



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 2020/
-unaudited interim report-

Department of Financial Planning and Reporting

CBK’s Financial Statements for the second quarter 2020

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, 2020.

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 2020	31 December 2019
Assets			
Cash on hand	5	302,646,600.68	302,165,654.19
Current accounts with non-resident banks	6	86,340,490.66	108,863,319.55
Securities	7	594,814,559.97	576,616,063.03
Placements in money market	8	278,350,071.08	248,863,945.56
In accounts related with IMF	9	316,419,277.41	298,344,638.07
Properties and equipment's	10	4,843,133.23	4,966,830.97
Intangible assets	11	1,841,291.37	1,945,259.86
Other assets	12	1,989,916.47	1,699,894.95
Total assets		1,587,245,340.87	1,543,465,606.18
Liabilities			
Due to domestic commercial banks	13	406,834,229.34	414,941,602.21
Due to IMF related accounts	14	316,588,580.18	297,235,801.64
Due to Governmental Institutions	15	720,475,291.58	719,819,361.54
Due to public and commercial entities	16	83,582,600.47	52,166,681.06
Borrowings	17	2,266,259.07	2,266,259.07
Other domestic liabilities	18	1,458,472.94	1,778,735.30
Total liabilities		1,531,205,433.58	1,488,208,440.82
Capital and reserves			
Authorized capital	19	30,000,000.00	30,000,000.00
Reserve fund	20	25,257,165.36	23,148,464.17
Net result of the period		782,741.93	2,108,701.19
Total capital and reserve		56,039,907.29	55,257,165.36
Total liability capital and reserve		1,587,245,340.87	1,543,465,606.18

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 2020	30 June 2019
Net interest income			
Interest income		1,876,660.65	1,651,070.12
Interest expense		(519,301.57)	(665,045.01)
Net interest income	21	1,357,359.08	986,025.11
Fee and commission income			
Fee and commission income		1,150,610.10	1,252,447.86
Fee and commission expenses		(98,496.80)	(223,072.64)
Net fee and commission income	22	1,052,113.30	1,029,375.22
Other operating Income			
Income from regulatory activity	23	2,024,421.55	2,192,610.92
Grant revenues	24	69,566.44	50,196.27
Other operating Income	25	2,017.47	121.44
Total Operating Income		4,505,477.84	4,258,328.96
Administrative (operative) expenses			
Personnel expenses	26	(2,213,240.97)	(2,158,164.20)
Depreciation and amortization	10,11	(511,221.37)	(513,167.19)
General and administrative expenses	27	(536,395.85)	(602,393.21)
Total administrative (operative) expenses		(3,260,858.19)	(3,273,724.60)
Net result without exchange rate effect		1,244,619.65	984,604.36
Net profit/loss on exchange rate	28	49,721.28	101,088.71
Provision for expected credit losses (net increase / decrease)		(511,599.00)	-
Net result of the period		782,741.93	1,085,693.07

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

Statement of changes in equity (capital and reserve)

	Statutory fund	Reserve fund	Revaluation reserves	Retained earnings	Net result	Total
Balance at 01 January 2019	30,000,000.00	21,213,678.78	-	1,934,785.39	-	53,148,464.17
Transfer to reserve fund	-	1,407,889.59	526,895.80	(1,934,785.39)	-	-
Total transactions required by law	-	1,407,889.59	526,895.80	(1,934,785.39)	-	-
Profit for the period	-	-	-	-	2,108,701.19	2,108,701.19
Other comprehensive income	-	-	-	-	-	-
Total comprehensive income for the year	-	-	-	-	2,108,701.19	2,108,701.19
Balance at 31 December 2019	30,000,000.00	22,621,568.37	526,895.80	-	2,108,701.19	55,257,165.36
Balance at 01 January 2020	30,000,000.00	22,621,568.37	526,895.80	2,108,701.19	-	55,257,165.36
Transfer to reserve fund	-	-	-	-	-	-
Total transactions required by law	-	-	-	-	-	-
Profit for the period	-	-	-	-	782,741.93	782,741.93
Other comprehensive income	-	-	-	-	-	-
Total comprehensive income for the year	-	-	-	-	782,741.93	782,741.93
Balance at 30 June 2020	30,000,000.00	22,621,568.37	526,895.80	2,108,701.19	782,741.93	56,039,907.29

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.

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 Baa1).

