



CBK FINANCIAL STATEMENTS
/as at and for the first quarter of 2025/
-Unaudited interim report -

Department of Financial Planning and Reporting

CBK's Financial Statements for the first quarter of 2025

As defined by Law 03/L-209 “On the Central Bank of the Republic of Kosovo” (with initials CBK), as a reporting framework for the preparation of financial statements is the International Financial Reporting Standards, namely Article 58 of the aforementioned Law. These statements for the first quarter include the statement of financial position and the statement of comprehensive income, the statement of changes in capital and reserves (equity).

The CBK's financial year coincides with the calendar year, therefore, the date of report for the financial statements for the first quarter of 2025 is March 31, 2025.

Abbreviations used in this report :

- CBK – Central Bank of the Republic of Kosovo
- IMF – International Monetary Fund
- SDR – Special Drawing Rights
- SNP – Interbank Payment System
- ECB – European Central Bank
- EUR – Euro currency
- USD – American Dollar
- RFI (IFSH) – Rapid Financing Instrument
- SBA – Stand by arrangements

Statement of financial position

according to data with:

| | Note | March 31, 2025 | December 31, 2024 |
|--|------|-------------------------|-------------------------|
| Assets | | | |
| Cash on hand | 5 | 105,198,186.11 | 77,017,001.78 |
| Current accounts | 6 | 150,285,332.80 | 147,633,101.06 |
| Securities | 7 | 706,964,674.09 | 732,093,684.07 |
| Placements in money market | 8 | 513,748,568.50 | 506,806,118.27 |
| Assets related to IMF | 9 | 175,584,075.26 | 180,189,414.06 |
| Property and equipment | 10 | 4,018,744.56 | 4,178,677.11 |
| Intangible assets | 11 | 774,338.74 | 835,644.26 |
| Other assets | 12 | 2,655,492.19 | 2,673,413.05 |
| Total assets | | 1,659,229,412.25 | 1,651,427,053.66 |
| Liabilities | | | |
| Due to domestic commercial banks | 13 | 627,861,673.26 | 656,260,393.33 |
| Due to IMF-related accounts | 14 | 186,549,927.58 | 190,554,491.73 |
| Due to Governmental Institutions | 15 | 566,523,453.86 | 575,251,205.59 |
| Due to public and commercial institutions | 16 | 148,005,196.19 | 104,610,963.52 |
| Borrowings | 17 | 1,452,232.61 | 1,484,213.81 |
| Other domestic liabilities | 18 | 2,511,670.02 | 2,868,882.69 |
| Total liabilities | | 1,532,904,153.52 | 1,531,030,150.67 |
| Capital and reserves | | | |
| Authorized capital | 19 | 30,000,000.00 | 30,000,000.00 |
| Reserve funds | 20 | 58,780,315.47 | 58,780,315.47 |
| Net result of the previous year (in the process of allocation) | | 31,616,587.52 | - |
| Net result for the period | | 5,928,355.74 | 31,616,587.52 |
| Total capital and reserves | | 126,325,258.73 | 120,396,902.99 |
| Total liabilities, capital and reserves | | 1,659,229,412.25 | 1,651,427,053.66 |

The related disclosures according to the notes on 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 ¹on _____ and were signed on their behalf by:

Signed by:
Ahmet Ismaili
Governor

Signed by:
Faton Ahmetaj
Director,
Department of Finance

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

statement of comprehensive income

| | Note | March 31, 2025 | March 31, 2024 |
|--|-------|-----------------------|-----------------------|
| Interest income | | | |
| Interest income | | 9,022,623.19 | 10,315,868.81 |
| Interest expenses | | (3,357,471.86) | (2,931,456.83) |
| Net interest income | 21 | <u>5,665,151.33</u> | <u>7,384,411.98</u> |
| Fee and commission income | | | |
| Fee and commission income | | 1,146,188.14 | 1,067,110.13 |
| Fee and commission expenses | | (253,928.92) | (328,510.40) |
| Net fee and commission income | 22 | <u>892,259.22</u> | <u>738,599.73</u> |
| Income from regulatory activity and other operating income | | | |
| Income from regulatory activity | 23 | 2,060,400.00 | 1,838,500.00 |
| Grant revenue | 24 | 13,319.64 | 8,773.64 |
| Other operating income | 25 | - | 1,798.26 |
| Operating income (21+22+23+24+25) | | <u>8,631,130.19</u> | <u>9,972,083.61</u> |
| Administrative expenses | | | |
| Personnel expenses | 26 | (1,589,465.36) | (1,253,667.17) |
| Depreciation and amortization | 10.11 | (233,556.07) | (212,911.64) |
| General administrative expenses | 27 | (366,626.40) | (247,778.18) |
| Administrative expenses | | <u>(2,189,647.83)</u> | <u>(1,714,356.99)</u> |
| Net result without exchange rate effect and provisions for expected credit losses | | <u>6,441,482.36</u> | <u>8,257,726.62</u> |
| Net profit/(loss) on foreign exchange | 28 | (539,150.43) | 181,792.43 |
| Provision for expected credit losses [(net increase)/decrease] | 4 | 26,023.81 | 10,659.36 |
| Net result for the period | | <u>5,928,355.74</u> | <u>8,450,178.41</u> |

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

Statement of changes in equity (capital and reserves)

| | Capital | Reserve fund | Revaluation reserves | Net result of the previous year (in the process of allocation) | Net Result (of the period) | Total |
|--|----------------------|----------------------|----------------------|--|----------------------------|------------------------|
| Balance 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 | - | 17,490,638.10 | (235,510.48) | (17,255,127.62) | - | - |
| Transfer to Treasury (MoF) | - | - | - | (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 | - | - | - | - | 31,616,587.52 | 31,616,587.52 |
| Adjustments during the year | - | - | - | - | - | - |
| Other comprehensive income | - | - | - | - | - | - |
| Total comprehensive income for the year | - | - | - | - | 31,616,587.52 | 31,616,587.52 |
| Balance at December 31, 2024 | 30,000,000.00 | 56,997,393.69 | 1,782,921.78 | - | 31,616,587.52 | 120,396,902.99 |
| Balance at January 1, 2025 | 30,000,000.00 | 56,997,393.69 | 1,782,921.78 | 31,616,587.52 | - | 120,396,902.99 |
| Transfer to reserve fund | - | - | - | - | - | - |
| Transfer to Treasury (MoF) | - | - | - | - | - | - |
| Total transactions required by law | - | - | - | - | - | - |
| Profit for the year | - | - | - | - | 5,928,355.74 | 5,928,355.74 |
| Adjustments during the year | - | - | - | - | - | - |
| Other comprehensive income | - | - | - | - | - | - |
| Total comprehensive income for the year | - | - | - | - | 5,928,355.74 | 5,928,355.74 |
| Balance at March 31, 2025 | 30,000,000.00 | 56,997,393.69 | 1,782,921.78 | 31,616,587.52 | 5,928,355.74 | 126,325,258.73 |

