

Bosnia and Herzegovina
Ministry of Finance and Treasury

QUARTERLY REPORT
ON EXTERNAL DEBT OF BOSNIA AND HERZEGOVINA
Third quarter of 2022

Sarajevo, October 2022

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Abbreviations

ABN AMRO – Fortis Bank

ATM - Average time to maturity

ATR - Average re-fixing time

BAWAG - Labour and Economy Bank and Austrian Postal Savings Bank

GDP - Gross domestic product

CEB - Council of Europe Development Bank

CPU - Contracted accounting currency of the World Bank for obligations under the Consolidated WBIBRD loan

EBA - ERSTE Bank

EBRD - European Bank for Reconstruction and Development

EIB - European Investment Bank

EC - European Commission

Eurobonds RS –Republika Srpska bonds issued at the international market

IFAD - International Fund for Agricultural Development

KEXIM - Export-Import Bank of Korea

KfW - German Development Bank

KWT - Kuwait Fund for Arab Economic Development

Q1 - First quarter of 2022 (1 January-31 March 2022)

Q2 - Second quarter of 2022 (1 April-30 June 2022)

Q3 – Third quarter of 2022 (1 July-30 September 2022)

IMF- International Monetary Fund

OFID - OPEC Fund for International Development

RBA - Raiffeisen Bank A.G.

SDR - Special Drawing Rights, calculation unit used by IMF, World Bank and several other international institutions. SDR is comprised “a basket of currencies”, i.e. USD (41.73 per cent), EUR (30.93 per cent), CNY (10.92 per cent), JPY (8.33 per cent) and GBP (8.09 per cent)

SFD - Saudi Fund for Development

UCBA - UniCredit Bank Austria

WBIBRD - World Bank - International Bank for Reconstruction and Development

WBIDA - World Bank - International Development Association

Introduction

In accordance with the available data¹, the Ministry of Finance and Treasury of Bosnia and Herzegovina prepared the Quarterly Report on External Debt of Bosnia and Herzegovina for the third quarter of 2022, presenting the state and structure of external debt of Bosnia and Herzegovina at the end of this quarter. The Quarterly Report covers the following segments: the state of external debt of Bosnia and Herzegovina over the period and the state of external debt of Bosnia and Herzegovina by external debt state guarantees and external debt risk indicators.

The terms used in the Quarterly Report on External Debt of Bosnia and Herzegovina, in accordance with definitions determined in the Law on Borrowing, Debt and Guarantees of Bosnia and Herzegovina, Article 3 - Definitions (*Official Gazette of Bosnia and Herzegovina*, 52/05, 103/09 and 90/16), shall have the following meanings:

State debt: debt denominated in domestic currency, the borrower of which is the Ministry of Finance and Treasury of Bosnia and Herzegovina on behalf of Bosnia and Herzegovina.

External state debt: state debt created in accordance with an international agreement. Debt created between 2 April 1992 and 14 December 1995 shall not be deemed as the external state debt.

External debt state guarantee: guarantee issued by the state guaranteeing that a loan under an international agreement will be repaid partially or in its entirety in case of the default by the borrower.

Entity debt: debt denominated in domestic currency, the borrower of which is the Ministry of Finance and Treasury, directly or indirectly, on behalf of an Entity.

External debt of Entities: debt of Entities under an international agreement concluded in accordance with the procedures defined by the Law on Borrowing, Debt and Guarantees of Bosnia and Herzegovina.

Likewise, for the purpose of preparation of this Report and clarity, the following terms have been used:

BiH external debt: debt including external state debt, external debt of Entities and external debt of local government units.

External debt of local government units: Debt of the local government units under an international agreement concluded directly between the local government units and the creditor, directly serviced by the local government units.

Old debt: state debt created prior to 2 April 1992, i.e. the debt assumed by Bosnia and Herzegovina as succeeded international obligations created prior to 2 April 1992, reconstructed and reprogrammed following negotiations with foreign creditors.

