

Bosnia and Herzegovina
Ministry of Finance and Treasury

QUARTERLY REPORT
ON EXTERNAL DEBT OF BOSNIA AND HERZEGOVINA
Fourth quarter of 2020

Sarajevo, February 2020

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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

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 2020 (1 January-31 March 2020)

Q2 - Second quarter of 2020 (1 April-30 June 2020)

Q3 - Third quarter of 2020 (1 July-30 September 2020)

Q4 – Fourth quarter of 2020 (1 October-31 December 2020)

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 fourth quarter of 2020, 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.

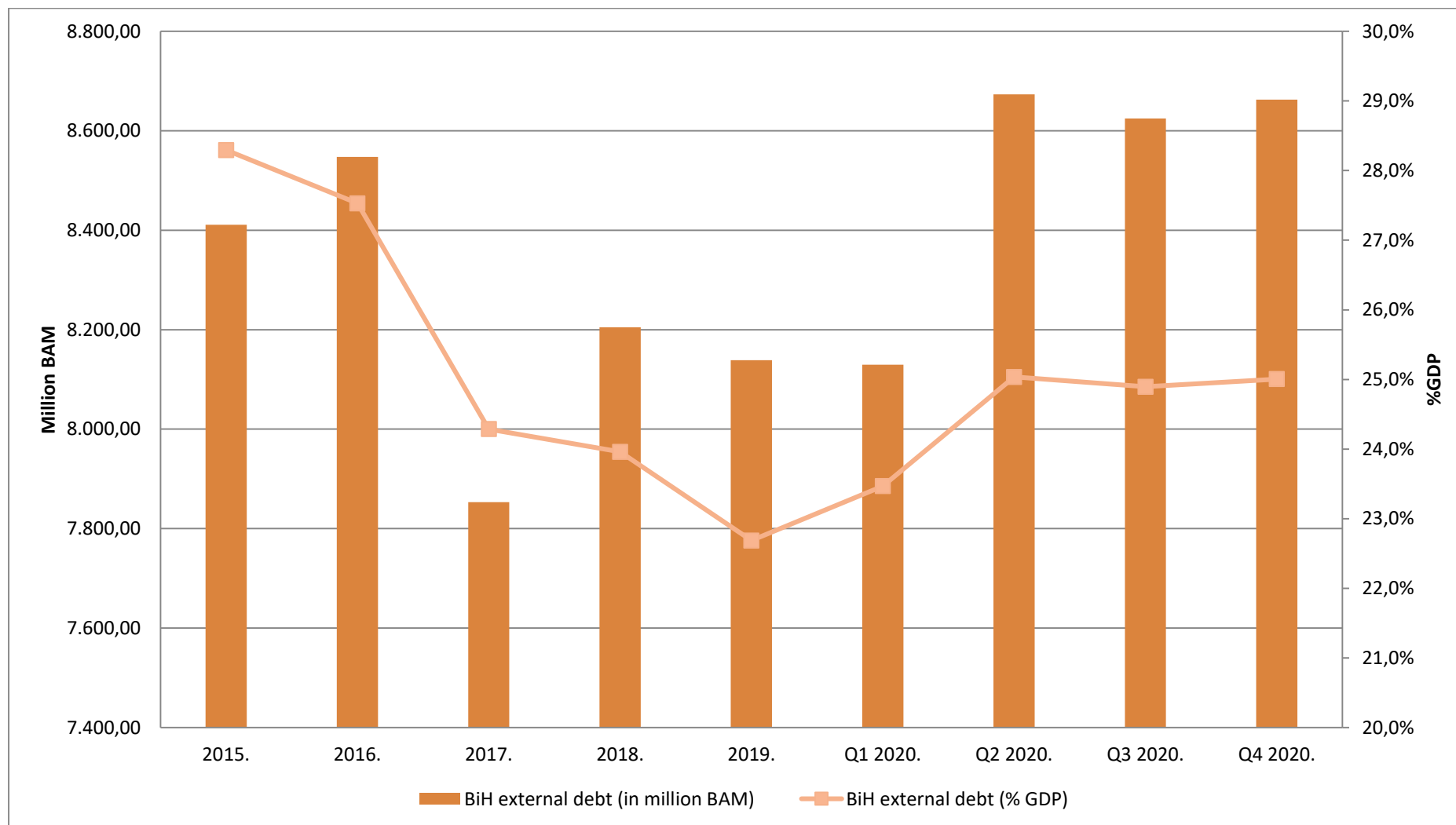
New debt: BiH external debt created after 14 December 1995.

