



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

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

Department of Financial Planning and Reporting

## CBK’s Financial Statements for the third 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 third 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 third quarter is September 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

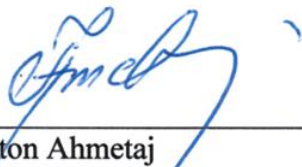
as per

	Note	30 September 2021	31 December 2020
<b>Assets</b>			
Cash on hand	5	415,778,120.26	308,090,581.36
Current accounts with non-resident banks	6	385,887,356.04	313,343,220.61
Securities	7	573,209,009.63	587,793,209.28
Placements in money market	8	83,287,674.29	58,323,427.72
In accounts related with IMF	9	330,639,525.09	268,198,353.59
Properties and equipment's	10	4,548,026.51	4,888,508.98
Intangible assets	11	1,436,136.68	1,700,404.15
Other assets	12	1,871,484.73	1,883,518.68
<b>Total assets</b>		<b>1,796,657,333.23</b>	<b>1,544,221,224.37</b>
<b>Liabilities</b>			
Due to domestic commercial banks	13	496,857,662.58	566,425,797.59
Due to IMF related accounts	14	332,451,791.89	269,137,185.35
Due to Governmental Institutions	15	813,434,140.71	508,446,061.87
Due to public and commercial entities	16	88,445,238.15	138,661,273.30
Borrowings	17	2,103,416.84	2,154,255.22
Other domestic liabilities	18	2,235,757.86	2,539,286.08
<b>Total liabilities</b>		<b>1,735,528,008.03</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		4,271,960.24	2,162,636.12
<b>Total capital and reserve</b>		<b>61,129,325.20</b>	<b>56,857,364.96</b>
<b>Total liability capital and reserve</b>		<b>1,796,657,333.23</b>	<b>1,544,221,224.37</b>

Notes from page 6 up to 21 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<sup>1</sup>. 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

<sup>1</sup> Approval of CBK report statements is the competence of the CBK Board, which for the reporting period and reporting date does not have a sufficient quorum for their approval. Their preparation and publication will be done only as a preliminary phase and as such they will remain in the process of relevant approval.

## Statement of comprehensive income

	Note	30 September 2021	30 September 2020
<b>Net interest income</b>			
Interest income		2,976,708.55	2,786,969.38
Interest expense		(1,015,037.04)	(650,674.18)
<b>Net interest income</b>	21	<u>1,961,671.51</u>	<u>2,136,295.20</u>
<b>Fee and commission income</b>			
Fee and commission income		2,431,980.70	1,878,391.27
Fee and commission expenses		(471,288.47)	(248,749.77)
<b>Net fee and commission income</b>	22	<u>1,960,692.23</u>	<u>1,629,641.50</u>
<b>Other operating Income</b>			
Income from regulatory activity	23	4,334,569.71	3,582,961.69
Grant revenues	24	87,122.42	94,206.93
Other operating Income	25	12,205.82	6,450.26
<b>Total Operating Income</b>		<u>8,356,261.69</u>	<u>7,449,555.58</u>
<b>Administrative (operative) expenses</b>			
Personnel expenses	26	(3,419,404.85)	(3,312,790.30)
Depreciation and amortization	10,11	(784,774.57)	(768,796.21)
General and administrative expenses	27	(967,711.34)	(849,798.48)
<b>Total administrative (operative) expenses</b>		<u>(5,171,890.76)</u>	<u>(4,931,384.99)</u>
<b>Net result without exchange rate effect</b>		<u>3,184,370.93</u>	<u>2,518,170.59</u>
Net profit/loss on exchange rate	28	405,919.78	(358,820.85)
Provision for expected credit losses (net increase / decrease)		681,669.53	374,473.00
<b>Net result of the period</b>		<u><u>4,271,960.24</u></u>	<u><u>2,159,349.74</u></u>

