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БОСНЕ И ХЕРЦЕГОВИНЕ



Financial Stability Risk Assessment - the first half of 2025 -

- Issue 3: December 2025



CONTENT

List of Graphs	3
List of Tables	3
Abbreviations	4
Summary	5
1. Macroeconomic Trends and Financial Stability Risks	6
2. Banking Sector Trends and Risks.....	10
2.1. Banking sector resilience and stress tests results	14
3. Regulatory Framework.....	19

LIST OF GRAPHS

Graph 1: Macrofinancial Risks Chart	6
Graph 2: World Uncertainty Index	6
Graph 3: Key Macroeconomic Indicators	7
Graph 4: Semiannual Structure of BH Current Account	7
Graph 5: Macroeconomic forecast	9
Graph 6: Banking Sector Financial Soundness Indicators Chart	10
Graph 7: Coverage of Non-performing Loans with Provisions	10
Graph 8: Loan Portfolio Quality	10
Graph 9: Households and NFC Loans Dynamics	11
Graph 10: Assessment of Financial Cycle for BH	11
Graph 11: New Loans to Households and Interest Rates	12
Graph 12: New Loans to Companies and Interest Rates	12
Graph 13: Trends of EURIBOR and Interest Rates in BH	12
Graph 14: New Loans Structure by Interest Rate Type	13
Graph 15: The Total Deposit Structure by the Remaining Maturity	13
Graph 16: Profitability Indicators	13
Graph 17: Total capital requirements and actual capital adequacy ratios of banks	14
Graph 18: Capital Adequacy Ratios in Baseline and Two Adverse Scenarios and Minimum Regulatory Capital Requirements	15
Graph 19: Contributions of Individual Items to Capital Adequacy Ratio, in Adverse Scenarios	16
Graph 20: Provisions for Credit Risk	16
Graph 21: Liquidity indicators	16
Graph 22: Basic LCR Components, Q2 2025	17
Graph 23: Liquidity Buffer Structure	17
Graph 24: Overall Banks' Needs for Additional Liquid Assets	17
Graph 25: Liquidity Coverage Ratio (LCR) for Banking Sector	18
TB 1: Interest rates on loans to households and the amount of newly approved housing loans	8

LIST OF TABLES

Table 1: Selected Indicators from BH Banking Sector	13
Table 2: Basic Assumptions in Stress Tests	15

Abbreviations

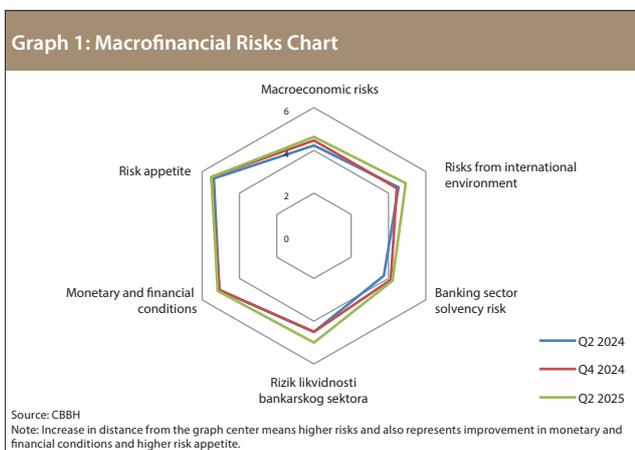
BABiH	Banks Association of Bosnia and Herzegovina
BARS	Banking Agency of Republika Srpska
BH	Bosnia and Herzegovina
CBBH	Central Bank of Bosnia and Herzegovina
CCyB	Countercyclical capital buffer
ECB	European Central Bank
ESG	Environmental, social, and governance
EU	European Union
EURIBOR	Euro Interbank Offered Rate
FBA	Banking Agency of the Federation of Bosnia and Herzegovina
FBH	Federation of Bosnia and Herzegovina
IFC	International Finance Corporation
IRRBB	Interest Rate Risk in the Banking Book
GDP	Gross Domestic Product
KM	Convertible mark
LCR	Liquidity Coverage Ratio
MREL	Minimum Requirement for Own Funds and Eligible Liabilities
NPL	Non-performing loans
RS	Republika Srpska
RTGS	Real-time gross settlement
TIPS	TARGET Instant Payment Settlement
WUI	World Uncertainty Index

SUMMARY

- The first half of 2025 was marked by distinct global geopolitical and trade tensions. Therefore, the strongest risks to financial stability in BH were those coming from the international environment, and those are likely to be in focus in the coming period as well. At the same time, slower economic growth on one hand and accelerated growth of inflation on the other hand, marked domestic economic circumstances, so risks from the domestic environment slightly increased compared to the previous year. Due to the increased risks from the international and domestic macroeconomic environment, the expected economic growth rate of BH for 2025 was also reduced, while the level of inflation was revised upwards. On the other hand, the increased macroeconomic risks from the international and domestic environments did not have a negative impact on the monetary and financial conditions in the country, or the investors' risk perception. Consequently, the overall level of risk to financial stability in the first half of 2025, although slightly higher compared to 2024, stayed within the framework of low to moderate level of risk.
- In the first half of 2025, the BH banking sector kept a high level of stability and resilience, with the continuation of favourable trends in key business segments. The overall assessment of the financial soundness indicators shows a continuing trend of capitalisation and asset quality improvement, while maintaining high liquidity and profitability levels. Lending remained robust, supported by favourable financing conditions as well as stable demand for loans, resulting in further narrowing of the negative gap between loans to private sector and GDP, this financial cycle indicator still showing the financial cycle to be in a negative phase. On the other hand, the financial cycle composite indicator registered a positive value and confirmed the transition to the upward phase of the cycle. Financial conditions on the domestic market remained favourable, primarily due to the structure of bank financing sources, dominated by short-term domestic deposits with a still very low cost of financing. The banking sector profitability, although still at a high level, recorded a slight decrease compared to the previous year. The sustainable level of profitability in the coming period will depend on the financing costs dynamics, possible increase of interest rates on deposits and other sources of funds, and a potential deterioration of asset quality in conditions of increased macroeconomic uncertainty.
- The stress tests results as of Q2 2025 showed BH banking sector to be stable and safe and able to adequately absorb extreme solvency and liquidity shocks. The strong initial position during the test, reflected in good capitalisation and high liquidity of the banking sector at the end of the second quarter of 2025, contributed most to the fact that the banking sector can adequately respond to unlikely adverse scenarios, and preserve overall stability.
- Throughout 2025, the Entity Banking Agencies also continued to strengthen the regulatory framework through the adoption of new regulations and provisional measures aimed at preserving the banking sector stability. Amendments and supplements to the Law on Banks in Republika Srpska and the Federation of BH stand out, as well as the development of a regulatory framework that creates preconditions for the future implementation of the countercyclical capital buffer (CCyB) and measures aimed at debtors (DSTI and LTV). Also, in 2025, both Banking Agencies established the List of Systemically Important Banks on the basis of a jointly agreed methodology. The Central Bank of BH also continued to carry out activities of BH payment systems modernisation and signed an agreement on the establishment of an instant payment system in the Western Balkans, thus starting the process of the payment system upgrading, which, after implementation, would enable bilateral links in the instant payments area with the EU and the Western Balkan countries.

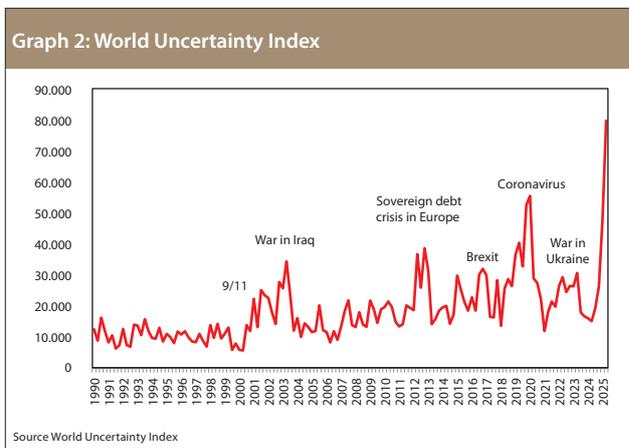
1. MACROECONOMIC TRENDS AND RISKS FOR FINANCIAL STABILITY

The general level of risk to financial stability in the first half of 2025 increased slightly compared to 2024 staying within the framework defined as low to moderate level of risk (Graph 1). The expected economic growth rate for this year was also reduced, while the inflation level was revised upwards. In these circumstances, the success and resilience of BH banking system is still rated as high. The strongest risks in 2025 were those coming from the international environment, and those are likely to stay in focus in the coming years, dominantly shaping macroeconomic trends in BH.



