

Report on the Federation Part of Project Financial  
Statements of the

**BANKING SECTOR STRENGTHENING  
PROJECT**

of the Ministry of Finance and Treasury of Bosnia and Herzegovina

Financed by:  
- IBRD 8741-BA

For the period from 1 January to 31 October 2021

**BANKING SECTOR STRENGTHENING PROJECT**  
**of the Ministry of Finance and Treasury of Bosnia and Herzegovina**

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## **BANKING SECTOR STRENGTHENING PROJECT** **of the Ministry of Finance and Treasury of Bosnia and Herzegovina**

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### **1. Introduction**

The World Bank - International Bank for Reconstruction and Development (IBRD) will provide a credit to the Bosnia and Herzegovina Banking Sector Strengthening (BSSP). The Credit proceeds will be passed onto Federation of Bosnia and Herzegovina (FBiH) and Republic Srpska (RS) under Subsidiary Credit Agreements, with terms and conditions satisfactory to IBRD. The agencies responsible for implementation of the Banking Sector Strengthening Project are Federal Ministry of Finance (FMF) for Part A of the Project through its Project Implementation Team (PTU). PTU shall be responsible for the day-to-day implementation, coordination, including procurement and financial. The Financial Manual is to help the SPI financial staff and management improve the financial management of the Project financed by the World Bank. The fundamental aim is therefore to improve project management. It is also to promote improved compliance with Operational Policies and Bank Procedures on financial management and to facilitate the use of a new method of disbursement introduced by the World Bank, which uses periodic Interim Un-audited Financial State (IFRs) as a basis for disbursement.

#### **1.1 Objectives of the Project**

The objective of the Project is support to implementation of the key reforms in the financial sector of Federation BiH identified in the Mid-term Reform Agenda for BiH, the FBA Action Plan for implementation of the Financial Sector Assessment Programme (FSAP) and in special requirements for WB assistance.

The Project Development Objective is to improve the soundness of the banking sector by enhancing bank regulation, supervision and resolution capacity and by enhancing the governance of the FBiHDB.

#### **1.2 Components and activities of the Project**

Project components shall be the following:

1. Strengthening, regulation and supervision aligned with the Basel III regime, tailored to the level of development of the banking sector (hereinafter referred to as: *Component 1* of the Project),
2. Addressing weaknesses in the banking sector (hereinafter referred to as: *Component 2* of the Project),
3. Operationalizing the new bank resolution framework (hereinafter referred to as: *Component 3* of the Project),
4. Improving governance and business model of entity development banks (hereinafter referred to as: *Component 4* of the Project), and
5. Provision of additional technical assistance in the achievement of the objective of the Project (hereinafter referred to as: *Component 5* of the Project).

**Component 1** of the Project has as its objective the provision of support to the FBA in the following:

- 1) Further strengthening of capital and liquidity requirements to enhance banks' ability to withstand solvency and liquidity shocks,
- 2) Introduction of a risk appetite framework and internal capital adequacy assessment process (hereinafter referred to as: ICAAP), through the implementation of Pillar 2 of Basel III, which aims to enhance the link between an institution's risk profile, its risk management and its capital planning,
- 3) Develop new revised supervisory risk-based methodologies for supervisory risk review and evaluation process (hereinafter referred to as: SREP methodology) aligned with the European Union standards, aimed at enhancing transparency and harmonization of supervisory review processes.



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**1.2 Components and activities of the Project (continued)**

**Component 2** of the Project has as its objective the provision of support to the FBA in the following:

- 1) Improvement and performance of asset reviews in banks (hereinafter referred to as: AQR) and the launch of the 2017 AQRs of in the remaining banks in Federation BiH, and
- 2) Adoption of adequate programmes for resolving problems in banks, on the basis of results of asset quality reviews, either by mandatory time bound corrective action programs or resolution/liquidation programs for all undercapitalized banks.

