



World Council of Credit Unions, Inc.

Quarterly Project Report No. 26

January 1, 2002 – March 31, 2002

**Development of User-Owned Rural
Financial Institutions in FYR Macedonia**

USAID Project EPE-A-00-95-00103-00

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WOCU

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- A. PEARLS Consolidated Reports
- B. FSH Gender Representation Report
- C. FULM Savings House featured article

List of Acronyms/Abbreviations

AC FULM	Association of Citizens <i>Financial Services for the People of Macedonia</i> — The not-for-profit organization created as WOCCU's local counterpart and the sole owner of the savings house company.
FSH	FULM Savings House — The local financial institution created by WOCCU to provide the intended savings & lending services. Licensed as a limited services savings bank under local law, the company was fully capitalized by a grant from project funds.
MBRC	Macedonian Business Resource Center
NBRM	National Bank of the Republic of Macedonia
USAID	United States Agency for International Development
WOCCU	World Council of Credit Unions, Inc.

Financial Indicators: Actual vs. Target

Financial Indicators	Actual as of 03/31/2002	Actual as of 12/31/2001	Target (For 2002)	Target LOP 08.30.2002	On Track (Y/N)
Number of Loans Outstanding	449	490	650	650	Y
Number of Loans Disbursed since Inception	961	Information Not Available	1300	1300	Y
Loan Volume	517,974	368,069	900,000	602,000.00	Y
# Of Savers	1,547	1,273	2200	4,400	Y
Saving Volume	178,265	155,545	370,000	860,000.00	N
Member Shares	36,987	31,222			
Loan Loss Rate					
Portfolio at Risk > 30 days	0	0	3%		Y
% Women	23%	21%	30%	25%	Y
Other Indicators					
Distribution of portfolio by economic activity (e.g., ag, micro-enterprise, housing, etc.)	Information Not Available				
# And volume of micro-enterprise loans	449	490	600	600	Y
ROA	5.59%	2.80%	5.00%	5.00%	Y

Executive Summary

An Assessment of the financial performance of the WOCCU/Macedonia FULM Savings House (FSH) project was held January 22—29, 2002. The assessment focused on the development of FSH and WOCCU's supporting technical assistance. The assessment brought forth the challenges faced during the project period, 1995 to current date, and the adaptation of the project and FSH development as a result of those challenges.

During the January—March 2002 reporting period WOCCU provided training in the following areas: Computer Network System Handling for all branch managers of FSH, Savings House Accounting Procedures specifically for the branch manager of Nerashte, Credit Committee Procedures for the Murtino branch credit committee and the head of the Supervisory Committee of FSH, Money Laundering Policy and Money Laundering Prevention Procedures for all branch managers, as well as FSH teller point employees, and Asset Liability Management Introduction for all official family members of AC FULM, FSH and local FSH staff and official families.

Since the operational functioning and development of FSH has been streamlined there is more opportunity to begin outreach to other USAID programs, as well as other community organizations within Macedonia. WOCCU is trying to develop a women's training program along with SEED. The WOCCU—SEED joint training program will focus on women's small business organizational development and focus on the areas of budgeting and marketing.

WOCCU is also beginning work with Community Based Development Program, which consists of 7 other USAID Strategic Objective 1.3 projects. The idea behind the community development is for each USAID project to present to municipality leaders that, which our projects can do to assist in the development of their local communities. Our first combined local presentations will be held in Debar and Kriva Palanka on April 9th and 11th, 2002.

During the month of March 2002 much time and effort has been spent on locating an area in Bitola to open FSH's sixth branch. We are hoping to have the location in Bitola finalized as of the end of April 2002.

FSH's board of directors has voted to begin an Initiative Group in the Kumanovo area. This means that an organized group within the Kumanovo area will begin to actively market FSH and begin to mobilize savings in the hope of organizing to the levels required to open an FSH branch locally within their region. The Stip area has also spoken to the Director of FSH wishing to organize an Initiative Group in that region, as well.

I. PROJECT IMPLEMENTATION AND RESULTS ACHIEVED

A. Project Progress vs. Targets

As of March 31, 2002, the following targets are to be achieved as a result of project work:

- 1) FSH must have mobilized total member savings in the amount of \$860,000; 2) total outstanding member loans must equal \$602,000; 3) and total membership must equal 4,400.

The following progress has been made towards achievement of targets:

1. Savings Mobilization of \$860,000 (21.08% complete). As of March 31, 2002, membership savings is at a balance of \$178,265. Savings growth continues to be slow due to the inability of savings houses to mobilize savings in foreign currency.
2. Total loans outstanding of \$602,000 (86% complete). As of March 31, 2002 the total outstanding loan balance for FSH is at \$517,974. Loan growth is not an issue in Macedonia. Most members join the savings house for the ability to obtain financial credit. FSH practices strict credit reviews to ensure all loans to members are of the utmost safety and soundness.
3. Total membership of 4,400 (35.15% complete). Total membership of FSH as of March 31, 2002 is 1,547. Membership growth has been augmented by the large membership growth of the Murtino branch. The rural community of Murtino may surpass the JSP Branch, which is located in Skopje, the capital city of Macedonia. JSP has been the largest of the FSH branches since operations began in 2000.

B. Analysis of Financial Performance of Project Credit Unions

1. Protection-Protection is maintained for FSH as of March 2002. Delinquency is still at 0% of total loan portfolio. Solvency of FSH is above the minimum PEARLS prudential standards of 100%.
2. Effective Financial Structure – The last 6 months have shown positive growth in the area of Net Loans/Total Assets. The ratio of 66.19% brings the FSH very close to the Goal for Prudential Standards held by WOCCU (70-80%).

Even though savings growth remains slow, membership savings balances are still reflecting a positive growth trend.

The Institutional Capital/Total Assets ratio is also improving with FSH contributing to its capital through net income monthly.

3. Asset Quality- Total Delinquency for FSH remains at 0% as of end of March 2002.

Non-earning assets are in line with the 5% PEARLS ratio requirement of Non Earning Assets/Total Assets at 5.70% as of March 31, 2002.

4. Rates of Return and Costs – Gross Margin of 16.95% obtained by FSH is adequate to cover the financial costs of operational expenses (10.28%) and Provisions for risk assets (1.08%) with a Net Income remaining of 5.59% as of March 2002.

The Financial Costs of savings deposits of 10.98% reflects the fact that the savings house is paying an interest rate, which is higher than the Macedonia inflation rate of 6%.

Operating expenses are controlled at 10.28% of average assets.

5. Liquidity-Liquid Assets-Short Term Payables/Total Deposits is adequate at 13.10%.

Liquidity Reserves to Total Savings Deposits is adequate for Macedonia's requirements.

The Non Earning Liquid Assets ratio is a little high at 4.08%, but it is needed for cash transaction purposes in FSH.

6. Signs of Growth –Positive growth trends are seen in all of the most pertinent areas: loans, savings, member shares and membership numbers.

Financial investments are showing a negative growth trend of -39.35% since financial investments were freed up for cash purposes to loan out to members.

Total asset growth is being controlled at this time so that FSH may normalize the workload it has been experiencing due to large growth over the last 6 months. As operations become more streamlined and the FSH staff becomes more able to handle additional growth, asset growth will continue again. Asset growth will occur once the sixth branch in the Bitola region is opened.

C. Summary of Ranking of FULM Savings House

WOCCU has developed a credit union ranking system consisting of 13 crucial ratios (see Table below). FSH has scored 7 points out of a maximum of 13 on their consolidated branch report.

During the remainder of the project period, work will be focused on further improving the Standards of Excellence ratios.

Table 1: WOCCU Standards of Excellence-FULM Savings House Consolidated Branch Report

Ratio	P2	P3	E1	E5	E9	A1	A2	R7	R9	R12	L2	S10	S11	
Goal	100%	Yes	70 to 80%	70 to 80%	10% or more	5% or less	5% or less	Equal or more than R5	3 to 10%	Reach goal in E8	10%	Membership Growth	Asset Growth	Score
09/30/01	100	Yes	39.02	13.72	5.52	0	5.06	0	8.24	2.52	1.81	75.26	573.08	9
12/31/01	100	Yes	49.32	20.84	5.08	0	4.33	0	14.75	2.79	1.43	117.24	677.16	8
03/31/02	100	Yes	66.19	23.25	4.97	0	5.70	0	10.28	5.59	2.22	21.52	2.20	7

*Note: Due to FSH development of a centrally operated facility, the consolidated financial reports were used for the table above. Individual branch ranking reports are available upon request.

D. Summary of Other Key Activities Implemented During the Reporting Period

New Branch Development

The FSH is currently reviewing property locations for their sixth branch in Bitola. At least 15 storefront properties have been viewed. We are hoping to finalize the property decision by the end of April 2002. Currently, computer and office equipment are being ordered for the new branch. Once the location is found, a branch manager will be hired and trained, and FSH, along with WOCCU, will organize the branch's first membership assembly. We are hoping to hold the assembly late May 2002 with the branch to officially open in June of this year.

Other areas of development are: Kumanovo and Stip. Both areas are organizing their Initiative Groups to begin savings mobilization. With the new branch opening structure in place once persons have deposited their member shares to open an account, FSH savings and loan products will become available for use through FSH Central offices in Skopje.

Regional Development

As stated in previous reports WOCCU along with FSH has divided Macedonia into 14 regions. These 14 regions each have an AC FULM Association Club associated to its specific area. Over the reporting period we have focused on

the development of the AC FULM Association Clubs to ensure that each club is fully formed and holds its first organizational meeting.

At the organizational meetings the association club members vote for an Association Club President and a Regional Representative. The responsibility of Association Club President is to work with the Initiative Group Leader in marketing and savings mobilization within their region. The Regional Representative is the representative who is authorized to vote on behalf of his/her region at the Annual General Assembly of AC FULM held each May. This is important to ensure regional representation at the AC FULM Board level of FSH. Hopefully, each region will be active enough to provide leadership even in those areas that do not have an open branch of the savings house. AC FULM board members should not only consist of members from areas that have branches open, but should also include member/directors from areas that are composed of members using FSH services through FSH Central.

Credit Bureau Agency

Meetings have been held with Lene Mikkelson, Program Coordinator of SEED in Skopje, with the hopes of starting a joint effort in developing a national credit bureau in Macedonia. Each project, SEED and WOCCU, realizes the necessity for this type of institution, but neither project at this time has the funding to begin the credit bureau initiative.

In March 2002, WOCCU met with the local USAID mission to inform local staff on how WOCCU could provide assistance in this area of development. No further communication has been received from USAID.

IT Development

In March 2002, at a seminar held by the Macedonian Business Resource Center (MBRC) WOCCU/FSH met Saso Eftimoski, a representative of MBRC, who aides in helping local businesses find IT solutions. MBRC's representative will be working with our offices to help us find a solution to the banking software needs of FSH. Mr. Eftimoski will be setting up appointments with local banks so that we may review their banking software systems. Our first review of a local bank's software will be at the beginning of April 2002. Since WOCCU/FSH has reviewed many software systems within the last 5-month period, it is hoped that seeing a system "live" in a bank will help us to determine which software is adequate for FSH.

Cooperation with Other USAID Projects

On April 23rd and 25th FSH will give a presentation on the benefits of belonging to FSH to the Sheep Herders Association. The presentation came as a request from Land O'Lakes, which has been working closely with the Sheep Herders Association in Macedonia. FSH Products and services will be reviewed with the participants and all will be urged to open an account at the

savings house. Additional work between Land O'Lakes and WOCCU/FSH is being reviewed.

A meeting with the local SEED offices was held on March 19, 2002. The purpose of this meeting was to determine if there was any way WOCCU and the SEED offices could work together. The idea is to have FSH work with the development of women in Macedonia regarding issues such as budgeting and obtaining small credits for business purposes. WOCCU/FSH would like to find a joint partner that would carry the training one step further, which would be to train women in the development of their own micro businesses and the marketing of those businesses. SEED will facilitate communication between WOCCU/FSH and people willing to work in this joint educational venture.

E. Problems Encountered

The FSH will face a liquidity shortage within the next 2 months due to slow growth of member savings deposits. Since outstanding loan volume is already at \$507,623, the donor capital of \$500,000 has been used for lending purposes to FSH members.

FSH, along with WOCCU, has only 2 solutions to the liquidity shortage:

1. Increase member savings growth-which will be difficult due to the regulatory impediment of mobilizing savings in foreign currency.
2. Rationing Member Credits, which would not reflect positively on the FSH as a financial institution in Macedonia.

II. SUMMARY OF ACTIVITIES FOR THE NEXT PERIOD.

- A. Continued development of the National Advertising Campaign for FULM Savings House
- B. Training held for Collections
- C. Solution to Financial Software for FSH
- D. AGM for AC FULM
- E. Begin branch opening processes of Bitola region

Attachment A

**FSH PEARLS Reports
As of March 31, 2002**

Consolidated Branches

P-E-A-R-L-S RATIOS

Based on USS

P-E-A-R-L-S RATIOS

Number of Credit Unions in this Report

P PROTECTION

Goals	30-Jun-00	31-Dec-00	30-Jun-01	31-Dec-01	31-Mar-02	Annual Goal	% Complete	
	3	3	4	5	5	0		
1. Loan Loss Allowances / Delinq. >12 Mo.	100%	100.00%	100.00%	100.00%	100.00%	100.00%	0.00%	NA
2. Net Loan Loss Allow. / Allow. Required for Delinq. 1-12 Mo.	100% of Goal	100.00%	100.00%	100.00%	100.00%	100.00%	0.00%	NA
3. Complete Loan Charge-Off of Delinquency > 12 Mo.	Yes	Yes	Yes	Yes	Yes	Yes	0	NA
4. Annual Loan Charge-offs / Average Loan Portfolio	Minimized	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	NA
5. Accum. Charge-Offs Recovered / Accum Charge-Offs	100%	NA	NA	NA	NA	NA	0.00%	NA
6. Solvency	Min 100%	81.86%	80.91%	134.71%	119.92%	121.78%	0.00%	NA
7. Allowance for Investment Losses/ Non-Regulated Investments	NA	0.00%	0.00%	1.93%	1.99%	1.96%	0.00%	NA

E EFFECTIVE FINANCIAL STRUCTURE

1. Net Loans / Total Assets	Between 70 - 80%	9.82%	68.05%	30.25%	49.75%	66.19%	0.00%	NA
2. Liquid Investments / Total Assets	Max 20 %	86.39%	28.78%	9.10%	0.30%	0.52%	0.00%	NA
3. Financial Investments / Total Assets	Max 10 %	0.00%	0.00%	56.60%	46.50%	27.60%	0.00%	NA
4. Non-Financial Investments / Total Assets	0%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	NA
5. Savings Deposits / Total Assets	Between 70 - 80%	20.41%	35.11%	10.93%	21.04%	23.25%	0.00%	NA
6. External Credit / Total Assets	Max 5%	0.00%	23.12%	2.25%	0.00%	0.00%	0.00%	NA
7. Member Share Capital / Total Assets	Max 20 %	19.49%	14.57%	3.28%	4.22%	4.82%	0.00%	NA
8. Institutional Capital / Total Assets	Minimum 10%	-7.44%	-10.89%	3.01%	3.01%	3.04%	0.00%	NA
9. Net Institutional Capital / Total Assets	Minimum 10%	-7.24%	-9.48%	4.93%	5.03%	4.97%	0.00%	NA

A ASSET QUALITY

1. Total Delinquency / Gross Loan Portfolio	Less Than or Equal To 5%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	NA
2. Non-Earning Assets / Total Assets	Less Than or Equal To 5%	3.79%	3.17%	4.05%	3.45%	5.70%	0.00%	NA
3. Net Zero Cost Funds / Non-earning Assets	Greater Than or Equal To 100%	1592.52%	902.32%	2111.39%	2225.01%	1296.77%	0.00%	NA

R RATES OF RETURN AND COSTS (ANNUALIZED)

1. Net Loan Income / Average Net Loan Portfolio	Enterprenurial Rate	2.73%	6.32%	18.64%	21.86%	26.39%	0.00%	NA
2. Liquid Inv. Income / Avg. Liquid Investments	Market Rates	3.93%	8.35%	10.23%	78.69%	916.62%	0.00%	NA
3. Fin. Investment Income / Avg. Fin. Investments	Market Rates	NA	NA	23.89%	21.37%	8.20%	0.00%	NA
4. Non-Fin. Inv. Income / Avg. Non-Fin. Investments	Greater Than or Equal to R1	NA	NA	NA	NA	NA	0.00%	NA
5. Fin Costs: Savings Deposits / Avg. Savings	Market Rates	7.86%	5.37%	10.84%	9.43%	10.98%	0.00%	NA
6. Fin Costs: External Credit / Avg. External Credit	Less Than or Equal to R5	NA	1.60%	15.16%	88.33%	282636033.	0.00%	NA
7. Fin Costs: Member Shares / Avg. Member Shares	Greater Than or Equal to R5	0.00%	0.00%	3.48%	0.00%	0.00%	0.00%	NA
8. Gross Margin / Average Assets	Amount Needed to Cover R9, R10	2.06%	4.45%	16.89%	18.40%	16.95%	0.00%	NA
9. Operating Expenses / Average Assets	3 -10%	15.95%	13.76%	13.45%	15.42%	10.28%	0.00%	NA
10. Provisions for Risk Assets / Average Assets	Sufficient for Estimated Losses	0.40%	1.41%	0.32%	0.83%	1.08%	0.00%	NA
11. Other Income or Expense / Average Assets	Amount Needed	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	NA
12. Net Income / Average Assets	Enough to reach the goal for E8	-14.29%	-10.72%	3.12%	2.16%	5.59%	0.00%	NA

L LIQUIDITY

1. Liquid Assets - ST Payables / Total Deposits	Minimum 15%	433.29%	83.78%	105.41%	9.89%	13.10%	0.00%	NA
2. Liquidity Reserves / Total Savings Deposits	10%	0.00%	0.00%	1.89%	1.43%	2.22%	0.00%	NA
3. Non-Earning Liquid Assets / Total Assets	Less Than 1 %	2.81%	2.33%	2.97%	2.77%	4.08%	0.00%	NA

S SIGNS OF GROWTH (YEAR-TO-DATE GROWTH)

