



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

CBK FINANCIAL STATEMENTS
/as at and for the Second Quarter 2024/
- Unaudited Interim Report -

Department of Financial Planning and Reporting

CBK Financial Statements for the second quarter 2024

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).

The CBK's financial year corresponds to the calendar year, therefore, the date of the report for the financial statements of the second quarter of 2024 is June 30, 2024.

Abbreviations used in this Report :

CBK – Central Bank of the Republic of Kosovo

IMF – International Monetary Fund

SDR – Special Drawing Rights

IPS – Interbank Payment System

ECB – European Central Bank

EUR – Euro currency

USD – American Dollar

RFI – Rapid Financing Instrument

SBA - Stand by Arrangements

Law on CBK = Law No. 03/L-209 - on Central Bank of the Republic of Kosovo and Law No. 05/L-150 on amending and supplementing Law No. 03/L-209 on Central Bank of the Republic of Kosovo

Statement of Financial Position

According to data on:

	Note	June 30, 2024	December 31, 2023
Assets			
Cash on hand	5	129,256,118.83	101,931,866.18
Current accounts	6	369,626,498.06	426,076,735.56
Securities	7	615,872,766.67	717,814,023.91
Placements in money market	8	405,457,992.05	205,252,453.47
IMF-related assets	9	178,217,244.72	178,261,036.26
Property and equipment	10	4,182,221.21	4,275,739.08
Intangible assets	11	786,871.94	896,319.28
Other assets	12	2,515,658.12	2,475,581.90
Total assets		1,705,915,371.60	1,636,983,755.64
Liabilities			
Due to domestic commercial banks	13	555,012,878.72	590,622,072.61
Due to IMF related accounts	14	186,401,383.91	184,216,991.06
Due to Governmental Institutions	15	720,922,958.42	511,903,456.25
Due to public and commercial entities	16	125,058,829.33	240,201,714.61
From borrowings	17	1,565,138.11	1,661,655.62
Other domestic liabilities	18	12,622,799.89	9,221,562.98
Total liabilities		1,601,583,988.38	1,537,827,453.13
Capital and reserves			
Authorized capital	19	30,000,000.00	30,000,000.00
Reserve fund	20	58,780,315.47	41,525,187.85
Net result of the period		15,551,067.75	27,631,114.66
Total capital and reserve		104,331,383.22	99,156,302.51
Total liabilities, capital and reserve		1,705,915,371.60	1,636,983,755.64

The relevant disclosures according to the notes on pages 6 to 26 are an integral part of these financial statements.

The financial statements and their respective disclosures have been approved by the decision-making bodies¹ on 28 august 2024 and have been signed on their behalf by:

[Ahmet Ismaili]

Signed by:

Ahmet Ismaili

Governor

[Faton Ahmetaj]

Signed by:

Faton Ahmetaj

Director

Department of Finance

¹According to Article 34 and 59 of the Law on CBK.

Statement of Comprehensive Income

	Note	June 30, 2024	June 30, 2023
Interest income			
Interest income		21,671,013.25	13,144,681.16
Interest expenses		(8,166,701.54)	(3,926,807.00)
Net interest income	21	13,504,311.71	9,217,874.16
Fee and commission income			
Fee and commission income		2,152,654.94	1,842,650.71
Fee and commission expenses		(576,803.72)	(571,348.51)
Net fee and commission income	22	1,575,851.22	1,271,302.20
Income from regulatory activity and other operating income			
Income from regulatory activity	23	3,964,931.12	3,568,310.21
Income from grants	24	17,547.29	17,881.65
Other operating income	25	5,214.63	8,311.28
Operating income (21+22+23+24+25)		19,067,855.97	14,083,679.50
Administrative expenses			
Personnel expenses	26	(2,542,619.58)	(2,542,290.74)
Depreciation and amortization	10,11	(424,114.30)	(407,356.26)
General and administrative expenses	27	(705,997.27)	(737,398.08)
Administrative expenses		(3,672,731.15)	(3,687,045.08)
Net result without the effect of the exchange rate and provisions for expected credit losses		15,395,124.82	10,396,634.42
Net foreign exchange gain/(loss).	28	250,810.90	(57,909.00)
Provision for expected credit losses [net increase/(decrease)]	4	(94,867.97)	(69,768.62)
Net result for the period		15,551,067.75	10,268,956.80

The notes from pages 6 to 26 are an integral part of these financial statements

Statement of Changes in Equity (capital and reserves)

	Capital	Reserve fund	Revaluation reserves	Retained earnings	Net Result	Total
Balance as at January 1, 2023	30,000,000.00	31,443,637.77	1,529,287.16	8,552,262.92	-	71,525,187.85
Transfer to reserve fund	-	8,063,117.82	489,145.10	(8,552,262.92)	-	-
Transfer to the Treasury (MF)	-	-	-	-	-	-
Total transactions required by law	-	8,063,117.82	489,145.10	(8,552,262.92)	-	-
Profit for the year	-	-	-	-	27,631,114.66	27,631,114.66
Adjustments during the year	-	-	-	-	-	-
Other comprehensive income	-	-	-	-	-	-
Total comprehensive income for the year	-	-	-	-	27,631,114.66	27,631,114.66
Balance as at December 31, 2023	30,000,000.00	39,506,755.59	2,018,432.26	-	27,631,114.66	99,156,302.51
Balance as at January 1, 2024	30,000,000.00	39,506,755.59	2,018,432.26	27,631,114.66	-	99,156,302.51
Transfer to reserve fund(s)	-	17,490,638.10	(235,510.48)	(17,255,127.62)	-	-
Transfer to the Treasury (MF) – [in process]	-	-	-	(10,375,987.04)	-	(10,375,987.04)
Total transactions required by law	-	17,490,638.10	(235,510.48)	(27,631,114.66)	-	(10,375,987.04)
Profit for the year	-	-	-	-	15,551,067.75	15,551,067.75
Adjustments during the year	-	-	-	-	-	-
Other comprehensive income	-	-	-	-	-	-
Total comprehensive income for the year	-	-	-	-	15,551,067.75	15,551,067.75
Balance as at June 30, 2024	30,000,000.00	56,997,393.69	1,782,921.78	-	15,551,067.75	104,331,383.22

The notes from pages 6 to 26 are an integral part 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 according to Law No. 03/L-209 on Central Bank of the Republic of Kosovo approved in July 2010, as well as the amendment and supplement of the Law No. 05/L-150 on March 10, 2017.

