



**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**

30.09.2015

Sarajevo, November 2015

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I INTRODUCTION

The Banking Agency of the Federation of B&H (hereinafter: the Agency) as a regulatory institution for the supervision of leasing companies drafted this Information on the Leasing Sector in the Federation of B&H as of 30.09.2015 based on the analysis of reports on business operations submitted to the Agency by leasing companies (indirect off-site supervision), findings from on-site examinations (direct on-site supervision) and other information and data submitted to the Agency by leasing companies.

The business operations of leasing companies in the Federation of B&H are regulated by the Law on Leasing, which entered into force on 03.01.2009 („Official Gazette of the Federation of Bosnia and Herzegovina“, No.: 85/08, 39/09 and 65/13). The Law defines the conditions for establishing leasing companies, their business operations and the cessation of leasing companies' operations, the rights and responsibilities of entities in leasing operations, risk management, financial reporting, activities of leasing companies with respect to preventing money laundering and the financing of terrorism, and the supervision of leasing companies' business operations.

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

For quite some time, the business operations of the leasing sector in the Federation of B&H have been taking place in the conditions of the financial and economic crisis that affected the slowdown and stagnation of business activities of leasing companies in previous business periods.

In the second quarter of 2015, the Agency issued an operating licence to the new leasing company Porsche Leasing d.o.o. Društvo za poslove lizinga (hereinafter: Porsche Leasing d.o.o.), which began its business activities at the beginning of the third quarter of 2015. With the aforementioned company's arrival on the market, an increase in the balance sheet total of the leasing sector can be expected in the period to come, as well as an increase in the leasing sector's share in the financial sector of the FB&H.

Financial indicators and the number of newly concluded arrangements in the period from 01.01. to 30.09.2015 point to signs of a stabilisation of business operations, especially if taking into account that, in the aforementioned period, five out of seven leasing companies issued the Agency's operating licence are active on the market (the newly-established leasing company began its business activities in the third quarter of 2015).

The balance sheet total of leasing companies in the Federation of B&H as of 30.09.2015 amounted to KM 484 015 thousand, which is lower by KM 14 417 thousand or 2.89% compared to 31.12.2014. If one compares the individual balance sheet totals of six leasing companies with

data as of 31.12.2014, one can conclude that an increase in the balance sheet total in the amount of KM 31 809 thousand is evident with two leasing companies (the balance sheet total of the newly-established leasing company not included), while four leasing companies recorded a decrease of the balance sheet total in the amount of KM 48 116 thousand, with KM 25 450 thousand or 53% of the overall balance sheet total drop accounting for one leasing company.

In the period from 01.01. to 30.09.2015, leasing activities in the Federation of B&H recorded a profit in the amount of KM 7 400 thousand as a result of business operations. Two leasing companies recorded a negative financial result in the amount of KM 5 351 thousand, while five leasing companies recorded a positive financial result in the amount of KM 12 751 thousand.

The total capital of leasing companies as of 30.09.2015 amounted to KM 32 151 thousand. Compared to 31.12.2014, this item went down by KM 2 605 thousand or 7.50%. One leasing companies recorded a capital amount lower than the legal minimum prescribed under the provisions of the Law on Leasing (KM 250 000) and the aforementioned has the Agency's special attention. We remind that the founders of that leasing company have adopted a decision on recapitalisation, which is to be carried out in the fourth quarter of 2015.

Authorised persons of the Agency conduct direct supervision of the operations of the leasing companies through comprehensive and targeted examinations – on-site controls of business operations. After the reports become final, the controlled leasing companies are instructed to eliminate identified instances of non-compliance with the law and irregularities in the interest of improvement, legal compliance, profitability, solvency and security in their business operations.

In the period from 01.01 to 30.09.2015, 6 on-site examinations were carried out, namely two extensive examination, two examinations of the execution of orders issued by a Decision and two targeted examinations in the area of the companies' conduct in accordance with the Law on Protection of Users of Financial Services, as well as an examination of the implementation of the process of integrating business functions.

In the first three quarters of 2015, irregularities identified through the on-site supervision of leasing companies were related to deficiencies in the internal controls system in the area of the quality of compliance with internal regulations, the quality of compliance with the Law on Guarantor Protection, and the quality of the internal controls systems in this area of business operations as well as the quality of internal regulations and compliance with arrangements concluded with the co-debtors, non-compliance with the provisions of the Law on Protection of Users of Financial Services, the inadequate establishment of an organisational structure, irregularities in the area of leasing companies' accounting function, the inadequate management of business processes related to risk management and the submission of inadequate data to the Central Registry of Credits at the Central Bank.

The data in the Information as of 30.09.2015 includes the data provided by seven leasing companies licensed for leasing operations in the Federation of B&H, unless specifically stated otherwise.

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

1. LEASING SECTOR STRUCTURE

1.1. Status, Number and Network of Branches

As of 30.09.2015, an operating licence for leasing operations was owned by 7 leasing companies, which performed leasing activities in their head offices, as well as in 10 branches, 6 of which are located in the Federation of B&H and 4 of which are located in Republika Srpska.

As of 30.09.2015, the following leasing companies have operating licences for leasing operations:

1. ASA Aleasing d.o.o. Sarajevo,
2. NLB Leasing d.o.o. Sarajevo,
3. Porsche Leasing d.o.o. Društvo za poslove lizinga
4. Raiffeisen Leasing d.o.o. Sarajevo,
5. Sparkasse Leasing d.o.o. Sarajevo,
6. UniCredit Leasing d.o.o. Sarajevo and
7. VB Leasing d.o.o. Sarajevo.

1.2. Ownership Structure

The ownership structure of the aforementioned leasing companies is as follows: four leasing companies are 100% owned by non-resident legal entities, two leasing companies are in majority ownership (over 51%) of non-resident legal entities, while one leasing company is in 100% ownership of resident legal entities. One of the leasing companies is in the process of transferring an ownership share from a non-resident to a resident legal entity. The completion of the share transfer process will take place by the end of the current business year. Detailed information on the overview of the ownership structure of leasing companies is provided in Annex 2 to the Information.

1.3. Human Resources

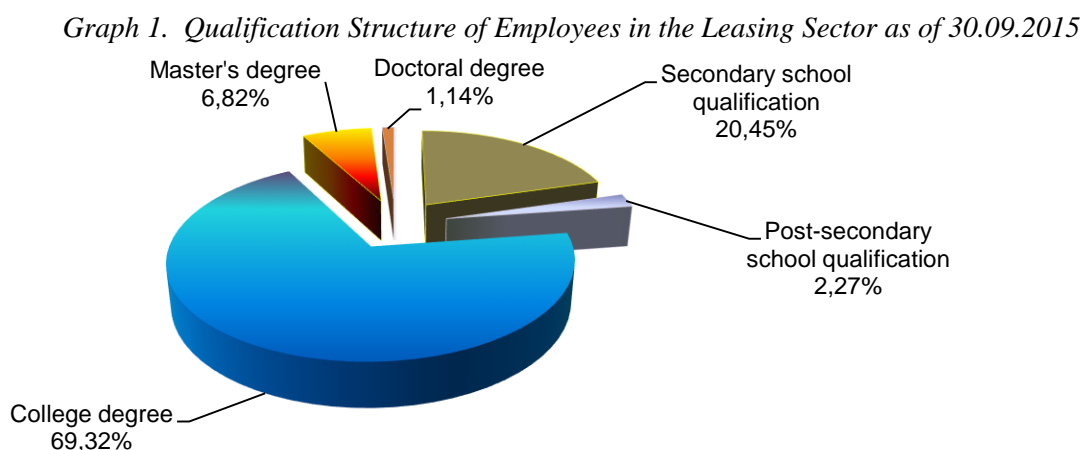
As of 30.09.2015, the leasing sector had a total of 176 employees on the territory of the Federation of B&H, 141 of which were hired via employment contract (full-time employees) in leasing companies registered in the Federation of B&H, 8 employees were hired in a leasing company seated in Republica Srpska, while working in branches in the Federation of B&H, whereas 27 employees were recruited via student services and organisations mediating in employment (temporary employees). Compared to 30.06.2015, the number of employees hired via employment contract is up due to the number of employees of the newly-established leasing company (6 employees) being included in the reports.