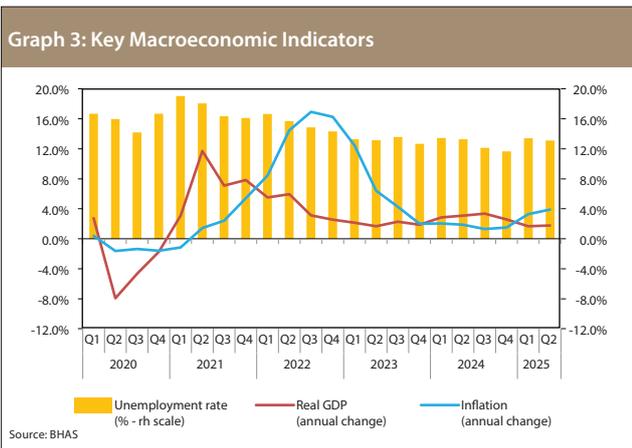
In 2025, the international environment was dominated by geopolitical uncertainties and increased risks. The wars in Ukraine and the Middle East continued to keep global insecurity high, while global tensions were additionally increased this year by the new U.S. measures and customs policies. Consequently, at the end of the second quarter of 2025, the World Uncertainty Index (WUI) reached its highest value since the data for this index are processed and published¹, clearly reflecting the current level of geopolitical uncertainty (Graph 1). In such conditions, real economic GDP growth in the first and second quarters of 2025 was still achieved at the levels of 0.6% and 0.1% respectively. The ECB policy also contributed significantly to maintaining the growth of the euro area economy positive, which strengthened the economy with favourable financing conditions in an uncertain macroeconomic environment by lowering interest rates. This year in the euro area was also marked by decreased Euribor rate, slower inflation and stronger exchange rate of euro against dollar.

¹ The World Uncertainty Index tracks uncertainty around the world by analyzing text from country reports published by the Economist Intelligence Unit. The index is available for 143 countries.

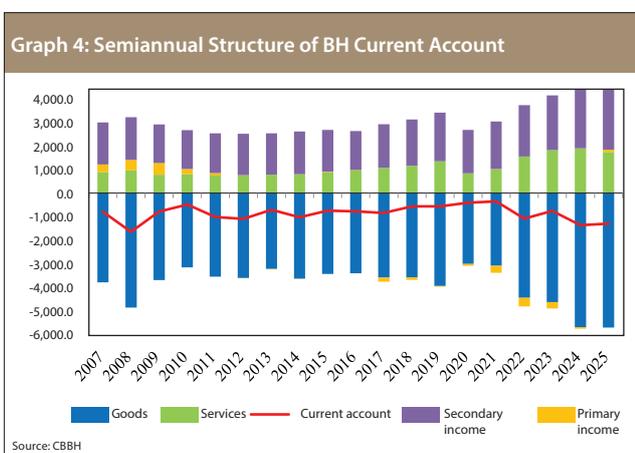


Having in mind that the euro area market is the largest export market for BH (over 60% of BH exports relate to the euro area market), there is a risk of loss of competitiveness of European producers and exporters due to the strong euro, which can strongly affect BH economy through reduced demand for BH products. This assessment is also supported by the fact that the share of exports in BH GDP during the first half of 2025 was again recording a growth trend, making BH economy more vulnerable to adverse external influences. The downward trend of the Euribor and stable prices on the oil market had a positive effect on BH economy, resulting in the limited growth of overall risks to financial stability coming from the international environment.

Risks to financial stability from the domestic environment were also stronger compared to the previous year, predominantly influenced by two key macroeconomic indicators. More precisely, slowed down economic growth on one hand and accelerated inflation growth on the other hand dominantly shaped the macroeconomic picture of BH in the first half of 2025 (Graph 3). BH real economic growth for the first six months of 2025 amounted to 1.7% at the annual level, which is the lowest half-year result in the previous five years, i.e. since 2020, when BH was hit by the first wave of the COVID-19 pandemic. On the manufacturing side, GDP growth was driven by positive trends in the service sector, primarily through the increase of wholesale and retail trade as the largest GDP category, while on the other hand, the production sector, primarily industrial production, continuously made a negative contribution to the overall economic growth of BH. Overall inflation pressures strengthened significantly in 2025, despite the stabilisation of consumer prices in the euro area. The largest consumer price growth in this year was recorded in the categories of food and catering services.



Thus, the inflation rate in the category “Food and non-alcohol beverages” was almost four times higher compared to the average of 2024, while the price growth in the category “Restaurants and hotels” was also at a high level of 6.3%. Although BH economy strongly relies on food imports (close to 10% of the total BH imports of goods refers to food industry), so it is significantly dependent on price movements on international markets, it is certain that internal factors had a significant impact on the consumer price level this year. The strong growth of average wages after the change of the minimum wage level at the beginning of the year (the average net wages increased by 13% in the first half of this year) spilled over into the growth of prices of services, which is one of the reasons why the trend of inflation pressures in the current year was significantly different than that in the euro area. Unlike the net wages, the unemployment rate recorded a reversal of the positive trend, having risen to 13.1% as of the first half of the year from 11.7% at the end of the previous year. The impact of the minimum wage change on the labour market will remain in focus in the coming period, and represent a potential source of risk, taking into account that the period is still short for the effects of this decision to be quantified on the risk map as positive or negative.



Other indicators used in the assessment of risks arising from the domestic environment had mainly a stabilising effect. Risks in the fiscal sector remained unchanged thanks to the general government’s budget surplus during the first six months of this year. Risks arising from the balance of payments position also remained at the same level, primarily due to a slight decline of the current account deficit (by 4.7% compared to the first half of 2024), primarily due to the increase of the surplus in the secondary income account, which is dominated by personnel transfers (Graph 4). The public debt-to-GDP ratio also continued to decline and does not represent a significant source of risk to BH financial stability. However, potential sources of risk in these macroeconomic segments exist, such as an increase of internal debt and a decline of the surplus in the services account, and it is necessary to pay attention to them in the coming period.

Increased macroeconomic risks from the international and domestic environment had no negative effect on monetary and financial conditions in the country. Relatively stable lending interest rates in the conditions of increased inflation had a positive effect on loan affordability in BH, the Bank Lending Survey for Q2 2025 showed that credit standards in the first half of the year were either relaxed or remained unchanged. All of the above created the preconditions for an increase in bank lending in the same period, both to the corporate and the household sectors, which consequently reduced the gap between the total loans and GDP. On the other hand, increased lending resulted in slightly higher solvency and liquidity risks compared to the previous year, but risks in both segments are still at the level defining them as moderate (a more detailed overview of the banking sector indicators is provided in the next chapter).

Investors’ perception of risk remained unchanged in the first half of the year, although it was expected to deteriorate given the increased risks from the domestic and external environment. The negative consequences of increased risks were reflected in the inflow of investments in BH, with decreases seen in foreign direct and portfolio and other investments in the balance of payments structure. On the other hand, the real estate market stayed strong with no serious trend reversal indications in the near future. According to the available data including only new construction, the price of real estate properties on the market reached a new record level, while the number of new apartments sold was stagnating in the first half of the year. However, as the real estate market in BH is characterised by high resilience to economic shocks, it is unlikely that all indicators from this market, including the number of apartments sold, will not see new record values in 2025. In addition, favourable financing conditions and growth of lending are boosting demand, increasing the sector’s sensitivity to possible changes of interest rates and macroeconomic conditions.

Text box 1: Assessment of developments in the real estate sector and the related risks

The real estate sector plays an important role in the domestic economy and financial system, given its strong relation with the banking sector, labour market trends and investment activities. Changes of prices and volumes of transactions in the real estate market can have important implications for financial stability, especially through the channels of lending, the collateral value and the economic entities' expectations.

The continuous and strong growth of real estate prices in Bosnia and Herzegovina over the last few years reopened the question of the potential creation of a price bubble or speculative bubble in this market. The relation between the risk of price imbalances and the real estate market is particularly visible in the conditions of the structural characteristics of BH economy, mainly the underdeveloped capital market and limited alternative investment opportunities, which is why real estate property is perceived as the dominant form of capital preservation and investment. Although historical experience shows that price bubbles repeat, their timely recognition remains extremely challenging.

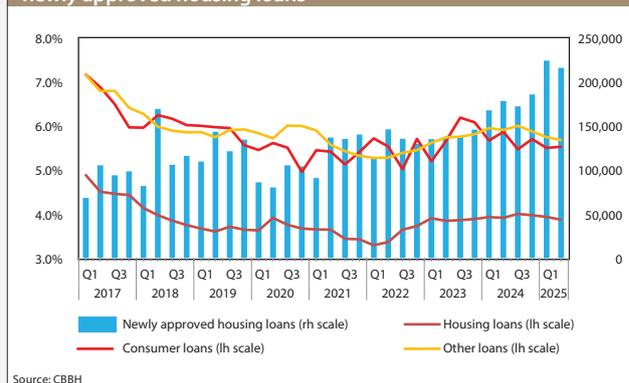
Development of real estate prices is easiest to explain by the supply and demand relation. In recent years, the public perception is that the supply of apartments in BH has been at an exceptionally high level. However, the statistics shows a slightly different situation. The fact is that the number of completed apartments in BH is nominally growing (the number of completed apartments in 2024 was 3,420, which is the highest number since 2010), but the total supply of new real estate properties on the market has remained very low if this number is placed in relation to the total number of citizens. The index of newly built dwellings per 1,000 citizens was 1.1, which places BH at the very back of Europe in terms of the value of this indicator. In addition, the index of unfinished dwellings as of 2024 was 1.7, which is also below the European average. These two indicators clearly show that the supply of real estate properties at the level of BH is still low at the moment.

On the other hand, demand for real estate properties remains strong, several indicators pointing to this conclusion. The continuous demand for real estate can be observed from the perspective of citizens' preference for their own real estate property.

Although there is no official statistics for BH, it is certain that BH citizens are among the highest ranked in Europe in terms of real estate ownership, based on the data for the countries from our region and Eastern Europe. Financial market conditions are also stimulating for the demand for real estate properties in BH, bearing in mind that the average weighted interest rate on housing loans is the lowest of all interest rates on the credit market.