2. Basis of preparation of Financial Statements

Reporting Framework

The financial statements have been prepared according to the requirements of the International Financial Reporting Standards (IFRS).

The basis of preparation

The financial statements are prepared on the basis of historical cost and harmonized according to the requirements of the International Financial Reporting Standards (IFRS).

Functional and presentation currency

These financial statements are presented in EUR, the official functional currency of Kosovo. If the values are expressed in different currencies, there will be a corresponding note where they are presented.

3. Accounting policies

The financial statements are prepared in accordance with the consistency of the accounting policies, and it should be noted that no new policies or changes to the accounting policies have been implemented.

4. Financial risk management

Financial risk in CBK is presented in the form of: liquidity risk, operational risk, credit risk, and market risk. The majority of financial risk in CBK is related to asset management as well as the regulator's operational and quality activities, which are managed by the relevant organizational units and the risk management department in accordance with legal acts approved by decision-making bodies such as the CBK Board and the Executive Board.

Based on the requirements of financial reporting standards, especially those covering credit risk, we are disclosing the elements of how credit and liquidity exposures are managed. The portfolio of exposures is in the countries of the European Union and the United States of America with an investment grade credit rating (from "AAA to BB-" and/or "Aaa to Ba3") exposure listed in the table - credit rating (ranking) (page 7).

Financial risk management (continued)

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

June 30, 2024

Credit rating (S&P/ Moody's / Fitch)	Nostro accounts	Money market placements	Securities	Total carrying value	% of total weight
AAA/ Aaa /AAA	225,060,791.26	319,947,046.53	113,089,394.78	658,097,232.56	47.30%
AA+/Aa1/AA+	-	-	117,380,118.96	117,380,118.96	8.44%
AA/Aa2/AA	234,137.91	20,035,788.89	-	20,269,926.80	1.46%
AA-/Aa3/AA-	10,000,000.00	-	139,410,868.01	149,410,868.01	10.74%
A+/A1/A+	6,922,066.70	-	-	6,922,066.70	0.50%
A/A2/A	27,846,257.93	20,109,200.00	15,619,138.56	63,574,596.49	4.57%
A-/A3/A-	-	-	25,498,039.09	25,498,039.09	1.83%
BBB/Baa2/BBB	99,708,465.70	30,009,200.00	-	129,717,665.70	9.32%
BBB-/Baa3/BBB-	-	-	37,266,517.97	37,266,517.97	2.68%
BB-/Ba3/BB-	-	15,356,756.63	167,977,901.57	183,334,658.46	13.18%
Total	369,771,719.50	405,457,992.05	616,241,976.94	1,391,471,690.75	100.00%

December 31, 2023

Credit rating (S&P/ Moody's / Fitch)	Nostro accounts	Money market placements	Securities	Total carrying value	% of total weight
AAA/ Aaa /AAA	387,108,059.81	180,215,433.54	143,866,965.39	711,190,458.74	52.75%
AA+/Aa1/AA+	-	-	129,488,929.85	129,488,929.85	9.60%
AA/Aa2/AA	-	-	190,575,328.24	190,575,328.24	14.13%
AA-/Aa3/AA-	-	-	-	-	0.00%
A+/A1/A+	6,022,678.28	-	-	6,022,678.28	0.45%
A/A2/A	21,178,436.17	-	15,657,821.12	36,836,257.29	2.73%
A-/A3/A-	10,533,571.04	25,063,000.00	200,755,229.80	236,351,800.84	17.53%
BBB-/Baa3/BBB-	-	-	37,836,241.22	37,836,241.22	2.81%
Total	424,842,745.30	205,278,433.54	718,180,515.62	1,348,301,694.46	100.00%

Financial risk management (continued)

The table below presents the exposure values at the level of stages according to the requirements of IFRS 9. On the reporting date, there has been no material change in credit risk since initial recognition, so all financial assets are in Stage 1.

	June 30, 2024			December 31, 2023		
	Stage 1	Stage 2	Stage 3	Stage 1	Stage 2	Stage 3
Current accounts with foreign banks	369,771,719.50	-	-	426,194,235	-	-
Securities (Treasury bills and government bonds)	616,241,978.94	-	-	718,180,518	-	-
Money market placements	405,550,677.41	-	-	205,280,712	-	-
Carrying value	1,391,564,375.85	-	-	1,349,655,464	-	-
Expected credit losses (ECL)	(607,119.07)	-	-	(512,251)	-	-
Net carrying value	1,390,957,256.78	-	-	1,349,143,213	-	-

The movements of the respective ECL related to the financial assets where CBK has exposure are as follows:

	2024			
	Stage 1	Stage 2	Stage 3	Total
ECL as of January 1, 2024	512,251.10	-	-	512,251.10
Transfers to Stage 1	-	-	-	-
Transfers to Stage 2	-	-	-	-
Transfers to Stage 3	-	-	-	-
ECL increase/(decrease) for the year	94,867.97	-	-	94,867.97
Impact on year-end ECL of exposures transferred between stages during the year	-	-	-	-
Unwind of discount (recognized in interest income)	-	-	-	-
Changes due to modifications not resulting in derecognition	-	-	-	-
Changes to models and inputs used for ECL calculations	-	-	-	-
Foreign exchange adjustments	-	-	-	-
Balance as of June 30, 2024:	607,119.07	-	-	607,119.07