Table 1 of the Information shows a parallel overview of the data on the number of employees in leasing companies as of 31.12.2014, 31.03.2015, 30.06.2015 and 30.09.2015.

Table 1. Parallel Overview of the Number of Employees in the Leasing Sector

	31.12.2014	31.3.2015	30.6.2015	30.9.2015
Number of employees in leasing companies seated in the FB&H				
Number of full-time employees	130	131	134	141
Number of temporary employees	36	31	33	27
Number of employees in leasing companies seated in RS on the territory of the FB&H				
Number of full-time employees	7	8	8	8
Number of temporary employees	0	0	0	0
TOTAL	173	170	175	176

There were no significant changes in the qualification structure of employees in the leasing sector as of 30.09.2015 compared to previous reporting periods. The largest share is still that of employees with a college degree (69.32%), followed by employees with secondary school qualifications (20.45%).



The efficiency of employees during the assessment of the performance of a leasing company is measured by the assets/headcount ratio (assets per employee). As of 30.09.2015, every employee accounts for KM 3 433 thousand of assets at the leasing sector level (as of 31.12.2014 – KM 3 720 thousand per employee). Analytical indicators for individual leasing companies range from KM 315 to KM 4 353 thousand of assets per employee.

2. FINANCIAL BUSINESS INDICATORS

2.1. Balance Sheet

As of 30.09.2015, the balance sheet total of leasing companies in the Federation of B&H amounted to KM 484 015 thousand, which is lower by KM 14 417 thousand or 0.89% compared to 31.12.2014. If observed individually, two leasing companies saw an increase of the balance

sheet total in the amount of KM 31 809 thousand, while four leasing companies saw a decrease of the balance sheet total in the amount of KM 48 116 thousand, with KM 25 450 thousand or 53% of the overall balance sheet total drop accounting for one leasing company.

The two largest leasing companies (by size of assets) account for 57.17% of total assets of leasing companies.

The highest share in the total assets structure of leasing companies accounts for net receivables for financial leasing in the amount of KM 344 400 thousand or 71.15% of total assets of the leasing sector. Compared to 31.12.2014, net receivables for financial leasing are up by KM 21 000 thousand or 6.49%, while gross receivables for financial leasing are up by KM 22 805 thousand or 6.07%. Tables 2 and 3 of this Information provide an overview of the structure of net receivables for financial leasing (net receivables before impairment on the basis of reserves for losses) as of 30.09.2015 and a parallel overview of the structure of receivables as of 31.12.2014.

Table 2. Structure of Receivables for Financial Leasing as of 30.09.2015

(KM 000)

STRUCTURE BY LEASING OBJECT	Short-term receivables	Long-term receivables	Past due receivables	Total receivables	% share in total receivables
Passenger vehicles	37 897	55 556	2 649	96 102	27.38%
Company vehicles	46 489	59 423	3 190	109 102	31.08%
Machinery and equipment	29 980	74 251	3 044	107 275	30.56%
Real estate	4 157	32 477	1 848	38 482	10.96%
Rail vehicles, watercraft and aircraft	0	0	0	0	0.00%
Household appliances	0	0	0	0	0.00%
Other	26	57	1	84	0.02%
TOTAL	118 549	221 764	10 732	351 045	100.00%
STRUCTURE BY LESSEE	Short-term receivables	Long-term receivables	Past due receivables	Total receivables	% share in total receivables
Legal entities	106 330	199 822	9 957	316 109	90.05%
Entrepreneurs	1 930	3 241	257	5 428	1.55%
Natural persons	9 592	17 876	504	27 972	7.97%
Other	697	825	14	1 536	0.44%
TOTAL	118 549	221 764	10 732	351 045	100.00%

Table 3. – Parallel Overview of Structure of Receivables

(KM 000)

STRUCTURE BY LEASING OBJECT	Receivables as of 31.12.2014	Receivables as of 30.09.2015	INDEX
Passenger vehicles	96 245	96 102	100
Company vehicles (cargo and passenger)	107 774	109 102	101
Machinery and equipment	88 347	107 275	121
Real estate	39 361	38 482	98
Rail vehicles, watercraft and aircraft	0	0	0
Household appliances	0	0	0
Other	63	84	133
TOTAL	331 790	351 045	106
STRUCTURE BY LESSEE	Receivables as of 31.12.2014	Receivables as of 30.09.2015	INDEX
Legal entities	293 122	316 109	108
Entrepreneurs	5 048	5 428	108
Natural persons	31 688	27 972	88
Other	1 932	1 536	80
TOTAL	331 790	351 045	106

An increase in net and gross receivables for financial leasing was mostly caused by the fact that, in the first half of 2015, one leasing company activated leasing arrangements in a materially significant amount of financing, which were concluded at the end of 2013 and during 2014, but the activation of which was delayed until the moment of the leasing object being delivered (a specific type of equipment with long periods of delivery). This fact has influenced the increase in the amount of receivables with respect to the item „Machinery and equipment“ compared to the balance of the aforementioned as of 31.12.2014, as shown in Table 3 of the Information. The same table also shows that there was a significant decrease in the amount of receivables for leasing arrangements concluded with natural persons during 2015, which is due the fact that leasing products are less attractive to natural persons because of the unfavourable tax treatment of interest on financial leasing arrangements, which, in addition to the mandatory casco insurance of the leasing object, makes the financial leasing product significantly more expensive for this type of lessee.

As of 30.09.2015, net receivables for loans amounted to KM 50 301 thousand or 10.39% of the amount of total assets of the leasing sector. Compared to 31.12.2014, net receivables for loans fell by KM 6 646 thousand or 11.67%, while gross receivables fell by KM 5 241 thousand or 8.02%. Receivables for loans in the structure of total assets of leasing companies are continuously decreasing, since the Law on Leasing prohibited leasing companies from concluding new loan agreements and the aforementioned will remain in the balance sheet until the contracted periods of time they were granted for expire. If observed by period, loan repayment showed signs of stagnation (slow repayment) due to the fact that, in previous business periods, a leasing company whose portfolio has a significant amount of loan receivables approved a moratorium in the payment of contractual obligations until the completion of the process of revitalising business operations of clients to whom the aforementioned had been approved.

Out of the total recorded amount of net receivables for loans, KM 49 046 thousand or 97.51% accounts for receivables of one leasing company with a significant amount of loan receivables in its portfolio. KM 39 650 thousand or 80.84% of that account for receivables from subsidiaries, which had been used for real estate construction projects before the Law on Leasing was passed. In the loans receivables structure, 80.17% accounts for loans approved for real estate financing.

As of 30.09.2015, the recorded balance sheet item Cash and Cash Equivalents amounted to KM 17 190 thousand, which is lower by KM 8 452 thousand or 32.96% compared to 31.12.2014. The share of this balance sheet item in total assets dropped from 5.14%, to which it amounted at the end of 2014, to 3.55%, to which it amounted as of 30.09.2015.

As of 30.09.2015, the recorded balance sheet item Facilities to Banks amounted to KM 11 190 thousand, down by KM 10 714 thousand or 48.91% compared to 31.12.2014. This item mostly relates to term deposits of leasing companies at commercial banks. The significant decrease in the aforementioned items was caused by the leasing companies' repayment of loan commitments.

