



THE CBK FINANCIAL STATEMENT
/for and up to the first quarter 2022/
-unaudited interim report-

Department of Financial Planning and Reporting

CBK's Financial Statements for the first quarter 2022

As defined by Law 03/L-209 “On Central Bank of the Republic of Kosovo” (CBK), as a reporting framework for the preparation of financial statement are International Financial Reporting Standards, respectively Article 58 of the law mentioned above. Financial Statements for the first quarter include *statement of financial position, statement of comprehensive income, statement of changes in capital and reserves (equity)*. CBK financial year coincides with calendar year and reporting date for financial statement for the first quarter is March 31, 2022.

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

EUR - Euro Currency

ECB – European Central Bank

USD – American Dollar

RFI - Rapid Financing Instrument

SBA – Stand By Arrangements

Statement of financial position

as per

	Note	31 March 2022	31 December 2021
Assets			
Cash on hand	5	486,988,713.02	537,818,328.96
Current accounts with non-resident banks	6	215,250,376.70	151,880,387.03
Securities	7	634,341,540.17	632,601,644.88
Placements in money market	8	16,864,631.73	14,053,233.69
In accounts related with IMF	9	313,356,447.44	323,792,849.09
Properties and equipment's	10	4,443,879.07	4,561,654.69
Intangible assets	11	1,249,278.55	1,341,171.98
Other assets	12	2,373,004.26	2,186,915.49
Total assets		1,674,867,870.94	1,668,236,185.81
Liabilities			
Due to domestic commercial banks	13	498,895,970.99	589,099,206.09
Due to IMF related accounts	14	315,620,221.71	325,853,084.79
Due to Governmental Institutions	15	714,896,570.82	608,361,618.30
Due to public and commercial entities	16	76,842,798.12	77,392,191.69
Borrowings	17	2,039,462.28	2,139,264.56
Other domestic liabilities	18	2,069,732.89	2,417,895.45
Total liabilities		1,610,364,756.81	1,605,263,260.88
Capital and reserves			
Authorized capital	19	30,000,000.00	30,000,000.00
Reserve fund	20	32,972,924.93	26,857,364.96
Net result of the period		1,530,189.20	6,115,559.97
Total capital and reserve		64,503,114.13	62,972,924.93
Total liability capital and reserve		1,674,867,870.94	1,668,236,185.81

These financial statements were approved by the decision-making bodies¹ of the Central Bank of the Republic of Kosovo on June 15, 2022 and were signed on their behalf by:


 Fehmi Mehmeti
 Governor


 Faton Ahmetaj
 Director of Financial Planning
 and Reporting Directorate

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 2022	31 March 2021
Net interest income			
Interest income		1,257,155.94	1,035,816.92
Interest expense		(286,926.38)	(259,109.12)
Net interest income	21	<u>970,229.56</u>	<u>776,707.80</u>
Fee and commission income			
Fee and commission income		789,147.23	687,330.25
Fee and commission expenses		(203,287.23)	(122,422.61)
Net fee and commission income	22	<u>585,860.00</u>	<u>564,907.64</u>
Other operating income			
Income from regulatory activity	23	1,428,700.00	1,216,100.00
Grant revenues	24	32,845.33	34,386.33
Other operating income	25	3,487.45	719.80
Total Operating income (21+22+23+24+25)		<u>3,021,122.34</u>	<u>2,592,821.57</u>
Administrative (operative) expenses			
Personnel expenses	26	(1,134,193.04)	(1,109,659.98)
Depreciation and amortization	10,11	(220,259.05)	(261,370.55)
General and administrative expenses	27	(378,964.89)	(247,304.47)
Total administrative (operative) expenses		<u>(1,733,416.98)</u>	<u>(1,618,335.00)</u>
Net result without exchange rate effect		<u>1,287,705.36</u>	<u>974,486.57</u>
Net profit/loss on exchange rate	28	161,155.38	329,983.63
Provision for expected credit losses (net increase / decrease)		81,328.46	294,912.95
Net result of the period		<u><u>1,530,189.20</u></u>	<u><u>1,599,383.15</u></u>

Notes from page 6 up to 21 are integral parts of these financial statements

Statement of changes in equity (capital and reserve)

