



World Council of Credit Unions, Inc.

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July 1 – September 30, 2002

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

USAID Award No. EPE-A-00-95-00103-00

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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.
MCUL	Michigan Credit Union League
NBRM	National Bank of the Republic of Macedonia
PTP	People to People/ Partnership Program — a WOCCU program connecting international credit union movements with United States Credit Union Leagues for continued technical support.
USAID	United States Agency for International Development
WOCCU	World Council of Credit Unions, Inc.

Financial Indicators: Actual vs. Target

Financial Indicators	Actual as of 09/30/2002	Actual as of 06/30/2002	Actual as of 03/31/2002	Actual as of 12/31/2001	Target (For 2002)	Target LOP 12.31.2002	On Track (Y/N)
Number of Loans Outstanding		868	449	490	650	650	Y
Number of Loans Disbursed since Inception		1,213	961	Information Not Available	1300	1300	Y
Loan Volume	703,039	669,881	517,974	368,069	900,000	602,000.00	Y
# Of Savers	1,909	1,722	1,547	1,273	2200	4,400	Y
Saving Volume	265,136	234,199	178,265	155,545	370,000	860,000.00	N
Member Shares	50,142	46,172	36,987	31,222			
Loan Loss Rate		2.09%	2.00%	2.00%	2.00%	2.00%	Y
Portfolio at Risk > 30 days	3.67%	0	0	0	3%		Y
Return on Operations	216%	213%	215%	149%	200%	200%	Y
% Women	23%	29%	23%	21%	30%	25%	Y
Other Indicators							
Distribution of portfolio by economic activity (e.g., ag, micro-enterprise, housing, etc.)	Information Not Available	Information Not Available	Information Not Available	Information Not Available	Information Not available	Information Not available	Information Not Available
# And volume of micro-enterprise loans		790	449	490	600	600	Y
ROA	5.29%	5.60%	5.59%	2.80%	5.00%	5.00%	Y

* Portfolio at Risk: (>30 days overdue)

** Loan Loss: Loan Loss Provision/Loans Outstanding

*** Return on Operations: Total Client Revenues (interest income + Fee Income)/Total Expenses (Non-financial Expenses + Adjusted Financial Expenses)

Executive Summary

During 3rd Quarter 2002, the WOCCU/Macedonia project has focused on closeout issues due to the scheduled project closeout of December 31, 2002. Closeout issues are as follows: transfer of fixed assets from WOCCU to FULM Savings House (FSH) and the possibility of value added taxes (VAT) assessment, opening discussions with the Michigan Credit Union League (MCUL) for after-project support through WOCCU's People to People Program, securing a line of credit loan for FSH member lending purposes through a commercial bank in Macedonia.

Results thus far on the issue of the VAT assessment on the fixed asset transfer of FSH have been minimal. The local attorney for the WOCCU/Macedonia project has been working to obtain documentation from the Ministry of Finance (MOF) stating the fixed assets will not be subject to VAT once transferred from WOCCU to FSH. The MOF of Macedonia has been hesitant in stating clearly whether or not this tax will be applied. Other avenues explored by our attorney have included a request of legal documentation from the Statistics Bureau of Macedonia in regards to the classification of the founder, AC FULM. If the requested documentation reflects AC FULM as being registered as an NGO of humanitarian and social institutions and organizations, scientific, educational, cultural institutions and religious communities, then based on a letter from the MOF, FSH would be exempt from tax.

The Statistics Bureau has refused to release this information in regards to the registration classification of AC FULM. Therefore, since all efforts have been exhausted in obtaining a concrete answer on whether or not VAT will be charged to FSH, we have asked the local USAID Mission to help us in finding a solution to this problem. Note: If VAT is applied to the fixed assets FSH will not be able to afford this great expense and therefore would not take transfer of the assets which include furniture, computers and computer equipment. The assets were obtained through the USAID-funded project of WOCCU/Macedonia.

As WOCCU/Macedonia prepares its exit strategy, potential solutions to ensure the financial stability of FSH continue to be examined. As stated in the USAID/WOCCU assessment report of January 2002, FSH will need an additional 3 years in order to reach total self-sustainability. In order to reach this goal WOCCU has begun the initial steps in beginning a People to People Program (PTP) with the Michigan Credit Union League (MCUL) in the United States. The partnership between WOCCU, MCUL and FSH will help to bridge the gap between lost subsidy from the WOCCU project and current expenditure needs of the FULM Savings House.

During September 9-13, 2002, two MCUL representatives, Mr. Drew Egan, Vice President of MCUL and Ms. Carolyn Miller, MCUL Consultant Manager of SAS Credit Unions, visited FSH. The main point of the visit was for MCUL to get acquainted with FSH operations and to discuss how MCUL could help the savings house through the PTP partnership. The participants spent 2 days at the Central offices of FULM, 1 day at the grand opening of the Bitola branch of FSH, 1 day at the FSH Kavadarci branch, with a training session for the branch managers of the savings house held on the last day.

At the end of the visit to Macedonia, the MCUL consultants had listed and reviewed with WOCCU Regional Manager, Lois Kitsch, and WOCCU/Macedonia Project Director, Martha Ninichuk, their impressions regarding the possibility of technical and operational subsidy support to be provided to FSH.

The prepared list subsidy support was to be taken back to MCUL corporate offices in Plymouth, Michigan for approval.

In return, three Macedonian leaders of the FSH credit union movement traveled to Washington, D.C. and Plymouth, Michigan from October 7 through October 18, 2002. The first part of our trip was to promote credit union development in Macedonia to Michigan legislators in Washington, D.C. The second half of the trip would be to provide instruction to the FSH leadership on issues of credit union development in Michigan. FSH participants met the following legislators in Washington DC: Senator Debbie Stabenow, Representative Mike Rogers and the legislative aides of both Representative Joe Knollenberg and Representative Carolyn Kilpatrick. The Washington, D.C. visit ended with a visit to the Macedonian Embassy where we met and spoke with Deputy Chief of Mission Goce Georgievsky. The Macedonian Embassy was very interested in the progress of FULM Savings House in Macedonia and has requested FSH keep them informed of future efforts.

In Michigan, the participants visited 5 credit unions and Michigan's Central Corporate Credit Union, attended the Oakland County Chapter of Credit Unions meeting as well as a small asset sized credit union meeting regarding collections held at the MCUL. The benefit of the Michigan trip came in the form of the MCUL executive management team getting acquainted with the challenges FSH faces in areas of legislative and regulatory development in Macedonia. At this writing, the budget for the partnership has been approved by the CEO of MCUL and now must go before the International Committee of MCUL. Once the committee approves the PTP budget it will then go before MCUL's board of directors. If the budget passes a final partnership Memorandum of Understanding will be signed by WOCCU, MCUL and FSH. It is anticipated the PTP partnership will be signed at the end of December 2002/January 2003.

Continued efforts have been made to find a solution to the liquidity needs of FSH to accommodate members' borrowing demand. During two separate meetings held with Commercial Bank of Macedonia it was discussed whether or not a line of credit loan for FSH could be realized. Commercial Bank has no problem with a line of credit loan for the savings house as long as the guarantor is either: USAID, WOCCU or MCUL. Two other liquidity sources have been determined and discussions continue as to who would best be suited for solving this issue for the savings house.

Even though solutions have been pinpointed to help FSH realize financial self-sustainability by year-end 2005, efforts have not been successful in locating the additional \$200,000 in subsidy needed to secure FSH success in the future. A concept paper was written at the request of the local USAID Mission detailing WOCCU's concepts for further FSH support (See Attachment B). After review of the concept paper USAID has requested Option B to be used as a basis for the WOCCU formal proposal to be submitted to USAID. Option B offers a solution to the liquidity needs of the savings house, but does not address the shortfall in covering operational expenses FSH faces due to the nature of its branch networked system.

Therefore, FSH may not reach financial self-sustainability by year-end 2005. FSH has proven that it serves a very important purpose in Macedonia's financial services industry in the capacity that it provides financial services to those Macedonians that would not ordinarily have access to basic savings and loan products and financial services. Additional monetary support in the form of external credit or technical assistance would ensure that FSH has a better opportunity for success as reflected over the last 2 years continues far into the future.

I. PROJECT IMPLEMENTATION AND RESULTS ACHIEVED

A. Project Progress vs. Targets

As of December 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 a total member of 4,400.

The following progress has been made towards achievement of targets:

1. Savings Mobilization of \$860,000 (36.66% complete). As of September 30, 2002, membership savings is at a balance of \$315,278.00. Even though great strides have been made towards the USAID stated target, FSH falls far short of its savings mobilization target. The main reason for this shortfall is the regulatory inhibition of savings houses not being able to mobilize member savings in foreign currencies. Until this regulatory restriction is lifted the savings mobilization capability is extremely limited since the majority of the population (70%) continues to save in hard currencies.
2. Total loans outstanding of \$602,000 (116.78% complete). As of September 30, 2002 the total outstanding loan balance for FSH is at \$703,039.00. This balance surpasses the USAID stated goal of \$602,000 reflecting the membership need for specific loan products designed by FSH/WOCCU.
3. Total membership of 4,400 (43.39% complete). Total members of FSH as of September 30, 2002 are 1,909. Even though we will not reach our USAID stated goal of 4,400, FSH is hoping to meet its year-end goal of 2,200 members as of December 31, 2002.

B. Analysis of Financial Performance of Project Credit Union

1. Protection -- All Protection ratios are reflecting that FSH is adequately reserved in cases of losses through membership loans or investment portfolios. P2 Net Loan Loss Allowance/Allowances for Loans Delinquent 1-12 months reflects a ratio of 193.98%, which is above the PEARLS Goal of 100%. P6 Solvency Goal shows all members' assets would be covered in case of the liquidation of the FSH system.
2. Effective Financial Structure -- The financial structure of the savings house is in good position. This is reflected in the positive trend growth in 4 major categories: P1 Net Loan/Total Assets, P5 Savings Deposits/Total Assets, P7 member Share Capital/Total Assets, and P8 Institutional Capital/Total Assets. The positive growth trend shows that loan demand from membership is strong and the increase in Institutional Capital states that FSH is charging adequate loan rates for its loan portfolio to ensure, after expenses, a residual amount of net income remains to build its Institutional Capital. The slight decline in P9 Net Institutional Capital/Total Assets is due to the first signs of delinquency within FSH. This ratio reflects what effects delinquency "could have" on the institutional capital if all loans currently delinquent had to be charged off.

3. Asset Quality – A1 Total Delinquency/Gross Loan Portfolio is at 3.67%. For FSH this is the first report in two years that has reflected a delinquency ratio above 0%. Macedonia recently held its elections and those companies whose directors will be replaced by the incoming political party are not administering the administrative lien loan payments to the savings house. It is hoped this problem will be rectified once the new directors take their place within the companies. FSH is well protected in regards to delinquent loans and a loss in member loans is not a concern at this time.

The Non-earning assets ratio is still acceptable at 7.09%.

The net zero cost funds/Non-earning assets ratio is well above the PEARLS standards of greater than or equal to 100%.

4. Rates of Return and Costs – R1 Net Loan Income/Average net Loan Portfolio ratio is reflecting an average rate of 29.39%, which is the approximate market rate charged to members for the consolidated loan portfolio. Including this return with the other incomes from liquid and financial investments the accumulated return is adequate to obtain a Gross Margin/Average Assets ratio (R8) of 18.25%.

R5 FSH is paying its members a rate of 11.37% on savings deposits, which is well above the inflation rate of 7%.

R9 Operating Expenses of 11.13% are a little higher than the standard PEARLS ratio range of 3-10%, but is acceptable with the FSH branch network system and the higher costs associated.

R12 Net Income/Average Assets is sufficient in continuing to set aside FSH capital reserves, which are reflected in ratio E8.

5. Liquidity – overall liquidity reserves are very low for FSH due to the member loan demand and the savings house striving to keep up with that demand. As stated earlier in this report an external credit loan is to be secured.
6. Signs of Growth – S1 Net Loans reflects a year-to-date growth rate of 83.63%. S2 Liquid Investments reflects a year to growth rate of 131.89%. S3 Financial Investments shows a negative growth rate of –40.26% due to member loan demand and the transfer of assets from financial investments to member loans, which provide a higher return to the savings house. S5 Savings Deposits shows a year-to-date growth rate of 67.91%. S11 Total Assets is growing at a faster rate than inflation (28.97%), which helps to maintain the value member share balances.

