAL BANK OF BOSNIA AND HERZEGOVINA**  
Notes to the financial statements for the year ended 31 December 2024

**31. ALLOCATION OF THE ANNUAL NET PROFIT (CONTINUED)**

**2023**

**Before profit allocation**

|  |                      |
|--|----------------------|
|  | (In thousands of KM) |
| <b>Monetary liabilities</b>  | <b>15,401,241</b>    |
| Initial capital and general reserves (retained earnings)                                       | 598,999              |
| <b>Ratio - initial capital and general reserves (retained earnings) / monetary liabilities</b> | <b>3.889%</b>        |

**Profit allocation**

|  |                      |
|--|----------------------|
|  | (In thousands of KM) |
| <b>Net profit before allocation</b>  | <b>278,261</b>       |
| First allocation of profit to general reserves (retained earnings)                             | 171,063              |
| Initial capital and general reserves (retained earnings) after first allocation                | 770,062              |
| <b>Ratio - initial capital and general reserves (retained earnings) / monetary liabilities</b> | <b>5.000%</b>        |

|  |                      |
|--|----------------------|
|  | (In thousands of KM) |
| <b>Net profit after first allocation</b>                     | <b>107,198</b>       |
| Allocation of profit to the budget of BH                     | 64,319               |
| Allocation of profit to general reserves (retained earnings) | 42,879               |

|  |                      |
|--|----------------------|
|  | (In thousands of KM) |
| <b>Total net profit allocation for 2023</b>                  |                      |
| Allocation of profit to the BH budget                        | 64,319               |
| Allocation of profit to general reserves (retained earnings) | 213,942              |
| <b>Total</b>   | <b>278,261</b>       |

**After profit allocation**

|  |                      |
|--|----------------------|
|  | (In thousands of KM) |
| <b>Monetary liabilities</b>  | <b>15,401,241</b>    |
| Initial capital and general reserves (retained earnings)                                       | 812,941              |
| <b>Ratio - initial capital and general reserves (retained earnings) / monetary liabilities</b> | <b>5.278%</b>        |

**CENTRAL BANK OF BOSNIA AND HERZEGOVINA**  
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## 32. EQUITY

The structure of equity is presented in the following table:

| In thousands of KM                                   | 31 December<br>2024 | 31 December<br>2023 |
|--|---------------------|---------------------|
| <b>Initial capital</b>                               | <b>25,000</b>       | <b>25,000</b>       |
| Fair value reserves for debt and equity instruments  | 45,354              | (6,471)             |
| Fair value reserves for monetary gold                | 140,295             | 73,530              |
| Reserves for unrealised foreign exchange differences | 4,628               | -                   |
| Other reserves                                       | 31,300              | 31,300              |
| General reserves (Retained earnings)                 | 951,606             | 787,941             |
| <b>Total reserves</b>                                | <b>1,173,183</b>    | <b>886,300</b>      |
| <b>TOTAL</b>   | <b>1,198,183</b>    | <b>911,300</b>      |

### *Initial capital*

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

### *Fair value reserves*

Fair value reserves relate to:

- Fair value reserves for debt instruments and monetary gold representing cumulative unrealised gains and losses arising from changes in market value of these financial assets during the holding period.
- Provisions for expected credit losses relating to debt instruments measured at fair value through other comprehensive income. For more information see [Note 6.1.1.](#)

### *Reserves for unrealised foreign exchange differences*

Reserves for unrealised foreign exchange differences relate to net unrealised gains from foreign exchange differences.

### *Other reserves*

Other reserves relate to:

- Special reserves from grants in the amount of KM 3,497 thousand, which relate to grants received in cash from the Council of Ministers of Bosnia and Herzegovina on 12 June 1998. The status of these reserves is regulated by the Decision of the Governing Board of the Central Bank with the approval of the Presidency of Bosnia and Herzegovina. The right to utilise the reserves from grants fall within the competence of the Governing Board of the Central Bank.
- Amounts received in accordance with the Succession Agreement of the former Yugoslavia in the amount of KM 27,803 thousand and relates to shares in BIS (see [Note 16](#)).

### *General reserves (Retained earnings)*

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

As at 31 December 2024, the equity of the Central Bank increased compared to its balance as at 31 December 2023. The increase of the equity was primary driven by the portion of annual net profit which is allocated in accordance with the Law on the Central Bank, as well as positive net changes in fair value of monetary gold and debt instruments. As disclosed in [Note 3.13](#), activities undertaken with the aim to adjust to conditions in the environment in which the Central Bank invests its foreign currency reserves, have significantly improved Central Bank's financial performances for 2024.

**CENTRAL BANK OF BOSNIA AND HERZEGOVINA**  
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### 33. CASH AND CASH EQUIVALENTS

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

|   | 31 December<br>2024 | 31 December<br>2023 |
|---|---------------------|---------------------|
| <b>In thousands of KM</b>   |                     |                     |
| Deposits in foreign currency with maturity up to three months or less from the date of acquisition ( <a href="#">Note 8</a> ) | 3,575,469           | 4,744,565           |
| Demand deposits in foreign currency ( <a href="#">Note 8</a> )  | 1,547,796           | 1,811,641           |
| Cash in foreign currencies ( <a href="#">Note 7</a> )   | 525,980             | 455,191             |
| Special Drawing Rights with the IMF ( <a href="#">Note 9</a> )  | 4,771               | 2,073               |
| Giro accounts ( <a href="#">Note 13</a> )   | 1,081               | 642                 |
| <b>Total</b>  | <b>5,655,097</b>    | <b>7,014,112</b>    |
| Impairment  | (1,883)             | (1,486)             |
| <b>TOTAL</b>  | <b>5,653,214</b>    | <b>7,012,626</b>    |

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

|  | 2024         | 2023         |
|--|--------------|--------------|
| <b>In thousands of KM</b>  |              |              |
| <b>As at 1 January</b>   | <b>1,486</b> | <b>1,752</b> |
| Deposits in foreign currency with maturity up to three months or less from the date of acquisition | 320          | (287)        |
| Demand deposits in foreign currency  | 77           | 21           |
| Special Drawing Rights with the IMF  | -            | -            |
| <b>As at 31 December</b>   | <b>1,883</b> | <b>1,486</b> |

**CENTRAL BANK OF BOSNIA AND HERZEGOVINA**  
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### 34. RELATED PARTY TRANSACTIONS

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

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

**In thousands of KM**

**As at**

**31 December 2024**

|   | <b>BH Ministry of<br/>Finance and<br/>Treasury</b> | <b>BH Deposit<br/>Insurance Agency</b> | <b>BH Indirect<br/>Taxation<br/>Authority</b> | <b>Total</b>     |
|---|--|--|---|------------------|
| <b>ASSETS</b>   |  |  |   |                  |
| Other assets  | 37   | -                                      | 3   | 40               |
| <b>TOTAL</b>  | <b>37</b>  | <b>-</b>                               | <b>3</b>                                      | <b>40</b>        |
| <b>LIABILITIES</b>  |  |  |   |                  |
| Deposits from depositors  | 484,581  | 1,353                                  | 290,341                                       | 776,275          |
| Liabilities for allocation a<br>portion of the profit to<br>the BH budget | 244,307  | -                                      | -   | 244,307          |
| Other liabilities   | -  | -                                      | 9   | 9                |
| <b>TOTAL</b>  | <b>728,888</b>                                     | <b>1,353</b>                           | <b>290,350</b>                                | <b>1,020,591</b> |

**In thousands of KM**

**As at**

**31 December 2023**

|   | <b>BH Ministry of<br/>Finance and<br/>Treasury</b> | <b>BH Deposit<br/>Insurance Agency</b> | <b>BH Indirect<br/>Taxation<br/>Authority</b> | <b>Total</b>   |
|---|--|--|---|----------------|
| <b>ASSETS</b>   |  |  |   |                |
| Other assets  | 55   | -                                      | 3   | 58             |
| <b>TOTAL</b>  | <b>55</b>  | <b>-</b>                               | <b>3</b>                                      | <b>58</b>      |
| <b>LIABILITIES</b>  |  |  |   |                |
| Deposits from depositors  | 442,770  | 68                                     | 244,938                                       | 687,776        |
| Liabilities for allocation a<br>portion of the profit to<br>the BH budget | 64,319   | -                                      | -   | 64,319         |
| Other liabilities   | -  | -                                      | 94  | 94             |
| <b>TOTAL</b>  | <b>507,089</b>                                     | <b>68</b>                              | <b>245,032</b>                                | <b>752,189</b> |



**CENTRAL BANK OF BOSNIA AND HERZEGOVINA**  
Notes to the financial statements for the year ended 31 December 2024

### 34. RELATED PARTY TRANSACTIONS (CONTINUED)

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

| In thousands of KM                  | For the year ended<br>31 December |            |
|-------------------------------------|-----------------------------------|------------|
|                                     | 2024                              | 2023       |
| <b>Fee and commission income</b>    |                                   |            |
| BH Ministry of Finance and Treasury | 98                                | 111        |
| BH Indirect Taxation Authority      | 43                                | 30         |
| BH Deposit Insurance Agency         | 3                                 | 13         |
| <b>TOTAL</b>                        | <b>144</b>                        | <b>154</b> |

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 maintains certain records and executes transactions for the State and BH institutions that are recorded off-balance. More information about these off-balance records is disclosed in [Notes 35](#) and [36](#).

#### Remuneration of key management members

In accordance with IAS 24, key management personnel, close family members of key management personnel, and entities controlled, jointly controlled or significantly influenced by key management personnel and their close family members are considered as related parties.

The total remuneration of the members of the key management personnel in 2024 amounts to KM 1,504 thousand, out of which KM 940 thousand is related to salaries and other remuneration and KM 564 thousand to taxes and contributions (In 2023 out of total amount of KM 1,165 thousand, the amount of KM 727 thousand related to salaries and other remuneration and KM 438 thousand related to taxes and contributions).

### 35. 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 organisations 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 the government BH institutions and public agencies for which the Central Bank acts as an agent, as well as residents' banks foreign currency accounts.

**CENTRAL BANK OF BOSNIA AND HERZEGOVINA**  
Notes to the financial statements for the year ended 31 December 2024

**35. OFF-BALANCE SHEET DEPOSITS (CONTINUED)**

Off-balance sheet deposits consist of:

| <b>In thousands of KM</b>  | <b>31 December<br/>2024</b> | <b>31 December<br/>2023</b> |
|--|-----------------------------|-----------------------------|
| Deposits of the Council of Ministers of BH for the budget of BH institutions | 316,379                     | 304,440                     |
| Deposits of the Council of Ministers of BH for the servicing of foreign debt | 10,462                      | 10,294                      |
| Other deposits of the Council of Ministers of BH                             | 392                         | 298                         |
| Deposits of the Council of Ministers of BH on the basis of succession        | 53                          | 48                          |
| <b>Total</b>   | <b>327,286</b>              | <b>315,080</b>              |
| <br>Funds of the BH Deposit Insurance Agency                                 | <br>2,042                   | <br>589                     |
| <b>Total</b>   | <b>2,042</b>                | <b>589</b>                  |
| <br>Budget deposits of entity governments- Federation BH                     | <br>1                       | <br>-                       |
| <b>Total</b>   | <b>1</b>                    | <b>-</b>                    |
| <br>Deposit accounts of resident banks                                       | <br>19,315                  | <br>21,035                  |
| Deposits - Retirement allowance from Germany                                 | -                           | 237                         |
| <b>Total</b>   | <b>19,315</b>               | <b>21,272</b>               |
| <br><b>TOTAL</b>   | <br><b>348,644</b>          | <br><b>336,941</b>          |

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 presented in the table. As at 31 December 2024 the total of these funds amount to KM 327,286 thousand (2023: KM 315,080 thousand).

**Residents' investments related to securities**

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

**36. BH MEMBERSHIP WITH THE IMF**

According to arrangements concluded between BH and the IMF, the Central Bank is designated as a fiscal agent and depository for BH membership with the IMF. The Central Bank's role as the fiscal agent is specific due to currency board arrangement. By performing the function of fiscal agent defined by the Law on the Central Bank and by the Law on the borrowing, debt and guarantees in Bosnia and Herzegovina, the Central Bank is not obliged in any way to pay any debt of BH nor can be attributed to pay such debt nor its foreign currency reserves can in no way be considered as a guarantee for the payment of such debt. The Central Bank acts on behalf of the BH in dealing with the IMF but does not have any responsibility for assets and liabilities related to the membership.

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

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

**CENTRAL BANK OF BOSNIA AND HERZEGOVINA**  
Notes to the financial statements for the year ended 31 December 2024

**36. BH MEMBERSHIP WITH THE IMF (CONTINUED)**

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

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

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

SDR allocation is also interest-bearing. Ministry of Finance and Treasury of BH pays interest on Special Drawing Rights allocation.

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

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

**In thousands of KM**

|                                     | <b>31 December<br/>2024</b> | <b>31 December<br/>2023</b> |
|-------------------------------------|-----------------------------|-----------------------------|
| Quota                               | 650,858                     | 631,516                     |
| Special Drawing Rights with the IMF | 4,771                       | 2,073                       |
| <b>TOTAL ASSETS</b>                 | <b>655,629</b>              | <b>633,589</b>              |
| IMF account No.1                    | 1,627                       | 1,579                       |
| IMF account No.2                    | 644                         | 624                         |
| Securities                          | 953,711                     | 1,291,461                   |
| SDR allocation                      | 1,018,667                   | 988,395                     |
| Accrued interest on SDR allocation  | 5,663                       | 6,867                       |
| Accounts of payable charges         | 2,004                       | 5,710                       |
| <b>TOTAL LIABILITIES</b>            | <b>1,982,316</b>            | <b>2,294,636</b>            |
| <b>BH NET POSITION WITH THE IMF</b> | <b>1,326,687</b>            | <b>1,661,047</b>            |

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

**CENTRAL BANK OF BOSNIA AND HERZEGOVINA**  
Notes to the financial statements for the year ended 31 December 2024

### **37. DOMESTIC PAYMENT AND SETTLEMENT SYSTEMS**

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

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

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

The GC System is an interbank clearing system (bilateral and multilateral) for transactions in the amounts lower or equal to KM 10 thousand. The settlement of net positions of participants in GC system is carried out through settlement accounts in RTGS as well as settlement of transactions of legal persons acting as clearing agents, such as card transaction operators. Participants of the system are banks licenced to perform payment operations that are RTGS participants, as well as the Central Bank. The system is adjusted to SEPA standard, i.e., ISO 20022. The clearing of payment orders of all the GC participants is carried out by defining the net position of each individual participant as a result of the settlement of all credits and debits of participants for each clearing cycle.

To ensure a more balanced distribution of payment orders throughout the day and to encourage participating banks in payment systems to process client orders more efficiently, the Central Bank implemented a uniform fee per order for transactions executed in the GC and RTGS systems in 2024.

#### **Credit risk**

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

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

#### **Operational risk**

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

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

The Central Bank has defined the following Contingency Settlement Procedures:

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

**CENTRAL BANK OF BOSNIA AND HERZEGOVINA**  
Notes to the financial statements for the year ended 31 December 2024

### **37. DOMESTIC PAYMENT AND SETTLEMENT SYSTEMS (CONTUNUED)**

#### **Oversight and development of payment systems**

Applying the principles and responsibilities defined in "Principles of Financial Markets Infrastructure" adopted by the BIS Committee on Payments and Settlements systems and the International Organization of Securities Commissions (IOSCO), the Central Bank performs permanent monitoring and periodical assessment of the functioning of payment systems in relation to the adopted principles. Evaluation compliance activities and system monitoring promote security and efficiency of payment systems and undisturbed performance of interbank payment operations in BH providing directly support to the maintenance of financial stability in BH by the Central Bank.

Also, through development function, the Central Bank actively participates in preparation and implementation phases related to innovations in payment systems and analyses their impact on BH economy and the impact on public policy objectives of secure and efficient payment systems.

### **38. EVENTS AFTER THE REPORTING PERIOD**

At the Governing Board meeting held on 27 December 2024 the Governor of the Central Bank, with the approval of the Governing Board, appointed Emir Kurtić Ph.D. as Vice Governor of the Central Bank for a term of four years, starting from 1 January 2025.

In 2025, the Central Bank was notified about the enforcement of the decision of the Arbitration Council in Washington, under which BH, as the defendant, was obliged to pay damage compensation, including related interest and legal fees, to the claimants, Viaduct d.o.o. Portorož, along with the claimant's intention to initiate enforcement proceedings through competent authorities across BH, including the Central Bank's property. The arbitration process lasted for several years and resulted in an arbitral decision against BH. The Central Bank was not a party to the proceedings and was unaware that any potential collection of claims arising from the arbitration could be directed toward its property.

On 7 February 2025, the Central Bank was notified by the claimants that, based on the final arbitral decision sent to the competent courts in BH, they proposed the enforcement of their claims against BH and the Central Bank, including the seizure and sale of Central Bank properties in Banja Luka, Mostar and Brčko District. On 11 March 2025, the Municipality Court in Mostar issued a non-final decision to accept this proposal for the Central Bank's property in Mostar which the Central Bank received on 13 March 2025. Through the public attorney office, the Central Bank filed an appeal against this decision on 21 March 2025.

As at the approval date of the financial statements, the method of enforcing the arbitral decision has not been determined due to the lack of final court decisions, and it is not possible to reliably assess the final outcome of the dispute. However, the Central Bank considers that there are no legal grounds for collection from its assets and, accordingly, does not expect outflows of economic benefits related to this matter.

Except from the above mentioned, no adjusting or non-adjusting events have occurred between 31 December 2024 and the date of authorization of these financial statements.





Centralna banka  
BOSNE I HERCEGOVINE  
Централна банка

## Statistical tables





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**T01: Main Economic Indicators**

|   | 2015   | 2016   | 2017   | 2018   | 2019   | 2020   | 2021   | 2022    | 2023    | 2024*   |
|---|--------|--------|--------|--------|--------|--------|--------|---------|---------|---------|
| <b>BH Nominal GDP (in KM million)<sup>1)</sup></b>    |        |        |        |        |        |        |        |         |         |         |
| <b>Current Prices</b>                                 | 28,929 | 30,265 | 31,803 | 33,942 | 35,785 | 34,728 | 39,145 | 45,618  | 49,920  | 53,864  |
| <b>Real GDP Annual Growth (in %)<sup>1)</sup></b>     | 3.1    | 3.2    | 3.2    | 3.8    | 2.9    | -3.0   | 7.4    | 4.2     | 2.0     | 2.4     |
| <b>Consumer Prices Growth Rate in BH<sup>2)</sup></b> |        |        |        |        |        |        |        |         |         |         |
| Average Annual growth Rate of CPI                     | -1.0   | -1.1   | 1.2    | 1.4    | 0.6    | -1.0   | 2.0    | 14.0    | 6.1     | 1.7     |
| Annual Growth Rate of CPI for December                | -1.3   | -0.3   | 0.7    | 1.6    | 0.3    | -1.6   | 6.4    | 14.7    | 2.2     | 2.2     |
| <b>General Government Sector Budget<sup>3)</sup></b>  |        |        |        |        |        |        |        |         |         |         |
| Revenues  | 43.0   | 42.7   | 42.4   | 42.4   | 42.0   | 41.6   | 41.0   | 39.9    | 40.7    | -       |
| Expenditures <sup>4)</sup>                            | 42.3   | 41.5   | 39.8   | 40.2   | 40.1   | 46.8   | 41.3   | 40.3    | 41.9    | -       |
| Overall Balance                                       | 0.7    | 1.2    | 2.5    | 2.2    | 1.9    | -5.2   | -0.3   | -0.4    | -1.2    | -       |
| <b>Money and Credit</b>                               |        |        |        |        |        |        |        |         |         |         |
| Broad Money (M2)                                      | 64.5   | 66.7   | 69.5   | 71.3   | 73.6   | 81.3   | 80.5   | 72.9    | 71.7    | 72.7    |
| Credit to Non-government Sector                       | 54.4   | 53.7   | 54.9   | 54.3   | 55.0   | 55.2   | 50.8   | 45.9    | 44.9    | 45.5    |
| <b>Balance of Payments</b>                            |        |        |        |        |        |        |        |         |         |         |
| Gross Official Reserves                               |        |        |        |        |        |        |        |         |         |         |
| In KM million   | 8,606  | 9,531  | 10,557 | 11,623 | 12,597 | 13,868 | 16,348 | 16,066  | 16,290  | 17,642  |
| In USD million  | 4,883  | 5,391  | 6,083  | 7,012  | 7,210  | 8,079  | 9,885  | 8,637   | 9,004   | 9,760   |
| In Months of Imports of Goods and Services            | 6.7    | 7.2    | 7.1    | 7.3    | 7.8    | 10.0   | 9.3    | 6.8     | 7.0     | 7.2     |
| Current Account Balance                               |        |        |        |        |        |        |        |         |         |         |
| In KM million   | -1,458 | -1,424 | -1,520 | -1,094 | -927   | -980   | -579   | -2,001  | -1,157  | -2,129  |
| In USD million  | -827   | -805   | -876   | -660   | -531   | -571   | -350   | -1,075  | -640    | -1,178  |
| As a percentage of GDP                                | -5.0   | -4.7   | -4.8   | -3.2   | -2.6   | -2.8   | -1.5   | -4.4    | -2.3    | -4.0    |
| Trade balance   |        |        |        |        |        |        |        |         |         |         |
| In KM million   | -7,176 | -7,089 | -7,417 | -7,521 | -7,963 | -6,268 | -7,170 | -10,183 | -10,259 | -11,747 |
| In USD million  | -4,071 | -4,010 | -4,274 | -4,538 | -4,558 | -3,651 | -4,335 | -5,474  | -5,671  | -6,499  |
| As a percentage of GDP                                | -24.8  | -23.4  | -23.3  | -22.2  | -22.3  | -18.0  | -18.3  | -22.3   | -20.6   | -21.8   |
| <b>External Debt of Government Sector **</b>          |        |        |        |        |        |        |        |         |         |         |
| In KM million   | 8,693  | 8,872  | 8,147  | 8,198  | 8,140  | 8,726  | 9,435  | 9,474   | 8,867   | 9,110   |
| In USD million  | 4,856  | 4,782  | 4,996  | 4,801  | 4,657  | 5,479  | 5,468  | 5,167   | 5,010   | 4,865   |
| As a percentage of GDP                                | 30.0   | 29.3   | 25.6   | 24.2   | 22.7   | 25.1   | 24.1   | 20.8    | 17.8    | 16.9    |
| <b>External Debt Servicing<sup>5)</sup></b>           |        |        |        |        |        |        |        |         |         |         |
| In KM million   | 581    | 723    | 983    | 955    | 794    | 741    | 773    | 802     | 1,255   | 1,333   |
| In USD million  | 330    | 409    | 567    | 576    | 454    | 432    | 467    | 431     | 694     | 737     |
| As a percentage of Exports of Goods and Services      | 5.7    | 6.7    | 7.7    | 6.7    | 5.5    | 6.2    | 4.6    | 3.6     | 5.7     | 6.1     |

**Note:**

<sup>1)</sup> Source: Agency for Statistics of Bosnia and Herzegovina, Gross Domestic Product by Production, Income and Expenditure approach 2023, January 2025.

<sup>2)</sup> Source: Agency for Statistics of BH

<sup>3)</sup> Source: Central Bank of BH

<sup>4)</sup> Expenditures also include net acquisition of fixed assets.

<sup>5)</sup> Source: BH Ministry of Finance and Treasury.

\*GDP for 2024 is an assessment of CBBH and it is used as preliminary data, until the announcement of the official GDP by the Agency for Statistics of BH

\*\* Revised data since 2009 in accordance with the received report from the Ministry of Finance and Treasury of BiH dated January 26, 2023, including a loan of JP Putevi RS and direct debt of Brcko District.

- Data not available

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

|  | 2015   | 2016   | 2017   | 2018   | 2019   | 2020   | 2021   | 2022   | 2023   | 2024*  |
|--|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|
| Nominal GDP (in KM million)            | 28,929 | 30,265 | 31,803 | 33,942 | 35,785 | 34,728 | 39,145 | 45,618 | 49,920 | 53,864 |
| Nominal GDP (in USD million)           | 16,413 | 17,118 | 18,325 | 20,478 | 20,481 | 20,230 | 23,669 | 24,523 | 27,594 | 29,800 |
| GDP per capita (in KM)                 | 8,223  | 8,620  | 9,076  | 9,709  | 10,251 | 9,994  | 11,337 | 13,284 | 14,588 | 15,779 |
| GDP per capita (in USD)                | 4,665  | 4,876  | 5,230  | 5,857  | 5,867  | 5,822  | 6,854  | 7,141  | 8,064  | 8,730  |
| Real GDP Annual Growth (in %)          | 3.1    | 3.2    | 3.2    | 3.7    | 2.8    | -3.1   | 7.4    | 4.2    | 2.0    | 2.4    |
| Population (in thousands) <sup>1</sup> | 3,518  | 3,511  | 3,504  | 3,496  | 3,491  | 3,475  | 3,453  | 3,434  | 3,422  | 3,414  |
| Annual Average Exchange Rate of KM/USD | 1.763  | 1.768  | 1.735  | 1.657  | 1.747  | 1.717  | 1.654  | 1.860  | 1.809  | 1.808  |

**Source:**

Agency for Statistics of Bosnia and Herzegovina, *Gross Domestic Product by Production, Income and Expenditure approach 2023, January 2025*. The data on the average annual exchange rate BAM/USD, the source is the CBBH.

**Note:**

<sup>1)</sup> The estimate of the number of citizens for 2024 includes the available data on the natural growth at the end of September 2024; Source: Agency for Statistics of BH.

\* GDP for 2024 is an assessment of CBBH and it is used as preliminary data, until the announcement of the official GDP by the BH Statistics Agency.

**T03: Index of Industrial Production**

| Year | Month | Month/Same Month of the Previous Year |       |       | Period/Same Period of the Previous Year |       |       |
|------|-------|---------------------------------------|-------|-------|---|-------|-------|
|      |       | FBH                                   | RS    | BH    | FBH                                     | RS    | BH    |
| 2015 | 12    | 101.7                                 | 99.5  | 101.7 | 102.2                                   | 103.0 | 103.1 |
| 2016 | 12    | 103.0                                 | 120.0 | 107.5 | 102.6                                   | 108.2 | 104.4 |
| 2017 | 12    | 101.5                                 | 97.3  | 99.6  | 103.8                                   | 101.2 | 103.1 |
| 2018 | 12    | 98.2                                  | 96.9  | 97.8  | 100.8                                   | 104.2 | 101.6 |
| 2019 | 12    | 97.4                                  | 92.4  | 95.5  | 97.3                                    | 88.1  | 94.7  |
| 2020 | 12    | 103.1                                 | 103.7 | 103.2 | 93.7                                    | 93.4  | 93.6  |
| 2021 | 12    | 107.4                                 | 106.6 | 107.2 | 109.8                                   | 109.9 | 109.8 |
| 2022 | 12    | 98.0                                  | 96.0  | 96.0  | 101.2                                   | 102.1 | 101.0 |
| 2023 | 12.   | 90.0                                  | 93.8  | 91.0  | 95.8                                    | 96.8  | 96.1  |
| 2024 | 12.   | 100.0                                 | 94.5  | 100.7 | 96.1                                    | 95.5  | 96.1  |
| 2024 | 01    | 94.7                                  | 92.3  | 93.8  | 94.7                                    | 92.3  | 93.8  |
|      | 02    | 102.6                                 | 101.4 | 102.5 | 98.7                                    | 96.9  | 98.2  |
|      | 03    | 89.1                                  | 88.9  | 89.4  | 95.3                                    | 93.9  | 95.0  |
|      | 04    | 99.5                                  | 93.7  | 97.6  | 96.3                                    | 93.8  | 95.6  |
|      | 05    | 89.9                                  | 89.1  | 89.6  | 95.0                                    | 92.8  | 94.4  |
|      | 06    | 94.9                                  | 91.7  | 93.6  | 95.0                                    | 92.7  | 94.3  |
|      | 07    | 99.1                                  | 98.4  | 98.6  | 95.6                                    | 93.5  | 94.9  |
|      | 08    | 92.8                                  | 91.6  | 92.3  | 95.2                                    | 93.3  | 94.6  |
|      | 09    | 94.5                                  | 93.7  | 94.3  | 95.1                                    | 93.3  | 94.5  |
|      | 10    | 99.4                                  | 104.2 | 100.5 | 95.6                                    | 94.4  | 95.1  |
|      | 11    | 97.8                                  | 106.8 | 100.8 | 95.8                                    | 95.5  | 95.7  |
|      | 12    | 100.0                                 | 94.5  | 100.7 | 96.1                                    | 95.5  | 96.1  |

**Source:**

Agency for Statistics of BH, Institute for Statistics of the FBH and RS Institute for Statistics

**Note:**

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

**T04: Consumer Price Index for BH (CPI)**

| Year | Month | Month/Previous Month of the<br>Current Year | Month/Same Month of the<br>Previous Year | Period/Same Period of the<br>Previous Year |
|------|-------|---|--|--|
| 2015 | 12    | ...   | 98.7                                     | 99.0                                       |
| 2016 | 12    | ...   | 99.7                                     | 98.9                                       |
| 2017 | 12    | ...   | 101.3                                    | 101.2                                      |
| 2018 | 12    | ...   | 101.6                                    | 101.4                                      |
| 2019 | 12    | ...   | 99.9                                     | 100.6                                      |
| 2020 | 12    | ...   | 98.4                                     | 99.0                                       |
| 2021 | 12    | ...   | 106.4                                    | 102.0                                      |
| 2022 | 12    | ...   | 114.7                                    | 114.0                                      |
| 2023 | 12.   | ...   | 102.2                                    | 106.1                                      |
| 2024 | 12.   | ...   | 102.2                                    | 101.7                                      |
| 2024 | 01    | 100.2                                       | 102.0                                    | 102.0                                      |
|      | 02    | 100.5                                       | 102.1                                    | 102.0                                      |
|      | 03    | 100.3                                       | 102.0                                    | 102.0                                      |
|      | 04    | 100.1                                       | 102.0                                    | 102.0                                      |
|      | 05    | 99.8  | 102.0                                    | 102.0                                      |
|      | 06    | 99.5  | 101.6                                    | 102.0                                      |
|      | 07    | 100.0                                       | 101.8                                    | 101.9                                      |
|      | 08    | 100.5                                       | 101.3                                    | 101.9                                      |
|      | 09    | 100.1                                       | 100.8                                    | 101.7                                      |
|      | 10    | 100.2                                       | 100.9                                    | 101.7                                      |
|      | 11    | 100.4                                       | 101.5                                    | 101.6                                      |
|      | 12    | 100.4                                       | 102.2                                    | 101.7                                      |

**Source:**

Agency for Statistics of Bosnia and Herzegovina.

