



**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
AS OF 30.06.2012.**

Sarajevo, August 2012.

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1. INTRODUCTION

The Banking Agency of Federation of BiH (in further reading; the Agency), as a regulatory institution which performs the supervision (examination) of the leasing companies, developed the Information on leasing sector in the Federation of BiH for the first half term of 2012 based on the analyses of the reports on performance that the leasing companies submit to the Agency on quarterly and monthly basis (indirect – off site examination of the performance) and date which it has at disposition from the on-site examinations.

Leasing companies' performance is regulated by the Law on leasing which came into effect on 03.01.2009. („Official Gazette of Federation of Bosnia and Herzegovina" number: 85/08 and 39/09). The law regulates establishment, performance and cease of operations of a leasing company, rights and obligations of the parties in the leasing operations, managing risks, financial reporting and supervision of the leasing company performance.

The supervision of the leasing companies was established after the issuing of the license for leasing operations to leasing companies with an aim to permanently monitor the performance and financial condition of each individual leasing company and leasing sector in the Federation of BiH as a whole, determining the compliance in the performance of the leasing companies with the regulations that are in effect, as well as analyzing and evaluating the financial reports of the leasing companies.

At the end of 2008 the negative effects of the global economic and financial crises stopped the expansion of the growth of leasing companies, which had its peak in the period from 2006 to 2008.

The adverse movements in the real sector in the first half of 2012 had also a negative impact on the leasing operations, which recorded a decrease of the number of the newly concluded contracts and the overall amount of financing through the financial and operating leasing in comparison to the same period last year.

The aggregate balance sheet of the leasing sector as of 30.06.2012., was 717,350 thousand KM, which is by 6% or by 44,369 thousand KM less than as of 31.12.2011.

If the individual leasing companies aggregate balance sheet amounts are compared with the data as of 31.12.2011., it can be concluded that balance sheet of two companies is higher by 7,536 thousand KM, while five companies recorded a decline in a total amount of 51,905 thousand KM (of the listed amount 84% or 43,545 thousand KM refers to the decrease of assets of two leasing companies).

The total loss of the leasing sector in the first half of 2012 was 7,587 thousand KM. Three leasing companies reported a negative financial result, while four leasing companies realized a profit. The core capital of the leasing company was 60,288 thousand KM, while the total capital of the sector as of 30.06.2012 was 45,517 thousand KM.

The on-site examination of the leasing companies is performed by authorized individuals from the Agency through enhanced and targeted examinations – through examination in the leasing companies. Orders for implementing and correcting noted weaknesses are issued to the examined leasing companies upon completion of the report in order to further improve the leasing company's performance quality, their profitability, soundness and safety in performance of the leasing company.

The irregularities determined during the on-site examination in the period from 01.01 to 30.06.2012 referred mainly to lack of adherence to the provisions of the Law on leasing and pertaining regulations, inadequate policies and procedures which define the core risks in leasing companies' performance (credit risk, liquidity risk, operating risk, market risk, concentration risk and other risks) and the manner in which the risks are managed, inadequate existence and operation of the internal control system, business activities which are not in compliance with the provisions of the Articles 5. and 7. of the Law on Leasing, as well as submitting of the incorrect data to the Central Registry of loans in the Central bank of BiH.

The negative trends in the leasing sector recorded in the first half of 2012 are a reflection of the stagnation of the overall activities in the economy, in FBiH as well as in the entire BiH. The officially published statistic data indicate the decline of the industrial production, decline of the number of employees and decline of the export in comparison to the same period last year. Based on the analytical forecasts, for the second half of 2012 expected are slight positive movements.

2. MARKET PARTICIPANTS

2.1. Number of leasing companies

As of 30.06.2012, a total of 7 leasing companies registered in the Federation of BiH perform business activities in 28 organizational units – affiliates (of which 23 in FBiH and 5 in RS). Leasing companies licensed for performing leasing operations in the Federation of BiH are:

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

The company Hypo-Alpe Adria Leasing d.o.o Banja Luka is registered in Republic Srpska and performs its business activities on the territory of the Federation of BiH through four registered branches (Sarajevo, Tuzla, Mostar and Vitez).

2.2. Ownership structure

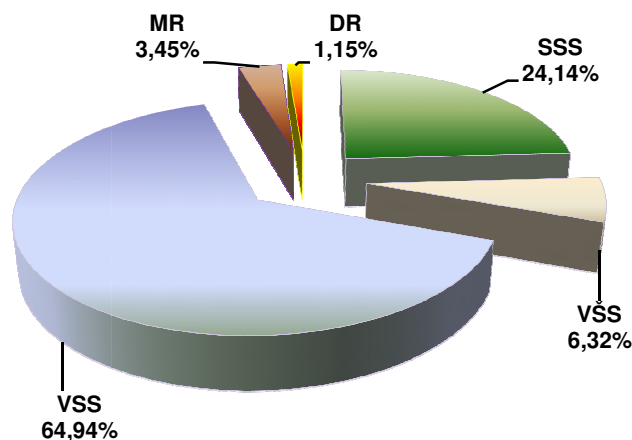
Of seven leasing companies, there are three companies that have a 100% nonresident ownership of parent companies, while three are in majority ownership of their non-resident parent companies and/or local banks established with foreign capital. One company has a majority resident ownership.

2.3. Number of employees in the leasing companies

As of 30.06.2012., in the leasing companies there were a total of 174 employees, which is by 1 employee higher than as of 31.03.2012. Apart from the listed number of employees, the

leasing companies engage additional 36 employees through the student services and through the employment agency, of which number 29 employees are engaged in one leasing company.

Graph 1. Qualification structure in the leasing sector



The efficiency of the employees, in the evaluation of the leasing companies' performance, is measured through the ratio between the assets and the number of employees (assets per employee). As of 30.06.2012, at the level of the leasing sector there are 4,123 thousand KM in assets that relate to each employee (31.12.2011. – 4,232 thousand KM per employee). Simultaneously, as of 30.06.2012, in the banking sector this indicator was 2,003 thousand KM per employee.

