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TO THE MEDIA

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The Banking Sector of the Federation of Bosnia and Herzegovina in the Third Quarter of 2015

The balance sheet total of the banking sector at the end of the third quarter of 2015 amounted to KM 16.6 billion, up by 3% or KM 482 million compared to the end of 2014. The assets structure saw minor changes in two key material items: an increase in the share of loans from 69.2% to 69.6% and a decrease in the share of cash funds from 28.2% to 26.7%. In the nine months of this year, cash funds decreased by 3% or KM 124 million, amounting to KM 4.4 billion as of 30.09.2015.

In the first three quarters of this year, loans recorded an increase of 3.6% or KM 400 million, thus amounting to KM 11.6 billion as of 30.09.2015. Total non-performing loans amounted to KM 1.6 billion as of 30.09.2015 and remained at the same level as at the end of 2014.

In the structure of the banks' sources of funding, deposits in the amount of KM 12.6 billion and with a share of 75.5% continued to be the most significant source of funding for banks in the FB&H. In the first nine months of 2015, total deposits increased by 3% or KM 421 million. On the other hand, savings deposits, as the most significant segment of the deposit and financial potential of banks, rose by 5.6% or KM 374 million in the first nine months of 2015, amounting to KM 7.1 billion as of 30.09.2015.

The second highest source are loan funds in the amount of KM 0.9 billion, which banks received mainly by borrowing from foreign financial institutions.

In the first three quarters of 2015, total capital increased by 6% or KM 155 million, amounting to KM 2.6 billion as of 30.09.2015. Regulatory capital amounted to KM 2.2 billion as of 30.09.2015, up by 3% or KM 58 million compared to the end of 2014.

The capital adequacy ratio of the banking system amounted to 15.9% as of 30.09.2015, down by 0.1 percentage points compared to the end of 2014, but still well above the statutory minimum (12%). At the level of the banking system in the Federation of B&H, a positive financial result – profit in the amount of KM 174 million was recorded in the nine months of 2015, up by 40% or KM 50 million compared to the same period of the previous year. Therefore, the operations of the banking sector in the third quarter of the current year can be

considered satisfactory and it can be concluded that the banking sector remains stable and secure.

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