Financial risk management (continued)

The movements of the respective ECL related to the financial assets where CBK has exposure during 2023 are as follows :

	2023			Total
	Stage 1	Stage 2	Stage 3	
ECL on January 1, 2023	459,008.12	-	-	459,008.12
Transfers to Stage 1	-	-	-	-
Transfers to Stage 2	-	-	-	-
Transfers to Stage 3	-	-	-	-
ECL increase / (decrease) for the year	-	-	-	-
Impact on year-end ECL of exposures transferred between stages during the year	53,242.98	-	-	53,242.98
Unwind of discount (recognized in interest income)	-	-	-	-
Changes due to modifications not resulting in derecognition	-	-	-	-
Changes to models and inputs used for ECL calculations	-	-	-	-
Foreign exchange adjustments	-	-	-	-
Balance as of December 31, 2023:	512,251.10	-	-	512,251.10

Liquidity Risk Management (continued)
Carrying amounts according to remaining maturity

	Note	Net carrying amount	less than 1 month	1-3 months	3 months - 1 year	1 - 5 years	over 5 years
June 30, 2024							
Assets							
Cash on hand	5	129,256,118.83	129,256,118.83	-	-	-	-
Current accounts	6	369,626,498.06	369,626,498.06	-	-	-	-
Securities	7	615,872,766.67	30,161,769.08	46,491,589.23	193,108,075.48	346,111,332.88	-
Money market placements	8	405,457,992.05	345,276,386.86	60,181,605.18	-	-	-
Funds related to the IMF	9	152,300,334.83	152,300,334.83	-	-	-	-
		1,672,513,710.44	1,026,621,107.67	106,673,194.42	193,108,075.48	346,111,332.88	-
Liabilities							
Due to domestic banks	13	(555,012,878.72)	(555,012,878.72)	-	-	-	-
Due to IMF related accounts	14	(185,125,251.06)	(73,316.75)	-	-	-	(185,051,934.31)
Due to governmental institutions	15	(720,922,958.42)	(720,922,958.42)	-	-	-	-
Due to public and commercial entities	16	(125,058,829.33)	(125,058,829.33)	-	-	-	-
Borrowing	17	(1,565,138.11)	-	-	(223,591.23)	(894,364.91)	(447,181.97)
Other domestic liabilities	18	(758,630.08)	(758,630.08)	-	-	-	-
		(1,588,443,685.72)	(1,401,826,613.30)	-	(223,591.23)	(894,364.91)	(185,499,116.28)
		84,070,024.72	(375,205,505.63)	106,673,194.42	192,884,484.25	345,216,967.97	(185,499,116.28)
	note	Net carrying amount	less than 1 month	1-3 months	3 months - 1 year	1 - 5 years	over 5 years
December 31, 2023							
Assets							
Cash on hand	5	101,931,866.18	101,931,866.18	-	-	-	-
Current accounts	6	426,076,735.56	426,076,735.56	-	-	-	-
Securities	7	717,814,023.91	42,170,258.25	74,272,691.21	267,436,551.04	333,934,523.40	-
Money market placements	8	205,252,453.47	130,184,227.72	75,068,225.75	-	-	-
Funds related to the IMF	9	152,619,115.39	152,619,115.39	-	-	-	-
		1,603,694,194.51	852,982,203.11	149,340,916.96	267,436,551.04	333,934,523.40	-
Liabilities							
Due to domestic banks	13	(590,622,072.61)	(590,622,072.61)	-	-	-	-
Due to IMF related accounts	14	(182,925,420.47)	(5,566.53)	-	-	-	(182,919,853.94)
Due to governmental institutions	15	(511,903,456.25)	(511,903,456.25)	-	-	-	-
Due to public and commercial entities	16	(240,201,714.61)	(240,201,714.61)	-	-	-	-
Borrowing	17	(1,661,655.62)	-	-	(221,554.14)	(886,216.12)	(553,885.36)
Other domestic liabilities	18	(757,474.20)	(757,474.20)	-	-	-	-
		(1,528,071,793.76)	(1,343,490,284.20)	-	(221,554.14)	(886,216.12)	(183,473,739.30)
		75,622,400.75	(490,508,081.09)	149,340,916.96	267,214,996.90	333,048,307.28	(183,473,739.30)

5. Cash on hand

	June 30, 2024	December 31, 2023
Cash on hand	129,256,118.83	101,931,866.18
Total	129,256,118.83	101,931,866.18

The cash balance increased on June 30, 2024, compared to December 31, 2023. Mostly derived from daily cash operations, but estimated to be within the framework of the activity.

6. Current accounts (nostro - with non-resident banks)

The composition of current accounts with non-local banks is as follows:

	June 30, 2024	December 31, 2023
Deutsche Bundes	160,279,773.02	319,333,264.53
Raiffeisen Zentralbank	4,821,608.43	6,022,678.28
Banque Central du Luxembourg	63,664,659.11	67,528,944.86
Deutsche Bank	4,905,912.91	10,533,612.55
Commerzbank AG	146,752.10	1,077,538.03
Bank of Lithuania	22,726,340.69	20,100,898.14
DZ Bank AG	234,137.91	20.00
Croatian National Bank	99,427,236.84	-
Erste Group Bank AG	2,100,202.04	-
National Bank of Belgium	10,000,000.00	-
Federal Reserve Bank (FED-NY)	249,891.75	245,788.91
	368,556,514.80	424,842,745.30
Accrued interest	1,215,204.71	1,351,489.43
Total carrying amount	369,771,719.50	426,194,234.73
Expected credit losses (ECL)	(145,221.45)	(117,499.17)
Total net amount	369,626,498.06	426,076,735.56

The item of *current accounts* (nostro) has decreased in comparison to December 31, 2023; this change is the result of account activity and asset portfolio management, which has also been influenced by interest rates in the financial markets (respectively notes 5, 6, 7, and 8, which are very closely related in terms of asset management).