3. BALANCE SHEET STRUCTURE

3.1. Structure of Assets

The total assets of all leasing companies in the Federation of BiH as of 30.06.2012., was 717,350 thousand KM, which in comparison to 31.12.2011., presents a decrease by 44,369 thousand KM or 6% and by 14,510 thousand KM or 2% less in comparison to 31.03.2012. The two largest leasing companies (in regard to the size of assets) have 55% of total assets of the leasing companies. Individually reviewed, 3 leasing companies had an incline of the balance sheet in comparison to 31.03.2012.

In the structure of total assets, the most significant participation is of the net receivables from financial leasing which are 452,116 thousand KM, and that presents 63% of the total assets of leasing sector.

The net receivables from the loans increased as of 30.06.2012 due to the wrong classification of the receivables by one leasing company in the previous reporting periods. The noted is a conclusion of the enhanced examination performed by the Agency's examiners, upon which was issued an order for correction and adequate classification of the listed receivables. The net receivables from the loans as of 30.06.2012 were 129.103 thousand KM or 18% of the amount of the total assets of the leasing sector. In comparison to 31.12.2011, when the net receivables from loans were 115.285 thousand KM (15% of total assets of the sector), there was an increase of 12% or 13.818 thousand KM.

Of the total amount of receivables from loans as of 30.06.2012, 83.270 thousand KM or 64% refer to receivables of the leasing companies from the subsidiaries based on the granted loans. Two leasing companies were granting loans to subsidiaries in the previous performance period (before the Law on leasing came into effect).

The participation of the cash and cash equivalent positions in total assets decreased from 3,92%, which was the amount at the end of 2011, to 1% as of 30.06.2012.

In the structure of total assets, the loans will remain in the balance sheet of the leasing companies until the contracted terms, for which they were approved, do not expire.

The decrease of assets was also influenced by the decrease of the net value of funds financed through the operating leasing as of 30.06.2012 by 3,341 thousand KM or 10% in comparison to 31.12.2011. Individually reviewed, three leasing companies had an increase of the net value of the fixed assets in the operating leasing in the amount of 667 thousand KM in reference to 31.12.2011.

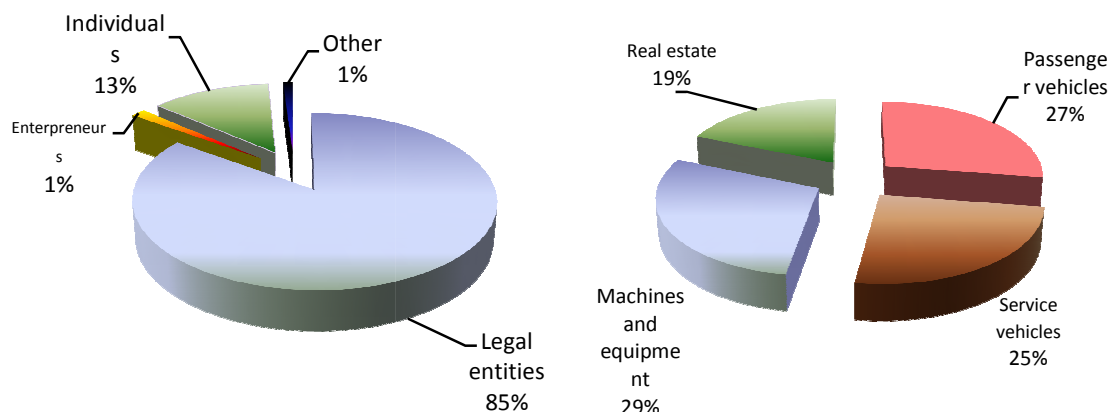
The Table 1 of the Information gives a review of the data of the net balance positions for assets through the reporting periods.

Table 1. Structure of the net balance positions of the assets through the reporting periods (000 KM)

Balance Sheet positions	31.12.2011	% part. in assets	30.6.2012	% part. in assets	30.06.2012 / 31.12.2011
Financial leasing	500.626	66%	452.116	63%	-10%
Operating leasing	34.333	5%	30.992	4%	-10%
Borrowings	123.994	16%	129.103	18%	4%
Other assets	102.766	13%	105.139	15%	2%
Total Assets	761.719	100%	717.350	100%	-6%

In the assets structure according to the lessee and leasing subject there were no significant changes in relation to the previous reporting periods.

Graph 2. Financial leasing structure according to the leasing subject and lessee as of 30.06.2012.



3.2. Asset quality

In accordance with the leasing companies reports, the reserves for losses from financial leasing as of 30.06.2012 have been reported in the amount of 24,873 thousand KM and present an increase by 14% or 2,975 thousand KM in comparison to 31.12.2011. In comparison to the previous quarter, the reserves for losses from the financial leasing increased by 5% or 1,091 thousand KM.

In the structure of the provisions for financial leasing losses, 11,609 thousand KM or 47% refers to reserves for losses established based on the receivables which are over 180 days past due. Of the noted amount of the established reserves for losses in the listed delinquency category (over 180 days), 56% refers to the reserves established based on the financing of the tangible leasing subject.

In comparison to 31.12.2011, the most significant increase of the established reserves for losses is reported in the category of receivables which are 360 days past due, in the amount of 9,342 thousand KM.

Reserves for loans as of 30.06.2012 were 2,345 thousand KM and they decreased by 73% in comparison to 31.12.2011 when the provisioning for loans was 8,709 thousand KM. Of the total amount of the established reserves for loans, 1,648% thousand KM or 70% refers to reserves established by one leasing company. The reason for the significant decrease in the reserves for loan losses as of 30.06.2012 in comparison to 31.12.2011 are the writ offs of the uncollected receivables.

The total amount of written off receivables in the financial leasing and loans as of 30.06.2012 was 46,259 thousand KM and it increased by 12,337 thousand or 36% in comparison to 31.12.2011.

The review of the structure of the written of receivables from the financial leasing and the loans it can be concluded that during the first half of 2012 recorded were in the off balance sheet new receivables in the amount of 13,712 thousand KM, while 1,375 thousand KM were recorded based on the collection of the off balance sheet receivables during the first half of 2012.

