



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 first quarter 2024/
- unaudited interim report -

Department of Financial Planning and Reporting

CBK’s Financial Statements for the first 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 first quarter include *statement of financial position, statement of comprehensive income, statement of changes in capital and reserves (equity)*.

The financial year of the CBK corresponds to the calendar year, therefore, the date of the report for the financial statements of the first quarter 2024 is March 31, 2024.

Abbreviations used in this Report:

- CBK – Central Bank of the Republic of Kosovo
- IMF – International Monetary Found
- SDR – Special Drawing Rights
- ICS - Interbank Payment System
- ECB – European Central Bank
- EUR - Euro Currency
- USD – American Dollar
- RFI - Rapid Financing Instrument
- SBA – Stand by Arrangements

Statement of Financial Position

sipas të dhënave me:

	Note	31 March 2024	31 December 2023
Assets			
Cash on hand	5	114,278,378.30	101,931,866.18
Current accounts	6	325,686,836.41	426,076,735.56
Securities	7	629,949,586.36	717,814,023.91
Placements in money market	8	282,164,743.98	205,252,453.47
Assets related with IMF	9	178,424,347.24	178,261,036.26
Property and equipment	10	4,207,752.55	4,275,739.08
Intangible assets	11	847,960.26	896,319.28
Other assets	12	2,162,946.84	2,475,581.90
Total assets		1,537,722,551.94	1,636,983,755.64
Liabilities			
Due to domestic commercial banks	13	528,724,136.33	590,622,072.61
Due to IMF related accounts	14	185,407,832.70	184,216,991.06
Due to Governmental Institutions	15	613,243,585.48	511,903,456.25
Due to public and commercial entities	16	98,835,070.45	240,201,714.61
Borrowings	17	1,558,590.95	1,661,655.62
Other domestic liabilities	18	2,346,855.11	9,221,562.98
Total liabilities		1,430,116,071.02	1,537,827,453.13
Capital and reserves			
Authorized capital	19	30,000,000.00	30,000,000.00
Reserve fund	20	69,156,302.51	41,525,187.85
Net result of the period		8,450,178.41	27,631,114.66
Total capital and reserve		107,606,480.92	99,156,302.51
Total liabilities, capital and reserve		1,537,722,551.94	1,636,983,755.64

The disclosures according to the notes from pages 6 to 24 are an integral part of these financial statements.

The financial statements and their respective disclosures have been approved by the decision-making bodies ¹ on 26 June 2024 and were signed on their behalf by:

[Ahmet Ismaili]

Signed by:

Ahmet Ismaili

Governor

[Faton Ahmetaj]

Signed by:

Faton Ahmetaj

Director

Department of Finance

¹ According to article 34 and 59 of the Law No.03/L –209 on Central Bank of the Republic of Kosovo.

Statement of comprehensive income

	Note	31 March 2024	31 March 2023
Interest income			
Interest income		10,315,868.81	5,330,591.32
Interest expense		(2,931,456.83)	(1,849,223.82)
Net interest income	21	7,384,411.98	3,481,367.50
Fee and commission income			
Fee and commission income		1,067,110.13	877,241.44
Fee and commission expenses		(328,510.40)	(332,032.24)
Net fee and commission income	22	738,599.73	545,209.20
Income from regulatory activity and other operating income			
Income from regulatory activity	23	1,838,500.00	1,608,953.68
Grant revenues	24	8,773.64	9,108.00
Other operating income	25	1,798.26	1,783.22
Operating income (21+22+23+24+25)		9,972,083.61	5,646,421.60
Administrative expenses			
Personnel expenses	26	(1,253,667.17)	(1,257,137.40)
Depreciation and amortization	10,11	(212,911.64)	(204,577.09)
General administrative expenses	27	(247,778.18)	(289,211.31)
Administrative expenses		(1,714,356.99)	(1,750,925.80)
Net result without exchange rate effect and provisions for expected credit losses		8,257,726.62	3,895,495.80
Net profit/(loss) on exchange rate	28	181,792.43	(122,774.84)
Provision for expected credit losses [net increase / (decrease)]	4	10,659.36	(56,126.03)
Net result of the period		8,450,178.41	3,716,594.93

Notes from pages 6 to 24 are an integral part of these financial statements

Statement of changes in equity (capital and reserve)

	Capital	Reserve fund	Revaluation reserves	Retained earnings/distributable earnings	Net result	Total
Balance at 01 January 2023	30,000,000.00	32,972,924.93	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)	-	-
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 at 31 December 2023	30,000,000.00	39,506,755.59	2,018,432.26	-	27,631,114.66	99,156,302.51
Balance at 01 January 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	-	-	-	-	-	-
Total transactions required by law	-	-	-	-	-	-
Profit for the period	-	-	-	-	8,450,178.41	8,450,178.41
Adjustments during the year	-	-	-	-	-	-
Other comprehensive income	-	-	-	-	-	-
Total comprehensive income for the year	-	-	-	-	8,450,178.41	8,450,178.41
Balance at 31 March 2024	30,000,000.00	39,506,755.59	2,018,432.26	27,631,114.66	8,450,178.41	107,606,480.92

Notes from pages 6 to 24 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 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 to Law no. 05 / L-150.