The notes from the 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

The Central Bank of the Republic of Kosovo - CBK, which operates under Law No. 03/L-209 on the Central Bank of the Republic of Kosovo approved in July 2010, as well as the amendment/supplement 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 in accordance with the requirements of 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 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 values are expressed in other currencies, a corresponding note will be made 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 the CBK is presented in the form of: liquidity risk, operational risk, credit risk and market risk. The greatest weight of financial risk in the CBK is mainly related to asset management and operational and quality activities of the regulator and is managed by the relevant organizational units, 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 European Union countries 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 (page 7).

Financial risk management (continued)

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

March 31, 2025

| Credit rating (S&P/ Moody's / Fitch) | Nostro accounts | Money market placements | Securities | Total carrying value | % of total weight |
|--|------------------------|------------------------------------|--------------------|---------------------------------|------------------------------|
| AAA/ Aaa /AAA | 118,685,740 | 196,612,697 | 174,460,594 | 489,759,030 | 35.71% |
| AA+/Aa1/AA+ | - | - | 138,663,306 | 138,663,306 | 10.11% |
| AA/Aa2/AA | 504,502 | 40,228,635 | - | 40,733,137 | 2.97% |
| AA-/Aa3/AA- | 10,233,497 | - | 133,610,466 | 143,843,963 | 10.49% |
| A+/A1/A+ | 8,878,749 | 96,994,279 | - | 105,873,028 | 7.72% |
| A/A2/A | 9,044,599 | 30,046,681 | 15,508,224 | 54,599,503 | 3.98% |
| A-/A3/A- | 1,964,192 | 130,327,931 | 30,031,750 | 162,323,873 | 11.83% |
| BBB-/Baa3/BBB- | 1,018,129 | - | 36,252,280 | 37,270,408 | 2.72% |
| BB-/Ba3/BB- | - | 19,654,331 | 178,857,482 | 198,511,813 | 14.47% |
| Total | 150,329,407 | 513,864,554 | 707,384,101 | 1,371,578,062 | 100.00% |

December 31, 2024

| Credit rating (S&P/ Moody's / Fitch) | Nostro accounts | Money market placements | Securities | Total carrying value | % of total weight |
|--|------------------------|------------------------------------|--------------------|---------------------------------|------------------------------|
| AAA/ Aaa /AAA | 104,510,067 | 271,245,909 | 176,137,628 | 551,893,604 | 39.79% |
| AA+/Aa1/AA+ | - | - | 137,974,349 | 137,974,349 | 9.95% |
| AA/Aa2/AA | 373,883 | 20,231,497 | - | 20,605,380 | 1.49% |
| AA-/Aa3/AA- | 10,169,865 | - | 163,465,442 | 173,635,307 | 12.52% |
| A+/A1/A+ | 2,928,395 | 120,530,011 | - | 123,458,406 | 8.90% |
| A/A2/A | 7,220,607 | 25,043,444 | 15,505,617 | 47,769,668 | 3.44% |
| A-/A3/A- | 21,460,320 | 50,373,056 | 29,988,880 | 101,822,256 | 7.34% |
| BBB-/Baa3/BBB- | 1,011,775 | - | 36,700,225 | 37,712,000 | 2.72% |
| BB-/Ba3/BB- | - | 19,478,194 | 172,789,249 | 192,267,443 | 13.86% |
| Total | 147,674,912 | 506,902,111 | 732,561,390 | 1,387,138,413 | 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, there is no material change in credit risk since initial recognition and therefore all financial assets are in stage 1.

| | March 31, 2025 | | | December 31, 2024 | | |
|--|----------------------|---------|---------|----------------------|---------|---------|
| | Stage 1 | Stage 2 | Stage 3 | Stage 1 | Stage 2 | Stage 3 |
| Current accounts with foreign banks | 150,329,407 | - | - | 147,674,912 | - | - |
| Securities (Treasury bills and government bonds) | 707,384,101 | - | - | 732,561,391 | - | - |
| Money market placements | 513,864,554 | - | - | 506,902,110 | - | - |
| Carrying value | 1,371,578,062 | - | - | 1,387,138,413 | - | - |
| Expected credit losses (ECL) | (579,487) | - | - | (605,510) | - | - |
| Net carrying value | 1,370,998,575 | - | - | 1,386,532,903 | - | - |

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

| | 2025 | | | |
|---|-------------------|---------|---------|-------------------|
| | Stage 1 | Stage 2 | Stage 3 | Total |
| ECL as at January 1, 2025 | 605,510.38 | - | - | 605,510.38 |
| Transfers to Stage 1 | - | - | - | - |
| Transfers to Stage 2 | - | - | - | - |
| Transfers to Stage 3 | - | - | - | - |
| ECL increase/(decrease) for the year | (26,023.81) | - | - | (26,023.81) |
| 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 deregistration | - | - | - | - |
| Changes to models and inputs used for ECL calculations | - | - | - | - |
| Foreign exchange adjustments | - | - | - | - |
| Balance at March 31, 2025: | 579,486.58 | - | - | 579,486.58 |

Financial risk management (continued)

The movements of ECL related to the financial assets that the CBK had exposure to during 2024 are as follows:

| | 2024 | | | Total |
|---|-------------------|---------|---------|-------------------|
| | Stage 1 | Stage 2 | Stage 3 | |
| ECL as at 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 | 93,259.28 | - | - | 93,259.28 |
| Impact on year-end of ECL of exposures transferred between stages during the year | - | - | - | - |
| Unwind of discounts (recognized in interest income) | - | - | - | - |
| Changes due to modifications not resulting in deregistration | - | - | - | - |
| Changes to models and inputs used for ECL calculations | - | - | - | - |
| Foreign exchange adjustments | - | - | - | - |
| Balance at December 31, 2024: | 605,510.38 | - | - | 605,510.38 |