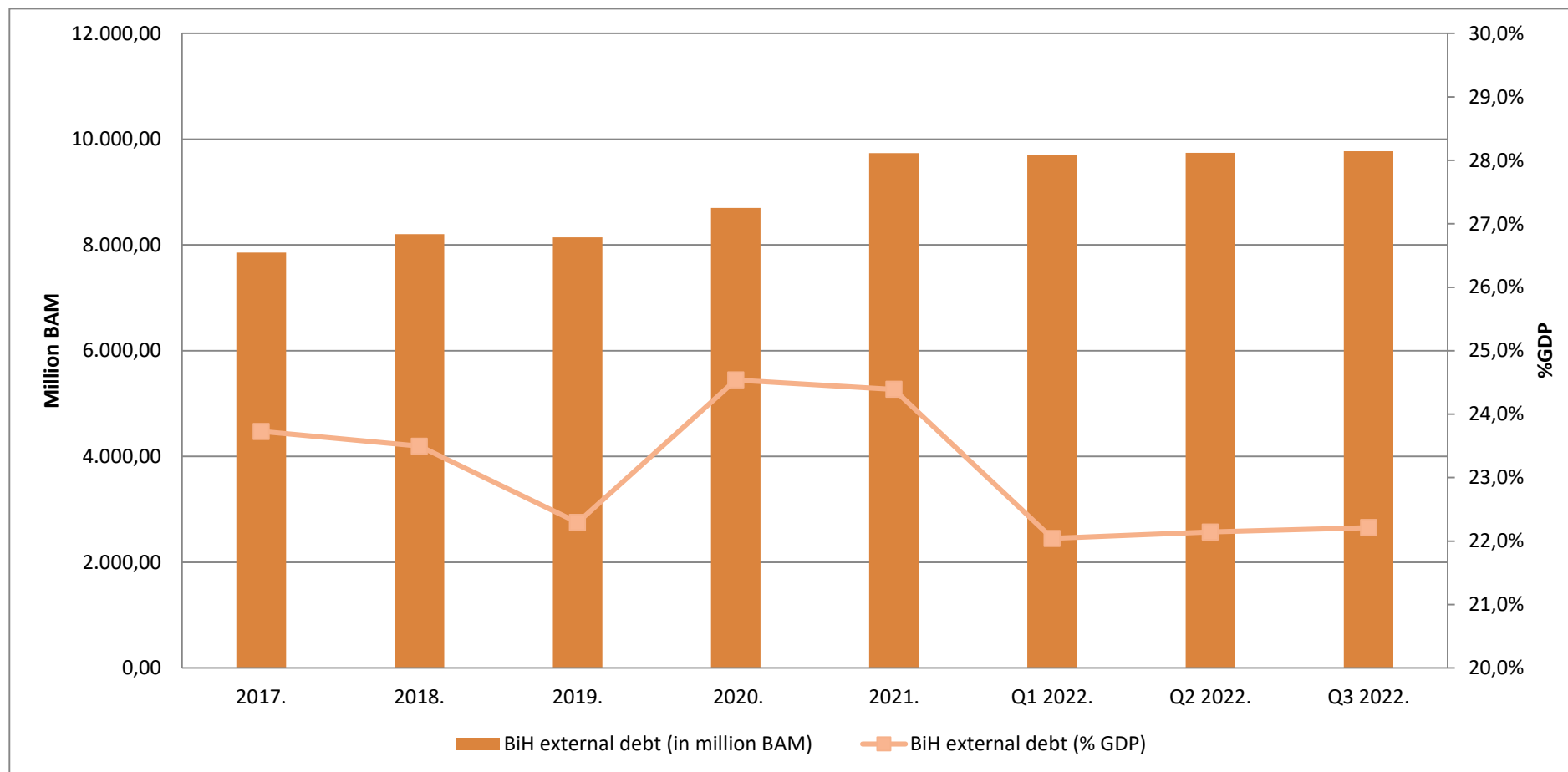
New debt: BiH external debt created after 14 December 1995.

¹ Data on the BiH external debt outstanding for the second and third quarter of 2022 are preliminary.

BiH external debt outstanding (in million BAM)