7. Securities (Treasury Bills and Bonds)

Both categories that belong to the group under Note 7 are debt securities issued by various countries and institutions in Europe and United States of America, the geographical distribution is listed in analytic on page 12 (in the table by *geographical distribution*).

Treasury bills, also disclosed on page 12, have a contracted maturity of up to one year. Meanwhile, those of government bonds have a contracted maturity of one year to five years. Effective interest rate on securities in the reporting period of 2023 ranges in the segment from -0.014% to 5.034% annually (while, in 2023 ranges in the segment from -0.014% to 5.034% annually).

7. Securities - continued / by geographical distribution and type:**Securities / by geographical distribution (continued):**

Country	Carrying amount 30 June 2024	Expected credit losses	Net amount 30 June 2024
Germany	49,794,402.04	(27,426.15)	49,766,975.63
France	50,014,180.18	(20,862.75)	49,993,317.43
Netherlands	48,916,300.41	(19,656.32)	48,896,644.09
Finland	48,933,576.35	(28,737.49)	48,904,838.86
Slovenia	25,498,039.09	(32,903.02)	25,465,136.07
Luxembourg	9,851,755.73	(1,259.05)	9,850,496.68
Belgium	69,721,325.19	(30,132.58)	69,691,192.61
Austria	68,446,542.61	(27,330.65)	68,419,211.96
Ireland	19,675,362.64	(3,090.61)	19,672,272.03
America	4,526,936.60	(754.75)	4,526,181.84
Italy	37,266,517.97	(32,029.53)	37,234,488.44
Poland	15,619,138.56	(23,626.74)	15,595,511.82
Kosovo	167,977,901.57	(121,402.64)	167,856,499.19
Total	616,241,978.94	(369,212.27)	615,872,766.67

Country	Carrying amount 31 December 2023	Expected credit losses	Net amount 31 December 2023
Germany	80,241,529.79	(32,484.26)	80,209,045.53
France	69,396,489.52	(33,196.30)	69,363,293.22
Netherlands	49,337,464.95	(15,073.93)	49,322,391.02
Finland	60,578,203.75	(18,717.51)	60,559,486.24
Slovenia	20,694,509.47	(15,223.95)	20,679,285.52
Luxembourg	9,795,062.84	(1,582.39)	9,793,480.45
Belgium	89,857,330.90	(44,177.45)	89,813,153.45
Austria	68,910,726.10	(17,359.70)	68,893,366.40
Ireland	31,321,507.82	(1,953.59)	31,319,554.23
America	4,492,907.81	(850.17)	4,492,057.64
Italy	37,836,241.22	(28,009.60)	37,808,231.62
Poland	15,657,821.12	(27,512.44)	15,630,308.68
Kosovo	180,060,722.22	(130,352.32)	179,930,369.90
Total	718,180,517.51	(366,493.60)	717,814,023.91

Securities (by type):

	Carrying amount 30 June 2024	Expected credit losses	Net amount 30 June 2024
Treasury bills	4,526,936.60	(754.75)	4,526,181.84
Bonds	611,715,042.34	(368,457.51)	611,346,584.83
Total	616,241,978.94	(369,212.27)	615,872,766.67

	Carrying amount 31 December 2023	Expected credit losses	Net amount 31 December 2023
Treasury bills	74,018,086.92	19,513.13	74,037,600.05
Bonds	644,162,430.59	(386,006.73)	643,776,423.86
Total	718,180,517.51	(366,493.60)	717,814,023.91

8. Money market placements

This group includes money market placements in our correspondent banks and liquidity lending with second level banks backed by collateral of securities of the Government of Kosovo through the execution of the repurchase agreement.

The interest rate for these placements until the third quarter of 2024 on average is about 4.68% (minimum: 0.050% and maximum: 5.300%), while in the same period in 2023: on average 3.58% (minimum: 0.050% and maximum: 5.30%). Placements with correspondent banks mainly have a contracted maturity of up to one year, while liquidity loans have up to ten days maturity. The analytics by institutions/banks is disclosed in the table below:

Money market placements by banks:	Carrying amount 30 June 2024	Expected credit losses	Net amount 30 June 2024
Deutsche Bank	20,000,000.00	(601.81)	19,999,398.19
Banque central du Luxembourg	160,000,000.00	(10,241.39)	159,989,758.61
Deutsche Bundesbank	154,000,000.00	(53,330.75)	153,946,669.25
Federal Reserve Bank (FED-NY)	5,698,271.84	(950.36)	5,697,321.48
DZ Bank AG	20,000,000.00	(45.09)	19,999,954.91
Croatian National Bank	30,000,000.00	(20,603.81)	29,979,396.19
Banka Kombëtare Tregtare Sh.A.	15,351,000.00	(6,912.16)	15,344,087.84
National Bank of Croatia	30,000,000.00	(20,603.81)	29,979,396.19
	405,049,271.84	(92,685.36)	404,956,586.48
Calculated (accrued) interest on money market placements			
Deutsche Bank	109,200.00	-	109,200.00
Banque central du Luxembourg	250,316.66	-	250,316.66
Deutsche Bundesbank	89,465.56	-	89,465.56
Federal Reserve Bank (FED-NY)	1,677.84	-	1,677.84
DZ Bank Ag	35,788.89	-	35,788.89
Croatian National Bank	9,200.00	-	9,200.00
Banka Kombëtare Tregtare Sh.A.	5,756.63	-	5,756.63
National Bank of Croatia	9,200.00	-	9,200.00
	501,405.58	-	501,405.55
Total	405,550,677.41	(92,685.36)	405,457,992.05
Money market placements by banks:	Carrying amount 31 December 2023	Expected credit losses	Net amount 31 December 2023
Deutsche Bank	25,000,000.00	(7,066.77)	24,992,933.23
Banque central du Luxembourg	150,000,000.00	(12,122.37)	149,987,877.63
Deutsche Bundesbank	25,000,000.00	(8,092.77)	24,991,907.23
Federal Reserve Bank (FED-NY)	5,158,371.04	(976.42)	5,157,394.62
DZ Bank AG	-	-	-
Banka Kombëtare Tregtare Sh.A.	-	-	-
	205,158,371.04	(28,258.33)	205,130,112.71
Calculated (accrued) interest on money market placements			
Deutsche Bank	63,000.00	-	63,000.00
Banque central du Luxembourg	49,000.00	-	49,000.00
Deutsche Bundesbank	8,062.50	-	8,062.50
Federal Reserve Bank (FED-NY)	2,278.28	-	2,278.26
DZ Bank AG	-	-	-
Banka Kombëtare Tregtare Sh.A.	-	-	-
	122,340.78	-	122,340.76
Total	205,280,711.82	(28,258.33)	205,252,453.47