The net value of fixed assets financed via operational leasing as of 30.09.2015 amounted to KM 26 173 thousand, down by KM 1 084 thousand or 3.98% compared to 31.12.2014. If observed individually, the net value of fixed assets financed via operational leasing rose for three leasing companies in the amount of KM 2 024 thousand, while the aforementioned balance sheet item fell with the remaining leasing companies.

Table 4 of this Information provides an overview of net balance sheet positions of assets per reporting periods.

Table 4. Structure of Net Balance Sheet Positions of Assets

(KM 000)

Balance sheet positions	31.12.2014	% share in assets	30.09.2015	% share in assets	INDEX
Financial leasing – net	323 400	64.88%	344 400	71.15%	106
Operational leasing – net	27 257	5.47%	26 173	5.41%	96
Loan – net	56 947	11.43%	50 301	10.39%	88
Other assets	90 828	18.22%	63 141	13.05%	70
Total assets	498 432	100.00%	484 015	100.00%	97

2.1.1. Asset Quality

According to data from the reports of leasing companies, loan loss reserves for financial leasing as of 30.09.2015 are recorded in the amount of KM 6 645 thousand and are down by KM 1 745 thousand or 20.80% compared to 31.12.2014. In the structure of receivables for financial leasing as of 30.09.2015, a total of KM 10 732 thousand outstanding past due receivables has been recorded, up by KM 1 053 thousand or 10.88% compared to 31.12.2014.

Table 5 of the Information shows a parallel overview of formed reserves by category of default.

Table 5. Parallel Overview of Formed Reserves for Financial Leasing by Category of Default
(KM 000)

Days past due	Total reserves 31.12.2014	Total reserves 30.09.2015	INDEX
0-60	1 468	2 176	148
60-90	181	370	205
90-180	1 179	903	77
More than 180	4 958	2 675	54
More than 360	604	521	86
TOTAL	8 390	6 645	79

If observed individually, the two largest leasing companies (by size of assets) account for 76.52% of total formed reserves for loan losses. Three leasing companies recorded an increase in formed reserves for losses in the total amount of KM 344 thousand compared to 31.12.2014, while three leasing companies recorded a decrease in total formed reserves for loan losses in the total amount of KM 2 089 thousand compared to 31.12.2014.

If observed by category of days past due of outstanding receivables, a decrease in reserves for losses in the categories of more than 90 days past due was recorded, while an increase was recorded in the categories of up to 90 days past due, causing a cumulative decrease in formed reserves for losses.

As of 30.09.2015, loan loss reserves amounted to KM 9 834 thousand and went up by KM 1 405 thousand or 16.67% compared to 31.12.2014, when the loan reserves amounted to KM 8 429 thousand. Out of the total amount of formed loan loss reserves as of 30.09.2015, KM 9 833 thousand or 99.99% account for reserves formed by one leasing company with the most significant amount of loan receivables from subsidiary companies. The reports of the aforementioned show a significant amount of receivables for loans that are more than 360 days past due (recorded amount of KM 7 716 thousand or 13.10% of the total amount of receivables). These receivables relate to one client. The leasing company is in the process of defining a strategy toward this client, following which it will implement adequate accounting records of receivables and reporting pre-positioning of the aforementioned.

The total amount of written-off receivables for financial leasing and loans as of 30.09.2015 was KM 120 689 thousand, which is down by KM 2 854 or 2.31% compared to the amount recorded at the end of the previous business year. The decrease in the total amount of receivables was caused by a positive net effect between new write-offs and collection on the basis of previously written-off receivables. Out of the total recorded amount of written-off receivables, KM 66 197 thousand or 54.85% account for write-offs by one leasing company. In the period from 01.01. to 30.09.2015, KM 3 204 thousand of new write-offs were recorded, 80.90% of which account for write-offs by two leasing companies. In the aforementioned period, collection on the basis of written-off receivables amounted to KM 5 590 thousand, 86.48% of which were collected by two leasing companies.

As of 30.09.2015, the market value of repossessed leasing objects amounted to KM 17 280 thousand and fell by KM 8 192 thousand or 32.3716 compared to 31.12.2014 due to the termination of leasing arrangements with lessees or the expiration of arrangements with no contracted purchase of leasing objects. The recorded value relates to 90 repossessed units, down

by 36 repossessed units or 28.57% compared to 31.12.2014. Table 6 of the Information shows a parallel structure of repossessed leasing objects as of 31.12.2014 and 30.09.2015.

Table 6. Number and Value of Repossessed Leasing Objects

(in KM 000)

No.	TYPE OF LEASING OBJECT	31.12.2014		30.09.2015	
		Number of units	Appraised market value	Number of units	Appraised market value
1.	Passenger vehicles	41	609	33	419
2.	Company vehicles (cargo and passenger)	24	927	16	368
3.	Machinery and equipment	34	840	16	289
4.	Real estate	27	23 096	25	16 204
5.	Other	0	0	0	0
Total		126	25 472	90	17 280

If observed individually, KM 15 550 thousand or 89.99% of the total value of repossessed leasing objects owned by leasing companies relate to repossessed leasing objects of two leasing companies.

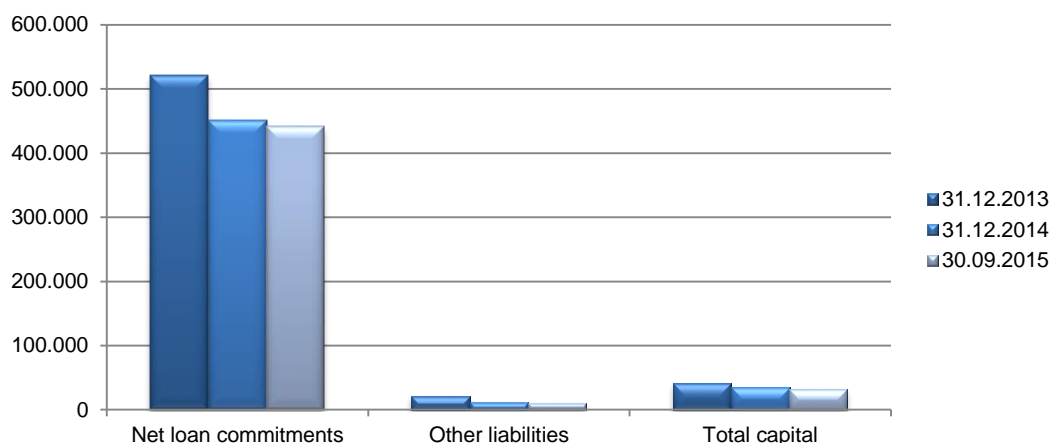
Out of the total appraised value of repossessed leasing objects as of 30.09.2015, KM 16 204 thousand or 93.77% relate to real estate (commercial real estate) repossessed by leasing companies due to the lessees' non-compliance with legal obligations. The total amount of this item relates to three leasing companies. The current market situation and inadequate financing approval criteria cause difficult sales or new financing of repossessed real estate via financial or operational leasing, especially if one takes into account the fact that repossessed real estate constitutes mostly production and commercial facilities.

In leasing companies' reports on the basis of approved moratoriums and the rescheduling of receivables in areas affected by the natural disasters, submitted on 30.09.2015, 5 arrangements were recorded with receivables in the the total amount of KM 343 thousand, for which the leasing companies approved a moratorium on receivables, as well as 10 arrangements with receivables in the total amount of KM 420 thousand, for which the leasing companies approved a rescheduling of receivables.

