



BANKA QENDRORE E REPUBLIKËS SË KOSOVËS  
CENTRALNA BANKA REPUBLIKE KOSOVA  
CENTRAL BANK OF THE REPUBLIC OF KOSOVO

THE CBK FINANCIAL STATEMENT  
/for the second quarter 2021/  
**-unaudited interim report-**

Department of Financial Planning and Reporting

## CBK’s Financial Statements for the second quarter 2021

As defined by Law 03/L-209 “On Central Bank of the Republic of Kosovo” (CBK), as a reporting framework for the preparation of financial statement are International Financial Reporting Standards, respectively Article 58 of the law mentioned above. Financial Statements for the second quarter include *statement of financial position, statement of comprehensive income, statement of changes in capital and reserves (equity)*. CBK financial year coincides with calendar year and reporting date for financial statement for the second quarter is June 30, 2021.

### **Abbreviations used in this Report:**

CBK – Central Bank of the Republic of Kosovo

IMF – International Monetary Found

SDR – Special Drawing Rights

IT – Information Technology

ICS –Interbank Clearing and Settlement

ECB – European Central Bank

USD – American Dollar

## Statement of financial position


as per

|  | Note | 30 June 2021            | 31 December 2020        |
|--|------|-------------------------|-------------------------|
| <b>Assets</b>                              |      |                         |                         |
| Cash on hand                               | 5    | 421,680,482.26          | 308,090,581.36          |
| Current accounts with non-resident banks   | 6    | 267,102,589.89          | 313,343,220.61          |
| Securities                                 | 7    | 568,416,221.79          | 587,793,209.28          |
| Placements in money market                 | 8    | 4,205,071.32            | 58,323,427.72           |
| In accounts related with IMF               | 9    | 243,280,252.49          | 268,198,353.59          |
| Properties and equipment's                 | 10   | 4,617,194.68            | 4,888,508.98            |
| Intangible assets                          | 11   | 1,552,483.67            | 1,700,404.15            |
| Other assets                               | 12   | 1,905,429.13            | 1,883,518.68            |
| <b>Total assets</b>                        |      | <b>1,512,759,725.23</b> | <b>1,544,221,224.37</b> |
| <b>Liabilities</b>                         |      |                         |                         |
| Due to domestic commercial banks           | 13   | 457,621,709.80          | 566,425,797.59          |
| Due to IMF related accounts                | 14   | 244,826,082.08          | 269,137,185.35          |
| Due to Governmental Institutions           | 15   | 666,232,765.30          | 508,446,061.87          |
| Due to public and commercial entities      | 16   | 79,890,843.09           | 138,661,273.30          |
| Borrowings                                 | 17   | 2,184,174.68            | 2,154,255.22            |
| Other domestic liabilities                 | 18   | 2,074,070.49            | 2,539,286.08            |
| <b>Total liabilities</b>                   |      | <b>1,452,829,645.44</b> | <b>1,487,363,859.41</b> |
| <b>Capital and reserves</b>                |      |                         |                         |
| Authorized capital                         | 19   | 30,000,000.00           | 30,000,000.00           |
| Reserve fund                               | 20   | 26,857,364.96           | 24,694,728.84           |
| Net result of the period                   |      | 3,072,714.83            | 2,162,636.12            |
| <b>Total capital and reserve</b>           |      | <b>59,930,079.79</b>    | <b>56,857,364.96</b>    |
| <b>Total liability capital and reserve</b> |      | <b>1,512,759,725.23</b> | <b>1,544,221,224.37</b> |

Notes from page 6 up to 17 are integral parts of these financial statements

These financial statements are only a draft report for preliminary publication, as such they are in the process of approval by the Central Bank Board. These draft financial statements will be republished after approval by the CBK Board.

  
 Fehmi Mehmeti  
 Governor

  
 Faton Ahmetaj  
 Director of Financial Planning  
 and Reporting Directorate

## Statement of comprehensive income

|  | Note  | 30 June 2021          | 30 June 2020          |
|--|-------|-----------------------|-----------------------|
| <b>Net interest income</b>                                     |       |                       |                       |
| Interest income  |       | 2,003,864.01          | 1,876,660.65          |
| Interest expense   |       | (529,328.58)          | (519,301.57)          |
| <b>Net interest income</b>                                     | 21    | <b>1,474,535.43</b>   | <b>1,357,359.08</b>   |
| <b>Fee and commission income</b>                               |       |                       |                       |
| Fee and commission income                                      |       | 1,500,163.76          | 1,150,610.10          |
| Fee and commission expenses                                    |       | (220,269.79)          | (98,496.80)           |
| <b>Net fee and commission income</b>                           | 22    | <b>1,279,893.97</b>   | <b>1,052,113.30</b>   |
| <b>Other operating Income</b>                                  |       |                       |                       |
| Income from regulatory activity                                | 23    | 2,753,518.82          | 2,024,421.55          |
| Grant revenues   | 24    | 62,481.93             | 69,566.44             |
| Other operating Income   | 25    | 1,369.60              | 2,017.47              |
| <b>Total Operating Income</b>                                  |       | <b>5,571,799.75</b>   | <b>4,505,477.84</b>   |
| <b>Administrative (operative) expenses</b>                     |       |                       |                       |
| Personnel expenses   | 26    | (2,273,152.70)        | (2,213,240.97)        |
| Depreciation and amortization                                  | 10,11 | (523,323.88)          | (511,221.37)          |
| General and administrative expenses                            | 27    | (549,865.13)          | (536,395.85)          |
| <b>Total administrative (operative) expenses</b>               |       | <b>(3,346,341.71)</b> | <b>(3,260,858.19)</b> |
| <b>Net result without exchange rate effect</b>                 |       | <b>2,225,458.04</b>   | <b>1,244,619.65</b>   |
| Net profit/loss on exchange rate                               | 28    | 228,852.72            | 49,721.28             |
| Provision for expected credit losses (net increase / decrease) |       | 618,404.07            | 511,599.00            |
| <b>Net result of the period</b>                                |       | <b>3,072,714.83</b>   | <b>1,294,340.93</b>   |

