



**BOSNIA AND HERZEGOVINA
FEDERATION OF BOSNIA AND HERZEGOVINA
BANKING AGENCY OF THE FEDERATION OF
BOSNIA AND HERZEGOVINA**

I N F O R M A T I O N

**ON THE LEASING SECTOR IN THE FEDERATION OF BOSNIA AND
HERZEGOVINA**

31.12.2013

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I INTRODUCTION

The Banking Agency of the Federation of B&H (hereinafter: the FBA) produced this Information on Leasing Sector in the Federation of B&H on 31.12.2013 as a regulatory body for supervision of leasing companies based on analysis of final unaudited financial statements submitted by the leasing companies to the FBA (indirect off site supervision), its findings from on-site examinations (direct on-site supervision) and other information and data delivered by the leasing companies to the FBA.

Business operations of the leasing companies in the Federation of B&H are regulated under the Law on Leasing that was passed on 03.01.2009 (“Official Gazette of the Federation of Bosnia and Herzegovina” No.: 85/08, 39/09 and 65/13). The Law defines terms and conditions for establishing leasing companies, their operations and termination, rights and responsibilities of companies in leasing operations, risk management, financial reporting, activities of leasing companies with respect to anti-money laundering and counter-terrorism financing and supervision of operations of leasing companies.

The supervision of leasing companies has been established following the FBA's issuance of the operating licence to leasing companies for the purpose of continuous monitoring of business operations and financial status of each individual leasing company and leasing sector in the Federation of B&H as a whole, checking compliance of operations of leasing companies with valid regulations, and analysing and checking the financial statements of leasing companies.

The economic trends in the environment in 2012 and 2013 have had a negative impact on local economy influenced through the credit crunch from Eurozone and the region. This caused weakening of local demand which has been present since 2010 and a slow-down of business activities of leasing companies.

An encouraging indicator that could cause rising demand in leasing products in a period ahead of us is the industrial production growth of 6,7 % in 2013 over the past year.

Impact of the crisis on the real sector is evident, and its consequences will inevitably impact the economic environment of leasing companies in the forthcoming period, as they have already influenced the balance sheet volume of leasing companies in the Federation of B&H of KM 578.101 ths as of 31.12.2013, 16,74% or KM 116.263 ths less than as of 31.12.2012. This amount includes six leasing companies, while the balance sheet volume as of 31.12.2012 comprises assets of seven leasing companies.

Please note that the FBA de-licensed a leasing company in the third quarter 2013 due to non-compliance with the instructions for eliminating non-compliance and irregularities found during examination of compliance with the anti-money laundering and counter-terrorism financing standards. With regards to the Ruling on De-licensing, the FBA submitted a request for initiating the liquidation proceedings and other legal actions in compliance with the relevant legal regulations with the competent court. A part of its portfolio that belonged to the

de-licensed leasing company was taken over in the fourth quarter 2013 (receivables arising from leasing arrangements) by a licensed leasing company (portfolio value of ca KM 1 million).

Having compared individual balance sheet volumes of six leasing companies as of 31.12.2013 which were licensed as of 31.12.2012, we have found an increase in the balance sheet volume with one leasing company amounting to KM 4.246 ths, and an evident drop of the balance sheet volume with five leasing companies totalling to KM 94.743 ths.

A decrease in the balance sheet volume over the same period last year is caused by the fact that one leasing company was de-licensed (decrease by KM 25.766 ths, therefore its balance sheet volume was not declared in the data as of 31.12.2013), as well as takeover of a significant amount of receivables from one leasing company under the lease arrangement that served for financing construction of commercial R/E financed by a non-resident commercial bank (amount of decrease KM 25.745 ths), increase in reserves for receivables under the lease arrangements from subsidiaries and third parties with one leasing company, significant write-offs and value adjustments of inventories of repossessed leasing objects.

In a period from 1 January to 31 December 2013, losses were generated in the leasing branch in the Federation of B&H as a result of loss generated in the amount of KM 40.658 ths. Three leasing companies operated with losses in the amount of KM 45.929 ths, while three leasing companies operated with profit of KM 5.271 ths.

Total capital of leasing companies as of 31.12.2013 was KM 35.962 ths. Compared to 31.12.2012, this position fell by KM 12.622 ths or 25,98%. In addition to the significant amount of loss at the level of leasing sector in the Federation of B&H, all six leasing companies had their capital amount higher than a legally prescribed minimum.

Authorised persons of the FBA conduct direct supervision of operations of the leasing companies through comprehensive and target controls – overview of business operations on the location. After the reports become legally valid, leasing companies are instructed to eliminate any non-compliance and irregularities for the purpose of improvements, legal compliance, profitability, solvency and security in their business operations.

The irregularities found through direct supervision of leasing companies in a period between the 1 January and 31 December 2013 mostly related to improving the internal documents that define operational risks, improving internal documents in a segment of accounting function of leasing companies, non-compliance to contractual provisions by leasing companies in a context of contracted alignment of interest rate with variable index, lack of internal control system in a segment of a good-quality handling of internal documents, non-compliance with the provisions of the Law on Obligations in the context of default interest rate size and calculation methodology, delivery of inadequate data with the Central Loan Registry with the Central Bank of Bosnia and Herzegovina with reference to written-off receivables and avoiding payments turnover via blocked accounts of debtors.

The data included in the Information as of 31.12.2013 do not include the data of de-licensed leasing companies, unless specifically stated otherwise.

II BUSINESS PERFORMANCE OF LEASING SECTOR IN THE FEDERATION OF B&H

1. STRUCTURE OF LEASING SECTOR

1.1. Status, number and business network

The leasing activities in the Federation of B&H were performed by 6 leasing companies as of 31.12.2013, while in a period between 2010 and 2011, leasing activities were performed by 8 leasing companies. Six leasing companies registered in the Federation of B&H perform leasing operations in 20 branches, of which 16 branches are located in the Federation of B&H and 4 branches are located in Republika Srpska.

The following leasing companies are licensed for leasing activities:

1. ASA Aleasing d.o.o. Sarajevo,
2. NLB Leasing d.o.o. Sarajevo,
3. Raiffeisen Leasing d.o.o. Sarajevo,
4. S-Leasing d.o.o. Sarajevo,
5. UniCredit Leasing d.o.o. Sarajevo and
6. VB Leasing d.o.o. Sarajevo.

1.2. Ownership structure

During 2013, the ownership structure of one leasing company changed by introducing a new resident leasing company that belongs to the same Group, while in another leasing company, the ownership share was changed through an increase of a local bank in the core capital.

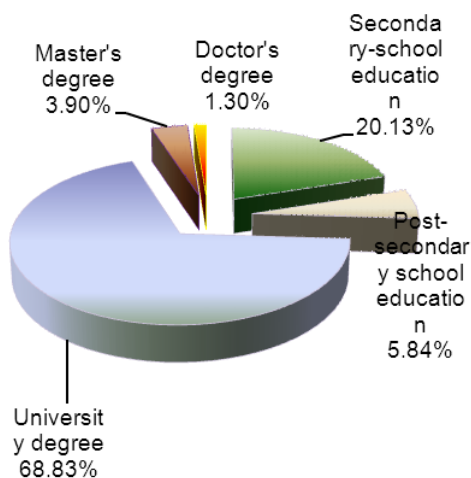
Three leasing companies are 100%-owned by non-resident legal entities, two leasing companies are in majority ownership (over 51%) on non-resident legal entities, while one leasing company is in majority ownership of resident legal entities. Detailed information on overview of ownerships structure of leasing companies are provided in the Annex 2 of Information.