¹ Data on the BiH external debt outstanding for the third and fourth quarter of 2020 are preliminary.

BiH external debt outstanding (in million BAM)

	2015.	2016.	2017.	2018.	2019.	Q1 2020.	Q2 2020.	Q3 2020.	Q4 2020.
External state debt									
Republika Srpska	2.954,01	3.115,52	2.903,14	2.975,52	3.025,39	3.028,35	3.206,73	3.169,06	3.131,73
Federation of BiH	5.226,59	5.207,79	4.704,85	4.636,58	4.533,95	4.523,55	4.885,97	4.882,76	4.956,79
Brčko District	21,06	25,10	36,72	49,64	53,61	50,16	55,76	52,21	51,28
Institutions of Bosnia and Herzegovina	55,78	54,15	75,04	73,95	69,05	68,14	67,79	63,11	62,95
Total	8.257,44	8.402,56	7.719,75	7.735,69	7.682,00	7.670,20	8.216,25	8.167,14	8.202,75
External debt of Entities									
Republika Srpska	61,55	56,65	50,98	373,89	368,22	367,53	365,61	365,60	364,00
Federation of BiH	92,08	88,38	82,22	79,00	76,22	74,76	73,83	72,85	72,65
Total	153,63	145,03	133,20	452,89	444,44	442,29	439,44	438,45	436,65
External debt of local government units									
Republika Srpska	0,00	0,00	0,00	16,33	16,33	17,24	17,72	19,24	23,26
Total	0,00	0,00	0,00	16,33	16,33	17,24	17,72	19,24	23,26
BiH external debt									
Republika Srpska	3.015,56	3.172,17	2.954,12	3.365,74	3.409,94	3.413,12	3.590,06	3.553,90	3.518,99
Federation of BiH	5.318,67	5.296,17	4.787,07	4.715,58	4.610,17	4.598,31	4.959,80	4.955,61	5.029,44
Brčko District	21,06	25,10	36,72	49,64	53,61	50,16	55,76	52,21	51,28
Institutions of Bosnia and Herzegovina	55,78	54,15	75,04	73,95	69,05	68,14	67,79	63,11	62,95
Total	8.411,07	8.547,59	7.852,95	8.204,91	8.142,77	8.129,73	8.673,41	8.624,83	8.662,66

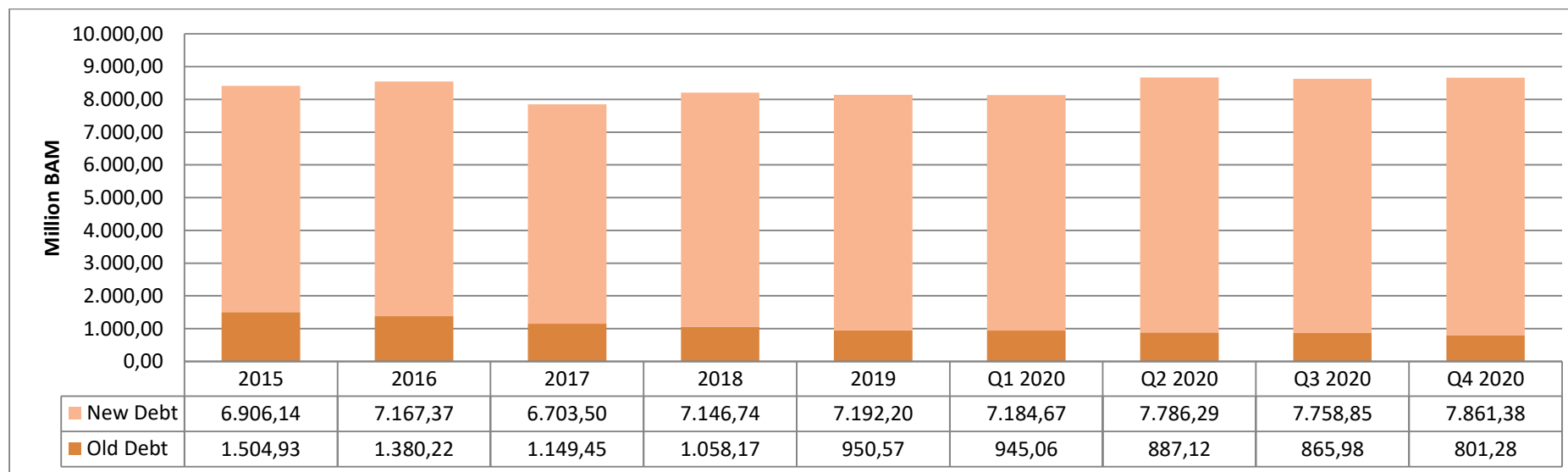
BiH external debt movements and BiH external debt-to-GDP ratio