If we compare the reporting period with the comparative period, there is a significant (relative) increase between these two periods, which is mainly the normal course of portfolio management as well as influenced by the possibility of placement after the rate increase in the euro currency.

9. IMF-related assets

	30 June 2024	31 December 2023
Quota with IMF/Paid reserve	24,729,379.53	24,429,650.16
SDR holdings	152,300,334.83	152,619,115.39
Accrued interest	1,187,530.36	1,212,270.71
	-	
Total	178,217,244.72	178,261,036.26

Above items arise from Kosovo membership in IMF. IMF quota/paid reserve represents the paid value of the mandatory quota (82,600,000 SDR from February 2016; while initially it was 59,000,000 SDR) set to Kosovo by IMF in Euros.

Deposits in DST (SDR), initially represents the value deposited in DST on behalf of the Republic of Kosovo according to the decisions of the Board of Governors of the IMF on August 28, 2009 (43,737,278 SDR) and September 9, 2009 (11,631,135 SDR) as well as per new allocation/distribution 2021 (according to IMF definition) in the amount of 79,168,385 DST (SDR) approved by the Board of Governors of the IMF on 02 August 2021 with the effective date 23 August 2021. The balance is then changed for transactions - from interest remuneration and expenses and the payments on behalf of quota increase. The balances in the table above are expressed in euros as the counter value of the balance in SDR for the reporting date.

SDR holdings are holdings that bring interest on average of 4.09% for the reporting period January - June 2024 (while for January - December 2023, 3.85%).

Whereas, as off-balance sheet items (commitments to the IMF), CBK has the following amount of commitments as of 30 June 2024, 59.4 million euros (in the comparative period this amount was 72.9 million euros) derived from the use of Kosovo government funds by the IMF.

10, 11 Tangible and intangible assets**Note 10 - Tangible assets consist of the following:**

Cost	Investments in facilities	Equipment	Computer	Vehicles	Assets in process	Total
As of 01 January 2023	6,113,235.74	2,528,258.52	1,910,664.49	389,349.16	3,680.00	10,945,187.91
Purchase	8,969.00	243,112.66	377,780.64	-	1,940.00	631,802.30
Transfers (from)/to (correction)	-	-	-	-	-	-
Disposal (write-off)	-	(6,123.00)	(5,797.85)	-	-	(11,920.85)
As of 31 December 2023	6,122,204.74	2,765,248.18	2,282,647.28	389,349.16	5,620.00	11,565,069.36
As of January 2024	6,122,204.74	2,765,248.18	2,282,647.28	389,349.16	5,620.00	11,565,069.36
Purchase	3,623.00	89,909.29	112,854.08	-	-	206,386.37
Transfers (from)/to (correction)	-	-	-	-	-	-
Disposal (write-off)	-	(2,683.55)	(4,669.50)	-	-	(7,353.05)
As of 30 June 2024	6,125,827.74	2,852,473.92	2,390,831.86	389,349.16	5,620.00	11,764,102.68
Depreciation						
As of 01 January 2023	2,297,661.00	2,344,203.84	1,738,268.35	366,282.53	-	6,746,415.72
Depreciation for the year	310,505.05	97,338.32	126,243.58	13,840.00	-	547,926.95
Disposal (write-off)	-	-	(5,016.66)	-	-	(5,016.66)
As of 31 December 2023	2,608,166.05	2,441,542.16	1,859,495.27	380,122.53	-	7,289,326.01
As of 01 January 2024	2,608,166.05	2,441,542.16	1,859,495.27	380,122.53	-	7,289,326.01
Depreciation for the year	155,795.25	54,179.33	78,966.65	6,919.98	-	295,861.21
Disposal (write-off)	-	-	(3,305.75)	-	-	(3,305.75)
As of 30 June 2024	2,763,961.30	2,495,721.49	1,935,156.17	387,042.51	-	7,581,881.47
Net carrying value						
As of 01 January 2023	3,819,254.74	184,054.68	172,396.14	23,066.63	3,680.00	4,198,772.19
As of 31 December 2023	3,519,658.69	323,706.02	423,152.01	9,226.63	5,620.00	4,275,739.08
As of 30 June 2024	3,361,866.44	356,752.43	455,675.69	2,306.65	5,620.00	4,182,221.21

10, 11 Tangible and intangible assets (continued)**Note 11 - Intangible assets consist of the following:**