During the first half of 2012 the leasing companies had leasing subject taken over in the value of 32,785 thousand KM, which were taken over due to the breach of the contract with the lessee or termination of the contract in which agreed were no purchases of the leasing subject upon the end of the leasing contract. Of the noted amount, 26,165 thousand KM or 80% refers to real estate which the leasing companies came to own due to the lack of implementation of the contracted terms by the lessee (the total amount of the noted position refers to two leasing companies).

As of 30.06.2012, there was a total of 220 leasing cases in the category of the leasing subject which are taken over, of which 141 cases refer to passenger vehicles and service vehicles (terrain and passenger).

In Table 2 of the Information illustrated is the number and value of the leasing subject which are taken over.

Table 2. Number and value of the leasing subjects taken over

No.	TYPE OF THE LEASING SUBJECT	Number of units	Estimated market value of the leasing subject (in 000 KM)
1.	Passenger vehicle	99	904
2.	Service vehicle (terrain and passenger)	42	530
3.	Machines and equipment	41	5.183
4.	Real Estate	19	26.165
5.	Tracks, floating and flying vehicles	1	3
6.	Household machines	0	0
7.	Other	0	0
Total		202	32.785

Reviewed individually, 30,149 thousand KM or 92% of the value of the leasing subjects which are in the ownership of the leasing company refers to two leasing companies.

The leasing companies refinance to the new lessees the leasing subject which they took over or they sell them to the interested buyers in compliance with the internally defined procedure.

3.3. Placements based on leasing subject and type of leasing

The value of the newly concluded placements in the first half of 2012, was 104,171 thousand KM, which presents a decrease of 35,931 thousand KM or 26% in relation to the same period last year.

The new placements in the financing and operating leasing in the second quarter of 2012 were 63,623 thousand KM and refer to 1,811 of the activated contracts. In comparison to the same period previous business year the noted financing amount decreased by 14,266 thousand KM or 18%, while the number of the newly concluded contracts declined by 111 or 6%. In comparison to the realization from the previous quarter in 2012, the total amount of the financing in the second quarter increased by 23.075 thousand KM or 57%.

The structure of the financing amount based on the leasing subject and the type of contract is illustrated in the Table 3 of this Information.

Table 3. The structure of the financing amounts according to the leasing subject for the first half of 2011 and 2012.

(000 KM)

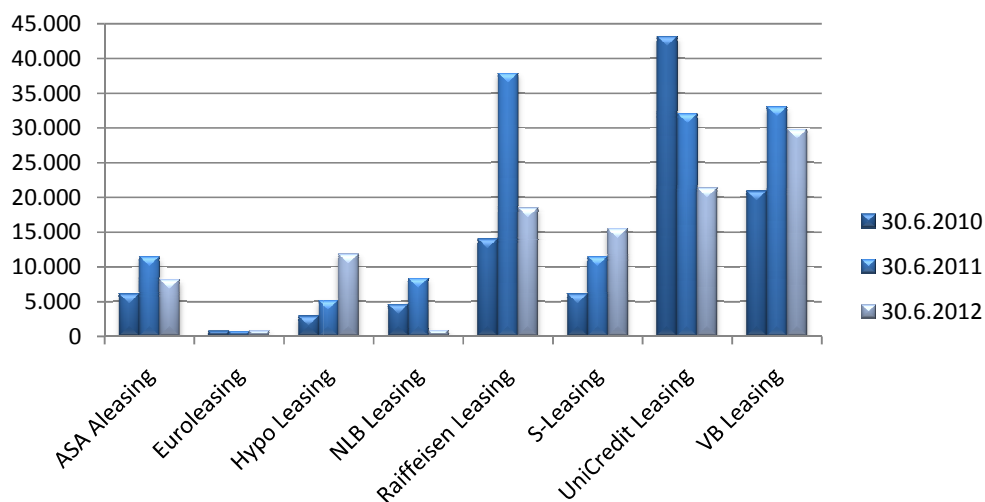
	01.01.-30.06.2011			01.01.-30.06.2012		
	Financial leasing	Operating leasing	TOTAL	Financial leasing	Operating leasing	TOTAL
Vehicles	88.106	10.765	98.871	69.180	7.929	77.139
Equipment	31.888	505	32.393	23.806	154	23.960
Real Estate	8.838	0	8.838	3.102	0	3.102
TOTAL	128.832	11.270	140.102	96.088	8.083	104.171

The participation of the financial leasing in the total financing amount during the first half of 2012 was 96,088 thousand KM or 92% of the total financing amount.

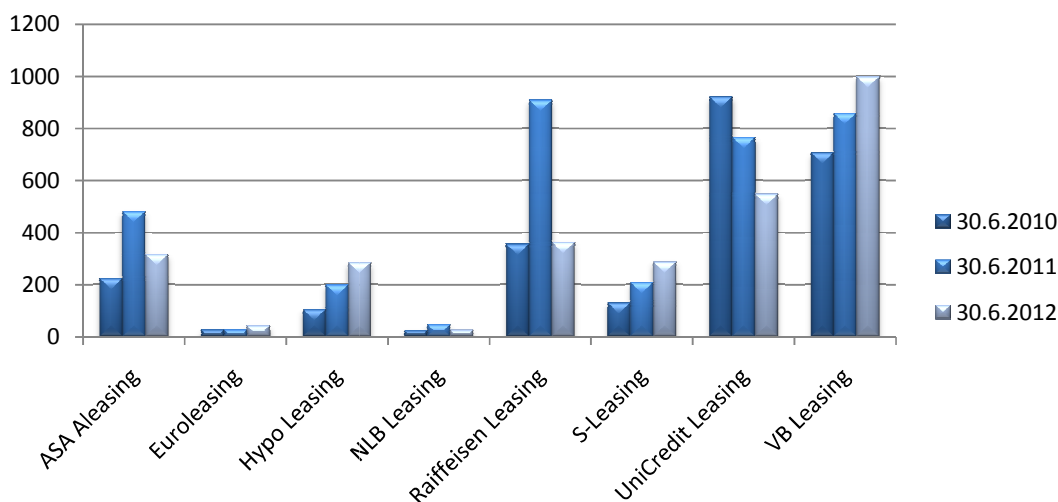
3.4. Individual market participation according to financial volume and number of contracts

Viewed individually, during the first half of 2012, three leasing companies realized an increase of new placements through financial and operating leasing in comparison to the same period last year. The number of the newly concluded contracts in the first six months of 2012 was 2,865, which is by 18% less than in comparison to the same period last year (in the first six months of 2011 concluded were 3,495 contracts). The average value of the contracts in the first half of 2012 was 36 thousand KM and it is lower than in comparison to the average value of the contracts in the same period last year when it was 40 thousand KM.