2.2. Liabilities Structure

As of 30.09.2015, loan commitments are still a dominant item in the structure of total liabilities of leasing companies (91.16% of the balance sheet total). Graph 2 of the Information provides a parallel structure of sector liabilities as of 31.12.2013, 31.12.2014, and 30.09.2015.

Graph 2. Structure of Liabilities – Parallel Overview (KM 000)



As of 30.09.2015, total loan commitments are down by KM 10 416 thousand or 2.31% compared to 31.12.2014, when the aforementioned item amounted to KM 451 666 thousand. If observed individually, a decrease in the item Loan Commitments was recorded by four leasing companies in the total amount of KM 41 423 thousand. As of 30.09.2015, the newly-established leasing company did not record loan commitments. Out of the total amount of loan commitments, KM 368 528 thousand or 79.86% relate to long-term commitments.

In the structure of sources of funding, KM 64 501 or 14.62% of total loan commitments relate to indebtedness with European development banks (EIB, EBRD, CEDB and DEG). The funds of development banks are mostly purpose funds and relate to development of small and medium-sized enterprises and they have been provided by bank guarantees issued by parent banks or their holding companies. Other loan commitments refer to indebtedness with foreign and local banks, which mostly belong to groups to which the leasing companies belong, or to direct indebtedness with founders.

The total weighted nominal interest rate paid by leasing companies on sources of funding in the period from 01.01. to 30.09.2015 is 2.49% per annum (the interest rate calculated on the basis of the average balance of taken loans and interest expenses in the reporting period) and is slightly down compared to 31.12.2014, when it amounted to 2.97%. Interest rates on sources of funding of leasing companies are mostly linked to the EURIBOR variable index, the value of which amounted to 0.08% during the first nine months of 2015 (value: 6 M EURIBOR) and is significantly down compared to the average value in 2014, when it amounted to 0.32% per annum.

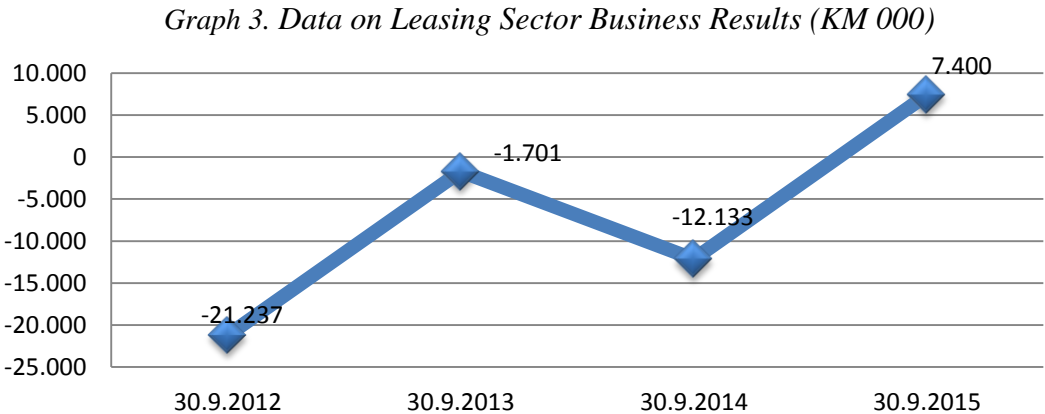
The total capital of leasing companies as of 30.09.2015 amounted to KM 32 151 thousand. Compared to 31.12.2014, this item is down by KM 2 605 thousand or 7.50%. If observed individually, four leasing companies saw an increase in total capital in the amount of KM 10 533 thousand (the data of the newly-established leasing company, which recorded capital in the amount of KM 1 888, is not included in the amount of increase). Out of the total amount of capital increase compared to 31.12.2014, KM 7 023 thousand or 66.68% relate to one leasing company, which recorded a positive financial result and a significant increase in total capital due to a change

in ownership structure and a part of its loan commitments being written-off of by a foreign creditor (a related entity of a previous shareholder) (in previous reporting periods, this leasing company recorded a capital amount that was lower than the legally defined minimum amount). Two leasing companies saw a decrease in total capital in the amount of KM 15 026 thousand, with KM 9 787 thousand or 65.13% accounting for one leasing company as a result of a payment of accumulated profit to the founder of the company, while the other leasing company saw a decrease due to a recorded loss in business operations (its recorded total capital is lower than the minimum amount defined by the Law on Leasing).

The Agency continuously supervises and carries out activities to strengthen the capital of leasing companies whose capital is lower than the minimum amount defined by the Law on Leasing (KM 250 000) as of 30.09.2015. a recapitalisation of the aforementioned in the amount of approximately KM 10 000 thousand is expected during the fourth quarter of 2015, which would harmonise the amount of capital with the legally prescribed amount.

2.3. Profitability

In the period 01.01. to 30.09.2015, a profit in the amount of KM 7 400 thousand was recorded at the level of the leasing sector. The sector recorded a positive business result in all three reporting periods in 2015. Graph 3 of the Information provides data on the business results of the sector by period.



If observed individually, five leasing companies recorded a positive financial result in the amount of KM 12 751 thousand, while two leasing companies recorded a negative financial result in the amount of KM 5 351 thousand. Compared to the business result recorded as of 30.09.2014, when a loss in the amount of KM -12 133 was recorded, as well as the fact that the sector recorded a positive business result in all three reporting periods in 2015, it can be concluded that the business operations of leasing companies in the FB&H indicate a stabilisation of business operations.

In the period from 01.01. to 30.09.2015, interest income amounted to KM 21 029 thousand. This item saw a decrease of KM 1 489 thousand or 6.61% compared the same period of the previous year. A look at individual items of interest income reveals that interest income for financial leasing amounted to KM 14 420 thousand, down by KM 2 392 thousand or 14.23% compared to the same period of the previous business year. A drop in the interest income may be explained by a lower value of the EURIBOR, to which output interest rates are linked, but also by the fact

that the leasing company that recorded the largest volume of new financings financed the aforementioned with an interest rate that is significantly lower compared to the interest rate average of the other leasing companies. The item Other Interest Income is up by KM 979 thousand or 22.45% compared to the same period of the previous year. The item Interest on Facilities to Banks amounted to KM 342 thousand and increased by KM 35 thousand or 11.40% compared to the same period of the previous year due to the fact the leasing companies possessed significant amounts of free cash funds that they term deposited at commercial banks in the country.

Interest expenses amounted to KM 8 346 thousand, down by KM 2 098 thousand or 25.84% compared to the same period of the previous business year as a result of the reduced volume of loan commitments as well as the lower value of the variable index to which input interest rates are linked.

Total net interest income in the period from 01.01. to 30.09.2015 amounted to KM 12 683 thousand, up by KM 1 419 thousand or 12.60% compared to the same period of the previous year.

The item Operating Income is up by KM 13 683 thousand or 100.45% compared to the same period of the previous year. The significant increase in this item is caused by the fact that the leasing company that had loan commitments written-off by a foreign creditor in the third quarter recorded income on the basis of the aforementioned under the item Operating Income (Other Operating Income). Another factor that influenced the increase in the item Operating Income was an increase in the collection of written-off receivables, with it being up by KM 2 955 thousand or 174.03% compared to the same period of the previous business year.

As of 30.09.2015, the reporting item Costs of Loss Reserves recorded the amount of KM 2 877 thousand, down by KM 6 423 thousand or 69.06% compared to the same period of the previous year, when the reserve costs amounted to KM 9 300 thousand. The aforementioned drop in reserve costs indicates that leasing companies formed adequate loss reserves in the previous business year, which has largely influenced the positive financial result of the current business year.

