



Centralna banka  
BOSNE I HERCEGOVINE  
Централна банка  
БОСНЕ И ХЕРЦЕГОВИНЕ



## Comments on Trends in Other Financial Institutions Sector at the End of 2024

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## Analysis of the financial sector in BH at the end of 2024

At the end of 2024, there were 125 financial institutions operating in the financial market of Bosnia and Herzegovina, which are included in the regular statistics of the Central Bank of BH, those being 21 banks and one development bank in the banking sector, and the following institutions in the sector of non-banking financial institutions (hereinafter, statistical term other financial institutions sector/OFI sector is used): 24 insurance companies and one reinsurance company, 29 microcredit organisations, 37 investment funds, 4 leasing companies, 6 broker companies and 2 stock exchanges. The compilation of this statistics is carried out in accordance with the international methodology stipulated in the IMF's Monetary and Financial Statistics Manual (2000), through a single report form 2SR for banks and 4SR for other financial institutions (Standardised Report Forms/SRF). By using single reporting forms for presenting the balance sheet, it is possible to produce aggregated and harmonised data for BH level.

### *Number of financial institutions in BH*

<i>Financial institutions in BH</i>	<i>Dec-23</i>			<i>Jun-24</i>			<i>Dec-24</i>		
	<b>FBH</b>	<b>RS</b>	<b>Total</b>	<b>FBH</b>	<b>RS</b>	<b>Total</b>	<b>FBH</b>	<b>RS</b>	<b>Total</b>
<i>Banks*</i>	14	8	<b>22</b>	14	8	<b>22</b>	14	8	<b>22</b>
<i>Insurance and reinsurance companies</i>	11	14	<b>25</b>	11	14	<b>25</b>	11	14	<b>25</b>
<i>Microcredit organisations</i>	13	15	<b>28</b>	14	16	<b>30</b>	13	16	<b>29</b>
<i>Investment funds</i>	18	15	<b>33</b>	19	15	<b>34</b>	21	16	<b>37</b>
<i>Leasing companies</i>	4	0	<b>4</b>	4	0	<b>4</b>	4	0	<b>4</b>
<i>Broker companies</i>	3	4	<b>7</b>	2	4	<b>6</b>	2	4	<b>6</b>
<i>Stock exchanges</i>	1	1	<b>2</b>	1	1	<b>2</b>	1	1	<b>2</b>
<b>Total</b>	<b>64</b>	<b>57</b>	<b>121</b>	<b>65</b>	<b>58</b>	<b>123</b>	<b>66</b>	<b>59</b>	<b>125</b>

\* Including Razvojna banka FBiH

At the end of 2024, the total assets of the financial sector in Bosnia and Herzegovina amounted to KM 52.18 billion (unconsolidated data), being higher by KM 4.49 billion or by 9.4% compared to the same period of the previous year. The largest share was still held by banks, with 87.7% share in the total financial sector assets. Insurance and reinsurance companies participated with KM 2.80 billion, or 5.4% of the total financial sector assets. Compared to the balance at the end of 2023, insurance and reinsurance companies, microcredit organisations, investment funds, leasing companies and stock exchanges saw an increase of assets, while broker companies saw a slight decrease of their balance sheet amounts.