Cost	Software	Software in process	Total
As of 01 January 2023	3,186,844.78	-	3,186,844.78
Purchase	139,365.86	-	139,365.86
Transfers (from)/to (correction)	-	-	-
Disposal	-	-	-
As of 31 December 2023	3,326,210.64	-	3,326,210.64
As of 01 January 2024	3,326,210.64	-	3,326,210.64
Purchase	15,500.00	-	15,500.00
Transfers (from)/to (correction)	-	-	-
Disposal	-	-	-
As of 30 June 2024	3,341,710.64	-	3,341,710.64
Depreciation			
As of 01 January 2023	2,144,320.68	-	2,144,320.68
Depreciation for the year	285,570.85	-	285,570.85
Disposal (write-off)	-	-	-
As of 31 December 2023	2,429,891.53	-	2,429,891.53
As of 01 January 2024	2,429,891.53	-	2,429,891.53
Depreciation for the year	124,947.34	-	124,947.34
Disposal (write-off)	-	-	-
As of 30 June 2024	2,554,838.60	-	2,554,838.60
Net carrying value			
As of 01 January 2023	1,042,524.10	-	1,042,524.10
As of 31 December 2023	896,319.11	-	896,319.28
As of 30 June 2024	786,871.99	-	786,871.94

12. Other assets

	30 June 2024	31 December 2023
Accounts receivable	2,126,949.50	2,325,158.41
Advance payments, payments and claims in process	388,708.62	150,423.49
Total	2,515,658.12	2,475,581.90

Claims in process (ATS) will be settled after the system executes the payments on the next first business day.

13. Liabilities to banks in the country

	30 June 2024	31 December 2023
ProCredit Bank	80,716,961.74	57,933,006.82
Raiffeisen Bank	76,927,640.41	74,171,335.72
NLB Prishtina	120,105,989.38	101,149,058.49
Banka Ekonomike	37,850,879.83	74,377,642.89
Banka për Biznes	41,830,115.59	54,243,862.01
Banka Kombëtare Tregtare	82,848,778.87	107,318,400.93
Turk Ekonomi Bankasi Sh.A..	73,061,877.42	68,284,335.55
Turkiye Is Bankasi A.S.	6,040,240.15	8,016,387.33
TC Zirat Bankasi A.S.Branch in Kosovo	11,653,279.20	21,409,848.44
Credins Bank Kosovo	6,165,115.42	2,837,812.07
PriBank Sh.A.	10,070,596.44	13,239,325.81
Komercijalna Banka/NLB – Branch in Mitrovica	7,449,157.61	7,480,455.46
Banka Kreditore e Prishtinës	179,800.71	43,908.36
Total (without accrued interest)	554,896,606.08	590,505,379.88
Accrual interest	116,272.64	116,692.73
Total	555,012,878.72	590,622,072.61

Disclosed in this group are the balances of second level banks operating in the country (Kosovo). And which keep assets in CBK according to the legal regulations for the liquidity reserve.

In total, the amount disclosed above for the reporting period 30 June 2024 is about 2.1 times higher than the value of the required reserve that is required to be kept at CBK (while this ratio on 31 December 2023 is also 2.35 times). From 1 January 2023, CBK applies a positive rate of 0.15% (annual), while from 1 August 2023, it applies a rate of 0.30% for all CBK depositors.

The same rate is applied to the balances of commercial banks in CBK up to the minimum mandatory reserve level. For banks that have balances above the minimum reserve requirement, interest will be applied up to the value of the minimum reserve requirement or as per account balances if this is less the required reserve.

14. Liabilities to IMF- related accounts

	30 June 2024	31 December 2023
IMF expense account No. 2	73,316.75	5,566.53
Paid part of the IMF Quota	19,743,865.92	19,117,864.99
Allocations from the IMF in the form of SDR	165,308,068.39	163,801,988.95
Accrual interest	1,276,132.85	1,291,570.59
Total	186,401,383.91	184,216,991.06

The items above represent the positions of IMF-related accounts that derived after Kosovo's membership in the IMF.

The three items in the table under note 14 represent accounts opened according to IMF regulations and the corresponding requirements for items after membership in IMF. One is an operating account as well as two accounts in custody. One for securities (promissory notes) that the Government of Kosovo has issued as notes payable to IMF. As well as the custody account for the unpaid part of the membership fee.

The paid part of the quota (as a long-term liability), includes the interest paid by IMF for this item, according to the IMF regulations, which is expressed in euros in the table under note 14.

Allocations in the form of Special Drawing Rights (SDR) in IMF consist of the allocations mentioned in *note 9* on 28 August and 9 September 2009, as well as the distribution (issuance/allocation) in 2021.

The interest rate for the allocation item for the reporting and comparative period is the same as for SDR deposits.

In May 2023, IMF has approved two new types of financing on behalf of Kosovo, a Credit Line and the (Budgetary) Resilience and Stability Facility. Both of these financial instruments have been active from 25 May 2023. There is also another instrument active from 2020.

The withdrawn balance of funds from these financial instruments on 30 June 2024 is 72.9 million euros, while on 31 December 2023 it was 75.4 million euros, the change derives from the new withdrawal on 4 June 2024, instalment payments and movement/changes in the EUR/SDR exchange rate).

15. Due to government institutions

Dues to government institutions have the following composition:

Current accounts	30 June 2024	31 December 2023
Treasury – Ministry of Finance	249,055,166.51	345,232,251.49
Kosovo Privatization Agency	170,641,542.08	166,373,337.05
Temporary Administrative Institutions	9,141.20	99,829.15
Total current accounts	419,705,849.79	511,705,417.69
Accrual interest on current accounts		
Treasury – Ministry of Finance	68,125.87	155,221.79
Kosovo Privatization Agency	42,414.19	42,790.98
Temporary Administrative Institutions	7.45	25.79
Total accrued interest	110,547.51	198,038.56
Short-term deposits		
Treasury – Ministry of Finance	301,106,561.12	-
Kosovo Privatization Agency	-	-
Temporary Administrative Institutions	-	-
Total short-term deposits	301,106,561.12	-
Total	720,922,958.42	511,903,456.25

Current account deposits as of 1 August 2023 receive an interest of 0.30%, while as of January 2023 they received an interest of 0.15%.

There are active term deposits in the reporting period only from government accounts (value disclosed in the table), while there were no active term deposits on 31 December 2023. The change is the result of the operational activity of the institutions that make up the group.

