



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

THE CBK FINANCIAL STATEMENT  
/for the first quarter 2019/  
**-unaudited interim report-**

Department of Financial Planning and Reporting

## CBK’s Financial Statements for the first quarter 2019

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 first 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 first quarter is March 31, 2019.

### **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

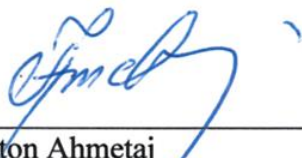
as per

	Note	31 March 2019	31 December 2018
<b>Assets</b>			
Cash on hand	5	318,285,344.10	285,376,364.49
Current accounts with non-resident banks	6	152,314,971.67	34,797,033.53
Securities	7	680,593,233.50	758,889,559.97
Placements in money market	8	183,991,771.85	183,734,361.96
In accounts related with IMF	9	326,628,487.80	326,051,143.81
Properties and equipment's	10	4,872,076.35	5,015,903.52
Intangible assets	11	1,679,440.15	1,790,110.48
Other assets	12	1,698,953.86	1,410,439.92
<b>Total assets</b>		<b>1,670,064,279.28</b>	<b>1,597,064,917.68</b>
<b>Liabilities</b>			
Due to domestic commercial banks	13	381,920,304.72	343,393,712.93
Due to IMF related accounts	14	323,225,103.59	321,854,091.99
Due to Governmental Institutions	15	790,622,104.22	762,900,887.21
Due to public and commercial entities	16	115,775,425.31	110,862,984.73
Borrowings	17	2,266,259.07	2,266,259.07
Other domestic liabilities	18	1,541,878.17	1,797,522.58
<b>Total liabilities</b>		<b>1,615,351,075.08</b>	<b>1,543,075,458.51</b>
<b>Capital and reserves</b>			
Authorized capital	19	30,000,000.00	30,000,000.00
Reserve fund	20	23,989,459.17	21,801,120.78
Net result of the period		723,745.03	2,188,338.39
<b>Total capital and reserve</b>		<b>54,713,204.20</b>	<b>53,989,459.17</b>
<b>Total liability capital and reserve</b>		<b>1,670,064,279.28</b>	<b>1,597,064,917.68</b>

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

Financial Statements set out on pages below were approved by management of CBK on May, 30 2019 and signed on its behalf by:

  
 Fehmi Mehmeti  
 Governor

  
 Faton Ahmetaj  
 Director of Financial Planning  
 and Reporting Directorate

## Statement of comprehensive income

	Note	31 March 2019	31 March 2018
<b>Net interest income</b>			
Interest income		837,379.89	598,237.65
Interest expense		(306,821.66)	(388,940.64)
<b>Net interest income</b>	21	<b>530,558.23</b>	<b>209,297.01</b>
<b>Fee and commission income</b>			
Fee and commission income		586,979.41	471,745.67
Fee and commission expenses		(101,352.06)	(30,147.25)
<b>Net fee and commission income</b>	22	<b>485,627.35</b>	<b>441,598.42</b>
<b>Other operating Income</b>			
Income from regulatory activity	23	1,002,100.00	980,300.00
Grant revenues	24	24,640.47	24,306.12
Other operating Income	25	121.44	284.63
<b>Total Operating Income</b>		<b>2,043,047.49</b>	<b>1,655,786.18</b>
<b>Administrative (operative) expenses</b>			
Personnel expenses	26	(1,043,665.12)	(992,858.70)
Depreciation and amortization	10,11	(259,477.50)	(249,970.19)
General and administrative expenses	27	(253,276.25)	(243,353.81)
<b>Total administrative (operative) expenses</b>		<b>(1,556,418.87)</b>	<b>(1,486,182.70)</b>
<b>Net result without exchange rate effect</b>		<b>486,628.62</b>	<b>169,603.48</b>
Net profit/loss on exchange rate	28	237,116.41	(271,089.34)
<b>Net result of the period</b>		<b>723,745.03</b>	<b>(101,485.86)</b>