C. Summary of Ranking of FULM Savings House

Ranking Within this section, WOCCU has developed a credit union ranking system consisting of 13 crucial ratios (see Table below). FSH has scored 9 points out of a maximum of 13 on their consolidated branch report for the period of September 30, 2002.

During the remainder of the project period, work will be focused to further improve 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	L1	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	15%	Membership Growth	Asset Growth	Score
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	13.10	21.52	2.20	7
06/30/02	100	Yes	71.02	25.36	6.70	0	8.10	0	11.35	5.60	15.23	35.27	23.07	10
09/30/02	100	Yes	70.83	27.40	6.84	3.67	7.09	0	11.13	5.40	4.68	49.96	28.97	9

*Note: Due to the 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

Bitola Branch, the 6th branch of FSH was opened on September 11, 2002. This is an important milestone since the collapse of the largest saving house in Macedonia, Tat Savings House, was located in Bitola. It is believed that our success is mainly due to the marketing and educational campaigns, "different from the others", has worked to inform the public of the credit union difference.

Training

Training in delinquency control/collections was held on September 27, 2002 for all branch managers and Central office staff of FSH. The FSH Collection Policy was reviewed as well as collection procedures. Branch managers were concerned with the amount of time collection activity would take in their daily routines. Stressed was the importance of delinquency control and if left unchecked what effects delinquency would have on the financial standings of FSH.

Marketing

Advertising for the local TV station in Bitola was developed during the 3rd Quarter 2002. The TV advertisement introduces FSH Bitola Branch and announces its grand opening on September 11, 2002. After the grand opening a second TV advertisement will be run routinely stating the products and services available to FSH membership.

An International Credit Union Day/Macedonia National Savings Day campaign mailing was completed during the week of October 14, 2002 (Attachment C).

IT Development

Still outstanding is finding a solution to the software problems of FSH. Even though the decision is narrowed down to two software providers, neither distinguishes itself as the best candidate. One of the candidates is MegaTrend located in Serbia. Megatrend has positive and negative points. Positive: already established financial software, proven work record, software programmer knowledgeable in all financial system reporting. Negatives: Cost charged for software takes Megatrend outside of the affordable options, and not clear of how supportive local office will be in times of computer down time. The second candidate is a local software programmer. This person has worked with FSH for years with their current software package. Positives: already established good working relationship, reliable. Negatives: individual software package, no preexisting software that is tested and proven, individual does not have thorough knowledge of banking regulations and reporting systems. As the project draws to a close a decision has to be made or the savings house risks the loss of the subsidy money set aside for computer software expenses. WOCCU and FSH management are working closely to find a solution to this perplexing problem.

E. Problems Encountered

Problems encountered mainly have to do with project closeout and are addressed within the Executive Summary section.

II. SUMMARY OF ACTIVITIES FOR THE NEXT PERIOD.

- A. Finalize National Advertising Campaign for FSH
- B. Finalize decision for financial software provider
- C. Project Close Out Audit to be held in November/December 2002
- D. Project Close Out

News Articles/Press Releases

Michigan Legislators Welcomes Macedonian CU Pioneers to Washington D.C.

Madison, WI--U.S. Congressional leaders from Michigan learned how credit unions are making a difference in the volatile Balkans region, when a delegation from the Macedonia FULM Savings House--the nationwide credit union developed by the World Council of Credit Unions, Inc. (WOCCU)-- visited this week.



Macedonia delegation with Michigan Senator, Debbie Stabenow.

Senator Debbie Stabenow (D-MI) was the first to greet the leadership team. The delegation also visited the offices of Representatives Joe Knollenberg (R-MI), Mike Rogers (R-MI) and Carolyn Kilpatrick (D- MI).



Senator Stabenow discusses credit unions with Macedonian CU representative.

The development of the FULM Savings House is part of an ongoing WOCCU project to develop a cooperative financial system in Macedonia. Despite two intense periods of violent upheaval the FULM Savings House has managed to grow to serve more than 2,000 members in six branches throughout the country.

Jorde Jakimovski and Stevo Androvich, members of the Macedonia delegation noted, "We have seen an excellent example of the relationship built between Michigan credit unions and their legislators. We hope to build similar relationships in Macedonia to improve the legal framework for our savings house in the future."

As part of the People-to-People exchange the Macedonian delegation will also travel to Michigan to begin a 10-day internship with the Michigan Credit Union League. The internship will focus on the examination of operations in several Michigan credit unions. The funding for the internship was made possible by the Michigan Credit Union League, the National Credit Union Foundation (NCUF), via their grant to WOCCU's People-to-People Program and the U.S. Agency for international Development.

The delegation included Stevo Androvich, president of the management board, FULM Savings House; Jorde Jakimovski president of the Association of Citizens, AC FULM; Eleonora Zgonjanin, manager of the FULM Savings House; and Martha Ninichuk, WOCCU Macedonia project director. Also accompanying the group were Mike Beall, WOCCU's manager of governmental affairs and partnerships and Katie Herberger, CUNA's manager of legislative affairs.

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Macedonians Grateful for Support from Michigan CUs

Courtesy: Michigan Monitor

The Michigan Credit Union League's Drew Egan and Carolyn Miller have completed the first assignment in a partnership being developed between the League, the World Council of CUs (WOCCU) and the Macedonia Savings House. The pair traveled to Macedonia in September to attend the grand opening of the 5th Savings House facility in the city of Bitola. "This first visit by our staff is just the beginning of what we hope will be a long and mutually beneficial relationship between MCUL, WOCCU and the Macedonia Savings House," said MCUL President/CEO David Adams.



Martha Ninichuk, standing center, joins Drew Egan and Carolyn Miller, on her left, and FULM Savings House board members and general manager, Bilota Branch and Central Office staff, and WOCCU representatives for the Grand Opening Ceremony of the Bilota Branch.

During the week Egan and Miller spent with the Macedonian savings and credit cooperative (FULM Savings House), they provided training and preliminary planning with branch managers. They also met with the WOCCU representatives and the FULM Savings House board of directors and general manager.

"We were very impressed with the work that has been done so far," said Egan. "Seeing the development of CUs from their infancy in a country that is just learning about CUs, and seeing the good they are doing for their members is inspiring and one of the high points of my 17-year CU career."

Said Miller: "Resources we take for granted are just not available to them." The partnership was recommended by the Michigan World Affairs Committee to identify and enhance MCUL and Michigan CU relationships, representation, and involvement at the national and international levels in association with WOCCU and other organizations.

"The Macedonia Savings House could benefit greatly from our assistance in governmental and legislative advocacy, education and training, technical and marketing support," said Egan. "One of our first priorities will be to meet with Macedonian governmental officials, specifically their minister of finance and president of their central bank along with other elected officials to work with them to develop a national CU act. "Another high priority is in education and strategic planning. Other activities will be forthcoming as we outline them with the World Affairs Committee."

The MCUL Board adopted Macedonia Savings House because it is currently supported by the WOCCU and spearheaded by former St. Cletus CU (ME) President/CEO and MCUL director Martha Ninichuk, who is the program director for the WOCCU in Macedonia.

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Attachment B

**International Credit Union/
Macedonia National
Savings Day Marketing Campaign**



Кредитни Унии:
ГРАДЕЖКИ ПОДОБРО УТРЕ

Почитувани! Членови на Шпанската ФУЗМ
(Имајте године Сметискиот ден на Кредитните Унии за
прославување збогек од 112 милиони членови на
целосно светилен истаини гласок.

Кредитните Унии нал целосно Смет на сите луѓе на
ја нудат, можност да бидат дел од финансиските
иницијативи на кој се вршат демократијата и
управувањето од страна на членовите.

Сметискиот ден на Кредитните Унии го избира
какој од луѓе или здруженија и подобро одошто
градежи финансиски услуги со брзина и на ниво
луѓе на сепати.

Со приливо на доверливиот Да го постигнат!

СВЕТЕКНОТ ДЕН НА КРЕДИТНИТЕ УНИИ
15 ОКТОМВРИ 1994

ЧЕСТИТЕ ОН ТОВАРНО СТИГА ВЕРУВАЊЕ

Attachment C

WOCCU Macedonia Concept Paper

14

Concept Paper on Follow-up to the Project

“Rural Financial Institutions in FYR Macedonia”

USAID Project No. 180-0024

Award No. EPE-A-00-95-00103-00

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September 2002

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Attachments:

PEARLS Financial Statement Scenarios

I. Background. In January of 2002 USAID and WOCCU conducted an assessment of the project No. 180-0024 "Rural Financial Institutions in FYR Macedonia" implemented under the award No. EPE-A-00-95-00103-00. One of the aspects of evaluation of the project concentrated on the assessment of the future financial self-sustainability of the FULM Savings House, including its financial projections and assumptions.

At the time of the assessment it was concluded that FULM Savings House (FSH) would become fully self-sustainable by the end of year 2004, provided that as an exit strategy for the project FSH would acquire an external loan in the amount of \$400,000 in order to increase its earning assets and its subsequent earnings. The external loan is required to sustain the cost of its branch network, which is critical to ensure projected membership, savings and earning assets growth in the years to come. The consultants also concluded that the need for external borrowing from a commercial source at the end of the project was a result of the slower savings mobilization pace that was initially planned.

The slow mobilization of savings was a direct result of two major external factors: 1) delay by almost four years in registration of the savings house and subsequently in starting its operations. This delay was due to the unresolved legislative issues despite promises made by the Macedonian Government of impending savings and credit cooperative legislation, and 2) slowdown in expected expansion of all branches and temporary shut down of operations in Tetovo region because of the military conflict in Macedonia 2001. These two factors resulted in the initial overall slow development of FULM Savings House.

Following the assessment in early 2002 project continued to work towards the pre-stated objectives and implemented the recommendations provided in the assessment report. During the latter half of 2001 and third quarter 2002 the opening of two more branches completed the branch expansion plan. At this time FSH has a network of 6 branches evenly covering the territory of the country. FULM Savings House headquarters is located in Skopje, which is also open for membership transactions.

II. Project Implementation Status/FSH Financial Position as of End of August 2002. After completion of 8 months in the financial year 2002 FSH has \$723,317 in loans outstanding, \$310,889 in savings and total of 1,859 members. Achieved results vs. original targets are 120% in loans, 52% in savings and 42% in membership. FSH Return on Assets Ratio (ROA, PEARLS Ratio R12) at the end of August is 5.95% or \$34,035. It is expected that by the end of the year, which also coincides with the current Project Activity Closure Date, FSH will reach \$325,000 in savings, \$800,000 in loans and 2,100 in membership.

III. Implications of project closeout on the financial performance of FSH. In addition to the delivery of technical assistance to the FSH, the project has been continuously providing operating subsidy for the FSH during the start-up phase. Present experience shows that under the existing pace of savings mobilization and subsequent liquidity rationing requirement it takes two years for the rural branch to break even and become financially self-sustainable. It is projected that another two years are required for the branches to increase their earning assets to the point where they have sufficient income to fully cover the overhead costs of the central office. Under these assumptions and taking into the account that the last two branches were opened only within the last 8 month period another two to three years of operating subsidy would be required to help savings house maintain its current profitability and avoid depletion of capital.

Alternative to the subsidy, as described in the project assessment report earlier this year, would be a rapid growth of earning assets, namely its loan portfolio, thru external borrowing from commercial sources. At this time project has completed the assessment of the availability of an external loan from commercial sources in Macedonia. It appears that borrowing opportunities are rather scarce and availability of commercial credit to non-bank financial institutions is extremely limited. Unfortunately, the financial market in Macedonia has not developed yet to the point where the savings house could use its financial assets that are of outstanding quality to secure the loan from the commercial source. Current discussions with the Commercial Bank have outlined the bank requirements to extend the loan to FSH: 1) loan will be made available to FSH only if it is guaranteed; 2) guarantee must be in the form of a deposit and cannot be less than the amount of requested loan; 3) balance of the guarantee deposit at all times must be no less than the outstanding balance of the loan; 4) Commercial Bank must have full access to the deposit so that it may be used as an offset against any losses it may incur due to the default of the loan.

In the absence of continued operating subsidy or FSH's inability to access funds to rapidly increase its loan portfolio, it is expected that FSH will find itself in a situation where it will be incurring a substantial loss for the next 4 years. At the end of year four FSH will be running the risk of having its net capital fall below the minimum required by Macedonia law and may result in liquidation enforced by the regulator.