Notes from page 6 up to 17 are integral parts of these financial statements

## Statement of changes in equity (capital and reserve)

|  | Capital              | Reserve fund         | Revaluation fund  | Retained Earnings     | Net result          | Total                |
|--|----------------------|----------------------|-------------------|-----------------------|---------------------|----------------------|
| <b>Balance at 1 January 2020 (as stated)</b>   | <b>30,000,000.00</b> | <b>22,621,568.37</b> | <b>526,895.80</b> | <b>2,108,701.19</b>   | <b>-</b>            | <b>55,257,165.36</b> |
| Adjustment for long-term employee benefits and for foreign exchange revaluation (EUR / SDR) for World Bank borrowing | -                    | (579,754.74)         | 17,318.22         | -                     | -                   | (562,436.52)         |
| <b>Balance at 1 January 2020 (restated)</b>  | <b>30,000,000.00</b> | <b>22,041,813.63</b> | <b>544,214.02</b> | <b>2,108,701.19</b>   | <b>-</b>            | <b>54,694,728.84</b> |
| Transfer to reserve fund   | -                    | 1,861,070.55         | 247,630.64        | (2,108,701.19)        | -                   | -                    |
| <b>Total transactions required by law</b>  | <b>-</b>             | <b>1,861,070.55</b>  | <b>247,630.64</b> | <b>(2,108,701.19)</b> | <b>-</b>            | <b>-</b>             |
| Profit for the year  | -                    | -                    | -                 | -                     | 2,162,636.12        | 2,162,636.12         |
| Other comprehensive income   | -                    | -                    | -                 | -                     | -                   | -                    |
| <b>Total comprehensive income for the year</b>   | <b>-</b>             | <b>-</b>             | <b>-</b>          | <b>-</b>              | <b>2,162,636.12</b> | <b>2,162,636.12</b>  |
| <b>Balance at 31 December 2020</b>   | <b>30,000,000.00</b> | <b>23,902,884.18</b> | <b>791,844.66</b> | <b>-</b>              | <b>2,162,636.12</b> | <b>56,857,364.96</b> |
| <b>Balance at 01 January 2021</b>  | <b>30,000,000.00</b> | <b>23,902,884.18</b> | <b>791,844.66</b> | <b>2,162,636.12</b>   | <b>-</b>            | <b>56,857,364.96</b> |
| Transfer to reserve fund   | -                    | -                    | -                 | -                     | -                   | -                    |
| <b>Total transactions required by law</b>  | <b>-</b>             | <b>-</b>             | <b>-</b>          | <b>-</b>              | <b>-</b>            | <b>-</b>             |
| Profit for the period  | -                    | -                    | -                 | -                     | 3,072,714.83        | 3,072,714.83         |
| Other comprehensive income   | -                    | -                    | -                 | -                     | -                   | -                    |
| <b>Total comprehensive income for the year</b>   | <b>-</b>             | <b>-</b>             | <b>-</b>          | <b>-</b>              | <b>3,072,714.83</b> | <b>3,072,714.83</b>  |
| <b>Balance at 30 June 2020</b>   | <b>30,000,000.00</b> | <b>23,902,884.18</b> | <b>791,844.66</b> | <b>2,162,636.12</b>   | <b>3,072,714.83</b> | <b>59,930,079.79</b> |

Notes from page 6 up to 17 are integral parts of these financial statements

## Financial statements of the Central Bank of the Republic of Kosovo

### **1. Reporting Institution**

Central Bank of the Republic of Kosovo – CBK, which operates under the Law no. 03/L-209 “On Central Bank of the Republic of Kosovo” approved in July 2010. As well as the amendment on March 10, 2017 with Law no. 05 / L-150.

### **2. Basis for preparation of Financial Statements**

#### **Reporting Framework**

Financial statements are in accordance with International Financial Reporting Standards (IFRS) for interim reporting.

#### **Basis of measurements**

Financial Statements have been prepared on the bases of historical cost.

#### **Functional and presentation currency**

These financial statements are presented in euro, EUR, which is CBK’s functional currency. In case when financial information is presented in other currency it will be indicated. All financial information presented are rounded to zero (decimal values not shown).

### **3. Accounting Policies**

Financial statements are prepared by using consistency of accounting policies, and emphasize that there were no new policy or change in accounting policies applied.

### **4. Financial Risk Management**

Financial risk in CBK is presented as; liquidity risk, operational risk, credit risk and market risk. Financial risk in CBK is mostly related to asset management activity and is mainly managed from Asset Management Department in accordance with the policy of asset investment and management approved by the Board. Assets exposed as the result of their financial management activity are mainly within European Union Countries with very good credit rating (from AAA till BBB + / Aaa till A3).

**Financial risk management (continued)**

Carrying values of credit risk exposure divided by type and also expressed by the share in percentage with total exposure, are as follows:

| <b>30 June 2021</b>                        |   |                                    |  |                                 |                              |
|--|---|------------------------------------|--|---------------------------------|------------------------------|
| <b>Credit Rating<br/>(S&amp;P/Moody's)</b> | <b>Current<br/>accounts with<br/>non-resident<br/>banks</b> | <b>Money market<br/>placements</b> | <b>Securities<br/>(Treasury Bills<br/>and Bonds)</b> | <b>Total carrying<br/>value</b> | <b>% of total<br/>weight</b> |
| AAA/Aaa                                    | 171,939,877.03  | 4,207,337.60                       | 114,939,929.35                                       | 291,087,138.83                  | 34.63%                       |
| AA+/Aa1                                    | -   | -                                  | 142,631,829.67                                       | 142,631,829.67                  | 16.97%                       |
| AA/Aa2                                     | -   | -                                  | 10,007,437.02  | 10,007,437.02                   | 1.19%                        |
| AA-/Aa3                                    | -   | -                                  | -  | -                               | 0.00%                        |
| A+/A1                                      | 480,900.36  | -                                  | -  | 480,900.36                      | 0.06%                        |
| A/A2                                       | -   | -                                  | 102,169,873.12                                       | 102,169,873.12                  | 12.16%                       |
| BBB+/A3                                    | 94,808,483.60   | -                                  | 199,319,075.06                                       | 294,127,558.39                  | 34.99%                       |
| <b>Total</b>                               | <b>267,229,260.99</b>                                       | <b>4,207,337.60</b>                | <b>569,068,144.22</b>                                | <b>840,504,737.39</b>           | <b>100.00%</b>               |

| <b>31 December 2020</b>                    |   |                                    |  |                                 |                              |
|--|---|------------------------------------|--|---------------------------------|------------------------------|
| <b>Credit Rating<br/>(S&amp;P/Moody's)</b> | <b>Current<br/>accounts with<br/>non-resident<br/>banks</b> | <b>Money market<br/>placements</b> | <b>Securities<br/>(Treasury Bills<br/>and Bonds)</b> | <b>Total carrying<br/>value</b> | <b>% of total<br/>weight</b> |
| AAA/Aaa                                    | 128,168,559.45  | 8,393,773.94                       | 105,713,338.43                                       | 242,275,671.82                  | 25.21%                       |
| AA+/Aa1                                    | 86,666,044.58   | -                                  | 147,566,525.62                                       | 234,232,570.20                  | 24.38%                       |
| AA/Aa2                                     | -   | -                                  | 10,016,912.60  | 10,016,912.60                   | 1.04%                        |
| AA-/Aa3                                    | -   | -                                  | -  | -                               | 0.00%                        |
| A+/A1                                      | 460,000.00  | -                                  | -  | 460,000.00                      | 0.05%                        |
| A/A2                                       | -   | -                                  | 103,281,616.33                                       | 103,281,616.33                  | 10.75%                       |
| BBB+/A3                                    | 98,412,019.12   | 50,000,000.00                      | 222,180,331.42                                       | 370,592,350.54                  | 38.57%                       |
| <b>Total</b>                               | <b>313,706,623.15</b>                                       | <b>58,393,773.94</b>               | <b>588,758,724.40</b>                                | <b>960,859,121.49</b>           | <b>100.00%</b>               |

