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TO THE MEDIA

**SUBJECT:** Press Release

### **Information on the Banking System of the Federation of B&H for 2016**

As of 31.12.2016, there were 15 licensed banks in the Federation of B&H. The number of banks is lower by two banks compared to the end of 2015 (17 banks) due to status changes of mergers. As of 31.12.2016, the headcount amounted to 6 615, down by 1% or 68 employees compared to the end of 2015.

In 2016, the upward trend of the balance sheet total continued (for the fourth year in a row), and it is expected that the same trend will continue in the period to come as well. The balance sheet total of the banking sector as of 31.12.2016 amounted KM 18.4 billion, thus posting an increase in the amount of KM 1.2 billion or 7.1% compared to the end of 2015.

Loans, being the largest assets item in banks, recorded an increase of 5.7% or KM 659 million in 2016, amounting to KM 12.3 billion at the end of the year. In 2016, positive trends were also recorded in the segment of sectoral lending, i.e. greater lending to private companies compared to the retail segment.

Cash funds amounted to KM 5.2 billion or 28.3% of the balance sheet total of banks in the FB&H and recorded an increase of 7.1% or KM 347 million in 2016.

In the structure of banks' sources of funding, deposits in the amount of KM 14.2 billion are the most significant source of funding for banks in the FB&H and increased their share to 77.1% (76.3% at the end of 2015). Savings deposits, as the most important and largest segment of the deposit and financial potential of banks, maintained a positive trend of growth and amounted to KM 7.9 billion at the end of 2016, which is up by 9.1% or KM 662 million compared to the end of 2015.

As of 31.12.2016, loan commitments of banks amounted to KM 848 million or 4.6% of total sources of funding and are down by KM 56 million or 6.2% compared to the end of 2015.

As of 31.12.2016, total capital of banks amounted to KM 2.7 billion (share capital: KM 1.2 billion), up by 5.4% or KM 138 million compared to the end of 2015. Increase on the basis of recorded profit and the recapitalisation of three banks had the largest positive impact on capital.