	2017	2018	2019	2020	2021	Q1 2022	Q2 2022	Q3 2022
External state debt								
Republika Srpska	2.903,14	2.975,52	3.025,39	3.141,78	3.197,85	3.165,21	3.134,24	3.143,71
Federation of BiH	4.704,85	4.636,58	4.533,95	4.980,37	5.391,27	5.391,56	5.469,52	5.492,23
Brčko District	36,72	49,64	53,61	51,28	48,14	47,22	47,93	48,11
Institutions of Bosnia and Herzegovina	75,04	73,95	69,05	66,44	63,49	63,18	62,48	60,85
Total	7.719,75	7.735,69	7.682,00	8.239,87	8.700,75	8.667,17	8.714,17	8.744,90
External debt of Entities								
Republika Srpska	50,98	373,89	368,22	363,99	946,83	946,14	944,54	944,54
Federation of BiH	82,22	79,00	76,22	72,65	66,03	59,99	60,23	58,93
Total	133,20	452,89	444,44	436,64	1.012,86	1.006,13	1.004,77	1.003,47
Local government units debt								
Republika Srpska	0,00	16,33	16,33	21,75	23,84	23,84	22,55	24,10
Total	0,00	16,33	16,33	21,75	23,84	23,84	22,55	24,10
BiH external debt								
Republika Srpska	2.954,12	3.365,74	3.409,94	3.527,52	4.168,52	4.135,19	4.101,33	4.112,35
Federation of BiH	4.787,07	4.715,58	4.610,17	5.053,02	5.457,30	5.451,55	5.529,75	5.551,16
Brčko District	36,72	49,64	53,61	51,28	48,14	47,22	47,93	48,11
Institutions of Bosnia and Herzegovina	75,04	73,95	69,05	66,44	63,49	63,18	62,48	60,85
Total	7.852,95	8.204,91	8.142,77	8.698,26	9.737,45	9.697,14	9.741,49	9.772,47

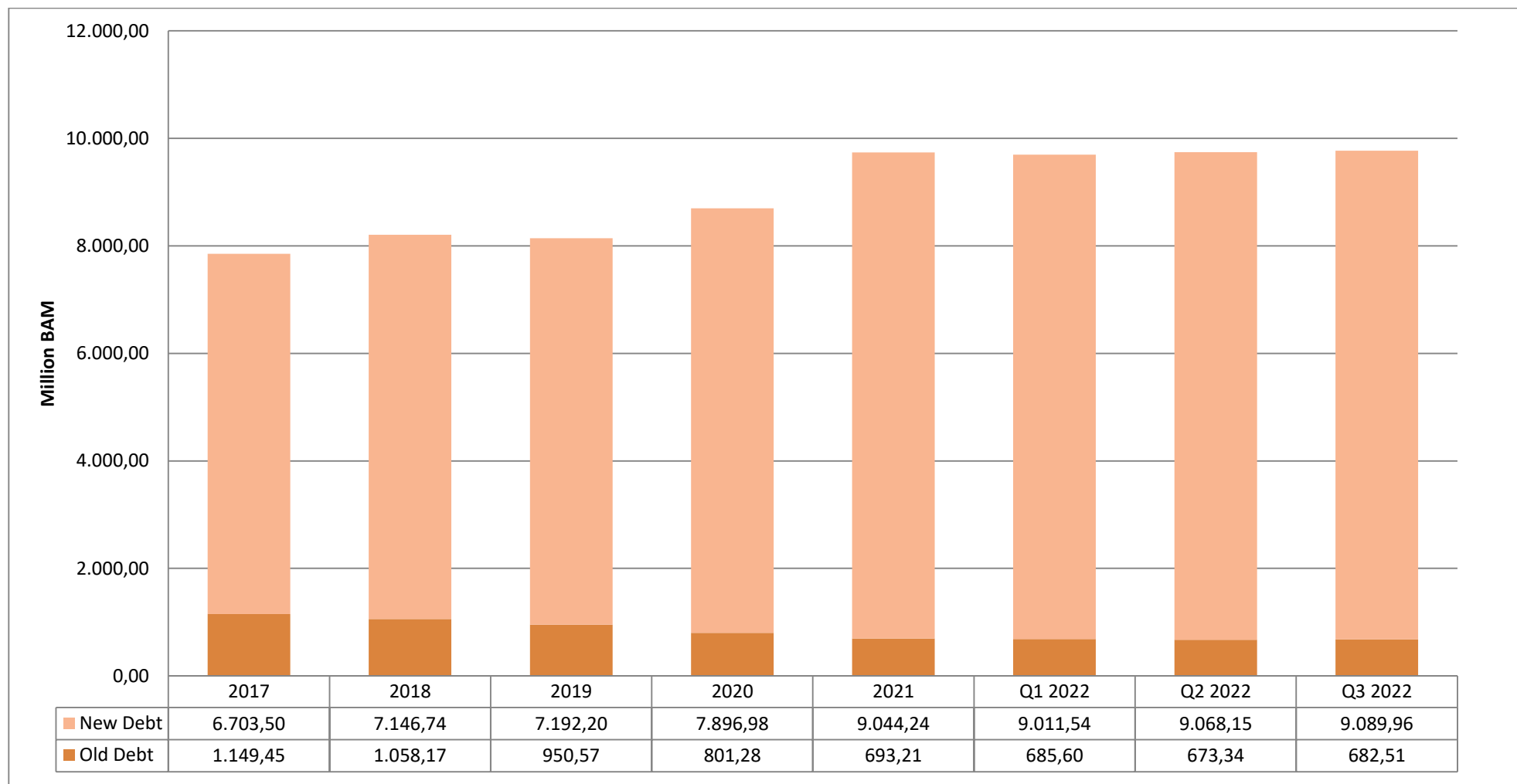
BiH external debt movements and BiH external debt-to-GDP ratio