	Statutory fund	Reserve fund	Revaluation reserves	Retained earnings	Net result	Total
Balance at 01 January 2021	30,000,000.00	23,902,884.18	791,844.66	2,162,636.12	-	56,857,364.96
Transfer to reserve fund	-	2,954,480.78	(791,844.66)	(2,162,636.12)	-	-
Total transactions required by law	-	2,954,480.78	(791,844.66)	(2,162,636.12)	-	-
Profit for the period	-	-	-	-	6,115,559.97	6,115,559.97
Adjustments during the year	-	-	-	-	-	-
Other comprehensive income	-	-	-	-	-	-
Total comprehensive income for the year	-	-	-	-	6,115,559.97	6,115,559.97
Balance at 31 December 2021	30,000,000.00	26,857,364.96	-	-	6,115,559.97	62,972,924.93
Balance at 01 January 2022	30,000,000.00	26,857,364.96	-	-	6,115,559.97	62,972,924.93
Transfer to reserve fund	-	-	-	-	-	-
Total transactions required by law	-	-	-	-	-	-
Profit for the period	-	-	-	-	1,530,189.20	1,530,189.20
Adjustments during the year	-	-	-	-	-	-
Other comprehensive income	-	-	-	-	-	-
Total comprehensive income for the year	-	-	-	-	1,530,189.20	1,530,189.20
Balance at 31 March 2022	30,000,000.00	26,857,364.96	-	6,115,559.97	1,530,189.20	64,503,114.13

Notes from page 6 up to 21 are integral parts of these financial statements

Financial statements of the Central Bank of the Republic of Kosovo

1. Reporting Institution

Central Bank of the Republic of Kosovo – CBK, which operates under the Law no. 03/L-209 “On Central Bank of the Republic of Kosovo” approved in July 2010. As well as the amendment on March 10, 2017 with Law no. 05 / L-150.

2. Basis for preparation of Financial Statements

Reporting Framework

Financial statements are in accordance with International Financial Reporting Standards (IFRS) for interim reporting.

Basis of measurements

Financial Statements have been prepared on the bases of historical cost.

Functional and presentation currency

These financial statements are presented in euro, EUR, which is CBK’s functional currency. In case when financial information is presented in other currency it will be indicated. All financial information presented are rounded to zero (decimal values not shown).

3. Accounting Policies

Financial statements are prepared by using consistency of accounting policies, and emphasize that there were no new policy or change in accounting policies applied.

4. Financial Risk Management

Financial risk in CBK is presented as; liquidity risk, operational risk, credit risk and market risk. Financial risk in CBK is mostly related to asset management activity and is mainly managed from Asset Management Department in accordance with the policy of asset investment and management approved by the Board. Assets exposed as the result of their financial management activity are mainly within European Union Countries with very good credit rating (from AAA till BBB + / Aaa till A3).

Financial risk management (continued)

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

31 March 2022					
Credit Rating (S&P/Moody's)	Current accounts with non-resident banks	Money market placements	Securities (Treasury Bills and Bonds)	Total carrying value	% of total weight
AAA/Aaa	148,874,463.39	4,594,180.70	113,919,170.24	267,387,814.33	30.85%
AA+/Aa1	-	-	134,266,873.61	134,266,873.61	15.49%
AA/Aa2	-	-	10,012,015.43	10,012,015.43	1.16%
AA-/Aa3	-	-	20,722,340.02	20,722,340.02	2.39%
A+/A1	338,660.17	-	-	338,660.17	0.04%
A/A2	10,185,894.62	-	117,052,524.63	127,238,419.25	14.68%
A-/A3	55,902,174.02	12,276,596.75	198,977,148.31	267,155,919.08	30.82%
BBB-/Baa3	-	-	39,659,447.15	39,659,447.15	4.58%
Total	215,301,192.20	16,870,777.45	634,609,519.39	866,781,489.04	100.00%

31 December 2021					
Credit Rating (S&P/Moody's)	Current accounts with non-resident banks	Money market placements	Securities (Treasury Bills and Bonds)	Total carrying value	% of total weight
AAA/Aaa	109,931,529.63	4,414,621.23	113,843,872.54	228,190,023.41	28.56%
AA+/Aa1	-	-	134,240,569.94	134,240,569.94	16.80%
AA/Aa2	-	-	10,010,511.57	10,010,511.57	1.25%
AA-/Aa3	-	-	-	-	0.00%
A+/A1	441,358.74	-	-	441,358.74	0.06%
A/A2	9,944,154.17	-	118,190,932.06	128,135,086.23	16.04%
A-/A3	31,595,818.65	9,644,200.92	216,576,573.23	257,816,592.80	32.27%
BBB-/Baa3	-	-	40,107,391.82	40,107,391.82	5.02%
Total	151,912,861.19	14,058,822.15	632,969,851.16	798,941,534.50	100.00%