1. Net Loans	Sufficient to Achieve Goal in E1	NA	NA	159.32%	454.20%	35.97%	0.00%	NA
2. Liquid Investments	Sufficient to Achieve Goal in E2	NA	NA	84.42%	-92.07%	75.24%	0.00%	NA
3. Financial Investments	Sufficient to Achieve Goal in E3	NA	NA	100.00%	100.00%	-39.35%	0.00%	NA
4. Non-Financial Investments	Sufficient to Achieve Goal in E4	NA	NA	0.00%	0.00%	0.00%	0.00%	NA
5. Savings Deposits	Sufficient to Achieve Goal in E5	NA	NA	81.62%	354.29%	12.90%	0.00%	NA
6. External Credit	0%	NA	NA	-43.26%	-100.00%	100.00%	0.00%	NA
7. Member Shares	Sufficient to Achieve Goal in E7	NA	NA	31.25%	119.73%	16.70%	0.00%	NA
8. Institutional Capital	Sufficient to Achieve Goal in E8	NA	NA	261.31%	309.64%	3.17%	0.00%	NA
9. Net Institutional Capital	Sufficient to Achieve Goal in E9	NA	NA	403.40%	502.39%	0.96%	0.00%	NA
10. Membership	Minimum 5%	NA	NA	34.64%	117.24%	21.52%	0.00%	NA
11. Total Assets	More Than Inflation	NA	NA	483.29%	658.07%	2.20%	0.00%	NA
Inflation Rate (Annualized)		6.00%	6.00%	6.00%	7.00%	6.00%		

Consolidated Branches

Based on USS

BALANCE SHEET

	6/30/00	12/31/00	6/30/01	12/31/01	3/31/02	Annual Goal	% Complete
Number of Credit Unions in this Report	3	3	4	5	5		0
Assets							
Earning Assets							
<i>Loans to Members</i>							
Short Term (<=1 Year)	5,656	68,737	178,248	381,272	102,452	0	NA
Medium-Term (1-3 Years)	0	0	0	0	415,522	0	NA
Long-Term (> 3 Years)	0	0	0	0	0	0	NA
Other Special Loans	0	0	0	0	0	0	NA
Loan Loss Allowances	(113)	(1,375)	(3,565)	(7,952)	(10,359)	0	NA
Total Net Loans	5,543	67,362	174,683	373,321	507,615	0	NA
<i>Liquid Investments</i>							
<i>Non-Regulated Liquid Investments</i>							
Liquidity Reserves - CFF	0	0	0	0	0	0	NA
Other Liquidity Reserves	0	0	1,196	2,259	3,958	0	NA
Short-Term CFF Deposits	0	0	0	0	0	0	NA
Short-Term Bank Deposits	0	0	0	0	0	0	NA
Short-Term Securities and Investments	0	0	0	0	0	0	NA
Other Liquid Investments 1	48,749	28,489	51,343	0	0	0	NA
Other Liquid Investments 2	0	0	0	0	0	0	NA
Other Liquid Investments 3	0	0	0	0	0	0	NA
Total Non-Regulated Liquid Investments	48,749	28,489	52,539	2,259	3,958	0	NA
<i>Regulated Liquid Investments</i>							
Liquidity Reserves	0	0	0	0	0	0	NA
Short-Term Deposits in Regulated Fin.Institutions	0	0	0	0	0	0	NA
ST Government or Regulated Securities and	0	0	0	0	0	0	NA
Total Regulated Liquid Investments	0	0	0	0	0	0	NA
Liquid Investments Allowances	0	0	0	0	0	0	NA
Total Liquid Investments	48,749	28,489	52,539	2,259	3,958	0	NA
<i>Financial Investments</i>							
<i>Non-Regulated Financial Investments</i>							
Shares - League/Affiliation	0	0	0	0	0	0	NA
Long-Term CFF Deposit	0	0	0	0	0	0	NA
Long-Term Bank Deposits	0	0	334,247	356,061	215,942	0	NA
Long-Term Securities & Investments	0	0	0	0	0	0	NA
Other Financial Investments 1	0	0	0	0	0	0	NA
Other Financial Investments 2	0	0	0	0	0	0	NA
Other Financial Investments 3	0	0	0	0	0	0	NA
Total Non-Regulated Financial Investments	0	0	334,247	356,061	215,942	0	NA
<i>Regulated Financial Investments</i>							
Shares in Financial Institutions	0	0	0	0	0	0	NA
Long-Term Deposits in Regulated Fin.Institutions	0	0	0	0	0	0	NA
LT Government or Regulated Securities and	0	0	0	0	0	0	NA
InterBranch Investments	0	0	0	0	0	0	NA
Total Regulated Financial Investments	0	0	0	0	0	0	NA
Financial Investments Allowances	0	0	(7,452)	(7,121)	(4,319)	0	NA
Total Financial Investments	0	0	326,795	348,939	211,623	0	NA
<i>Non-Financial Investments</i>							
Various	0	0	0	0	0	0	NA
Non-Financial Investments Allowances	0	0	0	0	0	0	NA
Total Non-Financial Investments	0	0	0	0	0	0	NA
Total Earning Assets	54,292	95,851	554,016	724,519	723,197	0	NA
Additional Loan Portfolio Information							
Delinquency Based on Outstanding Balance of Loan?	Payment	Payment	Balance	Balance	Balance	Payment	
Delinquency							
1 TO 12 Months	0	0	0	0	0	0	NA
More Than 12 Months	0	0	0	0	0	0	NA
Total Balance Of Delinquent Loans	0	0	0	0	0	0	NA
Loans to Members (Gross)	5,656	68,737	178,248	381,272	517,975	0	NA
Accumulated Charge-Offs (Historical)	0	0	0	0	0	0	NA
Recovery of Loans Charged-Off (Historical)	0	0	0	0	0	0	NA

Consolidated Branches

Based on US\$

BALANCE SHEET

	6/30/00	12/31/00	6/30/01	12/31/01	3/31/02	Annual Goal	% Complete
Non-Earning Assets							
<i>Liquid Assets</i>							
Cash & Equivalents	1,440	659	1,871	2,977	9,797	0	NA
Current Accounts (Checking)	144	1,644	15,288	17,805	21,525	0	NA
Foreign Currency	0	0	0	0	0	0	NA
Liquidity Reserves - CFF	0	0	0	0	0	0	NA
Other Liquidity Reserves	0	0	0	0	0	0	NA
Other Liquid Assets	0	0	0	0	0	0	NA
Total Liquid Assets	1,584	2,303	17,158	20,782	31,322	0	NA
<i>Accounts Receivable</i>							
Debtors	0	0	0	0	0	0	NA
Interest Receivable	552	851	5,680	5,209	12,173	0	NA
Notes Receivable	0	0	0	0	0	0	NA
Payroll Deductions Receivable	0	0	0	0	0	0	NA
Other Accounts Receivable	0	0	0	0	0	0	NA
Receivable Loss Allowances	0	(17)	(76)	(104)	(143)	0	NA
Total Accounts Receivable	552	834	5,604	5,105	12,029	0	NA
<i>Fixed Assets</i>							
Land	0	0	0	0	0	0	NA
Buildings (Cost)	0	0	0	0	0	0	NA
Leasehold Improvements	0	0	0	0	0	0	NA
Furniture & Equipment	0	0	0	0	0	0	NA
Accumulated Depreciation - Buildings	0	0	0	0	0	0	NA
Accum. Depreciation - Leasehold Improv.	0	0	0	0	0	0	NA
Accum. Depreciation - Furniture & Equip.	0	0	0	0	0	0	NA
Total Net Fixed Assets	0	0	0	0	0	0	NA
<i>Other Assets</i>							
Assets in Liquidation	0	0	0	0	0	0	NA
Organization Expenses	0	0	0	0	0	0	NA
Prepaid Expenses	0	0	608	0	330	0	NA
Other Deferred Assets	0	0	0	0	0	0	NA
Accumulated Amortization	0	0	0	0	0	0	NA
Total Other Assets	0	0	608	0	330	0	NA
<i>Problem Assets</i>							
Doubtful Assets	0	0	0	0	0	0	NA
Accounting Discrepancy - Assets	0	0	0	0	0	0	NA
Other Problem Assets	0	0	0	0	0	0	NA
Total Problem Assets	0	0	0	0	0	0	NA
Total Non-Earning Assets	2,137	3,138	23,370	25,887	43,682	0	NA
Total Assets	56,429	98,989	577,386	750,406	766,878	0	NA
Number Of CU Members							
Men	412	559	686	1,015	1,195	0	NA
Women	28	27	103	258	352	0	NA
Gender not Reported	0	0	0	0	0	0	NA
Total Number Of Members	440	586	789	1,273	1,547	0	NA
Number of Other Service Users							
Youth	0	0	0	0	0	0	NA
Third Parties	0	0	0	0	0	0	NA
Total Number of Other CU Service Users	0	0	0	0	0	0	NA
Total Number Of Members & Other CU Service	440	586	789	1,273	1,547	0	NA

Consolidated Branches

Based on US\$

BALANCE SHEET

	6/30/00	12/31/00	6/30/01	12/31/01	3/31/02	Annual Goal	% Complete
LIABILITIES							
INTEREST BEARING LIABILITIES							
<i>Savings Deposits</i>							
Regular Savings	47	276	1,027	4,620	4,597	0	NA
Term/Fixed Savings	6,645	22,236	62,100	10,927	14,885	0	NA
Youth Savings	0	0	0	119	782	0	NA
Special Savings	0	0	0	111,760	122,274	0	NA
Pledged Savings	4,823	12,246	0	30,477	35,727	0	NA
<u>Total Savings Deposits</u>	<u>11,515</u>	<u>34,758</u>	<u>63,127</u>	<u>157,902</u>	<u>178,265</u>	<u>0</u>	<u>NA</u>
<i>External Credit</i>							
External Credit - CFF (<= 1 Year)	0	22,887	0	0	0	0	NA
External Credit - CFF (> 1 Year)	0	0	0	0	0	0	NA
External Credit - Banks	0	0	0	0	0	0	NA
Other External Credit - External Institutions	0	0	0	0	0	0	NA
InterBranch Loans	0	0	12,987	0	0	0	NA
<u>Total External Credit</u>	<u>0</u>	<u>22,887</u>	<u>12,987</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>NA</u>
<u>Total Interest Bearing Liabilities</u>	<u>11,515</u>	<u>57,645</u>	<u>76,114</u>	<u>157,902</u>	<u>178,265</u>	<u>0</u>	<u>NA</u>
<i>Non-Interest Bearing Liabilities</i>							
Short-Term Accounts Payable (<=30 Days)	439	1,673	1,806	7,425	11,931	0	NA
External Credit Payments (<=30 Days)	0	0	1,348	0	0	0	NA
Provisions (e.g. Employee Benefits)	714	0	579	90	3	0	NA
Accounting Discrepancy - Liabilities	0	0	0	0	0	0	NA
Other Liabilities	36,958	36,025	461,218	530,696	507,623	0	NA
<u>Total Non-Interest Bearing Liabilities</u>	<u>38,110</u>	<u>37,698</u>	<u>464,952</u>	<u>538,211</u>	<u>519,556</u>	<u>0</u>	<u>NA</u>
Total Liabilities	49,626	95,343	541,065	696,113	697,821	0	NA
CAPITAL							
<i>Share Capital</i>							
Mandatory Shares	11,000	14,425	18,933	31,695	36,987	0	NA
Voluntary Shares	0	0	0	0	0	0	NA
<u>Total Member Share Capital</u>	<u>11,000</u>	<u>14,425</u>	<u>18,933</u>	<u>31,695</u>	<u>36,987</u>	<u>0</u>	<u>NA</u>
<i>Transitory Capital</i>							
Asset Appreciation Over Cost	0	0	0	0	0	0	NA
Education & Social Reserves	0	0	0	0	0	0	NA
Monetary Reserves	0	0	0	0	0	0	NA
Other Reserves	0	0	0	0	0	0	NA
Accounting Discrepancy - Capital	0	0	0	0	0	0	NA
Undistributed Net Income	0	0	0	0	8,756	0	NA
YTD Net Income (loss)	0	0	0	0	0	0	NA
<u>Total Transitory Capital</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>8,756</u>	<u>0</u>	<u>NA</u>
<i>Institutional Capital</i>							
Statutory & Legal Reserves	0	0	2,283	2,525	0	0	NA
Retained Earnings	0	0	9,871	10,918	12,859	0	NA
Other Reserves	0	0	0	0	0	0	NA
Donations	0	0	0	0	0	0	NA
Undistributed Losses	(175)	(172)	0	0	0	0	NA
YTD Net Income (Loss)	(4,022)	(10,607)	5,234	9,154	10,455	0	NA
<u>Total Institutional Capital</u>	<u>-4,197</u>	<u>-10,779</u>	<u>17,388</u>	<u>22,597</u>	<u>23,314</u>	<u>0</u>	<u>NA</u>
Total Capital	6,803	3,645	36,321	54,293	69,057	0	NA
Total Liabilities and Capital	56,429	98,989	577,386	750,406	766,878	0	NA

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Consolidated Branches

Income Statement
Based on US\$

	Annual Goal						
	6/30/00	12/31/00	6/30/01	12/31/01	3/31/02	0	%
Number of Credit Unions in this Report	3	3	4	5	5	0	
INCOME							
INCOME FROM LOANS							
Interest Income from Loans	75	4,118	10,584	41,225	23,369	0	NA
Delinquent Penalty Interest Income from Loans	0	0	0	0	0	0	NA
Commissions/Fees from Loans	0	140	601	6,939	5,292	0	NA
Insurance Premiums for Loans	0	0	0	0	0	0	NA
NET LOAN INCOME	75	4,259	11,184	48,163	28,661	0	NA
Income from Liquid Investments	956	2,380	2,055	12,098	7,026	0	NA
Income from Financial Investments	0	0	19,360	37,285	5,668	0	NA
Income from Non-Financial Investments	0	0	0	0	0	0	NA
Income from Grants	0	0	0	0	0	0	NA
Income from Other Sources	0	0	0	4	36	0	NA
Gross Income	1,031	6,638	32,599	97,551	41,392	0	NA
COSTS/EXPENSES							
FINANCIAL COSTS							
Interest Expense on Savings Deposits	451	1,865	2,631	8,185	4,055	0	NA
Insurance Premiums for Savings	0	0	0	896	495	0	NA
Taxes on Interest Paid For Savings	0	0	0	0	0	0	NA
Financial Cost - Savings Deposits	451	1,865	2,631	9,081	4,550	0	NA
Financial Cost on External Credit	0	367	1,348	0	0	0	NA
Financial Costs on Interbranch Leans	0	0	0	10,108	5,087	0	NA
Dividend Expense on Shares	0	0	0	0	0	0	NA
Insurance Premiums for Shares	0	0	287	0	0	0	NA
Taxes on Interest Paid for Shares	0	0	0	0	0	0	NA
Financial Cost - Shares	0	0	287	0	0	0	NA
Other Financial Costs	0	0	0	226	51	0	NA
TOTAL FINANCIAL COSTS	451	2,232	4,267	19,415	9,688	0	NA
GROSS MARGIN	580	4,407	28,333	78,136	31,704	0	NA
OPERATING EXPENSES							
Personnel	4,010	11,939	17,405	43,110	11,304	0	NA
Governance	0	0	584	1,577	314	0	NA
Marketing	0	185	702	1,528	166	0	NA
Administration	479	1,497	3,868	19,262	7,450	0	NA
Depreciation	0	0	0	0	0	0	NA
TOTAL OPERATING EXPENSES	4,489	13,622	22,559	65,478	19,234	0	NA
Provision for Risk Assets	113	1,392	539	3,504	2,014	0	NA
NET INCOME FROM OPERATIONS	(4,022)	(10,607)	5,234	9,154	10,455	0	NA
OTHER INCOME / EXPENSE							
Previous periods adjustments (Net)	0	0	0	0	0	0	NA
Extraordinary income (Net)	0	0	0	0	0	0	NA
TOTAL OTHER INCOME/EXPENSE	0	0	0	0	0	0	NA
Income Tax	0	0	0	0	0	0	NA
Net Income/Loss	(4,022)	(10,607)	5,234	9,154	10,455	0	NA

Central-Skopje

P-E-A-R-L-S RATIOS

Based on USS

P-E-A-R-L-S RATIOS

Number of Credit Unions in this Report

P PROTECTION

Goals	30-Jun-00	31-Dec-00	30-Jun-01	31-Dec-01	31-Mar-02	Annual Goal	% Complete	
	0	0	1	1	1	0		
1. Loan Loss Allowances / Delinq. >12 Mo.	100%	NA	NA	100.00%	100.00%	100.00%	0.00%	NA
2. Net Loan Loss Allow. / Allow. Required for Delinq. 1-12 Mo.	100% of Goal	NA	NA	100.00%	100.00%	100.00%	0.00%	NA
3. Complete Loan Charge-Off of Delinquency > 12 Mo.	Yes	NA	NA	Yes	Yes	Yes	0	NA
4. Annual Loan Charge-offs / Average Loan Portfolio	Minimized	NA	NA	NA	0.00%	0.00%	0.00%	NA
5. Accum. Charge-Offs Recovered / Accum Charge-Offs	100%	NA	NA	NA	NA	NA	0.00%	NA
6. Solvency	Min 100%	NA	NA	2837.26%	467.64%	306.94%	0.00%	NA
7. Allowance for Investment Losses/ Non-Regulated Investments	NA	NA	NA	1.99%	1.99%	1.96%	0.00%	NA

E EFFECTIVE FINANCIAL STRUCTURE

1. Net Loans / Total Assets	Between 70 - 80%	NA	NA	0.00%	5.68%	12.54%	0.00%	NA
2. Liquid Investments / Total Assets	Max 20 %	NA	NA	8.32%	0.41%	0.72%	0.00%	NA
3. Financial Investments / Total Assets	Max 10 %	NA	NA	89.22%	92.12%	82.30%	0.00%	NA
4. Non-Financial Investments / Total Assets	0%	NA	NA	0.00%	0.00%	0.00%	0.00%	NA
5. Savings Deposits / Total Assets	Between 70 - 80%	NA	NA	0.00%	1.41%	3.11%	0.00%	NA
6. External Credit / Total Assets	Max 5%	NA	NA	2.82%	3.10%	3.13%	0.00%	NA
7. Member Share Capital / Total Assets	Max 20 %	NA	NA	0.30%	0.73%	1.07%	0.00%	NA
8. Institutional Capital / Total Assets	Minimum 10%	NA	NA	6.50%	6.45%	6.01%	0.00%	NA
9. Net Institutional Capital / Total Assets	Minimum 10%	NA	NA	8.08%	7.85%	7.06%	0.00%	NA