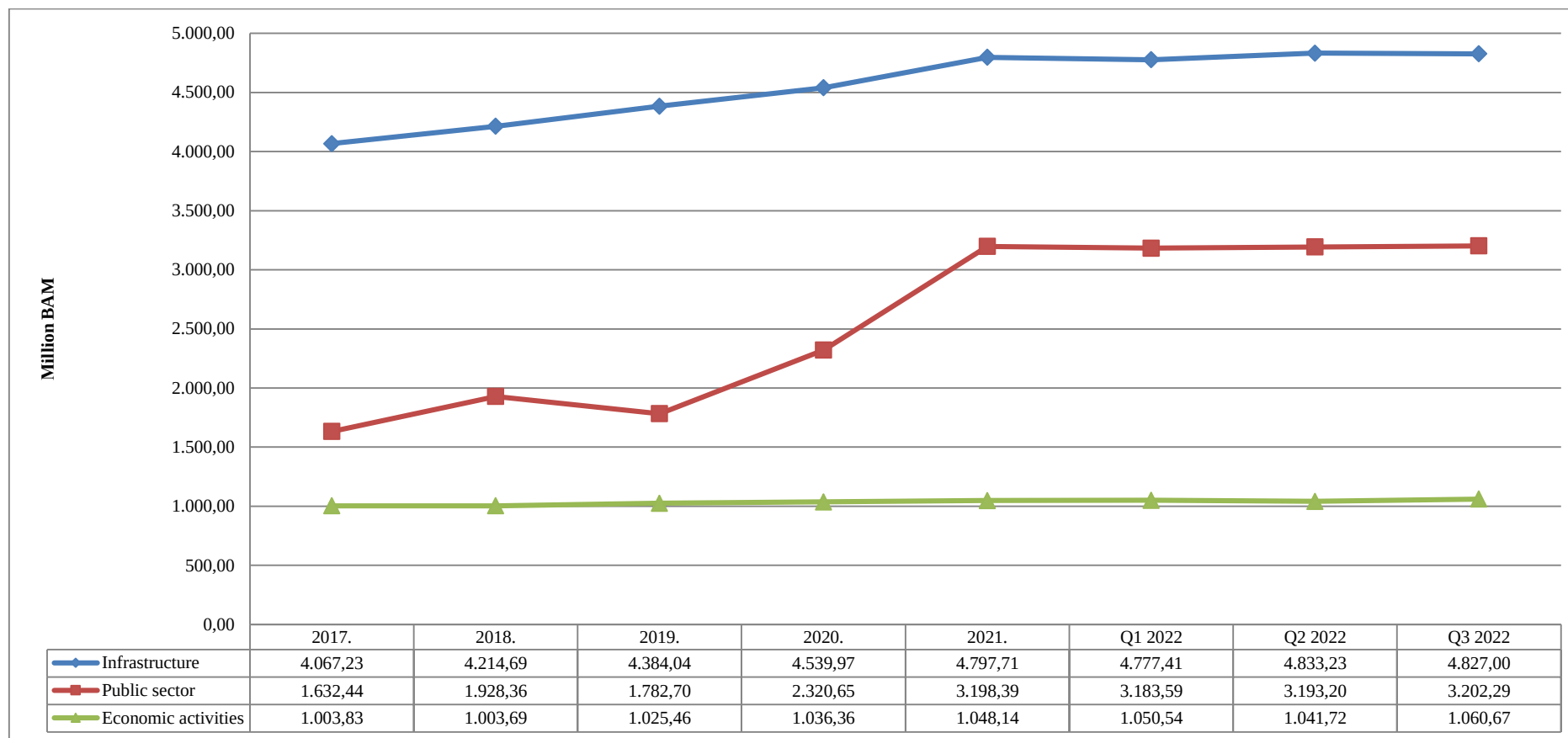
BiH external debt outstanding by creditors (million BAM)

