

Bosnia and Herzegovina
Ministry of Finance and Treasury

QUARTERLY REPORT
ON EXTERNAL DEBT OF BOSNIA AND HERZEGOVINA
third quarter of 2021

Sarajevo, October 2021

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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 2021 (1 January-31 March 2021)

Q2 - Second quarter of 2021 (1 April-30 June 2021)

Q3 - Third quarter of 2021 (1 July-30 September 2021)

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 2021, 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.

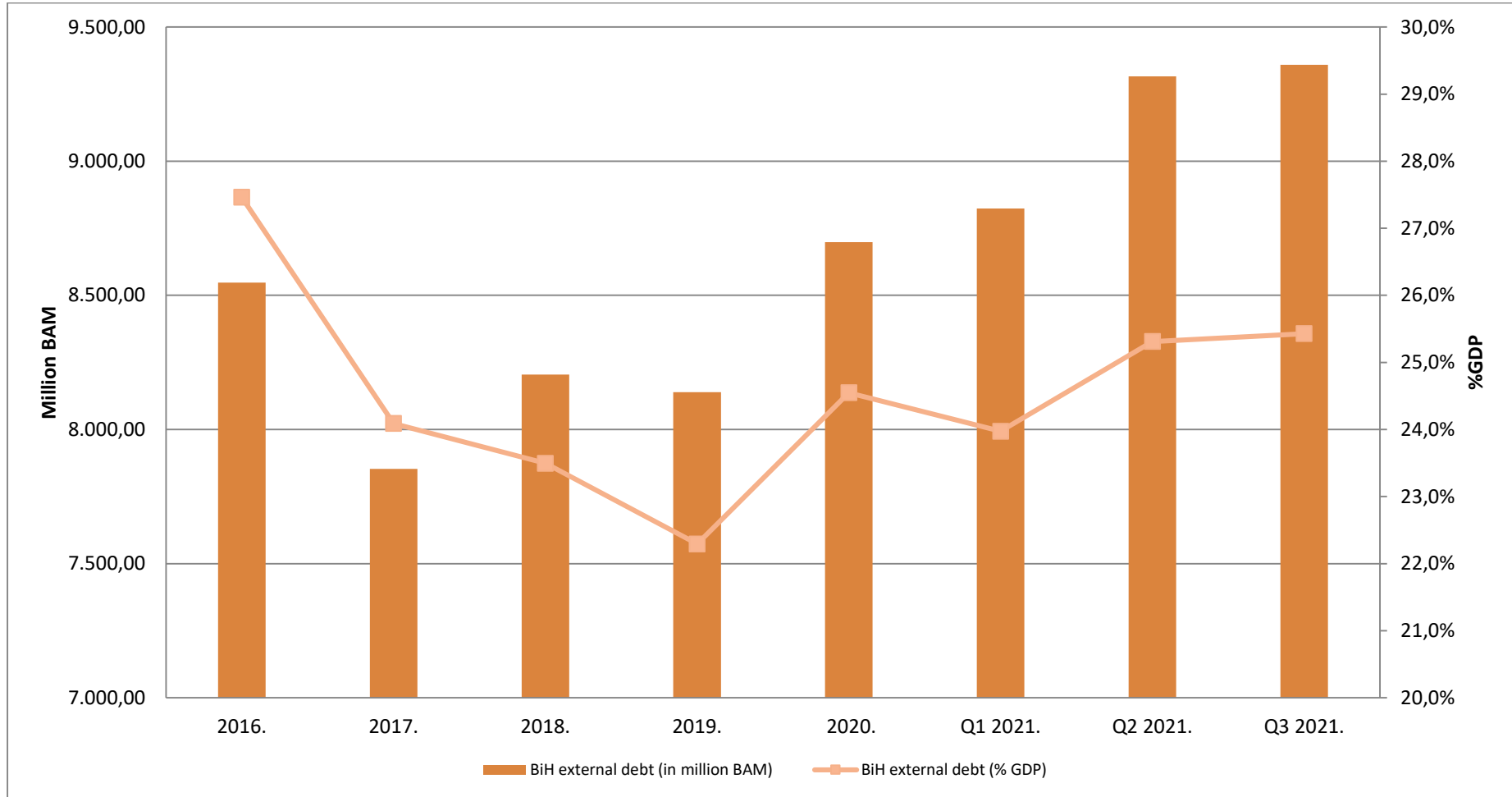
New debt: BiH external debt created after 14 December 1995.