Therefore, it is not surprising that the demand for housing loans is increasing from year to year. In 2024 alone, commercial banks extended new housing loans in the amount of KM 703 million, this being the highest amount of all categories of loans to households (consumer/housing/other loans). From the point of view of commercial banks, housing loans represent safe placements, having in mind that the share of non-performing loans in the total loans in this segment is 0.7% - the lowest NPL ratio in the banking market.

TB 1: Interest rates on loans to households and the amount of newly approved housing loans

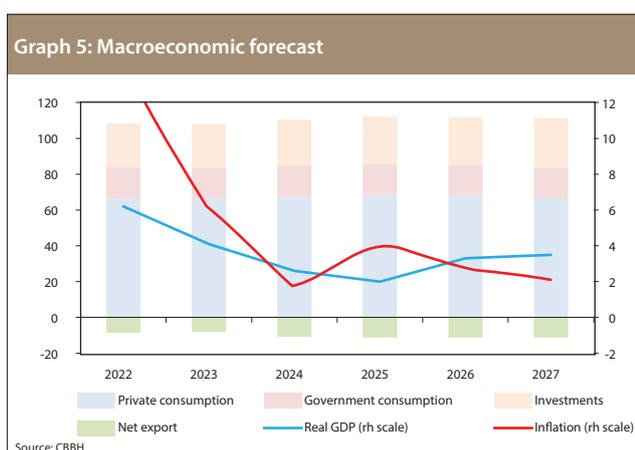


Source: CBBH

It would be somewhat more difficult to explain the growth of real estate property prices by the indicators of BH labour market. Improvements in the labour market, although noticeable over the past few years, are moving far slower than the real estate price growth. As a consequence of this trend, the real estate affordability index in BH is growing, which means that BH citizens have to allocate an increasing amount of their annual income per square meter of apartment (as of 2014, the affordability index in newly constructed residential properties was 17.7%). Regardless of the lower affordability measured by the average salary in BH, the number of apartments sold has been continuously growing. In the period 2018-2024, both the number of sold apartments and the total surface of sold apartments in newly constructed residential properties increased by over 50% at BH level. Data from the labour market are certainly not a sufficient source of purchasing power, as they are growing slower than real estate prices. The already mentioned favourable conditions on the financial market may also represent only a part of the demand (around a half of the purchase of newly constructed residential real estate is financed from bank loans). The rest of the demand for real estate properties could have its source in demand from abroad, i.e. the demand of BH citizens living abroad (BH is one of the European countries with the highest share of personal transfers in GDP). The trend of the population emigrating from BH is continuing, so this type of demand for real estate properties in BH is expected to be maintained in the coming years, taking into account that BH citizens outside the country perceive investing in real estate properties as a "safe investment", and a potential source of additional income through the benefits of growing tourism in the country itself.

On the basis of the available indicators, there is no clear empirical evidence that would indicate the presence of a distinct price bubble in the real estate market in BH. However, the limited availability of detailed data on regional price distribution, buyer structure, rental market, the extent of usage of housing stock and the share of inactive real estate properties makes it difficult to assess risks more comprehensively. It is certain that the indicators for 2025 as well as macroeconomic forecasts for BH economy in medium term do not show above-average growth in the real estate market, and therefore the creation of a price bubble. Finally, it should be pointed out that in addition to fundamental economic indicators, the behavioural aspect in price bubble creation should also be taken into account. A situation in which price growth is driven by enthusiasm or irrational optimism (prices will never fall), creates a bubble based on the very disproportion between the real (internal) and market value of assets. This aspect is certainly present among market participants in BH, and it is necessary to keep it in mind when understanding price movements, but also to fully understand the potential risk that may arise from it.

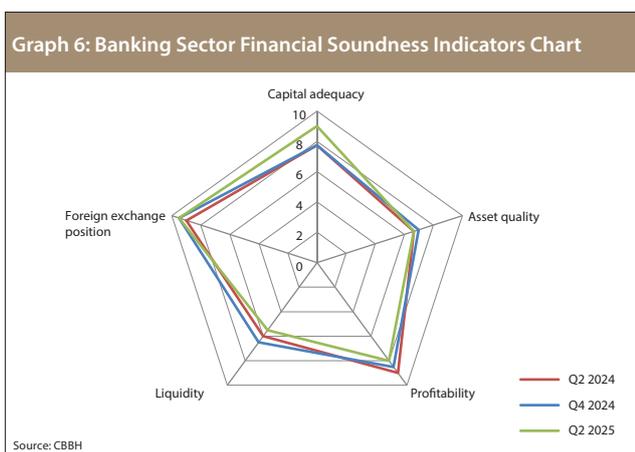
The increased risks, primarily from external environment, during the first half of the year is one of the factors resulting in a lowered forecast of the economic growth rate in 2025 (from the originally expected 2.4% to 2.0%). The expected level of annual inflation for 2025 was also revised from the originally estimated 3.5% to 4.1%. Nevertheless, a gradual growth of economic activity with weakening inflation remains the baseline scenario for the medium-term time horizon. Thus, GDP growth should reach 3.3% in 2026 and 3.5% in 2027. Over the same period, inflation pressures are expected to weaken to 2.8% in 2026 and to 2.1% in 2027. However, in an environment of high global uncertainty, economic forecasts are subject to frequent revisions, both positive and negative. Industrial production, exports, inflation, tourism sector, the inflow of personal transfers are only some of the distribution channels through which global shocks can spill over to the small and open BH economy. Therefore, it is quite certain that the trends in BH economy in the coming years will largely follow the trends from the international environment, and global trends will be a potential source of risk, but also a source of stability and economic growth in the coming years.



2. TRENDS AND RISKS FROM BANKING SECTOR

During the first half of 2025, BH banking sector showed stability and resilience to risks, with the continuation of positive trends from the previous period. The banks' capital position was further strengthened, while the quality of assets maintained a positive improvement trend. The sector profitability and liquidity remained at high levels, enabling banks to successfully respond to the challenges of the macroeconomic environment. Lending continued to grow, particularly in private sector, supported by favourable financing conditions and stable domestic demand. However, increased global uncertainty, rising inflation and slowdown of economic activity pose challenges, especially for non-financial companies, whose operations could affect the quality of banks' assets in the coming period. A potential deterioration of asset quality, along with rising interest rate risk and a slower recovery of economic activity, could limit the banking sector profitability in the coming period. The results of the stress test conducted at the end of the second quarter of 2025 showed the banking sector to be capable of absorbing adverse macroeconomic shocks, as well as significant liquidity outflows.

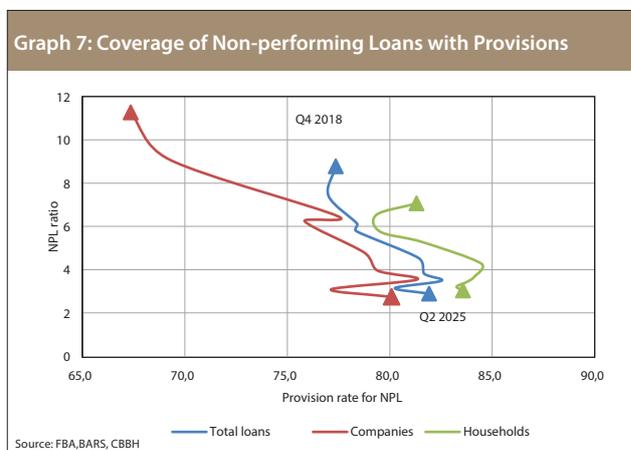
In the first half of 2025, the banking sector assets continued to grow, primarily driven by still strong credit growth, supported by favourable financing conditions.



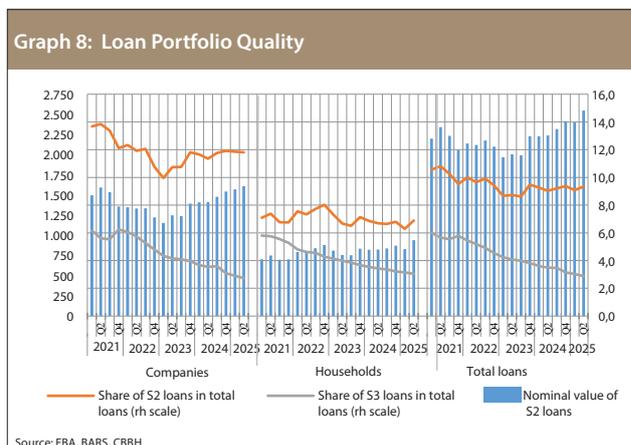
In addition, there was an increase of investments in foreign assets, mainly through an increase of funds in accounts with deposit institutions abroad compared to the end of 2024, as well as continued growth of investments in securities in the same period. At the same time, there was a decrease of other items of liquid assets, especially cash and reserves with the CBBH, which are the most significant item of liquid assets, which resulted in a slight decrease of the total level of liquid assets of 4.4% compared to the end of the previous year.

The overall assessment of financial soundness indicators shows that the banking sector resilience remained at a high level and unchanged compared to the same period of the previous year, but was slightly decreasing compared to the end of 2024. Capitalisation indicators were improving, while profitability and liquidity indicators saw a slight decline, but continued to confirm the high level of the sector resilience. The trend of gradual improvement of asset quality was maintained, and foreign exchange risk exposure remained very low, as the EUR, the anchor currency of the domestic currency in currency board, has been the dominant foreign currency in the banking sector (Graph 6).

The share of non-performing loans in the total loans at the end of the first half of 2025 was 2.9%, which is the lowest value of this indicator at the system level after the 2008 financial crisis.