Graph 3. Market participation based on the volume (in 000 KM)



Graph 4. Market participation based on the number of contracts

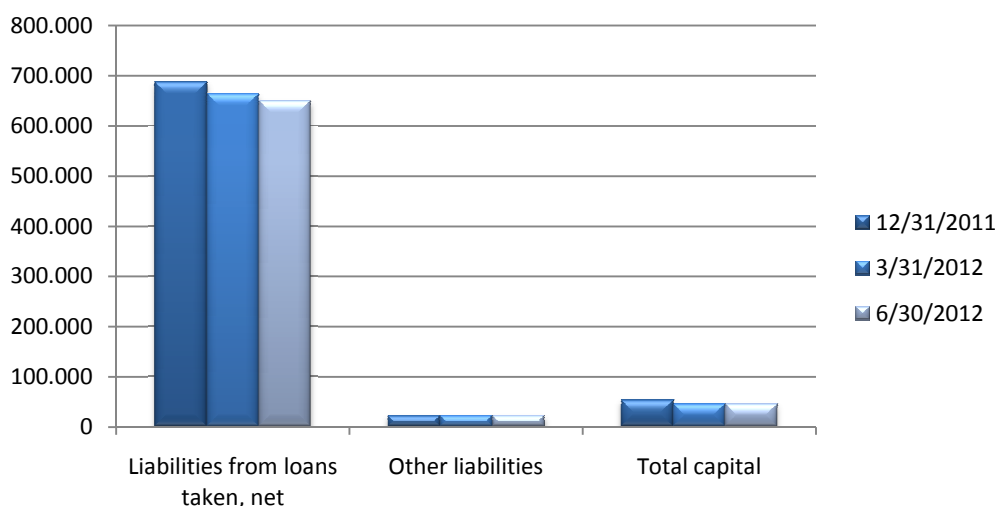


In the above listed graphs (Graphs 3 and 4 of the Information) illustrated is the volume realized by the leasing companies with a head office in Republic Srpska through the branches established in the Federation of BiH (Hypo-Alpe-Adria Leasing d.o.o. Banja Luka).

3.5. Structure of Liabilities

As of 30.06.2012., there were no significant changes in the structure of liabilities in comparison to previous reporting periods. Liabilities on taken loans still present a dominant position in the structure of total liabilities.

Graph 5. Structure of liabilities – parallel data (000 KM)



The total liabilities from loans as of 30.06.2012 were 649,695 thousand KM and they decreased by 36,971 thousand KM or 5% in comparison to 31.12.2011, and by 13,729 thousand KM or 2% in comparison to 31.03.2012. Of the total amount of liabilities from loans taken, 93% refers to long term liabilities.

As of 30.06.2012., the structure of the liabilities from loans is similar to the structure from the previous reporting periods. In the funding sources structure still dominating is the lending from the parent company or related entities (66% of the total liabilities from loans), while 151,348 thousand KM or 23% refers to the lending from European and local development banks (EIB, EBRD, CEDB, DEG, Development bank of FBiH etc.). The funds from these banks are by nature intended for a specific purpose and mostly refer to development of middle and small enterprises, and are secured by banking guarantees issued by parent banks or their holding companies. Also, in the funding structure, 11% refers to commercial foreign and domestic banks debt.

The total risk weighted nominal interest rate which the leasing company pay for the sources of funds in the first half of 2012 is 4% on the annual level (interest rate calculated on the base of the average balance of the loans taken and interest expenses in the reviewed period).

As of 30.06.2012., the total capital of leasing companies was 45,517 thousand KM and in comparison to 31.12.2011 it decreased by 7,504 thousand KM or 14%. Viewed individually, one leasing company reported the amount of total capital smaller than the minimum amount of the capital prescribed by the Law on leasing. During 2012 the performance of the noted company has been under special attention by the Agency. With the Resolution on issuing a written order, the noted company was given a deadline to correct the existing condition and overcome the existing problems, or the Agency will perform measures prescribed by the Law on leasing.

4. FINANCIAL RESULTS OF THE PERFORMANCE

At the level of leasing sector in the period from 01.01.2011., to 30.06.2012., reported was a loss in the performance in the amount of 7,587 thousand KM. In the same period last business year on the level of the sector realized was a loss in the amount of 32,031 thousand KM. If excluded are data of the company which license for performing leasing operations in FBiH was revoked, in the period from 01.01 to 30.06.2011 realized is a profit of 2,948 thousand KM.

If reviewed individually, the profit was realized by four leasing companies in the amount of 2,138 thousand KM, while loss was reported by three leasing companies in the amount of 9,725 thousand KM, of which 86% of the realized loss refers to one leasing company. As of 30.06.2012 the noted company realized losses higher than the amount of total capital .

The most significant category of income of the leasing companies is the interest income, which in the first half of 2012 was 23,862 thousand KM, which was a decline by 3% in comparison to the same period last year. The decline of the interest income is a consequence of the decreased amount of new financing and write offs of the past due non-collected receivables.

The expenses from interests were 13,535 thousand KM and they increased by 1,086 thousand KM or 9% in comparison to 30.06.2011, which is a consequence of the increase of the financing sources prices on the money market.

