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The Microcredit Sector of the Federation of Bosnia and Herzegovina in the First Quarter of 2016

As of 31.03.2016, 12 MCOs in the Federation owned the Agency's operating licence, of which there were 11 MCFs and 1 MCC.

The balance sheet total of MCOs amounted to KM 423.4 million as of 31.03.2016, KM 402.8 million or 95.1% of which related to MCFs and KM 20.6 million or 4.9% to one MCC. The balance sheet total at the end of the first quarter of 2016 was up by KM 0.1 million compared to the balance as of 31.12.2015.

Total gross loans of MCOs, as the most important assets item, amounted to KM 363.4 million as of 31.03.2016 and accounted for 86% of total assets of MCOs. They increased by 2% compared to the end of the previous year, while net loans amounted to KM 359.7 million and are up by 2% compared to the balance as of 31.12.2015. The average weighted effective interest rates on total loans in the microcredit sector amounted to 24.47% and recorded a decrease in the amount of 0.23 percentage points compared to the fourth quarter of 2015. In the period to come, the Agency's examinations will, in addition to the constant supervision of asset quality, also focus on controlling the costs of MCOs, their justification and effectiveness, in the interest of reducing interest rates on microloans placed by MCOs in the Federation of B&H.

The main source of funding of MCOs are loan commitments, which amounted to KM 205.5 million or 49% of total liabilities as of 31.03.2016, down by 1% compared to 31.12.2015. As of 31.03.2016, total capital of MCOs amounted to KM 196.6 million or 46% of total liabilities of MCOs, up by KM 3.3 million or 2% compared to the end of the previous year. Core capital and other reserves of MCFs amounted to KM 5.9 million, i.e. 3% of the total capital of MCFs. A positive financial result in the amount of KM 3 273 000 was recorded at the level of the microcredit sector in the Federation of B&H, up by KM 14 649 00 thousand compared to the same period of the previous year.

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