Notes from page 6 up to 21 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>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>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>1,861,070.55</b>	<b>247,630.64</b>	<b>(2,108,701.19)</b>	-	-
Profit for the period	-	-	-	-	2,162,636.12	2,162,636.12
Other comprehensive income	-	-	-	-	-	-
<b>Total comprehensive income for the year</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>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>56,857,364.96</b>
Transfer to reserve fund	-	2,954,480.78	(791,844.66)	(2,162,636.12)	-	-
<b>Total transactions required by law</b>	-	<b>2,954,480.78</b>	<b>(791,844.66)</b>	<b>(2,162,636.12)</b>	-	-
Profit for the period	-	-	-	-	4,271,960.24	4,271,960.24
Other comprehensive income	-	-	-	-	-	-
<b>Total comprehensive income for the year</b>	-	-	-	-	<b>4,271,960.24</b>	<b>4,271,960.24</b>
<b>Balance at 30 September 2020</b>	<b>30,000,000.00</b>	<b>26,857,364.96</b>	-	-	<b>4,271,960.24</b>	<b>61,129,325.20</b>

Notes from page 6 up to 21 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 and United States of America 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 September 2021</b>					
<b>Credit Rating (S&amp;P/Moody's)</b>	<b>Current accounts with non-resident banks</b>	<b>Money market placements</b>	<b>Securities (Treasury Bills and Bonds)</b>	<b>Total carrying value</b>	<b>% of total weight</b>
AAA/Aaa	287,784,794.43	83,300,773.30	113,728,810.57	484,814,378.30	46.48%
AA+/Aa1	-	-	142,209,471.83	142,209,471.83	13.63%
AA/Aa2	-	-	10,008,974.30	10,008,974.30	0.96%
AA-/Aa3	-	-	-	-	0.00%
A+/A1	488,528.00	-	-	488,528.00	0.05%
A/A2	-	-	102,199,492.25	102,199,492.25	9.80%
BBB+/A3	97,812,904.01	-	205,567,885.62	303,380,789.63	29.08%
<b>Total</b>	<b>386,086,226.44</b>	<b>83,300,773.30</b>	<b>573,714,634.57</b>	<b>1,043,101,634.31</b>	<b>100.00%</b>

<b>31 December 2020</b>					
<b>Credit Rating (S&amp;P/Moody's)</b>	<b>Current accounts with non-resident banks</b>	<b>Money market placements</b>	<b>Securities (Treasury Bills and Bonds)</b>	<b>Total carrying value</b>	<b>% of total 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 September 2021</b>							
<b>Assets</b>							
Cash on hand	5	415,778,120.26	415,778,120.26	-	-	-	-
Current accounts with non-resident banks	6	385,887,356.04	385,887,356.04	-	-	-	-
Treasury bills	7	573,209,009.63	5,613,257.04	27,720,540.79	153,016,424.02	368,617,395.00	18,241,392.78
Money market placements	8	83,287,674.29	83,287,674.29	-	-	-	-
In accounts related with IMF	9	330,639,525.09	268,342,113.09	12,045,789.00	-	50,251,623.00	-
		<b>1,788,801,685.31</b>	<b>1,158,908,520.73</b>	<b>39,766,329.79</b>	<b>153,016,424.02</b>	<b>418,869,018.00</b>	<b>18,241,392.78</b>
<b>Liabilities</b>							
Due to domestic banks	13	(496,857,662.58)	(496,857,662.58)	-	-	-	-
Due to accounts related to IMF	14	(332,451,791.89)	(88,299,125.25)	(12,045,789.00)	-	(50,251,623.00)	(181,855,254.64)
Due to local governmental institutions	15	(813,434,140.71)	(813,434,140.71)	-	-	-	-
Due to public and commercial entities	16	(88,445,238.15)	(88,445,238.15)	-	-	-	-
Borrowings	17	(2,103,416.84)	-	-	(110,706.00)	(885,649.00)	(1,107,061.84)
Other domestic liabilities	18	(2,235,757.86)	(2,235,757.86)	-	-	-	-
		<b>(1,735,528,008.03)</b>	<b>(1,489,271,924.55)</b>	<b>(12,045,789.00)</b>	<b>(110,706.00)</b>	<b>(51,137,272.00)</b>	<b>(182,962,316.48)</b>
		<b>53,273,677.28</b>	<b>(330,363,403.82)</b>	<b>27,720,540.79</b>	<b>152,905,718.02</b>	<b>367,731,746.00</b>	<b>(164,720,923.70)</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**

	<b>30 September 2021</b>	<b>31 December 2020</b>
Cash on hand	415,778,120.26	308,090,581.36
<b>Total</b>	<b>415,778,120.26</b>	<b>308,090,581.36</b>

There is an increase in the balance on September 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:

	<b>30 September 2021</b>	<b>31 December 2020</b>
Deutsche Bundesbank	242,526,056.56	127,998,268.81
Raiffeisen Zentralbank	9,866,987.95	9,902,766.40
Banque centrale du Luxembourg	44,988,051.66	86,666,044.58
Deutsche Bank	87,945,916.09	88,509,252.72
Nostro Acc. Commerzbank AG	488,528.00	460,000.00
Nostro acc. with FED	270,686.18	170,290.64
<b>Total carrying amount</b>	<b>386,086,226.44</b>	<b>313,706,623.15</b>
Impairment for expected credit loss	(198,870.40)	(363,402.54)
<b>Total net carrying amount</b>	<b>385,887,356.04</b>	<b>313,343,220.61</b>

The position of current accounts (nostro) compared to December 31, 2020 has increased, 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 increase in this group may have the effect of increasing 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 30 September 2021</b>	<b>Impairment for expected credit loss</b>	<b>Net carrying amount 30 September 2021</b>
Germany	65,688,939.78	(61,451.51)	65,627,488.27
France	10,008,974.30	(34,890.53)	9,974,083.77
The Netherland	12,127,246.30	(9,079.35)	12,118,166.95
Slovenia	-	-	-
Luxemburg	87,421,935.52	(37,396.20)	87,384,539.32
Switzerland - EuroFima	5,615,782.86	(2,525.82)	5,613,257.04
Denmark - KommuneKredit	6,026,143.94	(5,342.36)	6,020,801.58
Austria	74,741,438.11	(164,231.58)	74,577,206.53
Ireland	102,199,492.25	(23,153.78)	102,176,338.47
United States of America	4,316,795.91	(2,097.96)	4,314,697.95
Kosovo	205,567,885.60	(165,455.85)	205,402,429.75
<b>Total</b>	<b>573,714,634.57</b>	<b>(505,624.94)</b>	<b>573,209,009.63</b>

<b>Country</b>	<b>Carrying amount 31 December 2020</b>	<b>Impairment for expected credit loss</b>	<b>Net carrying amount 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
Switzerland - EuroFima	5,613,502.82	(2,526.22)	5,610,976.60
Denmark - KommuneKredit	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 30 September 2021</b>	<b>Impairment for expected credit loss</b>	<b>Net carrying amount 30 September 2021</b>
Treasury Bills	4,316,795.91	(2,097.96)	4,314,697.95
Bonds	569,397,838.66	(503,526.97)	568,894,311.69
<b>Total</b>	<b>573,714,634.57</b>	<b>(505,624.94)</b>	<b>573,209,009.63</b>

	<b>Carrying amount 31 December 2020</b>	<b>Impairment for expected credit loss</b>	<b>Net carrying amount 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 firstly 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 third quarter of 2021 on average is about 0.018% (minimum: -0.600% and maximum: 0.250%), while in 2020: on average 0.138% (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 30 September 2021</b>	<b>Impairment for expected credit loss</b>	<b>Net carrying amount 30 September 2021</b>
Raiffeisen Bank International AG	-	-	-
Federal Reserve Bank (FED-NY)	4,318,162.19	(2,098.63)	4,316,063.56
Banque centrale du Luxembourg	79,000,000.00	(11,000.38)	78,988,999.62
	<b>83,318,162.19</b>	<b>(13,099.01)</b>	<b>83,305,063.18</b>
<b>Accrued (accrual) interest on Money market placements:</b>			
Raiffeisen Bank International AG	-	-	-
Federal Reserve Bank (FED-NY)	-	-	-
Banque centrale du Luxembourg	(17,388.89)	-	(17,388.89)
	<b>(17,388.89)</b>	<b>-</b>	<b>(17,388.89)</b>
<b>Total</b>	<b>83,300,773.30</b>	<b>(13,099.01)</b>	<b>83,287,674.29</b>

<b>Money market placements by banks:</b>	<b>Carrying amount 31 December 2020</b>	<b>Impairment for expected credit loss</b>	<b>Net carrying amount 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
Banque centrale du Luxembourg	-	-	-
	<b>58,393,773.94</b>	<b>(70,346.22)</b>	<b>58,323,427.72</b>
<b>Accrued (accrual) interest on Money market placements:</b>			
Raiffeisen Bank International AG	-	-	-
Federal Reserve Bank (FED-NY)	-	-	-
Banque centrale du Luxembourg	-	-	-
	<b>-</b>	<b>-</b>	<b>-</b>
<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 three active placements, two of them are in euro currency and have negative interest rates (one of -0.5% and the other -0.6%), while we have a placement in dollars (with FED NY) which in the table above of placements is reflected in its equivalent in euro and has a positive interest rate (of 0.05%).