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

| | Note | Net carried amount | Current assets | | | Long-term assets | |
|---|------|------------------------|------------------------|--------------------|--------------------|--------------------|----------------------|
| | | | less than 1 month | 1-3 months | 3 months - 1 year | 1 - 5 years | over 5 years |
| March 31, 2025 | | | | | | | |
| Assets | | | | | | | |
| Cash | 7 | 105,198,186 | 105,198,186 | - | - | - | - |
| Current accounts | 8 | 150,329,407 | 150,329,407 | - | - | - | - |
| Securities | 9 | 707,384,101 | 13,030,576 | 33,391,859 | 154,392,501 | 499,979,589 | 6,589,576 |
| Money market placements | 10 | 513,864,554 | 353,550,957 | 160,313,597 | - | - | - |
| IMF-related assets (accounts) | 11 | 174,699,307 | 149,988,812 | - | - | - | 24,710,494 |
| | | 1,651,475,555 | 772,097,938 | 193,705,456 | 154,392,501 | 499,979,589 | 31,300,070 |
| Liabilities | | | | | | | |
| Due to domestic banks | 13 | (627,861,673) | (627,861,673) | - | - | - | - |
| Due to accounts related to IMF | 14 | (165,247,875) | (66,049) | - | - | - | (165,181,826) |
| Due to Governmental institutions | 15 | (566,523,454) | (566,523,454) | - | - | - | - |
| Due to public and commercial institutions | 16 | (148,005,196) | (148,005,196) | - | - | - | - |
| Borrowings | 17 | (1,452,233) | (111,710) | - | (111,710) | (893,682) | (335,131) |
| Other domestic liabilities | 18 | (760,358) | (760,358) | - | - | - | - |
| | | (1,509,850,789) | (1,343,328,440) | - | (111,710) | (893,682) | (165,516,957) |
| | | 141,624,766 | (571,230,502) | 193,705,456 | 154,280,791 | 499,085,907 | (134,216,887) |
| December 31, 2024 | | | | | | | |
| Assets | | | | | | | |
| Cash | 5 | 77,017,002 | 77,017,002 | - | - | - | - |
| Current accounts | 6 | 147,633,101 | 147,633,101 | - | - | - | - |
| Securities | 7 | 732,093,684 | - | 68,498,355 | 124,266,053 | 532,687,559 | 6,641,718 |
| Money market placements | 8 | 506,806,118 | 335,317,890 | 171,488,229 | - | - | - |
| IMF-related assets (accounts) | 9 | 179,205,336 | 153,950,665 | - | - | - | 25,254,671 |
| | | 1,642,755,242 | 713,918,658 | 239,986,584 | 124,266,053 | 532,687,559 | 31,896,389 |
| Liabilities | | | | | | | |
| Due to domestic banks | 13 | (656,260,393) | (656,260,393) | - | - | - | - |
| Due to accounts linked to IMF | 14 | (189,487,493) | (67,504) | - | - | - | (189,419,990) |
| Due to governmental institutions | 15 | (575,251,206) | (575,251,206) | - | - | - | - |
| Due to public and commercial institutions | 16 | (104,610,964) | (104,610,964) | - | - | - | - |
| Borrowings | 17 | (1,484,214) | - | (114,170) | (114,170) | (913,363) | (342,511) |
| Other domestic obligations | 18 | (759,788) | (759,788) | - | - | - | - |
| | | (1,527,854,057) | (1,336,949,854) | (114,170) | (114,170) | (913,363) | (189,762,501) |
| | | 114,901,185 | (623,031,196) | 239,872,413 | 124,151,882 | 531,774,196 | (157,866,112) |

5. Cash on hand

| | March 31, 2025 | December 31, 2024 |
|--------------|-----------------------|--------------------------|
| Cash on hand | 105,198,186.11 | 77,017,001.78 |
| Total | 105,198,186.11 | 77,017,001.78 |

There is an increase in the cash balance on March 31, 2025 compared to December 31, 2024. It mainly derived from daily cash operations, but estimated to be within the scope of the activity.

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

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

| | March 31, 2025 | December 31, 2024 |
|-------------------------------|-----------------------|--------------------------|
| Deutsche Bundesbank | 107,708,616 | 47,998,937 |
| Raiffeisen Zentralbank | 6,657,124 | 1,720,644 |
| Banque Centrale du Luxembourg | 10,389,338 | 55,761,022 |
| Deutsche Bank | 2,917,556 | 1,166,217 |
| Commerzbank AG | 870,805 | 464,817 |
| Bank of Lithuania | 6,080,355 | 6,026,422 |
| DZ Bank AG | 504,097 | 373,883 |
| Croatian National Bank | 2,021,793 | 21,368,345 |
| Erste Group Bank AG | 1,321,640 | 742,870 |
| National Bank of Belgium | 10,213,238 | 10,144,962 |
| Banca D'Italia | 1,016,113 | 1,009,298 |
| Federal Reserve Bank (FED-NY) | 301,592 | 326,554 |
| | 150,002,267 | 147,103,971 |
| Accrued interest | 327,140 | 570,941 |
| Total carrying amount | 150,329,407 | 147,674,912 |
| Expected credit losses (ECL) | (44,074) | (41,811) |
| Total net worth | 150,285,333 | 147,633,101 |

Current accounts item (nostro) compared to December 31, 2024 has increased slightly, the change is due to the activity of these accounts and the management of the asset portfolio, also affected by interest 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/portfolio of financial instruments).

7. Securities (Treasury Bills and Bonds)

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

Treasury bills, also disclosed on page 12, have contracted maturities of up to one year. While those of government bonds have contracted maturities of one year to over five years. Effective interest rate on securities in the reporting period of 2025 ranges in the segment from - 0.014% to 4.929 % per annually (while, in 2024 ranges in the segment from -0.014% to 4.997% annual).