As an alternative to the operating subsidy or external borrowing FSH has considered implementation of a cost-cutting strategy. Projections have shown that efficient cost-cutting strategy cannot be implemented without serious disruption of growth plans that will result in stagnation of the savings house and a significant reduction in the number of people FSH will be able to serve. As a result, the cost cutting strategy would be jeopardizing the key FSH project objective and mission of serving people in rural Macedonia.

IV. Synopsis of the FSH Development Perspectives After Project Closeout. At this time it can be concluded that FSH has completed all the necessary groundwork for rapid growth in the future, including: a) branch network around the country; b) trained personnel able to implement aggressive growth plans; c) stable and disciplined operations based on the advanced operating policies and procedures. FSH potential for future quality growth is reflected by the outstanding quality of FSH financial assets that are maintained according to the highest standards.

Nevertheless, because of the significant delays in starting FSH operations savings house is at the development stage where it is not able to break even, if the operating subsidy is withdrawn or, if such withdrawal of the subsidy is not compensated by additional income generated through significant increase of its earning assets, namely loan portfolio, achieved by obtaining commercial loan.

In case of the failure to obtain financing for the growth of loan portfolio FSH will be running the risk that cumulative losses within the next four years will deplete its capital to the level below required legal minimum that may result in the closure of the savings house by the regulator.

It is projected that external loan of USD 300,000 for the period of three years will allow FSH to resolve its current profitability constraints. Within the three-year period earning assets will grow to the level required to sustain costs of the branch network. In addition, savings mobilization strategy implemented over the

coming periods will allow FSH to replace external credit by its maturity date with the savings mobilized thru the branch network.

V. Proposal for the follow-up to the project. WOCCU and FSH have considered the possibilities for securing the commercial loan for FSH to address its financial self-sustainability issue. The following are the propositions listed in the order of preference.

A) WOCCU submits a proposal to USAID for the follow-up financing of the current project. Proposed budget will be USD 500,000. Funds will be used for two components:

- a) USD 300,000 to guarantee the loan to the Commercial Bank for 3 years;
- b) USD 200,000 to provide Technical Assistance to the FSH for 18 months.

Financing of the Technical Assistance will be requested for several key reasons:

- i) to oversee lending process of the borrowed funds;
- ii) to provide further assistance in liquidity management to the FSH;
- iii) to continue technical support to the FSH staff on operational and financial management front;
- iv) to monitor FSH performance and ensure maintenance of high quality assets;
- v) to provide political and lobbying support to FSH in the post elections phase to assist FSH in case of any policy/regulatory reform affecting savings houses that has been in planning by the previous government.

Financing of Technical Assistance will involve employment of the Technical Advisor/Project Director. No other in-country staff will be required. Operating subsidy to the FSH will be kept to the minimum and fully phased out in the first 12 months of the activity.

Maintenance of the Technical Advisor on staff to support FSH appears to be critical factor for the future quality growth of the FSH. Recent staff turnover in FSH has shown that hiring qualified personnel is an extremely challenging task. Therefore retaining existing trained personnel is critical to the performance of the savings house. Single largest risk to the safety of FSH at this stage is retaining its senior management. Presence of the Technical Advisor for another 18 months will minimize the risk of staff turnover at the senior management level and will provide additional comfort that investment made in the savings house during the project implementation will result in long-term sustainability of the FSH.

B) In case the proposal outlined in Section V. A) Of this Concept Paper cannot be implemented, the second alternative under the consideration is that WOCCU together with Michigan Credit Union League will guarantee the loan to the FSH in the amount of USD 300,000 for the period of three years. USAID will be requested to cross-guarantee the loan to WOCCU and Michigan Credit Union League in the amount of 50% or USD 150,000.

Also, WOCCU will request USAID to finance technical assistance in the amount of USD 200,000 for 18 months for the same purpose as outlined in the Section V. B) of this Concept Paper.

Important Note: Both WOCCU and Michigan Credit Union League need to obtain approval from their Boards of Directors in order to be able to pledge funds for the guarantee to the FSH. At this stage

decisions of the respective Boards are not known and availability of the funds for the loan guarantee cannot be predicted with the satisfactory degree of reliability.

C) The third option considered in case of failure to satisfy either one of the above proposals is that FSH will request USAID to guarantee the loan from Commercial Bank in the amount of USD 300,000 for three years.

Under this scenario no technical assistance will be available to FSH from WOCCU and all reporting on the performance and status of the guarantee will be done directly by FSH to USAID.

WOCCU Macedonia PEARLS

Central-Skopje

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

Based on USS

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

	Goals						Annual	
		31-Mar-0	31-Dec-00	31-Dec-01	30-Jun-02	30-Sep-02	Goal	% Complete
Number of Credit Unions in this Report		0	1	1	1	1	0	
P PROTECTION								
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%	419.87%	0.00%	NA
3. Complete Loan Charge-Off of Delinquency > 12	Yes	NA	NA	Yes	Yes	Yes	0	NA
4. Annual Loan Charge-offs / Average Loan Portfolio	Minimized	NA	NA	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%	NA	NA	407.21%	244.16%	255.76%	0.00%	NA
7. Allowance for Investment Losses/ Non-Regulated Investments	NA	NA	NA	1.99%	1.95%	1.95%	0.00%	NA
E EFFECTIVE FINANCIAL STRUCTURE								
1. Net Loans / Total Assets	Between 70 - 80%	NA	NA	5.68%	18.79%	17.05%	0.00%	NA
2. Liquid Investments / Total Assets	Max 20 %	NA	NA	0.41%	0.78%	0.87%	0.00%	NA
3. Financial Investments / Total Assets	Max 10 %	NA	NA	92.12%	73.12%	75.89%	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	1.41%	4.60%	4.84%	0.00%	NA
6. External Credit / Total Assets	Max 5%	NA	NA	3.10%	0.00%	0.00%	0.00%	NA
7. Member Share Capital / Total Assets	Max 20 %	NA	NA	0.73%	1.29%	1.16%	0.00%	NA
8. Institutional Capital / Total Assets	Minimum 10%	NA	NA	6.45%	7.89%	8.74%	0.00%	NA
9. Net Institutional Capital / Total Assets	Minimum 10%	NA	NA	6.56%	8.28%	9.02%	0.00%	NA
A ASSET QUALITY								
1. Total Delinquency / Gross Loan Portfolio	Less Than or Equal To 5%	NA	NA	0.00%	0.00%	1.44%	0.00%	NA
2. Non-Earning Assets / Total Assets	Less Than or Equal To 5%	NA	NA	1.79%	7.31%	6.19%	0.00%	NA
3. Net Zero Cost Funds / Non-earning. Assets	Greater Than or Equal To 100%	NA	NA	5299.17%	1292.72%	1524.18%	0.00%	NA
R RATES OF RETURN AND COSTS (ANNUALIZED)								
1. Net Loan Income / Average Net Loan Portfolio	Entrepreneurial Rate	NA	NA	3.84%	31.43%	37.48%	0.00%	NA
2. Liquid Inv. Income / Avg. Liquid Investments	Market Rates	NA	NA	535.59%	988.91%	900.78%	0.00%	NA
3. Fin. Investment Income / Avg. Fin. Investments	Market Rates	NA	NA	7.30%	4.14%	3.57%	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 Deposits	Market Rates	NA	NA	12.51%	24.50%	26.28%	0.00%	NA
6. Fin Costs: External Credit / Avg. External Credit	Less Than or Equal to R5	NA	NA	5.24%	4.67%	5.00%	0.00%	NA
7. Fin Costs: Member Shares / Avg. Member Shares	Greater Than or Equal to R5	NA	NA	0.00%	0.00%	0.00%	0.00%	NA
8. Gross Margin / Average Assets	Amount Needed to Cover R9, R10	NA	NA	8.78%	12.50%	12.27%	0.00%	NA
9. Operating Expenses / Average Assets	3 -10%	NA	NA	7.13%	7.91%	7.93%	0.00%	NA
10. Provisions for Risk Assets / Average Assets	Sufficient for Estimated Losses	NA	NA	-0.45%	0.53%	0.44%	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	2.11%	4.05%	3.90%	0.00%	NA
L LIQUIDITY								
1. Liquid Assets - ST Payables / Total Deposits	Minimum 15%	NA	NA	75.00%	110.58%	58.88%	0.00%	NA
2. Liquidity Reserves / Total Savings Deposits	10%	NA	NA	28.94%	16.95%	18.07%	0.00%	NA
3. Non-Earning Liquid Assets / Total Assets	Less Than 1 %	NA	NA	1.48%	4.65%	2.10%	0.00%	NA
S SIGNS OF GROWTH (YEAR-TO-DATE GROWTH RATES)								
1. Net Loans	Sufficient to Achieve Goal in E1	NA	NA	NA	266.72%	224.45%	0.00%	NA
2. Liquid Investments	Sufficient to Achieve Goal in E2	NA	NA	NA	112.16%	131.89%	0.00%	NA
3. Financial Investments	Sufficient to Achieve Goal in E3	NA	NA	NA	-12.03%	-10.98%	0.00%	NA
4. Non-Financial Investments	Sufficient to Achieve Goal in E4	NA	NA	NA	0.00%	0.00%	0.00%	NA
5. Savings Deposits	Sufficient to Achieve Goal in E5	NA	NA	NA	262.30%	271.40%	0.00%	NA
6. External Credit	0%	NA	NA	NA	-100.00%	-100.00%	0.00%	NA
7. Member Shares	Sufficient to Achieve Goal in E7	NA	NA	NA	95.64%	71.77%	0.00%	NA
8. Institutional Capital	Sufficient to Achieve Goal in E8	NA	NA	NA	35.66%	46.44%	0.00%	NA
9. Net Institutional Capital	Sufficient to Achieve Goal in E9	NA	NA	NA	39.76%	48.47%	0.00%	NA
10. Membership	Minimum 5%	NA	NA	NA	77.25%	62.28%	0.00%	NA
11. Total Assets	More Than Inflation	NA	NA	NA	10.83%	8.06%	0.00%	NA
Inflation Rate (Annualized)		6.00%	6.00%	7.00%	7.00%	7.00%		

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Central-Skopje

Based on US\$

BALANCE SHEET

	3/31/2000	12/31/2000	12/31/2001	6/30/2002	9/30/2002	Annual Goal	% Complete
Number of Credit Unions in this Report	0	1	1	1	1		0
Assets							
Earning Assets							
<i>Loans to Members</i>							
Short Term (<=1 Year)	0	0	32,118	7,766	10,959	0	NA
Medium-Term (1-3 Years)	0	0	0	110,020	93,371	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	(642)	(2,361)	(2,207)	0	NA
Total Net Loans	0	0	31,475	115,426	102,123	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	2,259	4,792	5,238	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	2,259	4,792	5,238	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 Investments	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	2,259	4,792	5,238	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	356,061	191,935	212,698	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	356,061	191,935	212,698	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 Investments	0	0	0	0	0	0	NA
InterBranch Investments	0	0	161,701	261,096	246,136	0	NA
Total Regulated Financial Investments	0	0	161,701	261,096	246,136	0	NA
Financial Investments Allowances	0	0	(7,121)	(3,839)	(4,254)	0	NA
Total Financial Investments	0	0	510,640	449,193	454,581	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	544,374	569,411	561,942	0	NA
Additional Loan Portfolio Information							
Delinquency Based on Outstanding Balance of Loan?	Payment	Balance	Balance	Balance	Balance	Payment	
<i>Delinquency</i>							
1 TO 12 Months	0	0	0	0	1,502	0	NA
More Than 12 Months	0	0	0	0	0	0	NA
Total Balance Of Delinquent Loans	0	0	0	0	1,502	0	NA
Loans to Members (Gross)	0	0	32,118	117,787	104,330	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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Central-Skopje

Based on USS

BALANCE SHEET

	3/31/2000	12/31/2000	12/31/2001	6/30/2002	9/30/2002	Annual Goal	% Complete
Non-Earning Assets							
<i>Liquid Assets</i>							
Cash & Equivalents	0	0	611	2,129	1,689	0	NA
Current Accounts (Checking)	0	0	7,587	26,429	10,918	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>8,198</u>	<u>28,558</u>	<u>12,607</u>	<u>0</u>	<u>NA</u>
<i>Accounts Receivable</i>							
Debtors	0	0	0	0	0	0	NA
Interest Receivable	0	0	1,762	15,471	23,021	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	(35)	(53)	(46)	0	NA
<u>Total Accounts Receivable</u>	<u>0</u>	<u>0</u>	<u>1,727</u>	<u>15,418</u>	<u>22,975</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	930	1,472	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>930</u>	<u>1,472</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
Problem Assets Allowances	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	9,925	44,906	37,053	0	NA
Total Assets	0	0	554,299	614,317	598,995	0	NA
Number Of CU Members							
Men	0	0	113	211	200	0	NA
Women	0	0	54	85	71	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>167</u>	<u>296</u>	<u>271</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 Users	0	0	167	296	271	0	NA

