



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

# **I N F O R M A T I O N**

**ON THE LEASING SECTOR IN THE FEDERATION OF  
BOSNIA AND HERZEGOVINA  
AS OF 30.06. 2010.**

Sarajevo, August 2010.

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## 1. INTRODUCTION

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.

In compliance with the provisions of this Law, the leasing companies on the territory of the Federation of BiH were obliged to comply their performance, that is they had to receive from the Banking Agency of Federation of BiH (in further reading Agency) 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 the first half of 2010, noted was a continued slow down of the business activities of leasing in the Federation of BiH, as a consequence of the global economic and financial crises. As of 30.06.2010 the aggregate leasing balance sheet was 1.285 million KM which is by 9% or 123 million less in relation to the end of 2009.

The overall condition of the leasing sector was additionally influenced by too ambitious plans for growth in the leasing companies that were not followed with adequate politics for financing and collection of receivables, inadequate valuation of leasing companies' property and view of the performance risk, including the approval of the loans-borrowings, which especially dominated during the expansion period.

The basic characteristics of the leasing sector in the first half of 2010 were decrease of the funding sources, increase of the provisioning expenses for granted loans-borrowings, and as a consequence five leasing companies generated losses. In the first half of 2010 on the level of the leasing sector in the Federation of BiH realized were negative financial results – loss in the amount of 69,5 million KM.

The Banking Agency of Federation of BiH, as a regulatory institution which performs the supervision (examination) of the leasing companies, developed the Information on leasing sector in the Federation of BiH (as 30.06.2010.) based on the analyses of the reports on performance that the leasing companies submit to the Agency on quarterly and monthly basis (indirect – off site examination of the performance).

The Information on the leasing sector, that the Agency will develop in future, will also include the results and data obtained through direct examination of the leasing companies (on-site), which is planned for the second half of 2010.

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. Financial indicators in the information that relate to 2008 and 2009 were taken from the annual revised financial reports of the leasing companies edited by the external auditors.

### ***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 Draft for Instructions for development of leasing company reports.

## **2. MARKET PARTICIPANTS**

### ***2.1. Number of leasing companies***

As of 31.06.2010., there are 8 leasing companies and 34 organizational units – affiliates (28 in FBiH and 6 in RS) that perform leasing operations on the territory of the Federation of Bosnia and Herzegovina. During the first quarter of 2010, all eight leasing companies completed the

process of compliance with the Law on leasing; therefore the Agency issued to the following. Leasing companies licensed for performing leasing operations are:

1. ASA Abanka Leasing 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***

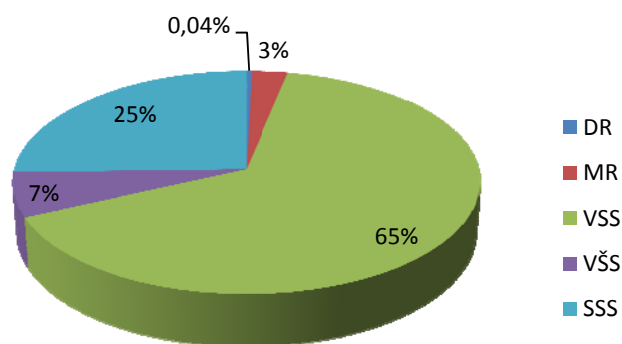
Of 8 leasing companies, there is only one company that has a majority resident ownership, while seven are in majority or 100% ownership of nonresidents, mostly owned by local banks established with foreign capital, or leasing companies which are related to them through ownership.

There are 3 leasing companies that are with 100% ownership of foreign companies, while majority owners of 4 leasing companies are also foreign companies or local banks established with foreign capital. The majority owner of one leasing company is a domestic shareholders company.

## ***2.3. Number of employees in the leasing companies***

As of 30.06.2010., in the leasing companies in the FBiH there are a total of 248 employees (as of 31.12.2008, the number of employees was 270, as of 31.12.2009, it decreased to 248), with a following qualification structure: 1 PhD, 7 Master of Art, 161 with four year university degree, 16 with two year college degree and 63 employees with high school degree. The qualification structure of the employees in the leasing sector is satisfactory.

***Graph 1. 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 30.06.2010, at the level of the leasing sector there is 5,1 million KM in assets that relate to each employee (31.12.2009. - 5,6 million KM, 31.12.2008. - 5,9 million KM per employee).

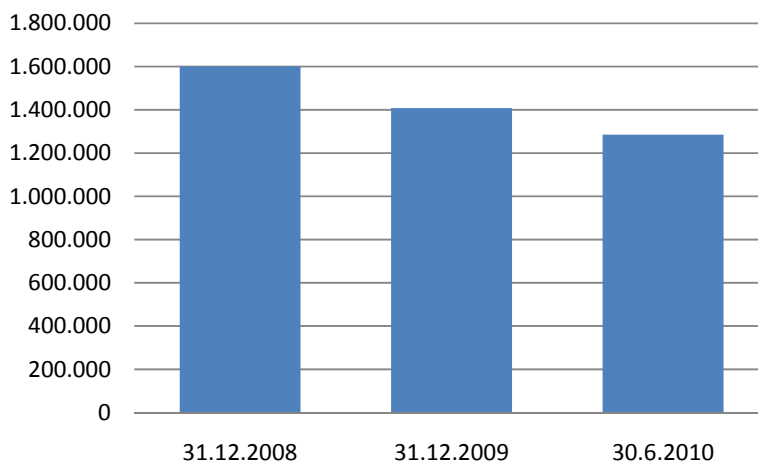
### 3 BALANCE SHEET STRUCTURE

#### 3.1. Structure of Assets

The total assets of all leasing companies as of 30.06.2010., was 1.285 million KM, which in comparison to the end of 2009 presents a decrease for 9%. As of 31.12.2009. aggregate balance sheet was 1.408 million KM which is by 12% or 193 million KM less than as of 31.12.2008 when it was 1.600 million KM.

Through analyses of the assets, observed individually by leasing companies, only two leasing companies have assets higher than in relation to the end of 2009, while the remaining 6 leasing companies reported decrease of assets.

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



In the structure of total assets, the most significant participation is of the receivables from financial leasing which are 548 million KM, and that presents 43% of the assets of leasing operations. In relation to 31.12.2009, the receivables from financial leasing have decreased by 2,87% due to decreased volume of new placements during 2010, as well as the write off of receivables based on the financial leasing which are in delinquency by 360 days. The listed written off receivables were 8,9 million KM as of 30.06.2010.