1.3. Human resources

The headcount of leasing sector is 154 as of 31.12.2013, a decrease by 7,23% or 12 employees over 31.12.2012. Out of the total decrease in headcount, 6 employees worked for the leasing company that was de-licensed in the third quarter of 2013. Another 30 employees were recruited in the leasing companies as of 31.12.2013 through student services and

organisations acting as mediators in employment, thereof 66,67% in one leasing company. IF compared to the figure as of 31.12.2012, number of temporary employees fell by 23,08% to 9.

Chart 1. Qualifications structure of the leasing sector employees



Efficiency of employees for evaluation of performance of a leasing company is measured by ratio between assets and headcount (assets per employee). As of 31.12.2013, this ratio is KM 3.754 ths of assets per employee at the level of the leasing sector (as of 31.12.2012 – KM 4.183 ths per employee). Individual ratios of leasing companies are between KM 2.381 and 5.701 ths of assets per employee. Parallel with that, this ratio in the segment of microcredit organisations and foundations was KM 339 ths as of 31.12.2013, and KM 2.191 ths of assets per employee in the banking sector.

2. FINANCIAL INDICATORS

2.1. Balance sheet

Total balance sheet volume of the leasing companies in the Federation of B&H as of 31.12.2013 was KM 578.101 ths, which is KM 116.263 ths or 16,74% less over 31.12.2012. If observed individually, one leasing company saw an increase in the balance sheet volume in the total amount of KM 4.246 ths, while five leasing companies saw a decrease of KM 94.743 ths. One leasing company was de-licensed. Its total balance sheet volume as of 31.12.2012 amounted to KM 25.766 ths.

Major decrease in the total balance sheet volume is caused by the following:

- De-licensing of one leasing company,
- Takeover of receivables under the loan agreement used for financing construction of business premises by a non-resident commercial bank,

- Under the owner's decision, one leasing company cancelled new financings to stabilise its business and recover the existing non-performing placements,
- Two leasing companies declared significant amounts of new value adjustments and values of receivables under the financial leasing arrangements and loans, write-offs of receivables and decrease in value of inventories of repossessed leasing objects, and
- Decreased volume of new financings.

Two major leasing companies (by assets size) account for 59.93% of total assets of leasing companies.

The highest share in the structure of total assets of leasing companies accounts for net receivables from financial leasing accounting for KM 367.182 ths or 63,52% of total assets of the leasing sector. If compared to the figures as of 31.12.2012, net receivables for financial leasing fell by KM 60.441 ths or 14,13%, while gross receivables for financial leasing fell by KM 81.239 ths or 15,40%.

Net receivables from loans as of 31.12.2013 were KM 63.957 ths or 11,06% of the amount of total assets in the leasing sector. Compared to the figure as of 31.12.2012, net receivables for loans fell by KM 42.312 ths or 39,82%. Significant loan portfolio decrease is caused by takeover of portfolio of one leasing company by non-resident commercial bank (ca KM 25 million), as well as write-offs of non-recoverable receivables from loans.

Out of the total declared amount of net receivables for loans, KM 61.146 ths or 95,60% relates to receivables of one leasing company with significant amount of loan receivables in its portfolio. Thereof, KM 44.074 ths or 68,91% relates to receivables from subsidiaries, that had been used for R/E construction projects before the Law on Leasing was passed.

Declared BS item Cash and Cash Equivalents as of 31.12.2013 were KM 41.775 ths, KM 26.859 ths or 180,07% more over the figure as of 31.12.2012. Share of this BS item in total assets rose from 2,15% at YE 2012 to 7,23% as of 31.12.2013. Declared balance of placements to banks was KM 15.461 ths as of 31.12.2013, KM 2,794 ths or 22,06% more over YE 31.12.2012. This item mostly relates to the funds deposited with commercial banks. Balance of items mentioned above indicates rising liquidity of the sector as a whole and increase in loan potential of leasing companies due to decreased demand for leasing products.

Net value of fixed assets financed via operational leasing as of 31.12.2013 was KM 25.297 ths, KM 4.395 ths or 14,80% less over 31.12.2012. If observed individually, decrease in net value of fixed assets financed via operational leasing is evident.

The Table 1 of this Information provides an overview of net balance sheet positions of assets per reporting periods.

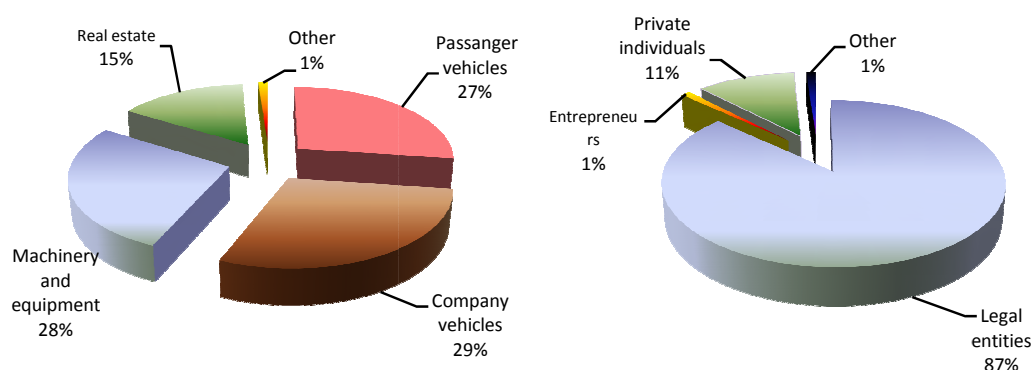
Table 1 Structure of net balance sheet positions of assets

(KM 000)

Balance sheet positions	31.12.2012	% share in assets	31.12.2013	% share in assets	31.12.2013 / 31.12.2012
Financial leasing – net	427.623	61,58%	367.182	63,52%	-14,13%
Operational leasing – net	29.692	4,29%	25.297	4,38%	-14,80%
Loan – net	106.269	15,30%	63.957	11,06%	-39,82%
Other assets	130.780	18,83%	121.665	21,04%	-6,97%
Total assets	694.364	100,00%	578.101	100,00%	-16,74%

There were no significant changes in structure of receivables by lessees and leasing objects over the past reporting periods.

Chart 2: Structure of receivables from financial leasing broken down by leasing objects and lessees as of 31.12.2013



The leasing sector accounts for 3,51% of the total balance sheet volume in the financial sector supervised by the FBA, while the banking sector and microcredit sector account for 93,61% and 2,88% accordingly.

2.1.1. Assets quality

According to the data in the report of leasing companies, loan loss reserves for financial leasing as of 31.12.2013 are declared in the amount of KM 23.301 ths, which represents a decrease by KM 1,302 ths or 5,29% over 31.12.2012. If we take into account the fact that total gross receivables for financial leasing fell by 15,40% over 31.12.2012, we may conclude that a decrease in loan loss provisions over the same period last year does not follow a decrease in the balance sheet volume.

We have found through a detailed analysis of report on leasing companies that a significant amount of formed provisions for losses for financial leasing as of 31.12.2013 is also caused by the fact that the leasing companies declared losses of KM 5.908 ths above calculated and allocated reserves (reserves formed in the amount higher than minimum prescribed amount). This amount relates to provisions formed by three leasing companies. Thereof, KM 5.572 ths

or 94,31% relates to one leasing company out of the total amount of additional calculated and allocated reserves. If we deduct the amount of additional calculated reserves from the amount of total formed reserves and compare it to the amount of formed reserves as of 31.12.2012, a decrease in reserves is evident in the amount of KM 7.210 ths or 9,31%, indicating the fact that compared to 31.12.2012 the quality of receivables for financial leasing did not deteriorate.

This is contributed by the fact that the structure of receivables for financial leasing as of 31.12.2013 contains KM 15,171 ths of past due receivables, as opposed to the amount of KM 26.586 ths declared at the end of last year, 75,24% more compared to 31.12.2013.

The Table 2 of the Information shows a parallel review of formed reserves by default categories.

