



**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 31.03.2011.**

Sarajevo, May 2011

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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 quarter of 2011 based on the analyses of the reports on performance that the leasing companies submit to the Agency on quarterly basis (indirect – off site examination of the performance) and the data that it has at disposition from the on-site examinations (direct – on site examination).

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 leasing companies on the territory of the Federation of BiH were obliged to comply their performance with the provisions of this Law, which is they had to receive from the Banking Agency of Federation of BiH a license for performing the leasing operations within 12 months. All eight leasing companies, which operate in the Federation of BiH, completed the process of compliance with the Law within the first quarter of 2010, and the Agency issued the resolutions approving performance of leasing operations.

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.

In 2010, noted was a slight growth of the business activities in relation to 2009, which continued in the first quarter of 2011. However, the financing level is far below the value from the period of maximum expansion of the leasing industry in the Federation of BiH (2006-2008).

Since the coming into effect of the Law on leasing all eight leasing companies, which operate in the Federation of BiH, completed the process of compliance with the Law within the first quarter of 2010, and the Agency issued the resolutions approving performance of leasing operations.

As of 31.03.2011., the aggregate balance sheet of the leasing sector was 1.082 million KM which is a decrease by 2,41% or 26,730 thousand KM in comparison to 31.12.2010.

The data for the first quarter of 2011, indicate that the leasing companies in the Federation of BiH continue their performance with a slight improving trend and with the stabilization of the aggregate balance sheet decline. If we compare the individual balance sheets of seven leasing companies as of 31.12.2010., it can be concluded that the balance sheet of seven companies increased by 5.553 thousand KM in relation to the end of the previous year, while one company recorded a significant decline of the expense of loan loss reserves in comparison to the first quarter of 2010. (decline of 76%), which indicates to the fact that the leasing companies in the previous year established an adequate level of reserves for losses. The total financing volume is higher by 21% in comparison to the first quarter of 2010.

The total loss of the leasing sector (10,942 million KM) is over the amount of the core capital of the leasing company, and at the end of 2010, the total capital of the sector was 22,447 thousand KM.

It is necessary to mention the fact that the poor financial picture of the overall sector is mostly generated by a poor financial position of one leasing company. The mentioned company, viewed on the cumulative basis, caused a loss that is higher than the amount of capital (which is even more evident if the company is viewed individually). The performance of the mentioned company is under special attention of the Agency. If the balance sheet positions of the mentioned company are excluded from the cumulative positions, the remaining part of the leasing sector gains a completely different picture (total capital is 55,066 thousand KM, net profit 1,067 thousand KM, total written-off assets 23,920 thousand KM).

As of 31.03.2011., four leasing companies reported negative financial result, of which one performed with loss higher than the capital amount. One of the mentioned companies that in the previous quarter of 2010 had a loss higher than the amount of capital received additional capitalization during the first quarter of 2011, which allowed the mentioned company to perform without obstructions.

The data in the Information that relate to the financial volume, number of contracts and market participation are obtained from the Association of the leasing companies in Bosnia and Herzegovina.

1.1 Regulations of the Agency for leasing company performance

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.

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 and
9. Decision on the fees that the leasing companies pay to the Banking Agency of Federation of BiH

The Agency issued the Instructions for implementation of the Decision on unified manner and method for accrual and reporting of effective interest rates for the contract on financial leasing and the Instructions for development of leasing company reports.

1.2. Leasing sector supervision

Based on the changes and additions to the Law on the Agency, Law on leasing and regulations issued by the Agency, the performance of the supervision of the leasing companies with headquarters in the Federation and outside of the Federation is assigned to the Agency. The performer of these duties of the Agency is the Department for supervision of the leasing companies (in further reading the Department), which performs the off-site examination and the on-site examination of the leasing companies performance.

The supervision of the leasing companies is established upon issuing the license for leasing companies' performance. The aim of the supervision is continuous monitoring of the performance and the financial condition of each individual leasing company and leasing system of the Federation of BiH as a whole, through examinations and determining the compliance of the leasing companies' performance with the valid regulations, as well as analyzing and reviewing the financial reports of the leasing companies.

The off-site supervision is based on collection, review and analyses of the regulatory financial reports which the leasing companies submit to the Agency on the monthly and quarterly basis.

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.

The irregularities determined in the on-site examination mostly referred to incompliance with the Law on leasing and regulations that were issued based on it, inadequate policies and procedures which define the basic risks in a leasing company's performance (collection risk, liquidity, operating, market and concentration risk and other) and manner of risk management, inadequate existence and performance of internal control systems and internal audit, inadequate and untimely reporting to the Agency, not following the Decision on minimum amount and manner for establishing the loss reserves, wrong classifications of the leasing contracts, lack of compliance with the Law on accounting audit in FBiH and international accounting standards, business activities which are not in compliance with the Articles 5 and 7 of the Law on Leasing.

2. MARKET PARTICIPANTS

2.1. Number of leasing companies

As of 31.03.2011., in the Federation of BiH there are no changes in the number of the leasing companies that have licenses to perform leasing operations in comparison to the previous quarter. A total of 8 leasing companies registered in the Federation of BiH perform business activities in 35 organizational units – affiliates (of which 28 in FBiH and 7 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. Hypo Alpe Adria Leasing d.o.o. Sarajevo,
4. NLB Leasing d.o.o. Sarajevo,
5. Raiffeisen Leasing d.o.o. Sarajevo,
6. S-Leasing d.o.o. Sarajevo,
7. UniCredit Leasing d.o.o. Sarajevo and
8. VB Leasing d.o.o. Sarajevo.

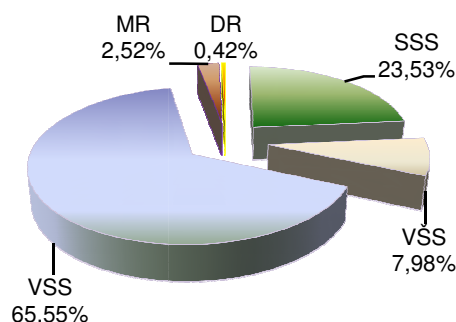
2.2. Ownership structure

Of 8 leasing companies, there are 3 companies that have a 100% nonresident ownership of parent companies, while four 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. In the first quarter of 2011, one company submitted request for a status change of the company that established it.