¹ Data on the BiH external debt outstanding for the second and third quarter of 2021 are preliminary.

BiH external debt outstanding (in million BAM)

	2016	2017	2018	2019	2020	Q1 2021	Q2 2021	Q3 2021
External state debt								
Republika Srpska	3.115,52	2.903,14	2.975,52	3.025,39	3.141,78	3.127,86	3.102,01	3.093,65
Federation of BiH	5.207,79	4.704,85	4.636,58	4.533,95	4.980,37	5.130,08	5.064,67	5.120,03
Brčko District	25,10	36,72	49,64	53,61	51,28	48,30	48,19	45,23
Institutions of Bosnia and Herzegovina	54,15	75,04	73,95	69,05	66,44	65,52	64,63	62,49
Total	8.402,56	7.719,75	7.735,69	7.682,00	8.239,87	8.371,76	8.279,50	8.321,40
External debt of Entities								
Republika Srpska	56,65	50,98	373,89	368,22	363,99	363,30	948,45	948,44
Federation of BiH	88,38	82,22	79,00	76,22	72,65	66,72	66,67	65,75
Total	145,03	133,20	452,89	444,44	436,64	430,02	1.015,12	1.014,19
Local government units debt								
Republika Srpska	0,00	0,00	16,33	16,33	21,75	22,06	21,49	23,49
Total	0,00	0,00	16,33	16,33	21,75	22,06	21,49	23,49
BiH external debt								
Republika Srpska	3.172,17	2.954,12	3.365,74	3.409,94	3.527,52	3.513,22	4.071,95	4.065,58
Federation of BiH	5.296,17	4.787,07	4.715,58	4.610,17	5.053,02	5.196,80	5.131,34	5.185,78
Brčko District	25,10	36,72	49,64	53,61	51,28	48,30	48,19	45,23
Institutions of Bosnia and Herzegovina	54,15	75,04	73,95	69,05	66,44	65,52	64,63	62,49
Total	8.547,59	7.852,95	8.204,91	8.142,77	8.698,26	8.823,84	9.316,11	9.359,08