Central-Skopje

Based on USS

BALANCE SHEET

	3/31/2000	12/31/2000	12/31/2001	6/30/2002	9/30/2002	Annual Goal	% Complete
LIABILITIES							
INTEREST BEARING LIABILITIES							
<i>Savings Deposits</i>							
Regular Savings	0	0	883	640	691	0	NA
Term/Fixed Savings	0	0	990	2,782	4,518	0	NA
Youth Savings	0	0	0	117	176	0	NA
Special Savings	0	0	5,765	24,318	23,100	0	NA
Pledged Savings	0	0	167	419	503	0	NA
Total Savings Deposits	0	0	7,805	28,277	28,987	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	17,181	0	0	0	NA
Total External Credit	0	0	17,181	0	0	0	NA
Total Interest Bearing Liabilities	0	0	24,986	28,277	28,987	0	NA
<i>Non-Interest Bearing Liabilities</i>							
Short-Term Accounts Payable (<=30 Days)	0	0	4,603	2,083	779	0	NA
External Credit Payments (<=30 Days)	0	0	0	0	0	0	NA
Provisions (e.g. Employee Benefits)	0	0	3	0	0	0	NA
Accounting Discrepancy - Liabilities	0	0	0	0	0	0	NA
Other Liabilities	0	0	484,936	526,274	508,029	0	NA
Total Non-Interest Bearing Liabilities	0	0	489,542	528,357	508,807	0	NA
Total Liabilities	0	0	514,528	556,634	537,794	0	NA
CAPITAL							
<i>Share Capital</i>							
Mandatory Shares	0	0	4,036	7,897	6,933	0	NA
Voluntary Shares	0	0	0	0	0	0	NA
Total Member Share Capital	0	0	4,036	7,897	6,933	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	1,309	1,940	0	NA
Total Transitory Capital	0	0	0	1,309	1,940	0	NA
<i>Institutional Capital</i>							
Statutory & Legal Reserves	0	0	2,525	0	0	0	NA
Retained Earnings	0	0	10,918	24,055	23,673	0	NA
Other Reserves	0	0	0	0	0	0	NA
Donations	0	0	0	0	0	0	NA
Undistributed Losses	0	0	10,616	13,984	13,762	0	NA
YTD Net Income (Loss)	0	0	11,675	10,438	14,893	0	NA
Total Institutional Capital	0	0	35,734	48,477	52,328	0	NA
Total Capital	0	0	39,770	57,683	61,201	0	NA
Total Liabilities and Capital	0	0	554,299	614,317	598,995	0	NA

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Central-Skopje

Income Statement
Based on USS

	Annual Goal					% Complete	
	3/31/2000	12/31/2000	12/31/2001	6/30/2002	9/30/2002		
Number of Credit Unions in this Report	0	1	1	1	1	0	
INCOME							
INCOME FROM LOANS							
Interest Income from Loans	0	0	340	9,085	15,399	0	NA
Delinquent Penalty Interest Income from Loans	0	0	0	0	0	0	NA
Commissions/Fees from Loans	0	0	868	2,364	3,327	0	NA
Insurance Premiums for Loans	0	0	0	0	0	0	NA
NET LOAN INCOME	<u>0</u>	<u>0</u>	<u>1,209</u>	<u>11,448</u>	<u>18,726</u>	<u>0</u>	<u>NA</u>
Income from Liquid Investments	0	0	12,098	17,289	25,255	0	NA
Income from Financial Investments	0	0	37,254	9,858	12,880	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	50,561	38,596	56,861	0	NA
COSTS/EXPENSES							
FINANCIAL COSTS							
Interest Expense on Savings Deposits	0	0	80	987	1,695	0	NA
Insurance Premiums for Savings	0	0	896	1,204	1,921	0	NA
Taxes on Interest Paid For Savings	0	0	0	0	0	0	NA
Financial Cost - Savings Deposits	0	0	977	2,191	3,617	0	NA
Financial Cost on External Credit	0	0	0	0	0	0	NA
Financial Costs on Interbranch Leans	0	0	900	199	321	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	0	0	0	NA
TOTAL FINANCIAL COSTS	0	0	1,877	2,391	3,938	0	NA
GROSS MARGIN	0	0	48,684	36,205	52,923	0	NA
OPERATING EXPENSES							
Personnel	0	0	23,911	13,634	17,373	0	NA
Governance	0	0	1,577	873	1,625	0	NA
Marketing	0	0	1,290	373	522	0	NA
Administration	0	0	12,735	8,031	14,688	0	NA
Depreciation	0	0	0	0	0	0	NA
TOTAL OPERATING EXPENSES	0	0	39,513	22,910	34,207	0	NA
Provision for Risk Assets	0	0	(2,504)	1,548	1,883	0	NA
NET INCOME FROM OPERATIONS	0	0	11,675	11,747	16,832	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	0	0	11,675	11,747	16,832	0	NA

Based on USS

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

Number of Credit Units in this Report

P PROTECTION

Goals	31-Mar-0	31-Dec-00	31-Dec-01	30-Jun-02	30-Sep-02	Annual Goal	% Complete	
1. Loan Loss Allowances / Delinq. >12 Mo.	100%	NA	NA	NA	NA	100.00%	0.00%	NA
2. Net Loan Loss Allow. / Allow. Required for Delinq. 1-12 Mo.	100% of Goal	NA	NA	NA	NA	537.31%	0.00%	NA
3. Complete Loan Charge-Off of Delinquency > 12	Yes	NA	NA	NA	NA	Yes	0	NA
4. Annual Loan Charge-offs / Average Loan Portfolio	Minimized	NA	NA	NA	NA	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	NA	98.15%	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	NA	88.37%	0.00%	NA
2. Liquid Investments / Total Assets	Max 20 %	NA	NA	NA	NA	0.00%	0.00%	NA
3. Financial Investments / Total Assets	Max 10 %	NA	NA	NA	NA	0.00%	0.00%	NA
4. Non-Financial Investments / Total Assets	0%	NA	NA	NA	NA	0.00%	0.00%	NA
5. Savings Deposits / Total Assets	Between 70 - 80%	NA	NA	NA	NA	19.68%	0.00%	NA
6. External Credit / Total Assets	Max 5%	NA	NA	NA	NA	46.26%	0.00%	NA
7. Member Share Capital / Total Assets	Max 20 %	NA	NA	NA	NA	5.35%	0.00%	NA
8. Institutional Capital / Total Assets	Minimum 10%	NA	NA	NA	NA	-2.00%	0.00%	NA
9. Net Institutional Capital / Total Assets	Minimum 10%	NA	NA	NA	NA	-0.46%	0.00%	NA

A ASSET QUALITY

1. Total Delinquency / Gross Loan Portfolio	Less Than or Equal To 5%	NA	NA	NA	NA	1.11%	0.00%	NA
2. Non-Earning Assets / Total Assets	Less Than or Equal To 5%	NA	NA	NA	NA	11.63%	0.00%	NA
3. Net Zero Cost Funds / Non-earning. Assets	Greater Than or Equal To 100%	NA	NA	NA	NA	260.11%	0.00%	NA

R RATES OF RETURN AND COSTS (ANNUALIZED)

1. Net Loan Income / Average Net Loan Portfolio	Entrepreneurial Rate	NA	NA	NA	NA	4.58%	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	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 Deposits	Market Rates	NA	NA	NA	NA	2.41%	0.00%	NA
6. Fin Costs: External Credit / Avg. External Credit	Less Than or Equal to R5	NA	NA	NA	NA	0.00%	0.00%	NA
7. Fin Costs: Member Shares / Avg. Member Shares	Greater Than or Equal to R5	NA	NA	NA	NA	0.00%	0.00%	NA
8. Gross Margin / Average Assets	Amount Needed to Cover R9, R10	NA	NA	NA	NA	9.14%	0.00%	NA
9. Operating Expenses / Average Assets	3 -10%	NA	NA	NA	NA	2.03%	0.00%	NA
10. Provisions for Risk Assets / Average Assets	Sufficient for Estimated Losses	NA	NA	NA	NA	9.78%	0.00%	NA
11. Other Income or Expense / Average Assets	Amount Needed	NA	NA	NA	NA	0.00%	0.00%	NA
12. Net Income / Average Assets	Enough to reach the goal for E8	NA	NA	NA	NA	-2.67%	0.00%	NA

L LIQUIDITY

1. Liquid Assets - ST Payables / Total Deposits	Minimum 15%	NA	NA	NA	NA	4.33%	0.00%	NA
2. Liquidity Reserves / Total Savings Deposits	10%	NA	NA	NA	NA	0.00%	0.00%	NA
3. Non-Earning Liquid Assets / Total Assets	Less Than 1 %	NA	NA	NA	NA	6.46%	0.00%	NA

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

1. Net Loans	Sufficient to Achieve Goal in E1	NA	NA	NA	NA	NA	0.00%	NA
2. Liquid Investments	Sufficient to Achieve Goal in E2	NA	NA	NA	NA	NA	0.00%	NA
3. Financial Investments	Sufficient to Achieve Goal in E3	NA	NA	NA	NA	NA	0.00%	NA
4. Non-Financial Investments	Sufficient to Achieve Goal in E4	NA	NA	NA	NA	NA	0.00%	NA
5. Savings Deposits	Sufficient to Achieve Goal in E5	NA	NA	NA	NA	NA	0.00%	NA
6. External Credit	0%	NA	NA	NA	NA	NA	0.00%	NA
7. Member Shares	Sufficient to Achieve Goal in E7	NA	NA	NA	NA	NA	0.00%	NA
8. Institutional Capital	Sufficient to Achieve Goal in E8	NA	NA	NA	NA	NA	0.00%	NA
9. Net Institutional Capital	Sufficient to Achieve Goal in E9	NA	NA	NA	NA	NA	0.00%	NA
10. Membership	Minimum 5%	NA	NA	NA	NA	NA	0.00%	NA
11. Total Assets	More Than Inflation	NA	NA	NA	NA	NA	0.00%	NA

Inflation Rate (Annualized)

6.00%	6.00%	7.00%	7.00%	7.00%
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Bitola

Based on USS

BALANCE SHEET

	3/31/2000	12/31/2000	12/31/2001	6/30/2002	9/30/2002	Annual Goal	% Complete
Number of Credit Unions in this Report	0	0	0	0	1		0
Assets							
Earning Assets							
<i>Loans to Members</i>							
Short Term (<=1 Year)	0	0	0	0	0	0	NA
Medium-Term (1-3 Years)	0	0	0	0	35,571	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	0	(743)	0	NA
Total Net Loans	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>34,828</u>	<u>0</u>	<u>NA</u>
<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	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>NA</u>
<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 Investments	0	0	0	0	0	0	NA
Total Regulated Liquid Investments	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>NA</u>
Liquid Investments Allowances	0	0	0	0	0	0	NA
Total Liquid Investments	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>NA</u>
<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	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>NA</u>
<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 Investments	0	0	0	0	0	0	NA
InterBranch Investments	0	0	0	0	0	0	NA
Total Regulated Financial Investments	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>NA</u>
Financial Investments Allowances	0	0	0	0	0	0	NA
Total Financial Investments	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>NA</u>
<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	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>NA</u>
Total Earning Assets	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>34,828</u>	<u>0</u>	<u>NA</u>
Additional Loan Portfolio Information							
Delinquency Based on Outstanding Balance of Loan?	Payment	Payment	Payment	Payment	Balance	Payment	
Delinquency							
1 TO 12 Months	0	0	0	0	395	0	NA
More Than 12 Months	0	0	0	0	0	0	NA
Total Balance Of Delinquent Loans	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>395</u>	<u>0</u>	<u>NA</u>
Loans to Members (Gross)	0	0	0	0	35,571	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