Creditor	2017	2018	2019	2020	2021	Q1 2022	Q2 2022	Q3 2022
ABN AMRO	1,53	0,00	0,00	0,00	0,00	0,00	0,00	0,00
BAWAG	6,99	4,80	2,61	0,41	0,00	0,00	0,00	0,00
Government of Belgium	4,10	3,68	3,26	2,85	2,43	2,43	2,43	2,43
CEB	95,56	116,15	126,98	144,73	171,58	176,44	172,73	173,86
EBA	15,37	14,89	14,40	12,65	10,89	10,25	10,01	9,37
EBRD	539,80	549,93	528,41	620,62	731,18	747,79	762,17	762,62
EIB	1.909,60	1.882,51	2.001,81	2.019,54	2.101,67	2.084,54	2.133,39	2.098,10
EC	219,05	211,23	183,85	160,38	381,39	381,39	381,39	361,83
Government of Spain	137,40	120,38	103,12	85,85	68,58	68,33	59,95	59,70
IFAD	75,93	82,93	87,49	90,05	93,32	92,20	92,92	97,32
Government of Japan	85,42	162,93	200,18	212,72	200,33	193,05	177,09	180,96
Export-Import Bank of Korea	148,50	150,96	134,56	127,59	120,62	120,62	117,14	109,33
KfW	144,44	143,82	154,22	196,31	209,04	202,88	190,37	184,21
Kuwait Fund	53,51	70,43	73,71	62,99	62,16	59,89	72,72	75,12
The London Club	145,51	109,13	72,75	36,38	0,00	0,00	0,00	0,00
IMF	591,55	414,14	306,56	907,70	923,24	914,61	930,94	947,07
OFID	125,03	146,62	164,55	202,07	246,75	245,69	251,64	258,21
The Paris Club	668,17	638,61	601,11	545,24	502,12	503,92	495,18	504,58
Government of Poland	28,66	26,49	24,32	22,14	19,97	19,97	18,88	18,88
Republic of Portugal	66,73	66,04	65,35	64,65	59,14	53,64	53,64	53,64
Raiffeisen Bank A.G.	55,88	48,74	41,15	33,11	25,07	22,92	21,66	19,51
Saudi Fund for Development	94,32	95,96	100,75	99,82	110,62	110,16	114,75	129,26
Republic of Serbia	18,16	15,35	12,55	11,19	10,15	10,15	9,63	9,63
UniCredit Bank Austria	58,58	51,07	43,55	36,64	31,01	29,56	27,43	25,97
WBIBRD	761,92	956,31	1.003,33	1.077,95	1.196,58	1.208,15	1.213,71	1.226,34
WBIDA	1.801,24	1.793,23	1.763,62	1.596,10	1.544,28	1.523,23	1.516,39	1.549,20
Eurobonds RS	0,00	328,58	328,58	328,58	915,33	915,33	915,33	915,33
Total BiH external debt	7.852,95	8.204,91	8.142,77	8.698,26	9.737,45	9.697,14	9.741,49	9.772,47

BiH external debt outstanding by period of the obligation (million BAM)



External debt (New Debt) by sectors/purpose



BiH external debt currency composition (million BAM)

Currency	2017	2018	2019	2020	2021	Q1 2022	Q2 2022	Q3 2022
EUR	4.366,02	4.807,12	4.902,60	5.103,48	6.222,99	6.230,85	6.262,89	6.210,95
USD	585,31	588,85	551,86	492,31	478,18	470,06	489,98	510,41
SDR	2.318,27	2.140,68	2.008,59	2.456,03	2.418,02	2.388,37	2.391,85	2.435,89
CPU	155,34	142,48	126,23	102,13	84,93	84,32	75,17	78,71
Other currencies ²	428,01	525,78	553,49	544,31	533,33	523,54	521,60	536,51
Total	7.852,95	8.204,91	8.142,77	8.698,26	9.737,45	9.697,14	9.741,49	9.772,47