2.3. Number of employees in the leasing companies

As of 31.03.2011., in the leasing companies there were a total of 236 employees with the following qualification structure: 1 PhD, 6 Masters of Art, 154 with four year university degree, 19 with two year college degree and 56 employees with high school degree. The qualification structure of the employees in the leasing sector is satisfactory.

Graph 2. Qualification structure in the leasing sector



One of the indicators that influence the evaluation of the leasing company performance and leasing sector is the efficiency of the employees, presented as a ratio between the assets and the number of employees (assets per employee). As of 31.03.2011, at the level of the leasing sector there are 4,58 million KM in assets that relate to each employee (31.12.2010. – 4,6 million KM per employee). Simultaneously, as of 31.03.2011, in the sector of microcredit organizations and funds this indicator was 361 thousand KM per employee and the banking sector 2 million KM per employee.

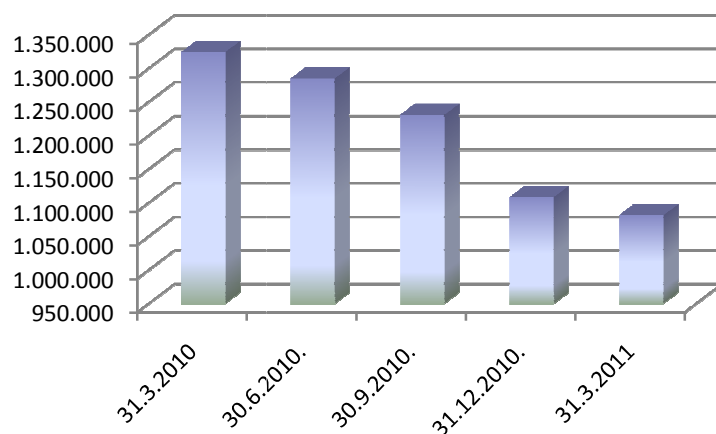
It should be noted that apart from the listed number of the employees, there are 52 employees that are working in the leasing companies and were engaged through student service, special contracts and through employment agencies.

3. BALANCE SHEET STRUCTURE

3.1. Structure of Assets

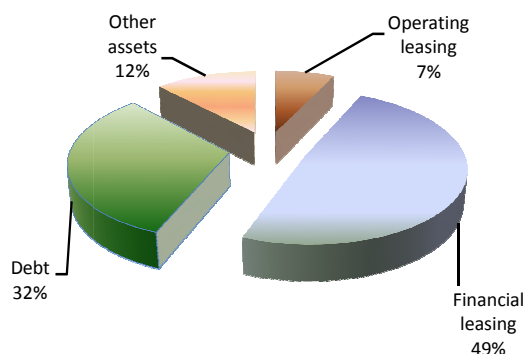
The total assets of all leasing companies as of 31.03.2011., was 1.082 million KM, which in comparison to 31.12.2010., presents a decrease by 26,73 million KM or 2,41%. 69% of the leasing company aggregate balance sheet refers to three leasing companies. Through analyses of the assets, observed individually by leasing companies, three companies had an increase of their balance sheet in comparison to 31.12.2010

Graph 2. Consolidated Assets of the leasing sector (in 000 KM)



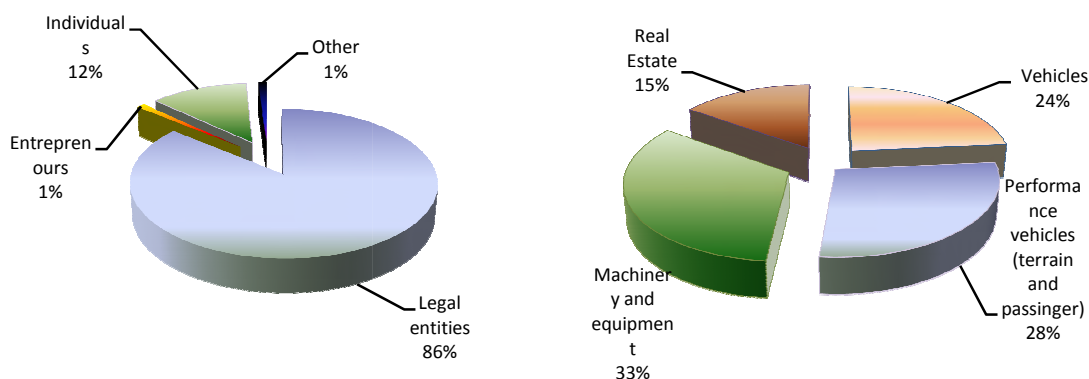
In the structure of total assets, the most significant participation is of the net receivables from financial leasing which are 532,779 thousand KM, and that presents 49,26% of the assets of leasing operations. In relation to 31.12.2010, the net receivables from financial leasing have decreased by 1,59%, while in relation to 31.03.2010 they increased by 0,22%.

Graph 4. Aggregate balance sheet of the leasing sector in the banking sector as of 31.03.2011.



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

Graph 5. Financial leasing structure according to the leasing subject and lessee as of 31.12.2011.



As of 31.03.2011., 368 million KM (32% of total assets) represent net loan receivables. Of the noted amount of loan receivables 38% is in the portfolio of one company. There is a decline of 5,6% in comparison to the previous quarter when the net loan receivables were 368,178 thousand KM, caused by establishment of new write offs of loan receivables and payment of the existing receivables. In the structure of the total assets the loans will remain in the leasing companies' balance sheet until the granted maturity.

In the financial sector's aggregate balance sheet structure that the Agency supervises 7% relates to the leasing sector, 90% to the banking sector and 3% of the aggregate balance sheet belongs to the microcredit sector.