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	Retained earnings	Total
<b><i>Balance at 01 January 2018</i></b>	<b>30,000,000.00</b>	<b>22,682,588.69</b>	<b>(881,467.91)</b>	<b>51,801,120.78</b>
<i>Profit for the period</i>	-	-	2,188,338.39	2,188,338.39
<i>Transfer to reserve fund</i>	-	(881,467.91)	881,467.91	-
<i>Transfer to statutory fund</i>	-	-	-	-
<b><i>Balance at 31 december 2018</i></b>	<b>30,000,000.00</b>	<b>21,801,120.78</b>	<b>2,188,338.39</b>	<b>53,989,459.17</b>
<b><i>Balance at 01 January 2019</i></b>	<b>30,000,000.00</b>	<b>21,801,120.78</b>	<b>2,188,338.39</b>	<b>53,989,459.17</b>
<i>Profit for the period</i>	-	-	723,745.03	723,745.03
<i>Transfer to reserve fund</i>	-	2,188,338.39	(2,188,338.39)	-
<i>Transfer to statutory fund</i>	-	-	-	-
<b><i>Balance at 31 March 2019</i></b>	<b>30,000,000.00</b>	<b>23,989,459.17</b>	<b>723,745.03</b>	<b>54,713,204.20</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.

### **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 Baa3).

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

	Note	Carried amount	< 3 months	3-6 months	6-12 months	1-5 years	more than 5 years
<b>31 March 2019</b>							
<b>Assets</b>							
Cash on hand	5	318,285,344.10	318,285,344.10		-	-	-
Current accounts with non-resident banks	6	152,314,971.67	152,314,971.67		-	-	-
Treasury bills	7	680,593,233.50	995,970.70		130,890,563.22	548,706,699.58	-
Deposit accounts with non-resident banks	8	183,991,771.85	8,991,771.85	175,000,000.00		-	-
In accounts related with IMF	9	326,628,487.80	176,682,608.80	8,680,427.00	17,360,854.00	123,904,598.00	-
		<b>1,661,813,808.92</b>	<b>657,270,667.12</b>	<b>183,680,427.00</b>	<b>148,251,417.22</b>	<b>672,611,297.58</b>	<b>-</b>
<b>Liabilities</b>							
Due to domestic banks	13	(381,920,304.72)	(381,920,304.72)		-	-	-
Due to accounts related to IMF	14	(323,225,103.59)	(173,279,224.59)	(8,680,427.00)	(17,360,854.00)	(123,904,598.00)	-
Due to local governmental institutions	15	(790,622,104.22)	(790,622,104.22)		-	-	-
Due to public and commercial entities	16	(115,775,425.31)	(115,775,425.31)		-	-	-
Borrowings	17	(2,266,259.07)	-		-	(679,877.72)	(1,586,381.35)
Other domestic liabilities	18	(1,541,878.17)	(1,541,878.17)		-	-	-
		<b>(1,615,351,075.08)</b>	<b>(1,463,138,937.01)</b>	<b>(8,680,427.00)</b>	<b>(17,360,854.00)</b>	<b>(124,584,475.72)</b>	<b>(1,586,381.35)</b>
		<b>46,462,733.84</b>	<b>(805,868,269.89)</b>	<b>175,000,000.00</b>	<b>130,890,563.22</b>	<b>548,026,821.86</b>	<b>(1,586,381.35)</b>
<b>31 December 2018</b>							
<b>Assets</b>							
Cash on hand	5	285,376,364.49	285,376,364.49		-	-	-
Current accounts with non-resident banks	6	34,797,033.53	34,797,033.53		-	-	-
Treasury bills	7	758,889,559.97	(0.00)		227,220,601.98	531,668,957.99	-
Deposit accounts with non-resident banks	8	183,734,361.96	8,734,361.96		175,000,000.00	-	-
In accounts related with IMF	9	326,051,143.81	170,173,004.81	8,530,040.00	17,060,081.00	130,288,018.00	-
		<b>1,588,848,463.76</b>	<b>499,080,764.79</b>	<b>8,530,040.00</b>	<b>419,280,682.98</b>	<b>661,956,975.99</b>	<b>-</b>
<b>Liabilities</b>							
Due to domestic banks	13	(343,393,712.93)	(343,393,712.93)		-	-	-
Due to accounts related to IMF	14	(321,854,091.99)	(165,975,952.99)	(8,530,040.00)	(17,060,081.00)	(130,288,018.00)	-
Due to local governmental institutions	15	(762,900,887.21)	(762,900,887.21)		-	-	-
Due to public and commercial entities	16	(110,862,984.73)	(110,862,984.73)		-	-	-
Borrowings	17	(2,266,259.07)	-		-	(679,877.72)	(1,586,381.35)
Other domestic liabilities	18	(1,797,522.58)	(1,797,522.58)		-	-	-
		<b>(1,543,075,458.51)</b>	<b>(1,384,931,060.44)</b>	<b>(8,530,040.00)</b>	<b>(17,060,081.00)</b>	<b>(130,967,895.72)</b>	<b>(1,586,381.35)</b>
		<b>45,773,005.25</b>	<b>(885,850,295.65)</b>	<b>-</b>	<b>402,220,601.98</b>	<b>530,989,080.27</b>	<b>(1,586,381.35)</b>