If observed individually, two largest leasing companies (by assets size) account for 67,55% of formed loan loss reserves. With two leasing companies, there is an evident increase in formed loan loss reserves compared to YE 31.12.2012 in the total amount of KM 6.603 ths, thereof the amount of KM 6.195 ths or 93,82% relates to one leasing company.

Table 2: Parallel review of formed reserves for the financial leasing by categories of default
(KM 000)

Days past due	Total reserves 31.12.2012	Total reserves 31.12.2013	% change
0-60	552	701	26,99%
60-90	649	385	-40,68%
90-180	4.383	9.425	115,04%
over 180	16.280	12.444	-23,56%
over 360	2.739	346	-87,37%
TOTAL	24.603	23.301	-5,29%

Loan loss reserves as of 31.12.2013 were KM 7.526 ths and rose by KM 3.606 ths or 91,99% over YE 31.12.2012, when the reserves for loans were KM 3.920 ths. Out of the total amount of formed loan loss reserves as of YE 31.12.2013, KM 7.488 ths or 99,50% account for reserves formed by one leasing company with the most significant amount of receivables for loan agreements from subsidiary companies. In 2013. the loan portfolio quality of subsidiaries referring to the commercial R/E financial leasing arrangements approved to the lessees before the Law on Leasing was passed deteriorated significantly, which finally led to inability of subsidiary companies to settle their payables to the leasing company.

Total amount of written-off receivables for financial leasing and loans as of 31.12.2013 was KM 87.423 ths and rose by KM 21.366 ths or 32,34% over YE 31.12.2012. Out of total declared amount of written-off receivables, KM 45.516 ths or 52,06% accounts for write-offs formed by one leasing company.

A review of the structure of written-off receivables revealed that additional amount of KM 23.545 ths was recorded in the off-balance in 2013, thereof KM 11.745 ths or 49,88% refers to the write-offs formed by one leasing company.

During the same period, the amount of KM 2.091 ths was posted for collection of off-balance receivables, indicating a difficult collection of written-off receivables in the leasing companies, as the approval criteria were either inadequate or internally defined procedures referring to the financing approval process were not adhered to (non-functioning of the internal control system).

Market value of repossessed leasing objects as of 31.12.2013 due to termination of leasing arrangements with lessee or expiry of arrangements with no contracted purchase of leasing objects was KM 33,531 ths and rose by KM 107 ths or 0.32% over YE 31.12.2012. Declared value relates to 168 units, 29 units or 20.86% more over YE 31.12.2012. The Table 3 of the Information declares a parallel structure of repossessed leasing objects as of 31.12.2012 and 31.12.2013.

Table 3: Number and value of repossessed leasing objects

(KM 000)

No.	TYPE OF LEASING OBJECT	31.12.2012		31.12.2013	
		Number of units	Appraised market value of leasing object	Number of units	Appraised market value of leasing object
1.	Passenger vehicles	62	771	98	1.713
2.	Vehicles for main activity (cargo and passenger)	29	507	31	429
3.	Machinery and equipment	27	5.962	18	6.613
4.	Real estate	20	26.181	21	24.776
5.	Rail vehicles, water and air vehicles	1	3	0	0
6.	Household appliances	0	0	0	0
7.	Other	0	0	0	0
Total		139	33.424	168	33.531

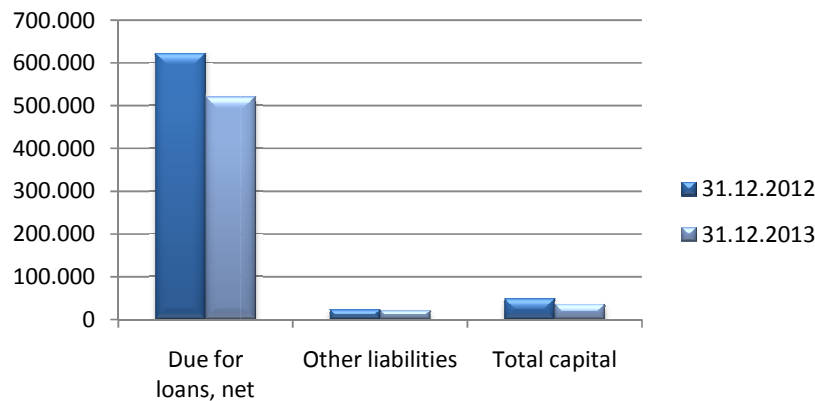
If observed individually, KM 31,067 ths or 92.65% of the total value of leasing objects owned by leasing companies relates to two leasing companies. These leasing companies aligned their book value with the market value of repossessed leasing objects, which caused a considerable decrease in appraised value over the same or slightly higher number of repossessed leasing objects and had negative effect on their balance sheets.

Out of the total value of repossessed leasing objects as of 31.12.2013, 73.88% relates to real estate (commercial real estate) repossessed by leasing companies due to non-compliance with legal obligations by lessees. Total amount of this item relates to two leasing companies. Current market situation and inadequate financing approval criteria cause difficult sales or new financing of repossessed R/E, especially if we take into account the fact that repossessed R/E are mostly production and commercial facilities.

2.2. Structure of liabilities

Liabilities for loans as of 31.12.2013 are still a predominant position in the structure of total liabilities of leasing companies (90.06% of the total amount of balance sheet volume). The Chart 3 of the Information below provides a parallel structure of liabilities of the sector as of 31.12.2012 and 31.12.2013.

Chart 3: Structure of liabilities – parallel data (KM 000)



Total liabilities for loans as of 31.12.2013 amount to KM 520,625 ths and they fell by KM 101,978 ths or 16.38% over 31.12.2012. Out of the total amount of loan liabilities, KM 456,159 ths or 87.62% relates to LT liabilities.

Within the structure of funding sources, indebtedness with commercial foreign and local banks that are usually members of groups that own these leasing companies accounts for 58.09% of total credit liabilities, while 16.03% accounts for direct indebtedness with the founders, while 25.88% relates to indebtedness with local banks (EIB, EBRD, CEDB and DEG). The proceeds of these banks are mostly purpose funds and relate to development of small and medium enterprises and they have been provided through parent banks or their holding companies.

Total weighted nominal interest rate paid by leasing companies on sources of funds in a period from 1 January to 31 December 2013 was 2,88% per annum (interest rate calculated on the basis of an average balance of taken loans and interest expenses in the accounting period) and it is lower over a level of previous accounting periods in the business 2013. This is a result of the fact that the interest rates on sources of funds of leasing companies are mostly linked to a variable index EURIBOR whose value in 2013 was low (value of 3M EURIBOR as of 01.01.2013 was 0,188%, as of 30.06.2013 it was 0,222% and as of 31.12.2013 it was 0,284%).

Total capital of leasing companies as of 31.12.2013 was KM 35.962 ths. If compared to 31.12.2012, this item fell by KM 12.622 ths or 25,98%. This is caused by the fact that one

leasing company with a significant capital amount was delicensed, as well as operating losses in this sector. All six leasing companies declared their capital amounts above minimum legally prescribed limits. During the fourth quarter 2013, two leasing companies increased their capital in the total amount of KM 43 million to meet legally required preconditions in terms of capital amount and continuing their business operations.

2.3. Profitability

Total losses of KM 40.658 ths were generated at the level of leasing sector in a period from 1 January to 31 December 2013. The losses generated in previous year at the level of sector amounted to KM 23.017 ths. The analysis of individual operating results of leasing companies resulted in findings that generated losses are a result of adjustment of book values of repossessed leasing objects with the market (fair) value, as well as new value adjustments and write-offs of receivables under the leasing arrangements.

If observed individually, three leasing companies posted negative financial result in the amount of KM 45.929 ths, while three leasing companies declared positive financial result of KM 5.271 ths.

