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TO THE MEDIA

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MICROCREDIT SECTOR OF THE FEDERATION OF BiH IN 2012.

***Decreased number of guarantors repaying the loans***

Based on the data as of the end of the previous year, it is evident that the adverse economic situation in the country, the overall excessive debt of the clients, decrease of the business activities of the economic subjects and other negative factors had a vast effect on the performance of these exclusively credit institutions.

In the Federation of BiH, as of 31.12.2012, there were operating 14 MCOs, of which 13 MCF and 1 MCC.

The aggregate balance sheet of the MCOs in the same period was 499,7 million KM and is lower by 2,8 million KM or 1% in comparison to the balance as of 31.12.2011. The total gross loans of the MCOs as of 31.12.2012., were 417,2 million KM and are 83% of the total assets of the MCOs, while the net loans are 409,6 million KM. The loans on the gross base are higher by 1% in comparison to the balance as of the end of 2011. The core sources of funds for MCOs are the liabilities on loans taken, which as of 31.12.2012. are 312,1 million KM or 62% of the total liabilities of MCOs and are lower by 6% in comparison to the same period in 2011.

The positive aspect is that, according to the reports on the repayment of MCOs' loans in the Federation of BiH in the previous year, the number of guarantors who are repaying the loans has decreased by half. As of 31.12.2012, 4.018 guarantors repaid 1,8 million KM of the total amount of granted loans which are repaid by this insurance instrument in the amount of 24 million KM (3.689 loan accounts), that is 53% less guarantors who are repaying loans in comparison to the same period in 2011. (7.805 loan accounts). With an aim to better protect the guarantors and recover the trust in MCOs, as well as reduce the irregularities in their performance, the Agency will, in accordance with its regulations, insist on a solid internal procedure and efficient internal audit in order to correct the vagueness in the loan relations and prevent and prohibit criminal acts.

The total capital of MCOs in the past year was 163,5 million KM or 33% of the total liabilities of MCOs and is higher by 9% in comparison to the end of 2011.

In regard to the income as of 31.12.2012, on the level of the microcredit sector in the Federation of BiH, realized is a positive financial result in the amount of 13.142 thousand KM, which is by 19% more than in comparison to the same period previous year.

**PUBLIC RELATIONS OFFICE**