**9. Assets related to IMF**

	<b>30 September 2021</b>	<b>31 December 2020</b>
IMF Quota	100,503,246.28	97,785,733.23
SDR holdings	155,635,725.62	58,518,669.26
Accrued Interest	157,352.86	242,413.92
Use of IMF funds (SBA)	74,343,200.33	111,651,537.18
<b>Total</b>	<b>330,639,525.09</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. As well as the new allocation / distribution 2021 (according to IMF definitions) in the amount of 79,168,385 SDR approved by the Board of Governors of the IMF on 02 August 2021 and effective on 23 August 2021. As a result position of SDR in the IMF on behalf of the Republic of Kosovo has increased for the value above mentioned from the effective date of the transaction.

Special Drawing Rights – SDR deposits are deposits that bring an interest of 0.055% 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	116,610.57	1,250.00	5,464.17	-	<b>123,324.74</b>
Work in process	33,683.18	-	-	-	<b>33,683.18</b>
Transfer from / to (correction)	-	-	-	-	-
Disposals/Written Offs	-	(170,875.47)	(608,935.99)	-	<b>(779,811.46)</b>
<b>At 30-09-2021</b>	<b>5,949,961.09</b>	<b>2,494,050.32</b>	<b>1,806,040.24</b>	<b>389,349.16</b>	<b>10,639,400.81</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>
Depreciation 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>
Depreciation for the year	222,917.24	121,266.07	142,927.08	10,380.00	<b>497,490.39</b>
Disposals/Written Offs	-	(170,875.47)	(608,935.99)	-	<b>(779,811.46)</b>
<b>At 30-09-2021</b>	<b>1,911,357.86</b>	<b>2,190,109.43</b>	<b>1,640,924.48</b>	<b>348,982.53</b>	<b>6,091,374.30</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 30-09-2021</b>	<b>4,038,603.23</b>	<b>303,940.89</b>	<b>165,115.76</b>	<b>40,366.63</b>	<b>4,548,026.51</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	4,689,319.88
Acquisitions	54,054.63	54,054.63
Work in process	(31,037.92)	(31,037.92)
Transfer from / to (correction)	-	-
Disposals/Written Offs	(1,547,969.31)	(1,547,969.31)
<b>At 30-09-2021</b>	<b>3,164,367.28</b>	<b>3,164,367.28</b>
<b>Amortization</b>		
<b>At 01-01-2020</b>	2,576,630.07	2,576,630.07
Amortization for the year	412,285.66	412,285.66
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	2,988,915.73
Amortization for the year	287,284.18	287,284.18
Disposals/Written Offs	(1,547,969.31)	(1,547,969.31)
<b>At 30-09-2021</b>	<b>1,728,230.60</b>	<b>1,728,230.60</b>
<i>Net Carrying amounts</i>		
<b>At 01-01-2020</b>	<b>1,437,164.97</b>	<b>1,437,164.97</b>
<b>At 31-12-2020</b>	<b>1,700,404.15</b>	<b>1,700,404.15</b>
<b>At 30-09-2021</b>	<b>1,436,136.68</b>	<b>1,436,136.68</b>

**12. Other assets**

Other assets are as below:

	<b>30 September 2021</b>	<b>31 December 2020</b>
Income receivable	1,561,893.16	1,784,105.56
Prepayment	309,591.57	99,483.12
Payments in process (SNP/DepoX)	-	(70.00)
<b>Total</b>	<b>1,871,484.73</b>	<b>1,883,518.68</b>

**13. Due to domestic banks**

	<b>30 September 2021</b>	<b>31 December 2020</b>
ProCredit Bank - Kosovo	75,241,584.50	63,303,161.48
Raiffeisen Bank - Kosovo	80,344,715.87	81,228,224.15
NLB Prishtina	73,778,661.12	123,677,894.15
Komercijalna Banka – Mitrovica Branch	9,730,523.47	8,666,290.01
Banka Ekonomike e Prishtinës	61,263,640.92	57,529,783.39
Banka për Biznes	55,560,199.81	52,511,845.41
Banka Kombëtare Tregtare e Shqipërisë	57,674,576.61	74,520,031.15
Turk Ekonomi Bankasi Sh.A	57,609,625.56	69,448,324.65
Turkiye Is Bankasi A.S.	12,803,877.94	19,498,241.32
T.C. Zirat Bankasi A.S. Kosovo	8,004,150.39	8,150,433.16
Banka Kreditore e Prishtinës	21,549.17	4,867.47
Banka Credins Kosovo	4,824,557.22	7,886,701.25
<b>Total</b>	<b>496,857,662.58</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 September 31, 2021 is about 2.34 times higher than the amount of required reserve to be held with the CBK.