## 5. Cash on hand

	<b>31 March 2019</b>	<b>31 December 2018</b>
Cash on hand	318,285,344.10	285,376,364.49
<b>Total</b>	<b>318,285,344.10</b>	<b>285,376,364.49</b>

It noted considerable growth of a position cash on hand March 31, 2019. This stems from the impossibility of placing (term deposit) of funds in the financial markets as a result of very low rates and negative. So it was decided that more funds are held as cash due to negative rates that correspondent banks charge us over certain limits.

## 6. Current accounts with non-resident banks

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

	<b>31 March 2019</b>	<b>31 December 2018</b>
Deutsche Bundesbank	41,170,000.00	500,000.00
Raiffeisen Zentralbank	9,927,651.39	9,919,971.54
Banque centrale du Luxembourg	343.36	343.36
Deutsche Bank	99,586,016.76	24,133,499.52
Nostro Acc. Commerzbank AG	449,692.00	9,844.00
Nostro Acc. Bayerische Landesbank	989,992.72	9,998.02
Nostro acc. with FED	191,275.44	223,377.09
<b>Total</b>	<b>152,314,971.67</b>	<b>34,797,033.53</b>

The current account position compared to December 31, 2018 has been increased, the change being the normal course of the activity of these accounts and the asset portfolio management (i.e. notes 6, 7 and 8 that are closely related to each other referred to asset management).

## 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 2019 (in 2018: 0.008% to 1.716% per annum).



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

	<b>31 March 2019</b>	<b>31 December 2018</b>
Germany	67,140,011.91	67,125,782.03
France	10,031,236.05	10,029,732.20
The Netherland	12,776,767.37	12,772,324.34
Italy	105,345,565.70	176,834,343.28
Slovenia	21,708,894.08	22,137,623.18
Luxemburg	90,273,167.48	90,243,505.98
EuroFima-Switzerland	6,040,741.13	6,039,989.48
KommuneKredit-Denmark	6,065,221.51	-
Austria	79,467,273.80	79,463,267.63
Ireland	104,248,570.41	105,389,752.07
Kosovo	177,495,784.06	188,853,239.79
<b>Total</b>	<b>680,593,233.50</b>	<b>758,889,559.97</b>

**According to type:**

	<b>31 March 2019</b>	<b>31 December 2018</b>
Treasury Bills	995,970.70	5,998,422.16
Bonds	679,597,262.81	752,891,137.81
<b>Total</b>	<b>680,593,233.50</b>	<b>758,889,559.97</b>

To this group there was a lower position compare to the period ended December 31, 2018 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 first quarter of 2019 average is around 0.389% (min. 0% and max. 3.10%), whereas in 2018: min. 0% to 3.040% with an average of 0.659%). These placements mainly contracted maturity up to one year. Analytics by banks is disclosed in the table as bellow:

<b>Money market placements</b>	<b>31 March 2019</b>	<b>31 December 2018</b>
Deutsche Bank	175,000,000.00	175,000,000.00
FED New York	8,991,771.85	8,734,361.96
<b>Total</b>	<b>183,991,771.85</b>	<b>183,734,361.96</b>

If we compare 31 December 2018 and 31 March 2019 there is a increase in the position (i.e. item) in the group under note 8. Active time deposits in euro are 175 milion. Whereas, 10.1 million are active time deposits placements in USD.