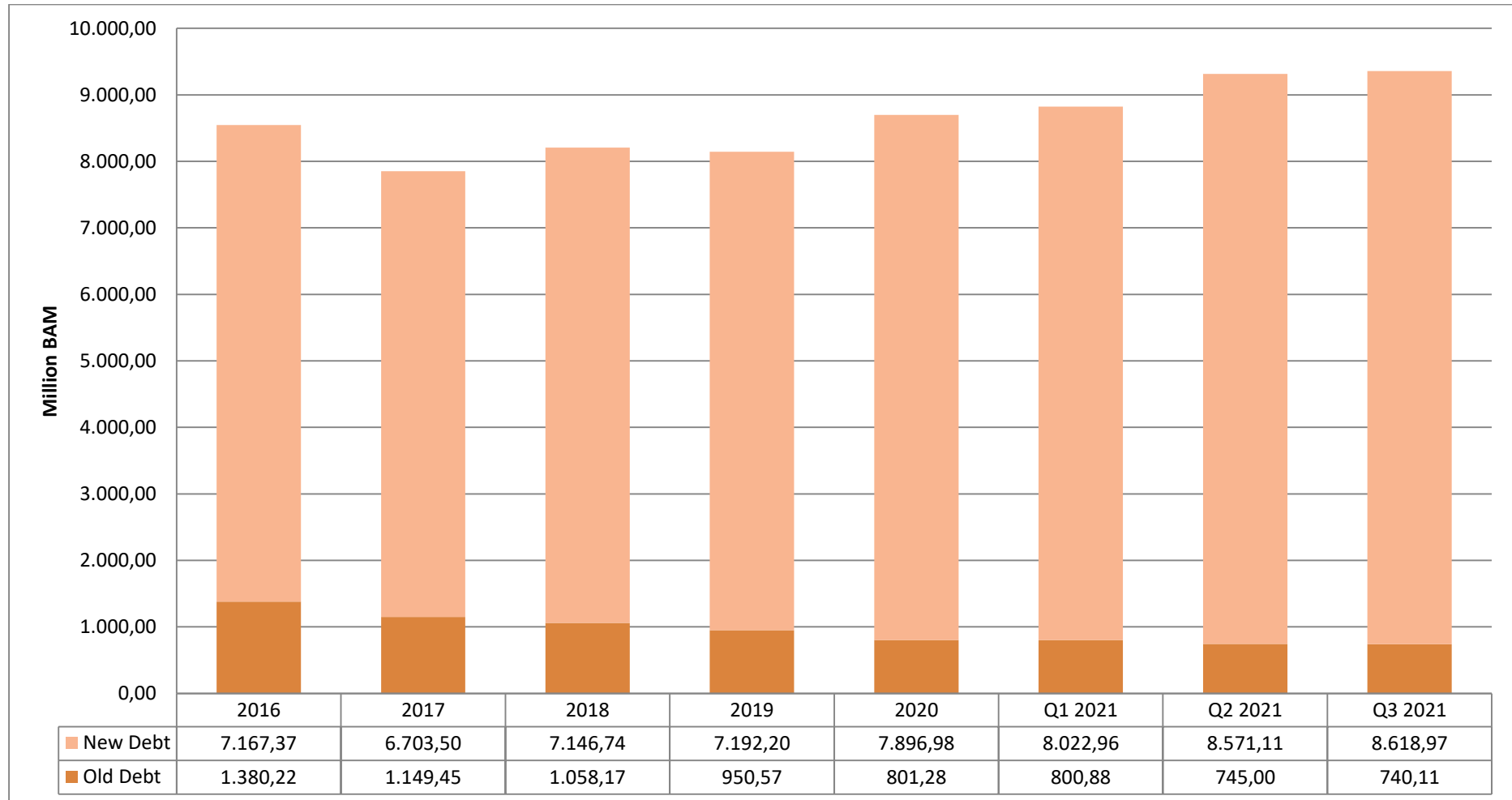
BiH external debt movements and BiH external debt-to-GDP ratio



BiH external debt outstanding by creditors (million BAM)

Creditor	2016	2017	2018	2019	2020	Q1 2021	Q2 2021	Q3 2021
ABN AMRO	4,59	1,53	0,00	0,00	0,00	0,00	0,00	0,00
BAWAG	9,18	6,99	4,80	2,61	0,41	0,00	0,00	0,00
Government of Belgium	4,51	4,10	3,68	3,26	2,85	2,85	2,85	2,85
CEB	80,36	95,56	116,15	126,98	144,73	144,85	144,07	142,31
EBA	15,86	15,37	14,89	14,40	12,65	12,01	11,77	11,13
EBRD	624,33	539,80	549,93	528,41	620,62	667,93	660,29	675,95
EIB	1.762,05	1.909,60	1.882,51	2.001,81	2.019,54	1.999,97	2.034,90	2.066,56
EC	226,88	219,05	211,23	183,85	160,38	156,47	156,47	136,91
Government of Spain	145,94	137,40	120,38	103,12	85,85	85,60	77,21	76,96
IFAD	78,61	75,93	82,93	87,49	90,05	91,43	91,11	91,53
Government of Japan	68,32	85,42	162,93	200,18	212,72	210,64	203,68	206,51
Export-Import Bank of Korea	165,83	148,50	150,96	134,56	127,59	119,08	115,83	115,83
KfW	64,46	144,44	143,82	154,22	196,31	219,10	208,97	217,89
Kuwait Fund	46,02	53,51	70,43	73,71	62,99	60,92	60,56	60,04
The London Club	218,55	145,51	109,13	72,75	36,38	36,38	18,19	18,19
IMF	1.028,12	591,55	414,14	306,56	907,70	911,58	907,29	904,21
OFID	96,68	125,03	146,62	164,55	202,07	215,21	218,69	231,10
The Paris Club	747,45	668,17	638,61	601,11	545,24	548,75	522,68	524,91
Government of Poland	30,84	28,66	26,49	24,32	22,14	22,14	21,06	21,06
Republic of Portugal	67,43	66,73	66,04	65,35	64,65	59,14	59,14	59,14
Raiffeisen Bank A.G.	63,02	55,88	48,74	41,15	33,11	30,96	29,09	26,94
Saudi Fund for Development	103,81	94,32	95,96	100,75	99,82	101,05	100,52	100,03
Republic of Serbia	20,96	18,16	15,35	12,55	11,19	11,19	10,67	10,67
UniCredit Bank Austria	66,10	58,58	51,07	43,55	36,64	36,16	33,83	33,35
WBIBRD	843,07	761,92	956,31	1.003,33	1.077,95	1.148,93	1.152,16	1.161,55
WBIDA	1.964,62	1.801,24	1.793,23	1.763,62	1.596,10	1.602,92	1.559,75	1.548,13
Eurobonds RS	0,00	0,00	328,58	328,58	328,58	328,58	915,33	915,33
Total BiH external debt	8.547,59	7.852,95	8.204,91	8.142,77	8.698,26	8.823,84	9.316,11	9.359,08