Interest income as of 31.12.2013 was KM 37.801 ths. This item saw a decrease of KM 8.216 ths or 17,85% over the same period in the previous year. A look at individual positions of interest income reveals that interest income from financial leasing was KM 28.741 ths, KM 5.064 ths or 14,98% less over the same period in the past business year. A falling interest income may be explained by decrease in interest-bearing assets of leasing companies (decrease in active portfolio) and new business activities, as well as low amount of variable index to which the placements to leasing companies are linked (EURIBOR). The item of other interest income fell over the same period last year by KM 3.139 ths or 30,51%. This item is dominated by interest income from approved loans, whose volume fell significantly over the same period last year, causing a downward trend of total interest income.

Interest expenses were KM 16.487 ths, a decrease by KM 8.093 ths or 32,93% over the same period in the past business year. Lower interest expenses are caused by much lower amount of credit liabilities due to a downward trend of lending activities of leasing companies and low level of variable index to which the sources of funds of leasing companies are linked (EURIBOR).

Total net level of interest income posted in a period from 1 January to 31 December 2013 was KM 21.314 ths, a decrease by KM 123 ths or 0,57% over the same period in the previous business year. The aforementioned indicates that a decrease in interest income is lineary followed by a decrease in interest expenses due to a fall in the volume of interest-bearing liabilities (repayment of the existing credit liabilities of leasing companies).

Item of operating income fell by KM 24.624 ths or 47,70% over the same period last year as some leasing companies posted appraised value of repossessed leasing objects on this item in 2012 (parallel with write-off of receivables to the off-balance records).

Within the item of expenses, costs of reserves for losses in the current year were posted in the amount of KM 28.580 ths and fell by KM 23.741 ths or 45,38% over the same period last year. A cause for decrease in this item is the fact that the leasing companies have in the past business year posted significant reserves for losses for financial leasing and loans, as well as significant amount of written-off receivables, which had an impact on item of costs of reserves for losses. Just for comparison, new write-offs were posted in the previous business year (1 January – 31 December 2012) in the amount of KM 37.750 ths, while in the current business year they were KM 23.545 ths.

Significant operating losses posted by two leasing companies indicate that they did not adopt adequate measures and rules for valuing balance sheet positions in the past accounting periods. Significant amount of additional adjustments in values of receivables and decreases in the assets values of leasing companies are a result of inadequate policies for approval of financing, financing of leasing objects at much higher value than their market value, as well as realistic decrease in value of some types of leasing objects (production facilities and commercial R/E, specific equipment, etc.) due to effects of market crisis and overall drop of business activities in the BH market.

For the leasing market analysis purposes, business ratios have been calculated and shown below in the Table 4 of this Information.

Table 4: Main business ratios

BUSINESS RATIOS	31.12.2010	31.12.2011	31.12.2012	31.12.2013
Return on average assets (ROA)	-1,64%	-1,54%	-2,85%	-6,39%
Return on average equity (ROE)	-34%	-21%	-31,45%	-60,06%
Average interest rate receivable (financial leasing)	8,22%	7,18%	7,19%	7,15%
Average interest rate payable	3,45%	3,76%	3,67%	2,88%
Total liabilities to equity	15,05	13,37	13,29	15,08

3. STRUCTURE OF PLACEMENTS, MARKET SHARE, NOMINAL AND EFFECTIVE INTEREST RATES AND OBJECTIONS OF LESSEES

3.1. Structure of placements by leasing objects and types

The leasing business saw a continued downward trend of business activities in 2013 and slower growth of a business volume. The leasing activities are seeing falling trends in values of newly-concluded arrangements and a decrease in the amount of assets for the third consecutive year. Recovery of the leasing market depends on the economic situation in the country.

Value of newly-concluded financial and operational leasing arrangements in a period from 1 January to 31 December was KM 181.785 ths and fell by KM 33.142 ths or 15,42% over the same period in the previous year. A total of 4.241 new arrangements were concluded, 1.159 arrangements or 21,46% less over the same period in the previous year.

Average value of arrangements in 2013 was KM 42,86 ths and rose slightly over an average value of the arrangements in the same period last year, when it was KM 40 ths.

Out of the total generated value of newly-concluded arrangements, KM 171.918 ths or 94,57% refers to the financial leasing arrangements with an average (weighted) nominal IR of 6,82% and weighted effective IR of 9,27%.

The Table 5 of the Information provided below shows a parallel review of ratios of new financings broken down by leasing objects and type of agreement.

Table 5. Structure of leasing amounts by leasing objects in 2013

(KM 000)

	31.12.2012			31.12.2013		
	Financial leasing	Operating leasing	TOTAL	Financial leasing	Operating leasing	TOTAL
Vehicles	135.375	12.556	147.931	125.755	9.816	135.571
Equipment	52.313	791	53.104	42.854	51	42.905
Real estate	13.892	0	13.892	2.851	0	2.851
Other	0	0	0	458	0	458
TOTAL	201.580	13.347	214.927	171.918	9.867	181.785

The total amount of financing generated in a period from the 1 January to 31 December 2013 includes the amount of financing generated by the leasing company seated in the Republika Srpska through its branches located in the Federation of B&H (this company generates most of its revenues in the Federation of BiH). It also includes the data on amounts of financing generated by the delicensed leasing company in a period from the 1 January to 31 July 2013.

Please note that, under the owner's decision, one leasing company terminated new financings to stabilise its business and recover the existing non-performing facilities.

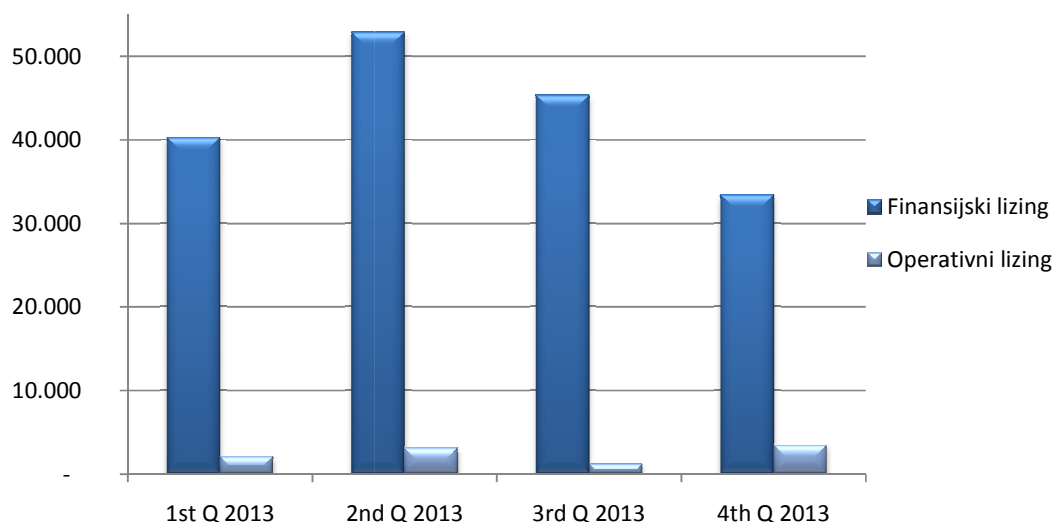
Within the structure of new facilities broken down by type of lessee, the facilities to legal entities are predominant (90,51% of total amount of financing in 2013). One of the important reasons is the fact that financing through leasing arrangements for private individuals is less favourable than loan facilities due to payment of VAT on interest rate, which poses additional costs for customers that are not VAT payers.

Total value of newly-concluded arrangements of financial and operational leasing in the fourth quarter of 2013 was KM 36.847 ths and fell by KM 9.665 ths or 20,78% over the value of newly-concluded arrangements in the third quarter of 2013. Compared to the fourth quarter of 2012, there is an obvious decrease in value of newly-concluded financial and operational leasing arrangements in the amount of KM 19.795 ths or 34,95%.