BiH external debt outstanding by creditors (million BAM)

Creditor	2015.	2016.	2017.	2018.	2019.	Q1 2020.	Q2 2020.	Q3 2020.	Q4 2020.
ABN AMRO	7,65	4,59	1,53	0,00	0,00	0,00	0,00	0,00	0,00
BAWAG	11,38	9,18	6,99	4,80	2,61	1,51	1,51	0,41	0,41
Government of Belgium	4,93	4,51	4,10	3,68	3,26	3,26	3,26	3,26	2,85
CEB	74,89	80,36	95,56	116,15	126,98	126,35	144,15	146,26	144,74
EBA	16,35	15,86	15,37	14,89	14,40	13,77	13,52	12,89	12,65
EBRD	702,61	624,33	539,80	549,93	528,41	509,26	514,56	549,85	619,91
EIB	1.549,25	1.762,05	1.909,60	1.882,51	2.001,81	1.971,18	2.002,69	1.998,93	2.009,76
EC	234,70	226,88	219,05	211,23	183,85	179,94	179,94	160,38	160,38
Government of Spain	146,25	145,94	137,40	120,38	103,12	102,87	94,48	94,23	85,85
IFAD	78,48	78,61	75,93	82,93	87,49	88,46	87,41	92,48	90,05
Government of Japan	51,16	68,32	85,42	162,93	200,18	211,20	204,71	203,89	212,72
Export-Import Bank of Korea	156,72	165,83	148,50	150,96	134,56	134,56	122,33	122,33	127,59
KfW	38,90	64,46	144,44	143,82	154,22	154,83	149,53	155,09	196,31
Kuwait Fund	39,08	46,02	53,51	70,43	73,71	70,88	69,63	64,25	62,99
The London Club	291,60	218,55	145,51	109,13	72,75	72,75	54,57	54,57	36,38
IMF	1.036,62	1.028,12	591,55	414,14	306,56	309,00	941,95	921,79	907,70
OFID	51,26	96,68	125,03	146,62	164,55	165,02	159,91	150,95	196,63
The Paris Club	771,13	747,45	668,17	638,61	601,11	603,70	578,07	573,83	545,24
Government of Poland	33,00	30,84	28,66	26,49	24,32	24,32	23,23	23,23	22,14
Republic of Portugal	68,12	67,43	66,73	66,04	65,35	64,65	64,65	64,65	64,65
Raiffeisen Bank A.G.	70,15	63,02	55,88	48,74	41,15	39,00	37,13	34,98	33,11
Saudi Fund for Development	101,89	103,81	94,32	95,96	100,75	99,65	103,17	93,14	91,34
Republic of Serbia	23,00	20,96	18,16	15,35	12,55	12,55	11,72	11,72	11,19
UniCredit Bank Austria	68,35	66,10	58,58	51,07	43,55	43,07	40,10	39,62	36,64
WBIBRD	852,57	843,07	761,92	956,31	1.003,33	1.028,74	1.023,65	1.068,01	1.066,79
WBIDA	1.931,03	1.964,62	1.801,24	1.793,23	1.763,62	1.770,63	1.718,96	1.655,51	1.596,06
Eurobond RS	0,00	0,00	0,00	328,58	328,58	328,58	328,58	328,58	328,58
Total BiH external debt	8.411,07	8.547,59	7.852,95	8.204,91	8.142,77	8.129,73	8.673,41	8.624,83	8.662,66