**Liquidity risk management (continued)****Carried amounts according to maturity left**

|  | Note | Net carried amount        | < 3 months                | 3-6 months             | 6-12 months            | 1-5 years              | more than 5 years     |
|--|------|---------------------------|---------------------------|------------------------|------------------------|------------------------|-----------------------|
| <b>30 June 2021</b>                      |      |                           |                           |                        |                        |                        |                       |
| <b>Assets</b>                            |      |                           |                           |                        |                        |                        |                       |
| Cash on hand                             | 5    | 421,680,482.26            | 421,680,482.26            | -                      | -                      | -                      | -                     |
| Current accounts with non-resident banks | 6    | 267,102,589.89            | 267,102,589.89            | -                      | -                      | -                      | -                     |
| Treasury bills                           | 7    | 568,416,221.79            | 23,733,246.52             | 5,612,488.54           | 43,357,141.63          | 490,495,987.84         | 5,217,357.26          |
| Money market placements                  | 8    | 4,205,071.32              | 4,205,071.32              | -                      | -                      | -                      | -                     |
| In accounts related with IMF             | 9    | 243,280,252.49            | 169,942,621.49            | 11,882,857.00          | 11,882,857.00          | 49,571,917.00          | -                     |
|  |      | <b>1,504,684,617.75</b>   | <b>886,664,011.48</b>     | <b>17,495,345.54</b>   | <b>55,239,998.63</b>   | <b>540,067,904.84</b>  | <b>5,217,357.26</b>   |
| <b>Liabilities</b>                       |      |                           |                           |                        |                        |                        |                       |
| Due to domestic banks                    | 13   | (457,621,709.80)          | (457,621,709.80)          | -                      | -                      | -                      | -                     |
| Due to accounts related to IMF           | 14   | (244,826,082.08)          | (171,488,451.08)          | (11,882,857.00)        | (11,882,857.00)        | (49,571,917.00)        | -                     |
| Due to local governmental institutions   | 15   | (666,232,765.30)          | (666,232,765.30)          | -                      | -                      | -                      | -                     |
| Due to public and commercial entities    | 16   | (79,890,843.09)           | (79,890,843.09)           | -                      | -                      | -                      | -                     |
| Borrowings                               | 17   | (2,184,174.68)            | -                         | -                      | -                      | (1,092,087.34)         | (1,092,087.34)        |
| Other domestic liabilities               | 18   | (2,074,070.49)            | (2,074,070.49)            | -                      | -                      | -                      | -                     |
|  |      | <b>(1,452,829,645.44)</b> | <b>(1,377,307,839.76)</b> | <b>(11,882,857.00)</b> | <b>(11,882,857.00)</b> | <b>(50,664,004.34)</b> | <b>(1,092,087.34)</b> |
|  |      | <b>51,854,972.31</b>      | <b>(490,643,828.28)</b>   | <b>5,612,488.54</b>    | <b>43,357,141.63</b>   | <b>489,403,900.50</b>  | <b>4,125,269.92</b>   |
| <b>31 December 2020</b>                  |      |                           |                           |                        |                        |                        |                       |
| <b>Assets</b>                            |      |                           |                           |                        |                        |                        |                       |
| Cash on hand                             | 5    | 308,090,581.36            | 308,090,581.36            | -                      | -                      | -                      | -                     |
| Current accounts with non-resident banks | 6    | 313,343,220.61            | 313,343,220.61            | -                      | -                      | -                      | -                     |
| Treasury bills                           | 7    | 587,793,209.28            | 19,710,149.17             | 24,719,534.33          | 24,893,463.87          | 518,470,061.91         | -                     |
| Money market placements                  | 8    | 58,323,427.72             | 8,387,788.97              | 49,935,638.75          | -                      | -                      | -                     |
| In accounts related with IMF             | 9    | 268,198,353.59            | 172,425,159.59            | 11,720,082.00          | 23,440,164.00          | 60,612,948.00          | -                     |
|  |      | <b>1,535,748,792.56</b>   | <b>821,956,899.71</b>     | <b>86,375,255.08</b>   | <b>48,333,627.87</b>   | <b>579,083,009.91</b>  | <b>-</b>              |
| <b>Liabilities</b>                       |      |                           |                           |                        |                        |                        |                       |
| Due to domestic banks                    | 13   | (566,425,797.59)          | (566,425,797.59)          | -                      | -                      | -                      | -                     |
| Due to accounts related to IMF           | 14   | (269,137,185.35)          | (173,363,991.35)          | (11,720,082.00)        | (23,440,164.00)        | (60,612,948.00)        | -                     |
| Due to local governmental institutions   | 15   | (508,446,061.87)          | (508,446,061.87)          | -                      | -                      | -                      | -                     |
| Due to public and commercial entities    | 16   | (138,661,273.30)          | (138,661,273.30)          | -                      | -                      | -                      | -                     |
| Borrowings                               | 17   | (2,154,255.22)            | -                         | -                      | -                      | (1,077,127.61)         | (1,077,127.61)        |
| Other domestic liabilities               | 18   | (2,539,286.08)            | (2,539,286.08)            | -                      | -                      | -                      | -                     |
|  |      | <b>(1,487,363,859.41)</b> | <b>(1,389,436,410.19)</b> | <b>(11,720,082.00)</b> | <b>(23,440,164.00)</b> | <b>(61,690,075.61)</b> | <b>(1,077,127.61)</b> |
|  |      | <b>48,384,933.15</b>      | <b>(567,479,510.48)</b>   | <b>74,655,173.08</b>   | <b>24,893,463.87</b>   | <b>517,392,934.30</b>  | <b>(1,077,127.61)</b> |



## 5. Cash on hand

|              | 30 June 2021          | 31 December 2020      |
|--------------|-----------------------|-----------------------|
| Cash on hand | 421,680,482.26        | 308,090,581.36        |
| <b>Total</b> | <b>421,680,482.26</b> | <b>308,090,581.36</b> |

There is an increase in the balance on June 30, 2021 compared to December 31, 2020. It is mainly derived from daily cash operations but which is within the scope of activity.