The decrease of the share of non-performing loans resulted from simultaneous decrease of the nominal amount of non-performing loans and an increase of the total credit exposure. The average annual default rate remained low at 0.99% in the household sector and 0.91% in the sector of legal entities, while the coverage with loan losses provisions remained high at 81.9%, which further makes banks more stable and resilient to possible market turbulence, providing certainty in facing future challenges in a dynamic economic environment.

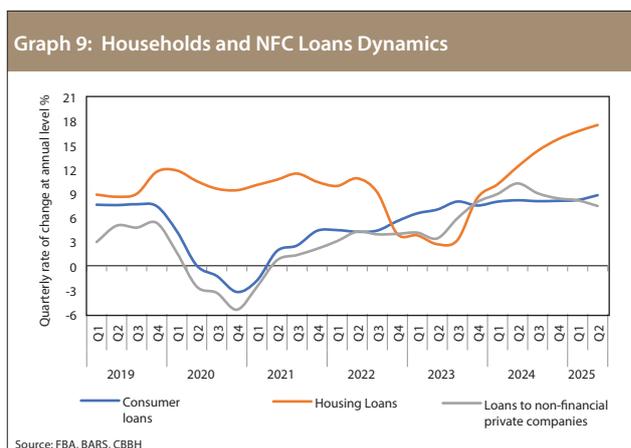


In the household sector, the share of non-performing loans was 3.0%, with a decrease of 40 basis points compared to the previous year. Credit risk was mitigated by growth of real wages, although more intensive extending of housing and general-purpose loans may contribute to an increase of potential risks. The share of loans at credit risk level 2 in total household loans remained almost unchanged compared to the second quarter of the previous year amounting to 6.9%, while in absolute terms there was an evident growth of loans at credit risk level 2 of 13.9% in the observed period. The results of the Bank Lending Survey in the first half of 2025 point out slightly relaxed standards for housing loans and tightened standards for consumer and general-purpose loans, reflecting the banks' cautious approach to credit management.

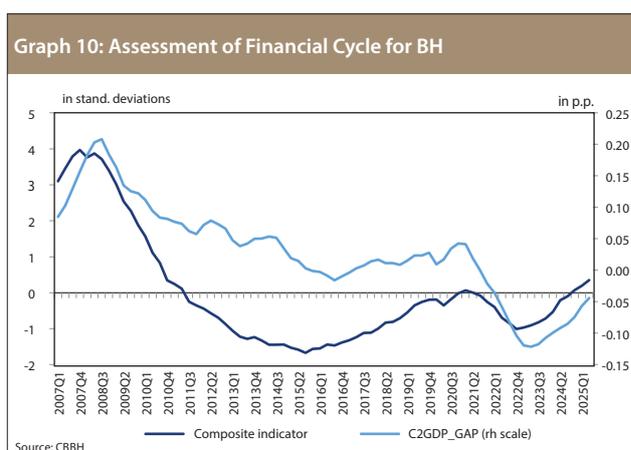
In the first half of 2025, non-financial companies continued to successfully mitigate risks arising from the weak domestic and international macroeconomic environment, with the share of non-performing loans in total loans in this sector having decreased by 80 basis points compared to the same period of the previous year and amounted to 2.7%. In the observed period, there was a slight increase of the share of loans with an increased level of credit risk 2 in total loans of this sector, which at the end of the second quarter of 2025 amounted to 11.8%, while the nominal amount of loans with an increased level of credit risk 2 recorded a significant increase of 13.8%. At the same time, the trend of widening the gap between the rate of loans with increased credit risk (S2) and the rate of non-performing loans (S3) was significantly stronger in the corporate sector compared to households, which indicates rising credit risk and a more likely growth of non-performing loans in this segment in the coming period. According to the results of the Bank Lending Survey, in the first half of 2025, tightened lending standards for long-term loans to companies were maintained, which contributes to maintaining the loan portfolio quality, while lending standards for short-term loans to companies remained relaxed. Credit risk remains visible due to intensifying inflation pressures and limited growth of real economic activity, which may make the repayment of households and corporate loans more difficult. The continued growth of lending in the observed period contributes to the credit risk accumulation, so the signs of deterioration of key asset quality indicators becoming noticeable in the coming period would not be unexpected.

In addition to the decrease of the value of non-performing loans, the improvement of asset quality indicators was also contributed by more intensive lending in the observed period (Graph 9). At the annual level, credit growth was 10% at the end of the first half of 2025. The trend of strong growth of lending continued in the household sector, with an annual loan growth of 10.6%. This was mainly due to housing loans, whose annual growth in the observed period amounted to 17.5%, while consumer loans recorded a milder acceleration with a growth rate of 8.7%.

Although housing loans had a share of only 12.2% in the total loans and the lowest share of non-performing loans in the total loans, compared to other categories of household loans, such strong credit growth represents a potential source of risk in the event of a disturbance in the real estate market. Credit growth in the non-financial companies sector remained strong, although it slowed down slightly compared to the end of 2024, with an annual growth rate of 7.4% at the end of the second quarter of 2025.

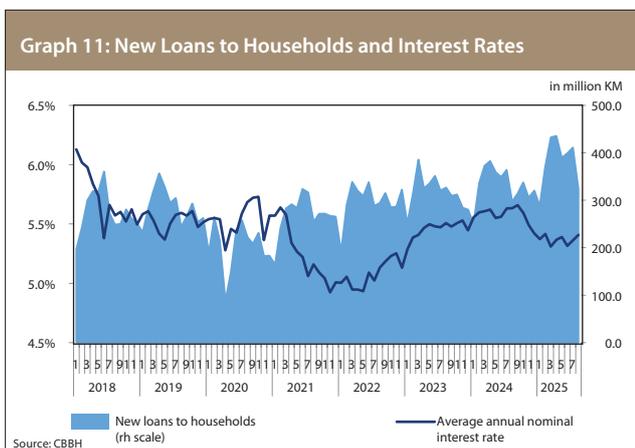


The strengthening of lending in private non-financial sector led to a gradual narrowing of the negative gap of loan to private sector-to-GDP ratio, which was -4.4% at the end of the second quarter of 2025 (Graph 10). The narrowing of the negative gap between loans to the private sector and GDP indicates a gradual recovery of the financial cycle. On the other hand, the composite indicator of the financial cycle recorded positive values from the fourth quarter of 2024, after thirteen consecutive quarters of negative values, and in the second quarter of 2025 it amounted to 0.35 standard deviations.

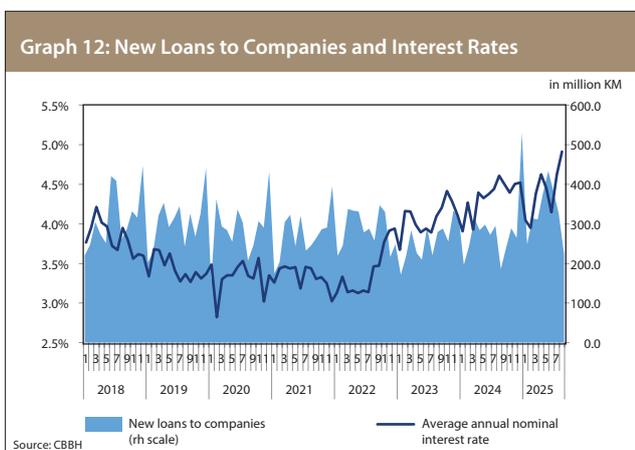


Observing the contributions of each of the variables used in the composite indicator, we conclude that most of the included lending indicators still contributed negatively to the composite indicator of the financial cycle, with negative contributions decreasing significantly in the last few quarters.

On the other hand, indicators that include net interest income, non-performing loans, labour market indicators, real estate market indicators, and foreign borrowing, were making positive contributions to the composite indicator, indicating that the financial cycle is in an upward trend phase. In accordance with the results of the latest CBBH assessment, the financial cycle should approach the long-term trend by the end of the second quarter of 2026, but will not enter the expansion phase².



Financial conditions on the domestic market remained favourable, and interest rates on newly approved loans to companies and households did not change significantly in 2025.

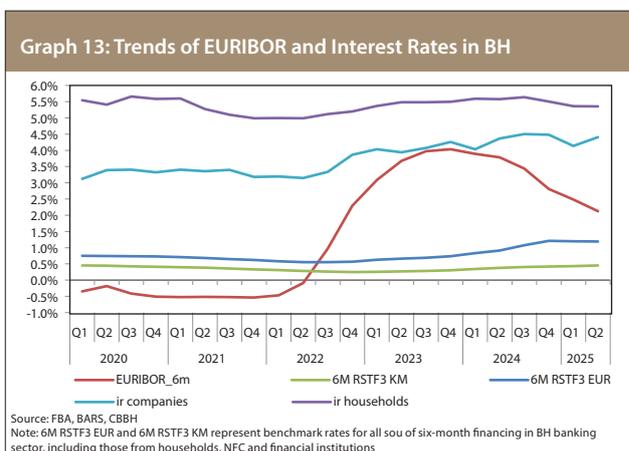


The average weighted interest rate on newly approved loans to companies in the first eight months of 2025 was 4.39% and was almost equal to the average rate from 2024. In the household sector, the weighted average interest rate over the same period was 5.4%, representing a slight decrease of 21 basis points compared to the average rate in 2024. The transmission of the ECB monetary policy in terms of interest rate changes on the domestic market is very limited, primarily due to the structure of banks sources of financing, which is dominated by short-term

² The financial cycle estimates are subject to change due to frequent revisions of GDP data of BH Agency for Statistics, which are reflected in the values of indicators, as well as the fact that with each new estimate, the value of the long-term trend of the financial cycle changes, which also changes the deviations of the financial cycle from the long-term trend.

domestic deposits with still very low funding cost. Deposit interest rates on new deposits of households and non-financial companies also remained at almost the same level as in 2024. The average weighted interest rate on newly contracted household deposits in the first eight months of the current year was 2.2%, while in the sector of non-financial companies it was 2.0% in the same period.