Loans, as a form of financing, were used by five leasing companies until the coming into effect of the Law on leasing which has prohibited to leasing companies to grant loans. As of 30.06.2010 the remaining loans still present a significant participation (39%) in the structure of the total assets and they will remain in the balance sheet of the leasing companies until

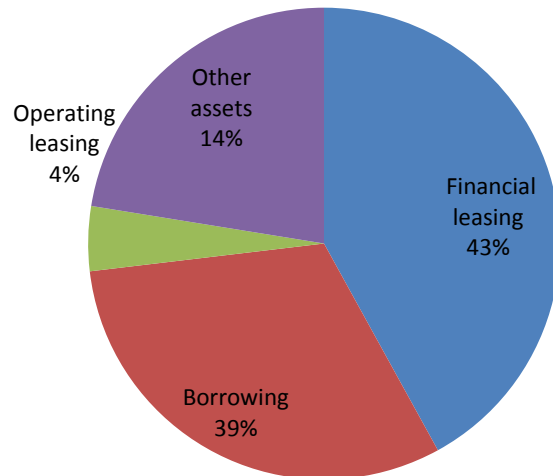
expiration of the deadlines on which they were approved. There is an evident decline in the amount of the total loans by 14% or 83,5 million KM when compared with 31.03.2010. The grow loans declined by 106,8 million KM, while simultaneously the reserves decreased by 79,2 million KM in comparison to 31.03.2010.

The decrease of loan reserves is caused by significant write offs of receivables which are 360 days delinquent, and which the leasing companies reported in the second quarter of 2010. The written off receivables from loans as of 30.06.2010 are 95,06 million KM, and are recorded in the off balance sheet of the leasing companies. In the structure of written off receivables from loans 90% of total amount refers to one leasing company.

The leasing companies were obliged to write off the receivables from financial leasing and loans in compliance with the provisions of the Decision of FBA on minimal amount and manner for allocation, management and maintenance of reserve for losses and leasing company risks management (in further reading Decision).

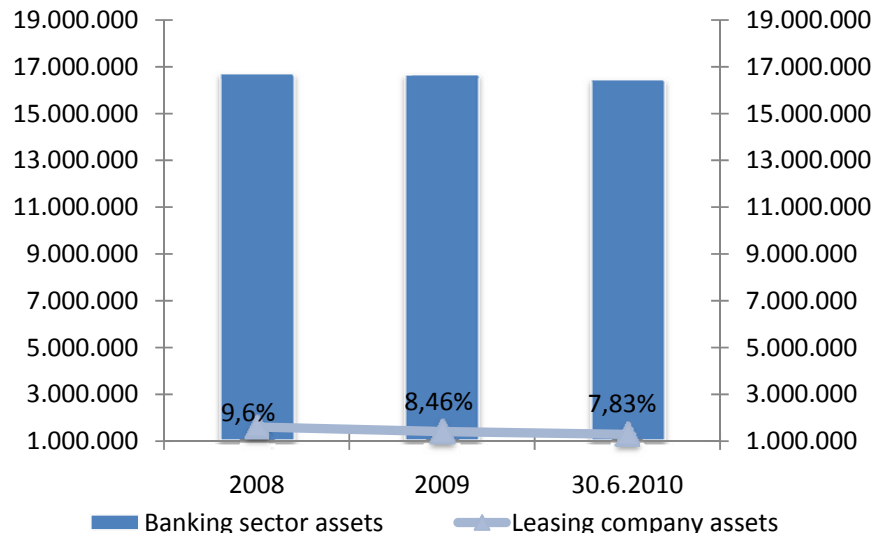
As of 30.06.2010 noted is a significant concentration of assets in the leasing sector with two leasing companies, which participate in the total reported assets with 60%.

**Graph 3. Structure of the total assets of the leasing sector**



The aggregate balance sheet of the leasing sector in the first half of 2010 was 1.285 million KM and that presents 7,83% of the aggregate balance sheet of the banking sector of FBiH.

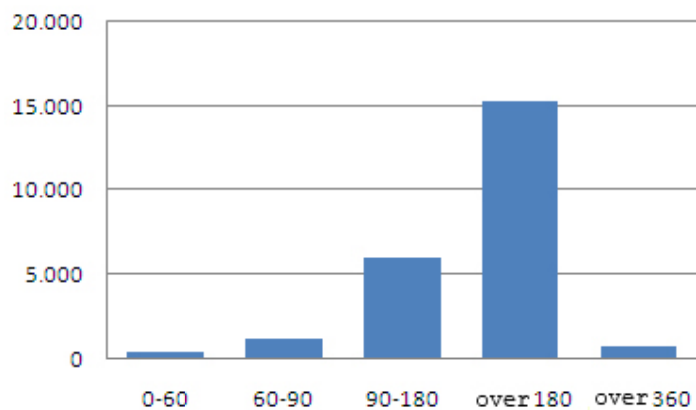
**Graph 4. Aggregate balance sheet of the leasing sector in the banking sector (in 000 KM)**



### 3.2. Asset quality

The reserves for losses from financial leasing as of 30.06.2010 have been reported in the amount of 23,47 million KM and it presents a decrease by 35% in comparison to 31.03.2010. The decrease of the reserves for losses from financial leasing is a result of written off receivables from financial leasing.

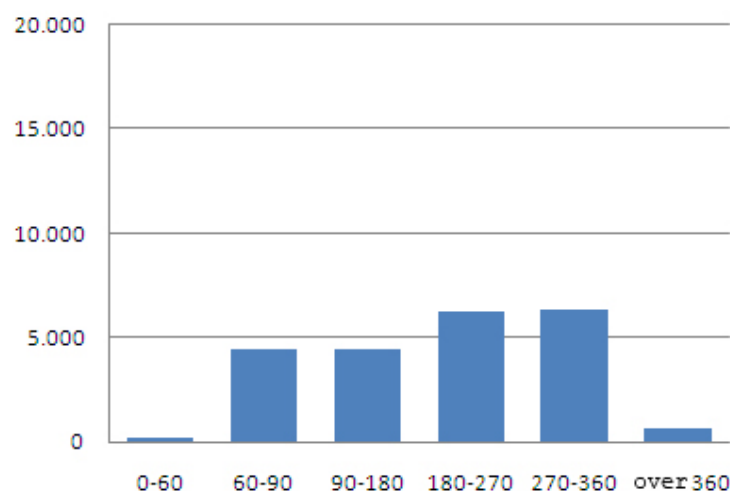
**Graph 5. Provisioning for financial leasing through delinquency (in 000 KM)**



Provisioning for loans as of 31.06.2010., are 22,15 million KM and decreased by 56% in comparison to 31.12.2009 due to write off of the receivables delinquent over 360 day. Of the listed provisioning amount, 92% refers to provisioning of two leasing companies, while 8% refers to provisioning of 3 leasing companies, and three leasing companies do not have receivables from loans in their portfolio.