**Note:**

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



## T05: Average Gross and Net Wages and Pensions

- in KM -

| Year | Month | Gross Wages |       |       |       | Net Wages |       |       |       | Pensions |     |       |
|------|-------|-------------|-------|-------|-------|-----------|-------|-------|-------|----------|-----|-------|
|      |       | FBH         | RS    | Brčko | BH    | FBH       | RS    | Brčko | BH    | FBH      | RS  | Brčko |
| 2015 |       | 1,269       | 1,339 | 1,275 | 1,289 | 830       | 831   | 821   | 830   | 368      | 343 | 327   |
| 2016 |       | 1,283       | 1,343 | 1,290 | 1,301 | 839       | 836   | 830   | 838   | 370      | 342 | 326   |
| 2017 |       | 1,318       | 1,331 | 1,304 | 1,321 | 860       | 831   | 838   | 851   | 372      | 344 | 326   |
| 2018 |       | 1,365       | 1,357 | 1,363 | 1,363 | 888       | 857   | 872   | 879   | 395      | 361 | 342   |
| 2019 |       | 1,420       | 1,407 | 1,426 | 1,421 | 923       | 906   | 915   | 921   | 415      | 378 | 357   |
| 2020 |       | 1,474       | 1,485 | 1,477 | 1,476 | 956       | 956   | 948   | 956   | 423      | 394 | 367   |
| 2021 |       | 1,542       | 1,546 | 1,486 | 1,542 | 996       | 1,004 | 959   | 997   | 428      | 408 | 375   |
| 2022 |       | 1,724       | 1,729 | 1,600 | 1,722 | 1,114     | 1,143 | 1,051 | 1,122 | 461      | 460 | 412   |
| 2023 |       | 1,959       | 1,937 | 1,744 | 1,947 | 1,261     | 1,274 | 1,171 | 1,263 | 570      | 540 | 491   |
| 2024 |       | 2,140       | 2,146 | 1,974 | 2,138 | 1,373     | 1,404 | 1,329 | 1,381 | 620      | 593 | 540   |
| 2024 | 01    | 2,083       | 2,001 | 1,905 | 2,052 | 1,338     | 1,312 | 1,279 | 1,328 | 612      | 592 | 537   |
|      | 02    | 2,045       | 2,129 | 1,903 | 2,068 | 1,315     | 1,392 | 1,281 | 1,338 | 612      | 592 | 537   |
|      | 03    | 2,078       | 2,130 | 1,908 | 2,090 | 1,335     | 1,394 | 1,285 | 1,353 | 615      | 592 | 538   |
|      | 04    | 2,125       | 2,140 | 1,929 | 2,125 | 1,364     | 1,400 | 1,296 | 1,374 | 623      | 593 | 539   |
|      | 05    | 2,160       | 2,146 | 1,943 | 2,150 | 1,384     | 1,403 | 1,308 | 1,388 | 623      | 593 | 541   |
|      | 06    | 2,108       | 2,182 | 1,967 | 2,128 | 1,351     | 1,426 | 1,329 | 1,374 | 623      | 593 | 542   |
|      | 07    | 2,163       | 2,165 | 1,993 | 2,160 | 1,387     | 1,416 | 1,341 | 1,395 | 622      | 593 | 541   |
|      | 08    | 2,159       | 2,157 | 1,995 | 2,154 | 1,384     | 1,411 | 1,343 | 1,392 | 622      | 593 | 541   |
|      | 09    | 2,135       | 2,159 | 2,028 | 2,140 | 1,369     | 1,412 | 1,364 | 1,382 | 622      | 594 | 541   |
|      | 10    | 2,210       | 2,171 | 2,035 | 2,193 | 1,415     | 1,420 | 1,373 | 1,415 | 622      | 594 | 540   |
|      | 11    | 2,182       | 2,172 | 2,037 | 2,175 | 1,401     | 1,420 | 1,373 | 1,406 | 622      | 594 | 541   |
|      | 12    | 2,231       | 2,202 | 2,048 | 2,217 | 1,428     | 1,438 | 1,377 | 1,430 | 623      | 594 | 541   |

**Source:**

Agency for Statistics of BH, Institute for Statistics of the FBH, RS Institute of Statistics and Branch of Brčko District

**Note:**

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

## T06: Monetary Aggregates

- end of period, in KM million -

| Year | Month | Currency outside Monetary Authorities | Bank Deposits with Monetary Authorities | Transf. Dep. of other Resident Sectors with Monetary Authorities | Cash Outside Banks | Transf. Deposits in Domestic Currency | Other Deposits in Domestic Currency | Transf. Deposits in Foreign Currency | Other Deposits in Foreign Currency | Reserve Money | M1       | QM        | M2       |
|------|-------|---------------------------------------|---|--|--------------------|---------------------------------------|-------------------------------------|--------------------------------------|------------------------------------|---------------|----------|-----------|----------|
| 1    | 2     | 3                                     | 4                                       | 5  | 6                  | 7                                     | 8                                   | 9                                    | 10                                 | 11=3+4+5      | 12=6+7   | 13=8+9+10 | 14=12+13 |
| 2015 | 12    | 3,499.5                               | 4,063.5                                 | 51.7   | 3,055.3            | 5,125.6                               | 3,562.6                             | 1,360.4                              | 5,543.3                            | 7,614.7       | 8,180.9  | 10,466.3  | 18,647.2 |
| 2016 | 12    | 4,066.8                               | 4,269.1                                 | 52.0   | 3,401.2            | 5,899.8                               | 3,883.0                             | 1,535.6                              | 5,478.0                            | 8,387.9       | 9,301.0  | 10,896.6  | 20,197.6 |
| 2017 | 12    | 4,319.4                               | 5,033.1                                 | 76.1   | 3,648.1            | 6,924.4                               | 4,091.6                             | 1,816.2                              | 5,636.1                            | 9,428.5       | 10,572.5 | 11,543.8  | 22,116.3 |
| 2018 | 12    | 4,750.6                               | 5,523.3                                 | 125.5  | 3,977.2            | 8,166.4                               | 4,302.2                             | 1,961.5                              | 5,782.3                            | 10,399.4      | 12,143.7 | 12,046.0  | 24,189.6 |
| 2019 | 12    | 5,199.9                               | 5,743.6                                 | 176.6  | 4,330.1            | 8,921.1                               | 2,998.0                             | 2,490.3                              | 7,593.2                            | 11,120.2      | 13,251.2 | 13,081.5  | 26,332.7 |
| 2020 | 12    | 6,172.5                               | 5,901.1                                 | 231.8  | 5,043.4            | 10,011.8                              | 3,034.7                             | 2,902.5                              | 7,256.6                            | 12,305.4      | 15,055.2 | 13,193.8  | 28,249.0 |
| 2021 | 12    | 6,923.8                               | 7,219.6                                 | 304.9  | 5,540.0            | 12,387.6                              | 3,044.2                             | 3,300.1                              | 7,243.8                            | 14,448.3      | 17,927.5 | 13,588.1  | 31,515.6 |
| 2022 | 12    | 7,436.1                               | 7,217.4                                 | 272.7  | 6,126.2            | 13,752.5                              | 2,878.7                             | 3,583.9                              | 6,898.8                            | 14,926.2      | 19,878.6 | 13,361.3  | 33,240.0 |
| 2023 | 12    | 7,565.1                               | 7,083.2                                 | 16.9   | 6,550.5            | 15,064.1                              | 2,891.3                             | 3,974.6                              | 7,310.3                            | 14,665.2      | 21,614.6 | 14,176.2  | 35,790.8 |
| 2024 | 12    | 7,959.2                               | 7,455.4                                 | 15.3   | 6,873.2            | 17,237.0                              | 3,170.0                             | 4,083.5                              | 7,768.8                            | 15,429.9      | 24,110.2 | 15,022.2  | 39,132.4 |
| 2024 | 01    | 7,533.2                               | 6,679.3                                 | 34.3   | 6,378.3            | 14,998.9                              | 2,943.3                             | 4,191.7                              | 7,257.7                            | 14,246.9      | 21,377.2 | 14,392.6  | 35,769.8 |
|      | 02    | 7,568.3                               | 6,807.6                                 | 31.8   | 6,430.9            | 15,155.0                              | 2,907.5                             | 4,009.5                              | 7,475.0                            | 14,407.7      | 21,585.9 | 14,392.0  | 35,977.9 |
|      | 03    | 7,628.2                               | 6,638.8                                 | 29.3   | 6,553.1            | 15,303.8                              | 2,934.4                             | 4,038.1                              | 7,519.3                            | 14,296.3      | 21,856.9 | 14,491.9  | 36,348.8 |
|      | 04    | 7,791.7                               | 6,337.6                                 | 10.8   | 6,672.9            | 15,423.3                              | 2,927.1                             | 4,100.8                              | 7,542.5                            | 14,140.1      | 22,096.2 | 14,570.3  | 36,666.6 |
|      | 05    | 7,754.9                               | 6,206.1                                 | 11.0   | 6,609.7            | 15,483.3                              | 2,945.9                             | 4,060.7                              | 7,526.3                            | 13,971.9      | 22,093.0 | 14,532.9  | 36,625.9 |
|      | 06    | 7,823.6                               | 6,860.1                                 | 8.7  | 6,723.3            | 15,602.9                              | 2,998.0                             | 4,037.4                              | 7,574.6                            | 14,692.5      | 22,326.3 | 14,610.0  | 36,936.3 |
|      | 07    | 7,969.2                               | 6,500.0                                 | 13.2   | 6,791.3            | 15,971.5                              | 2,981.5                             | 4,127.9                              | 7,484.8                            | 14,482.4      | 22,762.8 | 14,594.2  | 37,357.0 |
|      | 08    | 8,036.0                               | 6,663.0                                 | 11.9   | 6,863.7            | 16,208.8                              | 3,022.6                             | 4,047.8                              | 7,503.9                            | 14,710.9      | 23,072.5 | 14,574.3  | 37,646.8 |
|      | 09    | 8,006.8                               | 6,809.7                                 | 13.4   | 6,804.6            | 16,408.7                              | 3,076.7                             | 4,065.6                              | 7,554.1                            | 14,829.9      | 23,213.3 | 14,696.3  | 37,909.6 |
|      | 10    | 7,989.3                               | 6,897.7                                 | 33.2   | 6,789.9            | 16,502.9                              | 3,115.2                             | 3,982.3                              | 7,678.9                            | 14,920.2      | 23,292.9 | 14,776.5  | 38,069.3 |
|      | 11    | 7,975.2                               | 7,037.8                                 | 11.0   | 6,800.2            | 16,574.7                              | 3,107.6                             | 4,070.9                              | 7,722.0                            | 15,024.1      | 23,374.8 | 14,900.5  | 38,275.4 |
|      | 12    | 7,959.2                               | 7,455.4                                 | 15.3   | 6,873.2            | 17,237.0                              | 3,170.0                             | 4,083.5                              | 7,768.8                            | 15,429.9      | 24,110.2 | 15,022.2  | 39,132.4 |

**Note:**

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

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

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

See note on page 196.

## T07: Monetary Survey

- end of period, in KM million -

|      |       | ASSETS               |                     |          |                                    |                                      |  |   |  |                                  |               |           |
|------|-------|----------------------|---------------------|----------|------------------------------------|--------------------------------------|--|---|--|----------------------------------|---------------|-----------|
|      |       | Foreign Assets (Net) |                     |          |                                    | Claims on Domestic Sectors           |  |   |  |                                  |               |           |
| Year | Month | Foreign Assets       | Foreign Liabilities |          | Claims on Central Government (Net) | Claims on Cantons and Municipalities | Claims on Public Non-financial Enterprises | Claims on Private Non-financial Enterprises | Claims on Other Financial Institutions | Claims on Other Domestic Sectors |               | Total     |
| 1    | 2     | 3                    | 4                   | 5 = 3+4  | 6                                  | 7                                    | 8  | 9   | 10                                     | 11                               | 12 = 6+...+11 | 13 = 5+12 |
| 2015 | 12    | 11,107.9             | -2,614.6            | 8,493.3  | 160.1                              | 537.2                                | 400.0                                      | 7,452.6                                     | 74.6                                   | 7,875.3                          | 16,499.8      | 24,993.1  |
| 2016 | 12    | 12,199.0             | -2,476.4            | 9,722.6  | 101.8                              | 517.8                                | 375.6                                      | 7,743.9                                     | 67.2                                   | 8,155.8                          | 16,962.0      | 26,684.6  |
| 2017 | 12    | 13,372.4             | -2,589.5            | 10,782.9 | -148.7                             | 511.5                                | 406.2                                      | 8354.5                                      | 96.5                                   | 8,689.3                          | 17,909.4      | 28,692.2  |
| 2018 | 12    | 15,505.5             | -3,041.0            | 12,464.5 | -461.2                             | 496.5                                | 428.0                                      | 8655.0                                      | 136.8                                  | 9,315.0                          | 18,570.1      | 31,034.5  |
| 2019 | 12    | 17,069.9             | -3,120.0            | 13,949.9 | -679.3                             | 506.7                                | 509.3                                      | 9070.9                                      | 152.2                                  | 10,024.9                         | 19,584.7      | 33,534.6  |
| 2020 | 12    | 18,340.2             | -2,326.3            | 16,013.9 | -236.3                             | 538.1                                | 540.8                                      | 8618.1                                      | 155.0                                  | 9,937.9                          | 19,553.6      | 35,567.5  |
| 2021 | 12    | 21,065.4             | -1,949.0            | 19,116.3 | -804.4                             | 583.5                                | 532.3                                      | 8812.6                                      | 164.1                                  | 10,478.3                         | 19,766.3      | 38,882.7  |
| 2022 | 12    | 21,084.4             | -1,813.4            | 19,271.1 | -509.1                             | 592.0                                | 652.8                                      | 9197.6                                      | 180.2                                  | 11,027.6                         | 21,141.1      | 40,412.2  |
| 2023 | 12    | 22,027.1             | -1,492.6            | 20,534.4 | 125.1                              | 645.6                                | 644.9                                      | 9828.3                                      | 231.8                                  | 11,847.1                         | 23,322.8      | 43,857.2  |
| 2024 | 12    | 24,234.1             | -1,949.7            | 22,284.4 | 630.9                              | 749.8                                | 734.5                                      | 10713.4                                     | 300.1                                  | 12,932.8                         | 26,061.4      | 48,345.9  |
| 2024 | 01    | 22,081.0             | -1,462.6            | 20,618.4 | 154.3                              | 641.2                                | 635.8                                      | 9776.1                                      | 221.2                                  | 11,864.8                         | 23,293.4      | 43,911.9  |
|      | 02    | 22,112.2             | -1,466.7            | 20,645.4 | 224.0                              | 637.2                                | 622.6                                      | 9,920.9                                     | 218.8                                  | 11,944.6                         | 23,568.0      | 44,213.4  |
|      | 03    | 22,283.7             | -1,419.2            | 20,864.5 | 86.4                               | 642.6                                | 625.3                                      | 10,118.3                                    | 243.6                                  | 12,082.4                         | 23,798.7      | 44,663.2  |
|      | 04    | 22,305.3             | -1,444.0            | 20,861.4 | 165.5                              | 642.7                                | 607.5                                      | 10,256.2                                    | 249.6                                  | 12,195.7                         | 24,117.2      | 44,978.6  |
|      | 05    | 22,022.8             | -1,486.8            | 20,536.0 | 222.5                              | 655.3                                | 607.2                                      | 10,364.6                                    | 245.3                                  | 12,323.2                         | 24,418.2      | 44,954.2  |
|      | 06    | 22,622.0             | -1,884.5            | 20,737.5 | 179.8                              | 661.2                                | 605.5                                      | 10,509.0                                    | 271.7                                  | 12,426.7                         | 24,653.9      | 45,391.4  |
|      | 07    | 23,126.7             | -1,844.8            | 21,281.9 | 19.3                               | 679.7                                | 620.1                                      | 10,503.8                                    | 268.8                                  | 12,550.9                         | 24,642.5      | 45,924.4  |
|      | 08    | 23,364.5             | -1,846.4            | 21,518.1 | 105.3                              | 684.9                                | 603.9                                      | 10,482.7                                    | 268.8                                  | 12,639.3                         | 24,784.9      | 46,303.0  |
|      | 09    | 23,532.2             | -1,867.1            | 21,665.0 | 220.9                              | 690.8                                | 609.2                                      | 10,542.4                                    | 304.7                                  | 12,718.5                         | 25,086.6      | 46,751.6  |
|      | 10    | 23,700.0             | -1,881.7            | 21,818.3 | 194.9                              | 736.6                                | 595.8                                      | 10,576.9                                    | 264.0                                  | 12,809.9                         | 25,178.2      | 46,996.5  |
|      | 11    | 23,965.0             | -1,942.6            | 22,022.4 | 169.3                              | 753.1                                | 612.2                                      | 10,650.6                                    | 287.3                                  | 12,882.5                         | 25,355.0      | 47,377.4  |
|      | 12    | 24,234.1             | -1,949.7            | 22,284.4 | 630.9                              | 749.8                                | 734.5                                      | 10713.4                                     | 300.1                                  | 12,932.8                         | 26,061.4      | 48,345.9  |

**Note:**

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

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

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

See note on page 196.

- end of period, in KM million -

| T07: Monetary Survey |       |                    |                                     |          |  |                              |                                 |          |          |            |       |                         |                   |              |
|----------------------|-------|--------------------|-------------------------------------|----------|--|------------------------------|---------------------------------|----------|----------|------------|-------|-------------------------|-------------------|--------------|
| LIABILITIES          |       |                    |                                     |          |  |                              |                                 |          |          |            |       |                         |                   |              |
| Broad money (M2)     |       |                    |                                     |          |  |                              |                                 |          |          |            |       |                         |                   |              |
| Money (M1)           |       |                    |                                     |          |  |                              |                                 |          |          |            |       |                         |                   |              |
| Quasi money (QM)     |       |                    |                                     |          |  |                              |                                 |          |          |            |       |                         |                   |              |
| Year                 | Month | Cash Outside Banks | Transferable Deposits in Dom. Curr. |          | Transferable Deposits in Foreign Curr. | Other Deposits in Dom. Curr. | Other Deposits in Foreign Curr. |          |          | Securities | Loans | Shares and Other Equity | Other Items (net) | Total        |
| 1                    | 2     | 3                  | 4                                   | 5=3+4    | 6                                      | 7                            | 8                               | 9=6+7+8  | 10=5+9   | 11         | 12    | 13                      | 14                | 15=10+...+14 |
| 2015                 | 12    | 3,055.3            | 5,125.6                             | 8,180.9  | 1,360.4                                | 3,562.6                      | 5,543.3                         | 10,466.3 | 18,647.2 | 8.0        | 599.2 | 4,148.0                 | 1,590.7           | 24,993.1     |
| 2016                 | 12    | 3,401.2            | 5,899.8                             | 9,301.0  | 1,535.6                                | 3,883.0                      | 5,478.0                         | 10,896.6 | 20,197.6 | 8.0        | 510.0 | 4,440.4                 | 1,528.6           | 26,684.6     |
| 2017                 | 12    | 3,648.1            | 6,924.4                             | 10,572.5 | 1,816.2                                | 4,091.6                      | 5,636.1                         | 11,543.8 | 22,116.3 | 8.0        | 460.0 | 4,659.5                 | 1,448.4           | 28,692.2     |
| 2018                 | 12    | 3,977.2            | 8,166.4                             | 12,143.7 | 1,961.5                                | 4,302.2                      | 5,782.3                         | 12,046.0 | 24,189.6 | 8.0        | 467.5 | 4,867.2                 | 1,502.3           | 31,034.5     |
| 2019                 | 12    | 4,330.1            | 8,921.1                             | 13,251.2 | 2,490.3                                | 2,998.0                      | 7,593.2                         | 13,081.5 | 26,332.7 | 8.0        | 532.4 | 5,224.6                 | 1,436.9           | 33,534.6     |
| 2020                 | 12    | 5,043.4            | 10,011.8                            | 15,055.2 | 2,902.5                                | 3,034.7                      | 7,256.6                         | 13,193.8 | 28,249.0 | 0.0        | 606.7 | 5,307.8                 | 1,404.0           | 35,567.5     |
| 2021                 | 12    | 5,540.0            | 12,387.6                            | 17,927.5 | 3,300.1                                | 3,044.2                      | 7,243.8                         | 13,588.1 | 31,515.6 | 0.0        | 638.5 | 5,287.3                 | 1,441.4           | 38,882.7     |
| 2022                 | 12    | 6,126.2            | 13,752.5                            | 19,878.6 | 3,583.9                                | 2,878.7                      | 6,898.8                         | 13,361.3 | 33,240.0 | 0.0        | 622.8 | 5,208.0                 | 1,341.4           | 40,412.2     |
| 2023                 | 12    | 6,550.5            | 15,064.1                            | 21,614.6 | 3,974.6                                | 2,891.3                      | 7,310.3                         | 14,176.2 | 35,790.8 | 3.7        | 643.4 | 6,012.6                 | 1,406.7           | 43,857.2     |
| 2024                 | 12    | 6,873.2            | 17,237.0                            | 24,110.2 | 4,083.5                                | 3,170.0                      | 7,768.8                         | 15,022.2 | 39,132.4 | 3.4        | 608.0 | 7,032.2                 | 1,569.9           | 48,345.9     |
| 2024                 | 01    | 6,378.3            | 14,998.9                            | 21,377.2 | 4,191.7                                | 2,943.3                      | 7,257.7                         | 14,392.6 | 35,769.8 | 3.7        | 643.2 | 6,134.6                 | 1,360.6           | 43,911.9     |
|                      | 02    | 6,430.9            | 15,155.0                            | 21,585.9 | 4,009.5                                | 2,907.5                      | 7,475.0                         | 14,392.0 | 35,977.9 | 3.7        | 654.1 | 6,222.2                 | 1,355.6           | 44,213.4     |
|                      | 03    | 6,553.1            | 15,303.8                            | 21,856.9 | 4,038.1                                | 2,934.4                      | 7,519.3                         | 14,491.9 | 36,348.8 | 0.0        | 669.0 | 6,323.4                 | 1,322.0           | 44,663.2     |
|                      | 04    | 6,672.9            | 15,423.3                            | 22,096.2 | 4,100.8                                | 2,927.1                      | 7,542.5                         | 14,570.3 | 36,666.6 | 3.4        | 652.1 | 6,396.1                 | 1,260.4           | 44,978.6     |
|                      | 05    | 6,609.7            | 15,483.3                            | 22,093.0 | 4,060.7                                | 2,945.9                      | 7,526.3                         | 14,532.9 | 36,625.9 | 3.4        | 653.9 | 6,436.1                 | 1,234.9           | 44,954.2     |
|                      | 06    | 6,723.3            | 15,602.9                            | 22,326.3 | 4,037.4                                | 2,998.0                      | 7,574.6                         | 14,610.0 | 36,936.3 | 3.4        | 657.2 | 6,552.3                 | 1,242.3           | 45,391.4     |
|                      | 07    | 6,791.3            | 15,971.5                            | 22,762.8 | 4,127.9                                | 2,981.5                      | 7,484.8                         | 14,594.2 | 37,357.0 | 3.4        | 663.9 | 6,705.4                 | 1,194.8           | 45,924.4     |
|                      | 08    | 6,863.7            | 16,208.8                            | 23,072.5 | 4,047.8                                | 3,022.6                      | 7,503.9                         | 14,574.3 | 37,646.8 | 3.4        | 664.3 | 6,837.5                 | 1,150.9           | 46,303.0     |
|                      | 09    | 6,804.6            | 16,408.7                            | 23,213.3 | 4,065.6                                | 3,076.7                      | 7,554.1                         | 14,696.3 | 37,909.6 | 3.4        | 606.7 | 7,026.3                 | 1,205.6           | 46,751.6     |
|                      | 10    | 6,789.9            | 16,502.9                            | 23,292.9 | 3,982.3                                | 3,115.2                      | 7,678.9                         | 14,776.5 | 38,069.3 | 3.4        | 607.6 | 7,133.6                 | 1,182.6           | 46,996.5     |
|                      | 11    | 6,800.2            | 16,574.7                            | 23,374.8 | 4,070.9                                | 3,107.6                      | 7,722.0                         | 14,900.5 | 38,275.4 | 3.4        | 608.2 | 7,268.5                 | 1,221.9           | 47,377.4     |
|                      | 12    | 6,873.2            | 17,237.0                            | 24,110.2 | 4,083.5                                | 3,170.0                      | 7,768.8                         | 15,022.2 | 39,132.4 | 3.4        | 608.0 | 7,032.2                 | 1,569.9           | 48,345.9     |

**Note:**

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

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

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

See note on page 196.

## T08: Balance Sheet of the CBBH

- end of period, in KM million -

| Year | Month | ASSETS         |                            |          | LIABILITIES                       |  |  |          |                     |                                |                         |                   |             |
|------|-------|----------------|----------------------------|----------|-----------------------------------|--|--|----------|---------------------|--------------------------------|-------------------------|-------------------|-------------|
|      |       | Foreign Assets | Claims on Domestic Sectors | Total    | Reserve money                     |  |  | Total    | Foreign Liabilities | Deposits of Central Government | Shares and Other Equity | Other Items (Net) | Total       |
|      |       |                |                            |          | Cash outside Monetary Authorities | Deposits of Commercial Banks with Monetary Authorities | Deposits of Other Domestic Sectors with Monetary Authorities |          |                     |                                |                         |                   |             |
| 1    | 2     | 3              | 4                          | 5=3+4    | 6                                 | 7  | 8  | 9=6+7+8  | 10                  | 11                             | 12                      | 13                | 14=9+...+13 |
| 2015 | 12    | 8,634.1        | 1.5                        | 8,635.7  | 3,499.5                           | 4,063.5  | 51.7   | 7,614.7  | 1.3                 | 449.9                          | 593.7                   | -24.0             | 8,635.7     |
| 2016 | 12    | 9,559.0        | 1.5                        | 9,560.4  | 4,066.8                           | 4,269.1  | 52.0   | 8,387.9  | 2.2                 | 538.4                          | 667.4                   | -35.5             | 9,560.4     |
| 2017 | 12    | 10,584.4       | 2.2                        | 10,586.6 | 4,319.4                           | 5,033.1  | 76.1   | 9,428.5  | 1.6                 | 548.6                          | 652.6                   | -44.8             | 10,586.6    |
| 2018 | 12    | 11,651.0       | 2.1                        | 11,653.1 | 4,750.6                           | 5,523.3  | 125.5  | 10,399.4 | 1.8                 | 583.9                          | 720.0                   | -51.9             | 11,653.1    |
| 2019 | 12    | 12,624.9       | 2.2                        | 12,627.1 | 5,199.9                           | 5,743.6  | 176.6  | 11,120.2 | 1.7                 | 704.0                          | 856.5                   | -55.4             | 12,627.1    |
| 2020 | 12    | 13,895.8       | 2.0                        | 13,897.9 | 6,172.5                           | 5,901.1  | 231.8  | 12,305.4 | 1.7                 | 665.2                          | 982.3                   | -56.8             | 13,897.9    |
| 2021 | 12    | 16,376.0       | 2.6                        | 16,378.5 | 6,923.8                           | 7,219.6  | 304.9  | 14,448.3 | 2.3                 | 1,124.7                        | 861.4                   | -58.3             | 16,378.5    |
| 2022 | 12    | 16,093.7       | 2.8                        | 16,096.5 | 7,436.1                           | 7,217.4  | 272.7  | 14,926.2 | 2.6                 | 685.5                          | 545.4                   | -63.3             | 16,096.5    |
| 2023 | 12    | 16,317.7       | 2.8                        | 16,320.5 | 7,565.1                           | 7,083.2  | 16.9   | 14,665.2 | 2.5                 | 736.0                          | 911.3                   | 5.5               | 16,320.5    |
| 2024 | 12    | 17,668.7       | 2.9                        | 17,671.6 | 7,959.2                           | 7,455.4  | 15.3   | 15,429.9 | 2.5                 | 844.8                          | 1,198.2                 | 196.2             | 17,671.6    |
| 2024 | 01    | 15,935.7       | 1.7                        | 15,937.3 | 7,533.2                           | 6,679.3  | 34.3   | 14,246.9 | 2.3                 | 734.1                          | 949.3                   | 4.7               | 15,937.3    |
|      | 02    | 16,057.9       | 2.0                        | 16,059.9 | 7,568.3                           | 6,807.6  | 31.8   | 14,407.7 | 2.8                 | 689.5                          | 959.4                   | 0.5               | 16,059.9    |
|      | 03    | 16,058.7       | 2.4                        | 16,061.0 | 7,628.2                           | 6,638.8  | 29.3   | 14,296.3 | 2.6                 | 739.5                          | 1,021.7                 | 1.0               | 16,061.0    |
|      | 04    | 15,898.7       | 2.0                        | 15,900.7 | 7,791.7                           | 6,337.6  | 10.8   | 14,140.1 | 2.4                 | 773.0                          | 1,048.7                 | -63.3             | 15,900.7    |
|      | 05    | 15,794.8       | 2.2                        | 15,797.0 | 7,754.9                           | 6,206.1  | 11.0   | 13,971.9 | 2.7                 | 799.9                          | 1,085.0                 | -62.5             | 15,797.0    |
|      | 06    | 16,583.1       | 2.5                        | 16,585.6 | 7,823.6                           | 6,860.1  | 8.7  | 14,692.5 | 2.5                 | 818.0                          | 1,134.4                 | -61.8             | 16,585.6    |
|      | 07    | 16,461.4       | 2.1                        | 16,463.4 | 7,969.2                           | 6,500.0  | 13.2   | 14,482.4 | 2.8                 | 826.2                          | 1,213.2                 | -61.2             | 16,463.4    |
|      | 08    | 16,708.9       | 2.2                        | 16,711.1 | 8,036.0                           | 6,663.0  | 11.9   | 14,710.9 | 2.7                 | 795.0                          | 1,262.7                 | -60.2             | 16,711.1    |
|      | 09    | 16,892.9       | 2.4                        | 16,895.3 | 8,006.8                           | 6,809.7  | 13.4   | 14,829.9 | 2.4                 | 789.5                          | 1,333.4                 | -59.9             | 16,895.3    |
|      | 10    | 17,067.4       | 2.0                        | 17,069.5 | 7,989.3                           | 6,897.7  | 33.2   | 14,920.2 | 2.6                 | 841.1                          | 1,365.1                 | -59.6             | 17,069.5    |
|      | 11    | 17,234.8       | 2.2                        | 17,237.0 | 7,975.2                           | 7,037.8  | 11.0   | 15,024.1 | 2.9                 | 836.9                          | 1,432.5                 | -59.5             | 17,237.0    |
|      | 12    | 17,668.7       | 2.9                        | 17,671.6 | 7,959.2                           | 7,455.4  | 15.3   | 15,429.9 | 2.5                 | 844.8                          | 1,198.2                 | 196.2             | 17,671.6    |

**Note:**

The CBBH (monetary authorities) foreign assets comprise gold, foreign currency in the CBBH vault, foreign currency deposits with foreign banks, SDR holdings, foreign securities and other.