A total of 1.028 new arrangements were concluded in the fourth quarter 2013, an increase by 4,90% over the third quarter 2013. A comparison to the fourth quarter of 2012 reveals a decrease by 14,62% or 176 of newly-concluded arrangements.

The Chart 4 of the Information provides a parallel overview of value of newly-concluded financial and operational leasing arrangements by quarters in 2013.

Chart 4. Parallel overview of values of newly-concluded arrangements in 2013
(In KM 000)



**Finansijski lizing – financial leasing; operativni lizing –operational leasing*

3.2. Market share by financial volume and number of arrangements

Parallel overview of individual market shares by total volumes and number of newly-concluded financial and operational leasing arrangements is provided in the Charts 5 & 6 of this Information.

Chart 5. Market share by volumes (KM 000)

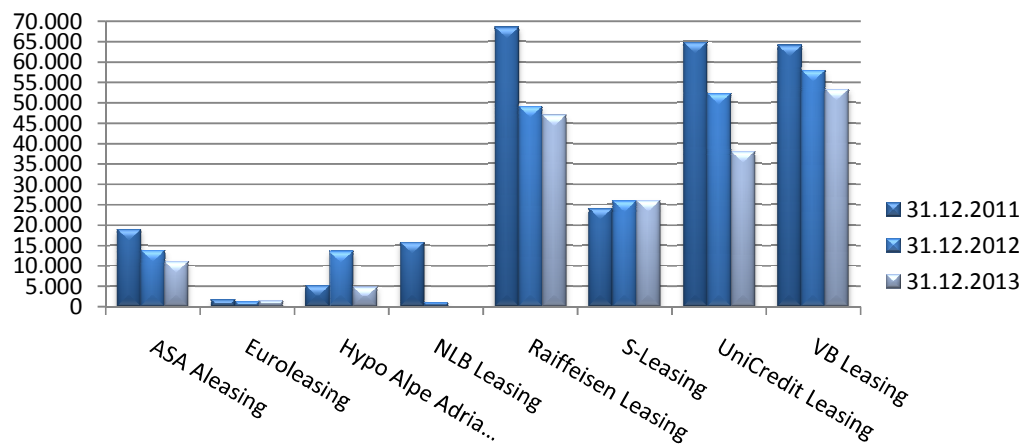
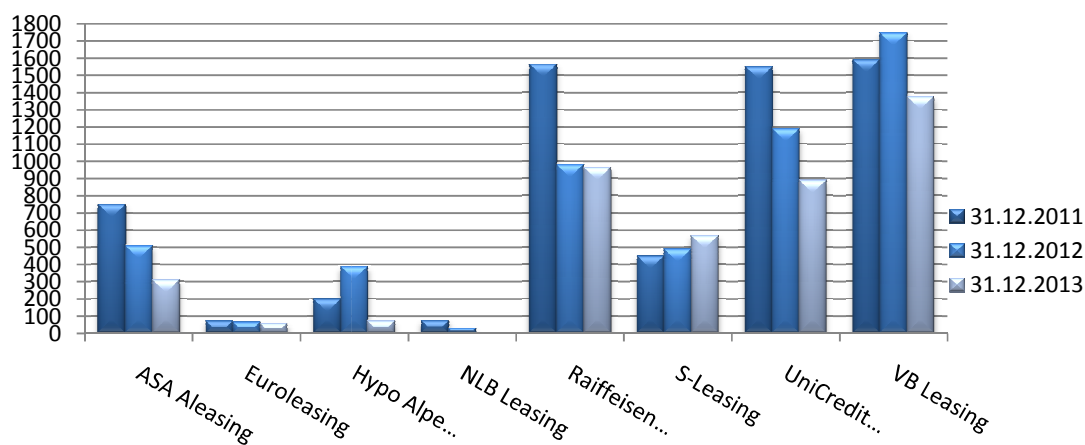


Chart 6. Market share by number of arrangements



The Charts presented above show that two leasing companies generated slightly higher amount of financing in 2013 over the sales in 2012. On the other hand, remaining six leasing companies saw an evident decrease in volumes of new financings within a range between 4,35% and 64,42% (except in case of a leasing company that fully terminated any new financings).

3.3. Weighted nominal and effective interest rate

Effective interest rate is an actual relative price of leasing arrangement expressed at annual level and it is declared under the Decision on Uniform Manner and Method of Calculation and Disclosure of Effective Interest Rates for Financial Leasing Agreements.

Total average nominal interest rate for the financial leasing arrangements concluded in 2013 was 6,15% for ST and 6,84% for LT arrangements, while the effective interest rate for ST and LT arrangements was 9,58% and 9,26% respectively. Total weighted nominal interest rate for the relevant period was 6,82%, while the effective interest rate was 9,27% per annum. Compared to the same period in the past business year, when the weighted nominal interest rate was 7,40% and effective interest rate was 10,07% per annum, there is an evident decrease in interest rates on the financial leasing arrangements.

The Table 6 of the Information provides the data on the amount of financing, nominal and effective interest rate for the financial leasing arrangements concluded in 2013.

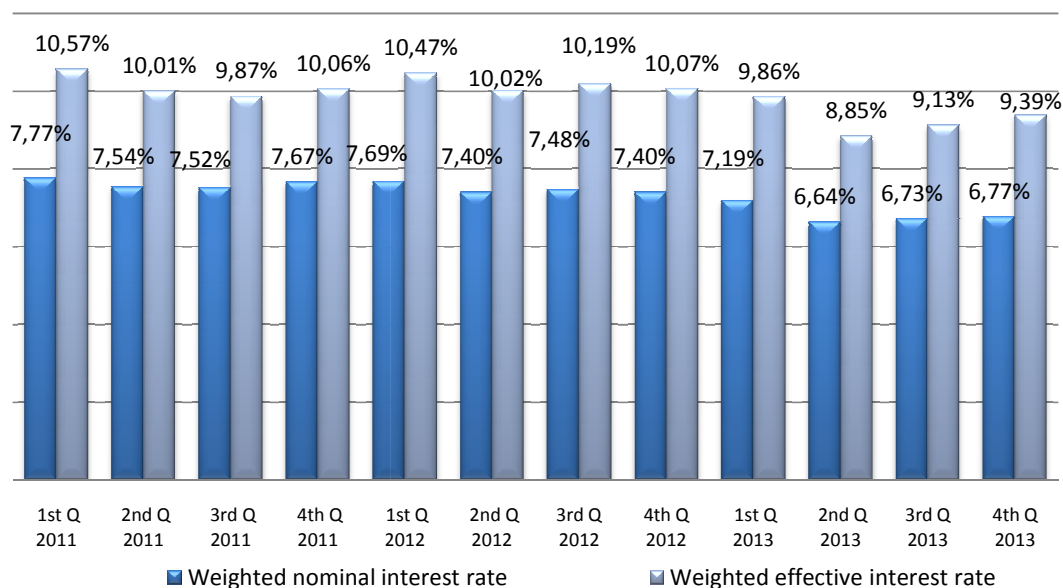
Table 6. Average nominal and effective interest rate for the financial leasing arrangements concluded in 2013