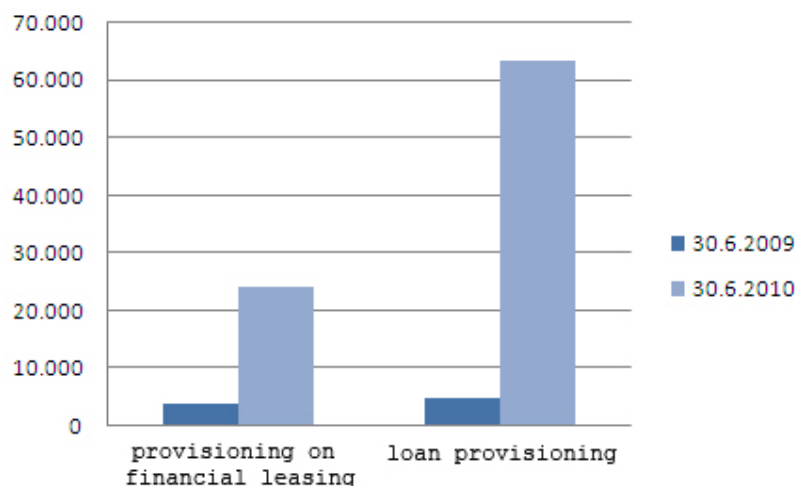


**Graph 6. Provisioning for loans as of 30.06.2010. (in 000 KM)**



The cause for the high level of provisioning, or the high level of participation of provisioning in the total assets of the leasing companies is the fact that the leasing companies have not been allocating a sufficient level of reserves for losses due to deterioration of asset quality in the periods before the obligation of implementing the Decision, and have not written off suspicious and doubtful receivables. Also, significant impact on the more difficult collection of the receivables financed through the leasing companies has the decrease of the economic activity of the business companies in BiH.

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



### **3.3. Placements based on leasing subject and number of contracts**

The total amount of financing on the level of FBiH, in the first quarter of 2010, (according to the reports from the Association of the leasing companies in Bosnia and Herzegovina) is 46,9 million KM. Of that, the amount of 44,5 million KM was placed through financial leasing, and 2,4 million KM through operating leasing.

According to the type of the leasing subject, the largest amount of 28,6 million KM are financed vehicles, amount of 10,6 million KM financed equipment and 7,7 million KM is financed real estate.

The amount of financing through leasing in the first half of 2010 was 98,4 million KM and relates to 2.493 activated leasing contracts.

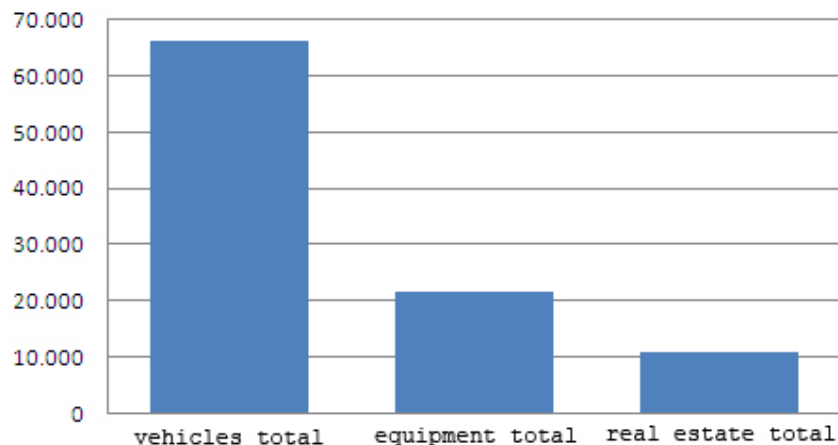
In the second quarter of 2010, the total financing amount was 51,5 million KM and that presents an increase by 9,83% in relation to the first quarter of 2010. The number of activated contracts in the second quarter of 2010 was 1.365 which presents an increase by 21,01% in relation to the first quarter of 2010. The listed trends can present an indicator of slight improvement of the demand for financing through leasing, strengthened activities of leasing companies on the market and the seasonal influences.

According to the type of leasing, the largest amount of 66,3 million KM refers to financed vehicles, amount of 21,4 million KM to financed equipment and 10,7 million KM to financed real estate.

**Table 1.** Review of financing through leasing in the first six months of 2010.

Leasing contracts according to the subject of leasing	Financial volume (000 KM)	Contract number	Market part. fin. volume %	Market part. contract no. %
Cars	36.652	1.477	55%	67%
Delivery vehicles	6.810	354	10%	16%
Trucks and trailers	20.440	332	31%	15%
Other	2.421	45	4%	2%
<b>TOTAL VEHICLES</b>	<b>66.324</b>	<b>2.208</b>	<b>67%</b>	<b>88%</b>
Machines and ind. Equipment	11.929	72	55%	27%
Construction machines	6.542	68	31%	26%
IT and business equipment	0	0	0%	0%
Other	2.963	126	14%	47%
Storehouse	0	0	0%	0%
<b>TOTAL EQUIPMENT</b>	<b>21.434</b>	<b>266</b>	<b>22%</b>	<b>11%</b>
Industrial and business buildings	10.059	12	94%	63%
Residential buildings	624	7	6%	37%
Hotels	0	0	0%	0%
Other	0	0	0%	0%
<b>TOTAL REAL ESTATE</b>	<b>10.683</b>	<b>19</b>	<b>11%</b>	<b>1%</b>
<b>TOTAL</b>	<b>98.441</b>	<b>2.493</b>		