16. Due to public and commercial institutions

Dues to public and commercial institutions are presented below:

	30 June 2024	31 December 2023
Insurance companies	4,157,793.83	4,151,783.27
Public institutions and companies	120,868,080.46	236,009,059.11
Non-public pension funds and others	1,726.06	1,733.31
Total current accounts	125,027,600.35	240,162,575.69
Accrual interest on current accounts		
Insurance companies	1,039.50	1,072.61
Public institutions and companies	30,189.04	38,065.84
Non-public pension funds and others	0.44	0.47
Total accrued interest	31,228.98	39,138.92
Total	125,058,829.33	240,201,715.61

Public institutions and companies consist of the Kosovo Pension Savings Trust, accounts from the Deposit Insurance Fund and KEC (Kosovo Energy Corporation) trust accounts, as the most weighty components. Current account deposits as of 1 August 2023 receive an interest of 0.30%, while as of 1 January 2023 they received an interest of 0.15%.

17. Due from Borrowing/s

	30 June 2024	31 December 2023
Borrowing from the World Bank	1,565,138.11	1,661,655.62
Total	1,565,138.11	1,661,655.62

We have two projects that have been financed by the World Bank through a loan: the project for *the Business Continuity Plan* and *the Real Time Payment System (RTGS)* project. These projects were implemented in 2016. The return of funds is over 10 years. The change arises as a result of principal payments and the conversion of the SDR value to EUR at the reporting date, respectively as a result of the change in the EUR/SDR exchange rate.

18. Other liabilities

	30 June 2024	31 December 2023
Custody account	758,819.74	757,669.88
Deferred income	94,036.15	111,453.44
Accounts payable and accrued expenses	11,111,299.92	7,693,795.58
Long-term employee benefits	658,644.08	658,644.08
Total current accounts	12,622,799.89	9,221,562.98

Within the group, there is an increase in the total balance of the group compared to 31 December 2023. Mainly influenced by the increase in the balance of accounts payable compared to that on 31 December 2023. And that as a temporary balance since part of the payment to the government (of 10,375,987.04 euros) which is included in accounts payable will be paid in July 2024 (within the deadline provided by the Law on CBK).

19, 20 Authorized Capital and Reserves**Capital and General Reserves**

	30 June 2023	31 December 2023
Authorized capital	30,000,000.00	30,000,000.00
Reserve funds	58,780,315.47	41,525,187.85
Net result for the period	15,551,067.75	27,631,114.66
Total	104,331,383.22	99,156,302.51

The financial result of the period is positive for about 15.6 million euros, mainly influenced by the satisfactory realization of revenues and maintaining expenses according to the budget planning for the reporting period.

The currency revaluation item on the reporting date is worth about 251 thousand euros (as unrealized profit), the item of provisions for expected credit losses (net increase/(decrease)) is worth about 95 thousand euros (as unrealized loss) and if we exclude these two items, the financial result remains positive of about 15.4 million euros (see page 6 - *Net result without the effect of the exchange rate and provisions*).

According to Article 56, paragraph 1.1. of the Law on CBK, the net income will first be distributed to the general reserve until the total amount of initial capital and general reserve equals five percent (5%) of the monetary liabilities of the Central Bank.

Then, the portion of 50% of the net balance of realized income that remains after fulfilling the 5% criterion mentioned above, must be transferred to the Ministry of Finance. While the remaining 50% of the realized income must be allocated to the CBK's general reserve account.

Distributable income		
Description	30 June 2024	31 December 2023
Total comprehensive income for the year	15,551,067.75	27,631,114.66
Of which are unrealized earnings from revaluation	250,810.90	-
Of which are unrealized revaluation losses that have been realized in the current year	-	-
Distributable income	15,300,256.85	27,631,114.66
Capital, general reserve account and distributable income		
	30 June 2024	31 December 2023
Capital	30,000,000.00	30,000,000.00
General reserves	58,780,315.47	39,506,755.59
Distributable income	15,300,256.85	27,631,114.66
Total capital, general reserve account and distributable income	104,080,572.32	97,137,870.25
Total monetary liabilities		
	30 June 2024	31 December 2023
To local commercial banks	555,012,878.72	590,505,380.00
To government institutions	720,922,958.42	511,705,418.00
To IMF-related accounts ²	1,276,132.85	182,925,420.00
To public and commercial institutions	125,058,829.33	240,162,576.00
From borrowing/s	1,565,138.11	1,661,656.00
To other monetary liabilities	758,630.08	757,474.00
Total monetary liabilities	1,404,594,567.51	1,527,717,924.00
Ratio according to Article 56, paragraph 1.1.	7.41%	6.36%

²Excluding the account of securities and accruals .

21. Net interest income

	30 June 2024	30 June 2023
Interest income		
From deposits on the current account	6,904,074.83	4,175,208.51
From term deposits on placements	5,800,720.53	2,258,045.67
From securities	5,840,485.76	3,995,279.55
From deposits with IMF accounts (DST/SDR in possession)	3,125,732.13	2,716,147.43
	-	-
	21,671,013.25	13,144,681.16
Interest expense		
To resident banks in the current account	708,403.25	331,227.35
To government institutions in the current account	776,573.94	569,688.38
To public and commercial institutions in the current account	217,464.99	130,831.41
Other in current account	1,149.86	-
To the Treasury - Ministry of Finance in short- term deposits	3,082,514.16	-
To accounts with IMF (DST/SDR allocated)	3,374,389.36	2,887,884.09
From borrowing/s	6,205.98	7,175.77
	8,166,701.54	3,926,807.00
Net interest income	13,504,311.71	9,217,874.16

As can be seen from the table under note 21, interest income has a better result compared to the same period last year. This has influenced that net interest income is higher than the same period last year.