No	DESCRIPTION	Number of arrangements	Amount of financing in KM (000)	Weighted nominal interest rate	Weighted effective interest rate
1.	ST leasing arrangements by leasing object:	171	4.614	6,15%	9,58%
a.	Passenger vehicles	119	2.549	6,47%	10,13%
b.	Company vehicles (cargo and passenger vehicles)	31	1.018	5,59%	9,15%
c.	Machinery and equipment	21	1.047	5,92%	8,67%
1.1.	ST leasing arrangements by type of lessee:	171	4.614	6,15%	9,58%
a.	Legal entities	145	4.268	6,03%	9,22%
b.	Entrepreneurs	3	56	8,95%	15,74%
c.	Private individuals	23	290	7,38%	13,70%
2.	LT leasing arrangements by leasing object:	3.729	167.304	6,84%	9,26%
a.	Passenger vehicles	1.974	52.943	7,08%	9,74%
b.	Company vehicles (cargo and passenger vehicles)	1.228	69.245	6,69%	9,04%
c.	Machinery and equipment	501	41.807	6,72%	9,07%
d.	R/E	11	2.851	7,44%	7,95%
e.	Other	15	458	8,19%	11,22%
2.1.	LT leasing arrangements by type of lessee:	3.729	167.304	6,84%	9,26%
a.	Legal entities	2.986	150.455	6,82%	9,21%
b.	Entrepreneurs	90	2.501	7,08%	9,76%
c.	Private individuals	653	14.348	6,97%	9,70%
	TOTAL	3.900	171.918	6,82%	9,27%

A trend of decrease in nominal and effective interest rates in 2013 over 2012 is also evident if we have a look at weighted nominal and effective interest rates at quarterly level, which is caused by decrease in variable index (EURIBOR) to which input and exit interest rates are linked.

Chart 7 . Overview of average nominal and effective interest rates for the financial leasing arrangements by quarters in

2011, 2012 and 2013



Previously presented nominal interest rates (semi-annual and quarterly) are the interest rates contracted between a leasing company and lessee when signing a leasing arrangement, while previously stated effective interest rates are discounted rates representing a present value of all future and existing obligations agreed between the leasing company and lessee at an annual level.

A significant difference between nominal and effective interest rate is a consequence of VAT paid on interest rate, that is a mandatory part of the financial leasing arrangement and that is paid in advance by the lessee, creation of the financial leasing arrangement with purchase value, as well as additional costs of leasing arrangements that are commonly an integral part of a monthly lease in the leasing arrangement.

3.4. Objections of lessees

Control of compliance with the Decision on Conditions and Manner of Customer Complaints Management by Leasing Companies for the purpose of protection of rights and interests of lessees is conducted started from the second quarter of 2012.

A total of 11 reports were recorded on objections of lessees in the reports delivered to the FBA in 2013. Detailed overview of objections by quarters is provided in the Attachment 8 of the Information.

Out of the total number of delivered objections by lessees in 2013, 51 objections or 46,40% relate to one leasing company.

Table 7: Structure of objections of lessees for 2013

No.	Status of objections	31.12.2103			
		Private individuals	Legal entities	Total in 2013	% share in the structure
1.	Positively resolved objections	6	23	29	26,40%
2.	Negatively resolved objections	23	43	66	60,00%
3.	Objections in the processing	2	8	10	9,10%
4.	Objections in the processing for more than 30 days	0	1	1	0,90%
5.	FBA received a request to provide its opinion	0	4	4	3,60%
TOTAL		31	79	110	100,00%

In the fourth quarter 2013, the leasing companies stated 17 objections in their reports. Thereof, 3 objections were resolved positively, 12 were resolved negatively, while 2 objections were delivered to the FBA. Negatively resolved objections mostly relate to unjustified objections by lessees because of insufficient understanding of contractual provisions on leasing finance.

Three leasing companies had no objections by lessees in the fourth quarter 2013.

III COMPLIANCE OF BUSINESS OPERATIONS WITH THE ANTI-MONEY LAUNDERING AND COUNTER-TERRORISM FINANCING STANDARDS

Examination of compliance of business operations of leasing companies with the AML/CTF found 50 cases of non-compliance and irregularities (7,14 cases of irregularities and non-compliance per leasing company). Evaluation of compliance was made based on established irregularities that were used to evaluate risk quantity, risk management quality and supervision concern.

On the basis of individual compliance of leasing companies that is used to evaluate compliance of leasing sector with the AML/CTF standards (number of cases of non-compliance, average amount of non-compliance, risk quantity, risk management quality, supervision concern) we may conclude that the quantity of AML/CTF risk is moderate, that the quality of managing this risk is marginally acceptable, with a trend of increase and that

there are no specific reasons for special supervision concern. (Descriptive evaluation: “There are no reasons for special concern of supervisor“, in general means that there is a certain level of supervision concern).

If we look at compliance of the leasing sector with the provisions of the Anti-Money Laundering and Counter-Terrorism Financing Law, Leasing Law, Decision on Minimum Standards for Activities of Leasing Companies on Prevention of Money Laundering and Counter-Terrorism Financing and other laws and regulations prescribing obligations of leasing companies with reference to anti-money laundering and counter-terrorism financing, we may conclude that the leasing sector of the Federation of Bosnia and Herzegovina is partially compliant with the norms prescribed under these laws and regulations.

IV CONCLUSIONS AND RECOMMENDATIONS

Based on the business indicators of leasing companies in the Federation of B&H as of 31.12.2013, we may conclude that the business operations of the leasing companies in a period between 1 January and 31 December 2013 in the Federation of B&H still have a downward trend over the same period in the past business year.

Some leasing companies still have difficulties in their business operations arising from collection of the outstanding receivables from the past periods.

Impact of the crisis on the real sector is obvious, and the consequences will inevitably take their toll on the economic environment of the leasing companies.

According to the reports of the association of leasing companies called "Lease Europe" for the third quarter 2013, a volume of new financing also dropped by 5% over the same period last year, amount of loan loss reserves rose by 15%, the portfolio fell by 2% and overall profit dropped by 6,1%. This leasing association also published the forecast for 2014 based on their research and analysis of business operations of leasing companies in 2013 that shows a positive trend of growth and improvement of business operations in the first half of 2014.

Within its competences that refer to the supervision of leasing companies, the FBA is guided by the principles of transparency, building trust with leasing companies, as well as adequate protection of lessees financed through leasing arrangements for the purpose of ensuring financial stability of particular leasing companies and leasing activities at the level of the Federation of B&H.

In a period to come, the FBA will focus on the following aspects:

- Continuous supervision of the leasing companies through direct and indirect examinations,
- Insist on capital strengthening of leasing companies and internal defining of capital protection and capital adequacy parameters,

- Amending regulations for the leasing sector that refer to actions and mediation of the leasing companies,
- Protection of lessees for the purpose of achieving the financial stability of the leasing sector as a whole,
- Monitoring activities of the leasing companies on anti-money laundering and counter-terrorism financing and improve cooperation with other supervision and control institutions,
- Further strengthening of IT system that will, based on reports of leasing companies, enable early warnings and preventive actions to eliminate weaknesses in business operations of leasing companies,
- Improve the structure and data quality of the Central Loan Registry with the Central Bank of B&H,
- Continue with permanent education and professional training of staff, and
- Improve cooperation with the Association of Leasing Companies in B&H in terms of rendering support in implementation of laws and regulations referring to leasing companies and proposals for the amendments in legal regulations.

In a period to come, leasing companies should additionally focus on control of past due receivables, and special attention should be paid to non-performing facilities and initiating activities on improving the system of collection of past due receivables.

Activities of leasing companies should be focused on the following:

- Strengthening capital and defining parameters for capital hedge and capital adequacy,
- Improving policies and procedures for management of risks to which the leasing companies are exposed in their business operations,
- Improving the scope of products offered in the market and finding new sales channels,
- Establishing the system of internal controls and functioning of the internal audit as an independent audit of fulfilment of their tasks,
- Improving IT support for the purpose of more adequate accounting records and better reporting quality,
- Improvements in the context of protection of lessees,
- Implementation of the practice of responsible financing,
- Detailed informing of customers on products offered by leasing companies for the purpose of better understanding and more serious approach to financing through leasing arrangements, and
- Regular, up-to-date and precise submitting of the data to the Central Loan Registry with the Central Bank.