**Component 3** of the Project has as its objective the provision of support to the FBA in the implementation of the legal framework that regulates bank resolution, specifically in the following:

- 1) Preparation and adoption of a key set of bylaws and decisions that regulate bank recovery and resolution,
- 2) Establishment and operationalization of the Bank Resolution Unit within the FBA and
- 3) Adoption of an internal assessment methodology for recovery plans and subsequent assessment of recovery plans to be submitted by all banks to the FBA.

**Component 4** of the Project has as its objective the provision of support to the FBIHDB in the following:

- 1) Definition and adoption of the FBiH Government's statement on future development of the FBIHDB,
- 2) Adoption of the FBIHDB business plan, and
- 3) Alignment of the FBIHDB's risk management organization, reporting lines, and policies and procedures with those required for FBA-regulated banks.

In accordance with Amendment No. 2 to the Loan Agreement Project components are replaced in its entirety and are as follows:

1. Strengthen banking regulation and supervision in line with Basel II/III principles,
2. Address weaknesses in the banking sector,
3. Improve FBA's ability to undertake bank recovery and resolution functions,
4. Promote access to financing for COVID-19 affected enterprises through regulatory measures and liquidity measures, while maintaining financial stability, as well as improving the governance and business model of the FBiH Development Bank.

The institutions involved in the Project shall be the Ministry, FBA, and FBIHDB, whose obligations and duties are defined under the Implementation Agreements concluded between the Ministry and those institutions. Ministry shall be under obligation to cooperate with the Team, and to ensure the corresponding staff related and tangible preconditions and expert assistance to the members of the Team for the purpose of efficient achievement of results of the Project. The team members from the FBA and FBIHDB shall be under obligation to establish and manage individual records on technical assistance provided and ensured within the framework of the loan.

The Ministry, as the authority responsible for the Project, shall be responsible for the following:

- 1) The overall implementation of the Project and coordination of activities with the FBA and FBIHDB,
- 2) Establishment of the Team, and
- 3) Monitoring the realization of disbursement indicators (Attachment 2 – Disbursement Indicators) and submitting evidence on meeting the disbursement indicators (Attachment 3 – Verification Protocols).

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**1.2 Components and activities of the Project (continued)**

The Ministry shall undertake all necessary or appropriate measures in order to ensure that the FBA and FBIHDB are performing their tasks in compliance with the provisions of the corresponding legal agreements and that they are not undertaking any measure that might prevent or disrupt such performance and achievement of objective of the Project.

The FBA shall be under obligation to inform the Team regularly, and at least once a month, through appointed persons, on the pace and the degree of realization of activities under Components 1, 2 and 3 of the Project.

The activities referred to in Paragraph 1 shall cover the following:

- 1) Implementation of the quantitative impact study for the draft enactments on liquidity and capital,
- 2) Adoption of bylaws on capital, liquidity, risk management standards, including the risk appetite framework and internal management, the internal capital adequacy assessment process, and consolidated supervision;
- 3) Adoption of the new SREP methodology in compliance with the EU standards,
- 4) Adoption of a harmonized framework for AQR and compilation of reports on AQRs implemented for all the banks,
- 5) Application of the programme of supervisory measures or resolution / liquidation programmes for undercapitalized banks,
- 6) Adoption of a bylaw on recovery plans in compliance with the standards of the European Union,
- 7) Establishment of a dedicated unit for bank resolution within the framework of the FBA,
- 8) assessment of recovery plans being submitted to the FBA by banks.

The FBA shall be under obligation to inform the Team and deliver all information in connection with the realization of the Project within the same or, at the latest, the next working day from the date of adoption of a bylaw or another enactment or realization of other activities referred to in Paragraph 2 of this Article, electronically or by mail.