2. Basis for preparation of Financial Statements

Reporting Framework

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

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 EURO, which is the official functional currency of Kosovo. If the values are expressed in other currencies, then there will be a corresponding note where they are presented.

3. Accounting Policies

The financial statements are prepared using the consistency of the accounting policies and it should be noted that there has not been any new policy or change in the applied accounting policies.

4. Financial Risk Management

Financial risk in CBK is presented in the form of: liquidity risk, operational risk, credit risk and market risk. The greatest weight of financial risk in CBK is mainly related to asset management and operational and quality activities of the regulator and is managed by the relevant organizational units and the risk management department, in accordance with the legal acts approved by the decision-making bodies as CBK Board and 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 BBB-" and/or "Aaa to Baa3"), exposure listed in the table - credit rating (page 7).

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:

31 March 2024

Credit Rating (S&P/Moody's/Fitch)	Nostro accounts	Money market placements	Securities	Total carrying value	% of total weight
AAA/Aaa/AAA	274,080,967	225,944,843	143,521,028	643,546,839	52.01%
AA+/Aa1/AA+	-	-	90,194,266	90,194,266	7.29%
AA/Aa2/AA	134,141	10,015,167	-	10,149,307	0.82%
AA-/Aa3/AA-	-	-	150,187,509	150,187,509	12.14%
A+/A1/A+	24,664,251	-	-	24,664,251	1.99%
A/A2/A	25,886,598	30,074,467	15,660,346	71,621,411	5.79%
A-/A3/A-	-	16,173,532	193,370,412	209,543,944	16.94%
BBB-/Baa3/BBB-	-	-	37,387,186	37,387,186	3.02%
Total	324,765,957	282,208,007	630,320,748	1,237,294,715	100.00%

31 December 2023

Credit Rating (S&P/Moody's/Fitch)	Nostro accounts	Money market placements	Securities	Total carrying value	% of total weight
AAA/Aaa/AAA	387,108,060	180,215,434	143,866,965	711,190,459	52.75%
AA+/Aa1/AA+	-	-	129,488,930	129,488,930	9.60%
AA/Aa2/AA	-	-	190,575,328	190,575,328	14.13%
AA-/Aa3/AA-	-	-	-	-	0.00%
A+/A1/A+	6,022,678	-	-	6,022,678	0.45%
A/A2/A	21,178,436	-	15,657,821	36,836,257	2.73%
A-/A3/A-	10,533,571	25,063,000	200,755,230	236,351,801	17.53%
BBB-/Baa3/BBB-	-	-	37,836,241	37,836,241	2.81%
Total	424,842,745	205,278,434	718,180,516	1,348,301,694	100.00%

Financial risk management (continued)

The following table presents the exposure values at the level of stages according to the requirements of IFRS 9. At the reporting date, we do not have any material change in credit risk since initial recognition, therefore all financial assets are in stage 1.

	31 March 2024			31 December 2023		
	Stage 1	Stage 2	Stage 3	Stage 1	Stage 2	Stage 3
Current accounts with foreign banks	324,765,957	-	-	426,194,235	-	-
Securities (Treasury bills and government bonds)	630,320,748	-	-	718,180,516	-	-
Money market placements	282,208,007	-	-	205,278,431	-	-
Carrying value	1,237,294,713	-	-	1,349,653,182	-	-
Expected credit losses (ECL)	(501,592)	-	-	(512,251)	-	-
Net carrying value	1,236,793,121	-	-	1,349,140,931	-	-

The movements of ECL related to the financial assets that CBK has exposure to during the reporting period are as follows:

	2024			
	Stage 1	Stage 2	Stage 3	Total
ECL as at January 1, 2024	512,251	-	-	512,251
Transfers to Stage 1	-	-	-	-
Transfers to Stage 2	-	-	-	-
Transfers to Stage 3	-	-	-	-
ECL increase/(decrease) for the year	(10,659)	-	-	(10,659)
Impact on year-end of 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 at 31 March 2024:	501,592	-	-	501,592