Bitola
Based on USS

BALANCE SHEET

	3/31/2000	12/31/2000	12/31/2001	6/30/2002	9/30/2002	Annual Goal	% Complete
Non-Earning Assets							
<i>Liquid Assets</i>							
Cash & Equivalents	0	0	0	0	220	0	NA
Current Accounts (Checking)	0	0	0	0	2,327	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>0</u>	<u>2,547</u>	<u>0</u>	<u>NA</u>
<i>Accounts Receivable</i>							
Debtors	0	0	0	0	0	0	NA
Interest Receivable	0	0	0	0	2,045	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	(9)	0	NA
<u>Total Accounts Receivable</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>2,036</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
Problem Assets Allowances	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	0	4,583	0	NA
Total Assets	0	0	0	0	39,411	0	NA
Number Of CU Members							
Men	0	0	0	0	62	0	NA
Women	0	0	0	0	21	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>0</u>	<u>83</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 Users	0	0	0	0	83	0	NA

Bitola

Based on USS

BALANCE SHEET

	3/31/2000	12/31/2000	12/31/2001	6/30/2002	9/30/2002	Annual Goal	% Complete
LIABILITIES							
INTEREST BEARING LIABILITIES							
<i>Savings Deposits</i>							
Regular Savings	0	0	0	0	2	0	NA
Term/Fixed Savings	0	0	0	0	0	0	NA
Youth Savings	0	0	0	0	0	0	NA
Special Savings	0	0	0	0	7,753	0	NA
Pledged Savings	0	0	0	0	0	0	NA
Total Savings Deposits	0	0	0	0	7,755	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	18,232	0	NA
Total External Credit	0	0	0	0	18,232	0	NA
Total Interest Bearing Liabilities	0	0	0	0	25,987	0	NA
<i>Non-Interest Bearing Liabilities</i>							
Short-Term Accounts Payable (<=30 Days)	0	0	0	0	2,211	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	0	9,892	0	NA
Total Non-Interest Bearing Liabilities	0	0	0	0	12,103	0	NA
Total Liabilities	0	0	0	0	38,090	0	NA
CAPITAL							
<i>Share Capital</i>							
Mandatory Shares	0	0	0	0	2,108	0	NA
Voluntary Shares	0	0	0	0	0	0	NA
Total Member Share Capital	0	0	0	0	2,108	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	0	0	0	0	NA
YTD Net Income (Loss)	0	0	0	0	(787)	0	NA
Total Institutional Capital	0	0	0	0	-787	0	NA
Total Capital	0	0	0	0	1,321	0	NA
Total Liabilities and Capital	0	0	0	0	39,411	0	NA

Bitola

Income Statement
Based on US\$

	Annual Goal					% Complete	
	3/31/2000	12/31/2000	12/31/2001	6/30/2002	9/30/2002		
Number of Credit Unions in this Report	0	0	0	0	1	0	
INCOME							
INCOME FROM LOANS							
Interest Income from Loans	0	0	0	0	1,171	0	NA
Delinquent Penalty Interest Income from Loans	0	0	0	0	0	0	NA
Commissions/Fees from Loans	0	0	0	0	22	0	NA
Insurance Premiums for Loans	0	0	0	0	0	0	NA
<u>NET LOAN INCOME</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>1,193</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	0	1,641	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	0	0	2,834	0	NA
COSTS/EXPENSES							
FINANCIAL COSTS							
Interest Expense on Savings Deposits	0	0	0	0	140	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>0</i>	<i>140</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	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>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>140</u>	<u>0</u>	<u>NA</u>
GROSS MARGIN	0	0	0	0	2,694	0	NA
OPERATING EXPENSES							
Personnel	0	0	0	0	561	0	NA
Governance	0	0	0	0	0	0	NA
Marketing	0	0	0	0	0	0	NA
Administration	0	0	0	0	37	0	NA
Depreciation	0	0	0	0	0	0	NA
<u>TOTAL OPERATING EXPENSES</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>597</u>	<u>0</u>	<u>NA</u>
Provision for Risk Assets	0	0	0	0	2,884	0	NA
NET INCOME FROM OPERATIONS	0	0	0	0	(787)	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	0	0	0	0	(787)	0	NA

Based on USS

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

Number of Credit Unions in this Report

P PROTECTION

Goals	31-Mar-00	31-Dec-00	31-Dec-01	30-Jun-02	30-Sep-02	Annual Goal	% Complete
1. Loan Loss Allowances / Delinq. >12 Mo.	NA	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	NA	100.00%	100.00%	100.00%	162.55%	0.00%
3. Complete Loan Charge-Off of Delinquency > 12	Yes	NA	Yes	Yes	Yes	Yes	0
4. Annual Loan Charge-offs / Average Loan Portfolio	Minimized	NA	0.00%	0.00%	0.00%	0.00%	0.00%
5. Accum. Charge-Offs Recovered / Accum Charge-Offs	100%	NA	NA	NA	NA	NA	0.00%
6. Solvency	Min 100%	NA	98.35%	109.63%	117.95%	118.45%	0.00%
7. Allowance for Investment Losses/ Non-Regulated Investments	NA	NA	NA	NA	NA	NA	0.00%

E EFFECTIVE FINANCIAL STRUCTURE

1. Net Loans / Total Assets	Between 70 - 80%	NA	98.28%	97.02%	96.22%	97.89%	0.00%	NA
2. Liquid Investments / Total Assets	Max 20 %	NA	0.00%	0.00%	0.00%	0.00%	0.00%	NA
3. Financial Investments / Total Assets	Max 10 %	NA	0.00%	0.00%	0.00%	0.00%	0.00%	NA
4. Non-Financial Investments / Total Assets	0%	NA	0.00%	0.00%	0.00%	0.00%	0.00%	NA
5. Savings Deposits / Total Assets	Between 70 - 80%	NA	37.98%	37.73%	36.03%	39.50%	0.00%	NA
6. External Credit / Total Assets	Max 5%	NA	33.83%	49.00%	46.44%	39.06%	0.00%	NA
7. Member Share Capital / Total Assets	Max 20 %	NA	11.03%	5.17%	4.81%	5.14%	0.00%	NA
8. Institutional Capital / Total Assets	Minimum 10%	NA	-2.82%	2.15%	4.77%	6.47%	0.00%	NA
9. Net Institutional Capital / Total Assets	Minimum 10%	NA	-0.81%	4.13%	6.79%	7.45%	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%	4.47%	0.00%	NA
2. Non-Earning Assets / Total Assets	Less Than or Equal To 5%	NA	1.72%	2.98%	3.78%	2.11%	0.00%	NA
3. Net Zero Cost Funds / Non-earning. Assets	Greater Than or Equal To 100%	NA	1116.34%	337.66%	389.97%	804.09%	0.00%	NA

R RATES OF RETURN AND COSTS (ANNUALIZED)

1. Net Loan Income / Average Net Loan Portfolio	Entrepreneurial Rate	NA	6.34%	24.62%	26.20%	26.79%	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	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 Deposits	Market Rates	NA	4.37%	10.11%	10.84%	10.44%	0.00%	NA
6. Fin Costs: External Credit / Avg. External Credit	Less Than or Equal to R5	NA	1.60%	12.28%	11.81%	14.22%	0.00%	NA
7. Fin Costs: Member Shares / Avg. Member Shares	Greater Than or Equal to R5	NA	0.00%	0.00%	0.00%	0.00%	0.00%	NA
8. Gross Margin / Average Assets	Amount Needed to Cover R9, R10	NA	4.72%	14.40%	15.71%	15.90%	0.00%	NA
9. Operating Expenses / Average Assets	3 -10%	NA	5.51%	7.58%	6.35%	6.42%	0.00%	NA
10. Provisions for Risk Assets / Average Assets	Sufficient for Estimated Losses	NA	2.03%	2.25%	1.05%	0.99%	0.00%	NA
11. Other Income or Expense / Average Assets	Amount Needed	NA	0.00%	0.00%	0.00%	0.00%	0.00%	NA
12. Net Income / Average Assets	Enough to reach the goal for E8	NA	-2.82%	4.57%	8.32%	8.49%	0.00%	NA

L LIQUIDITY

1. Liquid Assets - ST Payables / Total Deposits	Minimum 15%	NA	-2.39%	2.86%	-1.95%	-9.10%	0.00%	NA
2. Liquidity Reserves / Total Savings Deposits	10%	NA	0.00%	0.00%	0.00%	0.00%	0.00%	NA
3. Non-Earning Liquid Assets / Total Assets	Less Than 1 %	NA	0.50%	1.87%	2.63%	0.97%	0.00%	NA

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

1. Net Loans	Sufficient to Achieve Goal in E1	NA	NA	250.95%	32.89%	32.60%	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	253.20%	27.93%	38.63%	0.00%	NA
6. External Credit	0%	NA	NA	414.90%	26.98%	4.76%	0.00%	NA
7. Member Shares	Sufficient to Achieve Goal in E7	NA	NA	66.76%	24.50%	30.51%	0.00%	NA
8. Institutional Capital	Sufficient to Achieve Goal in E8	NA	NA	371.45%	197.19%	295.45%	0.00%	NA
9. Net Institutional Capital	Sufficient to Achieve Goal in E9	NA	NA	1912.73%	120.28%	137.12%	0.00%	NA
10. Membership	Minimum 5%	NA	NA	63.70%	16.33%	23.39%	0.00%	NA
11. Total Assets	More Than Inflation	NA	NA	255.53%	33.99%	31.42%	0.00%	NA
Inflation Rate (Annualized)		6.00%	6.00%	7.00%	7.00%	7.00%		

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Based on US\$

BALANCE SHEET

	3/31/2000	12/31/2000	12/31/2001	6/30/2002	9/30/2002	Annual Goal	% Complete
Number of Credit Unions in this Report	0	1	1	1	1		0
Assets							
Earning Assets							
<i>Loans to Members</i>							
Short Term (<=1 Year)	0	67,842	238,087	16,840	17,117	0	NA
Medium-Term (1-3 Years)	0	0	0	299,731	300,346	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	(1,357)	(4,762)	(6,513)	(8,070)	0	NA
Total Net Loans	0	66,485	233,326	310,059	309,393	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 Investments	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 Investments	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	0	66,485	233,326	310,059	309,393	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	14,184	0	NA
More Than 12 Months	0	0	0	0	0	0	NA
Total Balance Of Delinquent Loans	0	0	0	0	14,184	0	NA
Loans to Members (Gross)	0	67,842	238,087	316,572	317,463	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 USS

BALANCE SHEET

	3/31/2000	12/31/2000	12/31/2001	6/30/2002	9/30/2002	Annual Goal	% Complete
Non-Earning Assets							
<i>Liquid Assets</i>							
Cash & Equivalents	0	125	834	5,194	2,729	0	NA
Current Accounts (Checking)	0	211	3,661	3,285	330	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>336</u>	<u>4,495</u>	<u>8,479</u>	<u>3,060</u>	<u>0</u>	<u>NA</u>
<i>Accounts Receivable</i>							
Debtors	0	0	0	0	0	0	NA
Interest Receivable	0	842	2,735	3,784	3,746	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)	(55)	(74)	(131)	0	NA
<u>Total Accounts Receivable</u>	<u>0</u>	<u>825</u>	<u>2,681</u>	<u>3,710</u>	<u>3,615</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
Problem Assets Allowances	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	1,161	7,175	12,189	6,675	0	NA
Total Assets	0	67,646	240,501	322,248	316,068	0	NA
Number Of CU Members							
Men	0	282	431	486	517	0	NA
Women	0	21	65	91	95	0	NA
Gender not Reported	0	0	0	0	0	0	NA
<u>Total Number Of Members</u>	<u>0</u>	<u>303</u>	<u>496</u>	<u>577</u>	<u>612</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 Users	0	303	496	577	612	0	NA