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

	Note	Net carried amount	< 1 month	1-3 months	3-12 months	1-5 years	more than 5 years
31 March 2021							
Assets							
Cash on hand	5	486,988,713.02	486,988,713.02	-	-	-	-
Current accounts with non-resident banks	6	215,250,376.70	215,250,376.70	-	-	-	-
Securities	7	634,341,540.17	11,215,107.64	6,708,730.40	379,326,898.20	182,238,566.55	54,852,237.38
Money market placements	8	16,864,631.73	16,864,631.73	-	-	-	-
In accounts related with IMF	9	228,908,101.13	177,477,509.13	-	-	51,430,592.00	-
		1,582,353,362.75	907,796,338.22	6,708,730.40	379,326,898.20	233,669,158.55	54,852,237.38
Liabilities							
Due to domestic banks	13	(498,895,970.99)	(498,895,970.99)	-	-	-	-
Due to accounts related to IMF	14	(237,828,543.11)	(269,606.25)	-	-	(51,430,592.00)	(186,128,344.86)
Due to local governmental institutions	15	(714,896,570.82)	(714,896,570.82)	-	-	-	-
Due to public and commercial entities	16	(76,842,798.12)	(76,842,798.12)	-	-	-	-
Borrowings	17	(2,039,462.28)	-	-	(113,303.49)	(906,427.89)	(1,019,730.90)
Other domestic liabilities	18	(756,036.51)	(756,036.51)	-	-	-	-
		(1,531,259,381.83)	(1,291,660,982.69)	-	(113,303.49)	(52,337,019.89)	(187,148,075.76)
		51,093,980.92	(383,864,644.47)	6,708,730.40	379,213,594.71	181,332,138.65	(132,295,838.38)

	Note	Net carried amount	< 1 month	1-3 months	3-12 months	1-5 years	more than 5 years
31 December 2021							
Assets							
Cash on hand	5	537,818,328.96	537,818,328.96	-	-	-	-
Current accounts with non-resident banks	6	151,880,387.03	151,880,387.03	-	-	-	-
Treasury bills	7	632,601,644.88	-	27,849,001.01	346,142,556.12	224,592,344.25	34,017,743.50
Money market placements	8	14,053,233.69	14,053,233.69	-	-	-	-
In accounts related with IMF	9	239,903,415.71	176,544,293.71	12,251,080.00	-	51,108,042.00	-
		1,576,257,010.27	880,296,243.39	40,100,081.01	346,142,556.12	275,700,386.25	34,017,743.50
Liabilities							
Due to domestic banks	13	(589,099,206.09)	(589,099,206.09)	-	-	-	-
Due to accounts related to IMF	14	(248,584,361.69)	(267,915.52)	(12,251,080.00)	-	(51,108,042.00)	(184,957,324.17)
Due to local governmental institutions	15	(608,361,618.30)	(608,361,618.30)	-	-	-	-
Due to public and commercial entities	16	(77,392,191.69)	(77,392,191.69)	-	-	-	-
Borrowings	17	(2,139,264.56)	-	-	(225,185.79)	(900,743.17)	(1,013,335.60)
Other domestic liabilities	18	(756,036.51)	(756,036.51)	-	-	-	-
		(1,526,332,678.84)	(1,275,876,968.11)	(12,251,080.00)	(225,185.79)	(52,008,785.17)	(185,970,659.77)
		49,924,331.43	(395,580,724.72)	27,849,001.01	345,917,370.33	223,691,601.08	(151,952,916.27)

5. Cash on hand

	31 March 2022	31 December 2021
Cash on hand	486,988,713.02	537,818,328.96
Total	486,988,713.02	537,818,328.96

There is an decrease in the balance on March 31, 2022 compared to December 31, 2021. It is mainly derived from daily cash operations but which is within the scope of activity.

6. Current accounts with non-resident banks

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

	31 March 2022	31 December 2021
Deutsche Bundesbank	106,195,692.23	64,669,264.60
Raiffeisen Zentralbank	10,185,894.62	9,944,154.18
Banque centrale du Luxembourg	42,439,078.65	44,984,988.27
Deutsche Bank	55,902,174.02	31,595,818.56
Nostro Acc. Commerzbank AG	338,660.17	441,358.74
Nostro acc. with FED	239,692.51	277,276.84
Total carrying amount	215,301,192.20	151,912,861.19
Impairment for expected credit loss	(50,815.50)	(32,474.16)
Total net carrying amount	215,250,376.70	151,880,387.03

The position of current accounts (nostro) compared to December 31, 2021 has increased, the change is due to the activity of these accounts and the management of the asset portfolio also affected by the negative rates in the financial markets (respectively notes 5, 6, 7 and 8, which are very closely related to each other referred to in terms of asset management). The increase in this group may have the effect of increasing interest expenses from the negative rates that correspondent banks (excluding the Fed - Federal Reserve account) apply to the accounts disclosed above.