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

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

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

T09: Consolidated Balance Sheet of Commercial Banks in BH

- end of period, in KM million -

| Year | Month | ASSETS   |                |                              |  |   |  |                                  |              |
|------|-------|----------|----------------|------------------------------|--|---|--|----------------------------------|--------------|
|      |       | Reserves | Foreign Assets | Claims on General Government | Claims on Public Non-financial Enterprises | Claims on Private Non-financial Enterprises | Claims on Other Financial Institutions | Claims on Other Domestic Sectors | Total        |
| 1    | 2     | 3        | 4              | 5                            | 6  | 7   | 8                                      | 9                                | 10 = 3+...+9 |
| 2015 | 12    | 4,511.7  | 2,473.8        | 2,161.1                      | 400.0                                      | 7,452.6                                     | 74.6                                   | 7,874.7                          | 24,948.5     |
| 2016 | 12    | 4,936.6  | 2,640.0        | 2,179.1                      | 375.6                                      | 7,743.9                                     | 67.2                                   | 8,155.4                          | 26,097.7     |
| 2017 | 12    | 5,711.7  | 2,787.9        | 2,197.0                      | 406.2                                      | 8,354.5                                     | 96.5                                   | 8,688.8                          | 28,242.7     |
| 2018 | 12    | 6,298.3  | 3,854.5        | 2,285.0                      | 428.0                                      | 8,655.0                                     | 136.8                                  | 9,314.6                          | 30,972.1     |
| 2019 | 12    | 6,627.0  | 4,445.0        | 2,551.9                      | 509.3                                      | 9,070.9                                     | 152.2                                  | 10,024.5                         | 33,380.9     |
| 2020 | 12    | 7,099.6  | 4,444.3        | 3,015.4                      | 540.8                                      | 8,618.1                                     | 155.0                                  | 9,937.6                          | 33,810.8     |
| 2021 | 12    | 8,608.0  | 4,689.4        | 3,095.4                      | 532.3                                      | 8,812.6                                     | 164.1                                  | 10,478.0                         | 36,379.7     |
| 2022 | 12    | 8,541.6  | 4,990.8        | 3,171.7                      | 652.8                                      | 9,197.6                                     | 180.2                                  | 11,027.3                         | 37,761.9     |
| 2023 | 12    | 8,116.2  | 5,709.4        | 3,440.2                      | 644.9                                      | 9,828.3                                     | 231.8                                  | 11,846.8                         | 39,817.7     |
| 2024 | 12    | 8,400.9  | 6,565.4        | 3,903.6                      | 734.5                                      | 10,713.4                                    | 300.1                                  | 12,932.5                         | 43,550.3     |
| 2024 | 01    | 7,852.9  | 6,145.4        | 3,448.1                      | 635.8                                      | 9,776.1                                     | 221.2                                  | 11,864.7                         | 39,944.1     |
|      | 02    | 7,978.6  | 6,054.3        | 3,448.9                      | 622.6                                      | 9,920.9                                     | 218.8                                  | 11,944.4                         | 40,188.5     |
|      | 03    | 7,740.8  | 6,225.1        | 3,516.8                      | 625.3                                      | 10,118.3                                    | 243.6                                  | 12,082.1                         | 40,552.0     |
|      | 04    | 7,473.0  | 6,406.6        | 3,546.1                      | 607.5                                      | 10,256.2                                    | 249.6                                  | 12,195.6                         | 40,734.6     |
|      | 05    | 7,367.5  | 6,228.0        | 3,580.8                      | 607.2                                      | 10,364.6                                    | 245.3                                  | 12,323.0                         | 40,716.4     |
|      | 06    | 7,985.5  | 6,039.8        | 3,501.6                      | 605.5                                      | 10,509.0                                    | 271.7                                  | 12,426.4                         | 41,339.5     |
|      | 07    | 7,706.0  | 6,665.3        | 3,532.1                      | 620.1                                      | 10,503.8                                    | 268.8                                  | 12,550.7                         | 41,846.8     |
|      | 08    | 7,875.4  | 6,655.7        | 3,482.1                      | 603.9                                      | 10,482.7                                    | 268.8                                  | 12,639.1                         | 42,007.6     |
|      | 09    | 8,049.2  | 6,639.3        | 3,495.5                      | 609.2                                      | 10,542.4                                    | 304.7                                  | 12,718.2                         | 42,358.6     |
|      | 10    | 8,125.0  | 6,632.5        | 3,606.1                      | 595.8                                      | 10,576.9                                    | 264.0                                  | 12,809.8                         | 42,610.2     |
|      | 11    | 8,233.6  | 6,730.2        | 3,609.8                      | 612.2                                      | 10,650.6                                    | 287.3                                  | 12,882.3                         | 43,005.9     |
|      | 12    | 8,400.9  | 6,565.4        | 3,903.6                      | 734.5                                      | 10,713.4                                    | 300.1                                  | 12,932.5                         | 43,550.3     |

**Note:**

Consolidated balance sheet of commercial banks includes consolidated balance sheets of commercial banks covered by Main Unit Sarajevo, Main Unit Mostar, Main Bank RS, Brčko District (from July 2001 until November 2002), NBRS (until December 1998) and the NBBH (until November 2002). Mutual claims and liabilities among the commercial banks have been consolidated. Banks' reserves consist of cash in the banks' vaults and banks' deposits with the CBBH.

Foreign assets of commercial banks include: foreign currency in the vaults, transferable and other deposits in foreign currency with nonresidents, loans to nonresidents, securities of non-residents in foreign currency, and other claims on non-residents. Claims on general government include claims on all levels of government: the central government (BH Institutions, Entities' Governments, Entity Social Security Funds and those of Brčko District) and non-central governments (canton and municipality governments). Claims on other domestic sectors include: claims on public non-financial enterprises, private non-financial enterprises, other financial institutions and claims on other domestic sectors (households, non-profit institutions and other non-classified sectors).

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

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

See note on page 196.

## T09: Consolidated Balance Sheet of Commercial Banks in BH

- end of period, in KM million -

|      |       | LIABILITIES                    |  |  |  |  |            |          |                     |                         |                   |             |
|------|-------|--------------------------------|--|--|--|--|------------|----------|---------------------|-------------------------|-------------------|-------------|
| Year | Month | Deposits of Central Government | Transf. Dep. of Other Domestic Sectors in Dom. Curr. | Transf. Dep. of Other Domestic Sectors in For. Curr. | Other Dep. of Other Domestic Sectors in Dom. Curr. | Other Dep. of Other Domestic Sectors in For. Curr. | Securities | Loans    | Foreign Liabilities | Shares and Other Equity | Other Items (Net) | Total       |
| 1    | 2     | 3                              | 4  | 5  | 6  | 7  | 8          | 9        | 10                  | 11                      | 12                | 13=3+...+12 |
| 2015 | 12    | 4,511.7                        | 2,473.8  | 2,161.1  | 400.0  | 7,452.6  | 74.6       | 7,874.7  | 24,948.5            | 3,554.3                 | 1,619.5           | 24,948.5    |
| 2016 | 12    | 4,936.6                        | 2,640.0  | 2,179.1  | 375.6  | 7,743.9  | 67.2       | 8,155.4  | 26,097.7            | 3,773.0                 | 1,566.9           | 26,097.7    |
| 2017 | 12    | 5,711.7                        | 2,787.9  | 2,197.0  | 406.2  | 8,354.5  | 96.5       | 8,688.8  | 28,242.7            | 4,006.8                 | 1,502.2           | 28,242.7    |
| 2018 | 12    | 6,298.3                        | 3,854.5  | 2,285.0  | 428.0  | 8,655.0  | 136.8      | 9,314.6  | 30,972.1            | 4,147.2                 | 1,557.4           | 30,972.1    |
| 2019 | 12    | 6,627.0                        | 4,445.0  | 2,551.9  | 509.3  | 9,070.9  | 152.2      | 10,024.5 | 33,380.9            | 4,368.0                 | 1,507.7           | 33,380.9    |
| 2020 | 12    | 7,099.6                        | 4,444.3  | 3,015.4  | 540.8  | 8,618.1  | 155.0      | 9,937.6  | 33,810.8            | 4,325.4                 | 1,531.8           | 33,810.8    |
| 2021 | 12    | 8,608.0                        | 4,689.4  | 3,095.4  | 532.3  | 8,812.6  | 164.1      | 10,478.0 | 36,379.7            | 4,425.8                 | 1,506.2           | 36,379.7    |
| 2022 | 12    | 8,541.6                        | 4,990.8  | 3,171.7  | 652.8  | 9,197.6  | 180.2      | 11,027.3 | 37,761.9            | 4,680.2                 | 1,406.9           | 37,764.1    |
| 2023 | 12    | 1,933.6                        | 15,047.2   | 3,974.6  | 2,891.3  | 7,310.3  | 3.7        | 643.4    | 1,490.2             | 5,101.3                 | 1,422.0           | 39,817.7    |
| 2024 | 12    | 1,678.3                        | 17,221.7   | 4,083.5  | 3,170.0  | 7,768.8  | 3.4        | 608.0    | 1,947.2             | 5,834.0                 | 1,235.6           | 43,550.3    |
| 2023 | 01    | 1,918.5                        | 14,964.6   | 4,191.7  | 2,943.3  | 7,257.7  | 3.7        | 643.2    | 1,460.3             | 5,185.3                 | 1,375.9           | 39,944.1    |
|      | 02    | 1,898.4                        | 15,123.1   | 4,009.5  | 2,907.5  | 7,475.0  | 3.7        | 654.1    | 1,463.9             | 5,262.8                 | 1,390.4           | 40,188.5    |
|      | 03    | 2,048.4                        | 15,274.5   | 4,038.1  | 2,934.4  | 7,519.3  | 0.0        | 669.0    | 1,416.7             | 5,301.8                 | 1,349.8           | 40,552.0    |
|      | 04    | 1,965.0                        | 15,412.6   | 4,100.8  | 2,927.1  | 7,542.5  | 3.4        | 652.1    | 1,441.6             | 5,347.5                 | 1,342.1           | 40,734.6    |
|      | 05    | 1,903.1                        | 15,472.3   | 4,060.7  | 2,945.9  | 7,526.3  | 3.4        | 653.9    | 1,484.2             | 5,351.1                 | 1,315.5           | 40,716.4    |
|      | 06    | 1,842.6                        | 15,594.2   | 4,037.4  | 2,998.0  | 7,574.6  | 3.4        | 657.2    | 1,882.0             | 5,417.9                 | 1,332.2           | 41,339.5    |
|      | 07    | 2,006.9                        | 15,958.4   | 4,127.9  | 2,981.5  | 7,484.8  | 3.4        | 663.9    | 1,841.9             | 5,492.2                 | 1,285.9           | 41,846.8    |
|      | 08    | 1,896.9                        | 16,196.9   | 4,047.8  | 3,022.6  | 7,503.9  | 3.4        | 664.3    | 1,843.8             | 5,574.8                 | 1,253.2           | 42,007.6    |
|      | 09    | 1,794.3                        | 16,395.3   | 4,065.6  | 3,076.7  | 7,554.1  | 3.4        | 606.7    | 1,864.8             | 5,692.9                 | 1,304.8           | 42,358.6    |
|      | 10    | 1,833.5                        | 16,469.7   | 3,982.3  | 3,115.2  | 7,678.9  | 3.4        | 607.6    | 1,879.1             | 5,768.4                 | 1,272.0           | 42,610.2    |
|      | 11    | 1,850.4                        | 16,563.7   | 4,070.9  | 3,107.6  | 7,722.0  | 3.4        | 608.2    | 1,939.7             | 5,835.9                 | 1,304.0           | 43,005.9    |
|      | 12    | 1,678.3                        | 17,221.7   | 4,083.5  | 3,170.0  | 7,768.8  | 3.4        | 608.0    | 1,947.2             | 5,834.0                 | 1,235.6           | 43,550.3    |

**Note:**

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

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

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

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

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

See note on page 196.



## T10: Interest Rates on Loans to Households

- in percentages per annum -

| Year                       | Period | Households                               |                          |                    |                   |  |                          |  |                          |                  |                   |  |                          |   |            |                                  |            |
|----------------------------|--------|--|--------------------------|--------------------|-------------------|--|--------------------------|--|--------------------------|------------------|-------------------|--|--------------------------|---|------------|----------------------------------|------------|
|                            |        | Loans in KM                              |                          |                    |                   | Loans in KM Indexed to Foreign Currency  |                          |  |                          |                  |                   |  |                          | Revolving Loans, Overdrafts and Credit Cards* (Loan Facility) * |            |                                  |            |
|                            |        | For Housing Purchases                    |                          | For other Purposes |                   | For Housing Purchases                    |                          | For other Purposes                       |                          | Loans in KM      |                   | Loans in KM Indexed to Foreign Currency  |                          | Overdrafts  |            | Credit Card with Extended Credit |            |
|                            |        | Floating Interest Rates up to 1 Year IRF | Over 1 up to 5 Years IRF | Over 5 Years IRF   | Over 10 Years IRF | Floating Interest Rates up to 1 Year IRF | Over 1 up to 5 Years IRF | Floating Interest Rates up to 1 Year IRF | Over 1 up to 5 Years IRF | Over 5 Years IRF | Over 10 Years IRF | Floating Interest Rates up to 1 Year IRF | Over 1 up to 5 Years IRF | Over 5 Years IRF  | Overdrafts | Credit Card with Extended Credit | Overdrafts |
| 1                          | 2      | 3  | 4                        | 5                  | 6                 | 7  | 8                        | 9  | 10                       | 11               | 12                | 13                                       | 14                       | 15  | 16         | 17                               | 18         |
| Weighted monthly averages  |        |  |                          |                    |                   |  |                          |  |                          |                  |                   |  |                          |   |            |                                  |            |
| 2018                       | 12     | 3.454                                    | ...                      | ...                | ...               | 5.479                                    | 5.262                    | 3.637                                    | 3.166                    | 3.820            | 4.022             | 6.632                                    | 5.616                    | 5.469   | 12.202     | 14.619                           | 10.880     |
| 2019                       | 12     | 3.877                                    | 4.168                    | 3.395              | 5.279             | 5.863                                    | 5.580                    | 3.502                                    | 3.353                    | 3.826            | 3.875             | 6.152                                    | 5.637                    | 5.668   | 12.042     | 14.674                           | 10.467     |
| 2020                       | 12     | 3.643                                    | ...                      | ...                | 3.676             | 5.885                                    | 5.845                    | 3.671                                    | 4.582                    | 3.902            | 3.835             | 5.864                                    | 5.678                    | 6.380   | 11.936     | 13.606                           | 9.815      |
| 2021                       | 12     | 3.095                                    | 2.861                    | 3.244              | 4.054             | 5.377                                    | 5.164                    | 3.338                                    | 4.570                    | 3.868            | 3.743             | 5.375                                    | 4.822                    | 5.415   | 11.773     | 13.965                           | 9.157      |
| 2022                       | 12     | 3.903                                    | 3.454                    | 3.474              | 3.596             | 5.943                                    | 5.322                    | 4.384                                    | ...                      | 3.811            | 3.696             | 5.673                                    | 4.842                    | 5.200   | 11.993     | 14.129                           | 8.119      |
| 2023                       | 12     | 4.918                                    | 3.695                    | 3.440              | 3.793             | 6.329                                    | 5.854                    | 4.074                                    | ...                      | 4.050            | 3.844             | 6.889                                    | 5.985                    | 5.951   | 12.114     | 14.312                           | 7.110      |
| 2024                       | 12     | 4.280                                    | 3.703                    | 3.541              | 3.918             | 6.284                                    | 5.335                    | 4.827                                    | 5.299                    | 4.304            | 3.930             | 6.978                                    | 5.960                    | 5.496   | 10.096     | 14.336                           | 6.531      |
| 2024                       | 01     | 4.803                                    | 3.681                    | 3.380              | 3.933             | 6.957                                    | 5.858                    | 4.632                                    | ...                      | 4.326            | 3.850             | 6.937                                    | 5.877                    | 5.941   | 12.159     | 14.345                           | 7.020      |
|                            | 02     | 4.969                                    | 3.448                    | 3.431              | 3.916             | 6.743                                    | 5.878                    | 4.467                                    | ...                      | 4.194            | 3.900             | 6.939                                    | 5.918                    | 6.074   | 12.083     | 14.323                           | 7.015      |
|                            | 03     | 4.968                                    | 3.489                    | 3.596              | 3.842             | 6.717                                    | 5.748                    | 4.372                                    | ...                      | 4.539            | 3.806             | 6.747                                    | 6.566                    | 6.022   | 12.007     | 14.400                           | 7.001      |
|                            | 04     | 5.033                                    | 3.349                    | 3.373              | 3.838             | 6.085                                    | 5.746                    | 4.378                                    | ...                      | 4.393            | 3.970             | 6.685                                    | 6.823                    | 6.021   | 11.898     | 14.400                           | 6.985      |
|                            | 05     | ...                                      | 3.536                    | 3.568              | 4.014             | 6.268                                    | 5.698                    | 4.087                                    | ...                      | 4.142            | 3.807             | 6.487                                    | 6.378                    | 5.798   | 11.426     | 14.402                           | 6.817      |
|                            | 06     | ...                                      | 3.608                    | 3.521              | 3.926             | 6.677                                    | 5.747                    | 4.204                                    | ...                      | 4.040            | 3.862             | 6.943                                    | 6.637                    | 5.748   | 11.226     | 14.443                           | 6.661      |
|                            | 07     | 5.428                                    | 3.715                    | 3.725              | 3.933             | 6.658                                    | 5.831                    | 4.297                                    | ...                      | 4.306            | 3.663             | 6.996                                    | 6.359                    | 5.856   | 11.133     | 14.341                           | 6.827      |
|                            | 08     | 5.055                                    | 3.952                    | 3.672              | 4.000             | 6.263                                    | 5.851                    | 4.235                                    | ...                      | 4.455            | 3.831             | 6.880                                    | 6.927                    | 5.970   | 11.129     | 14.448                           | 6.815      |
|                            | 09     | 5.116                                    | 3.761                    | 3.779              | 4.001             | 6.181                                    | 5.882                    | 4.443                                    | ...                      | 4.408            | 4.022             | 6.967                                    | 6.969                    | 5.913   | 11.074     | 14.391                           | 6.787      |
|                            | 10     | 5.253                                    | 3.559                    | 3.664              | 4.003             | 6.430                                    | 5.566                    | 4.400                                    | ...                      | 4.388            | 3.833             | 6.934                                    | 6.814                    | 5.584   | 10.980     | 14.447                           | 6.682      |
|                            | 11     | 4.431                                    | 3.223                    | 3.637              | 3.931             | 6.300                                    | 5.524                    | 4.251                                    | ...                      | 4.114            | 4.037             | 7.061                                    | 6.824                    | 5.577   | 10.484     | 14.396                           | 6.629      |
|                            | 12     | 4.280                                    | 3.703                    | 3.541              | 3.918             | 6.284                                    | 5.335                    | 4.827                                    | 5.299                    | 4.304            | 3.930             | 6.978                                    | 5.960                    | 5.496   | 10.096     | 14.336                           | 6.531      |
| Loan amount (new business) |        |  |                          |                    |                   |  |                          |  |                          |                  |                   |  |                          |   |            | - in KM thousand -               |            |
| 2018                       | 12     | 2,597                                    | ...                      | ...                | ...               | 66,009                                   | 27,336                   | 17,610                                   | 155                      | 3,340            | 9,211             | 47,731                                   | 10,078                   | 27,896  | 526,750    | 54,795                           | 85,550     |
| 2019                       | 12     | 1,242                                    | 386                      | 1,042              | 463               | 53,829                                   | 26,426                   | 21,834                                   | 288                      | 4,641            | 13,531            | 66,117                                   | 8,097                    | 27,474  | 521,600    | 58,916                           | 79,533     |
| 2020                       | 12     | 3,468                                    | ...                      | ...                | 532               | 39,970                                   | 19,333                   | 16,057                                   | 265                      | 3,729            | 5,229             | 38,688                                   | 7,916                    | 19,056  | 547,793    | 61,370                           | 112,952    |
| 2021                       | 12     | 9,615                                    | 380                      | 5,576              | 2,194             | 47,483                                   | 36,773                   | 17,697                                   | 412                      | 2,471            | 4,695             | 53,132                                   | 1,717                    | 9,332   | 547,070    | 67,171                           | 102,693    |
| 2022                       | 12     | 3,424                                    | 520                      | 8,644              | 6,406             | 24,729                                   | 50,661                   | 9,425                                    | ...                      | 7,216            | 12,724            | 35,988                                   | 5,104                    | 9,605   | 607,534    | 56,629                           | 114,669    |
| 2023                       | 12     | 4,100                                    | 772                      | 5,807              | 22,009            | 12,192                                   | 48,969                   | 4,071                                    | ...                      | 3,281            | 16,362            | 5,350                                    | 13,908                   | 8,555   | 711,407    | 61,450                           | 191,861    |
| 2024                       | 12     | 2,665                                    | 681                      | 10,741             | 29,962            | 20,021                                   | 63,795                   | 5,728                                    | 482                      | 983              | 9,822             | 9,051                                    | 11,650                   | 6,242   | 862,766    | 65,888                           | 259,334    |
| 2024                       | 01     | 1,301                                    | 618                      | 5,931              | 18,647            | 8,307                                    | 48,395                   | 4,156                                    | ...                      | 2,298            | 13,433            | 3,726                                    | 2,605                    | 7,063   | 790,866    | 60,272                           | 211,418    |
|                            | 02     | 1,969                                    | 1,055                    | 7,109              | 23,673            | 15,437                                   | 66,387                   | 3,994                                    | ...                      | 2,481            | 18,750            | 4,647                                    | 2,560                    | 9,971   | 800,468    | 58,855                           | 218,763    |
|                            | 03     | 2,116                                    | 702                      | 7,293              | 26,117            | 14,199                                   | 76,728                   | 4,564                                    | ...                      | 1,074            | 18,590            | 7,322                                    | 6,162                    | 13,732  | 814,724    | 58,776                           | 299,102    |
|                            | 04     | 1,519                                    | 2,131                    | 7,481              | 26,766            | 20,720                                   | 77,144                   | 4,280                                    | ...                      | 2,125            | 14,028            | 11,415                                   | 7,627                    | 13,422  | 822,243    | 59,216                           | 293,767    |
|                            | 05     | ...                                      | 1,748                    | 7,102              | 23,158            | 12,326                                   | 74,705                   | 4,566                                    | ...                      | 2,022            | 15,140            | 8,644                                    | 8,682                    | 14,924  | 857,252    | 60,215                           | 298,797    |
|                            | 06     | ...                                      | 3,585                    | 5,614              | 22,964            | 13,093                                   | 67,763                   | 7,669                                    | ...                      | 4,300            | 17,738            | 11,454                                   | 4,949                    | 15,054  | 828,802    | 57,723                           | 275,590    |
|                            | 07     | 1,091                                    | 937                      | 7,007              | 22,769            | 16,299                                   | 72,652                   | 6,898                                    | ...                      | 3,679            | 17,805            | 10,299                                   | 6,128                    | 9,117   | 853,421    | 62,218                           | 281,144    |
|                            | 08     | 1,511                                    | 723                      | 7,457              | 21,597            | 14,754                                   | 61,731                   | 6,719                                    | ...                      | 2,803            | 13,092            | 7,977                                    | 3,592                    | 4,475   | 855,183    | 62,340                           | 287,831    |
|                            | 09     | 2,507                                    | 849                      | 8,907              | 26,020            | 12,447                                   | 66,163                   | 6,646                                    | ...                      | 1,739            | 10,502            | 8,468                                    | 5,642                    | 7,368   | 890,155    | 62,778                           | 292,697    |
|                            | 10     | 1,797                                    | 2,729                    | 8,818              | 26,392            | 21,692                                   | 74,071                   | 6,891                                    | ...                      | 2,357            | 12,077            | 9,918                                    | 4,066                    | 8,095   | 891,358    | 64,051                           | 282,517    |
|                            | 11     | 3,360                                    | 1,486                    | 11,815             | 27,079            | 24,102                                   | 60,425                   | 6,732                                    | ...                      | 1,157            | 11,663            | 8,366                                    | 4,128                    | 8,288   | 896,623    | 64,781                           | 284,137    |
|                            | 12     | 2,665                                    | 681                      | 10,741             | 29,962            | 20,021                                   | 63,795                   | 5,728                                    | 482                      | 983              | 9,822             | 9,051                                    | 11,650                   | 6,242   | 862,766    | 65,888                           | 259,334    |