FBIHDB shall be under obligation to inform the Team regularly, and at least once a month, through appointed persons, on the pace and the degree of realization of activities under Component 4 of the Project, and specifically on the following:

- 1) Definition and adoption of the strategic statement by the FBiH Government on the future development of the FBIHDB,
- 2) Adoption of the FBIHDB's business plan, and
- 3) Measures adopted for the alignment of the DBFBiH's risk management organization, reporting lines, and policies and procedures with those required for FBA-regulated banks.

FBIHDB shall be under obligation to inform the Team and deliver all information in connection with the realization of the Project within the same or, at the latest, the next working day from the date of realization of activities referred to in Paragraph 1 of this Article, electronically or by mail.



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**1.3 Institutional and implementation arrangements**

**1.3.1 Project Management and Implementation**

According to the PAD the Project will be implemented by the PIT in Federation during the one-year period.

*Project Implementation Team*

- 1) The Team shall be established for the requirements of implementation of the Project, and its members shall be, upon a proposal of the institutions involved in the Project implementation, appointed by the Minister of Finance.
- 2) The Team shall report to the Minister of Finance for its work.
- 3) The Report on Operations of the Team and on the Realization of the Project shall be submitted by the Project manager to the Minister of Finance semi-annually, and if necessary, more frequently, or upon a request of the Minister of Finance.
- 4) The Team shall be appointed until the deadline for the closing of the Project., i.e. until the final deadline for withdrawal of the loan proceeds, whichever of the two is longer (such services can be funded from the loan only until the project closing date).
- 5) The Team shall be in charge of the implementation and realization of Project objectives, reporting, and regular application of laws and regulations in connection to the realization of the Project.
- 6) The Team shall comprise the following:
  - a) the Project manager,
  - b) representatives of the FBA, as contact persons for the implementation of the Project and reporting on behalf of those institutions,
  - c) representatives of the FBIHDB, as contact persons for the implementation of the Project and reporting on behalf of those institutions, and
  - d) a person for the tasks of financial management.
- 7) Depending on the requirements of implementation of the Project, a person the procurement related tasks may also be included in the Team.
- 8) The Project manager shall be a nominated person with background in banking and public sector
- 9) The Team shall have Financial Specialist who has experience in financial management of projects, preferably financed by international financial organizations.
- 10) The Team shall be under obligation to cooperate with the Team of the Federation of Bosnia and Herzegovina established for the implementation of the Project in the Federation of Bosnia and Herzegovina.

Total Project loan funds for Federation BiH amount to EUR 28.3 million. Additionally, EUR 70,750 will be taken out of the loan to cover the front-end fee out of the proceeds of the loan. All disbursement categories under the Project shall be financed up to 100% from the Loan proceeds, including taxes.

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**1.3 Institutional and implementation arrangements (continued)**

**1.3.1 Project Management and Implementation (continued)**

*Table 1 – Detailed Review of Project Expenditures*

Project components	Total expenses	IBRD financing	Trust funds	Percentage of IBRD financing
	FBiH (in EUR)	FBiH (in EUR)	Allocation between the entities (in US\$)	FBiH (%)
Improving bank regulation and supervision, addressing weaknesses in the banking sector, establishing a bank resolution framework, and enhancing governance and operation of the entity development banks	27,279,250	27,279,250	730,000 <sup>1</sup>	100
Technical assistance	950,000	950,000	-	-
Front and fee	70,750	70,750	-	-
<b>Total expenses</b>	<b>28,300,000</b>	<b>28,300,000</b>	<b>730,000</b>	<b>-</b>

**1.4 Financing of the Project**

**1.4.1 IBRD Credit No. 8741-BA**

The State of Bosnia and Herzegovina is the borrower of the International Development Association (IBRD) Credit No. 8741-BA, amounting to the equivalent of EUR 56,600,000. Under the terms of a subsidiary finance agreement between State of Bosnia and Herzegovina and the Federation of Bosnia and Herzegovina ("FB&H"), funds of the equivalent of EUR 28,300,000 have been lent to FB&H. Categories of cost items to be financed out of the proceeds of the Credit, the allocation of the amounts of the Credit to each category and the percentage of expenditure for cost items so to be financed in each category are as follows:

Item	Amount of the Credit allocated (in EUR)	% of expenditures to be financed (inclusive of taxes)
(1) FBiH Eligible Expenditure Program	27,279,250	100%
Goods, non-consulting services, consultants' services, Training, and Incremental Operating Costs for Part A.5 of the Project	950,000	100%
(3) Front-end Fee	70,750	-
<b>Subtotal</b>	<b>28,300,000</b>	

<sup>1</sup> The amount is expressed for BiH, and allocation across entities will be equitable done according to the item 41. in PAD.

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**1.4 Financing of the Project (continued)**

**1.4.1 IBRD Credit No. 8741-BA (continued)**

In accordance with Amendment No. 2 to the Loan Agreement categories of cost items to be financed out of the proceeds of the Credit, the allocation of the amounts of the Credit to each category and the percentage of expenditure for cost items so to be financed in each category can be presented as follows:

<b>Item</b>	<b>Amount of the Credit allocated (in EUR)</b>	<b>% of expenditures to be financed (inclusive of taxes)</b>
(1) FBIF Eligible Expenditure Program Goods, non-consulting services, consultants'	28,159,250	100%
(2) services, Training, and Incremental Operating Costs for Part A.5 of the Project	70,000	100%
(3) Front-end Fee	70,750	-
<b>Subtotal</b>	<b>28,300,000</b>	

Planned closing date of the Project was 30 June 2021.



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## **Independent Auditor's Report**

To the State of Bosnia and Herzegovina,  
Ministry of Finance and Treasury  
Attn. of Minister of Finance and Treasury H.E. Mr. Vjekoslav Bevanda

### **Report on the Project Financial Statements**

#### **Opinion**

We have audited the accompanying project financial statements of the Federation part of the Banking Sector Strengthening Project (the "Project"), which comprise of Summary of sources and uses of funds, Balance sheet, Designated account, Statements of loan withdrawals as of and for the period ended 31 October 2021, and a summary of significant accounting policies and other explanatory notes for the period then ended, financed under IBRD Credit 8741-BA.

In our opinion, the accompanying project financial statements present fairly, in all material aspects, the financial position of the Project as of 31 October 2021, and of the funds received and disbursed during the period then ended, in accordance with the cash basis of accounting based on International Public Sector Accounting Standard ("IPSAS"), as described in Note 4.1.

#### **Basis for Opinion**

We conducted our audit in accordance with International Standards on Auditing (ISAs) and "Guidelines: Annual Financial Reporting and Auditing for World Bank-Financed Activities" issued by FMSB. In conducting audit, we were also guided by the Bank's financial reporting and auditing requirements, Disbursement Guidelines for Investment Project Financing, the Loan Handbook for World Bank Borrowers and the World Bank's Procurement Framework. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Ministry of Finance and Treasury in accordance with the International Ethics Standards Board for Accountants Code of Ethics for Professional Accountants (IESBA Code) together with the ethical requirements that are relevant to ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### **Responsibilities of Management and Those Charged with Governance for the Project Financial Statements**

The management of project implementation unit is responsible for the preparation of these project financial statements in accordance with the cash basis of accounting based on IPSAS, as described in Note 4.1., Guidelines: Annual Financial Reporting and Auditing for World Bank-Financed Activities, and for such internal control as management determines is necessary to enable the preparation of project financial statements that are free from material misstatement, whether due to fraud or error. In preparing the financial statements, management is responsible for assessing the Project's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Project or to cease operations or has no realistic alternative but to do so. Those charged with governance are responsible for overseeing the financial reporting process.