V FBA'S REGULATIONS FOR BUSINESS OPERATIONS OF THE LEASING COMPANIES

Under the Leasing Law, issuing of licenses for establishing and business operations of the leasing companies is defined in detail under the regulations of the FBA and decisions adopted by the Management Board of the FBA (issued in the "Official Gazette of Bosnia and Herzegovina" No.: 46/09, 46/11, 48/12 and 110/12), as well as instructions adopted by the Director of the FBA.

The FBA's Decisions that define establishing of the leasing companies and issuing licenses for work and business operations of the leasing companies are as follows:

1. Decision on Conditions and Process of Issuance of Operating License to Leasing Companies,
2. Decision on Conditions and Process of Issuance and Revocation of Approvals to/from Leasing Companies,
3. Decision on Minimum Standards for Activities of Leasing Companies on Anti-Money Laundering and Counter-Terrorism Financing,
4. Decision on Uniform Manner and Method of Calculation and Disclosure of Effective Interest Rates for Financial Leasing Agreements,
5. Decision on Uniform Manner and Method of Calculation and Disclosure of Leasing Fees under the Operational Leasing Agreement,
6. Decision on Form and Contents of Reports Submitted by the Leasing Companies with the Banking Agency of the Federation of B&H and Reporting Deadlines,
7. Decision on Minimum Level and Manner of Forming, Managing and Maintaining Loss Reserves and Risk Management in Leasing Companies,
8. Decision on Supervision of Leasing Companies,
9. Decision on Fees that Leasing Companies Pay to the FB&H Banking Agency,
10. Decision on Conditions and Manner of Handling Objections of Lessees by the Leasing Companies,
11. Instructions for Implementing the Decision on Uniform Manner and Method of Calculation and Disclosure of Effective Interest Rates for Financial Leasing Arrangements, and
12. Instructions for Producing the Reports by Leasing Companies.

No.: U.O.-57-5/14
Sarajevo: 31.03.2014

ATTACHMENTS

Attachment 1. Main data on leasing companies as of 31.12.2013

No.	Name of the leasing company	Address and seat	Director	Phone	Issuance date of FBA license	Headcount	Web address
1.	ASA Aleasing d.o.o. Sarajevo	Bulevar Meše Selimovića 16, Sarajevo	Alma Kadrić	+ 387 33 771 222	22.03.2010	15	www.asa-aleasing.ba
2.	NLB Leasing d.o.o. Sarajevo	Trg Solidarnosti 2a, Sarajevo	Dalida Međedović	+ 387 33 789 345	19.03.2010	10	www.nlbleasing.ba
3.	Raiffeisen Leasing d.o.o. Sarajevo	Danijela Ozme 3, Sarajevo	Belma Sekavić - Bandić	+ 387 33 254 354	19.01.2010	54	www.rlhb.ba
4.	S-Leasing d.o.o. Sarajevo	Zmaja od Bosne 7 Sarajevo	Elma Hošo	+ 387 33 565 850	11.02.2010	12	www.s-leasing.ba
5.	UniCredit Leasing d.o.o. Sarajevo	Džemala Bijedića 2, Sarajevo	Denis Silajdžić	+ 387 33 721 750	16.03.2010	27	www.unicreditleasing.ba
6.	VB Leasing d.o.o. Sarajevo	Fra Anđela Zvizdovića 1, Sarajevo	Slobodan Vujić	+ 387 33 276 280	12.01.2010	36	www.vbleasing.ba
					TOTAL	154	

Attachment 2: Overview of the Ownership Structure of Leasing Companies as of 31.12.2013

LEASING COMPANY	NAME OF THE OWNER	% share
ASA ALEASING d.o.o. Sarajevo	ASA FINANCE d.d. Sarajevo	17,19%
	ASA AUTO d.o.o. Sarajevo	33,81%
	ALEASING d.o.o. Ljubljana	49,00%
RAIFFEISEN LEASING d.o.o. Sarajevo	RAIFFEISEN LEASING INTERNATIONAL GmbH, Vienna	51,00%
	RAIFFEISEN BANK d.d. Sarajevo, BiH	49,00%
NLB LEASING d.o.o. Sarajevo	NLB d.d. Ljubljana	100,00%
S-LEASING d.o.o. Sarajevo	STEIERMAERKISCHE BANK UND SPARKASSEN AG, Graz	51,00%
	SPARKASSE BANK d.d. Sarajevo	49,00%
UNICREDIT LEASING d.o.o. Sarajevo	UNICREDIT LEASING S.p.A., Milan	100,00%
VB LEASING d.o.o. Sarajevo	VB LEASING INTERNATIONAL GmbH, Vienna	100,00%

Attachment 3: Overview of reserves for leasing loans as of 31.12.2013 (KM 000)

No.	Days past due	Provisioning rate	Amount of receivables	Total reserves
1	0-60	0,05%	21.288	11
2	60-90	5%	37.971	2.352
3	90-180	10%	7.845	785
4	180-270	30%	0	0
5	270-360	50%	0	0
6	over 360	100%	4.379	4.379
TOTAL			71.483	7.526

Attachment 4: Overview of reserves for financial leasing as of 31.12.2013 (KM 000)

Dpds	Provisioning rate for financial leasing (movables)	Provisioning rate for financial leasing (immovables)	Amount of receivables for movables	Amount of receivables for immovables	Principal amount for movables	Principal amount for immovables	Reserves			Total reserves
							For movables	For immovables	Additional calculated and allocated reserves	
0-60	0,50%	0,50%	274.512	25.135	48.746	4.274	244	21	436	701
60-90	10%	10%	20.424	17.986	3.671	42	367	4	14	385
90-180	50%	50%	27.854	5.840	15.263	540	7.632	270	1.523	9.424
over 180	100%	75%	7.127	11.016	6.844	2.220	6.843	1.665	3.935	12.444
over 360	100%	100%	347	0	347	0	347	0	0	347
TOTAL			330.264	59.977	74.871	7.076	15.433	1.960	5.908	23.301

Attachment 5: Consolidated Balance Sheet (KM 000)