A ASSET QUALITY

1. Total Delinquency / Gross Loan Portfolio	Less Than or Equal To 5%	NA	NA	NA	0.00%	0.00%	0.00%	NA
2. Non-Earning Assets / Total Assets	Less Than or Equal To 5%	NA	NA	2.46%	1.79%	4.43%	0.00%	NA
3. Net Zero Cost Funds / Non-earning. Assets	Greater Than or Equal To 100%	NA	NA	4004.07%	5371.28%	2115.17%	0.00%	NA

R RATES OF RETURN AND COSTS (ANNUALIZED)

1. Net Loan Income / Average Net Loan Portfolio	Enterprenurial Rate	NA	NA	NA	3.84%	31.54%	0.00%	NA
2. Liquid Inv. Income / Avg. Liquid Investments	Market Rates	NA	NA	7.81%	535.59%	916.62%	0.00%	NA
3. Fin. Investment Income / Avg. Fin. Investments	Market Rates	NA	NA	9.45%	7.30%	4.72%	0.00%	NA
4. Non-Fin. Inv. Income / Avg. Non-Fin. Investmnts	Greater Than or Equal to R1	NA	NA	NA	NA	NA	0.00%	NA
5. Fin Costs: Savings Deposits / Avg. Savings	Market Rates	NA	NA	NA	12.51%	26.11%	0.00%	NA
6. Fin Costs: External Credit / Avg. External Credit	Less Than or Equal to R5	NA	NA	7.87%	5.24%	3.34%	0.00%	NA
7. Fin Costs: Member Shares / Avg. Member Shares	Greater Than or Equal to R5	NA	NA	41.33%	0.00%	0.00%	0.00%	NA
8. Gross Margin / Average Assets	Amount Needed to Cover R9, R10	NA	NA	8.74%	8.78%	11.46%	0.00%	NA
9. Operating Expenses / Average Assets	3 -10%	NA	NA	5.63%	7.13%	5.92%	0.00%	NA
10. Provisions for Risk Assets / Average Assets	Sufficient for Estimated Losses	NA	NA	-0.77%	-0.45%	0.00%	0.00%	NA
11. Other Income or Expense / Average Assets	Amount Needed	NA	NA	0.00%	0.00%	0.00%	0.00%	NA
12. Net Income / Average Assets	Enough to reach the goal for E8	NA	NA	3.88%	2.11%	5.54%	0.00%	NA

L LIQUIDITY

1. Liquid Assets - ST Payables / Total Deposits	Minimum 15%	NA	NA	NA	75.00%	106.92%	0.00%	NA
2. Liquidity Reserves / Total Savings Deposits	10%	NA	NA	NA	28.94%	23.21%	0.00%	NA
3. Non-Earning Liquid Assets / Total Assets	Less Than 1 %	NA	NA	1.60%	1.48%	3.07%	0.00%	NA

S SIGNS OF GROWTH (YEAR-TO-DATE GROWTH)

1. Net Loans	Sufficient to Achieve Goal in E1	NA	NA	NA	NA	118.47%	0.00%	NA
2. Liquid Investments	Sufficient to Achieve Goal in E2	NA	NA	NA	NA	75.24%	0.00%	NA
3. Financial Investments	Sufficient to Achieve Goal in E3	NA	NA	NA	NA	-11.64%	0.00%	NA
4. Non-Financial Investments	Sufficient to Achieve Goal in E4	NA	NA	NA	NA	0.00%	0.00%	NA
5. Savings Deposits	Sufficient to Achieve Goal in E5	NA	NA	NA	NA	118.56%	0.00%	NA
6. External Credit	0%	NA	NA	NA	NA	-0.13%	0.00%	NA
7. Member Shares	Sufficient to Achieve Goal in E7	NA	NA	NA	NA	-45.63%	0.00%	NA
8. Institutional Capital	Sufficient to Achieve Goal in E8	NA	NA	NA	NA	-7.77%	0.00%	NA
9. Net Institutional Capital	Sufficient to Achieve Goal in E9	NA	NA	NA	NA	-11.03%	0.00%	NA
10. Membership	Minimum 5%	NA	NA	NA	NA	51.50%	0.00%	NA
11. Total Assets	More Than Inflation	NA	NA	NA	NA	-1.09%	0.00%	NA
Inflation Rate (Annualized)		6.00%	6.00%	6.00%	7.00%	6.00%		

Central-Skopje

Based on USS

BALANCE SHEET

	6/30/00	12/31/00	6/30/01	12/31/01	3/31/02	Annual Goal	% Complete
Number of Credit Unions in this Report	0	0	1	1	1		0
Assets							
Earning Assets							
<i>Loans to Members</i>							
Short Term (<=1 Year)	0	0	0	32,118	3,414		NA
Medium-Term (1-3 Years)	0	0	0	0	66,748		NA
Long-Term (> 3 Years)	0	0	0	0	0		NA
Other Special Loans	0	0	0	0	0		NA
Loan Loss Allowances	0	0	0	(642)	(1,397)		NA
Total Net Loans	0	0	0	31,475	68,765		NA
<i>Liquid Investments</i>							
<i>Non-Regulated Liquid Investments</i>							
Liquidity Reserves - CFF	0	0	0	0	0		NA
Other Liquidity Reserves	0	0	1,196	2,259	3,958		NA
Short-Term CFF Deposits	0	0	0	0	0		NA
Short-Term Bank Deposits	0	0	0	0	0		NA
Short-Term Securities and Investments	0	0	0	0	0		NA
Other Liquid Investments 1	0	0	38,356	0	0		NA
Other Liquid Investments 2	0	0	0	0	0		NA
Other Liquid Investments 3	0	0	0	0	0		NA
Total Non-Regulated Liquid Investments	0	0	39,552	2,259	3,958		NA
<i>Regulated Liquid Investments</i>							
Liquidity Reserves	0	0	0	0	0		NA
Short-Term Deposits in Regulated Fin.Institutions	0	0	0	0	0		NA
ST Government or Regulated Securities and	0	0	0	0	0		NA
Total Regulated Liquid Investments	0	0	0	0	0		NA
Liquid Investments Allowances	0	0	0	0	0		NA
Total Liquid Investments	0	0	39,552	2,259	3,958		NA
<i>Financial Investments</i>							
<i>Non-Regulated Financial Investments</i>							
Shares - League/Affiliation	0	0	0	0	0		NA
Long-Term CFF Deposit	0	0	0	0	0		NA
Long-Term Bank Deposits	0	0	334,247	356,061	215,942		NA
Long-Term Securities & Investments	0	0	0	0	0		NA
Other Financial Investments 1	0	0	0	0	0		NA
Other Financial Investments 2	0	0	0	0	0		NA
Other Financial Investments 3	0	0	0	0	0		NA
Total Non-Regulated Financial Investments	0	0	334,247	356,061	215,942		NA
<i>Regulated Financial Investments</i>							
Shares in Financial Institutions	0	0	0	0	0		NA
Long-Term Deposits in Regulated Fin.Institutions	0	0	0	0	0		NA
LT Government or Regulated Securities and	0	0	0	0	0		NA
InterBranch Investments	0	0	97,365	161,701	239,598		NA
Total Regulated Financial Investments	0	0	97,365	161,701	239,598		NA
Financial Investments Allowances	0	0	(7,452)	(7,121)	(4,319)		NA
Total Financial Investments	0	0	424,160	510,640	451,221		NA
<i>Non-Financial Investments</i>							
Various	0	0	0	0	0		NA
Non-Financial Investments Allowances	0	0	0	0	0		NA
Total Non-Financial Investments	0	0	0	0	0		NA
Total Earning Assets	0	0	463,712	544,374	523,944		NA
Additional Loan Portfolio Information							
Delinquency Based on Outstanding Balance of Loan?	Payment	Payment	Balance	Balance	Balance	Payment	
<i>Delinquency</i>							
1 TO 12 Months	0	0	0	0	0	0	NA
More Than 12 Months	0	0	0	0	0	0	NA
Total Balance Of Delinquent Loans	0	0	0	0	0	0	NA
Loans to Members (Gross)	0	0	0	32,118	70,162	0	NA
Accumulated Charge-Offs (Historical)	0	0	0	0	0	0	NA
Recovery of Loans Charged-Off (Historical)	0	0	0	0	0	0	NA

Central-Skopje

Based on USS

BALANCE SHEET

	6/30/00	12/31/00	6/30/01	12/31/01	3/31/02	Annual Goal	% Complete
Non-Earning Assets							
<i>Liquid Assets</i>							
Cash & Equivalents	0	0	157	611	4,928	0	NA
Current Accounts (Checking)	0	0	7,453	7,587	11,927	0	NA
Foreign Currency	0	0	0	0	0	0	NA
Liquidity Reserves - CFF	0	0	0	0	0	0	NA
Other Liquidity Reserves	0	0	0	0	0	0	NA
Other Liquid Assets	0	0	0	0	0	0	NA
<u>Total Liquid Assets</u>	<u>0</u>	<u>0</u>	<u>7,610</u>	<u>8,198</u>	<u>16,855</u>	<u>0</u>	<u>NA</u>
<i>Accounts Receivable</i>							
Debtors	0	0	0	0	0	0	NA
Interest Receivable	0	0	3,516	1,762	7,144	0	NA
Notes Receivable	0	0	0	0	0	0	NA
Payroll Deductions Receivable	0	0	0	0	0	0	NA
Other Accounts Receivable	0	0	0	0	0	0	NA
Receivable Loss Allowances	0	0	(43)	(35)	(33)	0	NA
<u>Total Accounts Receivable</u>	<u>0</u>	<u>0</u>	<u>3,473</u>	<u>1,727</u>	<u>7,111</u>	<u>0</u>	<u>NA</u>
<i>Fixed Assets</i>							
Land	0	0	0	0	0	0	NA
Buildings (Cost)	0	0	0	0	0	0	NA
Leasehold Improvements	0	0	0	0	0	0	NA
Furniture & Equipment	0	0	0	0	0	0	NA
Accumulated Depreciation - Buildings	0	0	0	0	0	0	NA
Accum. Depreciation - Leasehold Improv.	0	0	0	0	0	0	NA
Accum. Depreciation - Furniture & Equip.	0	0	0	0	0	0	NA
<u>Total Net Fixed Assets</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>NA</u>
<i>Other Assets</i>							
Assets in Liquidation	0	0	0	0	0	0	NA
Organization Expenses	0	0	0	0	0	0	NA
Prepaid Expenses	0	0	608	0	330	0	NA
Other Deferred Assets	0	0	0	0	0	0	NA
Accumulated Amortization	0	0	0	0	0	0	NA
<u>Total Other Assets</u>	<u>0</u>	<u>0</u>	<u>608</u>	<u>0</u>	<u>330</u>	<u>0</u>	<u>NA</u>
<i>Problem Assets</i>							
Doubtful Assets	0	0	0	0	0	0	NA
Accounting Discrepancy - Assets	0	0	0	0	0	0	NA
Other Problem Assets	0	0	0	0	0	0	NA
<u>Total Problem Assets</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>NA</u>
Total Non-Earning Assets	0	0	11,691	9,925	24,296	0	NA
Total Assets	0	0	475,402	554,299	548,240	0	NA
Number Of CU Members							
Men	0	0	0	113	183	0	NA
Women	0	0	0	54	70	0	NA
Gender not Reported	0	0	0	0	0	0	NA
<u>Total Number Of Members</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>167</u>	<u>253</u>	<u>0</u>	<u>NA</u>
Number of Other Service Users							
Youth	0	0	0	0	0	0	NA
Third Parties	0	0	0	0	0	0	NA
<u>Total Number of Other CU Service Users</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>NA</u>
Total Number Of Members & Other CU Service	0	0	0	167	253	0	NA

Central-Skopje
Based on US\$

BALANCE SHEET

	6/30/00	12/31/00	6/30/01	12/31/01	3/31/02	Annual Goal	% Complete
LIABILITIES							
INTEREST BEARING LIABILITIES							
<i>Savings Deposits</i>							
Regular Savings	0	0	0	883	399	0	NA
Term/Fixed Savings	0	0	0	990	1,457	0	NA
Youth Savings	0	0	0	0	96	0	NA
Special Savings	0	0	0	5,765	15,106	0	NA
Pledged Savings	0	0	0	167	0	0	NA
Total Savings Deposits	0	0	0	7,805	17,058	0	NA
<i>External Credit</i>							
External Credit - CFF (<= 1 Year)	0	0	0	0	0	0	NA
External Credit - CFF (> 1 Year)	0	0	0	0	0	0	NA
External Credit - Banks	0	0	0	0	0	0	NA
Other External Credit - External Institutions	0	0	0	0	0	0	NA
InterBranch Loans	0	0	13,394	17,181	17,159	0	NA
Total External Credit	0	0	13,394	17,181	17,159	0	NA
Total Interest Bearing Liabilities	0	0	13,394	24,986	34,217	0	NA
<i>Non-Interest Bearing Liabilities</i>							
Short-Term Accounts Payable (<=30 Days)	0	0	524	4,603	2,575	0	NA
External Credit Payments (<=30 Days)	0	0	0	0	0	0	NA
Provisions (e.g. Employee Benefits)	0	0	39	3	3	0	NA
Accounting Discrepancy - Liabilities	0	0	0	0	0	0	NA
Other Liabilities	0	0	429,141	484,936	463,852	0	NA
Total Non-Interest Bearing Liabilities	0	0	429,704	489,542	466,430	0	NA
Total Liabilities	0	0	443,098	514,528	500,647	0	NA
CAPITAL							
<i>Share Capital</i>							
Mandatory Shares	0	0	1,403	4,036	5,878	0	NA
Voluntary Shares	0	0	0	0	0	0	NA
Total Member Share Capital	0	0	1,403	4,036	5,878	0	NA
<i>Transitory Capital</i>							
Asset Appreciation Over Cost	0	0	0	0	0	0	NA
Education & Social Reserves	0	0	0	0	0	0	NA
Monetary Reserves	0	0	0	0	0	0	NA
Other Reserves	0	0	0	0	0	0	NA
Accounting Discrepancy - Capital	0	0	0	0	0	0	NA
Undistributed Net Income	0	0	0	0	8,756	0	NA
YTD Net Income (loss)	0	0	0	0	0	0	NA
Total Transitory Capital	0	0	0	0	8,756	0	NA
<i>Institutional Capital</i>							
Statutory & Legal Reserves	0	0	2,283	2,525	0	0	NA
Retained Earnings	0	0	9,871	10,918	12,859	0	NA
Other Reserves	0	0	0	0	0	0	NA
Donations	0	0	0	0	0	0	NA
Undistributed Losses	0	0	9,598	10,616	12,566	0	NA
YTD Net Income (Loss)	0	0	9,149	11,675	7,534	0	NA
Total Institutional Capital	0	0	30,901	35,734	32,958	0	NA
Total Capital	0	0	32,304	39,770	47,593	0	NA
Total Liabilities and Capital	0	0	475,402	554,299	548,240	0	NA

Central-Skopje

Income Statement
Based on US\$

	Annual Goal						
	6/30/00	12/31/00	6/30/01	12/31/01	3/31/02		%
Number of Credit Unions in this Report	0	0	1	1	1	0	
INCOME							
INCOME FROM LOANS							
Interest Income from Loans	0	0	0	340	2,856	0	NA
Delinquent Penalty Interest Income from Loans	0	0	0	0	0	0	NA
Commissions/Fees from Loans	0	0	0	868	1,042	0	NA
Insurance Premiums for Loans	0	0	0	0	0	0	NA
NET LOAN INCOME	<u>0</u>	<u>0</u>	<u>0</u>	<u>1,209</u>	<u>3,898</u>	<u>0</u>	<u>NA</u>
Income from Liquid Investments	0	0	1,532	12,098	7,026	0	NA
Income from Financial Investments	0	0	19,883	37,254	5,602	0	NA
Income from Non-Financial Investments	0	0	0	0	0	0	NA
Income from Grants	0	0	0	0	0	0	NA
Income from Other Sources	0	0	0	0	0	0	NA
Gross Income	0	0	21,415	50,561	16,526	0	NA
COSTS/EXPENSES							
FINANCIAL COSTS							
Interest Expense on Savings Deposits	0	0	1	80	305	0	NA
Insurance Premiums for Savings	0	0	0	896	495	0	NA
Taxes on Interest Paid For Savings	0	0	0	0	0	0	NA
<i>Financial Cost - Savings Deposits</i>	<i>0</i>	<i>0</i>	<i>1</i>	<i>977</i>	<i>800</i>	<i>0</i>	<i>NA</i>
Financial Cost on External Credit	0	0	0	0	0	0	NA
Financial Costs on Interbranch Loans	0	0	523	900	141	0	NA
Dividend Expense on Shares	0	0	0	0	0	0	NA
Insurance Premiums for Shares	0	0	287	0	0	0	NA
Taxes on Interest Paid for Shares	0	0	0	0	0	0	NA
<i>Financial Cost - Shares</i>	<i>0</i>	<i>0</i>	<i>287</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>NA</i>
Other Financial Costs	0	0	0	0	0	0	NA
TOTAL FINANCIAL COSTS	<u>0</u>	<u>0</u>	<u>811</u>	<u>1,877</u>	<u>942</u>	<u>0</u>	<u>NA</u>
GROSS MARGIN	0	0	20,603	48,684	15,584	0	NA
OPERATING EXPENSES							
Personnel	0	0	9,953	23,911	4,840	0	NA
Governance	0	0	584	1,577	314	0	NA
Marketing	0	0	606	1,290	32	0	NA
Administration	0	0	2,130	12,735	2,864	0	NA
Depreciation	0	0	0	0	0	0	NA
TOTAL OPERATING EXPENSES	<u>0</u>	<u>0</u>	<u>13,273</u>	<u>39,513</u>	<u>8,050</u>	<u>0</u>	<u>NA</u>
Provision for Risk Assets	0	0	(1,819)	(2,504)	0	0	NA
NET INCOME FROM OPERATIONS	0	0	9,149	11,675	7,534	0	NA
OTHER INCOME / EXPENSE							
Previous periods adjustments (Net)	0	0	0	0	0	0	NA
Extraordinary income (Net)	0	0	0	0	0	0	NA
TOTAL OTHER INCOME/EXPENSE	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>NA</u>
Income Tax	0	0	0	0	0	0	NA
Net Income/Loss	0	0	9,149	11,675	7,534	0	NA