## Note:

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

IRF – initial rate fixation

... insufficient data to be published

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

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

## T11: Interest Rates on Loans to Non-Financial Corporations

- in percentages per annum -

|                            |        | Non-financial Corporations               |  |  |  |  |                                 |                                     |  |                                 |                                     |  |                                  |                    |   |
|----------------------------|--------|--|--|--|--|--|---------------------------------|-------------------------------------|--|---------------------------------|-------------------------------------|--|----------------------------------|--------------------|---|
|                            |        | Loans in KM                              |  |  |  | Loans in KM Indexed to Foreign Currency                    |                                 |                                     |  |                                 |                                     |  | Revolving Loans and Overdrafts * |                    |   |
|                            |        | Up to an Amount of EUR 0.25 Million      | Over an Amount of EUR 0.25 Million and up to EUR 1 Million | Over an Amount of EUR 1 Million          | Up to an Amount of EUR 0.25 Million      | Over an Amount of EUR 0.25 Million and up to EUR 1 Million | Over an Amount of EUR 1 Million | Up to an Amount of EUR 0.25 Million | Over an Amount of EUR 0.25 Million and up to EUR 1 Million | Over an Amount of EUR 1 Million | Up to an Amount of EUR 0.25 Million | Over an Amount of EUR 0.25 Million and up to EUR 1 Million | Over an Amount of EUR 1 Million  | Loans in KM        | Loans in KM Indexed to Foreign Currency |
| Year                       | Period | Floating Interest Rates up to 1 Year IRF | Over 1 up to 5 Years IRF                                   | Floating Interest Rates up to 1 Year IRF | Floating Interest Rates up to 1 Year IRF | Floating Interest Rates up to 1 Year IRF                   | Over 1 up to 5 Years IRF        | Over 5 Years IRF                    | Floating Interest Rates up to 1 Year IRF                   | Over 1 up to 5 Years IRF        | Over 5 Years IRF                    | Floating Interest Rates up to 1 Year IRF                   | Over 1 up to 5 Years IRF         | Loans in KM        | Loans in KM Indexed to Foreign Currency |
| 1                          | 2      | 3  | 4  | 5  | 6  | 7  | 8                               | 9                                   | 10   | 11                              | 12                                  | 13   | 14                               | 15                 |   |
| Weighted monthly averages  |        |  |  |  |  |  |                                 |                                     |  |                                 |                                     |  |                                  |                    |   |
| 2018                       | 12     | 4.247                                    | 4.069  | 3.100                                    | 3.253                                    | 4.204  | 3.910                           | 3.672                               | 3.800  | 3.321                           | 3.571                               | 4.480  | 3.497                            | 3.594              |   |
| 2019                       | 12     | 3.753                                    | 4.095  | 2.881                                    | 2.470                                    | 4.127  | 4.166                           | 4.757                               | 3.944  | 3.161                           | 3.248                               | 4.133  | 3.167                            | 3.168              |   |
| 2020                       | 12     | 3.901                                    | 3.990  | 2.871                                    | 2.871                                    | 4.402  | 4.013                           | 3.707                               | 4.090  | 3.566                           | 3.702                               | 3.193  | 2.940                            | 2.962              |   |
| 2021                       | 12     | 3.708                                    | 4.040  | 3.058                                    | 2.297                                    | 4.115  | 3.358                           | 3.382                               | 3.613  | 3.018                           | 3.228                               | 3.292  | 2.852                            | 3.139              |   |
| 2022                       | 12     | 4.128                                    | 4.219  | 4.006                                    | 3.582                                    | 5.042  | 4.782                           | ...                                 | 4.471  | 4.783                           | 5.080                               | 3.817  | 2.837                            | 3.210              |   |
| 2023                       | 12     | 4.766                                    | 4.651  | 3.942                                    | 4.192                                    | 5.340  | 5.267                           | ...                                 | 4.503  | 4.636                           | 4.840                               | 4.008  | 2.937                            | 3.610              |   |
| 2024                       | 12     | 4.700                                    | 5.163  | 4.305                                    | 4.933                                    | 6.608  | 6.191                           | 3.989                               | 6.387  | 4.792                           | 4.066                               | ...  | 3.012                            | 3.805              |   |
| 2024                       | 01     | 4.446                                    | 4.741  | 3.264                                    | ...                                      | ...  | 5.491                           | 4.705                               | 4.557  | ...                             | 4.138                               | 4.729  | 3.046                            | 3.563              |   |
|                            | 02     | 4.731                                    | 4.933  | 3.935                                    | ...                                      | 5.275  | 5.268                           | 4.513                               | 4.048  | 4.736                           | 4.834                               | 4.070  | 3.033                            | 3.598              |   |
|                            | 03     | 4.853                                    | 4.793  | 4.035                                    | ...                                      | 5.521  | 5.081                           | ...                                 | ...  | 4.022                           | 3.445                               | ...  | 3.020                            | 3.614              |   |
|                            | 04     | 4.958                                    | 4.731  | 4.629                                    | 4.947                                    | 5.646  | 5.849                           | 4.705                               | 4.611  | 4.650                           | 4.431                               | ...  | 2.994                            | 3.629              |   |
|                            | 05     | 4.699                                    | 4.898  | 4.354                                    | ...                                      | 5.907  | 5.521                           | 4.490                               | 4.591  | 4.574                           | 4.031                               | ...  | 2.879                            | 3.665              |   |
|                            | 06     | 4.918                                    | 4.773  | 4.163                                    | 5.010                                    | 5.998  | 5.531                           | 4.708                               | 4.692  | 4.312                           | 4.678                               | 4.879  | 3.001                            | 3.655              |   |
|                            | 07     | 4.860                                    | 4.935  | 4.584                                    | 4.364                                    | ...  | 5.720                           | 4.890                               | ...  | 4.743                           | 4.231                               | 4.729  | 3.019                            | 3.464              |   |
|                            | 08     | 4.978                                    | 4.683  | 4.844                                    | 4.339                                    | 5.759  | 5.251                           | 4.922                               | ...  | 4.026                           | 4.398                               | ...  | 3.042                            | 3.524              |   |
|                            | 09     | 4.784                                    | 4.542  | 4.275                                    | 4.014                                    | 5.962  | 5.181                           | 4.932                               | 5.576  | 4.823                           | 4.677                               | ...  | 3.040                            | 3.485              |   |
|                            | 10     | 4.579                                    | 4.882  | 4.018                                    | 4.280                                    | 6.088  | 5.961                           | 4.962                               | 5.840  | 4.490                           | 4.418                               | ...  | 3.040                            | 3.498              |   |
|                            | 11     | 4.560                                    | 4.990  | 4.128                                    | 3.557                                    | 6.475  | 5.175                           | ...                                 | 5.893  | 4.953                           | 4.569                               | 5.356  | 3.126                            | 3.713              |   |
|                            | 12     | 4.700                                    | 5.163  | 4.305                                    | 4.933                                    | 6.608  | 6.191                           | 3.989                               | 6.387  | 4.792                           | 4.066                               | ...  | 3.012                            | 3.805              |   |
| Loan amount (new business) |        |  |  |  |  |  |                                 |                                     |  |                                 |                                     |  |                                  | - in KM thousand - |   |
| 2018                       | 12     | 51,404                                   | 26,718   | 62,726                                   | 79,085                                   | 8,815  | 14,021                          | 3,637                               | 23,544   | 11,311                          | 9,906                               | 25,588   | 2,367,482                        | 686,874            |   |
| 2019                       | 12     | 64,463                                   | 19,573   | 71,859                                   | 51,384                                   | 9,787  | 11,485                          | 2,785                               | 22,801   | 6,636                           | 7,045                               | 69,916   | 2,655,796                        | 687,510            |   |
| 2020                       | 12     | 53,146                                   | 15,109   | 52,781                                   | 78,165                                   | 13,827   | 8,360                           | 3,090                               | 20,556   | 8,376                           | 13,742                              | 83,128   | 2,649,665                        | 341,675            |   |
| 2021                       | 12     | 63,293                                   | 24,688   | 79,908                                   | 74,493                                   | 7,495  | 9,168                           | 1,528                               | 19,152   | 5,892                           | 5,801                               | 15,900   | 2,778,808                        | 198,275            |   |
| 2022                       | 12     | 37,582                                   | 19,350   | 40,221                                   | 11,000                                   | 4,913  | 8,499                           | -                                   | 14,311   | 4,718                           | 3,588                               | 21,946   | 2,289,023                        | 99,344             |   |
| 2023                       | 12     | 27,448                                   | 27,538   | 34,425                                   | 32,932                                   | 3,001  | 10,683                          | -                                   | 11,344   | 12,702                          | 6,992                               | 34,818   | 2,981,947                        | 79,722             |   |
| 2024                       | 12     | 30,309                                   | 26,354   | 41,245                                   | 139,362                                  | 9,652  | 6,314                           | 2,670                               | 13,176   | 20,405                          | 10,298                              | ...  | 3,531,396                        | 29,083             |   |
| 2024                       | 01     | 19,751                                   | 16,099   | 15,519                                   | ...                                      | ...  | 3,920                           | 3,370                               | 7,123  | ...                             | 2,839                               | 28,976   | 2,982,959                        | 81,821             |   |
|                            | 02     | 26,940                                   | 31,415   | 24,086                                   | ...                                      | 1,108  | 10,521                          | 2,392                               | 4,211  | 3,540                           | 7,137                               | 28,657   | 3,109,848                        | 76,756             |   |
|                            | 03     | 27,396                                   | 33,889   | 28,172                                   | ...                                      | 4,855  | 11,725                          | ...                                 | ...  | 10,757                          | 9,175                               | ...  | 3,211,765                        | 72,568             |   |
|                            | 04     | 27,665                                   | 41,148   | 35,924                                   | 16,273                                   | 3,853  | 9,259                           | 1,771                               | 11,534   | 11,357                          | 3,396                               | ...  | 3,311,015                        | 71,556             |   |
|                            | 05     | 22,044                                   | 29,371   | 34,048                                   | ...                                      | 2,874  | 7,984                           | 4,102                               | 5,554  | 8,983                           | 6,438                               | ...  | 3,343,883                        | 69,455             |   |
|                            | 06     | 20,197                                   | 30,552   | 35,691                                   | 31,818                                   | 2,312  | 4,997                           | 2,025                               | 11,055   | 8,430                           | 3,886                               | 9,231  | 3,405,503                        | 65,561             |   |
|                            | 07     | 26,364                                   | 35,340   | 25,928                                   | 10,341                                   | ...  | 7,120                           | 2,773                               | ...  | 6,967                           | 8,914                               | 25,089   | 3,408,261                        | 60,879             |   |
|                            | 08     | 21,312                                   | 33,779   | 17,776                                   | 9,212                                    | 1,890  | 6,863                           | 4,744                               | ...  | 7,833                           | 10,921                              | ...  | 3,360,760                        | 56,024             |   |
|                            | 09     | 25,398                                   | 40,083   | 23,677                                   | 9,578                                    | 245  | 10,231                          | 3,716                               | 3,056  | 4,847                           | 5,267                               | ...  | 3,416,957                        | 57,195             |   |
|                            | 10     | 28,297                                   | 31,259   | 29,718                                   | 13,651                                   | 1,570  | 7,918                           | 3,086                               | 7,063  | 4,042                           | 16,702                              | ...  | 3,443,427                        | 56,373             |   |
|                            | 11     | 21,794                                   | 29,643   | 17,702                                   | 10,362                                   | 3,234  | 7,916                           | ...                                 | 8,510  | 8,097                           | 12,794                              | 13,415   | 3,473,442                        | 46,724             |   |
|                            | 12     | 30,309                                   | 26,354   | 41,245                                   | 139,362                                  | 9,652  | 6,314                           | 2,670                               | 13,176   | 20,405                          | 10,298                              | ...  | 3,531,396                        | 29,083             |   |

## Note:

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

IRF – initial rate fixation

... insufficient data to be published

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

No data for interest rates on loans in foreign currency on the basis of credit cards and overdrafts to non-financial corporations.

T12: Interest Rates on Deposits of Households

- percentages per annum -

| Households                    |        |                       |                                   |                       |                      |   |                                   |                       |                      |   |                      |
|-------------------------------|--------|-----------------------|-----------------------------------|-----------------------|----------------------|---|-----------------------------------|-----------------------|----------------------|---|----------------------|
| Year                          | Period | Deposits in KM        |                                   |                       |                      | Deposits in EUR and deposits in KM with a currency clause linked to EUR |                                   |                       |                      | Deposits in foreign currency (except EUR) and deposits in KM with a currency clause linked to a foreign currency (except EUR) |                      |
|                               |        | With Agreed Maturity  |                                   |                       |                      | With Agreed Maturity  |                                   |                       |                      | With Agreed Maturity  | Overnight Deposits * |
|                               |        | Up to 1 Year Maturity | Over 1 and up to 2 Years Maturity | Over 2 Years Maturity | Overnight Deposits * | Up to 1 Year Maturity   | Over 1 and up to 2 Years Maturity | Over 2 Years Maturity | Overnight Deposits * |   |                      |
| 1                             | 2      | 3                     | 4                                 | 5                     | 6                    | 7   | 8                                 | 9                     |                      |   |                      |
| Weighted monthly averages     |        |                       |                                   |                       |                      |   |                                   |                       |                      |   |                      |
| 2018                          | 12     | 0.344                 | 1.262                             | 1.448                 | 0.053                | 0.252   | 1.368                             | 1.658                 | 0.055                | 1.036   | 0.042                |
| 2019                          | 12     | 0.299                 | 1.137                             | 1.232                 | 0.061                | 0.378   | 1.158                             | 1.570                 | 0.051                | 0.944   | 0.040                |
| 2020                          | 12     | 0.178                 | 1.027                             | 1.139                 | 0.070                | 0.176   | 1.155                             | 1.273                 | 0.049                | 0.525   | 0.035                |
| 2021                          | 12     | 0.098                 | 0.466                             | 0.619                 | 0.045                | 0.231   | 0.945                             | 0.930                 | 0.055                | 0.208   | 0.031                |
| 2022                          | 12     | 0.521                 | 0.905                             | 1.534                 | 0.046                | 0.370   | 1.128                             | 1.743                 | 0.046                | 0.155   | 0.027                |
| 2023                          | 12     | 0.630                 | 1.846                             | 1.913                 | 0.044                | 1.316   | 2.472                             | 2.736                 | 0.046                | 0.869   | 0.021                |
| 2024                          | 12     | 1.216                 | 2.026                             | 2.398                 | 0.045                | 1.630   | 2.481                             | 2.374                 | 0.044                | 1.210   | 0.020                |
| 2024                          | 01     | 0.636                 | 1.651                             | 1.849                 | 0.045                | 1.071   | 2.413                             | 2.395                 | 0.046                | 0.883   | 0.021                |
|                               | 02     | 0.654                 | 1.772                             | 1.943                 | 0.044                | 1.391   | 2.487                             | 2.691                 | 0.045                | 0.846   | 0.021                |
|                               | 03     | 0.616                 | 1.632                             | 2.157                 | 0.044                | 1.314   | 2.316                             | 2.477                 | 0.045                | 0.945   | 0.020                |
|                               | 04     | 0.649                 | 1.874                             | 2.264                 | 0.043                | 1.552   | 2.357                             | 2.324                 | 0.045                | 1.064   | 0.020                |
|                               | 05     | 0.781                 | 1.757                             | 2.374                 | 0.043                | 1.532   | 2.342                             | 2.600                 | 0.045                | 1.065   | 0.020                |
|                               | 06     | 0.734                 | 1.665                             | 2.045                 | 0.044                | 1.315   | 2.164                             | 2.194                 | 0.045                | 1.023   | 0.020                |
|                               | 07     | 0.792                 | 1.774                             | 2.088                 | 0.043                | 1.283   | 2.258                             | 2.357                 | 0.045                | 1.105   | 0.020                |
|                               | 08     | 0.837                 | 1.880                             | 2.372                 | 0.043                | 1.238   | 2.222                             | 2.387                 | 0.044                | 1.058   | 0.020                |
|                               | 09     | 0.936                 | 1.924                             | 2.042                 | 0.044                | 1.215   | 2.377                             | 2.390                 | 0.044                | 1.225   | 0.020                |
|                               | 10     | 1.089                 | 1.956                             | 2.143                 | 0.045                | 1.338   | 2.399                             | 2.433                 | 0.044                | 1.496   | 0.020                |
|                               | 11     | 1.150                 | 2.050                             | 2.247                 | 0.045                | 1.264   | 2.432                             | 2.470                 | 0.045                | 1.214   | 0.020                |
|                               | 12     | 1.216                 | 2.026                             | 2.398                 | 0.045                | 1.630   | 2.481                             | 2.374                 | 0.044                | 1.210   | 0.020                |
| Deposit amount (new business) |        |                       |                                   |                       |                      |   |                                   |                       |                      | - in KM thousand -  |                      |
| 2018                          | 12     | 13,211                | 26,379                            | 34,047                | 3,938,041            | 9,431   | 50,050                            | 73,670                | 1,482,740            | 4,001   | 319,831              |
| 2019                          | 12     | 16,084                | 22,228                            | 28,581                | 4,537,961            | 10,740  | 44,538                            | 70,124                | 1,658,352            | 4,723   | 345,752              |
| 2020                          | 12     | 7,866                 | 35,574                            | 21,887                | 5,176,206            | 6,995   | 40,426                            | 37,131                | 1,952,225            | 4,433   | 368,081              |
| 2021                          | 12     | 8,431                 | 17,683                            | 15,228                | 6,218,427            | 9,432   | 33,280                            | 38,855                | 2,151,732            | 1,896   | 444,055              |
| 2022                          | 12     | 5,877                 | 7,610                             | 14,596                | 6,498,743            | 23,362  | 39,664                            | 39,759                | 2,655,705            | 1,157   | 537,828              |
| 2023                          | 12     | 7,120                 | 29,097                            | 38,640                | 7,972,376            | 47,412  | 94,123                            | 115,713               | 2,796,667            | 3,869   | 600,628              |
| 2024                          | 12     | 19,477                | 37,253                            | 24,011                | 9,203,118            | 17,189  | 87,639                            | 48,321                | 2,770,555            | 1,492   | 665,169              |
| 2024                          | 01     | 4,543                 | 13,609                            | 19,136                | 8,021,733            | 18,488  | 69,782                            | 59,154                | 2,781,558            | 2,907   | 615,440              |
|                               | 02     | 3,714                 | 30,436                            | 22,551                | 8,249,868            | 25,293  | 73,099                            | 97,862                | 2,765,205            | 6,875   | 604,985              |
|                               | 03     | 3,845                 | 15,643                            | 16,278                | 8,449,209            | 11,431  | 63,415                            | 58,673                | 2,801,773            | 7,627   | 602,049              |
|                               | 04     | 12,823                | 35,237                            | 34,986                | 8,612,036            | 28,316  | 82,214                            | 39,144                | 2,791,710            | 2,650   | 603,335              |
|                               | 05     | 6,354                 | 22,081                            | 13,270                | 8,485,198            | 9,718   | 57,179                            | 37,441                | 2,695,397            | 5,346   | 602,182              |
|                               | 06     | 6,891                 | 23,227                            | 10,964                | 8,610,160            | 7,580   | 48,479                            | 21,785                | 2,701,880            | 1,469   | 615,696              |
|                               | 07     | 9,880                 | 32,182                            | 10,411                | 8,668,974            | 10,097  | 60,173                            | 45,066                | 2,700,803            | 2,611   | 618,874              |
|                               | 08     | 7,155                 | 18,496                            | 26,223                | 8,770,363            | 13,890  | 62,869                            | 44,296                | 2,715,447            | 3,120   | 621,871              |
|                               | 09     | 7,982                 | 17,118                            | 18,032                | 8,635,366            | 9,760   | 71,530                            | 34,643                | 2,685,780            | 3,508   | 630,727              |
|                               | 10     | 14,398                | 20,277                            | 15,121                | 8,706,895            | 20,202  | 98,808                            | 37,985                | 2,712,664            | 3,387   | 645,584              |
|                               | 11     | 6,593                 | 24,030                            | 16,414                | 8,798,750            | 9,597   | 84,589                            | 39,102                | 2,731,344            | 1,340   | 647,236              |
|                               | 12     | 19,477                | 37,253                            | 24,011                | 9,203,118            | 17,189  | 87,639                            | 48,321                | 2,770,555            | 1,492   | 665,169              |

**Note:**

Corrected names in the header of the table for interest rates on household deposits retroactively starting from the data for June 2020, as given in the explanation:

-from June 2020 Deposits in KM, until June 2020 Deposits in KM and deposits in KM with currency clause

-from June 2020 Deposits in EUR and deposits in KM with a currency clause linked to EUR, until June 2020 Deposits in EUR

-from June 2020 Deposits in foreign currency (except EUR) and deposits in KM with a currency clause linked to a foreign currency (except EUR), until June 2020 Deposits in foreign currency (not including deposits in EUR).

Other elements of the header names of the specified tables remain the same as the data in the columns.

\*Interest rates on overnight deposits and their amounts refer to the outstanding amounts.

Interest rates on deposit with agreed maturity and their amounts refer to new business.

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

| Non-financial Corporations    |        |                       |                                   |                       |                      |   |                                   |                       |                      |   |
|-------------------------------|--------|-----------------------|-----------------------------------|-----------------------|----------------------|---|-----------------------------------|-----------------------|----------------------|---|
| Year                          | Period | Deposits in KM        |                                   |                       |                      | Deposits in EUR and deposits in KM with a currency clause linked to EUR |                                   |                       |                      | Deposits in foreign currency (except EUR) and deposits in KM with a currency clause linked to a foreign currency (except EUR) |
|                               |        | with Agreed Maturity  |                                   |                       |                      | with Agreed Maturity  |                                   |                       |                      |   |
|                               |        | Up to 1 Year Maturity | Over 1 and up to 2 Years Maturity | Over 2 Years Maturity | Overnight Deposits * | up to 1 Year Maturity   | Over 1 and up to 2 Years Maturity | Over 2 Years Maturity | Overnight Deposits * | Overnight Deposits *  |
| 1                             | 2      | 13                    | 14                                | 15                    | 16                   | 17  | 18                                | 19                    | 20                   | 21  |
| Weighted monthly averages     |        |                       |                                   |                       |                      |   |                                   |                       |                      |   |
| 2018                          | 12     | 0.706                 | 1.137                             | 1.958                 | 0.082                | 1.003   | 0.973                             | ...                   | 0.027                | 0.043   |
| 2019                          | 12     | 0.445                 | 1.229                             | 1.491                 | 0.031                | 0.864   | 1.012                             | 1.305                 | 0.029                | 0.028   |
| 2020                          | 12     | 0.922                 | 1.358                             | 1.474                 | 0.028                | 0.372   | 1.267                             | 1.218                 | 0.010                | 0.025   |
| 2021                          | 12     | 0.234                 | 0.244                             | ...                   | 0.018                | 0.434   | 0.305                             | 0.953                 | 0.006                | 0.043   |
| 2022                          | 12     | 0.350                 | 1.059                             | 1.289                 | 0.051                | 0.455   | 1.209                             | 1.503                 | 0.005                | 0.032   |
| 2023                          | 12     | 0.564                 | 1.741                             | 1.776                 | 0.053                | 1.031   | 1.580                             | 2.734                 | 0.010                | 0.030   |
| 2024                          | 12     | 1.455                 | 2.162                             | 2.745                 | 0.078                | 1.743   | 2.426                             | 3.017                 | 0.014                | 0.036   |
| 2024                          | 01     | 0.587                 | 1.652                             | 1.953                 | 0.058                | 0.796   | 1.940                             | 3.134                 | 0.010                | 0.031   |
|                               | 02     | 0.528                 | 1.870                             | 2.115                 | 0.051                | 1.391   | 2.108                             | 2.633                 | 0.012                | 0.029   |
|                               | 03     | 0.625                 | 1.863                             | 1.980                 | 0.059                | 1.692   | 1.963                             | 2.428                 | 0.011                | 0.032   |
|                               | 04     | 0.665                 | 1.857                             | 2.275                 | 0.069                | 1.638   | 2.023                             | 2.758                 | 0.009                | 0.035   |
|                               | 05     | 0.537                 | 1.958                             | 2.241                 | 0.073                | 1.752   | 2.419                             | 2.656                 | 0.011                | 0.035   |
|                               | 06     | 0.719                 | 2.011                             | 2.297                 | 0.072                | 1.610   | 2.415                             | 2.678                 | 0.011                | 0.032   |
|                               | 07     | 0.606                 | 2.326                             | 2.355                 | 0.069                | 1.793   | 2.545                             | 2.760                 | 0.012                | 0.033   |
|                               | 08     | 0.703                 | 2.371                             | 2.088                 | 0.071                | 1.668   | 2.759                             | 2.794                 | 0.012                | 0.033   |
|                               | 09     | 0.697                 | 2.162                             | 2.067                 | 0.077                | 1.571   | 2.420                             | 2.781                 | 0.012                | 0.034   |
|                               | 10     | 0.931                 | 2.013                             | 2.020                 | 0.078                | 1.422   | 2.605                             | 2.816                 | 0.012                | 0.038   |
|                               | 11     | 1.084                 | 2.014                             | 2.026                 | 0.076                | 1.953   | 2.761                             | 2.660                 | 0.012                | 0.038   |
|                               | 12     | 1.455                 | 2.162                             | 2.745                 | 0.078                | 1.743   | 2.426                             | 3.017                 | 0.014                | 0.036   |
| Deposit amount (new business) |        |                       |                                   |                       |                      |   |                                   |                       |                      | - in KM thousand -  |
| 2018                          | 12     | 54,947                | 9,121                             | 39,381                | 3,229,644            | 10,788  | 3,815                             | ...                   | 741,850              | 64,148  |
| 2019                          | 12     | 36,636                | 31,437                            | 16,943                | 3,552,249            | 7,182   | 23,959                            | 2,265                 | 709,023              | 86,536  |
| 2020                          | 12     | 22,325                | 20,927                            | 14,571                | 3,753,355            | 7,259   | 117,688                           | 8,458                 | 919,880              | 130,453   |
| 2021                          | 12     | 13,950                | 9,133                             | ...                   | 4,768,468            | 24,403  | 25,153                            | 25,554                | 1,158,011            | 89,918  |
| 2022                          | 12     | 25,805                | 5,906                             | 5,436                 | 4,653,682            | 28,241  | 52,781                            | 25,400                | 1,270,533            | 238,166   |
| 2023                          | 12     | 25,704                | 14,739                            | 22,071                | 5,520,447            | 12,137  | 12,546                            | 6,764                 | 1,466,316            | 176,691   |
| 2024                          | 12     | 55,088                | 32,109                            | 8,177                 | 6,182,214            | 34,013  | 13,284                            | 64,240                | 1,468,883            | 154,625   |
| 2024                          | 01     | 26,532                | 5,381                             | 4,362                 | 5,600,304            | 1,703   | 15,653                            | 22,297                | 1,683,226            | 156,747   |
|                               | 02     | 4,669                 | 10,342                            | 22,434                | 5,539,393            | 34,573  | 55,911                            | 7,850                 | 1,563,019            | 164,735   |
|                               | 03     | 17,094                | 40,315                            | 10,926                | 5,452,922            | 19,479  | 40,739                            | 8,156                 | 1,456,329            | 152,061   |
|                               | 04     | 26,490                | 13,698                            | 21,381                | 5,365,431            | 72,201  | 33,570                            | 23,391                | 1,568,283            | 155,382   |
|                               | 05     | 4,343                 | 23,408                            | 15,312                | 5,516,163            | 21,989  | 29,509                            | 15,998                | 1,570,953            | 177,469   |
|                               | 06     | 11,302                | 5,347                             | 8,431                 | 5,521,252            | 13,463  | 61,353                            | 2,353                 | 1,572,776            | 177,010   |
|                               | 07     | 16,120                | 2,641                             | 11,207                | 5,786,225            | 25,564  | 40,480                            | 47,075                | 1,628,649            | 167,939   |
|                               | 08     | 9,437                 | 9,509                             | 14,531                | 5,919,722            | 6,720   | 36,177                            | 4,546                 | 1,521,426            | 189,132   |
|                               | 09     | 55,655                | 15,865                            | 1,107                 | 5,824,225            | 4,341   | 13,465                            | 14,634                | 1,500,809            | 185,954   |
|                               | 10     | 23,247                | 7,818                             | 230                   | 5,937,949            | 115,740   | 22,994                            | 2,264                 | 1,438,801            | 178,895   |
|                               | 11     | 4,810                 | 8,609                             | 6,314                 | 5,890,866            | 34,028  | 22,565                            | 4,087                 | 1,557,863            | 166,241   |
|                               | 12     | 55,088                | 32,109                            | 8,177                 | 6,182,214            | 34,013  | 13,284                            | 64,240                | 1,468,883            | 154,625   |

**Note:**

Corrected names in the header of the table for interest rates on household deposits retroactively starting from the data for June 2020, as given in the explanation:

-from June 2020 Deposits in KM, until June 2020 Deposits in KM and deposits in KM with currency clause

-from June 2020 Deposits in EUR and deposits in KM with a currency clause linked to EUR, until June 2020 Deposits in EUR

-from June 2020 Deposits in foreign currency (except EUR) and deposits in KM with a currency clause linked to a foreign currency (except EUR), until June 2020 Deposits in foreign currency (not including deposits in EUR).

Other elements of the header names of the specified tables remain the same as the data in the columns.

\* Interest rates on overnight deposits and their amounts refer to the outstanding amounts.

Interest rates on deposit with agreed maturity and their amounts refer to new business.

See note on page 196.

**T14: Total Deposits and Loans of Commercial Banks****- end of period, in KM million -**

| Year | Month | Deposits              |                |                | Loans              |                   |             |
|------|-------|-----------------------|----------------|----------------|--------------------|-------------------|-------------|
|      |       | Transferable Deposits | Other Deposits | Total Deposits | Short - term Loans | Long - term Loans | Total Loans |
| 1    | 2     | 3                     | 4              | 5(3+4)         | 6                  | 7                 | 8(6+7)      |
| 2015 | 12    | 7,038.7               | 9,492.1        | 16,530.8       | 4,164.9            | 12,701.9          | 16,866.8    |
| 2016 | 12    | 8,056.6               | 9,695.5        | 17,752.1       | 4,152.6            | 13,048.5          | 17,201.1    |
| 2017 | 12    | 9,558.1               | 10,111.0       | 19,669.1       | 4,261.5            | 14,160.9          | 18,422.4    |
| 2018 | 12    | 11,318.5              | 10,431.3       | 21,749.8       | 4,289.8            | 15,196.1          | 19,485.8    |
| 2019 | 12    | 12,566.6              | 11,253.8       | 23,820.4       | 4,651.2            | 16,121.5          | 20,772.8    |
| 2020 | 12    | 13,851.5              | 11,130.7       | 24,982.2       | 4,295.1            | 16,052.3          | 20,347.4    |
| 2021 | 12    | 16,762.9              | 11,069.7       | 27,832.6       | 4,396.9            | 16,680.4          | 21,077.3    |
| 2022 | 12    | 18,710.9              | 10,518.3       | 29,229.2       | 4,623.0            | 17,445.0          | 22,068.0    |
| 2023 | 12    | 20,060.8              | 11,066.0       | 31,126.8       | 4,998.2            | 18,525.8          | 23,524.1    |
| 2024 | 12    | 22,298.1              | 11,572.7       | 33,870.8       | 5,255.5            | 20,570.2          | 25,825.7    |
| 2024 | 01    | 20,198.6              | 11,047.0       | 31,245.6       | 4,739.1            | 18,727.8          | 23,466.9    |
|      | 02    | 20,299.3              | 11,084.0       | 31,383.3       | 4,821.1            | 18,843.3          | 23,664.4    |
|      | 03    | 20,756.8              | 11,027.7       | 31,784.5       | 4,966.8            | 19,082.2          | 24,049.0    |
|      | 04    | 20,872.7              | 11,045.0       | 31,917.7       | 5,057.1            | 19,216.7          | 24,273.8    |
|      | 05    | 20,843.7              | 11,034.6       | 31,878.3       | 5,098.6            | 19,432.4          | 24,531.0    |
|      | 06    | 20,835.8              | 11,161.0       | 31,996.8       | 5,136.4            | 19,674.8          | 24,811.3    |
|      | 07    | 21,323.4              | 11,186.1       | 32,509.5       | 5,115.1            | 19,904.5          | 25,019.7    |
|      | 08    | 21,408.7              | 11,239.3       | 32,648.0       | 5,089.9            | 19,964.7          | 25,054.5    |
|      | 09    | 21,495.7              | 11,338.9       | 32,834.5       | 5,172.0            | 20,041.6          | 25,213.6    |
|      | 10    | 21,541.5              | 11,486.8       | 33,028.3       | 5,165.9            | 20,202.6          | 25,368.4    |
|      | 11    | 21,746.0              | 11,517.2       | 33,263.2       | 5,153.5            | 20,421.6          | 25,575.1    |
|      | 12    | 22,298.1              | 11,572.7       | 33,870.8       | 5,255.5            | 20,570.2          | 25,825.7    |

**Note:**

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

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

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

See note on page 196.