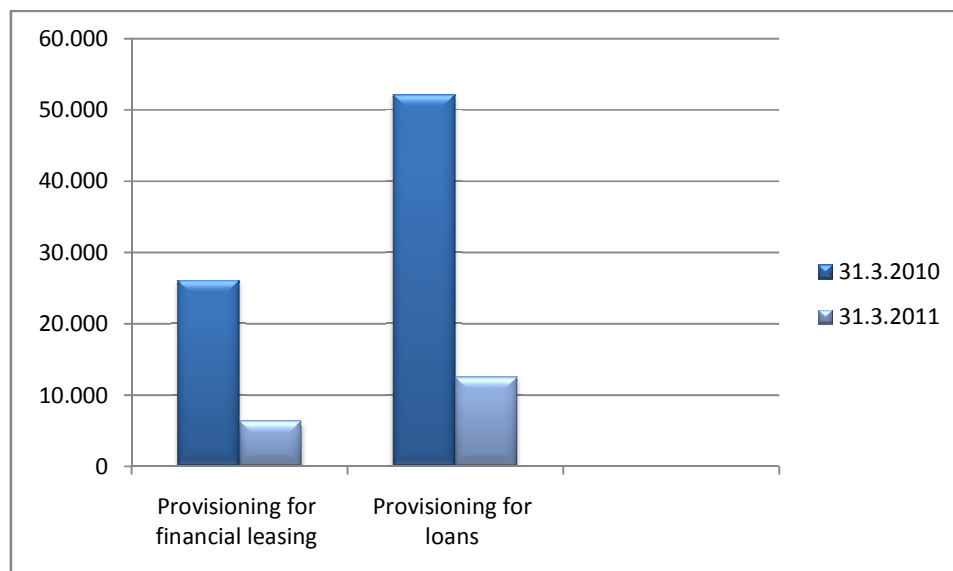
3.2. Asset quality

The reserves for losses from financial leasing as of 31.03.2011 have been reported in the amount of 25.244 thousand KM and present a decrease by 30% (10.649 thousand KM) in comparison to 31.03.2010. In comparison to the previous quarters, the reserves for loan losses from financial leasing increased by 30%. The cause of the decline of reserve for losses from financial leasing in the first quarter of 2011 in comparison to the fourth quarter of 2010 is the increase of unpaid receivables which are 90 and 180 days delinquent.

As of 31.03.2011., the most significant amounts of receivables in the reserve structure for the financial leasing according to the days of delinquency are in the category over 90 and 180 (28.416 thousand KM receivables and 23.261 thousand KM provisioning). Of the total amount of receivables in the category of over 180 days, 63% refer to 2 leasing companies which established 100% reserves in the mentioned delinquency category. Taken the fact that it is a question of the financial leasing, it is assumed that the leasing companies in the coming period will gain ownership of the leasing subject, and that they will, through the sale of the leasing subject, significantly reduce the total amount of receivables, in other words the amount of the final charge off would be significantly under the current level of receivables.

Provisioning for borrowings-loans as of 31.03.2011., are 24,579 thousand KM and increased by 23% (4,533 thousand KM) in comparison to 31.12.2010. The reason for the increase of provisioning for borrowings- loans in the first quarter of 2011 are the charged off receivables that occurred during the first quarter of 2011., in comparison to the fourth quarter of 2010., is the increase of receivables which are from 270 up to 360 days delinquent. Of the total amount of provisions in the listed category according to the delinquent days 98% refers to provisioning of one leasing company.

Graph 7. Expenses of reserves for losses from financial leasing and loans (in 000 KM)

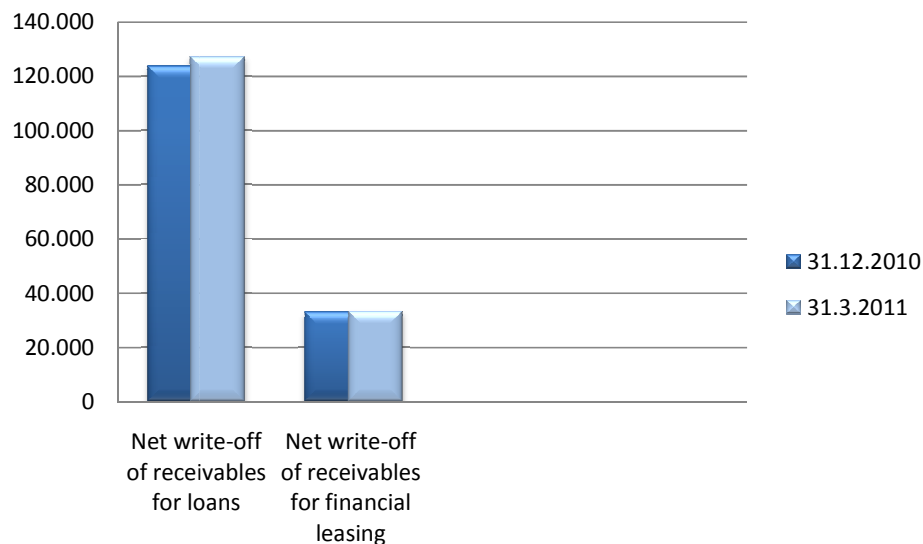


3.3. Off balance sheet – charged off receivables

Total charged off receivables (off balance sheet) as of 31.03.2011. were 161.033 thousand KM. Of the mentioned amount, 79% refers to charged off loan receivables, of which 21% charged off receivables refers to receivables from financial leasing.

From the total charge off loans, as of 31.03.2011., 98% are the charge offs performed during 2010.

Graph 8. Charged off receivables from loans and financial leasing (in 000 KM)



3.4. Placements based on leasing subject and number of contracts

The amount of financing through leasing (financial and operating leasing) on the level of FBiH, in the first quarter of 2011, was 56.705 thousand KM and it includes 1.451 active contracts which present an increase of 21% of the financing amount and 29% of the number of contracts in relation to the first quarter of 2010. The trend of increase of contracts and financing amounts presents an increase of the demand for financing through leasing as well as a more active performance of the leasing companies on the BiH market.

In the structure of new placements, in the first quarter of 2011, 93% of the total financing amount refers to placements through financial leasing and the rest on the placements through operating leasing. In the previous year the structure of the placements was 95% for the financial leasing.