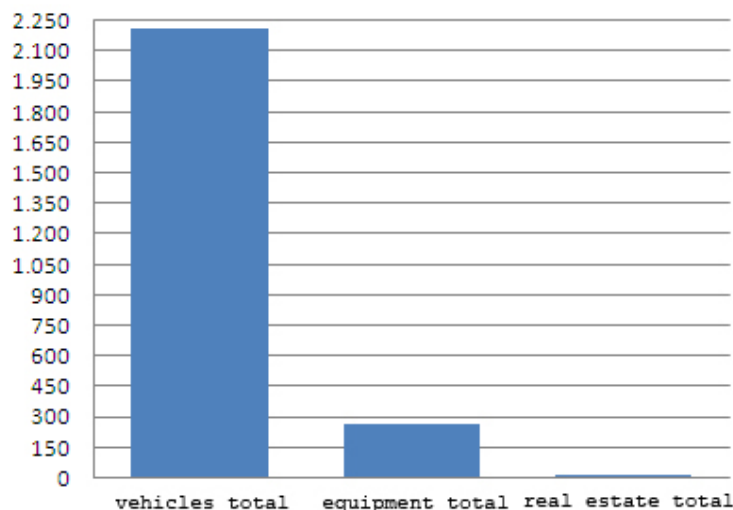
**Graph 8. Financial volume according to the subject of financing (in 000 KM)**



In the first six months of 2010 concluded were 2.208 contracts on leasing for financing of vehicles, and that presents 88,56% of total number of concluded leasing contracts. Of the total amount for financing the vehicles, the largest part refers to financing cars 55%, financing trucks and trailers 31% and delivery trucks 10%. For financing equipment concluded were 266 contracts, which presents 10,66% of the total number of concluded contracts, while for financing the real estate concluded were 19 contracts or 0,78% of the total number of concluded contracts.

For the first six months of 2010, the average amount of financing for one leasing contract was 39,5 thousand KM.

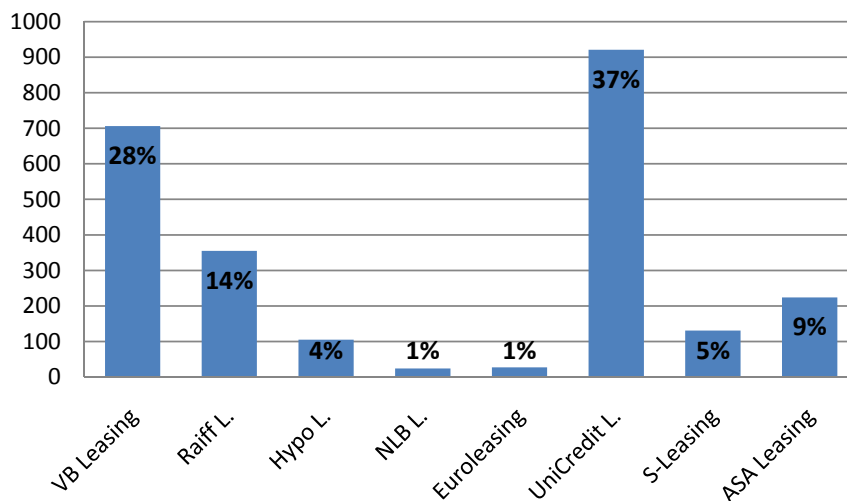
**Graph 9. Number of contracts according to subject of financing (in 000 KM)**



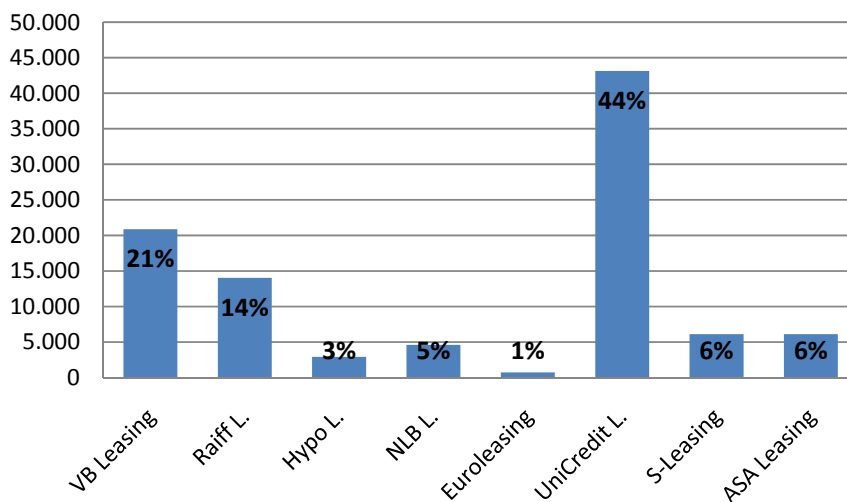
### 3.4. Individual market participation according to the financial volume and number of contracts

In the first six months of 2010, three leasing companies realized 79% of the total financial volume for the listed period and 80% according to the concluded contracts, which does not present a more significant change in relation to the first quarter of 2010.

**Graph 10. Market participation according to the number of contracts in the first half of 2010.**



**Graph 11. Market participation through volume in the first half of 2010. (in 000 KM)**



### ***3.5. Structure of Liabilities***

In the liabilities structure the obligations from taken loans dominate with 97% of total liabilities in the first part of 2010. Long term liabilities from taken loans are 95% of the total liabilities from loans. The structure of liabilities from loans did not significantly change in relation to the previous quarter (total obligations from loans decreased by 3% in relation to 31.03.2010, which is 6% in relation to the end of 2009.). The decrease is caused by payment of the existing loans of the leasing companies, decrease of credit activities and a more difficult borrowing position on the money market. It is evident that the leasing companies did not conclude new credit arrangements in a significant volume.

### ***3.6. Funding sources***

In the structure of the financing sources the dominated position belongs to the long term borrowings from abroad, that are further divided on borrowings from parent banks from abroad or their related entities (around 68% of total liabilities from loans), European banks for development (EIB, EBRD, CEDB, DEG etc., which participate with 16% of the total debt from loans) and other domestic and foreign commercial banks. Three leasing companies have debt with European banks for development. The funds from these banks are by nature per specific purpose and mostly refer to development of middle and small size companies, with the monitoring of spending and allocation of funds by the creditor. The funds are secured with banking guarantees issued by parent banks from abroad or their holding companies. Active interest rate is mostly variable and related to EURIBOR or LIBOR and ranges between 1,5% to 7% on the annual level (calculated with the value EURIBOR as of 30.06.2010.). The sources with the lowest interest rate are loans from banks for development.