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

3.1. Structure of Placements by Leasing Object and Type

In the first nine months of 2015, there was an upward trend in terms of business activities. The value of newly-concluded financial and operational leasing arrangements in the period from 01.01. to 30.09.2015 amounted to KM 143 189 thousand, up by KM 31 545 thousand or 28.25% compared to the same period of the previous year. The number of newly-concluded arrangements in the same period of 2015 is 2 675 and it is down by 19 arrangements or 0.71% compared to the same period of the previous year.

Table 7 of the Information shows the amount of financings recorded by quarter in 2015.

Table 7. Parallel Overview of Recorded Value of Newly-concluded Arrangements during 2015
(KM 000)

Period	Financial leasing	Operational leasing	TOTAL
Q1 2015	38 014	1 445	39 459
Q2 2015	53 642	3 093	56 735
Q3 2015	44 306	2 689	46 995
TOTAL	135 962	7 227	143 189

The average value of arrangements concluded in the second third of 2015 amounted to KM 54 thousand and is up compared to the average value of arrangements in the same period of the previous year, when it amounted to KM 41 thousand.

Out of the total generated value of newly-concluded arrangements in the first nine months of 2015, KM 135 962 thousand or 94.95% accounts for financial leasing arrangements with an average (weighted) nominal interest rate of 5.91% and a weighted effective interest rate of 8.15% per annum.

Table 8 of the Information shows parallel indicators of new financings by leasing object and type of arrangement.

Table 8. Structure of Financing Amounts by Leasing Object
(KM 000)

	30.09.2014			30.09. 2015		
	Financial leasing	Operational leasing	TOTAL	Financial leasing	Operational leasing	TOTAL
Vehicles	78 027	12 767	90 794	89 564	7 227	96 791
Equipment	18 466	312	18 778	46 366	0	46 366
Real estate	2 032	0	2 032	0	0	0
Other	40	0	40	32	0	32
TOTAL	98 565	13 079	111 644	135 962	7 227	143 189

The total amount of new financings generated in 2014 and 2015 includes the amount of financing generated by the leasing company seated in Republika Srpska through its branches located in the Federation of B&H (this company generates the majority of its business activities in the Federation of B&H).

Of the total volume of newly-concluded arrangements, KM 59 467 thousand or 41.53% account for the value of arrangements concluded by one leasing company. The aforementioned is due to the fact that a significant amount of recorded newly-concluded arrangements relates to arrangements concluded in 2013 and 2014, which were activated and recorded as newly-concluded arrangements in 2015 due to delivery and assembly of the financed equipment (successive delivery and activation of the arrangement).

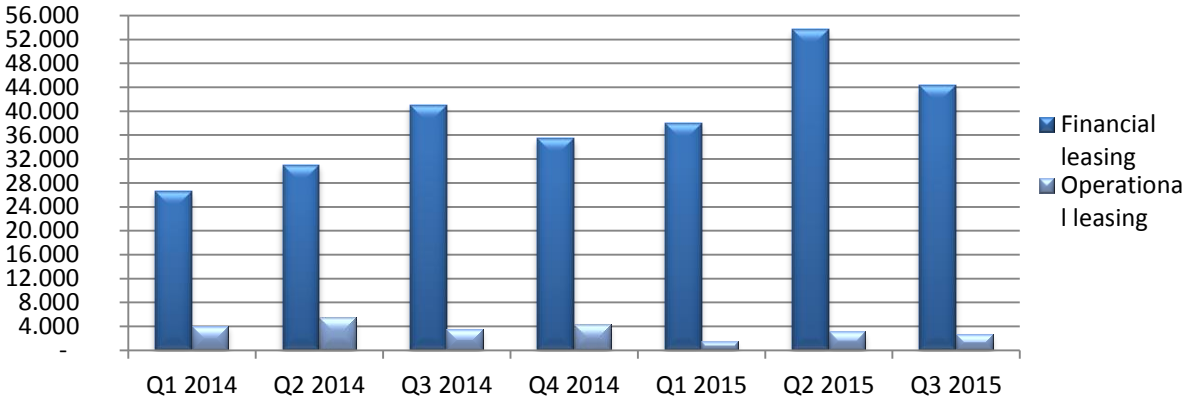
Please note that, in the period from 01.01. to 30.09.2015, two leasing companies terminated new financings to stabilise their business operations and recover existing non-performing facilities as

well as transfer an ownership share from a non-resident to a resident legal entity, while the newly-established leasing company began its business activities in August 2015.

In the structure of new facilities by type of lessee, the facilities to legal entities are predominant (91.18% of the total amount of financing in the first nine months of 2015). One important reason is the fact that financing via leasing arrangements for natural persons is less favourable than loan facilities due to the payment of the VAT on interest rates, which poses additional costs for clients that are not VAT payers.

Graph 4 of the Information provides a parallel overview of the value of newly-concluded financial and operational leasing arrangements by quarter in 2014 and 2015.

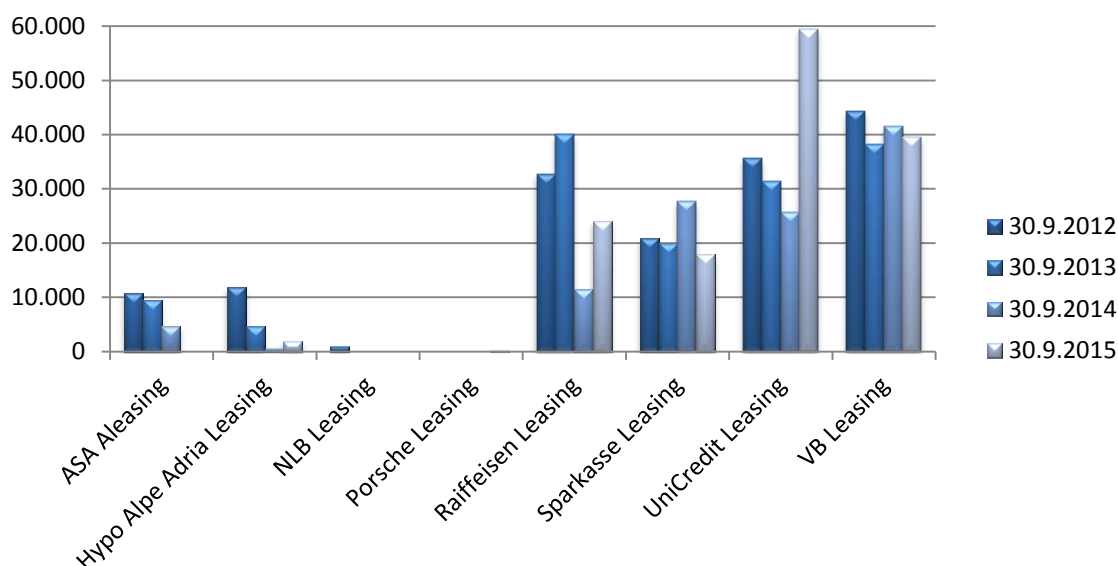
Graph 4. Parallel Overview of the Value of Newly-Concluded Arrangements in 2014 and 2015 (in KM 000)