**9. Assets related to IMF**

	<b>31 March 2019</b>	<b>31 December 2018</b>
IMF Quota	102,064,520.59	100,296,274.71
SDR holdings	65,228,633.18	64,890,248.43
Accrued Interest	709,028.42	721,461.70
Use of IMF funds (SBA)	158,626,305.61	160,143,158.97
<b>Total</b>	<b>326,628,487.80</b>	<b>326,051,143.81</b>

Above items arise from Kosovo membership in IMF. Item IMF Quota represents the value of the mandatory quota (86,000,000 SDR form 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 1.129% 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). Changes are derived mainly from new disbursement and payments for all active SBA and partially from changes on foreign exchange.

**10, 11 Tangible and Intangible Assets**

Category of main assets	Historical cost	Depreciation/ Amortization accumulated up to 31 december 2018	Total Depreciation/ Amortization for period 31 march 2019	Total Depreciation/ Amortization accumulated till 31 march 2019	Net Value as 31 march 2019
<b>Property, plant and equipment</b>	<b>10,122,818.90</b>	<b>5,101,935.38</b>	<b>162,166.74</b>	<b>5,264,102.12</b>	<b>4,858,716.78</b>
Equipment's, offices and other	2,435,166.98	1,907,382.85	45,188.73	1,952,571.58	482,595.40
Vehicles	320,149.16	290,593.50	7,239.93	297,833.43	22,315.73
Premises	5,201,291.64	1,153,434.48	65,016.12	1,218,450.60	3,982,841.04
Computer hardware	2,166,211.12	1,750,524.55	44,721.96	1,795,246.51	370,964.61
Work in process					
<b>Intangible assets</b>	<b>3,971,065.08</b>	<b>2,180,954.60</b>	<b>97,310.76</b>	<b>2,278,265.36</b>	<b>1,692,799.72</b>
Intangible assets	3,971,065.08	2,180,954.60	97,310.76	2,278,265.36	1,692,799.72
Intangible assets– work in process	-	-	-	-	-
<b>Total</b>	<b>14,093,883.98</b>	<b>7,282,889.98</b>	<b>259,477.50</b>	<b>7,542,367.48</b>	<b>6,551,516.50</b>

**12. Other assets**

Other assets are as below:

	<b>31 March 2019</b>	<b>31 December 2018</b>
Accrued income	1,106,092.02	1,278,473.28
Prepayment	375,111.84	131,966.64
Payment in process (SNP/DepoX)	217,750.00	-
<b>Total</b>	<b>1,698,953.86</b>	<b>1,410,439.92</b>

**13. Due to domestic banks**

	<b>31 March 2019</b>	<b>31 December 2018</b>
ProCredit Bank - Kosovë	57,477,827.64	40,597,389.47
Raiffeisen Bank - Kosovë	62,005,459.98	45,299,798.01
NLB Prishtina	55,376,366.68	69,917,264.03
Komercijalna Banka - Dega Mitrovicë	6,750,223.01	6,358,190.34
Banka Ekonomike e Prishtinës	63,592,804.01	55,869,253.21
Banka për Biznes	45,515,995.09	39,220,850.40
Banka Kombëtare Tregtare e Shqipërisë	32,832,236.87	32,538,906.01
Turk Ekonomi Bankasi Sh.A	41,473,693.31	37,462,030.03
Turkiye Is Bankasi A.S.	10,174,333.62	14,421,855.38
T.C. Zirat Bankasi A.S.Dega Kosove	6,705,502.25	1,678,865.90
Banka Kreditore e Prishtinës	15,862.26	29,310.15
<b>Total</b>	<b>381,920,304.72</b>	<b>343,393,712.93</b>

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 March 31, 2019 above disclosed is around 2.58 times higher the required amount.