Based on US\$

P-E-A-R-L-S RATIOS

Number of Credit Unions in this Report

P PROTECTION

	Goals	30-Jun-00	31-Dec-00	30-Jun-01	31-Dec-01	31-Mar-02	Annual Goal	% Complete
		1	1	1	1	1	0	
1. Loan Loss Allowances / Delinq. >12 Mo.	100%	100.00%	100.00%	100.00%	100.00%	100.00%	0.00%	NA
2. Net Loan Loss Allow. / Allow. Required for Delinq. 1-12 Mo.	100% of Goal	100.00%	100.00%	100.00%	100.00%	100.00%	0.00%	NA
3. Complete Loan Charge-Off of Delinquency > 12 Mo.	Yes	Yes	Yes	Yes	Yes	Yes	0	NA
4. Annual Loan Charge-offs / Average Loan Portfolio	Minimized	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	NA
5. Accum. Charge-Offs Recovered / Accum Charge-Offs	100%	NA	NA	NA	NA	NA	0.00%	NA
6. Solvency	Min 100%	94.67%	98.40%	104.18%	109.68%	113.46%	0.00%	NA
7. Allowance for Investment Losses/ Non-Regulated Investments	NA	0.00%	NA	NA	NA	NA	0.00%	NA

E EFFECTIVE FINANCIAL STRUCTURE

1. Net Loans / Total Assets	Between 70 - 80%	23.46%	98.28%	96.00%	97.02%	97.19%	0.00%	NA
2. Liquid Investments / Total Assets	Max 20 %	75.00%	0.00%	0.00%	0.00%	0.00%	0.00%	NA
3. Financial Investments / Total Assets	Max 10 %	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	NA
4. Non-Financial Investments / Total Assets	0%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	NA
5. Savings Deposits / Total Assets	Between 70 - 80%	25.48%	37.98%	29.67%	37.73%	36.39%	0.00%	NA
6. External Credit / Total Assets	Max 5%	0.00%	33.83%	56.60%	49.00%	48.48%	0.00%	NA
7. Member Share Capital / Total Assets	Max 20 %	21.16%	11.03%	5.80%	5.17%	4.89%	0.00%	NA
8. Institutional Capital / Total Assets	Minimum 10%	-2.96%	-2.82%	-0.49%	2.15%	3.53%	0.00%	NA
9. Net Institutional Capital / Total Assets	Minimum 10%	-2.48%	-0.79%	1.48%	4.15%	5.55%	0.00%	NA

A ASSET QUALITY

1. Total Delinquency / Gross Loan Portfolio	Less Than or Equal To 5%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	NA
2. Non-Earning Assets / Total Assets	Less Than or Equal To 5%	1.53%	1.72%	4.00%	2.98%	2.81%	0.00%	NA
3. Net Zero Cost Funds / Non-earning. Assets	Greater Than or Equal To 100%	3513.42%	1117.79%	247.60%	338.42%	436.56%	0.00%	NA

R RATES OF RETURN AND COSTS (ANNUALIZED)

1. Net Loan Income / Average Net Loan Portfolio	Entrepreneurial Rate	2.73%	6.34%	17.95%	24.62%	24.20%	0.00%	NA
2. Liquid Inv. Income / Avg. Liquid Investments	Market Rates	3.27%	NA	NA	NA	NA	0.00%	NA
3. Fin. Investment Income / Avg. Fin. Investments	Market Rates	NA	NA	NA	NA	NA	0.00%	NA
4. Non-Fin. Inv. Income / Avg. Non-Fin. Investments	Greater Than or Equal to R1	NA	NA	NA	NA	NA	0.00%	NA
5. Fin Costs: Savings Deposits / Avg. Savings	Market Rates	5.23%	4.37%	10.43%	10.11%	10.11%	0.00%	NA
6. Fin Costs: External Credit / Avg. External Credit	Less Than or Equal to R5	NA	1.60%	4.68%	12.28%	10.50%	0.00%	NA
7. Fin Costs: Member Shares / Avg. Member Shares	Greater Than or Equal to R5	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	NA
8. Gross Margin / Average Assets	Amount Needed to Cover R9, R10	1.76%	4.72%	11.67%	14.40%	14.67%	0.00%	NA
9. Operating Expenses / Average Assets	3 -10%	6.75%	5.51%	6.61%	7.58%	6.56%	0.00%	NA
10. Provisions for Risk Assets / Average Assets	Sufficient for Estimated Losses	0.96%	2.03%	3.53%	2.25%	1.13%	0.00%	NA
11. Other Income or Expense / Average Assets	Amount Needed	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	NA
12. Net Income / Average Assets	Enough to reach the goal for E8	-5.94%	-2.82%	1.53%	4.57%	6.97%	0.00%	NA

L LIQUIDITY

1. Liquid Assets - ST Payables / Total Deposits	Minimum 15%	294.16%	-2.39%	5.86%	2.86%	-1.66%	0.00%	NA
2. Liquidity Reserves / Total Savings Deposits	10%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	NA
3. Non-Earning Liquid Assets / Total Assets	Less Than 1 %	0.70%	0.50%	3.09%	1.87%	1.60%	0.00%	NA

S SIGNS OF GROWTH (YEAR-TO-DATE GROWTH)

1. Net Loans	Sufficient to Achieve Goal in E1	NA	NA	137.90%	250.95%	9.31%	0.00%	NA
2. Liquid Investments	Sufficient to Achieve Goal in E2	NA	NA	0.00%	0.00%	0.00%	0.00%	NA
3. Financial Investments	Sufficient to Achieve Goal in E3	NA	NA	0.00%	0.00%	0.00%	0.00%	NA
4. Non-Financial Investments	Sufficient to Achieve Goal in E4	NA	NA	0.00%	0.00%	0.00%	0.00%	NA
5. Savings Deposits	Sufficient to Achieve Goal in E5	NA	NA	90.25%	253.20%	5.22%	0.00%	NA
6. External Credit	0%	NA	NA	307.46%	414.90%	7.95%	0.00%	NA
7. Member Shares	Sufficient to Achieve Goal in E7	NA	NA	28.13%	66.76%	3.26%	0.00%	NA
8. Institutional Capital	Sufficient to Achieve Goal in E8	NA	NA	57.25%	371.45%	79.22%	0.00%	NA
9. Net Institutional Capital	Sufficient to Achieve Goal in E9	NA	NA	560.26%	1980.47%	45.96%	0.00%	NA
10. Membership	Minimum 5%	NA	NA	43.23%	63.70%	7.66%	0.00%	NA
11. Total Assets	More Than Inflation	NA	NA	143.56%	255.53%	9.12%	0.00%	NA
Inflation Rate (Annualized)		6.00%	6.00%	6.00%	7.00%	6.00%		

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Based on US\$

BALANCE SHEET

	6/30/00		12/31/00		6/30/01		12/31/01		3/31/02		Annual Goal	% Complete
Number of Credit Unions in this Report	1		1		1		1		1		0	
Assets												
Earning Assets												
<i>Loans to Members</i>												
Short Term (<=1 Year)	5,656		67,842		161,393		238,087		11,026		0	NA
Medium-Term (1-3 Years)	0		0		0		0		249,246		0	NA
Long-Term (> 3 Years)	0		0		0		0		0		0	NA
Other Special Loans	0		0		0		0		0		0	NA
Loan Loss Allowances	(113)		(1,357)		(3,228)		(4,762)		(5,214)		0	NA
Total Net Loans	5,543		66,485		158,165		233,326		255,057		0	NA
<i>Liquid Investments</i>												
<i>Non-Regulated Liquid Investments</i>												
Liquidity Reserves - CFF	0		0		0		0		0		0	NA
Other Liquidity Reserves	0		0		0		0		0		0	NA
Short-Term CFF Deposits	0		0		0		0		0		0	NA
Short-Term Bank Deposits	0		0		0		0		0		0	NA
Short-Term Securities and Investments	0		0		0		0		0		0	NA
Other Liquid Investments 1	17,719		0		0		0		0		0	NA
Other Liquid Investments 2	0		0		0		0		0		0	NA
Other Liquid Investments 3	0		0		0		0		0		0	NA
Total Non-Regulated Liquid Investments	17,719		0		0		0		0		0	NA
<i>Regulated Liquid Investments</i>												
Liquidity Reserves	0		0		0		0		0		0	NA
Short-Term Deposits in Regulated Fin.Institutions	0		0		0		0		0		0	NA
ST Government or Regulated Securities and	0		0		0		0		0		0	NA
Total Regulated Liquid Investments	0		0		0		0		0		0	NA
Liquid Investments Allowances	0		0		0		0		0		0	NA
Total Liquid Investments	17,719		0		0		0		0		0	NA
<i>Financial Investments</i>												
<i>Non-Regulated Financial Investments</i>												
Shares - League/Affiliation	0		0		0		0		0		0	NA
Long-Term CFF Deposit	0		0		0		0		0		0	NA
Long-Term Bank Deposits	0		0		0		0		0		0	NA
Long-Term Securities & Investments	0		0		0		0		0		0	NA
Other Financial Investments 1	0		0		0		0		0		0	NA
Other Financial Investments 2	0		0		0		0		0		0	NA
Other Financial Investments 3	0		0		0		0		0		0	NA
Total Non-Regulated Financial Investments	0		0		0		0		0		0	NA
<i>Regulated Financial Investments</i>												
Shares in Financial Institutions	0		0		0		0		0		0	NA
Long-Term Deposits in Regulated Fin.Institutions	0		0		0		0		0		0	NA
LT Government or Regulated Securities and	0		0		0		0		0		0	NA
InterBranch Investments	0		0		0		0		0		0	NA
Total Regulated Financial Investments	0		0		0		0		0		0	NA
Financial Investments Allowances	0		0		0		0		0		0	NA
Total Financial Investments	0		0		0		0		0		0	NA
<i>Non-Financial Investments</i>												
Various	0		0		0		0		0		0	NA
Non-Financial Investments Allowances	0		0		0		0		0		0	NA
Total Non-Financial Investments	0		0		0		0		0		0	NA
Total Earning Assets	23,262		66,485		158,165		233,326		255,057		0	NA
Additional Loan Portfolio Information												
Delinquency Based on Outstanding Balance of Loan?	Payment		Payment		Balance		Balance		Balance		Payment	
<i>Delinquency</i>												
1 TO 12 Months	0		0		0		0		0		0	NA
More Than 12 Months	0		0		0		0		0		0	NA
Total Balance Of Delinquent Loans	0		0		0		0		0		0	NA
Loans to Members (Gross)	5,656		67,842		161,393		238,087		260,272		0	NA
Accumulated Charge-Offs (Historical)	0		0		0		0		0		0	NA
Recovery of Loans Charged-Off (Historical)	0		0		0		0		0		0	NA

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Based on US\$

BALANCE SHEET

	6/30/00	12/31/00	6/30/01	12/31/01	3/31/02	Annual Goal	% Complete
Non-Earning Assets							
<i>Liquid Assets</i>							
Cash & Equivalents	156	125	909	834	2,078	0	NA
Current Accounts (Checking)	11	211	4,173	3,661	2,123	0	NA
Foreign Currency	0	0	0	0	0	0	NA
Liquidity Reserves - CFF	0	0	0	0	0	0	NA
Other Liquidity Reserves	0	0	0	0	0	0	NA
Other Liquid Assets	0	0	0	0	0	0	NA
Total Liquid Assets	166	336	5,083	4,495	4,201	0	NA
<i>Accounts Receivable</i>							
Debtors	0	0	0	0	0	0	NA
Interest Receivable	196	842	1,538	2,735	3,269	0	NA
Notes Receivable	0	0	0	0	0	0	NA
Payroll Deductions Receivable	0	0	0	0	0	0	NA
Other Accounts Receivable	0	0	0	0	0	0	NA
Receivable Loss Allowances	0	(17)	(31)	(55)	(96)	0	NA
Total Accounts Receivable	196	825	1,507	2,681	3,173	0	NA
<i>Fixed Assets</i>							
Land	0	0	0	0	0	0	NA
Buildings (Cost)	0	0	0	0	0	0	NA
Leasehold Improvements	0	0	0	0	0	0	NA
Furniture & Equipment	0	0	0	0	0	0	NA
Accumulated Depreciation - Buildings	0	0	0	0	0	0	NA
Accum. Depreciation - Leasehold Improv.	0	0	0	0	0	0	NA
Accum. Depreciation - Furniture & Equip.	0	0	0	0	0	0	NA
Total Net Fixed Assets	0	0	0	0	0	0	NA
<i>Other Assets</i>							
Assets in Liquidation	0	0	0	0	0	0	NA
Organization Expenses	0	0	0	0	0	0	NA
Prepaid Expenses	0	0	0	0	0	0	NA
Other Deferred Assets	0	0	0	0	0	0	NA
Accumulated Amortization	0	0	0	0	0	0	NA
Total Other Assets	0	0	0	0	0	0	NA
<i>Problem Assets</i>							
Doubtful Assets	0	0	0	0	0	0	NA
Accounting Discrepancy - Assets	0	0	0	0	0	0	NA
Other Problem Assets	0	0	0	0	0	0	NA
Total Problem Assets	0	0	0	0	0	0	NA
Total Non-Earning Assets	362	1,161	6,590	7,175	7,374	0	NA
Total Assets	23,624	67,646	164,756	240,501	262,432	0	NA
Number Of CU Members							
Men	179	282	386	431	455	0	NA
Women	21	21	48	65	79	0	NA
Gender not Reported	0	0	0	0	0	0	NA
Total Number Of Members	200	303	434	496	534	0	NA
Number of Other Service Users							
Youth	0	0	0	0	0	0	NA
Third Parties	0	0	0	0	0	0	NA
Total Number of Other CU Service Users	0	0	0	0	0	0	NA
Total Number Of Members & Other CU Service	200	303	434	496	534	0	NA

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Based on US\$

BALANCE SHEET

	6/30/00	12/31/00	6/30/01	12/31/01	3/31/02	Annual Goal	% Complete
LIABILITIES							
INTEREST BEARING LIABILITIES							
<i>Savings Deposits</i>							
Regular Savings	0	22	376	696	2,083	0	NA
Term/Fixed Savings	1,197	13,426	48,508	5,846	4,559	0	NA
Youth Savings	0	0	0	0	303	0	NA
Special Savings	0	0	0	53,898	52,817	0	NA
Pledged Savings	4,823	12,246	0	30,310	35,727	0	NA
Total Savings Deposits	6,020	25,694	48,884	90,751	95,489	0	NA
<i>External Credit</i>							
External Credit - CFF (<= 1 Year)	0	22,887	0	0	0	0	NA
External Credit - CFF (> 1 Year)	0	0	0	0	0	0	NA
External Credit - Banks	0	0	0	0	0	0	NA
Other External Credit - External Institutions	0	0	0	0	0	0	NA
InterBranch Loans	0	0	93,256	117,846	127,215	0	NA
Total External Credit	0	22,887	93,256	117,846	127,215	0	NA
Total Interest Bearing Liabilities	6,020	48,581	142,140	208,597	222,704	0	NA
<i>Non-Interest Bearing Liabilities</i>							
Short-Term Accounts Payable (<=30 Days)	178	951	868	1,904	5,785	0	NA
External Credit Payments (<=30 Days)	0	0	1,348	0	0	0	NA
Provisions (e.g. Employee Benefits)	0	0	474	23	0	0	NA
Accounting Discrepancy - Liabilities	0	0	0	0	0	0	NA
Other Liabilities	13,127	12,560	11,184	12,370	11,832	0	NA
Total Non-Interest Bearing Liabilities	13,304	13,511	13,874	14,296	17,617	0	NA
Total Liabilities	19,324	62,092	156,014	222,893	240,322	0	NA
CAPITAL							
<i>Share Capital</i>							
Mandatory Shares	5,000	7,458	9,556	12,438	12,844	0	NA
Voluntary Shares	0	0	0	0	0	0	NA
Total Member Share Capital	5,000	7,458	9,556	12,438	12,844	0	NA
<i>Transitory Capital</i>							
Asset Appreciation Over Cost	0	0	0	0	0	0	NA
Education & Social Reserves	0	0	0	0	0	0	NA
Monetary Reserves	0	0	0	0	0	0	NA
Other Reserves	0	0	0	0	0	0	NA
Accounting Discrepancy - Capital	0	0	0	0	0	0	NA
Undistributed Net Income	0	0	0	0	0	0	NA
YTD Net Income (loss)	0	0	0	0	0	0	NA
Total Transitory Capital	0	0	0	0	0	0	NA
<i>Institutional Capital</i>							
Statutory & Legal Reserves	0	0	0	0	0	0	NA
Retained Earnings	0	0	0	0	0	0	NA
Other Reserves	0	0	0	0	0	0	NA
Donations	0	0	0	0	0	0	NA
Undistributed Losses	0	0	(1,696)	(1,876)	4,946	0	NA
YTD Net Income (Loss)	(700)	(1,905)	882	7,046	4,321	0	NA
Total Institutional Capital	-700	-1,905	-814	5,170	9,266	0	NA
Total Capital	4,300	5,554	8,742	17,608	22,110	0	NA
Total Liabilities and Capital	23,624	67,646	164,756	240,501	262,432	0	NA