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



BiH external debt currency composition (million BAM)

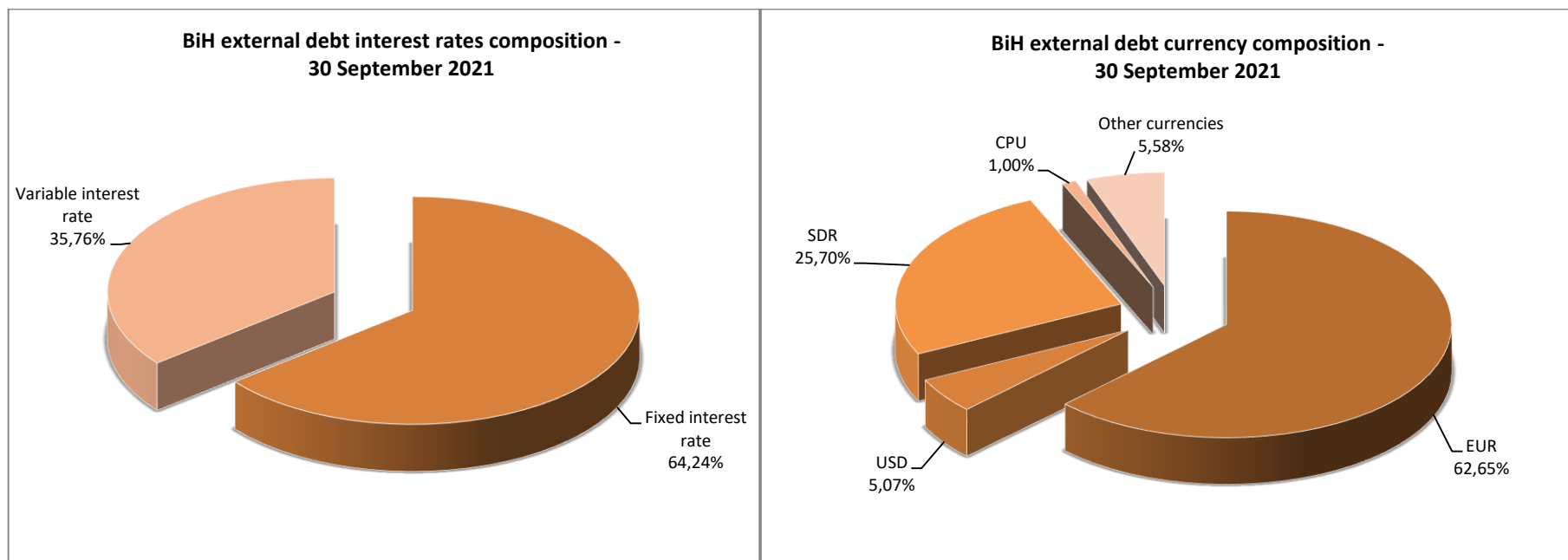
Currency	2016	2017	2018	2019	2020	Q1 2021	Q2 2021	Q3 2021
EUR	4.369,71	4.366,02	4.807,12	4.902,60	5.103,48	5.224,72	5.802,49	5.863,27
USD	662,37	585,31	588,85	551,86	492,31	498,65	482,38	474,97
SDR	2.892,98	2.318,27	2.140,68	2.008,59	2.456,03	2.465,19	2.418,63	2.404,99
CPU	186,15	155,34	142,48	126,23	102,13	103,05	92,82	93,76
Other currencies ²	436,38	428,01	525,78	553,49	544,31	532,23	519,79	522,09
Total	8.547,59	7.852,95	8.204,91	8.142,77	8.698,26	8.823,84	9.316,11	9.359,08