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

| Country | Carrying amount March 31, 2025 | Expected credit losses | Net amount March 31, 2025 |
|--------------------------|---|-------------------------------|--------------------------------------|
| Germany | 58,855,526 | (31,137) | 58,824,389 |
| France | 28,690,304 | (22,258) | 28,668,046 |
| Netherlands | 72,337,482 | (28,120) | 72,309,362 |
| Finland | 68,142,255 | (35,975) | 68,106,280 |
| Slovenia | 30,031,750 | (16,270) | 30,015,480 |
| Luxembourg | 29,680,865 | (3,636) | 29,677,229 |
| Belgium | 69,432,612 | (35,337) | 69,397,274 |
| Austria | 70,521,051 | (42,646) | 70,478,405 |
| Ireland | 35,487,551 | (8,669) | 35,478,881 |
| United States of America | 13,586,721 | (1,721) | 13,585,000 |
| Italy | 36,252,280 | (21,100) | 36,231,180 |
| Poland | 15,508,224 | (30,442) | 15,477,781 |
| Kosovo | 178,857,482 | (142,115) | 178,715,367 |
| Total | 707,384,101 | (419,427) | 706,964,674 |

| Country | Carrying amount December 31, 2024 | Expected credit loss | Net amount December 31, 2024 |
|--------------------------|--|-----------------------------|---|
| Germany | 58,624,982 | (34,176) | 58,590,806 |
| France | 48,499,257 | (29,670) | 48,469,587 |
| Netherlands | 73,606,327 | (36,550) | 73,569,777 |
| Finland | 67,758,543 | (40,032) | 67,718,512 |
| Slovenia | 29,988,880 | (19,025) | 29,969,855 |
| Luxembourg | 29,542,704 | (4,276) | 29,538,427 |
| Belgium | 69,117,474 | (36,051) | 69,081,423 |
| Austria | 70,215,805 | (48,556) | 70,167,249 |
| Ireland | 45,848,712 | (15,171) | 45,833,541 |
| United States of America | 14,363,608 | (2,130) | 14,361,478 |
| Italy | 36,700,225 | (30,058) | 36,670,166 |
| Poland | 15,505,617 | (38,307) | 15,467,310 |
| Kosovo | 172,789,250 | (133,705) | 172,655,553 |
| Total | 732,561,383 | (467,707) | 732,093,684 |

Securities (by type):

| | Carrying amount March 31, 2024 | Expected credit loss | Net amount March 31, 2024 |
|----------------|---|-----------------------------|--------------------------------------|
| Treasury bills | 13,586,722 | (1,721) | 13,585,001 |
| Bonds | 693,797,379 | (417,706) | 693,379,673 |
| Total | 707,384,101 | (419,427) | 706,964,674 |

| | Carrying amount December 31, 2024 | Expected credit loss | Net amount December 31, 2024 |
|----------------|--|-----------------------------|---|
| Treasury bills | 14,363,608 | (2,130) | 14,361,478 |
| Bonds | 718,197,775 | (465,577) | 717,732,198 |
| Total | 732,561,383 | (467,707) | 732,093,676 |

8. Money market placements

This grouping includes money market placements in our correspondent banks and liquidity lending to second level banks backed by collateral of securities of Government of Kosovo through the execution of a repurchase agreement. The interest rate for these placements until the first quarter of 2025 is on average around 2.796% (minimum: 2.000% and maximum: 4.250%), while in the same period in 2024: on average 3.604% (minimum: 3.010% and maximum: 5.30%).

Placements with correspondent banks mainly have contracted maturities of up to one year, while liquidity loans have maturities of up to ten days.

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

| Money market placements by banks: | Carrying amount March 31, 2025 | Expected credit loss | Net amount March 31, 2025 |
|--|-----------------------------------|----------------------|------------------------------|
| Deutsche Bank | 30,000,000 | (3,130) | 29,996,870 |
| Banque centrale du Luxembourg | 150,000,000 | (10,856) | 149,989,144 |
| Deutsche Bundesbank | 40,000,000 | (12,787) | 39,987,213 |
| Federal Reserve Bank (NY) | 6,298,046 | (798) | 6,297,248 |
| DZ Bank AG | 40,200,000 | (72) | 40,199,928 |
| | 19,648,000 | (8,845) | 19,639,155 |
| Croatian National Bank | 130,000,000 | (67,330) | 129,932,670 |
| Raiffeisen Central Bank | 76,954,710 | (11,779) | 76,942,930 |
| Erste Group Bank AG | 20,000,000 | (387) | 19,999,613 |
| | 513,100,755 | (115,985) | 512,984,770 |
| Accrued interest on money market placements | | | |
| Deutsche Bank | 46,681 | - | 46,681 |
| Banque centrale du Luxembourg | 294,931 | - | 294,931 |
| Deutsche Bundesbank | 18,978 | - | 18,978 |
| Federal Reserve Bank (NY) | 744 | - | 744 |
| DZ Bank Ag | 28,635 | - | 28,635 |
| National Commercial Bank Sh.A. | 6,331 | - | 6,331 |
| Croatian National Bank | 327,931 | - | 327,931 |
| Raiffeisen Zentralbank | 24,903 | - | 24,903 |
| Erste Group Bank AG | 14,667 | - | 14,667 |
| | 763,799 | - | 763,798 |
| Total | 513,864,554 | (115,985) | 513,748,568 |

8. Money market placements (continued)

| Money market placements by banks: | Value carried forward December 31, 2024 | The losses of credit expectations | Net worth December 31, 2024 |
|--|---|--------------------------------------|-----------------------------------|
| Deutsche Bank | 25,000,000 | (1,905) | 24,998,095 |
| Banque centrale du Luxembourg | 165,000,000 | (15,201) | 164,984,799 |
| Deutsche Bundesbank | 100,000,000 | (35,222) | 99,964,778 |
| Federal Reserve Bank (NY) | 6,064,106 | (899) | 6,063,207 |
| DZ Bank Ag | 20,200,000 | (50) | 20,199,950 |
| Banka Kombëtare Tregtare Sh.A. | 19,469,000 | (8,766) | 19,460,234 |
| Croatian National Bank | 50,000,000 | (26,794) | 49,973,206 |
| Raiffeisen Zentralbank | 38,406,006 | (6,786) | 38,399,220 |
| Erste Group Bank AG | 82,000,000 | (370) | 81,999,630 |
| | 506,139,113 | (95,992) | 506,043,121 |
| Accrued interest on money market placements | | | |
| Deutsche Bank | 43,444 | - | 43,444 |
| Banque centrale du Luxembourg | 164,757 | - | 164,757 |
| Deutsche Bundesbank | 16,333 | - | 16,333 |
| Federal Reserve Bank (NY) | 716 | - | 716 |
| DZ Bank Ag | 31,497 | - | 31,497 |
| Banka Kombëtare Tregtare Sh.A. | 9,194 | - | 9,194 |
| Croatian National Bank | 373,056 | - | 373,056 |
| Raiffeisen Zentralbank | 7,830 | - | 7,830 |
| Erste Group Bank AG | 116,171 | - | 116,171 |
| | 762,998 | - | 762,998 |
| Total | 506,902,110 | (95,992) | 506,806,118 |

If we compare the reporting period with the comparative period, the trend is almost the same with a slight increase. Which is mainly a normal flow of financial instruments portfolio management and influenced by the possibility of placement as the rates in the euro currency have started to decline but are still solid.