## Responsibilities for the Audit of Financial Statements

Our objectives are to obtain reasonable assurance about whether the project financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the project financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Project's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Project's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Project to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the project financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

## Report on other requirements

In addition, with respect to the Statement of Expenditure, adequate documentation supporting Disbursement Linked Indicators or Performance Based Conditions and underlying expenditures has been maintained to support claims for reimbursements of expenditures occurred and such expenditure were eligible and incurred for the purpose intended under IBRD Credit 8741-BA. Also, respective reports issued during the period were in agreement with the underlying books of account.

Signed on behalf of Baker Tilly Re Opinion d.o.o. Sarajevo

Nihad Fejzić, Director and Certified Auditor

Ezita Imamović, Certified Auditor

Sarajevo, 10 December 2021





**BANKING SECTOR STRENGTHENING PROJECT**  
**of the Ministry of Finance and Treasury of Bosnia and Herzegovina**

Project financial statements for the period ended 31 October 2021

(all amounts in EUR, unless otherwise stated)

**3. Project financial statements for the period ended 31 October 2021**

**3.1 Summary of Sources and Uses of Funds under the IBRD 8741-BA for the period ended 31 October 2021**

	Ref.	Actual 31 October 2021	Cumulative 31 October 2021	Cumulative 2020	Cumulative budget	Cumulative variance
<b>FINANCING</b>						
IBRD 8741-BA		7,960,000	28,300,000	20,340,000	28,300,000	
Refund		(668)	(668)			
<b>TOTAL FINANCING</b>	<b>3.1</b>	<b>7,959,332</b>	<b>28,299,332</b>	<b>20,340,000</b>	<b>28,300,000</b>	<b>668</b>
<b>PROJECT EXPENDITURE</b>						
<b>By Category</b>						
1. FBiH Eligible Expenditure Program		7,960,000	28,159,250	20,199,250	28,159,250	-
2. Goods, non-consulting services, consultants' services, Training, and Incremental Operating Costs for Part A.5 of the Project		29,848	69,332	39,484	70,000	668
3. Front End Fee		-	70,750	70,750	70,750	-
<b>TOTAL EXPENDITURE</b>	<b>3.2.</b>	<b>7,989,848</b>	<b>28,299,332</b>	<b>20,309,484</b>	<b>28,300,000</b>	<b>668</b>
<b>PROJECT EXPENDITURE</b>						
<b>By Component</b>						
1. Support to the FBA (component 1 and 4) DLI FBA		7,960,000	28,159,250	20,199,250	28,159,250	-
2. Consultants services and operating costs		29,848	69,332	39,484	70,000	668
3. Front and Fee		-	70,750	70,750	70,750	-
<b>TOTAL EXPENDITURE</b>	<b>3.2.</b>	<b>7,989,848</b>	<b>28,299,332</b>	<b>20,309,484</b>	<b>28,300,000</b>	<b>668</b>



**BANKING SECTOR STRENGTHENING PROJECT**  
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Project financial statements for the period ended 31 October 2021

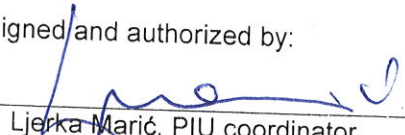
*(all amounts in EUR, unless otherwise stated)*

**3. Project financial statements for the period ended 31 October 2021 (continued)**

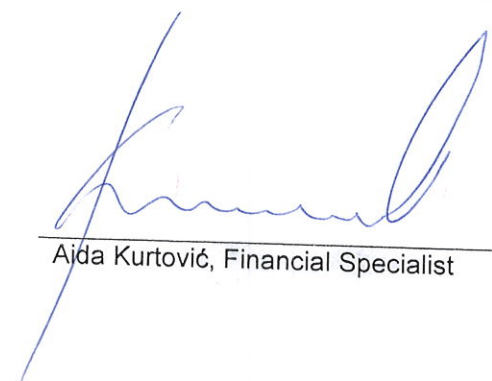
**3.2 Balance sheet as of 31 October 2021 showing accumulated funds of the Project and bank balances concerning IBRD financing**