## 6. Current accounts with non-resident banks

Composition of current accounts with non-residential banks is as follows:

|                                     | 30 June 2021          | 31 December 2020      |
|-------------------------------------|-----------------------|-----------------------|
| Deutsche Bundesbank                 | 116,771,213.57        | 127,998,268.81        |
| Raiffeisen Zentralbank              | 10,082,427.23         | 9,902,766.40          |
| Banque centrale du Luxembourg       | 54,905,441.75         | 86,666,044.58         |
| Deutsche Bank                       | 84,726,056.38         | 88,509,252.72         |
| Nostro Acc. Commerzbank AG          | 480,900.36            | 460,000.00            |
| Nostro acc. with FED                | 263,221.70            | 170,290.64            |
| <b>Total carrying amount</b>        | <b>267,229,260.99</b> | <b>313,706,623.15</b> |
| Impairment for expected credit loss | (126,671.10)          | (363,402.54)          |
| <b>Total net carrying amount</b>    | <b>267,102,589.89</b> | <b>313,343,220.61</b> |

The position of current accounts (nostro) compared to December 31, 2020 has decreased significantly, the change is due to the activity of these accounts and the management of the asset portfolio also affected by the negative rates in the financial markets (respectively notes 5, 6, 7 and 8, which are very closely related to each other referred to in terms of asset management). The reduction in this group may have the effect of reducing interest expense from the negative rates that correspondent banks (excluding the Fed - Federal Reserve account) apply to the accounts disclosed above.

## 7. Securities (Treasury Bills and Bonds)

Both categories that belong to the group under note 7 are debt letters issued (issued) by different countries and institutions in Europe and United States of America, in analytics the geographical distribution is as listed on page 10 (in the table by geographical distribution). Treasury bills disclosed also on page 10, have a contracted maturity of up to one year. While those of government bonds have a contracted maturity of one year to over five years. All are in Euro and have effective interest rates ranging from 0.019% to 3.023% annual in 2021 (in 2020 same reporting period: 0.019% to 3.021% annual).

**Securities according to geographic distribution and type (continued):**  
**Disclosure by countries:**

| <b>Country</b>            | <b>Carrying amount<br/>30 June 2021</b> | <b>Impairment for expected<br/>credit loss</b> | <b>Net carrying amount<br/>30 June 2021</b> |
|---------------------------|---|--|---|
| Germany                   | 66,199,447.24                           | (123,459.32)                                   | 66,075,987.92                               |
| France                    | 10,007,437.02                           | (35,632.73)                                    | 9,971,804.29                                |
| The Netherland            | 12,347,704.53                           | (19,139.52)                                    | 12,328,565.01                               |
| Slovenia                  | -                                       | -  | -   |
| Luxemburg                 | 88,441,538.66                           | (42,928.41)                                    | 88,398,610.25                               |
| EuroFima-Switzerland      | 5,615,014.49                            | (2,525.95)                                     | 5,612,488.54                                |
| KommuneKredit-<br>Denmark | 6,025,543.67                            | (6,064.64)                                     | 6,019,479.03                                |
| Austria                   | 74,737,342.90                           | (245,371.22)                                   | 74,491,971.68                               |
| Ireland                   | 102,169,873.12                          | (19,187.61)                                    | 102,150,685.51                              |
| United States of America  | 4,205,167.53                            | (2,265.11)                                     | 4,202,902.42                                |
| Kosovo                    | 199,319,075.06                          | (155,347.90)                                   | 199,163,727.16                              |
| <b>Total</b>              | <b>569,068,144.22</b>                   | <b>(651,922.43)</b>                            | <b>568,416,221.79</b>                       |

| <b>Country</b>            | <b>Carrying amount<br/>31 December 2020</b> | <b>Impairment for expected<br/>credit loss</b> | <b>Net carrying amount<br/>31 December 2020</b> |
|---------------------------|---|--|---|
| Germany                   | 66,177,184.72                               | (157,101.55)                                   | 66,020,083.17                                   |
| France                    | 10,016,912.60                               | (104,027.94)                                   | 9,912,884.66                                    |
| The Netherland            | 12,338,769.12                               | (26,938.65)                                    | 12,311,830.47                                   |
| Slovenia                  | 20,731,897.56                               | (67,241.15)                                    | 20,664,656.41                                   |
| Luxemburg                 | 88,381,758.61                               | (92,808.41)                                    | 88,288,950.20                                   |
| EuroFima-Switzerland      | 5,613,502.82                                | (2,526.22)                                     | 5,610,976.60                                    |
| KommuneKredit-<br>Denmark | 6,039,362.71                                | (8,472.60)                                     | 6,030,890.11                                    |
| Austria                   | 74,729,286.07                               | (248,105.97)                                   | 74,481,180.10                                   |
| Ireland                   | 103,281,616.33                              | (96,701.14)                                    | 103,184,915.19                                  |
| United States of America  | -   | -  | -   |
| Kosovo                    | 201,448,433.86                              | (161,591.48)                                   | 201,286,842.38                                  |
| <b>Total</b>              | <b>588,758,724.40</b>                       | <b>(965,515.12)</b>                            | <b>587,793,209.28</b>                           |

**According to type:**

|                | <b>Carrying amount<br/>30 June 2021</b> | <b>Impairment for expected<br/>credit loss</b> | <b>Net carrying amount<br/>30 June 2021</b> |
|----------------|---|--|---|
| Treasury Bills | 4,205,167.53                            | (2,265.11)                                     | 4,202,902.42                                |
| Bonds          | 564,862,976.69                          | (649,657.31)                                   | 564,213,319.38                              |
| <b>Total</b>   | <b>569,068,144.22</b>                   | <b>(651,922.43)</b>                            | <b>568,416,221.79</b>                       |

|                | <b>Carrying amount<br/>31 December 2020</b> | <b>Impairment for expected<br/>credit loss</b> | <b>Net carrying amount<br/>31 December 2020</b> |
|----------------|---|--|---|
| Treasury Bills | -   | -  | -   |
| Bonds          | 588,758,724.40                              | (965,515.12)                                   | 587,793,209.28                                  |
| <b>Total</b>   | <b>588,758,724.40</b>                       | <b>(965,515.12)</b>                            | <b>587,793,209.28</b>                           |

Within the group there is a decrease in the total balance compared to the period 31 December 2020 which is a normal course of portfolio management, mainly based on asset security second and then on the opportunities for more optimal rates of return on assets.