7. Securities (Treasury Bills and Bonds)

Both categories that belong to the group under note 7 are debt instruments issued (issued) by different countries and institutions in Europe and United States of America, the geographical distribution is as listed in analytic on page 10 (in the table by geographical distribution) . Treasury bills disclosed also on page 10, have a contracted maturity of up to one year. While those of government bonds have a contracted maturity of one year to over five years. Effective interest rates range are from -0.014% to 3.023% annual in 2022 (in 2021 same reporting period: 0.019% to 3.023% annual).

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

Country	Carrying amount 31 March 2022	Impairment for expected credit loss	Net carrying amount 31 March 2022
Germany	65,717,609.82	(17,604.07)	65,700,005.75
France	10,012,015.43	(2,468.96)	10,009,546.47
The Netherland	12,126,731.08	(2,226.31)	12,124,504.77
Luxembourg	87,482,091.14	(14,311.36)	87,467,779.78
Belgium	20,722,340.02	(8,367.39)	20,713,972.63
Denmark	6,027,331.42	(1,758.35)	6,025,573.07
Austria	72,369,539.47	(15,712.35)	72,353,827.12
Ireland	101,088,102.37	(4,003.29)	101,084,099.09
United States of America	4,462,740.92	(603.47)	4,462,137.45
Italy	39,659,447.15	(24,618.98)	39,634,828.17
Poland	15,964,422.26	(24,348.75)	15,940,073.51
Kosovo	198,977,148.31	(151,955.92)	198,825,192.39
Total	634,609,519.39	(267,979.22)	634,341,540.17

Country	Carrying amount 31 December 2021	Impairment for expected credit loss	Net carrying amount 31 December 2021
Germany	65,703,432.33	(31,832.88)	65,671,599.45
France	10,010,511.57	(15,784.57)	9,994,727.00
The Netherland	12,122,288.06	(4,284.85)	12,118,003.21
Luxembourg	87,452,340.06	(16,883.58)	87,435,456.48
Belgium	-	-	-
Denmark	6,026,744.20	(2,945.66)	6,023,798.54
Austria	72,365,533.28	(21,445.42)	72,344,087.86
Ireland	102,229,116.73	(10,821.00)	102,218,295.73
United States of America	4,414,104.55	(1,248.42)	4,412,856.13
Italy	40,107,391.82	(63,422.07)	40,043,969.75
Poland	15,961,815.33	(35,340.65)	15,926,474.68
Kosovo	216,576,573.23	(164,197.20)	216,412,376.03
Total	632,969,851.16	(368,206.28)	632,601,644.88

According to type:

	Carrying amount 31 March 2022	Impairment for expected credit loss	Net carrying amount 31 March 2022
Treasury Bills	4,462,740.92	(603.47)	4,462,137.45
Bonds	630,146,778.47	(267,375.75)	629,879,402.72
Total	634,609,519.39	(267,979.22)	634,341,540.17

	Carrying amount 31 December 2021	Impairment for expected credit loss	Net carrying amount 31 December 2021
Treasury Bills	4,414,104.55	(1,248.42)	4,412,856.13
Bonds	628,555,746.61	(366,957.86)	628,188,788.75
Total	632,969,851.16	(368,206.28)	632,601,644.88

8. Money market placements

This group includes money market placements in our correspondent banks and lending to commercial 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 first quarter of 2022 on average is about 0.207% (minimum: 0.050% and maximum: 0.300%), while in the same period in 2021: on average 0.008% (minimum: 0.000% and maximum : 0.250%). These placements mainly have a contracted maturity of up to one year. The analysis by institutions / banks is disclosed in the table below:

Money market placements by banks:	Carrying amount 31 March 2022	Impairment for expected credit loss	Net carrying amount 31 March 2022
Federal Reserve Bank (FED-NY)	4,594,180.70	(621.25)	4,593,559.45
Banka Kombetare Tregtare Sh.A.	12,276,000.00	(5,524.47)	12,270,475.53
	16,870,180.70	(6,145.72)	16,864,034.98
Accrued (accrual) interest on Money market placements:			
Federal Reserve Bank (FED-NY)	-	-	-
Banka Kombetare Tregtare Sh.A.	596.75	-	596.75
	596.75	-	596.75
Total	16,870,777.45	(6,145.72)	16,864,631.73