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	Annual Goal						
	6/30/00	12/31/00	6/30/01	12/31/01	3/31/02	Annual Goal	%
Number of Credit Unions in this Report	1	1	1	1	1	0	
INCOME							
INCOME FROM LOANS							
Interest Income from Loans	75	4,075	9,476	33,308	12,675	0	NA
Delinquent Penalty Interest Income from Loans	0	0	0	0	0	0	NA
Commissions/Fees from Loans	0	138	525	3,595	1,895	0	NA
Insurance Premiums for Loans	0	0	0	0	0	0	NA
NET LOAN INCOME	75	4,212	10,001	36,903	14,570	0	NA
Income from Liquid Investments	289	472	0	0	0	0	NA
Income from Financial Investments	0	0	0	31	67	0	NA
Income from Non-Financial Investments	0	0	0	0	0	0	NA
Income from Grants	0	0	0	0	0	0	NA
Income from Other Sources	0	0	0	0	1	0	NA
Gross Income	364	4,684	10,001	36,934	14,638	0	NA
COSTS/EXPENSES							
FINANCIAL COSTS							
Interest Expense on Savings Deposits	157	1,123	1,928	5,886	2,321	0	NA
Insurance Premiums for Savings	0	0	0	0	0	0	NA
Taxes on Interest Paid For Savings	0	0	0	0	0	0	NA
Financial Cost - Savings Deposits	157	1,123	1,928	5,886	2,321	0	NA
Financial Cost on External Credit	0	367	1,348	0	0	0	NA
Financial Costs on Interbranch Leans	0	0	0	8,639	3,172	0	NA
Dividend Expense on Shares	0	0	0	0	0	0	NA
Insurance Premiums for Shares	0	0	0	0	0	0	NA
Taxes on Interest Paid for Shares	0	0	0	0	0	0	NA
Financial Cost - Shares	0	0	0	0	0	0	NA
Other Financial Costs	0	0	0	226	51	0	NA
TOTAL FINANCIAL COSTS	157	1,490	3,277	14,751	5,544	0	NA
GROSS MARGIN	208	3,194	6,724	22,183	9,093	0	NA
OPERATING EXPENSES							
Personnel	768	3,397	2,691	7,960	2,462	0	NA
Governance	0	0	0	0	0	0	NA
Marketing	0	25	70	158	131	0	NA
Administration	27	304	1,047	3,555	1,476	0	NA
Depreciation	0	0	0	0	0	0	NA
TOTAL OPERATING EXPENSES	795	3,725	3,807	11,674	4,069	0	NA
Provision for Risk Assets	113	1,374	2,036	3,464	703	0	NA
NET INCOME FROM OPERATIONS	(700)	(1,905)	882	7,046	4,321	0	NA
OTHER INCOME / EXPENSE							
Previous periods adjustments (Net)	0	0	0	0	0	0	NA
Extraordinary income (Net)	0	0	0	0	0	0	NA
TOTAL OTHER INCOME/EXPENSE	0	0	0	0	0	0	NA
Income Tax	0	0	0	0	0	0	NA
Net Income/Loss	(700)	(1,905)	882	7,046	4,321	0	NA

Based on USS

P-E-A-R-L-S RATIOS

Number of Credit Unions in this Report

P PROTECTION

Goals	30-Jun-00	31-Dec-00	30-Jun-01	31-Dec-01	31-Mar-02	Annual Goal	% Complete	
	0	0	0	1	1	0		
1. Loan Loss Allowances / Delinq. >12 Mo.	100%	NA	NA	NA	100.00%	100.00%	0.00%	NA
2. Net Loan Loss Allow. / Allow. Required for Delinq. 1-12 Mo.	100% of Goal	NA	NA	NA	100.00%	100.00%	0.00%	NA
3. Complete Loan Charge-Off of Delinquency > 12 Mo.	Yes	NA	NA	NA	Yes	Yes	0	NA
4. Annual Loan Charge-offs / Average Loan Portfolio	Minimized	NA	NA	NA	0.00%	0.00%	0.00%	NA
5. Accum. Charge-Offs Recovered / Accum Charge-Offs	100%	NA	NA	NA	NA	NA	0.00%	NA
6. Solvency	Min 100%	NA	NA	NA	90.28%	94.47%	0.00%	NA
7. Allowance for Investment Losses/ Non-Regulated Investments	NA	NA	NA	NA	NA	NA	0.00%	NA

E EFFECTIVE FINANCIAL STRUCTURE

1. Net Loans / Total Assets	Between 70 - 80%	NA	NA	NA	50.14%	91.97%	0.00%	NA
2. Liquid Investments / Total Assets	Max 20 %	NA	NA	NA	0.00%	0.00%	0.00%	NA
3. Financial Investments / Total Assets	Max 10 %	NA	NA	NA	47.71%	0.00%	0.00%	NA
4. Non-Financial Investments / Total Assets	0%	NA	NA	NA	0.00%	0.00%	0.00%	NA
5. Savings Deposits / Total Assets	Between 70 - 80%	NA	NA	NA	13.54%	21.93%	0.00%	NA
6. External Credit / Total Assets	Max 5%	NA	NA	NA	0.00%	54.02%	0.00%	NA
7. Member Share Capital / Total Assets	Max 20 %	NA	NA	NA	15.52%	7.48%	0.00%	NA
8. Institutional Capital / Total Assets	Minimum 10%	NA	NA	NA	-3.86%	-3.50%	0.00%	NA
9. Net Institutional Capital / Total Assets	Minimum 10%	NA	NA	NA	-2.83%	-1.63%	0.00%	NA

A ASSET QUALITY

1. Total Delinquency / Gross Loan Portfolio	Less Than or Equal To 5%	NA	NA	NA	0.00%	0.00%	0.00%	NA
2. Non-Earning Assets / Total Assets	Less Than or Equal To 5%	NA	NA	NA	2.15%	8.03%	0.00%	NA
3. Net Zero Cost Funds / Non-earning. Assets	Greater Than or Equal To 100%	NA	NA	NA	3355.05%	229.63%	0.00%	NA

R RATES OF RETURN AND COSTS (ANNUALIZED)

1. Net Loan Income / Average Net Loan Portfolio	Entrepreneurial Rate	NA	NA	NA	2.38%	37.76%	0.00%	NA
2. Liquid Inv. Income / Avg. Liquid Investments	Market Rates	NA	NA	NA	NA	NA	0.00%	NA
3. Fin. Investment Income / Avg. Fin. Investments	Market Rates	NA	NA	NA	0.31%	1.82%	0.00%	NA
4. Non-Fin. Inv. Income / Avg. Non-Fin. Investments	Greater Than or Equal to R1	NA	NA	NA	NA	NA	0.00%	NA
5. Fin Costs: Savings Deposits / Avg. Savings	Market Rates	NA	NA	NA	2.81%	9.35%	0.00%	NA
6. Fin Costs: External Credit / Avg. External Credit	Less Than or Equal to R5	NA	NA	NA	NA	11.21%	0.00%	NA
7. Fin Costs: Member Shares / Avg. Member Shares	Greater Than or Equal to R5	NA	NA	NA	0.00%	0.00%	0.00%	NA
8. Gross Margin / Average Assets	Amount Needed to Cover R9, R10	NA	NA	NA	0.96%	24.98%	0.00%	NA
9. Operating Expenses / Average Assets	3 -10%	NA	NA	NA	3.79%	30.66%	0.00%	NA
10. Provisions for Risk Assets / Average Assets	Sufficient for Estimated Losses	NA	NA	NA	1.03%	10.23%	0.00%	NA
11. Other Income or Expense / Average Assets	Amount Needed	NA	NA	NA	0.00%	0.00%	0.00%	NA
12. Net Income / Average Assets	Enough to reach the goal for E8	NA	NA	NA	-3.86%	-15.92%	0.00%	NA

L LIQUIDITY

1. Liquid Assets - ST Payables / Total Deposits	Minimum 15%	NA	NA	NA	4.08%	28.27%	0.00%	NA
2. Liquidity Reserves / Total Savings Deposits	10%	NA	NA	NA	0.00%	0.00%	0.00%	NA
3. Non-Earning Liquid Assets / Total Assets	Less Than 1 %	NA	NA	NA	1.89%	7.17%	0.00%	NA

S SIGNS OF GROWTH (YEAR-TO-DATE GROWTH)

1. Net Loans	Sufficient to Achieve Goal in E1	NA	NA	NA	NA	574.76%	0.00%	NA
2. Liquid Investments	Sufficient to Achieve Goal in E2	NA	NA	NA	NA	0.00%	0.00%	NA
3. Financial Investments	Sufficient to Achieve Goal in E3	NA	NA	NA	NA	-100.00%	0.00%	NA
4. Non-Financial Investments	Sufficient to Achieve Goal in E4	NA	NA	NA	NA	0.00%	0.00%	NA
5. Savings Deposits	Sufficient to Achieve Goal in E5	NA	NA	NA	NA	495.82%	0.00%	NA
6. External Credit	0%	NA	NA	NA	NA	100.00%	0.00%	NA
7. Member Shares	Sufficient to Achieve Goal in E7	NA	NA	NA	NA	77.16%	0.00%	NA
8. Institutional Capital	Sufficient to Achieve Goal in E8	NA	NA	NA	NA	-233.62%	0.00%	NA
9. Net Institutional Capital	Sufficient to Achieve Goal in E9	NA	NA	NA	NA	-111.70%	0.00%	NA
10. Membership	Minimum 5%	NA	NA	NA	NA	77.78%	0.00%	NA
11. Total Assets	More Than Inflation	NA	NA	NA	NA	267.89%	0.00%	NA
Inflation Rate (Annualized)		6.00%	6.00%	6.00%	7.00%	6.00%		

Kavadarci
Based on US\$

BALANCE SHEET

	6/30/00	12/31/00	6/30/01	12/31/01	3/31/02	Annual Goal	% Complete
Number of Credit Unions in this Report	0	0	0	1	1		0
Assets							
Earning Assets							
<i>Loans to Members</i>							
Short Term (<=1 Year)	0	0	0	7,161	48,316	0	NA
Medium-Term (1-3 Years)	0	0	0	0	0	0	NA
Long-Term (> 3 Years)	0	0	0	0	0	0	NA
Other Special Loans	0	0	0	0	0	0	NA
Loan Loss Allowances	0	0	0	(143)	(963)	0	NA
Total Net Loans	0	0	0	7,018	47,353	0	NA
<i>Liquid Investments</i>							
<i>Non-Regulated Liquid Investments</i>							
Liquidity Reserves - CFF	0	0	0	0	0	0	NA
Other Liquidity Reserves	0	0	0	0	0	0	NA
Short-Term CFF Deposits	0	0	0	0	0	0	NA
Short-Term Bank Deposits	0	0	0	0	0	0	NA
Short-Term Securities and Investments	0	0	0	0	0	0	NA
Other Liquid Investments 1	0	0	0	0	0	0	NA
Other Liquid Investments 2	0	0	0	0	0	0	NA
Other Liquid Investments 3	0	0	0	0	0	0	NA
Total Non-Regulated Liquid Investments	0	0	0	0	0	0	NA
<i>Regulated Liquid Investments</i>							
Liquidity Reserves	0	0	0	0	0	0	NA
Short-Term Deposits in Regulated Fin.Institutions	0	0	0	0	0	0	NA
ST Government or Regulated Securities and	0	0	0	0	0	0	NA
Total Regulated Liquid Investments	0	0	0	0	0	0	NA
Liquid Investments Allowances	0	0	0	0	0	0	NA
Total Liquid Investments	0	0	0	0	0	0	NA
<i>Financial Investments</i>							
<i>Non-Regulated Financial Investments</i>							
Shares - League/Affiliation	0	0	0	0	0	0	NA
Long-Term CFF Deposit	0	0	0	0	0	0	NA
Long-Term Bank Deposits	0	0	0	0	0	0	NA
Long-Term Securities & Investments	0	0	0	0	0	0	NA
Other Financial Investments 1	0	0	0	0	0	0	NA
Other Financial Investments 2	0	0	0	0	0	0	NA
Other Financial Investments 3	0	0	0	0	0	0	NA
Total Non-Regulated Financial Investments	0	0	0	0	0	0	NA
<i>Regulated Financial Investments</i>							
Shares in Financial Institutions	0	0	0	0	0	0	NA
Long-Term Deposits in Regulated Fin.Institutions	0	0	0	0	0	0	NA
LT Government or Regulated Securities and	0	0	0	0	0	0	NA
InterBranch Investments	0	0	0	6,678	0	0	NA
Total Regulated Financial Investments	0	0	0	6,678	0	0	NA
Financial Investments Allowances	0	0	0	0	0	0	NA
Total Financial Investments	0	0	0	6,678	0	0	NA
<i>Non-Financial Investments</i>							
Various	0	0	0	0	0	0	NA
Non-Financial Investments Allowances	0	0	0	0	0	0	NA
Total Non-Financial Investments	0	0	0	0	0	0	NA
Total Earning Assets	0	0	0	13,695	47,353	0	NA
Additional Loan Portfolio Information							
Delinquency Based on Outstanding Balance of Loan?	Payment	Payment	Payment	Balance	Balance	Payment	
Delinquency							
1 TO 12 Months	0	0	0	0	0	0	NA
More Than 12 Months	0	0	0	0	0	0	NA
Total Balance Of Delinquent Loans	0	0	0	0	0	0	NA
Loans to Members (Gross)	0	0	0	7,161	48,316	0	NA
Accumulated Charge-Offs (Historical)	0	0	0	0	0	0	NA
Recovery of Loans Charged-Off (Historical)	0	0	0	0	0	0	NA

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Based on US\$

BALANCE SHEET

	6/30/00	12/31/00	6/30/01	12/31/01	3/31/02	Annual Goal	% Complete
Non-Earning Assets							
<i>Liquid Assets</i>							
Cash & Equivalents	0	0	0	164	319	0	NA
Current Accounts (Checking)	0	0	0	100	3,374	0	NA
Foreign Currency	0	0	0	0	0	0	NA
Liquidity Reserves - CFF	0	0	0	0	0	0	NA
Other Liquidity Reserves	0	0	0	0	0	0	NA
Other Liquid Assets	0	0	0	0	0	0	NA
<u>Total Liquid Assets</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>264</u>	<u>3,693</u>	<u>0</u>	<u>NA</u>
<i>Accounts Receivable</i>							
Debtors	0	0	0	0	0	0	NA
Interest Receivable	0	0	0	37	444	0	NA
Notes Receivable	0	0	0	0	0	0	NA
Payroll Deductions Receivable	0	0	0	0	0	0	NA
Other Accounts Receivable	0	0	0	0	0	0	NA
Receivable Loss Allowances	0	0	0	(1)	(1)	0	NA
<u>Total Accounts Receivable</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>36</u>	<u>443</u>	<u>0</u>	<u>NA</u>
<i>Fixed Assets</i>							
Land	0	0	0	0	0	0	NA
Buildings (Cost)	0	0	0	0	0	0	NA
Leasehold Improvements	0	0	0	0	0	0	NA
Furniture & Equipment	0	0	0	0	0	0	NA
Accumulated Depreciation - Buildings	0	0	0	0	0	0	NA
Accum. Depreciation - Leasehold Improv.	0	0	0	0	0	0	NA
Accum. Depreciation - Furniture & Equip.	0	0	0	0	0	0	NA
<u>Total Net Fixed Assets</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>NA</u>
<i>Other Assets</i>							
Assets in Liquidation	0	0	0	0	0	0	NA
Organization Expenses	0	0	0	0	0	0	NA
Prepaid Expenses	0	0	0	0	0	0	NA
Other Deferred Assets	0	0	0	0	0	0	NA
Accumulated Amortization	0	0	0	0	0	0	NA
<u>Total Other Assets</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>NA</u>
<i>Problem Assets</i>							
Doubtful Assets	0	0	0	0	0	0	NA
Accounting Discrepancy - Assets	0	0	0	0	0	0	NA
Other Problem Assets	0	0	0	0	0	0	NA
<u>Total Problem Assets</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>NA</u>
Total Non-Earning Assets	0	0	0	300	4,136	0	NA
Total Assets	0	0	0	13,995	51,489	0	NA
Number Of CU Members							
Men	0	0	0	60	87	0	NA
Women	0	0	0	30	73	0	NA
Gender not Reported	0	0	0	0	0	0	NA
<u>Total Number Of Members</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>90</u>	<u>160</u>	<u>0</u>	<u>NA</u>
Number of Other Service Users							
Youth	0	0	0	0	0	0	NA
Third Parties	0	0	0	0	0	0	NA
<u>Total Number of Other CU Service Users</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>NA</u>
Total Number Of Members & Other CU Service	0	0	0	90	160	0	NA

BALANCE SHEET

	6/30/00	12/31/00	6/30/01	12/31/01	3/31/02	Annual Goal	% Complete
LIABILITIES							
INTEREST BEARING LIABILITIES							
<i>Savings Deposits</i>							
Regular Savings	0	0	0	0	67	0	NA
Term/Fixed Savings	0	0	0	0	0	0	NA
Youth Savings	0	0	0	0	246	0	NA
Special Savings	0	0	0	1,895	10,977	0	NA
Pledged Savings	0	0	0	0	0	0	NA
<u>Total Savings Deposits</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>1,895</u>	<u>11,291</u>	<u>0</u>	<u>NA</u>
<i>External Credit</i>							
External Credit - CFF (<= 1 Year)	0	0	0	0	0	0	NA
External Credit - CFF (> 1 Year)	0	0	0	0	0	0	NA
External Credit - Banks	0	0	0	0	0	0	NA
Other External Credit - External Institutions	0	0	0	0	0	0	NA
InterBranch Loans	0	0	0	0	27,816	0	NA
<u>Total External Credit</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>27,816</u>	<u>0</u>	<u>NA</u>
<u>Total Interest Bearing Liabilities</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>1,895</u>	<u>39,106</u>	<u>0</u>	<u>NA</u>
<i>Non-Interest Bearing Liabilities</i>							
Short-Term Accounts Payable (<=30 Days)	0	0	0	187	501	0	NA
External Credit Payments (<=30 Days)	0	0	0	0	0	0	NA
Provisions (e.g. Employee Benefits)	0	0	0	0	0	0	NA
Accounting Discrepancy - Liabilities	0	0	0	0	0	0	NA
Other Liabilities	0	0	0	10,281	9,834	0	NA
<u>Total Non-Interest Bearing Liabilities</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>10,468</u>	<u>10,335</u>	<u>0</u>	<u>NA</u>
Total Liabilities	0	0	0	12,363	49,441	0	NA
CAPITAL							
<i>Share Capital</i>							
Mandatory Shares	0	0	0	2,173	3,849	0	NA
Voluntary Shares	0	0	0	0	0	0	NA
<u>Total Member Share Capital</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>2,173</u>	<u>3,849</u>	<u>0</u>	<u>NA</u>
<i>Transitory Capital</i>							
Asset Appreciation Over Cost	0	0	0	0	0	0	NA
Education & Social Reserves	0	0	0	0	0	0	NA
Monetary Reserves	0	0	0	0	0	0	NA
Other Reserves	0	0	0	0	0	0	NA
Accounting Discrepancy - Capital	0	0	0	0	0	0	NA
Undistributed Net Income	0	0	0	0	0	0	NA
YTD Net Income (loss)	0	0	0	0	0	0	NA
<u>Total Transitory Capital</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>NA</u>
<i>Institutional Capital</i>							
Statutory & Legal Reserves	0	0	0	0	0	0	NA
Retained Earnings	0	0	0	0	0	0	NA
Other Reserves	0	0	0	0	0	0	NA
Donations	0	0	0	0	0	0	NA
Undistributed Losses	0	0	0	0	(517)	0	NA
YTD Net Income (Loss)	0	0	0	(540)	(1,285)	0	NA
<u>Total Institutional Capital</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>-540</u>	<u>-1,802</u>	<u>0</u>	<u>NA</u>
Total Capital	0	0	0	1,633	2,048	0	NA
Total Liabilities and Capital	0	0	0	13,995	51,489	0	NA