The reference rates of the weighted average cost of bank financing in BH show stability and a low level of bank financing costs in BH (Graph 13). Financing from domestic sources in KM currency remained much more favourable compared to financing in EUR currency. During 2023 and 2024, a slightly more dynamic increase of the six-month reference rate for sources in EUR was recorded compared to sources in KM currency. This development of financing costs in EUR was additionally impacted by the use of special purpose instruments, issued by banks to meet the minimum regulatory requirement for own funds and eligible liabilities (MREL)³.

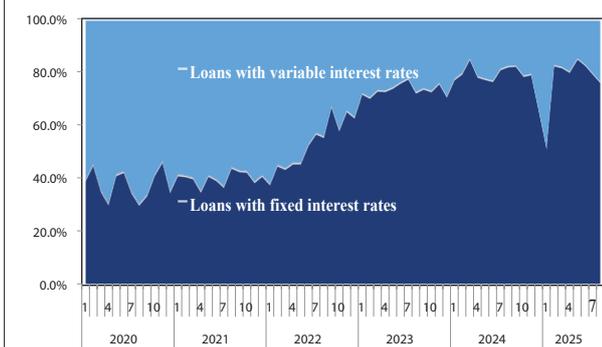


These instruments represent a more expensive source of funds, since they carry a higher risk, in the event of a resolution of the credit institution, they can be written off or converted into capital. At the end of the second quarter of 2025, the 6M RSTF3 for KM amounted to 0.45%, while for EUR it amounted to 1.19%. As banks in BH remain primarily focused on domestic sources of financing, the financing costs are expected to remain low in the coming period, as long as transferable and sight deposits account for a significant share of the source structure.

The upward trend of the share of fixed rate loans continued in 2025. Of the total newly approved loans in the first eight months of 2025, 78% were fixed interest rate loans, with 90% of newly approved loans to households and 65% of newly approved loans to private non-financial companies contracted at fixed interest rates.

³ Decision on Minimum Requirements for Capital and Eligible Liabilities of the Bank (Official Gazette of the Federation of BH, No. 26/18) and Decision on Minimum Requirements for Capital and Eligible Liabilities of the Bank (Official Gazette of Republika Srpska, No. 19/23)

Graph 14: New Loans Structure by Interest Rate Type



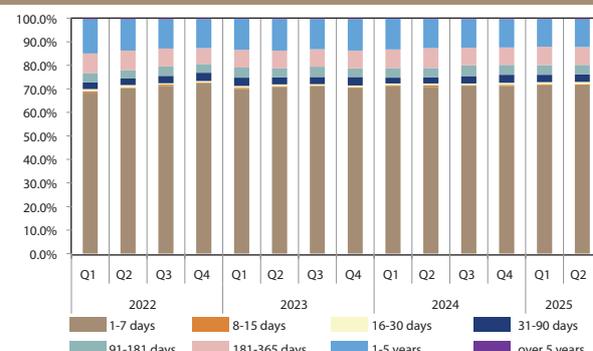
Source: CBBH

However, while the growth of the share of fixed-rate loans makes a positive contribution to the reduction of interest-induced credit risk, the large share of fixed-rate loans could have a negative impact on profitability if the bank financing costs increase in the coming period, which will make pressure on the sustainability of net interest margins. Taking into account the Banking Agencies' data showing that effective interest rates are significantly higher than the nominal ones, particularly in the household sector, it can be concluded that banks have, to a high extent, already included the expected growth of funding costs into the amounts of effective interest rates on fixed rate loans.

The structure of banks' sources of funding continued to rely predominantly on deposits from domestic resident sectors, which accounted for about 98% of the total deposits of the banking system. At the end of the second quarter of 2025, the total value of deposits amounted to KM 35 billion. The continued growth of private non-financial sector deposits confirms their importance as a key source of bank financing. The total deposits of all sectors at the end of the second quarter of 2025 recorded an annual growth of 7.7%, which is mostly due to the growth of household deposits at the rate of 10.3% and the growth of deposits of non-financial private companies at the rate of 8.7%. On the other hand, during the observed period, there was a significant decline of deposits of public companies. The maturity structure of the sources of funds in 2025 did not change significantly, staying highly unfavourable.

The domestic sectors preferences for term deposits have not increased, despite a slow growth of interest rates on term deposits in the previous period. The share of deposits with maturities from 1 to 7 days accounted for 71.4% of the total deposits. On the other hand, the share of long-term deposits with residual maturities longer than 5 years at the end of the second quarter of 2024 was 0.4% of the total deposits (Graph 15).

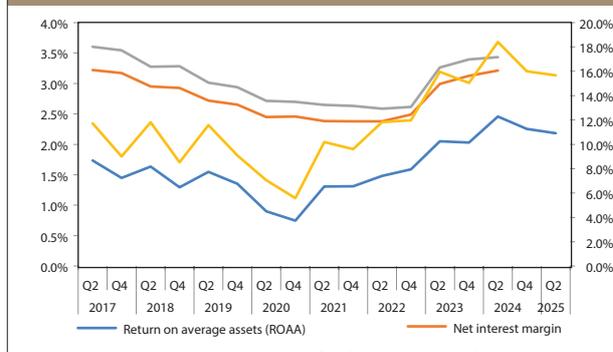
Graph 15: The Total Deposit Structure by the Remaining Maturity



Source: FBA, BARS, CBBH

At the end of the first half of 2025, the banking sector of BH achieved a slightly lower net profit and recorded a slight decline of profitability indicators compared to the same period of the previous year. Net profit amounted to KM 448.9 million, which represents a decrease of around 3% compared to the first six months of 2024 (Graph 16). Lending remained robust, however net interest income growth slowed down significantly, reflecting a decline of interest margins.

Graph 16: Profitability Indicators



Source: FBA, BARS, CBBH

Table 1: The selected indicators from BH banking sector

	2018	2019	2020	2021	2022	2023	2024	Q2 2025.
The total assets (mil KM)	30,282.0	32,969.3	33,471.5	35,905.1	37,429.4	39,569.6	42,919.1	44,074.2
The total assets (% GDP)	89.3	92.1	96.1	91.7	81.0	82.1	83.8	86.0
The total capital (mil KM)	3,936.6	4,174.8	4,120.4	4,224.7	4,453.4	4,883.9	5,608.2	5,940.6
Capital adequacy ratio (%)	17.5	18.0	19.2	19.6	19.6	19.7	19.8	20.4
The total loans (mil KM)	19,331.5	20,684.1	20,748.5	21,596.0	21,923.0	23,532.6	25,795.7	27,279.5
Non-performing loans (%)	8.8	7.4	6.1	5.8	4.5	3.8	3.2	2.9
The total deposits (mil KM)	23,654.5	25,820.1	26,176.1	28,683.5	30,038.7	31,639.8	34,456.0	35,051.5
Loan to deposit ratio (%)	81.7	80.1	79.3	75.3	73.0	74.4	76.1	77.8
Net profit (mil KM)	330.4	370.5	227.1	409.0	500.7	705.8	840.0	448.9
Number of banks	23	23	23	22	22	21	21	21

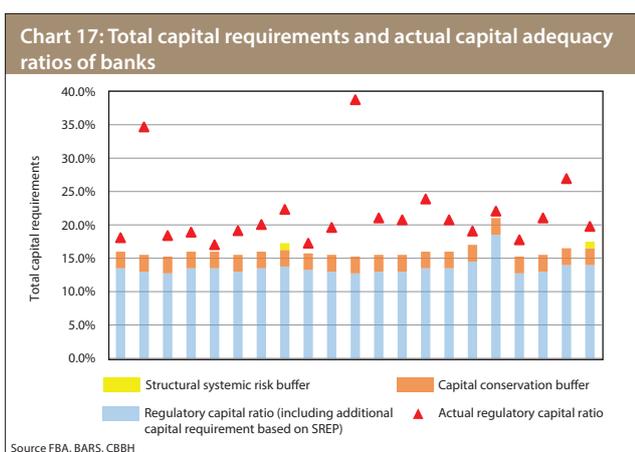
Source: CBBH

After a strong increase of the net interest margin since the beginning of 2023, driven by an increase of interest income with only a slight increase of financing costs, this trend was reversed in mid-2024. Although the banking sector profitability remained at a high level, there was a noticeable slowdown of the growth dynamics of the achieved net profit compared to the previous year, under the effect of a weaker intensity of growth of net interest income with a simultaneous increase of non-interest expenses based on the growth of employees' salaries costs and other operating expenses. The level and sustainability of the current level of profitability will depend on several factors, such as the intensity of the increase of interest rates on term deposits and other sources of financing, and the potential deterioration of asset quality in conditions of evident uncertainties in the macroeconomic environment.

At the end of the second quarter of 2025, there were 21 commercial banks operating in the banking sector in BH, 13 banks being in majority foreign ownership (74.6% of the total assets), seven banks in majority domestic private ownership (22.4% of the total assets), and one bank in majority state ownership (3% of the total assets).