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Based on US\$

BALANCE SHEET

	3/31/2000	12/31/2000	12/31/2001	6/30/2002	9/30/2002	Annual Goal	% Complete
LIABILITIES							
INTEREST BEARING LIABILITIES							
<i>Savings Deposits</i>							
Regular Savings	0	22	696	3,421	1,187	0	NA
Term/Fixed Savings	0	13,426	5,846	4,994	4,618	0	NA
Youth Savings	0	0	0	307	309	0	NA
Special Savings	0	0	53,898	68,839	74,750	0	NA
Pledged Savings	0	12,246	30,310	38,540	44,946	0	NA
Total Savings Deposits	0	25,694	90,751	116,101	125,810	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	117,846	149,643	123,458	0	NA
Total External Credit	0	22,887	117,846	149,643	123,458	0	NA
Total Interest Bearing Liabilities	0	48,581	208,597	265,743	249,268	0	NA
<i>Non-Interest Bearing Liabilities</i>							
Short-Term Accounts Payable (<=30 Days)	0	951	1,904	10,746	14,511	0	NA
External Credit Payments (<=30 Days)	0	0	0	0	0	0	NA
Provisions (e.g. Employee Benefits)	0	0	23	0	0	0	NA
Accounting Discrepancy - Liabilities	0	0	0	0	0	0	NA
Other Liabilities	0	12,560	12,370	13,168	12,959	0	NA
Total Non-Interest Bearing Liabilities	0	13,511	14,296	23,914	27,470	0	NA
Total Liabilities	0	62,092	222,893	289,657	276,738	0	NA
CAPITAL							
<i>Share Capital</i>							
Mandatory Shares	0	7,458	12,438	15,485	16,232	0	NA
Voluntary Shares	0	0	0	0	0	0	NA
Total Member Share Capital	0	7,458	12,438	15,485	16,232	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	1,740	2,652	0	NA
Total Transitory Capital	0	0	0	1,740	2,652	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	(1,876)	5,504	5,417	0	NA
YTD Net Income (Loss)	0	(1,905)	7,046	9,862	15,029	0	NA
Total Institutional Capital	0	-1,905	5,170	15,366	20,446	0	NA
Total Capital	0	5,554	17,608	32,590	39,330	0	NA
Total Liabilities and Capital	0	67,646	240,501	322,248	316,068	0	NA

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Income Statement
Based on US\$

	Annual Goal					% Complete	
	3/31/2000	12/31/2000	12/31/2001	6/30/2002	9/30/2002		
Number of Credit Unions in this Report	0	1	1	1	1	0	
INCOME							
INCOME FROM LOANS							
Interest Income from Loans	0	4,075	33,308	31,068	48,421	0	NA
Delinquent Penalty Interest Income from Loans	0	0	0	0	0	0	NA
Commissions/Fees from Loans	0	138	3,595	4,229	5,953	0	NA
Insurance Premiums for Loans	0	0	0	0	0	0	NA
NET LOAN INCOME	<u>0</u>	<u>4,212</u>	<u>36,903</u>	<u>35,298</u>	<u>54,374</u>	<u>0</u>	<u>NA</u>
Income from Liquid Investments	0	472	0	0	0	0	NA
Income from Financial Investments	0	0	31	150	216	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	2	8	0	NA
Gross Income	0	4,684	36,934	35,450	54,598	0	NA
COSTS/EXPENSES							
FINANCIAL COSTS							
Interest Expense on Savings Deposits	0	1,123	5,886	5,561	8,452	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	0	1,123	5,886	5,561	8,452	0	NA
Financial Cost on External Credit	0	367	0	0	0	0	NA
Financial Costs on Interbranch Leans	0	0	8,639	7,834	12,833	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	226	132	223	0	NA
TOTAL FINANCIAL COSTS	<u>0</u>	<u>1,490</u>	<u>14,751</u>	<u>13,527</u>	<u>21,508</u>	<u>0</u>	<u>NA</u>
GROSS MARGIN	0	3,194	22,183	21,924	33,091	0	NA
OPERATING EXPENSES							
Personnel	0	3,397	7,960	5,332	8,128	0	NA
Governance	0	0	0	0	0	0	NA
Marketing	0	25	158	205	263	0	NA
Administration	0	304	3,555	3,325	4,966	0	NA
Depreciation	0	0	0	0	0	0	NA
TOTAL OPERATING EXPENSES	<u>0</u>	<u>3,725</u>	<u>11,674</u>	<u>8,862</u>	<u>13,358</u>	<u>0</u>	<u>NA</u>
Provision for Risk Assets	0	1,374	3,464	1,460	2,052	0	NA
NET INCOME FROM OPERATIONS	0	(1,905)	7,046	11,602	17,681	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	(1,905)	7,046	11,602	17,681	0	NA

Based on USS

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

	Goals	31-Mar-00	31-Dec-00	31-Dec-01	30-Jun-02	30-Sep-02	Annual	
							Goal	% Complete
Number of Credit Unions in this Report							0	
P PROTECTION								
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%	1308.72%	0.00%	NA
3. Complete Loan Charge-Off of Delinquency > 12	Yes	NA	NA	Yes	Yes	Yes	0	NA
4. Annual Loan Charge-offs / Average Loan Portfolio	Minimized	NA	NA	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%	NA	NA	90.25%	100.80%	103.94%	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	50.14%	94.33%	92.53%	0.00%	NA
2. Liquid Investments / Total Assets	Max 20 %	NA	NA	0.00%	0.00%	0.00%	0.00%	NA
3. Financial Investments / Total Assets	Max 10 %	NA	NA	47.71%	0.00%	0.00%	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	13.54%	29.95%	35.17%	0.00%	NA
6. External Credit / Total Assets	Max 5%	NA	NA	0.00%	48.12%	43.59%	0.00%	NA
7. Member Share Capital / Total Assets	Max 20 %	NA	NA	15.52%	7.04%	6.68%	0.00%	NA
8. Institutional Capital / Total Assets	Minimum 10%	NA	NA	-3.86%	-1.63%	-0.19%	0.00%	NA
9. Net Institutional Capital / Total Assets	Minimum 10%	NA	NA	-2.84%	0.30%	1.65%	0.00%	NA
A ASSET QUALITY								
1. Total Delinquency / Gross Loan Portfolio	Less Than or Equal To 5%	NA	NA	0.00%	0.00%	0.46%	0.00%	NA
2. Non-Earning Assets / Total Assets	Less Than or Equal To 5%	NA	NA	2.15%	5.67%	7.47%	0.00%	NA
3. Net Zero Cost Funds / Non-earning. Assets	Greater Than or Equal To 100%	NA	NA	3354.61%	296.46%	219.63%	0.00%	NA
R RATES OF RETURN AND COSTS (ANNUALIZED)								
1. Net Loan Income / Average Net Loan Portfolio	Entrepreneurial Rate	NA	NA	2.38%	36.86%	36.96%	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	0.31%	1.01%	0.66%	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 Deposits	Market Rates	NA	NA	2.81%	10.64%	10.63%	0.00%	NA
6. Fin Costs: External Credit / Avg. External Credit	Less Than or Equal to R5	NA	NA	NA	15.47%	17.35%	0.00%	NA
7. Fin Costs: Member Shares / Avg. Member Shares	Greater Than or Equal to R5	NA	NA	0.00%	0.00%	0.00%	0.00%	NA
8. Gross Margin / Average Assets	Amount Needed to Cover R9, R10	NA	NA	0.96%	23.31%	22.37%	0.00%	NA
9. Operating Expenses / Average Assets	3 -10%	NA	NA	3.79%	20.40%	17.09%	0.00%	NA
10. Provisions for Risk Assets / Average Assets	Sufficient for Estimated Losses	NA	NA	1.03%	6.01%	4.31%	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	-3.86%	-3.10%	0.97%	0.00%	NA
L LIQUIDITY								
1. Liquid Assets - ST Payables / Total Deposits	Minimum 15%	NA	NA	4.08%	5.93%	9.14%	0.00%	NA
2. Liquidity Reserves / Total Savings Deposits	10%	NA	NA	0.00%	0.00%	0.00%	0.00%	NA
3. Non-Earning Liquid Assets / Total Assets	Less Than 1 %	NA	NA	1.89%	4.45%	6.40%	0.00%	NA
S SIGNS OF GROWTH (YEAR-TO-DATE GROWTH RATES)								
1. Net Loans	Sufficient to Achieve Goal in E1	NA	NA	NA	962.19%	1128.18%	0.00%	NA
2. Liquid Investments	Sufficient to Achieve Goal in E2	NA	NA	NA	0.00%	0.00%	0.00%	NA
3. Financial Investments	Sufficient to Achieve Goal in E3	NA	NA	NA	-100.00%	-100.00%	0.00%	NA
4. Non-Financial Investments	Sufficient to Achieve Goal in E4	NA	NA	NA	0.00%	0.00%	0.00%	NA
5. Savings Deposits	Sufficient to Achieve Goal in E5	NA	NA	NA	1148.92%	1628.50%	0.00%	NA
6. External Credit	0%	NA	NA	NA	100.00%	100.00%	0.00%	NA
7. Member Shares	Sufficient to Achieve Goal in E7	NA	NA	NA	155.96%	186.38%	0.00%	NA
8. Institutional Capital	Sufficient to Achieve Goal in E8	NA	NA	NA	-138.85%	67.10%	0.00%	NA
9. Net Institutional Capital	Sufficient to Achieve Goal in E9	NA	NA	NA	158.87%	486.74%	0.00%	NA
10. Membership	Minimum 5%	NA	NA	NA	127.78%	160.00%	0.00%	NA
11. Total Assets	More Than Inflation	NA	NA	NA	464.64%	565.52%	0.00%	NA
Inflation Rate (Annualized)		6.00%	6.00%	7.00%	7.00%	7.00%		

Kavadarci
Based on USS

BALANCE SHEET

	3/31/2000	12/31/2000	12/31/2001	6/30/2002	9/30/2002	Annual Goal	% Complete
Number of Credit Unions in this Report	0	1	1	1	1		0
Assets							
Earning Assets							
<i>Loans to Members</i>							
Short Term (<=1 Year)	0	0	7,161	76,064	88,043	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	(143)	(1,523)	(1,854)	0	NA
Total Net Loans	0	0	7,018	74,541	86,189	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 Investments	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 Investments	0	0	0	0	0	0	NA
InterBranch Investments	0	0	6,678	0	0	0	NA
Total Regulated Financial Investments	0	0	6,678	0	0	0	NA
Financial Investments Allowances	0	0	0	0	0	0	NA
Total Financial Investments	0	0	6,678	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	0	0	13,695	74,541	86,189	0	NA
Additional Loan Portfolio Information							
Delinquency Based on Outstanding Balance of Loan?	Payment	Balance	Balance	Balance	Balance	Payment	
Delinquency							
1 TO 12 Months	0	0	0	0	405	0	NA
More Than 12 Months	0	0	0	0	0	0	NA
Total Balance Of Delinquent Loans	0	0	0	0	405	0	NA
Loans to Members (Gross)	0	0	7,161	76,064	88,043	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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Kavadarci
Based on USS

BALANCE SHEET

	3/31/2000	12/31/2000	12/31/2001	6/30/2002	9/30/2002	Annual Goal	% Complete
Non-Earning Assets							
<i>Liquid Assets</i>							
Cash & Equivalents	0	0	164	151	1,333	0	NA
Current Accounts (Checking)	0	0	100	3,364	4,626	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>264</u>	<u>3,515</u>	<u>5,959</u>	<u>0</u>	<u>NA</u>
<i>Accounts Receivable</i>							
Debtors	0	0	0	0	0	0	NA
Interest Receivable	0	0	37	893	1,018	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	91	0	0	NA
Receivable Loss Allowances	0	0	(1)	(18)	(24)	0	NA
<u>Total Accounts Receivable</u>	<u>0</u>	<u>0</u>	<u>36</u>	<u>967</u>	<u>994</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
Problem Assets Allowances	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	300	4,482	6,953	0	NA
Total Assets	0	0	13,995	79,023	93,142	0	NA
Number Of CU Members							
Men	0	0	60	112	130	0	NA
Women	0	0	30	93	104	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>20</u>	<u>205</u>	<u>234</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 Users	0	0	90	205	234	0	NA

	3/31/2000	12/31/2000	12/31/2001	6/30/2002	9/30/2002	Annual Goal	% Complete
LIABILITIES							
INTEREST BEARING LIABILITIES							
<i>Savings Deposits</i>							
Regular Savings	0	0	0	176	287	0	NA
Term/Fixed Savings	0	0	0	0	10,243	0	NA
Youth Savings	0	0	0	555	490	0	NA
Special Savings	0	0	1,895	22,936	21,739	0	NA
Pledged Savings	0	0	0	0	0	0	NA
Total Savings Deposits	0	0	1,895	23,667	32,761	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	38,030	40,601	0	NA
Total External Credit	0	0	0	38,030	40,601	0	NA
Total Interest Bearing Liabilities	0	0	1,895	61,697	73,361	0	NA
<i>Non-Interest Bearing Liabilities</i>							
Short-Term Accounts Payable (<=30 Days)	0	0	187	2,111	2,966	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	10,281	10,944	10,770	0	NA
Total Non-Interest Bearing Liabilities	0	0	10,468	13,055	13,737	0	NA
Total Liabilities	0	0	12,363	74,752	87,098	0	NA
CAPITAL							
<i>Share Capital</i>							
Mandatory Shares	0	0	2,173	5,561	6,222	0	NA
Voluntary Shares	0	0	0	0	0	0	NA
Total Member Share Capital	0	0	2,173	5,561	6,222	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	0	(575)	(566)	0	NA
YTD Net Income (Loss)	0	0	(540)	(715)	388	0	NA
Total Institutional Capital	0	0	-540	-1,290	-178	0	NA
Total Capital	0	0	1,633	4,271	6,045	0	NA
Total Liabilities and Capital	0	0	13,995	79,023	93,142	0	NA