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

	<b>31 March 2019</b>	<b>31 December 2018</b>
Current account FMN No. 1	255,161.30	250,740.69
Expenses account FMN No. 2	6,178.24	6,071.20
IMF securities account	235,642,388.66	235,824,955.07
Part paid of IMF quota	18,190,629.59	17,816,089.91
IMF SDR allocated by IMF	68,415,865.97	67,230,575.79
Accrued Interest	714,879.83	725,659.33
<b>Total</b>	<b>323,225,103.59</b>	<b>321,854,091.99</b>

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

	31 March 2019	31 December 2018
Treasury – Ministry of Economy and Finance	440,868,309.79	374,662,826.78
Privatization Agency of Kosovo	349,657,816.57	388,115,936.82
Interim Administrative Institutions	95,977.86	122,123.61
<b>Total</b>	<b>790,622,104.22</b>	<b>762,900,887.21</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 2018 and 31 december 2018 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:

	31 March 2019	31 December 2018
Insurance Companies	4,485,643.64	4,536,787.25
Public Institutions	111,288,037.84	106,324,447.65
Pension Funds and other	1,743.83	1,749.83
<b>Total</b>	<b>115,775,425.31</b>	<b>110,862,984.73</b>

There is an increase compared to 2018, which is attributed entirely to the group of public institutions. It is to be mentioned that accounts change derive from normal operating activity of the accounts included in group.

**17. Borrowings**

	<b>31 March 2019</b>	<b>31 December 2018</b>
Borrowings from World Bank	2,266,259.07	2,266,259.07
<b>Total</b>	<b>2,266,259.07</b>	<b>2,266,259.07</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.

**18. Other liabilities**

	<b>31 March 2019</b>	<b>31 December 2018</b>
Escrow account	756,036.51	756,036.51
Deferred income	473,166.91	497,810.68
Payables and Accrued expenses	312,674.75	543,675.39
<b>Total</b>	<b>1,541,878.17</b>	<b>1,797,522.58</b>

Within the group is a slight reduction in the total balance of the group compared with 31 December 2018. Mainly influenced by the reduction of accounts payable balance to March 31, 2019, compared to 31 December 2018.

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

	<b>31 March 2019</b>	<b>31 December 2018</b>
Authorized capital	30,000,000.00	30,000,000.00
Reserve fund	23,989,459.17	21,801,120.78
Net result for the period	723,745.03	2,188,338.39
<b>Total</b>	<b>54,713,204.20</b>	<b>53,989,459.17</b>

The financial result is positive for about EUR 724 thousand, mainly due to satisfactory performance of revenues and maintenance of expenditures according to budget planning for the reporting period. The foreign currency revaluation item at the reporting date is in the amount of approximately EUR 237 thousand (as unrealized gain), even if we exclude this financial result remains positive of some EUR 487 thousand.

**21. Net interest income**

	<b>31 March 2019</b>	<b>31 March 2018</b>
<b>Interest Income</b>		
From placements	52,943.32	28,093.90
From securities	451,790.50	314,227.04
From deposit current accounts	182,427.17	129,441.70
From negative rates on deposits <sup>1</sup>	150,218.90	126,475.01
	<b>837,379.89</b>	<b>598,237.65</b>
<b>Interest expense</b>		
From IMF Account (SDR Allocation)	190,417.49	129,167.66
From correspondent banks	113,129.38	258,502.50
From Borrowing	3,274.79	1,270.48
	<b>306,821.66</b>	<b>388,940.64</b>
<b>Net interest income</b>	<b>530,558.23</b>	<b>209,297.01</b>

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 0.245% (in the same period of 2018 0.107%).