## 8. Money market placements

This group includes money market placements in our correspondent banks. The interest rate for these placements until the second quarter of 2021 on average is about 0.013% (minimum: 0.000% and maximum: 0.250%), while in 2020: on average 0.2675% (minimum: -0.590% and maximum: 1,500% ). These placements mainly have a contracted maturity of up to one year. The analysis by banks is disclosed in the table below:

| <b>Money market placements by banks:</b>                           | <b>Carrying amount<br/>30 June 2021</b> | <b>Impairment for<br/>expected credit loss</b> | <b>Net carrying amount<br/>30 June 2021</b> |
|--|---|--|---|
| Raiffeisen Bank International AG                                   | -                                       | -  | -   |
| Federal Reserve Bank (FED-NY)                                      | 4,207,337.60                            | (2,266.28)                                     | 4,205,071.32                                |
|  | <b>4,207,337.60</b>                     | <b>(2,266.28)</b>                              | <b>4,205,071.32</b>                         |
| <b>Accrued (accrual) interest on<br/>Money market placeminets:</b> |   |  |   |
| Raiffeisen Bank International AG                                   | -                                       | -  | -   |
| Federal Reserve Bank (FED-NY)                                      | -                                       | -  | -   |
|  | -                                       | -  | -   |
| <b>Total</b>   | <b>4,207,337.60</b>                     | <b>(2,266.28)</b>                              | <b>4,205,071.32</b>                         |

| <b>Money market placements by banks:</b>                           | <b>Carrying amount<br/>31 December 2020</b> | <b>Impairment for<br/>expected credit loss</b> | <b>Net carrying amount<br/>31 December 2020</b> |
|--|---|--|---|
| Raiffeisen Bank International AG                                   | 50,000,000.00                               | (64,361.25)                                    | 49,935,638.75                                   |
| Federal Reserve Bank (FED-NY)                                      | 8,393,773.94                                | (5,984.97)                                     | 8,387,788.97                                    |
|  | <b>58,393,773.94</b>                        | <b>(70,346.22)</b>                             | <b>58,323,427.72</b>                            |
| <b>Accrued (accrual) interest on<br/>Money market placeminets:</b> |   |  |   |
| Raiffeisen Bank International AG                                   | -   | -  | -   |
| Federal Reserve Bank (FED-NY)                                      | -   | -  | -   |
|  | -   | -  | -   |
| <b>Total</b>   | <b>58,393,773.94</b>                        | <b>(70,346.22)</b>                             | <b>58,323,427.72</b>                            |

At the reporting date we have no active placements in euros, while we have an active placement of 5 million in USD on the reporting date (in the placement table) is expressed the equivalent in euros.

**9. Assets related to IMF**

|                        | <b>30 June 2021</b>   | <b>31 December 2020</b> |
|------------------------|-----------------------|-------------------------|
| IMF Quota              | 99,143,834.18         | 97,785,733.23           |
| SDR holdings           | 58,744,885.87         | 58,518,669.26           |
| Accrued Interest       | 171,045.43            | 242,413.92              |
| Use of IMF funds (SBA) | 85,220,487.01         | 111,651,537.18          |
| <b>Total</b>           | <b>243,280,252.49</b> | <b>268,198,353.59</b>   |

Above items arise from Kosovo membership in IMF. Item IMF Quota represents the value of the mandatory quota (86,000,000 SDR from February 2016, where at the beginning has been 59,000,000 SDR) set to Kosovo by IMF in Euros.

Item SDR Holdings represents the value deposited in SDR (Special Drawing rights) on behalf of the Republic of Kosovo according to the decisions of the Executive Board of IMF on 28 August (43,737,278 SDR) and 9 September 2009 (11,631,135 SDR) in euros in the table above.

Special Drawing Rights – SDR deposits are deposits that bring an interest of 0.057% on average for the reporting period.

Item use of IMF funds, represents use of IMF funds according the agreement for use of credit line by Kosovo Government (SBA) and the emergency assistance agreement under the Rapid Financing Instrument (RFI) in the amount of SDR 41.3 million 10 April 2020. Changes are derived mainly from new disbursement, payments and partially from changes on foreign exchange.

**10, 11 Tangible and Intangible Assets****Tangible Assets:**

| <b>Historical cost</b>          | <b>Premises</b>     | <b>Equipment, offices and other</b> | <b>Computer hardware</b> | <b>Vehicles</b>   | <b>Total</b>         |
|---------------------------------|---------------------|-------------------------------------|--------------------------|-------------------|----------------------|
| <b>At 01-01-2020</b>            | 5,314,296.44        | 2,523,171.61                        | 2,274,381.29             | 389,349.16        | <b>10,501,198.50</b> |
| Acquisitions                    | 480,750.90          | 140,504.18                          | 137,063.61               | -                 | <b>758,318.69</b>    |
| Work in process                 | 4,620               | -                                   | -                        | -                 | <b>4,620</b>         |
| Transfer from / to (correction) | -                   | -                                   | -                        | -                 | -                    |
| Disposals/Written Offs          | -                   | -                                   | (1,932.84)               | -                 | <b>(1,932.84)</b>    |
| <b>At 31-12-2020</b>            | <b>5,799,667.34</b> | <b>2,663,675.79</b>                 | <b>2,409,512.06</b>      | <b>389,349.16</b> | <b>11,262,204.35</b> |
| <b>At 01-01-2021</b>            | 5,799,667.34        | 2,663,675.79                        | 2,409,512.06             | 389,349.16        | <b>11,262,204.35</b> |
| Acquisitions                    | 48,805.30           | 1,250.00                            | 5,464.17                 | -                 | <b>55,519.47</b>     |
| Work in process                 | 10,120.00           | -                                   | -                        | -                 | <b>10,120.00</b>     |
| Transfer from / to (correction) | -                   | -                                   | -                        | -                 | -                    |
| Disposals/Written Offs          | -                   | (170,875.47)                        | (608,935.99)             | -                 | <b>(779,811.46)</b>  |
| <b>At 30-06-2021</b>            | <b>5,853,972.64</b> | <b>2,494,050.32</b>                 | <b>1,806,040.24</b>      | <b>389,349.16</b> | <b>10,543,412.36</b> |
| <b>Depreciation</b>             |                     |                                     |                          |                   |                      |
| <b>At 01-01-2020</b>            | 1,417,801.03        | 2,068,830.23                        | 1,936,593.13             | 324,166.49        | <b>5,747,390.88</b>  |
| Amortization for the year       | 270,639.59          | 170,888.60                          | 172,273.10               | 14,436.04         | <b>628,237.33</b>    |
| Disposals/Written Offs          | -                   | -                                   | (1,932.84)               | -                 | <b>(1,932.84)</b>    |
| <b>At 31-12-2020</b>            | <b>1,688,440.62</b> | <b>2,239,718.83</b>                 | <b>2,106,933.39</b>      | <b>338,602.53</b> | <b>6,373,695.37</b>  |
| <b>At 01-01-2021</b>            | 1,688,440.62        | 2,239,718.83                        | 2,106,933.39             | 338,602.53        | <b>6,373,695.37</b>  |
| Amortization for the year       | 148,355.33          | 81,853.94                           | 95,204.50                | 6,920.00          | <b>332,333.77</b>    |
| Disposals/Written Offs          | -                   | (170,875.47)                        | (608,935.99)             | -                 | <b>(779,811.46)</b>  |
| <b>At 30-06-2021</b>            | <b>1,836,795.95</b> | <b>2,150,697.30</b>                 | <b>1,593,201.90</b>      | <b>345,522.53</b> | <b>5,926,217.68</b>  |
| <b>Net Carrying amounts</b>     |                     |                                     |                          |                   |                      |
| <b>At 01-01-2020</b>            | <b>3,896,495.41</b> | <b>454,341.38</b>                   | <b>337,788.33</b>        | <b>65,182.67</b>  | <b>4,753,807.62</b>  |
| <b>At 31-12-2020</b>            | <b>4,111,226.72</b> | <b>423,956.96</b>                   | <b>302,578.67</b>        | <b>50,746.63</b>  | <b>4,888,508.98</b>  |
| <b>At 30-06-2021</b>            | <b>4,017,176.69</b> | <b>343,353.02</b>                   | <b>212,838.34</b>        | <b>43,826.63</b>  | <b>4,617,194.68</b>  |