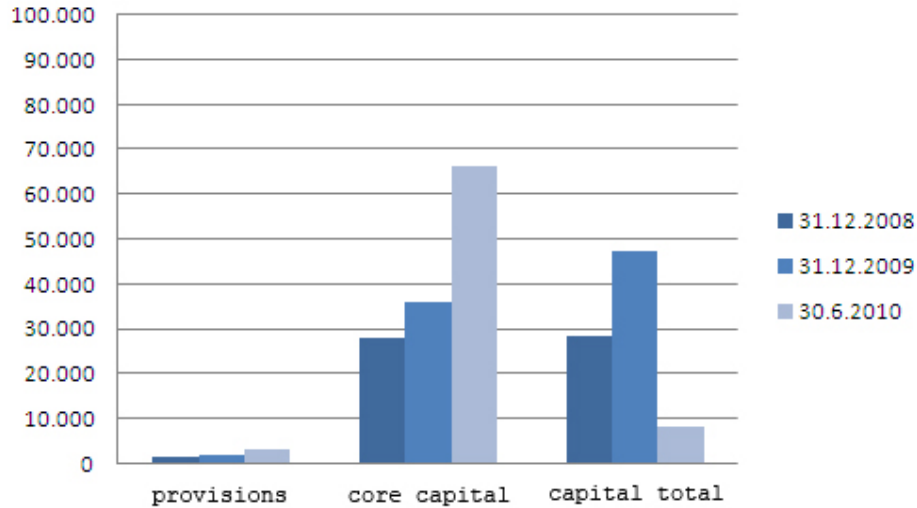
The total risk weighted nominal active interest rate for the first six months of 2010 was 3,51% on the annual level (interest rate calculated on the basis of the average positions of the taken loans and expenses related to interest for the first six months of 2010. ). The risk weighted active interest rate in 2009. (calculated in the same manner as for the first six months of 2010.) was 4,33% annually. The downfall is caused with the decrease of the related interest rates on the money market.

### ***3.7. Capital and reserves***

The core capital of the leasing sector as of 30.06.2010 is 66 million KM and has increased in relation to the first quarter for 17% (9,7 million KM). The listed increase was a consequence of the additional capitalization of one leasing company during the second quarter of 2010. In relation to the end of 2009, reported was an increase of the core capital for 84%, which was influenced by the additional capitalization of one leasing company at the beginning of 2010. The reported capitalization was performed with an aim to cover the reported losses in the previous periods. The analysis of the core capital of the leasing companies indicates that 84% of the core capital refers to three leasing companies.

As of 31.06.2010., the total capital of leasing companies was 8,46 million KM. If we compare the same position with the end of 2009 we notice an evident decreased for 82%, which is a consequence of the reported losses in the first six months of 2010.

**Graph 12. Review of reserves and capital for 2008, 2009 and 2010.godinu (in 000 KM)**

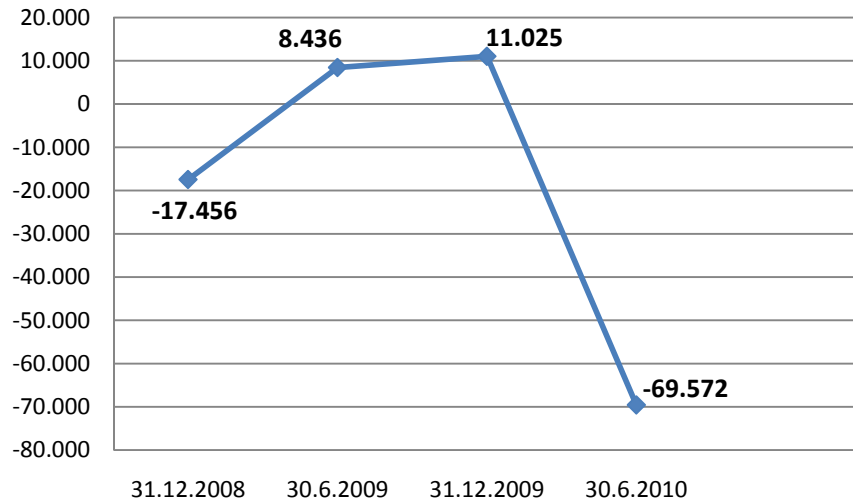


#### 4 FINANCIAL RESULTS OF THE PERFORMANCE

The global financial crises has influenced the activity of the leasing sector in the FBiH, as it is evidenced by the significant decrease in the number and value of the newly concluded contracts during the 2009., and the first half of 2010 in relation to the previous period.

At the level of leasing in the period from 01.01. to 31.06.2010., reported was a loss in the performance in the amount of 69,5 million KM, which presents an increase in relation to the previous quarter by 7,6% Profit after taxes was realized by three leasing companies in the amount of 902 thousand KM, while loss has been reported by 5 leasing companies in the amount of 70,4 million KM.

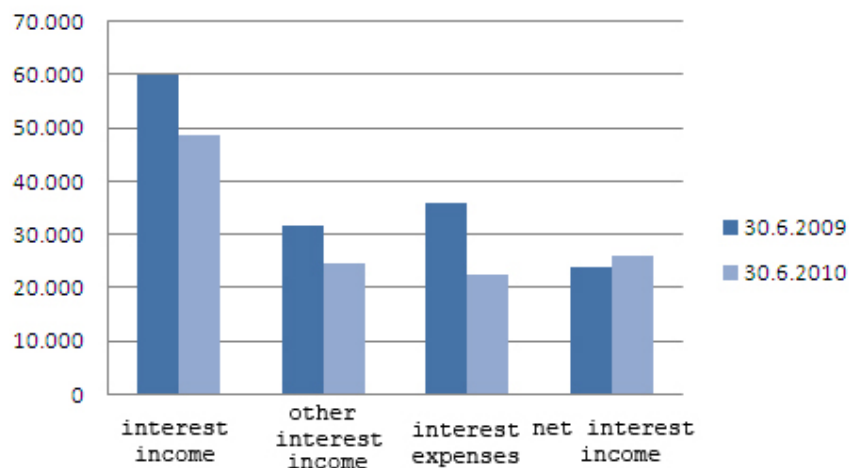
**Graph 13. Review of profit/ loss for 2008, 2009 and 2010. (in 000 KM)**