9. IMF-related instruments

| | March 31, 2025 | December 31, 2024 |
|--------------------------------------|-----------------------|-----------------------|
| Quota with/in the IMF (paid portion) | 24,710,494.19 | 25,254,670.98 |
| Deposits in SDR (SDR) | 149,988,812.45 | 153,950,665.49 |
| Accrual interest | 884,768.62 | 984,077.59 |
| Use of IMF funds (SBA) | - | - |
| Total | 175,584,075.26 | 180,189,414.06 |

The above items stem from Kosovo's membership in the IMF. The IMF quota (paid portion) represents the paid value of the mandatory quota (82,600,000 SDR as of February 2016; while it was initially 59,000,000 SDR, in 2009) assigned to Kosovo by the IMF, expressed in euros.

9. IMF-related instruments (continued)

Deposits in SDRs (SDRs) initially represent the value deposited in the SDR on behalf of the Republic of Kosovo according to the decisions of the IMF Board of Governors on 28 August 2009 (43,737,278 SDRs) and 9 September 2009 (11,631,135 SDRs) as amended for transactions – interest income and expenses and payments on behalf of the increased quota also expressed in euros in the table above. As well as the new 2021 allocation/distribution (according to IMF definitions) in the amount of 79,168,385 SDRs (SDRs) approved by the IMF Board of Governors on 02 August 2021 and effective 23 August 2021.

As a result, the SDR position in the IMF on behalf of the Republic of Kosovo has increased by the amount in question from the effective date of the transaction.

Deposits in SDRs – Special Drawing Rights– SDR and the partially paid part of the quota are deposits that bring interest on average of 3.17% for the reporting period January – March 2025 (while for January – December 2024, 3.85%).

Meanwhile, as off -balance sheet items (commitments to the IMF), the CBK has this amount of these commitments as of March 31, 2025 is 72.9 million euros (in the comparative period this value was 80.9 million euros). They arise from the use of funds from the Kosovo government by the IMF.

10, 11 Tangible and intangible assets

| Cost | Investments in facilities | Equipment | Computer | Vehicles | In total |
|----------------------------------|--------------------------------------|---------------------|---------------------|-------------------|----------------------|
| On 01 January 2024 | 6,127,820.60 | 2,765,248.18 | 2,282,647.28 | 389,349.20 | 11,565,065.26 |
| Purchase | 55,388.00 | 172,920.39 | 199,926.86 | - | 428,235.25 |
| Purchase in progress | (3,880.00) | 111,297.12 | - | - | 107,417.12 |
| Transfers (from)/to (correction) | - | - | - | - | - |
| Decommissioning (settlement) | - | (25,241.97) | (8,222.91) | - | (33,464.88) |
| On 31 December 2024 | 6,179,328.60 | 3,024,223.72 | 2,474,351.23 | 389,349.20 | 12,067,252.75 |
| On 01 January 2025 | 6,179,328.60 | 3,024,223.72 | 2,474,351.23 | 389,349.20 | 12,067,252.75 |
| Purchase | - | 111,836.12 | 589.00 | - | 112,425.12 |
| Purchase in progress | - | (110,097.12) | - | - | (110,097.12) |
| Transfers (from)/to (correction) | - | - | - | - | - |
| Decommissioning (settlement) | - | (1,739.00) | - | - | (1,739.00) |
| On 31 March 2025 | 6,179,328.60 | 3,024,223.72 | 2,474,940.23 | 389,349.20 | 12,067,841.75 |
| Depreciation | | | | | |
| On 01 January 2024 | 2,608,166.05 | 2,441,542.16 | 1,859,495.27 | 380,122.53 | 7,289,326.01 |
| Depreciation of the year | 310,280.44 | 114,752.84 | 170,520.34 | 9,226.67 | 604,780.29 |
| Decommissioning (settlement) | - | - | (5,530.66) | - | (5,530.66) |
| On December 31, 2024 | 2,918,446.49 | 2,556,295.00 | 2,024,484.95 | 389,349.20 | 7,888,575.64 |
| On 01 January 2025 | 2,918,446.49 | 2,556,295.00 | 2,024,484.95 | 389,349.20 | 7,888,575.64 |
| Depreciation of the year | 79,165.18 | 35,169.27 | 46,187.10 | - | 160,521.55 |
| Decommissioning (settlement) | - | - | - | - | - |
| On 31 March 2025 | 2,997,611.67 | 2,591,464.27 | 2,070,672.05 | 389,349.20 | 8,049,097.19 |
| Net carrying amount | | | | | |
| On 1 January 2024 | 3,519,654.55 | 323,706.02 | 423,152.01 | 9,226.67 | 4,275,739.25 |
| On 31 December 2024 | 3,260,882.11 | 467,928.72 | 449,866.28 | - | 4,178,677.11 |
| On 31 March 2025 | 3,181,716.93 | 432,759.45 | 404,268.18 | - | 4,018,744.56 |

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

| Cost | Computer programs/applications | in total |
|----------------------------------|---------------------------------------|---------------------|
| 01 January 2024 | 3,326,210.64 | 3,326,210.64 |
| Purchase | 197,640.26 | 197,640.26 |
| Purchase in progress | - | - |
| Transfers (from)/to (correction) | - | - |
| Decommissioning | - | - |
| 31 December 2024 | 3,523,850.90 | 3,523,850.90 |
| 01 January 2025 | 3,523,850.90 | 3,523,850.90 |
| Purchase | 9,990.00 | 9,990.00 |
| Purchase in progress | - | - |
| Transfers (from)/to (correction) | - | - |
| Decommissioning | - | - |
| On 31 March 2025 | 3,533,840.90 | 3,533,840.90 |
| Depreciation | | |
| 01 January 2024 | 2,429,891.53 | 2,429,891.53 |
| Depreciation for the year | 258,315.11 | 258,315.11 |
| Decommissioning (settlement) | - | - |
| On 31 December 2024 | 2,688,206.64 | 2,688,206.64 |
| On 01 January 2025 | 2,688,206.64 | 2,688,206.64 |
| Depreciation for the year | 71,295.52 | 71,295.52 |
| Decommissioning (settlement) | - | - |
| On 31 March 2025 | 2,759,502.16 | 2,759,502.16 |
| Net carrying amount | | |
| On 01 January 2024 | 896,319.11 | 896,319.11 |
| On 31 December 2024 | 835,644.26 | 835,644.26 |
| On 31 March 2025 | 774,338.74 | 774,338.74 |