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Kavadarci

Income Statement

Based on USS

	Annual Goal					% Complete
	3/31/2000	12/31/2000	12/31/2001	6/30/2002	9/30/2002	
Number of Credit Unions in this Report	0	1	1	1	1	0
INCOME						
INCOME FROM LOANS						
Interest Income from Loans	0	0	85	5,577	10,408	0 NA
Delinquent Penalty Interest Income from Loans	0	0	0	0	0	0 NA
Commissions/Fees from Loans	0	0	82	1,876	2,477	0 NA
Insurance Premiums for Loans	0	0	0	0	0	0 NA
NET LOAN INCOME	<u>0</u>	<u>0</u>	<u>167</u>	<u>7,453</u>	<u>12,884</u>	<u>0</u> <u>NA</u>
Income from Liquid Investments	0	0	0	0	0	0 NA
Income from Financial Investments	0	0	21	17	16	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	40	74	0 NA
Gross Income	0	0	188	7,510	12,975	0 NA
COSTS/EXPENSES						
FINANCIAL COSTS						
Interest Expense on Savings Deposits	0	0	53	674	1,378	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>53</i>	<i>674</i>	<i>1,378</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	1,459	2,635	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>53</u>	<u>2,133</u>	<u>4,013</u>	<u>0</u> <u>NA</u>
GROSS MARGIN	0	0	135	5,377	8,962	0 NA
OPERATING EXPENSES						
Personnel	0	0	441	2,844	4,180	0 NA
Governance	0	0	0	0	0	0 NA
Marketing	0	0	0	0	0	0 NA
Administration	0	0	90	1,860	2,668	0 NA
Depreciation	0	0	0	0	0	0 NA
TOTAL OPERATING EXPENSES	<u>0</u>	<u>0</u>	<u>530</u>	<u>4,705</u>	<u>6,848</u>	<u>0</u> <u>NA</u>
Provision for Risk Assets	0	0	145	1,387	1,727	0 NA
NET INCOME FROM OPERATIONS	0	0	(540)	(715)	388	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	(540)	(715)	388	0 NA

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Murtino

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

Based on USS

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

	Goals	31-Mar-01	31-Dec-00	31-Dec-01	30-Jun-02	30-Sep-02	Annual Goal	% Complete
Number of Credit Unions in this Report								
		1	1	1	1	1	0	
P PROTECTION								
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%	140.37%	0.00%	NA
3. Complete Loan Charge-Off of Delinquency > 12	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%	83.18%	46.67%	89.76%	96.16%	95.15%	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%	94.63%	92.75%	92.96%	0.00%	NA
2. Liquid Investments / Total Assets	Max 20 %	89.43%	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%	47.21%	40.08%	48.81%	37.55%	43.43%	0.00%	NA
6. External Credit / Total Assets	Max 5%	9.39%	0.00%	40.76%	47.84%	37.41%	0.00%	NA
7. Member Share Capital / Total Assets	Max 20 %	50.07%	21.45%	8.04%	7.77%	9.22%	0.00%	NA
8. Institutional Capital / Total Assets	Minimum 10%	10.52%	-32.85%	-8.08%	-4.22%	-3.86%	0.00%	NA
9. Net Institutional Capital / Total Assets	Minimum 10%	10.52%	-32.81%	-5.82%	-2.03%	-3.01%	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%	6.25%	0.00%	NA
2. Non-Earning Assets / Total Assets	Less Than or Equal To 5%	10.57%	9.35%	5.37%	7.25%	7.04%	0.00%	NA
3. Net Zero Cost Funds / Non-earning. Assets	Greater Than or Equal To 100%	191.35%	411.70%	86.42%	124.72%	155.09%	0.00%	NA
R RATES OF RETURN AND COSTS (ANNUALIZED)								
1. Net Loan Income / Average Net Loan Portfolio	Entrepreneurial Rate	NA	4.25%	18.89%	29.14%	30.80%	0.00%	NA
2. Liquid Inv. Income / Avg. Liquid Investments	Market Rates	13.87%	7.56%	0.00%	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 Deposits	Market Rates	14.70%	8.00%	5.13%	9.02%	9.08%	0.00%	NA
6. Fin Costs: External Credit / Avg. External Credit	Less Than or Equal to R5	0.00%	NA	7.04%	13.90%	16.24%	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	5.46%	3.59%	11.02%	17.37%	18.56%	0.00%	NA
9. Operating Expenses / Average Assets	3 -10%	59.47%	35.26%	12.87%	11.38%	12.11%	0.00%	NA
10. Provisions for Risk Assets / Average Assets	Sufficient for Estimated Losses	0.00%	0.03%	3.95%	1.35%	1.50%	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	-54.01%	-31.70%	-5.80%	4.63%	-4.66%	0.00%	NA
L LIQUIDITY								
1. Liquid Assets - ST Payables / Total Deposits	Minimum 15%	201.40%	240.50%	8.97%	7.10%	1.40%	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 %	7.47%	9.33%	4.75%	6.17%	5.91%	0.00%	NA
S SIGNS OF GROWTH (YEAR-TO-DATE GROWTH RATES)								
1. Net Loans	Sufficient to Achieve Goal in E1	NA	NA	39215.97%	43.81%	28.47%	0.00%	NA
2. Liquid Investments	Sufficient to Achieve Goal in E2	NA	NA	-100.00%	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	729.44%	12.87%	16.58%	0.00%	NA
6. External Credit	0%	NA	NA	100.00%	72.20%	20.02%	0.00%	NA
7. Member Shares	Sufficient to Achieve Goal in E7	NA	NA	155.43%	41.64%	49.93%	0.00%	NA
8. Institutional Capital	Sufficient to Achieve Goal in E8	NA	NA	-67.50%	23.36%	37.53%	0.00%	NA
9. Net Institutional Capital	Sufficient to Achieve Goal in E9	NA	NA	-20.85%	48.85%	32.34%	0.00%	NA
10. Membership	Minimum 5%	NA	NA	151.15%	33.43%	43.77%	0.00%	NA
11. Total Assets	More Than Inflation	NA	NA	581.08%	46.72%	30.78%	0.00%	NA
Inflation Rate (Annualized)		6.00%	6.00%	7.00%	7.00%	7.00%		

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Murtino

Based on USS

BALANCE SHEET

	3/31/2000	12/31/2000	12/31/2001	6/30/2002	9/30/2002	Annual Goal	% Complete
Number of Credit Unions in this Report	1	1	1	1	1	1	0
Assets							
Earning Assets							
<i>Loans to Members</i>							
Short Term (<=1 Year)	0	251	99,197	33,423	24,247	0	NA
Medium-Term (1-3 Years)	0	0	0	109,203	104,165	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)	(2,310)	(3,290)	(3,941)	0	NA
Total Net Loans	0	246	96,887	139,336	124,470	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	5,273	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	5,273	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 Investments	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	5,273	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 Investments	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	5,273	13,627	96,887	139,336	124,470	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	8,021	0	NA
More Than 12 Months	0	0	0	0	0	0	NA
Total Balance Of Delinquent Loans	0	0	0	0	8,021	0	NA
Loans to Members (Gross)	0	251	99,197	142,626	128,411	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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Murtino
Based on USS

BALANCE SHEET

	3/31/2000	12/31/2000	12/31/2001	6/30/2002	9/30/2002	Annual Goal	% Complete
Non-Earning Assets							
<i>Liquid Assets</i>							
Cash & Equivalents	381	108	677	1,260	4,174	0	NA
Current Accounts (Checking)	60	1,295	4,188	8,012	3,736	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>441</u>	<u>1,403</u>	<u>4,864</u>	<u>9,272</u>	<u>7,910</u>	<u>0</u>	<u>NA</u>
<i>Accounts Receivable</i>							
Debtors	0	0	0	0	0	0	NA
Interest Receivable	182	3	652	1,646	1,600	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	3	3	0	NA
Receivable Loss Allowances	0	0	(13)	(30)	(82)	0	NA
<u>Total Accounts Receivable</u>	<u>182</u>	<u>3</u>	<u>638</u>	<u>1,619</u>	<u>1,522</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
Problem Assets Allowances	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	623	1,406	5,503	10,891	9,432	0	NA
Total Assets	5,896	15,033	102,389	150,228	133,903	0	NA
Number Of CU Members							
Men	115	128	255	342	369	0	NA
Women	4	3	74	97	104	0	NA
Gender not Reported	0	0	0	0	0	0	NA
<u>Total Number Of Members</u>	<u>119</u>	<u>131</u>	<u>329</u>	<u>439</u>	<u>473</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 Users	119	131	329	439	473	0	NA

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Murtino
Based on US\$

BALANCE SHEET

	3/31/2000	12/31/2000	12/31/2001	6/30/2002	9/30/2002	Annual Goal	% Complete
LIABILITIES							
INTEREST BEARING LIABILITIES							
<i>Savings Deposits</i>							
Regular Savings	93	17	1,539	800	629	0	NA
Term/Fixed Savings	2,690	6,008	588	2,147	2,898	0	NA
Youth Savings	0	0	119	165	295	0	NA
Special Savings	0	0	47,729	53,291	54,338	0	NA
Pledged Savings	0	0	0	0	0	0	NA
Total Savings Deposits	2,783	6,025	49,974	56,404	58,160	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	553	0	0	0	0	0	NA
InterBranch Loans	0	0	41,733	71,863	50,088	0	NA
Total External Credit	553	0	41,733	71,863	50,088	0	NA
Total Interest Bearing Liabilities	3,337	6,025	91,707	128,267	108,247	0	NA
<i>Non-Interest Bearing Liabilities</i>							
Short-Term Accounts Payable (<=30 Days)	108	294	383	5,266	7,097	0	NA
External Credit Payments (<=30 Days)	0	0	0	0	0	0	NA
Provisions (e.g. Employee Benefits)	363	0	64	0	0	0	NA
Accounting Discrepancy - Liabilities	0	0	0	0	0	0	NA
Other Liabilities	101	10,428	10,270	10,933	10,759	0	NA
Total Non-Interest Bearing Liabilities	572	10,722	10,717	16,198	17,856	0	NA
Total Liabilities	3,908	16,747	102,424	144,466	126,103	0	NA
CAPITAL							
<i>Share Capital</i>							
Mandatory Shares	2,952	3,225	8,237	11,666	12,349	0	NA
Voluntary Shares	0	0	0	0	0	0	NA
Total Member Share Capital	2,952	3,225	8,237	11,666	12,349	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	435	617	0	NA
Total Transitory Capital	0	0	0	435	617	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	(173)	(172)	(4,863)	(8,805)	(8,665)	0	NA
YTD Net Income (Loss)	794	(4,766)	(3,408)	2,466	3,498	0	NA
Total Institutional Capital	620	-4,938	-8,271	-6,339	-5,167	0	NA
Total Capital	3,572	-1,713	-35	5,762	7,800	0	NA
Total Liabilities and Capital	7,481	15,033	102,389	150,228	133,903	0	NA