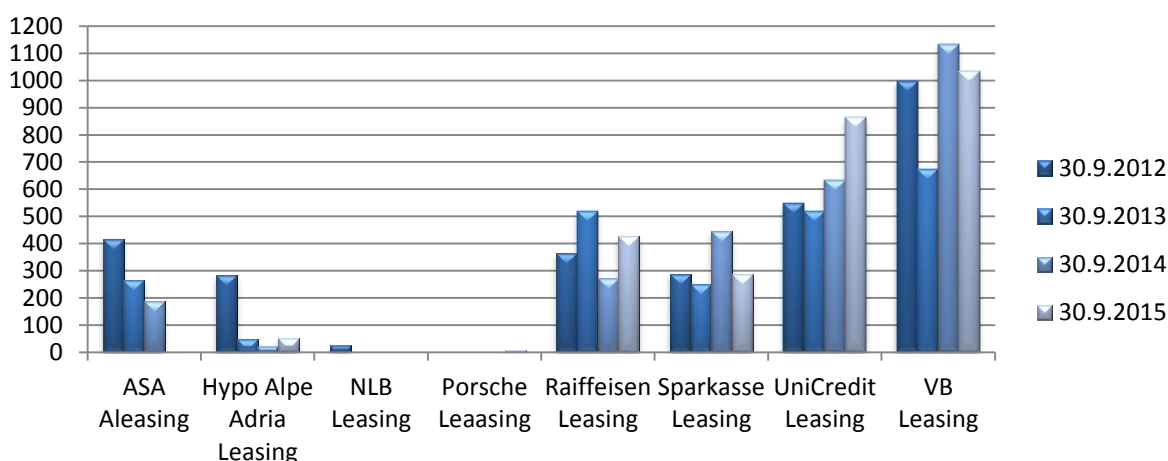
3.2. Market Share by Financial Volume and Number of Arrangements

A parallel overview of individual market shares of leasing companies by total volume and number of newly-concluded financial and operational leasing arrangements is provided in Graphs 5 and 6 of this Information.

Graph 5. Market Share by Volume (in KM 000)



Graph 6. Market Share by Number of Arrangements



The above graphs show that three leasing companies (the newly-established leasing company not included) saw an increase in the volume of new financings in the period from 01.01. to 30.09.2015 compared to the same period of the previous year, while three leasing companies saw a decrease in the volume of financings. On the basis of its owner's decision, one leasing company has suspended new financings since 2013, while another company also suspended new financings in early 2015 as a result of changes in the ownership structure.

3.3. Weighted Nominal and Effective Interest Rate

The effective interest rate is an actual relative price of leasing arrangements, expressed per annum and declared in accordance with the Decision on Uniform Manner and Method of Calculation and Disclosure of Effective Interest Rates for Financial Leasing Agreements.

The total average nominal interest rate for financial leasing arrangements concluded in the third quarter of 2015 amounted to 4.40% for short-term and 5.73% for long-term arrangements, while the effective interest rate for short-term and long-term arrangements amounted to, respectively, 7.07% and 8.23% per annum. The total weighted nominal interest rate for the aforementioned

period amounted to 5.70%, while the effective interest rate amounted to 8.20% per annum. Compared to the same period of the previous business year, when the total weighted nominal interest rate was 6.43% and the effective interest rate 9.00% per annum, a significant decrease in interest rates on financial leasing arrangements is evident in 2015.

Graph 7 of this Information shows weighted nominal and effective interest rates by quarter.

Graph 7 . Overview of Average Nominal and Effective Interest Rates for Financial Leasing Arrangements by Quarter

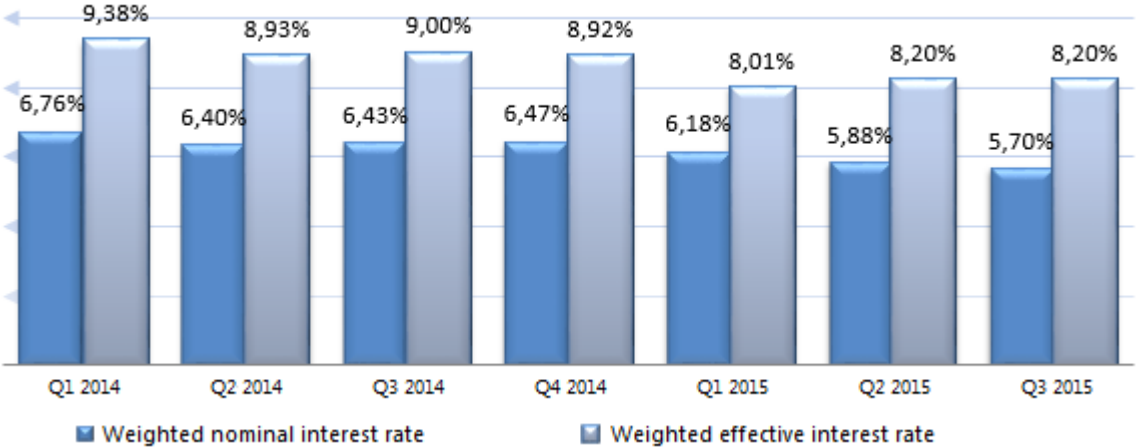


Table 9 of the Information provides the data on the amount of financing, nominal and effective interest rates for financial leasing arrangements concluded in the first three quarters of 2015.

Table 9. Average Nominal and Effective Interest Rate for Financial Leasing Arrangements Concluded in the Period from 01.01. to 30.06.2015

No.	DESCRIPTION	No. of contracts	Amount of financing in KM (000)	Weighted nominal interest rate	Weighted effective interest rate
1.	Short-term leasing arrangements by leasing object	68	2 522	4.78%	7.65%
a.	Passenger vehicles	41	1 222	5.18%	8.40%
b.	Company vehicles (cargo and passenger)	22	1 015	4.58%	7.44%
c.	Machinery and equipment	5	285	3.81%	5.22%
d..	Other	0	0	0	0
1.1.	Short-term leasing arrangement by type of lessee:	68	2 522	4.78%	7.65%
a.	Legal entities	62	2 448	4.70%	7.36%
b.	Entrepreneurs	0	0	0	0
c.	Natural persons	6	74	7.64%	17.40%
2.	Long-term leasing arrangements by leasing object:	2 406	133 440	5.93%	8.15%
a.	Passenger vehicles	1 368	40 442	6.05%	9.11%
b.	Company vehicles (cargo and passenger)	723	46 885	5.49%	7.46%
c.	Machinery and equipment	312	46 081	6.27%	8.02%
d.	Real estate	0	0	0	0
e.	Other	3	32	7.80%	11.43%
2.1.	Long-term leasing arrangements by type of lessee:	2 406	133 440	5.93%	8.15%
a.	Legal entities	2 003	123 354	5.94%	7.92%
b.	Entrepreneurs	72	2 084	6.89%	10.37%
c.	Natural persons	331	8 002	5.52%	11.15%
	TOTAL (1+2)	2 474	135 962	5.91%	8.15%

The trend of decrease in nominal and effective interest rates during 2015 compared to 2014 is caused by the low value of the variable index (EURIBOR), to which output interest rates are linked, as well as by the fact that, at the end of the previous and during the current business year, most leasing companies active on the market performed financings via promotional products for which the interest on the financing amount (in whole or in part) was subsidised by the supplier of the leasing object, while the leasing object's casco insurance fee was also subsidised by insurance companies in the case of individual promotional products.

The previously presented nominal interest rates are 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 upon between the leasing company and the lessee at an annual level, and they involve all cash flows anticipated under the leasing arrangement referring to the payments of lessees to the leasing company only.

A significant difference between the nominal and effective interest rate is the consequence of the VAT paid on the interest rate, which is a mandatory part of the financial leasing arrangement and is paid in advance by the lessee, the 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. In addition to the aforementioned, the difference in the amount of the nominal and effective interest rate is also influenced by the application of the Law on Protection of Users of Financial Services, according to which the calculation of the EIR for financial leasing arrangements concluded with natural persons also includes the amount of the leasing object's casco insurance fee.

3.4. Lessees' Complaints – Natural Persons

In the third quarter, one leasing company reported 2 lessees' complaints (natural persons), with one complaint being related to the amount of fees based on the calculation of interest on a leasing arrangement (negatively resolved complaint) and one complaint being on the basis of a submission of information to a lessee regarding the final debt balance following the termination of the leasing arrangement, which was submitted to the Ombudsman of the Agency for further action.