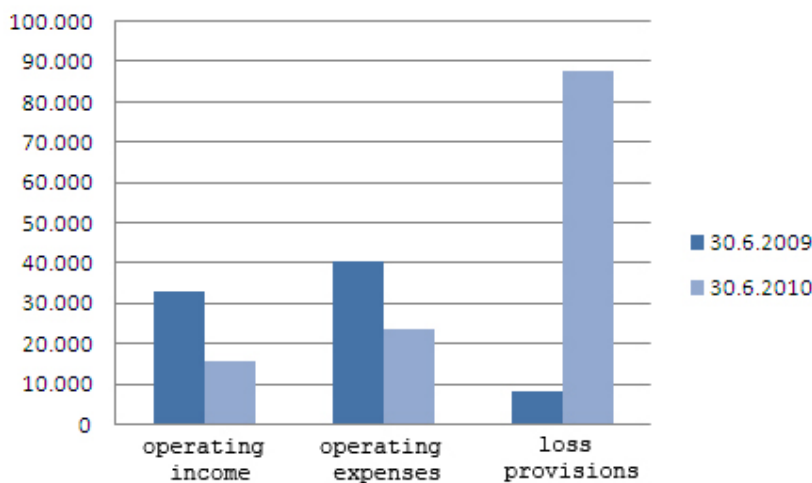
Interest income from financial leasing in the second quarter of 2010, reported a decrease of 19% in comparison to the first quarter of 2010. The decrease of the business activity of the leasing companies is mostly the cause of the decrease of the interest income.

Risk weighted nominal interest rate for financial leasing placements for the first six months of 2010 was 8,61% (calculated based on the average positions and interest income from financial leasing), and in 2009 risk weighted nominal interest rate for financial leasing was 11%. The decrease of the risk weighted nominal interest rate for financial leasing was impacted by the decrease of the related interest rates on the money market (EURIBOR and LIBOR).

**Graph 14. Review of financial income and expenses (in 000 KM)**



*Graph 15. Review of operating income and expenses (in 000 KM)*



## 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 leasing companies are obliged to report to the Agency on a monthly basis about the risk weighted nominal and effective interest rates on the financial leasing contracts, which are approved during the reporting month in compliance with the prescribed methodology. This provides for transparency and comparability of financing through leasing.

The average nominal interest rate in the second quarter of 2010, for short term leasing contracts was in a range between 8,35% to 10%, and the effective interest rate in a range between 10,72% to 20,06%.

The average nominal interest rate in the second quarter of 2010., for long term leasing contracts was in the range from 8,60% to 11,36%, and effective interest rate in the range from 9,52% to 17,72%.

**The total nominal interest rate in the second quarter of 2010 for leasing contracts was 8,35%, and the effective interest rate was 11,27%.**

The significant range 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.).



**Table 2** – Review of the nominal and effective interest rates for the second quarter of 2010:

No.	DESCRIPTION	Amount of financing in (000) KM	Risk weighted nominal interest rate	Risk weighted effective interest rate
<b>1.</b>	<b>Short term leasing contract according to the subject of leasing :</b>	<b>1.460</b>	<b>8,61%</b>	<b>12,83%</b>
a.	Cars	1.051	8,70%	12,97%
b.	Performance vehicles (terrain and passenger)	391	8,35%	12,26%
c.	Machines and equipment	6	7,00%	10,72%
d.	Real estate	0	0,00%	0,00%
e.	Track , floating and flying vehicles	0	0,00%	0,00%
f.	household appliances	0	0,00%	0,00%
g.	Other	12	10,00%	20,06%
<b>1.1.</b>	<b>Short term leasing contract according to the lessee:</b>	<b>1.460</b>	<b>8,63%</b>	<b>12,90%</b>
a.	Legal entities	1.258	8,57%	12,54%
b.	Entrepreneurs	53	9,78%	15,17%
c.	Individuals	149	8,72%	15,16%
<b>2.</b>	<b>Long term leasing contract according to the leasing subject:</b>	<b>44.752</b>	<b>8,33%</b>	<b>11,17%</b>
a.	Cars	15.162	8,82%	12,06%
b.	Performance vehicles (terrain and passenger)	11.841	7,97%	10,72%
c.	Machines and equipment	10.008	8,60%	11,60%
d.	Real estate	7.731	7,58%	9,52%
e.	Track, floating and flying vehicles	0	0,00%	0,00%
f.	Household appliances	0	0,00%	0,00%
g.	Other	10	11,36%	17,72%
<b>2.1.</b>	<b>Long term leasing contract according to the lessee:</b>	<b>44.752</b>	<b>8,34%</b>	<b>11,21%</b>
a.	Legal entities	36.449	8,18%	10,93%
b.	Entrepreneurs	755	9,65%	12,77%
c.	Individuals	7.549	8,98%	12,41%
<b>TOTAL RISK WEIGHTED INTEREST RATE FOR II QUARTER 2010.</b>		<b>46.212</b>	<b>8,35%</b>	<b>11,27%</b>

## 6. CONCLUSIONS AND RECOMENDATIONS

Upon a detailed analysis of the indicators of the leasing companies' performance in FBiH, for the first six months of 2010, and comparison with the previous periods, it can be concluded that the leasing sector in FBiH is faced with numerous difficulties in performance that are coming from the collection of the existing receivables that were generated in the previous periods. Coming into effect of the Law on leasing found many leasing companies unprepared for the new allocation of reserves for suspicious and questionable receivables, and that directly impacted the financial result.

The largest impact on the leasing companies' performance have loans that were granted by leasing companies up to 01.01.2009. The analyses of leasing companies indicates that the leasing companies that did not grant loans have significantly less problems and succeed to maintain good financial indicators and prevent outflow of capital.

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

One of the performance risks of leasing companies is the large credit exposure towards one client or group of related clients. Indeed, in the expansion period certain leasing companies realized large placements towards certain clients with relatively low leasing companies' capital. Due to the deterioration of the financial situation of the mentioned clients, the leasing companies did not have financial power to generate losses created through provisioning for them.

Additional issue is the global financial crises which did not spare the owners of the leasing companies either, making the additional capitalization process needed for to cover for losses more difficult. Certain leasing companies did not have established credit risk concentrations, which after the outbreak of the crises was one of the factors that influenced the generating of the financial results of the performance as of 30.06.2010.