The total net income in the first half of 2012 was 10,327 thousand KM, which presents a decline by 1,742 thousand KM or 14% in comparison to the same period in 2011.

Within the category of expenses in the period from 01.01.to 30.06.2012, the most significant participation belongs to expenses for provisions for losses which were 23,429 thousand KM which presents 46% of total realized expenses. Of the total amount of the provisions for losses, provisioning expenses for financial leasing are 16,332 thousand KM while 7,097 thousand refers to reserves for loan expenses.

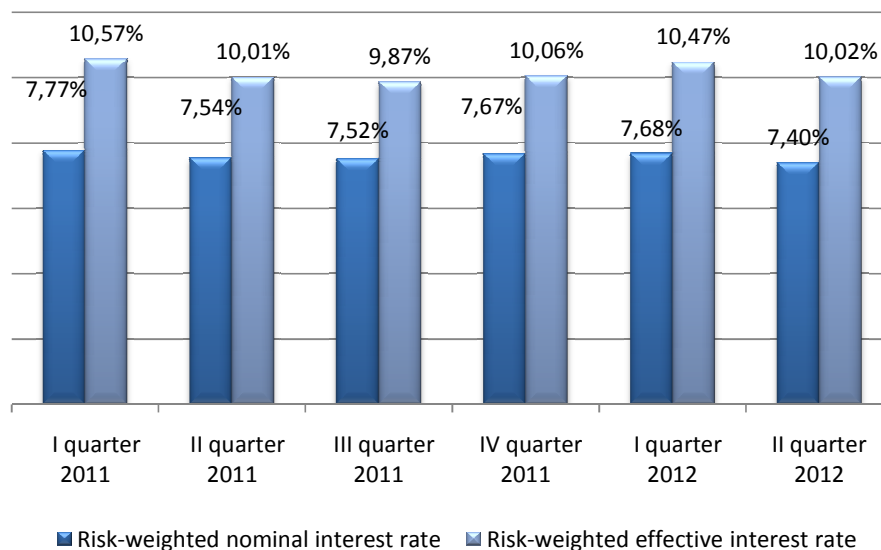
5. RISK WEIGHTED NOMINAL AND EFFECTIVE INTEREST RATES

An effective interest rate presents a real relative cost of the leasing contract, reported on the annual level in compliance with the Decision on unified manner and method for accrual and reporting of the effective interest rate for the financial leasing contract.

In the second quarter of 2012, the total average nominal interest rate for the financial leasing contracts was 7,40%, and the effective interest rate was 10,02%.

If the risk weighted nominal and effective interest rates are reviewed with the values of the same in the previous reporting periods, concluded is a slight decline of the nominal and effective interest rate in comparison to the previous quarter of 2012, which is illustrated in the Graph number 7 of this Information.

Graph 6. Review of the average risk weighted nominal and effective interest rates for the contracts about the financial leasing



In the first half of 2012, the total average nominal interest rate for the financial leasing contracts was 7,52%, while the effective interest rate was 10,20%.

In Table 4 of this information presented are data about the financing amount, nominal and effective interest rate for the financial leasing contracts concluded in the first half of 2012.

Table 4. Average nominal and effective interest rates for the first half of 2012. (financial leasing)

No.	DESCRIPTION	Financing amount in (000) KM	Risk weighted nominal interest rate	Risk weighted effective interest rate
1.	Short term leasing contracts based on the leasing subject:	4.726	6,26%	9,48%
a.	Passenger vehicles	3.387	6,47%	10,03%
b.	Performance vehicles (terrain and passengers)	322	7,43%	12,38%
c.	Machinery and equipment	1.017	5,19%	6,75%
d.	Real Estate	0	0,00%	0,00%
e.	Track, floating and flying vehicles	0	0,00%	0,00%
f.	Household appliances	0	0,00%	0,00%
g.	Other	0	0,00%	0,00%
1.1.	Short term leasing contracts based on the lessee:	4.726	6,21%	9,40%
a.	Legal entities	4.124	6,14%	9,18%
b.	Entrepreneurs	27	0,00%	0,00%
c.	Individuals	575	7,00%	11,43%
2.	Long term leasing contracts based on the leasing subject:	91.362	7,58%	9,97%
a.	Passenger vehicles	37.080	7,98%	10,96%
b.	Performance vehicles (terrain and passengers)	28.257	7,22%	9,83%
c.	Machinery and equipment	22.789	7,29%	8,59%
d.	Real Estate	3.103	8,03%	9,54%
e.	Track, floating and flying vehicles	0	0,00%	0,00%
f.	Household appliances	0	0,00%	0,00%
g.	Other	133	8,84%	12,13%
2.1.	Long term leasing contracts based on the lessee:	91.362	7,58%	10,24%
a.	Legal entities	78.028	7,43%	9,99%
b.	Entrepreneurs	1.119	8,52%	11,97%
c.	Individuals	12.215	8,41%	11,66%
	TOTAL	96.088	7,52%	10,20%

The significant difference between the nominal and effective interest rate is a consequence of the VAT on interest, which is an obligatory part of leasing contract for financial leasing (paid in advance by the lessee), creation of the financial leasing contract with the purchase value, as well as the additional cost of the leasing arrangement that are often integral part of the monthly rental for the leasing contract (Casco insurance etc.).

The leasing companies are obliged to report to the Agency on the monthly basis about the risk weighted nominal and effective interest rates in compliance with the proscribed methodology for the contracts on financial leasing that were approved in the reporting month. In such manner realized is the transparency and comparability of the financing through leasing.

6. CONCLUSIONS AND RECOMMENDATIONS

According to the indicators of the leasing companies' performance in FBiH, in the first half of 2012, it can be concluded that the leasing sector in FBiH during 2012 showed a slight decreasing trend in comparison to the previous year in the segment of new lending. Some of the leasing companies still have difficulties in performance that are coming from the collection of the existing receivables that were generated in the previous periods, which caused the increase of loan loss provisioning expenses which directly impacted the leasing companies' operations.