Financial risk management (continued)

The movements of ECL related to the financial assets that CBK had exposure to during 2023 are as follows:

	2023			
	Stage 1	Stage 2	Stage 3	Total
ECL as at January 1, 2023	459,008	-	-	459,008
Transfers to Stage 1	-	-	-	-
Transfers to Stage 2	-	-	-	-
Transfers to Stage 3	-	-	-	-
HPK rritja / (zvogëlimi) për vitin	53,243	-	-	53,243
ECL increase/(decrease) for the year	-	-	-	-
Impact on year-end of 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	-	-	-	-
Balance at 31 December 2023:	512,251	-	-	512,251

Liquidity risk management (continued)
Carrying values according to remaining maturity

	Note	Net carried amount	< 1 month	1-3 months	3 months-1 year	1-5 years	more than 5 years
31 March 2024							
Assets							
Cash on hand	5	114,278,378.30	114,278,378.30	-	-	-	-
Current accounts with non-resident banks	6	325,686,836.41	325,686,836.41	-	-	-	-
Securities	7	629,949,586.36	50,091,993.61	53,915,983.38	219,704,294.53	306,237,314.85	-
Money market placements	8	282,164,743.98	201,927,033.13	80,237,710.84	-	-	-
Assets related with IMF	9	152,683,509.35	152,683,509.35	-	-	-	-
		1,504,763,054.40	844,667,750.80	134,153,694.22	219,704,294.53	306,237,314.85	-
Liabilities							
Due to domestic banks	13	(528,724,136.33)	(528,724,136.33)	-	-	-	-
Due to accounts related to IMF	14	(184,148,513.95)	(5,596.82)	-	-	-	(184,142,917.13)
Due to local governmental institutions	15	(613,243,585.48)	(613,243,585.48)	-	-	-	-
Due to public and commercial entities	16	(98,835,070.45)	(98,835,070.45)	-	-	-	-
Borrowings	17	(1,559,317.41)	-	-	(111,379.85)	(891,038.79)	(556,898.77)
Other domestic liabilities	18	(758,048.76)	(758,048.76)	-	-	-	-
		(1,427,268,672.38)	(1,241,566,437.84)	-	(111,379.85)	(891,038.79)	(184,699,815.90)
		77,494,382.02	(396,898,687.04)	134,153,694.22	219,592,914.68	305,346,276.06	(184,699,815.90)
31 December 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	-	-	-
Assets related with 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 accounts related to IMF	14	(182,925,420.47)	(5,566.53)	-	-	-	(182,919,853.94)
Due to local 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)	-	-	-	-
Borrowings	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

	31 March 2024	31 December 2023
Cash on hand	114,278,378.30	101,931,866.18
Total	114,278,378.30	101,931,866.18

There is an increase in the cash balance on 31 March 2024 compared to 31 December 2023. It is mainly derived from daily cash operations but estimated to be within the scope of the activity.

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

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

	31 Mars 2024	31 December 2023
Deutsche Bundesbank	213,443,219.70	319,333,264.53
Raiffeisen Zentralbank	24,664,251.27	6,022,678.28
Banque Centrale du Luxembourg	60,372,383.47	67,528,944.86
Deutsche Bank	4,810,188.70	10,533,612.55
Commerzbank AG	553,050.76	1,077,538.03
Bank of Lithuania	20,523,358.85	20,100,898.14
DZ Bank AG	134,140.69	20.00
Federal Reserve Bank (FED-NY)	265,364.11	245,788.91
	324,765,957.55	424,842,745.30
Accrued interest	1,008,043.92	1,351,489.43
Total carrying amount	325,774,001.47	426,194,234.73
Impairment for expected credit loss (ECL)	(87,165.06)	(117,499.17)
Total net carrying amount	325,686,836.41	426,076,735.56

The position of current accounts (nostro) compared to December 31, 2023 has decreased, 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 effective interest rate on the current account (nostro) in the reporting period of 2024 averaged 3.923% per annum (while, in 2023 in the same period, averaged was around 2.97% per annum)

7. Securities (Treasury Bills and Bonds)

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

Treasury bills disclosed also on page 12, 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. Effective interest rates range are from -0.014% to 5.034% annual in 2024 (in 2023 a segment varies from: -0.014% to 5.023% annual).