**22. Net fee and commission income**

	<b>31 March 2019</b>	<b>31 March 2018</b>
<b>Net fee and commission income</b>		
From cash deposits	183,248.52	133,760.03
From incoming transfer	23,005.00	16,635.00
From outgoing transfers	87,640.00	68,829.92
From domestic transfers (Domestic payment system)	235,152.99	205,349.92
From credit registry system	48,252.90	37,875.80
Other fees	9,680.00	9,295.00
	<b>586,979.41</b>	<b>471,745.67</b>
<b>Fee and commission expense</b>		
From cash transportation	98,760.56	28,224.84
From correspondent bank transactions	2,591.50	1,922.41
From payment services (IPS)	-	-
	<b>101,352.06</b>	<b>30,147.25</b>
<b>Net fee and commission position</b>	<b>485,627.35</b>	<b>441,598.42</b>

An increase compared to same period 2018, 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>31 March 2019</b>	<b>31 March 2018</b>
Banks licenses renewal fees	629,000.00	620,000.00
Bank licenses fees	14,200.00	4,300.00
Insurance Companies licenses renewal fees	270,000.00	256,000.00
Insurance Companies licenses fees	18,700.00	30,700.00
Pension funds renewal fees	6,000.00	6,000.00
Other financial institution fees	64,200.00	63,300.00
<b>Total</b>	<b>1,002,100.00</b>	<b>980,300.00</b>

The change as a rise is mainly based on the growth of the base (volume of activity) compared with the same period 2018.

**24. Grant revenue**

	<b>31 March 2019</b>	<b>31 March 2018</b>
Grant revenue	<b>24,640.47</b>	<b>24,306.12</b>

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>31 March 2019</b>	<b>31 March 2018</b>
Other income	<b>121.44</b>	<b>284.63</b>

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>31 March 2019</b>	<b>31 March 2018</b>
Wages and salary expenses	788,583.59	758,928.45
Social security and health insurance	168,667.51	163,205.70
Staff training costs	18,435.20	11,115.46
Board expenses	28,974.49	22,959.27
Daily meal	34,317.00	31,299.00
Other	4,687.33	5,350.82
<b>Total</b>	<b>1,043,665.12</b>	<b>992,858.70</b>

The other category include the staff costs include additional pension compensation (2019, 2,701.11euro; 2018, 2,977,58euro) and financial support for housing (2019, 1,987.22euro; 2018, 2,373.24euro). Additional pension compensation is the result of earlier decisions, from which some former employees are directly compensated by the CBK, unable to transfer this liability to them when the CBK has transferred the pension fund management.

**27. General and administrative expenses**

	<b>31 March 2019</b>	<b>31 March 2018</b>
Insurance expenses	78,120.47	80,325.65
Repairs and maintenance	13,220.82	10,610.87
Application maintenance	75,161.83	70,331.42
Communication expenses (telephone, fax, and internet)	2,551.72	2,820.64
Public utility expenses	9,753.86	16,811.76
Consulting and auditing expenses	1,742.54	1,769.23
Security (guard and transportation)	-	15,528.00
Travel and transportation	34,872.49	16,929.38
Vehicle operating expenses	3,035.35	2,628.24
Consumable administrative material	8,342.23	3,044.76
Cafeteria expenses	6,750.86	4,317.59
Consumable expenses (IT and non-IT equipment supply)	2,352.00	4,617.59
Publishing and literature	2,180.00	1,112.70
Representation expenses	3,628.46	1,958.65
Membership to professional institutions	8,752.24	8,161.13
Other	2,811.38	2,386.20
<b>Total</b>	<b>253,276.25</b>	<b>243,353.81</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>31 March 2019</b>	<b>31 March 2018</b>
From USD Position	172,388.92	(223,665.70)
From SDR Position	64,727.49	(47,423.64)
<b>Net unrealized profit/loss from exchange rate</b>	<b>237,116.41</b>	<b>(271,089.34)</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>31 March 2019</b>	<b>31 March 2018</b>
Cash in hand	5	318,285,344.10	285,376,364.49
Cash accounts with non-resident banks	6	152,314,971.67	34,797,033.53
Treasury bill with maturity up to three months		995,970.70	-
Placements with non-resident banks with maturity up to three months		8,991,771.85	8,734,619.64
<b>Total</b>		<b>480,588,058.32</b>	<b>328,908,017.66</b>

**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 March 31, 2019 is approximately 645,152 euros (December 31, 2018, this liability was expected 645,152 euro), CBK acts as financial intermediary (bank guarantee) and funds held in safe-custody account.