The leasing companies' performance in the first quarter of 2011, viewed on the level of the leasing activity recorded a slight growth in the number and value of the newly concluded financial and operating leasing contracts.

Table 1. Review of financing and market participation according to leasing subjects

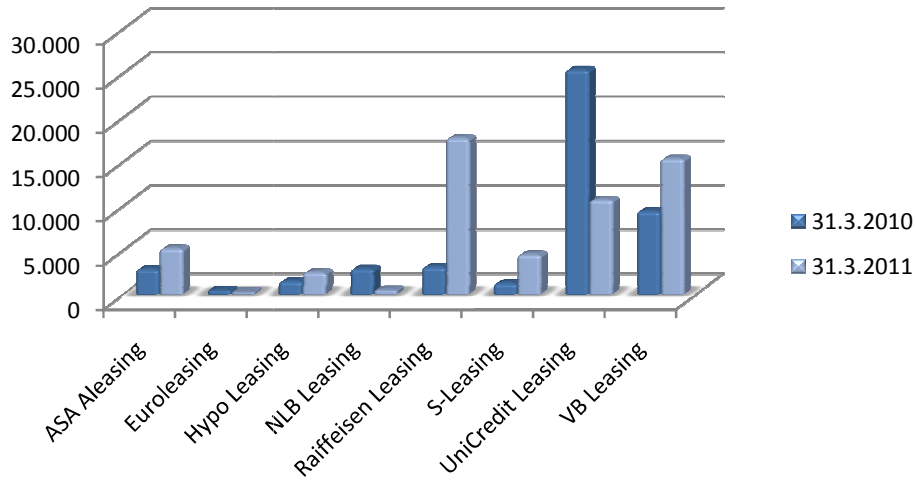
Leasing contracts according to the subject of leasing	31.3.2010				31.3.2011			
	FINANCIAL LEASING				FINANCIAL LEASING			
	Financial volume (000 KM)	Contract number	Market part. fin. volume %	Market part. no. of contract %	Financial volume (000 KM)	Contract number	Market part. fin. volume %	Market part. no. of contract %
Cars	12.948	529	29%	50%	18.502	800	34%	62%
Delivery vehicles	3.567	204	8%	19%	4.336	121	8%	9%
Trucks and trailers	9.108	147	21%	14%	12.548	215	24%	16%
Other	129	5	0%	1%	381	8	1%	1%
Cargo	452	15	1%	1%	297	10	1%	1%
VEHICLES TOTAL	26.204	900	59%	85%	36.064	1.154	68%	89%
Machines and ind. Equipment	6.319	31	14%	3%	6.936	40	13%	3%
Construction machines	2.940	31	7%	3%	3.755	33	7%	2%
IT and business equipment	0	0	0%	0%	86	7	0%	1%
Other	1.371	80	3%	8%	1.281	29	3%	2%
EQUIPMENT TOTAL	10.630	142	24%	14%	12.058	109	23%	8%
Industrial and business buildings	7.387	8	17%	1%	3.553	26	7%	2%
Residential buildings	260	3	1%	0%	1.146	9	2%	1%
Hotels	0	0	0%	0%	0	0	0%	0%
Other	0	0	0%	0%	0	0	0%	0%
REAL ESTATE TOTAL	7.647	11	17%	1%	4.699	35	9%	3%
TOTAL	44.481	1.053			52.821	1.298		

Table 2. Review of financing and market participation according to leasing subjects for the operating leasing

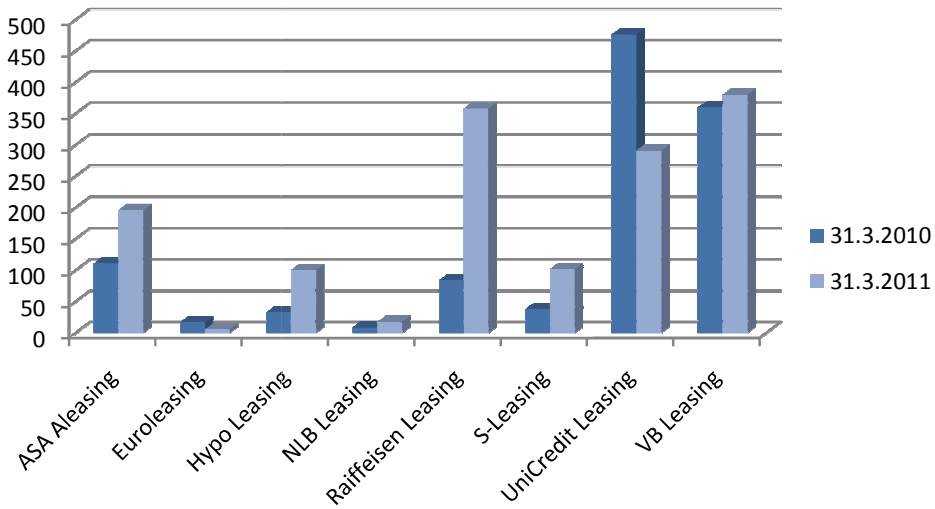
	31.3.2010				31.3.2011			
	OPERATING LEASING				OPERATING LEASING			
Leasing contracts according to the subject of leasing	Financial volume (000 KM)	Contract number	Market part. fin. volume %	Market part. no. of contract %	Financial volume (000 KM)	Contract number	Market part. fin. volume %	Market part. no. of contract %
Cars	1.891	57	78%	76%	2.558	96	66%	63%
Delivery vehicles	411	16	17%	21%	1.326	57	34%	37%
Trucks and trailers	131	2	5%	3%	0	0	0%	0%
Other	0	0	0%	0%	0	0	0%	0%
Cargo	0	0	0%	0%	0	0	0%	0%
VEHICLES TOTAL	2.433	75	100%	100%	3.884	153	100%	100%
Machines and ind. Equipment	0	0	0%	0%	0	0	0%	0%
Construction machines	0	0	0%	0%	0	0	0%	0%
IT and business equipment	0	0	0%	0%	0	0	0%	0%
Other	0	0	0%	0%	0	0	0%	0%
EQUIPMENT TOTAL	0	0	0%	0%	0	0	0%	0%
Industrial and business buildings	0	0	0%	0%	0	0	0%	0%
Residential buildings	0	0	0%	0%	0	0	0%	0%
Hotels	0	0	0%	0%	0	0	0%	0%
Other	0	0	0%	0%	0	0	0%	0%
REAL ESTATE TOTAL	0	0	0%	0%	0	0	0%	0%
TOTAL	2.433	75			3.884	153		