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



BiH external debt currency composition (million BAM)

Currency	2015.	2016.	2017.	2018.	2019.	Q1 2020.	Q2 2020.	Q3 2020.	Q4 2020.
EUR	4.306,48	4.369,71	4.366,02	4.807,12	4.902,60	4.880,24	4.891,93	4.975,37	5.078,82
USD	634,83	662,37	585,31	588,85	551,86	541,38	519,63	483,70	489,88
SDR	2.866,85	2.892,98	2.318,27	2.140,68	2.008,59	2.019,60	2.602,61	2.524,95	2.455,99
CPU	200,19	186,15	155,34	142,48	126,23	126,91	115,92	114,23	102,13
Other currencies ²	402,72	436,38	428,01	525,78	553,49	561,60	543,32	526,58	535,84
Total	8.411,07	8.547,59	7.852,95	8.204,91	8.142,77	8.129,73	8.673,41	8.624,83	8.662,66

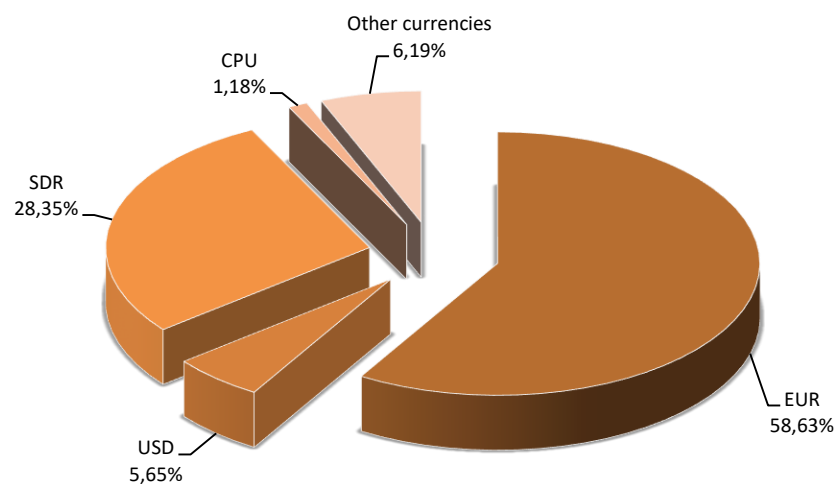
² Other currencies: JPY, KRW, CHF, KWD, SAR, CAD, SEK, DKK, GBP.

BiH external debt interest rates composition (million BAM)

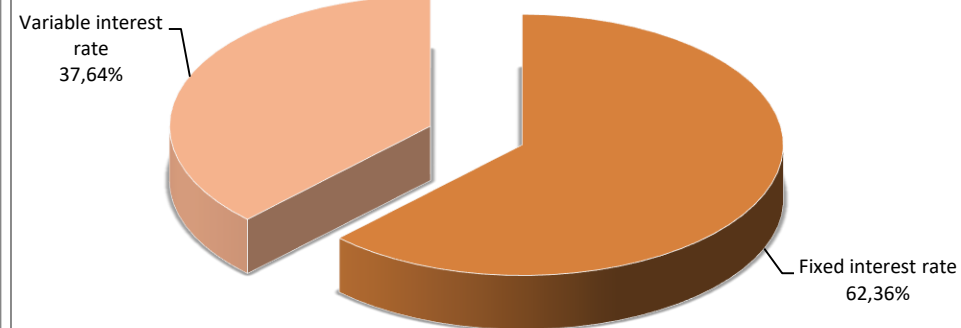
Interest rate	2015.	2016.	2017.	2018.	2019.	Q1 2020.	Q2 2020.	Q3 2020.	Q4 2020.
Fixed interest rate	4.226,17	4.506,15	4.475,28	4.894,41	5.546,65	5.549,34	5.483,06	5.390,65	5.401,90
Variable interest rate	4.184,90	4.041,44	3.377,67	3.310,50	2.596,12	2.580,39	3.190,35	3.234,18	3.260,76
Total	8.411,07	8.547,59	7.852,95	8.204,91	8.142,77	8.129,73	8.673,41	8.624,83	8.662,66