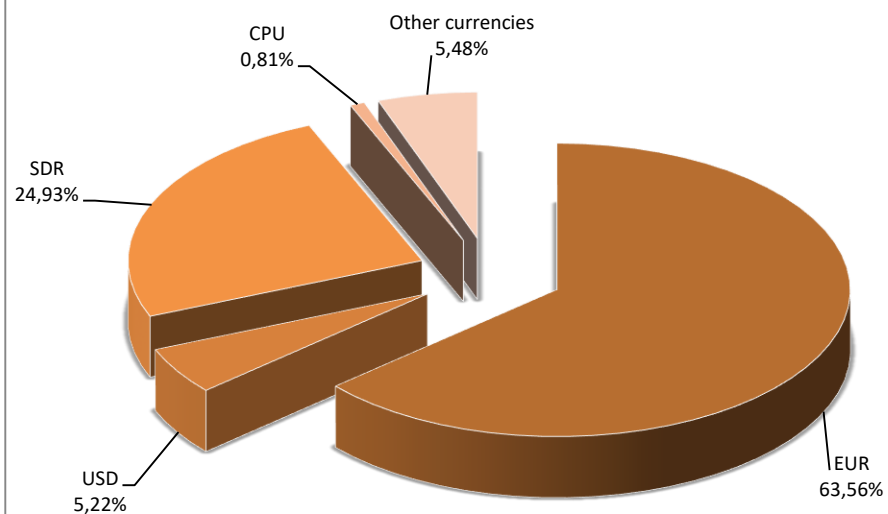
BiH external debt interest rates composition (million BAM)

Interest rate	2017	2018	2019	2020	2021	Q1 2022	Q2 2022	Q3 2022
Fixed interest rate	4.475,28	4.894,41	5.546,65	5.424,11	6.321,62	6.275,58	6.296,91	6.308,12
Variable interest rate	3.377,67	3.310,50	2.596,12	3.274,15	3.415,83	3.421,56	3.444,58	3.464,35
Total	7.852,95	8.204,91	8.142,77	8.698,26	9.737,45	9.697,14	9.741,49	9.772,47

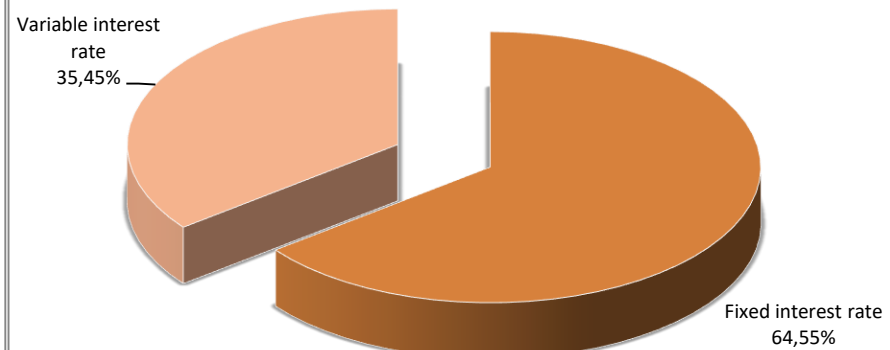
² Other currencies: JPY, KRW, CHF, KWD, SAR, CAD, SEK, DKK, GBP.

BiH external debt currency and interest rate composition – Q3 2022

BiH external debt currency composition - 30 September 2022



BiH external debt interest rates composition - 30 September 2022



BiH external debt service structure by allocation of obligations (in million BAM)

Debt service	2017	2018	2019	2020	2021	Q1 2022	Q2 2022	Q3 2022
External state debt								
Republika Srpska	341,59	330,48	271,05	239,51	241,83	49,66	59,76	70,35
Federation of BiH	632,38	612,34	506,40	487,27	516,34	111,30	117,82	161,32
Brčko District	4,58	7,11	8,50	9,23	7,12	3,42	0,27	3,60
Institutions of Bosnia and Herzegovina	4,71	5,42	7,74	8,52	7,50	0,99	1,43	2,90
Total	983,26	955,35	793,69	744,53	772,79	165,37	179,28	238,17
External debt of Entities								
Republika Srpska	6,34	14,09	21,80	20,33	19,92	0,74	37,41	0,00
Federation of BiH	5,68	6,28	5,37	4,81	9,41	8,02	0,00	1,78
Total	12,02	20,37	27,17	25,14	29,33	8,76	37,41	1,78
Local government units debt								
Republika Srpska	0,00	0,71	0,68	1,65	3,19	0,00	1,77	0,00
Total	0,00	0,71	0,68	1,65	3,19	0,00	1,77	0,00
BiH external debt								
Republika Srpska	347,93	345,28	293,53	261,49	264,94	50,40	98,94	70,35
Federation of BiH	638,06	618,62	511,77	492,08	525,75	119,32	117,82	163,10
Brčko District	4,58	7,11	8,50	9,23	7,12	3,42	0,27	3,60
Institutions of Bosnia and Herzegovina	4,71	5,42	7,74	8,52	7,50	0,99	1,43	2,90
Total	995,28	976,43	821,54	771,32	805,31	174,13	218,46	239,95