3.5. Individual market participations according to financial volume and number of contracts

Graph 7. Market participation according to the volume (in 000 KM)



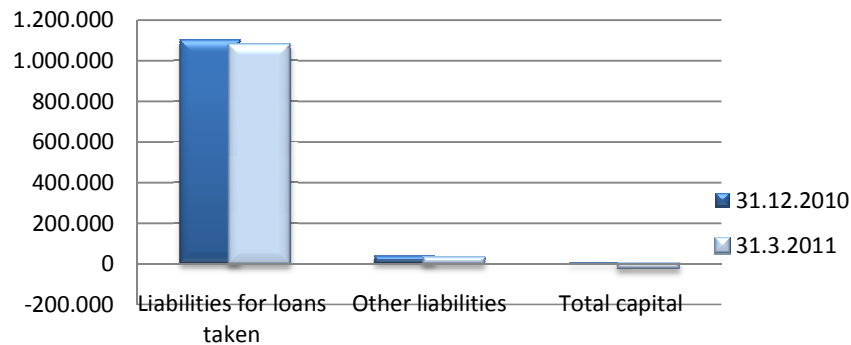
Graph 8. Market participation according to the number of contracts



3.6. Structure of Liabilities

As of 31.03.2011., there were no significant changes in the structure of liabilities. Liabilities on taken loans still present a dominant position in the structure of total liabilities.

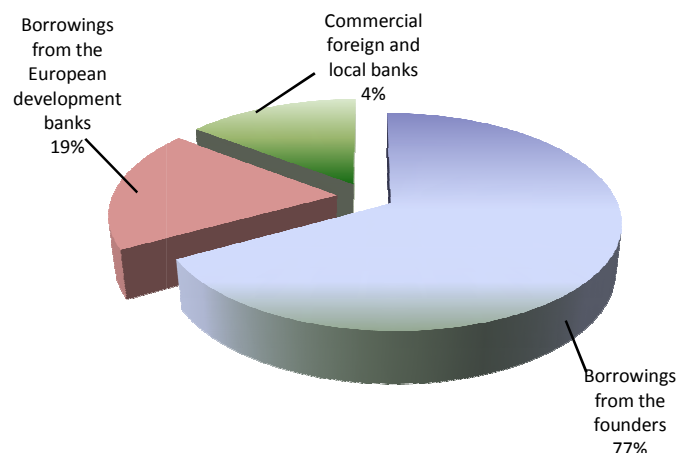
Graph 9. Liabilities structure



The total liabilities from loans decreased by 2% in relation to 31.12.2010. Of the total amount of liabilities from loans taken, 94% refers to long term liabilities.

As of 31.03.2011., the structure of the liabilities from loans is similar to the structure from the previous periods. In the funding sources structure, 77% refers to lending from the parent company or related entities, while 19% refers to 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. Due to a more poor condition of the leasing companies' performance, the lending from the European development banks is more difficult. Also, in the funding structure, 6% refers to commercial foreign and domestic banks debt.

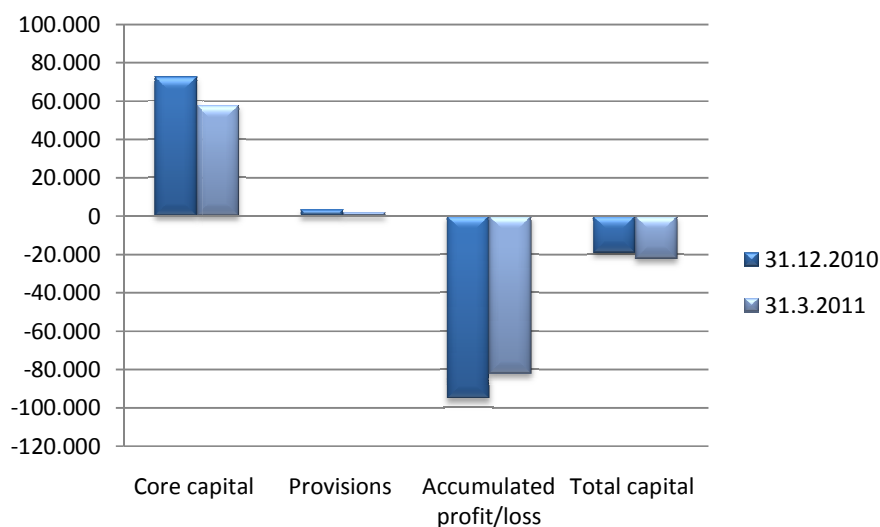
Graph 10. Structure of the funding sources as of 31.03.2011.



The total risk weighted nominal interest rate that the leasing companies paid for financing sources in the first quarter of 2011., was 3,53% on the annual level (interest rate calculated on the basis of the average positions of the taken loans and expenses related to interest for the first quarter of 2010.).

As of 31.03.2011., the total capital of leasing companies was negative in the amount of 22,447 thousand KM. The negative total capital is a consequence of extremely high losses of one leasing company in 2010, which performed with losses in the first quarter of 2011.