**T15: Structure of Transferable Deposits in Commercial Banks by Sectors****- end of period, in KM million -**

| DEPOSITS OF ALL DOMESTIC INSTITUTIONAL SECTORS |       |                             |                              |                                  |                                   |                                   |  |  |   |                                      |                        |                |               |
|--|-------|-----------------------------|------------------------------|----------------------------------|-----------------------------------|-----------------------------------|--|--|---|--------------------------------------|------------------------|----------------|---------------|
| Year   | Month | Deposits of BH Institutions | Entity Governments' Deposits | Deposits of Cantonal Governments | Deposits of Municipal Governments | Deposits of Social Security Funds | Deposits of Other Financial Institutions | Deposits of Non-financial Public Enterprises | Deposits of Non-financial Private Enterprises | Deposits of Non-profit Organisations | Deposits of Households | Other Deposits | Total         |
| 1  | 2     | 3                           | 4                            | 5                                | 6                                 | 7                                 | 8  | 9  | 10  | 11                                   | 12                     | 13             | 14 = 3+...+13 |
| 2015   | 12    | 102.2                       | 468.3                        | 312.0                            | 209.3                             | 33.9                              | 198.7                                    | 498.8  | 2,104.8                                       | 245.0                                | 2,841.6                | 24.2           | 7,038.7       |
| 2016   | 12    | 94.9                        | 520.2                        | 399.6                            | 255.6                             | 58.1                              | 190.1                                    | 523.9  | 2,313.6                                       | 251.1                                | 3,431.4                | 18.0           | 8,056.6       |
| 2017   | 12    | 150.8                       | 612.8                        | 575.2                            | 305.9                             | 130.0                             | 230.2                                    | 618.1  | 2,775.5                                       | 281.5                                | 3,858.3                | 19.6           | 9,558.1       |
| 2018   | 12    | 122.8                       | 932.2                        | 691.9                            | 365.7                             | 261.0                             | 273.7                                    | 724.0  | 3,095.3                                       | 303.2                                | 4,523.7                | 24.9           | 11,318.5      |
| 2019   | 12    | 122.1                       | 885.8                        | 823.8                            | 395.1                             | 323.9                             | 284.6                                    | 684.7  | 3,437.2                                       | 345.1                                | 5,242.8                | 21.5           | 12,566.6      |
| 2020   | 12    | 133.4                       | 906.1                        | 801.9                            | 398.1                             | 129.5                             | 362.7                                    | 764.6  | 4,018.1                                       | 406.7                                | 5,892.3                | 38.1           | 13,851.5      |
| 2021   | 12    | 98.1                        | 1,124.7                      | 1,211.6                          | 588.1                             | 157.3                             | 395.3                                    | 1,014.7                                      | 4,765.2                                       | 451.2                                | 6,917.3                | 39.3           | 16,762.9      |
| 2022   | 12    | 199.5                       | 1,303.6                      | 1,454.8                          | 683.5                             | 144.2                             | 454.1                                    | 1,059.6                                      | 5,388.2                                       | 485.0                                | 7,510.0                | 28.5           | 18,710.9      |
| 2023   | 12    | 167.1                       | 819.9                        | 1,608.4                          | 692.2                             | 51.9                              | 279.9                                    | 965.3  | 6,043.9                                       | 553.9                                | 8,840.8                | 37.5           | 20,060.8      |
| 2024   | 12    | 183.6                       | 737.1                        | 1,730.1                          | 720.9                             | 72.3                              | 293.6                                    | 961.4  | 6,763.0                                       | 653.3                                | 10,142.0               | 40.9           | 22,298.1      |
| 2024   | 01    | 210.0                       | 787.6                        | 1,472.6                          | 668.7                             | 44.7                              | 263.9                                    | 1,089.9                                      | 6,170.9                                       | 584.4                                | 8,868.6                | 37.2           | 20,198.6      |
|  | 02    | 280.6                       | 845.9                        | 1,480.5                          | 678.7                             | 40.2                              | 278.9                                    | 978.6  | 6,072.2                                       | 585.2                                | 9,024.9                | 33.6           | 20,299.3      |
|  | 03    | 235.2                       | 1,168.3                      | 1,549.1                          | 698.2                             | 40.7                              | 272.5                                    | 958.2  | 5,970.1                                       | 595.3                                | 9,234.3                | 34.9           | 20,756.8      |
|  | 04    | 270.6                       | 1,039.1                      | 1,590.5                          | 698.8                             | 49.7                              | 260.2                                    | 1,001.8                                      | 5,919.6                                       | 616.1                                | 9,394.9                | 31.5           | 20,872.7      |
|  | 05    | 220.4                       | 1,043.1                      | 1,586.6                          | 696.5                             | 47.2                              | 293.1                                    | 1,016.3                                      | 6,110.2                                       | 613.1                                | 9,183.6                | 33.6           | 20,843.7      |
|  | 06    | 194.7                       | 987.5                        | 1,560.4                          | 704.8                             | 22.0                              | 308.7                                    | 906.5  | 6,191.2                                       | 585.3                                | 9,337.2                | 37.6           | 20,835.8      |
|  | 07    | 247.0                       | 942.7                        | 1,557.2                          | 716.4                             | 47.4                              | 315.2                                    | 989.5  | 6,469.0                                       | 606.1                                | 9,393.0                | 39.9           | 21,323.4      |
|  | 08    | 204.2                       | 918.6                        | 1,556.9                          | 712.1                             | 41.2                              | 308.2                                    | 1,016.6                                      | 6,490.7                                       | 598.4                                | 9,519.3                | 42.7           | 21,408.7      |
|  | 09    | 194.3                       | 806.7                        | 1,601.0                          | 778.6                             | 33.8                              | 374.3                                    | 948.6  | 6,496.7                                       | 619.4                                | 9,591.2                | 51.1           | 21,495.7      |
|  | 10    | 212.2                       | 838.5                        | 1,578.5                          | 760.5                             | 38.8                              | 315.1                                    | 990.5  | 6,472.9                                       | 611.5                                | 9,683.6                | 39.4           | 21,541.5      |
|  | 11    | 192.5                       | 873.0                        | 1,598.7                          | 740.5                             | 45.9                              | 316.8                                    | 942.4  | 6,593.6                                       | 609.1                                | 9,789.0                | 44.4           | 21,746.0      |
|  | 12    | 183.6                       | 737.1                        | 1,730.1                          | 720.9                             | 72.3                              | 293.6                                    | 961.4  | 6,763.0                                       | 653.3                                | 10,142.0               | 40.9           | 22,298.1      |

**Note:**

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

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

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

See note on page 196.

- end of period, in KM million -

| DEPOSITS OF ALL DOMESTIC INSTITUTIONAL SECTORS |       |                             |                              |                                  |                                   |                                   |  |  |   |                                     |                        |                |               |
|--|-------|-----------------------------|------------------------------|----------------------------------|-----------------------------------|-----------------------------------|--|--|---|-------------------------------------|------------------------|----------------|---------------|
| Year   | Month | Deposits of BH Institutions | Entity Governments' Deposits | Deposits of Cantonal Governments | Deposits of Municipal Governments | Deposits of Social Security Funds | Deposits of Other Financial Institutions | Deposits of Non-financial Public Enterprises | Deposits of Non-financial Private Enterprises | Deposits of Nonprofit Organisations | Deposits of Households | Other Deposits | Total         |
| 1  | 2     | 3                           | 4                            | 5                                | 6                                 | 7                                 | 8  | 9  | 10  | 11                                  | 12                     | 13             | 14 = 3+...+13 |
| 2015   | 12    | 129.7                       | 224.7                        | 25.0                             | 36.3                              | 31.9                              | 693.0                                    | 688.7  | 501.9   | 120.7                               | 7,023.2                | 17.0           | 9,492.1       |
| 2016   | 12    | 73.4                        | 226.3                        | 26.4                             | 22.3                              | 34.7                              | 771.4                                    | 695.9  | 474.2   | 123.4                               | 7,229.7                | 17.6           | 9,695.5       |
| 2017   | 12    | 116.6                       | 243.8                        | 24.3                             | 34.4                              | 22.9                              | 816.8                                    | 766.7  | 554.4   | 102.6                               | 7,412.8                | 15.7           | 10,111.0      |
| 2018   | 12    | 62.6                        | 267.5                        | 41.9                             | 37.4                              | 16.7                              | 873.7                                    | 758.4  | 627.8   | 95.7                                | 7,622.7                | 26.9           | 10,431.3      |
| 2019   | 12    | 51.7                        | 582.1                        | 90.8                             | 51.2                              | 28.8                              | 870.8                                    | 826.0  | 615.4   | 102.4                               | 7,998.1                | 36.6           | 11,253.8      |
| 2020   | 12    | 85.7                        | 725.0                        | 30.1                             | 25.4                              | 28.8                              | 768.5                                    | 791.5  | 688.8   | 93.3                                | 7,868.4                | 25.3           | 11,130.7      |
| 2021   | 12    | 38.0                        | 714.1                        | 33.6                             | 24.0                              | 29.7                              | 764.3                                    | 789.4  | 770.1   | 91.9                                | 7,778.2                | 36.4           | 11,069.7      |
| 2022   | 12    | 81.1                        | 636.0                        | 46.8                             | 35.7                              | 23.7                              | 741.7                                    | 954.4  | 756.7   | 88.4                                | 7,065.4                | 88.4           | 10,518.3      |
| 2023   | 12    | 70.7                        | 660.7                        | 58.9                             | 36.3                              | 133.1                             | 758.1                                    | 929.7  | 1,044.5                                       | 91.5                                | 7,217.9                | 64.6           | 11,066.0      |
| 2024   | 12    | 72.8                        | 438.4                        | 62.7                             | 16.8                              | 122.8                             | 781.6                                    | 1,035.1                                      | 1,340.2                                       | 107.3                               | 7,509.3                | 85.7           | 11,572.7      |
| 2024   | 01    | 57.8                        | 651.6                        | 76.5                             | 37.3                              | 136.6                             | 758.1                                    | 875.0  | 1,050.6                                       | 90.9                                | 7,248.5                | 64.2           | 11,047.0      |
|  | 02    | 48.0                        | 532.1                        | 76.1                             | 37.2                              | 121.4                             | 734.9                                    | 1,030.0                                      | 1,022.0                                       | 92.1                                | 7,327.4                | 62.8           | 11,084.0      |
|  | 03    | 40.6                        | 415.2                        | 74.4                             | 36.7                              | 118.2                             | 740.4                                    | 1,080.6                                      | 1,041.8                                       | 87.2                                | 7,330.9                | 61.7           | 11,027.7      |
|  | 04    | 36.1                        | 421.7                        | 78.7                             | 15.9                              | 117.7                             | 747.0                                    | 1,027.8                                      | 1,117.5                                       | 88.9                                | 7,332.5                | 61.2           | 11,045.0      |
|  | 05    | 30.4                        | 415.6                        | 79.4                             | 18.5                              | 116.4                             | 741.6                                    | 1,021.3                                      | 1,119.1                                       | 89.6                                | 7,318.2                | 84.7           | 11,034.6      |
|  | 06    | 43.8                        | 418.6                        | 88.3                             | 17.9                              | 126.0                             | 743.5                                    | 1,099.2                                      | 1,137.4                                       | 94.8                                | 7,306.0                | 85.5           | 11,161.0      |
|  | 07    | 168.2                       | 423.1                        | 89.1                             | 20.6                              | 128.5                             | 769.6                                    | 979.3  | 1,125.4                                       | 93.6                                | 7,308.2                | 80.6           | 11,186.1      |
|  | 08    | 154.4                       | 430.8                        | 87.5                             | 19.8                              | 127.7                             | 766.8                                    | 988.9  | 1,152.1                                       | 95.1                                | 7,335.1                | 81.1           | 11,239.3      |
|  | 09    | 152.5                       | 432.0                        | 87.7                             | 18.1                              | 123.6                             | 755.2                                    | 1,006.9                                      | 1,226.8                                       | 105.0                               | 7,346.2                | 84.7           | 11,338.9      |
|  | 10    | 138.0                       | 425.2                        | 88.6                             | 18.6                              | 129.5                             | 761.4                                    | 1,005.5                                      | 1,310.4                                       | 104.1                               | 7,424.4                | 81.1           | 11,486.8      |
|  | 11    | 113.5                       | 436.7                        | 77.0                             | 18.7                              | 137.4                             | 771.6                                    | 1,006.9                                      | 1,315.9                                       | 104.5                               | 7,449.1                | 86.0           | 11,517.2      |
|  | 12    | 72.8                        | 438.4                        | 62.7                             | 16.8                              | 122.8                             | 781.6                                    | 1,035.1                                      | 1,340.2                                       | 107.3                               | 7,509.3                | 85.7           | 11,572.7      |

**Note:**

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

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

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

See note on page 196.



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

- end of period, in KM million -

| LOANS TO DOMESTIC INSTITUTIONAL SECTORS |       |                          |                             |                               |                                |                                |                                       |   |  |                                   |                     |             |               |
|---|-------|--------------------------|-----------------------------|-------------------------------|--------------------------------|--------------------------------|---------------------------------------|---|--|-----------------------------------|---------------------|-------------|---------------|
| Year                                    | Month | Loans to BH Institutions | Loans to Entity Governments | Loans to Cantonal Governments | Loans to Municipal Governments | Loans to Social Security Funds | Loans to Other Financial Institutions | Loans to Non-financial Public Enterprises | Loans to Non-financial Private Enterprises | Loans to Non-profit Organizations | Loans to Households | Other Loans | Total         |
| 1                                       | 2     | 3                        | 4                           | 5                             | 6                              | 7                              | 8                                     | 9   | 10   | 11                                | 12                  | 13          | 14 = 3+...+13 |
| 2015                                    | 12    | 0.0                      | 72.0                        | 4.8                           | 22.0                           | 39.4                           | 28.3                                  | 86.4                                      | 2,944.8                                    | 4.2                               | 937.0               | 26.0        | 4,164.9       |
| 2016                                    | 12    | 0.0                      | 48.0                        | 1.6                           | 19.8                           | 8.5                            | 27.2                                  | 90.4                                      | 3,030.0                                    | 7.2                               | 904.9               | 14.9        | 4,152.6       |
| 2017                                    | 12    | 0.0                      | 44.3                        | 1.4                           | 15.7                           | 7.8                            | 33.8                                  | 73.2                                      | 3,163.2                                    | 10.2                              | 896.4               | 15.4        | 4,261.5       |
| 2018                                    | 12    | 0.0                      | 60.2                        | 1.1                           | 12.8                           | 4.3                            | 40.6                                  | 89.6                                      | 3,151.5                                    | 6.2                               | 911.3               | 12.1        | 4,289.8       |
| 2019                                    | 12    | 0.0                      | 17.3                        | 0.1                           | 12.5                           | 2.0                            | 49.3                                  | 104.1                                     | 3,537.7                                    | 6.8                               | 919.8               | 1.7         | 4,651.2       |
| 2020                                    | 12    | 0.0                      | 19.0                        | 0.1                           | 16.7                           | 5.7                            | 33.7                                  | 103.4                                     | 3,282.5                                    | 10.8                              | 821.8               | 1.3         | 4,295.1       |
| 2021                                    | 12    | 1.6                      | 53.2                        | 1.4                           | 25.0                           | 4.3                            | 48.4                                  | 101.7                                     | 3,341.1                                    | 9.2                               | 810.1               | 0.8         | 4,396.9       |
| 2022                                    | 12    | 0.1                      | 52.2                        | 1.7                           | 15.7                           | 4.8                            | 41.6                                  | 176.7                                     | 3,503.1                                    | 12.7                              | 813.2               | 1.4         | 4,623.0       |
| 2023                                    | 12    | 3.0                      | 52.9                        | 0.7                           | 13.2                           | 7.2                            | 51.8                                  | 185.1                                     | 3,813.2                                    | 14.9                              | 854.7               | 1.6         | 4,998.2       |
| 2024                                    | 12    | 3.8                      | 59.6                        | 3.0                           | 16.2                           | 3.6                            | 59.3                                  | 199.8                                     | 4,040.5                                    | 8.2                               | 859.6               | 1.9         | 5,255.5       |
| 2024                                    | 01    | 3.0                      | 53.3                        | 1.2                           | 14.1                           | 7.1                            | 50.7                                  | 117.8                                     | 3,626.7                                    | 13.7                              | 850.9               | 0.7         | 4,739.1       |
|   | 02    | 3.1                      | 52.9                        | 2.4                           | 12.9                           | 6.8                            | 47.1                                  | 108.4                                     | 3,733.4                                    | 13.4                              | 840.0               | 0.8         | 4,821.1       |
|   | 03    | 3.2                      | 54.7                        | 1.9                           | 15.0                           | 6.6                            | 65.3                                  | 119.7                                     | 3,831.0                                    | 13.6                              | 854.6               | 1.3         | 4,966.8       |
|   | 04    | 3.2                      | 52.7                        | 1.9                           | 15.1                           | 6.4                            | 60.1                                  | 111.4                                     | 3,952.7                                    | 14.3                              | 838.4               | 0.8         | 5,057.1       |
|   | 05    | 3.3                      | 46.0                        | 2.2                           | 15.0                           | 6.2                            | 52.2                                  | 121.1                                     | 3,985.4                                    | 15.6                              | 850.9               | 0.8         | 5,098.6       |
|   | 06    | 3.4                      | 52.8                        | 2.9                           | 15.5                           | 6.0                            | 47.3                                  | 126.5                                     | 4,020.7                                    | 8.4                               | 850.2               | 2.8         | 5,136.4       |
|   | 07    | 3.4                      | 52.8                        | 2.8                           | 15.4                           | 5.8                            | 42.9                                  | 127.5                                     | 3,986.2                                    | 9.0                               | 867.4               | 2.1         | 5,115.1       |
|   | 08    | 3.5                      | 31.1                        | 2.8                           | 15.5                           | 5.6                            | 49.2                                  | 122.8                                     | 3,977.1                                    | 8.9                               | 871.4               | 2.1         | 5,089.9       |
|   | 09    | 3.6                      | 45.9                        | 2.8                           | 17.4                           | 5.4                            | 47.3                                  | 122.5                                     | 4,038.4                                    | 7.9                               | 878.9               | 2.1         | 5,172.0       |
|   | 10    | 3.6                      | 38.4                        | 3.6                           | 17.2                           | 5.1                            | 40.3                                  | 112.7                                     | 4,066.9                                    | 7.1                               | 869.3               | 1.6         | 5,165.9       |
|   | 11    | 3.7                      | 31.6                        | 3.0                           | 16.7                           | 4.9                            | 45.8                                  | 120.5                                     | 4,042.0                                    | 8.4                               | 874.8               | 2.0         | 5,153.5       |
|   | 12.   | 3.8                      | 59.6                        | 3.0                           | 16.2                           | 3.6                            | 59.3                                  | 199.8                                     | 4,040.5                                    | 8.2                               | 859.6               | 1.9         | 5,255.5       |

**Note:**

Short – terms loans represent claims of commercial banks on all domestic institutional sectors up to one year, in domestic and foreign currency.

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

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

See note on page 196.

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

- end of period, in KM million -

| LOANS TO ALL DOMESTIC INSTITUTIONAL SECTORS |       |                          |                             |                               |                                |                                |                                       |  |  |                                   |                     |             |               |
|---|-------|--------------------------|-----------------------------|-------------------------------|--------------------------------|--------------------------------|---------------------------------------|--|--|-----------------------------------|---------------------|-------------|---------------|
| Year  | Month | Loans to BH Institutions | Loans to Entity Governments | Loans to Cantonal Governments | Loans to Municipal Governments | Loans to Social Security Funds | Loans to other Financial Institutions | Loans to Nonfinancial Public Enterprises | Loans to Non-financial Private Enterprises | Loans to Non-profit Organizations | Loans to Households | Other Loans | Total         |
| 1   | 2     | 3                        | 4                           | 5                             | 6                              | 7                              | 8                                     | 9  | 10   | 11                                | 12                  | 13          | 14 = 3+...+13 |
| 2015  | 12    | 0.0                      | 418.3                       | 225.5                         | 281.7                          | 99.0                           | 31.8                                  | 310.3                                    | 4,473.4                                    | 12.5                              | 6,847.2             | 2.2         | 12,701.9      |
| 2016  | 12    | 0.0                      | 295.5                       | 231.5                         | 262.0                          | 95.7                           | 25.2                                  | 281.5                                    | 4,673.3                                    | 11.9                              | 7,171.4             | 0.5         | 13,048.5      |
| 2017  | 12    | 0.0                      | 333.7                       | 207.8                         | 276.3                          | 79.5                           | 49.6                                  | 328.4                                    | 5,156.5                                    | 11.6                              | 7,717.3             | 0.2         | 14,160.9      |
| 2018  | 12    | 0.0                      | 328.5                       | 185.7                         | 279.4                          | 169.9                          | 85.0                                  | 331.7                                    | 5,471.5                                    | 14.1                              | 8,330.0             | 0.4         | 15,196.1      |
| 2019  | 12    | 0.0                      | 399.2                       | 168.6                         | 301.0                          | 197.5                          | 95.3                                  | 393.5                                    | 5,496.3                                    | 13.8                              | 9,055.8             | 0.5         | 16,121.5      |
| 2020  | 12    | 11.6                     | 403.1                       | 142.1                         | 357.4                          | 205.5                          | 111.1                                 | 432.3                                    | 5,305.9                                    | 9.7                               | 9,073.0             | 0.7         | 16,052.3      |
| 2021  | 12    | 14.5                     | 353.7                       | 185.8                         | 350.9                          | 189.8                          | 104.3                                 | 409.0                                    | 5,435.7                                    | 11.1                              | 9,625.4             | 0.2         | 16,680.4      |
| 2022  | 12    | 8.8                      | 306.5                       | 202.1                         | 365.2                          | 165.8                          | 118.4                                 | 449.5                                    | 5,652.4                                    | 10.7                              | 10,165.2            | 0.4         | 17,445.0      |
| 2023  | 12    | 3.0                      | 230.7                       | 266.1                         | 360.3                          | 173.3                          | 154.2                                 | 432.0                                    | 5,954.5                                    | 19.7                              | 10,931.3            | 0.9         | 18,525.8      |
| 2024  | 12    | 0.0                      | 256.3                       | 301.2                         | 424.8                          | 223.9                          | 216.5                                 | 497.0                                    | 6,608.0                                    | 21.8                              | 12,020.1            | 0.6         | 20,570.2      |
| 2024  | 01    | 2.9                      | 229.1                       | 263.7                         | 357.0                          | 170.8                          | 148.4                                 | 489.6                                    | 6,087.4                                    | 19.4                              | 10,958.5            | 0.8         | 18,727.8      |
|   | 02    | 2.8                      | 225.3                       | 261.2                         | 355.2                          | 166.6                          | 149.6                                 | 486.5                                    | 6,126.5                                    | 20.2                              | 11,048.7            | 0.8         | 18,843.3      |
|   | 03    | 2.7                      | 247.0                       | 256.6                         | 363.6                          | 163.6                          | 154.4                                 | 477.9                                    | 6,225.6                                    | 19.4                              | 11,170.7            | 0.8         | 19,082.2      |
|   | 04    | 2.6                      | 243.7                       | 254.9                         | 365.7                          | 160.7                          | 157.7                                 | 468.4                                    | 6,242.9                                    | 19.3                              | 11,300.1            | 0.7         | 19,216.7      |
|   | 05    | 0.0                      | 242.4                       | 253.1                         | 379.6                          | 178.1                          | 167.2                                 | 458.3                                    | 6,319.5                                    | 19.0                              | 11,414.4            | 0.8         | 19,432.4      |
|   | 06    | 0.0                      | 236.4                       | 247.0                         | 390.6                          | 175.6                          | 197.5                                 | 451.0                                    | 6,426.7                                    | 27.2                              | 11,522.2            | 0.8         | 19,674.8      |
|   | 07    | 0.0                      | 263.9                       | 246.1                         | 410.0                          | 208.1                          | 199.0                                 | 464.6                                    | 6,456.5                                    | 26.0                              | 11,629.6            | 0.7         | 19,904.5      |
|   | 08    | 0.0                      | 260.1                       | 245.6                         | 415.4                          | 220.4                          | 193.5                                 | 454.0                                    | 6,445.8                                    | 25.0                              | 11,704.2            | 0.7         | 19,964.7      |
|   | 09    | 0.0                      | 253.0                       | 239.4                         | 425.3                          | 222.3                          | 197.9                                 | 449.1                                    | 6,444.6                                    | 24.2                              | 11,785.1            | 0.7         | 20,041.6      |
|   | 10    | 0.0                      | 246.0                       | 286.6                         | 423.9                          | 238.3                          | 197.7                                 | 445.4                                    | 6,450.3                                    | 23.0                              | 11,890.8            | 0.6         | 20,202.6      |
|   | 11    | 0.0                      | 260.1                       | 305.2                         | 422.7                          | 235.0                          | 216.0                                 | 453.8                                    | 6,548.4                                    | 22.2                              | 11,957.7            | 0.6         | 20,421.6      |
|   | 12    | 0.0                      | 256.3                       | 301.2                         | 424.8                          | 223.9                          | 216.5                                 | 497.0                                    | 6,608.0                                    | 21.8                              | 12,020.1            | 0.6         | 20,570.2      |

**Note:**

Long – terms loans represent claims of commercial banks on all domestic institutional sectors over one year in domestic and foreign currency.

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

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

| T19: Purchase and Sale of Convertible Mark |       |            |            |           | - in KM thousand - |
|--|-------|------------|------------|-----------|--------------------|
| Year                                       | Month | Sale       | Purchase   | Balance   | Cumulative Balance |
| 1  | 2     | 3          | 4          | 5(3-4)    | 6                  |
| 2015                                       |       | 5,470,552  | 4,699,060  | 771,492   | 7,599,818          |
| 2016                                       |       | 7,485,849  | 6,622,039  | 863,811   | 8,463,629          |
| 2017                                       |       | 8,476,378  | 7,421,186  | 1,055,192 | 9,518,821          |
| 2018                                       |       | 10,792,432 | 9,780,514  | 1,011,918 | 10,530,740         |
| 2019                                       |       | 11,385,556 | 10,533,525 | 852,031   | 11,382,771         |
| 2020                                       |       | 11,344,462 | 10,184,558 | 1,159,904 | 12,542,676         |
| 2021                                       |       | 9,872,890  | 7,399,673  | 2,473,217 | 15,015,893         |
| 2022                                       |       | 6,291,277  | 6,075,689  | 215,588   | 15,231,481         |
| 2023                                       |       | 10,891,324 | 11,128,647 | -237,323  | 14,994,158         |
| 2024                                       |       | 16,579,730 | 16,327,122 | 252,608   | 15,246,766         |
| 2024                                       | 01    | 923,995    | 1,476,724  | -552,729  | 14,441,428         |
|  | 02    | 1,268,309  | 1,146,704  | 121,605   | 14,563,034         |
|  | 03    | 1,261,289  | 1,290,283  | -28,994   | 14,534,040         |
|  | 04    | 1,197,819  | 1,346,211  | -148,392  | 14,385,648         |
|  | 05    | 1,080,066  | 1,255,863  | -175,797  | 14,209,851         |
|  | 06    | 1,500,904  | 1,006,172  | 494,732   | 14,704,583         |
|  | 07    | 1,308,750  | 1,433,509  | -124,759  | 14,579,825         |
|  | 08    | 1,589,906  | 1,394,415  | 195,492   | 14,775,316         |
|  | 09    | 1,434,881  | 1,279,883  | 154,998   | 14,930,314         |
|  | 10    | 1,690,986  | 1,608,684  | 82,302    | 15,012,616         |
|  | 11    | 1,529,848  | 1,561,822  | -31,974   | 14,980,641         |
|  | 12    | 1,792,977  | 1,526,852  | 266,125   | 15,246,766         |

| T20: Average Reserve Requirements |       |  |                             |  | - in KM thousand - |
|-----------------------------------|-------|--|-----------------------------|--|--------------------|
| Year                              | Month | Base for Required Reserve Calculation* | Average Reserve Requirement | Average Balance on the Required Reserve Accounts with the CBBH | Balance            |
| 1                                 | 2     | 3                                      | 4                           | 5  | 6=5-4              |
| 2015                              |       | 16,664,525                             | 1,432,593                   | 3,770,500  | 2,337,907          |
| 2016                              |       | 18,494,243                             | 1,734,081                   | 4,057,613  | 2,323,532          |
| 2017                              |       | 21,224,853                             | 2,122,485                   | 4,303,340  | 2,180,855          |
| 2018                              |       | 23,537,084                             | 2,353,708                   | 5,205,234  | 2,851,526          |
| 2019                              |       | 25,752,968                             | 2,575,297                   | 5,589,021  | 3,013,724          |
| 2020                              |       | 26,950,173                             | 2,695,017                   | 5,409,751  | 2,714,733          |
| 2021                              |       | 28,677,192                             | 2,867,719                   | 6,302,482  | 3,434,762          |
| 2022                              |       | 30,175,606                             | 3,017,561                   | 6,694,300  | 3,676,739          |
| 2023                              |       | 31,917,917                             | 3,191,792                   | 6,209,280  | 3,017,489          |
| 2024                              |       | 34,288,506                             | 3,428,851                   | 5,868,504  | 2,439,654          |
| 2024                              | 01    | 33,155,290                             | 3,315,529                   | 6,099,126  | 2,783,596          |
|                                   | 02    | 33,258,883                             | 3,325,888                   | 6,067,446  | 2,741,558          |
|                                   | 03    | 33,426,731                             | 3,342,673                   | 6,118,268  | 2,775,595          |
|                                   | 04    | 33,702,390                             | 3,370,239                   | 5,868,899  | 2,498,660          |
|                                   | 05    | 33,811,734                             | 3,381,173                   | 5,775,844  | 2,394,670          |
|                                   | 06    | 33,795,446                             | 3,379,545                   | 5,750,648  | 2,371,104          |
|                                   | 07    | 34,366,614                             | 3,436,661                   | 5,710,881  | 2,274,219          |
|                                   | 08    | 34,837,268                             | 3,483,727                   | 5,813,333  | 2,329,606          |
|                                   | 09    | 35,000,753                             | 3,500,075                   | 5,863,661  | 2,363,586          |
|                                   | 10    | 35,088,969                             | 3,508,897                   | 5,662,527  | 2,153,630          |
|                                   | 11    | 35,310,747                             | 3,531,075                   | 5,727,856  | 2,196,781          |
|                                   | 12    | 35,707,247                             | 3,570,725                   | 5,963,562  | 2,392,837          |

**Note:**

The Central Bank of Bosnia and Herzegovina (CBBH) made a Decision on increase of remuneration paid to commercial banks on required reserve, with purpose of harmonisation with the European Central Bank (ECB) policy and mitigating the impact of the ECB benchmark interest rate growth on bank operations in BH. According to this Decision, commercial banks will be remunerated at the rate of 50 basis points (0.50%) on required reserve holdings with the base in local currency KM, and at the rate of 30 basis points (0.30%) on required reserve holdings with the base in foreign currencies and local currency with currency indexation. Remuneration will not be paid for holdings exceeding reserve requirement. When making a CBBH decision on required reserve, all relevant factors were considered, including decisions of the ECB, and trends of key macroeconomic and financial sector indicators, taking care primarily of the currency board stability. The Decision will be applied from 01 July 2023.