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 in the first half of 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;
- education and professional training of the employees in leasing companies and
- 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	Telephone	Date of issuing of the FBA license	No. of employees	Web address
1.	Euroleasing d.d. Mostar	Vukovarska 1, Mostar	Renata Perić	+ 387 36 394 500	03.02.201.	8	www.euroleasing.ba
2.	S-Leasing d.o.o. Sarajevo	Dženetića čikma 1, Sarajevo	Katarina Sabol	+ 387 33 565 850	11.02.2010	7	www.s-leasing.ba
3.	ASA Abanka Leasing d.o.o. Sarajevo	Bulevar Meše Selimovića 16, Sarajevo	Abaza Dženamir	+ 387 33 771 222	22.03.201.	21	www.asa-abanka-leasing.ba
4.	Raiffeisen Leasing d.o.o. Sarajevo	Branilaca Sarajeva 20, Sarajevo	Belma Sekavić - Bandić	+ 387 33 254 354	19.01.2010	69	www.rlbh.ba
5.	UniCredit Leasing d.o.o. Sarajevo	Džemala Bijedića 2, Sarajevo	Denis Silajdžić	+ 387 33 721 750	16.03.2010	26	www.unicreditleasing.ba
6.	Hypo Alpe Adria Leasing d.o.o. Sarajevo	Trg solidarnosti 12, Sarajevo	Alma Nefić	+ 387 33 702 100	16.03.2010.	71	www.hypo-leasing.ba
7.	VB Leasing d.o.o. Sarajevo	Fra Anđela Zvizdovića 1, Sarajevo	Slobodan Vujić	+ 387 33 276 280	12.01.2010.	36	www.vbleasing.ba
8.	NLB Leasing d.o.o. Sarajevo	Zmaja od Bosne 14c, Sarajevo	Amela Kalisi	+ 387 33 716 135	19.03.2010.	10	www.nlbleasing.ba
					<b>TOTAL</b>	<b>248</b>	

*Attachment 2. Review of leasing companies' ownership structure*

<b>LEASING COMPANY</b>	<b>NAME OF THE OWNER</b>	<b>participation</b>
ASA ABANKA LEASING 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 LEASING d.o.o. 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 (in 000 KM)*

Number	Days of delinquency	Provisioning rate for loans	Amount of receivables for loans	Total provisioning
1	0-60	0,05%	337.812	169
2	60-90	5%	88.097	4.405
3	90-180	10%	44.016	4.402
4	180-270	30%	20.774	6.232
5	270-360	50%	12.595	6.298
6	over 360	100%	650	650
<b>TOTAL</b>			<b>503.944</b>	<b>22.155</b>

*Attachment 4. Review of provisioning for financial leasing (FL) of leasing companies (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%	63.022	7.151	315	36	351
2	60-90	10%	10%	9.944	1.474	994	147	1.142
3	90-180	50%	50%	10.877	735	5.439	368	5.954
4	over 180	100%	75%	14.226	1.387	14.226	1.040	15.266
5	over 360		100%	679	80	679	80	759
<b>TOTAL</b>				<b>98.748</b>	<b>10.827</b>	<b>21.653</b>	<b>1.671</b>	<b>23.472</b>

Attachment 5. Consolidated Balance Sheet as (000 KM)

Number	DESCRIPTION	31.12.2008		31.12.2009		30.6.2010		% growth	
		Amount	%	Amount	%	Amount	%	2009/ 2008	2010/ 2009
	<b>ASSETS</b>								
1.	Cash and cash equivalents	24.604	2%	28.940	2%	27.516	2%	18%	-5%
2.	Placements to banks	72.896	5%	45.000	3%	45.000	4%	-38%	0%
3.	Receivables from financial leasing, net (3a-3b-3c-3d)	593.054	37%	564.464	40%	548.266	43%	-5%	-3%
3a)	receivables from financial leasing, gross	722.091	45%	674.582	48%	671.166	52%	-7%	-1%
3b)	reserves for losses	6.910	0%	10.245	1%	23.472	2%	48%	129%
3c)	deferred income from interest	122.127	8%	98.648	7%	98.223	8%	-19%	0%
3d)	deferred income from fees	0	0%	1.225	0%	1.205	0%	100%	-2%
4.	Receivables from subsidiaries	78.789	5%	84.333	6%	83.587	7%	7%	-1%
5.	Movable and immovable assets, net (5a+5b-5c-5d)	103.787	6%	95.739	7%	98.449	8%	-8%	3%
5a)	movable and immovable property-personal funds	61.485	4%	46.865	3%	50.820	4%	-24%	8%
5b)	movable and immovable property -operating leasing	60.679	4%	73.914	5%	76.138	6%	22%	3%
5c)	correction of value -personal funds	7.690	0%	8.085	1%	9.248	1%	5%	14%
5d)	correction of value - operating leasing	10.687	1%	16.955	1%	19.261	1%	59%	14%
6.	Long term investments	50.698	3%	40.039	3%	37.435	3%	-21%	-7%
7.	Other assets	676.623	42%	549.308	39%	444.603	35%	-19%	-19%
	<b>TOTAL ASSETS (1+2+3+4+5+6+7)</b>	<b>1.600.451</b>	<b>100%</b>	<b>1.407.823</b>	<b>100%</b>	<b>1.284.856</b>	<b>100%</b>	<b>-12%</b>	<b>-9%</b>
	<b>LIABILITIES</b>								
9.	Liabilities from taken loans, net (9a+9b-9c)	1.530.128	96%	1.320.288	94%	1.250.695	97%	-14%	-5%
9a)	liabilities from short term loans	617.050	39%	61.817	4%	61.300	5%	-90%	-1%
9b)	liabilities from long term loans	913.079	57%	1.259.252	89%	1.190.027	93%	38%	-5%
9c)	cost and fees paid in advance	1	0%	781	0%	632	0%	78000%	-19%
10.	Other liabilities	41.702	3%	40.242	3%	25.694	2%	-4%	-36%
	<b>TOTAL LIABILITIES (9+10)</b>	<b>1.571.830</b>	<b>98%</b>	<b>1.360.530</b>	<b>97%</b>	<b>1.276.389</b>	<b>99%</b>	<b>-13%</b>	<b>-6%</b>
11.	Core capital	28.111	2%	36.064	3%	66.379	5%	28%	84%
12.	Reserves	1.705	0%	1.975	0%	3.423	0%	16%	73%
13.	Accumulated profit/loss	-1.195	0%	9.254	1%	-61.335	-5%	-874%	-763%
	<b>TOTAL CAPITAL (11+12+13)</b>	<b>28.621</b>	<b>2%</b>	<b>47.293</b>	<b>3%</b>	<b>8.467</b>	<b>1%</b>	<b>65%</b>	<b>-82%</b>
	<b>TOTAL LIABILITIES (9+10+11+12+13)</b>	<b>1.600.451</b>	<b>100%</b>	<b>1.407.823</b>	<b>100%</b>	<b>1.284.856</b>	<b>100%</b>	<b>-12%</b>	<b>-9%</b>
14.	Asset per employee (000 KM)	5.928		5.677		5.181			
15.	Total liabilities to capital	54,92		28,77		150,75			
16.	CIR (Ratio of expenses and income)*	99,40%		72,99%		77,52%			
17.	Risk weighted passive interest rate	N/A		11,00%		8,61%			
18.	Risk weighted nominal active interest rate	N/A		4,33%		3,51%			