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
30 June 2020							
Assets							
Cash on hand	5	302,646,600.68	302,646,600.68	-	-	-	-
Current accounts with non-resident banks	6	86,340,490.66	86,340,490.66	-	-	-	-
Treasury bills	7	594,814,559.97	7,577,928.44	9,689,975.74	44,509,561.54	533,037,094.25	-
Deposit accounts with non-resident banks	8	278,350,071.08	9,197,071.08	-	269,153,000.00	-	-
In accounts related with IMF	9	316,419,277.41	163,284,341.41	20,792,690.00	32,955,031.00	99,387,215.00	-
		1,578,570,999.80	569,046,432.27	30,482,665.74	346,617,592.54	632,424,309.25	-
Liabilities							
Due to domestic banks	13	(406,834,229.34)	(406,834,229.34)	-	-	-	-
Due to accounts related to IMF	14	(316,588,580.18)	(163,453,644.18)	(20,792,690.00)	(32,955,031.00)	(99,387,215.00)	-
Due to local governmental institutions	15	(720,475,291.58)	(720,475,291.58)	-	-	-	-
Due to public and commercial entities	16	(83,582,600.47)	(83,582,600.47)	-	-	-	-
Borrowings	17	(2,266,259.07)	-	-	-	(1,019,816.58)	(1,246,442.49)
Other domestic liabilities	18	(1,458,472.94)	(1,458,472.94)	-	-	-	-
		(1,531,205,433.58)	(1,375,804,238.51)	(20,792,690.00)	(32,955,031.00)	(100,407,031.58)	(1,246,442.49)
		47,365,566.22	(806,757,806.24)	9,689,975.74	313,662,561.54	532,017,277.67	(1,246,442.49)
31 December 2019							
Assets							
Cash on hand	5	302,165,654.19	302,165,654.19	-	-	-	-
Current accounts with non-resident banks	6	108,863,319.55	108,863,319.55	-	-	-	-
Treasury bills	7	576,616,063.03	100,349.13	16,351,350.90	15,092,118.50	542,405,182.97	2,667,061.54
Deposit accounts with non-resident banks	8	248,863,945.56	9,079,945.56	20,000,000.00	219,784,000.00	-	-
In accounts related with IMF	9	298,344,638.07	174,416,764.07	20,917,270.00	37,493,512.00	65,517,092.00	-
		1,534,853,620.40	594,626,032.50	57,268,620.90	272,369,630.50	607,922,274.97	2,667,061.54
Liabilities							
Due to domestic banks	13	(414,941,602.21)	(414,941,602.21)	-	-	-	-
Due to accounts related to IMF	14	(297,235,801.64)	(173,307,927.64)	(20,917,270.00)	(37,493,512.00)	(65,517,092.00)	-
Due to local governmental institutions	15	(719,819,361.54)	(719,819,361.54)	-	-	-	-
Due to public and commercial entities	16	(52,166,681.06)	(52,166,681.06)	-	-	-	-
Borrowings	17	(2,266,259.07)	-	-	-	(906,503.63)	(1,359,755.44)
Other domestic liabilities	18	(1,778,735.30)	(1,778,735.30)	-	-	-	-
		(1,488,208,440.82)	(1,362,014,307.75)	(20,917,270.00)	(37,493,512.00)	(66,423,595.63)	(1,359,755.44)
		46,645,179.58	(767,388,275.25)	36,351,350.90	234,876,118.50	541,498,679.34	1,307,306.10

5. Cash on hand

	30 June 2020	31 December 2019
Cash on hand	302,646,600.68	302,165,654.19
Total	302,646,600.68	302,165,654.19

It noted there is a very slight increase in the balance on June 30, 2020 compared to December 31, 2019. 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 2020	31 December 2019
Deutsche Bundesbank	50,077,617.69	71,229,677.64
Raiffeisen Zentralbank	9,956,828.50	9,899,653.64
Banque centrale du Luxembourg	20,000.00	1,827,093.20
Deutsche Bank	24,648,130.78	24,169,294.02
Nostro Acc. Commerzbank AG	467,833.59	499,454.00
Nostro Acc. Bayerische Landesbank	983,440.83	989,992.72
Nostro acc. with FED	186,639.27	248,154.33
Total	86,340,490.66	108,863,319.55

The position of current accounts (nostro) compared to December 31, 2019 has decreased, the change is the flow of the activity of these accounts and the management of the asset portfolio 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 expenses 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)

The two categories that fall within the group under note 7 are debt securities, they have geographical distribution according to the list below (in the table by country). Treasury bills shown on table according to type have a maturity of up to one year. While bonds mature for up to five years. All are in Euro and have effective interest rates moving from 0.019% to 3.021% in 2020 (in 2019: 0.019% to 3.021% per annum).