The deterioration of the microeconomic indicators in BiH in the first half of 2012 (the decline of the industrial production, decrease of export, increase of the unemployment rate which is the highest in the region) caused a decrease of the demand for financing through leasing, which had a significant impact on the adverse trends in the leasing companies' performance.

The financial leasing portfolio can be evaluated as satisfactory taking into account the objective market conditions and the condition of the BiH economy.

In the coming period the Agency will focus on the following aspects:

- continue the ongoing supervision of the leasing companies through on site and off site supervision,
- insist on capital enhancements for the leasing sector which refer to the performance and operations of the leasing companies,
- enhance the leasing sector regulations in the segment of protection of the users of the leasing services,
- monitor the activities of the leasing companies related to prevention of money laundering and terrorism financing and improve the cooperation with other institutions for examination and control;
- further improvement of the information technology system, which based on the reports of the leasing companies will provide an early warning system and preventive actions in regard to correcting the weaknesses in the performance of the leasing companies;
- improving the structure and quality of the data in the Central Register of loans in the Central Bank of BiH;
- continue the permanent education and professional specialization of the employees and
- improve the cooperation with the Association of the leasing companies in BiH, in reference to the providing of the professional assistance in the implementation of the provisions of the laws and regulations for the leasing companies and the proposals for the changes in the regulations.

In the coming period the leasing companies should put additional focus on the control of the past due receivables, increase of the number of newly concluded contracts, decrease of the operating expenses and collection of the due receivables.

Leasing company activities should be directed towards:

- capital strengthening and defining parameters for protection of capital and capital adequacy;

- improvement of policies and procedure for managing the risks that the leasing companies are exposed to in their performance;
- establishment of the internal controls and the internal audit function as independent in performing their tasks;
- Update of computer support with an aim to provide adequate accounting records and better quality reporting;
- Improvement in regard to the protection of the users of the leasing services;
- Implementation of the responsible financing practices;
- informing the clients in more details about the products offered by the leasing companies with an aim of accomplishing a better understanding and a more serious approach to financing through leasing;
- Regular, timely and correct reporting of data to the Central Loan Registry at the Central Bank of BiH.

Number: U.O.- 43-4/12
Sarajevo, 04.09.2012.

7. REGULATIONS OF THE AGENCY FOR THE PERFORMANCE OF THE LEASING COMPANIES

According to the Law on leasing, the issuing of the licenses for establishment and performance of leasing companies is regulated in details by the regulations of the Banking Agency of Federation of Bosnia and Herzegovina (in further reading Agency), that is by the decisions adopted by the Management Board of the Agency (published in the "Official Gazette of the Federation of Bosnia and Herzegovina " number: 46/09, 46/11 and 48/12), as well as the instructions adopted by the Director of the Agency.

The decisions of the Agency that regulate the establishment and issuing of the license for performance and operations of leasing companies are:

1. Decision on conditions and procedure for issuing and revoking the license for performing leasing operations,
2. Decision on condition and procedure for issuing and revoking approvals to a leasing company,
3. Decision on minimal standards for the activities of the leasing company on prevention of money laundering and terrorism financing,
4. Decision on unified manner and method for accrual and reporting of effective interest rate for financial leasing contracts,
5. Decision on unified manner and method for accrual and reporting of leasing fees for operating leasing contracts,

6. Decision on form and content of reporting that the leasing companies submit to the Banking Agency of Federation of BiH and reporting deadlines,
7. Decision on minimal amount and manner for allocation, managing and maintaining the reserves for losses and managing the leasing company risks,
8. Decision on supervision of leasing companies,
9. Decision on the fees that the leasing companies pay to the Banking Agency of Federation of BiH,
10. Decision on conditions and manner of performance for the leasing companies in regard to the complaints of the users of the leasing companies' services.
11. Instructions for implementation of the Decision on the unified manner and method for accrual and reporting of the effective interest rate for contracts on financial leasing and
12. Instructions for development of leasing companies' reports.

Number: U.O.- 43-4/12
Sarajevo, 04.09.2012.

ATTACHMENTS

Attachment 1. Leasing companies' basic data

No.	Leasing company name	Address and head office	Director	Telephone	Date of issuing of the FBA license	No. of employees	Web address
1.	ASA Leasing d.o.o. Sarajevo	Bulevar Meše Selimovića 16, Sarajevo	Abaza Dženamir	+ 387 33 771 222	22.03.2010	21	www.asa-leasing.ba
2.	Euroleasing d.d. Mostar	Vukovarska 1, Mostar	Renata Perić	+ 387 36 394 500	03.02.2010	6	www.euroleasing.ba
3.	Raiffeisen Leasing d.o.o. Sarajevo	Danijela Ozme 3, Sarajevo	Belma Sekavić - Bandić	+ 387 33 254 354	19.01.2010	60	www.rlbh.ba
4.	NLB Leasing d.o.o. Sarajevo	Trg Solidarnosti 2a, Sarajevo	Dalida Međedović	+ 387 33 789 345	19.03.2010	12	www.nlbleasing.ba
5.	S-Leasing d.o.o. Sarajevo	Zmaja od Bosne 7, Sarajevo	Elma Hošo	+ 387 33 565 850	11.02.2010	11	www.s-leasing.ba
6.	UniCredit Leasing d.o.o. Sarajevo	Džemala Bijedića 2, Sarajevo	Denis Silajdžić	+ 387 33 721 750	16.03.2010	31	www.unicreditleasing.ba
7.	VB Leasing d.o.o. Sarajevo	Fra Anđela Zvizdovića 1, Sarajevo	Slobodan Vujić	+ 387 33 276 280	12.01.2010	33	www.vbleasing.ba
					TOTAL	174	