Kavadarci

Income Statement

Based on USS

						Annual Goal	%
	6/30/00	12/31/00	6/30/01	12/31/01	3/31/02		
Number of Credit Unions in this Report	0	0	0	1	1	0	
INCOME							
INCOME FROM LOANS							
Interest Income from Loans	0	0	0	85	1,490	0	NA
Delinquent Penalty Interest Income from Loans	0	0	0	0	0	0	NA
Commissions/Fees from Loans	0	0	0	82	1,041	0	NA
Insurance Premiums for Loans	0	0	0	0	0	0	NA
NET LOAN INCOME	<u>0</u>	<u>0</u>	<u>0</u>	<u>167</u>	<u>2,531</u>	<u>0</u>	<u>NA</u>
Income from Liquid Investments	0	0	0	0	0	0	NA
Income from Financial Investments	0	0	0	21	15	0	NA
Income from Non-Financial Investments	0	0	0	0	0	0	NA
Income from Grants	0	0	0	0	0	0	NA
Income from Other Sources	0	0	0	0	7	0	NA
Gross Income	0	0	0	188	2,553	0	NA
COSTS/EXPENSES							
FINANCIAL COSTS							
Interest Expense on Savings Deposits	0	0	0	53	152	0	NA
Insurance Premiums for Savings	0	0	0	0	0	0	NA
Taxes on Interest Paid For Savings	0	0	0	0	0	0	NA
<i>Financial Cost - Savings Deposits</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>53</i>	<i>152</i>	<i>0</i>	<i>NA</i>
Financial Cost on External Credit	0	0	0	0	0	0	NA
Financial Costs on Interbranch Leans	0	0	0	0	384	0	NA
Dividend Expense on Shares	0	0	0	0	0	0	NA
Insurance Premiums for Shares	0	0	0	0	0	0	NA
Taxes on Interest Paid for Shares	0	0	0	0	0	0	NA
<i>Financial Cost - Shares</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>NA</i>
Other Financial Costs	0	0	0	0	0	0	NA
TOTAL FINANCIAL COSTS	<u>0</u>	<u>0</u>	<u>0</u>	<u>53</u>	<u>536</u>	<u>0</u>	<u>NA</u>
GROSS MARGIN	0	0	0	135	2,016	0	NA
OPERATING EXPENSES							
Personnel	0	0	0	441	1,334	0	NA
Governance	0	0	0	0	0	0	NA
Marketing	0	0	0	0	0	0	NA
Administration	0	0	0	90	1,141	0	NA
Depreciation	0	0	0	0	0	0	NA
TOTAL OPERATING EXPENSES	<u>0</u>	<u>0</u>	<u>0</u>	<u>530</u>	<u>2,475</u>	<u>0</u>	<u>NA</u>
Provision for Risk Assets	0	0	0	145	826	0	NA
NET INCOME FROM OPERATIONS	0	0	0	(540)	(1,285)	0	NA
OTHER INCOME / EXPENSE							
Previous periods adjustments (Net)	0	0	0	0	0	0	NA
Extraordinary income (Net)	0	0	0	0	0	0	NA
TOTAL OTHER INCOME/EXPENSE	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>NA</u>
Income Tax	0	0	0	0	0	0	NA
Net Income/Loss	0	0	0	(540)	(1,285)	0	NA

Based on US\$

P-E-A-R-L-S RATIOS

Number of Credit Unions in this Report

P PROTECTION

	Goals	30-Jun-00	31-Dec-00	30-Jun-01	31-Dec-01	31-Mar-02	Annual Goal	% Complete
		1	1	1	1	1	0	
1. Loan Loss Allowances / Delinq. >12 Mo.	100%	100.00%	100.00%	100.00%	100.00%	100.00%	0.00%	NA
2. Net Loan Loss Allow. / Allow. Required for Delinq. 1-12 Mo.	100% of Goal	100.00%	100.00%	100.00%	100.00%	100.00%	0.00%	NA
3. Complete Loan Charge-Off of Delinquency > 12 Mo.	Yes	Yes	Yes	Yes	Yes	Yes	0	NA
4. Annual Loan Charge-offs / Average Loan Portfolio	Minimized	NA	0.00%	0.00%	0.00%	0.00%	0.00%	NA
5. Accum. Charge-Offs Recovered / Accum Charge-Offs	100%	NA	NA	NA	NA	NA	0.00%	NA
6. Solvency	Min 100%	71.40%	46.67%	45.59%	89.78%	92.40%	0.00%	NA
7. Allowance for Investment Losses/ Non-Regulated Investments	NA	0.00%	0.00%	NA	NA	NA	0.00%	NA

E EFFECTIVE FINANCIAL STRUCTURE

1. Net Loans / Total Assets	Between 70 - 80%	0.00%	1.64%	78.43%	94.63%	95.04%	0.00%	NA
2. Liquid Investments / Total Assets	Max 20 %	92.84%	89.01%	0.00%	0.00%	0.00%	0.00%	NA
3. Financial Investments / Total Assets	Max 10 %	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	NA
4. Non-Financial Investments / Total Assets	0%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	NA
5. Savings Deposits / Total Assets	Between 70 - 80%	28.52%	40.08%	42.93%	48.81%	32.99%	0.00%	NA
6. External Credit / Total Assets	Max 5%	0.00%	0.00%	20.30%	40.76%	56.00%	0.00%	NA
7. Member Share Capital / Total Assets	Max 20 %	18.03%	21.45%	21.73%	8.04%	7.05%	0.00%	NA
8. Institutional Capital / Total Assets	Minimum 10%	-13.31%	-32.85%	-36.79%	-8.08%	-4.99%	0.00%	NA
9. Net Institutional Capital / Total Assets	Minimum 10%	-13.31%	-32.81%	-35.18%	-5.81%	-3.04%	0.00%	NA

A ASSET QUALITY

1. Total Delinquency / Gross Loan Portfolio	Less Than or Equal To 5%	NA	0.00%	0.00%	0.00%	0.00%	0.00%	NA
2. Non-Earning Assets / Total Assets	Less Than or Equal To 5%	7.16%	9.35%	21.57%	5.37%	4.96%	0.00%	NA
3. Net Zero Cost Funds / Non-earning. Assets	Greater Than or Equal To 100%	746.66%	411.70%	77.20%	86.66%	119.09%	0.00%	NA

R RATES OF RETURN AND COSTS (ANNUALIZED)

1. Net Loan Income / Average Net Loan Portfolio	Entrepreneurial Rate	NA	4.25%	26.34%	18.89%	25.96%	0.00%	NA
2. Liquid Inv. Income / Avg. Liquid Investments	Market Rates	5.29%	7.56%	5.28%	0.00%	NA	0.00%	NA
3. Fin. Investment Income / Avg. Fin. Investments	Market Rates	NA	NA	NA	NA	NA	0.00%	NA
4. Non-Fin. Inv. Income / Avg. Non-Fin. Investments	Greater Than or Equal to R1	NA	NA	NA	NA	NA	0.00%	NA
5. Fin Costs: Savings Deposits / Avg. Savings	Market Rates	8.89%	8.00%	11.11%	5.13%	9.07%	0.00%	NA
6. Fin Costs: External Credit / Avg. External Credit	Less Than or Equal to R5	NA	NA	0.00%	7.04%	10.54%	0.00%	NA
7. Fin Costs: Member Shares / Avg. Member Shares	Greater Than or Equal to R5	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	NA
8. Gross Margin / Average Assets	Amount Needed to Cover R9, R10	2.37%	3.59%	9.01%	11.02%	15.90%	0.00%	NA
9. Operating Expenses / Average Assets	3 -10%	26.96%	35.26%	33.55%	12.87%	10.62%	0.00%	NA
10. Provisions for Risk Assets / Average Assets	Sufficient for Estimated Losses	0.00%	0.03%	3.50%	3.95%	1.45%	0.00%	NA
11. Other Income or Expense / Average Assets	Amount Needed	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	NA
12. Net Income / Average Assets	Enough to reach the goal for E8	-24.59%	-31.70%	-28.05%	-5.80%	3.82%	0.00%	NA

L LIQUIDITY

1. Liquid Assets - ST Payables / Total Deposits	Minimum 15%	343.74%	240.50%	45.52%	8.97%	7.24%	0.00%	NA
2. Liquidity Reserves / Total Savings Deposits	10%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	NA
3. Non-Earning Liquid Assets / Total Assets	Less Than 1 %	6.07%	9.33%	20.16%	4.75%	4.11%	0.00%	NA

S SIGNS OF GROWTH (YEAR-TO-DATE GROWTH)

1. Net Loans	Sufficient to Achieve Goal in E1	NA	NA	5704.61%	39215.97%	33.39%	0.00%	NA
2. Liquid Investments	Sufficient to Achieve Goal in E2	NA	NA	-100.00%	-100.00%	0.00%	0.00%	NA
3. Financial Investments	Sufficient to Achieve Goal in E3	NA	NA	0.00%	0.00%	0.00%	0.00%	NA
4. Non-Financial Investments	Sufficient to Achieve Goal in E4	NA	NA	0.00%	0.00%	0.00%	0.00%	NA
5. Savings Deposits	Sufficient to Achieve Goal in E5	NA	NA	29.96%	729.44%	-10.24%	0.00%	NA
6. External Credit	0%	NA	NA	100.00%	100.00%	82.47%	0.00%	NA
7. Member Shares	Sufficient to Achieve Goal in E7	NA	NA	22.89%	155.43%	16.40%	0.00%	NA
8. Institutional Capital	Sufficient to Achieve Goal in E8	NA	NA	-35.89%	-67.50%	17.92%	0.00%	NA
9. Net Institutional Capital	Sufficient to Achieve Goal in E9	NA	NA	-30.08%	-20.58%	30.41%	0.00%	NA
10. Membership	Minimum 5%	NA	NA	31.30%	151.15%	21.88%	0.00%	NA
11. Total Assets	More Than Inflation	NA	NA	21.32%	581.08%	32.80%	0.00%	NA
Inflation Rate (Annualized)		6.00%	6.00%	6.00%	7.00%	6.00%		

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Murtino
Based on US\$

BALANCE SHEET

	6/30/00	12/31/00	6/30/01	12/31/01	3/31/02	Annual Goal	% Complete
Number of Credit Unions in this Report	1	1	1	1	1		0
Assets							
Earning Assets							
<i>Loans to Members</i>							
Short Term (<=1 Year)	0	251	14,596	99,197	38,070	0	NA
Medium-Term (1-3 Years)	0	0	0	0	93,801	0	NA
Long-Term (> 3 Years)	0	0	0	0	0	0	NA
Other Special Loans	0	0	0	0	0	0	NA
Loan Loss Allowances	0	(5)	(292)	(2,310)	(2,637)	0	NA
Total Net Loans	0	246	14,304	96,887	129,234	0	NA
<i>Liquid Investments</i>							
<i>Non-Regulated Liquid Investments</i>							
Liquidity Reserves - CFF	0	0	0	0	0	0	NA
Other Liquidity Reserves	0	0	0	0	0	0	NA
Short-Term CFF Deposits	0	0	0	0	0	0	NA
Short-Term Bank Deposits	0	0	0	0	0	0	NA
Short-Term Securities and Investments	0	0	0	0	0	0	NA
Other Liquid Investments 1	15,446	13,381	0	0	0	0	NA
Other Liquid Investments 2	0	0	0	0	0	0	NA
Other Liquid Investments 3	0	0	0	0	0	0	NA
Total Non-Regulated Liquid Investments	15,446	13,381	0	0	0	0	NA
<i>Regulated Liquid Investments</i>							
Liquidity Reserves	0	0	0	0	0	0	NA
Short-Term Deposits in Regulated Fin. Institutions	0	0	0	0	0	0	NA
ST Government or Regulated Securities and	0	0	0	0	0	0	NA
Total Regulated Liquid Investments	0	0	0	0	0	0	NA
Liquid Investments Allowances	0	0	0	0	0	0	NA
Total Liquid Investments	15,446	13,381	0	0	0	0	NA
<i>Financial Investments</i>							
<i>Non-Regulated Financial Investments</i>							
Shares - League/Affiliation	0	0	0	0	0	0	NA
Long-Term CFF Deposit	0	0	0	0	0	0	NA
Long-Term Bank Deposits	0	0	0	0	0	0	NA
Long-Term Securities & Investments	0	0	0	0	0	0	NA
Other Financial Investments 1	0	0	0	0	0	0	NA
Other Financial Investments 2	0	0	0	0	0	0	NA
Other Financial Investments 3	0	0	0	0	0	0	NA
Total Non-Regulated Financial Investments	0	0	0	0	0	0	NA
<i>Regulated Financial Investments</i>							
Shares in Financial Institutions	0	0	0	0	0	0	NA
Long-Term Deposits in Regulated Fin. Institutions	0	0	0	0	0	0	NA
LT Government or Regulated Securities and	0	0	0	0	0	0	NA
InterBranch Investments	0	0	0	0	0	0	NA
Total Regulated Financial Investments	0	0	0	0	0	0	NA
Financial Investments Allowances	0	0	0	0	0	0	NA
Total Financial Investments	0	0	0	0	0	0	NA
<i>Non-Financial Investments</i>							
Various	0	0	0	0	0	0	NA
Non-Financial Investments Allowances	0	0	0	0	0	0	NA
Total Non-Financial Investments	0	0	0	0	0	0	NA
Total Earning Assets	15,446	13,627	14,304	96,887	129,234	0	NA
Additional Loan Portfolio Information							
Delinquency Based on Outstanding Balance of Loan?	Payment	Payment	Balance	Balance	Balance	Payment	
Delinquency							
1 TO 12 Months	0	0	0	0	0	0	NA
More Than 12 Months	0	0	0	0	0	0	NA
Total Balance Of Delinquent Loans	0	0	0	0	0	0	NA
Loans to Members (Gross)	0	251	14,596	99,197	131,871	0	NA
Accumulated Charge-Offs (Historical)	0	0	0	0	0	0	NA
Recovery of Loans Charged-Off (Historical)	0	0	0	0	0	0	NA

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Based on US\$

BALANCE SHEET

	6/30/00	12/31/00	6/30/01	12/31/01	3/31/02	Annual Goal	% Complete
Non-Earning Assets							
<i>Liquid Assets</i>							
Cash & Equivalents	981	108	140	677	2,296	0	NA
Current Accounts (Checking)	28	1,295	3,536	4,188	3,292	0	NA
Foreign Currency	0	0	0	0	0	0	NA
Liquidity Reserves - CFF	0	0	0	0	0	0	NA
Other Liquidity Reserves	0	0	0	0	0	0	NA
Other Liquid Assets	0	0	0	0	0	0	NA
<u>Total Liquid Assets</u>	<u>1,009</u>	<u>1,403</u>	<u>3,676</u>	<u>4,864</u>	<u>5,588</u>	<u>0</u>	<u>NA</u>
<i>Accounts Receivable</i>							
Debtors	0	0	0	0	0	0	NA
Interest Receivable	182	3	260	652	1,162	0	NA
Notes Receivable	0	0	0	0	0	0	NA
Payroll Deductions Receivable	0	0	0	0	0	0	NA
Other Accounts Receivable	0	0	0	0	0	0	NA
Receivable Loss Allowances	0	0	(2)	(13)	(12)	0	NA
<u>Total Accounts Receivable</u>	<u>182</u>	<u>3</u>	<u>258</u>	<u>638</u>	<u>1,150</u>	<u>0</u>	<u>NA</u>
<i>Fixed Assets</i>							
Land	0	0	0	0	0	0	NA
Buildings (Cost)	0	0	0	0	0	0	NA
Leasehold Improvements	0	0	0	0	0	0	NA
Furniture & Equipment	0	0	0	0	0	0	NA
Accumulated Depreciation - Buildings	0	0	0	0	0	0	NA
Accum. Depreciation - Leasehold Improv.	0	0	0	0	0	0	NA
Accum. Depreciation - Furniture & Equip.	0	0	0	0	0	0	NA
<u>Total Net Fixed Assets</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>NA</u>
<i>Other Assets</i>							
Assets in Liquidation	0	0	0	0	0	0	NA
Organization Expenses	0	0	0	0	0	0	NA
Prepaid Expenses	0	0	0	0	0	0	NA
Other Deferred Assets	0	0	0	0	0	0	NA
Accumulated Amortization	0	0	0	0	0	0	NA
<u>Total Other Assets</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>NA</u>
<i>Problem Assets</i>							
Doubtful Assets	0	0	0	0	0	0	NA
Accounting Discrepancy - Assets	0	0	0	0	0	0	NA
Other Problem Assets	0	0	0	0	0	0	NA
<u>Total Problem Assets</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>NA</u>
Total Non-Earning Assets	1,191	1,406	3,934	5,503	6,738	0	NA
Total Assets	16,637	15,033	18,239	102,389	135,972	0	NA
Number Of CU Members							
Men	116	128	150	255	315	0	NA
Women	4	3	22	74	86	0	NA
Gender not Reported	0	0	0	0	0	0	NA
<u>Total Number Of Members</u>	<u>120</u>	<u>131</u>	<u>172</u>	<u>329</u>	<u>401</u>	<u>0</u>	<u>NA</u>
Number of Other Service Users							
Youth	0	0	0	0	0	0	NA
Third Parties	0	0	0	0	0	0	NA
<u>Total Number of Other CU Service Users</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>NA</u>
Total Number Of Members & Other CU Service	120	131	172	329	401	0	NA