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

	Net carried amount 30 June 2020	Net carried amount 31 December 2019
Germany	66,665,328.26	66,591,593.86
France	10,008,786.05	10,014,287.15
The Netherland	12,552,987.05	12,544,329.74
Slovenia	20,677,897.52	21,415,801.24
Luxemburg	89,291,205.65	89,232,638.17
EuroFima-Switzerland	5,822,911.90	5,821,687.15
KommuneKredit-Denmark	6,032,728.17	6,046,542.85
Austria	77,093,704.13	77,029,414.23
Ireland	103,168,765.58	104,240,670.70
Kosovo	203,500,245.66	183,679,097.94
Total	594,814,559.97	576,616,063.03

According to type:

	Net carried amount 30 June 2020	Net carried amount 31 December 2019
Treasury Bills	-	149,932.98
Bonds	594,814,559.97	576,466,130.06
Total	594,814,559.97	576,616,063.03

To this group there was a higher position compare to the period ended December 31, 2019 which is the normal flow of portfolio management, mainly based on the optimal rate of return.

8. Deposits with non-residential banks

Within this group includes placements in the money market in non-domestic banks. The interest rate for these placements until the second quarter of 2020 average is around 0.268% (min. - 0.590% and max. 1.500%), whereas in 2019: min. 0% to 5.37% with an average of 0.358%). These placements mainly contracted maturity up to one year. Analytics by banks is disclosed in the table as bellow:

Money market placements	Net carried amount 30 June 2020	Net carried amount 31 December 2019
Deutsche Bank	219,277,000.00	239,784,000.00
Raiffeisen Bank International AG	49,876,000.00	-
FED New York	9,197,071.08	9,079,945.56
Total	278,350,071.08	248,863,945.56

If we look at June 30, 2020, there is an increase compared to December 31, 2019 and it mainly stems from the placements in the RBI, as well as from the change in the EUR / USD exchange rate. Active placements in euro at the reporting date are 269 million of which 219 million are placements in the form of deposit with the possibility of call / withdrawal (Call Deposits) with

indefinite maturity but for which the call option is used and the same are expected to mature in the third and fourth quarter of this year, while about 50 million with a one-year maturity. We also have a placement of 10.3 million in USD (with FED New York) matured on the reporting date (in the placement table) is expressed in euro equivalent.

9. Assets related to IMF

	30 June 2020	31 December 2019
IMF Quota	101,475,697.43	102,083,693.80
SDR holdings	61,522,642.84	63,116,223.40
Accrued Interest	286,001.48	534,789.34
Use of IMF funds (SBA)	153,134,935.66	132,609,931.53
Total	316,419,277.41	298,344,638.07

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 0.317% on average for the reporting period.

The item on the use of IMF funds represents the funds borrowed from the IMF under the active credit line utilization (SBA) agreements and the emergency assistance agreement under the Rapid Financing Instrument (RFI) in the amount of SDR 41.3 million April 10 2020.

10, 11 Tangible and Intangible Assets

Category of main assets	Historical cost	Depreciation/ Amortization accumulated up to 31 December 2019	Total Depreciation/ Amortization for period 30 June 2020	Total Depreciation/ Amortization accumulated till 30 June 2020	Net Value as 30 June 2020
Property, plant and equipment	10,901,947.04	5,747,393.12	311,428.54	6,058,813.81	4,843,133.23
Equipment's, offices and other	2,552,862.80	2,078,728.53	81,810.38	2,160,538.91	392,323.89
Vehicles	389,349.16	324,166.54	7,516.16	331,682.46	57,666.70
Premises	5,314,296.44	1,417,799.34	135,319.74	1,553,120.64	3,761,175.80
Computer hardware	2,290,859.42	1,926,697.15	86,782.26	2,013,471.80	277,387.62
Work in process	354,579.22	-	-	-	354,579.22
Intangible assets	4,617,723.93	2,576,633.44	199,792.83	2,776,432.56	1,841,291.37
Intangible assets	4,044,088.93	2,576,633.44	199,792.83	2,776,432.56	1,267,656.37
Intangible assets– work in process	573,635.00	-	-	-	573,635.00
Total	15,519,670.97	8,324,025.00	511,221.37	8,835,246.37	6,684,424.60

12. Other assets

Other assets are as below:

	30 June 2020	31 December 2019
Accrued income	1,667,621.16	1,557,794.18
Prepayment	341,904.88	142,100.77
Payments in process (SNP/DepoX)	(19,609.57)	-
Total	1,989,916.47	1,699,894.95

Payments in the process will be cleared as the DepoX system executes the payments on the first working day if their settlement date is not a working day, for example, weekend, as the case may be.