Attachment 2. Review of leasing companies' ownership structure

LEASING COMPANY	NAME OF THE OWNER	% participation
ASA ALEASING d.o.o. Sarajevo	ASA FINANCE d.d. Sarajevo	51,00%
	ALEASING d.o.o. Celje	49,00%
EUROLEASING d.d. Mostar	EUROLEASING d.o.o. Zagreb	27,24%
	EUROHERC osiguranje d.d. Sarajevo	17,66%
	EUROHERC osiguranje d.d. Zagreb	13,52%
	BSO d.d. Sarajevo	8,44%
	AGRAM životno osiguranje d.d. Zagreb	6,79%
	JADRANSKO osiguranje d.d. Zagreb	6,79%
	EUROAGRAM TIS d.o.o. Zagreb	6,50%
	EURO DAUS d.d. Split	6,50%
	EURODOM d.o.o. Osijek	6,50%
	AGRAM d.d. Ljubuški	0,06%
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	90,00%
	SPARKASSE BANK d.d. Sarajevo	10,00%
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. Review of provisioning for leasing loans as of 30.06.2012. (in 000 KM)

Days of delinquency	Provisioning rate	Amount of loan receivable	Total provisioning
0 - 60	0,05%	123.437	62
60 - 90	5%	1.007	50
90 - 180	10%	3.041	304
180 - 270	30%	806	242
270 - 360	50%	2.940	1.470
over 360	100%	217	217
TOTAL		131.448	2.345

Attachment 4. Review of provisioning for financial leasing (FL) of leasing companies as of 30.06.2012. (in 000 KM)

Days of delinquency	Provisioning rate for FL (movables)	Provisioning rate for FL (immovable)	Amount of receivables for movables	Amount of receivables for immovable	Amount of base for movables	Amount of base for immovable	Reserves			
							For movables	For immovable	Surplus of accrued and allocated reserve	Total reserves
0 - 60	0,5%	0,5%	329.079	51.183	55.535	4.327	278	22	221	521
60 - 90	10%	10%	11.687	9.478	3.455	974	346	97	25	468
90 - 180	50%	50%	30.208	6.980	4.254	258	2.127	129	242	2.498
over 180	100%	75%	6.692	20.652	6.559	5.639	6.559	4.229	821	11.609
over 360	100%	100%	10.136	883	9.334	443	9.334	443	0	9.777
TOTAL			387.802	89.176	79.137	11.641	18.643	4.920	1.309	24.873

Attachment 5. Consolidated Balance Sheet (000 KM)

No.	DESCRIPTION	31.12.2011		30.6.2012		% growth
		Amount	%	Amount	%	
	ASSETS					30.06.2012 31.12.2011
1.	Cash and cash equivalents	29.837	3,92%	7.173	1,00%	-75,96%
2.	Placements to banks	98	0,01%	0	0,00%	-100,00%
3.	Receivables from financial leasing, net (3a-3b-3c-3d)	500.626	65,72%	452.116	63,03%	-9,69%
3a)	receivables from financial leasing, gross	612.257	80,38%	560.833	78,18%	-8,40%
3b)	reserves for losses	21.898	2,87%	24.873	3,47%	13,59%
3c)	deferred income from interest	89.572	11,76%	83.305	11,61%	-7,00%
3d)	deferred income from fees	161	0,02%	539	0,08%	234,78%
4.	Receivables from subsidiaries	0	0,00%	15	0,00%	100,00%
5.	Movable and immovable assets, net (5a+5b-5c-5d)	69.938	9,18%	71.523	9,97%	2,27%
5a)	movable and immovable property-personal funds	42.797	5,62%	48.805	6,80%	14,04%
5b)	movable and immovable property -operating leasing	52.039	6,83%	47.354	6,60%	-9,00%
5c)	correction of value -personal funds	7.192	0,94%	8.274	1,15%	15,04%
5d)	correction of value - operating leasing	17.706	2,32%	16.362	2,28%	-7,59%
6.	Long term investments	572	0,08%	52	0,01%	-90,91%
7.	Other assets	160.648	21,09%	186.471	25,99%	16,07%
7a)	Loans, net (7a1-7a2)	115.285	15,13%	129.103	18,00%	11,99%
7a1)	loans (past due rec.+not due principal)	123.994	16,28%	131.448	18,32%	6,01%
7a2)	Reserves for loans	8.709	1,14%	2.345	0,32%	-73,75%
7b)	Other assets	45.363	5,96%	57.368	8,00%	26,46%
	TOTAL ASSETS (1+2+3+4+5+6+7)	761.719	100,00%	717.350	100,00%	-5,82%
	LIABILITIES					
9.	Liabilities from taken loans, net (9a+9b-9c)	686.666	90,15%	649.695	90,57%	-5,38%
9a)	liabilities from short term loans	52.405	6,88%	44.464	6,20%	-15,15%
9b)	liabilities from long term loans	635.386	83,41%	606.298	84,52%	-4,58%
9c)	cost and fees paid in advance	1.125	0,15%	1.067	0,15%	-5,16%
10.	Other liabilities	22.032	2,89%	22.138	3,09%	0,48%
	TOTAL LIABILITIES (9+10)	708.698	93,04%	671.833	93,65%	-5,20%
11.	Core capital	58.939	7,74%	60.288	8,40%	2,29%
12.	Reserves	5.528	0,73%	5.621	0,78%	1,68%
13.	Accumulated profit/loss	-11.446	-1,50%	-20.392	-2,84%	78,16%
	TOTAL CAPITAL (11+12+13)	53.021	6,96%	45.517	6,35%	-14,15%
	TOTAL LIABILITIES	761.719	100,00%	717.350	100,00%	-5,82%
	Written off receivables (opening balance)	26.453	3,47%	33.922	4,73%	28,23%
	New write off (+)	38.391	5,04%	13.712	1,91%	-64,28%
	Collection (-)	30.559	4,01%	1.375	0,19%	-95,50%
	Permanent write off (-)	363	0,05%	0	0,00%	-100,00%
	Written off receivables (final balance)	33.922	4,45%	46.259	6,45%	36,37%

Attachment 6. Consolidated income statement (in 000 KM)

