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TO THE MEDIA

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Performance results of the microcredit sector in the Federation of BiH in the third quarter of 2012.

In comparison to the end of the previous year, at the end of the third quarter of 2012 recorded is a slight incline of the gross portfolio of the MCOs.

The MCOs aggregate balance sheet as of 30.09.2012. was 503,7 million KM and it increased by 1,2 million KM or 0,2% in comparison to the end of 2011.

In comparison to the same period, the gross loans increased by 2 % and in the third quarter reached the amount of 424,1 million KM.

The core source of funding for the MCOs are the liabilities from taken loans, which as of 30.09.2012. were 320,4 million KM or 64% of the total liabilities of the MCOs, which is downfall of 4% in comparison to the balance as of 31.12.2011.

The total MCOs' capital as of 30.09.2012, was 161,6 million KM or 32% of the total liabilities of the MCOs, which is an increase by 8% in comparison to the end of the previous year.

Based on the submitted reports for the third quarter, it is evident that, on the level of the microcredit sector in the Federation of BiH, realized is a positive result in the amount of 10.840 thousand KM, which is by 40% higher than for the same period last year.

Although majority of the microcredit organizations, which are examined, are performing in compliance with the existing regulations and goals for which they were established, there were still noticed in certain organizations significant weaknesses and irregularities in the performance. In a small number of MCFs it was determined that, in managing the property of the MCFs, their management bodies were not adhering to the principles of performance with approach of a good businessman and professional, and were creating high, unnecessary and unjustifiable expenses, which are supported by high interest rates, contrary to the MCFs' charter mission.

Therefore, MCOs should work on increasing the responsibility of the management boards, securing the independence of the internal audit form the MCOs' management, as well as establishing the control mechanisms for the sustainability of the projects and materially significant performance expenses, with an aim to decrease the interest rates on microloans and achieving the goals of improving the material position of users of the microloans defined by the Law on MCOs. The consolidation of the MCOs is still an imperative in regard to the optimizing of the resources, preservation of the donated funds, securing the support of the creditors, as well as providing for the future of the numerous employees in the MCO sector.

PUBLIC RELATIONS OFFICE