Murtino
Based on US\$

BALANCE SHEET

	6/30/00	12/31/00	6/30/01	12/31/01	3/31/02	Annual Goal	% Complete
LIABILITIES							
INTEREST BEARING LIABILITIES							
<i>Savings Deposits</i>							
Regular Savings	0	17	162	1,539	630	0	NA
Term/Fixed Savings	4,745	6,008	7,668	588	1,880	0	NA
Youth Savings	0	0	0	119	137	0	NA
Special Savings	0	0	0	47,729	42,212	0	NA
Pledged Savings	0	0	0	0	0	0	NA
Total Savings Deposits	4,745	6,025	7,830	49,974	44,858	0	NA
<i>External Credit</i>							
External Credit - CFF (<= 1 Year)	0	0	0	0	0	0	NA
External Credit - CFF (> 1 Year)	0	0	0	0	0	0	NA
External Credit - Banks	0	0	0	0	0	0	NA
Other External Credit - External Institutions	0	0	0	0	0	0	NA
InterBranch Loans	0	0	3,702	41,733	76,151	0	NA
Total External Credit	0	0	3,702	41,733	76,151	0	NA
Total Interest Bearing Liabilities	4,745	6,025	11,532	91,707	121,009	0	NA
<i>Non-Interest Bearing Liabilities</i>							
Short-Term Accounts Payable (<=30 Days)	145	294	112	383	2,341	0	NA
External Credit Payments (<=30 Days)	0	0	0	0	0	0	NA
Provisions (e.g. Employee Benefits)	371	0	57	64	0	0	NA
Accounting Discrepancy - Liabilities	0	0	0	0	0	0	NA
Other Liabilities	10,591	10,428	9,285	10,270	9,824	0	NA
Total Non-Interest Bearing Liabilities	11,107	10,722	9,454	10,717	12,164	0	NA
Total Liabilities	15,852	16,747	20,986	102,424	133,173	0	NA
CAPITAL							
<i>Share Capital</i>							
Mandatory Shares	3,000	3,225	3,963	8,237	9,588	0	NA
Voluntary Shares	0	0	0	0	0	0	NA
Total Member Share Capital	3,000	3,225	3,963	8,237	9,588	0	NA
<i>Transitory Capital</i>							
Asset Appreciation Over Cost	0	0	0	0	0	0	NA
Education & Social Reserves	0	0	0	0	0	0	NA
Monetary Reserves	0	0	0	0	0	0	NA
Other Reserves	0	0	0	0	0	0	NA
Accounting Discrepancy - Capital	0	0	0	0	0	0	NA
Undistributed Net Income	0	0	0	0	0	0	NA
YTD Net Income (loss)	0	0	0	0	0	0	NA
Total Transitory Capital	0	0	0	0	0	0	NA
<i>Institutional Capital</i>							
Statutory & Legal Reserves	0	0	0	0	0	0	NA
Retained Earnings	0	0	0	0	0	0	NA
Other Reserves	0	0	0	0	0	0	NA
Donations	0	0	0	0	0	0	NA
Undistributed Losses	(175)	(172)	(4,397)	(4,863)	(7,912)	0	NA
YTD Net Income (Loss)	(2,040)	(4,766)	(2,314)	(3,408)	1,123	0	NA
Total Institutional Capital	-2,215	-4,938	-6,711	-8,271	-6,789	0	NA
Total Capital	785	-1,713	-2,748	-35	2,798	0	NA
Total Liabilities and Capital	16,637	15,033	18,239	102,389	135,972	0	NA

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Murtino

Income Statement
Based on USS

						Annual Goal	%
	6/30/00	12/31/00	6/30/01	12/31/01	3/31/02		
Number of Credit Unions in this Report	1	1	1	1	1	0	
INCOME							
INCOME FROM LOANS							
Interest Income from Loans	0	10	880	6,923	6,057	0	NA
Delinquent Penalty Interest Income from Loans	0	0	0	0	0	0	NA
Commissions/Fees from Loans	0	1	70	2,253	1,179	0	NA
Insurance Premiums for Loans	0	0	0	0	0	0	NA
<u>NET LOAN INCOME</u>	<u>0</u>	<u>10</u>	<u>950</u>	<u>9,176</u>	<u>7,236</u>	<u>0</u>	<u>NA</u>
Income from Liquid Investments	407	1,012	175	0	0	0	NA
Income from Financial Investments	0	0	0	194	0	0	NA
Income from Non-Financial Investments	0	0	0	0	0	0	NA
Income from Grants	0	0	0	0	0	0	NA
Income from Other Sources	0	0	0	4	28	0	NA
Gross Income	407	1,022	1,125	9,374	7,264	0	NA
COSTS/EXPENSES							
FINANCIAL COSTS							
Interest Expense on Savings Deposits	210	482	382	1,437	1,061	0	NA
Insurance Premiums for Savings	0	0	0	0	0	0	NA
Taxes on Interest Paid For Savings	0	0	0	0	0	0	NA
<i>Financial Cost - Savings Deposits</i>	<i>210</i>	<i>482</i>	<i>382</i>	<i>1,437</i>	<i>1,061</i>	<i>0</i>	<i>NA</i>
Financial Cost on External Credit	0	0	0	0	0	0	NA
Financial Costs on Interbranch Leans	0	0	0	1,469	1,532	0	NA
Dividend Expense on Shares	0	0	0	0	0	0	NA
Insurance Premiums for Shares	0	0	0	0	0	0	NA
Taxes on Interest Paid for Shares	0	0	0	0	0	0	NA
<i>Financial Cost - Shares</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>NA</i>
Other Financial Costs	0	0	0	0	0	0	NA
<u>TOTAL FINANCIAL COSTS</u>	<u>210</u>	<u>482</u>	<u>382</u>	<u>2,905</u>	<u>2,593</u>	<u>0</u>	<u>NA</u>
GROSS MARGIN	197	540	744	6,468	4,671	0	NA
OPERATING EXPENSES							
Personnel	1,981	4,670	2,441	5,617	1,400	0	NA
Governance	0	0	0	0	0	0	NA
Marketing	0	86	26	81	4	0	NA
Administration	255	546	301	1,861	1,718	0	NA
Depreciation	0	0	0	0	0	0	NA
<u>TOTAL OPERATING EXPENSES</u>	<u>2,237</u>	<u>5,301</u>	<u>2,768</u>	<u>7,558</u>	<u>3,121</u>	<u>0</u>	<u>NA</u>
Provision for Risk Assets	0	5	289	2,318	428	0	NA
NET INCOME FROM OPERATIONS	(2,040)	(4,766)	(2,314)	(3,408)	1,123	0	NA
OTHER INCOME / EXPENSE							
Previous periods adjustments (Net)	0	0	0	0	0	0	NA
Extraordinary income (Net)	0	0	0	0	0	0	NA
<u>TOTAL OTHER INCOME/EXPENSE</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>NA</u>
Income Tax	0	0	0	0	0	0	NA
Net Income/Loss	(2,040)	(4,766)	(2,314)	(3,408)	1,123	0	NA

Based on US\$

P-E-A-R-L-S RATIOS

Number of Credit Unions in this Report

P PROTECTION

	Goals	30-Jun-00	31-Dec-00	30-Jun-01	31-Dec-01	31-Mar-02	Annual Goal	% Complete
1. Loan Loss Allowances / Delinq. >12 Mo.	100%	100.00%	100.00%	100.00%	100.00%	100.00%	0.00%	NA
2. Net Loan Loss Allow. / Allow. Required for Delinq. 1-12 Mo.	100% of Goal	100.00%	100.00%	100.00%	100.00%	100.00%	0.00%	NA
3. Complete Loan Charge-Off of Delinquency > 12 Mo.	Yes	Yes	Yes	Yes	Yes	Yes	0	NA
4. Annual Loan Charge-offs / Average Loan Portfolio	Minimized	NA	0.00%	0.00%	0.00%	0.00%	0.00%	NA
5. Accum. Charge-Offs Recovered / Accum Charge-Offs	100%	NA	NA	NA	NA	NA	0.00%	NA
6. Solvency	Min 100%	65.82%	42.13%	42.99%	23.50%	29.35%	0.00%	NA
7. Allowance for Investment Losses/ Non-Regulated Investments	NA	0.00%	0.00%	0.00%	NA	NA	0.00%	NA

E EFFECTIVE FINANCIAL STRUCTURE

1. Net Loans / Total Assets	Between 70 - 80%	0.00%	3.87%	13.53%	28.88%	42.18%	0.00%	NA
2. Liquid Investments / Total Assets	Max 20 %	96.39%	92.64%	79.41%	0.00%	0.00%	0.00%	NA
3. Financial Investments / Total Assets	Max 10 %	0.00%	0.00%	0.00%	52.45%	51.17%	0.00%	NA
4. Non-Financial Investments / Total Assets	0%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	NA
5. Savings Deposits / Total Assets	Between 70 - 80%	4.64%	18.63%	39.21%	46.79%	56.00%	0.00%	NA
6. External Credit / Total Assets	Max 5%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	NA
7. Member Share Capital / Total Assets	Max 20 %	18.56%	22.94%	24.52%	30.11%	28.26%	0.00%	NA
8. Institutional Capital / Total Assets	Minimum 10%	-7.93%	-24.14%	-36.62%	-59.41%	-60.40%	0.00%	NA
9. Net Institutional Capital / Total Assets	Minimum 10%	-7.93%	-24.06%	-36.34%	-58.82%	-59.53%	0.00%	NA

A ASSET QUALITY

1. Total Delinquency / Gross Loan Portfolio	Less Than or Equal To 5%	NA	0.00%	0.00%	0.00%	0.00%	0.00%	NA
2. Non-Earning Assets / Total Assets	Less Than or Equal To 5%	3.61%	3.50%	7.06%	18.67%	6.66%	0.00%	NA
3. Net Zero Cost Funds / Non-earning. Assets	Greater Than or Equal To 100%	2126.99%	1673.20%	517.53%	126.92%	249.52%	0.00%	NA

R RATES OF RETURN AND COSTS (ANNUALIZED)

1. Net Loan Income / Average Net Loan Portfolio	Enterpreneurial Rate	NA	5.70%	33.13%	27.01%	29.26%	0.00%	NA
2. Liquid Inv. Income / Avg. Liquid Investments	Market Rates	3.34%	5.93%	4.99%	0.00%	NA	0.00%	NA
3. Fin. Investment Income / Avg. Fin. Investments	Market Rates	NA	NA	NA	16.35%	6.04%	0.00%	NA
4. Non-Fin. Inv. Income / Avg. Non-Fin. Investments	Greater Than or Equal to R1	NA	NA	NA	NA	NA	0.00%	NA
5. Fin Costs: Savings Deposits / Avg. Savings	Market Rates	22.43%	8.56%	13.63%	13.85%	10.24%	0.00%	NA
6. Fin Costs: External Credit / Avg. External Credit	Less Than or Equal to R5	NA	NA	NA	NA	NA	0.00%	NA
7. Fin Costs: Member Shares / Avg. Member Shares	Greater Than or Equal to R5	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	NA
8. Gross Margin / Average Assets	Amount Needed to Cover R9, R10	2.18%	4.12%	3.23%	4.12%	8.31%	0.00%	NA
9. Operating Expenses / Average Assets	3 -10%	18.08%	28.18%	33.47%	38.42%	37.23%	0.00%	NA
10. Provisions for Risk Assets / Average Assets	Sufficient for Estimated Losses	0.00%	0.08%	0.42%	0.51%	1.42%	0.00%	NA
11. Other Income or Expense / Average Assets	Amount Needed	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	NA
12. Net Income / Average Assets	Enough to reach the goal for E8	-15.90%	-24.14%	-30.66%	-34.80%	-30.34%	0.00%	NA

L LIQUIDITY

1. Liquid Assets - ST Payables / Total Deposits	Minimum 15%	2114.85%	501.66%	210.10%	34.93%	2.68%	0.00%	NA
2. Liquidity Reserves / Total Savings Deposits	10%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	NA
3. Non-Earning Liquid Assets / Total Assets	Less Than 1 %	2.53%	3.46%	4.83%	18.52%	5.77%	0.00%	NA

S SIGNS OF GROWTH (YEAR-TO-DATE GROWTH)

1. Net Loans	Sufficient to Achieve Goal in E1	NA	NA	250.86%	631.67%	56.14%	0.00%	NA
2. Liquid Investments	Sufficient to Achieve Goal in E2	NA	NA	-14.04%	-100.00%	0.00%	0.00%	NA
3. Financial Investments	Sufficient to Achieve Goal in E3	NA	NA	0.00%	100.00%	4.30%	0.00%	NA
4. Non-Financial Investments	Sufficient to Achieve Goal in E4	NA	NA	0.00%	0.00%	0.00%	0.00%	NA
5. Savings Deposits	Sufficient to Achieve Goal in E5	NA	NA	111.05%	146.09%	27.96%	0.00%	NA
6. External Credit	0%	NA	NA	0.00%	0.00%	0.00%	0.00%	NA
7. Member Shares	Sufficient to Achieve Goal in E7	NA	NA	7.20%	28.61%	0.34%	0.00%	NA
8. Institutional Capital	Sufficient to Achieve Goal in E8	NA	NA	-52.12%	-141.23%	-8.68%	0.00%	NA
9. Net Institutional Capital	Sufficient to Achieve Goal in E9	NA	NA	-51.47%	-139.61%	-8.19%	0.00%	NA
10. Membership	Minimum 5%	NA	NA	20.39%	25.66%	4.19%	0.00%	NA
11. Total Assets	More Than Inflation	NA	NA	0.28%	-2.01%	6.91%	0.00%	NA
Inflation Rate (Annualized)		6.00%	6.00%	6.00%	7.00%	6.00%		

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	6/30/00	12/31/00	6/30/01	12/31/01	3/31/02	Annual Goal	% Complete
Number of Credit Unions in this Report	1	1	1	1	1		0
Assets							
Earning Assets							
<i>Loans to Members</i>							
Short Term (<=1 Year)	0	644	2,258	4,710	1,627	0	NA
Medium-Term (1-3 Years)	0	0	0	0	5,727	0	NA
Long-Term (> 3 Years)	0	0	0	0	0	0	NA
Other Special Loans	0	0	0	0	0	0	NA
Loan Loss Allowances	0	(13)	(45)	(94)	(148)	0	NA
Total Net Loans	0	631	2,213	4,615	7,207	0	NA
<i>Liquid Investments</i>							
<i>Non-Regulated Liquid Investments</i>							
Liquidity Reserves - CFF	0	0	0	0	0	0	NA
Other Liquidity Reserves	0	0	0	0	0	0	NA
Short-Term CFF Deposits	0	0	0	0	0	0	NA
Short-Term Bank Deposits	0	0	0	0	0	0	NA
Short-Term Securities and Investments	0	0	0	0	0	0	NA
Other Liquid Investments 1	15,584	15,108	12,987	0	0	0	NA
Other Liquid Investments 2	0	0	0	0	0	0	NA
Other Liquid Investments 3	0	0	0	0	0	0	NA
Total Non-Regulated Liquid Investments	15,584	15,108	12,987	0	0	0	NA
<i>Regulated Liquid Investments</i>							
Liquidity Reserves	0	0	0	0	0	0	NA
Short-Term Deposits in Regulated Fin.Institutions	0	0	0	0	0	0	NA
ST Government or Regulated Securities and	0	0	0	0	0	0	NA
Total Regulated Liquid Investments	0	0	0	0	0	0	NA
Liquid Investments Allowances	0	0	0	0	0	0	NA
Total Liquid Investments	15,584	15,108	12,987	0	0	0	NA
<i>Financial Investments</i>							
<i>Non-Regulated Financial Investments</i>							
Shares - League/Affiliation	0	0	0	0	0	0	NA
Long-Term CFF Deposit	0	0	0	0	0	0	NA
Long-Term Bank Deposits	0	0	0	0	0	0	NA
Long-Term Securities & Investments	0	0	0	0	0	0	NA
Other Financial Investments 1	0	0	0	0	0	0	NA
Other Financial Investments 2	0	0	0	0	0	0	NA
Other Financial Investments 3	0	0	0	0	0	0	NA
Total Non-Regulated Financial Investments	0	0	0	0	0	0	NA
<i>Regulated Financial Investments</i>							
Shares in Financial Institutions	0	0	0	0	0	0	NA
Long-Term Deposits in Regulated Fin.Institutions	0	0	0	0	0	0	NA
LT Government or Regulated Securities and	0	0	0	0	0	0	NA
InterBranch Investments	0	0	0	8,383	8,743	0	NA
Total Regulated Financial Investments	0	0	0	8,383	8,743	0	NA
Financial Investments Allowances	0	0	0	0	0	0	NA
Total Financial Investments	0	0	0	8,383	8,743	0	NA
<i>Non-Financial Investments</i>							
Various	0	0	0	0	0	0	NA
Non-Financial Investments Allowances	0	0	0	0	0	0	NA
Total Non-Financial Investments	0	0	0	0	0	0	NA
Total Earning Assets	15,584	15,739	15,200	12,998	15,949	0	NA
Additional Loan Portfolio Information							
Delinquency Based on Outstanding Balance of Loan?	Payment	Payment	Balance	Balance	Balance	Payment	
Delinquency							
1 TO 12 Months	0	0	0	0	0	0	NA
More Than 12 Months	0	0	0	0	0	0	NA
Total Balance Of Delinquent Loans	0	0	0	0	0	0	NA
Loans to Members (Gross)	0	644	2,258	4,710	7,355	0	NA
Accumulated Charge-Offs (Historical)	0	0	0	0	0	0	NA
Recovery of Loans Charged-Off (Historical)	0	0	0	0	0	0	NA