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

	<b>30 September 2021</b>	<b>31 December 2020</b>
Current account FMN No. 1	257,341.85	250,383.57
Expenses account FMN No. 2	6,083.73	5,919.23
IMF securities account	150,175,089.80	185,433,003.76
Part paid of IMF quota	18,158,100.37	17,656,542.41
IMF SDR allocated by IMF	163,697,154.27	65,547,710.20
Accrued Interest	158,021.87	243,626.18
<b>Total</b>	<b>332,451,791.89</b>	<b>269,137,185.35</b>

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

**14. Due to accounts related to IMF (continued)**

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, 09 September 2009 and 23 August 2021, together in the amount of 134,536,798 SDR also expressed in euros in the table of note 14. The interest rate on the item allocations for the reporting period is the same as for SDR deposits.

**15. Due to Governmental Domestic Institutions**

Due to governmental institutions comprise of:

**Current account**

	<b>30 September 2021</b>	<b>31 December 2020</b>
Treasury – Ministry of Economy and Finance	629,144,578.00	316,896,944.34
Privatization Agency of Kosovo	183,949,538.76	191,456,987.26
Interim Administrative Institutions	340,023.95	92,130.27
<b>Total</b>	<b>813,434,140.71</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:

	<b>30 September 2021</b>	<b>31 December 2020</b>
Insurance Companies	4,767,109.26	4,688,387.87
Public Institutions	83,676,343.06	133,971,081.60
Pension Funds and other	1,785.83	1,803.83
<b>Total</b>	<b>88,445,238.15</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 September 2021</b>	<b>31 December 2020</b>
Borrowings from World Bank	2,103,416.84	2,154,255.22
<b>Total</b>	<b>2,103,416.84</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 payments of installments are semi-annually starting from year 2021 up to 2031. The first installment was paid in September 2021.

**18. Other liabilities**

	<b>30 September 2021</b>	<b>31 December 2020</b>
Escrow account	756,036.51	756,036.51
Deferred income	232,106.67	306,028.15
Payables and Accrued expenses	618,543.25	848,149.99
Long term Emp. Benefit	629,071.43	629,071.43
<b>Total</b>	<b>2,235,757.86</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 September 31, 2021, compared to 31 December 2020.

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

	<b>30 September 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	4,271,960.24	2,162,636.12
<b>Total</b>	<b>61,129,325.20</b>	<b>56,857,364.96</b>

The financial result of the period is positive for about 4.27 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 406 thousand euros (as unrealized profit), the item of provisions for expected credit losses (net increase / (decrease)) is in the amount of 682 thousand euros (as unrealized profit) ) and if we exclude these two items the financial result remains positive of about 3.18 million euros.

**21. Net interest income**

	<b>30 September 2021</b>	<b>30 September 2020</b>
<b>Interest Income</b>		
From placements	1,939.37	26,866.54
From securities	2,141,594.00	1,901,633.17
From deposit current accounts	29,323.91	110,909.47
From negative rates on deposits <sup>2</sup>	803,851.27	747,560.20
	<b>2,976,708.55</b>	<b>2,786,969.38</b>
<b>Interest expense</b>		
From IMF Account (SDR Allocation	33,549.54	121,990.95
From correspondent banks	917,659.09	513,706.35
From placements	51,557.22	2,294.44
From Borrowing	12,271.19	12,682.44
	<b>1,015,037.04</b>	<b>650,674.18</b>
<b>Net interest income</b>	<b>1,961,671.51</b>	<b>2,136,295.20</b>

As can be seen from the table under note 21, there is an increase in interest income compared to the same period last year. However, also there is an increase in interest expenses from the negative rates applied by correspondent banks against the balances of nostro accounts (excluding the account with the FED - Federal Reserve), as a result this has resulted in net interest income being lower than the same period last year.