III CONCLUSIONS AND RECOMMENDATIONS

According to performance indicators of leasing companies in the Federation of B&H as of 30.09.2015, it can be concluded that the leasing companies' business operations during 2015 indicate a slight stabilisation of business operations, which is reflected in the more favourable financial indicators, as well as in the total volume of newly-concluded arrangements. Furthermore, due to the fact that another company was issued an operating licence, an increase in the balance sheet total of the sector and an increase in the leasing sector's share in the financial sector of the FB&H can be expected in the long run.

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

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

- Continuous supervision of the leasing companies through on-site and off-site controls,
- Insistence on the capital strengthening of leasing companies and the internal defining of capital protection and capital adequacy parameters,
- Amendment of legal regulations and by-laws for the leasing sector, which refer to actions and business operations of leasing companies,
- Protection of lessees in the interest of achieving the financial stability of the leasing sector as a whole,
- Monitoring of leasing companies' activities to prevent money laundering and the financing of terrorism and improving the cooperation with other supervision and control institutions,
- Improving the structure and data quality of the Central Loan Registry at the Central Bank of B&H,

- Continuing the permanent education and professional training of staff, and
- Improving the cooperation with the Association of Leasing Companies in B&H in terms of providing support in the implementation of laws and regulations referring to leasing companies and proposals for the amendments of legal regulations.

Activities of leasing companies should be focused on the following:

- Strengthening capital and defining parameters for capital protection and capital adequacy,
- Improving policies and procedures for managing risks to which the leasing companies are exposed in their business operations,
- Improving the scope of products offered on the market and finding new sales channels,
- Strengthening the system of internal controls and the functions of the internal audit as an independent audit in the fulfillment of their tasks,
- Improving IT support in the interest of more adequate accounting records and better reporting quality,
- Improving methods of information and fair treatment of lessees before and during the contractual relationship,
- Implementing practices of responsible financing,
- Detailed informing of clients on products offered by leasing companies in the interest of a better understanding and more serious approach to financing through leasing arrangements,
- Regular, up-to-date and precise submission of data to the Central Loan Registry at the Central Bank, and
- Harmonising business operations with the Law on Guarantor Protection in the Federation of B&H and the Law on Protection of Users of Financial Services.

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

Under the Leasing Law, the issuing of licences for establishing and for business operations of leasing companies is defined in detail under the regulations of the FBA, i.e. decisions adopted by the Management Board of the FBA (issued in the "Official Gazette of the Federation of Bosnia and Herzegovina", No.: 46/09, 46/11, 48/12, 110/12, 23/14 and 46/14), as well as instructions adopted by the Director of the FBA.

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

1. Decision on Conditions and Issuance and Revocation Process of Licences for Performing Leasing Operations,
2. Decision on Conditions and Issuance and Revocation Process of Approvals to/from Leasing Companies,
3. Decision on Minimum Standards for Activities of Leasing Companies of Preventing Money Laundering and Financing of Terrorist Activities,

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 to the Banking Agency of the Federation of B&H by Leasing Companies 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 Leasing Companies Pay to the Banking Agency of the Federation of B&H,
10. Decision on Conditions and Manner of Customer Complaint Management in Banks, MCOs and Leasing Companies,
11. Decision on Conditions and Manner of Handling Guarantors' Requests for Release from the Guarantor's Obligation,
12. Decision on Minimum Standards for Documenting Financing under Leasing Agreements and Assessing Creditworthiness,
13. Decision on Minimum Requirements in Terms of Content, Comprehensibility and Availability of General and Special Business Conditions of Providers of Financial Services
14. Instructions for Implementing the Decision on Uniform Manner and Method of Calculation and Disclosure of Effective Interest Rates for Financial Leasing Arrangements,
15. Decision on Provisional Measures for Treatment of Obligations on the Basis of Leasing Agreements of Lessees Affected by Natural Disasters
16. Instructions for Drafting Reports of Leasing Companies, and
17. Code of Conduct of Ombudsmen for Banking System of the Federation of Bosnia and Herzegovina

No.: U.O.-76-4/15
Sarajevo: 26.11.2015

ANNEXES

Annex 1. Main Data on Leasing Companies as of 30.09.2015

No.	Name of leasing company	Address and seat	Director	Phone	Issuance date of FBA licence	Headcount	Web address
1.	ASA ALEASING d.o.o. Sarajevo	Trg Međunarodnog prijateljstva 25	Samir Mustafić	+ 387 33 255 364	22.03.2010.	11	www.asa-aleasing.ba
2.	NLB LEASING d.o.o. Sarajevo	Trg Solidarnosti 2a, Sarajevo	Denis Silajdžić	+ 387 33 789 345	19.03.2010.	8	www.nlbleasing.ba
3.	PORSCHE LEASING d.o.o.	Trg međunarodnog prijateljstva 24, Sarajevo	Dejan Stupar	+ 387 33 257 147	28.05.2015	6	-
4.	RAIFFEISEN LEASING d.o.o. Sarajevo	Zmaja od Bosne bb, Sarajevo	Munir Čengić	+ 387 33 254 354	19.01.2010.	29	www.rlbh.ba
5.	SPARKASSE LEASING d.o.o. Sarajevo	Zmaja od Bosne 7, Sarajevo	Elma Hošo	+ 387 33 565 850	11.02.2010.	19	www.s-leasing.ba
6.	UNICREDIT LEASING d.o.o. Sarajevo	Ložionička 7, Sarajevo	Izmira Aličić-Tuka	+ 387 33 721 750	16.03.2010.	35	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	141	

Annex 2. Overview of the Ownership Structure of Leasing Companies as of 30.09.2015

LEASING COMPANY	NAME OF THE OWNER	% share
ASA ALEASING d.o.o. Sarajevo	ASA AUTO d.o.o. Sarajevo	82.82%
	ASA FINANCE d.d. Sarajevo	17.18%
NLB LEASING d.o.o. Sarajevo	NLB d.d. Ljubljana	100.00%
PORSCHE LEASING d.o.o.	PORSCHE BANK Aktiengesellschaft Salzburg Austrija	100.00%
RAIFFEISEN LEASING d.o.o. Sarajevo	RAIFFEISEN LEASING INTERNATIONAL GmbH, Vienna	51.00%
	RAIFFEISEN BANK d.d. Sarajevo, BiH	49.00%
SPARKASSE 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%

Annex 3. Overview of Reserves for Leasing Loans as of 30.09.2015 (in KM 000)

Days past due	Provisioning rate	Amount of receivables	Reserves	Additional calculated allocated reserves	Total reserves
0-60	0.05%	44 222	22	1 636	1 658
60-90	5%	7 997	400	0	400
90-180	10%	0	0	0	0
180-270	30%	200	60	0	60
270-360	50%	0	0	0	0
More than 360	100%	7 716	7 716	0	7.716
TOTAL		60 135	8 198	1 636	9 834

Annex 4. Overview of Reserves for Financial Leasing as of 30.09.2015 (in KM 000)

Days past due	Provisioning rate for financial leasing (moveables)	Provisioning rate for financial leasing (immoveables)	Amount of receivables for moveables	Amount of receivables for immoveables	Principal amount for moveables	Principal amount for immoveables	Reserves			
							For moveables	For immoveables	Additional calculated and allocated reserves	Total reserves
0-60	0.50%	0.50%	290 285	32 933	64 348	8 392	322	42	1 812	2 176
60-90	10%	10%	15 172	3 415	1 972	1 622	197	162	11	370
90-180	50%	50%	4 421	1 608	1 345	229	673	115	116	903
More than 180	100%	75%	2 685	0	2 675	0	2 675	0	0	2.675
More than 360	100%	100%	0	526	0	521	0	521	0	521
TOTAL			312 563	38 482	70 340	10 764	3 866	840	1 939	6 645