**10, 11 Tangible and Intangible Assets (continued)****Intangible Assets:**

| <b>Historical cost</b>          | <b>Computer software</b> | <b>Total</b>        |
|---------------------------------|--------------------------|---------------------|
| <b>At 01-01-2020</b>            | 4,013,795.04             | <b>4,013,795.04</b> |
| Acquisitions                    | 644,486.92               | <b>644,486.92</b>   |
| Work in process                 | 31,037.92                | <b>31,037.92</b>    |
| Transfer from / to (correction) | -                        | -                   |
| Disposals/Written Offs          | -                        | -                   |
| <b>At 31-12-2020</b>            | <b>4,689,319.88</b>      | <b>4,689,319.88</b> |
| <b>At 01-01-2021</b>            | 4,689,319.88             | <b>4,689,319.88</b> |
| Acquisitions                    | 54,054.63                | <b>54,054.63</b>    |
| Work in process                 | (10,985.00)              | <b>(10,985.00)</b>  |
| Transfer from / to (correction) | -                        | -                   |
| Disposals/Written Offs          | (52,750.50)              | <b>(52,750.50)</b>  |
| <b>At 30-06-2021</b>            | <b>4,679,639.01</b>      | <b>4,679,639.01</b> |
| <b>Depreciation</b>             |                          |                     |
| <b>At 01-01-2020</b>            | 2,576,634.12             | <b>2,576,630.07</b> |
| Amortization for the year       | 412,281.61               | <b>412,281.61</b>   |
| Disposals/Written Offs          | -                        | -                   |
| <b>At 31-12-2020</b>            | <b>2,988,915.73</b>      | <b>2,988,915.73</b> |
| <b>At 01-01-2021</b>            | 2,988,915.73             | <b>2,988,915.73</b> |
| Amortization for the year       | 190,990.11               | <b>190,990.11</b>   |
| Disposals/Written Offs          | (52,750.50)              | <b>(52,750.50)</b>  |
| <b>At 30-06-2021</b>            | <b>3,127,155.34</b>      | <b>3,127,155.34</b> |
| <i>Net Carrying amounts</i>     |                          |                     |
| <b>At 01-01-2020</b>            | <b>1,437,160.92</b>      | <b>1,437,160.92</b> |
| <b>At 31-12-2020</b>            | <b>1,700,404.15</b>      | <b>1,700,404.15</b> |
| <b>At 30-06-2021</b>            | <b>1,552,483.67</b>      | <b>1,552,483.67</b> |

**12. Other assets**

Other assets are as below:

|                                 | <b>30 June 2021</b> | <b>31 December 2020</b> |
|---------------------------------|---------------------|-------------------------|
| Income receivable               | 1,505,623.99        | 1,784,105.56            |
| Prepayment                      | 399,805.14          | 99,483.12               |
| Payments in process (SNP/DepoX) | -                   | (70.00)                 |
| <b>Total</b>                    | <b>1,905,429.13</b> | <b>1,883,518.68</b>     |

**13. Due to domestic banks**

|                                       | <b>30 June 2021</b>   | <b>31 December 2020</b> |
|---------------------------------------|-----------------------|-------------------------|
| ProCredit Bank - Kosovë               | 62,003,476.50         | 63,303,161.48           |
| Raiffeisen Bank - Kosovë              | 82,699,294.07         | 81,228,224.15           |
| NLB Prishtina                         | 80,741,856.91         | 123,677,894.15          |
| Komercijalna Banka - Dega Mitrovicë   | 9,529,050.27          | 8,666,290.01            |
| Banka Ekonomike e Prishtinës          | 29,010,319.66         | 57,529,783.39           |
| Banka për Biznes                      | 51,880,175.61         | 52,511,845.41           |
| Banka Kombëtare Tregtare e Shqipërisë | 64,078,250.30         | 74,520,031.15           |
| Turk Ekonomi Bankasi Sh.A             | 52,125,364.95         | 69,448,324.65           |
| Turkiye Is Bankasi A.S.               | 17,299,838.97         | 19,498,241.32           |
| T.C. Zirat Bankasi A.S.Dega Kosovë    | 5,541,710.56          | 8,150,433.16            |
| Banka Kreditore e Prishtinës          | 19,868.27             | 4,867.47                |
| Banka Credins Kosovë                  | 2,692,503.73          | 7,886,701.25            |
| <b>Total</b>                          | <b>457,621,709.80</b> | <b>566,425,797.59</b>   |

Disclosed in this group are the balances of commercial banks operating in the country (Kosovo). They in the CBK keep the funds according to the legal regulations for the liquidity reserve. In total, the amount disclosed above for the reporting period June 31, 2021 is about 2.29 times higher than the amount of required reserve to be held with the CBK.

**14. Due to accounts related to IMF**

|                            | <b>30 June 2021</b>   | <b>31 December 2020</b> |
|----------------------------|-----------------------|-------------------------|
| Current account FMN No. 1  | 253,861.03            | 250,383.57              |
| Expenses account FMN No. 2 | 6,001.44              | 5,919.23                |
| IMF securities account     | 160,026,670.42        | 185,433,003.76          |
| Part paid of IMF quota     | 17,909,794.71         | 17,656,542.41           |
| IMF SDR allocated by IMF   | 66,458,072.12         | 65,547,710.20           |
| Accrued Interest           | 171,682.36            | 243,626.18              |
| <b>Total</b>               | <b>244,826,082.08</b> | <b>269,137,185.35</b>   |

The above items represent positions of accounts related to IMF following Kosovo's membership in this institution.