BiH external debt interest rates composition (million BAM)

Interest rate	2016	2017	2018	2019	2020	Q1 2021	Q2 2021	Q3 2021
Fixed interest rate	4.506,15	4.475,28	4.894,41	5.546,65	5.424,11	5.452,09	5.966,04	6.012,60
Variable interest rate	4.041,44	3.377,67	3.310,50	2.596,12	3.274,15	3.371,75	3.350,07	3.346,48
Total	8.547,59	7.852,95	8.204,91	8.142,77	8.698,26	8.823,84	9.316,11	9.359,08

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

BiH external debt currency and interest rate composition – Q3 2021



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

Debt service	2016	2017	2018	2019	2020	Q1 2021	Q2 2021	Q3 2021
External state debt								
Republika Srpska	251,52	341,59	330,48	271,05	239,51	50,13	68,85	57,27
Federation of BiH	464,41	632,38	612,34	506,40	487,27	118,18	138,15	123,95
Brčko District	2,57	4,58	7,11	8,50	9,23	3,43	0,10	3,44
Institutions of Bosnia and Herzegovina	4,63	4,71	5,42	7,74	8,52	2,42	1,29	3,14
Total	723,13	983,26	955,35	793,69	744,53	174,16	208,39	187,80
External debt of Entities								
Republika Srpska	5,64	6,34	14,09	21,80	20,33	0,76	9,56	0,00
Federation of BiH	6,63	5,68	6,28	5,37	4,81	8,08	0,00	1,33
Total	12,27	12,02	20,37	27,17	25,14	8,84	9,56	1,33
Local government units debt								
Republika Srpska	0,00	0,00	0,71	0,68	1,65	0,05	1,48	0,00
Total	0,00	0,00	0,71	0,68	1,65	0,05	1,48	0,00
BiH external debt								
Republika Srpska	257,16	347,93	345,28	293,53	261,49	50,94	79,89	57,27
Federation of BiH	471,04	638,06	618,62	511,77	492,08	126,26	138,15	125,28
Brčko District	2,57	4,58	7,11	8,50	9,23	3,43	0,10	3,44
Institutions of Bosnia and Herzegovina	4,63	4,71	5,42	7,74	8,52	2,42	1,29	3,14
Total	735,40	995,28	976,43	821,54	771,32	183,05	219,43	189,13

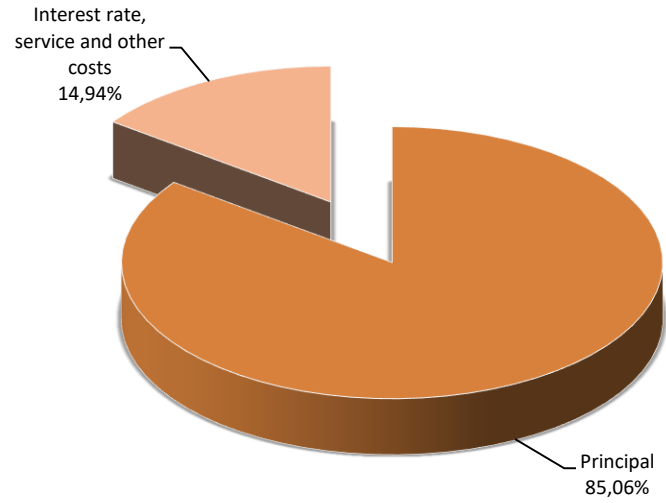
BiH external debt service by creditors and structure of obligations (in million BAM)