\*The calculation does not include the provisioning expenses

*Attachment 6. Consolidated Income Statement through periods (in 000 KM)*

No.	DESCRIPTION	31.12.2008		31.12.2009		30.6.2010		% growth	
		Amount (000 KM)	% in total income	Amount (000 KM)	%in total income	Amount (000 KM)	% in total income	2009/2008	2010/2009
<b>I</b>	<b>FINANCIAL INCOME AND EXPENSES</b>								
<b>1.</b>	<b>Interest income (1a+1b)</b>	<b>115.935</b>	<b>75%</b>	<b>120.123</b>	<b>78%</b>	<b>48.864</b>	<b>76%</b>	<b>4%</b>	<b>-19%</b>
1a)	Interest on financial leasing	53.136	34%	64.479	42%	23.954	37%	21%	-26%
1b)	Other interest income	62.799	41%	55.644	36%	24.910	39%	-11%	-10%
<b>2.</b>	<b>Interest expenses</b>	<b>95.816</b>	<b>62%</b>	<b>61.774</b>	<b>40%</b>	<b>22.530</b>	<b>35%</b>	<b>-36%</b>	<b>-27%</b>
<b>3.</b>	<b>Net income from interest (1.-2.)</b>	<b>20.119</b>	<b>13%</b>	<b>58.349</b>	<b>38%</b>	<b>26.334</b>	<b>41%</b>	<b>190%</b>	<b>-10%</b>
<b>II</b>	<b>OPERATING INCOME AND EXPENSES</b>								
<b>4.</b>	<b>Operating income (4a+4b)</b>	<b>38.342</b>	<b>25%</b>	<b>33.743</b>	<b>22%</b>	<b>15.331</b>	<b>24%</b>	<b>-12%</b>	<b>-9%</b>
4a)	Operating leasing income	13.880	9%	14.746	10%	6.789	11%	6%	-8%
4b)	Other operating income	24.462	16%	18.997	12%	8.542	13%	-22%	-10%
<b>5.</b>	<b>Operating expenses (5a+5b+5c)</b>	<b>57.605</b>	<b>37%</b>	<b>53.959</b>	<b>35%</b>	<b>23.428</b>	<b>36%</b>	<b>-6%</b>	<b>-13%</b>
5a)	Salary and contributions expenses	11.754	8%	11.089	7%	5.394	8%	-6%	-3%
5b)	Business premises expenses	7.411	5%	14.281	9%	7.642	12%	93%	7%
5c)	Other operating expenses	38.440	25%	28.590	19%	10.392	16%	-26%	-27%
<b>6.</b>	<b>Expenses for reserves for losses</b>	<b>18.437</b>	<b>12%</b>	<b>25.270</b>	<b>16%</b>	<b>87.714</b>	<b>137%</b>	<b>37%</b>	<b>594%</b>
<b>7.</b>	<b>Income before tax (3+4-5-6)</b>	<b>-17.580</b>	<b>-11%</b>	<b>12.864</b>	<b>8%</b>	<b>-69.477</b>	<b>-108%</b>	<b>-173%</b>	<b>-1.180%</b>
8.	Income tax	-124	0%	1.839	1%	95	0%	-	1.583%
<b>9.</b>	<b>Net income (7-8)</b>	<b>-17.456</b>	<b>-11%</b>	<b>11.025</b>	<b>7%</b>	<b>-69.572</b>	<b>-108%</b>	<b>-163%</b>	<b>-1.362%</b>



*Attachment 7. Rating the aggregate balance sheet*

31.12.2009.					30.6.2010.					
Rating	Leasing company	Balance sheet amount (000 KM)	Partic. 2009.	Cumul. partic.	Rating	Leasing company	Balance sheet amount (000 KM)	Partic. 2010.	Cumul. partic.	Aggreg. Balance Sheet ratio
1.	Hypo Alpe-Adria-Leasing d.o.o.	592.668	42%	42%	1.	Hypo Alpe-Adria-Leasing d.o.o.	499.645	39%	39%	84
2.	Raiffeisen Leasing d.o.o.	307.525	22%	64%	2.	Raiffeisen Leasing d.o.o.	270.109	21%	60%	88
3.	UniCredit Leasing doo	156.608	11%	75%	3.	UniCredit Leasing doo	180.962	14%	74%	116
4.	VB Leasing d.o.o.	111.350	8%	83%	4.	VB Leasing d.o.o.	105.676	8%	82%	95
5.	NLB Leasing d.o.o. Sarajevo	85.576	6%	89%	5.	NLB Leasing d.o.o. Sarajevo	78.096	6%	88%	91
6.	Asa Abanka Leasing d.o.o.	76.407	5%	94%	6.	Asa Abanka Leasing d.o.o.	74.633	6%	94%	98
7.	S-Leasing d.o.o. Sarajevo	44.048	3%	98%	7.	S-Leasing d.o.o. Sarajevo	44.789	3%	98%	102
8.	Euroleasing d.d. Mostar	33.641	2%	100%	8.	Euroleasing d.d. Mostar	30.946	2%	100%	92
<b>TOTAL</b>		<b>1.407.823</b>	<b>100%</b>		<b>TOTAL</b>		<b>1.284.856</b>	<b>100%</b>		<b>91</b>