7. Securities – continued /according to geographic distribution and type:**Securities / according to geographic distribution and type (continued):**

Country	Carrying amount 31 March 2024	Expected credit loss	Net amount 31 March 2024
Germany	80,577,863.26	(34,329.64)	80,543,533.62
France	49,725,252.17	(20,955.27)	49,704,296.90
Netherland	48,691,417.64	(19,798.58)	48,671,619.06
Finland	40,804,098.50	(16,653.92)	40,787,444.58
Slovenia	20,718,976.31	(26,627.66)	20,692,348.65
Luxembourg	9,823,368.39	(1,273.11)	9,822,095.28
Belgium	90,250,185.62	(45,405.38)	90,204,780.24
Austria	49,390,167.78	(18,732.60)	49,371,435.18
Ireland	10,212,071.65	(1,098.61)	10,210,973.04
United States of America	4,428,378.57	(731.35)	4,427,647.22
Italy	37,387,185.86	(32,860.48)	37,354,325.38
Poland	15,660,346.32	(33,081.35)	15,627,264.97
Kosovo	172,651,435.88	(119,615.31)	172,531,822.23
Total	630,320,747.95	(371,163.25)	629,949,586.36

Country	Carrying amount 31 December 2023	Expected credit loss	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
Netherland	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
United States of 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	180,060,720.33	(130,352.32)	179,930,369.9
Total	718,180,515.62	(366,493.60)	717,814,023.91

Securities (by type):

	Carrying amount 31 March 2023	Expected credit loss	Net amount 31 Mars 2023
Treasury Bills	34,351,835	(10,777)	34,341,060
Bonds	595,968,913	(360,386)	595,608,526
Gjithsej	630,320,748	(371,163)	629,949,586

	Carrying amount 31 December 2023	Expected credit loss	Net amount 31 December 2023
Treasury Bills	74,018,087	(19,513)	73,998,576
Bonds	644,162,429	(346,980)	643,815,448
Total	718,180,516	(366,494)	717,814,024

8. Money market placements

This group includes money market placements in our correspondent banks and liquidity lending to 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 for the second quarter of 2023 on average is about 4.75% (minimum: 3.70% and maximum: 5.30%), while in the same period in 2023: on average 3.58% (minimum: 0.05% and maximum: 5.30%). Placements to corresponding banks mainly have a contracted maturity of up to one year, while liquidity have up to ten days maturity.

The analysis by institutions / banks is disclosed in the table below:

Money market placements by banks::	Carrying amount 31 March 2024	Expected credit loss	Net amount 31 March 2024
Deutsche Bank	30,000,000.00	(1,421.19)	29,998,578.81
Banque centrale du Luxembourg	150,000,000.00	(9,744.86)	149,990,255.14
Deutsche Bundesbank	70,000,000.00	(23,875.76)	69,976,124.24
Federal Reserve Bank (FED-NY)	5,549,902.88	(916.87)	5,548,986.01
DZ Bank AG	10,000,000.00	(24.79)	9,999,975.21
Banka Kombëtare Tregtare Sh.A.	16,165,000.00	(7,279.96)	16,157,720.04
	281,714,902.88	(43,263.43)	281,671,639.45
Accrued (accrual) interest on Money market placements			
Deutsche Bank	74,466.67	-	74,466.67
Banque centrale du Luxembourg	362,972.22	-	362,972.19
Deutsche Bundesbank	30,333.33	-	30,333.33
Federal Reserve Bank (FED-NY)	1,634.14	-	1,634.14
DZ Bank Ag	15,166.67	-	15,166.67
Banka Kombëtare Tregtare Sh.A.	8,531.53	-	8,531.53
	493,104.56	-	493,104.53
Total	282,208,007.44	(43,263.43)	282,164,743.98

Money market placements by banks:	Carrying amount 31 December 2023	Expected credit loss	Net amount 31 December 2023
Deutsche Bank	25,000,000.00	(7,066.77)	24,992,933.23
Banque centrale 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
Accrued (accrual) interest on Money market placements:			
Deutsche Bank	63,000.00	-	63,000.00
Banque centrale 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 increase (relative) 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. Assets related to IMF

	31 March 2024	31 December 2023
IMF Quota	24,562,580.41	24,429,650.16
SDR holdings	152,683,509.35	152,619,115.39
Accrued Interest	1,178,257.48	1,212,270.71
Total	178,424,347.24	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, where at the beginning has been 59,000,000 SDR) set to Kosovo by IMF in Euros.

Item SDR Holdings represents the initial value deposited in SDR on behalf of the Republic of Kosovo according to the decisions of the Board of Governors of IMF on 28 August (43,737,278 SDR) and 9 September 2009 (11,631,135 SDR) changed for transactions – interest revenues and expenses and the payments on behalf of increased quota also expressed in EUR 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.