12. Other means

| | 31 March 2025 | 31 December 2024 |
|--|----------------------|-------------------------|
| Accounts receivable | 2,240,821.32 | 2,545,919.12 |
| Prepayments for services | 239,679.20 | 131,107.71 |
| Advance payments for personnel | 35,991.67 | - |
| Payment/Request in process (SNP/DepoX) | 139,000.00 | (3,613.78) |
| in total | 2,655,492.19 | 2,673,413.05 |

In-process claims (ATS) will be settled after the system executes payments on the first next business day.

13. Liabilities to domestic banks

| | March 31, 2025 | December 31, 2024 |
|--|-----------------------|--------------------------|
| ProCredit Bank Kosovo | 76,791,239 | 94,384,329 |
| Raiffeisen Bank Kosovo | 96,422,397 | 79,091,970 |
| NLB Pristina | 146,804,344 | 140,918,203 |
| Banka Ekonomike | 46,675,583 | 60,264,951 |
| Banka për Biznes | 41,009,175 | 36,310,743 |
| Banka Kombëtare Tregtare Sh.A | 104,477,494 | 116,703,570 |
| Turk Ekonomi Bankasi Sh.A. | 85,257,847 | 87,083,188 |
| Turkiye Is Bankasi A.S. | 6,931,707 | 7,085,600 |
| T.C. Zirat Bankasi A.S. Kosovo Branch | 13,400,317 | 14,895,922 |
| Banka Kreditore e Prishtinës | 64,994 | 135,653 |
| Credins Bank Kosovo | 3,850,689 | 4,139,222 |
| PriBank JSC | 6,037,760 | 15,114,113 |
| Total (without accrued interest) | 627,723,545 | 656,127,464 |
| Accrual interest | 138,128 | 132,929 |
| Total | 627,861,673 | 656,260,393 |

This group includes disclosure of the balances of second-tier banks operating in the country (Kosovo) and which hold 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 2025 is about 2.1 times higher than the value of the required reserve required to be maintained at the CBK (while this ratio on 31 December 2024 was also 2.3 times).

From 1 January 2025, the CBK applies a positive rate of 0.30% (annual), while the rate of 0.30% was also in effect during 2024 for all CBK depositors.

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

14. Liabilities to IMF-related accounts

| | March 31, 2025 | December 31, 2024 |
|---|-----------------------|--------------------------|
| IMF Expenditure Account No. 2 | 66,049.05 | 67,503.59 |
| Paid portion of IMF Quota (by government) | 20,339,141.56 | 20,600,514.22 |
| Allocations from the IMF in the form of DST | 165,181,825.88 | 168,819,475.31 |
| Accrual interest | 962,911.09 | 1,066,998.61 |
| in total | 186,549,927.58 | 190,554,491.73 |

The items above represent the positions of the IMF-related accounts that have arisen after Kosovo's membership in the IMF. Account No. 2 with the IMF is an operational account.

The paid portion of the quota (paid by the government of Kosovo), as well as including the interest paid by the IMF for this item, according to IMF regulations, which in the table under note 14 is expressed in euros.

Allocations in the form of Special Drawing Rights (SDRs) to the 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 periods is the same as for SDR deposits.

In 2023, the IMF approved two new types of financing on behalf of Kosovo, a Credit Line and the Instrument for Sustainability and Stability (budgetary), and in 2020, the Rapid Financing Instrument was approved.

The withdrawn balance of funds from these financial instruments as of 31 March 2025 is 72.9 million euros, while as of 31 December 2024 it was 80.9 million euros, the difference stems from instalment payments and movement/changes in the EUR/SDR exchange rate.

15. Obligations towards government institutions

Obligations to government institutions consist of the following:

| Current accounts | 31 March 2025 | 31 December 2024 |
|---|-----------------------|-------------------------|
| Treasury – Ministry of Finance | 192,399,524.80 | 249,422,246.74 |
| Privatization Agency of Kosovo | 177,100,831.94 | 179,142,870.08 |
| Provisional Administrative Institutions | 73,384.77 | 66,037.83 |
| Total current accounts | 369,573,741.51 | 428,631,154.65 |
| Accrual interest on current accounts | | |
| Treasury – Ministry of Finance | 43,522.92 | 73,659.73 |
| Privatization Agency of Kosovo | 45,558.67 | 45,679.18 |
| Provisional Administrative Institutions | 19.65 | 17.59 |
| Accrued interest | 89,101.24 | 119,356.50 |
| Short-term deposits | | |
| Treasury – Ministry of Finance | 196,860,611.11 | 146,500,694.44 |
| Privatization Agency of Kosovo | - | - |
| Provisional Administrative Institutions | - | - |
| Total short-term deposits | 196,860,611.11 | 146,500,694.44 |
| In total | 566,523,453.86 | 575,251,205.59 |

Current account deposits benefit from an interest rate of 0.30%, while from 1 January 2024 they have also benefited from an interest rate of 0.30%.

There are active deferrals in the reporting period only from government accounts (value disclosed in the table). The change is due to the operational activity of the institutions that make up the group.

16. Obligations towards public and commercial institutions

Liabilities to public and commercial institutions presented below:

| | 31 March 2025 | 31 December 2024 |
|---|-----------------------|-------------------------|
| Insurance companies | 4,166,677.23 | 4,163,683.54 |
| Public institutions and companies | 143,803,162.64 | 100,409,963.04 |
| Non-public and other pension funds | 1,812.22 | 1,814.80 |
| Total current accounts | 147,971,652.09 | 104,575,461.38 |
| Accrual interest on current accounts | | |
| Insurance companies | 1,076.44 | 1,075.68 |
| Public institutions and companies | 32,467.17 | 34,425.97 |
| Non-public and other pension funds | 0.03 | 0.03 |
| | 0.46 | 0.46 |
| Accrued interest | 33,544.10 | 35,502.14 |
| in total | 148,005,196.19 | 104,610,963.52 |

Public institutions and companies consist of the Kosovo Pension Savings Trust, accounts from the Deposit Insurance Fund and trust accounts of KEK (Kosovo Energy Corporation), as the most significant components. Current account deposits from them benefit from an interest of 0.30%, while from 1 January 2024 they have also benefited from an interest of 0.30%.