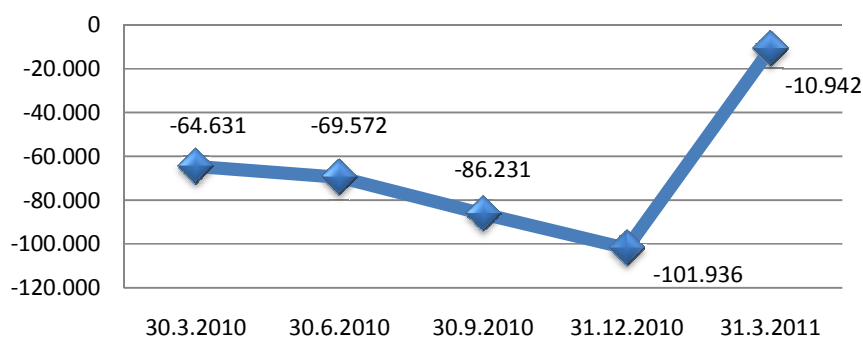
Graph 11. Leasing sector capital structure



4. FINANCIAL RESULTS OF THE PERFORMANCE

At the level of leasing sector in the period from 01.01.2011., to 31.03.2011., reported was a loss in the performance in the amount of 10,942 thousand KM, which presents a decrease of the debt in the amount of 53.689 thousand KM in relation to 31.03.2011. Profit after taxes was realized by four leasing companies in the amount of 3,600 thousand KM, while loss has been reported by 4 leasing companies in the amount of 14,542 thousand KM, of which 12,009 thousand KM or 82% refers to one company.

Graph 12. Review of profit/loss of the leasing sector through periods



Interest income from financial leasing (average on the monthly basis) in the first quarter of 2011, decreased by 33% in comparison to the first quarter of 2010. The total net interest income in the first quarter of 2011 was 8,240 thousand KM, which present a decrease by 53% in comparison to the first quarter of 2010.

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.

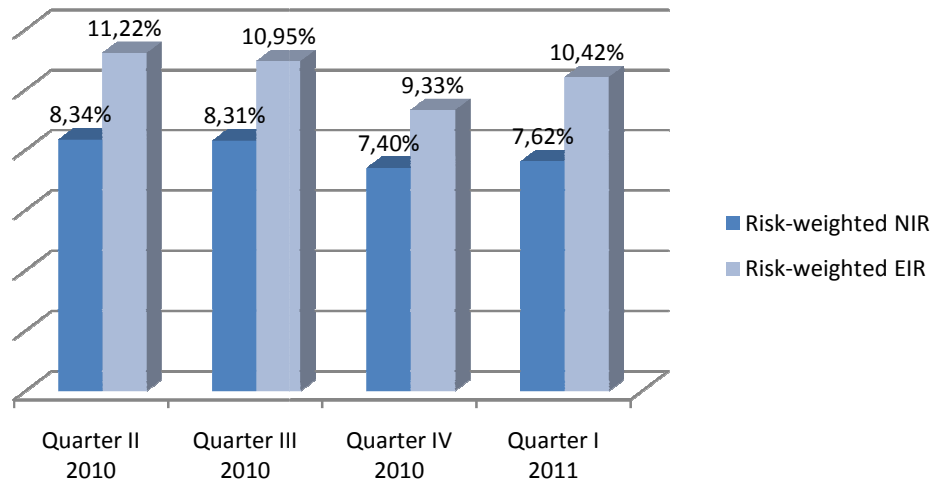
The average nominal interest rate in the fourth quarter of 2011, for financial leasing contracts was 7,62%, and the effective interest rate 10,42%.

Table 3. Average nominal and effective interest rates from the first quarter of 2011 (financial leasing)

No.	Description	Financing amount in (000) KM	Risk weighted nominal interest rate	Risk weighted effective interest rate
1.	Short term contract based on leasing subject:	1.565	7,41%	13,28%
a.	Passenger vehicles	1.331	7,26%	13,25%
b.	Performance vehicles (terrain and passengers)	179	8,61%	14,12%
c.	Machinery and equipment	55	7,07%	11,35%
2.	Long term leasing contract based on the leasing subject:	51.256	7,62%	10,19%
a.	Passenger vehicles	18.502	8,17%	11,29%
b.	Performance vehicles (terrain and passengers)	17.449	7,01%	9,39%
c.	Machines and equipment	10.609	7,66%	10,32%
d.	Real estate	4.696	7,58%	8,48%
	TOTAL	52.821	7,62%	10,42%

In comparison to the fourth quarter of 2010, evident is a slight increase of the nominal and effective interest rates of the newly concluded contracts.

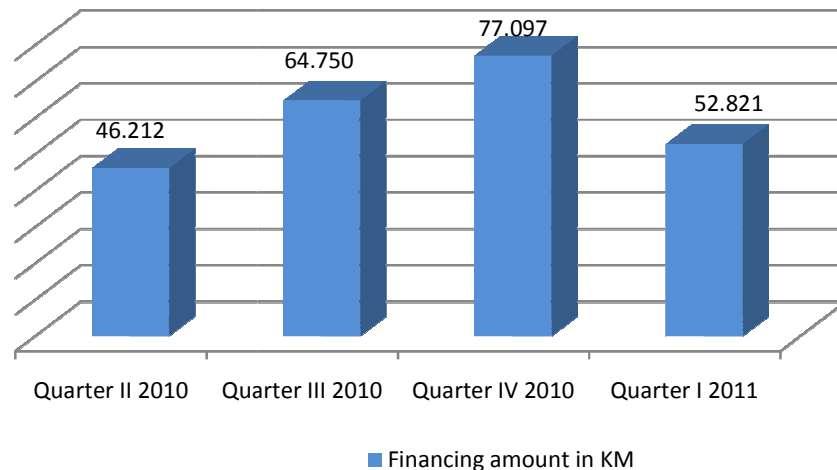
Graph 13. Review of average risk weighted nominal and effective interest rates for financial leasing contracts



The significant difference between the nominal and effective interest rate is a consequence of the VAT on interest, which is a obligatory part of leasing contract for financial leasing (paid in advance by the lessee), 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.

Graph 14. Review of amount of financing (financial leasing) (in 000 KM)



6. CONCLUSIONS AND RECOMENDATIONS

According to the indicators of the leasing companies' performance in FBiH in the first quarter of 2011, it can be concluded that the leasing sector in FBiH is showing signs of recovery, yet, still are present significant difficulties in performance that are coming from the collection of the existing receivables that were generated in the previous periods.

A slight incline trend of the macroeconomic indicators (in BiH, but also in the neighboring countries and EU) and with that a slight increase of the demand for the financing through leasing, as well as the reorganization of the performance within leasing companies related to adjustment of performance under the conditions of crises and compliance with the regulatory demands, are the factors that can significantly impact the end of the negative trends that dominate within the sector.