Money market placements by banks:	Carrying amount 31 December 2021	Impairment for expected credit loss	Net carrying amount 31 December 2021
Federal Reserve Bank (FED-NY)	4,414,621.23	(1,248.56)	4,413,372.67
Banka Kombetare Tregtare Sh.A.	9,644,000.00	(4,339.89)	9,639,660.11
	14,058,621.23	(5,588.46)	14,053,032.77
Accrued (accrual) interest on Money market placements:			
Federal Reserve Bank (FED-NY)	-	-	-
Banka Kombetare Tregtare Sh.A.	200.92	-	200.92
	200.92	-	200.92
Total	14,058,822.15	(5,588.46)	14,053,233.69

Even on March 31, 2022 we have almost the same trend compared to December 31, 2021. If we compare them there is a slight increase between December 31, 2021 and March 31, 2022, which is mainly the normal course of portfolio management. Active placements in euro are two placements with commercial banks in the form of lending supported by collateral of securities of the Government of Kosovo through the execution of the repurchase agreement with the Central Bank of the Republic of Kosovo (CBK)². Whereas, we have a placement of 5 million in USD on the reporting date (in the placement table) is expressed the equivalent in euros.

² Regulation on the repurchase of securities with the Central Bank of the Republic of Kosovo

9. Assets related to IMF

	31 March 2022	31 December 2021
IMF Quota	102,861,184.72	102,216,084.31
SDR holdings	158,886,868.89	158,073,950.74
Accrued Interest	177,801.47	143,691.56
Use of IMF funds	51,430,592.36	63,359,122.48
Total	313,356,447.44	323,792,849.09

Above items arise from Kosovo membership in IMF. Item IMF Quota represents the value of the mandatory quota (86,000,000 SDR from February 2016, where at the beginning has been 59,000,000 SDR) set to Kosovo by IMF in Euros.

Item SDR Holdings represents the value deposited in SDR (Special Drawing rights) on behalf of the Republic of Kosovo according to the decisions of the Executive Board of IMF on 28 August (43,737,278 SDR) and 9 September 2009 (11,631,135 SDR) in euros in the table above. As well as the new allocation / distribution 2021 (according to IMF definitions) in the amount of 79,168,385 SDR approved by the Board of Governors of the IMF on 02 August 2021 and effective on 23 August 2021. As a result position of SDR in the IMF on behalf of the Republic of Kosovo has increased for the value above mentioned from the effective date of the transaction.

Special Drawing Rights – SDR deposits are deposits that bring an interest of 0.159% on average for the reporting period.

Item use of IMF funds, represents use of IMF funds according the agreement for use of credit line by Kosovo Government (SBA) and the emergency assistance agreement under the Rapid Financing Instrument (RFI) in the amount of SDR 41.3 million 10 April 2020. Changes are derived mainly from new disbursement, payments and partially from changes on foreign exchange.

10, 11 Tangible and Intangible Assets**Tangible Assets:**

Historical cost	Premises	Equipment, offices and other	Computer hardware	Vehicles	Assets in process of capitalization	Total
At 01 January 2021	5,795,047.34	2,663,675.79	2,409,512.06	389,349.16	4,620.00	11,262,204.35
Acquisitions	313,568.40	1,250.00	5,464.00	-	-	320,282.40
Transfer from / to (correction)	4,620.00	-	-	-	(4,620.00)	-
Disposals/Written Offs	-	(170,875.47)	(610,334.99)	-	-	(781,210.46)
At 31 December 2021	6,113,235.74	2,494,050.32	1,804,641.07	389,349.16	-	10,801,276.29
At 01 January 2022	6,113,235.74	2,494,050.32	1,804,641.07	389,349.16	-	10,801,276.29
Acquisitions	-	4,190.00	6,400.00	-	-	10,590.00
Transfer from / to (correction)	-	-	-	-	-	-
Disposals/Written Offs	-	-	-	-	-	-
At 31 March 2022	6,113,235.74	2,498,240.32	1,811,041.07	389,349.16	-	10,811,866.29
Depreciation						
At 01 January 2021	1,688,440.62	2,239,718.83	2,106,933.39	338,602.53	-	6,373,695.37
Depreciation for the year	298,864.81	158,564.46	175,284.50	13,840.00	-	646,553.77
Disposals/Written Offs	-	(170,875.47)	(609,752.07)	-	-	(780,627.54)
At 31 December 2021	1,987,305.43	2,227,407.82	1,672,465.82	352,442.53	-	6,239,621.60
At 01 January 2022	1,987,305.43	2,227,407.82	1,672,465.82	352,442.53	-	6,239,621.60
Depreciation for the year	77,588.92	31,830.06	15,486.64	3,460.00	-	128,365.62
Disposals/Written Offs	-	-	-	-	-	-
At 31 March 2022	2,064,894.35	2,259,237.88	1,687,952.46	355,902.53	-	6,367,987.22
Net Carrying amounts						
At 01 January 2021	4,106,606.72	423,956.96	302,578.67	50,746.63	4,620.00	4,888,508.98
At 31 December 2021	4,125,930.31	266,642.50	132,175.25	36,906.63	-	4,561,654.69
At 31 March 2022	4,048,341.39	239,002.44	123,088.61	33,446.63	-	4,443,879.07