17. Obligations from the Borrowing(s)

| | 31 March 2025 | 31 December 2024 |
|-----------------|----------------------|-------------------------|
| World Bank Loan | 1,452,232.61 | 1,484,213.81 |
| in total | 1,452,232.61 | 1,484,213.81 |

We have two projects that have been financed by the World Bank through a loan: the project for *the Continuity Plan of work* and *the Real Time Gross Settlement System (RTGS)* project. These projects were implemented in 2016. The repayment period is over 10 years. The change is a result of principal payments and the conversion of the SDR value into EUR on the reporting date.

18. Other obligations

| | 31 March 2025 | 31 December 2024 |
|---------------------------------------|----------------------|-------------------------|
| Account under care | 760,554.15 | 759,984.01 |
| Deferred income | 66,931.32 | 77,188.86 |
| Accounts payable and accrual expenses | 1,011,859.54 | 1,359,384.81 |
| Long-term benefits for employees | 672,325.01 | 672,325.01 |
| Total current accounts | 2,511,670.02 | 2,868,882.69 |

Within the group, there is a decrease in the total group balance compared to 31 December 2024. Mainly influenced by the decrease in the balance of accounts payable and deferred revenue on 31 March 2025, compared to 31 December 2024.

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

| | 31 March 2024 | 31 December 2024 |
|--|-----------------------|-------------------------|
| Authorized capital | 30,000,000.00 | 30,000,000.00 |
| Reserve funds | 58,780,315.47 | 58,780,315.47 |
| Net result of the previous year (in the process of allocation) | 31,616,587.52 | - |
| Net result for the period | 5,928,355.74 | 31,616,587.52 |
| Total | 126,325,258.73 | 120,396,902.99 |

The financial result for the period is positive by approximately 5.9 million euros, mainly influenced by the satisfactory realization of revenues and maintaining expenditures according to budget planning for the reporting period.

The foreign exchange revaluation item at the reporting date is worth around 539 thousand euros (as unrealized loss), the item of provisions for expected credit losses [(net increase)/decrease] is worth around 26 thousand euros (as return of provisions) and if we exclude these two items, the financial result remains positive at around 6.4 million euros (see page 6 - *Net result without the effect of exchange rate and provisions*).

19, 20 Authorized Capital and Reserves (continued)

According to Article 56, paragraph 1.1. of the Law No. 03/L-209 on the Central Bank of the Republic of Kosovo, net income shall first be distributed to the general reserve until the total amount of the initial capital and general reserves equals five percent (5%) of the monetary liabilities of the Central Bank. The 50% portion of the net balance of realized income remaining after meeting the 5% criterion mentioned above shall be transferred to the Ministry of Finance. While the remaining 50% of the realized income shall be allocated to the general reserve account of the CBK.

| Shareable income | | |
|---|-------------------------|--------------------------|
| Description | 31 March 2025 | 31 December 2024 |
| Total comprehensive income for the year | 5,928,355.74 | 31,616,587.52 |
| Of which are unrealized gains (gains) from revaluation | - | 783,009.81 |
| Of which are unrealized revaluation losses that were realized in the current year | - | - |
| Shareable income | 5,928,355.74 | 30,833,577.71 |
| Capital, general reserve account and distributable income | | |
| | March 31, 2025 | December 31, 2024 |
| Capital | 30,000,000.00 | 30,000,000.00 |
| General reserves | 57,780,403.50 | 56,997,393.69 |
| Value for transfer to general reserves | 15,416,788.86 | - |
| Shareable income | 5,928,355.74 | 30,833,577.71 |
| Total Capital, general reserve account and distributable income | 109,125,548.10 | 117,830,971.40 |
| Total monetary liabilities | | |
| | March 31, 2025 | December 31, 2024 |
| To local commercial banks | 627,723,545.38 | 656,127,464.46 |
| To government institutions | 565,573,741.51 | 574,631,154.65 |
| To the accounts linked to the IMF ² | 185,587,016.49 | 189,487,493.12 |
| To public and commercial institutions | 147,971,652.09 | 104,575,461.38 |
| From borrowing/borrowings | 1,452,232.61 | 1,484,213.81 |
| To other monetary obligations | 760,357.72 | 759,787.73 |
| Total monetary liabilities | 1,529,068,545.80 | 1,527,065,575.15 |
| Report under Article 56, paragraph 1.1. | 7.14% | 7.72% |

²Excluding securities account and accruals .

21. Net interest income

| | 31 March 2025 | 31 March 2024 |
|---|----------------------|----------------------|
| Interest income | | |
| From deposits to current account | 1,032,380.41 | 3,228,206.91 |
| From deadlines to placements | 3,168,217.36 | 2,469,553.61 |
| From securities | 3,632,942.41 | 3,047,088.29 |
| From deposits in accounts with the IMF (DST/SDR in possession) | 1,189,083.01 | 1,571,020.00 |
| | 9,022,623.19 | 10,315,868.81 |
| Interest expenses | | |
| To resident banks in the current account | 394,163.30 | 355,811.60 |
| To government institutions in the current account | 304,906.93 | 440,986.14 |
| To public and commercial institutions in the current account | 91,277.02 | 113,655.80 |
| Other in the current account | 570.14 | 574.71 |
| To the Treasury - Ministry of Finance in short-term deposits | 1,256,916.67 | 327,308.52 |
| To the accounts with the IMF (DST/SDR allocated) | 1,306,937.80 | 1,689,414.08 |
| From the loan/s | 2,700.00 | 3,705.98 |
| | 3,357,471.86 | 2,931,456.83 |
| Net interest income | 5,665,151.33 | 7,384,411.98 |

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

The average interest rate on net interest income (taking into account only the committed portfolio) for the reporting period is around 1.856% (in the same period of 2024 it was around 2.386%).