The largest negative impacts on the leasing companies' performance have loans that were granted by leasing companies up to 03.01.2009. The analyses of leasing companies' reports, submitted to the Agency during 2010, indicate that the leasing companies that did not grant loans have significantly less problems in performance.

The financial leasing portfolio can be evaluated as satisfactory taken into account the objective market circumstances and the condition in BiH economy.

In the following period, the Agency will focus on the following:

- Taking up measures and activities within its authority to overcome and reduce the negative effects of the global financial crises on the leasing sector in the Federation of BiH,
- continue the ongoing supervision of the leasing companies through on site and off site supervision,
- enhance the leasing sector regulations that relate to the performance and operations of the leasing companies,
- 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;
- establish an information system which will based on the leasing companies' reports provide early warning system and preventive actions in correcting weaknesses in the leasing companies performance;
- define the electronic form for submitting data and creating application support for activities related to on-site supervision of the leasing companies;
- continue the permanent education and professional specialization of the employees; and
- improving the cooperation with the Association of the leasing companies in BiH, as well as offering professional assistance in implementation of the law and regulations for leasing companies.

Having in mind the decrease of the business and economic activities in FBiH, and in order to protect the performance quality, the leasing companies should put an additional focus on the past due uncollected receivables, in other words the highest attention should be given to poor quality placements, as well as a more efficient collection of the due receivables.

Leasing company activities should be directed towards:

- Policies and procedure for managing credit, operational and market risks;
- Cover the reported losses that occurred during 2010., through increase of core capital;
- Establishment of internal controls and the internal audit function independent in performing their tasks;
- Update of computer support with an aim to provide adequate accounting records and quality reporting;
- 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.

7. ATTACHMENTS

Attachment 1. Leasing companies' basic data

No.	Leasing company name	Address and head office	Director	Tel.	Issue date FBA license	No. of empl.	Web address
1.	ASA Leasing d.o.o. Sarajevo	Bulevar Meše Selimovića 16, Sarajevo	Abaza Dženamir	+ 387 33 771 222	22.03.2010	19	www.asa-leasing.ba
2.	Euroleasing d.d. Mostar	Vukovarska 1, Mostar	Renata Perić	+ 387 36 394 500	03.02.2010	5	www.euroleasing.ba
3.	Hypo Alpe Adria Leasing d.o.o. Sarajevo	Trg solidarnosti 12, Sarajevo	Emina Sarač	+ 387 33 702 100	16.03.2010	67	www.hypo-leasing.ba
4.	Raiffeisen Leasing d.o.o. Sarajevo	Zmaja od Bosne 11, Sarajevo	Belma Sekavić - Bandić	+ 387 33 254 354	19.01.2010	68	www.rlbh.ba
5.	NLB Leasing d.o.o. Sarajevo	Zmaja od Bosne 14c, Sarajevo	Amela Kalisi	+ 387 33 716 135	19.03.2010	10	www.nbleasing.ba
6.	S-Leasing d.o.o. Sarajevo	Zmaja od Bosne 7 Sarajevo	Katarina Sabol	+ 387 33 565 850	11.02.2010	8	www.s-leasing.ba
7.	UniCredit Leasing d.o.o. Sarajevo	Džemala Bijedića 2, Sarajevo	Denis Silajdžić	+ 387 33 721 750	16.03.2010	25	www.unicreditleasing.ba
8.	VB Leasing d.o.o. Sarajevo	Fra Anđela Zvizdovića 1, Sarajevo	Slobodan Vujić	+ 387 33 276 280	12.01.2010	34	www.vbleasing.ba
					TOTAL	236	

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	8,40%
	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%
HYPO ALPE ADRIA LEASING d.o.o. Sarajevo	HYPO ALPE ADRIA LEASING HOLDING AG. Klagenfurt	100,00%
RAIFFEISEN LEASING d.o.o. Sarajevo	RAIFFEISEN LEASING INTERNATIONAL GmbH, Vienna	51,00%
	RAIFFEISEN BANK d.d. Sarajevo, BiH	49,00%
NLB LEASING d.o.o. Sarajevo	NLB d.d. Ljubljana	100,00%
S-LEASING d.o.o. Sarajevo	STEIERMAERKISCHE BANK UND SPARKASSEN AG, Graz	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	51,00%
	VOLKSBANK d.d. Sarajevo	49,00%

Attachment 3. Review of provisioning for leasing loans as of 31.03.2011. (in 000 KM)

Number	Days of delinquency	Provisioning rate for loans	Amount of receivables for loans	Total provisioning
1	0-60	0,05%	196.926	98
2	60-90	5%	49.163	2.458
3	90-180	10%	68.935	6.893
4	180-270	30%	5.159	1.548
5	270-360	50%	27.089	13.545
6	over 360	100%	37	37
TOTAL			347.309	24.579

Attachment 4. Review of provisioning for financial leasing (FL) of leasing companies as of 31.03.2011. (in 000 KM)

No.	Days of delinquency	Provisioning rate for FL (movables)	Provisioning rate for FL (immovable)	Amount of receivables for movables	Amount of receivables for immovable	For movables	For immovable	Total provisioning
1	0-60	0,50%	0,50%	53.935	8.333	466	40	507
2	60-90	10%	10%	8.818	888	971	89	1.060
3	90-180	50%	50%	10.483	350	5.663	88	5.750
4	over 180	100%	75%	17.293	290	17.293	218	17.511
5	over 360	100%	100%	29	387	29	387	416
TOTAL				90.558	10.248	24.422	822	25.244

Attachment 5. Consolidated Balance Sheet through periods (000 KM)