No.	DESCRIPTION	31.12.2012		31.12.2013		% growth 30.12.2013/ 31.12.2012
		Amount	% in total assets	Amount	% in total assets	
	ASSETS					
1.	Cash and cash equivalents	14.916	2,15%	41.775	7,23%	180,07%
2.	Placements with banks	12.667	1,82%	15.461	2,67%	22,06%
3.	Receivables for financial leasing, net	427.623	61,58%	367.182	63,52%	-14,13%
3a)	Receivables for financial leasing, gross	527.508	75,97%	446.269	77,20%	-15,40%
3b)	Loan loss reserves	24.603	3,54%	23.301	4,03%	-5,29%
3c)	Deferred interest income	74.805	10,77%	55.504	9,60%	-25,80%
3d)	Deferred fee income	477	0,07%	282	0,05%	-40,88%
4.	Receivables from subsidiaries	2	0,00%	2	0,00%	0,00%
5.	Tangible and intangible assets, net	72.368	10,42%	33.783	5,84%	-53,32%
5a)	Tangible and intangible assets – own assets	52.089	7,50%	13.696	2,37%	-73,71%
5b)	Tangible and intangible assets – operational leasing	46.644	6,72%	42.375	7,33%	-9,15%
5c)	Value adjustment – own assets	9.413	1,36%	5.210	0,90%	-44,65%
5d)	Value adjustment – operational leasing	16.952	2,44%	17.078	2,95%	0,74%
6.	LT investments	93	0,01%	119	0,02%	27,96%
7.	Other assets	166.695	24,01%	119.779	20,72%	-28,14%
7a)	Loans, net	106.269	15,30%	63.957	11,06%	-39,82%
7a1)	Loans (due receivables + non-due interest)	110.189	15,87%	71.483	12,37%	-35,13%
7a2)	Loan loss reserves	3.920	0,56%	7.526	1,30%	91,99%
7b)	Other assets	60.426	8,70%	55.822	9,66%	-7,62%
	TOTAL ASSETS	694.364	100,00%	578.101	100,00%	-16,74%
	LIABILITIES					
9.	Due for taken loans, net	622.603	89,67%	520.625	90,06%	-16,38%
9a)	Due for ST loans	70.325	10,13%	65.064	11,25%	-7,48%
9b)	Due for LT loans	553.134	79,66%	456.159	78,91%	-17,53%
9c)	Prepaid costs and fees	856	0,12%	598	0,10%	-30,14%
10.	Other liabilities	23.177	3,34%	21.514	3,72%	-7,18%
	TOTAL LIABILITIES	645.780	93,00%	542.139	93,78%	-16,05%
11.	Core capital	78.869	11,36%	90.502	15,66%	14,75%
12.	Reserves	5.548	0,80%	8.829	1,53%	59,14%
13.	Accumulated profit/loss	-35.833	-5,16%	-63.369	-10,96%	76,85%
	TOTAL CAPITAL	48.584	7,00%	35.962	6,22%	-25,98%
	TOTAL LIABILITIES	694.364	100,00%	578.101	100,00%	-16,74%
	Written-off receivables (initial balance)	33.922	4,89%	66.057	11,43%	94,73%
	New write-offs (+)	37.750	5,44%	23.545	4,07%	-37,63%
	Collection (-)	5.449	0,78%	2.091	0,36%	-61,63%
	Permanent write-off (-)	166	0,02%	88	0,02%	-46,99%
	Written-off receivables (final balance)	66.057	9,51%	87.423	15,12%	32,34%

Attachment 6: Consolidated Profit and Loss Account (KM 000)

No.	DESCRIPTION	31.12.2012		31.12.2013		% growth 31.12.2013/ 31.12.2012
		Amount (KM 000)	% of total revenues	Amount (KM 000)	% of total revenues	
	FINANCIAL REVENUES AND EXPENSES					
1.	Interest revenues	46.017	47,13%	37.801	58,34%	-17,85%
1a)	Interest for financial leasing	33.805	34,62%	28.741	44,35%	-14,98%
1b)	Interest on placements with banks	57	0,06%	192	0,30%	236,84%
1c)	Fees (for processing leasing arrangements, etc.)	1.866	1,91%	1.718	2,65%	-7,93%
1d)	Other interest revenues	10.289	10,54%	7.150	11,03%	-30,51%
2.	Interest expenses	24.580	25,17%	16.487	25,44%	-32,93%
2a)	Interest on borrowed funds	23.764	24,34%	16.129	24,89%	-32,13%
2b)	Fees for loan processing	477	0,49%	358	0,55%	-24,95%
2c)	Other interest expenses	339	0,35%	0	0,00%	-100,00%
3.	Net interest revenues	21.437	21,96%	21.314	32,89%	-0,57%
	OPERATING REVENUES AND EXPENSES					
4.	Operating revenues	51.621	52,87%	26.997	41,66%	-47,70%
4a)	Fees for services	98	0,10%	34	0,05%	-65,31%
4b)	Fees from operational lease	13.281	13,60%	11.800	18,21%	-11,15%
4c)	Revenues from sale of leasing facilities, net	830	0,85%	37	0,06%	-95,54%
4d)	Other operating revenues	37.412	38,32%	15.126	23,34%	-59,57%
4d1)	Revenues from recoveries	29.111	29,82%	1.944	3,00%	-93,32%
4d2)	Revenues from notifications	576	0,59%	602	0,93%	4,51%
4d3)	Other	7.725	7,91%	12.580	19,41%	62,85%
5.	Operating expenses	43.286	44,33%	59.947	92,51%	38,49%
5a)	Salaries and contributions	8.518	8,72%	8.537	13,17%	0,22%
5b)	Costs of business premises	14.336	14,68%	12.300	18,98%	-14,20%
5c)	Other operating expenses	20.432	20,93%	39.110	60,36%	91,42%
6.	Costs of loan loss reserves	52.321	53,59%	28.580	44,11%	-45,38%
6a)	Costs of loan loss reserves financial leasing	31.762	32,53%	22.318	34,44%	-29,73%
6b)	Costs of loan loss reserves borrowings	20.559	21,06%	6.262	9,66%	-69,54%
7.	Profit before tax	-22.549	-23,09%	-40.216	-62,06%	78%
8.	Profit tax	468	0,48%	442	0,68%	-5,56%
9.	Net profit	-23.017	-23,57%	-40.658	-62,75%	77%

Attachment 7: Rating of balance sheet volume

31.12.2012					31.12.2013					
Rating	Leasing company	Balance sheet volume (KM 000)	Share 2012	Cumulative share	Rating	Leasing company	Balance sheet volume (KM 000)	Share 31.12.2013	Cumulative share	Balance sheet volume index
1.	Raiffeisen Leasing d.o.o. Sarajevo	219.292	31,58%	31,58%	1.	Raiffeisen Leasing d.o.o. Sarajevo	192.559	33,31%	33,31%	88
2.	UniCredit Leasing d.o.o. Sarajevo	170.208	24,51%	56,09%	2.	UniCredit Leasing d.o.o. Sarajevo	153.919	26,62%	59,93%	90
3.	VB Leasing d.o.o. Sarajevo	113.128	16,29%	72,39%	3.	VB Leasing d.o.o. Sarajevo	110.709	19,15%	79,08%	98
4.	Asa ALeasing d.o.o. Sarajevo	58.405	8,41%	80,80%	4.	S-Leasing d.o.o. Sarajevo	53.651	9,28%	88,36%	109
5.	NLB Leasing d.o.o. Sarajevo	58.160	8,38%	89,17%	5.	Asa ALeasing d.o.o. Sarajevo	35.718	6,18%	94,54%	61
6.	S-Leasing d.o.o. Sarajevo	49.405	7,12%	96,29%	6.	NLB Leasing d.o.o. Sarajevo	31.545	5,46%	100,00%	54
7.	Euroleasing d.d. Mostar	25.766	3,71%	100,00%	7.	-	-	-	-	-
TOTAL		694.364	100,00%		TOTAL		578.101	100,00%		83

Attachment 8: Structure and number of objections of lessees in 2013 (by quarters)

No.	Status of objection	31.03.2013				30.06.213				30.09.2013				31.12.213				Total in 2013
		Private individuals	Legal entities	Total 1 st quarter	Share in structure %	Private individuals	Legal entities	Total 2 nd quarter	Share in structure %	Private individuals	Legal entities	Total 3 rd quarter	Share in structure %	Private individuals	Legal entities	Total 4 th quarter	Share in structure %	
1.	Positively resolved objection	3	9	12	35,30%	1	6	7	30,40%	2	5	7	19,50%	0	3	3	17,60%	29
2.	Negatively resolved objection	12	9	21	61,80%	3	9	12	52,20%	7	14	21	58,30%	1	11	12	70,60%	66
3.	Objections in the processing	0	0	0	0,00%	2	1	3	13,00%	0	7	7	19,40%	0	0	0	0,00%	10
4.	Objection in the processing for more than 30 days	0	0	0	0,00%	0	1	1	4,40%	0	0	0	0,00%	0	0	0	0,00%	1
5.	FBA received a request for opinion	0	1	1	2,90%	0	0	0	0,00%	0	1	1	2,80%	0	2	2	11,80%	4
TOTAL		15	19	34	100,00%	6	17	23	100,00%	9	27	36	100,00%	1	16	17	100,00%	110