Three second items represent opened accounts according to IMF regulation: two operational accounts and one account in trust for securities issued by Kosovo Government as payable notes.

The paid quota is held in SDR (SDR 14,160,000), which in the table above is expressed in euro.

IMF SDR are allocations mentioned before (note 9) according to allocations on 28 August and 09 September 2009 (both allocations make a total of 55,368,413 SDR).

## 15. Due to Governmental Domestic Institutions

Due to governmental institutions comprise of:

### Current account

|  | 30 June 2021          | 31 December 2020      |
|--|-----------------------|-----------------------|
| Treasury – Ministry of Economy and Finance | 478,930,840.94        | 316,896,944.34        |
| Privatization Agency of Kosovo             | 187,199,466.38        | 191,456,987.26        |
| Interim Administrative Institutions        | 102,457.98            | 92,130.27             |
| <b>Total</b>                               | <b>666,232,765.30</b> | <b>508,446,061.87</b> |

Deposits on current accounts benefit interest of 0.00% (both for the reporting period and the comparative period). There are no active term deposits in the reporting period, as well as for 2020 and 31 December 2020 there were no term deposits. Change is the flow of the operational activity of the institutions that make up the group.

## 16. Due to Public and Commercial Entities

Dues to commercial and public entities are as below and are all assets in current accounts:

|                         | 30 June 2021         | 31 December 2020      |
|-------------------------|----------------------|-----------------------|
| Insurance Companies     | 4,795,015.49         | 4,688,387.87          |
| Public Institutions     | 75,094,035.77        | 133,971,081.60        |
| Pension Funds and other | 1,791.83             | 1,803.83              |
| <b>Total</b>            | <b>79,890,843.09</b> | <b>138,661,273.30</b> |

There is a decrease compared to December 31, 2020, which is entirely attributable to the group of public institutions and companies.



**17. Borrowings**

|                            | <b>30 June 2021</b> | <b>31 December 2020</b> |
|----------------------------|---------------------|-------------------------|
| Borrowings from World Bank | 2,184,174.68        | 2,154,255.22            |
| <b>Total</b>               | <b>2,184,174.68</b> | <b>2,154,255.22</b>     |

We have two projects that have been financed by the World Bank through the loan: the project for the Business Continuity and the project for the real-time payments system (RTGS). The Real Time Payment System Project is in operation since July 2016, while the Business Continuity has been inaugurated at the end of 2016. The change is due to the conversion of the SDR to EUR at the reporting date, respectively as a result of the change in the EUR / SDR exchange rate.

**18. Other liabilities**

|                               | <b>30 June 2021</b> | <b>31 December 2020</b> |
|-------------------------------|---------------------|-------------------------|
| Escrow account                | 756,036.51          | 756,036.51              |
| Deferred income               | 256,747.16          | 306,028.15              |
| Payables and Accrued expenses | 432,215.39          | 848,149.99              |
| Long term Emp. Benefit        | 629,071.43          | 629,071.43              |
| <b>Total</b>                  | <b>2,074,070.49</b> | <b>2,539,286.08</b>     |

Within the group is a slight reduction in the total balance of the group compared with 31 December 2020. Mainly influenced by the reduction of accounts payable balance to June 31, 2021, compared to 31 December 2020.

**19, 20 Regulatory capital and reserves****Capital and general reserve**

|                           | <b>30 June 2021</b>  | <b>31 December 2020</b> |
|---------------------------|----------------------|-------------------------|
| Authorized capital        | 30,000,000.00        | 30,000,000.00           |
| Reserve funds             | 26,857,364.96        | 24,694,728.84           |
| Net result for the period | 3,072,714.83         | 2,162,636.12            |
| <b>Total</b>              | <b>59,930,079.79</b> | <b>56,857,364.96</b>    |

The financial result of the period is positive for about 3.073 million euros, mainly influenced by the satisfactory realization of revenues and maintenance of expenditures according to the budget planning for the reporting period. The item of foreign exchange revaluation at the reporting date is in the amount of about 229 thousand euros (as unrealized profit), the item of provisions for expected credit losses (net increase / (decrease)) is in the amount of 618 thousand euros (as unrealized profit) ) and if we exclude these two items the financial result remains positive of about 2.225 millions euros.

**21. Net interest income**

|  | <b>30 June 2021</b> | <b>30 June 2020</b> |
|--|---------------------|---------------------|
| <b>Interest Income</b>                       |                     |                     |
| From placements                              | 782.46              | 26,863.76           |
| From securities                              | 1,399,972.54        | 1,220,755.30        |
| From deposit current accounts                | 16,743.63           | 98,394.76           |
| From negative rates on deposits <sup>1</sup> | 586,365.38          | 530,646.83          |
|  | <b>2,003,864.01</b> | <b>1,876,660.65</b> |
| <b>Interest expense</b>                      |                     |                     |
| From IMF Account (SDR Allocation)            | 19,960.31           | 108,092.81          |
| From correspondent banks                     | 505,392.37          | 404,319.91          |
| From placements                              | -                   | 2,294.44            |
| From Borrowing                               | 3,975.90            | 4,594.41            |
|  | <b>529,328.58</b>   | <b>519,301.57</b>   |
| <b>Net interest income</b>                   | <b>1,474,535.43</b> | <b>1,357,359.08</b> |

As can be seen from the table under note 21, interest income was realized by about 7% more compared to the same period last year. Interest expenses are about 2% higher than the same period last year. This has resulted in net interest income being higher than the same period last year.

Average interest rates on net interest revenues (taking into consideration only committed portfolio) brought in about 0.515% (in the same period of 2020 0.311%).

**22. Net fee and commission income**

|   | <b>30 June 2021</b> | <b>30 June 2020</b> |
|---|---------------------|---------------------|
| <b>Net fee and commission income</b>              |                     |                     |
| From cash deposits                                | 539,622.50          | 443,782.78          |
| From incoming transfer                            | 37,086.22           | 37,627.14           |
| From outgoing transfers                           | 155,622.63          | 147,947.48          |
| From domestic transfers (Domestic payment system) | 677,796.81          | 458,933.70          |
| From credit registry system                       | 78,735.60           | 53,544.00           |
| Other fees  | 11,300.00           | 8,775.00            |
|   | <b>1,500,163.76</b> | <b>1,150,610.10</b> |
| <b>Fee and commission expense</b>                 |                     |                     |
| From cash transportation                          | 214,878.50          | 92,634.52           |
| From correspondent bank transactions              | 5,391.29            | 5,862.28            |
| From payment services (IPS)                       | -                   | -                   |
|   | <b>220,269.79</b>   | <b>98,496.80</b>    |
| <b>Net fee and commission position</b>            | <b>1,279,893.97</b> | <b>1,052,113.30</b> |

An increase compared to same period 2020, it derived from normal volume of activities.