No.	DESCRIPTION	31.12.2010		31.3.2011		% growth 31.03.2011 / 31.12.2010
		Amount	%	Amount	%	
	ASSETS					
1.	Cash and cash equivalents	22.080	1,99%	20.531	1,90%	-7,02%
2.	Placements to banks	20	0,01%	0	0,00%	-100,00%
3.	Receivables from financial leasing, net (3a-3b-3c-3d)	541.367	48,84%	532.779	49,26%	-1,59%
3a)	receivables from financial leasing, gross	658.443	59,41%	653.336	60,40%	-0,78%
3b)	reserves for losses	19.510	1,76%	25.244	2,33%	29,39%
3c)	deferred income from interest	97.306	8,78%	95.046	8,79%	-2,32%
3d)	deferred income from fees	260	0,02%	267	0,02%	2,69%
4.	Receivables from subsidiaries	82.798	7,47%	82.811	7,66%	0,02%
5.	Movable and immovable assets, net (5a+5b-5c-5d)	112.670	10,17%	112.039	10,36%	-0,56%
5a)	movable and immovable property-personal funds	46.165	4,17%	45.572	4,21%	-1,28%
5b)	movable and immovable property -operating leasing	97.524	8,80%	99.158	9,17%	1,68%
5c)	correction of value -personal funds	10.146	0,92%	10.501	0,97%	3,50%
5d)	correction of value - operating leasing	20.873	1,88%	22.190	2,05%	6,31%
6.	Long term investments	43.928	3,96%	38.870	3,59%	-11,51%
7.	Other assets	305.527	27,56%	294.630	27,23%	-3,57%
	TOTAL ASSETS (1+2+3+4+5+6+7)	1.108.390	100,00%	1.081.660	100,00%	-2,41%
	LIABILITIES					
9.	Liabilities from taken loans, net (9a+9b-9c)	1.102.321	99,45%	1.076.502	99,52%	-2,34%
9a)	liabilities from short term loans	48.950	4,42%	61.235	5,66%	25,10%
9b)	liabilities from long term loans	1.054.236	95,11%	1.016.342	93,96%	-3,59%
9c)	cost and fees paid in advance	865	0,08%	1.075	0,10%	24,28%
10.	Other liabilities	25.372	2,29%	27.605	2,55%	8,80%
	TOTAL LIABILITIES (9+10)	1.127.693	101,74%	1.104.107*	102,07*	-2,09%
11.	Core capital	72.555	6,55%	57.852	5,35%	-20,26%
12.	Reserves	3.424	0,31%	2.023	0,19%	-40,92%
13.	Accumulated profit/loss	-95.282	-8,60%	-82.322	-7,61%	-13,60%
	TOTAL CAPITAL	-19.303	-1,74%	-22.447	-2,08%	16,29%
	TOTAL LIABILITIES	1.108.390	100,00%	1.081.660	100,00%	-2,41%

** Note: Listed total liabilities are higher than the total liabilities due to the negative value of the total capital.*

Attachment 6. Core performance indicators

Core performance indicators	31.12.2010	31.3.2011
Assets per employee (000 KM)	4.580	4.583
Total liabilities in relation to total capital (in %)	- 58,53	- 49,19
Total liabilities in relation to core capital (in %)	15,54	19,09

Core performance indicators	31.3.2010	31.3.2011
CIR (Expenses profit ratio)* (in %)	65,08%	73,24%
Provisioning expense ratio and average assets	6,21%	1,73%

* **Note:** the expenses do not include the provisioning expense.

Attachment 7. Consolidated Income Statement through periods (in 000 KM)

No.	DESCRIPTION	01.01.2010 - 31.3.2010		01.01.2011-31.3.2011		% growth 31.03.2011/ 31.03.2010
		Amount (000 KM)	% in total income	Amount (000 KM)	% in total income	
	FINANCIAL INCOME AND EXPENSES					
1.	Interest income	26.923	69%	17.971	60%	-33%
2.	Interest expenses	11.289	29%	9.731	32%	-14%
3.	Net interest income (1.-2.)	15.634	40%	8.240	27%	-47%
	OPERATING INCOME AND EXPENSES					
4.	Operating income	12.128	31%	12.161	40%	0%
5.	Operating expenses	14.126	36%	12.337	41%	-13%
5a)	Salary and contributions expenses	2.648	7%	2.770	9%	5%
5b)	Business premises expenses	3.662	9%	4.094	14%	12%
5c)	Other operating expenses	7.816	20%	5.473	18%	-30%
6.	Expenses for reserves for losses	78.267	200%	18.938	63%	-76%
7.	Income before taxes (3+4-5-6)	-64.631	-166%	-10.874	-36%	-83%
8.	Income taxes		0%	68	0%	-
9.	Net profit (7-8)	-64.631	-166%	-10.942	-36%	-83%

Attachment 8. Balance sheet rating

31.12.2010					31.3.2011					
Rating	Leasing company	Balance Sheet (000 KM)	Participation 2010.	Cum. Part.	Rating	Leasing company	Balance Sheet (000 KM)	Participation 2011.	Cum. Part.	Balance Sheet Index
1.	Hypo Alpe-Adria-Leasing d.o.o.	366.900	33,10%	33,10%	1.	Hypo Alpe-Adria-Leasing d.o.o.	334.618	30,94%	30,94%	91
2.	Raiffeisen Leasing d.o.o.	229.030	20,66%	53,77%	2.	Raiffeisen Leasing d.o.o.	228.582	21,13%	52,07%	100
3.	UniCredit Leasing doo	178.336	16,09%	69,86%	3.	UniCredit Leasing doo	178.726	16,52%	68,59%	100
4.	VB Leasing d.o.o.	105.273	9,50%	79,35%	4.	VB Leasing d.o.o.	105.229	9,73%	78,32%	100
5.	NLB Leasing d.o.o. Sarajevo	81.003	7,31%	86,66%	5.	NLB Leasing d.o.o. Sarajevo	86.535	8,00%	86,33%	107
6.	Asa Aleasing d.o.o.	72.319	6,52%	93,19%	6.	Asa Aleasing d.o.o.	71.311	6,59%	92,91%	99
7.	S-Leasing d.o.o. Sarajevo	46.006	4,15%	97,34%	7.	S-Leasing d.o.o. Sarajevo	47.691	4,41%	97,33%	104
8.	Euroleasing d.d. Mostar	29.523	2,67%	100,00%	8.	Euroleasing d.d. Mostar	28.967	2,68%	100,00%	98
TOTAL		1.108.390	100%		TOTAL		1.081.659	100,00%		98