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

From 1 July 2016, the CBBH applies the new rates for the calculation of fees to the funds in the banks' reserves accounts: in the accounting period, the Central Bank does not charge a fee on the amount of required reserves in commercial banks' reserves accounts, and on the amount of excess reserves, the CBBH charges the fee at the rate equal to 50% of the rate applied to commercial banks' deposits (deposit facility rate) by the European Central Bank.

From 01 May 2015, the Central Bank has calculated the compensation for a bank on the amount of the bank's funds in the reserve account with the Central Bank in the calculation period, as it follows:

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

-on the amount of the funds exceeding the reserve requirement – zero rate of compensation.

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

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

\*The base for calculation of required reserves includes deposits and borrowed funds in domestic and other currency expressed in KM.

## T21: Payments System Transactions

- in KM million -

| Year | Month | RTGS                   |         | GYRO CLEARING          |        | TOTAL                  |         |
|------|-------|------------------------|---------|------------------------|--------|------------------------|---------|
|      |       | Number of Transactions | Amount  | Number of Transactions | Amount | Number of Transactions | Amount  |
|      |       | 3                      | 4       | 5                      | 6      | 7=3+5                  | 8=4+6   |
| 2015 |       | 874,575                | 70,655  | 38,212,073             | 14,451 | 39,086,648             | 85,106  |
| 2016 |       | 935,319                | 72,876  | 39,068,883             | 15,509 | 40,004,202             | 88,380  |
| 2017 |       | 996,043                | 79,855  | 40,111,318             | 16,388 | 41,107,361             | 96,243  |
| 2018 |       | 1,067,256              | 85,393  | 41,266,770             | 17,277 | 42,334,026             | 102,670 |
| 2019 |       | 1,105,320              | 104,826 | 42,496,286             | 18,221 | 43,601,606             | 123,056 |
| 2020 |       | 1,072,023              | 87,108  | 42,702,383             | 18,024 | 43,774,406             | 105,132 |
| 2021 |       | 1,236,315              | 102,287 | 46,735,411             | 20,116 | 47,971,726             | 122,403 |
| 2022 |       | 1,435,980              | 123,370 | 48,264,255             | 22,456 | 49,700,235             | 145,825 |
| 2023 |       | 1,523,992              | 139,164 | 49,298,196             | 23,932 | 50,822,188             | 163,096 |
| 2024 |       | 1,706,358              | 157,141 | 51,691,850             | 25,901 | 53,398,208             | 183,042 |
| 2024 | 01    | 119,586                | 11,045  | 3,883,552              | 1,848  | 4,003,138              | 12,893  |
|      | 02    | 131,959                | 11,815  | 4,149,441              | 2,018  | 4,281,400              | 13,833  |
|      | 03    | 135,486                | 12,244  | 4,128,819              | 2,042  | 4,264,305              | 14,286  |
|      | 04    | 147,625                | 13,338  | 4,472,522              | 2,248  | 4,620,147              | 15,586  |
|      | 05    | 139,259                | 12,301  | 4,272,406              | 2,104  | 4,411,665              | 14,405  |
|      | 06    | 135,004                | 12,755  | 4,083,930              | 2,031  | 4,218,934              | 14,786  |
|      | 07    | 151,789                | 13,827  | 4,661,804              | 2,325  | 4,813,593              | 16,152  |
|      | 08    | 141,501                | 13,167  | 4,216,653              | 2,166  | 4,358,154              | 15,333  |
|      | 09    | 141,330                | 13,155  | 4,264,088              | 2,145  | 4,405,418              | 15,300  |
|      | 10    | 152,821                | 13,687  | 4,605,546              | 2,328  | 4,758,367              | 16,015  |
|      | 11    | 142,571                | 12,869  | 4,199,482              | 2,162  | 4,342,053              | 15,032  |
|      | 12    | 167,427                | 16,937  | 4,753,607              | 2,484  | 4,921,034              | 19,421  |

| T22: BH Balance of Payments                              |               |               |               |               |             |             |             |               |               |               | - in KM million - |             |             |             |
|--|---------------|---------------|---------------|---------------|-------------|-------------|-------------|---------------|---------------|---------------|-------------------|-------------|-------------|-------------|
|  | 2015          | 2016          | 2017          | 2018          | 2019        | 2020        | 2021        | 2022          | 2023          | 2024          | Q1 2024           | Q2 2024     | Q3 2024     | Q4 2024     |
| <b>CURRENT ACCOUNT</b>                                   | <b>-1,458</b> | <b>-1,424</b> | <b>-1,520</b> | <b>-1,094</b> | <b>-927</b> | <b>-980</b> | <b>-579</b> | <b>-2,001</b> | <b>-1,157</b> | <b>-2,129</b> | <b>-1,011</b>     | <b>-510</b> | <b>-128</b> | <b>-480</b> |
| Goods - balance  | -7,176        | -7,089        | -7,417        | -7,521        | -7,963      | -6,268      | -7,170      | -10,183       | -10,259       | -11,077       | -2,854            | -2,919      | -3,027      | -2,946      |
| Exports of goods   | 7,196         | 7,700         | 9,341         | 10,418        | 10,180      | 9,423       | 12,710      | 16,368        | 15,507        | 14,992        | 3,518             | 3,852       | 3,825       | 3,992       |
| Imports of goods   | 14,372        | 14,789        | 16,758        | 17,940        | 18,143      | 15,691      | 19,880      | 26,551        | 25,766        | 26,069        | 6,372             | 6,771       | 6,853       | 6,938       |
| Services - balance                                       | 1,951         | 2,118         | 2,329         | 2,612         | 2,797       | 1,636       | 2,827       | 3,983         | 4,391         | 4,395         | 795               | 1,056       | 1,445       | 1,108       |
| Exports of services                                      | 2,962         | 3,168         | 3,484         | 3,832         | 4,149       | 2,590       | 4,053       | 5,669         | 6,424         | 6,478         | 1,212             | 1,601       | 2,309       | 1,628       |
| Imports of services                                      | 1,012         | 1,051         | 1,154         | 1,220         | 1,352       | 954         | 1,226       | 1,686         | 2,033         | 2,083         | 417               | 546         | 864         | 520         |
| Primary income - balance                                 | 195           | 41            | -263          | -195          | -60         | -192        | -499        | -598          | -288          | -193          | -57               | -26         | 42          | -120        |
| Credit   | 929           | 929           | 969           | 1,026         | 1,197       | 935         | 1,193       | 1,437         | 1,948         | 2,107         | 554               | 610         | 606         | 592         |
| Debit  | 734           | 889           | 1,233         | 1,221         | 1,258       | 1,128       | 1,692       | 2,034         | 2,236         | 2,300         | 611               | 635         | 563         | 712         |
| Secondary income - balance                               | 3,573         | 3,507         | 3,831         | 4,010         | 4,299       | 3,844       | 4,263       | 4,798         | 4,999         | 5,055         | 1,106             | 1,379       | 1,412       | 1,478       |
| Credit   | 3,909         | 3,852         | 4,192         | 4,404         | 4,711       | 4,277       | 4,727       | 5,305         | 5,625         | 5,717         | 1,290             | 1,568       | 1,586       | 1,647       |
| Debit  | 336           | 345           | 362           | 394           | 412         | 433         | 464         | 508           | 626           | 662           | 185               | 189         | 174         | 169         |
| <b>CAPITAL ACCOUNT</b>                                   | <b>364</b>    | <b>300</b>    | <b>342</b>    | <b>305</b>    | <b>384</b>  | <b>361</b>  | <b>350</b>  | <b>325</b>    | <b>323</b>    | <b>334</b>    | <b>81</b>         | <b>88</b>   | <b>105</b>  | <b>86</b>   |
| Credit   | 364           | 300           | 342           | 311           | 386         | 369         | 354         | 328           | 330           | 340           | 83                | 89          | 106         | 87          |
| Debit  | 0             | 0             | 0             | 6             | 2           | 8           | 4           | 4             | 8             | 7             | 2                 | 2           | 2           | 2           |
| <b>FINANCIAL ACCOUNT</b>                                 | <b>-885</b>   | <b>-817</b>   | <b>-898</b>   | <b>-801</b>   | <b>-590</b> | <b>-878</b> | <b>-159</b> | <b>-1,555</b> | <b>-416</b>   | <b>-873</b>   | <b>-813</b>       | <b>-663</b> | <b>127</b>  | <b>-182</b> |
| Direct investment  | -509          | -550          | -717          | -960          | -739        | -699        | -1,098      | -1,429        | -1,689        | -1,737        | -561              | -335        | -511        | -487        |
| Net acquisition of financial assets                      | 167           | 5             | 173           | 32            | 38          | 138         | 150         | 146           | 183           | 229           | 32                | 60          | 3           | 49          |
| Net incurrence of liabilities                            | 675           | 555           | 890           | 992           | 777         | 837         | 1,248       | 1,575         | 1,872         | 1,966         | 593               | 395         | 514         | 535         |
| Portfolio investment                                     | 110           | 167           | 157           | 256           | 214         | 4           | 82          | 261           | 449           | 420           | -8                | 196         | 139         | 68          |
| Net acquisition of financial assets                      | 51            | 99            | 92            | 254           | 179         | -26         | 349         | 246           | 409           | 373           | -14               | 196         | 138         | 69          |
| Net incurrence of liabilities                            | -58           | -68           | -64           | -2            | -35         | -30         | 267         | -15           | -40           | -46           | -6                | 0           | 0           | 2           |
| Financial derivatives                                    | 0             | 1             | 1             | -5            | -1          | 0           | 1           | 0             | 2             | -1            | 0                 | 1           | -2          | 2           |
| Net acquisition of financial assets                      | 0             | 0             | -4            | -7            | -12         | -7          | -3          | -4            | -2            | -2            | 0                 | 0           | -2          | -1          |
| Net incurrence of liabilities                            | 0             | -1            | -5            | -2            | -11         | -7          | -4          | -4            | -4            | -1            | 0                 | -1          | -1          | -2          |
| Other Investments  | -1,366        | -1,365        | -1,473        | -1,205        | -999        | -1,430      | -1,839      | -530          | 770           | -207          | 51                | -1,009      | 310         | -472        |
| Net acquisition of financial assets                      | -417          | -294          | -690          | 286           | -12         | -218        | -76         | 722           | 1,135         | 469           | 249               | -154        | 727         | -131        |
| Currency and deposits                                    | -366          | -316          | -547          | -59           | -28         | -272        | -220        | 315           | 742           | 201           | 192               | -237        | 598         | -239        |
| Loans  | -80           | -74           | -289          | 223           | -90         | -13         | -2          | 71            | 43            | -47           | -14               | -4          | 38          | 28          |
| Insurance and pension                                    | -75           | 20            | 20            | 30            | 22          | 25          | 37          | 38            | 13            | 25            | 4                 | 9           | 8           | 2           |
| Trade credit and advances                                | 92            | 81            | 100           | 98            | 73          | 60          | 117         | 242           | 326           | 319           | 74                | 82          | 85          | 80          |
| Other financial assets                                   | 12            | -4            | 26            | -6            | 10          | -17         | -7          | 56            | 10            | -29           | -6                | -3          | -3          | -3          |
| Net incurrence of liabilities                            | 950           | 1,070         | 783           | 1,491         | 987         | 1,212       | 1,764       | 1,252         | 365           | 676           | 198               | 855         | 417         | 341         |
| Currency and deposits                                    | -58           | -107          | 69            | 393           | 75          | -811        | -294        | -143          | -283          | -79           | -78               | 380         | -1          | 83          |
| Loans  | 522           | 698           | 127           | 463           | 318         | 1,429       | 655         | 442           | -265          | -145          | 51                | 232         | 171         | 72          |
| Insurance and pension                                    | -8            | -4            | -5            | -10           | -10         | -5          | -5          | -9            | -16           | -16           | -2                | -4          | -5          | -8          |
| Trade credit and advances                                | 523           | 487           | 582           | 618           | 619         | 582         | 795         | 937           | 917           | 915           | 220               | 233         | 251         | 216         |
| Other financial assets (including the allocation of SDR) | -28           | -3            | 10            | 27            | -15         | 16          | 613         | 24            | 11            | 1             | 7                 | 13          | 0           | -23         |
| Reserve assets   | 881           | 930           | 1,136         | 1,114         | 935         | 1,246       | 2,695       | 142           | 52            | 651           | -295              | 483         | 191         | 707         |
| Monetary gold  | 0             | 0             | 0             | 0             | 0           | 0           | 0           | -162          | 0             | 0             | 0                 | 0           | 0           | 313         |
| Currency and deposits                                    | -1,121        | 2,033         | -230          | 253           | 238         | 549         | 441         | 4,432         | -63           | -1,242        | -1,558            | 189         | 253         | -357        |
| Securities   | 2,004         | -1,102        | 1,367         | 860           | 699         | 696         | 2,254       | -4,126        | 113           | 1,892         | 1,262             | 294         | -63         | 750         |
| Other reserve assets                                     | -1            | -1            | -1            | 1             | -2          | 1           | 0           | -2            | 2             | 1             | 1                 | 0           | 0           | 1           |
| <b>NET ERRORS AND OMISSIONS</b>                          | <b>209</b>    | <b>306</b>    | <b>281</b>    | <b>-12</b>    | <b>-46</b>  | <b>-259</b> | <b>69</b>   | <b>121</b>    | <b>418</b>    | <b>613</b>    | <b>117</b>        | <b>-241</b> | <b>150</b>  | <b>212</b>  |

**Note:**

The BH Balance of Payments is compiled in accordance with the IMF methodology (Balance of Payments and International Investment Position Manual, 6th edition – BPM6). Compilation of the Balance of Payments for the fourth quarter includes the regular revision of previously published quarterly data for current year in accordance with most recent available source data.

The detailed methodological information can be found on the web, at [www.cbbh.ba/statistics](http://www.cbbh.ba/statistics)

**T23: International Investment Position (IIP)****- in KM million -**

|  | 2015           | 2016           | 2017           | 2018           | 2019           | 2020           | 2021           | 2022           | 2023           | Q1 2024        | Q2 2024        | Q3 2024        | Q4 2024        |
|--|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| <b>NET POSITION</b>                                    | <b>-15,692</b> | <b>-15,282</b> | <b>-14,545</b> | <b>-14,100</b> | <b>-13,172</b> | <b>-11,633</b> | <b>-11,325</b> | <b>-11,898</b> | <b>-11,129</b> | <b>-11,581</b> | <b>-12,326</b> | <b>-11,972</b> | <b>-12,126</b> |
| <b>ASSETS</b>  | <b>14,597</b>  | <b>15,816</b>  | <b>17,045</b>  | <b>19,326</b>  | <b>21,021</b>  | <b>22,339</b>  | <b>25,305</b>  | <b>26,332</b>  | <b>28,474</b>  | <b>28,751</b>  | <b>29,194</b>  | <b>30,404</b>  | <b>31,085</b>  |
| Direct investment                                      | 878            | 933            | 1,157          | 1,268          | 1,245          | 1,389          | 1,536          | 1,682          | 1,862          | 1,896          | 1,956          | 1,958          | 2,005          |
| Equity and investment fund shares                      | 362            | 370            | 427            | 468            | 622            | 758            | 811            | 911            | 1,062          | 1,079          | 1,118          | 1,125          | 1,157          |
| Debt instruments                                       | 516            | 562            | 730            | 799            | 623            | 631            | 726            | 771            | 800            | 816            | 838            | 833            | 848            |
| Portfolio investment                                   | 582            | 674            | 764            | 1,018          | 1,203          | 1,180          | 1,519          | 1,762          | 2,169          | 2,155          | 2,353          | 2,493          | 2,564          |
| Equity and investment fund shares                      | 33             | 39             | 44             | 41             | 39             | 38             | 82             | 97             | 92             | 92             | 88             | 94             | 105            |
| Debt securities  | 550            | 635            | 720            | 977            | 1,164          | 1,141          | 1,437          | 1,665          | 2,077          | 2,063          | 2,265          | 2,399          | 2,459          |
| Financial derivatives                                  | 0              | 2              | 0              | 0              | 1              | 0              | 0              | 0              | 8              | 8              | 3              | 5              | 3              |
| Other investment                                       | 4,530          | 4,677          | 4,509          | 5,415          | 5,975          | 5,901          | 5,899          | 6,819          | 8,142          | 8,658          | 8,324          | 9,079          | 8,868          |
| Other equity   | 52             | 48             | 52             | 54             | 53             | 68             | 66             | 66             | 66             | 66             | 66             | 66             | 66             |
| Currency and deposits                                  | 2,870          | 3,127          | 3,191          | 3,952          | 4,350          | 4,297          | 4,244          | 4,807          | 5,790          | 6,259          | 5,865          | 6,521          | 6,225          |
| Loans  | 232            | 158            | 176            | 249            | 210            | 195            | 214            | 280            | 323            | 315            | 313            | 353            | 382            |
| Insurance, pension, and standardized guarantee schemes | 88             | 87             | 92             | 89             | 94             | 105            | 111            | 149            | 143            | 157            | 158            | 164            | 166            |
| Trade credit and advances                              | 1,026          | 990            | 943            | 1,021          | 1,199          | 1,195          | 1,227          | 1,422          | 1,703          | 1,748          | 1,814          | 1,873          | 1,925          |
| Other accounts receivable                              | 262            | 267            | 55             | 49             | 69             | 40             | 36             | 95             | 117            | 112            | 107            | 103            | 104            |
| Reserve assets   | 8,606          | 9,531          | 10,614         | 11,626         | 12,598         | 13,869         | 16,350         | 16,069         | 16,293         | 16,034         | 16,557         | 16,868         | 17,645         |
| Currency and deposits                                  | 1,132          | 3,165          | 2,935          | 3,188          | 3,426          | 3,975          | 4,416          | 8,847          | 8,784          | 7,227          | 7,416          | 7,667          | 7,315          |
| Securities   | 7,288          | 6,158          | 7,474          | 8,225          | 8,917          | 9,601          | 11,630         | 7,061          | 7,331          | 8,609          | 8,933          | 8,974          | 9,769          |
| Other reserve assets                                   | 186            | 208            | 205            | 212            | 254            | 293            | 305            | 161            | 178            | 198            | 208            | 227            | 561            |
| <b>LIABILITIES</b>                                     | <b>30,290</b>  | <b>31,098</b>  | <b>31,590</b>  | <b>33,426</b>  | <b>34,193</b>  | <b>33,972</b>  | <b>36,629</b>  | <b>38,229</b>  | <b>39,603</b>  | <b>40,332</b>  | <b>41,520</b>  | <b>42,376</b>  | <b>43,211</b>  |
| Direct investment                                      | 13,063         | 13,382         | 14,166         | 14,957         | 15,535         | 15,882         | 17,126         | 18,117         | 19,728         | 20,311         | 20,701         | 21,178         | 21,734         |
| Equity and investment fund shares                      | 9,516          | 9,698          | 10,517         | 11,364         | 11,663         | 11,842         | 13,865         | 14,473         | 15,746         | 16,168         | 16,540         | 16,969         | 17,417         |
| Debt instruments                                       | 3,547          | 3,684          | 3,649          | 3,592          | 3,872          | 4,039          | 3,261          | 3,644          | 3,982          | 4,143          | 4,161          | 4,209          | 4,317          |
| Portfolio investment                                   | 349            | 299            | 240            | 246            | 207            | 189            | 479            | 438            | 408            | 393            | 403            | 392            | 375            |
| Equity and investment fund shares                      | 56             | 79             | 93             | 98             | 99             | 121            | 167            | 121            | 97             | 92             | 92             | 91             | 91             |
| Debt securities  | 293            | 220            | 147            | 148            | 107            | 69             | 312            | 317            | 310            | 302            | 312            | 301            | 283            |
| Financial derivatives                                  | 0              | 2              | 0              | 0              | 1              | 2              | 0              | 0              | 0              | 0              | 2              | 17             | 12             |
| Other investment                                       | 16,878         | 17,416         | 17,184         | 18,223         | 18,451         | 17,899         | 19,024         | 19,674         | 19,467         | 19,627         | 20,414         | 20,788         | 21,090         |
| Other equity   | 47             | 26             | 29             | 36             | 47             | 48             | 78             | 118            | 99             | 99             | 99             | 98             | 97             |
| Currency and deposits                                  | 1,595          | 1,489          | 1,554          | 2,751          | 2,825          | 2,015          | 1,742          | 1,598          | 1,316          | 1,227          | 1,608          | 1,607          | 1,690          |
| Loans  | 12,632         | 13,074         | 12,890         | 12,494         | 12,527         | 12,785         | 13,445         | 14,028         | 13,751         | 13,819         | 14,073         | 14,296         | 14,373         |
| Insurance, pension, and standardized guarantee schemes | 18             | 19             | 22             | 23             | 24             | 27             | 30             | 33             | 33             | 35             | 36             | 37             | 37             |
| Trade credit and advances                              | 2,119          | 2,341          | 2,243          | 2,435          | 2,550          | 2,551          | 2,621          | 2,760          | 3,138          | 3,305          | 3,439          | 3,603          | 3,727          |
| Other accounts payable - other                         | 68             | 65             | 73             | 102            | 88             | 101            | 104            | 120            | 141            | 148            | 162            | 162            | 147            |
| Special drawing rights (Net incurrence of liabilities) | 401            | 401            | 374            | 382            | 389            | 373            | 1,005          | 1,017          | 988            | 994            | 998            | 985            | 1,019          |

**Note:**

International investment position (IIP) for BH is compiled in accordance with the latest International Monetary Fund Methodology for compilation of Balance of payments (BOP) and International investment position statistics, sixth edition (BPM6). Compilation of the International investment position for the fourth quarter includes the regular revision of previously published quarterly data for current year in accordance with most recent available source data. Shortened versions of the applied methodological approach for the compilation of BH IIP statistics are available on the CBBH website.



| T24: Government Sector Foreign Debt Servicing    |                |                |                |                |                |                  | - in KM thousand - |                |                  |
|--|----------------|----------------|----------------|----------------|----------------|------------------|--------------------|----------------|------------------|
| Creditor   | 2018           | 2019           | 2020           | 2021           | 2022           | 2023             | 2024               |                |                  |
|  |                |                |                |                |                |                  | Principal          | Interest       | Total            |
| <b>Public creditors</b>                          | <b>918,240</b> | <b>756,735</b> | <b>704,376</b> | <b>736,246</b> | <b>802,291</b> | <b>1,254,797</b> | <b>1,066,109</b>   | <b>266,701</b> | <b>1,332,810</b> |
| <b>International and regional organizations</b>  | <b>773,242</b> | <b>596,376</b> | <b>519,313</b> | <b>543,640</b> | <b>628,577</b> | <b>1,079,066</b> | <b>914,324</b>     | <b>245,692</b> | <b>1,160,016</b> |
| European Investment Bank                         | 98,079         | 100,344        | 118,727        | 118,059        | 124,156        | 165,828          | 112,646            | 75,673         | 188,319          |
| European Bank for Reconstr. and Development      | 117,528        | 118,638        | 119,313        | 138,464        | 122,823        | 162,323          | 128,698            | 46,022         | 174,720          |
| World Bank - IDA                                 | 130,584        | 144,276        | 162,458        | 119,356        | 200,712        | 233,033          | 212,226            | 11,191         | 223,417          |
| World Bank - IBRD <sup>1)</sup>                  | 52,785         | 64,732         | 70,914         | 92,155         | 77,647         | 96,641           | 77,179             | 42,750         | 119,929          |
| Council of Europe Development Bank <sup>1)</sup> | 5,390          | 5,817          | 8,166          | 8,050          | 8,349          | 9,502            | 8,526              | 1,664          | 10,189           |
| International Fund of Agriculture Development    | 4,033          | 4,157          | 4,149          | 5,544          | 7,642          | 8,145            | 6,668              | 1,952          | 8,620            |
| IMF  | 353,116        | 127,129        | 8,601          | 35,416         | 64,352         |                  |                    |                |                  |
| EUROFIMA   | 0              | 0              | 0              | 0              | 0              | 283,289          | 368,381            | 65,830         | 434,211          |
| European Commision                               | 11,726         | 31,284         | 26,986         | 26,595         | 22,897         | 120,306          | 0                  | 611            | 611              |
| <b>Government and government agencies</b>        | <b>144,997</b> | <b>160,359</b> | <b>185,063</b> | <b>192,606</b> | <b>173,714</b> | <b>175,731</b>   | <b>151,785</b>     | <b>21,008</b>  | <b>172,794</b>   |
| Paris Club <sup>1)</sup>                         | 46,256         | 50,203         | 53,425         | 57,303         | 34,533         | 37,736           | 37,573             | 3,847          | 41,421           |
| Saudi Development Fund                           | 9,895          | 10,380         | 10,408         | 10,225         | 9,062          | 10,379           | 9,211              | 2,269          | 11,481           |
| Other bilateral <sup>2)</sup>                    | 88,846         | 99,776         | 121,230        | 125,078        | 130,119        | 127,615          | 105,001            | 14,892         | 119,892          |
| <b>Private creditors</b>                         | <b>37,079</b>  | <b>36,897</b>  | <b>36,691</b>  | <b>36,468</b>  | <b>0</b>       | <b>142</b>       | <b>0</b>           | <b>0</b>       | <b>0</b>         |
| London Club <sup>1)</sup>                        | 37,079         | 36,897         | 36,691         | 36,468         | 0              | 142              | 0                  | 0              | 0                |
| <b>Total</b>                                     | <b>955,319</b> | <b>793,632</b> | <b>741,067</b> | <b>772,714</b> | <b>802,291</b> | <b>1,254,939</b> | <b>1,066,109</b>   | <b>266,701</b> | <b>1,332,810</b> |

**Source:**

BH Ministry of Finance and Treasury

<sup>1)</sup> Debt incurred before 1992<sup>2)</sup> Other bilateral contains the following creditors: Fortis Bank, Government of Japan, OPEC, KFW, Government of Spain, Export-Import Bank of Korea (EximBank), Austrian Bank, Belgium, Labor and Economy Bank (BAWAG), Raiffaisen Bank.