13. Due to domestic banks

	30 June 2020	31 December 2019
ProCredit Bank - Kosovë	59,716,916.49	55,951,663.45
Raiffeisen Bank - Kosovë	72,821,545.50	60,931,328.15
NLB Prishtina	87,212,576.13	81,661,777.01
Komercijalna Banka - Mitrovica Branch	8,433,744.18	7,623,490.77
Banka Ekonomike e Prishtinës	20,431,454.70	41,843,659.37
Banka për Biznes	47,615,148.75	42,068,526.87
Banka Kombëtare Tregtare e Shqipërisë	35,911,659.51	40,778,607.06
Turk Ekonomi Bankasi Sh.A	56,993,951.55	54,878,104.66
Turkiye Is Bankasi A.S.	11,555,617.27	19,307,459.16
T.C. Zirat Bankasi A.S.Kosovo Branch	6,141,191	9,896,928.39
Banka Kreditore e Prishtinës	423.93	57.32
Total	406,834,229.34	414,941,602.21

In this group are disclosed balances current accounts of commercial banks operating within Kosovo that have an account on the CBK. Commercial banks that operate in Kosovo are obliged to hold liquidity reserve money in CBK, in total amount as of June 30, 2020 above disclosed is around 2.41 times higher the required amount.

14. Due to accounts related to IMF

	30 June 2020	31 December 2019
Current account FMN No. 1	259,831.84	255,209.23
Expenses account FMN No. 2	6,142.60	6,179.40
IMF securities account	229,700,560.73	209,640,482.49
Part paid of IMF quota	18,314,193.82	18,363,463.67
IMF SDR allocated by IMF	68,021,166.16	68,428,718.15
Accrued Interest	286,685.03	541,748.70
Total	316,588,580.18	297,235,801.64

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

Three first 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 2020	31 December 2019
Treasury – Ministry of Economy and Finance	501,265,164.64	444,301,083.98
Privatization Agency of Kosovo	219,111,683.59	275,159,950.46
Interim Administrative Institutions	98,443.35	358,327.10
Total	720,475,291.58	719,819,361.54

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 31 December 2019 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 2020	31 December 2019
Insurance Companies	4,554,659.86	4,717,094.16
Public Institutions	79,026,224.78	47,447,861.07
Pension Funds and other	1,715.83	1,725.83
Total	83,582,600.47	52,166,681.06

There is an increase compared to 2019, which is attributed entirely to the group of public institutions.

17. Borrowings

	30 June 2020	31 December 2019
Borrowings from World Bank	2,266,259.07	2,266,259.07
Total	2,266,259.07	2,266,259.07

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.

18. Other liabilities

	30 June 2020	31 December 2019
Escrow account	756,036.51	756,036.51
Deferred income	355,100.14	404,396.62
Payables and Accrued expenses	347,336.29	618,302.17
Total	1,458,472.94	1,778,735.30

Within the group is a slight reduction in the total balance of the group compared with 31 December 2019. Mainly influenced by the reduction of accounts payable balance to June 30, 2020, compared to 31 December 2019.

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

	30 June 2020	31 December 2019
Authorized capital	30,000,000.00	30,000,000.00
Reserve funds	25,257,165.36	23,148,464.17
Net result for the period	782,741.93	2,108,701.19
Total	56,039,907.29	55,257,165.36

The financial result of the period is positive about 783 thousand 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 50 thousand euros (as unrealized profit), the item of provisions for expected credit losses (net increase / (decrease) is in the amount of 512 thousand euros (as unrealized loss) and if we exclude these two items the financial result remains positive of about 1.245 million euros.

21. Net interest income

	30 June 2020	30 June 2019
Interest Income		
From placements	26,863.76	107,695.30
From securities	1,220,755.30	884,342.50
From deposit current accounts	98,394.76	361,011.69
From negative rates on deposits ¹	530,646.83	298,020.63
	1,876,660.65	1,651,070.12
Interest expense		
From IMF Account (SDR Allocation)	108,092.81	381,140.01
From correspondent banks	404,319.91	280,630.21
From placements	2,294.44	-
From Borrowing	4,594.41	3,274.79
	519,301.57	665,045.01
Net interest income	1,357,359.08	986,025.11

As you can be seen from the table under note 21, revenues from interest rates are higher compared with the same period of last year. As well interest expenses are lower compared with the same period of last year. This has resulted in net interest revenues are higher than the same period of last year.

