



No.: 01-02-1400/16  
Sarajevo, 31.03.2016

TO THE MEDIA

**Subject:** *Press Release*

***The Banking Sector of the Federation of Bosnia and Herzegovina in 2015***

In 2015, 17 banks operated in the FB&H. The balance sheet total of the banking sector as of 31.12.2015 amounted to KM 17.2 billion, up by KM one billion or 6.5% compared to the end of 2014.

Loans increased by 3.9% or KM 440 million in 2015, amounting to KM 11.6 billion at the end of the year. Retail loans amounted to KM 5.7 billion, up by 5% or KM 257 million, while corporate loans amounted to KM 5.9 billion, up by 3.2% or KM 183 million. A slightly higher increase in the loan portfolio, a reduced inflow of new non-performing loans, as well as permanent write-offs had a positive effect on the ratio of the share of non-performing loans in total loans, which decreased from 14.1%, which is what it amounted to at the end of 2014, to 12.9%, which is what it amounted to as of 31.12.2015. Cash funds amounted to KM 4.86 billion or 28.3% of the balance sheet total of banks in the FB&H and recorded an increase of 6.5% or KM 297 million compared to the end of 2014.

In the structure of the banks' sources of funding, deposits in the amount of KM 13.1 billion and with a share of 76.2% continued to be the most significant source of funding for credit activities of banks in the FB&H. In 2015, they increased by 8% or KM 968 million. Savings deposits retained a positive trend of growth and amounted to KM 7.2 billion at the end of 2015, up by 8% or KM 543 million compared to the end of 2014. Compared to the end of 2008 when they amounted to KM four billion, savings deposits saw an increase of 79.3% or KM 3.2 billion in the previous period. As of 31.12.2015, the banks' total capital amounted to KM 2.6 billion, up by 7.5% or KM 182 million compared to the end of 2014. Regulatory capital amounted to KM 2.2 billion, having increased slightly (by KM five million) compared to the end of 2014.

According to unaudited data obtained by the Banking Agency of the FB&H and based on reports submitted on the banks' business operations in the previous year, indicators confirm that the steady growth of the banking sector of the Federation of B&H continued, as was expected. This is confirmed by the fact that, in 2015, banks in the Federation of B&H recorded the most positive financial result since 1996, i.e. profit in the amount of KM 149 million, and that the banking sector of the Federation of B&H has reached an enviable level and represents the most developed and most powerful part of the financial and overall economic system of the FB&H.

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