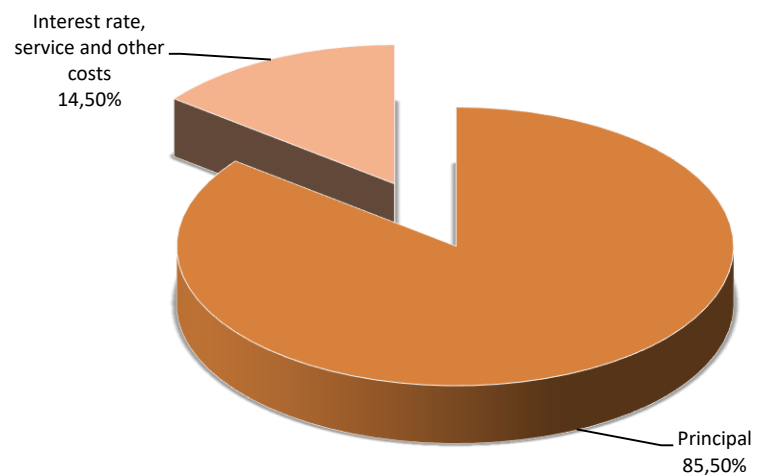
BiH external debt service by creditors and structure of obligations (in million BAM)

Creditor	Debt repayment	2017	2018	2019	2020	2021	Q1 2022	Q2 2022	Q3 2022
WBIBRD	Principal	43,12	41,39	47,00	51,87	51,87	12,69	13,92	18,73
	Interest rate, service and other costs	9,40	11,39	17,73	19,05	16,50	3,62	5,08	4,01
	Total	52,52	52,78	64,73	70,92	68,37	16,31	19,00	22,74
WBIDA	Principal	82,88	92,93	105,88	120,65	127,66	29,73	39,08	41,69
	Interest rate, service and other costs	38,16	37,65	38,40	41,80	15,44	4,07	3,91	3,95
	Total	121,04	130,58	144,28	162,45	143,10	33,80	42,99	45,64
IMF	Principal	374,92	337,09	114,22	0,00	24,80	13,09	0,00	26,82
	Interest rate, service and other costs	15,61	16,02	12,91	12,03	10,62	2,65	3,59	6,63
	Total	390,53	353,11	127,13	12,03	35,42	15,74	3,59	33,45
EBRD	Principal	106,51	110,06	110,76	114,14	125,89	24,21	29,49	34,49
	Interest rate, service and other costs	5,07	8,18	8,55	6,82	15,76	3,43	2,78	3,92
	Total	111,58	118,24	119,31	120,96	141,65	27,64	32,27	38,41
EIB	Principal	68,99	76,34	78,47	96,77	97,61	32,40	16,14	35,36
	Interest rate, service and other costs	20,00	21,74	21,87	21,96	20,45	7,30	3,08	7,39
	Total	88,99	98,08	100,34	118,73	118,06	39,70	19,22	42,75
The Paris Club	Principal	32,69	36,89	41,95	46,71	52,23	0,00	14,90	0,00
	Interest rate, service and other costs	10,37	9,36	8,25	6,72	5,07	0,63	1,30	0,63
	Total	43,06	46,25	50,20	53,43	57,30	0,63	16,20	0,63
The London Club	Principal	73,04	36,38	36,38	36,38	36,38	0,00	0,00	0,00
	Interest rate, service and other costs	1,11	0,70	0,52	0,31	0,09	0,00	0,00	0,00
	Total	74,15	37,08	36,90	36,69	36,47	0,00	0,00	0,00
EC	Principal	7,82	7,83	27,38	23,47	23,47	0,00	0,00	19,56
	Interest rate, service and other costs	3,90	3,90	3,90	3,52	3,12	1,96	0,60	0,78
	Total	11,72	11,73	31,28	26,99	26,59	1,96	0,60	20,34
Other creditors ³	Principal	83,57	100,61	110,47	132,38	140,48	29,27	44,81	28,49
	Interest rate, service and other costs	18,09	27,94	36,84	36,70	37,80	9,05	39,76	7,49
	Total	101,66	128,55	147,31	169,08	178,28	38,32	84,57	35,98
Total		995,25	976,40	821,48	771,28	805,24	174,10	218,44	239,94
Commissions and banking costs		0,03	0,03	0,06	0,04	0,07	0,03	0,02	0,01
Grand total		995,28	976,43	821,54	771,32	805,31	174,13	218,46	239,95