<sup>1</sup> Referring to the negative rates that are being followed by the financial markets of the euro currency, based also on ECB reference rates, the CBK has set negative rates on some of its depositors since September 2016.

**23. Incomes from regulatory activity**

|   | <b>30 June 2021</b> | <b>30 June 2020</b> |
|---|---------------------|---------------------|
| Banks licenses renewal fees               | 1,863,892.77        | 1,267,000.00        |
| Bank licenses fees                        | 10,200.00           | 6,800.00            |
| Insurance Companies licenses renewal fees | 705,040.60          | 590,208.33          |
| Insurance Companies licenses fees         | 35,300.00           | 14,000.00           |
| Pension funds renewal fees                | 13,540.63           | 12,571.20           |
| Other financial institution fees          | 125,544.82          | 133,842.02          |
| <b>Total</b>                              | <b>2,753,518.82</b> | <b>2,024,421.55</b> |

The change as an increase is mainly based on the increase of the base (volume of activity) compared to the same period of 2020.

**24. Grant revenue**

|               | <b>30 June 2021</b> | <b>30 June 2020</b> |
|---------------|---------------------|---------------------|
| Grant revenue | 62,481.93           | 69,566.44           |

There are two grants that effect note 24 grant revenues. They are grant for application of management of whole process of *issuing the government securities* (which in fact the complete application was granted to us) and partial financing from grant for the application of *credit registry also the grant on supervision financial reporting application*.

**25. Other operational incomes**

|              | <b>30 June 2021</b> | <b>30 June 2020</b> |
|--------------|---------------------|---------------------|
| Other income | 1,369.60            | 2,017.47            |

Incomes from other activity are not regular ones and which could not be part of any regular items of incomes listed in previous notes.

**26. Personnel expenses**

|                                      | <b>30 June 2021</b> | <b>30 June 2020</b> |
|--------------------------------------|---------------------|---------------------|
| Wages and salary expenses            | 1,734,578.16        | 1,684,709.76        |
| Social security and health insurance | 425,901.45          | 378,435.52          |
| Staff training costs                 | 432.00              | 22,310.37           |
| Board expenses                       | 32,420.33           | 45,310.34           |
| Daily meal                           | 71,628.00           | 73,468.50           |
| Other                                | 8,192.76            | 9,006.48            |
| <b>Total</b>                         | <b>2,273,152.70</b> | <b>2,213,240.97</b> |

The total number of employees who have been active in the payroll during the period January-June 2021 is: 236 (in the period January - June 2020, 230).

Other categories of staff costs include additional pension compensation (2021, 4,535.18 euros; 2020, 5,400.25 euros), financial support for housing (2021, 2,697.58 euros; 2020, 3,606.23 euros) and the student internship program (2021, 960.00 euros). 2020, 0.00 euro). Additional pension compensation is a result of previous decisions, from where some former employees are compensated directly by the CBK, unable to transfer this obligation to them to pension funds at the moment when the CBK has transferred the management of the supplementary pension fund.

**27. General and administrative expenses**

|   | <b>30 June 2021</b> | <b>30 June 2020</b> |
|---|---------------------|---------------------|
| Insurance expenses                                      | 195,400.14          | 140,411.24          |
| Repairs and maintenance                                 | 33,173.92           | 28,008.78           |
| Application maintenance                                 | 160,373.76          | 187,977.59          |
| Communication expenses (telephone, fax, and internet)   | 10,863.09           | 10,281.86           |
| Public utility expenses                                 | 37,226.30           | 35,812.61           |
| Consulting and auditing expenses                        | 4,781.88            | 14,056.28           |
| Security (guard and transportation)                     | 18,492.00           | 27,832.80           |
| Travel and transportation                               | 4,590.00            | 12,478.22           |
| Vehicle operating expenses                              | 6,189.97            | 5,491.14            |
| Consumable administrative material                      | 10,165.78           | 13,765.64           |
| Buffet costs (for coffee to staff and various meetings) | 15,294.54           | 13,949.32           |
| Consumable expenses (IT and non-IT equipment supply)    | 8,880.05            | 4,241.55            |
| Publishing and literature                               | 4,768.70            | 2,131.50            |
| Representation expenses                                 | 7,339.01            | 4,202.95            |
| Membership to professional institutions                 | 15,938.38           | 13,119.03           |
| Other   | 16,387.61           | 22,635.34           |
| <b>Total</b>  | <b>549,865.13</b>   | <b>536,395.85</b>   |

The change is mainly derived by any activity that did not have the same periodicity in comparative periods.

**28. Net result of changes in exchange rates**

| <b>Exchange Rate Revaluation</b>                     | <b>30 June 2021</b> | <b>30 June 2020</b> |
|--|---------------------|---------------------|
| From USD Position                                    | 275,872.20          | 29,691.13           |
| From SDR Position                                    | (47,019.48)         | 20,030.15           |
| <b>Net unrealized profit/loss from exchange rate</b> | <b>228,852.72</b>   | <b>49,721.28</b>    |

The result presented above is temporary (specifically only to reporting date) and can change depending on the movement of exchange rates EUR / SDR and EUR/USD.

**29. Cash and cash equivalents**

|   | <b>Note</b> | <b>30 June 2021</b>   | <b>31 December 2020</b> |
|---|-------------|-----------------------|-------------------------|
| Cash in hand  | 5           | 421,680,482.26        | 308,090,581.36          |
| Cash accounts with non-resident banks                               | 6           | 267,229,260.99        | 313,706,623.15          |
| Placements with non-resident banks with maturity up to three months |             | 4,207,337.60          | 8,393,773.94            |
| <b>Total</b>  |             | <b>693,117,080.85</b> | <b>630,190,978.45</b>   |

Cash and its equivalents are held for the purpose of meeting mainly short-term liquidity liabilities. An investment qualifies as the cash equivalent when it has matured in the short term, less than three months from the date of purchase.

**30. Commitment and contingencies****Membership in the World Bank**

After the accession of the Republic of Kosovo in the World Bank and its sub-agencies Kosovo Government has issued notes payable (upon request), pledging that it will pay at the request of the World Bank (her sub-agencies) for the membership fee. The value of their June 31, 2021 is approximately 645,152 euros (December 31, 2020, this liability was expected 645,152 euro), CBK acts as financial intermediary (bank guarantee) and funds held in safe-custody account.