**T25: General government gross debt (Maastricht debt)****- end of period, in KM million -**

## GENERAL GOVERNMENT GROSS DEBT (Maastricht debt)

of which: EXTERNAL DEBT

| Year  | Securites other than shares | Loans    | Total    | Public creditors | Private creditors | Total external debt |
|-------|-----------------------------|----------|----------|------------------|-------------------|---------------------|
| 1     | 2                           | 3        | 4=2+3    | 5                | 6                 | 7=5+6               |
| 2015  | 2,418.4                     | 9,563.7  | 11,982.1 | 8,238.5          | 454.1             | 8,692.6             |
| 2016  | 2,478.2                     | 9,616.6  | 12,094.8 | 8,504.4          | 368.1             | 8,872.5             |
| 2017  | 2,351.8                     | 8,967.0  | 11,318.8 | 7,870.1          | 276.9             | 8,147.0             |
| 2018  | 2,325.5                     | 9,092.1  | 11,417.6 | 7,935.6          | 262.6             | 8,198.1             |
| 2019  | 2,423.3                     | 9,130.8  | 11,554.2 | 7,933.6          | 206.5             | 8,140.1             |
| 2020  | 2,715.6                     | 9,818.4  | 12,534.0 | 8,574.8          | 151.2             | 8,726.0             |
| 2021  | 2,974.9                     | 10,306.9 | 13,281.8 | 9,059.7          | 375.3             | 9,435.0             |
| 2022* | 3,082.2                     | 10,283.9 | 13,366.2 | 9,109.1          | 365.2             | 9,474.4             |
| 2023* | 3,487.8                     | 9,672.1  | 13,160.0 | 8,523.5          | 343.4             | 8,866.9             |

**Source:**

BH Ministry of finance and Treasury and CBBH

**Note:**

The statistical definition of debt is as defined in the Maastricht Treaty. The data are published on consolidated basis according to the Eurostat requirements.

\*Data for 2022 and 2023 has been revised.

**T26: Foreign Reserves of the CBBH****- end of period, in KM million -**

| Year | Month | Gross Foreign Reserves |                 |                                |                                 |       |                          |           | Net Foreign Reserves | Monetary Liabilities | Net Foreign Assets of CBBH |
|------|-------|------------------------|-----------------|--------------------------------|---------------------------------|-------|--------------------------|-----------|----------------------|----------------------|----------------------------|
|      |       | Gold                   | Holdings of SDR | Foreign Currency in CBBH Vault | Deposits with Nonresident Banks | Other | Investment in Securities | 9=3+...+8 |                      |                      |                            |
| 1    | 2     | 3                      | 4               | 5                              | 6                               | 7     | 8                        | 9=3+...+8 | 10                   | 11                   | 12=10-11                   |
| 2015 | 12    | 182.3                  | 3.8             | 128.5                          | 1,003.6                         | 0.0   | 7,288.1                  | 8,606.3   | 8,605.0              | 8,064.6              | 540.4                      |
| 2016 | 12    | 205.1                  | 2.6             | 194.8                          | 2,970.4                         | 0.0   | 6,158.2                  | 9,531.1   | 9,529.0              | 8,926.3              | 602.6                      |
| 2017 | 12    | 203.9                  | 1.5             | 236.4                          | 2,698.6                         | 0.0   | 7,416.1                  | 10,556.6  | 10,555.0             | 9,977.1              | 577.8                      |
| 2018 | 12    | 210.0                  | 2.2             | 274.1                          | 2,911.4                         | 0.0   | 8,225.4                  | 11,623.2  | 11,621.4             | 10,983.3             | 638.1                      |
| 2019 | 12    | 254.1                  | 0.2             | 322.6                          | 3,102.8                         | 0.0   | 8,917.4                  | 12,597.1  | 12,595.4             | 11,824.2             | 771.2                      |
| 2020 | 12    | 291.6                  | 0.9             | 142.2                          | 3,832.1                         | 0.0   | 9,601.3                  | 13,868.0  | 13,866.3             | 12,970.6             | 895.7                      |
| 2021 | 12    | 302.0                  | 1.9             | 469.6                          | 3,945.1                         | 0.0   | 11,629.6                 | 16,348.1  | 16,345.8             | 15,573.0             | 772.8                      |
| 2022 | 12    | 160.0                  | 0.1             | 572.0                          | 8,273.2                         | 0.0   | 7,060.5                  | 16,065.9  | 16,063.3             | 15,611.7             | 451.5                      |
| 2023 | 12    | 175.5                  | 2.1             | 455.2                          | 8,326.6                         | 0.0   | 7,330.6                  | 16,289.9  | 16,287.4             | 15,401.2             | 886.2                      |
| 2024 | 12    | 555.2                  | 4.8             | 526.0                          | 6,786.2                         | 0.0   | 9,768.7                  | 17,640.9  | 17,638.4             | 16,274.7             | 1,363.7                    |
| 2024 | 01    | 176.8                  | 21.6            | 454.9                          | 7,052.1                         | 0.0   | 8,202.5                  | 15,907.9  | 15,905.6             | 14,981.0             | 924.6                      |
|      | 02    | 177.6                  | 2.7             | 454.9                          | 6,891.7                         | 0.0   | 8,503.3                  | 16,030.1  | 16,027.2             | 15,097.2             | 930.1                      |
|      | 03    | 194.3                  | 2.7             | 455.7                          | 6,769.0                         | 0.0   | 8,609.1                  | 16,030.8  | 16,028.3             | 15,035.8             | 992.5                      |
|      | 04    | 201.2                  | 20.3            | 456.2                          | 6,514.8                         | 0.0   | 8,678.4                  | 15,870.9  | 15,868.6             | 14,913.0             | 955.5                      |
|      | 05    | 201.5                  | 3.1             | 458.1                          | 6,218.7                         | 0.0   | 8,885.6                  | 15,767.0  | 15,764.4             | 14,771.8             | 992.5                      |
|      | 06    | 203.8                  | 3.2             | 464.0                          | 6,951.1                         | 0.0   | 8,933.2                  | 16,555.3  | 16,552.8             | 15,510.5             | 1,042.4                    |
|      | 07    | 212.3                  | 19.7            | 463.9                          | 6,721.6                         | 0.0   | 9,016.0                  | 16,433.6  | 16,430.7             | 15,308.6             | 1,122.1                    |
|      | 08    | 212.7                  | 3.6             | 464.0                          | 6,900.0                         | 0.0   | 9,100.7                  | 16,681.1  | 16,678.4             | 15,505.9             | 1,172.5                    |
|      | 09    | 222.1                  | 3.6             | 464.0                          | 7,201.5                         | 0.0   | 8,973.8                  | 16,865.0  | 16,862.7             | 15,619.4             | 1,243.3                    |
|      | 10    | 236.7                  | 18.4            | 463.9                          | 6,877.3                         | 0.0   | 9,443.4                  | 17,039.6  | 17,037.1             | 15,761.4             | 1,275.7                    |
|      | 11    | 235.6                  | 4.7             | 463.9                          | 6,837.4                         | 0.0   | 9,665.5                  | 17,207.0  | 17,204.1             | 15,861.0             | 1,343.1                    |
|      | 12    | 555.2                  | 4.8             | 526.0                          | 6,786.2                         | 0.0   | 9,768.7                  | 17,640.9  | 17,638.4             | 16,274.7             | 1,363.7                    |

**Note:**

Gross foreign reserves consist of balance sheet positions of short-term foreign assets of the CBBH (gold, CBBH SDR holdings, foreign currency in the CBBH vault, transferable deposits in foreign currency with non-resident banks and other) and investment in securities according to the CBBH Investment Committee Decision from July 2006. Net foreign reserves represent a difference between gross foreign reserves and liabilities to non-residents. Monetary liabilities of the CBBH include currency outside monetary authorities and deposits of residents with monetary authorities. Net foreign assets of the CBBH represent a difference between net foreign exchange reserves and monetary liabilities of the CBBH.

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

## T27: BH Exports by Country of Destination

- in KM thousand -

| Year | Month | Germany   | Croatia   | Italy     | Serbia    | Slovenia  | Austria   | Turkey  | Montenegro | Other Countries | Total      |
|------|-------|-----------|-----------|-----------|-----------|-----------|-----------|---------|------------|-----------------|------------|
| 2015 |       | 1,412,906 | 925,166   | 1,214,930 | 770,695   | 748,870   | 743,062   | 354,630 | 262,844    | 2,908,721       | 8,987,194  |
| 2016 |       | 1,479,411 | 985,360   | 1,131,096 | 822,846   | 807,200   | 730,590   | 401,047 | 240,751    | 3,220,854       | 9,418,109  |
| 2017 |       | 1,595,704 | 1,284,200 | 1,209,035 | 1,093,685 | 973,397   | 899,235   | 431,094 | 352,507    | 3,647,618       | 11,055,383 |
| 2018 |       | 1,741,537 | 1,464,002 | 1,352,791 | 1,251,474 | 1,057,052 | 1,020,991 | 323,223 | 402,113    | 3,287,069       | 11,900,251 |
| 2019 |       | 1,675,709 | 1,399,922 | 1,300,534 | 1,308,885 | 1,006,226 | 1,089,881 | 292,554 | 407,303    | 3,011,551       | 11,492,564 |
| 2020 |       | 1,630,844 | 1,362,907 | 1,015,184 | 1,152,068 | 954,078   | 1,005,509 | 314,249 | 293,645    | 2,792,675       | 10,521,159 |
| 2021 |       | 2,137,576 | 1,864,306 | 1,608,291 | 1,722,477 | 1,219,184 | 1,284,935 | 358,064 | 394,449    | 3,684,248       | 14,273,529 |
| 2022 |       | 2,666,194 | 2,676,624 | 1,991,386 | 2,363,435 | 1,421,819 | 1,710,354 | 311,638 | 576,469    | 4,255,821       | 17,973,740 |
| 2023 |       | 2,680,393 | 2,548,638 | 1,449,652 | 2,087,129 | 1,356,297 | 1,715,316 | 261,586 | 689,771    | 3,910,942       | 16,699,723 |
| 2024 |       | 2,457,026 | 2,593,726 | 1,267,809 | 1,838,962 | 1,325,462 | 1,574,881 | 318,704 | 596,041    | 4,102,241       | 16,074,851 |
| 2024 | 01    | 208,157   | 169,979   | 97,369    | 108,145   | 104,025   | 118,008   | 30,789  | 48,243     | 285,293         | 1,170,006  |
|      | 02    | 222,453   | 205,911   | 107,713   | 134,759   | 117,457   | 130,162   | 42,143  | 44,341     | 331,644         | 1,336,583  |
|      | 03    | 204,244   | 218,123   | 104,740   | 150,854   | 116,523   | 132,620   | 32,512  | 47,777     | 339,603         | 1,346,995  |
|      | 04    | 225,277   | 242,761   | 113,769   | 164,808   | 117,298   | 148,025   | 26,132  | 48,442     | 383,265         | 1,469,776  |
|      | 05    | 199,240   | 222,413   | 110,374   | 136,000   | 113,303   | 129,863   | 22,251  | 44,257     | 342,950         | 1,320,650  |
|      | 06    | 206,302   | 218,459   | 119,383   | 132,218   | 112,928   | 128,764   | 23,139  | 45,740     | 336,261         | 1,323,195  |
|      | 07    | 201,786   | 231,535   | 126,671   | 148,910   | 111,511   | 140,787   | 19,920  | 48,911     | 364,357         | 1,394,387  |
|      | 08    | 175,131   | 189,076   | 62,220    | 165,030   | 87,415    | 120,796   | 19,267  | 53,900     | 291,206         | 1,164,043  |
|      | 09    | 214,854   | 214,848   | 114,577   | 171,038   | 118,601   | 140,130   | 21,901  | 52,518     | 312,533         | 1,361,001  |
|      | 10    | 221,819   | 247,511   | 109,266   | 189,759   | 116,362   | 146,044   | 24,048  | 58,261     | 394,746         | 1,507,815  |
|      | 11    | 216,127   | 206,182   | 116,938   | 163,197   | 116,100   | 139,393   | 26,363  | 50,917     | 380,783         | 1,416,001  |
|      | 12    | 161,637   | 226,927   | 84,790    | 174,245   | 93,939    | 100,291   | 30,238  | 52,734     | 339,600         | 1,264,400  |

**Note:**

Criteria for presenting country is the share of export of the country in total three-year BH export (2016,2017,2018).

Thus, all countries with share higher than 3,0% are separately presented, while the other countries are presented as sum in the column Other countries.

| T28: BH Imports by Country of Origin |       |           |           |           |           |           |           |                    |           |           |                 | - in KM thousand - |
|--------------------------------------|-------|-----------|-----------|-----------|-----------|-----------|-----------|--------------------|-----------|-----------|-----------------|--------------------|
| Year                                 | Month | Germany   | Italy     | Serbia    | Croatia   | China     | Slovenia  | Russian Federation | Turkey    | Austria   | Other Countries | Total              |
| 2015                                 |       | 1,914,225 | 1,758,289 | 1,728,490 | 1,673,161 | 1,091,670 | 773,559   | 910,072            | 644,698   | 560,924   | 4,588,564       | 15,851,692         |
| 2016                                 |       | 1,998,877 | 1,899,582 | 1,828,142 | 1,617,713 | 1,091,966 | 831,403   | 729,427            | 687,349   | 556,399   | 4,874,484       | 16,161,014         |
| 2017                                 |       | 2,103,758 | 2,062,127 | 2,029,997 | 1,828,432 | 1,186,073 | 912,704   | 907,315            | 766,728   | 618,743   | 5,499,863       | 18,185,642         |
| 2018                                 |       | 2,297,072 | 2,170,785 | 2,070,768 | 1,915,158 | 1,339,232 | 917,011   | 892,371            | 874,490   | 672,990   | 6,124,091       | 19,273,968         |
| 2019                                 |       | 2,337,802 | 2,333,081 | 2,150,219 | 2,020,597 | 1,449,423 | 906,606   | 451,193            | 964,624   | 721,547   | 6,163,492       | 19,498,584         |
| 2020                                 |       | 2,074,858 | 1,949,017 | 1,895,718 | 1,523,371 | 1,355,872 | 840,875   | 359,084            | 896,725   | 682,570   | 5,308,196       | 16,886,285         |
| 2021                                 |       | 2,566,643 | 2,600,538 | 2,427,344 | 1,922,537 | 1,702,427 | 984,015   | 629,494            | 1,269,716 | 823,775   | 6,670,410       | 21,596,900         |
| 2022                                 |       | 2,992,889 | 3,540,600 | 3,057,570 | 2,844,749 | 2,327,506 | 1,113,095 | 658,099            | 1,675,148 | 1,003,269 | 9,423,523       | 28,636,447         |
| 2023                                 |       | 3,337,298 | 3,871,009 | 2,830,013 | 2,095,023 | 2,629,129 | 1,073,664 | 461,880            | 1,540,892 | 997,183   | 8,931,476       | 27,767,566         |
| 2024                                 |       | 3,381,120 | 3,705,368 | 2,954,583 | 2,138,641 | 2,760,200 | 1,083,020 | 332,896            | 1,664,098 | 1,013,072 | 9,621,487       | 28,654,486         |
| 2024                                 | 01    | 235,898   | 254,048   | 174,957   | 121,494   | 154,854   | 78,031    | 38,674             | 117,268   | 65,532    | 665,593         | 1,906,350          |
|                                      | 02    | 312,875   | 310,714   | 234,181   | 147,844   | 210,472   | 88,949    | 52,792             | 140,597   | 89,576    | 772,446         | 2,360,446          |
|                                      | 03    | 310,111   | 357,125   | 235,063   | 151,283   | 243,587   | 100,653   | 40,267             | 159,162   | 86,178    | 860,707         | 2,544,135          |
|                                      | 04    | 280,832   | 301,999   | 242,456   | 154,740   | 214,918   | 93,656    | 33,368             | 150,795   | 87,422    | 920,571         | 2,480,756          |
|                                      | 05    | 287,150   | 355,655   | 225,204   | 172,190   | 225,874   | 89,506    | 23,469             | 149,932   | 84,627    | 777,361         | 2,390,969          |
|                                      | 06    | 262,692   | 328,471   | 256,238   | 173,597   | 239,065   | 91,283    | 15,979             | 123,862   | 85,325    | 792,447         | 2,368,959          |
|                                      | 07    | 308,230   | 346,422   | 275,450   | 196,264   | 260,473   | 103,058   | 17,462             | 148,569   | 82,286    | 825,632         | 2,563,846          |
|                                      | 08    | 260,472   | 280,113   | 265,052   | 206,290   | 229,269   | 77,338    | 18,132             | 143,867   | 86,120    | 766,965         | 2,333,618          |
|                                      | 09    | 284,433   | 292,053   | 253,285   | 187,337   | 230,647   | 94,542    | 14,284             | 144,308   | 82,956    | 779,381         | 2,363,226          |
|                                      | 10    | 283,450   | 311,370   | 274,230   | 224,018   | 257,069   | 97,637    | 21,383             | 139,420   | 90,698    | 856,133         | 2,555,410          |
|                                      | 11    | 279,101   | 288,543   | 253,389   | 190,713   | 243,580   | 86,572    | 24,091             | 117,095   | 90,829    | 794,336         | 2,368,247          |
|                                      | 12    | 275,876   | 278,855   | 265,077   | 212,873   | 250,392   | 81,796    | 32,995             | 129,223   | 81,525    | 809,914         | 2,418,524          |

**Note:**

Criteria for presenting country is the share of import of the country in total three-year BH import (2016,2017,2018).

Thus, all countries with share higher than 3,0% are separately presented, while the other countries are presented as sum in the column Other countries.

**T29: Average Middle Exchange Rates of Convertible Mark**

| Year | Month | EMU<br>EUR | Croatia<br>HRK<br>100 | Czech R<br>CZK<br>1 | Hungary<br>HUF<br>100 | Japan<br>JPY<br>100 | Switzerland<br>CHF<br>1 | Turkey<br>TRY<br>1 | UK<br>GBP<br>1 | USA<br>USD<br>1 | China<br>CNY<br>1 | Serbia<br>RSD<br>100 |
|------|-------|------------|-----------------------|---------------------|-----------------------|---------------------|-------------------------|--------------------|----------------|-----------------|-------------------|----------------------|
| 2015 |       | 1.955830   | 25.688577             | 0.071687            | 0.631327              | 1.456462            | 1.832914                | 0.650180           | 2.694477       | 1.762605        | 0.280568          | 1.619915             |
| 2016 |       | 1.955830   | 25.960428             | 0.072346            | 0.627987              | 1.628845            | 1.794449                | 0.586378           | 2.396405       | 1.768011        | 0.266189          | 1.588875             |
| 2017 |       | 1.955830   | 26.205454             | 0.074317            | 0.632480              | 1.546889            | 1.761597                | 0.476205           | 2.232882       | 1.735482        | 0.256628          | 1.611317             |
| 2018 |       | 1.955830   | 26.365492             | 0.076267            | 0.613697              | 1.500585            | 1.693763                | 0.351884           | 2.210985       | 1.657498        | 0.250633          | 1.653621             |
| 2019 |       | 1.955830   | 26.365089             | 0.076197            | 0.601572              | 1.603053            | 1.758109                | 0.307940           | 2.230125       | 1.747204        | 0.252963          | 1.659447             |
| 2020 |       | 1.955830   | 25.946780             | 0.074002            | 0.557563              | 1.607387            | 1.827419                | 0.247515           | 2.201320       | 1.716607        | 0.248658          | 1.663431             |
| 2021 |       | 1.955830   | 25.977234             | 0.076253            | 0.545671              | 1.506596            | 1.808910                | 0.191301           | 2.274685       | 1.653851        | 0.256382          | 1.663495             |
| 2022 |       | 1.955830   | 25.957036             | 0.079629            | 0.501501              | 1.420249            | 1.948176                | 0.113256           | 2.294933       | 1.860152        | 0.276500          | 1.665037             |
| 2023 |       | 1.955830   |                       | 0.081507            | 0.512335              | 1.290900            | 2.013360                | 0.078526           | 2.248887       | 1.809093        | 0.255630          | 1.668038             |
| 2024 |       | 1.955830   |                       | 0.077871            | 0.495036              | 1.194513            | 2.053678                | 0.055106           | 2.310145       | 1.807525        | 0.251198          | 1.670415             |
| 2024 | 01    | 1.955830   |                       | 0.079146            | 0.512190              | 1.227395            | 2.088796                | 0.059611           | 2.275517       | 1.791141        | 0.249960          | 1.668657             |
|      | 02    | 1.955830   |                       | 0.077584            | 0.504683              | 1.212718            | 2.069872                | 0.058855           | 2.289035       | 1.810905        | 0.251794          | 1.669106             |
|      | 03    | 1.955830   |                       | 0.077319            | 0.495381              | 1.202086            | 2.026543                | 0.056290           | 2.287037       | 1.800166        | 0.249899          | 1.668944             |
|      | 04    | 1.955830   |                       | 0.077365            | 0.498140              | 1.186835            | 2.004962                | 0.056369           | 2.283729       | 1.822828        | 0.251827          | 1.669648             |
|      | 05    | 1.955830   |                       | 0.078697            | 0.504799              | 1.161646            | 1.990265                | 0.056125           | 2.285357       | 1.810523        | 0.250292          | 1.669998             |
|      | 06    | 1.955830   |                       | 0.078946            | 0.496246              | 1.151885            | 2.030938                | 0.055789           | 2.308890       | 1.816739        | 0.250480          | 1.670595             |
|      | 07    | 1.955830   |                       | 0.077358            | 0.498324              | 1.140203            | 2.019980                | 0.054793           | 2.319048       | 1.803357        | 0.248299          | 1.670920             |
|      | 08    | 1.955830   |                       | 0.077630            | 0.495281              | 1.212817            | 2.067970                | 0.052870           | 2.297743       | 1.779091        | 0.248565          | 1.671114             |
|      | 09    | 1.955830   |                       | 0.077943            | 0.495499              | 1.228998            | 2.077805                | 0.051711           | 2.327334       | 1.760878        | 0.248828          | 1.671019             |
|      | 10    | 1.955830   |                       | 0.077340            | 0.487160              | 1.200540            | 2.083459                | 0.052310           | 2.342680       | 1.791888        | 0.253036          | 1.671141             |
|      | 11    | 1.955830   |                       | 0.077304            | 0.478282              | 1.196650            | 2.089344                | 0.053351           | 2.344783       | 1.837313        | 0.255172          | 1.671703             |
|      | 12    | 1.955830   |                       | 0.077810            | 0.474688              | 1.213117            | 2.094876                | 0.053337           | 2.360008       | 1.865933        | 0.256316          | 1.672094             |

**T30: Government Finance of BH - Government Sector Units****- in KM million -**

|      |    | BH Institutions | FBH      | RS      | Brčko District | Consolidated Revenues for BH | BH Institutions | FBH      | RS      | Brčko District | Consolidated Expenses for BH | Net Acquisition of Nonfinancial Assets | Net Surplus /Deficit |
|------|----|-----------------|----------|---------|----------------|------------------------------|-----------------|----------|---------|----------------|------------------------------|--|----------------------|
| 2015 |    | 1,088.4         | 7,196.5  | 3,931.3 | 232.0          | 12,335.1                     | 935.9           | 6,843.5  | 3,700.6 | 220.1          | 11,587.0                     | 559.1                                  | 188.9                |
| 2016 |    | 1,062.9         | 7,645.4  | 3,937.0 | 248.5          | 12,767.3                     | 949.3           | 7,013.5  | 3,636.9 | 198.6          | 11,672.0                     | 724.5                                  | 370.8                |
| 2017 |    | 1,049.4         | 8,150.9  | 4,141.8 | 263.7          | 13,479.2                     | 967.0           | 7,164.3  | 3,696.0 | 212.8          | 11,913.4                     | 759.7                                  | 806.0                |
| 2018 |    | 1,045.0         | 8,833.6  | 4,364.6 | 280.9          | 14,389.6                     | 996.0           | 7,660.0  | 3,983.4 | 233.7          | 12,738.6                     | 914.6                                  | 736.5                |
| 2019 |    | 1,051.4         | 9,217.5  | 4,584.0 | 288.8          | 15,018.1                     | 985.5           | 8,120.3  | 4,097.6 | 254.6          | 13,334.3                     | 1,006.6                                | 677.2                |
| 2020 |    | 1,070.6         | 8,614.0  | 4,652.1 | 268.3          | 14,430.7                     | 1,028.6         | 8,583.1  | 4,749.6 | 287.9          | 14,474.8                     | 1,765.1                                | -1,809.2             |
| 2021 |    | 1,093.0         | 9,616.7  | 5,147.2 | 305.9          | 16,055.3                     | 982.3           | 8,792.8  | 4,861.0 | 268.5          | 14,797.0                     | 1,368.9                                | -110.6               |
| 2022 |    | 1,165.5         | 10,946.2 | 5,887.4 | 338.4          | 18,212.9                     | 1,096.1         | 9,797.8  | 5,748.5 | 287.5          | 16,805.3                     | 1,590.2                                | -182.7               |
| 2023 |    | 1,506.6         | 12,228.9 | 6,439.4 | 369.8          | 20,308.7                     | 1,345.9         | 11,691.7 | 6,089.3 | 318.4          | 19,209.3                     | 1,699.9                                | -600.5               |
| 2018 | Q1 | 277.7           | 1,762.1  | 816.9   | 57.0           | 2,882.0                      | 231.4           | 1,499.4  | 728.4   | 34.3           | 2,462.0                      | 30.9                                   | 389.0                |
|      | Q2 | 242.8           | 1,914.5  | 884.1   | 61.4           | 3,075.2                      | 231.7           | 1,683.3  | 784.4   | 51.8           | 2,723.4                      | 66.5                                   | 285.3                |
|      | Q3 | 400.3           | 1,951.9  | 861.7   | 69.0           | 3,250.5                      | 243.9           | 1,651.7  | 835.0   | 56.0           | 2,754.4                      | 91.2                                   | 404.9                |
|      | Q4 | 124.1           | 2,138.2  | 960.8   | 75.4           | 3,259.2                      | 289.0           | 2,104.9  | 983.4   | 78.9           | 3,416.8                      | 237.9                                  | -395.5               |
| 2019 | Q1 | 238.9           | 1,899.1  | 845.3   | 60.2           | 3,013.8                      | 225.9           | 1,600.5  | 806.8   | 42.5           | 2,646.0                      | 26.0                                   | 341.9                |
|      | Q2 | 261.7           | 1,990.1  | 902.3   | 67.3           | 3,187.1                      | 239.2           | 1,770.8  | 789.9   | 63.1           | 2,828.7                      | 71.9                                   | 286.5                |
|      | Q3 | 270.0           | 2,079.8  | 924.2   | 71.6           | 3,309.8                      | 253.8           | 1,800.7  | 823.5   | 54.3           | 2,896.5                      | 78.9                                   | 334.4                |
|      | Q4 | 280.8           | 2,080.5  | 1,015.2 | 72.2           | 3,412.9                      | 266.6           | 2,177.5  | 972.4   | 81.1           | 3,461.9                      | 210.4                                  | -259.4               |
| 2020 | Q1 | 286.0           | 1,906.0  | 862.8   | 59.7           | 3,081.9                      | 235.6           | 1,695.3  | 877.3   | 42.7           | 2,818.4                      | 40.6                                   | 222.9                |
|      | Q2 | 235.6           | 1,674.2  | 887.0   | 53.6           | 2,815.4                      | 232.8           | 1,834.2  | 1,090.5 | 62.6           | 3,185.2                      | 102.1                                  | -471.9               |
|      | Q3 | 266.9           | 1,963.7  | 970.8   | 67.0           | 3,236.3                      | 231.7           | 2,024.8  | 933.7   | 69.8           | 3,227.7                      | 96.5                                   | -88.0                |
|      | Q4 | 282.1           | 2,027.8  | 1,067.1 | 71.3           | 3,418.9                      | 328.5           | 2,249.0  | 1,117.7 | 93.8           | 3,759.7                      | 231.1                                  | -571.9               |
| 2021 | Q1 | 277.6           | 1,906.5  | 976.0   | 61.7           | 3,191.6                      | 240.3           | 1,727.9  | 929.8   | 47.9           | 2,915.8                      | 60.1                                   | 215.7                |
|      | Q2 | 275.1           | 2,094.2  | 976.5   | 69.9           | 3,390.8                      | 235.1           | 1,919.4  | 1,022.4 | 59.7           | 3,211.7                      | 93.3                                   | 85.8                 |
|      | Q3 | 262.8           | 2,146.5  | 1,072.2 | 74.1           | 3,527.5                      | 256.3           | 1,953.5  | 963.4   | 58.9           | 3,204.0                      | 78.9                                   | 244.6                |
|      | Q4 | 277.5           | 2,272.0  | 1,095.8 | 82.3           | 3,702.2                      | 250.5           | 2,430.2  | 1,170.4 | 85.6           | 3,911.4                      | 288.6                                  | -497.8               |
| 2022 | Q1 | 256.1           | 2,181.7  | 1,070.1 | 72.9           | 3,550.1                      | 243.1           | 1,818.4  | 979.0   | 57.4           | 3,067.3                      | 22.0                                   | 460.8                |
|      | Q2 | 278.1           | 2,498.0  | 1,193.2 | 81.2           | 4,026.0                      | 236.4           | 2,227.9  | 1,146.3 | 62.6           | 3,648.6                      | 82.3                                   | 295.1                |
|      | Q3 | 326.9           | 2,424.2  | 1,209.6 | 83.2           | 4,009.0                      | 269.8           | 2,266.2  | 1,261.1 | 63.5           | 3,825.9                      | 108.6                                  | 74.6                 |
|      | Q4 | 304.5           | 2,579.7  | 1,188.1 | 85.8           | 4,127.5                      | 346.7           | 2,649.5  | 1,385.0 | 87.9           | 4,438.5                      | 272.8                                  | -583.8               |
| 2023 | Q1 | 304.7           | 2,508.4  | 1,237.5 | 76.3           | 4,072.6                      | 293.1           | 2,214.2  | 1,165.9 | 60.3           | 3,679.1                      | 33.1                                   | 360.3                |
|      | Q2 | 400.5           | 2,815.3  | 1,234.3 | 86.2           | 4,487.0                      | 324.7           | 2,599.6  | 1,214.7 | 68.9           | 4,158.6                      | 78.4                                   | 250.0                |
|      | Q3 | 388.7           | 2,778.6  | 1,335.3 | 97.9           | 4,529.3                      | 355.9           | 2,713.6  | 1,289.9 | 69.6           | 4,357.9                      | 98.9                                   | 72.6                 |
|      | Q4 | 412.7           | 2,738.2  | 1,412.8 | 93.1           | 4,598.7                      | 372.2           | 3,200.6  | 1,457.8 | 102.5          | 5,075.1                      | 370.3                                  | -846.7               |
| 2024 | Q1 | 374.1           | 2,765.0  | 1,416.4 | 87.6           | 4,567.4                      | 351.7           | 2,559.7  | 1,313.5 | 83.4           | 4,232.7                      | 20.2                                   | 314.5                |
|      | Q2 | 442.5           | 2,979.3  | 1,438.4 | 100.2          | 4,896.9                      | 339.9           | 2,804.2  | 1,353.7 | 73.5           | 4,507.7                      | 101.2                                  | 287.9                |
|      | Q3 | 384.0           | 3,099.4  | 1,478.5 | 106.3          | 4,992.8                      | 373.0           | 3,011.5  | 1,426.2 | 90.0           | 4,825.4                      | 117.9                                  | 49.6                 |

**Note:**

Administrative data collected from: Ministries of Finance of all levels of government, Social Security Funds of all levels of government, Entities' Public Companies for Roads and Entities' Public Companies for Motorways. Annual data for consolidated revenues/expenses include local level of government (municipalities and towns), Public Company for Roads of all levels of government of FBH, Public Company for Roads of RS, Public Company for Motorways of FBH and Public Company for Motorways of RS, while quarterly data do not include them as the source data are not available.