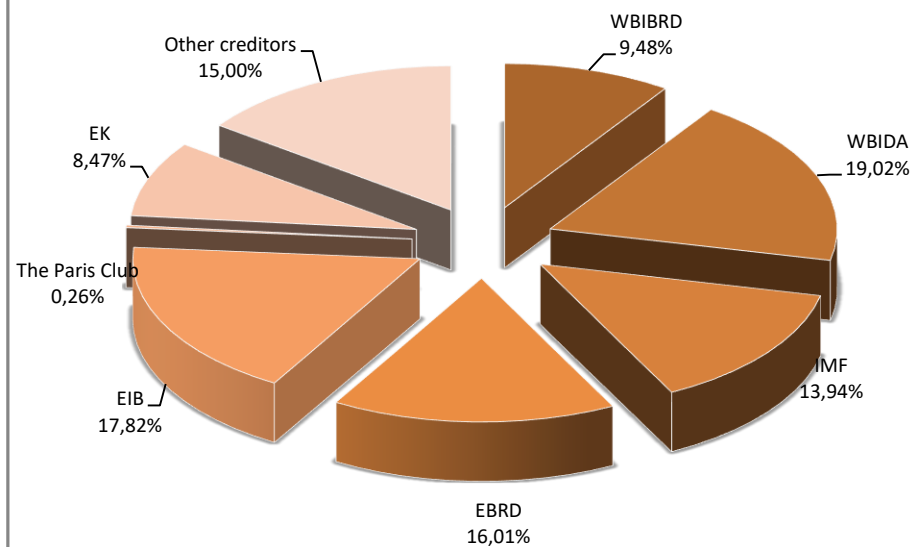
³ Other creditors: ABN AMRO, BAWAG, EBA, KEXIM, KWT, IFAD, KfW, OFID, RBA, CEB, SFD, UCBA, Government of Belgium, Government of Japan, Government of Spain, Government of Poland, Government of Serbia, Eurobonds RS.

BiH external debt service by creditors and structure of obligations for Q3 2022

Debt service by principal and interest and other costs - Q3 2022



Debt service by creditors - Q3 2022



Stock of the external debt state guarantees (in million BAM)

Creditor	Borrower	2017	2018	2019	2020	2021	Q1 2022	Q2 2022	Q3 2022
Export-Import bank of Hungary	PUC Vodovod i kanalizacija d.o.o. Tuzla	1,13	0,00	0,00	0,00	0,00	0,00	0,00	0,00
EBRD	A.D. Vodovod i kanalizacija Bijeljina	6,60	5,77	4,95	4,12	3,30	2,89	2,89	2,47
EBRD	PC „Autoputevi Republike Srpske“ Banja Luka (Project: Corridor Vc in Republic of Srpska first part)	0,00	0,00	40,92	106,47	126,08	120,35	120,35	114,62
EBRD	PC „Autoputevi Republike Srpske“ Banja Luka (Project: Highway Banja Luka - Doboj first part)	292,46	281,51	248,87	216,23	183,59	183,59	167,28	167,28
EBRD	Toplana A.D. Prijedor Prijedor	13,69	12,55	11,41	10,27	9,13	9,13	8,56	8,56
Total		313,88	299,83	306,15	337,09	322,10	315,96	299,07	292,93

BiH external debt risk indicators

	2017	2018	2019	2020	2021	Q1 2022	Q2 2022	Q3 2022
GDP ⁴ (in million BAM)	33.095,5	34.920,6	36.524,8	35.447,3	39.921,4	43.994,0	43.994,0	43.994,0
External debt/GDP (%)	23,7%	23,5%	22,3%	24,5%	24,4%	22,0%	22,1%	22,2%
ATM for external debt (years)	7,2	7,3	7,2	6,7	6,6	6,5	6,7	6,7
ATR for external debt (years)	4,6	4,4	5,1	4,5	4,6	4,4	4,5	4,4
Debt by variable interest rate (%)	43,0%	40,4%	31,9%	37,6%	35,1%	35,3%	35,4%	35,5%
Debt in non-EUR foreign currencies (%)	44,4%	41,4%	39,8%	41,3%	36,1%	35,8%	35,7%	36,4%

⁴ Source: Agency for Statistics of BiH, Gross domestic product-expenditure approach published 28th February 2022; 3rd October 2022 the Directorate for Economic Planning, Framework budget document, Macroeconomic projections 2023-2025, (Macroeconomic indicators for the period 2020-2025), September 2022 for the period 2021-2025.