

# Bosnia and Herzegovina

Bosnia and Herzegovina is a country in Southeastern Europe, located within the Balkan Peninsula with a population of 3,5 million. The convertible mark (konvertibilna marka – KM-BAM) - the national currency is pegged to the euro through a currency board arrangement within Central bank of BiH, which has maintained confidence in the currency and has facilitated reliable trade links with European partners (1€ = 1,95583 KM)

Bosnia and Herzegovina's Nominal GDP Per Capita is forecasted to be €6,305 in Dec 2023 as reported by International Monetary Fund Report.

BiH financial system is dominated by commercial banks. Currently 21 commercial banks operate on the market and 2 investment banks.

As Bosnia and Herzegovina is consisted of two entities: Federation of BiH and Republic of Srpska, there are two supervising bodies - two banking agencies for the banking sector: Banking Agency of Federation of BiH and Banking Agency of Republic of Srpska.

In 2023, there are 21 commercial banks operating in Bosnia and Herzegovina with total of 9,7 thousands employees. (there are also two development banks operating at entities level).

The banking sector recorded a 5.44% growth in assets, reaching €20.3 billion, alongside a 6.6% increase in loans, amounting to €12 billion. Deposits rose by 6.49% to €15.9 billion. Profitability improved significantly, with an increase of 38.5%, reaching €348.2 million. The Tier I ratio was 19.5%. Non-performing loans (NPLs) stood at 4.2%, the lowest level since the global financial crisis, with the retail segment at 3.99%. The total amount of NPLs was approximately €460 million, reflecting an 11.3% decrease compared to the previous year. Profitability indicators showed historically strong results, with ROAA improving to 2.0% from 1.6% in 2022 and ROAE rising to 15.0% from 12.0% in 2022.