	Ref.	31 October 2021	31 December 2020
<b>ASSETS</b>			
Project Expenditures 8741-BA	3.1.	28,299,332	20,309,484
		<b>28,299,332</b>	<b>20,309,484</b>
Designated Account Statement – IBRD 8741-BA	A.1	-	30,516
Designated Sub-account Statement – IBRD 8741-BA	A.2.	-	-
		-	<b>30,516</b>
<b>Total assets</b>		<b>28,299,332</b>	<b>20,340,000</b>
<b>LIABILITIES</b>			
IBRD 8741-BA	3.1.	28,299,332	20,340,000
<b>Total liabilities</b>		<b>28,299,332</b>	<b>20,340,000</b>

Signed and authorized by:

  
 Ljerka Marić, PIU coordinator  
 Federal Ministry of Finance

Sarajevo, 10 December 2021

  
 Aida Kurtović, Financial Specialist

**BANKING SECTOR STRENGTHENING PROJECT**  
**of the Ministry of Finance and Treasury of Bosnia and Herzegovina**

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Project financial statements for the period ended 31 October 2021

*(all amounts in EUR, unless otherwise stated)*

**4. Notes to the project financial statements**

**4.1 Basis of preparation and accounting records**

These project financial statements have been prepared on the cash basis of accounting based on International Public Sector Accounting Standards issued by the Public Sector Committee of the International Federation of Accountants, and incorporate the accounting policies below, which have been consistently followed in all material respects.

**4.2 Accounting policies**

The Project's fiscal year is 1 January to 31 December for the recording of all transactions.

***Cash basis of accounting***

All receipts and expenses under IBRD Loan are recorded on actual receipt and payment basis of accounting as per approved categories.

Project expenditure is stated at original cost on the Balance sheet.

***Direct payments***

Direct payments concern the amounts paid directly from the IBRD Loan account.

***Statement of Expenditure (SoE)***

Statements of Expenditure are used to state the expenditure under IBRD Loan during a certain period. These statements are sent to the IBRD disbursement specialist who authorizes the payment of the expenditure through the Designated account.

***Currency conversions***

The reporting currency is Euro (EUR). Sources and use of funds in currencies other than EUR have been converted to EUR using the currency rate at the moment of the transaction.

Bank balances, recorded on the Balance sheet at year-end, have been converted at year-end rate.

***Designated account***

This is the total amount of the withdrawals from the IBRD Loan account for the Project. IBRD Loan account is in EUR.

***Interest on Designated accounts***

Interest earned on the Designated accounts belongs to the Borrower.

**BANKING SECTOR STRENGTHENING PROJECT**  
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Project financial statements for the period ended 31 October 2021

*(all amounts in EUR, unless otherwise stated)*

**APPENDIX A.1**

**DESIGNATED ACCOUNT STATEMENT**

**Account owned by:** Ministry of Finance and Treasury of Bosnia and Herzegovina

**Account No.:** BA391611000003777917

**Depository Bank:** Raiffeisen Bank BiH d.d. Sarajevo

**Address:** Zmaja od Bosne bb

**Related Credit:** IBRD 8741-BA

**Currency:** EUR

	<b>Ref.</b>	<b>EUR</b>
<b>Opening balance 1 January 2021</b>	3.2	<b>30,516</b>
Add:		
IBRD Replenishments	3.1.1.	-
		-
Deduct:		
Payments of expenditures during the period		963
Refund of unspent funds to WB		668
Transfer to Designated sub-account IBRD 8741-BA	A.2	28,885
		<b>30,516</b>
<b>Ending balance 31 October 2021</b>	3.2	<b>-</b>