22. Net revenues from tariffs and service charges

| | 31 March 2025 | 31 March 2024 |
|---|----------------------|----------------------|
| Revenues from fees and charges | | |
| From cash deposits/withdrawals | 372,536.00 | 376,116.50 |
| From incoming transfers | 27,345.00 | 18,995.00 |
| From outgoing transfers | 175,539.43 | 161,300.00 |
| From local transfers (<i>Local payment system</i>) | 486,159.11 | 449,368.41 |
| From the credit registry system | 64,296.60 | 57,078.22 |
| Revenue from other fees | 20,312.00 | 4,252.00 |
| | 1,146,188.14 | 1,067,110.13 |
| Expenses from fees and charges | | |
| From cash flow | 238,599.22 | 316,721.20 |
| From transactions with correspondent banks | 15,329.70 | 11,789.20 |
| | 253,928.92 | 328,510.40 |
| Net revenues from fees and charges | 892,259.22 | 738,599.73 |

22. Net revenues from tariffs and service charges (continued)

A slight increase in net revenues from fees and charges compared to the same period of the previous year is observed, this is due to the normal flow of activity for the items disclosed within the group (change in volume , especially in *cash circulation activity , outgoing (international) transfers and domestic transfers*).

23. Revenues from regulatory activity

| | 31 March 2025 | 31 March 2024 |
|--|----------------------|----------------------|
| From the maintenance of bank licenses | 1,383,000.00 | 1,221,000.00 |
| From licenses from banking institutions | 10,900.00 | 12,200.00 |
| From the maintenance of insurance company licenses | 576,000.00 | 516,000.00 |
| From licenses from insurance companies | 4,400.00 | 18,400.00 |
| Revenues from the regulatory activity of pension funds | 6,900.00 | 6,500.00 |
| From the regulatory activity of other financial institutions (non-banking) | 79,200.00 | 64,400.00 |
| Total | 2,060,400.00 | 1,838,500.00 |

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

24. Revenue from grants

| | 31 March 2025 | 31 March 2024 |
|----------------------------|----------------------|----------------------|
| Revenue from grants | 13,319.64 | 8,773.64 |

The grant for *the financial supervision system is the only active grant (in revenue) for the period January-March 2025. Meanwhile, there are and we expect reimbursements from the Grant with the ECB for the training provided through that project.*

25. Other operating income

| | 31 March 2025 | 31 March 2024 |
|---------------------|----------------------|----------------------|
| Other income | - | 1,798.26 |

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

26. Personnel expenses

| | 31 March 2025 | 31 March 2024 |
|--|----------------------|----------------------|
| Salaries and compensation expenses | 1,198,334.42 | 915,952.54 |
| Contribution expenses and health insurance | 284,128.94 | 230,268.94 |
| Training costs | 9,051.32 | 13,923.82 |
| Expenses for the CBK Board | 36,853.99 | 32,766.97 |
| Daily meals | 59,017.50 | 57,147.50 |
| Other expenses | 2,079.19 | 3,607.40 |
| Total | 1,589,465.36 | 1,253,667.17 |

The total number of employees who were active on the payroll during the period January - March 2025 is: 245 (in the period January - March 2024, 224).

In the *other category of personnel expenses* This includes additional *pension compensation* , financial support for housing, and a student *internship program* .

The additional pension compensation is a consequence of previous decisions, whereby 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 transferred the management of the additional pension fund.

27. General and administrative expenses

| | 31 March 2025 | 31 March 2024 |
|--|----------------------|----------------------|
| Insurance costs | 77,800.00 | 67,609.22 |
| Cash operating expenses | 2,799.50 | 7,254.91 |
| Repairs and maintenance | 15,866.26 | 14,431.49 |
| Application maintenance | 115,099.22 | 87,948.50 |
| Communication expenses (telephone, fax and internet) | 8,696.12 | 1,035.76 |
| Public service expenses | 29,242.10 | 21,044.66 |
| Consulting and audit costs | 7,512.52 | 4,042.48 |
| Physical security costs (of the facility) | 41,662.20 | - |
| Travel and transportation | 19,113.50 | 11,412.88 |
| Vehicle operating expenses | 3,380.52 | 1,776.85 |
| Administrative consumables | 1,207.41 | 707.50 |
| Cafeteria expenses | 13,649.55 | 5,831.33 |
| Conference and seminar expenses | 1,418.50 | - |
| Financial education expenses | 199.90 | - |
| Expenses for supplies (for IT and non-IT equipment) | 2,098.33 | 1,233.53 |
| Publications and literature and others | 2,334.00 | 8,318.99 |
| Representation expenses | 10,315.57 | 4,062.60 |
| Membership fees in professional institutions | 14,231.20 | 11,067.48 |
| Total | 366,626.40 | 247,778.18 |

27. General and administrative expenses (continued)

Changes in general administrative expenses are a result of operational activities and decisions, as well as partially from any activity that did not have the same periodicity in the comparative periods. It should be noted that memberships in professional institutions are on an increasing trend as we have already expanded institutions where relevant memberships have been made.

28. Net result from exchange rate changes

| | 31 March 2025 | 31 March 2024 |
|---|---------------------|-------------------|
| Currency revaluation | | |
| from item(s) in USD | (44,804.26) | 220,197.05 |
| from items in SDR | (494,346.17) | (38,404.62) |
| Net unrealized gain/(loss) (from exchange rate change) | (539,150.43) | 181,792.43 |

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 | 31 March 2025 | 31 December 2024 |
|--|------|-----------------------|-----------------------|
| Cash | 5 | 105,198,186.11 | 77,017,001.78 |
| Current accounts with non-resident banks | 6 | 150,002,266.98 | 147,103,971.20 |
| Securities with a maturity of up to three months | | - | 9,582,878.63 |
| Placements in the money market and with a maturity of up to three months | | 463,100,755.40 | 305,139,112.62 |
| Total | | 718,301,208.49 | 538,842,964.23 |

Cash and cash equivalents are held for the purpose of meeting primarily short-term liquidity obligations. 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

Following the accession 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 upon request of the World Bank (its sub-agencies) for the portion of the membership fee. Their value as of 31 March 2025 is approximately 718,390¹⁸ euros (as of 31 December 2024 this expected liability was 718,687⁵⁴ euros), the CBK plays the role of financial intermediary (guarantor bank) and the funds are held in an escrow account (guarantor).