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Murtino

Income Statement
Based on USS

	Annual Goal					% Complete	
	3/31/2000	12/31/2000	12/31/2001	6/30/2002	9/30/2002		
Number of Credit Unions in this Report	1	1	1	1	1	0	
INCOME							
INCOME FROM LOANS							
Interest Income from Loans	0	10	6,923	15,037	22,917	0	NA
Delinquent Penalty Interest Income from Loans	0	0	0	0	0	0	NA
Commissions/Fees from Loans	0	1	2,253	2,032	2,576	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>9,176</u>	<u>17,069</u>	<u>25,493</u>	<u>0</u>	<u>NA</u>
Income from Liquid Investments	182	1,012	0	0	0	0	NA
Income from Financial Investments	0	0	194	0	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	4	102	157	0	NA
Gross Income	182	1,022	9,374	17,171	25,650	0	NA
COSTS/EXPENSES							
FINANCIAL COSTS							
Interest Expense on Savings Deposits	102	482	1,437	2,380	3,670	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>102</i>	<i>482</i>	<i>1,437</i>	<i>2,380</i>	<i>3,670</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	1,469	3,914	5,577	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>102</u>	<u>482</u>	<u>2,905</u>	<u>6,294</u>	<u>9,247</u>	<u>0</u>	<u>NA</u>
GROSS MARGIN	80	540	6,468	10,878	16,403	0	NA
OPERATING EXPENSES							
Personnel	722	4,670	5,617	4,000	6,571	0	NA
Governance	0	0	0	0	0	0	NA
Marketing	0	86	81	27	47	0	NA
Administration	152	546	1,861	3,103	4,080	0	NA
Depreciation	0	0	0	0	0	0	NA
<u>TOTAL OPERATING EXPENSES</u>	<u>874</u>	<u>5,301</u>	<u>7,558</u>	<u>7,130</u>	<u>10,698</u>	<u>0</u>	<u>NA</u>
Provision for Risk Assets	0	5	2,318	847	1,589	0	NA
NET INCOME FROM OPERATIONS	(794)	(4,766)	(3,408)	2,901	4,116	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	(794)	(4,766)	(3,408)	2,901	4,116	0	NA

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

Based on USS

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

	Goals	Annual					Goal	% Complete
		31-Mar-01	31-Dec-00	31-Dec-01	30-Jun-02	30-Sep-02		
Number of Credit Unions in this Report								
P PROTECTION								
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%	154.35%	0.00%	NA
3. Complete Loan Charge-Off of Delinquency > 12	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%	93.79%	42.13%	23.50%	21.18%	26.45%	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%	3.87%	28.88%	87.67%	88.02%	0.00%	NA
2. Liquid Investments / Total Assets	Max 20 %	83.68%	92.64%	0.00%	0.00%	0.00%	0.00%	NA
3. Financial Investments / Total Assets	Max 10 %	0.00%	0.00%	52.45%	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%	9.62%	18.63%	46.79%	51.84%	35.98%	0.00%	NA
6. External Credit / Total Assets	Max 5%	0.00%	0.00%	0.00%	8.30%	42.44%	0.00%	NA
7. Member Share Capital / Total Assets	Max 20 %	90.38%	22.94%	30.11%	29.58%	19.42%	0.00%	NA
8. Institutional Capital / Total Assets	Minimum 10%	-6.21%	-24.14%	-59.41%	-65.99%	-41.49%	0.00%	NA
9. Net Institutional Capital / Total Assets	Minimum 10%	-6.21%	-24.06%	-58.83%	-64.17%	-40.74%	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%	4.35%	0.00%	NA
2. Non-Earning Assets / Total Assets	Less Than or Equal To 5%	16.32%	3.50%	18.67%	12.33%	11.98%	0.00%	NA
3. Net Zero Cost Funds / Non-earning. Assets	Greater Than or Equal To 100%	0.00%	1673.17%	126.90%	98.17%	24.27%	0.00%	NA
R RATES OF RETURN AND COSTS (ANNUALIZED)								
1. Net Loan Income / Average Net Loan Portfolio	Entrepreneurial Rate	NA	5.70%	27.01%	33.56%	30.06%	0.00%	NA
2. Liquid Inv. Income / Avg. Liquid Investments	Market Rates	0.00%	5.93%	0.00%	NA	NA	0.00%	NA
3. Fin. Investment Income / Avg. Fin. Investments	Market Rates	NA	NA	16.35%	8.83%	6.11%	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 Deposits	Market Rates	109.04%	8.56%	13.85%	11.57%	10.17%	0.00%	NA
6. Fin Costs: External Credit / Avg. External Credit	Less Than or Equal to R5	NA	NA	NA	0.00%	0.00%	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	-10.49%	4.12%	4.12%	16.76%	17.62%	0.00%	NA
9. Operating Expenses / Average Assets	3 -10%	14.43%	28.18%	38.42%	40.66%	32.13%	0.00%	NA
10. Provisions for Risk Assets / Average Assets	Sufficient for Estimated Losses	0.00%	0.08%	0.51%	2.80%	-3.34%	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	-24.93%	-24.14%	-34.80%	-26.71%	-19.35%	0.00%	NA
L LIQUIDITY								
1. Liquid Assets - ST Payables / Total Deposits	Minimum 15%	1011.95%	501.66%	34.93%	12.94%	22.75%	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 %	16.32%	3.46%	18.52%	10.32%	10.35%	0.00%	NA
S SIGNS OF GROWTH (YEAR-TO-DATE GROWTH RATES)								
1. Net Loans	Sufficient to Achieve Goal in E1	NA	NA	631.67%	257.26%	518.25%	0.00%	NA
2. Liquid Investments	Sufficient to Achieve Goal in E2	NA	NA	-100.00%	0.00%	0.00%	0.00%	NA
3. Financial Investments	Sufficient to Achieve Goal in E3	NA	NA	100.00%	-100.00%	-100.00%	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	146.09%	30.39%	55.98%	0.00%	NA
6. External Credit	0%	NA	NA	0.00%	100.00%	100.00%	0.00%	NA
7. Member Shares	Sufficient to Achieve Goal in E7	NA	NA	28.61%	15.62%	30.85%	0.00%	NA
8. Institutional Capital	Sufficient to Achieve Goal in E8	NA	NA	-141.23%	-30.71%	-41.65%	0.00%	NA
9. Net Institutional Capital	Sufficient to Achieve Goal in E9	NA	NA	-139.62%	-28.38%	-40.50%	0.00%	NA
10. Membership	Minimum 5%	NA	NA	25.66%	7.33%	23.56%	0.00%	NA
11. Total Assets	More Than Inflation	NA	NA	-2.01%	17.69%	102.84%	0.00%	NA
Inflation Rate (Annualized)		6.00%	6.00%	7.00%	7.00%	7.00%		

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Nerashte
Based on US\$

BALANCE SHEET

	3/31/2000	12/31/2000	12/31/2001	6/30/2002	9/30/2002	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	4,710	7,863	6,617	0	NA
Medium-Term (1-3 Years)	0	0	0	8,969	22,604	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)	(94)	(342)	(686)	0	NA
Total Net Loans	0	631	4,615	16,489	28,535	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	2,481	15,108	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	2,481	15,108	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 Investments	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	2,481	15,108	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 Investments	0	0	0	0	0	0	NA
InterBranch Investments	0	0	8,383	0	0	0	NA
Total Regulated Financial Investments	0	0	8,383	0	0	0	NA
Financial Investments Allowances	0	0	0	0	0	0	NA
Total Financial Investments	0	0	8,383	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	2,481	15,739	12,998	16,489	28,535	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	1,270	0	NA
More Than 12 Months	0	0	0	0	0	0	NA
Total Balance Of Delinquent Loans	0	0	0	0	1,270	0	NA
Loans to Members (Gross)	0	644	4,710	16,832	29,221	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 USS

BALANCE SHEET

	3/31/2000	12/31/2000	12/31/2001	6/30/2002	9/30/2002	Annual Goal	% Complete
Non-Earning Assets							
<i>Liquid Assets</i>							
Cash & Equivalents	484	426	691	1,149	726	0	NA
Current Accounts (Checking)	0	138	2,270	793	2,628	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>484</u>	<u>564</u>	<u>2,961</u>	<u>1,942</u>	<u>3,354</u>	<u>0</u>	<u>NA</u>
<i>Accounts Receivable</i>							
Debtors	0	0	0	0	0	0	NA
Interest Receivable	0	7	24	379	542	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)	(12)	0	NA
<u>Total Accounts Receivable</u>	<u>0</u>	<u>6</u>	<u>23</u>	<u>378</u>	<u>530</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
Problem Assets Allowances	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	484	570	2,984	2,320	3,884	0	NA
Total Assets	2,964	16,309	15,982	18,809	32,419	0	NA
Number Of CU Members							
Men	105	149	156	164	189	0	NA
Women	3	3	35	41	47	0	NA
Gender not Reported	0	0	0	0	0	0	NA
<u>Total Number Of Members</u>	<u>108</u>	<u>152</u>	<u>191</u>	<u>205</u>	<u>236</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 Users	108	152	191	205	236	0	NA

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	3/31/2000	12/31/2000	12/31/2001	6/30/2002	9/30/2002	Annual Goal	% Complete
LIABILITIES							
INTEREST BEARING LIABILITIES							
<i>Savings Deposits</i>							
Regular Savings	0	237	1,501	1,691	2,356	0	NA
Term/Fixed Savings	285	2,802	3,503	2,808	2,298	0	NA
Youth Savings	0	0	0	0	0	0	NA
Special Savings	0	0	2,473	5,252	7,009	0	NA
Pledged Savings	0	0	0	0	0	0	NA
Total Savings Deposits	285	3,039	7,478	9,750	11,664	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	1,560	13,758	0	NA
Total External Credit	0	0	0	1,560	13,758	0	NA
Total Interest Bearing Liabilities	285	3,039	7,478	11,311	25,421	0	NA
<i>Non-Interest Bearing Liabilities</i>							
Short-Term Accounts Payable (<=30 Days)	78	429	349	680	701	0	NA
External Credit Payments (<=30 Days)	0	0	0	0	0	0	NA
Provisions (e.g. Employee Benefits)	107	0	0	0	0	0	NA
Accounting Discrepancy - Liabilities	0	0	0	0	0	0	NA
Other Liabilities	0	13,037	12,839	13,668	13,451	0	NA
Total Non-Interest Bearing Liabilities	184	13,466	13,188	14,348	14,151	0	NA
Total Liabilities	469	16,504	20,666	25,658	39,573	0	NA
CAPITAL							
<i>Share Capital</i>							
Mandatory Shares	2,679	3,742	4,812	5,563	6,296	0	NA
Voluntary Shares	0	0	0	0	0	0	NA
Total Member Share Capital	2,679	3,742	4,812	5,563	6,296	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	(3,877)	(10,108)	(9,948)	0	NA
YTD Net Income (Loss)	(184)	(3,936)	(5,619)	(2,304)	(3,503)	0	NA
Total Institutional Capital	-184	-3,936	-9,496	-12,412	-13,450	0	NA
Total Capital	2,495	-195	-4,684	-6,849	-7,154	0	NA
Total Liabilities and Capital	2,964	16,309	15,982	18,809	32,419	0	NA

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Income Statement

Based on USS

	3/31/2000	12/31/2000	12/31/2001	6/30/2002	9/30/2002	Annual Goal	% Complete
Number of Credit Unions in this Report	1	1	1	1	1	0	
INCOME							
INCOME FROM LOANS							
Interest Income from Loans	0	34	568	1,324	2,815	0	NA
Delinquent Penalty Interest Income from Loans	0	0	0	0	0	0	NA
Commissions/Fees from Loans	0	2	140	432	911	0	NA
Insurance Premiums for Loans	0	0	0	0	0	0	NA
NET LOAN INCOME	<u>0</u>	<u>36</u>	<u>709</u>	<u>1,756</u>	<u>3,726</u>	<u>0</u>	<u>NA</u>
Income from Liquid Investments	0	896	0	0	0	0	NA
Income from Financial Investments	0	0	685	184	191	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	932	1,394	1,940	3,918	0	NA
COSTS/EXPENSES							
FINANCIAL COSTS							
Interest Expense on Savings Deposits	78	260	728	494	728	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	78	260	728	494	728	0	NA
Financial Cost on External Credit	0	0	0	0	0	0	NA
Financial Costs on Interbranch Leans	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
Financial Cost - Shares	0	0	0	0	0	0	NA
Other Financial Costs	0	0	0	0	0	0	NA
TOTAL FINANCIAL COSTS	78	260	728	494	728	0	NA
GROSS MARGIN	(78)	672	665	1,446	3,189	0	NA
OPERATING EXPENSES							
Personnel	107	3,873	5,181	2,805	4,249	0	NA
Governance	0	0	0	0	0	0	NA
Marketing	0	75	0	0	0	0	NA
Administration	0	648	1,021	703	1,566	0	NA
Depreciation	0	0	0	0	0	0	NA
TOTAL OPERATING EXPENSES	107	4,595	6,202	3,508	5,815	0	NA
Provision for Risk Assets	0	13	82	242	877	0	NA
NET INCOME FROM OPERATIONS	(184)	(3,936)	(5,619)	(2,304)	(3,503)	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	(184)	(3,936)	(5,619)	(2,304)	(3,503)	0	NA

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