**BANKING SECTOR STRENGTHENING PROJECT**  
**of the Ministry of Finance and Treasury of Bosnia and Herzegovina**

Project financial statements for the period ended 31 October 2021

*(all amounts in EUR, unless otherwise stated)*

**APPENDIX A.2**

**DESIGNATED SUB-ACCOUNT STATEMENT**

**Account owned by:** Ministry of Finance and Treasury of Bosnia and Herzegovina

**Account No.:** BA391611000003777917

**Depository Bank:** Raiffeisen Bank BiH d.d. Sarajevo

**Address:** Zmaja od Bosne bb

**Related Credit:** IBRD 8741-BA

**Currency:** BAM

	Ref.	BAM	EUR
<b>Opening balance 1 January 2021</b>	3.2	-	-
Add:			
Transfer from Designated account IBRD 8741-BA	A.1	56,494	28,885
		<b>56,494</b>	<b>28,885</b>
Deduct:			
Payments of expenditures during the period		56,494	28,885
		<b>56,494</b>	<b>28,885</b>
<b>Ending balance 31 October 2021</b>	3.2	-	-

**BANKING SECTOR STRENGTHENING PROJECT**  
**of the Ministry of Finance and Treasury of Bosnia and Herzegovina**

Project financial statements for the period ended 31 October 2021

(all amounts in EUR, unless otherwise stated)

**APPENDIX B      SoE Withdrawal Schedule of IBRD 8741-BA for the period ended 31 October 2021**

	Initial deposit	Goods, CW, CS and operating costs	Total application	Total replenished
Previous years	30,516	20,309,484	20,309,484	20,340,000
Application No. 5	-	5,000,000	5,000,000	5,000,000
Application No. 7	-	2,960,000	2,960,000	2,960,000
<b>Total Reimbursement 2021</b>	-	<b>7,960,000</b>	<b>7,960,000</b>	<b>7,960,000</b>
Application No. 6*	(12,925)	12,925	12,925	-
Application No. 8**	(16,923)	16,923	16,923	-
<b>Total SoE application 2021</b>	<b>(29,848)</b>	<b>29,848</b>	<b>29,848</b>	<b>-</b>
Less: Refund to World Bank	(668)	-	-	(668)
<b>Cumulative 2021</b>	-	<b>7,989,848</b>	<b>7,989,848</b>	<b>7,959,332</b>
<b>Cumulative 31 October 2021</b>	-	<b>28,299,332</b>	<b>28,299,332</b>	<b>28,299,332</b>

\* Application No. 6 amounts to 19,955 EUR while expenses in amount of 7,030 EUR were made in year 2020 and are presented in audit report as of 31 December 2020.

\*\* Applications No. 6 and No. 8 were replenished from initial deposit.

**BANKING SECTOR STRENGTHENING PROJECT**  
**of the Ministry of Finance and Treasury of Bosnia and Herzegovina**

Project financial statements for the period ended 31 October 2021

*(all amounts in EUR, unless otherwise stated)*

**APPENDIX C      Reconciliation between IFAD's Historic Transaction Report and  
 IBRD Loan account in EUR according to the balance sheet as of 31  
 October 2021; SoE Withdrawal Schedule of IBRD 8741-BA**

	<b>Changes in IBRD Loan (in EUR)</b>
<b>Original amount</b>	<b>28,300,000</b>
Front and fee	70,750
Withdrawal 1	70,000
Withdrawal 2	6,039,250
Withdrawal 3	14,160,000
<b>Total disbursed in 2020</b>	<b>20,340,000</b>
<b>Total disbursed as of 31 December 2020</b>	<b>20,340,000</b>
Withdrawal 5	5,000,000
Withdrawal 7	2,960,000
<b>Total disbursed in 2021</b>	<b>7,960,000</b>
Less: refund to WB	(668)
<b>Total disbursed as of 31 October 2021</b>	<b>28,299,332</b>
<b>Calculated undisbursed balance as of 31 October 2021</b>	<b>668</b>
<b>Undisbursed balance as per IBRD's Historic Transaction Report</b>	<b>668</b>