BiH external debt currency and interest rate composition – Q4 2020

BiH external debt currency composition - 31 December 2020



BiH external debt interest rates composition - 31 December 2020



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

Debt service	2015.	2016.	2017.	2018.	2019.	Q1 2020.	Q2 2020.	Q3 2020.	Q4 2020.
External state debt									
Republika Srpska	199,12	251,52	341,59	330,48	271,05	44,66	71,86	54,17	68,83
Federation of BiH	375,23	464,41	632,38	612,34	506,40	90,85	144,35	109,75	142,31
Brčko District	2,87	2,57	4,58	7,11	8,50	3,84	1,05	3,56	0,78
Institutions of Bosnia and Herzegovina	4,11	4,63	4,71	5,42	7,74	2,49	1,29	4,36	0,38
Total	581,33	723,13	983,26	955,35	793,69	141,84	218,55	171,84	212,30
External debt of Entities									
Republika Srpska	5,11	5,64	6,34	14,09	21,80	0,79	9,94	0,00	9,61
Federation of BiH	6,45	6,63	5,68	6,28	5,37	3,43	0,94	0,43	0,00
Total	11,56	12,27	12,02	20,37	27,17	4,22	10,88	0,43	9,61
External debt of local government units									
Republika Srpska	0,00	0,00	0,00	0,71	0,68	0,00	0,37	0,00	1,27
Total	0,00	0,00	0,00	0,71	0,68	0,00	0,37	0,00	1,27
BiH external debt									
Republika Srpska	204,23	257,16	347,93	345,28	293,53	45,45	82,16	54,17	79,71
Federation of BiH	381,68	471,04	638,06	618,62	511,77	94,28	145,30	110,18	142,31
Brčko District	2,87	2,57	4,58	7,11	8,50	3,84	1,05	3,56	0,78
Institutions of Bosnia and Herzegovina	4,11	4,63	4,71	5,42	7,74	2,49	1,29	4,36	0,38
Total	592,89	735,40	995,28	976,43	821,54	146,06	229,80	172,27	223,18

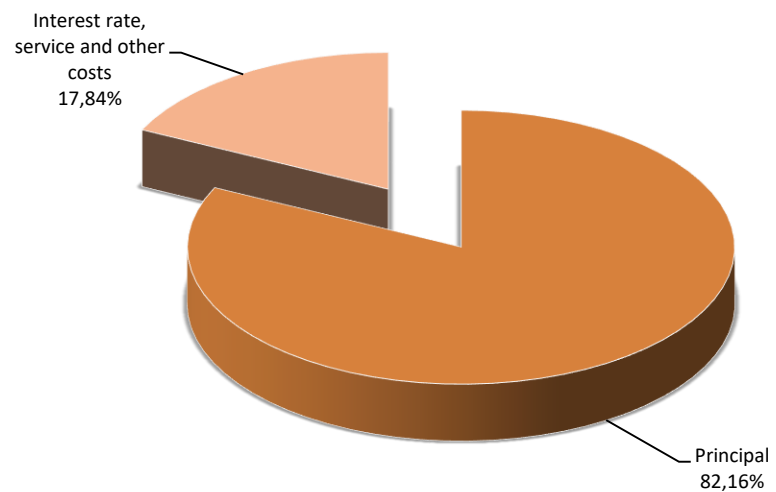
BiH external debt service by creditors and structure of obligations (in million BAM)