Difference between revenues on one side and expenses with net acquisition of non-financial assets on the other side, represents net surplus/deficit.



**T31: BH Government Finance of BH - Structure of Consolidated Revenues and Expenses****- in KM million -**

|      |    | Taxes    | Social Contributions | Grants and Other Revenues | Consolidated Revenues | Compensation of Employees | Use of Goods and Services | Interest | Subsidies | Social Benefits | Grants and Other Expenses | Consolidated Expenses | Net Acquisition of Non-financial Assets |
|------|----|----------|----------------------|---------------------------|-----------------------|---------------------------|---------------------------|----------|-----------|-----------------|---------------------------|-----------------------|---|
| 2015 |    | 6,439.7  | 4,329.6              | 1,565.8                   | 12,335.1              | 3,294.3                   | 2,138.8                   | 264.3    | 384.8     | 4,729.5         | 775.4                     | 11,587.0              | 559.1                                   |
| 2016 |    | 6,760.4  | 4,473.6              | 1,533.4                   | 12,767.3              | 3,295.5                   | 2,187.5                   | 252.0    | 382.8     | 4,755.0         | 799.3                     | 11,672.0              | 724.5                                   |
| 2017 |    | 7,151.1  | 4,734.2              | 1,594.0                   | 13,479.2              | 3,312.6                   | 2,230.7                   | 223.0    | 444.0     | 4,758.5         | 834.7                     | 11,913.4              | 759.7                                   |
| 2018 |    | 7,688.4  | 5,041.8              | 1,659.4                   | 14,389.6              | 3,422.1                   | 2,534.0                   | 242.5    | 476.0     | 5,013.2         | 1,050.9                   | 12,738.6              | 914.6                                   |
| 2019 |    | 8,014.1  | 5,345.7              | 1,658.4                   | 15,018.1              | 3,738.1                   | 2,688.3                   | 241.1    | 507.3     | 5,223.4         | 936.1                     | 13,334.3              | 1,006.6                                 |
| 2020 |    | 7,363.3  | 5,383.9              | 1,683.5                   | 14,430.7              | 3,921.8                   | 2,702.8                   | 255.9    | 870.1     | 5,508.0         | 1,216.3                   | 14,474.8              | 1,765.1                                 |
| 2021 |    | 8,485.4  | 5,798.0              | 1,771.9                   | 16,055.3              | 4,039.2                   | 2,847.7                   | 240.2    | 742.9     | 5,718.3         | 1,208.7                   | 14,797.0              | 1,368.9                                 |
| 2022 |    | 9,898.8  | 6,482.5              | 1,831.6                   | 18,212.9              | 4,546.5                   | 3,256.5                   | 259.4    | 747.7     | 6,503.1         | 1,492.1                   | 16,805.3              | 1,590.2                                 |
| 2023 |    | 10,767.8 | 7,410.9              | 2,130.0                   | 20,308.7              | 5,187.2                   | 3,468.4                   | 394.7    | 884.0     | 7,883.1         | 1,391.9                   | 19,209.3              | 1,699.9                                 |
| 2018 | Q1 | 1,526.1  | 1,153.2              | 202.7                     | 2,882.0               | 719.0                     | 432.2                     | 47.4     | 42.4      | 1,136.3         | 84.9                      | 2,462.0               | 30.9                                    |
|      | Q2 | 1,597.5  | 1,243.8              | 234.0                     | 3,075.2               | 742.6                     | 464.6                     | 65.0     | 108.2     | 1,198.7         | 144.2                     | 2,723.4               | 66.5                                    |
|      | Q3 | 1,787.5  | 1,241.5              | 221.6                     | 3,250.5               | 730.6                     | 470.6                     | 46.4     | 103.1     | 1,224.5         | 179.2                     | 2,754.4               | 91.2                                    |
|      | Q4 | 1,570.5  | 1,403.3              | 285.4                     | 3,259.2               | 766.9                     | 587.9                     | 56.2     | 148.4     | 1,295.6         | 561.8                     | 3,416.8               | 237.9                                   |
| 2019 | Q1 | 1,528.5  | 1,247.2              | 238.1                     | 3,013.8               | 787.8                     | 462.1                     | 41.8     | 40.5      | 1,202.7         | 111.1                     | 2,646.0               | 26.0                                    |
|      | Q2 | 1,669.1  | 1,335.2              | 182.8                     | 3,187.1               | 806.1                     | 494.9                     | 68.5     | 81.8      | 1,254.2         | 123.2                     | 2,828.7               | 71.9                                    |
|      | Q3 | 1,734.1  | 1,336.0              | 239.6                     | 3,309.8               | 805.4                     | 517.7                     | 43.3     | 112.2     | 1,252.3         | 165.5                     | 2,896.5               | 78.9                                    |
|      | Q4 | 1,904.0  | 1,427.3              | 81.6                      | 3,412.9               | 850.7                     | 617.2                     | 52.5     | 189.6     | 1,349.2         | 402.7                     | 3,461.9               | 210.4                                   |
| 2020 | Q1 | 1,556.2  | 1,286.5              | 239.2                     | 3,081.9               | 817.7                     | 482.1                     | 69.8     | 60.4      | 1,274.3         | 114.1                     | 2,818.4               | 40.6                                    |
|      | Q2 | 1,327.2  | 1,223.4              | 264.8                     | 2,815.4               | 861.7                     | 495.5                     | 43.3     | 157.1     | 1,277.1         | 350.5                     | 3,185.2               | 102.1                                   |
|      | Q3 | 1,564.3  | 1,418.6              | 253.4                     | 3,236.3               | 850.4                     | 486.3                     | 42.4     | 262.8     | 1,357.6         | 228.3                     | 3,227.7               | 96.5                                    |
|      | Q4 | 1,848.8  | 1,455.5              | 114.7                     | 3,418.9               | 872.7                     | 638.3                     | 71.6     | 299.2     | 1,419.6         | 458.2                     | 3,759.7               | 231.1                                   |
| 2021 | Q1 | 1,560.9  | 1,319.3              | 311.4                     | 3,191.6               | 851.1                     | 486.3                     | 55.0     | 47.5      | 1,318.9         | 156.9                     | 2,915.8               | 60.1                                    |
|      | Q2 | 1,690.2  | 1,437.0              | 263.5                     | 3,390.8               | 866.7                     | 529.2                     | 60.3     | 142.9     | 1,376.4         | 236.2                     | 3,211.7               | 93.3                                    |
|      | Q3 | 1,854.4  | 1,441.1              | 232.0                     | 3,527.5               | 865.8                     | 547.5                     | 31.9     | 123.2     | 1,405.4         | 230.2                     | 3,204.0               | 78.9                                    |
|      | Q4 | 2,082.2  | 1,600.5              | 19.6                      | 3,702.2               | 913.6                     | 651.8                     | 60.8     | 336.5     | 1,430.2         | 518.6                     | 3,911.4               | 288.6                                   |
| 2022 | Q1 | 1,851.2  | 1,462.0              | 236.9                     | 3,550.1               | 908.3                     | 517.6                     | 52.7     | 55.2      | 1,377.3         | 156.2                     | 3,067.3               | 22.0                                    |
|      | Q2 | 2,110.4  | 1,604.5              | 311.1                     | 4,026.0               | 960.2                     | 570.0                     | 68.1     | 160.9     | 1,531.3         | 358.0                     | 3,648.6               | 82.3                                    |
|      | Q3 | 2,124.8  | 1,643.0              | 241.3                     | 4,009.0               | 988.8                     | 599.2                     | 67.7     | 154.3     | 1,631.2         | 384.8                     | 3,825.9               | 108.6                                   |
|      | Q4 | 2,185.5  | 1,773.1              | 168.9                     | 4,127.5               | 1,056.7                   | 754.5                     | 38.6     | 266.7     | 1,743.3         | 578.7                     | 4,438.5               | 272.8                                   |
| 2023 | Q1 | 2,106.4  | 1,712.4              | 253.8                     | 4,072.6               | 1,078.9                   | 586.8                     | 98.9     | 45.7      | 1,722.6         | 146.3                     | 3,679.1               | 33.1                                    |
|      | Q2 | 2,281.8  | 1,819.3              | 385.9                     | 4,487.0               | 1,146.3                   | 636.2                     | 60.0     | 145.2     | 1,904.6         | 266.3                     | 4,158.6               | 78.4                                    |
|      | Q3 | 2,384.7  | 1,867.2              | 277.4                     | 4,529.3               | 1,101.3                   | 646.6                     | 115.6    | 150.3     | 1,929.2         | 414.8                     | 4,357.9               | 98.9                                    |
|      | Q4 | 2,458.6  | 2,012.0              | 128.1                     | 4,598.7               | 1,158.5                   | 870.5                     | 66.7     | 426.8     | 2,006.9         | 545.7                     | 5,075.1               | 370.3                                   |
| 2024 | Q1 | 2,378.4  | 1,912.3              | 276.7                     | 4,567.4               | 1,185.6                   | 660.8                     | 139.9    | 64.5      | 1,994.6         | 187.3                     | 4,232.7               | 20.2                                    |
|      | Q2 | 2,556.0  | 1,989.3              | 351.6                     | 4,896.9               | 1,229.9                   | 708.7                     | 51.2     | 141.4     | 2,063.6         | 312.9                     | 4,507.7               | 101.2                                   |
|      | Q3 | 2,663.5  | 2,044.4              | 284.9                     | 4,992.8               | 1,198.2                   | 734.6                     | 115.6    | 215.3     | 2,120.6         | 441.1                     | 4,825.4               | 117.9                                   |

**Note:**

Administrative data collected from: Ministries of Finance of all levels of government, Social Security Funds of all levels of government, Entities' Public Companies for Roads and Entities' Public Companies for Motorways. Annual data for consolidated revenues/expenses include local level of government (municipalities and towns), Public Company for Roads of all levels of government of FBH, Public Company for Roads of RS, Public Company for Motorways of FBH and Public Company for Motorways of RS, while quarterly data do not include them as the source data are not available.

Difference between revenues on one side and expenses with net acquisition of non-financial assets on the other side, represents net surplus/deficit.

**T32: Flows of Foreign Direct Investment in BH, Classified by Country of Origin of Foreign Investor - in KM million -**

| Year           | Austria | The Netherlands | Croatia | Italy | Germany | Russia | Slovenia | Serbia | Switzerland | Turkey | Other Countries | Total   |
|----------------|---------|-----------------|---------|-------|---------|--------|----------|--------|-------------|--------|-----------------|---------|
| 2015           | 5.3     | 83.3            | 161.5   | 66.3  | 52.3    | 28.5   | 21.1     | 36.8   | -33.5       | 56.1   | 159.2           | 636.9   |
| 2016           | 112.8   | 57.6            | 142.5   | 25.2  | 2.0     | -44.3  | 34.6     | -25.8  | 11.3        | 34.6   | 267.7           | 618.4   |
| 2017           | 84.1    | -3.3            | 159.6   | 46.9  | 57.7    | -6.8   | 101.1    | 56.9   | 30.6        | -0.3   | 327.1           | 853.6   |
| 2018           | 90.7    | 100.9           | 129.1   | 23.6  | 105.1   | 143.4  | 42.6     | 21.1   | 46.5        | 7.4    | 252.9           | 963.3   |
| 2019           | 68.8    | 6.7             | 148.0   | 17.5  | 54.4    | 213.0  | 22.0     | 41.6   | -19.8       | 3.2    | 244.0           | 799.3   |
| 2020           | 100.8   | -1.1            | 182.0   | 36.0  | 84.9    | -14.8  | 60.4     | 133.1  | -21.0       | 56.3   | 207.0           | 823.5   |
| 2021           | 104.7   | -55.9           | 89.7    | 60.7  | 124.0   | -94.6  | 75.6     | 98.7   | 211.0       | 148.9  | 420.5           | 1,183.3 |
| 2022           | 211.4   | 158.7           | 7.2     | 60.1  | 229.0   | -50.3  | 81.2     | 153.2  | 23.4        | 37.0   | 606.6           | 1,517.5 |
| 2023           | 87.9    | 237.7           | 187.2   | -34.5 | 204.9   | 376.3  | 173.3    | 355.6  | -124.3      | 78.7   | 352.8           | 1,895.6 |
| Jan - Sep 2024 | 178.8   | 105.5           | 252.5   | 15.7  | 240.2   | 58.0   | 193.4    | 110.8  | -42.2       | 55.5   | 309.4           | 1,477.4 |

**Note:**

Foreign Direct Investments (flows and stocks) are compiled in accordance with the most recent methodological instructions and recommendations of the International Monetary Fund (IMF) and Organization for Economic Cooperation and Development (OECD). Detailed methodological approach to compilation and presentation is included in the IMF Balance of Payments Manual, sixth edition and OECD Framework Definition of Foreign Direct Investments, fourth edition.

**T33: Flows of Foreign Direct Investment in BH by NACE Rev 2, Classification of Activities****- in KM million -**

| Year           | Manufacture of Food Products | Manufacture of Wood and of Products of Wood and Cork, except Furniture, Manufacture of Articles of Straw and Plaiting Materials | Manufacture of Coke and Refined Petroleum Products | Manufacture of Chemicals and Chemical Products | Manufacture of Other Non-metallic Mineral Products | Manufacture of Basic Metals | Manufacture of Motor Vehicles, Trailers and Semi-trailers | Wholesale Trade, except of Motor Vehicles and Motorcycles | Retail Trade, except of Motor Vehicles and Motorcycles | Telecommunications | Financial Service Activities, except Insurance and Pension Funding | Real Estate Activities | Other Industries | Total   |
|----------------|------------------------------|---|--|--|--|-----------------------------|---|---|--|--------------------|--|------------------------|------------------|---------|
| 2015           | 45.0                         | 5.2   | 24.0   | 58.4   | -4.4   | -52.9                       | 6.7   | 84.0  | -29.3  | 57.8               | 116.8  | 89.5                   | 236.1            | 636.9   |
| 2016           | 16.3                         | 5.6   | -52.0  | 51.9   | -17.6  | 2.0                         | 20.3  | 148.4   | 6.4  | 37.1               | 161.4  | -9.8                   | 248.4            | 618.4   |
| 2017           | 20.8                         | 13.5  | -26.0  | 1.2  | -8.8   | 58.8                        | 47.3  | 59.3  | 96.1   | 17.1               | 203.0  | 41.9                   | 329.2            | 853.6   |
| 2018           | 34.9                         | 9.3   | 139.0  | 33.2   | 15.5   | 63.7                        | 40.3  | 121.3   | 11.9   | 8.3                | 140.1  | 28.4                   | 317.4            | 963.3   |
| 2019           | -13.4                        | 15.1  | 200.3  | 26.5   | 6.4  | -2.5                        | 5.9   | 119.7   | 17.8   | -20.6              | 153.3  | 19.0                   | 271.7            | 799.3   |
| 2020           | 28.2                         | -1.8  | 1.5  | 39.1   | 18.8   | -29.4                       | 32.7  | 97.3  | 37.2   | 2.3                | 156.3  | 73.1                   | 368.3            | 823.5   |
| 2021           | 11.1                         | 7.2   | -52.2  | 17.0   | 5.5  | 102.6                       | 41.0  | 119.9   | 176.0  | 11.0               | 12.1   | 103.3                  | 628.8            | 1,183.3 |
| 2022           | 61.1                         | 13.3  | -49.3  | 104.2  | 31.3   | 122.8                       | 40.5  | 163.3   | 96.9   | 6.8                | 148.2  | 75.1                   | 703.3            | 1,517.5 |
| 2023           | 54.3                         | 5.2   | 362.4  | 139.4  | 24.3   | -118.0                      | 92.4  | 151.5   | 120.9  | 288.9              | 304.3  | 13.9                   | 456.1            | 1,895.6 |
| Jan - Sep 2024 | 59.4                         | 2.6   | 49.7   | 92.2   | 16.7   | -44.3                       | 38.7  | 132.6   | 218.9  | 50.0               | 388.7  | -5.5                   | 477.7            | 1,477.4 |

**Note:**

The data on flows of direct foreign investments in BiH, according to NACE 1. Rev.1 Classification of the Activities, for the period 2004-2012, can be found on web site.

Foreign Direct Investments (flows and stocks) are compiled in accordance with the most recent methodological instructions and recommendations of the International Monetary Fund (IMF) and Organization for Economic Cooperation and Development (OECD). Detailed methodological approach to compilation and presentation is included in the IMF Balance of Payments Manual, sixth edition and OECD Framework Definition of Foreign Direct Investments, fourth edition.

**T34: Stocks of direct investment in BH classified by country of foreign investor****- in KM million -**

| Country                  | 31 12 2021                             |                |                 | 31 12 2022                             |                |                 | 31 12 2023                             |                |                 |
|--------------------------|--|----------------|-----------------|--|----------------|-----------------|--|----------------|-----------------|
|                          | Equity capital and reinvested earnings | Other capital  | Total           | Equity capital and reinvested earnings | Other capital  | Total           | Equity capital and reinvested earnings | Other capital  | Total           |
| Austria                  | 2,642.4                                | 223.9          | 2,866.3         | 2,453.8                                | 265.5          | 2,719.3         | 2,472.6                                | 193.2          | 2,665.9         |
| Belgium                  | 12.0                                   | 5.9            | 17.9            | 11.9                                   | 5.5            | 17.5            | 26.9                                   | 5.6            | 32.5            |
| Montenegro               | 40.5                                   | 3.0            | 43.5            | 71.6                                   | 4.6            | 76.2            | 84.4                                   | 4.6            | 89.0            |
| Czech Republic           | 21.4                                   | 21.6           | 42.9            | 37.9                                   | 22.7           | 60.6            | 24.5                                   | 21.8           | 46.3            |
| Denmark                  | 36.0                                   | 5.5            | 41.5            | 23.8                                   | 2.6            | 26.4            | 56.5                                   | 5.9            | 62.4            |
| France                   | 15.9                                   | 4.9            | 20.8            | 19.6                                   | 8.4            | 28.0            | 19.1                                   | 8.5            | 27.6            |
| Netherlands              | 534.5                                  | 165.0          | 699.5           | 687.9                                  | 172.3          | 860.2           | 927.9                                  | 237.6          | 1,165.5         |
| Croatia                  | 2,506.6                                | 151.2          | 2,657.9         | 2,378.8                                | 160.8          | 2,539.5         | 2,670.2                                | 133.8          | 2,803.9         |
| Ireland                  | -3.4                                   | 14.4           | 11.1            | -5.9                                   | 14.6           | 8.6             | 1.6                                    | 14.6           | 16.2            |
| Italy                    | 663.7                                  | 122.1          | 785.9           | 723.9                                  | 113.2          | 837.1           | 672.7                                  | 112.9          | 785.6           |
| Canada                   | 0.5                                    | 5.1            | 5.7             | 1.0                                    | 5.1            | 6.1             | 0.1                                    | 5.6            | 5.7             |
| Cyprus                   | 153.0                                  | 6.8            | 159.8           | 169.5                                  | 9.7            | 179.2           | 211.8                                  | 14.9           | 226.7           |
| Kuwait                   | 134.8                                  | 179.8          | 314.6           | 117.8                                  | 190.9          | 308.7           | 109.5                                  | 205.5          | 315.0           |
| Liechtenstein            | 5.9                                    | 6.0            | 11.9            | 6.2                                    | 4.2            | 10.3            | 8.0                                    | 2.0            | 10.1            |
| Lithuania                | 2.0                                    | 0.0            | 2.0             | 0.2                                    | 0.0            | 0.2             | 1.4                                    | 0.0            | 1.3             |
| Luxembourg               | 115.9                                  | 225.7          | 341.6           | 168.4                                  | 191.0          | 359.4           | 154.0                                  | 188.4          | 342.4           |
| Hungary                  | 43.0                                   | 2.2            | 45.2            | 51.6                                   | 3.7            | 55.4            | 209.6                                  | 5.1            | 214.7           |
| Malaysia                 | 9.3                                    | 29.1           | 38.3            | 7.9                                    | 29.1           | 36.9            | 6.9                                    | 29.1           | 35.9            |
| Norway                   | 2.3                                    | 6.8            | 9.1             | 6.1                                    | 7.1            | 13.2            | 7.1                                    | 6.3            | 13.4            |
| Germany                  | 702.5                                  | 332.2          | 1,034.8         | 807.3                                  | 456.5          | 1,263.8         | 876.9                                  | 501.5          | 1,378.4         |
| Poland                   | 33.8                                   | 42.6           | 76.4            | 50.5                                   | 53.0           | 103.4           | 62.2                                   | 21.5           | 83.7            |
| Russia                   | 455.8                                  | 7.3            | 463.1           | 393.7                                  | 7.8            | 401.6           | 448.7                                  | 327.9          | 776.5           |
| Saudi Arabia             | 213.2                                  | 153.0          | 366.2           | 223.4                                  | 163.1          | 386.5           | 226.6                                  | 166.6          | 393.2           |
| Slovakia                 | 3.5                                    | 21.0           | 24.5            | 8.3                                    | 20.2           | 28.5            | 30.5                                   | 19.8           | 50.4            |
| Slovenia                 | 1,084.1                                | 160.8          | 1,244.9         | 1,161.7                                | 164.2          | 1,325.9         | 1,251.9                                | 157.3          | 1,409.2         |
| Serbia                   | 2,014.8                                | 290.1          | 2,304.9         | 2,147.8                                | 334.5          | 2,482.2         | 2,392.0                                | 287.8          | 2,679.8         |
| Spain                    | 28.8                                   | 1.7            | 30.5            | 35.3                                   | 5.3            | 40.6            | 34.1                                   | 6.8            | 40.9            |
| Switzerland              | 554.6                                  | 77.9           | 632.5           | 593.3                                  | 77.7           | 671.0           | 461.6                                  | 77.5           | 539.1           |
| Sweden                   | 56.6                                   | 38.0           | 94.6            | 65.2                                   | 14.7           | 79.9            | 65.7                                   | 15.3           | 81.1            |
| Turkey                   | 513.7                                  | 3.8            | 517.4           | 608.6                                  | -45.5          | 563.1           | 674.9                                  | -25.7          | 649.2           |
| United Arabian Emirates  | 170.3                                  | 338.4          | 508.7           | 134.0                                  | 350.3          | 484.3           | 118.5                                  | 372.8          | 491.3           |
| United States of America | 33.2                                   | 22.1           | 55.3            | 21.7                                   | 20.5           | 42.2            | 37.7                                   | 19.0           | 56.7            |
| Great Britain            | 701.9                                  | 132.1          | 834.0           | 893.8                                  | 210.6          | 1,104.4         | 1,013.1                                | 229.4          | 1,242.4         |
| Other countries          | 361.5                                  | 189.0          | 550.5           | 397.0                                  | 273.4          | 670.4           | 386.9                                  | 298.2          | 685.1           |
| <b>Total</b>             | <b>13,864.7</b>                        | <b>2,988.9</b> | <b>16,853.6</b> | <b>14,473.4</b>                        | <b>3,317.1</b> | <b>17,790.6</b> | <b>15,746.2</b>                        | <b>3,670.9</b> | <b>19,417.1</b> |

**T35: Nominal and Real KM effective exchange rate**

| Year | Month | KM Effective Exchange Rate (2015=100) |        |
|------|-------|---------------------------------------|--------|
|      |       | NEER                                  | REER   |
| 2015 |       | 99.98                                 | 99.99  |
| 2016 |       | 101.18                                | 98.87  |
| 2017 |       | 101.98                                | 98.36  |
| 2018 |       | 103.68                                | 98.99  |
| 2019 |       | 104.42                                | 98.05  |
| 2020 |       | 106.11                                | 97.23  |
| 2021 |       | 107.37                                | 96.93  |
| 2022 |       | 108.94                                | 100.75 |
| 2023 |       | 111.29                                | 100.62 |
| 2024 |       | 113.09                                | 99.36  |
| 2024 | 01    | 112.53                                | 100.54 |
|      | 02    | 112.86                                | 100.65 |
|      | 03    | 113.14                                | 100.54 |
|      | 04    | 112.98                                | 99.87  |
|      | 05    | 113.06                                | 99.43  |
|      | 06    | 113.00                                | 98.64  |
|      | 07    | 113.18                                | 98.43  |
|      | 08    | 113.43                                | 98.96  |
|      | 09    | 113.58                                | 99.02  |
|      | 10    | 113.39                                | 98.67  |
|      | 11    | 113.03                                | 98.78  |
|      | 12    | 112.93                                | 98.81  |

**Note:**

Detailed methodological explanations for compiling and calculating the nominal (NEER) and real (REER) effective exchange rate are available at the CBBH website <http://www.cbbh.ba/content/read/1109?lang=en>

**NOTE 6, 7, 9, 13,14, 15, 16 and 17.**

The revised data for the period January 2006 – November 2015 are based on the active sub-balance of the banks with majority state owned capital from the Federation of BH, with the passive sub-balance excluded. Through such supplement of statistics, the users are provided with higher analytical usefulness of data and objective indicators on the current operations of banks in BH. Passive sub-balance includes the liabilities based on foreign loans and old foreign exchange savings of citizens until 31 March 1992 and it does not reflect the current operations of the bank, so this sub-balance in the privatization process will be taken over by the Ministry of Finance of FBH according to the Law on Initial Balance Sheets of Banks and the Law on Privatization, as it has been done for the previously privatized banks. The performed revision mainly influenced the decrease of loans to public companies in a foreign currency, decrease of foreign liabilities, decrease of other items of assets and liabilities on the basis of old foreign exchange savings, and in considerably lower amounts, on items of loans to the Entity Government, fixed assets, non-residents' deposits, shares and capital.

The data on the „complete“ balance sheet, with the included passive sub-balance, are still available at: [http://statistics.cbbh.ba:4444/Panorama/novaview/SimpleLogin\\_bs.aspx](http://statistics.cbbh.ba:4444/Panorama/novaview/SimpleLogin_bs.aspx)

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| Monthly Economic Overview   | Brief information about the latest trends in the macroeconomic environment, which has been published on the website of the CBBH since May 2013. The publication had previously been internal.  |
| Bulletin  | A quarterly publication which includes monetary and financial statistics, information on payment transactions, data on the real sector and balance of payments data of Bosnia and Herzegovina.   |
| Annual Report   | The publication contains the report on the operations of the CBBH throughout the year and the financial report, which the CBBH submits to the Presidency of Bosnia and Herzegovina and the Parliamentary Assembly of Bosnia and Herzegovina.   |
| Financial Stability Report  | The annual publication contains an assessment of the risks arising from the macroeconomic environment and trends in the financial system, as well as an assessment of the resistance of the system to the identified risks.  |
| Special research topics   | An occasional publication published on the website of the CBBH.  |
| CBBH Monography   | Jubilee publication on the occasion of the CBBH twenty years anniversary.  |
| WEBSITE<br>www.cbbh.ba<br>e-mail:<br>contact@cbbh.ba<br>pr@cbbh.ba<br>TWITTER@CBBIH | <p>The openness and transparency of the CBBH operations is considered very important for the credibility, public accountability and trust, which it enjoys among the population and by other institutions in Bosnia and Herzegovina and by international institutions. On the basis of the CBBH Rules of Procedure, the CBBH has an obligation to inform the public about its work by providing timely information, publishing reports, issuing official publications and organizing press conferences.</p> <p>The website of the CBBH has existed since 1998. It contains basic information on the CBBH, the Law on the CBBH, presents the banknotes and coins of Bosnia and Herzegovina, as well as numismatic issues of the CBBH. On the website, there are also numerous publications and statistical data (Annual Reports, Monthly Balance Sheets, Quarterly Bulletins, Financial Stability Reports, Balance of Payments of BH, Payment Operations Reports ...) and a list of all commercial banks in BH. The publications and statistical data are published in generally accepted formats, DOC, XLS and PDF. On this page, the latest exchange rates, which are updated daily, and other relevant news and press releases are published.</p> <p>The material is published in Bosnian, Croatian, Serbian and English. In order to increase openness and transparency and to reach the public, as much as possible, the CBBH has launched an official profile on the social network Twitter. On this profile, we publish the data, usually published on the website of the Bank, www.cbbh.ba, as well as additional information and data, which are estimated as relevant. The way of communication is adjusted to the targeted audience.</p> |



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