2.1. BANKING SECTOR RESILIENCE TO RISKS AND THE STRESS TEST RESULTS

At the end of the second quarter of 2025, the banking sector of BH was adequately capitalised with all the banks in the system meeting the prescribed regulatory requirements regarding capital adequacy as measured by the capital adequacy ratio and the leverage ratio. The regulatory capital ratio (CAR) at the end of Q2 2025 was 20.4% and recorded an increase of 80 bp compared to the same quarter of the previous year.



Observing the amount of regulatory capital in relation to the regulatory requirements for Tier II capital adjustment for each individual bank, the excess capital above the prescribed regulatory requirement amounted to KM 1.83 billion at the system level, representing one third (33%) of the total regulatory capital as of Q2 2025.

In addition to CAR, the strong capitalisation is also illustrated by the Tier I capital ratios (19.2%) and those of financial leverage (11.2%). Graph 17 shows the total capital requirements and capital adequacy ratios by banks. The total capital requirements include the regulatory capital ratio together with the additional SREP capital requirement for each bank, the capital conservation buffer (2.5% for all banks) and the structural systemic risk buffer.

The solvency stress test based on the end of Q2 2025 data confirms that with the current level of capitalisation, the banking system is able to adequately absorb the assumed shocks of even a stronger adverse scenario, as a result of which during the time horizon of the test until the end of 2027, the capitalisation at the sector level remained significantly above the regulatory minimum as well as the capital conservation buffer at the prescribed level of 14.5%. The additional Tier 2 capital requirements, which were set for each individual bank as part of the bank-specific Supervisory Review and Evaluation Process (SREP), were also included in the stress test. The stress test has a three-year horizon (2025-2027), and the level of solvency is considered through three different scenarios of economic developments, including baseline and two adverse scenarios. Before interpreting the results, it should be emphasised that the baseline and stress scenarios used in conducting the solvency stress test are based on macroeconomic developments from November 2024.

In the **baseline scenario**, moderately positive economic growth is expected to continue over the medium term, accompanied by a stable and steady inflation rate. Stronger purchasing power of households will keep the demand for residential real estate properties at a high level, which, with limited supply, will result in continued growth of real estate prices, although at significantly lower rates compared to previous years. Regardless of the ECB monetary policy easing, given the weak transmission mechanism, interest rates on the domestic market have their own dynamics, so their growth is expected both in the corporate sector and in the household sector. Dynamic credit growth is expected in both categories of loans throughout all the years of testing. Loans to households will stay a key driver of the overall credit growth, with stronger growth rates across all years included in the test.

Adverse scenarios differ from each other in terms of the drivers of recession trends, so adverse scenario 1 is based on a demand-side shock, while adverse scenario 2 is based on a supply-side shock. A common feature of both assumed adverse scenarios is that the intensity of the materialisation of economic shocks is the highest in the first year of the testing. The differentiation of the two scenarios begins in the second year of the test, when the demand scenario assumes an end of the recession and GDP growth, while the supply shock scenario assumes a two-year recession, and the economic recovery is expected only in the final year of the test.

Table 2. Basic assumptions in stress tests

	Baseline scenario			Adverse scenario 1			Adverse scenario 2		
	2025	2026	2027	2025	2026	2027	2025	2026	2027
Realni rast BDP-a	2.6%	2.8%	3.0%	-4.0%	1.0%	2.0%	-4.1%	-0.8%	3.0%
Inflacija	1.9%	2.0%	2.0%	1.4%	1.6%	2.0%	3.0%	5.0%	2.5%
Kreditni rast - preduzeća	5.1%	4.7%	5.0%	-0.2%	2.4%	3.0%	0.9%	1.8%	3.0%
Kreditni rast - stanovništvo	5.8%	5.4%	5.5%	4.5%	4.2%	4.4%	4.4%	2.0%	3.5%
Aktivne kamatne stope - preduzeća	4.7%	4.9%	5.0%	5.0%	5.3%	5.3%	5.2%	6.3%	6.3%
Aktivne kamatne stope - stanovništvo	5.6%	5.7%	5.7%	5.6%	5.7%	5.7%	6.0%	6.8%	6.8%
Rast cijena nekretnina stambene namjene	2.9%	1.1%	4.0%	0.2%	-3.4%	2.5%	-2.0%	-4.3%	5.0%

Izvor: CBBiH

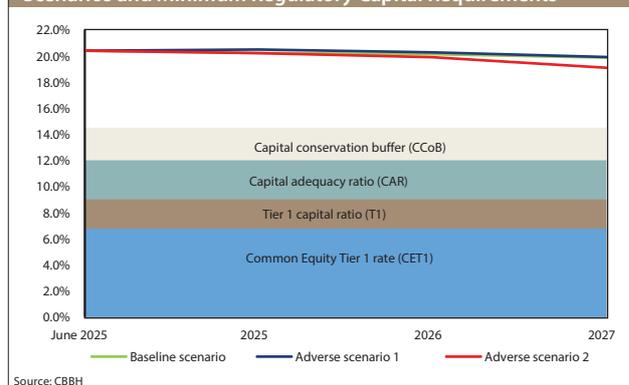
In addition, the two scenarios also assume different inflation developments over the time horizon of the test, so that the adverse demand shock scenario assumes a slowdown of inflation pressures during the first two years of the test, while the adverse supply shock scenario assumes a jump of inflation in the first two years. The interest rate trend also differs between the two scenarios, taking into account that the demand shock scenario assumes the continuation of monetary policy easing by the ECB, while the supply shock assumes restrictive monetary policy by the ECB to keep down the assumed inflation pressures. A detailed description of the scenarios is provided in the Financial Stability Report for 2024. Table 2 provides an overview of the key macroeconomic assumptions for all the three scenarios and the three years for which the testing is carried out.

Thanks to its strong initial capital position, in the baseline scenario, the banking sector maintains a high level of capitalisation of 19.9% until the end of the stress test time horizon. All banks would be able to maintain their capital levels well above the regulatory minimum of 12%, as well as meet the additional Tier 2 capital requirements set out in the Supervisory Review and Evaluation Process of individual banks (SREP), and there would be no need to recapitalise any bank in the sector during the test time horizon (Graph 18). Also, all banks in the system would be able to maintain an additional buffer to preserve capital⁴.

The stress test results in the two assumed adverse scenarios differ significantly, showing that the banking sector as a whole is more resilient to shocks on the demand side, where a decline of inflation rate is expected, as well as a stagnation, i.e. a decline of domestic interest rates. In adverse scenario 1 based on a demand shock, the capital adequacy ratio for the banking sector would decrease by 50 basis points, amounting to 19.9% at the end of the test period.

⁴ According to the current Capital Calculation Decisions, banks are obliged to maintain a capital conservation buffer in the form of Common Equity Tier 1 capital in the amount of 2.5% of the total amount of risk exposure. The capital buffer is added to the Common Equity Tier 1 capital ratio of 6.75% and cannot be used to maintain the Tier 1 and Total Capital ratios. Maintaining the prescribed capital buffer is a precondition for the payment of dividends to banks.

Graph 18: Capital Adequacy Ratios in Baseline and Two Adverse Scenarios and Minimum Regulatory Capital Requirements

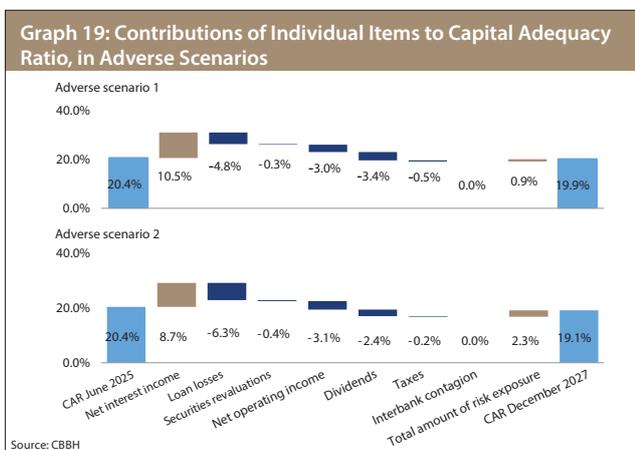


Source: CBBiH

However, when analysing individual banks, the results differ significantly from the baseline scenario. Indeed, with the materialisation of the shocks from this scenario, all banks would also be able to maintain their capital levels above the regulatory minimum of 12%, but unlike the baseline scenario one small bank in the system would not be able to meet the additional Tier 2 capital requirements set out in the Supervisory Review and Evaluation Process of individual banks.