Average interest rates on net interest revenues (taking into consideration only committed portfolio) brought in about 0.311% (in the same period of 2019 0.256%).

22. Net fee and commission income

	30 June 2020	30 June 2019
Net fee and commission income		
From cash deposits	443,782.78	390,654.54
From incoming transfer	37,627.14	38,909.06
From outgoing transfers	147,947.48	157,005.14
From domestic transfers (Domestic payment system)	458,933.70	550,459.72
From credit registry system	53,544.00	100,429.40
Other fees	8,775.00	14,990.00
	1,150,610.10	1,252,447.86
Fee and commission expense		
From cash transportation	92,634.52	216,689.92
From correspondent bank transactions	5,862.28	6,382.72
From payment services (IPS)	-	-
	98,496.80	223,072.64
Net fee and commission position	1,052,113.30	1,029,375.22

An increase compared to same period 2019, it derived from normal volume of activities.

¹ 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

	30 June 2020	30 June 2019
Banks licenses renewal fees	1,267,000.00	1,395,742.17
Bank licenses fees	6,800.00	21,900.00
Insurance Companies licenses renewal fees	590,208.33	574,886.10
Insurance Companies licenses fees	14,000.00	47,000.00
Pension funds renewal fees	12,571.20	12,639.94
Other financial institution fees	133,842.02	140,442.71
Total	2,024,421.55	2,192,610.92

The change as a reduction is mainly based on the reduction of the base (volume of activity) compared to the same period of 2019.

24. Grant revenue

	30 June 2020	30 June 2019
Grant revenue	69,566.44	50,196.27

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

	30 June 2020	30 June 2019
Other income	2,017.47	121.44

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

	30 June 2020	30 June 2019
Wages and salary expenses	1,684,709.76	1,608,452.61
Social security and health insurance	378,435.52	352,999.19
Staff training costs	22,310.37	59,039.99
Board expenses	45,310.34	60,412.49
Daily meal	73,468.50	67,735.50
Other	9,006.48	9,524.42
Total	2,213,240.97	2,158,164.20

The total number of employees who have been active in the payroll during the period January-June 2020 is: 230 (in the period January - June 2019, 230).

Other categories of personnel costs include additional pension compensation (2020, 5,400.25 euros; 2019, 5,400.24 euros) and financial support for housing (2020, 3,606.23 euros; 2019, 3,884.18 euros), student internship program (2020, 0.00 euro, 2019, 240.00 euro). Additional pension compensation is the result of previous decisions, from which some former employees are directly compensated by the CBK, unable to transfer this obligation to them of pension funds at the moment when the CBK has transferred the management of the additional pension fund.

27. General and administrative expenses

	30 June 2020	30 June 2019
Insurance expenses	140,411.24	156,240.98
Repairs and maintenance	28,008.78	28,607.58
Application maintenance	187,977.59	156,450.28
Communication expenses (telephone, fax, and internet)	10,281.86	11,717.15
Public utility expenses	35,812.61	37,095.10
Consulting and auditing expenses	14,056.28	4,237.02
Security (guard and transportation)	27,832.80	36,295.20
Travel and transportation	12,478.22	80,505.86
Vehicle operating expenses	5,491.14	5,570.03
Consumable administrative material	13,765.64	13,565.69
Cafeteria expenses	13,949.32	14,899.15
Consumable expenses (IT and non-IT equipment supply)	4,241.55	13,996.87
Publishing and literature	2,131.50	4,673.81
Representation expenses	4,202.95	17,778.94
Membership to professional institutions	13,119.03	14,985.16
Other	22,635.34	5,774.39
Total	536,395.85	602,393.21

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

Exchange Rate Revaluation	30 June 2020	30 June 2019
From USD Position	(124,101.33)	54,556.67
From SDR Position	173,822.61	46,532.04
Net unrealized profit/loss from exchange rate	49,721.28	101,088.71

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

	Note	30 June 2020	31 December 2019
Cash in hand	5	302,646,600.68	302,165,654.19
Cash accounts with non-resident banks	6	86,340,490.66	108,863,319.55
Placements with non-resident banks with maturity up to three months		9,198,071.08	9,079,945.56
Total		398,185,162.42	420,108,919.30

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 30, 2020 is approximately 645,152 euros (December 31, 2019, this liability was expected 645,152 euro), CBK acts as financial intermediary (bank guarantee) and funds held in safe-custody account.