Annex 5. Consolidated Balance Sheet (in KM 000)

No.	DESCRIPTION	31.12.2014		30.09.2015		INDEX
		Amount	% in total assets	Amount	% in total assets	
	ASSETS					
1.	Cash and cash equivalents	25 642	5.14%	17 190	3.55%	67
2.	Placements with banks	21 904	4.39%	11 190	2.31%	51
3.	Receivables for financial leasing, net	323 400	64.88%	344 400	71.15%	106
3a)	Receivables for financial leasing, gross	375 422	75.32%	398 227	82.28%	106
3b)	Loan loss reserves	8 390	1.68%	6 645	1.37%	79
3c)	Deferred interest income	43 210	8.67%	46 579	9.62%	108
3d)	Deferred fee income	422	0.08%	603	0.12%	143
4.	Receivables from subsidiaries	2	0.00%	2	0.00%	100
5.	Tangible and intangible assets, net	36 093	7.24%	30 332	6.27%	84
5a)	Tangible and intangible assets – own assets	14 449	2.90%	9 715	2.01%	67
5b)	Tangible and intangible assets – operational leasing	43 520	8.73%	42 408	8.76%	97
5c)	Value adjustment – own assets	5 613	1.13%	5 556	1.15%	99
5d)	Value adjustment – operational leasing	16 263	3.26%	16 235	3.35%	100
6.	Long-term investments	52	0.01%	52	0.01%	100
7.	Other assets	91 339	18.33%	80 849	16.70%	89
7a)	Loans, net	56 947	11.43%	50 301	10.39%	88
7a1)	Loans (due receivables + non-due principal)	65 376	13.12%	60 135	12.42%	92
7a2)	Loan loss reserves	8 429	1.69%	9 834	2.03%	117
7b)	Inventories	25 307	5.08%	17 280	3.57%	68
7c)	Other assets	9 085	1.82%	13 268	2.74%	146
	TOTAL ASSETS	498 432	100.00%	484 015	100.00%	97
	LIABILITIES					
9.	Due for taken loans, net	451 666	90.62%	441 250	91.16%	98
9a)	Due for short-term loans	35 576	7.14%	54 928	11.35%	154
9b)	Due for long-term loans	416 441	83.55%	386 528	79.86%	93
9c)	Prepaid costs and fees	351	0.07%	206	0.04%	59
10.	Other liabilities	12 010	2.41%	10 614	2.19%	88
	TOTAL LIABILITIES	463 676	93.03%	451 864	93.36%	97
11.	Core capital	41 572	8.34%	43 572	9.00%	105
12.	Reserves	10 584	2.12%	364	0.08%	3
13.	Accumulated profit/loss	-17 400	-3.49%	-11 785	-2.43%	68
	TOTAL CAPITAL	34 756	6.97%	32 151	6.64%	93
	TOTAL LIABILITIES	498 432	100.00%	484 015	100.00%	97
	Written-off receivables (initial balance)	118 913	23.86%	123 543	25.52%	104
	New write-off (+)	14 467	2.90%	3 204	0.66%	22
	Collection (-)	2 966	0.60%	5 590	1.15%	188
	Permanent write-off (-)	6 871	1.38%	468	0.10%	7
	Written-off receivables (final balance)	123 543	24.79%	120 689	24.93%	98

Annex 6. Consolidated Income Statement (in KM 000)

No.	DESCRIPTION	30.09.2014		30.09.2015		INDEX 30.09.2015/ 30.09.2014
		Amount (KM 000)	% in total income	Amount (KM 000)	% in total income	
	FINANCIAL INCOME AND EXPENSES					
1.	Interest income	22 518	62.28%	21 029	43.48%	93
1a)	Interest for financial leasing	16 812	46.50%	14 420	29.81%	86
1b)	Interest on placements with banks	307	0.85%	342	0.71%	111
1c)	Fees (for processing leasing arrangements, etc.)	1 039	2.87%	928	1.92%	89
1d)	Other interest income	4 360	12.06%	5 339	11.04%	122
2.	Interest expenses	11 254	31.13%	8 346	17.25%	74
2a)	Interest on borrowed funds	10 957	30.30%	8 163	16.88%	75
2b)	Fees for loan processing	256	0.71%	183	0.38%	71
2c)	Other interest expenses	41	0.11%	0	0.00%	0
3.	Net interest income	11 264	31.15%	12 683	26.22%	113
	OPERATING INCOME AND EXPENSES					
4.	Operating income	13 639	37.72%	27 340	56.52%	200
4a)	Fees for services	39	0.11%	25	0.05%	64
4b)	Fees from operational lease	8 703	24.07%	8 529	17.63%	98
4c)	Income from sale of leasing facilities, net	50	0.14%	5	0.01%	10
4d)	Other operating income	4 847	13.41%	18 781	38.83%	387
4d1)	Income from collected written-off receivables	1 698	4.70%	4 653	9.62%	274
4d2)	Income from notifications	431	1.19%	371	0.77%	86
4d3)	Other	2 718	7.52%	13 757	28.44%	506
5.	Operating expenses	27 574	76.26%	29 506	61.00%	107
5a)	Salaries and contributions	6 015	16.64%	5 229	10.81%	87
5b)	Costs of business premises	8 749	24.20%	9 815	20.29%	112
5c)	Other operating expenses	12 810	35.43%	14 462	29.90%	113
6.	Costs of loan loss reserves	9 300	25.72%	2 877	5.95%	31
6a)	Costs of loan loss reserves financial leasing	1 792	4.96%	1 473	3.05%	82
6b)	Costs of loan loss reserves borrowings	7 508	20.76%	1 404	2.90%	19
7.	Profit before taxes	-11 971	-33.11%	7 640	15.80%	-64
8.	Profit tax	162	0.45%	240	0.50%	148
9.	Net profit	-12 133	-33.56%	7 400	15.30%	-61

Annex 7. Balance Sheet Volume Ranking

31.12.2014					30.9.2015					
Rank	Leasing company	Balance sheet volume (KM 000)	Share 31.12 2014	Cumul. share	Rank	Leasing company	Balance sheet volume (KM 000)	Share 30.09.2015	Cumul. share	Balance sheet volume index
1.	Raiffeisen Leasing d.o.o. Sarajevo	151 699	30.44%	30.44%	1.	UniCredit Leasing d.o.o. Sarajevo	150 472	31.09%	31.09%	116
2.	UniCredit Leasing d.o.o. Sarajevo	129 491	25.98%	56.41%	2.	Raiffeisen Leasing d.o.o. Sarajevo	126 249	26.08%	57.17%	83
3.	VB Leasing d.o.o. Sarajevo	109 281	21.92%	78.34%	3.	VB Leasing d.o.o. Sarajevo	120 109	24.82%	81.99%	110
4.	Sparkasse Leasing d.o.o. Sarajevo	56 465	11.33%	89.67%	4.	Sparkasse Leasing d.o.o. Sarajevo	54 038	11.16%	93.15%	96
5.	NLB Leasing d.o.o. Sarajevo	25 429	5.10%	94.77%	5.	NLB Leasing d.o.o. Sarajevo	19 502	4.03%	97.18%	77
6.	Asa ALeasing d.o.o. Sarajevo	26 067	5.23%	100.00%	6.	Asa ALeasing d.o.o. Sarajevo	11 755	2.43%	99.61%	45
					7.	Porsche Leasing d.o.o. Sarajevo	1 890	0.39%	100.00%	-
TOTAL		498 432	100.00%		TOTAL		484 015	100.00%		97