10, 11 Tangible and Intangible Assets (continued)**Intangible Assets:**

Historical cost	Software under development	Computer software	Total
At 01 January 2021 (as stated)	31,037.92	4,658,281.96	4,689,319.88
Corrections for the previous year	(20,052.92)	-	(20,052.92)
At 01 January 2021 (restated)	10,985.00	4,658,281.96	4,669,266.96
Acquisitions	-	43,069.80	43,069.80
Transfer from / to (correction)	(10,985.00)	10,985.00	-
Disposals/Written Offs	-	(1,547,969.31)	(1,547,969.31)
At 31 December 2021	-	3,164,367.45	3,164,367.45
At 01 January 2022		3,175,352.45	3,164,367.45
Acquisitions	-	-	-
Transfer from / to (correction)	-	-	-
Disposals/Written Offs	-	-	-
At 31 March 2022	-	3,175,352.45	3,164,367.45
Amortization			
At 01 January 2021	-	2,988,915.73	2,988,915.73
Amortization for the year	-	382,249.05	382,249.05
Disposals/Written Offs	-	(1,547,969.31)	(1,547,969.31)
At 31 December 2021	-	1,823,195.47	1,823,195.47
At 01 January 2022	-	1,823,195.47	1,823,195.47
Amortization for the year	-	91,893.43	91,893.43
Disposals/Written Offs	-	-	-
At 31 March 2022	-	1,915,088.90	1,915,088.90
Net Carrying amounts			
At 01 January 2021	10,985.00	1,680,351.23	1,680,351.23
At 31 December 2021	-	1,352,156.98	1,341,171.98
At 31 March 2022	-	1,260,263.55	1,249,278.55

12. Other assets

Other assets are as below:

	31 March 2022	31 December 2021
Income Receivables	1,756,643.82	2,057,689.94
Prepayment	617,737.64	129,225.55
Payments/claims in process (ICS/DepoX)	(1,377.20)	-
Total	2,373,004.26	2,186,915.49

Payments / claims in process are payments which for various reasons may not have been settled on the reporting date. Payments/claims in question are usually settled on the next business day.

13. Due to domestic banks

	31 March 2022	31 December 2021
ProCredit Bank	67,403,527.00	68,786,501.68
Raiffeisen Bank	77,926,111.47	81,320,412.95
NLB Prishtina	87,904,684.90	86,342,187.45
Komercijalna Banka - Dega Mitrovicë	10,421,859.22	10,090,155.26
Banka Ekonomike e Prishtinës	43,126,017.20	78,541,569.78
Banka për Biznes	44,390,717.89	61,534,638.08
Banka Kombëtare Tregtare e Shqipërisë	64,170,546.91	86,666,247.18
Turk Ekonomi Bankasi Sh.A	74,632,768.12	85,173,425.24
Turkiye Is Bankasi A.S.	20,367,215.73	20,370,019.79
T.C. Zirat Bankasi A.S.Dega Kosovë	6,361,586.88	7,133,503.38
Banka Kreditore e Prishtinës	100,266.94	13,225.29
Banka Credins Kosovë	2,090,668.73	3,127,320.01
Total	498,895,970.99	589,099,206.09

Disclosed in this group are the balances of commercial banks operating in the country (Kosovo). They in the CBK keep the funds according to the legal regulations for the liquidity reserve. In total, the amount disclosed above for the reporting period March 31, 2022 is about 2.3 times (as of December 31, 2021 2.8 times) higher than the value of the required reserve to be kept in the CBK.

14. Due to accounts related to IMF

	31 March 2022	31 December 2021
Current account FMN No. 1	263,379.43	261,727.63
Expenses account FMN No. 2	6,226.46	6,187.41
IMF securities account	129,041,597.76	140,483,385.54
Part paid of IMF quota	18,590,639.88	18,470,342.49
IMF SDR allocated by IMF	167,537,704.98	166,486,981.68
Accrued Interest	180,673.20	144,460.04
Total	315,620,221.71	325,853,084.79

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

14. Due to accounts related to IMF (continued)

Three first items represent opened accounts according to IMF regulation: two operational accounts and one account in trust for securities issued by Kosovo Government as payable notes.