The average interest rate for net interest income (taking into account only the engaged portfolio) for the reporting period is about 1.94% (in the same period of 2023 it was about 1.43%).

Interest expenses are higher as we have term deposits from the Treasury/Ministry of Finance, which we did not have in the comparative period, respectively they started from March 2024.

22. Net fee and commission income

	30 June 2024	30 June 2023
Fee and commission income		
From cash deposits/withdrawals	693,515.00	632,729.50
From incoming transfers	50,080.00	42,828.61
From outgoing transfers	295,995.00	223,159.91
From domestic transfers (domestic <i>payment system</i>)	986,010.04	830,604.79
From the credit registry system	118,949.90	105,209.10
Income from other fees	8,105.00	8,118.80
	2,152,654.94	1,842,650.71
Fee and commission expenses		
From cash circulation	551,116.96	549,218.66
From transactions with correspondent banks	25,686.76	22,129.85
	576,803.72	571,348.51
Net fee and commission income	1,575,851.22	1,271,302.20

There is an increase in net fee and commission income compared to the same period of the previous year, this is from the normal course of activity for the items disclosed within the group (change in volume, especially in *the activity of cash circulation, outgoing transfers (international) as well as domestic transfers*).

23. Income from regulatory activity

	30 June 2024	30 June 2023
From the maintenance of bank licenses	2,597,899.62	2,352,125.46
From licenses from banking institutions	31,200.00	43,800.00
From the maintenance of insurance companies licenses	1,134,275.45	965,467.15
From licenses from insurance companies	43,200.00	26,100.00
Income from regulatory activity of pension funds	13,457.65	13,521.18
From the regulatory activity of other (non- bank) financial institutions	144,898.40	167,296.42
Total	3,964,931.12	3,568,310.21

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

24. Income from grants

	30 June 2024	30 June 2023
Income from grants	17,547.29	17,881.65

The grant for *the financial supervision system is the only active grant (in income) for the period January-June 2024. Meanwhile, we also expect reimbursements from the ECB Grant for training through it.*

25. Other operational income

	30 June 2024	30 June 2023
Other income	5,214.63	8,311.28

This group consists of income from non-ordinary activities of CBK and which could not be classified in specific items of income. For example, the sale of tokens containing certificates for access to the Depo-x system, for customers using the system in question, mainly to commercial banks and the like.

26. Personnel expenses

	30 June 2024	30 June 2023
Salary and compensation expenses	1,854,854.68	1,856,365.83
Contribution costs and health insurance	461,277.42	461,828.40
Training expenses	39,491.26	65,105.04
Expenses for the CBK Board	68,152.11	41,626.73
Daily meals	109,795.00	111,821.00
Other expenses	9,049.11	5,543.74
Total	2,542,619.58	2,542,290.74

The total number of employees who have been active on the payroll during the period January - June 2024 is: 225 (in the period January - June 2023, 231).

The *other category of personnel expenses* includes additional *pension compensation* (2024, 4,528.26 euros; 2023, 4,528.26 euros), *financial support for housing* (2024, 836.93 euros; 2023, 1,015.48 euros) and the *student internship program* (2024, 3,683.92 euros, 2023, 0.00 euros).

The additional pension compensation is the result of previous decisions, from which some former employees were compensated directly by the CBK, unable to transfer this obligation to them to the pension funds at the time when the CBK took over the management of the additional pension fund.

27. General and administrative expenses

	30 June 2024	30 June 2023
Insurance expenses	135,218.48	204,999.98
Cash operating expenses	15,215.05	14,664.10
Repairs and maintenance	36,318.01	47,257.74
Application maintenance	199,563.60	216,794.01
Communication costs (phone, fax and internet)	16,445.36	16,543.52
Utilities expenses	47,776.54	47,137.85
Consulting and audit expenses	6,178.86	3,070.00
Expenses of physical security (of the object)	83,002.90	56,200.00
Travel and transportation	58,870.39	51,597.53
Vehicle operating expenses	8,153.71	9,461.85
Administrative consumables	3,474.50	1,900.15
Buffet expenses (for coffee with the staff and various meetings)	24,062.79	20,928.28
Expenses for supplies (for non-material cost equipment)	3,236.53	7,090.38
Publications and literature	11,348.99	5,863.60
Representation expenses	19,714.82	9,489.50
Membership fees in professional institutions	32,562.74	21,213.77
Other	4,854.00	3,185.82
Total	705,997.27	737,398.08

Changes in general administrative expenses are the result of operational activities and decisions, as well as partially from any activity that did not have the same periodicity in the comparative periods. But viewed as a whole and analytically, all are within their usual and planned trend.

28. Net result from exchange rate changes

	30 June 2024	30 June 2023
Exchange rate revaluation		
from item/s in USD	322,788.71	(181,998.60)
from items in SDR	(71,977.81)	124,089.60
Net unrealized profit/(loss). (from exchange rate change)	250,810.90	(57,909.00)

The result presented above is provisional (specifically, only for the reporting date) and may fluctuate depending on the movement of the EUR/SDR and EUR/USD exchange rates.

29. Cash and cash equivalents

	Note	30 June 2024	31 December 2023
Cash on hand	5	129,256,118.83	101,931,866.18
Current accounts with non-resident banks	6	368,556,514.80	424,842,745.30
Placements in the money market and with a maturity of up to three months		405,550,677.42	205,280,711.82
Total		903,363,311.05	732,055,323.30

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

30. Expected and contingent liabilities**Membership in the World Bank**

After the membership of the Republic of Kosovo to the World Bank and its sub-agencies, the Government of Kosovo has issued notes payable (on demand) pledging to pay on demand of the World Bank (its sub-agencies) for the part of the membership fee. Their value on 30 June 2024 is about 718,456 euros (on 31 December 2023 this expected liability was 718,218 euros), CBK plays the role of financial intermediary (guarantee bank) and the funds are kept in the custody account (guarantor).