Creditor	Debt repayment	2015.	2016.	2017.	2018.	2019.	Q1 2020.	Q2 2020.	Q3 2020.	Q4 2020.
WBIBRD	Principal	41,22	42,91	43,12	41,39	47,00	11,15	14,58	12,22	13,92
	Interest rate, service and other costs	10,02	9,93	9,40	11,39	17,73	4,52	5,28	3,99	5,26
	Total	51,24	52,84	52,52	52,78	64,73	15,67	19,86	16,21	19,18
WBIDA	Principal	53,22	65,74	82,88	92,93	105,88	23,44	34,97	28,20	34,04
	Interest rate, service and other costs	14,75	38,83	38,16	37,65	38,40	8,14	13,31	7,98	12,37
	Total	67,97	104,57	121,04	130,58	144,28	31,58	48,28	36,18	46,41
IMF	Principal	95,05	166,49	374,92	337,09	114,22	0,00	0,00	0,00	0,00
	Interest rate, service and other costs	11,63	13,01	15,61	16,02	12,91	2,13	4,77	2,53	2,59
	Total	106,68	179,50	390,53	353,11	127,13	2,13	4,77	2,53	2,59
EBRD	Principal	110,61	106,00	106,51	110,06	110,76	23,30	32,07	25,70	33,07
	Interest rate, service and other costs	10,44	6,89	5,07	8,18	8,55	1,98	1,52	1,97	1,35
	Total	121,04	112,89	111,58	118,24	119,31	25,28	33,59	27,67	34,42
EIB	Principal	37,19	58,95	68,99	76,34	78,47	30,66	16,37	33,05	16,69
	Interest rate, service and other costs	21,86	20,39	20,00	21,74	21,87	7,91	2,93	7,84	3,28
	Total	59,05	79,34	88,99	98,08	100,34	38,57	19,30	40,89	19,97
The Paris Club	Principal	26,09	29,42	32,69	36,89	41,95	0,00	22,90	0,00	23,81
	Interest rate, service and other costs	12,25	11,49	10,37	9,36	8,25	0,71	2,88	0,70	2,43
	Total	38,34	40,91	43,06	46,25	50,20	0,71	25,78	0,70	26,24
The London Club	Principal	62,57	73,05	73,04	36,38	36,38	0,00	18,19	0,00	18,19
	Interest rate, service and other costs	3,14	2,04	1,11	0,70	0,52	0,00	0,17	0,00	0,14
	Total	65,71	75,09	74,15	37,08	36,90	0,00	18,36	0,00	18,33
EC	Principal	7,82	7,82	7,82	7,83	27,38	3,91	0,00	19,56	0,00
	Interest rate, service and other costs	4,00	2,04	3,90	3,90	3,90	1,96	0,00	1,56	0,00
	Total	11,82	9,86	11,72	11,73	31,28	5,87	0,00	21,12	0,00
Other creditors ³	Principal	52,28	61,31	83,57	100,61	110,47	19,04	47,38	22,32	43,64
	Interest rate, service and other costs	18,75	19,07	18,09	27,94	36,84	7,18	12,48	4,65	12,39
	Total	71,03	80,38	101,66	128,55	147,31	26,22	59,86	26,97	56,03
Total		592,88	735,38	995,25	976,40	821,48	146,03	229,80	172,27	223,17
Commissions and banking costs		0,01	0,02	0,03	0,03	0,06	0,03	0,00	0,00	0,01
Grand total		592,89	735,40	995,28	976,43	821,54	146,06	229,80	172,27	223,18