No.	DESCRIPTION	30.6.2011		30.6.2012		% growth 30.06.2012/ 30.06.2011
		Amount (000 KM)	% in total income	Amount (000 KM)	% in total income	
	FINANCIAL INCOME AND EXPENSES					
1.	Interest income (1a+1b)	24.518	59%	23.862	47%	-3%
1a)	Interest on financial leasing	18.632	45%	18.242	36%	-2%
1b)	Other interest income	5.886	14%	5.620	11%	-5%
2.	Interest expenses	12.449	30%	13.535	27%	9%
3.	Net income from interest (1.-2.)	12.069	29%	10.327	20%	-14%
4.	OPERATING INCOME AND EXPENSES	17.065	41%	26.542	53%	56%
5.	Operating income (4a+4b)	19.085	46%	20.919	42%	10%
5a)	Operating leasing income	4.104	10%	4.104	8%	0%
5b)	Other operating income	7.722	19%	7.033	14%	-9%
5c)	Operating expenses (5a+5b+5c)	7.259	17%	9.782	19%	35%
6.	Salary and contributions expenses	6.989	17%	23.429	46%	235%
6a)	Business premises expenses	7.019	17%	16.332	32%	133%
6b)	Other operating expenses	-30	0%	7.097	14%	-23757%
7.	Expenses for reserves for losses	3.060	7%	-7.479	-15%	-344%
8.	Income before tax (3+4-5-6)	112	0%	108	0%	-4%
9.	Income tax	2.948	7%	-7.587	-15%	-357%

* Data as of 30.06.2011. include the balance sheet positions of the company from which the license for performing leasing operations was revoked.

No.	DESCRIPTION	30.6.2011		30.6.2012		% growth 30.06.2012/ 30.06.2011
		Amount (000 KM)	% in total income	Amount (000 KM)	% in total income	
	FINANCIAL INCOME AND EXPENSES					
1.	Interest income (1a+1b)	35.999	61%	23.862	47%	-34%
1a)	Interest on financial leasing	20.295	34%	18.242	36%	-10%
1b)	Other interest income	15.704	27%	5.620	11%	-64%
2.	Interest expenses	19.732	33%	13.535	27%	-31%
3.	Net income from interest (1.-2.)	16.267	28%	10.327	20%	-37%
4.	OPERATING INCOME AND EXPENSES	23.071	39%	26.542	53%	15%
5.	Operating income (4a+4b)	29.495	50%	20.919	42%	-29%
5a)	Operating leasing income	5.562	9%	4.104	8%	-26%
5b)	Other operating income	8.430	14%	7.033	14%	-17%
5c)	Operating expenses (5a+5b+5c)	15.503	26%	9.782	19%	-37%
6.	Salary and contributions expenses	41.762	71%	23.429	46%	-44%
6a)	Business premises expenses	11.064	19%	16.332	32%	48%
6b)	Other operating expenses	30.698	52%	7.097	14%	-77%
7.	Expenses for reserves for losses	-31.919	-54%	-7.479	-15%	-77%
8.	Income before tax (3+4-5-6)	112	0%	108	0%	-4%
9.	Income tax	-32.031	-54%	-7.587	-15%	-76%

Attachment 7. Rating the aggregate balance sheet amount

31.12.2011					30.6.2012					
Rating	Leasing company	Balance Sheet amount (000 KM)	Participation 2011.	Cumulative parti.	Rating	Leasing company	Balance Sheet amount (000 KM)	Participation 2012.	Cumulative participation	Balance sheet amount ratio
1.	Raiffeisen Leasing d.o.o. Sarajevo	238.574	31,32%	31,32%	1.	Raiffeisen Leasing d.o.o. Sarajevo	213.496	29,76%	29,76%	89
2.	UniCredit Leasing d.o.o. Sarajevo	185.956	24,41%	55,73%	2.	UniCredit Leasing d.o.o. Sarajevo	178.543	24,89%	54,65%	96
3.	VB Leasing d.o.o. Sarajevo	108.874	14,29%	70,03%	3.	VB Leasing d.o.o. Sarajevo	110.449	15,40%	70,05%	101
4.	NLB Leasing d.o.o. Sarajevo	83.515	10,96%	80,99%	4.	Asa Aleasing d.o.o. Sarajevo	69.454	9,68%	79,73%	100
5.	Asa Aleasing d.o.o. Sarajevo	69.663	9,15%	90,14%	5.	NLB Leasing d.o.o. Sarajevo	65.049	9,07%	88,80%	78
6.	S-Leasing d.o.o. Sarajevo	47.810	6,28%	96,41%	6.	S-Leasing d.o.o. Sarajevo	53.771	7,50%	96,29%	112
7.	Euroleasing d.d. Mostar	27.327	3,59%	100,00%	7.	Euroleasing d.d. Mostar	26.588	3,71%	100,00%	97
TOTAL		761.719	100%		TOTAL		717.350	100%		94

Attachment 8. Review of the core financial indicators as of 30.06.2012. (in 000 KM)

No.	Leasing company	Total capital (000 KM)	Rating based on total capital	Net profit/loss (000 KM)	Rating based on net profit/loss	Placements in the 1 st half of 2012.	Rating of placements in the first half of 2012	Number of contracts in the 1 st half of 2012	Rating based on number of contracts
1.	Asa Aleasing d.o.o. Sarajevo	1.399	6.	-823	6.	8.377	5.	316	4.
2.	Euroleasing d.d. Mostar	19.307	1.	204	4.	768	7.	43	6.
3.	NLB Leasing d.o.o. Sarajevo	-11.610	7.	-8.338	7.	853	6.	25	7.
4.	Raiffeisen Leasing d.o.o. Sarajevo	18.244	2.	470	3.	18.471	3.	363	3.
5.	S-Leasing d.o.o. Sarajevo	1.743	5.	702	2.	15.588	4.	288	5.
6.	Unicredit Leasing d.o.o. Sarajevo	4.561	4.	-564	5.	20.908	2.	547	2.
7.	VB Leasing d.o.o. Sarajevo	11.873	3.	762	1.	29.847	1.	998	1.
8.	Hypo Leasing d.o.o. Banja Luka *	-	-	-	-	9.359	-	285	-
	TOTAL	45.517		-7.587		104.171		2.865	

* *Financial leasing placements realized in branches registered in FBiH.*