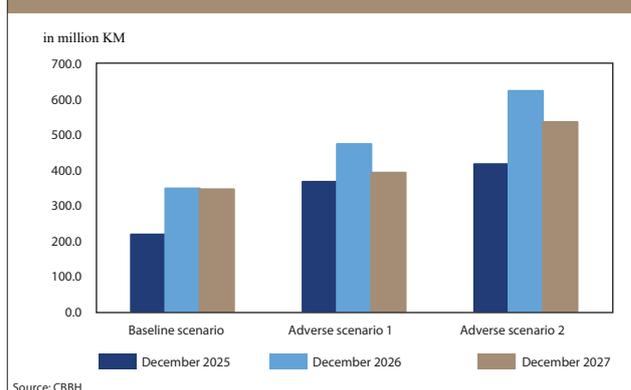
Besides, in this scenario, two additional banks in the system would exhaust their capital surpluses, i.e. disrupt the capital buffers, including the capital conservation buffer and the structural systemic risk buffer. If the supply-side shocks from adverse scenario 2 materialise, the capital adequacy ratio at the system level would be reduced by 130 bp to 19.1%, and the additional capital needs at the end of the three-year test period would be reported by the total of three banks in the system with the share of only 4.4% in the total assets, with two banks not meeting the minimum regulatory capital requirements at the system level of 12%, and one bank not meeting the additional capital requirements set out in the SREP. The total recapitalisation needs at the level of the banking sector by the end of the third year of testing would amount to KM 26.1 million, representing only 0.05% of the gross domestic product of BH in 2024. In addition to the above-mentioned banks that would need recapitalisation, two additional banks in this unfavourable macroeconomic scenario would exhaust their accumulated capital surpluses, i.e. their capital conservation buffer would be undermined.

Graph 19 shows the contribution of individual positions of the balance sheet and profit and loss account to the change in the capital adequacy ratio at the systemic level, cumulatively, in adverse scenarios, in the period from the end of the second quarter of 2025 to the end of 2027.



The decline in the capitalization of the banking sector in both adverse scenarios is primarily the result of increased losses based on credit risk. The total NPL ratio at the system level when the assumed shocks materialize could rise to 5% (by 2.1%) at the end of 2027 in adverse scenario 1, i.e. to 5.7% (by 2.8%) in adverse scenario 2. Losses based on credit risk arise precisely from provisions for financial asset items (Graph 20), primarily the credit portfolio of the corporate and household sectors and make the most significant negative contribution to the capital adequacy ratio in stress conditions. The capital adequacy ratio is also significantly influenced by cumulative changes in net interest income and net operating income. It is the net interest income that makes the biggest positive contribution to the capital adequacy ratio of 10.5% in adverse scenario 1 and 8.7% in adverse scenario 2. Given that the stress test also assumes the payment of dividends in all three stress test periods and in all three scenarios, banks that make a profit pay dividends, which makes a negative contribution to the final capital adequacy ratio in the banking sector. The impact of interbank contagion in the system on the capitalization of banks, which was quantified in both adverse scenarios, is negligible for now. Starting from the end of 2024, the methodological framework of stress testing has been expanded by including the assessment of market risk in such a way as to assess the impact of yield growth on the reduction of the market value of debt instruments in the banks' portfolio that are valued at fair value.

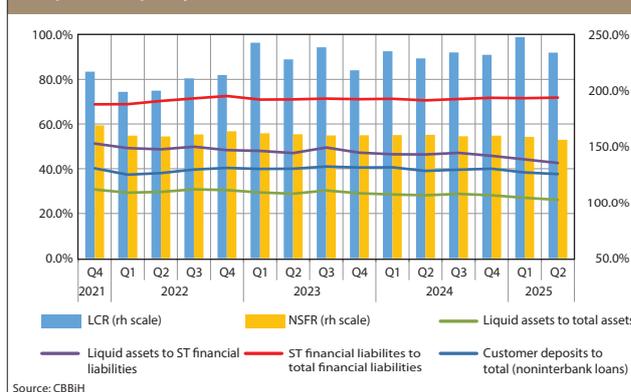
Graph 20: Provisions for Credit Risk



In the scenario of a demand shock, with an assumed yield growth of 200 basis points in the second testing period, the market value of these instruments decreases by KM 67.5 million. In the supply shock scenario, which assumes a yield increase of 300 basis points, and so, in the first testing period, the decline in the value of financial instruments would amount to KM 101.2 million. The results show that the simulated shock of yield growth would have a limited impact on the reduction of banks' capital adequacy ratio, i.e. -0.3% in the demand shock scenario and -0.4% in the supply shock scenario, thanks to the banks' low exposure to this type of instrument.

Liquidity indicators at the end of the second quarter of 2025 reflect the high liquidity position of banks in BH, despite a slight decrease in value on an annual basis. Thus, the basic liquid assets of the banking sector make up 26.1% of total assets and cover 42.6% of short-term financial liabilities, while the deposits to loans ratio is at the level of 125% in the first half of 2025.

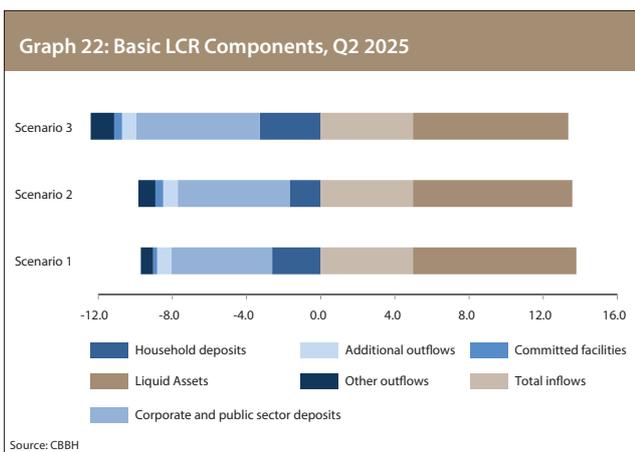
Graph 21: Liquidity indicators



Also, for the same period of time, short-term financial liabilities to total financial liabilities remain at a record level of 72%. Furthermore, the ability of the banking sector to cover the net outflow of liquidity during the short-term period has slightly increased compared to the same period of the previous year, with the total LCR amounting to a high 233.9% at the end of the first half of 2025.

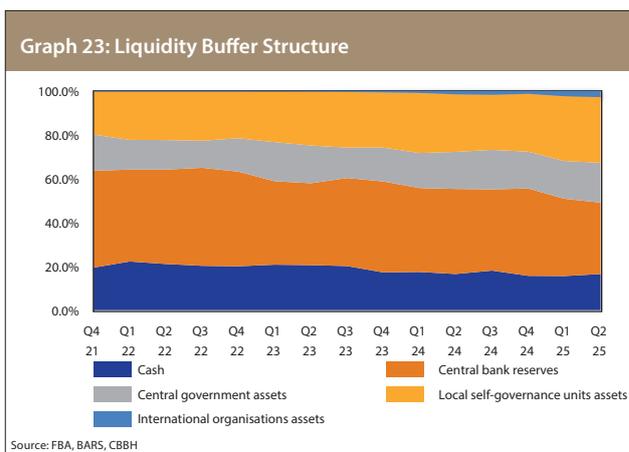
Among other things, the liquidity position of the banks in the long term is significantly above the regulatory requirement, taking into account the high rating of the NSFR. Thus, at the end of the second quarter of 2025, the ratio of net stable funding ratio (NSFR) at the system level was 155.9%, with a slightly lower value compared to the previous quarter and the end of the first half of 2024 (Graph 21).

The results of the top-down liquidity stress test conducted on the database at the end of the first half of 2025 confirm the high level of resilience of the banking system in BH to potential liquidity shocks and shocks on the funding sources side projected in alternative scenarios.

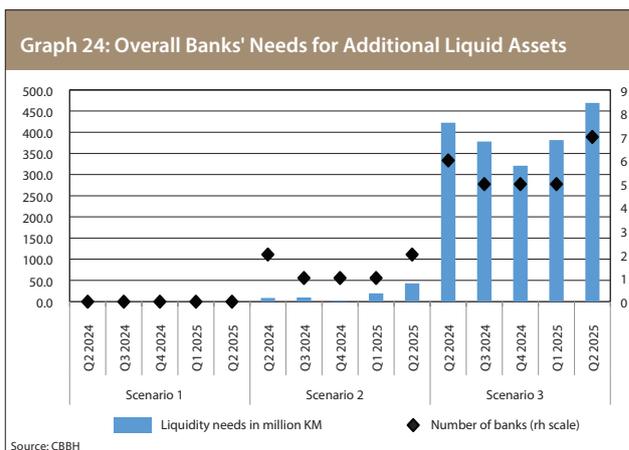


The framework for the top-down macro liquidity stress test is based on the approach of the LCR (Liquidity Coverage Ratio) standardized measure. The shocks in the liquidity stress test exceed the LCR parameters in terms of intensity and they are calibrated using the expert estimates in form of three alternative adverse scenarios. Graph 22 shows the change in the liquidity position through three assumed scenarios, where it is noticeable that the change in the liquidity position is influenced by an increase in liquidity outflows and a decrease in liquid assets, assuming an unchanged level of inflows in the observed shock period of 30 days. The first stress scenario assumes a shock on the part of the household sector, and is mostly reflected in the increase in the household deposits run. The second stress scenario represents a hypothetical systemic liquidity crisis in the country, in which a greater intensity of stress on the source of financing for banks would come from the corporate sector, that is, there would be a significant outflow of corporates deposits. The third, combined stress scenario is an adverse scenario that assumes a combination of shocks from the previous two scenarios, with elements of idiosyncratic shocks (large withdrawals of deposits, larger than expected withdrawals of approved credit lines) and stress on the financial market (a large drop in the value of all securities held as liquid assets). The assumed shocks in this scenario are about two to three times stronger than the requirements according to the LCR regulation, with the aim of identifying even the smallest weaknesses in banks' liquidity positions.

If we analyze the structure of the most significant sources of liquid assets available to cover the net liquidity outflows of the banking sector, changes are noticeable since the beginning of liquidity stress tests. Graph 23 shows a trend of a decrease in the share of cash from Q1 2023 and at the end of the second quarter of 2025, the share of cash in the protective layer of liquidity was 16.6%. In contrast to the above, in the same time period, a proportional increase in the share of funds invested in local self-government securities and property of international institutions is noticeable. Although the funds in the reserve account of the Central Bank represent the most represented source of the protective layer of liquidity, their share is also gradually decreasing, and at the end of Q2 2025 it amounts to 32.6%.