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Nerashte
Based on US\$

BALANCE SHEET

	6/30/00	12/31/00	6/30/01	12/31/01	3/31/02	Annual Goal	% Complete
Non-Earning Assets							
<i>Liquid Assets</i>							
Cash & Equivalents	303	426	664	691	176	0	NA
Current Accounts (Checking)	106	138	125	2,270	810	0	NA
Foreign Currency	0	0	0	0	0	0	NA
Liquidity Reserves - CFF	0	0	0	0	0	0	NA
Other Liquidity Reserves	0	0	0	0	0	0	NA
Other Liquid Assets	0	0	0	0	0	0	NA
Total Liquid Assets	409	564	789	2,961	985	0	NA
<i>Accounts Receivable</i>							
Debtors	0	0	0	0	0	0	NA
Interest Receivable	175	7	366	24	153	0	NA
Notes Receivable	0	0	0	0	0	0	NA
Payroll Deductions Receivable	0	0	0	0	0	0	NA
Other Accounts Receivable	0	0	0	0	0	0	NA
Receivable Loss Allowances	0	0	0	0	0	0	NA
Total Accounts Receivable	175	6	365	23	152	0	NA
<i>Fixed Assets</i>							
Land	0	0	0	0	0	0	NA
Buildings (Cost)	0	0	0	0	0	0	NA
Leasehold Improvements	0	0	0	0	0	0	NA
Furniture & Equipment	0	0	0	0	0	0	NA
Accumulated Depreciation - Buildings	0	0	0	0	0	0	NA
Accum. Depreciation - Leasehold Improv.	0	0	0	0	0	0	NA
Accum. Depreciation - Furniture & Equip.	0	0	0	0	0	0	NA
Total Net Fixed Assets	0	0	0	0	0	0	NA
<i>Other Assets</i>							
Assets in Liquidation	0	0	0	0	0	0	NA
Organization Expenses	0	0	0	0	0	0	NA
Prepaid Expenses	0	0	0	0	0	0	NA
Other Deferred Assets	0	0	0	0	0	0	NA
Accumulated Amortization	0	0	0	0	0	0	NA
Total Other Assets	0	0	0	0	0	0	NA
<i>Problem Assets</i>							
Doubtful Assets	0	0	0	0	0	0	NA
Accounting Discrepancy - Assets	0	0	0	0	0	0	NA
Other Problem Assets	0	0	0	0	0	0	NA
Total Problem Assets	0	0	0	0	0	0	NA
Total Non-Earning Assets	584	570	1,155	2,984	1,138	0	NA
Total Assets	16,168	16,309	16,355	15,982	17,087	0	NA
Number Of CU Members							
Men	117	149	150	156	155	0	NA
Women	3	3	33	35	44	0	NA
Gender not Reported	0	0	0	0	0	0	NA
Total Number Of Members	120	152	183	191	199	0	NA
Number of Other Service Users							
Youth	0	0	0	0	0	0	NA
Third Parties	0	0	0	0	0	0	NA
Total Number of Other CU Service Users	0	0	0	0	0	0	NA
Total Number Of Members & Other CU Service	120	152	183	191	199	0	NA

Nerashte
Based on US\$

BALANCE SHEET

	6/30/00	12/31/00	6/30/01	12/31/01	3/31/02	Annual Goal	% Complete
LIABILITIES							
INTEREST BEARING LIABILITIES							
<i>Savings Deposits</i>							
Regular Savings	47	237	490	1,501	1,418	0	NA
Term/Fixed Savings	704	2,802	5,923	3,503	6,989	0	NA
Youth Savings	0	0	0	0	0	0	NA
Special Savings	0	0	0	2,473	1,161	0	NA
Pledged Savings	0	0	0	0	0	0	NA
Total Savings Deposits	751	3,039	6,413	7,478	9,568	0	NA
<i>External Credit</i>							
External Credit - CFF (<= 1 Year)	0	0	0	0	0	0	NA
External Credit - CFF (> 1 Year)	0	0	0	0	0	0	NA
External Credit - Banks	0	0	0	0	0	0	NA
Other External Credit - External Institutions	0	0	0	0	0	0	NA
InterBranch Loans	0	0	0	0	0	0	NA
Total External Credit	0	0	0	0	0	0	NA
Total Interest Bearing Liabilities	751	3,039	6,413	7,478	9,568	0	NA
<i>Non-Interest Bearing Liabilities</i>							
Short-Term Accounts Payable (<=30 Days)	115	429	302	349	729	0	NA
External Credit Payments (<=30 Days)	0	0	0	0	0	0	NA
Provisions (e.g. Employee Benefits)	343	0	9	0	0	0	NA
Accounting Discrepancy - Liabilities	0	0	0	0	0	0	NA
Other Liabilities	13,241	13,037	11,608	12,839	12,281	0	NA
Total Non-Interest Bearing Liabilities	13,699	13,466	11,919	13,188	13,010	0	NA
Total Liabilities	14,450	16,504	18,332	20,666	22,578	0	NA
CAPITAL							
<i>Share Capital</i>							
Mandatory Shares	3,000	3,742	4,011	4,812	4,829	0	NA
Voluntary Shares	0	0	0	0	0	0	NA
Total Member Share Capital	3,000	3,742	4,011	4,812	4,829	0	NA
<i>Transitory Capital</i>							
Asset Appreciation Over Cost	0	0	0	0	0	0	NA
Education & Social Reserves	0	0	0	0	0	0	NA
Monetary Reserves	0	0	0	0	0	0	NA
Other Reserves	0	0	0	0	0	0	NA
Accounting Discrepancy - Capital	0	0	0	0	0	0	NA
Undistributed Net Income	0	0	0	0	0	0	NA
YTD Net Income (loss)	0	0	0	0	0	0	NA
Total Transitory Capital	0	0	0	0	0	0	NA
<i>Institutional Capital</i>							
Statutory & Legal Reserves	0	0	0	0	0	0	NA
Retained Earnings	0	0	0	0	0	0	NA
Other Reserves	0	0	0	0	0	0	NA
Donations	0	0	0	0	0	0	NA
Undistributed Losses	0	0	(3,505)	(3,877)	(9,083)	0	NA
YTD Net Income (Loss)	(1,282)	(3,936)	(2,483)	(5,619)	(1,237)	0	NA
Total Institutional Capital	-1,282	-3,936	-5,988	-9,496	-10,320	0	NA
Total Capital	1,718	-195	-1,977	-4,684	-5,491	0	NA
Total Liabilities and Capital	16,168	16,309	16,355	15,982	17,087	0	NA

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Nerashte

Income Statement
Based on USS

						Annual Goal	%
	6/30/00	12/31/00	6/30/01	12/31/01	3/31/02		
Number of Credit Unions in this Report	1	1	1	1	1	0	
INCOME							
INCOME FROM LOANS							
Interest Income from Loans	0	34	228	568	290	0	NA
Delinquent Penalty Interest Income from Loans	0	0	0	0	0	0	NA
Commissions/Fees from Loans	0	2	6	140	136	0	NA
Insurance Premiums for Loans	0	0	0	0	0	0	NA
<u>NET LOAN INCOME</u>	<u>0</u>	<u>36</u>	<u>234</u>	<u>709</u>	<u>426</u>	<u>0</u>	<u>NA</u>
Income from Liquid Investments	260	896	347	0	0	0	NA
Income from Financial Investments	0	0	0	685	127	0	NA
Income from Non-Financial Investments	0	0	0	0	0	0	NA
Income from Grants	0	0	0	0	0	0	NA
Income from Other Sources	0	0	0	0	0	0	NA
Gross Income	260	932	581	1,394	554	0	NA
COSTS/EXPENSES							
FINANCIAL COSTS							
Interest Expense on Savings Deposits	84	260	319	728	215	0	NA
Insurance Premiums for Savings	0	0	0	0	0	0	NA
Taxes on Interest Paid For Savings	0	0	0	0	0	0	NA
<i>Financial Cost - Savings Deposits</i>	<i>84</i>	<i>260</i>	<i>319</i>	<i>728</i>	<i>215</i>	<i>0</i>	<i>NA</i>
Financial Cost on External Credit	0	0	0	0	0	0	NA
Financial Costs on Interbranch Loans	0	0	0	0	0	0	NA
Dividend Expense on Shares	0	0	0	0	0	0	NA
Insurance Premiums for Shares	0	0	0	0	0	0	NA
Taxes on Interest Paid for Shares	0	0	0	0	0	0	NA
<i>Financial Cost - Shares</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>NA</i>
Other Financial Costs	0	0	0	0	0	0	NA
<u>TOTAL FINANCIAL COSTS</u>	<u>84</u>	<u>260</u>	<u>319</u>	<u>728</u>	<u>215</u>	<u>0</u>	<u>NA</u>
GROSS MARGIN	176	672	262	665	339	0	NA
OPERATING EXPENSES							
Personnel	1,261	3,873	2,321	5,181	1,268	0	NA
Governance	0	0	0	0	0	0	NA
Marketing	0	75	0	0	0	0	NA
Administration	196	648	390	1,021	250	0	NA
Depreciation	0	0	0	0	0	0	NA
<u>TOTAL OPERATING EXPENSES</u>	<u>1,457</u>	<u>4,595</u>	<u>2,711</u>	<u>6,202</u>	<u>1,518</u>	<u>0</u>	<u>NA</u>
Provision for Risk Assets	0	13	34	82	58	0	NA
NET INCOME FROM OPERATIONS	(1,282)	(3,936)	(2,483)	(5,619)	(1,237)	0	NA
OTHER INCOME / EXPENSE							
Previous periods adjustments (Net)	0	0	0	0	0	0	NA
Extraordinary income (Net)	0	0	0	0	0	0	NA
<u>TOTAL OTHER INCOME/EXPENSE</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>NA</u>
Income Tax	0	0	0	0	0	0	NA
Net Income/Loss	(1,282)	(3,936)	(2,483)	(5,619)	(1,237)	0	NA

**FULM Savings House
Membership Statistics
As Of March 31, 2002**

Membership Data

As Of March 31, 2002

	Male	Female	Total Full-Members
Central Office (0)	66	34	100
Kavadarci (5)	87	73	160
Nerashte (2)	155	44	199
Murtino (1)	315	86	401
JSP (3)	455	79	534
Shtip (6)	2	6	8
Debar (9)	5	0	5
Gostivar (4)	56	11	67
Kocani (6)	1	4	5
Bitola (7)	50	15	65
Kumanovo (12)	1	0	1
Prilep (13)	1	0	1
Gevgelija (14)	1	0	1
	<hr/> <hr/> 1195	<hr/> <hr/> 352	<hr/> <hr/> 1547
Percentages:	77.25	22.75	

**“Changing Perception”
Credit Union World’s
Spotlight on Development**

Changing Perception

-Macedonia's FULM Savings House

World Council of Credit Unions, Inc. (WOCCU) has worked diligently in Macedonia, a country that has been in economic transition since it gained independence from Yugoslavia in 1991. As a result of the Republic's collapse, the banking system reorganized for an independent country. Many Macedonian citizens were victims of pyramid schemes in the late 1990s and lost personal savings. Further mistrust in financial institutions occurred with the failure of a major savings house in the Bitola Region of Macedonia in 1995. Skepticism is still evident, with approximately 70% of Macedonians saving in foreign currencies including: the deutchmark, Swiss franc and now the euro. The majority of these people do not save hard currencies in financial institutions. Instead, people keep currency hidden at home for easy access and ease of mind.

Because of regulatory restrictions and non-credit union specific legislation in the country, the WOCCU Macedonia-FULM Savings House (FSH) needed to be innovative and flexible. A financial system was developed to provide access to services for Macedonians, along with a consolidated program to educate members about credit unions. The program became successful working under the name Savings House, which was once widely mistrusted.

To reach the entire population of Macedonia, a network credit union system was devised. FULM Savings House currently has a network of four branches throughout the country and a central office located in the capital city Skopje. Each branch has its own field of membership. Even with the network of branches there still was a large segment of the population ineligible to join the savings house.

For people not covered within the branch network, the FSH central offices expanded its field of membership. FULM association clubs were formed and used as an organizational tool. Citizens of Macedonia could join an association club and through their membership become eligible to join FULM Savings House.

Macedonia is now split into 14 regions and each region has an association club. When an interested person seeks information regarding FULM Savings House, he/she is directed to the club leader in the region. If the person wants to become a member, the club leader instructs him/her to contact the central offices of the savings house. With the association clubs in place, FSH is able to reach the entire population of Macedonia.

The next step was to begin a marketing campaign. FULM Savings House developed an advertising campaign to promote that they are "different from the

others." The campaign educated the public in regards to credit union philosophy, democratic structure and the FULM Savings House. Self-governance of the credit union structure proved to be an important link in reinstating the trust of Macedonians when joining FULM Savings House. Every brochure, pamphlet, radio advertisement and TV ad states the savings and credit cooperative message.

During December 2001, 10 members from the Bitola region applied and were approved for loans. The central office promised the members they would receive loan disbursement immediately upon approval, but a snowstorm dumping a foot and a half of snow made travel throughout the country virtually impossible. Knowing the importance of keeping a promise to instill trust, FSH central employee, Alexandar Damjanovski, personally made a decision to disburse the loans, on time, as promised. Alexandar took it upon himself to take a six-hour train ride to Bitola. Had he not made the trip, the waiting period for loan disbursement would have been greater than three weeks. Service like this is how the FULM Savings House is winning back the country.

Making Headway

The results of the FULM Savings House are amazing. During the last 12 months, savings deposits have grown 280%, loan growth 446% and total membership is at 117%. Even working under the label of a "savings house," people are learning the difference of FSH and are willing to put aside their perceived risk. At a meeting with Liljana Bozinovska, director of the Macedonia Deposit Insurance Fund, it was reported that when comparing FULM Savings House to other savings house institutions in Macedonia, FSH ranks first in the number of individual savers and second in the rate of growth. National statistics for 2001 reflect that FULM Savings House grew four times more in savings than other savings houses.

These statistics have even greater importance in view of the political climate of Macedonia during 2001. From February to October 2001, Macedonia was in the midst of a crisis between ethnic Albanians and Macedonians. The west side of the country was completely involved in this conflict; police checkpoints were placed throughout the country and citizens felt a heavy military presence. There was real concern that the whole country would become involved in civil war. The Macedonian economy slowed and people were not willing to make long-range business commitments when the safety of the region was so unpredictable. People did not know if they would have jobs from one day to the next and were afraid they would have to flee their country.

During this entire period, FULM Savings House prospered. Members continued to deposit their savings and in return FSH continued to grant loans. Even though most other financial institutions in the country stopped granting loans, FULM Savings House did not have one delinquent loan—even within the branch located in Nerashte, the heart of the conflict region.

The Future

For 2002 FULM Savings House is determined to open two additional branches within its network. An important fifth branch is scheduled to open in the Bitola region during the summer of 2002. Not only is it amazing that the region has shown support for the FULM Savings House, but more importantly the people in the Bitola region sought out WOCCU to serve their area.

Since WOCCU and FULM Savings House have prospered in an economically challenging and politically difficult time, the future looks bright for them. At the completion of the project in August 2002, Macedonia will have a savings house with a strong infrastructure and strong operational and financial management procedures. FULM Savings House will be a financial institution that works for the financial development of the individual in Macedonia.

CUs Help People Become a Community

Slavjanka Gersimovska lives in the village of Dobroshte, in the Tetovo region of Macedonia. Gersimovska, a mother of three and her family manage to survive on the modest income they receive from her and her husband's pensions. The family also receives a small income from embroidery pieces that Gersimovska and her eldest daughter produce and sell on consignment in local boutiques. "What is really important for me is that I secure a stable future for my children. We have three children; two are students at university, studying political science in Skopje. My youngest daughter also enrolled in the same courses at the university in order to save money on books."

"One of the community members in Dobroshte told me there was a new credit union in Nerashte, a nearby village—so I visited the branch—where the branch manager went to a great deal of effort to explain about the services," said Gersimovska. The credit union had loans for farmers and consumers, but they did not have a specific product to meet Gersimovska's needs. Keen to help Gersimovska, they adapted the conditions of another product and developed a tailor-made loan that would meet her needs. Gersimovska borrowed \$400 to pay for her children's university fees. "Because I am a pensioner, I needed to find two guarantors employed in budget companies, which was easy for me. I joined the

credit union and they gave me a loan, which I have repaid. Now any extra money I have, I deposit as savings in the credit union," she said.

Once her loan was disbursed, Gersimovska gave her payments to a friend from her village—who worked in Nerashte—to make the payments on her behalf. During the crisis there was no way of getting to the credit union to make loan payments. "I tried to call the branch but the telephones were also out in the village. I managed to get through to the central office and spoke to the director who ensured me that the credit union would not charge me a penalty for making a late payment," said Gersimovska.

"At the moment, I'm on a waiting list to receive a hip brace. If it doesn't arrive by March, I will apply for another loan so that I can have an operation," she continued. In the future, Gersimovska also hopes to take out a loan to further develop and promote her embroidery work as a small business, which will generate income for her family and herself.

Gersimovska is grateful to the credit union for its customer service and the extent it went to help her. "Prior to FULM, I applied for loans at all of the banks in Tetovo and was declined because I was a pensioner. The company I was employed at for 27 years had a bank as part of the company group and it was here that I was most disappointed," she added.

A Credit Union Community

"One of the things I miss from my childhood is the companionship and closeness in the communities. These opportunities are now made available by credit unions—to be involved and to be part of a community where people help each other—now days these opportunities are rare. That is why I'm so grateful to the credit union. When the bank declined my small loan request, the credit union was there to help me. It is these types of institutions that give back to the community that are so rare. I hope FULM will become part of more communities. With unemployment so high, it would be great to have small loans to help set up small businesses so that people can create employment for themselves," explained Gersimovska.