SDR deposits (Special Drawing Rights) are deposits that bring an interest of 4.09% on average for the reporting period January-March 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 March 31, 2024, 69.5 million euros (in the comparative period this value was 75.4 million euros) derived from the use of Kosovo government funds by the IMF.

10, 11 Tangible and Intangible Assets

Tangible assets are comprised of the following:

Costs	Investments in premises	Equipment	Computers	Vehicles	Assets in process	Total
At 01 January 2023	6,113,235.74	2,528,258.52	1,910,664.49	389,349.16	-	10,941,507.91
Acquisitions	10,909.00	243,112.66	377,780.64	-	3,680.00	635,482.30
Transfer from / to (correction)	-	-	-	-	-	-
Disposals/Written Offs	-	(6,123.00)	(5,797.85)	-	-	(11,920.85)
At 31 December 2023	6,124,144.74	2,765,248.18	2,282,647.28	389,349.16	3,680.00	11,565,069.36
At 01 January 2024	6,124,144.74	2,765,248.18	2,282,647.28	389,349.16	3,680.00	11,565,069.36
Acquisitions	-	23,609.29	58,194.08	-	-	81,803.37
Transfer from / to (correction)	-	-	-	-	-	-
Disposals/Written Offs	-	(3,299.01)	(4,669.45)	-	-	(7,968.46)
At 31 March 2024	6,124,144.74	2,785,558.46	2,336,171.91	389,349.16	3,680.00	11,638,904.27
Depreciation						
on 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	103,461.32	126,243.58	13,840.00	-	554,049.95
Disposals/Written Offs	-	(6,123.00)	(5,012.39)	-	-	(11,135.39)
At 31 December 2023	2,608,166.05	2,441,542.16	1,859,499.54	380,122.53	-	7,289,330.28
At 01 January 2024	2,608,166.05	2,441,542.16	1,859,499.54	380,122.53	-	7,289,330.28
Depreciation for the year	78,037.37	27,058.76	37,197.53	3,460.00	-	145,753.66
Disposals/Written Offs	-	-	(3,932.22)	-	-	(3,932.22)
At 31 March 2024	2,686,203.42	2,468,600.92	1,892,764.85	383,582.53	-	7,431,151.72
Net Carrying amount						
At 01 January 2023	3,815,574.74	184,054.68	172,396.14	23,066.63	-	4,195,092.19
At 31 December 2023	3,515,978.69	323,706.02	423,147.74	9,226.63	3,680.00	4,275,739.08
At 31 March 2024	3,437,941.32	316,957.54	443,407.06	5,766.63	3,680.00	4,207,752.55

10, 11 Tangible and Intangible Assets (continued)**Intangible assets are comprised of the following:**

Costs	Computer software	Software under development	Total
01 January 2023	3,186,844.78	-	3,186,844.78
Acquisitions	139,365.86	-	139,365.86
Transfer from / to (correction)	-	-	-
Disposals	-	-	-
31 December 2023	3,326,210.64	-	3,326,210.64
01 January 2024	3,326,210.64	-	3,326,210.64
Acquisitions	15,500.00	-	15,500.00
Transfer from / to (correction)	-	-	-
Disposals	-	-	-
At 31 March 2024	3,341,710.64	-	3,341,710.64
Amortization			
01 January 2023	2,144,320.68	-	2,144,320.68
Amortization for the year	285,570.68	-	285,570.68
Disposals/Written Offs	-	-	-
At 31 December 2023	2,429,891.36	-	2,429,891.36
At 01 January 2023	2,429,891.36	-	2,429,891.36
Amortization for the year	63,859.02	-	63,859.02
Disposals/Written Offs	-	-	-
At 30 March 2024	2,493,750.38	-	2,493,750.38
Net Carrying amount			
At 01 January 2023	1,042,524.10	-	1,042,524.10
At 31 December 2023	896,319.28	-	896,319.28
At 31 March 2024	847,960.26	-	847,960.26

12. Other assets

	31 March 2024	31 December 2023
Income Receivables	2,066,974.50	2,325,158.41
Prepayment	20,972.34	150,423.49
Payments/claims in process (SNP/DepoX)	75,000.00	-
Total	2,162,946.84	2,475,581.90

Claims in process (SNP/DepoX) will be written-off after the system processes payments on the next first business day.