The paid quota is held in SDR (SDR 14,160,000), which in the table above is expressed in euro.

IMF SDR are allocations mentioned before (note 9) according to allocations on 28 August, 09 September 2009 and 23 August 2021, together in the amount of 134,536,798 SDR also expressed in euros in the table of note 14. The interest rate on the item allocations for the reporting period is the same as for SDR deposits.

15. Due to Governmental Domestic Institutions

Due to governmental institutions comprise of:

Current account

	31 March 2022	31 December 2021
Treasury – Ministry of Economy and Finance	533,404,024.20	423,321,525.19
Privatization Agency of Kosovo	181,221,204.94	184,736,709.38
Interim Administrative Institutions	271,341.68	303,383.73
Total	714,896,570.82	608,361,618.30

Deposits on current accounts benefit interest of 0.00% (both for the reporting period and the comparative period). There are no active term deposits in the reporting period, as well as for 31 December 2021 there were no term deposits. Change is the flow of the operational activity of the institutions that make up the group.

16. Due to Public and Commercial Entities

Dues to commercial and public entities are as below and are all assets in current accounts:

	31 March 2022	31 December 2021
Insurance Companies	4,823,062.75	4,810,943.55
Public Institutions	72,017,961.54	72,579,470.31
Pension Funds and other	1,773.83	1,777.83
Total	76,842,798.12	77,392,191.69

17. Borrowings

	31 March 2022	31 December 2021
Borrowings from World Bank	2,039,462.28	2,139,264.56
Total	2,039,462.28	2,139,264.56

We have two projects that have been financed by the World Bank through the loan: the project for the Business Continuity and the project for the real-time payments system (RTGS). The Real Time Payment System Project is in operation since July 2016, while the Business Continuity has been inaugurated at the end of 2016. The return of funds is over 10 years. The change is as a result of payment of principal and due to conversion of SDR to EUR at the reporting date, respectively as a result of change in the EUR / SDR exchange rate.

18. Other liabilities

	31 March 2022	31 December 2021
Escrow account	756,036.51	756,036.51
Deferred income	186,521.73	211,162.22
Payables and Accrued expenses	511,910.31	835,432.38
Long term Emp. Benefit	615,264.34	615,264.34
Total	2,069,732.89	2,417,895.45

Within the group is a reduction in the total balance of the group compared with 31 December 2021. Mainly influenced by the reduction of accounts payable balance to March 31, 2022, compared to 31 December 2021.

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

	31 March 2022	31 December 2021
Authorized capital	30,000,000.00	30,000,000.00
Reserve funds	32,972,924.93	26,857,364.96
Net result for the period	1,530,189.20	6,115,559.97
Total	64,503,114.13	62,972,924.93

The financial result of the period is positive for about 1,530 million euros, mainly influenced by the satisfactory realization of revenues and maintenance of expenditures according to the budget planning for the reporting period. The item of foreign exchange revaluation at the reporting date is in the amount of about 161 thousand euros (as unrealized profit), the item of provisions for expected credit losses (net increase / (decrease)) is in the amount of 81 thousand euros (as unrealized profit)) and if we exclude these two items the financial result remains positive of about 1,288 thousand euros.

21. Net interest income

	31 March 2022	31 March 2021
Interest Income		
From placements	4,312.12	166.82
From securities	845,200.57	694,649.01
From deposit current accounts	64,952.70	9,518.94
From negative rates on deposits ³	342,690.55	331,482.15
	1,257,155.94	1,035,816.92
Interest expense		
From IMF Account (SDR Allocation	68,475.68	10,696.32
From correspondent banks	213,749.22	248,412.80
From Borrowing	4,701.48	-
	286,926.38	259,109.12
Net interest income	970,229.56	776,707.80

As you can be seen from the table under note 21, revenues from interest rates are higher compared with the same period of last year. This has resulted in net interest revenues are higher than the same period of last year.

Average interest rates on net interest revenues (taking into consideration only committed portfolio) brought in about 0.596% (in the same period of 2021 0.485%).

22. Net fee and commission income

	31 March 2022	31 March 2021
Net fee and commission income		
From cash deposits	278,846.75	259,552.50
From incoming transfer	26,325.71	10,707.72
From outgoing transfers	99,230.00	79,077.38
From domestic transfers (Domestic payment system)	339,696.77	293,573.15
From credit registry system	38,842.00	38,649.50
Other fees	6,206.00	5,770.00
	789,147.23	687,330.25
Fee and commission expense		
From cash transportation	201,147.88	120,519.50
From correspondent bank transactions	2,139.35	1,903.11
	203,287.23	122,422.61
Net fee and commission position	585,860.00	564,907.64

An increase compared to same period of the previous year, it derived from normal volume of activities.