Average interest rates on net interest revenues (taking into consideration only committed portfolio) brought in about 0.398% (in the same period of 2020 0.358%).

**22. Net fee and commission income**

	<b>30 September 2021</b>	<b>30 September 2020</b>
<b>Net fee and commission income</b>		
From cash deposits	892,845.75	692,280.78
From incoming transfer	66,106.22	57,607.03
From outgoing transfers	248,908.80	219,512.48
From domestic transfers (Domestic payment system)	1,092,807.20	801,643.08
From credit registry system	115,692.73	92,838.90
Other fees	15,620.00	14,509.00
	<b>2,431,980.70</b>	<b>1,878,391.27</b>
<b>Fee and commission expense</b>		
From cash transportation	441,359.29	240,049.91
From correspondent bank transactions	29,929.18	8,699.86
From payment services (IPS)	-	-
	<b>471,288.47</b>	<b>248,749.77</b>
<b>Net fee and commission position</b>	<b>1,960,692.23</b>	<b>1,629,641.50</b>

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

<sup>2</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 September 2021</b>	<b>30 September 2020</b>
Banks licenses renewal fees	2,904,139.17	2,392,943.40
Bank licenses fees	22,300.00	9,900.00
Insurance Companies licenses renewal fees	1,149,452.79	933,610.64
Insurance Companies licenses fees	51,100.00	24,650.00
Pension funds renewal fees	20,650.42	20,063.44
Other financial institution fees	186,927.33	201,794.21
<b>Total</b>	<b>4,334,569.71</b>	<b>3,582,961.69</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 September 2021</b>	<b>30 September 2020</b>
Grant revenue	87,122.42	94,206.93

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 September 2021</b>	<b>30 September 2020</b>
Other income	12,205.82	6,450.26

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 September 2021</b>	<b>30 September 2020</b>
Wages and salary expenses	2,616,182.55	2,534,825.37
Social security and health insurance	646,200.78	567,239.06
Staff training costs	1,660.74	24,396.37
Board expenses	40,140.49	62,656.33
Daily meal	103,469.50	110,313.00
Other	11,750.79	13,360.17
<b>Total</b>	<b>3,419,404.85</b>	<b>3,312,790.30</b>

The total number of employees who have been active in the payroll during the period January-September 2021 is: 234 (in the period January - September 2020, 229).

Other categories of staff costs include additional pension compensation (2021, 6,799.31 euros; 2020, 8,100.37 euros), financial support for housing (2021, 3,991.48 euros; 2020, 5,259.80 euros) and the student internship program (2021, 960.00 euros, 2020, 0.00 euros). 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 September 2021</b>	<b>30 September 2020</b>
Insurance expenses	310,266.12	226,241.00
Repairs and maintenance	63,040.11	46,722.15
Application maintenance	258,352.41	287,588.15
Communication expenses (telephone, fax, and internet)	24,800.88	16,533.62
Public utility expenses	59,786.97	51,591.46
Consulting and auditing expenses	9,759.97	9,663.33
Security (guard and transportation)	83,029.60	65,354.40
Travel and transportation	8,587.50	13,363.22
Vehicle operating expenses	12,030.20	10,842.86
Consumable administrative material	14,652.56	17,582.55
Buffet costs (for coffee to staff and various meetings)	32,489.29	21,399.42
Consumable expenses (IT and non-IT equipment supply)	10,942.05	10,208.52
Publishing and literature	9,981.44	4,534.56
Representation expenses	13,893.61	9,920.88
Membership to professional institutions	22,956.22	19,995.43
Other	33,142.41	38,256.93
<b>Total</b>	<b>967,711.34</b>	<b>849,798.48</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**

Exchange Rate Revaluation	30 September 2021	30 September 2020
From USD Position	505,963.69	(379,238.53)
From SDR Position	(100,043.91)	20,417.68
<b>Net unrealized profit/loss from exchange rate</b>	<b>405,919.78</b>	<b>(358,820.85)</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**

	Note	30 September 2021	31 December 2020
Cash in hand	5	415,778,120.26	308,090,581.36
Cash accounts with non-resident banks	6	386,086,226.44	313,706,623.15
Placements with non-resident banks with maturity up to three months		83,300,773.30	8,393,773.94
<b>Total</b>		<b>885,165,120.00</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 September 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 held funds in safe-custody account.