13. Liabilities to domestic banks

	31 March 2024	31 December 2023
ProCredit Bank	91,823,946.53	57,933,006.82
Raiffeisen Bank	81,665,432.96	74,171,335.72
NLB Prishtina	91,082,223.30	101,149,058.49
Banka Ekonomike	37,461,159.84	74,377,642.89
Banka për Biznes	38,797,858.41	54,243,862.01
Banka Kombëtare Tregtare	65,064,449.65	107,318,400.93
Turk Ekonomi Bankasi Sh.A.	80,316,696.93	68,284,335.55
Komercijalna Banka/NLB - Dega Mitrovicë	7,446,748.79	7,480,455.46
Turkiye Is Bankasi A.S.	7,877,722.54	8,016,387.33
T.C. Zirat Bankasi A.S.Dega Kosovë	8,982,435.87	21,409,848.44
Banka Kreditore e Prishtinës	195,257.21	43,908.36
Banka Credins Kosovë	3,958,888.60	2,837,812.07
PriBank Sh.A.	13,929,257.79	13,239,325.81
Total (without accrued interest)	528,602,078.42	590,505,379.88
Accrued interest	122,057.91	116,692.73
Total	528,724,136.33	590,622,072.61

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

In total, the amount disclosed above for the reporting period 31 March 2024 is about 2 times higher than the value of the required reserve to be kept in the CBK (whereas this report on 31 December 2023 was 2.35 times). From January 1, 2023, the CBK applies a positive rate of 0.15% (annual) to all CBK depositors, while it applies the rate of 0.30% for all depositors of CBK.

It applies the same rate to the balances of commercial banks at the CBK up to the minimum mandatory reserve level. For banks that have balances above the minimum reserve requirement, interest will be applied to the value of the minimum reserve requirement at the bank level

14. Liabilities to accounts related to IMF

	31 March 2024	31 December 2023
Current account FMN No. 2	5,596.82	5,566.53
Dues to the Government (paid quota portion of IMF)	19,449,624.37	19,117,864.99
SDR allocated by IMF	164,693,292.76	163,801,988.95
Accrued Interest	1,259,318.75	1,291,570.59
Total	185,407,832.70	184,216,991.06

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

Three first items (table under note 14) represent opened accounts according to IMF regulation, two are operational accounts and one account in trust for securities (Promissory Notes) issued by Kosovo Government as payable notes to IMF. The account has two compositions: the unpaid part of the membership quota and the use of IMF funds from Kosovo.

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

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

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

The interest rate for item allocation for the reporting and comparative period is the same as for DST (SDR) Holdings.

In May 2023, the IMF has approved two more types of financing on behalf of Kosovo, a credit line and an instrument for sustainability and stability (budget). Both of these financial instruments are active from May 25, 2023. There is also another instrument active since 2020.

The drawn balance of funds from these financial instruments on March 31, 2024 is EUR 69.5 million, while on December 31, 2023 it was EUR 75.4 million euros, the difference comes from the payment of instalments and the movement/changes of the EUR/SDR exchange rate).

15. Due to governmental institutions

Due to governmental institutions comprise of:

Current account	31 March 2024	31 December 2023
Treasury – Ministry of Finance	345,068,485.03	345,232,251.49
Privatization Agency of Kosovo	167,822,621.39	166,373,337.05
Interim Administrative Institutions	43,023.21	99,829.15
Total current account	512,934,129.63	511,705,417.69
Accrual interest on current account		
Treasury – Ministry of Finance	90,607.84	155,221.79
Privatization Agency of Kosovo	43,281.33	42,790.98
Interim Administrative Institutions	11.12	25.79
Total accrual interest on current account	133,900.29	198,038.56
Short-term deposits		
Treasury – Ministry of Finance	100,175,555.56	-
Privatization Agency of Kosovo	-	-
Interim Administrative Institutions	-	-
Total short-term deposits	100,175,555.56	-
Total	613,243,585.48	511,903,456.25

Deposits on current accounts as of 1 January 2023 benefit an interest of 0.15%, while as of 1 August 2023, they benefit an interest of 0.30%.

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 even 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 entities

Dues to public and commercial entities are presented below:

	31 March 2024	31 December 2023
Insurance companies	4,154,802.61	4,151,783.27
Public institutions and companies	94,650,688.17	236,009,059.11
Non-public pension funds and others	1,730.69	1,733.31
Total current account	98,807,221.47	240,162,575.69
Accrual interest on current account		
Insurance companies	1,073.36	1,072.61
Public institutions and companies	26,775.15	38,065.84
Non-public pension funds and others	0.47	0.47
Total accrued interest	27,848.98	39,138.92
Total	98,835,070.45	240,201,715.61

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

17. Borrowings

	31 March 2024	31 December 2023
Borrowings from the World Bank	1,558,590.95	1,661,655.62
Total	1,558,590.95	1,661,655.62

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 Payment System (RTGS). 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 to EUR at the reporting date, respectively as a result of the change in the EUR/SDR exchange rate.