Creditor	Debt repayment	2016	2017	2018	2019	2020	Q1 2021	Q2 2021	Q3 2021
WBIBRD	Principal	42,91	43,12	41,39	47,00	51,87	11,97	13,71	12,28
	Interest rate, service and other costs	9,93	9,40	11,39	17,73	19,05	3,06	5,06	3,25
	Total	52,84	52,52	52,78	64,73	70,92	15,03	18,77	15,53
WBIDA	Principal	65,74	82,88	92,93	105,88	120,65	27,67	34,40	28,72
	Interest rate, service and other costs	38,83	38,16	37,65	38,40	41,80	3,41	4,17	3,86
	Total	104,57	121,04	130,58	144,28	162,45	31,08	38,57	32,58
IMF	Principal	166,49	374,92	337,09	114,22	0,00	12,37	0,00	12,43
	Interest rate, service and other costs	13,01	15,61	16,02	12,91	12,03	2,60	2,40	2,45
	Total	179,50	390,53	353,11	127,13	12,03	14,97	2,40	14,88
EBRD	Principal	106,00	106,51	110,06	110,76	114,14	31,74	33,34	31,64
	Interest rate, service and other costs	6,89	5,07	8,18	8,55	6,82	4,91	5,09	3,33
	Total	112,89	111,58	118,24	119,31	120,96	36,65	38,43	34,97
EIB	Principal	58,95	68,99	76,34	78,47	96,77	34,78	16,69	31,82
	Interest rate, service and other costs	20,39	20,00	21,74	21,87	21,96	7,85	2,72	7,01
	Total	79,34	88,99	98,08	100,34	118,73	42,63	19,41	38,83
The Paris Club	Principal	29,42	32,69	36,89	41,95	46,71	0,00	25,10	0,00
	Interest rate, service and other costs	11,49	10,37	9,36	8,25	6,72	0,67	2,05	0,66
	Total	40,91	43,06	46,25	50,20	53,43	0,67	27,15	0,66
The London Club	Principal	73,05	73,04	36,38	36,38	36,38	0,00	18,19	0,00
	Interest rate, service and other costs	2,04	1,11	0,70	0,52	0,31	0,00	0,05	0,00
	Total	75,09	74,15	37,08	36,90	36,69	0,00	18,24	0,00
EC	Principal	7,82	7,82	7,83	27,38	23,47	3,91	0,00	19,56
	Interest rate, service and other costs	2,04	3,90	3,90	3,90	3,52	1,96	0,00	1,17
	Total	9,86	11,72	11,73	31,28	26,99	5,87	0,00	20,73
Other creditors ³	Principal	61,31	83,57	100,61	110,47	132,38	28,31	44,88	24,42
	Interest rate, service and other costs	19,07	18,09	27,94	36,84	36,70	7,81	11,57	6,52
	Total	80,38	101,66	128,55	147,31	169,08	36,12	56,45	30,94
Total		735,38	995,25	976,40	821,48	771,28	183,02	219,42	189,12
Commissions and banking costs		0,02	0,03	0,03	0,06	0,04	0,03	0,01	0,01
Grand total		735,40	995,28	976,43	821,54	771,32	183,05	219,43	189,13