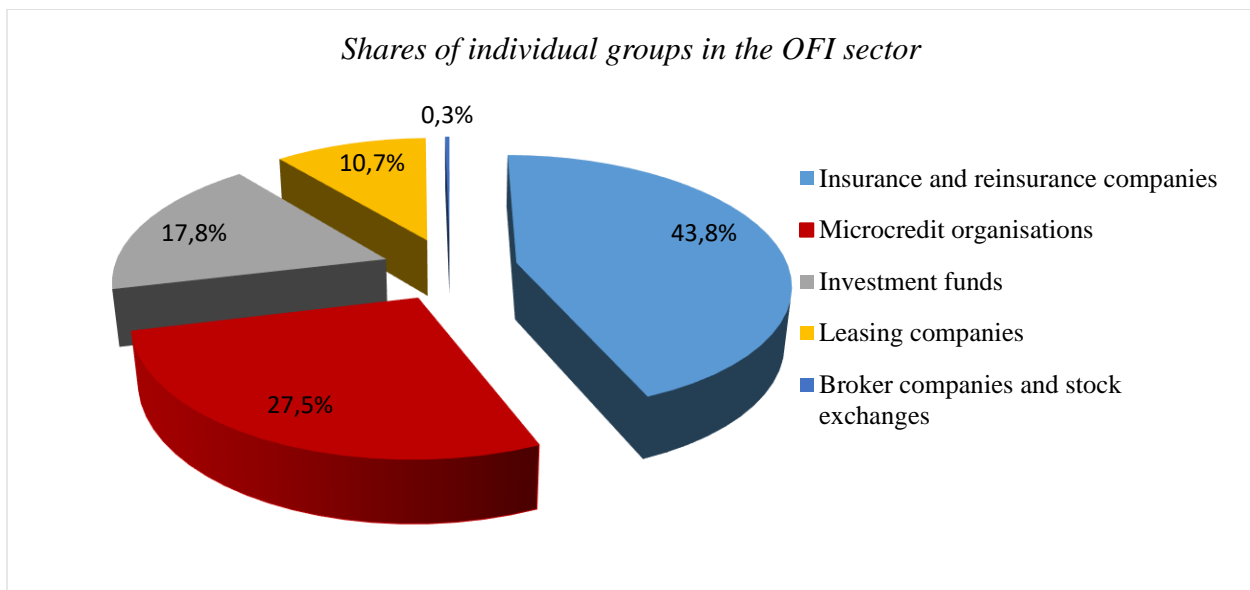
**Financial sector in BH (million KM)**

<b>Financial institutions in BH</b>	<b>12/2023</b>		<b>06/2024</b>		<b>12/2024</b>		<b>Assets growth index</b>	
	<b>Assets</b>	<b>Share (%)</b>	<b>Assets</b>	<b>Share (%)</b>	<b>Assets</b>	<b>Share (%)</b>	<b>12.2024/12.2023</b>	<b>12.2024/06.2024</b>
<i>Banks</i>	41.810,9	87,7	43.433,4	87,6	45.781,6	87,7	109,5	105,4
<i>Insurance and reinsurance companies</i>	2.628,9	5,5	2.751,2	5,6	2.799,5	5,4	106,5	101,8
<i>Microcredit organisations</i>	1.539,5	3,2	1.647,0	3,3	1.757,7	3,4	114,2	106,7
<i>Investment funds</i>	1.049,5	2,2	1.047,2	2,1	1.139,2	2,2	108,5	108,8
<i>Leasing companies</i>	631,8	1,3	664,0	1,3	682,3	1,3	108,0	102,8
<i>Broker companies</i>	12,9	0,0	9,6	0,0	8,5	0,0	65,9	88,5
<i>Stock exchanges</i>	10,8	0,0	11,4	0,0	11,0	0,0	101,8	95,9
<b>Total for sector</b>	<b>47.684,3</b>	<b>100,0</b>	<b>49.563,8</b>	<b>100,0</b>	<b>52.179,6</b>	<b>100,0</b>	<b>109,4</b>	<b>105,3</b>

**Sector of non-banking financial institutions (OFI sector)**

The balance of the total OFI sector assets in Bosnia and Herzegovina, as of 31 December 2024, was KM 6.40 billion, being higher by KM 524.6 million or 8.9% compared to the balance at the end of 2023, and compared to the balance at the end of the first half of 2024, higher by KM 267.6 million or 4.4%. Insurance and reinsurance companies had the largest assets within the OFI sector in the amount of KM 2.80 billion, representing a share of 43.8% in the total assets of the OFI sector, followed by microcredit organisations with KM 1.76 billion (27.5% share), investment funds with KM 1.14 billion (17.8 % share), leasing companies with KM 682.3 million (10.7% share), the remaining KM 19.5 million (0.3% share) refers to assets of broker companies and stock exchanges in BH.

**Shares of non-banking financial institutions in OFI sector at the end of 2024**



A brief analysis of the three subsectors with the largest shares in the OFI sector is presented below.

## **Insurance and reinsurance companies**

At 2024 end, there were 24 insurance companies and one reinsurance company operating in the insurance market in BH, of which 15 companies perform non-life insurance, while 10 are composite companies that perform non-life and life insurance. Insurance companies in BH record a continuous and stable annual increase of assets, having a 43.8% share in the total OFI sector. The balance sheet amount of the insurance sector (including reinsurance) as of 31 December 2024 was KM 2.80 billion, being higher by KM 48.3 million, i.e. 1.8% compared to the positions as of 30 June 2024, and higher by KM 170.6 million or 6.5% compared to the same period of the previous year.

Securities had the most significant share in the asset structure, amounting at 2024 end to KM 837.0 million, i.e. 29.9% of the total assets value. They are followed by other deposits (firstly term deposits with banks) and non-financial assets (real estate property). Investments in securities, primarily the Entity bonds, recorded continuous growth, being higher at 2024 end by 6.5% compared to the first half of 2024, and by 12.0% compared to 31 December 2023.

In the structure of liabilities, gross technical reserves had the largest share of 65.9%, amounting to KM 1.84 billion on 31 December 2024, being higher by 0.9% compared to the positions at the end of the first half of 2024, and, compared to the same period of the previous year, gross technical insurance reserves increased by 5.5%.

## **Microcredit organisations in BH**

The balance sheet amount of microcredit organisations at 2024 end amounted to KM 1.76 billion and was higher by KM 218.1 million or 14.2% compared to the end of 2023, and compared to the end of the first half of 2024, it was higher by KM 110.7 million or 6.7%. Out of the total balance sheet amount, microcredit foundations (MCF) accounted for KM 701.2 million or 39.9%, while microcredit companies (MCC) accounted for KM 1.06 billion or 60.1%.

The total amount of loans of microcredit organisations at 2024 end was KM 1.45 billion, representing 82.5% of the total assets. Compared to the positions at 2023 end, microcredit portfolio increased by KM 199.3 million or 15.9 %, and compared to the positions at the end of the first half of 2024, it increased by KM 95.7 million or 7.1%. Observing the sector structure of extended loans, the share of microcredits to natural persons was prevailing at the level of 97.4%, while the remaining 2.6% was related to microcredits extended to legal persons.

The basic source of microcredit organisations funds are the liabilities based on taken loans, which, at 2024 end amounted to KM 930.3 million or 52.9% of the total liabilities, being higher compared to 2023 end by KM 158.8 million or 20.6%, and higher by KM 55.2 million or 6,3% compared to the end of the first half of 2024. The total capital of microcredit organisations at 2024 end was KM 604.2 million or 34.4% of the total liabilities, being higher by KM 21.2 million or 3.6% compared to 2023 end, and higher by KM 27.8 million or 4.8% compared to the positions at the end of the first half of 2024.

## Investment funds

The total assets of investment funds at 2024 end amounted to KM 1.14 billion, having increased compared to the positions at 2023 end by KM 89.7 million, i.e. 8.5%, and by KM 92.0 million or 8.8% compared to the positions at the end of the first half of 2024.

Portfolio of investment funds in the amount of KM 1.08 billion accounted for 94.7% of their total assets, consisting of debt securities accounting for 40.7%, equity securities accounting for 39.6%, deposits accounting for 17.2%, real estate property accounting for 2.3% with the loans accounting for the lowest share of 0.2%.