18. Other liabilities

	31 March 2024	31 December 2023
Escrow account	758,244.59	757,669.88
Deferred income	102,609.80	111,453.44
Payables and Accrued Expenses	827,356.64	7,693,795.58
Long-term employee benefits	658,644.08	658,644.08
Total current account	2,346,855.11	9,221,562.98

Within the group, there is a reduction in the total balance of the group compared to 31 December 2023. Mainly influenced by the reduction in the balance of accounts payable compared to that on 31 December 2023.

19, 20 Authorized Capital and Reserves

Capital and General Reserves

	31 March 2024	31 December 2023
Authorized capital	30,000,000.00	30,000,000.00
Reserve funds	41,525,187.85	41,525,187.85
Retained earnings/distributable income	27,631,114.66	-
Net result for the period	8,450,178.41	27,631,114.66
Total	107,606,480.92	99,156,302.51

The financial result of the period is positive for about 8.4 million euros, mainly influenced by the satisfactory realization of revenues and the maintenance of expenditures according to the budget planning for the reporting period.

The item of foreign exchange revaluation on the reporting date is worth about 182 thousand euros (as an unrealized profit), the item of provisions for expected credit losses (net increase/(decrease)) is worth about 11 thousand euros (as an unrealized loss) and if we exclude these two items, the financial result remains positive of around 18.7 million euros (see page 4 - *Net result without the effect of the exchange rate and provisions*).

According to Article 56, paragraph 1.1. of Law No. 03/L-209 on the Central Bank of the Republic of Kosovo, the net income will first be distributed to the general reserve until the total amount of the initial capital and general reserves are equal to five percent (5%) of the monetary liabilities of the Central Bank.

The part 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	31 March 2024	31 December 2023
Total comprehensive income for the year	8,450,178.41	27,631,114.66
Of which are unrealized earnings from revaluation	181,792.43	-
Of which are unrealized revaluation losses that have been realized in the current year	-	-
Distributable income	8,268,385.98	27,631,114.66
Capital, general reserve account and distributable income		
	31 March 2024	31 December 2023
Capital	30,000,000	30,000,000
General reserves	56,997,394	39,506,756
Distributable income	8,268,386	27,631,115
Total capital, general reserve account and distributable income	95,265,780	97,137,870
Total monetary liabilities		
	31 March 2024	31 December 2023
To local commercial banks	528,602,078	590,505,380
To governmental institutions	613,109,685	511,705,418
To accounts related to the IMF	184,148,514	182,925,420
To public and commercial institutions	98,807,221	240,162,576
From borrowings	1,558,591	1,661,656
To other monetary liabilities	757,852	757,474
Total monetary liabilities²	1,426,983,942	1,527,717,924
Report according to Article 56, paragraph 1.1.	6.68%	6.36%

It should be noted that even in this quarter (as well as the comparative period) the criterion of 5% is fulfilled for the total: Capital, general reserve account and distributable income. And we can potentially estimate that this balance of the financial result can be carried over in 2024. However, since the Law addresses this only through annual financial statements, we are not disclosing the annual assessment of the possible value of the carryover.

²Excluding accruals.

21. Net interest income

	31 March 2024	31 March 2023
Interest income		
From deposits on the current account	3,228,206.91	1,559,605.96
From term deposits on placements	2,469,553.61	752,554.94
From securities	3,047,088.29	1,737,265.23
From deposits with IMF accounts (SDR in possession)	1,571,020.00	1,281,165.19
	10,315,868.81	5,330,591.32
Interest expense		
To resident banks on the current account	355,811.60	164,811.29
To government institutions on the current account	440,986.14	263,682.96
To public and commercial institutions on the current account	113,655.80	57,277.91
Others on current account	574.71	-
To the Treasury - Ministry of Finance on short- term deposits	327,308.52	-
To IMF accounts (SDR allocated)	1,689,414.08	1,359,075.89
From borrowings	3,705.98	4,375.77
	2,931,456.83	1,849,223.82
Net interest income	7,384,411.98	3,481,367.50

As can be seen from the table under note 21, interest income is higher compared to the same period last year. This has resulted in net interest income being higher than the same period last year.

The average interest rate on net interest income (considering only the engaged portfolio) for the reporting period is about 1.91% (in the same period of 2023, it was about 1.19%).