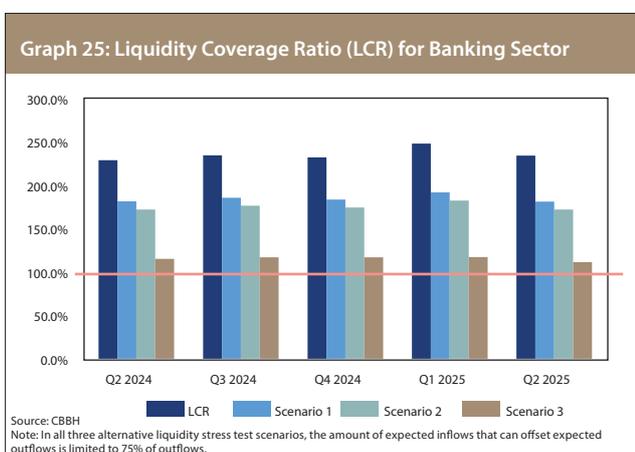
The results of stress testing based on data from the end of Q2 2025 point to a high level of banks' resistance to liquidity and funding disruptions. In the first stress scenario, which assumes a significant outflow of household deposits, all banks in the system are able to successfully cover the assumed outflows and keep the LCR above the regulatory minimum.



In Scenario 2, two banks report the need for additional liquid funds due to the materialization of shocks that are more pronounced on the side of the corporate sector, which results from the majority's reliance on less stable sources of deposits from the corporate sector and below the average initial value of the LCR (Graph 24).

According to the strongest stress scenario, seven banks from the system would not absorb liquidity stress in a period of 30 days without additional liquid assets. Bearing in mind that the combined scenario represents an extremely strong adverse scenario, it can be considered that the banking sector has, to the greatest extent, well absorbed the shocks, assumed in this scenario.

Although some banks in BH showed sensitivity to assumed liquidity shocks, especially in the strongest stress scenario, the aggregated results of the stress tests show that the LCR at the level of the banking sector in all three scenarios and in each of the conducted quarterly stress tests remained above the regulatory minimum (Graph 25). The continued resistance of the entire system to assumed shocks in the third combined scenario is not surprising considering the strong liquidity position and high ratings of liquidity indicators in Bosnia and Herzegovina banking sector.



3. REGULATORY FRAMEWORK

The Central Bank of BH continued to carry out activities on the modernization of payment systems in BH and signed an Agreement on the establishment of an instant payment system in the Western Balkans, which started the process of upgrading the payment system, which after implementation would enable bilateral connections in the sphere of instant payments with EU and Western Balkan members. During 2025, entity Banking Agencies also continued to strengthen the regulatory framework through the adoption of new by-laws and temporary measures aimed at preserving the stability of the banking sector.

As part of the upgrade of payment systems in Bosnia and Herzegovina, at the beginning of 2025, the CBBH signed an Agreement on the establishment of an instant payment system in the Western Balkans, which stipulates that the Bank of Italy will deliver an instant payment system, based on a replica of the TIPS service, which is a European platform for real-time payment settlement, designed, created and managed by the Bank of Italy on behalf of the Eurosystem. Albania, Bosnia and Herzegovina, Kosovo and Montenegro joined the initiative, which was approved by the Governing Council of the European Central Bank. The new platform, which will be operational within 18 months from its establishment, will enable payment in all currencies of the participating countries with additional functionalities that will be developed after the initial phase of implementation. The platform will also, using a technologically advanced and low-cost solution, establish a bilateral payment settlement link between the areas served by TIPS and the Western Balkans area. In the course of 2025, the Central Bank of Bosnia and Herzegovina also continued to carry out activities on the modernization of payment systems in Bosnia and Herzegovina through the role of coordinator regarding the accession of Bosnia and Herzegovina to the Single European Payment Area (SEPA).

During 2025, entities Banking Agencies continued with activities aimed at strengthening the regulatory framework and preserving the stability of the banking sector. In this context, amendments to the Law on Banks were adopted in both Entities with the aim of harmonizing domestic legislation with contemporary international standards and practices of the European Union. New by-laws and a set of temporary measures were adopted with the aim of improving the resistance of the financial system to potential risks.

Key provisions of the Law on Amendments to the Law on Banks of Republika Srpska⁵ refer to the gradual reduction of the regulatory capital adequacy ratio from 12% to 10% starting on December 31, 2026.

⁵ Law on Amendments to the Law on Banks of Republika Srpska ("Official Gazette of RS", 45/25)

The amendments to the Law also refer to large exposures and the limitation of placements that are not covered by collateral, so in accordance with the amendments, the determination of a bank exposure limit to one person or a group of related persons is calculated in relation to the bank's Tier1 instead of its recognized capital and amounts to 25% of the equity. Also, the maximum allowed amount of credit claims that are not secured by collateral against one person or a group of related persons can be up to 15% of the bank's Tier1. The mentioned limits of large exposures are also defined by secondary legal enactments, i.e. the new Decision on large exposures that the Banking Agency of Republika Srpska adopted in December of the current year⁶. In addition, the amendments to the Law on Banks significantly improve the protection of users by prohibiting the collection of a number of fees, such as payment reminders, managing a credit party, confirmations of account balances and cash withdrawals at ATMs of the issuing bank. The process of automatic credit decision-making has also been regulated, including the obligation to inform clients and the possibility of reviewing such decisions by the Credit committee. The use of reference interest rates in case of their unavailability is also regulated, with the Agency's authorisation to determine a replacement rate. The changes also include the strengthening of supervision, corporate governance, purchase and sale of placements, conclusion of contracts in electronic form and improvement of the framework for bank restructuring, which contributes to the resilience and sustainability of the banking system.

In 2025, the Law on Amendments to the Law on Banks of the FBH was also adopted⁷ according to which the determination of large exposures of a bank is also made in relation to the Tier 1 capital instead of the recognized capital, thus, the exposures to one or a group of related parties, after the application of credit risk mitigation techniques, may not exceed 25% of the Tier 1 capital of the bank. In addition, the maximum permitted amount of a loan that is not secured by collateral has been increased from 5% of the recognized capital to 10% of the Tier 1 capital of the bank. Also, the definition of related parties has been expanded to include the parents of a natural person, which improves the identification of concentration risks. In addition to the above amendments, it is important to mention that the Law introduces the obligation to apply the ICAAP and ILAAP processes, which strengthens the assessment of capital adequacy and liquidity at the bank level and contributes to better resilience to systemic shocks. A gender-neutral remuneration policy has also been introduced, aligned with European corporate governance standards.

⁶ Decision on large exposures ("Official Gazette of RS", 106/25)

⁷ Law on Amendments to the Law on Banks ("Official Gazette of the Federation of Bosnia and Herzegovina", 22/25)

At the beginning of June 2025, entity banking agencies successfully completed a joint project to develop a regulatory framework that creates preconditions for the future implementation of the countercyclical capital buffer (CCyB) and debtor-oriented measures (DSTI and LTV). The project was implemented with the support of the National Bank of Romania and European institutions within the framework of the Program for Strengthening the Capacity of the Western Balkans, financed by the European Commission. This created the preconditions for the introduction of modern macroprudential instruments, the strengthening of regulatory capacities and further harmonization with EU standards in the area of financial stability. In this context, in December 2025, the Banking Agency of the Federation of Bosnia and Herzegovina passed a Decision on the establishment of a framework for monitoring the credit activity of banks and measures aimed at debtors⁸, which defines key lending indicators (LTV, LTI, DTI and DSTI), reporting requirements and measures aimed at strengthening the resilience of the banking sector and preserving financial stability.

In the field of macroprudential supervision, the Banking Agencies established lists of systemically important banks in accordance with adopted methodologies, agreed with each other, as well as with the Central Bank of Bosnia and Herzegovina and the Deposit Insurance Agency of Bosnia and Herzegovina, which further strengthened the framework for the identification and supervision of systemically important institutions. For banks that are recognized as systemically important, an additional protective layer of capital has been established, which will be applied in accordance with the deadlines for compliance with the requirement for maintaining the protective layer of capital for a systemically important bank defined by the regulator.

Both Banking Agencies extended the application of the Decision on temporary measures to limit bank exposure⁹ until the end of 2026. In accordance with the Decision applied in the Federation of Bosnia and Herzegovina, the total amount of the bank's exposure to central governments or central banks outside Bosnia and Herzegovina, as well as exposure to them in the capacity of collateral issuers or providers of intangible credit protection, which are assigned a risk weight of 0%, is limited to a maximum of 100% of the bank's recognized capital. On the other hand, in the Decision on temporary measures to limit the exposure of banks in the Republika Srpska, the total amount of said exposure may not exceed 50% of the bank's recognized capital.

⁸ Decision on the establishment of a framework for monitoring the bank's credit activity and measures aimed at debtors ("Official Gazette of the Federation of Bosnia and Herzegovina", 100/25)

⁹ Decision on amendments to the Decision on temporary measures to limit the bank's exposure ("Official Gazette of the Federation of Bosnia and Herzegovina", 87/25)

Decision on amendments to the Decision on temporary measures to limit exposure ("Official Gazette of Republika Srpska", 106/25)