³ Referring to the negative rates that are being followed by the financial markets of the euro currency, based also on ECB reference rates, the CBK has set negative rates on some of its depositors since September 2016.

23. Incomes from regulatory activity

	31 March 2022	31 March 2021
Banks licenses renewal fees	969,000.00	799,000.00
Bank licenses fees	14,900.00	2,800.00
Insurance Companies licenses renewal fees	370,000.00	330,000.00
Insurance Companies licenses fees	8,900.00	23,500.00
Pension funds renewal fees	6,900.00	6,400.00
Other financial institution fees	59,000.00	54,400.00
Total	1,428,700.00	1,216,100.00

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

24. Grant revenue

	31 March 2022	31 March 2021
Grant revenue	32,845.33	34,386.33

There are two grants that effect note 24 grant revenues. They are grant for application of management of whole process of *issuing the government securities* (which in fact the complete application was granted to us) and partial financing from grant for the application of *credit registry also the grant on supervision financial reporting application*.

25. Other operational incomes

	31 March 2022	31 March 2021
Other income	3,487.45	719.80

Incomes from other activity are not regular ones and which could not be part of any regular items of incomes listed in previous notes.

26. Personnel expenses

	31 March 2022	31 March 2021
Wages and salary expenses	854,392.63	848,491.99
Social security and health insurance	215,558.50	204,291.18
Staff training costs	8,119.92	432.00
Board expenses	20,228.63	16,980.47
Daily meal	32,764.50	35,505.00
Other	3,128.86	3,959.34
Total	1,134,193.04	1,109,659.98

The total number of employees who have been active in the payroll during the period January-March 2022 is: 231 (in the period January - March 2021, 230).

Other categories of staff costs include additional pension compensation (2022, 2,264.13 euros; 2021, 2,271.05 euros) financial support for housing (2022, 864.73 euros; 2021, 1,368.29 euros) and the student internship program (2022, 0.00 euro, 2021, 320.00 euros). Additional pension compensation is a result of previous decisions, from where some former employees are compensated directly by the CBK, unable to transfer this obligation to them to pension funds at the moment when the CBK has transferred the management of the supplementary pension fund.

27. General and administrative expenses

	31 March 2022	31 March 2021
Insurance expenses	153,339.47	80,534.16
Repairs and maintenance	22,593.23	11,627.43
Application maintenance	90,190.89	83,829.08
Communication expenses (telephone, fax, and internet)	7,943.07	1,129.65
Public utility expenses	26,938.43	15,697.02
Consulting and auditing expenses	643.11	1,020.80
Security (guard and transportation)	28,506.40	9,873.60
Travel and transportation	6,447.04	2,092.50
Vehicle operating expenses	2,478.58	4,035.55
Consumable administrative material	4,696.15	5,569.88
Cafeteria expenses	8,312.51	7,700.38
Consumable expenses (IT and non-IT equipment supply)	2,902.71	2,486.50
Publishing and literature	4,147.90	1,970.50
Representation expenses	3,164.57	4,450.61
Membership to professional institutions	8,661.90	7,869.54
Other	7,998.93	7,417.27
Total	378,964.89	247,304.47

The change is mainly derived by any activity that did not have the same periodicity in comparative periods.

28. Net result of changes in exchange rates

Exchange Rate Revaluation	31 March 2022	31 March 2021
From USD Position	189,433.28	398,713.14
From SDR Position	(28,277.90)	(68,729.51)
Net unrealized profit/loss from exchange rate	161,155.38	329,983.63

The result presented above is temporary (specifically only to reporting date) and can change depending on the movement of exchange rates EUR / SDR and EUR/USD.

29. Cash and cash equivalents

	Note	31 March 2022	31 December 2021
Cash in hand	5	486,988,713.02	537,818,328.96
Cash accounts with non-resident banks	6	215,301,192.20	151,912,861.19
Placements with non-resident banks with maturity up to three months		16,870,777.45	14,058,822.15
Total		719,160,682.67	703,790,012.30

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

30. Commitment and contingencies**Membership in the World Bank**

After the accession of the Republic of Kosovo in the World Bank and its sub-agencies Kosovo Government has issued notes payable (upon request), pledging that it will pay at the request of the World Bank (her sub-agencies) for the membership fee. The value of their March 31, 2022 is approximately 645,152 euros (December 31, 2021, this liability was expected 645,152 euro), CBK acts as financial intermediary (bank guarantee) and funds held in safe-custody account.