22. Net fee and commission income

	31 March 2024	31 March 2023
Fee and commission income		
From cash deposits/withdrawals	376,116.50	315,333.00
From incoming transfers	18,995.00	17,478.61
From outgoing transfers	161,300.00	125,649.74
From domestic transfers (<i>domestic payment system</i>)	449,368.41	369,052.29
From credit registry system	55,663.22	45,219.80
Income from other fees	5,667.00	4,508.00
	1,067,110.13	877,241.44
Fee and commission expenses		
From cash circulation	316,721.20	329,927.20
From transactions with correspondent banks	11,789.20	2,105.04
	328,510.40	332,032.24
Net fee and commission income	738,599.73	545,209.20

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

23. Income from regulatory activity

	March 31, 2024	March 31, 2023
From the maintenance of bank licenses	1,221,000.00	1,076,000.00
From licenses from banking institutions	12,200.00	13,700.00
From the maintenance of insurance companies licences	516,000.00	430,000.00
From licenses from insurance companies	18,400.00	9,900.00
Income from regulatory activity of pension funds	6,500.00	6,500.00
From the regulatory activity of other (non- bank) financial institutions	64,400.00	72,853.68
Total	1,838,500.00	1,608,953.68

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

	31 March 2024	31 March 2023
Income from grants	8,773.64	9,108.00

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

25. Other operational income

	31 March 2024	31 March 2023
Other income	1,798.26	1,783.22

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

26. Personnel expenses

	31 March 2024	31 March 2023
Wages and compensation expenses	915,952.54	910,119.99
Contribution costs and health insurance	230,268.94	229,381.46
Training expenses	13,923.82	27,600.33
Expenses for the CBK Board	32,766.97	29,129.78
Daily meals	57,147.50	58,128.50
Other expenses	3,607.40	2,777.34
Total	1,253,667.17	1,257,137.40

The total number of employees who have been active on the payroll during the period January - March 2024 is: 224 (in the period January - March 2023, it was 231).

In other categories of *personnel expenses*, the same period January - March contains additional *pension compensation* (2024, 2,264.13 euros; 2022, 2,264.13 euros), *financial support for housing* (2024, 418.47 euros; 2023, 513.21 euros) and the *student internship program* (2024, 924.80 euros, 2023, 0/zero euros).

The additional pension compensation is a result of previous decisions, from which some former employees are compensated directly by the CBK, unable to transfer this obligation to them to the pension funds at the moment when the CBK has transferred the management of the additional pension fund.

27. General and administrative expenses

	31 March 2024	31 March 2023
Insurance expenses	67,609.22	102,499.97
Cash operational expenses	7,254.91	9,589.35
Repairs and maintenance	14,431.49	15,461.98
Application maintenance	87,948.50	106,449.91
Communication costs (phone, fax and internet)	1,035.76	1,106.59
Expenditures of public utilities	21,044.66	19,294.83
External expenses (translations, consultations and auditing)	4,042.48	552.48
Official travel and transport	11,412.88	13,925.85
Vehicle operating expenses	1,776.85	865.03
Administrative consumables	707.50	55.15
Cafeteria expenses (coffee for staff and for various meetings)	5,831.33	7,948.88
Expenses for supplies (for non-material cost equipment)	1,233.53	3,822.19
Publications and literature	8,318.99	574.00
Membership fees in professional institutions	11,067.48	3,601.38
Representation expenses and others	4,062.60	3,463.72
Total	247,778.18	289,211.31

Changes in general administrative expenses are the result of operating activities and decisions, as well as partially from any activity that did not have the same flow in the comparative periods. But, if we look at them as a whole and analytically, they are all within their usual and planned trend.

28. Net result from exchange rate changes

	31 March 2024	31 March 2023
Exchange rate revaluation		
From the item/s in USD	220,197.05	(189,801.87)
From items in SDR	(38,404.62)	67,027.03
Net unrealized profit/(loss) (from exchange rate change)	181,792.43	(122,774.84)

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

29. Cash and cash equivalents

	Note	31 March 2024	31 December 2023
Cash in hand	5	114,278,378.30	101,931,866.18
Current accounts with non-resident banks	6	324,765,957.55	424,842,745.30
Placements in the money market and with a maturity of up to three months		282,208,007.44	205,280,711.82
Total		721,252,343.29	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 in the World Bank and its sub-agencies, the Government of Kosovo has issued notes payable (upon request) pledging to pay, at the request of the World Bank (its sub-agencies), for the part of the membership fee. Their value as of 31 March 2024 is around 718,381 euros (as of 31 December 2023, this expected liability was 718,218 euros). CBK plays the role of financial intermediary (guarantor bank) and the funds are held in safe-custody account (guarantor).