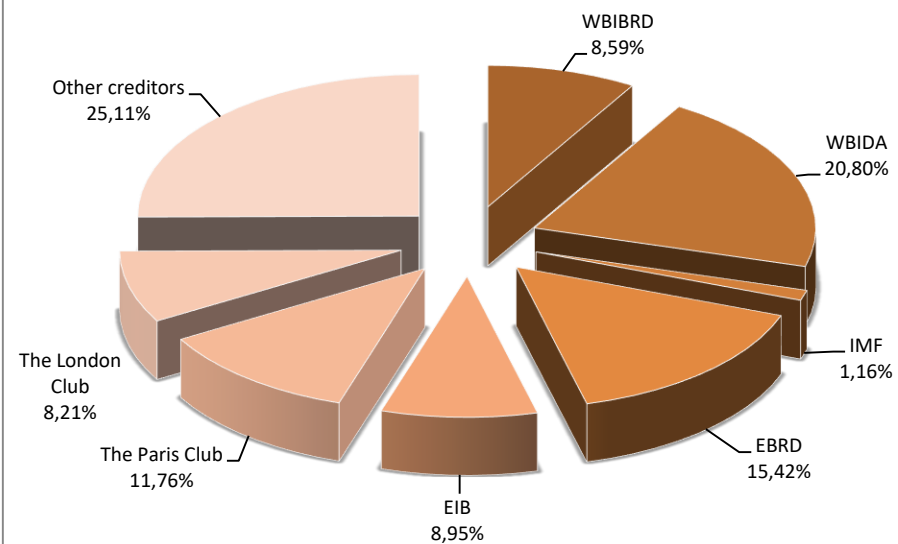
³ Other creditors: ABN AMRO, BAWAG, EBA, KEXIM, KWT, IFAD, KfW, OFID, RBA, CEB, SFD, UCBA, Government of Belgium, Government of Japan, Government of Spain, Government of Poland, Government of Serbia, Eurobond RS.

BiH external debt service by creditors and structure of obligations for Q4 2020

Debt service by principal and interest and other costs - Q4 2020



Debt service by creditors - Q4 2020



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

Creditor	Borrower	2015.	2016.	2017.	2018.	2019.	Q1 2020.	Q2 2020.	Q3 2020.	Q4 2020.
Export-Import bank of Hungary	PC Vodovod i kanalizacija d.o.o. Tuzla	3,40	2,27	1,13	0,00	0,00	0,00	0,00	0,00	0,00
EBRD	A.D. „Vodovod i kanalizacija“ Bijeljina	8,25	7,42	6,60	5,77	4,95	4,54	4,54	4,12	4,12
EBRD	PC „Autoputevi Republike Srpske“ Banja Luka (Corridor Vc in Republic of Srpska first part)	0,00	0,00	0,00	0,00	40,92	55,20	68,75	91,86	106,47
EBRD	PC „Autoputevi Republike Srpske“ Banja Luka (Highway Banja Luka – Doboj first part)	279,53	322,93	292,46	281,51	248,87	248,87	232,55	232,55	216,23
EBRD	„Toplana“ A.D. Prijedor	13,67	13,69	13,69	12,55	11,41	11,41	10,84	10,84	10,27
Total		304,85	346,31	313,88	299,83	306,15	320,02	316,68	339,37	337,09

BiH external debt risk indicators

	2015.	2016.	2017.	2018.	2019.	Q1 2020.	Q2 2020.	Q3 2020.	Q4 2020.
GDP ⁴ (in million BAM)	29.727,1	31.047,9	32.601,5	34.243,8	35.893,1	34.644,0	34.644,0	34.644,0	34.644,0
External debt/GDP (%)	28,3%	27,5%	24,1%	24,0%	22,7%	23,5%	25,0%	24,9%	25,0%
ATM for external debt (years)	7,2	7,2	7,2	7,3	7,2	7,2	7,3	7,4	6,8
ATR for external debt (years)	4,2	4,4	4,6	4,4	5,1	5,1	5,0	4,8	4,5
Debt by variable interest rate (%)	49,8%	47,3%	43,0%	40,4%	31,9%	31,7%	36,8%	37,5%	37,6%
Debt in non-EUR foreign currencies (%)	48,8%	48,9%	44,4%	41,4%	39,8%	40,0%	43,6%	42,3%	41,4%

⁴ Source: for the 2015-2016 period , Agency for Statistics of BiH, Newsletter 30 September 2019, and for the 2017-2019 period, Newsletter 06 January 2020; for the 2020, the Directorate for Economic Planning, framework Budget Document, Macroeconomic indicators for the 2018-2023 period, September 2020.