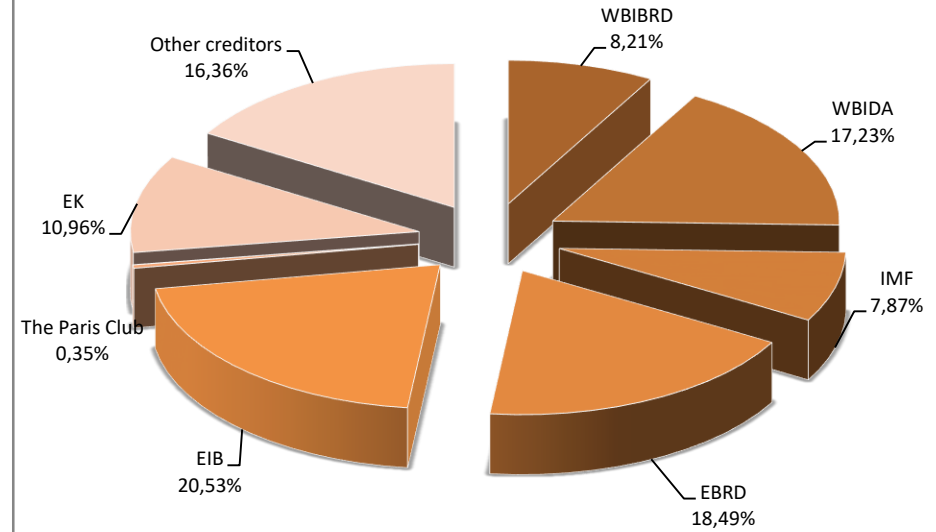
³ Other creditors: ABN AMRO, BAWAG, EBA, KEXIM, KWT, IFAD, KfW, OFID, RBA, CEB, SFD, UCBA, Government of Belgium, Government of Japan, Government of Spain, Government of Poland, Government of Serbia, Eurobonds RS.

BiH external debt service by creditors and structure of obligations for Q3 2021

Debt service by principal and interest and other costs - Q3 2021



Debt service by creditors - Q3 2021



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

Creditor	Borrower	2016	2017	2018	2019	2020	Q1 2021	Q2 2021	Q3 2021
Export-Import bank of Hungary	PUC Vodovod i kanalizacija d.o.o. Tuzla	2,27	1,13	0,00	0,00	0,00	0,00	0,00	0,00
EBRD	A.D. Vodovod i kanalizacija Bijeljina	7,42	6,60	5,77	4,95	4,12	3,71	3,71	3,30
EBRD	PC „Autoputevi Republike Srpske“ Banja Luka (Project: Corridor Vc in Republic of Srpska first part)	0,00	0,00	0,00	40,92	106,47	108,00	120,90	123,04
EBRD	PC „Autoputevi Republike Srpske“ Banja Luka (Project: Highway Banja Luka - Doboj first part)	322,93	292,46	281,51	248,87	216,23	216,23	199,92	199,92
EBRD	Toplana A.D. Prijedor Prijedor	13,69	13,69	12,55	11,41	10,27	10,27	9,70	9,70
Total		346,31	313,88	299,83	306,15	337,09	338,21	334,23	335,96

BiH external debt risk indicators

	2016	2017	2018	2019	2020	Q1 2021	Q2 2021	Q3 2021
GDP ⁴ (in million BAM)	31.125,0	32.601,0	34.920,6	36.527,1	35.435,8	36.806,0	36.806,0	36.806,0
External debt/GDP (%)	27,5%	24,1%	23,5%	22,3%	24,5%	24,0%	25,3%	25,4%
ATM for external debt (years)	7,2	7,2	7,3	7,2	6,7	6,7	6,8	7,0
ATR for external debt (years)	4,4	4,6	4,4	5,1	4,5	4,3	4,5	4,6
Debt by variable interest rate (%)	47,3%	43,0%	40,4%	31,9%	37,6%	38,2%	36,0%	35,8%
Debt in non-EUR foreign currencies (%)	48,9%	44,4%	41,4%	39,8%	41,3%	40,8%	37,7%	37,4%

⁴ Source: for the 2016-2017 period, Agency for Statistics of BiH, Newsletter 30 September 2021 and 31 March 2021; for the 2018-2020 period Agency for Statistics of BiH, Newsletter 4 October 2021, for the 2021, the Directorate for Economic Planning, framework Budget Document, Macroeconomic indicators for the 2019-2024 period, September 2021.